



FILED

11/30/21
04:59 PM

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southwest Gas Corporation
(U 905 G) for Authority to Increase Rates and
Charges for Gas Service in California,
Effective January 1, 2014.

Application 12-12-024
(Filed December 20, 2012)

**SOUTHWEST GAS CORPORATION (U 905 G)
ANNUAL REPORT PURSUANT TO PUBLIC UTILITIES CODE §591**

Catherine M. Mazzeo
8360 South Durango Drive
Las Vegas, Nevada 89113
Telephone: 702.876.7250
Facsimile: 702.364.3446
catherine.mazzeo@swgas.com

Attorney for Southwest Gas Corporation

November 30, 2021

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southwest Gas Corporation
(U 905 G) for Authority to Increase Rates and
Charges for Gas Service in California,
Effective January 1, 2014.

Application 12-12-024
(Filed December 20, 2012)

**SOUTHWEST GAS CORPORATION (U 905 G)
ANNUAL REPORT PURSUANT TO PUBLIC UTILITIES CODE §591**

Southwest Gas Corporation (Southwest Gas) hereby submits its Annual Report pursuant to Section 591 of the California Public Utilities Code and the Energy Division recommendations set forth in the disposition of Southwest Gas' Advice Letter No. 1116.

Southwest Gas' Annual Report is attached hereto as **Exhibit A** and covers the reporting period from January 1, 2020 through December 31, 2020.

Dated this 30th day of November 2021.

Respectfully submitted,

SOUTHWEST GAS CORPORATION

Catherine M. Mazzeo
8360 South Durango Drive
Las Vegas, Nevada 89113
Telephone: 702.876.7250
Facsimile: 702.364.3446
catherine.mazzeo@swgas.com

Attorney for Southwest Gas Corporation

EXHIBIT A

Southwest Gas Corporation **(U 905 G)**

Public Utilities Code §591 Annual Report

In compliance with:
PU Code §591

Reporting Period:
January 1, 2020 through December 31, 2020

November 30, 2021



EXECUTIVE SUMMARY

In accordance with the Energy Division recommendation included in the disposition of Southwest Gas Corporation (Southwest Gas) Advice Letter No. 1116, Southwest Gas submits this California Public Utilities Code (Cal P.U. Code) § 591 for the period January 1, 2020 through December 31, 2020 (Annual Report).

Company Overview

Southwest Gas has two distinct and separate service territories in northern and southern California. Areas served in northern California include North Lake Tahoe, South Lake Tahoe and Truckee. In southern California, Southwest Gas serves Big Bear, Needles, Barstow, Victorville and other surrounding cities in the high desert area. For the purposes of ratemaking treatment, Southwest Gas has three rate jurisdictions: Southern California, Northern California and South Lake Tahoe.

BACKGROUND

On April 25, 2019, the Commission approved D.19-04-020, which adopted a Voluntary Risk-Based Decision-Making Framework for use by the small and multi-jurisdictional utilities (SMJU), including Southwest Gas, in their general rate cases. D.19-04-020 also adopted a schedule for the SMJU's to submit their first Risk Spending Accountability Reports (RSAR) after the general rate case proceeding in which funding for risk mitigation spending is authorized. Southwest Gas filed its Test Year (TY) 2021 General Rate Case on August 30, 2019 (Application (A.) 19-08-015), which included a risk-based decision-making framework and associated funding requests for risk-based infrastructure programs. Pursuant to Ordering Paragraph 13 in D.19-04-020, Southwest Gas' first RSAR will be due on June 30, 2022 for the 2021 reporting period.

On July 22, 2019, Southwest Gas received a written request from Energy Division Staff to submit an information only RSAR for the 2018 reporting period by November 8, 2019. Southwest Gas submitted its first information only RSAR in Advice Letter No. 1116. On September 25, 2020, the Energy Division issued its disposition letter recommending that Southwest Gas continue to submit its information-only annual report, or Cal PU § 591 report, until it files its first official RSAR in the TY 2021 general rate case on June 30, 2022.

Cal P.U. Code § 591 states:

(a) The commission shall require an electrical or gas corporation to annually notify the commission, as part of an ongoing proceeding or in a report otherwise required to be submitted to the commission, of each time since that notification was last provided that capital or expense revenue authorized by the commission for maintenance, safety, or reliability was redirected by the electrical or gas corporation to other purposes.

(b) The commission shall ensure that the notification provided by each electrical or gas corporation is also made available in a timely fashion to the Office of the Safety Advocate, Public Advocate's Office of the Public Utilities Commission, and parties on the service list of any relevant proceeding.

RECOMMENDATIONS

The Energy Division recommended that Southwest Gas continue to submit Cal P.U. Code § 591 annual reports until Southwest Gas files its first official RSAR in the TY 2021 GRC proceeding,

on June 30, 2022. Additionally, Energy Division Staff recommended that Southwest Gas address the following items in its annual report

- A thorough description of how authorized spending was derived.
- Safety, Reliability and Maintenance (SRM) program descriptions
- Authorized and actual spending
- The difference from authorized spending in dollars and percent
- Variance explanations above 20%
- Balancing account variances

REPORT

Over the course of several meetings in calendar year 2020, Southwest Gas worked with Energy Division Staff to develop its Annual Report in conformance with the above recommendations. The Annual Report is included as Attachment 1. Southwest Gas' Annual Report is broken out by its three rate jurisdictions for Operations and Maintenance (O&M) and Capital expenditures. Southwest Gas has also provided a narrative description of each account type.

- *2020 Authorized Spending*

Southwest Gas derived its 2020 authorized spending amounts by escalating the Commission-authorized TY 2014 general rate case (D.14-06-028 in A.12-12-024) amounts, by its authorized (D.14-06-028 as modified by D.17-06-006) annual Post-Test Year Margin (PTYM) escalation factor of 2.75 percent for five years to determine the escalated authorized TY 2014 projected amounts to 2020. The annual 2.75 percent PTYM escalation factor is applied equally to all components of the cost of service.

- *Safety, Reliability and Maintenance Program Descriptions*

Southwest Gas was not authorized specific safety, reliability and maintenance programs in its TY 2014 general rate case. In this Annual Report, Southwest Gas addresses in its variance explanations impacts to safety, reliability or maintenance, where applicable.

- *Authorized and Actual Spending, the Difference from Authorized Spending in Dollars and Percent and Variance Explanations Above 20%*

Southwest Gas' Annual Report provided as Attachment 1 includes authorized versus actual spending, as well as differences in dollars and percent and explanations of variances of 20% or greater.

- *Balancing Account Variances*

Southwest Gas' authorized TY 2014 general rate case amounts for the purposes of this Annual Report are not attributed to specific balancing accounts; therefore, there are no reportable balancing account variances.

CONCLUSION

Southwest Gas appreciates the opportunity to provide this Annual Report.

