



# SOUTHWEST GAS CORPORATION

January 10, 2005

Sarah R. Thomas  
Administrative Law Judge  
California Public Utilities Commission  
505 Van Ness Avenue, 5<sup>th</sup> Floor  
San Francisco, California 94102

RE: R.04-01-006 – OIR on the Commission's Proposed Policies and Programs  
Governing post-2003 Low-Income Assistance Programs;  
and related matters A.04-06-038, et al.

Honorable Judge Thomas:

Pursuant to the December 22, 2004, Administrative Law Judge's Ruling Attaching Data Requests to Small and Multi-Jurisdictional Utilities, Southwest Gas Corporation (Southwest) hereby responds to the request for additional information. Specifically, Southwest has been asked to provide the following information:


***Amount of total proposed ratepayer funding for PY 2005 Low-Income Energy Efficiency (LIEE) Program***

In its Application (A.)04-07-002 (Request for Approval of Program Year (PY) 2005 Low-Income Assistance Program Budgets), Southwest has requested a total of \$860,000 for ratepayer-funded Low-Income Energy Efficiency (LIEE) Programs (\$720,000 for Southwest's Southern California Division and \$140,000 for Southwest's Northern California Division) for PY 2005. This LIEE funding request appears in the following areas of A.04-07-002:

- 1) **Overview of the Application**, page 1.
- 2) **Appendix 1** – a) Southern California Calculation of Public Purpose Program Surcharges Forecast Period Ending December 31, 2005 (Line 25); and b) Northern California Calculation of Public Purpose Program Surcharges Forecast Period Ending December 31, 2005 (Line 25).
- 3) **Appendix 2** – Table 2, Low-Income Energy Efficiency (LIEE) Estimated Annual Budget 2005.

For your convenience, copies of the above-referenced pages are attached. Southwest respectfully submits that an amendment to its A.04-07-002 is not required.

Sincerely,

  
Randall W. Sable  
Manager, State Regulatory Affairs

Attachments

c: Donna Wagoner, Energy Division  
Josephine Webb, Energy Division  
Ivy Walker, Energy Division  
Jessica Hecht, ORA  
Mariana Campbell, ORA  
R.04-01-006 Service List

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF CALIFORNIA**

In the Matter of the Application of Southwest Gas Corporation (U 905 G) for Approval of Program Year 2005 Low-Income Assistance Program Budgets ) Application 04-07-\_\_\_\_\_  
) (Filed June 30, 2004)  
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**APPLICATION OF SOUTHWEST GAS CORPORATION  
(U 905 G)  
FOR APPROVAL OF PROGRAM YEAR 2005  
LOW-INCOME ASSISTANCE PROGRAM BUDGETS**

Southwest Gas Corporation ("Southwest") respectfully requests approval of its recommended Program Year ("PY") 2005 Low-Income Assistance program budgets for its southern and northern California rate jurisdictions' California Alternate Rates for Energy ("CARE") and Low-Income Energy Efficiency ("LIEE") Programs. This application is made in accordance with Ordering Paragraph 7 of Decision (D.) 03-12-016.

**Overview of the Application**

Southwest has two service territories in California serving approximately 132,000 customers statewide. Southwest is requesting a total of \$6,270,737 for PY 2005 Low-Income Assistance programs: \$5,410,737 for CARE activities (\$5,328,689 for Southwest's Southern California Division and \$82,048 for Southwest's Northern California Division in direct benefits, administrative costs, and balancing account recoveries) and \$860,000 for LIEE activities (\$720,000 for Southwest's Southern California Division and \$140,000 for Southwest's Northern California Division). Southwest plans to continue its CARE discount rate, weatherization, appliance

**SOUTHWEST GAS CORPORATION  
SOUTHERN CALIFORNIA  
CALCULATION OF PUBLIC PURPOSE PROGRAM SURCHARGES  
FORECAST PERIOD ENDING DECEMBER 31, 2005**

Line No.	Description (a)	Amount (b)	Rates [1] (c)	Revenue (d)	Line No.
<u>Calculation of TY2005 Forecasted CARE Program Subsidy</u>					
<u>GS-12 CARE Residential</u>					
1	Number of Bills	265,549	\$ 5.00	\$ 1,327,745	1
2	Baseline Sales	8,794,804	\$ 1.10615	\$ 9,728,372	2
3	Tier II Sales	3,254,978	1.25538	\$ 4,086,235	3
4	Total	12,049,782		\$ 15,142,352	4
5	Number of Bills	265,549	\$ 4.00	\$ 1,062,196	5
6	Baseline Sales	8,794,804	\$ 0.83072	\$ 7,306,019	6
7	Tier II Sales	3,254,978	0.95011	\$ 3,092,588	7
8	Total	12,049,782		\$ 11,460,803	8
9	Total GS-12 CARE Subsidy			\$ 3,681,549	9
<u>GS-35 Non-Profit Group Living Facility</u>					
10	Number of Bills	60	\$ 11.00	\$ 660	10
11	Summer Sales	28,873	\$ 1.14536	\$ 33,070	11
12	Winter Sales	52,286	1.17423	\$ 61,396	12
13	Total	81,159		\$ 95,126	13
14	Number of Bills	60	\$ 8.80	\$ 528	14
15	Summer Sales	28,873	\$ 0.86209	\$ 24,891	15
16	Winter Sales	52,286	0.88519	\$ 46,283	16
17	Total	81,159		\$ 71,702	17
18	Total GS-35 Non-Profit Group Living Facility CARE Subsidy			\$ 23,424	18
19	Total CARE Subsidy			\$ 3,704,973	19
20	PY 2005 Ratepayer Funded Outreach & Administrative			\$ 167,800	20
21	CARE Balancing Account at May 31, 2004			\$ 1,455,916	21
22	2005 Dollars to be Collected			\$ 5,328,689	22
23	2005 Applicable Forecast (therms) [2]			76,220,473	23
24	CARE Portion of Surcharge (\$/therm)			\$ 0.06991	24
<u>Low Income Energy Efficiency Program (LIEE) Surcharge</u>					
25	PY 2005 Program Costs			\$ 720,000	25
26	2005 Applicable Forecast (therms) [3]			91,186,847	26
27	EEP Portion of Surcharge (\$/therm)			\$ 0.00790	27

