

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



January 2, 2008

Advice Letter 790

John P. Hester, Sr. Vice-President  
Regulatory Affairs and Energy Resources  
Southwest Gas Corporation  
P O Box 98510  
Las Vegas, NV 89193-8510

Subject: In Compliance with Ops 13 and 25 in D.04-08-010 Regarding  
the Administration of Southwest's Public Purpose Program (PPP)  
Surcharges.

Dear Mr. Hester:

Advice Letter 790 is effective January 1, 2008.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director  
Energy Division



**SOUTHWEST GAS CORPORATION**

RECEIVED  
ENERGY DIVISION

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Roger C. Montgomery, Vice President/Pricing

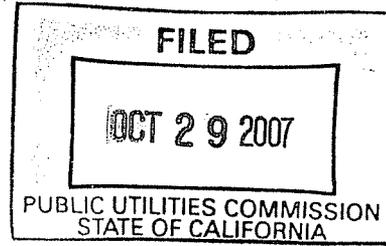
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REGULATORY AFFAIRS  
October 29, 2007

**PLEASE STAMP AND RETURN IN  
THE ENCLOSED POSTAGE-PAID  
SELF-ADDRESSED ENVELOPE**

California Public Utilities Commission  
Energy Division  
Attention: Sean Gallagher, Director  
505 Van Ness Avenue, Room 4004  
San Francisco, CA 94102



Subject: Southwest Gas Corporation (U 905 G)  
Advice Letter No. 790

Dear Mr. Gallagher:

Enclosed herewith are five (5) copies of Southwest Gas Corporation's Advice Letter No. 790, together with: 1) California Gas Tariff P.U.C. Sheet Nos. 6570-G through 6572-G; and 2) California - South Lake Tahoe Gas Tariff P.U.C. Sheet No. 59.

Sincerely,

*Ed D. Ryan, for /*  
Roger C. Montgomery

RCM:vo  
Enclosures



# SOUTHWEST GAS CORPORATION

Advice Letter No. 790

October 29, 2007

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Southwest Gas Corporation (Southwest) (U 905 G) tenders herewith for filing the following tariff sheets.

### California Gas Tariff

| Cal. P.U.C.<br>Sheet No. | Title of Sheet  | Canceling<br>Cal. P.U.C.<br>Sheet No. |
|--------------------------|---|---------------------------------------|
| 6570-G                   | Schedule No. G-PPPS – Surcharge to Fund Public Purpose Programs (PPP) | 6401-G                                |
| 6571-G                   | Table of Contents ( <i>Continued</i> )                                | 6557-G                                |
| 6572-G                   | Table of Contents   | 6558-G                                |

### California – South Lake Tahoe Gas Tariff

| Cal. P.U.C.<br>Sheet No.      | Title of Sheet  | Canceling<br>Cal. P.U.C.<br>Sheet No. |
|-------------------------------|---|---------------------------------------|
| Third Revised<br>Sheet No. 59 | Schedule No. PPPS-292 – Surcharge to Fund Public Purpose (PPP) Programs | Second Revised<br>Sheet No. 59        |

The purpose of this filing is to adjust Public Purpose Program (PPP) Surcharge rates in compliance with Ordering Paragraph No. 22 in Decision No. (D.) 04-08-010. The calculation of Southwest's proposed PPP surcharges is reflected in the attached schedules.

### Effective Date

Southwest believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 pursuant to General Order 96-B. Southwest respectfully requests the rate changes proposed herein be approved November 30, 2007, which is thirty (30) calendar days after the date filed, with an effective date of January 1, 2008.

### Protest

Anyone wishing to protest this filing may do so by sending a letter within 20 days of the filing. The protest should set forth the grounds upon which it is based and



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Page 2  
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should be submitted expeditiously. There is no restriction on who may file a protest. Protests should be mailed to:

Investigation, Monitoring & Compliance Program Manager  
California Public Utilities Commission, Energy Division  
505 Van Ness Avenue, Room 4002  
San Francisco, CA 94102  
Facsimile: 415-703-2200

Copies should also be mailed to the attention of Director, Energy Division, Room 4004 at the same address as above, and mailed and faxed to:

Mr. John P. Hester, Senior Vice-President  
Regulatory Affairs and Energy Resources  
Southwest Gas Corporation  
P.O. Box 98510  
Las Vegas, Nevada 89193-8510  
Facsimile: 702-876-7037

#### **Notice**

Pursuant to Resolution E-4111, Southwest is exempt from the noticing requirements set forth in General Rule 4.2 in General Order 96-B since the annual PPP Surcharges adjustments proposed herein were previously authorized in D.04-08-010.

#### **Service**

In accordance with General Order 96-B, General Rule 4.3, Southwest is mailing 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 *Eduard B. Greer* for/  
Roger C. Montgomery

Attachments

DISTRIBUTION LIST

Advice Letter No. 790

In Conformance with G.O. 96-B, General Rule 4.3

Southern California Edison Company

Pacific Gas & Electric Company

Sierra Pacific Power Company

San Diego Gas & Electric Company

Southern California Gas Company

Southern California Water Company

R. Thomas Beach

Duane Morris, LLP

Director/Division of Ratepayer Advocates

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 gas service areas in its Southern and Northern California Divisions, except as may hereafter be provided.

