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**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 Natural Gas Service in  
California, Effective January 1, 2021

Application 19-08-015  
(Filed August 30, 2019)

**SOUTHWEST GAS CORPORATION (U 905 G)  
ANNUAL RISK SPENDING ACCOUNTABILITY REPORT  
PURSUANT TO DECISIONS 19-04-020 AND 22-10-002**

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*Attorney for Southwest Gas Corporation*

May 1, 2023

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6 **SOUTHWEST GAS CORPORATION (U 905 G)**  
7 **ANNUAL RISK SPENDING ACCOUNTABILITY REPORT**  
8 **PURSUANT TO DECISIONS 19-04-020 AND 22-10-002**

9 Southwest Gas Corporation (Southwest Gas) hereby submits its Annual Risk Spending  
10 Accountability Report (RSAR) pursuant to Decisions 19-04-020 and 22-10-002. Southwest Gas'  
11 Annual RSAR is attached hereto as **EXHIBIT A** and covers the reporting period from January 1,  
12 2022 through December 31, 2022.

13 Dated this 1<sup>st</sup> day of May 2023.

14 Respectfully submitted,

15 SOUTHWEST GAS CORPORATION

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23 *Attorney for Southwest Gas Corporation*

# **EXHIBIT 1**

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

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## **Risk Spending Accountability Report**

In compliance with:  
**Decisions 19-04-020 and 22-10-002**

Reporting Period:  
**January 1, 2022 through December 31, 2022**

**May 1, 2022**



## EXECUTIVE SUMMARY

In compliance with Decision (D.) 19-04-020<sup>1</sup> and D.22-10-002,<sup>2</sup> Southwest Gas submits this annual Risk Spending Accountability Report (RSAR) for the period January 1, 2022 through December 31, 2022

### *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 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 (Risk Programs). Pursuant to Ordering Paragraph 13 in D.19-04-020, Southwest Gas' first RSAR is due on June 30, 2022 for the 2021 reporting period.

### *Southwest Gas TY 2021 General Rate Case – A.19-08-015*

On March 24, 2021, the Commission issued D.21-03-052, approving the Joint Motion for Settlement Agreement in A.19-08-015. Pursuant to D.14-12-025<sup>3</sup> and D.19-04-020, Southwest Gas included a risk-informed decision-making framework in A.19-08-035 that identified and evaluated several risks, reviewed existing controls, and developed three proposed mitigations to address the identified risks. D.21-03-052, authorized the following Risk Programs and annual target spend budgets (Table 1) for the 2021-2025 General Rate Case cycle:

Targeted Pipe Replacement Program – This program will replace eligible pre-1961 vintage distribution and high-pressure steel pipelines and Driscopipe™ 7000 distribution plastic pipelines in the Southwest Gas Southern California jurisdiction only.

School COYL Replacement Program – A COYL is the primary customer-owned gas piping that begins from the service point of delivery at the outlet of Southwest Gas' meter located at the property line or public right-of-way and extends underground from the meter to the building or gas utilization equipment where gas is consumed. COYLs are not owned, maintained, or inspected

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<sup>1</sup> D.19-04-020 – *Phase Two Decision Adopting Risk Spending Accountability Report Requirements and Safety Performance Metrics for Investor-Owned Utilities and Adopting a Safety Model Approach for Small and Multi-Jurisdictional Utilities.*

<sup>2</sup> D.22-10-002 – *Decision Addressing Phase 1 Tracks 3 and 4 Issues*, dated October 6, 2022, issued in Rulemaking (R.) 20-07-013 – *Rulemaking to Further Develop a Risk-Based Decision-Making Framework for Electric and Gas Utilities.*

<sup>3</sup> D.14-12-025 – *Decision Incorporating a Risk-Based Decision-Making Framework Into the Rate Case Plan and Modifying Appendix A of Decision 07-07-004.*

by Southwest Gas. This program will prioritize and replace known school COYLs within its three rate jurisdictions.

Meter Protection Program – Due to heavy snow loads in portions of Southwest Gas’ California rate jurisdictions, the Company’s risk-informed assessment identified the need to implement a comprehensive and proactive program to protect the Company’s meter sets from damage due to snow and ice loading. Southwest Gas’ proposed Meter Protection Program consists of the following components that the Company would evaluate and implement as appropriate for each eligible meter set assembly: 1) retrofitting meters with customer-owned sheds where none currently exist; 2) evaluating and installing excess flow valves (EFV) on certain service lines; and 3) upgrading the meter encoder receiver transmitter (ERT) device to allow for daily meter usage monitoring.