ATTACHMENT 1

**SOUTHWEST GAS CORPORATION (U 905 G)
PU CODE SECTION 591 REPORT
SOUTHERN CALIFORNIA RATE JURISDICTION
JANUARY 1, 2020 - DECEMBER 31, 2020
OPERATIONS AND MAINTENANCE**

Line No.	Account Description	TY 2014 Authorized	TY 2014 Escalated to 2020	2020 Actual	Difference	%	Explanation of Variance of 20% or Greater
1	Other Gas Supply						
2	813 Other Gas Supply	\$ 175,163	\$ 206,126	\$ 191,392	\$ (14,735)	-7%	
3	Total Other Gas Supply	\$ 175,163	\$ 206,126	\$ 191,392	\$ (14,735)		
4	Distribution						
5	870 Operation Supervision & Eng	\$ 2,104,955	\$ 2,477,044	1,964,217	\$ (512,827)	-21%	Retirement of several long-term employees and filling those positions with new employees (lower wage) reduced expenses in this account. In addition, an increase in the six-year period of Capital work shifted some of these employee expenses to proactive system improvement projects. These changes have no negative effect on safety/maintenance programs as the oversight of safety/maintenance programs did not change.
6	871 Distribution Load Dispatching	159,328	187,492	180,377	(7,115)	-4%	
7	874 Mains and Services Expenses	1,239,328	1,458,402	1,779,465	321,063	22%	Increase in field employee positions for O&M activities in Construction and Customer Service, to improve emergency response capabilities both during and after work hours. Added a full-time Damage Prevention Administrator and formalized a Damage Prevention Program. Notable increase in line locating expenses due to new contracts, large ticket volume increase, and increased quality oversight. Overall these changes improve safety and reliability of the system.
8	875 Meas & Reg Station Exp	18,237	21,461	3,838	(17,623)	-82%	Allocated expenses to the 889 "Maint of Measuring and Reg Sta" account.
9	878 Meter and House Reg Exp	1,942,922	2,286,369	1,307,814	(978,555)	-43%	Updates to allocation of time charged. Prior charges for meter turn-ons were primarily charged to this account. Southwest Gas implemented a new time-charging system resulting in more accurate account charges, providing for these allocations to be charged to direct customers service accounts. These changes have no negative effect on safety/maintenance programs.
10	879 Customer Installations Exp	2,156,821	2,538,079	4,002,726	1,464,647	58%	Increase in charges primarily due to the new California on-call stand-by program for all Field Operations departments. All on-call employees are compensated for every hour of on-call time.
11	880 Other Expenses	2,868,936	3,376,073	(3,161,488)	(6,537,561)	-194%	The reduction is primarily due to credits for the California Pension Adjustment holding account. Remaining minor reductions include transfer of utility accounts (water, electric, phone, internet, etc.) and facilities maintenance from local level to Corporate, allocation of certain maps/records expenses to corresponding capital project accounts, and efficiencies realized in Staff/Training expenses with new technology and training programs. In 2020, COVID-19 caused decreased travel, hotel, and meal expenses. These changes have no negative effect on safety/maintenance programs.
12	885 Maint Supervision & Eng	332,768	391,591	293,407	(98,184)	-25%	Reallocation of supervision time being charged to 874 Mains and Services Expenses.
13	887 Maint of Mains	1,737,855	2,045,053	1,989,797	(55,256)	-3%	
14	889 Maint of Measuring and Reg Sta	378,636	445,567	446,204	638	0%	
15	892 Maint of Services	1,123,733	1,322,373	924,324	(398,050)	-30%	2019 represented the end of the CPUC-mandated PVC plastic pipe replacement program. The program, beginning in the early 2000's, replaced all main/service PVC plastic pipe. The replacement of identified pipe reduced maintenance of the distribution system associated with leaks, valve issues, fittings, etc. During this six-year period, Southwest Gas moved from a 5-year to a 3-year leak survey program, with minor increased costs. This change is above federal/state standards and at a greater rate proactively finds leaks and potential system integrity issues.
16	893 Maint of Meters & House Reg	425,699	500,949	439,853	(61,096)	-12%	
17	894 Maint of Other Equip	28,578	33,630	71,550	37,920	113%	Increase in charges primarily due to proactive improvements in the SCADA monitoring system. These enhancements include more accurate and reliable system flow rate monitoring equipment and result in improvements in the safety/reliability of the high-pressure and distribution systems and provides real-time data during for cold weather events, incidents, etc.
18	Total Distribution	\$ 14,517,796	\$ 17,084,083	\$ 10,242,083	\$ (6,842,000)		

ATTACHMENT 1

**SOUTHWEST GAS CORPORATION (U 905 G)
PU CODE SECTION 591 REPORT
SOUTHERN CALIFORNIA RATE JURISDICTION
JANUARY 1, 2020 - DECEMBER 31, 2020
OPERATIONS AND MAINTENANCE**

Line No.	Account Description	TY 2014 Authorized	TY 2014 Escalated to 2020	2020 Actual	Difference	%	Explanation of Variance of 20% or Greater
19	Customer Accounts						
20	901 Supervision	\$ 268,763	\$ 316,272	303,212	\$ (13,060)	-4%	
21	902 Meter Reading Exp	213,481	251,218	103,229	(147,989)	-59%	New meter read collection technology reduces the time/resources needed to collect necessary data on a monthly basis. In addition, retirement of long-term employee and filling the position with new employee (lower wage) reduced expenses in this account. These changes have no negative effect on safety/maintenance programs
22	903 Customer Records and Collection	4,345,818	5,114,021	2,972,072	(2,141,949)	-42%	Reduction primarily attributed to fewer non-pay turn-off and non-pay service restoration field activities. In addition, new electronic processes in back office support reduced billing, accounting, and application expenses. New electronic billing processes, auto withdraw processes, etc. resulted in reduced billing/mailling expenses. These changes have no negative effect on safety/maintenance programs.
23	904 Uncollectibles	283,754	333,913	673,050	339,138	102%	While the number of accounts for non-pay turn-off and associated restoration were reduced in this time period, the dollar amount owed per account increased. In 2020, COVID-19 and a moratorium on turn-offs greatly increased the uncollectible charges. These changes have no negative effect on safety/maintenance programs.
24	905 Misc. Customer Accounts Exp	19	22	-	(22)	-100%	
25	Total Customer Accounts	\$ 5,111,835	\$ 6,015,446	\$ 4,051,564	\$ (1,963,882)		
26	Customer Service and Info						
27	908 Customer Assistance Exp	\$ 188,689	\$ 222,043	-	\$ (222,043)	-100%	Charges in this account, for promoting safe, efficient and economical use of Southwest Gas' service, were reduced as several of these activities were absorbed in existing O&M programs. For example, liaison programs to educate emergency responders and customers on safety around a natural gas system were integrated into the Damage Prevention program. Demonstrations of natural gas and education programs for businesses/schools, etc. were integrated into existing outreach efforts by the Customer Service team. Efficiencies in outreach to customers were realized through new methods of electronic communication. During this period, Southwest Gas also increased community outreach efforts in Damage Prevention and Emergency Response, as verified and noted by CPUC damage prevention audits.
28	909 Informational and Instructional Adv	-	-	-	-		
29	910 Misc. Cust Service and Info Exp	-	-	29,098	29,098		
30	Total Customer Service and Info	\$ 188,689	\$ 222,043	\$ 29,098	\$ (192,945)		
31	Administrative and General						
32	930.1 General Advertising Expenses (Safety)	\$ 161,046	\$ 189,514	128,182	\$ (61,332)	-32%	With the addition of a Damage Prevention Administrator, the outreach with local public/private agencies allowed Southwest Gas to get the safety messages out to the public at a reduced cost. No actual reduction in safety messaging took place.
33	Total Administrative and General	\$ 161,046	\$ 189,514	\$ 128,182	\$ (61,332)		
34	Total O&M	20,154,529	23,717,212	14,642,318	(9,074,894)		