RATES

| Customer Class        | PPP SURCHARGE AMOUNT PER THERM |             |                |             |
|-----------------------|--------------------------------|-------------|----------------|-------------|
|                       | Non-CARE Customers             |             | CARE Customers |             |
|                       | Southern CA                    | Northern CA | Southern CA    | Northern CA |
| Core *                |                                |             |                |             |
| Residential           | \$ .10212                      | \$ .01567   | \$ .00980      | \$ .00683   |
| Commercial/Industrial | \$ .10212                      | \$ .01567   | \$ .00980      | \$ .00683   |
| Gas Engine            | \$ .10212                      | \$ .01567   | N/A            | N/A         |
| Natural Gas Vehicle   | \$ .10212                      | \$ .01567   | N/A            | N/A         |
| Non-Core**            |                                |             |                |             |
| Commercial/Industrial | \$ .10212                      | \$ .01567   | N/A            | N/A         |

\* Residential service includes Rate Schedule Nos. GS/GN-10, 12, 15, 20, and 25; and GS-11. Commercial/Industrial service includes Rate Schedule Nos. GS/GN-30, 35, 40, and 60; GS-55 and GSR. Natural Gas Vehicle service includes Rate Schedule No. GS/GN-50.

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

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(Continued)

| <u>RATE SCHEDULE NO. AND/OR TITLE</u>                              | <u>CAL. P.U.C. SHEET NO.</u> |
|--|------------------------------|
| GS-70/GN-70 Noncore General Gas Transportation Service             | 5952-G                       |
| GS-70/GN-70 Noncore General Gas Transportation Service (Continued) | 5868-G                       |
| GS-70/GN-70 Noncore General Gas Transportation Service (Continued) | 5869-G                       |
| Form of Service Agreement — GS-70/GN-70                            | 5870-G                       |
| Form of Service Agreement — GS-70/GN-70 (Continued)                | 5953-G                       |
| Form of Service Agreement — GS-70/GN-70 (Continued)                | 5872-G                       |
| Form of Service Agreement — GS-70/GN-70 (Continued)                | 5873-G                       |
| Form of Service Agreement — GS-70/GN-70 (Continued)                | 5874-G                       |
| Form of Service Agreement Exhibit A — GS-70/GN-70<br>(Continued)   | 5875-G                       |
| GSR Sale for Resale Natural Gas Service                            | 6341-G                       |
| GSR Sale for Resale Natural Gas Service (Continued)                | 6342-G                       |
| GSR Sale for Resale Natural Gas Service (Continued)                | 6343-G                       |
| G-PPPS Surcharge to Fund Public Purpose Programs                   | 6570-G                       |
| G-PPPS Surcharge to Fund Public Purpose Programs (Continued)       | 6246-G-A                     |
| GCP Gas Procurement for Core Customers                             | 6555-G                       |
| GCP Gas Procurement for Core Customers (Continued)                 | 5263-G                       |
| GN-T Transportation of Customer-Secured Natural Gas                | 4514-G                       |
| GN-T Transportation of Customer-Secured Natural Gas (Continued)    | 4515-G                       |
| GN-T Transportation of Customer-Secured Natural Gas (Continued)    | 4516-G                       |
| GN-T Transportation of Customer-Secured Natural Gas (Continued)    | 4517-G                       |
| GN-T Transportation of Customer-Secured Natural Gas (Continued)    | 4518-G                       |
| Form of Service Agreement — GN-T/Large Core                        | 4056-G                       |
| Form of Service Agreement — GN-T/Large Core (Continued)            | 4057-G                       |
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| Form of Service Agreement — GN-T/Large Core (Continued)            | 4059-G                       |
| Form of Service Agreement — GN-T/Large Core (Continued)            | 4060-G                       |
| Form of Service Agreement — GN-T/Large Core (Continued)            | 4061-G                       |
| Form of Service Agreement — GN-T/Large Core (Continued)            | 4062-G                       |
| Form of Service Agreement — GN-T/Large Core (Continued)            | 4063-G                       |
| Form of Service Agreement — GN-T/Large Core (Continued)            | 4064-G                       |
| Form of Service Agreement — GN-T/Core Aggregation                  | 4519-G                       |
| Form of Service Agreement — GN-T/Core Aggregation (Continued)      | 4520-G                       |
| Form of Service Agreement — GN-T/Core Aggregation (Continued)      | 4521-G                       |
| Form of Service Agreement — GN-T/Core Aggregation (Continued)      | 4522-G                       |
| Form of Service Agreement — GN-T/Core Aggregation (Continued)      | 4523-G                       |
| Form of Service Agreement — GN-T/Core Aggregation (Continued)      | 4524-G                       |
| MHPS Master-Metered Mobile Home Park Safety Inspection Provision   | 4290-G                       |
| List of Contracts and Deviations                                   | 6179-G                       |

