

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Application of Southwest Gas Corporation for authority)
to expand its gas infrastructure, recover costs of the gas)
infrastructure expansion project through alternative cost-)
recovery methodologies, and amend Certificate of Public)
Convenience and Necessity ("CPC") 2627 Sub 6 to)
expand its service territory to include areas located in)
Spring Creek, Nevada.)
_____)

Docket No. 19-06017

NOTICE OF CONSUMER SESSIONS
AND
NOTICE OF HEARING

On June 13, 2019, Southwest Gas Corporation ("Southwest Gas") filed with the Public Utilities Commission of Nevada ("Commission") an application, designated as Docket No. 19-06017, for authority to expand its gas infrastructure, recover costs of the gas infrastructure expansion project through alternative cost-recovery methodologies, and amend Certificate of Public Convenience and Necessity ("CPC") 2627 Sub 6 to expand its service territory to include areas located in Spring Creek, Nevada.

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 704.9925 and Legislative Counsel Bureau File No. R116-15 (the "Regulation").

Southwest Gas states that it seeks authority to expand natural gas service to Spring Creek, Nevada, an area currently not served by natural gas. Southwest Gas states that, based on its analysis, it has concluded that the approximately \$60.3 million of the approximately \$61.9 million capital investment required to construct the expansion project is uneconomic and subject to Southwest Gas' proposed alternative cost-recovery methodology. Southwest Gas proposes to collect the revenue requirement associated with \$52.5 million of the uneconomic amount through an Infrastructure Expansion Rate ("IER") applicable to all of its Northern Nevada customers.

Southwest Gas also proposes an alternative cost-recovery methodology to recover a fixed \$7.8 million directly from Elko District and Spring Creek customers through a Local Expansion Area Charge (“LEAC”). Southwest Gas proposes that Spring Creek customers will also pay a fixed monthly charge of \$30.00. Southwest Gas states that the estimated year one average monthly bill impact is as follows:

Description	Current Average Monthly Bill	Proposed IER/LEAC	Year One Estimated Monthly Bill
Northern Nevada Customers Outside Spring Creek Expansion Area	\$71.34	\$0.98	\$72.32
Elko District Customers	\$70.35	\$2.55	\$72.90
Spring Creek Expansion Area Customers	\$70.35	\$33.50	\$103.85

Consistent with Section 16 of the Regulation, and to facilitate the Spring Creek expansion, Southwest Gas also seeks an amendment to CPC 2627 Sub 6.

Further, Southwest Gas requests a deviation from NAC 703.175(6), to the extent that this regulation requires Southwest Gas to demonstrate that the proposed expansion project is economically feasible, because Southwest Gas is unable to satisfy this specific requirement. However, Southwest Gas states that the Regulation is specifically designed to allow the Commission to consider alternative cost recovery for natural gas expansion activities that are not economically feasible under the utility’s rule for the extension of facilities, provided such activities are consistent with a program of economic development. Therefore, Southwest Gas states that good cause exists for the requested deviation and that deviation is in the public interest and not contrary to statute.

NOTICE IS HEREBY GIVEN that the Commission has scheduled CONSUMER SESSIONS in this docket to be held as follows:

THURSDAY, SEPTEMBER 12, 2019,
6:00 p.m.
Spring Creek High School
14550 Lamoille Highway
Spring Creek, Nevada 89815

MONDAY, SEPTEMBER 16, 2019,
6:00 p.m.
Public Utilities Commission of Nevada
1150 East William Street
Carson City, Nevada

Interested persons may appear and be heard regarding the above-captioned matter and the effect this matter may have on their utility service. A representative from Southwest Gas will be present at the consumer session to answer questions. Public comments may be limited to five minutes per person.

NOTICE IS HEREBY GIVEN that the Commission has also scheduled a HEARING in this docket to be held as follows:

TUESDAY, NOVEMBER 19, 2019,
10:00 a.m.
Hearing Room A
Public Utilities Commission of Nevada
1150 East William Street
Carson City, Nevada 89701

VIA VIDEOCONFERENCE TO:


Hearing Room A
Public Utilities Commission of Nevada
9075 West Diablo Drive, Suite 250
Las Vegas, Nevada 89148

The hearing may be continued from day to day as necessary. The Commission is not responsible for providing clerical or administrative assistance or materials to parties during

Commission proceedings. If such assistance is necessary, parties must make other arrangements for this type of assistance.

The filing is available for public viewing at the Commission's website at: <http://puc.nv.gov> and at the offices of the Commission: 1150 East William Street, Carson City, Nevada 89701 and 9075 West Diablo Drive, Suite 250, Las Vegas, Nevada 89148.

By the Commission,



TRISHA OSBORNE,
Assistant Commission Secretary

Dated: Carson City, Nevada

8/5/19

(SEAL)

