

SOUTHWEST GAS CORPORATION

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

In the Matter of the Application of
Southwest Gas Corporation for Authority to
Increase its Retail Natural Gas Utility
Service Rates in its Southern and Northern
Nevada Rate Jurisdictions.

Docket No.: 26-03 ____

VOLUME 1 of 13

Transmittal Letter

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Transmittal Letter



SOUTHWEST GAS CORPORATION

March 17, 2026

Ms. Trisha Osborne
Assistant Commission Secretary
Public Utilities Commission of Nevada
1150 East William Street
Carson City, NV 89701-3109

Re: In the Matter of the Application of Southwest Gas Corporation for Authority to Increase its Retail Natural Gas Utility Service Rates in its Southern and Northern Nevada Rate Jurisdictions

Dear Ms. Osborne:

Southwest Gas Corporation (Southwest Gas or Company) herewith submits for electronic filing its general rate application (Application) requesting approval of an increase in its retail natural gas utility service rates in its Southern and Northern Nevada rate jurisdictions. The Application is comprised of 13 volumes.

The Commission's Order in Docket No. 23-09012 directed the Company to file a schedule of itemized Board of Directors and Investor Relations expenses in its next general rate case. In compliance with this directive, the schedules are provided confidentially in volume 4 of this filing and are supported by Company witness Randi L. Cunningham.

The Commission's Order in Docket No. 23-09012 also directed the Company to continue evaluating a method that incorporates the warming trend. In compliance with this directive, the schedules are provided as volume 7 of this filing and are supported by Company witness Brandy L. Little.

Lastly, the Commission's Order in Docket No. 23-09012 directed the Company to provide a guide for its Cost of Service Study models. In compliance with this directive, the schedules are provided as volume 8 of this filing and are supported by Company witness Christopher M. Brown.

The entire filing consists of the following:

- | | |
|----------|--|
| Volume 1 | Transmittal Letter, Application, and Supporting Statements and Schedules for Northern Nevada |
| Volume 2 | Supporting Statements and Schedules for Northern (continued) and Supporting Statements and Schedules for Southern Nevada |



Volume 3	Supporting Statements and Schedules for Southern Nevada (continued)
Volume 4	Prepared Direct Testimony of Amy L. Timperley, Kristien M. Tary, Randi L. Cunningham, Celine Louise R. Apo, Charlene Lachica, Kasey D. Bohannon, and Albert Taylor
Volume 5	Prepared Direct Testimony of Justin S. Forsberg, Ann E. Bulkley and Byron C. Williams
Volume 6	Prepared Direct Testimony of Preston D. Weaklend, Christopher R. Anderson, Matthew A. Helmers, and Thomas W. Cardin
Volume 7	Prepared Direct Testimony of Thomas W. Cardin (continued), Raied N. Stanley, Keith A. Bacon, and Brandy L. Little
Volume 8	Prepared Direct Testimony of Brandy L. Little, Christopher M. Brown, and Workpapers for Northern Nevada
Volume 9	Workpapers for Northern Nevada (continued)
Volume 10	Workpapers for Northern Nevada (continued) and Workpapers Southern Nevada
Volume 11	Workpapers for Southern Nevada (continued)
Volume 12	Workpapers for Southern Nevada (continued) and Compliance Ledger
Volume 13	Compliance Ledger

Prepared direct testimony of Company witnesses Randi L. Cunningham, Albert Taylor, and Justin S. Forsberg contain information and attachments that are confidential, proprietary, and commercially sensitive to Southwest Gas, and are hereby designated as such pursuant to Nevada Revised Statute 703.196 and Nevada Administrative Code 703.5274.

Pursuant to NAC 703.5274(1), one unredacted copy is being filed with the Commission Secretary herewith in a separate envelope. Pursuant to NAC 703.5274(2), Southwest Gas hereby requests that the above-described information not be disclosed to the public. The confidential attachments contain information that, if made public, would negatively impact Southwest Gas. The Company requests that this information remain confidential for a period of five years following a final decision from the Commission on this Application.



The workpapers in support of the Application are also being provided to Regulatory Operations Staff (Staff) of the Public Utilities Commission of Nevada and the Bureau of Consumer Protection (BCP).

Pursuant to NAC 703.2208, Southwest Gas is also providing responses to the Nevada Master Data Requests to Staff and BCP.

Respectfully submitted,

A handwritten signature in black ink that reads "Kristien M. Tary".

Kristien M. Tary
Regulatory Manager

Enclosures

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Application

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8 **PUBLIC UTILITIES COMMISSION OF NEVADA**

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10
11 In the Matter of the Application of
12 Southwest Gas Corporation for Authority to
13 Increase its Retail Natural Gas Utility
Service Rates in its Southern and Northern
Nevada Rate Jurisdictions.

Docket No.: 26-03____

14 **GENERAL RATE APPLICATION OF SOUTHWEST GAS CORPORATION**

15 Southwest Gas Corporation (Southwest Gas or Company) hereby submits its
16 Application to the Public Utilities Commission of Nevada (Commission) requesting approval of
17 an increase in its retail natural gas utility service rates in its Southern and Northern Nevada
18 rate jurisdictions (Application). Southwest Gas' request includes a statewide annual general
19 rate increase of approximately \$71.3 million to account for changes in the Company's cost of
20 service since the Company's last general rate case.

21 Southwest Gas also seeks to continue its general revenues decoupling methodology
22 pursuant to NAC 704.9716(5). Further, the Application requests approval of the Company's
23 proposed revisions to Nevada Gas Tariff No. 7 (Tariff).

24 This Application is based upon and supported by the material facts, points and
25 authorities, and all other information contained herein; supporting testimony and schedules
26 submitted herewith; and such other matters presented to the Commission at the time of any
27 hearing. In support of its Application, Southwest Gas states as follows:
28

1 **1. Applicant.**

2 **1.1.** Southwest Gas is a corporation qualified to transact business and is in good
3 standing under the laws of the state of Nevada.

4 **1.2.** Southwest Gas' corporate offices are located at 8360 South Durango Drive, Las
5 Vegas, Nevada 89113.

6 **1.3.** Southwest Gas is a public utility subject to the jurisdiction of the Commission
7 pursuant to Chapter 704 of the Nevada Revised Statutes (NRS). Southwest Gas is engaged
8 in the retail transmission, distribution, transportation, and sale of natural gas for domestic,
9 commercial, agricultural, and industrial uses. Southwest Gas currently serves approximately
10 2.2 million customers in the states of Nevada, Arizona, and California.

11 **1.4.** Communications regarding this Application should be addressed to:

12 Andrew V. Hall, Esq.
13 Assistant General Counsel
14 Southwest Gas Corporation
15 P.O. Box 98510
16 Las Vegas, Nevada 89193-8510
17 Telephone: (702) 364-3227
18 E-mail: andrew.hall@swgas.com
19 And RegServe@swgas.com

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with a copy to RegServe@swgas.com

1 **2. Authority.**

2 **2.1** Southwest Gas submits this Application pursuant to sections 704.001, 704.061
3 et seq., and 704.992 of the NRS; and all applicable sections of Chapters 703 and 704 of the
4 Nevada Administrative Code (NAC), including, but not limited to, sections 703.115, 703.2201
5 et seq., 703.530 et seq., and 703.710 of Chapter 703, and all amendments thereto; and
6 sections 704.640 et seq., 704.6502 et seq., 704.6671 et seq., 704.9702 et seq., 704.796 et
7 seq., and 704.9716.

8 **2.2** This Application and accompanying exhibits, include material facts the
9 Company is prepared to prove to meet its burden of proof that all expenses, investments, or
10 costs presented for recovery were reasonably and prudently incurred. The Company is
11 prepared to go forward at a hearing on the data and evidence which it has or will submit
12 through the course of this proceeding that satisfies the burden of proof establishing that the
13 Company's proposed changes are just and reasonable and not unduly discriminatory or
14 preferential.

15 **3. Brief Overview of Application.**

16 **3.1** Southwest Gas' request for a revenue increase is necessary to maintain and
17 provide safe and reliable service to its customers. Southwest Gas' Application includes
18 proposals it believes are necessary for the provision of safe and reliable service at reasonable
19 rates.

20 **3.2** Southwest Gas requests authorization to increase general rates to recover an
21 annual revenue deficiency of approximately \$66.3 million, or approximately 12.42 percent, in
22 Southern Nevada, and approximately \$5 million, or approximately 3.94 percent, in Northern
23 Nevada.

24 **3.3** Southwest Gas' revenue deficiencies in its Southern and Northern Nevada rate
25 jurisdictions are based on a requested return on equity (ROE) of 10.00 percent and the actual
26 capital structure consisting of 50.05 percent equity and 49.95 percent debt.

27 **3.4** In addition to Southwest Gas' request for authority to increase its retail natural
28 gas rates, the Company requests authority pursuant to NAC 704.9716 to continue the general

1 revenues decoupling methodology in the form of the General Revenues Adjustment (GRA)
2 provision approved in Docket Nos. 09-04003, 12-04005, 18-05031, 20-02023, 21-09001, and
3 23-09012.

4 **3.5** In compliance with NAC 704.9757, the Company submits for inclusion in
5 general rates, the revenue requirement associated with its Mesquite Expansion Project that
6 was previously approved by the Commission. The Company also seeks a determination of
7 prudence for the costs associated with the Mesquite Expansion Project.

8 **4. Request for Authority to Increase Rates – NRS 704.110**

9 **4.1** Southwest Gas hereby requests authority to increase its Southern Nevada and
10 Northern Nevada retail natural gas utility service rates to recover additional annual revenues
11 of \$66.3 million in Southern Nevada to produce the Company's requested 7.17 percent rate
12 of return, and to recover additional annual revenues of \$5 million in Northern Nevada to
13 produce the requested 7.20 percent rate of return.

14 **4.2** Southwest Gas' request is based upon a historic test period ended November
15 30, 2025, adjusted for changes in revenues and expenses, including its cost of capital, that
16 are known and are measurable with reasonable accuracy and which will become effective by
17 May 31, 2026, 6 months after the last month of the test period.

18 **4.3** Southwest Gas' requested revenue increase is based on a ROE of 10.00
19 percent relative to the Company's capital structure consisting of 50.05 percent equity and
20 49.95 percent debt. Southwest Gas submits that the recommended ROE represents a
21 conservative estimate of investor expectations given the existing financial market conditions.
22 Company witness, Ann E. Bulkley, sponsors prepared direct testimony regarding Southwest
23 Gas' cost of capital.

24 Tariff Changes – NAC 703.2211 (1) and (2)

25 **4.4** Southwest Gas proposes multiple changes to its Nevada Gas Tariff
26 No. 7. These proposed Tariff changes are discussed in the Prepared Direct Testimony of
27 Christopher M. Brown.

1 **4.5** A copy of Southwest Gas' proposed Tariff sheets, inclusive of the proposed
2 rates and charges is attached hereto as Exhibit 1.

3 **4.6** A copy of Southwest Gas' existing Tariff sheets, inclusive of the rates and
4 charges is attached hereto as Exhibit 2.

5 *Circumstances and Conditions Justifying Proposed Changes – NAC 703.2211(3)*

6 **4.7** Southwest Gas' existing rates and charges do not provide Southwest Gas with
7 sufficient revenue to cover the cost of its operating expenses or allow it a fair and reasonable
8 return on its investment. As reflected in the supporting schedules associated with the
9 Prepared Direct Testimony of Kasey D. Bohannon, Southwest Gas' overall rate of return for
10 the test year, as adjusted, was 5.36% and 7.07% for Southern and Northern Nevada,
11 respectively.

12 **4.8** There are four primary circumstances and conditions justifying Southwest Gas'
13 need for rate relief in this proceeding: 1) changes in the cost of capital and the cost of debt;
14 2) updates to plant-in-service costs associated with capital investments¹; 3) changes in
15 operations & maintenance expenses; and 4) customer growth. These circumstances are
16 described in further detail in the Prepared Direct Testimony of Amy L. Timperley.

17 **4.9** The Company's rates need to be reset to account for capital investments and
18 changes in expenses related to operations and maintenance, wages, and benefits. Company
19 witness Kasey D. Bohannon provides prepared direct testimony detailing the Company's
20 results of operations and revenue deficiency.

21 **4.10** Rates also need to be adjusted to reflect updated customer counts and
22 customer volumes. Company witness Brandy Little provides prepared direct testimony
23 detailing the recorded number of bills and therms, and changes in customer counts and
24 volumes since the Company's last general rate case.

25 **4.11** Southwest Gas' current rates and charges are not sufficient to recover its
26 operating costs or provide the Company with the opportunity to earn a fair and reasonable rate
27

28 ¹ Includes the Gas Infrastructure Expansion to Mesquite in the Southern Nevada jurisdiction and
Customer Owned Yard Line (COYL) Replacement Projects in the Northern Nevada jurisdiction.

1 of return on its investment in order to attract the capital necessary to ensure the continuation
2 of reliable service to present and future customers at reasonable rates. Additional details
3 regarding the circumstances and conditions justifying Southwest Gas' proposals are set forth
4 in detail in the supporting testimony and statements and schedules accompanying this
5 Application.