ATTACHMENT 1

**SOUTHWEST GAS CORPORATION (U 905 G)
 PU CODE SECTION 591 REPORT
 SOUTHERN CALIFORNIA RATE JURISDICTION
 JANUARY 1, 2020 - DECEMBER 31, 2020
 CAPITAL**

Line No.	Account Description	Account Number	2014 Projected Additions	Escalated [1] 2014 Projected Additions to 2020	2020 Additions	\$ Difference	% Difference	Explanation of Variance of 20% or Greater
1	Mains	376	\$ 8,221,622	\$ 9,674,945	\$ 22,609,263	\$ 12,934,318	134%	Increased costs are due to several initiatives to increase safety/reliability of the system. One initiative is PVC replacement, a CPUC-authorized project (D.04-04-034) to replace all PVC no later than 2020. The Southern California Division completed the remainder of main replacement work in 2019, and as a result the safety/reliability of the system is improved through reduced leak rates and increased operating capacity. Increased spend is also attributed to the CPUC-authorized Mobile Home Park Conversion Program (D.14-03-021), which dramatically improves the safety/reliability of MHP systems. This multi-year pilot program was made permanent by the CPUC in 2020. Reliability and system capacity were increased to address increased customer demand in sections of the service territory via new high-pressure pipelines. Another initiative to improve safety/reliability of the system is addressing Driscoppe 7000 and 8000 potential material degradation by proactively removing and/or replacing identified main sections and stubs to mitigate pipe degradation. This pipe material was as identified by a DOT Pipeline Safety Notice. Additional franchise projects to align with municipal improvement work to maintain system safety/reliability, and new business work for increased customer demand also added costs to this account.
2	Measuring & Reg Station-General	378	\$ 423,351	\$ 498,186	\$ 1,670,472	\$ 1,172,286	235%	Increased costs primarily due to the new La Mesa tap site, from SoCal Gas, completed in 2020. This improves reliability of the system and increases capacity to meet increased customer load.
3	Services	380	\$ 2,765,952	\$ 3,254,885	\$ 14,683,442	\$ 11,428,557	351%	Increased costs are due to several initiatives to increase safety/reliability of the system. One initiative is PVC replacement, a CPUC-authorized project (D.04-04-034) to replace all PVC no later than 2020. The Southern California Division completed the remainder of main replacement work in 2019, and as a result the safety/reliability of the system is improved through reduced leak rates and increased operating capacity. Increased spend is also attributed to the CPUC-authorized Mobile Home Park Conversion Program (D.14-03-021), which dramatically improves the safety/reliability of MHP systems. This multi-year pilot program was made permanent by the CPUC in 2020. Another initiative to improve safety/reliability of the system is addressing Driscoppe 7000 and 8000 potential material degradation by proactively removing and/or replacing identified service sections and stubs to mitigate pipe degradation. This pipe material was as identified by a DOT Pipeline Safety Notice. Additional franchise projects to align with municipal improvement work to maintain system safety/reliability, and new business work for increased customer demand also added costs to this account.
4	Industrial Measuring & Reg Station	385	\$ 73,788	\$ 86,832	\$ 115,675	\$ 28,843	33%	Increased costs primarily due to several large customers coming online in 2020.
5	Total Distribution Plant		\$ 11,484,714	\$ 13,514,848	\$ 39,078,853	\$ 25,564,005	189%	

[1] Based on an annual cost of service escalation rate of 2.75 percent per year.

ATTACHMENT 1

**SOUTHWEST GAS CORPORATION (U 905 G)
PU CODE SECTION 591 REPORT
NORTHERN CALIFORNIA JURISDICTION
JANUARY 1, 2020 - DECEMBER 31, 2020
OPERATIONS AND MAINTENANCE**

Line No.	Account Description	TY 2014 Authorized	TY 2014 Escalated to 2020	2020 Actual	Difference	%	Explanation of Variance of 20% or Greater
1	Other Gas Supply						
2	813 Other Gas Supply	\$ 31,636	\$ 37,228	\$ 35,916	\$ (1,312)	-4%	
3	Total Other Gas Supply	\$ 31,636	\$ 37,228	\$ 35,916	\$ (1,312)		
4	Distribution						
5	870 Operation Supervision & Eng	\$ 363,896	\$ 428,221	\$ 638,317	\$ 210,095	49%	Reallocation of supervision time being charged to 870 Operations Supervision & Engineering. These changes have no negative effect on safety/maintenance programs as oversight of the safety/maintenance programs did not change.
6	871 Distribution Load Dispatching	\$ 32,980	\$ 38,810	\$ 34,254	\$ (4,555)	-12%	
7	874 Mains and Services Expenses	\$ 106,675	\$ 125,532	\$ 315,366	\$ 189,835	151%	Increase in field employee positions for O&M activities in Construction and Customer Service, to improve emergency response capabilities both during and after work hours. Added a full-time Damage Prevention Administrator and formalized a Damage Prevention Program. Notable increase in line locating expenses due to new contracts, large ticket volume increase, and increased quality oversight. Overall these changes improve safety and reliability of the system.
8	875 Meas & Reg Station Exp	\$ 22	\$ 26	\$ 256	\$ 230		
9	878 Meter and House Reg Exp	\$ 173,649	\$ 204,345	\$ 264,400	\$ 60,056	29%	Covid-19 minimized customers moving residences, so Customer Service increased review and maintenance to meters and regulators. These actions have a positive effect on safety/maintenance programs.
10	879 Customer Installations Exp	\$ 138,029	\$ 162,428	\$ 442,078	\$ 279,650	172%	Increase in charges primarily due to the new California on-call stand-by program for all Field Operations departments. All on-call employees are compensated for every hour of on-call time.
11	880 Other Expenses	\$ 257,119	\$ 302,570	\$ (442,115)	\$ (744,684)	-246%	The reduction is primarily due to credits for the California Pension Adjustment holding account. Remaining minor reductions include transfer of utility accounts (water, electric, phone, internet, etc.) and facilities maintenance from local level to Corporate, allocation of certain maps/records expenses to corresponding capital project accounts, and efficiencies realized in Staff/Training expenses with new technology and training programs. In 2020, COVID-19 caused decreased travel, hotel, and meal expenses. These changes have no negative effect on safety/maintenance programs.
12	885 Maint Supervision & Eng	\$ 70,940	\$ 83,480	\$ 45,623	\$ (37,857)	-45%	Reallocation of supervision time being charged to 870 Operations Supervision & Engineering.
13	887 Maint of Mains	\$ 250,596	\$ 294,893	\$ 292,547	\$ (2,346)	-1%	
14	889 Maint of Measuring and Reg Sta	\$ 79,405	\$ 93,441	\$ 57,595	\$ (35,847)	-38%	Modernization of regulator stations and associated components, and proactive replacement of aging regulator stations has reduced unplanned maintenance and improved safety/reliability of operating stations.
15	892 Maint of Services	\$ 228,598	\$ 269,007	\$ 131,115	\$ (137,892)	-51%	2019 represented the end of the CPUC-mandated PVC plastic pipe replacement program. The program, beginning in the early 2000's, replaced all main/service PVC plastic pipe. The replacement of identified pipe reduced maintenance of the distribution system associated with leaks, valve issues, fittings, etc. During this six-year period, Southwest Gas moved from a 5-year to a 3-year leak survey program, with minor increased costs. This change is above federal/state standards and at a greater rate proactively finds leaks and potential system integrity issues.
16	893 Maint of Meters & House Reg	\$ 51,979	\$ 61,167	\$ 127,467	\$ 66,299	108%	Covid-19 minimized customers moving residences, so Customer Service increased review and maintenance to meters and regulators. These actions have a positive effect on safety/maintenance programs.
17	894 Maint of Other Equip	\$ 168	\$ 198	\$ 4,814	\$ 4,616		
18	Total Distribution	\$ 1,754,056	\$ 2,064,118	\$ 1,911,717	\$ (152,400)		

