

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Application of Southwest Gas Corporation for)	
authority to establish the Accumulated Deferred)	
Interest rate in Southern Nevada pursuant to the)	
Variable Interest Expense Recovery mechanism,)	
Unrecovered Gas Cost Expense rates, system)	
shrinkage rates, excess Imbalance Commodity and)	
Reservation Charges, Renewable Energy Program)	Docket No. 24-11005
Rates, General Revenues Adjustment rates,)	
Conservation and Energy Efficiency rates, Mesquite)	
Infrastructure Expansion Rates, Spring Creek)	
Infrastructure Expansion Rates, Contract Transition)	
Adjustment Provision rate, and establish the SGTC)	
Volumetric Charge for Southern Nevada)	
transportation customers.)	
_____)	

At a general session of the Public Utilities
Commission of Nevada, held at its offices
on April 29, 2025.

PRESENT: Chair Hayley Williamson
Commissioner Tammy Cordova
Commissioner Randy J. Brown
Assistant Commission Secretary Trisha Osborne

ORDER

The Public Utilities Commission of Nevada (“Commission”) makes the following
findings of fact and conclusions of law:

I. INTRODUCTION

On November 15, 2024, Southwest Gas Corporation (“Southwest Gas”) filed with the Commission an application, designated as Docket No. 24-11005 (the “Application”), for authority to adjust or establish the Average Variable Interest Rate (“AVIR”), the Accumulation of Deferred Interest (“ADI”) rate in Southern Nevada pursuant to the Variable Interest Expense Recovery (“VIER”) mechanism, Unrecovered Gas Cost Expense (“UGCE”) rates, system shrinkage rates, excess Imbalance Commodity and Reservation Charges, Renewable Energy Program Rates (“REPR”), General Revenues Adjustment (“GRA”) rates, Conservation and Energy Efficiency (“CEE”) rates, Mesquite Infrastructure Expansion Rates (“IERs”), Spring Creek IERs, Contract Transition Adjustment Provision (“CTAP”) rate, and establish the Southwest Gas Transmission Company (“SGTC”) Volumetric Charge for Southern Nevada transportation customers who schedule natural gas deliveries through SGTC.

On April 1, 2025, Southwest Gas, the Nevada Bureau of Consumer Protection (“BCP”) and the Regulatory Operations Staff of the Commission (“Staff”) (collectively, the “Signatories”) filed a stipulated agreement (“Stipulation”) resolving all issues in this Docket.

II. SUMMARY

The Commission accepts the Stipulation, attached as Attachment A, and grants Southwest Gas’s Application in this Docket as modified by the Stipulation.

III. PROCEDURAL HISTORY

- On November 15, 2024, Southwest Gas filed the Application.
- Southwest Gas filed the Application pursuant to the Nevada Revised Statutes (“NRS”) and the Nevada Administrative Code (“NAC”) Chapters 703 and 704, including, but not limited to, NRS 704.110 and NAC 701B.245, 703.535, 704.116, and 704.953 through 704.9718.
- Staff participates as a matter of right pursuant to NRS 703.301.
- On November 25, 2024, the Commission issued a Notice of Application and Notice of Prehearing Conference.
- On December 6, 2024, BCP filed a Notice of Intent to Intervene pursuant to Chapter 228 of the NRS.
- On December 20, 2024, the Presiding Officer held a prehearing conference. The Signatories made appearances. A procedural schedule and discovery procedures were discussed.
- On December 24, 2024, the Presiding Officer issued a procedural order establishing a procedural schedule. On this same day, the Presiding Officer issued a Notice of Hearing.
- On December 27, 2024, the Commission issued a Notice of Consumer Session.
- On March 11, 2025, the Presiding Officer held a consumer session.
- On March 25, 2025, the Presiding Officer held a continued prehearing conference. The Signatories all made appearances. The Stipulation was discussed.
- On April 1, 2025, the Signatories filed the Stipulation. On this same day, the Presiding Officer held a continued prehearing conference. The Signatories appeared and presented the Stipulation that resolved all issues in this Docket.

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IV. STIPULATION

Signatories' Position

1. The Signatories agree that through this Stipulation, Southwest Gas has met its compliance obligations set forth in paragraphs 91-93 in Docket No. 17-11008 and therefore request the Commission approve setting the Southern Nevada IER to \$0.00000 per therm and the Mesquite IER to \$0.05000 per therm, to remain in effect until October 1, 2029. (Stipulation at 3-4, 7.).

