



SOUTHWEST GAS CORPORATION

September 2, 2025

Arizona Corporation Commission
Compliance Section, Utilities Division
1200 West Washington Street
Phoenix, AZ 85007-2996

**RE: System Integrity Mechanism Notice of Intent and 2026 SIM Project Plan,
Docket No. G-01551A-23-0341, Decision No. 81413.**

Pursuant Decision No. 81413, Southwest Gas Corporation (Southwest Gas or Company) hereby submits its Notice of Intent to file an Application to reset the annual System Integrity Mechanism (SIM) Surcharge and the 2026 Project Plan Table, which outlines the Company's SIM Eligible Projects completed or expected to be completed in 2026.

If you have any questions, please contact me at 725-325-0903.

Respectfully submitted,

Doran A. Miller
Manager/Regulation and Government Affairs

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

KEVIN THOMPSON – CHAIRMAN
NICK MYERS – VICE CHAIRMAN
LEA MÁRQUEZ PETERSON
RENE LOPEZ
RACHEL WALDEN

In the Matter of the Application of Southwest Gas Corporation for the Establishment of Just and Reasonable Rates and Charges Designed to Realize a Reasonable Rate of Return on the Fair Value of the Properties of Southwest Gas Corporation Devoted to its Arizona Operations

DOCKET NO.: G-01551A-23-0341

NOTICE OF INTENT TO FILE AN APPLICATION TO RESET THE ANNUAL SYSTEM INTEGRITY MECHANISM SURCHARGE

Southwest Gas Corporation (Southwest Gas or Company), by and through the undersigned counsel, hereby submits to the Arizona Corporation Commission (Commission) its Notice of Intent to File an Application to Reset the Annual System Integrity Mechanism (SIM) Surcharge. Pursuant to Section III(A)(7) as provided in the SIM Plan of Administration (POA) approved in Decision No. 81413, this Notice of Intent is for SIM Eligible Projects completed or expected to be completed in calendar year 2026. The Company intends to file its SIM Surcharge Application along with all schedules and exhibits identified in Section III(A)(3) of the POA on or before March 1, 2027, resetting the SIM Surcharge effective April 1, 2027, subject to refund.¹ The SIM Surcharge Application will reset the SIM Surcharge based upon the relevant SIM Eligible Projects included in Southwest Gas' SIM Project Plan Table, provided as Exhibit A, that were completed and closed to plant in service in 2026.

I. General Overview

Southwest Gas' currently effective rates became effective March 27, 2025, and were established by the Commission in Decision No. 80326, based on a test year ended October 31, 2023, with a post-test year ended October 31, 2024. The SIM is designed to recover

¹ Rate effective date pursuant to the POA Section III(A)(4).

1 the incremental revenue requirement between rate case proceedings associated with
2 certain non-revenue producing pipeline replacement activities including necessary pipeline
3 safety investment in the State of Arizona. The SIM facilitates the timely recovery of the SIM
4 Revenue Requirement associated with SIM Qualified Investments that: (i) are completed
5 and placed into service; (ii) are not yet included in rate base; and (iii) are not directly
6 associated with extending or expanding facilities to serve new customers.

7 **II. The SIM Project Plan**

8 Pursuant to Section III(A)(7) of the SIM POA incorporated into Decision No. 81413,
9 the Company's 2026 SIM Project Plan Table by Major Project Category is attached hereto
10 as **Exhibit A**. The 2026 SIM Project Plan Table contains SIM Eligible Projects, which
11 consist of any non-revenue producing infrastructure investment, including any planned
12 series of non-revenue producing investments which address the same or similar need, in
13 SIM Eligible Plant scheduled to be completed in 2026.

14 **III. Stakeholder Engagement Meeting**

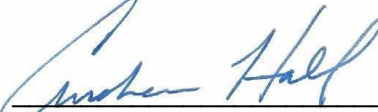
15 To provide transparency on the Company's 2026 SIM Project Plan and pursuant to
16 Section III(B) of the SIM POA, the Company will hold a Stakeholder Engagement Meeting
17 (Meeting) within 45 days of filing this Notice of Intent; the Meeting shall include, at minimum,
18 the Commission's Utilities Division (Staff) and the Residential Utility Consumer Office
19 (RUCO), to provide information and relevant updates. The Company intends to hold the
20 Meeting in-person along with providing a remote option.

1 **IV. Conclusion**

2 Southwest Gas intends to file its application to reset the SIM Surcharge on or before
3 March 1, 2027, with the SIM Surcharge effective no later than April 1, 2027.