6 Certification Period - NRS 704.110(3) and NAC 703.2211(4)

7 **4.12** Consistent with NRS 704.110, Southwest Gas is utilizing a certification period
8 in this Application that extends to May 31, 2026. NRS 704.110(3) provides, in pertinent part,
9 that the Commission shall consider evidence in support of the increased rates based upon a
10 12-month test period, adjusted for increases in revenues and expenses that "are known and
11 are measurable with reasonable accuracy at the time of filing and which will become effective
12 within 6 months" after the last month of the test period. Additional details justifying Southwest
13 Gas' proposed certification adjustments are set forth in the supporting testimony and
14 statements and schedules accompanying this Application. Southwest Gas submits that the
15 proposed certification adjustments are known and measurable with reasonable accuracy and
16 will become effective within 6 months after the test period, or May 31, 2026.

17 **4.13** Southwest Gas requests that the Commission consider Southwest Gas'
18 certification period adjustments as evidence in establishing just and reasonable rates in this
19 proceeding, so that the rates approved by the Commission better reflect costs expected to be
20 incurred by the Company during the rate-effective period.

21 Expected Changes in Circumstances (ECIC) Adjustment – NRS 704.110(4)

22 **4.14** In addition to the certification period adjustments, Southwest Gas requests that
23 the Commission consider one ECIC adjustment that is reasonably known and measurable
24 with reasonable accuracy and may occur within the 210 days after the date on which the
25 general rate application is filed with the Commission. The ECIC statement supports as
26 evidence in establishing just and reasonable rates in this proceeding, so that the rates
27 approved by the Commission better reflect costs expected to be incurred by the Company
28

1 during the rate-effective period. Company witnesses Kasey D. Bohannon and Thomas W.
2 Cardin sponsor prepared direct testimony supporting the proposed ECIC.

3 Prior Commission Proceedings - NAC 703.2211(5)

4 **4.15** Attached hereto as Exhibit 3 is a list of prior proceedings that based upon
5 Southwest Gas' information and belief have been held before the Commission since the
6 effective date of rates in the Company's last general rate application and may be related to
7 one of more of the proposals contained in the current Application.

8 **5. Request to Continue General Revenues Adjustment Mechanism**

9 **5.1** Southwest Gas requests authority, pursuant to NAC 704.9716, to continue the
10 general revenues decoupling methodology approved in Docket Nos. 09-04003, 12-04005, 18-
11 05031, 20-02023, 21-09001, and 23-09012. The GRA provision has performed as designed,
12 has benefited customers by providing credits during times of colder-than-normal weather, and
13 has ensured the Company has recovered no more or less than its Commission-authorized
14 revenues. Southwest Gas' request to continue the GRA is discussed in greater detail in the
15 Prepared Direct Testimony of Christopher M. Brown.

16 **6. Mesquite Expansion Project**

17 **6.1** Southwest Gas seeks a determination that the Mesquite Expansion Project
18 costs are prudent and requests approval to include the costs associated with the Mesquite
19 Expansion Project into the Company's rate base and general rates. Company witness Preston
20 D. Weaklend provides prepared direct testimony that discusses these costs and sponsors the
21 documents supporting Mesquite Expansion Project costs.

22 **7. Miscellaneous Items**

23 Revenue Allocation

24 **7.1** The Company proposes to allocate the revenue increase to customer classes
25 based upon a class cost-of-service study (CCOSS) which endeavors to align the underlying
26 costs for the Company to provide service for each of the classes included in the study. The
27 proposed revenue allocation reflects the CCOSS results, while taking into consideration
28 mitigation measures regarding the impact across customer classes.

1 **7.2** The table below summarizes the proposed increase based upon the proposed
2 rate changes from each listed customer class.

Proposed Change in Average Monthly Bill		
	Southern Nevada	Northern Nevada
Customer Class		
Single-Family Residential	\$7.11	\$6.05
Multi-Family Residential	\$5.58	\$3.56
General Gas Service – 1	\$18.69	\$8.29
General Gas Service – 2	\$62.77	\$23.06
General Gas Service – 3	\$294.72	\$20.02
General Gas Service – 4	\$2,266.61	\$512.40

11 *Rate Design*

12 **7.3** Southwest Gas designed its proposed rates to accomplish three objectives: (a)
13 rates should recover the overall cost of providing service; (b) rates should be fair, minimizing
14 inequities to the maximum extent possible; and (c) rate changes should be tempered by rate
15 continuity concerns.

16 **7.4** The Company is not proposing any changes to its monthly basic service charges
17 for its existing rate schedules. Moreover, the Company is not proposing to change the general
18 structure of its rate design.

19 *Notice of Intent and Meeting with Consumer’s Advocate and Commission Staff – NAC*
20 *703.2207 and 703.2209*

21 **7.5** Pursuant to NAC 703.2207, Southwest Gas provided written notice of its intent
22 to file a general rate application to the Secretary of the Commission, the staff of the
23 Commission assigned to regulatory operations, and the Bureau of Consumer Protection. The
24 notice was sent January 16, 2026, at least 60 days before the anticipated date for filing the
25 general rate application and contained a list of the components on which Southwest Gas
26 expected to base its application for adjustments in rates.

1 **7.6** Pursuant to NAC 703.2209, Southwest Gas also met with representatives from
2 the Regulatory Operations Staff of the Commission (Staff) and the Bureau of Consumer
3 Protection (BCP), on February 20, 2026, at least 20 days prior to the anticipated date of filing
4 this Application.

5 *Master Document for the Request of Data – NAC 703.2208*

6 **7.7** As contemplated by NAC 703.2208, simultaneous with service of this
7 Application, Southwest Gas is submitting a master document for the request of data, together
8 with answers to the questions contained in the master document, to the BCP and Staff.
9 Portions of the answers to the master document for the request of data will be submitted after
10 Southwest Gas and the requesting parties make mutually acceptable arrangements for the
11 exchange of the information.

12 *Statement Regarding Need for Consumer Session – NAC 703.162 and Public Notices*
13 *– NRS 233B.121 and NAC 703.2211(6) and (7)*

14 **7.8** Attached hereto as Exhibit 4 is a brief description of the Application to be used
15 by the Secretary of the Commission in drafting the public notice required in NAC 703.160.
16 Attached hereto as Exhibit 5 is a proposed notice of hearing that conforms with the
17 requirements of paragraphs (b), (c), and (d) of subsection 2 of NRS 233B.121. Attached
18 hereto as Exhibit 6 is the Draft Notice pursuant to NAC 703.162.

19 **7.9** A consumer session is required to be held pursuant to NRS 704.069 because
20 this is a general rate application, and the proposed changes will result in an increase in annual
21 gross operating revenue in an amount that will exceed the lesser of \$50,000 or 10 percent of
22 Southwest Gas' annual gross operating revenue.

23 *Applicable Statements and Schedules - NAC 703.2215*

24 **7.10** Attached hereto as Appendix A is an index of all applicable statements and
25 schedules prescribed by NAC 703.2265 to 703.2452, inclusive. The index indicates which
26 statements and schedules are supported by workpapers prepared by Southwest Gas. In
27 addition, Volume 2 and Volume 3 of this Application each contain a table of contents further
28

1 identifying each of the statements and schedules along with the Company witness sponsoring
2 the statement or schedule.

3 *Treatment of Confidential Information*

4 **7.11** The attachments to the prepared direct testimony of Company witnesses, Albert
5 Taylor, Randi L. Cunningham, and Justin S. Forsberg contain confidential, proprietary, and
6 commercially sensitive business information specific to Southwest Gas, and are hereby
7 designated confidential pursuant to NRS 703.196 and NAC 703.5274. Pursuant to NAC
8 703.5274(1), one unredacted copy of the confidential attachments will be filed with the
9 Commission's Secretary in a separate envelope stamped "confidential."

10 **7.12** Pursuant to NAC 703.5274(2), Southwest Gas hereby requests that the above-
11 described information not be disclosed to the public. The confidential attachments contain
12 information that, if made public, would negatively impact Southwest Gas. Southwest Gas
13 requests that this information remain confidential for a period of three years following a final
14 decision from the Commission on this Application.

15 **7.13** Confidential treatment of the above-described information will not impair the
16 ability of Staff or the BCP, as the Company will provide a copy of the confidential information
17 to each party after the parties make mutually acceptable arrangements for the exchange of
18 the information.

19 *Witnesses – Pre-filed Written Testimony*

20 **7.14** This Application and the requests made herein are supported by the prepared
21 direct testimony and exhibits of the following Company witnesses, all of which are submitted
22 as attachments to this Application:

23 • **Amy L. Timperley** provides testimony on the primary drivers for the need to
24 file a general rate case and the underlying causes of the margin deficiency in Southern
25 Nevada and Northern Nevada, respectively. Additionally, Ms. Timperley discusses key
26 metrics which demonstrate the reasonableness of the proposed cost of service to establish
27 rates in support of the Company's operations and to provide the Company an opportunity to
28

1 earn the Commission-authorized rate of return. Finally, Ms. Timperley discusses the
2 Company's continued focus on customer affordability, the presentation of its cases, and the
3 pre-filing cost of service analysis performed.

4 • **Kristen M. Tary** provides testimony discussing the Company's compliance with
5 prior Commission orders since the last GRC.

6 • **Randi L. Cunningham** provides testimony supporting the annualization of
7 Labor and Benefits costs, the cost of service analysis undertaken by the Company to ensure
8 that only costs appropriate for recovery are included in this Application, and a description of
9 the new allocation for the Lake Tahoe area of the Company's Northern Nevada Division. Ms.
10 Cunningham also sponsors various statements, schedules, and adjustments along with
11 supporting the Company's compliance with various directives in the Commission's Orders in
12 Docket Nos. 21-09001 and 23-09012.

13 • **Celine Louise R. Apo** provides testimony supporting the revenue requirement
14 calculation associated with the Company's Operations and Maintenance, Administrative and
15 General, and Depreciation and Amortization expenses.

16 • **Charlene A. Lachica** provides testimony supporting various statements and
17 within test year adjustments associated with the Company's revenue requirement in the instant
18 application.

19 • **Kasey D. Bohannon** provides testimony supporting the Company's overall
20 revenue requirement and deficiency calculation. Ms. Bohannon sponsors various statements,
21 schedules, and adjustments.

22 • **Albert Taylor** provides testimony on the Company's compensation and benefits
23 programs, including base pay and incentive compensation. Mr. Taylor also supports the
24 reasonableness of the wage and salary adjustments included in the test year, as well as the
25 wage increase that became effective during the certification period. Additionally, Mr. Taylor
26 supports the reasonableness of the Company's Board of Directors' compensation.
27
28

1 • **Justin S. Forsberg** supports the Company's filed capital structure, the
2 Company's cost of debt, the importance of the proposed rate of return with respect to the
3 Company's credit ratings, the Company's pension expense, and costs associated with investor
4 relations.

5 • **Ann Bulkley**, Partner at The Brattle Group, provides testimony on the
6 Company's proposed ROE, capital structure, and the overall rate of return requested in this
7 proceeding.

8 • **Byron C. Williams** provides testimony on Southwest Gas' federal income tax,
9 and state and local taxes. Mr. Williams supports the calculation and treatment of Excess
10 Accumulated Deferred Income Taxes, discusses the impact of the Company's collection of
11 contributions in aid of construction on deferred taxes, and sponsors various statements and
12 schedules related to income taxes, property taxes, and deferred taxes. Mr. Williams also
13 discusses the Company's property, franchise, business, mill assessments and miscellaneous
14 taxes and sponsors the associated proposed adjustments. Finally, Mr. Williams discusses the
15 Company's Tax Repairs Project.

16 • **Preston Weaklend** provides testimony supporting the incremental costs
17 incurred and recorded to the Nevada annual leak survey regulatory asset, the prudence of
18 various Southern Nevada capital investment projects, and the prudence of the facilities placed
19 in service for the Mesquite Expansion Project to be included in rate base.

20 • **Christopher R. Anderson** provides testimony including an operational
21 overview of Company's Northern Nevada rate jurisdiction, description of the planning for and
22 oversight of capital investments for projects in Northern Nevada, overview of completed and
23 planned significant capital investments in Northern Nevada since the Company's last GRC,
24 discussion on recent cost savings initiatives and cost tracking enhancements that the
25 Company has implemented in Northern Nevada, discussion of the operational benefits
26 associated with the Company's recently created Lake Tahoe Area Allocation with Receiving
27 District 0018, and support, from an operations perspective, for a rate making adjustment to
28

1 normalize the Company's O&M and associated discontinuance of the Company's
2 current regulatory accounting treatment for the annual leak survey.

3 • **Matthew A. Helmers** provides testimony including an overview of the planning
4 process and management of capital investments, support for the reasonableness and
5 prudence of the Company's investment in capital projects for the Northern Nevada Division,
6 including Spring Creek Expansion Project investments. and the Customer Owned Yard Line
7 regulatory asset.