2. The Signatories agree that Staff did not discover any of Southwest Gas's recorded costs of gas purchases and gas procurement practices were unreasonable or imprudent during the test period. (*Id.* at 5.) The Signatories agree however that BCP contends that it did find \$354,699.14 of Southwest Gas's recorded costs in the Southern Nevada rate jurisdiction for demand charges from city-gate firm index contracts in the shoulder months to be imprudent, but BCP is not currently contesting these recorded costs due to prior Commission orders on this issue. (*Id.*)

3. The Signatories agree that Staff did not discover any of Southwest Gas's recorded costs of gas transportation contracts during the test period to be unreasonable or imprudent. (*Id.*) The Signatories agree however that BCP contends that \$4,673,763.94 in the Northern Nevada rate jurisdiction and \$1,536,391.00 in the Southern Nevada rate jurisdiction of Southwest Gas's recorded costs of gas transportation contracts were imprudent during the test period, but BCP is not currently contesting these costs due to prior Commission orders on this issue. (*Id.* at 5-6.)

4. The Signatories agree that Southwest Gas's proposed AVIR of \$0.00057 per therm in Southern Nevada, as it relates to the VIER mechanism, should be approved. (*Id.* at 6.)

5. The Signatories agree that Southwest Gas's proposed ADI rate of \$0.01477 per therm in Southern Nevada, as it relates to the VIER mechanism, should be approved. (*Id.*)

6. The Signatories agree that Southwest Gas's proposed UGCE rates of \$0.02852 per therm in Southern Nevada and \$0.01387 per therm in Northern Nevada should be approved. (*Id.*)

7. The Signatories agree that Southwest Gas's proposed shrinkage rate of \$0.00005 per therm for high pressure service transportation customers and \$0.00143 per therm for low pressure service transportation customers in the Southern Nevada rate jurisdiction should be approved. (*Id.*) The Signatories also agree that Southwest Gas's proposed shrinkage rate of \$0.00111 per therm for the Northern Nevada rate jurisdiction should be approved. (*Id.*)

8. The Signatories agree that Southwest Gas's proposed imbalance commodity and reservation charges for the Southern Nevada rate jurisdiction of \$0.36084 and \$0.04361 per therm, respectively, should be approved. (*Id.*) The Signatories further stipulate that Southwest Gas's proposed imbalance commodity and reservation charges for the Northern Nevada rate jurisdiction of \$0.36867 and \$0.36674 per therm, respectively, should be approved. (*Id.* at 7.)

9. The Signatories agree that Southwest Gas's proposed GRA rates for the single-family residential gas service, multi-family residential gas service, and G-1, G-2, G-3, and G-4 general gas service rate schedules in both Southern Nevada and Northern Nevada, should be approved as shown in the table below:

Customer Class	Southern Nevada	Northern Nevada
Single-Family Residential Gas Service	\$0.05168	\$0.01096
Multi-Family Residential Gas Service	\$0.01849	\$(0.01183)
General Gas Service - 1	\$(0.10398)	\$0.03162
General Gas Service - 2	\$(0.01558)	\$0.01230
General Gas Service - 3	\$(0.02002)	\$0.04749
General Gas Service - 4	\$(0.01631)	\$0.00560

(*Id.*)

10. The Signatories agree that CEE rates of \$0.00399 per therm for Southern Nevada sale customers and \$0.00443 per therm for Northern Nevada sales customers should be approved. (*Id.*)

11. The Signatories agree that Southwest Gas's proposed CTAP rate of \$0.00082 per therm for the Southern Nevada rate jurisdiction should be approved. (*Id.*)

12. The Signatories agree that Southwest Gas's proposed Mesquite IERs of \$0.00000 per therm for the Southern Nevada rate jurisdiction and \$0.05000 per therm for the Mesquite Expansion Area should be approved. (*Id.*)

13. The Signatories agree that Southwest Gas's current IERs for the Northern Nevada rate jurisdiction, Elko District, and Spring Creek Expansion area remain unchanged, and the Spring Creek Expansion Area Infrastructure Expansion Charge remains unchanged. (*Id.* at 8.)

14. The Signatories agree that there shall no longer be a REPR rate in both the Southern Nevada and Northern Nevada rate jurisdictions as Southwest Gas has terminated the REPR program. (*Id.*)

15. The Signatories agree that Southwest Gas will implement the SGTC Volumetric Charge of \$0.00145 per therm for all Southern Nevada transportation customers' scheduled quantities that flow through SGTC. (*Id.*)

16. The Signatories further agree that the overall effect of the rate changes set forth in this Stipulation is an increase in annualized revenues of approximately \$23,270,956 or 3.72 percent in Southern Nevada, and a decrease in annualized revenues of approximately \$5,546,882 or 4.08 percent in Northern Nevada. The Signatories request that the Commission approve the rates set forth in the Stipulation with an effective date of July 1, 2025. (*Id.*)

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Commission Discussion and Findings

17. The Commission finds that the Stipulation complies with the requirements of NAC 703.845 in that it settles only issues relating to the instant proceeding and does not seek relief the Commission is not otherwise empowered to grant. The Stipulation is a consensus resolution of issues pursuant to the Signatories' negotiations and is a reasonable recommendation and resolution of the issues in this proceeding. Therefore, the Commission accepts the Stipulation.