**Table 1**

<b>Rate Jurisdiction</b>	<b>Targeted Pipe Replacement Program</b>	<b>School Customer-Owned Yard Line (COYL) Replacement Program</b>	<b>Meter Protection Program</b>
Southern California	\$18,000,000/year	\$1,000,000/year	\$1,000,000/year
Northern California		\$500,000/year	\$1,000,000/year
South Lake Tahoe		\$500,000/year	\$1,800,000/year
<b>TOTAL 2021-2025</b>	<b>\$90,000,000</b>	<b>\$10,000,000</b>	<b>\$19,000,000</b>

*D.22-10-002*

On October 6, 2022, the Commission approved D.22-10-002, which “...refines certain reporting requirements for the...[RSAR]...required of investor-owned utility (IOU) and...[SMJU]... pursuant to D.19-04-020 and D.14-12-025.”<sup>4</sup> Per OP 4,

...[The SMJU]...shall implement the following changes to their...[RSAR]..., starting with the RSAR report due immediately following each utility’s next general rate case (GRC) application:

- a. File imputed costs for all years in the GRC cycle for all spending categories and safety, reliability and maintenance (SRM) programs within six months of the adoption of a GRC revenue requirement, including for GRC applications approved via Settlement Agreement or the first RSAR related to a new GRC, whichever comes first. Associate each spending category or SRM program with a major line of business.
- b. Report units for each RSAR SRM program. If no units are available provide explanation for not tracking units.
- c. Provide variance explanation if variance is greater than +/- 15 percent of the imputed cost or units.
- d. Track annual and cumulative costs and annual and cumulative work units through the entire GRC cycle.
- e. Forecast SRM program scope, schedule, and cost for the GRC cycle.
- f. Identify SRM program status as proceeding as planned, canceled, deferred emergent, or expanded.
- g. Report all costs, not only SRM costs. Non-SRM programs do not require units or variance explanations. The roll-up of operations and maintenance expense

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<sup>4</sup> *Id.* at pg. 2.

- and capital programs should represent the total direct costs for each type of spend for the year.
- h. Support each RSAR filing with an electronic submittal of RSAR tables as a single table.
  - i. Clearly identify wildfire mitigation plan programs in the GRC applications and track through the RSAR.

Additionally, per OP 5 in D.22-10-002, the SMJU are directed to file their RSARs annually by May 1 in their most recent GRC proceeding where the RSAR costs are imputed and with the Energy Division at [energydivisioncentralfiles@cpuc.ca.gov](mailto:energydivisioncentralfiles@cpuc.ca.gov).

## **REPORT**

Per OP 4, the aforementioned refined RSAR requirements are to begin with the RSAR report due immediately following the SMJU's next GRC. As noted above, Southwest Gas' last GRC was approved in March 2021. As such, Southwest Gas' 2022 RSAR does not include the refined and additional requirements. Southwest Gas' next GRC is expected to be filed in August 2024, for a 2026 test year. In its RSARs subsequent to Southwest Gas' 2024 rate case, Southwest Gas will include the RSAR refinements required pursuant to OP 4.

Included in Attachment 1 is Southwest Gas' RSAR for its above Risk Programs and also other safety, reliability, and maintenance activities. The RSAR is broken out by rate jurisdiction.

### *2022 Authorized Spending*

Table 1 above provides the annual target spend for each authorized Risk Program. Southwest Gas Risk Programs contain capital costs only. Southwest Gas utilizes one regulatory account for its Risk Programs and established Program Reference numbers for each program. Additionally, for the Meter Protection Program, Southwest Gas uses three additional Program Reference numbers to distinguish between the three program components described below. The establishment of this accounting structure enables Southwest Gas to appropriately distinguish and track the spend for its Risk Programs by rate jurisdiction and program. Southwest Gas Risk Programs budgets have targeted annual spends but have been authorized on a cumulative basis. Variance explanations have been provided for differences between 2021-2022 cumulative budgets and actuals.

Southwest Gas has also included Operations and Maintenance Expenses (O&M) authorized by FERC account where it has identified costs related to safety, reliability, and maintenance activities. For the FERC accounts provided in Attachment 1, Southwest Gas derived the 2022 authorized spending amounts by escalating the Commission-authorized TY 2021 GRC amounts by its authorized Post-Test year Margin (PTYM) escalation factor of 2.75 percent for one year. The annual 2.75 percent PTYM escalation factor is applied equally to all components of the cost of service. Variance explanation have been provided for differences between 2022 escalated and actual spend amounts.

## **CONCLUSION**

Southwest Gas appreciates the opportunity to provide this RSAR.

**SOUTHWEST GAS CORPORATION (U 905 G)  
RISK SPENDING ACCOUNTABILITY REPORT  
ALL JURISDICTIONS  
JANUARY 1, 2021 - DECEMBER 31, 2022  
RISK-INFORMED DECISION-MAKING PROGRAMS**