ATTACHMENT 1

**SOUTHWEST GAS CORPORATION (U 905 G)
PU CODE SECTION 591 REPORT
NORTHERN CALIFORNIA JURISDICTION
JANUARY 1, 2020 - DECEMBER 31, 2020
OPERATIONS AND MAINTENANCE**

Line No.	Account Description	TY 2014 Authorized	TY 2014 Escalated to 2020	2020 Actual	Difference	%	Explanation of Variance of 20% or Greater
19	Customer Accounts						
20	901 Supervision	\$ 77,454	\$ 91,145	\$ 50,756	\$ (40,389)	-44%	The call center and billing services have been centralized and each rate jurisdiction is allotted their portion. These changes have no negative effect on safety/maintenance programs.
21	902 Meter Reading Exp	\$ 82,155	\$ 96,677	\$ 86,373	\$ (10,305)	-11%	Reduction primarily attributed to fewer non-pay turn-off and non-pay service restoration field activities. In addition, new electronic processes in back office support reduced billing, accounting, and application expenses. New electronic billing processes, auto withdraw processes, etc. resulted in reduced billing/mailling expenses. These changes have no negative effect on safety/maintenance programs.
22	903 Customer Records and Collection	\$ 677,963	\$ 797,805	\$ 536,954	\$ (260,852)	-33%	While the number of accounts for non-pay turn-off and associated restoration were reduced in this time period, the dollar amount owed per account increased. In 2020, COVID-19 and a moratorium on turn-offs did not effect this service territory. These changes have no negative effect on safety/maintenance programs.
23	904 Uncollectible	\$ 22,365	\$ 26,318	\$ 19,643	\$ (6,675)	-25%	
24	905 Misc. Customer Accounts Exp	\$ 1,270	\$ 1,494	\$ -	\$ (1,494)		
25	Total Customer Accounts	\$ 861,207	\$ 1,013,441	\$ 693,726	\$ (319,715)		
26	Customer Service and Info						
27	908 Customer Assistance Exp	\$ 34,079	\$ 40,103	\$ -	\$ (40,103)	-100%	Charges in this account, for promoting safe, efficient and economical use of Southwest Gas' service, were reduced as several of these activities were absorbed among existing O&M programs. For example, liaison programs to educate emergency responders and customers on safety around a natural gas system were integrated into the Damage Prevention program. Demonstrations of natural gas and education programs for businesses/schools, etc. were integrated into existing outreach efforts by the Customer Service team. Efficiencies in outreach to customers were realized through new methods of electronic communication. During this period, Southwest Gas also increased community outreach efforts in Damage Prevention and Emergency Response, as verified and noted for success in CPUC damage prevention audits.
28	909 Informational and Instructional Adv	\$ -	\$ -	\$ -	\$ -		
29	910 Misc. Cust Service and Info Exp	\$ -	\$ -	\$ -	\$ -		
30	Total Customer Service and Info	\$ 34,079	\$ 40,103	\$ -	\$ (40,103)		
31	Administrative and General						
32	930.1 General Advertising Expenses (Safety)	\$ 54,466	\$ 64,094	\$ 66,719	\$ 2,625	4%	
33	Total Administrative and General	\$ 54,466	\$ 64,094	\$ 66,719	\$ 2,625		
34	Total Northern California Rate Jurisdiction	\$ 2,735,444	\$ 3,218,984	\$ 2,708,078	\$ (510,906)	-16%	
35	Total Northern California	\$ 5,598,832	\$ 6,588,528	\$ 6,050,674	\$ (537,854)	-8%	While there are two rate jurisdictions in Northern California, Southwest Gas operates them as one area. Efficiencies and changes in policies and procedures can reflect differently in each rate jurisdiction and in each budget item, but as a whole, it can be seen that Southwest Gas is on target in the areas of safety and risk.

ATTACHMENT 1

SOUTHWEST GAS CORPORATION (U 905 G)
 PU CODE SECTION 591 REPORT
 NORTHERN CALIFORNIA JURISDICTION
 JANUARY 1, 2020 - DECEMBER 31, 2020
 CAPITAL

Line No.	Description	Account Number	2014 Projected Additions	Escalated [1] 2014 Projected Additions to 2020	2020 Additions	\$ Difference	% Difference	Explanation of Variance of 20% or Greater
1	Mains	376	\$ 8,661,688	\$ 10,192,800	\$ 1,189,138	\$ (9,003,662)	-88%	Decrease primarily due to early completion of the PVC replacement program authorized in D.04-04-034, thus reducing requirements to replace PVC mains. This has no negative effect on safety/reliability of the system. Starting in 2021 - 2023 the replacement of the North Tahoe Lateral will increase spending in this area.
2	Measuring & Reg Station-General	378	\$ -	\$ -	\$ 16,499	\$ 16,499	-	
3	Services	380	\$ 1,481,311	\$ 1,743,160	\$ 1,574,552	\$ (168,608)	-10%	Increase primarily due to large customers deferring scheduled 2019 service to 2020. This has no negative effect on safety/reliability of the system.
4	Industrial Measuring & Reg Station	385	\$ 1,772	\$ 2,086	\$ 3,210	\$ 1,124	54%	
5	Total Distribution Plant		\$ 10,144,771	\$ 11,938,046	\$ 2,763,398	\$ (9,154,648)	-77%	

[1] Based on an annual cost of service escalation rate of 2.75 percent per year.