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The following listed sheets contain all the effective rates and rules affecting rates and service and information relating thereto in effect on and after the date indicated thereon.

| <u>TITLE</u>                              | <u>CAL. P.U.C.<br/>SHEET NO.</u> |
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| Table of Contents <i>(Continued)</i>      | 6556-G                           |
| Table of Contents <i>(Continued)</i>      | 6471-G                           |
| Table of Contents <i>(Continued)</i>      | 6571-G                           |
| Table of Contents <i>(Continued)</i>      | 6122-G                           |
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| Table of Contents <i>(Continued)</i>      | 6516-G*                          |
| Table of Contents <i>(Continued)</i>      | 6517-G                           |
| Preliminary Statements                    | 4436-G                           |
| Preliminary Statements <i>(Continued)</i> | 3811-G                           |
| Preliminary Statements <i>(Continued)</i> | 5260-G                           |
| Preliminary Statements <i>(Continued)</i> | 5780-G                           |
| Preliminary Statements <i>(Continued)</i> | 5826-G                           |
| Preliminary Statements <i>(Continued)</i> | 4314-G                           |
| Preliminary Statements <i>(Continued)</i> | 6001-G                           |
| Preliminary Statements <i>(Continued)</i> | 6390-G                           |
| Preliminary Statements <i>(Continued)</i> | 4221-G                           |
| Preliminary Statements <i>(Continued)</i> | 4316-G                           |
| Preliminary Statements <i>(Continued)</i> | 5366-G                           |
| Preliminary Statements <i>(Continued)</i> | 5737-G                           |
| Preliminary Statements <i>(Continued)</i> | 5368-G                           |
| Preliminary Statements <i>(Continued)</i> | 5949-G                           |
| Preliminary Statements <i>(Continued)</i> | 5370-G                           |
| Preliminary Statements <i>(Continued)</i> | 5371-G                           |
| Preliminary Statements <i>(Continued)</i> | 6217-G-A                         |
| Preliminary Statements <i>(Continued)</i> | 6218-G-A                         |
| Preliminary Statements <i>(Continued)</i> | 6219-G-A                         |
| Preliminary Statements <i>(Continued)</i> | 6220-G-A                         |
| Preliminary Statements <i>(Continued)</i> | 6221-G-A                         |
| Preliminary Statements <i>(Continued)</i> | 6317-G-B                         |

Schedule No. PPS-292

SURCHARGE TO FUND PUBLIC PURPOSE PROGRAMS (PPS)

APPLICABILITY

This surcharge is applicable to all gas sales and transportation service and is, therefore, included in the commodity charge on all related rate schedules 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

This schedule is applicable within the entire territory served by the Company.

RATES

| <u>RATES</u>               | <u>Non-CARE<br/>Customer</u> | <u>CARE Customer</u> |
|----------------------------|------------------------------|----------------------|
| Commodity Charge:          |                              |                      |
| All usage, per therm ..... | \$.01567                     | \$.00683             |

SPECIAL CONDITIONS

1. The PPP Surcharge is shown as a separate line item on a customer's bill. The PPS is to recover the cost of public purpose programs such as low-income assistance, energy efficiency, and public interest research and development. The Company remits PPP Surcharge revenue to the State Board of Equalization. These remittances are to be made quarterly by the last day of the month following a calendar quarter.
2. Commission Decision (D.) 04-08-010 requires the Company to file an Advice Letter with proposed PPP Surcharges by October 31 of each year, with a requested effective date of January 1 of the following year. The Company may file at other times if failure to make the rate change would result in a forecasted total rate increase of 10 percent or more on January 1 of the following year, as provided for in Decision 04-08-010. The PPP Surcharge shall be calculated in accordance to formulas and throughput volumes specified in D.04-08-010.

R

**SOUTHWEST GAS CORPORATION**  
**SUMMARY OF 2008 PUBLIC PURPOSED PROGRAM SURCHARGE CALCULATIONS**  
**TO BE EFFECTIVE JANUARY 1, 2008**