Line No.	Jurisdiction/Program Description	Account Number	2021-2025 Authorized	Annual Target Spend	2021-2022 Cumulative	2021-2022 Actuals	Difference	%	Explanation of Variance of 15% or Greater
<b>SOUTHERN CALIFORNIA</b>									
1	Targeted Pipe Replacement Program	18230 5069 4594	\$ 90,000,000	\$ 18,000,000	\$ 36,000,000	\$ 36,867,492.00	\$ 867,492.00	5%	
2	School COYL Replacement Program	18230 5069 4593	\$ 5,000,000	\$ 1,000,000	\$ 2,000,000	\$ -	\$ (2,000,000.00)	-200%	School Customer-Owned Yardline (COYL) construction shifted from 2022-2025 to 2023-2025. The program requires outreach and coordination with the schools before designs and construction can begin, including lengthy coordination of scheduled construction and beyond-the-meter issues. The schools prefer construction to occur during the summer months when the students are not on campus. Material shortages on plastic pipe and fittings occurred in 2021-2022, as well as available contract labor. Several school districts have committed to the program in 2023 and beyond and are in progress.
3	Meter Protection Program Total		\$ 5,000,000	\$ 1,000,000	\$ 2,000,000	\$ 1,195,991.00	\$ (804,009.00)	-80%	The program started in 2022 and will run through 2025, with the spend allotted through the four-year period. The excavation permitting entity's construction season is between April and September. Additional meter sheds, excess flow valves (EFV), and Encoder, Receiver, Transmitters (ERT) have been targeted in 2023 as materials and labor are more readily available.
3a	Excess Flow Valves (EFV)	18230 5069 4590				\$ -			
3b	Meter Encoder Receiver Transmitter (ERT)	18230 5069 4591				\$ 356.00			
3c	Meter Sheds	18230 5069 4592				\$ 1,195,635.00			
<b>NORTHERN CALIFORNIA</b>									
4	School COYL Replacement Program	18230 5069 4593	\$ 2,500,000	\$ 500,000	\$ 1,000,000	\$ -	\$ (1,000,000.00)	-200%	School COYL construction shifted from 2022-2025 to 2023-2025. The 2021 wildfire in NCA delayed outreach coordination to 2022. The program requires outreach and coordination with the schools before designs and construction can begin, including lengthy coordination of scheduled construction and beyond-the-meter issues. The schools prefer construction to occur during the summer months when the students are not on campus. Material shortages on plastic pipe and fittings occurred in 2021-2022. Several school districts have committed to the program in 2023 and beyond and are in progress.
5	Meter Protection Program Total		\$ 5,000,000	\$ 1,000,000	\$ 2,000,000	\$ 338,340.00	\$ (1,661,660.00)	-166%	Work started in late 2021 as the program ramped-up. A further impact in 2021 occurred due to Caldor wildfire which resulted in resident evacuations and Southwest Gas resources deployed to respond to the fire.
5a	Excess Flow Valves (EFV)	18230 5069 4590				\$ -			
5b	Meter Encoder Receiver Transmitter (ERT)	18230 5069 4591				\$ 116,541.00			
5c	Meter Sheds	18230 5069 4592				\$ 221,799.00			



**SOUTHWEST GAS CORPORATION (U 905 G)  
RISK SPENDING ACCOUNTABILITY REPORT  
ALL JURISDICTIONS  
JANUARY 1, 2021 - DECEMBER 31, 2022  
RISK-INFORMED DECISION-MAKING PROGRAMS**

Line No.	Jurisdiction/Program Description	Account Number	2021-2025 Authorized	Annual Target Spend	2021-2022 Cumulative	2021-2022 Actuals	Difference	%	Explanation of Variance of 15% or Greater
<b>SOUTH LAKE TAHOE</b>									
6	School COYL Replacement Program	18230 5069	\$ 2,500,000	\$ 500,000	\$ 1,000,000	\$ 138,993.00	\$ (861,007.00)	-172%	School COYL construction shifted from 2022-2025 to 2023-2025. The 2021 wildfire in NCA delayed outreach coordination to 2022. The program requires outreach and coordination with the schools before designs and construction can begin, including lengthy coordination of scheduled construction and beyond-the-meter issues. The schools prefer construction to occur during the summer months when the students are not on campus. Material shortages on plastic pipe and fittings occurred in 2021-2022. Several school districts have committed to the program in 2023 and beyond and are in progress.
7	Meter Protection Program Total		\$ 9,000,000	\$ 1,800,000	\$ 3,600,000	\$ 3,032,880.00	\$ (567,120.00)	-32%	Work started in late 2021 as the program ramped-up. A further impact in 2021 occurred due to Caldor wildfire which resulted in resident evacuations and Southwest Gas resources deployed to respond to the fire.
7a	Excess Flow Valves (EFV)	18230 5069 4590				\$ -			
7b	Meter Encoder Receiver Transmitter (ERT)	18230 5069 4591				\$ 120,830.00			
7c	Meter Sheds	18230 5069 4592				\$ 2,912,050.00			
<b>CALIFORNIA TOTAL</b>									
8	Targeted Pipe Replacement Program	18230 5069 4594	\$ 90,000,000	\$ 18,000,000	\$ 36,000,000	\$ 36,867,492			
9	School COYL Replacement Program	18230 5069 4593	\$ 10,000,000	\$ 2,000,000	\$ 4,000,000	\$ 138,993			
10	Meter Protection Program	18230 5069 4591 18230 5069 4592	\$ 19,000,000	\$ 3,800,000	\$ 7,600,000	\$ 4,567,211			