8 • **Thomas W. Cardin** provides testimony including an overview of the procedural
9 framework and oversight controls applicable to Southern Nevada capital investments, system
10 integrity projects, support for reasonableness and prudence of the Company's investment in
11 capital projects for the Company's Southern Nevada system that are included in the
12 Company's revenue requirement, and support the Company's request for the ECIC
13 adjustment..

14 • **Raied N. Stanley** provides testimony including an overview of the project
15 governance and oversight structure for approved technology-related capital projects and
16 supporting the reasonableness and prudence of the Company's investment in technology-
17 related capital projects.

18 • **Keith Bacon** provides testimony supporting the reasonableness and prudence
19 of the Company's capital investments in facilities and fleet-related projects that are included
20 in the Company's revenue requirement. Additionally, Mr. Bacon supports the Company's
21 request for another phase of the Company's radio project.

22 • **Brandy Little** provides testimony on the annualized billing determinants for the
23 Company's Southern and Northern Nevada rate jurisdictions. Ms. Little also provides
24 testimony on the methodology used to develop annualized billing determinants for the test
25 year and the certification period, including adjustments to the recorded number of bills and
26 therms. Additionally, Ms. Little prepared an illustrative analysis to incorporate a weather trend
27 that is supported with at least 20 years of historical data into the weather normalization process
28 in compliance with the Commission's Directive in Docket No. 23-09012.

1 **Christopher M. Brown** provides testimony supporting the Company's proposed Tariff
2 changes, sponsors the Company's embedded class cost-of-service study and proposed rates
3 for the Company's Southern Nevada and Northern Nevada rate jurisdictions, and supports the
4 Company's request to continue regulatory accounting treatment for Line Locate Activity
5 Expenses consistent with what the Commission approved in Docket No. 25-01017..

6 **8. Conclusion**

7 8.1 Southwest Gas believes that authorization of the rate increases requested in
8 this Application and the approval of revisions to the Tariff, including the continuation of the
9 GRA provision, represents an outcome for the Company and its customers that is in the public
10 interest. Southwest Gas further submits that approval of the Application, as proposed, will
11 provide Southwest Gas with a reasonable opportunity to earn a rate of return commensurate
12 with other similarly situated natural gas utilities.

13 WHEREFORE, by this Application, Southwest Gas respectfully requests that the
14 Commission issue an order:

15 1. Authorizing implementation of the proposals contained herein effective no later
16 than 210 days from the filing date.

17 2. Authorizing a retail natural gas service rate increase in Southern Nevada based
18 upon a historic test year ended November 30, 2025, a certification period through May 31,
19 2026, and ECIC adjustment to recover additional annual revenues of approximately \$66.3
20 million.

21 3. Authorizing a retail natural gas service rate increase in Northern Nevada based
22 upon a historic test year ended November 30, 2025, and a certification period through May
23 31, 2026, to recover additional annual revenues of approximately \$5 million.

24 4. Determining that the Company's capital investment project costs, including the
25 Mesquite Expansion projects, proposed for inclusion in rate base are prudent.

26 5. Approving the Company's proposed revisions to the Tariff.

27 6. Approving the continuation of the GRA provision as requested.

1 **CERTIFICATE OF SERVICE**

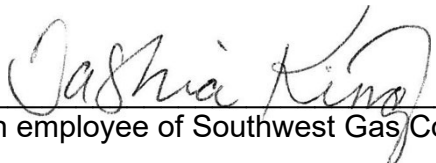
2 I hereby certify that on the 17th day of March 2026, and pursuant to NAC 703.610 of
3 the rules and regulations of the Public Utilities Commission of Nevada, I served a copy of the
4 foregoing Application of Southwest Gas Corporation for Authority to Increase its Retail Natural
5 Gas Utility Service Rates in its Southern and Northern Nevada Rate Jurisdictions upon all
6 parties identified below via email electronic service:

7
8 Donald Lomoljo
9 Public Utilities Commission of Nevada
10 1150 E. William St.
11 Carson City, NV 89701
12 dlomoljo@puc.nv.gov

Ernest Figueroa
Bureau of Consumer Protection
100 N. Carson St.
Carson City, NV 89701
efigueroa@ag.nv.gov

with a copy to:
pucn.sc@puc.nv.gov

with a copy to:
bcpserv@ag.nv.gov

13
14
15 
16 _____
17 an employee of Southwest Gas Corporation
18
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Appendix
Schedule of Statements and Schedules

SCHEDULE OF STATEMENTS AND SCHEDULES

NAC §703.2265 provides that every general rate case filing made by a utility must include Statements A through Q and their respective schedules. The general specifications for each such statement and schedule, and a reference to its location in the filing are provided below:

NAC §703.2271 Statement A. Statement A must consist of a statement of financial position based on the total company, in the order of accounts prescribed by the uniform system of accounts, as of the beginning and end of the period of testing. This statement is provided behind tab "A".

NAC §703.2275 Statement B. Statement B must consist of a statement of income based on the total company, in the order of accounts prescribed by the uniform system of accounts for the period for testing. This statement is provided behind tab "B".

NAC §703.2281 Statement C. Statement C must consist of a statement that shows the balance at the beginning of the period of testing with debits and credits to retained earnings, and the resulting balance during the period of testing.

NAC §703.2285 Statement D. Statement D must consist of a Statement of Cash Flows, which satisfies the letter and spirit of statement of financial accounting standards No. 95 issued by the Financial Accounting Standards Board.

NAC §703.2291 Statement E. Statement E must contain any report, opinion or footnote issued by an accountant or auditor during the test period and applicable to Statements A, B, C, and D. This statement is provided behind tab "E".

NAC §703.2295 Statement F. Statement F must contain a statement that shows the dollar amount of each component of the capital structure, its related cost percentage and the proportion of each component of the capital structure to the total capital structure. This statement is provided behind tab "F." Statement F shows the information required above for the recorded test period and the certification period. This schedule is provided behind tab "F".

NAC 703.2301 Schedule F-1. Schedule F-1 must show the weighted average cost of debt capital for each class and series of debt outstanding according to the balance sheet as of the end of the test period. This schedule is provided behind tab "F". Schedule F-1 shows the information required above for the recorded test period and certification period.

NAC 703.2305 Schedule F-2. Schedule F-2 must show the weighted average cost of preferred stock capital for each class and series of preferred stock outstanding according to the balance sheet as of the end of the test period. This schedule is provided behind tab "F". Schedule F-2 shows the information required above for the recorded test period and certification period.

NAC 703.2311 Schedule F-3. Schedule F-3 shows the derivation and justification for the cost of common equity included in Statement F. This schedule is provided behind tab "F".

NAC §703.2315 Schedule F-4. Schedule F-4 shows for each issue of common stock during the 6 years preceding the balance sheet as of the end of the period of testing. This schedule is provided behind tab "F". Schedule F-4 shows the information required for the recorded test period and certification period.

NAC §703.2321 Statement G. Statement G is a summary of the overall rate base from the figures contained on the supporting schedules. This statement is provided behind tab "G." Statement G shows the information required above for the recorded test period and certification period.

NAC §703.2325 Schedule G-1. Schedule G-1 summarizes the amounts of utility plant classified by primary accounts as of the beginning of the period of testing, the book additions and reductions (in separate columns) during the 12 months, and the balances at the end of the test period. This schedule is provided behind tab "G". Schedule G-1 shows the information required above for the recorded test period and certification period.

NAC §703.2331 Schedule G-2. Schedule G-2 shows by primary accounts the accumulated provisions for depreciation, amortization, and abandonment as of the beginning

of the period of testing, the book additions and reductions during the 12-month test period, and the balances at the end of such a period. This schedule is provided behind tab "G". Schedule G-2 shows the information required above for the recorded test period and certification period. Southwest Gas prepared workpapers supporting this schedule.

NAC §703.2335 Schedule G-3. Schedule G-3 provides a description of the methods, procedures and rates used in depreciating or amortizing plant that were previously authorized by the Commission, and a description of any changes in methods or rates since the last order of the Commission setting rates or charges for Southwest Gas. This schedule is provided behind tab "G".

NAC §703.2341 Schedule G-4. Schedule G-4 shows the recorded balances for each component of materials and supplies by month, so that an allowance for balances of materials and supplies for an average of 13 months can be calculated. This schedule is provided behind tab "G". Schedule G-4 shows the information required above for the recorded test period and the certification period.

NAC §703.2343 Schedule G-5. Schedule G-5 is required if a utility's application includes a provision for cash to be used as working capital. This schedule must contain an explanation of the inclusion of this amount and a schedule showing the derivation of the amount of cash so requested. This schedule is provided behind tab "G". Schedule G-5 shows the information required above for the recorded test period and certification period. Southwest Gas prepared workpapers supporting this schedule.

Schedule G-6. Schedule G-6 provides a 13-month average of customer advances. This schedule is provided behind tab "G".

NAC §703.2345(1) Statement H. Statement H must summarize the applicant's overall results of operations. The statement must show the amounts as recorded on the applicant's books, adjustments during the year of testing for known changes and estimated adjustments to be certified by the applicant. The statement also must include the requested rate of return

and must show the application of the requested rate of return to the overall rate base. This statement is provided behind tab "H." This statement shows the information required above for the recorded test period and certification period. Southwest Gas prepared workpapers supporting this statement.

NAC §703.2345(1) Schedules H-1 through H-25. Schedules H-1 through H-25 reflect Southwest Gas' within test period expense adjustments. These schedules are provided behind tab "H". H-25 is exclusive to Northern Nevada. Southwest Gas prepared workpapers supporting these schedules: H-3, H-4, H-5, H-7, H-9, H-10, H-16, H-17, H-18, H-21, and H-23.

NAC §703.2345(2) Schedules H-C1 through H-C8 - Certification Period Adjustments. If the applicant elects to make a certification filing, this provision requires the applicant to include a separate schedule specifically identifying the adjustments to be certified. Southwest Gas is proposing eight certification period adjustments identified as Schedules H-C1 through H-C8. These schedules are provided behind tab "H". Southwest Gas prepared workpapers supporting these schedules: H-C2 and H-C6.

NAC §703.2351 Statement I. If Statement H contains adjustments for changes beyond the actual year of testing to be certified by applicant, certification of these amounts must be submitted in Statement I, and in the same format as Statement H. This statement will be completed in accordance with NRS §704.110(3) and NAC §703.2351. The certified amounts will be shown on a statement using the same format as the adjustments on Statement H.

NAC §703.2355 Statement J. Statement J must contain a statement that shows the utility's annualized revenues, classified in accordance with the uniform system of accounts and as between department, jurisdictional, and non-jurisdictional revenues. Statement J provides the comparison of recorded revenues, revenues at present rates, and revenues at proposed rates. This statement is provided behind tab "J." Statement J shows the information

required above for the recorded test period and the certification period. Southwest Gas prepared workpapers supporting this statement.

NAC §703.2355 Schedule J-1. Schedule J-1 provides a summary of revenues at proposed rates by proposed rate schedule and present rates by proposed rate schedule for the certification period, and a summary of revenues at present rates by present rate schedule for the test period and certification period, and a summary of adjustments of sales and annual number of bills by rate schedule for the test period and certification period. Schedule J-1 is provided behind tab "J".

NAC §703.2355 Schedule J-2. Schedule J-2 shows sales and revenue by rate schedule as recorded and monthly gas sales and revenues as recorded for each rate schedule. Schedule J-2 is provided behind tab "J".

NAC §703.2361 Statement K. Statement K must show the expenses for operation and maintenance according to each account of the uniform system of accounts. This statement is provided behind tab "K." Statement K shows the information required above for the recorded test period and the certification period.

NAC §703.2365 Schedule K-1. Schedule K-1 shows the segregation of expenses for operations and maintenance, and their functional groupings into a component for labor and a component embracing the remainder of the expenses. This schedule is provided behind tab "K". Schedule K-1 shows the information required above for the recorded test period and the certification period. Southwest Gas prepared workpapers supporting this schedule.

NAC §703.2371 Schedule K-2. Schedule K-2 must contain an analysis of each account in schedule format for the year of testing disclosing advertising costs. This schedule is provided behind tab "K." Schedule K-2 is supported by workpapers prepared by Southwest Gas. Southwest Gas prepared workpapers supporting this schedule.

NAC §703.2375 Schedule K-3. Schedule K-3 must include an analysis of each account in schedule format for the year of testing disclosing outside services. This schedule

is provided behind tab "K".

NAC §703.2381 Schedule K-4. Schedule K-4 must include an analysis of each account in schedule format for the year of testing disclosing pension and benefits charges. This schedule is provided behind tab "K".

NAC §703.2385 Schedule K-5. Schedule K-5 must include an analysis of each account in schedule format for the year of testing disclosing principal charges and credits for expenses caused by regulations of the Commission. This schedule is provided behind tab "K".

NAC §703.2391 Schedule K-6. Schedule K-6 must include an analysis of each account in schedule format for the year of testing disclosing charges and credits for miscellaneous general expenses and credits. This schedule is provided behind tab "K".