4 Respectfully submitted this 2nd day of September 2025.

5 SOUTHWEST GAS CORPORATION

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7 _____
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14 *Attorney for Southwest Gas Corporation*

E-filed this 2nd day of September, 2025 with:

<https://efiling.azcc.gov>

Arizona Corporation Commission

1200 W. Washington St.

Phoenix, AZ 85007

Caused the foregoing to be served electronically on this 2nd day of September, 2025 to:

Jane Rodda Chief Administrative Law Judge, Hearing Division Arizona Corporation Commission 1200 West Washington Street Phoenix, AZ 85007 jrodda@azcc.gov	Tom Van Flein Chief Counsel, Office of General Counsel Arizona Corporation Commission 1200 West Washington Street Phoenix, AZ 85007 tvanflein@azcc.gov
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Chanele N. Reyes Arizona Center for Law in the Public Interest 352 E. Camelback Road, Suite 200 Phoenix, Arizona 85012 chanele@aclpi.org	James Corbin 617 N. Loquat Ave. Tucson, Arizona 85710 Jamescorbin13@msn.com
<i>Attorney for Wildfire & SWEEP</i>	
Charles Hains Administrative Law Judge, Hearing Division Arizona Corporation Commission 1200 West Washington Street Phoenix, AZ 85007 chains@azcc.gov	

By: Tashia King

Exhibit A

Southwest Gas Corporation
Arizona
System Integrity Mechanism
2026 Major Projects - Summary

Major Project Name	Estimated Cost
NCDP	\$ 41,676,724
High Pres Distribution >60psig	\$ 41,191,757
DIMP	\$ 35,086,666
Franchise	\$ 22,073,755
UOC	\$ 15,389,500
Low Pres Distribution <60psig	\$ 8,145,050
Regulator Stations	\$ 6,708,750
Cathodic Protection	\$ 5,470,580
Total	\$ 175,742,782