18. All arguments of the Signatories raised in these proceedings not expressly addressed herein have been considered and either rejected or found to be non-essential for further discussion in this Order. Any agreements and recommendations contained in the Stipulation but not expressly addressed herein are either agreements by the Signatories regarding matters non-essential to the disposition of this Docket or are recommendations for specific findings that do not require delineation given the Commission's acceptance of the Stipulation and corresponding approval of the Application in Docket No. 24-11005.

Therefore, it is ordered:

1. The Stipulation filed by Southwest Gas Corporation, the Nevada Bureau of Consumer Protection, and the Regulatory Operations Staff of the Commission, attached as Attachment A, is accepted.

2. The Application filed by Southwest Gas Corporation in Docket No. 24-11005, is granted, as modified by the Stipulation.

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Compliance

3. Within thirty (30) days of the issuance of this order, Southwest Gas Corporation shall file with the Commission the updated tariff sheets that reflect the above agreements of the Signatories.

Directives

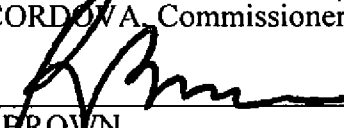
4. Southwest Gas Corporation shall file its cost tracking reports for imbalance charges in its future Annual Rate Adjustment ("ARA") applications, rather than filing it in its quarterly Base Tariff Energy Rate and Deferred Energy Accounting Adjustment filings.

5. The Signatories further stipulate and agree that Southwest Gas Corporation will meet with the Regulatory Operations Staff of the Commission and the Nevada Bureau of Consumer Protection at least 60 days before Southwest Gas Corporation files its next ARA to determine the workpapers that Southwest Gas Corporation must provide to those two parties at the time of filing its next ARA application.

By the Commission,


HAYLEY WILLIAMSON, Chair

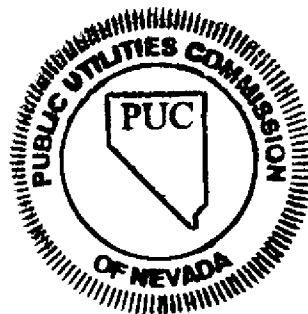

TAMMY CORDOVA, Commissioner


RANDY J. BROWN,
Commissioner and Presiding Officer

Attest:


TRISHA OSBORNE,
Assistant Commission Secretary

Dated: Carson City, Nevada
5/2/25
(SEAL)



ATTACHMENT A

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Annual Rate Adjustment Application of Southwest Gas Corporation for Authority to Adjust the Variable Interest Expense Recovery Mechanism Rates; Unrecovered Gas Cost Expense Rates; System Shrinkage Rates; Imbalance Commodity and Reservation Charges; Renewable Energy Program Rates; General Revenues Adjustment Rates; Conservation and Energy Efficiency Rates; Mesquite Infrastructure Expansion Rates; Spring Creek Infrastructure Expansion Rates; Contract Transition Adjustment Provision Rates; and to Establish the SGTC Volumetric Charge.

Docket No. 24-11005

CORRECTED STIPULATION

This Stipulation and Agreement (Stipulation) is entered into by and between Southwest Gas Corporation (Southwest Gas or Company), the Regulatory Operations Staff (Staff) of the Public Utilities Commission of Nevada (Commission), and the Bureau of Consumer Protection (BCP) (collectively referred to as the Settlement Parties).

1. Introduction

1.1 On November 15, 2024, Southwest Gas filed its Annual Rate Adjustment Application (ARA Application) for authority to adjust or establish: (1) Average Variable Interest Rate (AVIR) and the Accumulation of Deferred Interest (ADI) rates in Southern Nevada pursuant to the Variable Interest Expense Recovery (VIER) mechanism; (2) Unrecovered Gas Cost Expense (UGCE) rates; (3) system Shrinkage Rates (Shrinkage Rates) for transportation customers; (4) Imbalance Commodity and Reservation Charges; (5) Renewable Energy Program Rates (REPR); (6) General Revenues Adjustment (GRA) rates; (7) Conservation and Energy Efficiency (CEE) rates; (8) Mesquite Infrastructure Expansion Rates (IERs); (9) Spring Creek IERs; (10) Contract Transition Adjustment Provision (CTAP) rates in the Southern Nevada rate jurisdiction; and (11) the Southwest Gas Transmission Company (SGTC) Volumetric Charge for Southern Nevada

1 transportation customers, which are the subject of this Stipulation. The terms and
2 conditions of this Stipulation are set forth herein.