| Line No.                      | Description<br>(a)                          | Southern California<br>(b) | Northern California [1]<br>(c) | Line No. |
|-------------------------------|---|----------------------------|--------------------------------|----------|
| <u>CARE Program Surcharge</u> |   |                            |                                |          |
| Number of CARE Customers      |   |                            |                                |          |
| 1                             | Residential                                 | 38,756                     | 2,167                          | 1        |
| 2                             | Non-Profit Group Living                     | <u>10</u>                  | <u>3</u>                       | 2        |
| 3                             | Total                                       | 38,766                     | 2,170                          | 3        |
| CARE Customer Volume          |   |                            |                                |          |
| 4                             | Residential                                 | 19,261,732                 | 1,626,638                      | 4        |
| 5                             | Non-Profit Group Living                     | <u>19,990</u>              | <u>10,182</u>                  | 5        |
| 6                             | Total                                       | 19,281,722                 | 1,636,820                      | 6        |
| Total CARE Program Expense    |   |                            |                                |          |
| 7                             | Total Estimated Benefit                     | \$ 8,127,929               | \$ 412,670                     | 7        |
| 8                             | Balancing Account                           | (1,221,312)                | (87,347)                       | 8        |
| 9                             | Authorized Outreach and Administrative Cost | 128,800                    | 32,200                         | 9        |
| 10                            | Authorized BOE Administrative Cost          | <u>3,702</u>               | <u>1,974</u>                   | 10       |
| 11                            | Total CARE Program Expense                  | \$ 7,039,119               | \$ 359,497                     | 11       |
| 12                            | Total Non-CARE Volume                       | 76,249,425                 | 40,650,205                     | 12       |
| 13                            | Non-CARE Surcharge                          | <u>\$ 0.09232</u>          | <u>\$ 0.00884</u>              | 13       |
| <u>LIEE Surcharge</u>         |   |                            |                                |          |
| 14                            | Authorized R&D Expense                      | \$ 206,946                 | \$ 79,588                      | 14       |
| 15                            | Authorized LIEE Program Expense             | <u>870,750</u>             | <u>209,250</u>                 | 15       |
| 16                            | Total LIEE Program Expense                  | \$ 1,077,696               | \$ 288,838                     | 16       |
| 17                            | Total CARE Volume                           | 109,954,813                | 42,287,025                     | 17       |
| 18                            | CARE Surcharge                              | <u>\$ 0.00980</u>          | <u>\$ 0.00683</u>              | 18       |
| 19                            | Total Non-CARE Surcharge                    | <u>\$ 0.10212</u>          | <u>\$ 0.01567</u>              | 19       |

[1] Including the Company's South Lake Tahoe service area.

**SOUTHWEST GAS CORPORATION  
SOUTHERN CALIFORNIA  
CALCULATION OF PUBLIC PURPOSE PROGRAM SURCHARGES  
TO BE EFFECTIVE JANUARY 1, 2008**

