



SOUTHWEST GAS CORPORATION

October 31, 2025

Advice Letter No. 1351

Public Utilities Commission of the State of California

Subject: Update Public Purpose Program Surcharge for Rates Effective January 1, 2026

Southwest Gas Corporation (Southwest Gas or Company) hereby submits for approval by the California Public Utilities Commission (Commission) revisions to its California Gas Tariff. The tariff sheet being modified as a result of this submission is listed in Attachment A.

Purpose

The purpose of this submission is to adjust Southwest Gas' Public Purpose Program (PPP) surcharge rates applicable to its California Alternate Rates for Energy (CARE) and Energy Savings Assistance (ESA) programs in accordance with Ordering Paragraphs (OP) 22 in Decision (D.) 04-08-010 and 10 in D.14-05-004, D.21-10-023, and Resolution G-3594.

Updated 2026 PPP Surcharges

Southwest Gas' PPP surcharges are calculated using the formulas provided in D.04-08-010. The volumes used in the calculations reflect a three-year average (36 consecutive months ended, September 2025), as set forth in D.04-08-010. Additionally, the funding used in the surcharge calculations for the Southwest Gas CARE and ESA programs were authorized in D.21-10-023 and Resolution G-3594. The calculations of Southwest Gas' proposed 2026 PPP Surcharges are provided in the attached Appendix A. Below is a summary of the Revenue Requirement for each PPP surcharge rate component.

		Program Budgets	Administrative Costs	Balancing Accounts	Total
CARE	\$	8,497,765	-	8,195,597	16,693,362
ESA	\$	5,542,283	-	(1,525,157)	4,017,126
CEE	\$	500,000	-	(57,768)	442,232
R&D	\$	327,508	-	171,467	498,975
CDTFA	\$	-	13,250	-	13,250
Total PPP Costs	\$	14,867,556	13,250	6,784,139	21,664,945



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ESA Revenue Requirement

OP 42 of D.21-10-023 states:

Alpine Natural Gas Operating Company No. 1, LLC, Golden State Water Company on behalf of Bear Valley Electric Service Division, Liberty Utilities LLC, PacifiCorp, and Southwest Gas Corporation must each use all unspent and uncommitted Energy Savings Assistance program funds remaining at the end of a program year to offset the next program year's collections, as opposed to waiting until the end of a cycle.

Southwest Gas does not expect to have any unspent funds for the remainder of 2025. Therefore, Southwest Gas' 2026 ESA revenue requirement calculation is not offset by 2025 unspent ESA funds.

Residential Gas Rate and Bill Impact

On May 8, 2020, the Energy Division issued a standing data request to all energy utilities requiring detailed rate and bill impacts (utilizing the provided template) for any Advice Letter that requests the implementation of a rate change (i.e., margin adjustment, annual balancing account update, etc.). To provide a cumulative revenue requirement and bill impact, Southwest Gas will include this information with its Annual Balancing Account Update, effective January 1, 2026, to be submitted to the Energy Division in November 2025.

Effective Date

Southwest Gas believes this submittal Advice Letter should be classified as Tier 2 (Effective After Energy Division Disposition) pursuant to General Order (GO) 96-B. Southwest Gas respectfully requests the revised tariff sheet be approved November 30, 2025, which is thirty (30) days from the date submitted, with an effective date of January 1, 2026.

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. 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:



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Notice

Pursuant to Energy Industry Rule 3.1(1), Southwest Gas is exempt from the notice requirements set forth in General Rule 4.2 in GO 96-B since Southwest Gas is authorized to adjust its PPP Surcharges pursuant to D.04-08-010 and D.14-05-004.

Service

In accordance with GO 96 B, General Rule 7.2, Southwest Gas is serving copies of this Advice Letter and related tariff sheets to the utilities and interested parties shown on the attached list.

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By:

Laurie Brown

Attachments

Distribution List

Advice Letter No. 1351-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

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ATTACHMENT A
Advice Letter No. 1351-G

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
19th Revised Sheet No. 121	Schedule No. G-PPS – Surcharge to Fund Public Purpose Programs (PPP)	18th Revised Sheet No. 121

Schedule No. G-PPPS

SURCHARGE TO FUND PUBLIC PURPOSE PROGRAMS (PPP)

APPLICABILITY

Applicable to all gas sales and transportation service excluding service for: electric generation including cogeneration, enhanced oil recovery, wholesale for resale to end users, natural gas produced in California and transported on a proprietary pipeline, and the consumption of natural gas which California is prohibited for taxing under the United States Constitution or the California Constitution.

TERRITORY

Throughout the Company's certificated California service areas, except as may hereafter be provided.

RATES

Customer Class	PPP SURCHARGE AMOUNT PER THERM			
	Non-CARE Customers		CARE Customers	
	Southern CA	Northern CA/ South Lake Tahoe	Southern CA	Northern CA/ South Lake Tahoe
Core *				
Residential	\$ 0.24470	\$ 0.05185	\$ 0.03278	\$ 0.03278
Commercial/Industrial	\$ 0.24470	\$ 0.05185	\$ 0.03278	\$ 0.03278
Gas Engine	\$ 0.24470	\$ 0.05185	N/A	N/A
Natural Gas Vehicle	\$ 0.24470	\$ 0.05185	N/A	N/A
Non-Core **				
Commercial/Industrial	\$ 0.24470	\$ 0.05185	N/A	N/A

* Residential service includes Rate Schedule Nos. GS/GN/SLT-10, -12, -15, -20, and -25; and GS-11. Commercial/Industrial service includes Rate Schedule Nos. GS/GN/SLT-35, -40, and -60. Natural Gas Vehicle service includes Rate Schedule No. GS-50/GN-50/SLT-50.