3 1.2 The Settlement Parties agree that this Stipulation represents a reasonable
4 compromise in this proceeding and that this Stipulation is in the public interest. The
5 Settlement Parties further represent that in accordance with Nevada Administrative Code
6 (NAC) §703.845, this Stipulation settles only issues relating to the above-captioned
7 proceeding and does not seek relief that the Commission is not otherwise empowered to
8 grant. The Settlement Parties therefore recommend the Commission accept the Stipulation
9 and implement all its terms and conditions.

10 **2. Recitals**

11 2.1 Southwest Gas' ARA Application seeks authority to establish or modify: (1) the
12 AVIR and ADI rates in the Southern Nevada rate jurisdiction pursuant to the VIER
13 mechanism; (2) UGCE rates for sales customers; (3) Shrinkage Rates for transportation
14 customers; (4) Imbalance Commodity and Reservation Charges used to calculate
15 transportation customer excess imbalance charges; (5) REPR; (6) GRA rates; (7) CEE rates
16 for sales customers; (8) Mesquite IERs in the Southern Nevada rate jurisdiction; (9) Spring
17 Creek IERs in the Northern Nevada rate jurisdiction; (10) CTAP rate in the Southern Nevada
18 rate jurisdiction; and, (11) the SGTC Volumetric Charge for Southern Nevada transportation
19 customers who schedule natural gas deliveries through SGTC. The Company further seeks
20 an order: (i) finding that its gas procurement practices are reasonable; (ii) finding that its gas
21 purchases were reasonable and prudent; and (iii) finding that, during the applicable covered
22 period, the transportation costs it first incurred, and its management and performance of its
23 previously contracted resources, were reasonable and prudent.

24 2.2 Pursuant to Nevada Revised Statutes (NRS) §703.301, Staff participates in
25 this proceeding as a matter of right.
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1 2.3 On November 25, 2024, the Commission issued a Notice of Application for
2 Deferred Energy Accounting Adjustment and a Notice of Prehearing Conference.¹

3 2.4 Pursuant to NRS §228.360, the BCP participates as a matter of right, and filed
4 its Notice of Intent to Intervene on December 6, 2024.

5 2.5 The Commission held a prehearing conference on December 20, 2024, and a
6 continued prehearing conference on March 25, 2025. The parties agreed to a procedural
7 schedule and consumer session date. At the March 25, 2025, continued prehearing
8 conference, the parties advised that they were working on a Stipulation; therefore, a
9 continued prehearing conference was scheduled for April 1, 2025.

10 2.6 On January 8, 2025, the Settlement Parties met to discuss the IER (Mesquite
11 IER) applicable to customers in the Mesquite Expansion Area (Mesquite Customers), the
12 IER applicable to all Southern Nevada customers (Southern Nevada IER), and the length of
13 time both IERs will be in effect.

14 2.7 The Settlement Parties agree the Mesquite Expansion Project infrastructure
15 placed in service through November 30, 2023² is included in the Company's Southern
16 Nevada base rates and that the Mesquite IERs charged to Southern Nevada and Mesquite
17 customers have resulted in a credit balance in the Mesquite regulatory asset account.

18 2.8 In recognition of the direct benefit of the Mesquite Expansion Project to
19 Mesquite Customers, the Settlement Parties agree it is appropriate to set the Southern
20 Nevada IER to \$0.00000 per therm and the Mesquite IER to \$0.05000 per therm, to remain
21 in effect until October 1, 2029 (Mesquite IER Period).³ Unless it seeks authority from the
22 Commission and receives approval to adjust in a future proceeding, the Company shall keep
23 the Southern Nevada IER and Mesquite IER defined in this section of the Stipulation in effect
24 throughout the Mesquite IER Period.

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27 ¹ For the record, Southwest Gas Corporation's application is an ARA application as defined in NAC 704.039, not a
deferred energy adjustment application as defined in NAC 704.031. The Commission noted the distinction between
these two types of applications in paragraph 64 of its Order in Docket No. 09-05001, dated November 2, 2009.

28 ² Docket Nos. 20-02023, 21-09001 and 23-09012.

³ The Settlement Parties agree it is appropriate for Mesquite Customers to pay an IER for the Mesquite Expansion
Project for a period of ten (10) years from October 1, 2019, the effective date of the initial Mesquite IER.

2.9 Southwest Gas will establish a Mesquite regulatory liability account to transfer any credit balance in the Mesquite regulatory asset account to the liability account.

2.10 Southwest Gas will record all Mesquite IER revenues to the Mesquite regulatory liability account and the balance of that account will be credited to its Southern Nevada customers, similar to how revenue is treated from its contract customers, through rate design in the Company's future general rate cases filed after September 30, 2025.