SOUTHWEST GAS CORPORATION
ARIZONA
SYSTEM INTEGRITY MECHANISM
PROPOSED PROJECT LIST FOR CALENDAR YEAR 2026

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(h2)	(i)
Major Project Name	Project Work Order Number	Location	Project Description	Risk Value	FERC Acct.	Estimated Cost	New Pipe Type and Size	Installation Mileage	Retired Pipe Type and Size
Cathodic Protection	Various	Various	CAZ Rectifier & Groundbed Replacements	IMP-High	376	\$ 2,167,355	Rectifiers, Groundbeds & AC Mitigaton		Rectifier & Groundbed
	0036W5086796 0032W4611555 0048W4535255 0048W5089338 0032W5074973	Tucson, Valley, Mountain, Yuma					2" PE, 1" PE		2" Stl, 1-1/4" Stl, 3/4" Stl, 1/2" PE
Cathodic Protection	Various	Various	CP Mitigation/Isolated Steel replacement, Rectifier & Groundbed Replacements	IMP-High	376, 380	\$3,303,225	Rectifiers, Groundbeds & AC Mitigaton	4.18	Rectifiers, Groundbeds & AC Mitigaton
	0042W5088337 0042W5088247 0042W5088426 0042W5088643	Dysart Rd & Washington St, Avondale, AZ Missouri Ave & 47th Ave, Phoenix, AZ Peoria Ave & 89th Ave, Peoria, AZ Elm Ln & Central Ave, Avondale, AZ						14.01 miles of main and 12.80 miles of service	
DIMP	0034W4677382		CAZ DIMP main and service replacement/abandonment	IMP-High/High	376, 380	\$ 12,663,092	2" PE, 1" PE		2" PVC, 1-1/4" PVC
	0034W4649002 0034W4649004 0034W4928331								
DIMP		Bullhead City	DIMP PVC main and service replacement/abandonment	IMP-High / High	376, 380	\$ 4,737,580	2" PE, 1" PE	4.8 miles of main and 3.6 miles of service	2" PVC, 2"PE, 1" PVC, 1/2" PVC, 1" PE, 1/2" PE
	0036W5089353 0036W5065531 0036W5089351 0036W5023812 0032W5010403 0032W4501109 0032W4647838 0032W5051213 0032W5051216 0032W5051218 0032W5051222 0032W5061859 0032W5063514 0032W5066724 0032W5074349 0032W5074354 0032W5074592 0032W4560174 0032W5074603 0032W5074604	Valley: DIVah Ki Inn and Kevins Pl, Cottonwood and Pinal, 517 N Avenue A, Crane St and McMurray Blvd, 7190 S Sunland Gin Rd, Doan St and Trekell Rd, Cottonwood and Casa Grande, Battaglia and Adams, Lincoln and Arnold, Trekell and Brenda, Hess and 4th, 6th and Morrison, Lincoln and 4th,Doan St and Casa Grande, Trekell and 10th, Sunland Gin and Santa Cruz, Oneil and Pinal, DOWntown CG Yuma: 8th St, Ironwood Tucson: Oracle, Eastside Grove Neighborhoods, Atlas 0593 3960 W Placita De, Castellon, Atlas 0118 Desert Springs Drive							
DIMP	0032W5051218	Various	Southern Arizona Division DIMP main and service replacement/abandonment	IMP-High/High	376, 380	\$17,685,994	2",1-1/4" PE 1" PE	27.07	2" PVC, 2" PE, 1"PVC, 1" PE, 1/2" PE
Franchise	0042W5034521	MC85: 99th Ave to 107th Ave, Maricopa County, AZ	CAZ Franchise West - Relocation Project	Franchise	376	\$ 2,500,000	12" Steel	1 mile of main	10" Steel
	0042W5034533								
Franchise	0042W5089996	I-10 Jackrabbit Trail TI Upgrade F0486, Buckeye, AZ	CAZ Franchise West - Relocation Project	Franchise	376	\$ 1,000,000	12" Steel, 4" PE	0.57 Miles of Main	12" Steel, 2" PE
	0042W5034528	Jackrabbit Trail Replacement - McDowell to Osborn,							
Franchise	0042W5090021	Buckeye, AZ	CAZ Franchise West - Relocation Project	Franchise	376, 380	\$ 4,775,000	12" Steel, 4" PE	2.05 Miles of Main	8" Steel, 2" PE
	0042W5026402								
	0042W4762321 0042W5010355								
Franchise	0042W5089354	Various Locations	CAZ Franchise East - Relocation Projects	Franchise	376	\$ 1,970,000	6" PE, 4" PE, 2" PE, 4" Steel, 2" Steel	1.02 miles of main	6" PE, 4" PE, 2" PE, 4" Steel, 2" Steel
Franchise	0042W4997165	Paradise Valley: Mockingbird Ln – 56th St to Invergordon	CAZ Franchise East - Relocation Projects	Franchise	376	\$ 1,000,000	2" PE	.27 miles of main	2" PE, 2" Steel
	0045W4938103 0036W5074816 0036W5074777 0036W5074854 0036W5074876 0036W5089376 0036W5089377 0036W4919234 0036W3890043 0036W3919320 0036W3919322 0036W5089380	Eastern Graham: 1st Ave church to highway 70 Tucson: 22nd St - Camino Seco to Houghton Rd Tucson: Bilby - 12th Ave to Country Club Tucson: Esperero Wash at Sunrise Tucson: Fairveiw - Simmons to Wetmore Tucson: Flowing Wells - Miracle Mile to Grant Tucson: Grant Road Tucson: Houghton Road- Escalante to 22nd Tucson: Valencia - Mission to Camino De La Tierra							
Franchise		Various	Southern Arizona Division Franchise	Franchise	376, 380	\$10,828,755	12" Stl, 6" Stl, 4" Stl, 2" Stl 4" PE, 2" PE	5.4	12" Stl, 6" Stl, 4" Stl, 2" Stl, 1" Stl 4" PE, 2" PE
	Sky Harbor Circle:18th Street to 24th Street, Phoenix, AZ								
High Pres Distribution >60psig	0042W3846739 0042W5075137 0042W5046638	24th St: Harrison St to Jackson St, Phoenix, AZ	Pipeline and Hazardous Materials Safety Administration Safety of Gas Transmission Pipeline Rule - Maximum Allowed Operating Pressure Reconfirmation project	IMP-High	376	\$ 1,805,760	12" Steel	0.57 miles of main	12" Steel
	0042W5088060 0042W5088063 0042W5088057		This project will replace 3.5 miles of existing 4-inch, vintage 1964 (pre-1970) main and four associated regulator stations. The replacement pipe will improve the safety, system capacity, reliability, and overall operational flexibility for outage mitigation and winter season low-pressure events.						
High Pres Distribution >60psig	0042W5088055	Indian School Rd: Litchfield Rd to SR-303, Goodyear, AZ	HPTE - Install 6,332-feet of new 8" steel HP distribution main, 69-feet of new 4" steel HP distribution main, 38-feet of new 4-inch steel distribution main, and one new 4"x4" District Regulator Station to reinforce the Scottsdale 40PSIG distribution system.	System Reliability	376, 378	\$ 11,696,400	12" Steel	3.5 miles of main	4" Steel
	0042W4855013 0042W4855015								
High Pres Distribution >60psig	0042W4855015 0042W5014547	Tatum Blvd: Gold Dust Ave. to Sunset Dr. Phx/Paradise Valley, AZ		System Reliability	376, 378	\$ 4,935,130	8" Steel, 4" steel	1.2 miles	N/A
High Pres Distribution >60psig	0042W4888772	32nd St: Bell Rd. to Acoma Dr. Phoenix, AZ	HPTE - Install 8,260-feet of new 12" steel HP distribution main and 8-feet of new 8" steel HP distribution main to replace 7,983-feet of 8" steel transmission main, 5-feet of HP distribution main, and 1-foot of 12" steel HP distribution.	System Reliability	376	\$ 6,125,569	12"steel, 8" steel	1.56 miles	12" steel, 8" steel, 4" steel