ATTACHMENT 1

**SOUTHWEST GAS CORPORATION (U 905 G)
 PU CODE SECTION 591 REPORT
 SOUTH LAKE TAHOE RATE JURISDICTION
 JANUARY 1, 2020 - DECEMBER 31, 2020
 OPERATIONS AND MAINTENANCE**

Line No.	Account Description	TY 2014 Authorized	TY 2014 Escalated to 2020	2020 Actual	Difference	%	Explanation of Variance of 20% or Greater
1	Other Gas Supply						
2	813 Other Gas Supply	\$ 24,425	\$ 28,743	\$ 32,846	\$ 4,104	14%	
3	Total Other Gas Supply	\$ 24,425	\$ 28,743	\$ 32,846	\$ 4,104		
4	Distribution						
5	870 Operation Supervision & Eng	\$ 241,110	\$ 283,731	472,711	\$ 188,981	67%	Reallocation of supervision time being charged to 870 Operations Supervision & Engineering. These changes have no negative effect on safety/maintenance programs as oversight of the safety/maintenance programs did not change.
6	871 Distribution Load Dispatching	32,989	38,820	31,405	\$ (7,415)	-19%	Increase in field employee positions for O&M activities in Construction and Customer Service, to improve emergency response capabilities both during and after work hours. Added a full-time Damage Prevention Administrator and formalized a Damage Prevention Program. Notable increase in line locating expenses due to new contracts, large ticket volume increase, and increased quality oversight. Overall these changes improve safety and reliability of the system.
7	874 Mains and Services Expenses	116,196	136,736	237,637	\$ 100,901	74%	
8	875 Meas & Reg Station Exp	615	724	345	\$ (379)		Covid-19 minimized customers moving residences, so Customer Service increased review and maintenance to meters and regulators. These actions have a positive effect on safety/maintenance programs. Meter set assemblies in this area are built with schedule 40 piping, and Southwest Gas has a requirement to upgrade the meter set piping with schedule 80 due to snow load when the meter set assembly is worked on, resulting in higher material and labor costs to bring them up to Southwest Gas specifications.
9	878 Meter and House Reg Exp	152,274	179,191	283,720	\$ 104,529	58%	
10	879 Customer Installations Exp	140,405	165,224	1,020,054	\$ 854,830	517%	Increase in charges primarily due to the new California on-call stand-by program for all Field Operations departments. All on-call employees are compensated for every hour of on-call time.
11	880 Other Expenses	350,009	411,880	(157,674)	\$ (569,554)	-138%	The reduction is primarily due to credits for the California Pension Adjustment holding account. Remaining minor reductions include transfer of utility accounts (water, electric, phone, internet, etc.) and facilities maintenance from local level to Corporate, allocation of certain maps/records expenses to corresponding capital project accounts, and efficiencies realized in Staff/Training expenses with new technology and training programs. In 2020, COVID-19 caused decreased travel, hotel, and meal expenses. These changes have no negative effect on safety/maintenance programs.
12	885 Maint Supervision & Eng	49,719	58,508	40,198	(18,310)	-31%	
13	887 Maint of Mains	268,086	315,475	307,235	(8,240)	-3%	Reallocation of supervision time being charged to 870 Operations Supervision & Engineering.
14	889 Maint of Measuring and Reg Sta	71,097	83,665	50,041	(33,624)	-40%	Modernization of regulator stations and associated components, and proactive replacement of aging regulator stations has reduced unplanned maintenance and improved safety/reliability of operating stations.
15	892 Maint of Services	701,985	826,074	117,315	(708,759)	-86%	2019 represented the end of the CPUC-mandated PVC plastic pipe replacement program. The program, beginning in the early 2000's, replaced all main/service PVC plastic pipe. The replacement of identified pipe reduced maintenance of the distribution system associated with leaks, valve issues, fittings, etc. During this six-year period, Southwest Gas moved from a 5-year to a 3-year leak survey program, with minor increased costs. This change is above federal/state standards and at a greater rate proactively finds leaks and potential system integrity issues.

ATTACHMENT 1

SOUTHWEST GAS CORPORATION (U 905 G)
 PU CODE SECTION 591 REPORT
 SOUTH LAKE TAHOE RATE JURISDICTION
 JANUARY 1, 2020 - DECEMBER 31, 2020
 OPERATIONS AND MAINTENANCE

Line No.	Account Description	TY 2014 Authorized	TY 2014 Escalated to 2020	2020 Actual	Difference	%	Explanation of Variance of 20% or Greater
16	893 Maint of Meters & House Reg	88,795	104,491	253,300	148,808	142%	Covid-19 minimized customers moving residences, so Customer Service increased review and maintenance to meters and regulators. These actions have a positive effect on safety/maintenance programs. Meter set assemblies in this area are built with schedule 40 piping, and Southwest Gas has a requirement to upgrade the meter set piping with schedule 80 due to snow load when the meter set assembly is worked on, which results in higher material and labor costs to bring them up to Southwest Gas specifications.
17	894 Maint of Other Equip	26	31	-	(31)		
18	Total Distribution	\$ 2,213,306	\$ 2,604,548	\$ 2,656,286	\$ 51,737		

ATTACHMENT 1

**SOUTHWEST GAS CORPORATION (U 905 G)
 PU CODE SECTION 591 REPORT
 SOUTH LAKE TAHOE RATE JURISDICTION
 JANUARY 1, 2020 - DECEMBER 31, 2020
 OPERATIONS AND MAINTENANCE**

Line No.	Account Description	TY 2014 Authorized	TY 2014 Escalated to 2020	2020 Actual	Difference	%	Explanation of Variance of 20% or Greater
19	Customer Accounts						
20	901 Supervision	\$ 45,020	\$ 52,978	45,783	\$ (7,195)	-14%	
21	902 Meter Reading Exp	67,348	79,253	59,581	(19,672)	-25%	New meter read collection technology reduces the time/resources needed to collect necessary data on a monthly basis. In addition, retirement of long-term employee and filling the position with new employee (lower wage) reduced expenses in this account. These changes have no negative effect on safety/maintenance programs
22	903 Customer Records and Collection	443,089	521,413	487,828	(33,585)	-6%	
23	904 Uncollectibles	9,016	10,610	16,355	5,746	54%	While the number of accounts for non-pay turn-off and associated restoration were reduced in this time period, the dollar amount owed per account increased. In 2020, COVID-19 and a moratorium on turn-offs greatly increased the uncollectible charges. These changes have no negative effect on safety/maintenance programs.
24	905 Misc. Customer Accounts Exp	-	-	-	-		
25	Total Customer Accounts	\$ 564,473	\$ 664,254	\$ 609,547	\$ (54,707)		
26	Customer Service and Info						
27	908 Customer Assistance Exp	\$ 26,311	\$ 30,962	-	\$ (30,962)	-100%	Charges in this account, for promoting safe, efficient and economical use of Southwest Gas' service, were reduced as these activities were absorbed among existing O&M programs. For example, liaison programs to educate emergency responders and customers on safety around a natural gas system were integrated into the Damage Prevention program. Demonstrations of natural gas and education programs for businesses/schools, etc. were integrated into existing outreach efforts by the Customer Service team. Efficiencies in outreach to customers were realized through new methods of electronic communication. During this period, Southwest Gas also increased community outreach efforts in Damage Prevention and Emergency Response, as verified and noted for success in CPUC damage prevention audits.
28	909 Informational and Instructional Adv	-	-	-	-		
29	910 Misc. Cust Service and Info Exp	-	-	3,975	3,975		
30	Total Customer Service and Info	\$ 26,311	\$ 30,962	\$ 3,975	\$ (26,987)		
31	Administrative and General						
32	930.1 General Advertising Expenses (Safety)	\$ 34,873	\$ 41,037	39,942	\$ (1,096)	-3%	
33	Total Administrative and General	\$ 34,873	\$ 41,037	\$ 39,942	\$ (1,096)		
34	Total South Lake Tahoe Rate Jurisdiction	2,863,388	3,369,544	3,342,596	(26,948)	-1%	
35	Total Northern California	5,598,832	6,588,528	6,050,674	(537,854)	-8%	While there are two rate jurisdictions in Northern California, Southwest Gas operates them as one area. Efficiencies and changes in policies and procedures can reflect differently in each rate jurisdiction and in each budget item, but as a whole, it can be seen that Southwest Gas is on target in the areas of safety and risk.