| Line No.                               | Description<br>(a)  | Amount [1]<br>(b) | Rates [2]<br>(c) | Revenue<br>(d)        | Applicable Volume<br>(Therms)<br>(e) | Surcharge Rate per Therm<br>(f) | Line No. |
|--|---|-------------------|------------------|-----------------------|--------------------------------------|---------------------------------|----------|
| <u>2008 Non-CARE Surcharge</u>         |   |                   |                  |                       |                                      |                                 |          |
| GS-12 CARE Residential                 |   |                   |                  |                       |                                      |                                 |          |
| 1                                      | Number of Bills   | 465,072           | \$ 5.00          | \$ 2,325,360          |                                      |                                 | 1        |
| 2                                      | Baseline Sales  | 14,494,035        | \$ 1.47365       | 21,359,135            |                                      |                                 | 2        |
| 3                                      | Tier II Sales   | 4,767,697         | 1.62293          | 7,737,638             |                                      |                                 | 3        |
| 4                                      | Total   | <u>19,261,732</u> |                  | <u>\$ 31,422,133</u>  |                                      |                                 | 4        |
| 5                                      | Number of Bills   | 465,072           | \$ 4.00          | \$ 1,860,288          |                                      |                                 | 5        |
| 6                                      | Baseline Sales  | 14,494,035        | \$ 1.08358       | 15,705,446            |                                      |                                 | 6        |
| 7                                      | Tier II Sales   | 4,767,697         | 1.20301          | 5,735,587             |                                      |                                 | 7        |
| 8                                      | Total   | <u>19,261,732</u> |                  | <u>\$ 23,301,322</u>  |                                      |                                 | 8        |
| 9                                      | Total GS-12 CARE Benefit                                  |                   |                  | <u>\$ 8,120,812</u>   |                                      |                                 | 9        |
| GS-35 Non-Profit Group Living Facility |   |                   |                  |                       |                                      |                                 |          |
| 10                                     | Number of Bills   | 120               | \$ 11.00         | \$ 1,320              |                                      |                                 | 10       |
| Summer Sales                           |   |                   |                  |                       |                                      |                                 |          |
| 11                                     | 1st 100   | 1,095             | \$ 1.39835       | \$ 1,531              |                                      |                                 | 11       |
| 12                                     | Next 500  | 2,042             | 1.29285          | 2,640                 |                                      |                                 | 12       |
| 13                                     | Next 2400   | 1,776             | 1.19835          | 2,128                 |                                      |                                 | 13       |
| 14                                     | Over 3000   | 1,800             | 1.04055          | 1,873                 |                                      |                                 | 14       |
| Winter Sales                           |   |                   |                  |                       |                                      |                                 |          |
| 15                                     | 1st 100   | 2,425             | \$ 1.41753       | \$ 3,438              |                                      |                                 | 15       |
| 16                                     | Next 500  | 4,081             | 1.31203          | 5,354                 |                                      |                                 | 16       |
| 17                                     | Next 2400   | 3,794             | 1.21753          | 4,619                 |                                      |                                 | 17       |
| 18                                     | Over 3000   | 2,977             | 1.05973          | 3,155                 |                                      |                                 | 18       |
| 19                                     | Total   | <u>19,990</u>     |                  | <u>\$ 26,058</u>      |                                      |                                 | 19       |
| 20                                     | Number of Bills   | 120               | \$ 8.80          | \$ 1,056              |                                      |                                 | 20       |
| Summer Sales                           |   |                   |                  |                       |                                      |                                 |          |
| 21                                     | 1st 100   | 1,095             | \$ 1.02334       | \$ 1,121              |                                      |                                 | 21       |
| 22                                     | Next 500  | 2,042             | 0.93894          | 1,917                 |                                      |                                 | 22       |
| 23                                     | Next 2400   | 1,776             | 0.86334          | 1,533                 |                                      |                                 | 23       |
| 24                                     | Over 3000   | 1,800             | 0.73710          | 1,327                 |                                      |                                 | 24       |
| Winter Sales                           |   |                   |                  |                       |                                      |                                 |          |
| 25                                     | 1st 100   | 2,425             | \$ 1.03869       | \$ 2,519              |                                      |                                 | 25       |
| 26                                     | Next 500  | 4,081             | 0.95429          | 3,894                 |                                      |                                 | 26       |
| 27                                     | Next 2400   | 3,794             | 0.87869          | 3,334                 |                                      |                                 | 27       |
| 28                                     | Over 3000   | 2,977             | 0.75245          | 2,240                 |                                      |                                 | 28       |
| 29                                     | Total   | <u>19,990</u>     |                  | <u>\$ 18,941</u>      |                                      |                                 | 29       |
| 30                                     | Total GS-35 Non-Profit Group Living Facility CARE Benefit |                   |                  | <u>\$ 7,117</u>       |                                      |                                 | 30       |
| 31                                     | Total CARE Benefit  |                   |                  | <u>\$ 8,127,929</u>   | <u>76,249,425</u> [3]                | <u>\$ 0.10660</u>               | 31       |
| Outreach & Administration              |   |                   |                  |                       |                                      |                                 |          |
| 32                                     | Southwest Gas [4]   |                   |                  | <u>\$ 128,800</u>     | <u>76,249,425</u>                    | <u>\$ 0.00169</u>               | 32       |
| 33                                     | CPUC  |                   |                  | <u>0</u>              | <u>76,249,425</u>                    | <u>0.00000</u>                  | 33       |
| 34                                     | BOE   |                   |                  | <u>3,702</u>          | <u>76,249,425</u>                    | <u>0.00005</u>                  | 34       |
| 35                                     | CARE Balancing Account at September 30, 2007              |                   |                  | <u>\$ (1,221,312)</u> | <u>76,249,425</u>                    | <u>\$ (0.01602)</u>             | 35       |
| 36                                     | Non-CARE Surcharge  |                   |                  | <u>\$ 7,039,119</u>   | <u>76,249,425</u>                    | <u>\$ 0.09232</u>               | 36       |
| <u>2008 CARE Surcharge</u>             |   |                   |                  |                       |                                      |                                 |          |
| 37                                     | Research and Development (R&D) Surcharge                  |                   |                  | <u>\$ 206,946</u>     | <u>109,954,813</u> [5]               | <u>\$ 0.00188</u>               | 37       |
| 38                                     | Low Income Energy Efficiency Program (LIEE) Surcharge [6] |                   |                  | <u>\$ 870,750</u>     | <u>109,954,813</u>                   | <u>\$ 0.00792</u>               | 38       |
| 39                                     | Total CARE Surcharge                                      |                   |                  |                       |                                      | <u>\$ 0.00980</u>               | 39       |
| 40                                     | Total Non-CARE Surcharge (Line 36 + Line 39)              |                   |                  |                       |                                      | <u>\$ 0.10212</u>               | 40       |

[1] Projected average 2008 CARE customers and volumes.

[2] 2008 Residential and Non-Profit Group Living Facility rates proposed in Advice Letter No. 789.

[3] Three-year (36 consecutive months ended September 2007) average volumes excluding CARE, electric generation and Special Contract volumes plus Interstate pipeline volume of 99,403 therms.

[4] Outreach and Administrative costs authorized in D.06-12-036.

[5] Three-year (36 consecutive months ended September 2007) average volumes excluding electric generation volumes.

[6] LIEE expense authorized in D.06-12-036.

**SOUTHWEST GAS CORPORATION  
SOUTH LAKE TAHOE AND NORTHERN CALIFORNIA  
CALCULATION OF PUBLIC PURPOSE PROGRAM SURCHARGES  
TO BE EFFECTIVE JANUARY 1, 2008**