**SOUTHWEST GAS CORPORATION (U 905 G)  
RISK SPENDING ACCOUNTABILITY REPORT  
ALL JURISDICTIONS  
JANUARY 1, 2021 - DECEMBER 31, 2022  
ACCOUNT DESCRIPTION  
RISK-INFORMED DECISION MAKING PROGRAMS**

Account	Description
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18230 5069	This account shall be used to capture the non-revenue-producing infrastructure and incremental expenses related to the infrastructure replacement and/or reliability mechanism.
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**SOUTHWEST GAS CORPORATION (U 905 G)  
RISK SPENDING ACCOUNTABILITY REPORT  
SOUTHERN CALIFORNIA RATE JURISDICTION  
JANUARY 1, 2022 - DECEMBER 31, 2022  
SAFETY, RELIABILITY AND MAINTENANCE  
OPERATIONS AND MAINTENANCE EXPENSES**

Line No.	Account Description	TY 2021 Authorized	TY 2021 Escalated to 2022	2022 Actual	Difference	%	Explanation of Variance of 15% or Greater
1	<b>Other Gas Supply</b>						
2	813 Other Gas Supply	\$ 178,179	\$ 183,079	\$ 182,951	\$ (128)	0%	
3	<b>Total Other Gas Supply</b>	<b>\$ 178,179</b>	<b>\$ 183,079</b>	<b>\$ 182,951</b>	<b>\$ (128)</b>		
4	<b>Distribution</b>						
5	870 Operation Supervision & Eng	\$ 1,874,252	\$ 1,925,794	2,439,018	\$ 513,224	27%	The increase is due to a new position for Quality Improvement, including increased labor loadings such as transportation (gasoline costs), and additional relocation and training expenses related to employee turnover. These incremental costs are critical to maintain safety and reliability of the system.
6	871 Distribution Load Dispatching	117,560	120,793	193,618	72,825	60%	Additional dispatching time occurred due to set up and in service start date for Renewable Natural Gas Facility.
7	874 Mains and Services Expenses	1,457,757	1,497,845	2,342,176	844,331	56%	The increase is due to Blue Stake (line locating) expenses, including a large ticket volume increase, increased contractor expenses, and quality oversight. These costs are critical to maintain safety and reliability of the system.
8	875 Meas & Reg Station Exp	568	584	58,461	57,877	9917%	Costs associate with operating the new Renewable Natural Gas facility
9	878 Meter and House Reg Exp	1,592,536	1,636,331	1,486,694	(149,637)	-9%	Updates to allocation of time charged. A newer time charging system results in more accurate account charges and 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	3,051,822	3,135,747	4,776,362	1,640,615	52%	Increase in charges primarily due to the mandatory California on-call stand-by program for all Field Operations departments. All on-call employees are compensated for every hour of on-call time, in accordance with labor law.
11	880 Other Expenses	2,410,631	2,476,923	286,295	(2,190,628)	-88%	74% of the reduction is due to credits for the California Pension Adjustment holding account. 25% of the reduction is due to credits for Pension Adjustment Amortization. The remaining 1% reductions were realized through lower use of temporary employees and decreased travel, hotel, and meal expenses. These changes have no negative effect on safety/maintenance programs.
12	885 Maint Supervision & Eng	275,158	282,725	318,409	35,684	13%	A reduction in Non Labor, Labor, and Labor Loadings for "Other Main Leak Repair" and "Maintenance of Mains". Less than anticipated expenses for repair of main leaks as there were fewer leaks on the system. Main leaks at any given time are in the single digits. Southwest Gas leak survey program schedule exceeds the federal requirements. These changes have no negative effect on safety/maintenance programs.
13	887 Maint of Mains	2,805,095	2,882,235	1,946,041	(936,194)	-32%	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.
14	889 Maint of Measuring and Reg Sta	731,339	751,451	599,793	(151,658)	-20%	The increase is due to contractor expenses for mandatory leak survey work. In addition, there were increases in labor and associated labor-related loadings.
15	892 Maint of Services	738,622	758,934	901,986	143,052	19%	Increase in Family Meter Exchanges due to identified families of meters not passing accuracy inspection. This program improves safety and reliability of the system.
16	893 Maint of Meters & House Reg	439,298	451,379	629,362	177,983	39%	Labor allocation for the Communication Specialist is distributed between SCADA and Radio, whereas this account is for SCADA. The allocation of time has been adjusted for current and future work load between these tasks. These changes have no negative effect on safety/maintenance programs.
17	894 Maint of Other Equip	76,297	78,395	66,422	(11,973)	-15%	
17	<b>Total Distribution</b>	<b>\$ 15,570,935</b>	<b>\$ 15,999,136</b>	<b>\$ 16,044,637</b>	<b>\$ 45,501</b>	<b>0.28%</b>	