** Commercial/Industrial service includes Rate Schedule No. GS-70/GN-70/SLT-70.

The PPP surcharges are set forth in the currently-effective Statement of Rates of this California Gas Tariff and are incorporated herein by reference.

The number of therms shall be determined in accordance with the provisions of Rule No. 2C of this California Gas Tariff.

Appendix A

**SOUTHWEST GAS CORPORATION
 CALIFORNIA JURISDICTIONS
 PUBLIC PURPOSE PROGRAM (PPP) SURCHARGES
 TO BE EFFECTIVE JANUARY 1, 2026**

Line No.	Description (a)	Southern California (b)	Northern California and South Lake Tahoe (c)	All California Jurisdictions (d)	Line No.
<u>Non-CARE PPP Surcharges</u>					
1	CARE Component	\$ 0.10725	\$ 0.01052		1
2	CARE Balancing Account Component	\$ 0.10456	\$ 0.00844		2
3	CDTFA PPP Administrative Surcharge	\$ 0.00011	\$ 0.00011		3
4	CPUC PPP Administrative Charges	\$ 0.00000	\$ 0.00000		4
5	Total Non-CARE PPP Surcharges	<u>\$ 0.21192</u>	<u>\$ 0.01907</u>		5
<u>CARE PPP Surcharges</u>					
6	ESA Component			\$ 0.02656	6
7	R & D Component			\$ 0.00330	7
8	CEE Component [1]			\$ 0.00292	8
9	Total CARE PPP Surcharges			<u>\$ 0.03278</u>	9
<u>Total PPP Surcharges</u>					
10	CARE Customer Rate per Therm [2]	<u>\$ 0.03278</u>	<u>\$ 0.03278</u>		10
11	Non-CARE Customer Rate per Therm [3]	<u>\$ 0.24470</u>	<u>\$ 0.05185</u>		11

[1] CEE funding levels approved in D.21-03-052 and Resolution G-3594.

[2] Sum of CARE PPP Surcharges.

[3] Sum of CARE plus Non-CARE PPP Components.

**SOUTHWEST GAS CORPORATION
CALIFORNIA JURISDICTIONS
CALCULATION OF PUBLIC PURPOSE PROGRAM (PPP) SURCHARGES
CALIFORNIA ALTERNATIVE RATE FOR ENERGY (CARE), ENERGY SAVINGS ASSISTANCE (ESA), CONSERVATION AND
ENERGY EFFICIENCY (CEE), AND RESEARCH AND DEVELOPMENT (R&D)
TO BE EFFECTIVE JANUARY 1, 2026**

Line No.	Description	Southern California	Northern California and South Lake Tahoe	All California Jurisdictions	Line No.
	(a)	(b)	(c)	(d)	
<u>CARE PPP Components</u>					
1	2026 CARE Authorized Budget [1]	\$ 7,977,804	\$ 519,961	\$ 8,497,765	1
2	CARE Balancing Account [2]	\$ 7,778,209	\$ 417,388	\$ 8,195,597	2
3	2026 CARE Revenue Requirement	\$ 15,756,013	\$ 937,350	\$ 16,693,362	3
4	CARE Applicable Volume (Therms) [3]	74,387,534	49,426,068	123,813,602	4
5	CARE Balancing Account Rate Per Therm (Ln.2/Ln.4)	\$ 0.10456	\$ 0.00844		5
6	CARE Program Rate per Therm (Ln.1/Ln.4)	\$ 0.10725	\$ 0.01052		6
7	CDTFA Administrative Revenue Requirement [4]			\$ 13,250	7
8	CDTFA Rate per Therm [3] (Ln.7/Ln.4)			\$ 0.00011	8
9	CPUC Administrative Revenue Requirement [4]			\$ 0.00000	9
10	CPUC Administrative Rate per Therm (Ln.9/Ln.4)			\$ 0.00000	10
11	CARE PPP Rate per Therm (Lns.5+6+8+10)	\$ 0.21192	\$ 0.01907		11
<u>ESA PPP Components</u>					
12	2026 ESA Authorized Budget [1]			\$ 5,542,283	12
13	Less: 2023 ESA Unspent and Uncommitted Funds			\$ 0	13
14	ESA Balancing Account [2]			\$ (1,525,157)	14
15	2026 ESA Revenue Requirement			\$ 4,017,126	15
16	ESA Applicable Volume (Therms) [3]			151,236,415	16
17	ESA PPP Component Rate per Therm (Ln.12/Ln.13)			\$ 0.02656	17
<u>CEE PPP Component</u>					
18	2026 CEE Authorized Budget [5]			\$ 500,000	18
19	Less: 2023 CEE Unspent and Uncommitted Funds			\$ 0	19
20	CEE Balancing Account [2]			\$ (57,768)	20
21	2026 CEE Revenue Requirement			\$ 442,232	21
22	CEE PPP Component Rate per Therm (Ln.17/Ln.13)			\$ 0.00292	22
<u>R&D PPP Component</u>					
23	2026 R & D Budget [4]			\$ 327,508	23
24	R & D Balancing Account [2]			\$ 171,467	24
25	2026 R&D Revenue Requirement			\$ 498,975	25
26	R & D Rate per Therm (Ln.21/Ln.13)			\$ 0.00330	26

[1] Budgets authorized in D.21-10-023.

[2] General Ledger Ending Balance September 30, 2025, including CDTFA Activity Adjustment. Balancing Account adjustment approved in D.04-08-010.

[3] Three-year (36 consecutive months ended September 30, 2025) average volumes for Southern California and Northern California, including South Lake Tahoe ratemaking areas, excluding exempt volumes.

[4] Amounts provided by the Energy Division on October 7, 2025.

[5] CEE funding levels approved in D.21-03-052 and Resolution G-3594.



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	