ATTACHMENT 1

**SOUTHWEST GAS CORPORATION (U 905 G)
 PU CODE SECTION 591 REPORT
 SOUTH LAKE TAHOE RATE JURISDICTION
 JANUARY 1, 2020 - DECEMBER 31, 2020
 CAPITAL**

Line No.	Description	Account Number	2014 Projected Additions	Escalated [1] 2014 Projected Additions to 2020	2020 Additions	\$ Difference	% Difference	Explanation of Variance of 20% or Greater
1	Mains	376	\$ 2,279,987	\$ 2,683,017	\$ 3,315,329	\$ 632,312	24%	Increased costs are primarily due to several initiatives to increase safety/reliability of the system. In 2014 Southwest Gas and the CPUC recognized the risk of slow growth cracking in Aylol A (AA) pipe. Upon completion of AA main replacement in 2018, distribution pipeline integrity risk ranking placed pre-1970 steel as the next riskiest facility. Steel pipe replacement costs are higher due to open trenching vs. split & pull capabilities. Increased spend is also attributed to the CPUC-authorized Mobile Home Park Conversion Program (D.14-03-021), which dramatically improves the safety/reliability of MHP systems.
2	Measuring & Reg Station-General	378	\$ 66,159	\$ 77,854	\$ 1,708	\$ (76,146)	-98%	Decrease primarily due to no replacement of district regulator stations in 2020. This has no negative effect on safety/reliability of the system.
3	Services	380	\$ 1,098,510	\$ 1,292,691	\$ 3,901,384	\$ 2,608,693	202%	Increased costs are primarily due to several initiatives to increase safety/reliability of the system. In 2014 Southwest Gas and the CPUC recognized the risk of slow growth cracking in Aylol A (AA) pipe. Upon completion of AA main replacement in 2018, distribution pipeline integrity risk ranking placed pre-1970 steel as the next riskiest facility. Steel pipe replacement costs are higher due to open trenching vs. split & pull capabilities. Random AA services are still being replaced throughout South Lake Tahoe, CA. Increased spend is also attributed to the CPUC-authorized Mobile Home Park Conversion Program (D.14-03-021), which dramatically improves the safety/reliability of MHP systems.
4	Industrial Measuring & Reg Station	385	\$ 2,047	\$ 2,409	\$ 850	\$ (1,560)	-65%	Decrease primarily due to large customers deferring scheduled 2020 service to 2021. This has no negative effect on safety/reliability of the system.
5	Total Distribution Plant		\$ 3,446,704	\$ 4,055,972	\$ 7,219,271	\$ 3,163,299	78%	

[1] Based on an annual cost of service escalation rate of 2.75 percent per year.

ATTACHMENT 1

**SOUTHWEST GAS CORPORATION (U 905 G)
 PU CODE SECTION 591 REPORT
 JANUARY 1, 2020 - DECEMBER 31, 2020
 ACCOUNT DESCRIPTIONS**

Account Description	
Other Gas Supply	
813 Other Gas Supply	This account shall include the cost of labor, materials used, and expenses (including research and development expenses).
Distribution	
870 Operation Supervision & Eng	This account shall include the cost of labor and expenses incurred in the general supervision and direction of distribution system operations. Direct supervision of specific activities such as load dispatching, mains operation, removing and resetting meters, etc., shall be charged to the appropriate account.
871 Distribution Load Dispatching	This account shall include the cost of labor, materials used, and expenses incurred in dispatching and controlling the supply and flow of gas through the distribution system. Labor: 1. Supervising. 2. Analyzing pressures for irregularities. 3. Collecting pressures by telephone and radio. 4. Controlling mixture of various gases to maintain proper BTU content. 5. Correspondence and records, typing, and maintaining files. 6. Controlling gas-make and inputs to distribution system. 7. Maintaining pressures at key points to divide the available gas during heavy demand periods. 8. Maintaining pressure log sheets. 9. Maintaining lowest necessary line pressures consistent with satisfactory service. 10. Rerouting gas during emergencies and planned shut downs. Materials and Expenses: 1. Consultants' fees and expenses. 2. Meals, traveling, and incidental expenses. 3. Office supplies, stationery, and printed forms. 4. Transportation: company and rented vehicles. 5. Utility services: light, water, and telephone.
874 Mains and Services Expenses	This account shall include the cost of labor, materials used, and expenses incurred in operating distributions system mains and services. Labor: 1. Supervising. 2. Walking or patrolling lines. 3. Attending valves, lubricating valves and other equipment, blowing and cleaning lines and drips, draining water from lines, and thawing freezes. 4. Taking line pressures, changing pressure charts, and operating alarm gauges. 5. Building and repairing gate boxes, foot bridges, stiles, etc., used in distribution mains operations, erecting line markers, and warning signs, etc. 6. Cleaning debris and cutting grass and weeds on rights-of-way. 7. Inspecting and testing of equipment not done specifically to determine necessity for repairs. 8. Protecting utility property during work by others. 9. Standby time of emergency crews, responding to fire calls, etc. 10. Locating and inspecting valve boxes, drip riser boxes, service lines, mains, etc. 11. Cleaning and repairing tools used in mains operations, making tool boxes, etc. 12. Cleaning structures and equipment. 13. Driving trucks used in mains and service operations. 14. Oil fogging. Materials and Expenses: 1. Line markers and warning signs. 2. Lumber, nails, etc., used in building and repairing gas boxes, foot bridges, stiles, tool boxes, etc. 3. Charts. 4. Scrubber oils. 5. Hand tools. 6. Lubricants, wiping rags, waste, etc. 7. Freight, express, parcel post, trucking, and other transportation. 8. Uniforms. 9. Employee transportation and travel expenses. 10. Janitor and washroom supplies. 11. Utility services: light, water, and telephone. 12. Gas used in mains operations. 13. Oil for fogging.
875 Meas & Reg Station Exp	This account shall include the cost of labor, materials used, and expenses incurred in operating general distribution measuring and regulating stations. Labor: 1. Supervising. 2. Recording pressures and changing charts, reading meters, etc. 3. Estimating lost meter registration, etc., except purchases and sales. 4. Taking and testing gas samples; inspecting and testing valves, regulators, gas sample tanks, and other meter engineers' equipment; and determining specific gravity and BTU content of gas. 5. Inspection and testing of equipment and instruments not done specifically to determine necessity for repairs, including pulsation tests. 6. Cleaning and lubricating equipment. 7. Keeping logs and other operating records. 8. Attending boilers and operating other accessory equipment. 9. Installing and removing district gauges for pressure survey. 10. Thawing freeze in gauge pipe. 11. Inspecting and pumping drips, dewatering manholes and pits, inspecting sumps, cleaning pits, blowing meter drips, etc. 12. Moving equipment, minor structures, etc., not in connection with maintenance or construction. Materials and Expenses: 1. Charts and printed forms, stationery and office supplies, etc. 2. Lubricants, wiping rags, and waste. 3. Uniforms. 4. Employee transportation and travel expenses. 5. Freight, express, parcel post, trucking, and other transportation. 6. Utility services: light, water, and telephone.
878 Meter and House Reg Exp	This account shall include the cost of labor, materials used, and expenses incurred in connection with removing, resetting, and servicing customer meters and housing regulators. Labor: 1. Removing, reinstalling, and servicing customer meters and house regulators: A. Periodic replacement of meters and house regulators because of age. B. Resetting meters on existing connections. C. Listing, tagging, and placing meter labels, etc., for removed and reset meters. D. Changing position of meters or house regulators on the same premises. E. Installing or removing blank linings. F. Unproductive calls, etc. 2. Other: A. Supervising. B. Inspecting and adjusting meter testing equipment. C. Driving trucks used in meter operations. Materials and Expenses: 1. Meter locks and seals. 2. Lubricants, wiping rags, waste, etc. 3. Freight, express, parcel post, trucking, and other transportation. 4. Employees' expenses.