2.11 Southwest Gas will recover the revenue requirement related to any trailing charges incurred related to the Mesquite Expansion Project in a general rate case.

2.12 On March 11, 2025, the Commission held a consumer session. At the consumer session, three consumers addressed their concerns regarding increases in their natural gas bill.

2.13 The Settlement Parties have engaged in discussions regarding Southwest Gas' ARA Application and have reached a compromise and agreement which the Settlement Parties believe is in the public interest.

3. Agreement

3.1 The Settlement Parties stipulate and agree that through this Stipulation, Southwest Gas fully meets the compliance obligations set forth in ordering paragraphs 91 and 92 of the Commission's Order in Docket No. 17-11008. The allocation between Mesquite and Southern Nevada customers defined in the Commission's Order in Docket No. 17-11008 is no longer appropriate with the new rate structure discussed in paragraph 2.8 above.⁴

3.2 The Settlement Parties stipulate and agree that through this Stipulation, Southwest Gas fully meets the compliance obligation set forth in ordering paragraph 93 of the Commission's Order in Docket No. 17-11008, discussed in paragraph 2.8 above, and the rate will be in effect for the remainder of the Mesquite IER Period.⁵

⁴ Docket No. 17-11008, paragraph 91 and 92 of the Order refers to the allocation of 1.5 percent of the expansion Project revenue requirement to Mesquite customers receiving direct benefits for the expansion and spreading the remaining 98.5 percent to among all Southern Nevada customers expected to received indirect benefits; and, that Mesquite customers are to pay a premium rate of 1.5 percent above the surcharge charged to all other customers, since there is an immediate benefit to Mesquite.

⁵ Docket 17-11008, paragraph 93 of the Order states that "the SB151 Rate will remain in effect until [Southwest Gas] presents evidence in its next-filed general rate case after completion of the Project indicating that customer growth contributions are sufficient to cover the revenue requirement for the Project."

1 3.3 Staff and BCP conducted a review of Southwest Gas' recorded cost of gas
2 purchases and gas procurement practices pursuant to NRS §704.110(9)(d) for the applicable
3 test period from September 2023 to August 2024. The Settlement Parties stipulate and
4 agree that Staff did not discover any of Southwest Gas' recorded costs of gas purchases
5 and gas procurement practices to be unreasonable or imprudent during the applicable test
6 period. Further, the Settlement Parties stipulate and agree that BCP contends that
7 \$354,699.14 of Southwest Gas' recorded costs of gas purchases in the Southern Nevada
8 rate jurisdiction for demand charges from city-gate firm index contracts in the shoulder
9 months were imprudent during the applicable test period.⁶ BCP is not contesting these
10 recorded costs during the applicable test period given prior Commission orders related to
11 this issue.⁷ However, BCP reserves its right to contest any similar recorded costs in future
12 ARA proceedings pursuant to NRS §704.110(9)(d) and/or NRS §704.185(3).

13 3.4 Staff and BCP conducted a review of Southwest Gas' recorded cost of gas
14 transportation contracts pursuant to NRS §704.110(9)(d) for the applicable test period from
15 September 2023 to August 2024. The Settlement Parties stipulate and agree that Staff did
16 not discover any of Southwest Gas' recorded cost of gas transportation contracts during the
17 applicable test period to be unreasonable or imprudent. Further, the Settlement Parties
18 stipulate and agree that BCP contends that \$4,673,763.94 in the Northern Nevada rate
19 jurisdiction and \$1,536,391.00 in the Southern Nevada rate jurisdiction of Southwest Gas'
20 recorded costs of gas transportation contracts were imprudent during the applicable test
21 period.⁸ BCP is not contesting these recorded costs during the applicable test period given

22 ⁶ BCP contends that it is imprudent for Southwest Gas to obtain city-gate firm index contracts with demand charges for
23 the shoulder months – April, May, and October – for its Southern Nevada rate jurisdiction. The basis for BCP's
24 contention is that there has not been an affirmative showing by Southwest Gas in any ARA proceeding that it is unable
to procure spot gas deliveries during these lower demand months. The recorded demand charges for these contracts
were: \$146,957.98 in October 2023; \$178,590.00 for April 2024; and \$29,151.16 for May 2024.

25 ⁷ See paragraph 58 of the Commission's Order in Docket No. 21-11011.

