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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation on the
Commission's Own Motion into
Natural Gas Prices During Winter
2022-2023 and Resulting Impacts to
Energy Markets.

Investigation 23-03-008
(Filed March 20, 2023)

**COMMENTS OF SOUTHWEST GAS CORPORATION (U 905 G)
REGARDING THE CAUSES AND CONTRIBUTORS
TO THE 2022-2023 GAS PRICE SPIKE AND ADOPTING DIRECTIONS
TO REDUCE THE LIKELIHOOD OR MITIGATE THE
IMPACT OF FUTURE GAS PRICE SPIKES**

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Dated: February 12, 2026

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THE IMPACT OF FUTURE GAS PRICE SPIKES

9 **I. INTRODUCTION**

10 On January 23, 2026, Assigned Commissioner, Karen Douglas, issued the Proposed
11 Decision Regarding the Causes and Contributors to the 2022-2023 Gas Price Spike and
12 Adopting Directions to Reduce the Likelihood or Mitigate the Impact of Future Gas Price
13 Spikes (Proposed Decision). Pursuant to Rule 14.3 of the Commission's Rules of Practice and
14 Procedure, Southwest Gas hereby provides opening comments regarding the Proposed
15 Decision.

16 **II. COMMENTS**

17 Southwest Gas appreciates the Proposed Decision's thorough outline of contributing
18 factors to the 2022-2023 gas price spikes, and furthermore, the finding of the Commission's
19 investigation that no entity under its jurisdiction played a role in causing or contributing to the
20 gas price spike. Southwest Gas understands and acknowledges that the Proposed Decision
21 directs gas utilities, in the event of a gas price spike, to communicate with customers within
22 24 hours by posting an alert to its website, and sending an email and text to customers who
23 have consented to electronic and/or text messaging, notifying them of the gas price spike.¹

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25 ¹ Proposed Decision I.23-03-008, issued January 23, 2026, at pgs.136, 168.

1 This directive presents operational and/or administrative challenges for Southwest Gas. These
2 include, but are not necessarily limited to the following:

- 3 • Business hour constraints – If weekends and/or holidays are included within the 24-
4 hour window, this could present a significant challenge as the Southwest Gas
5 departments involved in providing these notices are not on-call employees.
6 Accordingly, this could then require additional personnel and administrative costs to be
7 incurred.
- 8 • Process complexity involved in providing messaging within a 24-hour window will be
9 challenging to achieve, even during normal business hours due to the steps involved
10 in completing this type of task. Several Southwest Gas teams would need to be
11 engaged regardless of any other urgent tasks they may be handling, and a specific
12 orderly and efficient process would need to occur in order to accommodate the 24-hour
13 window.

14 Based on the above noted challenges, Southwest Gas respectfully suggests that the
15 Commission consider revising the timeline for required notifications to five (5) business days
16 as it would be significantly more feasible and operationally realistic and would likely minimize
17 further cost impacts.

18 Furthermore, the Proposed Decision directs gas utilities to notify customers within 30 days
19 of a gas price spike event by bill insert.² The 30-day requirement poses challenges to
20 Southwest Gas as it follows a 21-day monthly billing cycle that typically begins in the first full
21 week of the month. Bill inserts require artwork to be provided to a third-party vendor, which
22 must be provided at least ten (10) business days prior to the first billing cycle to allow sufficient
23 time for programming. Additionally, customer bills are mailed daily based on meter-read
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25 ² Proposed Decision I.23-03-008, issued January 23, 2026, at pgs.136, 168.

1 schedules, with only a portion of customers billed each day across the 21-day cycles. If a price
2 spike occurs mid-cycle, messaging cannot be submitted until the following month, which would
3 cause some customers to receive notice more than 30-days after the event. Messaging
4 becomes more complex when the event affects specific regions or multiple rates, requiring
5 multiple versions to be created and programmed.

6 Southwest Gas respectfully requests that the Commission consider these challenges and
7 revise the timeline to be within 45-50 days. This approach would allow sufficient time to
8 develop, program, test, and accurately deliver customer notices

9 Although the Proposed Decision does not address report review timelines for Southwest
10 Gas' Gas Cost Incentive Mechanism (GCIM), Southwest Gas respectfully requests the
11 Commission to review the timeline for review of its GCIM reports, and issuance of Cal
12 Advocates' Monitoring and Evaluation Reports, as currently there is no defined turnaround
13 timeline. Southwest Gas has experienced delayed reviews of previous reports. In the interest
14 of efficiency, Southwest Gas suggests a turnaround timeline of six (6) months from the
15 submittal date of its GCIM report, which is annually on January 29.

16 **III. CONCLUSION**

17 For the foregoing reasons, Southwest Gas respectfully recommends that the
18 Commission consider revising the timeline requirements for providing customer notices, along
19 with adding a timeline to the report approval process.

20 Respectfully submitted this 12th day of February 2026.

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22 SOUTHWEST GAS CORPORATION

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