



SOUTHWEST GAS CORPORATION

September 30, 2025

Advice Letter No. 1346-G

(U 905 G)

Public Utilities Commission of the State of California

Subject: Establishment of the Neighborhood Decarbonization Pilot Program Memorandum Account (NDPPMA) to Record Costs Related to Senate Bill (SB) 1221 Mapping Pursuant to Decision (D.) 25-07-016

Southwest Gas Corporation (Southwest Gas or Company) hereby submits this Advice Letter and attached revised tariff sheet to the California Public Utilities Commission (Commission). The tariff sheet being modified as a result of this submission is provided in Attachment A.

Purpose

In accordance with Decision (D.) 25-07-016, Ordering Paragraph (OP) 1, Southwest Gas hereby submits to the Commission this Tier 1 Advice Letter to establish a memorandum account to record expenses related to mapping activities required pursuant to Public Utilities Code Section 661, effective April 21, 2025.

Background

On July 24, 2025, the Commission approved D.25-07-016, authorizing Southwest Gas along with the other respondent Gas Utilities¹ to establish their respective memorandum accounts to record and track incremental operations and maintenance (O&M) and capital related revenue requirement costs associated with SB 1221, which enacted Public Utilities (PU) Code § 661. Southwest Gas may only track costs in the memorandum account until January 1, 2031, which is the Test Year of its next general rate case (GRC). Any costs incurred after this time will be included in Southwest Gas' next GRC.

Establishment of the NDPPMA

Southwest Gas has modified its Preliminary Statement to include the NDPPMA in accordance with OP 4 in D.25-07-016, as stated below:

If...[Gas Utilities]...choose to pursue a Memorandum Account, the Memorandum Account tariff language must specify that only incremental costs may be recorded in the account, and such costs must be segregated by cost type, and expenses may only be recorded until January 1 of the Test Year of each utility's next general rate case (GRC) upon which time

¹ Southern California Gas Company, San Diego Gas & Electric Company, and Pacific Gas and Electric Company.



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recording in the memorandum account must cease and ongoing expenses related to mapping activities under Public Utilities Code Section 661 must be included in its new GRC.²

Effective Date

Pursuant to OP 2 in D.25-07-016 and General Order (GO) 96-B, Southwest Gas designates this Advice Letter as Tier 1 (Effective Pending Disposition). Southwest Gas respectfully requests that this Advice Letter be approved and made effective September 30, 2025, which is the date submitted.

Protest

Anyone may protest this Advice Letter to the Commission's Energy Division. The protest must state the grounds upon which it is based with specificity and must be sent no later than 20 days after the date of this Advice Letter submission, which is October 20, 2025. Protests are to be submitted electronically to the Commission's Energy Division at:

Email: edtariffunit@cpuc.ca.gov

In addition, protests and all other correspondence regarding this Advice Letter should be sent electronically to:

Laurie Brown
Regulatory Manager/California
Email: laurie.brown@swgas.com
regserve@swgas.com

Notice

Southwest Gas is exempt from the notice requirement set forth in General Rule 4.2 in GO 96-B since this Advice Letter is submitted in accordance with OP 2 in D.25-07-016.

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² D.25-07-016 at pg. 21.



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Service

In accordance with GO 96-B, General Rule 7.2, Southwest Gas is serving copies of this Advice Letter to the interested parties shown on the attached distribution list and the individuals listed on the official service list in R.24-09-012.

Respectfully submitted,
SOUTHWEST GAS CORPORATION

By: 

Laurie Brown

Attachments

Distribution List

Advice Letter No. 1346-G

In conformance with GO 96-B, General Rule 4.3

The following individuals or entities have been served by electronic mail:

Tamera Godfrey
Public Advocates Office
California Public Utilities Commission
tamera.godfrey@cpuc.ca.gov

Pacific Gas & Electric Company
PGETariffs@pge.com

Southern California Gas Company
GLenart@socalgas.com
Tariffs@socalgas.com

San Diego Gas & Electric Company
SDG&ETariffs@SemptraUtilities.com

Michael Campbell
Public Advocates Office
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Nathaniel Skinner
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California Public Utilities Commission
nathaniel.skinner@cpuc.ca.gov

Stacey Hunter
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California Public Utilities Commission
stacey.hunter@cpuc.ca.gov

Scott Blaising
blaising@braunlegal.com

Jim Mosher
copperbeechllc@gmail.com

ATTACHMENT A
Advice Letter No. 1346-G

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
2nd Revised Sheet No. 45.11	Preliminary Statement (<i>Continued</i>)	1st Revised Sheet No. 45.11

PRELIMINARY STATEMENT
(Continued)

30. NEIGHBORHOOD DECARBONIZATION PILOT PROGRAM MEMORANDUM ACCOUNT (NDPPMA)

30A. PURPOSE

The NDPPMA is an interest-bearing memorandum account recorded on the Company's financial statements. Effective April 21, 2025, the NDPPMA will record the incremental operation and maintenance (O&M) costs and capital revenue requirement associated with complying with Senate Bill (SB) 1221, which established the Neighborhood Decarbonization Zone Pilot Program. The costs are limited to those incurred in compliance with PU Code Section 661, enacted by SB 1221. Costs may only be recorded in the NDPPMA until January 1, 2031, the beginning of the Company's next General Rate Case, at which time any on-going SB 1221 mapping costs will be included in the Company's next GRC cycle. The NDPPMA is established pursuant to D.25-07-016.

30B. APPLICABILITY

The NDPPMA balance will be recovered from all customers, except any customers specifically excluded by the Commission.

30C. ACCOUNTING

The Company shall maintain the NDPPMA by recording entries at the end of each month as follows, net of Franchise Fees & Uncollectibles (FF&U), where applicable:

- a. A debit entry to record incremental O&M costs;
- b. A debit entry to record the incremental capital-related revenue requirement costs (i.e., depreciation, taxes and return).
- c. An entry to amortize the NDPPMA as approved by the Commission; and
- d. Interest on the tracked balance will be calculated as set forth in Section 12B of this Preliminary Statement.

30D. DISPOSITION

Costs recorded in the NDPPMA will be addressed in the Company's next General Rate Case.



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.:

Utility type:

☐ ELC ☐ GAS ☐ WATER
☐ PLC ☐ HEAT

Contact Person:

Phone #:

E-mail:

E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type: ☐ Monthly ☐ Quarterly ☐ Annual ☐ One-Time ☐ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? ☐ Yes ☐ No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? ☐ Yes ☐ No

Requested effective date:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected:

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name:
Title:
Utility Name:
Address:
City: State:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

Name:
Title:
Utility Name:
Address:
City: State:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtailable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	