SOUTHWEST GAS CORPORATION (U 905 G)  
RISK SPENDING ACCOUNTABILITY REPORT  
SOUTHERN CALIFORNIA RATE JURISDICTION  
JANUARY 1, 2022 - DECEMBER 31, 2022  
SAFETY, RELIABILITY AND MAINTENANCE  
OPERATIONS AND MAINTENANCE EXPENSES

Line No.	Account Description	TY 2021 Authorized	TY 2021 Escalated to 2022	2022 Actual	Difference	%	Explanation of Variance of 15% or Greater
18	<b>Customer Accounts</b>						
19	901 Supervision	\$ 231,060	\$ 237,414	195,004	\$ (42,410)	-18%	Labor and Loadings for Southern California Division leadership have been adjusted to more applicable O&M and Capital accounts.
20	902 Meter Reading Exp	126,470	\$ 129,948	143,516	13,568	10%	Reduction is primarily attributed to new electronic processes in back office support with reduced billing, accounting, and application expenses. New electronic billing processes, auto withdraw processes, etc. result in reduced billing/mailling expenses. These changes have no negative effect on safety/maintenance programs.
21	903 Customer Records and Collection	3,000,431	\$ 3,082,943	2,434,940	(648,003)	-21%	
22	904 Uncollectibles	214,025	\$ 219,911	1,715,398	1,495,487	680%	Primarily attributed to fewer disconnections for non-pay and non-pay service restoration field activity due to disconnection moratoriums during Covid-19. Combined with new D.22-08-037, which imposed a disconnection cap of 3.5% for Southwest Gas, the amount of uncollectibles has increased. These changes have no negative effect on safety/maintenance programs.
23	<b>Total Customer Accounts</b>	<b>\$ 3,571,986</b>	<b>\$ 3,670,216</b>	<b>\$ 4,488,858</b>	<b>\$ 818,642</b>		
24	<b>Customer Service and Info</b>						
25	910 Misc. Cust Service and Info Exp	\$ 49,835	\$ 51,205	1,403	(49,802)	-97%	Minimal usage of this account due to nearly all costs incurred to start service are captured in other accounts. This has no negative effect on safety/maintenance programs.
25	<b>Total Customer Service and Info</b>	<b>\$ 49,835</b>	<b>\$ 51,205</b>	<b>\$ 1,403</b>	<b>\$ (49,802)</b>		
26	<b>Administrative and General</b>						
27	930.1 General Advertising/Safety Education	\$ 169,139	\$ 173,790	209,868	\$ 36,078	21%	Increase due to increases in postage, costs for printing, including paper and shipping. Also, cost of digital advertising has increased.
28	<b>Total Administrative and General</b>	<b>\$ 169,139</b>	<b>\$ 173,790</b>	<b>\$ 209,868</b>	<b>\$ 36,078</b>	21%	
34	<b>Total O&amp;M</b>	<b>19,540,074</b>	<b>20,077,426</b>	<b>20,927,717</b>	<b>850,291</b>	4%	

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RISK SPENDING ACCOUNTABILITY REPORT  
NORTHERN CALIFORNIA JURISDICTION  
JANUARY 1, 2022 - DECEMBER 31, 2022  
SAFETY, RELIABILITY AND MAINTENANCE  
OPERATIONS AND MAINTENANCE EXPENSES**

Account Description	TY 2021 Authorized	TY 2021 Escalated to 2022	2022 Actual	Difference	%	Explanation of Variance of 15% or Greater
<b>Other Gas Supply</b>						
813 Other Gas Supply	\$ 37,452	\$ 38,482	\$ 36,442	\$ (2,040)	-5%	Research and Development dollars spent to improve safety and reliability across that natural gas industry and locally.
<b>Total Other Gas Supply</b>	<b>\$ 37,452</b>	<b>\$ 38,482</b>	<b>\$ 36,442</b>	<b>\$ (2,040)</b>		