26 ⁸ BCP contends that it is unreasonable for Southwest Gas to use the coldest day beyond the most recent 30-year
27 period for the extreme heating degree variable in the forecast of annual peak demand. In addition, BCP contends that
28 the 1,496 dekatherms of incremental Elko Lateral capacity that resulted from the installation of the Battle Mountain
Compressor Station in 1996 is not used and useful for Southwest Gas' sales customers because the installation of the
Adobe Lateral in 2016 provided all the necessary capacity, plus a substantial excess of capacity, for the city of Elko
demands. It is BCP's contention that capacity should have been part of the 3,405 dekatherms of Elko Lateral capacity
that Southwest Gas turned back to Newmont Gold during the supplemental open season for the 2015 Great Basin
expansion project.

1 prior Commission orders related to this issue.⁹ However, BCP reserves its right to contest
2 any similar recorded costs in future ARA proceedings pursuant to NRS §704.110(9)(d)
3 and/or NRS §704.185(3).

4 3.5 The Settlement Parties stipulate and agree that Southwest Gas' proposed
5 AVIR of \$0.00057 per therm in Southern Nevada, as it relates to the VIER mechanism,
6 should be approved.

7 3.6 The Settlement Parties stipulate and agree that Southwest Gas' proposed ADI
8 rate of \$0.01477 per therm in Southern Nevada, as it relates to the VIER mechanism, should
9 be approved.

10 3.7 The Settlement Parties further stipulate and agree that Southwest Gas'
11 proposed UGCE rates of \$0.02852 per therm in Southern Nevada and \$0.01387 per therm
12 in Northern Nevada should be approved.¹⁰

13 3.8 The Settlement Parties further stipulate and agree that the Company's
14 proposed Shrinkage Rates of \$0.00005 per therm for high pressure service transportation
15 customers and \$0.00143 per therm for low pressure service transportation customers in the
16 Southern Nevada rate jurisdiction should be approved.

17 3.9 The Settlement Parties further stipulate and agree that Southwest Gas'
18 proposed Shrinkage Rate of \$0.00111 per therm for its Northern Nevada rate jurisdiction
19 should be approved.

20 3.10 The Settlement Parties further stipulate and agree that Southwest Gas'
21 proposed Imbalance Commodity and Reservation Charges for its Southern Nevada rate
22 jurisdiction of \$0.36084 and \$0.04361 per therm, respectively, should be approved.

23
24 The recorded costs of transportation contracts that BCP contends are imprudent in the Northern Nevada rate
25 jurisdiction are: \$129,731.92 for the Battle Mountain Compression Station incremental charge; \$2,742,698.56 for Great
Basin Contract F52; \$42,396.02 for Great Basin acquired Northern California capacity; and \$1,758,937.44 for
Tuscarora Contract 385, which totals \$4,673,763.94.

26 The recorded costs of transportation contracts that BCP contends are imprudent in the Southern Nevada rate
27 jurisdiction are: \$721,897.00 for the December 2023 costs of Transwestern Contract 105239 and \$814,494.00 for the
January 2024 costs of that same contract, which totals \$1,536,391.

28 ⁹ See paragraph 15 of the Commission's Order in Docket No. 16-06003, paragraph 95 of the Commission's Order in
Docket No. 19-06003, and paragraph 29 of the Commission's Order in Docket No. 23-11017.

¹⁰ The UGCE rate in the Southern Nevada rate jurisdiction consists of a base rate of \$0.01566 and an adjustment rate
of \$0.01286. The UGCE rate in the Northern Nevada rate jurisdiction consist of a base rate of \$0.00843 and an
adjustment rate of \$0.00544.

3.11 The Settlement Parties further stipulate and agree that the Company's proposed Imbalance Commodity and Reservation Charges for its Northern Nevada rate jurisdiction of \$0.36867 and \$0.36674 per therm, respectively, should be approved.

3.12 The Settlement Parties further stipulate and agree that Southwest Gas' proposed GRA per therm rates for the single-family residential, multi-family residential, and G-1, G-2, G-3, and G-4 general service schedules in both the Southern Nevada and Northern Nevada rate jurisdictions, should be approved, as agreed upon within this Stipulation and as shown in Table 1 below:¹¹

Table 1
GRA Rates Effective July 1, 2025

Customer Class	Southern Nevada	Northern Nevada
Single-Family Residential	\$0.05168	\$0.01096
Multi-Family Residential	\$0.01849	\$(0.01183)
General Service-1	\$(0.10398)	\$0.03162
General Service-2	\$(0.01558)	\$0.01230
General Service-3	\$(0.02002)	\$0.04749
General Service-4	\$(0.01631)	\$0.00560

3.13 The Settlement Parties further stipulate and agree that CEE rates of \$0.00399 per therm for Southern Nevada rate jurisdiction sales customers and \$0.00443 per therm for Northern Nevada rate jurisdiction sales customers should be approved.¹²

3.14 The Settlement Parties further stipulate and agree that Southwest Gas' proposed CTAP rate of \$0.00082 per therm for its Southern Nevada rate jurisdiction should be approved.