NAC §703.2395 Schedule K-7. Schedule K-7 must show the charges or credits during each month and in total for the year of testing from associated companies or nonutility departments of the applicant. This schedule is provided behind tab "K".

NAC §703.2401 Statement L. Statement L must show plant depreciation and amortization expense by functional classifications, as well as the bases, methods, essential computations, and derivation of unit rates for the calculation of depreciation and amortization for the 12 months of actual experience and for any adjustments thereto. This statement is provided behind tab "L." Statement L shows the information required above for the recorded test period and certification period.

NAC §703.2405 Schedule L-1. Schedule L-1 reconciles the depreciable plant listed on Statement L with the aggregate investment in plant shown on Schedule G-2 and shows the distribution of depreciation and amortization expenses to the various general ledger accounts. This schedule is provided behind tab "L". Schedule L-1 shows the information required above for the recorded test period and certification period.

NAC §703.2411 Statement M. Statement M must show the computation of

allowances for federal income taxes for the period of testing. This statement is provided behind tab "M."

NAC §703.2415 Schedule M-1. Schedule M-1 must reconcile book net income with taxable net income as reported to the Internal Revenue Service for the most recent year for which a tax return was filed and the three preceding years. This schedule is provided behind tab "M".

NAC §703.2421 Schedule M-2. Schedule M-2 must show the computation of the tax depreciation for the most recent year for which a tax return was filed and for the three previous years. This schedule is provided behind tab "M".

NAC §703.2425 Schedule M-3. Schedule M-3 must show the net taxable income or loss for each company or regulated entity filing a consolidated tax return, including an adjustment of the excess of accelerated depreciation and amortization of emergency facilities over straight-line depreciation for each company involved. This schedule is provided behind tab "M".

NAC §703.2431 Schedule M-4. Schedule M-4 must contain a schedule that shows monthly book balances of accumulated deferred income taxes for each of the 12 months during the period of testing. This schedule is provided behind tab "M".

NAC §703.2435 Schedule M-5. Schedule M-5 must contain a schedule that shows the taxes other than income taxes paid by the applicant. This schedule is provided behind tab "M".

NAC §703.2441 Statement N. Statement N must contain a statement that shows the allocation of both rate base components and components of the results of operations between or among departments, jurisdictions, or regulated and non-regulated operations. This information is provided behind tab "N." Southwest Gas prepared workpapers supporting this statement.

NAC §703.2443 Schedule N-1. Schedule N-1 must show all expenses, allocated

between regulated and non-regulated operations, related to an officer or employee of the utility who provides services related to operations that are not regulated by the Commission. This schedule is provided behind tab "N".

NAC §703.2441 Schedule N-2. Schedule N-2 provides additional information regarding allocation of costs by providing class cost of service summaries for present rates, rate schedules at proposed system rate of return, and proposed rates for the certification period. This schedule is provided behind tab "N". Southwest Gas prepared workpapers supporting this schedule.

NAC §703.2445 Statement O. Statement O must contain a narrative statement used in support of the design of a proposed rate, and must describe and justify the objectives of the proposed rate design. Statement O also provides a statement of present rate and proposed rates, calculation of proposed margin rates by rate schedule for the recorded test period, a summary of revenues at proposed rates for the recorded test period, a statement of customer and demand related costs, and statement of other operating revenues for the recorded test period. This statement is provided behind tab "O."

NAC §703.2445 Schedule O-1. Schedule O-1 contains schedules of proposed rates and currently effective rates for each rate schedule. This schedule is provided behind tab "O".

NAC §703.2451 Statement P. Statement P must disclose changes in presentation for rate making or in accounting methods, procedures and allocations adopted since the year of testing presented in the last general rate case, as well as any categories of expense or rate base that have been considered and disallowed by the Commission in a previous case. This statement is provided behind tab "P."

NAC §703.2452 Statement Q. Statement Q must contain a statement of the number and type of shares held by shareholders at the end of the test year and any changes in ownership that occurred during the test year. This statement is provided behind tab "Q."

Exhibit 1 – Proposed Tariff Sheets

TABLE OF CONTENTS
(Continued)

NEVADA RATE SCHEDULES (Continued)

<u>Schedule No.</u>		<u>P.U.C.N. Sheet No.</u>
SG-RNG/NG-RNG	Biogas and Renewable Natural Gas Service	53A – 53I
SG-G5	General Gas Service – 5	53J – 53K
Held For Future Use		53L
SG-G6	General Gas Service – 6	53M – 53N
Held For Future Use		53O – 53R
NG-G5	General Gas Service – 5	53S – 53T
Held For Future Use		53U
ST-1/NT-1	Transportation of Customer-Secured Natural Gas	54 – 84
M2Z	Move2Zero Carbon Offset Program	84A-84B

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SPECIAL SUPPLEMENTARY TARIFF PROVISIONS

<u>Title of Sheet</u>	<u>P.U.C.N. Sheet No.</u>
Interstate Pipeline Capacity Services Provision	85
Held For Future Use	86
Taxes and Assessments Not Included in Rates	87
General Revenues Adjustment Provision	88 – 89
Unrecovered Gas Cost Expense Provision	90 – 91
Held For Future Use	91A
Contract Transition Adjustment Provision	91A1 – 91A2
Held For Future Use	91B
Large Customer Adjustment Provision	91B1 – 91B2

<p>Issued:</p> <p>Effective:</p> <p>Advice Letter No.:</p>	<p>Issued by Amy L. Timperley Senior Vice President</p>	
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D

STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO SOUTHERN NEVADA SCHEDULES ^{1/2/}

Schedule Number	Description	Delivery Charge ^{3/}	Gas Cost			Currently Effective Tariff Rate
			Base Tariff Energy Rate ^{4/}	Deferred Energy Account Adjustment	Infrastructure Expansion Rate ^{7/}	
<u>SG-RS</u>	<u>Single-Family Residential Gas Service</u>					
	Basic Service Charge per Month	\$ 10.80				\$ 10.80
	Commodity Charge per Therm:					
	All Usage	\$.87580	\$.40045	(\$ 0.25000)	\$.00000	\$ 1.02625
<u>SG-RM</u>	<u>Multi-Family Residential Gas Service</u>					
	Basic Service Charge per Month	\$ 9.00				\$ 9.00
	Commodity Charge per Therm:					
	All Usage	\$.90868	\$.40045	(\$ 0.25000)	\$.00000	\$ 1.05913
<u>SG-RAC</u>	<u>Air Conditioning Residential Gas Service</u>					
	Basic Service Charge per Month	\$ 10.80				\$ 10.80
	Commodity Charge per Therm:					
	All Usage	\$.22476	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.37521
<u>SG-G1</u>	<u>General Gas Service - 1</u>					
	Basic Service Charge per Month	\$ 25.80				\$ 25.80
	Commodity Charge per Therm:					
	All Usage	\$.47763	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.62808
<u>SG-G2</u>	<u>General Gas Service - 2</u>					
	Basic Service Charge per Month	\$ 135.00				\$ 135.00
	Commodity Charge per Therm:					
	All Usage	\$.20253	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.35298
<u>SG-G3</u>	<u>General Gas Service - 3</u>					
	Basic Service Charge per Month	\$ 350.00				\$ 350.00
	Commodity Charge per Therm:					
	All Usage	\$.17798	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.32843
<u>SG-G4</u>	<u>General Gas Service - 4</u>					
	Basic Service Charge per Month	\$1,000.00				\$1,000.00
	Commodity Charge per Therm:					
	All Usage	\$.09253	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.24298
	Demand Charge ^{5/}	\$.04138				\$.04138

Issued:		
Effective:	Issued by Amy L. Timperley Senior Vice President	
Advice Letter No.:		

STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO SOUTHERN NEVADA SCHEDULES ^{1/2/}

Schedule Number	Description	Delivery Charge ^{3/}	Gas Cost			Currently Effective Tariff Rate
			Base Tariff Energy Rate ^{4/}	Deferred Energy Account Adjustment	Infrastructure Expansion Rate ^{7/}	
<u>SG-G5</u>	<u>General Gas Service - 5 ^{8/}</u>					
	Basic Service Charge per Month	\$1,000.00				\$1,000.00
	Commodity Charge per Therm:					
	All Usage	\$.03431	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.18476
	Demand Charge ^{5/}	\$.00425				\$.00425
<u>SG-G6</u>	<u>General Gas Service - 6 ^{8/}</u>					
	Basic Service Charge per Month	\$1,000.00				\$1,000.00
	Commodity Charge per Therm:					
	All Usage	\$.07554	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.22599
	Demand Charge ^{5/}	\$.03794				\$.03794
<u>SG-AC</u>	<u>Air Conditioning Gas Service</u>					
	Basic Service Charge per Month	\$ 25.80				\$ 25.80
	Commodity Charge per Therm:					
	All Usage	\$.18163	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.33208
<u>SG-WP</u>	<u>Water Pumping Gas Service</u>					
	Basic Service Charge per Month	\$ 250.00				\$ 250.00
	Commodity Charge per Therm:					
	All Usage	\$.19145	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.34190
<u>SG-EG</u>	<u>Small Electric Generation Gas Service</u>					
	Basic Service Charge per Month		Otherwise Applicable Rate Schedule			
	Commodity Charge per Therm:					
	All Usage	\$.13048	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.28093

Issued:		
Effective:	Issued by Amy L. Timperley Senior Vice President	
Advice Letter No.:		

SOUTHWEST GAS CORPORATION
 P.O. Box 98510
 Las Vegas, Nevada 89193-8510
 Nevada Gas Tariff No. 7

Canceling 96th Revised P.U.C.N. Sheet No. 11
95th Revised P.U.C.N. Sheet No. 11

STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO SOUTHERN NEVADA SCHEDULES ^{1/2/}

Schedule Number	Description	Delivery Charge ^{3/}	Gas Cost		Infrastructure Expansion Rate ^{7/}	Currently Effective Tariff Rate
			Base Tariff Energy Rate ^{4/}	Deferred Energy Account Adjustment		
SG-CNG	Gas Service for Compression on Customer's Premises ^{6/}					
	Basic Service Charge per Month	\$ 25.80				\$ 25.80
	Commodity Charge per Therm:					
	All Usage	\$.19091	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.34136
SG-L	Street and Outdoor Lighting Gas Service					
	Commodity Charge per Therm:					
	All Usage	\$.81372	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.96417
SG-OS	Optional Gas Service					
						As specified on Sheet Nos. 48 through 51.
SG-AS	Alternative Sales Service					
						As specified on Sheet Nos. 52 through 53.
SG-CGS	Compression Gas Service					
						As specified on Sheet Nos. 47A through 47I.
SG-RNG	Biogas and Renewable Natural Gas Service					
						As specified on Sheet Nos. 53A through 53I.

Issued: Effective: Advice Letter No.:	Issued by Amy L. Timperley Senior Vice President	
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SOUTHWEST GAS CORPORATION
 P.O. Box 98510
 Las Vegas, Nevada 89193-8510
 Nevada Gas Tariff No. 7

Canceling 39th Revised P.U.C.N. Sheet No. 11A
38th Revised P.U.C.N. Sheet No. 11A

STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO SOUTHERN NEVADA SCHEDULES ^{1/2/}
(Continued)

- ^{1/} The charges shown above are subject to adjustments for taxes and assessments.
- ^{2/} Customers taking transportation service will pay the Basic Service Charge, the Delivery Charge per therm excluding the Conservation and Energy Efficiency component, and Demand Charge, if applicable, of the Currently Effective Tariff Rate for each meter included in the transportation service agreement, plus an amount for distribution system shrinkage for all quantities of gas not delivered through a direct connection to one of the Company's upstream interstate pipelines. The high pressure shrinkage rate is \$.00005 per therm, and the low pressure shrinkage rate is \$.00143 per therm. Additionally, customers will pay the Southwest Gas Transmission Company (SGTC) Annual Charge Adjustment (ACA) rate of \$.00015 per therm and the SGTC volumetric charge of \$.00145 per therm for all scheduled quantities that flow through the SGTC pipeline. The ACA Charge and volumetric charge will also apply to applicable traded and imbalance quantities. In addition, the customer will also pay a Transportation Service Charge of \$500.00 per month per individually qualifying premise. For purposes of calculating Payment for Excess Imbalances, the Imbalance Commodity Charge is \$.36084 per therm and the Imbalance Reservation Charge is \$.04361 per therm. For customers converting from sales service, an additional amount equal to the currently effective Deferred Energy Accounting Adjustment will be assessed for a period of twelve (12) months.
- ^{3/} Includes the following:

Component/Schedule	SG-RS	SG-RM	SG-RAC	SG-G1	SG-G2	SG-G3	SG-G4	SG-G5
Margin	.80454	.87061	.20518	.56203	.19853	.17842	.08926	.01473
Accumulated Deferred Interest Rate Adjustment	.01477	.01477	.01477	.01477	.01477	.01477	.01477	.01477
General Revenues Adjustment	.05168	.01849	.00000	(.10398)	(.01558)	(.02002)	(.01631)	.00000
Gas Infrastructure Replacement Rate	.00000	.00000	.00000	.00000	.00000	.00000	.00000	.00000
Conservation and Energy Efficiency	.00399	.00399	.00399	.00399	.00399	.00399	.00399	.00399
Contract Transition Adjustment Provision	.00082	.00082	.00082	.00082	.00082	.00082	.00082	.00082
Total	.87580	.90868	.22476	.47763	.20253	.17798	.09253	.03431

Component/Schedule	SG-G6	SG-AC	SG-WP	SG-EG	SG-CNG	SG-L
Margin	.05596	.16205	.17187	.11090	.17133	.79414
Accumulated Deferred Interest Rate Adjustment	.01477	.01477	.01477	.01477	.01477	.01477
General Revenues Adjustment	.00000	.00000	.00000	.00000	.00000	.00000
Gas Infrastructure Replacement Rate	.00000	.00000	.00000	.00000	.00000	.00000
Conservation and Energy Efficiency	.00399	.00399	.00399	.00399	.00399	.00399
Contract Transition Adjustment Provision	.00082	.00082	.00082	.00082	.00082	.00082
Total	.07554	.18163	.19145	.13048	.19091	.81372

- ^{4/} For all rate schedules, the Base Tariff Energy Rate (BTER) includes \$0.02852 per therm for the Unrecovered Gas Cost Expense Base Rate.
- ^{5/} The total monthly demand charge for Schedule Nos. SG-G4, SG-G5, and SG-G6 is equal to the unit rate shown multiplied by the customer's billing determinant.
- ^{6/} The charges for Schedule No. SG-CNG are subject to adjustments for applicable state and federal taxes on fuel used in motor vehicles.
- ^{7/} In addition to all other rates in this Statement of Rates, all customers in the Mesquite Expansion Area will pay a rate of \$0.05000 per therm as part of their Infrastructure Expansion Rate.
- ^{8/} The maximum and minimum rates for Schedule Nos. SG-G5 and SG-G6 are set forth below.

SG-G5	Minimum Rates	Maximum Rates	
Basic Service Charge	\$1,000.00		
Transportation Charge	\$500.00	Effective tariff rates	
Demand Charge	\$0.00213		
Margin	\$0.00737		

SG-G6	Minimum Rates	Maximum Rates
Basic Service Charge	\$1,000.00	Effective tariff rates
Transportation Charge	\$500.00	
Demand Charge	\$0.01897	
Margin	\$0.02798	

Issued: Effective: Advice Letter No.:	Issued by Amy L. Timperley Senior Vice President	
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STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO NORTHERN NEVADA SCHEDULES ^{1/2/8}

Schedule Number	Description	Delivery Charge ^{3/}	Gas Cost		Infrastructure Expansion Rate ^{9/}	Currently Effective Tariff Rate
			Base Tariff Energy Rate ^{4/}	Deferred Energy Account Adjustment		
<u>NG-RS</u>	<u>Single-Family Residential Gas Service</u>					
	Basic Service Charge per Month	\$ 10.80				\$ 10.80
	Commodity Charge per Therm:					
	All Usage	\$.55380	\$ 0.68365	(\$.30000)	\$.01653	\$ 0.95398
<u>NG-RM</u>	<u>Multi-Family Residential Gas Service</u>					
	Basic Service Charge per Month	\$ 10.80				\$ 10.80
	Commodity Charge per Therm:					
	All Usage	\$.54411	\$ 0.68365	(\$.30000)	\$.01653	\$ 0.94429
<u>NG-RAC</u>	<u>Air Conditioning Residential Gas Service</u>					
	Basic Service Charge per Month	\$ 10.80				\$ 10.80
	Commodity Charge per Therm:					
	All Usage	\$.59485	\$ 0.68365	(\$.30000)	\$.01653	\$ 0.99503
<u>NG-G1</u>	<u>General Gas Service - 1</u>					
	Basic Service Charge per Month	\$ 28.80				\$ 28.80
	Commodity Charge per Therm:					
	All Usage	\$.38599	\$ 0.68365	(\$.30000)	\$.01653	\$ 0.78617
<u>NG-G2</u>	<u>General Gas Service - 2</u>					
	Basic Service Charge per Month	\$ 135.00				\$ 135.00
	Commodity Charge per Therm:					
	All Usage	\$.14825	\$ 0.68365	(\$.30000)	\$.01653	\$ 0.54843
<u>NG-G3</u>	<u>General Gas Service - 3</u>					
	Basic Service Charge per Month	\$ 350.00				\$ 350.00
	Commodity Charge per Therm:					
	All Usage	\$.14138	\$ 0.68365	(\$.30000)	\$.01653	\$ 0.54156
<u>NG-G4</u>	<u>General Gas Service - 4</u>					
	Basic Service Charge per Month	\$1,000.00				\$1,000.00
	Commodity Charge per Therm:					
	All Usage	\$.07100	\$ 0.68365	(\$.30000)	\$.01653	\$ 0.47118
	Demand Charge ^{5/}	\$.01915				\$.01915
<u>NG-G5</u>	<u>General Gas Service - 5 ^{7/}</u>					
	Basic Service Charge per Month	\$1,000.00				\$1,000.00
	Commodity Charge per Therm:					
	All Usage	\$.03332	\$ 0.68365	(\$.30000)	\$.01653	\$ 0.43350
	Demand Charge ^{5/}	\$.02249				\$.02249

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Effective:	Issued by Amy L. Timperley Senior Vice President
Advice Letter No.:	

SOUTHWEST GAS CORPORATION
 P.O. Box 98510
 Las Vegas, Nevada 89193-8510
 Nevada Gas Tariff No. 7

Canceling 95th Revised P.U.C.N. Sheet No. 13
94th Revised P.U.C.N. Sheet No. 13

STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO NORTHERN NEVADA SCHEDULES ^{1/2/8}

Schedule Number	Description	Delivery Charge ^{3/}	Gas Cost		Infrastructure Expansion Rate ^{9/}	Currently Effective Tariff Rate
			Base Tariff Energy Rate ^{4/}	Deferred Energy Account Adjustment		
NG-AC	<u>Air Conditioning Gas Service</u>					
	Basic Service Charge per Month	\$ 28.80				\$ 28.80
	Commodity Charge per Therm:					
	All Usage	\$.16148	\$ 0.68365	(\$.30000)	\$.01653	\$ 0.56166
NG-WP	<u>Water Pumping Gas Service</u>					
	Basic Service Charge per Month	\$ 36.00				\$ 36.00
	Commodity Charge per Therm:					
	All Usage	\$.22048	\$ 0.68365	(\$.30000)	\$.01653	\$ 0.62066
NG-EG	<u>Small Electric Generation Gas</u>					
	Basic Service Charge per Month		Otherwise Applicable Rate Schedule			
	Commodity Charge per Therm:					
	All Usage	\$.36920	\$ 0.68365	(\$.30000)	\$.01653	\$ 0.76938
NG-CNG	<u>Gas Service for Compression on Customer's Premises ^{6/}</u>					
	Basic Service Charge	\$ 25.80				\$ 25.80
	Commodity Charge per Therm:					
	All Usage	\$1.41421	\$ 0.68365	(\$.30000)	\$.01653	\$ 1.81439
NG-L	<u>Street and Outdoor Lighting Gas Service</u>					
	Commodity Charge per Therm:					
	All Usage	\$.77159	\$ 0.68365	(\$.30000)	\$.01653	\$ 1.17177
NG-OS	<u>Optional Gas Service</u>					
			As specified on Sheet Nos. 48 through 51.			
NG-AS	<u>Alternative Sales Service</u>					
			As specified on Sheet Nos. 52 through 53.			
NG-CGS	<u>Compression Gas Service</u>					
			As specified on Sheet Nos. 47A through 47I.			
NG-RNG	<u>Biogas and Renewable Natural Gas Service</u>					
			As specified on Sheet Nos. 53A through 53I.			

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STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO NORTHERN NEVADA SCHEDULES ^{1/2/8}
(Continued)

- 1/ The charges shown above are subject to adjustments for taxes and assessments.
- 2/ Customers taking transportation service will pay the Basic Service Charge, the Delivery Charge per therm excluding the Conservation and Energy Efficiency component, and Demand Charge, if applicable, of the Currently Effective Tariff Rate for each meter included in the transportation service agreement, plus an amount of \$0.00111 per therm for distribution system shrinkage as defined in Rule No. 1 of this Nevada Gas Tariff for all quantities of gas not delivered through a direct connection to one of the Company's upstream interstate pipelines and a Transportation Service Charge of \$500.00 per month per individually qualifying premise. For purposes of calculating Payment for Excess Imbalances, the Imbalance Commodity Charge is \$0.36867 per therm and the Imbalance Reservation Charge is \$0.36674 per therm. For customers converting from sales service, an additional amount equal to the currently effective Deferred Energy Accounting Adjustment will be assessed for a period of twelve (12) months.
- 3/ Includes the following:

Component/Schedule	NG-RS	NG-RM	NG-RAC	NG-G1	NG-G2	NG-G3	NG-G4
Margin	.53841	.55151	.59042	.34994	.13152	.08946	.06097
General Revenues Adjustment	.01096	(.01183)	.00000	.03162	.01230	.04749	.00560
Gas Infrastructure Replacement Rate	.00000	.00000	.00000	.00000	.00000	.00000	.00000
Conservation and Energy Efficiency	.00443	.00443	.00443	.00443	.00443	.00443	.00443
Total	.55380	.54411	.59485	.38599	.14825	.14138	.07100

Component/Schedule	NG-G5	NG-AC	NG-WP	NG-EG	NG-CNG	NG-L
Margin	.02889	.15705	.21605	.36477	1.40978	.76716
General Revenues Adjustment	.00000	.00000	.00000	.00000	.00000	.00000
Gas Infrastructure Replacement Rate	.00000	.00000	.00000	.00000	.00000	.00000
Conservation and Energy Efficiency	.00443	.00443	.00443	.00443	.00443	.00443
Total	.03332	.16148	.22048	.36920	1.41421	.77159

- 4/ For all rate schedules, the Base Tariff Energy Rate (BTER) includes \$0.01387 per therm for the Unrecovered Gas Cost Expense Base Rate.
- 5/ The total monthly demand charge for Schedule Nos. NG-G4 and NG-G5 is equal to the unit rate shown multiplied by the customer's billing determinant.
- 6/ The charges for Schedule No. NG-CNG are subject to adjustments for applicable state and federal taxes on fuel used in motor vehicles.
- 7/ The maximum and minimum rates for Schedule No. NG-G5 are set forth below.

NG-G5	Minimum Rates	Maximum Rates
Basic Service Charge	\$1,000.00	Effective tariff rates
Transportation Charge	\$500.00	
Demand Charge	\$0.01125	
Margin	\$0.01445	

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SCHEDULE NO. SG-AS/NG-AS

ALTERNATIVE SALES SERVICE

APPLICABILITY

Applicable to transportation-eligible customers who do not elect to receive sales service under their otherwise applicable sales rate schedule and to transportation customers who elect to receive sales service under their otherwise applicable sales rate schedule but switch to sales service prior to November 1 of the year following their service election.

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TERRITORY

Throughout the Company's certificated Nevada Service Areas, except as may hereafter be provided.

RATES

The Basic Service Charge, commodity charge and demand charge, if applicable, are set forth under the customer's otherwise applicable gas sales tariff schedule, which are set forth in the currently effective Statement of Rates of this Nevada Gas Tariff and are incorporated herein by reference.

For transportation customers electing to switch to sales service under this schedule, the Base Tariff Energy Rate (BTER) of the customer's sales rate will be determined in accordance with Special Condition No. 2 of this schedule.

The minimum charge per month is the sum of the Basic Service Charge and the demand charge, if applicable.

LATE CHARGE

The monthly bill is due and payable as of the date of presentation. Included in the bill will be a late charge of five percent on the first \$200 of the monthly bill, plus two percent of any balance above \$200, which will be imposed if payment is not received by the next month's billing.

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SCHEDULE NO. SG-AS/NG-AS

ALTERNATIVE SALES SERVICE
(Continued)

SPECIAL CONDITIONS

1. Customers electing to switch to alternative sales service under this schedule will be required to enter into a service agreement with the Company. Existing alternative sales customers are required to notify the Company if they desire to elect service under their otherwise applicable sales schedule. The election must be submitted to the Company no later than April 1 of each year for sales service commencing November 1 of the following year. Alternative sales customers who elected to receive sales service but switched to sales service prior to November 1 of the year following their service election will be switched to their otherwise applicable sales rate schedule on November 1 of the year following their service election. In such instances, the terms set forth in Special Condition 2 will continue in effect until the initial 12 month sales period is fulfilled.
2. Upon switching from transportation service to sales service under this schedule, the Base Tariff Energy Rate (BTER) of the customer's sales rate will be the higher of the following charges for the initial 12 month sales period:
 - (i) The BTER of the Currently Effective Tariff Rate; or
 - (ii) The monthly weighted average cost of gas, including an assessment for interstate capacity costs, incurred by the Company.