Distribution						
870 Operation Supervision & Eng	\$ 717,222	\$ 736,946	\$ 660,967	\$ (75,979)	-10%	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.
871 Distribution Load Dispatching	\$ 45,589	\$ 46,843	\$ 40,160	\$ (6,683)	-14%	Capital system improvements completed in the last five years have reinforced areas of the distribution system that experienced low pressures, thus requiring less focus on load dispatching.
874 Mains and Services Expenses	\$ 168,437	\$ 173,069	\$ 455,591	\$ 282,522	163%	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 formalized a Damage Prevention Program. Increase in line locating expenses due to new contracts, large ticket volume increase, and quality oversight. Converted employee uniforms to fire resistant (FR) material. Reallocation of supervision time charging from accounts 885, 887 and 892.
875 Meas & Reg Station Exp	\$ 262	\$ 269	\$ -	\$ (269)	-100%	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.
878 Meter and House Reg Exp	\$ 276,410	\$ 284,011	\$ 314,831	\$ 30,820	11%	
879 Customer Installations Exp	\$ 302,965	\$ 311,297	\$ 571,079	\$ 259,782	83%	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.
880 Other Expenses	\$ 271,922	\$ 279,400	\$ (112,324)	\$ (391,724)	-140%	Reductions are due to credits for the California Pension Adjustment holding account. Remaining reductions are due to 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. Reductions were realized through decreased travel, hotel, and meal expenses. These changes have no negative effect on safety/maintenance programs.
885 Maint Supervision & Eng	\$ 72,615	\$ 74,612	\$ 52,412	\$ (22,200)	-30%	Reallocation of supervision time being charged to 874 Mains and Services Expenses.
887 Maint of Mains	\$ 267,018	\$ 274,361	\$ 243,782	\$ (30,579)	-11%	The major driver of costs in this area is due to asphalt costs as a result of leak repair and snow removal to facilitate operations and maintenance work to be completed, which is weather dependant.
889 Maint of Measuring and Reg Sta	\$ 107,522	\$ 110,479	\$ 46,371	\$ (64,108)	-58%	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.

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JANUARY 1, 2022 - DECEMBER 31, 2022  
SAFETY, RELIABILITY AND MAINTENANCE  
OPERATIONS AND MAINTENANCE EXPENSES**

Account Description	TY 2021 Authorized	TY 2021 Escalated to 2022	2022 Actual	Difference	%	Explanation of Variance of 15% or Greater
892 Maint of Services	\$ 71,025	\$ 72,978	\$ 38,931	\$ (34,047)	-47%	2014-2019 represented the end of the CPUC-authorized PVC plastic pipe replacement program (D.04-04-034). The program, beginning in the early 2000's, replaced all main/service PVC plastic pipe. The replacement of identified pipe reduced necessary maintenance of the distribution system associated with leaks, valve issues, fittings, etc. Also during this period, Southwest Gas moved from a 5-year to a 3-year leak survey program. This change is above federal/state standards and at a greater rate proactively finds leaks and potential system integrity issues. Finally, reallocation of supervision time being charged to 874 Mains and Services Expenses.
893 Maint of Meters & House Reg	\$ 82,835	\$ 85,113	\$ 51,667	\$ (33,446)	-39%	Lower than normal snowfall in the 2021/2022 snow season required less maintenance on meter set assemblies.
894 Maint of Other Equip	\$ 428	\$ 440	\$ 708	\$ 268	61%	Minimal dollars in actual spend. Difference is due to replacing modem on electronic pressure recorder.
<b>Total Distribution</b>	<b>\$ 2,384,250</b>	<b>\$ 2,449,817</b>	<b>\$ 2,364,175</b>	<b>\$ (85,642)</b>	<b>-3.50%</b>	

Customer Accounts						
901 Supervision	\$ 40,212	\$ 41,318	\$ 25,593	\$ (15,725)	-38%	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.
902 Meter Reading Exp	\$ 120,620	\$ 123,937	\$ 71,938	\$ (51,999)	-42%	Improved meter Encoder, Receiver, Transmitter (ERT) technology reducing meter reading route requirements. These changes have no negative effect on safety/maintenance programs.
903 Customer Records and Collection	\$ 484,765	\$ 498,096	\$ 387,682	\$ (110,414)	-22%	Reduction is primarily due to new electronic processes in back office support reduced billing, accounting, and application expenses. New electronic billing processes, auto withdraw processes, etc. notably reduced billing/mailling expenses. These changes have no negative effect on safety/maintenance programs.
904 Uncollectibles	\$ 10,291	\$ 10,574	\$ 109,473	\$ 98,899	935%	Primarily attributed to fewer disconnections for non-pay and non-pay service restoration field activity due to disconnection moratoriums during Covid-19. Combined with new D.22-08-037, which imposed a disconnection cap of 3.5% for Southwest Gas, the amount of uncollectibles has increased. These changes have no negative effect on safety/maintenance programs.
<b>Total Customer Accounts</b>	<b>\$ 655,888</b>	<b>\$ 673,925</b>	<b>\$ 594,686</b>	<b>\$ (79,239)</b>		

Customer Service and Info						
910 Misc. Cust Service and Info Exp	\$ 11,046	\$ 11,350	\$ 256	\$ (11,094)	-98%	Minimal usage of this account due to nearly all costs incurred to start service are captured in other accounts. This has no negative effect on safety/maintenance programs.
<b>Total Customer Service and Info</b>	<b>\$ 11,046</b>	<b>\$ 11,350</b>	<b>\$ 256</b>	<b>\$ (11,094)</b>		

SOUTHWEST GAS CORPORATION (U 905 G)  
 RISK SPENDING ACCOUNTABILITY REPORT  
 NORTHERN CALIFORNIA JURISDICTION  
 JANUARY 1, 2022 - DECEMBER 31, 2022  
 SAFETY, RELIABILITY AND MAINTENANCE  
 OPERATIONS AND MAINTENANCE EXPENSES