3.15 The Settlement Parties further stipulate and agree that Southwest Gas' proposed Mesquite IERs of \$0.00000 per therm for the Southern Nevada rate jurisdiction and \$0.05000 per therm for the Mesquite Expansion Area should be approved, as discussed in paragraphs 2.7 through 2.11.

¹¹ Rates shown in parentheses are credit or refund rates for over-collections.

¹² The CEE rate in the Southern Nevada rate jurisdiction consists of a base rate of \$0.00301 and a deferred rate of \$0.00098. The CEE rate in the Northern Nevada rate jurisdiction consists of a base rate of \$0.00262 and a deferred rate of \$0.00181.

1 3.16 The Settlement Parties further stipulate and agree that Southwest Gas' current
2 IERs for the Northern Nevada rate jurisdiction, Elko District, and Spring Creek Expansion
3 Area remain unchanged, and the Spring Creek Expansion Area Infrastructure Expansion
4 Charge remains unchanged.

5 3.17 The Settlement Parties further stipulate and agree that there no longer be a
6 REPR in the Southern Nevada and in Northern Nevada rate jurisdictions because Southwest
7 Gas has terminated the REPR program.

8 3.18 The Settlement Parties further stipulate and agree that Southwest Gas
9 implement the SGTC Volumetric Charge of \$0.00145 per therm for all Southern Nevada
10 transportation customers' scheduled quantities that flow through SGTC.

11 3.19 The Settlement Parties further stipulate and agree that Southwest Gas shall
12 file its cost tracking reports for Imbalance Charges in its future ARA applications, rather than
13 filing it in its quarterly Base Tariff Energy Rate and Deferred Energy Accounting Adjustment
14 filings.¹³

15 3.20 The Settlement Parties further stipulate and agree that Southwest Gas meet
16 with Staff and BCP at least 60 days before filing its next ARA to determine the workpapers
17 that Southwest Gas must provide to these two parties at the time of filing its next ARA
18 application.

19 3.21 The Settlement Parties further stipulate and agree that the overall effect of the
20 rate changes set forth in this Stipulation is an increase in annualized revenues of
21 approximately \$23,270,956 or 3.72 percent in Southern Nevada, and a decrease in
22 annualized revenues of approximately \$5,546,882 or 4.08 percent in Northern Nevada.¹⁴ A
23 table reflecting the Company's currently effective rates, the rates proposed in the ARA
24 Application, and the rates agreed to by the Settlement Parties is provided as **Attachment 1**
25 to this Stipulation. The Settlement Parties respectfully request that the Commission approve
26 the rates set forth in this Stipulation with an effective date of July 1, 2025.

27 ¹³ Southwest Gas was ordered in Docket No. 18-08016 to file its Imbalance Charges cost tracking reports quarterly.

28 ¹⁴ For the Southern Nevada rate jurisdiction, the increase in annualized revenues from the \$21,513,446 increase as
proposed in the Company's ARA Application to the stipulated increase in annualized revenues of \$23,270,956 is the
result of the adjustment to the Mesquite IER.

1 3.22 The Settlement Parties further stipulate and agree that, as a compliance item,
2 Southwest Gas shall file with the Commission updated tariff sheets that reflect the above
3 agreements of the Settlement Parties.

4 3.23 The Settlement Parties further stipulate and agree that this Stipulation is in the
5 public interest and that all of its terms are reasonable.

6 3.24 The Settlement Parties further stipulate and agree that all negotiations relating
7 to this Stipulation are privileged and confidential, and no Party shall be bound by any position
8 asserted in the negotiations, except to the extent expressly stated in this Stipulation.

9 3.25 The Settlement Parties acknowledge that this Stipulation represents a
10 negotiated compromise of disputed matters and that the provisions reflected herein are an
11 interdependent package that represents each Party's determination to avoid the cost and
12 expense of hearings in favor of a stipulated resolution. Nothing in this Stipulation shall be
13 construed to be an admission by Southwest Gas of any noncompliance with any Commission
14 order, federal, state, or local rule, ordinance, constitution, statute, contract, or public policy.
15 The provisions of this Stipulation shall not be construed as or deemed to be a precedent by
16 any Party or the Commission with respect to any issue, principle, or interpretation or
17 application of law and/or regulation, for any purpose or in connection with any proceeding
18 before a court of law, or any state or federal government regulatory body.

19 3.26 The Settlement Parties agree that due to the Stipulation, Staff and BCP will
20 not file direct testimony that is due April 4, 2025, and Southwest Gas will not file rebuttal
21 testimony that is due April 25, 2025. The Settlement Parties agree that the hearing date set
22 for May 7, 2025, should be vacated due to this Stipulation.