The customer's sales rate will be adjusted to exclude the Deferred Energy Account Adjustment (DEAA) for the initial 12 month sales period. After the conclusion of the initial 12 month sales period, the customer shall be billed at the Currently Effective Tariff Rate.
3. Under this schedule, the Company is not obligated to secure resources upstream of the distribution system. Curtailment shall be according to Section C.2 of Rule 8 of this Nevada Gas Tariff.
4. The term "otherwise applicable gas sales tariff schedule" as used herein excludes all optional tariff schedules.
5. All remaining terms and conditions of the customer's otherwise applicable gas sales schedule shall apply to service under this schedule and are incorporated herein by reference.

<p>Issued:</p> <p>Effective:</p> <p>Advice Letter No.:</p>	<p>Issued by Amy L. Timperley Senior Vice President</p>	
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SCHEDULE NO. SG-G5
GENERAL GAS SERVICE - 5

APPLICABILITY

Applicable to customers whose average monthly requirements on an annual basis are 1,000,000 therms or greater and whose natural gas use during the Company's winter peak months of December through February is less than fifteen (15) percent of their annual usage. Customers receiving service under this rate schedule are required to obtain and deliver natural gas to the Company pursuant to rate Schedule No. ST-1.

TERRITORY

Throughout the Company's certificated Southern Nevada Service Areas, except as may hereafter be provided.

RATES

The demand charge, commodity charge and Basic Service Charge are set forth in the currently effective Statement of Rates of this Nevada Gas Tariff and are incorporated herein by reference.

For customers electing to receive sales service under this schedule, the Base Tariff Energy Rate (BTER) of the customer's sales rate will be determined in accordance with Special Condition No. 4 of this schedule.

The monthly demand charge shall be the product of the demand charge rate multiplied by the customer's billing determinant. The billing determinant shall be equal to the customer's highest monthly throughput during the most recent 12 month period, ending the month prior to the current billing period. Reductions in the customer's billing demand will be limited to no greater than 20 percent during any 12 month period ending with the current billing period. For new customers, the initial billing determinant shall be calculated by multiplying the customer's estimated average daily use by the number of days in the billing period.

The minimum charge per month is the sum of the Basic Service Charge and the demand charge.

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SCHEDULE NO. SG-G5
GENERAL GAS SERVICE - 5
(Continued)

LATE CHARGE

The monthly bill is due and payable as of the date of presentation. Included in the bill will be a late charge of five percent on the first \$200 of the monthly bill, plus two percent of any balance above \$200, which will be imposed if payment is not received by the next month's billing.

SPECIAL CONDITIONS

1. A service agreement specifying the customer's volumetric requirements and curtailment priority as defined in NAC 704.501 may be required under this schedule.

GENERAL TERMS AND CONDITIONS

Except as qualified in this schedule, all of the General Terms and Conditions are applicable to this schedule and are hereby made a part hereof.

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SOUTHWEST GAS CORPORATION
P.O. Box 98510
Las Vegas, Nevada 89193-8510
Nevada Gas Tariff No. 7

Canceling _____ 1st Revised P.U.C.N. Sheet No. 53L
Original P.U.C.N. Sheet No. 53L

HELD FOR FUTURE USE

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SOUTHWEST GAS CORPORATION
 P.O. Box 98510
 Las Vegas, Nevada 89193-8510
 Nevada Gas Tariff No. 7

Canceling 4th Revised P.U.C.N. Sheet No. 53M
3rd Revised P.U.C.N. Sheet No. 53M

SCHEDULE NO. SG-G6
GENERAL GAS SERVICE - 6

APPLICABILITY

Applicable to customers whose average monthly requirements on an annual basis are 1,000,000 therms or greater and whose natural gas use during the Company's winter peak months of December through February is equal to or greater than fifteen (15) percent of their annual usage. Customers receiving service under this rate schedule are required to obtain and deliver natural gas to the Company pursuant to rate Schedule No. ST-1.

TERRITORY

Throughout the Company's certificated Southern Nevada Service Areas, except as may hereafter be provided.

RATES

The demand charge, commodity charge and Basic Service Charge are set forth in the currently effective Statement of Rates of this Nevada Gas Tariff and are incorporated herein by reference.

For customers electing to receive sales service under this schedule, the Base Tariff Energy Rate (BTER) of the customer's sales rate will be determined in accordance with Special Condition No. 4 of this schedule.

The monthly demand charge shall be the product of the demand charge rate multiplied by the customer's billing determinant. The billing determinant shall be equal to the customer's highest monthly throughput during the most recent 12 month period, ending the month prior to the current billing period. Reductions in the customer's billing demand will be limited to no greater than 20 percent during any 12 month period ending with the current billing period. For new customers, the initial billing determinant shall be calculated by multiplying the customer's estimated average daily use by the number of days in the billing period.

The minimum charge per month is the sum of the Basic Service Charge and the demand charge.

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SCHEDULE NO. SG-G6
GENERAL GAS SERVICE - 6
(Continued)

LATE CHARGE

The monthly bill is due and payable as of the date of presentation. Included in the bill will be a late charge of five percent on the first \$200 of the monthly bill, plus two percent of any balance above \$200, which will be imposed if payment is not received by the next month's billing.

SPECIAL CONDITIONS

1. A service agreement specifying the customer's volumetric requirements and curtailment priority as defined in NAC 704.501 may be required under this schedule.

GENERAL TERMS AND CONDITIONS

Except as qualified in this schedule, all of the General Terms and Conditions are applicable to this schedule and are hereby made a part hereof.

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Canceling _____ 1st Revised P.U.C.N. Sheet No. 530
Original P.U.C.N. Sheet No. 530

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SCHEDULE NO. NG-G5
GENERAL GAS SERVICE – 5

APPLICABILITY

Applicable to customers whose average monthly requirements on an annual basis are 1,000,000 therms or greater. Customers receiving service under this rate schedule are required to obtain and deliver natural gas to the Company pursuant to rate Schedule No. NT-1.

TERRITORY

Throughout the Company's certificated Northern Nevada Service Areas, except as may hereafter be provided.

RATES

The demand charge, commodity charge and Basic Service Charge are set forth in the currently effective Statement of Rates of this Nevada Gas Tariff and are incorporated herein by reference.

To receive sales service under this schedule, the Base Tariff Energy Rate (BTER) of the customer's sales rate will be determined in accordance with Special Condition No. 4 of this schedule.

The monthly demand charge shall be the product of the demand charge rate multiplied by the customer's billing determinant. The billing determinant shall be equal to the customer's highest monthly throughput during the most recent 12 month period, ending the month prior to the current billing period. Reductions in the customer's billing demand will be limited to no greater than 20 percent during any 12 month period ending with the current billing period.

The minimum charge per month is the sum of the Basic Service Charge and the demand charge.

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SCHEDULE NO. NG-G5
GENERAL GAS SERVICE - 5
(Continued)

LATE CHARGE

The monthly bill is due and payable as of the date of presentation. Included in the bill will be a late charge of five percent on the first \$200 of the monthly bill, plus two percent of any balance above \$200, which will be imposed if payment is not received by the next month's billing.

SPECIAL CONDITIONS

1. A service agreement specifying the customer's volumetric requirements and curtailment priority as defined in NAC 704.501 may be required under this schedule.

GENERAL TERMS AND CONDITIONS

Except as qualified in this schedule, all of the General Terms and Conditions are applicable to this schedule and are hereby made a part hereof.

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SOUTHWEST GAS CORPORATION
P.O. Box 98510
Las Vegas, Nevada 89193-8510
Nevada Gas Tariff No. 7

Canceling _____ 1st Revised P.U.C.N. Sheet No. 53U
Original P.U.C.N. Sheet No. 53U

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SCHEDULE NO. ST-1/NT-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS
(Continued)

1. AVAILABILITY *(Continued)*

1.3 The customer and the Company have executed a service agreement for service under this schedule. A single service agreement may provide for service to any or all the customer's separate premises, if all the premises are under common ownership. Each premise must individually qualify for transportation service.

1.4 Sales Service Election. Existing transportation customers, who are eligible to elect sales service, are required to notify the Company if they desire to elect sales service. The election must be submitted to the Company no later than April 1 of each year for sales service commencing November 1 of the following year. Transportation customers with a Transportation Service Agreement requiring them to take transportation service are ineligible to elect sales service.

2. APPLICABILITY AND CHARACTER OF SERVICE

This schedule shall apply to gas transported by the Company for the customer pursuant to the executed service agreement.

- 2.1 The basic transportation service rendered under this schedule shall consist of:
- a. The receipt by the Company for the account of the customer of the customer's gas at the Receipt Point(s);
 - b. The transportation of gas through the Company's system for the account of the customer; and
 - c. The delivery of gas after transportation by the Company for the account of the customer at the Delivery Point(s).

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GENERAL REVENUES ADJUSTMENT PROVISION

(Continued)

AUTHORIZED GENERAL REVENUES PER CUSTOMER

Average Margin per Customer per Month – Southern Nevada

Month	Residential Gas Service		General Gas Service			
	SG-RS Single	SG-RM Multi	SG-G1	SG-G2	SG-G3	SG-G4
January	\$ 67.78	\$ 37.17	\$ 140.54	\$ 503.26	\$ 2,015.27	\$ 13,009.62
February	\$ 57.85	\$ 33.21	\$ 118.99	\$ 461.73	\$ 1,805.54	\$ 12,354.93
March	\$ 47.67	\$ 29.89	\$ 103.35	\$ 438.10	\$ 1,763.89	\$ 12,944.07
April	\$ 37.85	\$ 26.19	\$ 87.84	\$ 406.79	\$ 1,613.94	\$ 12,338.32
May	\$ 35.12	\$ 25.60	\$ 85.38	\$ 396.53	\$ 1,540.29	\$ 12,245.65
June	\$ 33.10	\$ 24.56	\$ 70.86	\$ 331.71	\$ 1,250.84	\$ 11,373.15
July	\$ 31.16	\$ 23.94	\$ 71.32	\$ 339.16	\$ 1,304.90	\$ 11,570.87
August	\$ 30.13	\$ 23.41	\$ 69.57	\$ 329.38	\$ 1,259.35	\$ 11,533.59
September	\$ 30.63	\$ 23.58	\$ 71.11	\$ 337.50	\$ 1,307.99	\$ 11,565.16
October	\$ 31.74	\$ 23.80	\$ 73.96	\$ 350.28	\$ 1,363.81	\$ 11,921.22
November	\$ 36.60	\$ 25.99	\$ 81.33	\$ 378.24	\$ 1,514.37	\$ 12,366.78
December	\$ 54.67	\$ 32.73	\$ 110.23	\$ 449.71	\$ 1,818.70	\$ 12,916.84
Total	\$ 494.30	\$ 330.07	\$ 1,084.48	\$ 4,722.39	\$ 18,558.89	\$ 146,140.20

Average Margin per Customer per Month – Northern Nevada

Month	Residential Gas Service		General Gas Service			
	NG-RS Single	NG-RM Multi	NG-G1	NG-G2	NG-G3	NG-G4
January	\$ 70.95	\$ 43.46	\$ 106.23	\$ 423.73	\$ 1,440.22	\$ 6,880.37
February	\$ 60.86	\$ 38.18	\$ 94.67	\$ 383.81	\$ 1,318.83	\$ 6,755.13
March	\$ 55.41	\$ 36.37	\$ 86.61	\$ 362.96	\$ 1,295.74	\$ 7,690.01
April	\$ 45.06	\$ 31.13	\$ 72.03	\$ 325.12	\$ 1,198.24	\$ 7,198.29
May	\$ 35.26	\$ 25.59	\$ 60.99	\$ 285.47	\$ 1,212.89	\$ 6,952.25
June	\$ 30.61	\$ 22.83	\$ 54.93	\$ 256.68	\$ 1,219.00	\$ 5,699.32
July	\$ 26.73	\$ 20.34	\$ 52.34	\$ 244.13	\$ 1,173.76	\$ 6,472.99
August	\$ 26.05	\$ 19.98	\$ 51.99	\$ 240.01	\$ 1,117.63	\$ 6,622.16
September	\$ 26.59	\$ 20.12	\$ 52.30	\$ 243.00	\$ 1,192.34	\$ 6,856.55
October	\$ 30.45	\$ 21.88	\$ 56.07	\$ 260.79	\$ 1,249.00	\$ 7,009.53
November	\$ 42.66	\$ 27.56	\$ 71.26	\$ 308.30	\$ 1,297.88	\$ 6,416.69
December	\$ 60.85	\$ 37.70	\$ 94.97	\$ 383.84	\$ 1,361.32	\$ 6,953.23
Total	\$ 511.48	\$ 345.14	\$ 854.39	\$ 3,717.84	\$ 15,076.85	\$ 81,506.52

Issued:		
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Advice Letter No.:		

CONTRACT TRANSITION ADJUSTMENT PROVISION

APPLICABILITY

The Contract Transition Adjustment Provision (CTAP) applies to all rate schedules in this Nevada Gas Tariff. The Company will maintain separate CTAP accounting for its Northern Nevada Division and Southern Nevada Division.