ATTACHMENT 1

SOUTHWEST GAS CORPORATION (U 905 G)
 PU CODE SECTION 591 REPORT
 JANUARY 1, 2020 - DECEMBER 31, 2020
 ACCOUNT DESCRIPTIONS

Account	Description
879 Customer Installations Exp	<p>This account shall include the cost of labor, materials used, and expenses incurred in work on customer premises other than expenses includible in account 87800 0000, Meter and House Regulator Expense, including the cost of servicing customer-owned appliances. Labor: 1. Supervising. 2. Altering customer-owned service extensions or meter connections. 3. Investigating and correcting pressure difficulties or stoppages in customer-owned piping. 4. Adjusting and repairing burner pilots because of impurities in the gas or failure of the distribution system. 5. Oiling or spraying noisy customer meters. 6. Inspecting new installations to determine that the customers' equipment and piping are properly installed and connected. 7. Consolidating meter installations, without change of size, due to elimination of separate meters for different service classifications. 8. Investigating and adjusting complaints of service on customers' premises. 9. Gas load surveys including the incidental preparations and replacement of meters. 10. Unproductive calls. 11. Stenographic and clerical work. 12. Janitorial services, etc. 13. Installing demand or test meters. 14. Inspecting, cleaning, repairing, and adjusting customer-owned appliances for domestic use, including house heating furnaces and other space heating appliances. Materials and Expenses: 1. Lubricants, wiping rags, waste, etc. 2. Uniforms. 3. Replacement parts for appliances. 4. Office supplies, printing, and stationery. 5. Janitor, washroom, first-aid supplies, etc. 6. Employees' transportation and travel expenses. 7. Utility services: light, water, and telephone.</p>
880 Other Expenses	<p>This account shall include the cost of distribution office expenses and the cost of labor and materials used and expenses incurred in distribution systems operations not provided for elsewhere, including the expenses in operating street lighting systems and research, development, and demonstration expenses.</p>
885 Maint Supervision & Eng	<p>This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of distribution system facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance accounts.</p>
887 Maint of Mains	<p>This account shall include the cost of labor, materials used, and expenses incurred in the maintenance of distribution mains. Items: 1. Supervising. 2. Trenching, backfilling, and breaking and restoring pavement in connection with the installation of reinforcing clamps. 3. Work performed as the result of municipal improvements, such as street widening, sewers, etc., where the gas mains are not retired. 4. Municipal inspections relating to maintenance work. 5. Other work of the following character: A. Cutting off mains without replacement (minor cuts not retired). B. Bringing main valve box, main drip riser box, valve test pipe box, or pressure pipe roadway box up to grade. C. Cleaning, repainting, coating, and wrapping exposed mains. D. Repacking main valves. E. Locating and clearing gas main faults. F. Lowering and changing location of mains. G. Watching and lamping open cuts associated with maintenance. H. Restoration of permanent pavement in connection with work chargeable to maintenance. I. Emergency stand-by time associated with maintenance. J. Repairing sewers, drains, walls, etc., when damaged by maintenance work. K. Repairing property of others damaged by maintenance work.</p>
889 Maint of Measuring and Reg Sta	<p>This account shall include the cost of labor, materials used, and expenses incurred in the maintenance of regulating station equipment.</p>
892 Maint of Services	<p>This account shall include the cost of labor, materials used, and expenses incurred in the maintenance of services. 1. Supervising. 2. Testing for, locating, and clearing trouble on company maintained services. 3. Inspecting and testing after repairs have been made. 4. Reporting on the condition of gas services to determine the need for repairs. 5. Making minor repairs and changes. 6. Repairing service valves for reuse. 7. Lowering and raising curb boxes to grade. 8. Replacing less than a complete service when not retired. 9. Installing fittings, valves, drips, and frost protection devices or replacing similar items on existing services. 10. Cutting and replacing pavement, pavement base, and sidewalks in connection with maintenance work. 11. Repairing property of others damaged by maintenance work. 12. Transferring services in connection with the installation of new mains. 13. Installing, maintaining, and removing temporary facilities to prevent the interruption of service. 14. Converting low pressure gas distribution service to medium or high pressure service. 15. Relocating and rerouting gas service temporarily during alterations of buildings. 16. Performing work resulting from municipal improvements, such as street widening, sewer, etc. 17. Replacing service valve box or drip riser box. 18. Installing, removing or replacing service valve. 19. Repacking service valve.</p>
893 Maint of Meters & House Reg	<p>This account shall include the cost of labor, materials used, and expenses incurred in the maintenance of meters and house regulators. Items: 1. Inspecting and testing meters and house regulators on customer's premises in connection with repairs. 2. Cleaning, repairing, and painting meters and house regulators, including accessories and equipment. 3. Replacing or adding any item not constituting a retirement unit.</p>
894 Maint of Other Equip	<p><input type="checkbox"/> This account shall include the cost of labor, materials used, and expenses incurred in the maintenance of street lighting equipment and all other distribution system equipment not provided for elsewhere.</p>

ATTACHMENT 1

**SOUTHWEST GAS CORPORATION (U 905 G)
 PU CODE SECTION 591 REPORT
 JANUARY 1, 2020 - DECEMBER 31, 2020
 ACCOUNT DESCRIPTIONS**