23 3.27 This Stipulation constitutes a negotiated settlement. No provision of the
24 Stipulation is severable. If the Commission does not accept the Stipulation, then the
25 Stipulation shall be withdrawn, without prejudice to any claims or contentions that may have
26 been made or are made in this Docket, no part of the Stipulation shall be admissible as
27 evidence in any proceeding before the Commission or any other tribunal, and no signatory
28 shall be bound by any of the provisions of the withdrawn Stipulation.

1 3.28 This Stipulation may be executed in counterparts and transmitted via
2 facsimile, e-mail, or other electronic methods.

3 DATED this 1st day of April 2025.

4
5 **SOUTHWEST GAS CORPORATION**

6 
7 Vincent Vitatue
8 Associate General Counsel

9 **REGULATORY OPERATIONS STAFF OF**
10 **THE PUBLIC UTILITIES COMMISSION OF NEVADA**

11 /s/ Sierra F. Waechter
12 Sierra F. Waechter
13 Assistant Staff Counsel

14 **BUREAU OF CONSUMER PROTECTION**

15 /s Michelle C. Badorine
16 Michelle C. Badorine
17 Senior Deputy Attorney General
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Attachment 1

Southern Nevada			
Description	Current Rate	Proposed Rate	Rate Agreed to by Settling Parties
High Pressure Shrinkage Rate	\$0.00015	\$0.00005	\$0.00005
Low Pressure Shrinkage Rate	\$0.00434	\$0.00143	\$0.00143
Imbalance Commodity Charge	\$1.17671	\$0.36084	\$0.36084
Imbalance Reservation Charge	\$0.03652	\$0.04361	\$0.04361
Unrecovered Gas Cost Expense Rate ¹	\$0.00996	\$0.02852	\$0.02852
Renewable Energy Program Rate	\$0.00000	\$0.00000	\$0.00000
General Revenues Adjustment Rates			
Single-Family Residential	(\$0.00597)	\$0.05168	\$0.05168
Multi-Family Residential	(\$0.01694)	\$0.01849	\$0.01849
General Service - 1	(\$0.10370)	(\$0.10398)	(\$0.10398)
General Service - 2	(\$0.02596)	(\$0.01558)	(\$0.01558)
General Service - 3	(\$0.03168)	(\$0.02002)	(\$0.02002)
General Service - 4	\$0.02134	(\$0.01631)	(\$0.01631)
Conservation & Energy Efficiency Rate ¹	\$0.00252	\$0.00399	\$0.00399
Average Variable Interest Rate	\$0.00000	\$0.00057	\$0.00057
Accumulation of Deferred Interest Rate	\$0.00878	\$0.01477	\$0.01477
Southern Nevada IER	\$0.00126	(\$0.00267)	\$0.00000
Mesquite IER	\$0.00340	(\$0.02255)	\$0.05000
Contract Transition Adjustment Provision	\$0.00085	\$0.00082	\$0.00082
SGTC Volumetric Charge	N/A	\$0.00145	\$0.00145

Northern Nevada			
Description	Current Rate	Proposed Rate	Rate Agreed to by Settling Parties
Shrinkage Rate	\$0.00345	\$0.00111	\$0.00111
Imbalance Commodity Charge	\$1.14588	\$0.36867	\$0.36867
Imbalance Reservation Charge	\$0.31699	\$0.36674	\$0.36674
Unrecovered Gas Cost Expense Rate ¹	\$0.00877	\$0.01387	\$0.01387
Renewable Energy Program Rate	\$0.00000	\$0.00000	\$0.00000
General Revenues Adjustment Rates			
Single-Family Residential	(\$0.04452)	\$0.01096	\$0.01096
Multi-Family Residential	(\$0.05180)	(\$0.01183)	(\$0.01183)
General Service - 1	(\$0.03568)	\$0.03162	\$0.03162
General Service - 2	(\$0.01462)	\$0.01230	\$0.01230
General Service - 3	\$0.03146	\$0.04749	\$0.04749
General Service - 4	\$0.00251	\$0.00560	\$0.00560
Conservation & Energy Efficiency Rate ¹	(\$0.00104)	\$0.00443	\$0.00443
Northern Nevada IER	\$0.01653	\$0.01653	\$0.01653
Elko Distric IER	\$0.03500	\$0.03500	\$0.03500
Elko Distric G-4 IER	\$0.02000	\$0.02000	\$0.02000
Spring Creek IER	\$0.02550	\$0.02550	\$0.02550
Spring Creek Monthly Charge (NG-RS/NG-RM/NG-G1)	\$35.00	\$35.00	\$35.00
Spring Creek Monthly Charge (NG-G2/NG-G3/NG-G4)	\$70.00	\$70.00	\$70.00

¹ Applicable to sales customers only