The CTAP specifies the procedures to allow the utility to recover or return the difference in the Company's actual Base Tariff General Rate (BTGR) revenues derived from customers with discounted rate contracts or contracts for special services (collectively, Contracts) who transition to Schedule No. SG-G5, SG-G6 or NG-G5 or alternatively customers initiating a discounted rate contract or a contract for special services (as defined in NAC 704.516), and the amount for each customer that was included in the calculation of the Company's authorized BTGR revenues, adjusted for any increase in contract rates and revenues resulting from annual escalations of those rates and revenues due to annual changes in the gross domestic product deflator or consumer price index as applicable in the customer's Contracts.

BTGR revenues are those revenues collected through the margin portion of the fixed and variable delivery charge components of the Company's rates as stated on the Statement of Rates in this Nevada Gas Tariff and inflation adjusted revenues collected from customers served under Contracts.

TRACKING PERIOD

The initial tracking period shall be the first period including at least twelve (12) months ending September 30 following the transition of the customer from a Contract to Schedule No. SG-G5, SG-G6 or NG-G5, and each twelve (12) month period ending September 30 thereafter.

The Company will cease tracking the CTAP for a transitioning customer when that customer is included in a cost-of-service study as a Schedule No. SG-G5, SG-G6 or NG-G5 customer when rates are effective in the first general rate case filed after the customer transitions from a Contract to Schedule No. SG-G5, SG-G6 or NG-G5.

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RULE NO. 1

DEFINITIONS
(Continued)

Industrial Customer: A customer who is engaged primarily in a process which creates or changes raw or unfinished materials into another form or product.

Inter-Divisional Capacity Transfer: A mechanism by which the unused off-peak interstate capacity of one of the Company's divisions is utilized by another of the Company's divisions to procure and transport otherwise inaccessible economically priced gas. The division owning the off-peak capacity receives benefit in the form of credits to its Deferred Energy Account. The division utilizing the off-peak capacity receives benefit through reduction in its purchased gas costs.

Interruptible Gas Service: Gas service subject to interruption or curtailment.

Intra-day Nomination: A Nomination submitted after the nominating deadline for Daily and Standing Nominations specified in Schedule No. ST-1/NT-1 which has an effective time no earlier than the beginning of the next Gas Day, and which has an ending time no later than the end of that Gas Day.

Landlord: A person who provides commercial premises for use by another person pursuant to a rental agreement.

Law: A rule, or rules, established and enforced by federal, state, county or municipal authorities.

Main: A pipeline that serves as a common source of supply for more than one service line.

Main Extension: The length of main and its related facilities required to transport gas from the existing distribution facilities of the Company to the point of connecting with the service line.

Margin: The currently effective tariff sales rate, less the average cost of purchased gas and the surcharge(s) to amortize the balancing account(s), if any, included in the sales rate, multiplied by the units of gas used, plus the Basic Service Charge, demand charge and transportation service charge, calculated on an annual basis.

<p>Issued:</p> <p>Effective:</p> <p>Advice Letter No.:</p>	<p>Issued by Amy L. Timperley Senior Vice President</p>	
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RULE NO. 3

APPLICATION FOR SERVICE

A. APPLICATION FOR SERVICE

The Company shall require each applicant for service to provide such information as stated in the content listing and also establish credit as provided for in Rule No. 12 of this Nevada Gas Tariff.

An applicant may apply for residential service from the Company by mail, by telephone, or on-line; however, if the applicant is applying for service for the first time, or has not received service from the Company during the preceding two years, such applicant may be required to apply for service in person.

In the event a customer declines or fails to furnish identification deemed acceptable by the Company, the Company reserves the right to take appropriate action as permitted under applicable tariffs and regulations.

If a customer is unable to verify their account's password, they will be required to provide documentation as proof of identify before accessing any account information.

1. Content. Such application may include the following information, but is not limited to:
 - a. Legal name of applicant(s).
 - b. Name of applicant's spouse or co-applicant.
 - c. Identification (Social Security number or driver's license number).
 - d. Date of birth.
 - e. Date and place of application.
 - f. Location of premises to be served.
 - g. Date applicant will be ready for service.
 - h. Previous address
 - i. Whether the premises have been previously supplied with gas.

<p>Issued:</p> <p>Effective:</p> <p>Advice Letter No.:</p>	<p>Issued by Amy L. Timperley Senior Vice President</p>	
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RULE NO. 3

APPLICATION FOR SERVICE

A. APPLICATION FOR SERVICE (Continued)

- j. Purposes for which service is to be used.
- k. Address to which bills are to be mailed or delivered.
- l. Rate schedule to be applied where optional rates are in effect.
- m. Telephone number.
- n. Third person identification, address and telephone number.
- o. Whether customer or other permanent resident is elderly or disabled.
- p. Such additional information as the Company may reasonably require.
- q. Account password for verification.

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RULE NO. 3

APPLICATION FOR SERVICE
(Continued)

B. INDIVIDUAL LIABILITY FOR JOINT SERVICE

Two or more persons who join in one application for service shall be jointly and severally liable for proper use of the service and for payment of bills and shall be billed by means of single periodic bills to one person, as they may designate.

C. CHANGE IN CUSTOMER'S NAME, EQUIPMENT OR OPERATIONS

In the event that a customer shall make any substantial change in name or in the amount or character of the gas appliances or apparatus installed upon the customer's premises, the customer shall promptly notify the Company of such change.

D. CONNECTION OF SERVICE

The Company will endeavor to connect gas service as soon as possible after an application for service has been received.

E. SERVICE ESTABLISHMENT OR REESTABLISHMENT CHARGE

1. In order to partially cover the operating and clerical costs, the Company shall collect a service charge whenever service is established or reestablished as set forth and referred to as "Service Establishment Charge" in the currently effective Statement of Rates of this Nevada Gas Tariff. This charge will be applicable for establishing a new account or reestablishing service after having been ordered disconnected by the customer or terminated for nonpayment of bills or for failure otherwise to comply with filed rules or tariff schedules.

The service charge referenced above is not applicable to a customer whose service has been restored after having been disconnected as a result of its election to bypass the Company's distribution system and became its own gas supplier.

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RULE NO. 3

APPLICATION FOR SERVICE
(Continued)

F. COMPANY EASEMENTS AND RIGHTS OF INGRESS AND EGRESS (Continued)

2. An easement or other property rights may be unsatisfactory if, among other things, it burdens the Company with undue costs (including costs related to indemnification, insurance, or the maintenance and restoration of the burdened estate); fails to provide a safe, convenient, and economical means for the placement, operation, or access to the Company's gas facilities; seeks to confer benefits for the applicant or a customer that are unjust, unreasonable, unjustly discriminatory, or preferential; is vague or ambiguous; or conflicts with this Tariff or with the Commission rules and regulations.

G. PROVISION OF SERVICE

1. The customer shall immediately call 911 and the Company upon the discovery of any gas leaks or other hazardous or potentially hazardous conditions in or upon the customer's or the Company's natural gas meter, regulators, piping, equipment, premises, etc. The customer shall call the Company at (877) 860-6020 at any time of the day or night.

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RULE NO. 5

BILLS FOR SERVICE
(Continued)

B. ELECTRONIC BILLING *(Continued)*

2. Electronic Billing may be discontinued at any time by the Company, the customer or the Electronic Billing Service Provider.
3. All legal and mandated notices and all charges that would have appeared on the paper bill will be provided with the electronic bill transmittal. The content of the electronic bill provided to the customer will contain and meet the requirements as previously established for paper bills and will be reviewed for compatibility from time to time as required to meet latest regulatory and technological requirements. In alignment with the Company's enhanced security of customer information, sustainability and customer service initiatives, customers electing Electronic Billing enrollment are subject to the following conditions:
 - a. Customers shall be provided Terms and Conditions for Electronic Billing enrollment, agree to, and be provided with a record of enrollment for Electronic Billing.
 - b. The customer has the right to withdraw their consent for Electronic Billing enrollment at any time without penalty. Customers who prefer to receive a paper bill must actively opt out of Electronic Billing by notifying the Company. Customers may unenroll by mail, by telephone, or on-line.
 - c. The Company will provide the customer notification related to changes of the use of Electronic Billing or changes to the Terms and Conditions associated with Electronic Billing.
4. Except as otherwise provided in this section, all other provisions of the Company's Rules and Regulations as contained in this Nevada Gas Tariff are applicable to Electronic Billing and made a part hereof.

<p>Issued:</p> <p>Effective:</p> <p>Advice Letter No.:</p>	<p>Issued by Amy L. Timperley Senior Vice President</p>	
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RULE NO. 5

BILLS FOR SERVICE
(Continued)

C. SUMMARY BILLING

Summary Billing is an optional billing service for sales customers whereby customers with several individual accounts may receive a summary bill with summarized billing data for these accounts. A summary bill may be generated in lieu of the individual bills under the following conditions:

1. Customers electing this service shall execute a service agreement in order to participate in Summary Billing.
2. Eligibility for this service is limited to customers with a minimum of ten individual accounts.
3. Eligibility for participation in the Summary Billing Program requires that the customer name and corresponding Tax Identification Number (Tax ID) be identical for all individual accounts consolidated under a single Summary Billing account. This ensures all accounts (children) under the Summary Bill (parent) account are associated with the same account owner and responsible party. Any discrepancy in this information may result in processing delays or disqualification from the program.
4. Each month's payment of a summary bill for the "Amount Due" must be one payment in the form of a check, cashier's check or money order drawn on a bank or other financial institution and payable to the Company in U.S. currency, unless other arrangements acceptable to the Company have been previously established.
5. Payment of a summary bill is past due and subject to a late charge if the payment is not received within 15 days after its issuance.

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RULE NO. 5

BILLS FOR SERVICE
(Continued)

E. PAYMENT OF BILLS *(Continued)*

2. The date a bill is past due may not be earlier than 15 days after its issuance. If the last day for payment before a bill becomes past due falls on a Sunday, legal holiday or any other day when the office of the Company used for the payment of bills is closed, the last day for payment will be the next business day. Except as otherwise provided in Section E.3 herein, payment of a bill by first class mail is timely if the payment is received not more than four days after the past due date.
3. Any arrearage contained in a bill for service is delinquent and should be paid at the business office of the Company.

F. LATE CHARGE

The Company shall be allowed to recover a charge as set forth in each rate schedule of this Nevada Gas Tariff for the late payment of a bill.

G. RETURNED ITEM CHARGE

Should an item from a customer used to pay a bill for service be returned to the Company as uncollectible for any reason, including a lack of sufficient funds, the Company shall be allowed to recover a charge as set forth in the currently effective Statement of Rates, Other Service Charges, of this Nevada Gas Tariff. The Company will require the customer to make full payment in cash or by money order or cashier's check. A customer who tenders an item which has been returned as uncollectible shall in no way be relieved of the obligation to render payment to the Company under the original terms of the bill or defer the Company's provision for termination of service for nonpayment of bills.

1. In the event of two (2) returned payment items within a 12-month period, the Company reserves the right to require the customer to remit payment using an approved method, as defined by the Company's payment acceptance policy.

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RULE NO. 5

BILLS FOR SERVICE
(Continued)

G. RETURNED ITEM CHARGE (Continued)

2. The Company exercises the right to initiate service termination in response to returned payment items. In such cases, the Company will notify the customer of the returned item and provide a minimum of five (5) business days to resolve the issue before initiating service termination. Notification may be provided via email, electronic communication, or other methods approved by the Commission.

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RULE NO. 5

BILLS FOR SERVICE
(Continued)

H. EQUAL PAYMENT PLAN

1. The Equal Payment Plan (EPP) is available to all residential customers receiving (or applicants qualifying and applying to receive) natural gas service provided that the customer (applicant) has established credit to the satisfaction of the Company.
2. If a customer requests to participate in the EPP and the customer has an arrearage when the request is made, the customer may not enter the EPP unless the customer:
 - a. Pays at least 50% of the arrearage upon entering the EPP.
3. Participation in the EPP is subject to approval by the Company. Customers may sign up for the EPP at any time of year. The EPP amount will be initially based on the Customer's annual estimated bill divided into 12 equal monthly payments and may be adjusted as set forth in Section 6 herein.
4. The Company will render its regular monthly billing statement showing both the amount for actual usage for the period and the designated EPP amount. The customer will pay the designated EPP amount, plus any additional amount shown on the bill for materials, parts, labor or other charges.
5. On the yearly anniversary of enrollment in the EPP, the amount of the Customer's EPP bills will be compared and computed against the Customer's actual usage for the previous year. A new EPP amount will be computed for the following year, and any debit or credit balance remaining from the prior year will be divided into 12 equal amounts and incorporated into the new EPP monthly billing amount.