| Line No. | Description<br>(a)  | Revenue [1]<br>(b) | Applicable Volume<br>(Therms)<br>(c) | Surcharge Rate per<br>Therm<br>(d) | Line No. |
|----------|---|--------------------|--------------------------------------|------------------------------------|----------|
|          | <u>2008 Non-CARE Surcharge</u>                            |                    |                                      |                                    |          |
| 1        | Total CARE Benefit  | \$ 412,670         | <u>40,650,205</u> [2]                | <u>\$ 0.01015</u>                  | 1        |
|          | Outreach & Administration                                 |                    |                                      |                                    |          |
| 2        | Southwest Gas [3]   | \$ 32,200          | <u>40,650,205</u>                    | <u>\$ 0.00079</u>                  | 2        |
| 3        | CPUC  | <u>0</u>           | <u>40,650,205</u>                    | <u>0.00000</u>                     | 3        |
| 4        | BOE   | <u>1,974</u>       | <u>40,650,205</u>                    | <u>0.00005</u>                     | 4        |
| 5        | CARE Balancing Account at September 30, 2007              | <u>\$ (87,347)</u> | <u>40,650,205</u>                    | <u>\$ (0.00215)</u>                | 5        |
| 6        | Non-CARE Surcharge  | <u>\$ 359,497</u>  | <u>40,650,205</u>                    | <u>\$ 0.00884</u>                  | 6        |
|          | <u>2008 CARE Surcharge</u>                                |                    |                                      |                                    |          |
| 7        | Research and Development (R&D) Surcharge                  | <u>\$ 79,588</u>   | <u>42,287,025</u> [4]                | <u>\$ 0.00188</u>                  | 7        |
| 8        | Low Income Energy Efficiency Program (LIEE) Surcharge [5] | <u>\$ 209,250</u>  | <u>42,287,025</u>                    | <u>0.00495</u>                     | 8        |
| 9        | Total CARE Surcharge                                      |                    |                                      | <u>\$ 0.00683</u>                  | 9        |
| 10       | Total Non-CARE Surcharge (Line 6 + Line 9)                |                    |                                      | <u>\$ 0.01567</u>                  | 10       |

[1] Total CARE and LIEE program expenses for Southwest's South Lake Tahoe and Northern California service territories.

[2] Three-year (36 consecutive months ended September 2007) average volumes for Northern California and 29 consecutive months ended September 2007 average volumes for South Lake Tahoe excluding CARE and electric generation.

[3] Outreach and Administrative costs authorized in D.06-12-036.

[4] Three-year (36 consecutive months ended September 2007) average volumes for Northern California and 29 consecutive months ended September 2007 average volumes for South Lake Tahoe excluding electric generation.

[5] LIEE expense authorized in D.06-12-036.

**SOUTHWEST GAS CORPORATION  
SOUTH LAKE TAHOE  
CALCULATION OF CARE BENEFIT**

| Line<br>No.  | Description<br>(a)  | Amount [1]<br>(b) | Rates [2]<br>(c) | Revenue<br>(d)           | Line<br>No. |
|--|---|-------------------|------------------|--------------------------|-------------|
| <b>2008 Non-CARE Surcharge</b>                       |   |                   |                  |                          |             |
| GLT-212 - Limited Income Residential                 |   |                   |                  |                          |             |
| 1  | Number of Bills   | 18,504            | \$ 5.50          | \$ 101,772               | 1           |
| 2  | Baseline Sales  | 1,133,916         | \$ 0.97527       | 1,105,874                | 2           |
| 3  | Tier II Sales   | 82,722            | 1.14122          | 94,404                   | 3           |
| 4  | Total   | <u>1,216,638</u>  |                  | <u>\$ 1,302,050</u>      | 4           |
| 5  | Number of Bills   | 18,504            | \$ 4.40          | \$ 81,418                | 5           |
| 6  | Baseline Sales  | 1,133,916         | \$ 0.77146       | 874,771                  | 6           |
| 7  | Tier II Sales   | 82,722            | 0.90422          | 74,799                   | 7           |
| 8  | Total   | <u>1,216,638</u>  |                  | <u>\$ 1,030,987</u>      | 8           |
| 9  | Total GN-12 CARE Benefit                                  |                   |                  | <u>\$ 271,063</u>        | 9           |
| GLT-222 - Limited Income General Natural Gas Service |   |                   |                  |                          |             |
| 10   | Number of Bills   | 36                | \$ 5.50          | \$ 198                   | 10          |
| 11   | Summer Sales  | 1,649             | \$ 1.01979       | 1,682                    | 11          |
| 12   | Winter Sales  | 8,533             | 1.04774          | 8,940                    | 12          |
| 13   | Total   | <u>10,182</u>     |                  | <u>\$ 10,820</u>         | 13          |
| 14   | Number of Bills   | 36                | \$ 4.40          | \$ 158                   | 14          |
| 15   | Summer Sales  | 1,649             | \$ 0.80707       | 1,331                    | 15          |
| 16   | Winter Sales  | 8,533             | 0.82943          | 7,078                    | 16          |
| 17   | Total   | <u>10,182</u>     |                  | <u>\$ 8,567</u>          | 17          |
| 18   | Total GN-35 Non-Profit Group Living Facility CARE Benefit |                   |                  | <u>\$ 2,253</u>          | 18          |
| 19   | Total CARE Benefit  |                   |                  | <u><u>\$ 273,316</u></u> | 19          |

[1] Projected average 2008 CARE customers and volumes.

[2] 2008 Residential and Non-Profit Group Living Facility rates proposed in Advice Letter No. 789.