Account Description	TY 2021 Authorized	TY 2021 Escalated to 2022	2022 Actual	Difference	%	Explanation of Variance of 15% or Greater
Administrative and General						
930.1 General Advertising/Safety Education	\$ 50,559	\$ 51,949	\$ 110,111	\$ 58,162	112%	Increase due to increases in postage, costs for printing, including paper and shipping. Also, cost of digital advertising has increased.
<b>Total Administrative and General</b>	<b>\$ 50,559</b>	<b>\$ 51,949</b>	<b>\$ 110,111</b>	<b>\$ 58,162</b>		

**Total Northern California Rate Jurisdiction** \$ 3,139,195 \$ 3,225,523 \$ 3,105,670 \$ (119,853) **-4%**  
 Compared to 2019, this reflects a total spend increase of 3.84% which demonstrates Southwest Gas's dedication to deliver natural gas safely and economically to our customers.

**Total Northern California** \$ 6,259,431 \$ 6,431,565 \$ 7,022,656 \$ 591,091 **9%**  
 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.

**SOUTHWEST GAS CORPORATION (U 905 G)  
RISK SPENDING ACCOUNTABILITY REPORT  
SOUTH LAKE TAHOE RATE JURISDICTION  
JANUARY 1, 2022 - DECEMBER 31, 2022  
SAFETY, RELIABILITY AND MAINTENANCE  
OPERATIONS AND MAINTENANCE EXPENSES**

Line No.	Account Description	TY 2021 Authorized	TY 2021 Escalated to 2022	2022 Actual	Difference	%	Explanation of Variance of 15% or Greater
1	<b>Other Gas Supply</b>						
2	813 Other Gas Supply	\$ 24,741	\$ 25,421	\$ 34,210	\$ 8,789	35%	Research and Development dollars spent to improve safety and reliability across that natural gas industry and locally.
3	<b>Total Other Gas Supply</b>	\$ 24,741	\$ 25,421	\$ 34,210	\$ 8,789		
4	<b>Distribution</b>						
5	870 Operation Supervision & Eng	\$ 355,046	\$ 364,810	535,314	\$ 170,504	47%	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	44,753	45,984	35,607	\$ (10,377)	-23%	Capital system improvements completed in the last five years have reinforced areas of the distribution system that experienced low pressures, thus requiring less focus on load dispatching. 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. Increase in line locating expenses due to new contracts, large ticket volume increase, and quality oversight. Converted employee uniforms to fire resistant (FR) material. Reallocation of supervision time charging from accounts 885, 887 and 892.
7	874 Mains and Services Expenses	139,591	143,430	346,575	\$ 203,145	142%	
8	875 Meas & Reg Station Exp	-	-	-	\$ -		
9	878 Meter and House Reg Exp	407,540	418,747	441,209	\$ 22,462	5%	
10	879 Customer Installations Exp	469,506	482,417	1,268,957	\$ 786,540	163%	Increase in charges primarily due to the California on-call stand-by program for all Field Operations departments. All on-call employees are compensated for every hour of on-call time. Larger than normal snow levels for 2022/2023 increased emergency calls. Reductions are due to credits for the California Pension Adjustment program. Remaining reductions are due to 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. Reductions were realized through decreased travel, hotel, and meal expenses. These changes have no negative effect on safety/maintenance programs.
11	880 Other Expenses	243,262	249,952	(64,200)	\$ (314,152)	-126%	
12	885 Maint Supervision & Eng	39,241	40,320	38,777	(1,543)	-4%	Reallocation of supervision time being charged to 874 Mains and Services Expenses. The major driver of costs in this area is due to asphalt costs as a result of leak repair and snow removal to facilitate operations and maintenance work to be completed, which is weather dependant.
13	887 Maint of Mains	604,038	620,649	414,858	(205,791)	-33%	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.
14	889 Maint of Measuring and Reg Sta	56,359	57,909	28,201	(29,708)	-51%	
15	892 Maint of Services	94,296	96,889	217,097	120,208	124%	2014-2019 represented the end of the CPUC-authorized PVC plastic pipe replacement program (D.04-04-034). The program, beginning in the early 2000's, replaced all main/service PVC plastic pipe. The replacement of identified pipe reduced necessary maintenance of the distribution system associated with leaks, valve issues, fittings, etc. Also during this period, Southwest Gas moved from a 5-year to a 3-year leak survey program. This change is above federal/state standards and at a greater rate proactively finds leaks and potential system integrity issues. Finally, reallocation of supervision time being charged to 874 Mains and Services Expenses.