[1] Illustrative residential rates for TY2005 based on Decision No.04-03-034.

[2] Total TY2005 volumes excluding CARE, Electric Generation and Special Contract.

[3] Total TY2005 volumes excluding Special Contract Volumes.

**SOUTHWEST GAS CORPORATION  
NORTHERN CALIFORNIA  
CALCULATION OF PUBLIC PURPOSE PROGRAM SURCHARGES  
FORECAST PERIOD ENDING DECEMBER 31, 2005**

Line No.	Description (a)	Amount (b)	Rates [1] (c)	Revenue (d)	Line No.
<u>Calculation of TY 2005 Forecasted CARE Program Subsidy</u>					
<u>GN-12 CARE Residential</u>					
1	Number of Bills	2,998 \$	5.00 \$	14,990	1
2	Baseline Sales	145,574	1.31866	191,963	2
3	Tier II Sales	35,215	1.42089	50,037	3
4	Total	<u>180,789</u>		<u>\$ 256,989</u>	4
5	Number of Bills	2,998 \$	4.00 \$	11,992	5
6	Baseline Sales	145,574	1.05316	153,313	6
7	Tier II Sales	35,215	1.13495	39,967	7
8	Total	<u>180,789</u>		<u>\$ 205,272</u>	8
9	Total GN-12 CARE Subsidy			<u>\$ 51,717</u>	9
<u>GN-35 Non-Profit Group Living Facility</u>					
10	Number of Bills	0 \$	11.00 \$	0	10
11	Summer Sales	0	1.13030	0	11
12	Winter Sales	0	1.16816	0	12
13	Total	<u>0</u>		<u>\$ 0</u>	13
14	Number of Bills	0 \$	8.80 \$	0	14
15	Summer Sales	0	0.90247	0	15
16	Winter Sales	0	0.93276	0	16
17	Total	<u>0</u>		<u>\$ 0</u>	17
18	Total GN-35 Non-Profit Group Living Facility CARE CARE Subsidy			<u>\$ 0</u>	18
19	Total CARE Subsidy			<u>\$ 51,717</u>	19
20	PY 2005 Ratepayer Funded Outreach & Administrative			<u>13,400</u>	20
21	CARE Balancing Account at May 31, 2004			\$ 16,931	21
22	2005 Dollars to be Collected			\$ 82,048	22
23	2005 Applicable Forecast Therms [2]			<u>19,792,954</u>	23
24	CARE Portion of Surcharge (\$/therm)			<u>\$ 0.00415</u>	24
<u>Low Income Energy Efficiency Program (LIEE) Surcharge</u>					
25	PY 2005 Program Costs			<u>140,000</u>	25
26	2005 Applicable Forecast (therms) [3]			<u>19,973,743</u>	26
27	EEP Portion of Surcharge (\$/therm)			<u>\$ 0.00701</u>	27

[1] Illustrative residential rates for TY2005 based on Decision No.04-03-034.

[2] Total TY2005 volumes excluding CARE.

[3] Total TY2005 volumes.

**TABLE 2**  
**SOUTHWEST GAS CORPORATION**  
**CALIFORNIA**  
**LOW-INCOME ENERGY EFFICIENCY (LIEE)**  
**ESTIMATED ANNUAL BUDGET 2005**

Line No.	Program	Northern California	Southern California	Total	Line No.
1	Program Costs <sup>1</sup>				1
2	Weatherization	\$ 90,000	\$ 375,000	\$ 465,000	2
3	Appliance Replacement	12,000	133,000	145,000	3
4	Education	5,000	27,000	32,000	4
5	Subtotal Program Costs	\$ 107,000	\$ 535,000	\$ 642,000	5
6	Administrative Costs				6
7	Outreach	\$ 3,000	\$ 17,000	\$ 20,000	7
8	Inspections	5,000	25,000	30,000	8
9	General	25,000	143,000	168,000	9
10	Subtotal Administrative Costs	\$ 33,000	\$ 185,000	\$ 218,000	10
11	Total	\$ 140,000	\$ 720,000	\$ 860,000	11

<sup>1</sup> Note: In 2005, SWG will be conducting one LIEE program that incorporates weatherization, appliance replacement and education for income-qualified customers. The amounts listed above reflect estimated costs by subcategory; however, funds may be shifted between categories, as needed, to best utilize the total LIEE budget.