**SOUTHWEST GAS CORPORATION  
NORTHERN CALIFORNIA  
CALCULATION OF CARE BENEFIT**

| Line<br>No.                            | Description<br>(a)  | Amount [1]<br>(b) | Rates [2]<br>(c) | Revenue<br>(d)    | Line<br>No. |
|--|---|-------------------|------------------|-------------------|-------------|
| <u>2008 Non-CARE Surcharge</u>         |   |                   |                  |                   |             |
| GN-12 CARE Residential                 |   |                   |                  |                   |             |
| 1                                      | Number of Bills   | 7,500             | \$ 5.00          | \$ 37,500         | 1           |
| 2                                      | Baseline Sales  | 328,101           | \$ 1.54375       | 506,506           | 2           |
| 3                                      | Tier II Sales   | 81,899            | 1.64598          | 134,804           | 3           |
| 4                                      | Total   | <u>410,000</u>    |                  | <u>\$ 678,810</u> | 4           |
| 5                                      | Number of Bills   | 7,500             | \$ 4.00          | \$ 30,000         | 5           |
| 6                                      | Baseline Sales  | 328,101           | \$ 1.22624       | 402,331           | 6           |
| 7                                      | Tier II Sales   | 81,899            | 1.30802          | 107,126           | 7           |
| 8                                      | Total   | <u>410,000</u>    |                  | <u>\$ 539,456</u> | 8           |
| 9                                      | Total GN-12 CARE Benefit                                  |                   |                  | <u>\$ 139,354</u> | 9           |
| GN-35 Non-Profit Group Living Facility |   |                   |                  |                   |             |
| 10                                     | Number of Bills   | 0                 | \$ 11.00         | \$ 0              | 10          |
| Summer Sales                           |   |                   |                  |                   |             |
| 11                                     | 1st 100   | 0                 | \$ 1.38252       | \$ 0              | 11          |
| 12                                     | Next 500  | 0                 | 1.25752          | 0                 | 12          |
| 13                                     | Next 2400   | 0                 | 1.15552          | 0                 | 13          |
| 14                                     | Over 3000   | 0                 | 1.00597          | 0                 | 14          |
| Winter Sales                           |   |                   |                  |                   |             |
| 15                                     | 1st 100   | 0                 | \$ 1.41047       | \$ 0              | 15          |
| 16                                     | Next 500  | 0                 | 1.28547          | 0                 | 16          |
| 17                                     | Next 2400   | 0                 | 1.18347          | 0                 | 17          |
| 18                                     | Over 3000   | 0                 | 1.03392          | 0                 | 18          |
| 19                                     | Total   | <u>0</u>          |                  | <u>\$ 0</u>       | 19          |
| 20                                     | Number of Bills   | 0                 | \$ 8.80          | \$ 0              | 20          |
| Summer Sales                           |   |                   |                  |                   |             |
| 21                                     | 1st 100   | 0                 | \$ 1.09726       | \$ 0              | 21          |
| 22                                     | Next 500  | 0                 | 0.99726          | 0                 | 22          |
| 23                                     | Next 2400   | 0                 | 0.91566          | 0                 | 23          |
| 24                                     | Over 3000   | 0                 | 0.79602          | 0                 | 24          |
| Winter Sales                           |   |                   |                  |                   |             |
| 25                                     | 1st 100   | 0                 | \$ 1.11962       | \$ 0              | 25          |
| 26                                     | Next 500  | 0                 | 1.01962          | 0                 | 26          |
| 27                                     | Next 2400   | 0                 | 0.93802          | 0                 | 27          |
| 28                                     | Over 3000   | 0                 | 0.81838          | 0                 | 28          |
| 29                                     | Total   | <u>0</u>          |                  | <u>\$ 0</u>       | 29          |
| 30                                     | Total GN-35 Non-Profit Group Living Facility CARE Benefit |                   |                  | <u>\$ 0</u>       | 30          |
| 31                                     | Total CARE Benefit  |                   |                  | <u>\$ 139,354</u> | 31          |

[1] Projected average 2008 CARE customers and volumes.

[2] 2008 Residential and Non-Profit Group Living Facility rates proposed in Advice Letter No. 789.

**CALIFORNIA PUBLIC UTILITIES COMMISSION**

**ADVICE LETTER FILING SUMMARY  
ENERGY UTILITY**

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

Company name/CPUC Utility No. **Southwest Gas Corporation (U 905 G)**

Utility type:

- ELC      GAS  
 PLC      HEAT      WATER

Contact Person: **Roger C. Montgomery**

Phone #: **(702)876-7321**

E-mail: **roger.montgomery@swgas.com**

EXPLANATION OF UTILITY TYPE

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

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **790**

Subject of AL: **In compliance with OPs 13 and 25 in D.04-08-010 regarding the administration of Southwest's Public Purpose Program (PPP) Surcharges.**