**SOUTHWEST GAS CORPORATION (U 905 G)  
RISK SPENDING ACCOUNTABILITY REPORT  
SOUTH LAKE TAHOE RATE JURISDICTION  
JANUARY 1, 2022 - DECEMBER 31, 2022  
SAFETY, RELIABILITY AND MAINTENANCE  
OPERATIONS AND MAINTENANCE EXPENSES**

Line No.	Account Description	TY 2021 Authorized	TY 2021 Escalated to 2022	2022 Actual	Difference	%	Explanation of Variance of 15% or Greater
16	893 Maint of Meters & House Reg	47,458	48,763	92,120	43,357	89%	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	-	-	-	-		
18	<b>Total Distribution</b>	<b>\$ 2,501,090</b>	<b>\$ 2,569,870</b>	<b>\$ 3,354,515</b>	<b>\$ 784,645</b>	<b>30.53%</b>	
19	<b>Customer Accounts</b>						
20	901 Supervision	\$ 29,134	29,935	18,755	\$ (11,180)	-37%	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	77,409	79,538	84,665	5,127	6%	Reduction is primarily due to new electronic processes in back office support reduced billing, accounting, and application expenses. New electronic billing processes, auto withdraw processes, etc. notably reduced billing/mailling expenses. These changes have no negative effect on safety/maintenance programs.
22	903 Customer Records and Collection	446,352	458,627	285,947	(172,680)	-38%	Primarily attributed to fewer disconnections for non-pay and non-pay service restoration field activity due to disconnection moratoriums during Covid-19. Combined with new D.22-08-037, which imposed a disconnection cap of 3.5% for Southwest Gas, the amount of uncollectibles has increased. These changes have no negative effect on safety/maintenance programs.
23	904 Uncollectibles	5,141	5,282	108,116	102,834	1947%	
24	<b>Total Customer Accounts</b>	<b>\$ 558,036</b>	<b>\$ 573,382</b>	<b>\$ 497,483</b>	<b>\$ (75,899)</b>		
25	<b>Customer Service and Info</b>						
26	910 Misc. Cust Service and Info Exp	4,719	4,849	188	(4,661)	-96%	Minimal usage of this account due to nearly all costs incurred to start service are captured in other accounts. This has no negative effect on safety/maintenance programs.
27	<b>Total Customer Service and Info</b>	<b>\$ 4,719</b>	<b>\$ 4,849</b>	<b>\$ 188</b>	<b>\$ (4,661)</b>		
28	<b>Administrative and General</b>						
29	930.1 General Advertising/Safety Education	\$ 31,650	32,520	30,590	\$ (1,930)	-6%	
30	<b>Total Administrative and General</b>	<b>\$ 31,650</b>	<b>\$ 32,520</b>	<b>\$ 30,590</b>	<b>\$ (1,930)</b>		
34	<b>Total South Lake Tahoe Rate Jurisdiction</b>	<b>3,120,236</b>	<b>3,206,042</b>	<b>3,916,986</b>	<b>710,944</b>	<b>22%</b>	Compared to 2019, this reflects a total spend increase of 4.25% which demonstrates Southwest Gas's dedication to deliver natural gas safely and economically to our customers.
35	<b>Total Northern California</b>	<b>6,259,431</b>	<b>6,431,565</b>	<b>7,022,656</b>	<b>591,091</b>	<b>9%</b>	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.

**SOUTHWEST GAS CORPORATION (U 905 G)  
RISK SPENDING ACCOUNTABILITY REPORT  
JANUARY 1, 2022 - DECEMBER 31, 2022  
ACCOUNT DESCRIPTIONS  
SAFETY, RELIABILITY AND MAINTENANCE  
OPERATIONS AND MAINTENANCE**

Account	Description
<b>Other Gas Supply</b>	
813 Other Gas Supply	This account shall include the cost of labor, materials used, and expenses (including research and development expenses).
<b>Distribution</b>	
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.

**SOUTHWEST GAS CORPORATION (U 905 G)  
RISK SPENDING ACCOUNTABILITY REPORT  
JANUARY 1, 2022 - DECEMBER 31, 2022  
ACCOUNT DESCRIPTIONS  
SAFETY, RELIABILITY AND MAINTENANCE  
OPERATIONS AND MAINTENANCE**

Account	Description
879 Customer Installations Exp	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.
880 Other Expenses	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.
885 Maint Supervision & Eng	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.
887 Maint of Mains	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.
889 Maint of Measuring and Reg Sta	This account shall include the cost of labor, materials used, and expenses incurred in the maintenance of regulating station equipment.
892 Maint of Services	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.
893 Maint of Meters & House Reg	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.
894 Maint of Other Equip	<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.

**SOUTHWEST GAS CORPORATION (U 905 G)  
RISK SPENDING ACCOUNTABILITY REPORT  
JANUARY 1, 2022 - DECEMBER 31, 2022  
ACCOUNT DESCRIPTIONS  
SAFETY, RELIABILITY AND MAINTENANCE  
OPERATIONS AND MAINTENANCE**

Account	Description
<b>Customer Accounts</b>	
901 Supervision	This account shall include the cost of labor and expenses incurred in the general direction and supervision of customer accounting.
902 Meter Reading Exp	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.
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.
<b>Customer Service and Info</b>	
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.
<b>Administrative and General</b>	
930.1 General Advertising/Safety Education	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.