Account Description	
Customer Accounts	
901 Supervision	This account shall include the cost of labor and expenses incurred in the general direction and supervision of customer accounting. This account shall include the cost of labor, materials used, and expenses incurred in reading customer meters and determining consumption when performed by employees engaged in reading meters. Labor: 1. Addressing forms for obtaining meter readings by mail. 2. Changing and collecting meter charts used for billing purposes. 3. Inspecting time clocks, checking seals, etc., when performed by meter readers and the work represents a minor activity incidental to regular meter reading routine. 4. Meter reading-small consumption and obtaining load information for billing purposes. (Exclude and charge to account 87800 0000, Meter and House Regulator Expenses, or to account 90300 0000, Customer Records and Collection Expenses, as applicable, the cost of obtaining meter readings, first and final, if incidental to the operation of removing or resetting, sealing or locking, and disconnecting or reconnecting meters.) 5. Measuring gas-large consumption, including reading meters, changing charges, calculating charges, estimating lost meter registrations, determining specific gravity, etc., for billing purposes. 6. Computing consumption from meter reader's book or from reports by mail when done by employees engaged in reading meters. 7. Collecting from prepayment meters when incidental to meter reading. 8. Maintaining record of customers' keys. 9. Computing estimated or average consumption when performed by employees engaged in reading meters. Materials and Expenses: 1. Badges, lamps, and uniforms. 2. Demand charges, meter books and binders and forms for recording readings, but not the cost of preparation. 3. Postage and supplies used in obtaining meter readings by mail. 4. Transportation, meals, and incidental expenses.
902 Meter Reading Exp	
903 Customer Records and Collection	This account shall include the cost of labor, materials used, and expenses incurred in work on customer applications contracts, orders, billing, accounting, and complaints. Labor: 1. Checking consumption shown by meter readers' reports where incidental to preparation of billing data. 2. Preparing billing data. 3. Verifying billing records with contracts or rate schedules. 4. Preparing bills for delivery, and mailing or delivering bills. 5. Statistical and tabulating work on customer accounts and revenues, but not including special analysis for sales departments, rate departments, or other general purposes unless incidental to regular customer accounting routines. 6. Determining consumption and computing estimated or average consumption when performed by employees other than those engaged in reading meters. Materials and Expenses: 1. Cash overages and shortages. 2. Postage. 3. Transportation expenses, including transportation of customer bills and meter books under centralized billing procedure. 4. Transportation, meals, and incidental expenses. 5. Bank charges, exchange, and other fees for cashing and depositing customers' checks. 6. Rent of mechanical equipment.
904 Uncollectibles	This account shall be charged with amounts sufficient to provide for losses from uncollectible utility revenues.
905 Misc. Customer Accounts Exp	This account shall include the cost of labor, materials used, and expenses incurred not provided for in other accounts. Labor: 1. General clerical and stenographic work. 2. Miscellaneous labor. Materials and Expenses: 1. Communication service. 2. Miscellaneous office supplies and expenses, stationery, and printing.
Customer Service and Info	
908 Customer Assistance Exp	This account shall include the cost of labor, materials used, and expenses incurred in providing instructions or assistance to customers, the object of which is to promote safe, efficient and economical use of the utility's service. Labor: 1. Direct supervision of department. 2. Processing center inquiries relating to the proper use of gas equipment, the replacement of such equipment and information related to such equipment. 3. Advice directed to customers as to how they may achieve the most efficient and safest use of gas equipment. 4. Demonstrations, exhibits, lectures, and other programs designed to instruct customers in the safe, economical, and efficient use of gas service oriented toward conservation of energy. 5. Engineering and technical advice to customers, the object of which is to promote safe, efficient, and economical use of the utility's service. Materials and Expenses: 1. Supplies and expenses pertaining to demonstrations, exhibits, lectures, and other programs. 2. Loss in value on equipment and appliances used for customer assistance programs. 3. Office supplies and expenses. 4. Transportation, meals, and incidental expenses.
909 Informational and Instructional Adv	This account shall include the cost of labor, materials used, and expenses incurred in activities which primarily convey information as to what the utility urges or suggests customers should do in utilizing gas service to protect health and safety, to encourage environmental protection, to utilize their gas equipment safely and economically, and to conserve natural gas. Labor: 1. Direct supervision of informational activities. 2. Preparing informational materials for newspapers, periodicals, billboards, etc., and preparing and conducting informational motion pictures, radio, and television programs. 3. Preparing informational booklets, bulletins, etc., used in direct mailings. 4. Preparing informational window and other displays. 5. Employing agencies, selecting media and conducting negotiations in connection with the placement and subject matter of information programs. Materials and Expenses: 1. Use of newspapers, periodicals, billboards, radio, etc., for informational purposes. 2. Postage on direct mailings to customers exclusive of postage related to billings. 3. Printing of informational booklets, dodgers, bulletins, etc. 4. Supplies and expenses in preparing informational materials by the utility. 5. Office supplies and expenses.
910 Misc. Cust Service and Info Exp	This account shall include the cost of labor, materials used, and expenses incurred in connection with customer service and informational activities which are not includible in other customer information expense accounts. Labor: 1. General clerical and stenographic work not assigned to specific customer service and information programs. 2. Miscellaneous labor. Materials and Expenses: 1. Communication service. 2. Printing, postage, and office supplies expenses.

ATTACHMENT 1

**SOUTHWEST GAS CORPORATION (U 905 G)
 PU CODE SECTION 591 REPORT
 JANUARY 1, 2020 - DECEMBER 31, 2020
 ACCOUNT DESCRIPTIONS**

Account		Description
Administrative and General		
930.1 General Advertising Expenses (Safety)		This account shall include the cost of labor, materials used, and expenses incurred in advertising and related activities, the cost of which by their content and purpose are not provided for elsewhere. Labor: 1. Supervision. 2. Preparing advertising material for newspapers, periodicals, billboards, etc., and preparing or conducting motion pictures, radio, and television programs. 3. Preparing booklets, bulletins, etc., used in direct mail advertising. 4. Preparing window and other displays. 5. Clerical and stenographic work. 6. Investigating and employing advertising agencies, selecting media, and conducting negotiations in connection with the placement and subject matter of advertising. Materials and Expenses: 1. Advertising in newspapers, periodicals, billboards, radio, etc. 2. Advertising matter such as posters, bulletins, booklets, and related items. 3. Fees and expenses of advertising agencies and commercial artists. 4. Postage and direct mail advertising. 5. Printing of booklets, dodgers, bulletins, etc. 6. Supplies and expenses in preparing advertising materials. 7. Office supplies and expenses.
Capital		
376 Mains		This account shall include the cost installed of distribution system mains.
378 Measuring and regulating station equipment		This account shall include the cost installed of meters, gauges and other equipment used in measuring and regulating gas in connection with distribution system operations other than the measurement of gas deliveries to customers.
380 Services		This account shall include the cost installed of service pipes and accessories leading to the customers' premises.
385 Industrial measuring and regulating station equipment		This account shall include the cost of special and expensive installations of measuring and regulating station equipment, located on the distribution system, serving large industrial customers.