Keywords (choose from CPUC listing): **Compliance Filing**

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

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

**D.04-08-010**

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL **Not applicable**

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: **Not applicable**

Resolution Required?  Yes  No

Tier Review Level?  1  2  3

Requested effective date: **AL Approval 11/30/2007**

No. of tariff sheets: **3 - CA Gas Tariff; and 1 - CA South Lake Tahoe Tariff**

**With rates effective January 1, 2008**

Estimated system annual revenue effect: (%): **Not applicable**

Estimated system average rate effect (%): **Not applicable**

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: **Not applicable**

Service affected and changes proposed<sup>1</sup>: **See 'Subject of AL' above**

Pending advice letters that revise the same tariff sheets: **Not applicable**

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

**CPUC, Energy Division  
 Attention: Tariff Unit  
 505 Van Ness Ave.,  
 San Francisco, CA 94102  
 jjr@cpuc.ca.gov and jnj@cpuc.ca.gov**

**Utility Info (including e-mail)  
 Mr. John P. Hester, Sr. VP  
 Reg. Affairs & Energy Resources  
 Southwest Gas Corporation  
 P. O. Box 98510  
 Las Vegas, NV 89193-8510  
 Facsimile: 702-876-7037**

<sup>1</sup> Discuss in AL if more space is needed.

**CALIFORNIA ADVICE LETTER DISTRIBUTION**

Advice Letter No. 790

Date Mailed 10/29/07

**Las Vegas**

|                      |         |
|----------------------|---------|
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| C. Berger            | LVB-521 |
| J. Carillo           | LVC-420 |
| J. Cattnach          | LVB-185 |
| R. Centrella         | LVC-270 |
| R. Clayton           | LVA-300 |
| L. Colvin            | LVC-420 |
| B. Congdon           | LVB-100 |
| T. Day               | LVB-100 |
| B. DeLong            | LVB-100 |
| E. Giesecking        | LVB-100 |
| L. Harris            | LVB-370 |
| L. Hoffman           | LVC-435 |
| D. Jacobson          | LVB-105 |
| E. Janov             | LVB-283 |
| B. Johnson           | LVA-120 |
| R. Jordan            | LVB-185 |
| J. Kane              | LVB-230 |
| R. Kantor            | LVC-435 |
| M. Kirk              | LVC-420 |
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| R. Mashas            | LVB-180 |
| R. Montgomery        | LVB-101 |
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| A. Timperley         | LVB-180 |
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| L. Wamble            | LVC-420 |
| R. Whidden           | LVB-100 |
| D. Zalewski          | LVC-420 |
| L. Duarte (Log Copy) | LVB-105 |

**Victorville (So. Cal.)**

|                                      |         |
|--------------------------------------|---------|
| L. Frisby (5)                        | 12A-003 |
| P. Hamer                             | 120-295 |
| IGE/Sales (So.Cal. Rate Filing only) | 120-170 |

J. Rowell 12A-002

**Carson City (No. Cal.)**

C. Christian 24A-002  
J. Maples 24A-295

**Truckee (No. Cal.)**

Truckee 15A-003  
Sales 15A-003

**Bullhead\* (So. Cal.)**

F. Hart 34A-002

\* Needles reports to Bullhead

(For posting at offices -  
use POSTING COPY stamp)

California Public Utilities Commission  
Energy Division  
Attention: Jerry Royer  
505 Van Ness Avenue, 4<sup>th</sup> Floor Francisco,  
CA 94102

*Original plus 6, plus SWG (7 copies)*

*Attach a note to SWG's copy with the request:  
"Please stamp the attached copy and return to  
us in the self-addressed stamped envelope  
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Address on SASE envelope:

(Your name)  
State Regulatory Affairs, LVB-105  
Southwest Gas Corporation  
5241 Spring Mountain Road  
PO Box 98510  
Las Vegas, NV 89193-8510

**California Advice Filings**  
**Sheet 2 of 2**

---

R. Thomas Beach  
2560 Ninth Street, Suite 316  
Berkeley, CA 94710

Gretchen DiAlto, Tariff Administration  
Regulatory Affairs  
Sempra Energy  
555 West 5<sup>th</sup> Street, M.L. 14D6  
Los Angeles, CA 90013-1011

Lee Schavrien, Manager  
Regulatory Affairs, Room 10A  
San Diego Gas & Electric Company  
PO Box 1831  
San Diego, CA 92112

Bruce Folsom  
Manager, Regulatory Compliance  
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PO Box 3727  
Spokane, WA 99220-3727

Pat Franklin  
Sierra Pacific Power Company  
PO Box 10100  
Reno, NV 89520-0026

Office of Ratepayer Advocates  
California Public Utilities Commission  
505 Van Ness Avenue, Room 4202  
San Francisco, CA 94102

John Clarke  
Pacific Gas & Electric Company  
77 Beale Street, Room 1001  
San Francisco, CA 94177

James McTarnaghan, Partner  
Duane Morris LLP  
One Market, Spear Tower, Suite 2000  
San Francisco, CA 94105-1104

**SOUTHERN CALIFORNIA - RATES Only**  
Ronald Moore  
Regulatory Affairs  
Southern California Water Company  
630 East Foothill Boulevard  
San Dimas, CA 91773