SOUTHWEST GAS CORPORATION
ARIZONA
SYSTEM INTEGRITY MECHANISM
PROPOSED PROJECT LIST FOR CALENDAR YEAR 2026

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(h2)	(i)
Major Project Name	Project Work Order Number	Location	Project Description	Risk Value	FERC Acct.	Estimated Cost	New Pipe Type and Size	Installation Mileage	Retired Pipe Type and Size
High Pres Distribution >60psig	0042W4888773	32nd St: Acoma Dr. to Cactus Rd. Phoenix, AZ	HPTE - Install 7,705-feet of new 12" steel HP distribution main and 238-feet of new 4" HP distribution main to replace 7,452 of 8" steel transmission main and 218-feet of 4" steel HP distribution main.	System Reliability	376	\$ 6,078,484	12" steel, 4" steel	1.5 miles	8" steel, 4" steel
High Pres Distribution >60psig	0042W5025538	Scottsdale Rd: Paradise Dr. to Gold Dust Ave. Scottsdale, AZ	HPTE - Install 6,200-feet of new 12" steel HP distribution main and 110-feet of new 4" steel HP distribution to replace 6,258-feet of 10" steel transmission main.	System Reliability	376	\$ 4,003,744	12" steel, 4" steel	1.2 miles	10" steel, 4" steel
High Pres Distribution >60psig	0032W4435668 0032W5089669 0036W4898353 Various	Valley: Milligan Rd & Hwy 87 Replacement Tucson: Green Valley Feeder Reinforcement Tucson: Various Valve Replacements Various	High pressure inoperable valve replacements and leak prone pipe replacement. Pipe replacement to improve safety, system capacity, reliability, and overall operational flexibility for outage mitigation and winter season low-pressure events.	System Reliability	376, 378	\$6,546,670	12" Stl, 6", Stl and Various	3.49	6" Stl and Various
Low Pres Distribution <60psig	0048W5086430 0045W4857701 0036W4730816 0033W5088593 0047W4623936 Various	Eastern Graham Bridge Crossings Eastern: Sunsite - Dale Road Eastern: Bonita and 11th - Douglas Mountain LP: Lobb Ave, Superior Valley: Toltec & Tonto Tucson: Glenn - Cherry to Alvernon Eastern Various PVC locations Various	Leak prone pipe replacement, non-standard pipe size replacement, pipe replacement to improve safety, system capacity, reliability, and overall operational flexibility for outage mitigation and winter season low-pressure events.	System Reliability	376, 378	\$8,145,050	12" Stl, 6"PE, 4"PE, 2" PE, 6" Stl	9.66	12" Stl, 4" Stl, 1-1/4" Stl
NCDP	CB026000 RB026000 0042W4936336 0042W5089372	Various 80th St & University Dr, Mesa, AZ 8500 E Southern Ave, Mesa, AZ	CAZ ISSAP inactive service and stub replacement/abandonment CAZ Slit Crack M8000 Replacement FTIR M8000 PE Replacement	IMP-High/High	376, 380	\$ 25,009,122	Various	5.26 miles of main and 24.00 miles of service	Various
NCDP	CB026000 RB026000 Various	Various	Southern Arizona Division ISSAP inactive service and stub replacement/abandonment	IMP-High/High	376, 380	\$ 16,667,602	Various	25.87	Various
Regulator Stations	0036W4754623 0036W5079435 0036W5079439 0036W5011050 0036W5077311 0036W5074759 0036W5061625 0036W5078465 0036W5088569 0045W4840628 0048W5089342 0048W5089643 0048W5089344	Eastern: Graham County Tucson: Contractors Way Tucson: Camino De La Tierra Tucson: Oracle Rd Tucson: Tucson Estates Tucson: Camino De Oeste Tucson: Ironwood Hills Mountain: Peridot Yuma: Avenue 3E & County 15 Yuma: Somerton Ave & Co. 10th Yuma: 10820 Somerton Ave Valley: Various Various	Replacement of obsolete regulators, meters and pit stations	System Reliability	376, 378	\$6,708,750	Meters, Regulator Stations - Various sizes	N/A	Meters, Regulator Stations - Various sizes
UOC	Various 0036W4953022	Various	CAZ blanket main and service replacements for UOC's	IMP-High/High	376, 380	\$ 12,000,000	Various	2.4 miles of main and 4.1 miles of service	Various
UOC	0036W5044218 Various	Tucson: Nogales Hwy and Corona Rd Tucson: Lehigh Dr and Mann Ave	Replace steel pipe identified by corrosion compliance issues	IMP-High/High	376, 378	\$3,389,500	4" PE, 2"PE , 1"PE	4.28	4" Stl, 2" Stl, 3/4" Stl