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RULE NO. 5

BILLS FOR SERVICE
(Continued)

I. LANDLORD AGREEMENTS

A landlord agreement is defined herein as an agreement between the Company and a qualified landlord which allows for the automatic continuation of service in the landlord's name when a tenant requests disconnection of service. A qualified landlord is a rental property owner that has established credit with the Company according to the provision set forth in Rule No. 1.

1. The landlord agreement shall not apply when a tenant is disconnected for nonpayment of gas bills.
2. Disputes regarding effective dates of service shall be resolved between the tenant and the landlord.
3. The service establishment charge may be waived when service under the landlord agreement automatically reverts to the landlord's account but shall apply when a new tenant requests service at that location.
4. The landlord agreement may be terminated by the landlord or the Company at any time with 30 days' written notice.
5. Customers enrolled in the Landlord Program are not eligible to participate in the Summary Billing Program.
6. All accounts listed under the landlord agreement must reflect the same customer's name and associated Tax ID. This ensures all accounts under the landlord agreement are associated with the same account owner and responsible party. Inconsistencies may result in processing delays or disqualification from the program.

<p>Issued:</p> <p>Effective:</p> <p>Advice Letter No.:</p>	<p>Issued by Amy L. Timperley Senior Vice President</p>	
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RULE NO. 16

FACILITIES ON CUSTOMER'S PREMISES
(Continued)

C. COMPANY EASEMENTS AND RIGHTS OF INGRESS AND EGRESS *(Continued)*

An easement or other property rights may be unsatisfactory if, among other things, it burdens the Company with undue costs (including costs related to indemnification, insurance, or the maintenance and restoration of the burdened estate); fails to provide a safe, convenient, and economical means for the placement, operation, or access to the Company's gas facilities; seeks to confer benefits for the customer that are unjust, unreasonable, unjustly discriminatory, or preferential; is vague or ambiguous; or conflicts with this Tariff or with the Commission rules and regulations.

3. The Company shall at all times have the right of ingress to and egress from the customer's premises for any purpose reasonably connected with the furnishing of gas and the exercise of any and all rights secured to it by law or this Tariff
4. The Company shall have the right (but not the obligation) to remove any or all of its property installed on the customer's premises at any time after the termination of service.
5. The Company shall have the right (but not the obligation) to remove any or all of its property installed on the customer's premises at any time after the termination of service.
6. Customers shall not construct any structures—including but not limited to pools, wells, fences, or other permanent installations—within a designated utility easement without prior written approval from the Company. If a fence is necessary, it must be designed and installed to allow timely and unobstructed access for Company personnel. This requirement ensures the Company can perform necessary maintenance, inspections, and repairs without impediment.

<p>Issued:</p> <p>Effective:</p> <p>Advice Letter No.:</p>	<p>Issued by Amy L. Timperley Senior Vice President</p>	
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RULE NO. 16

FACILITIES ON CUSTOMER'S PREMISES
(Continued)

C. COMPANY EASEMENTS AND RIGHTS OF INGRESS AND EGRESS *(Continued)*

- 7. Forced entry or relocation costs: In cases where persistent inaccessibility prevents the Company from obtaining required meter access, after multiple notification attempts, which may include (depending on the available customer information) phone call, email, written correspondence and/or door tag, the Company reserves the right to remove fences or other structures obstructing access. Additionally, the Company may relocate the meter to an accessible location. All associated costs incurred for removal or relocation may be passed on to the customer.
- 8. Service disconnection: Failure to provide the Company with required access, particularly after multiple notifications, as noted above, may result in service disconnection.

D. CUSTOMER'S RESPONSIBILITY FOR EQUIPMENT FOR RECEIVING GAS

The customer shall, at the customer's sole risk and expense, furnish, install and keep in good, safe, and leak free condition all regulators, gas piping, appliances, alarms, fixtures and apparatus of any kind or character located beyond the point of delivery which may be required for receiving gas from the Company and for applying and utilizing gas, including all necessary protective appliances and suitable housing therefore; the Customer will be solely responsible for any injury, damage or loss resulting from the gas, or its use loss, after such gas passes beyond the point of delivery, and the Company shall not be responsible for any loss, injury or damage occasioned or caused by the negligence or wrongful act of the Customer or any of the Customer's agents, employees or licensees in installing, maintaining, using, operating or interfering with any such regulators, gas piping, appliances, alarms, fixtures or apparatus. The Company has the right, but not the responsibility to refuse service to any Customer or discontinue service with or without notice if, in the Company's opinion, the facilities beyond the point of delivery are unsafe or present a hazardous condition.

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RULE NO. 16

FACILITIES ON CUSTOMER'S PREMISES
(Continued)

E. SERVICE CONNECTIONS MADE BY COMPANY'S EMPLOYEES

Only duly authorized employees or agents of the Company are allowed to connect the service pipe to, or disconnect the same from, the Company's gas facilities, or to turn on the supply of gas from the meter. When turning on the supply of gas, the Company shall perform a leak check at the Company's standard delivery pressure of the customer piping and appliances connectors. If any uncontrolled hazardous leakage exists at the time of turn-on, service will be denied until the customer has eliminated all leaks. Except as provided in this Rule, the Company has no duty to inspect, maintain, or repair the customer's premises and has no duty to warn of any condition it observes thereon; the Company shall not be liable for any failure to inspect, maintain, or repair the customer's premises or for the failure to warn of any condition.

F. EXCESS FLOW VALVE AND SERVICE LINE SHUT-OFF VALVE

An Excess Flow Valve or Service Line Shut-Off Valve shall be installed in accordance with Rule No. 9 of this Nevada Gas Tariff.

<p>Issued:</p> <p>Effective:</p> <p>Advice Letter No.:</p>	<p>Issued by Amy L. Timperley Senior Vice President</p>	
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Exhibit 2 – Current Tariff Sheets

SOUTHWEST GAS CORPORATION
 P.O. Box 98510
 Las Vegas, Nevada 89193-8510
 Nevada Gas Tariff No. 7

Canceling 5th Revised P.U.C.N. Sheet No. 4
6th Revised P.U.C.N. Sheet No. 4

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(Continued)

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SG-G6	General Gas Service – 6	53M – 53O
Held For Future Use		53P – 53R
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Issued: April 10, 2024 Effective: April 15, 2024 Advice Letter No.:	Issued by Amy L. Timperley Senior Vice President/ Chief Regulatory Strategy and Planning Officer	
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STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO SOUTHERN NEVADA SCHEDULES ^{1/2/}

Schedule Number	Description	Delivery Charge ^{3/}	Gas Cost			Currently Effective Tariff Rate
			Base Tariff Energy Rate ^{4/}	Deferred Energy Account Adjustment	Infrastructure Expansion Rate ^{7/}	
SG-RS	Single-Family Residential Gas Service					
	Basic Service Charge per Month	\$ 10.80				\$ 10.80
	Commodity Charge per Therm:					
	All Usage	\$.68757	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.83802 R
SG-RM	Multi-Family Residential Gas Service					
	Basic Service Charge per Month	\$ 9.00				\$ 9.00
	Commodity Charge per Therm:					
	All Usage	\$.64629	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.79674 R
SG-RAC	Air Conditioning Residential Gas Service					
	Basic Service Charge per Month	\$ 10.80				\$ 10.80
	Commodity Charge per Therm:					
	All Usage	\$.17805	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.32850 R
SG-G1	General Gas Service - 1					
	Basic Service Charge per Month	\$ 25.80				\$ 25.80
	Commodity Charge per Therm:					
	All Usage	\$.31482	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.46527 R
SG-G2	General Gas Service - 2					
	Basic Service Charge per Month	\$ 135.00				\$ 135.00
	Commodity Charge per Therm:					
	All Usage	\$.15399	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.30444 R
SG-G3	General Gas Service - 3					
	Basic Service Charge per Month	\$ 350.00				\$ 350.00
	Commodity Charge per Therm:					
	All Usage	\$.13459	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.28504 R
SG-G4	General Gas Service - 4					
	Basic Service Charge per Month	\$1,000.00				\$1,000.00
	Commodity Charge per Therm:					
	All Usage	\$.07276	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.22321 R
	Demand Charge ^{5/}	\$.03422				\$.03422

<p>Issued: November 21, 2025</p> <p>Effective: January 1, 2026</p> <p>Advice Letter No.: 547</p>	<p>Issued by Amy L. Timperley Senior Vice President</p>	
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STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO SOUTHERN NEVADA SCHEDULES ^{1/2/}

Schedule Number	Description	Delivery Charge ^{3/}	Gas Cost			Currently Effective Tariff Rate
			Base Tariff Energy Rate ^{4/}	Deferred Energy Account Adjustment	Infrastructure Expansion Rate ^{7/}	
<u>SG-G5</u>	<u>General Gas Service - 5 ^{8/}</u>					
	Basic Service Charge per Month	\$1,000.00				\$1,000.00
	Commodity Charge per Therm:					
	All Usage	\$.03573	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.18618 R
	Demand Charge ^{5/}	\$.00373				\$.00373
<u>SG-G6</u>	<u>General Gas Service - 6 ^{8/}</u>					
	Basic Service Charge per Month	\$1,000.00				\$1,000.00
	Commodity Charge per Therm:					
	All Usage	\$.05863	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.20908 R
	Demand Charge ^{5/}	\$.02416				\$.02416
<u>SG-AC</u>	<u>Air Conditioning Gas Service</u>					
	Basic Service Charge per Month	\$ 25.80				\$ 25.80
	Commodity Charge per Therm:					
	All Usage	\$.15199	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.30244 R
<u>SG-WP</u>	<u>Water Pumping Gas Service</u>					
	Basic Service Charge per Month	\$ 250.00				\$ 250.00
	Commodity Charge per Therm:					
	All Usage	\$.13287	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.28332 R
<u>SG-EG</u>	<u>Small Electric Generation Gas Service</u>					
	Basic Service Charge per Month		Otherwise Applicable Rate Schedule			
	Commodity Charge per Therm:					
	All Usage	\$.09396	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.24441 R

<p>Issued: November 21, 2025</p> <p>Effective: January 1, 2026</p> <p>Advice Letter No.: 547</p>	<p>Issued by Amy L. Timperley Senior Vice President</p>	
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SOUTHWEST GAS CORPORATION
 P.O. Box 98510
 Las Vegas, Nevada 89193-8510
 Nevada Gas Tariff No. 7

Canceling 95th Revised P.U.C.N. Sheet No. 11
94th Revised P.U.C.N. Sheet No. 11

STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO SOUTHERN NEVADA SCHEDULES ^{1/2/}

Schedule Number	Description	Delivery Charge ^{3/}	Gas Cost		Infrastructure Expansion Rate ^{1/}	Currently Effective Tariff Rate
			Base Tariff Energy Rate ^{4/}	Deferred Energy Account Adjustment		
SG-CNG	Gas Service for Compression on Customer's Premises ^{6/}					
	Basic Service Charge per Month	\$ 25.80				\$ 25.80
	Commodity Charge per Therm:					
	All Usage	\$.16141	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.31186
SG-L	Street and Outdoor Lighting Gas Service					
	Commodity Charge per Therm:					
	All Usage	\$.64895	\$.40045	(\$ 0.25000)	\$.00000	\$ 0.79940
SG-OS	Optional Gas Service					
					As specified on Sheet Nos. 48 through 51.	
SG-AS	Alternative Sales Service					
					As specified on Sheet Nos. 52 through 53.	
SG-CGS	Compression Gas Service					
					As specified on Sheet Nos. 47A through 47I.	
SG-RNG	Biogas and Renewable Natural Gas Service					
					As specified on Sheet Nos. 53A through 53I.	

Issued: <p align="center">November 21, 2025</p> Effective: <p align="center">January 1, 2026</p> Advice Letter No.: <p align="center">547</p>	Issued by Amy L. Timperley Senior Vice President	
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STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO SOUTHERN NEVADA SCHEDULES ^{1/2/}
(Continued)

- ^{1/} The charges shown above are subject to adjustments for taxes and assessments.
- ^{2/} Customers taking transportation service will pay the Basic Service Charge, the Delivery Charge per therm excluding the Conservation and Energy Efficiency component, and Demand Charge, if applicable, of the Currently Effective Tariff Rate for each meter included in the transportation service agreement, plus an amount for distribution system shrinkage for all quantities of gas not delivered through a direct connection to one of the Company's upstream interstate pipelines. The high pressure shrinkage rate is \$.00005 per therm, and the low pressure shrinkage rate is \$.00143 per therm. Additionally, customers will pay the Southwest Gas Transmission Company (SGTC) Annual Charge Adjustment (ACA) rate of \$.00015 per therm and the SGTC volumetric charge of \$.00145 per therm for all scheduled quantities that flow through the SGTC pipeline. The ACA Charge and volumetric charge will also apply to applicable traded and imbalance quantities. In addition, the customer will also pay a Transportation Service Charge of \$500.00 per month per individually qualifying premise. For purposes of calculating Payment for Excess Imbalances, the Imbalance Commodity Charge is \$.36084 per therm and the Imbalance Reservation Charge is \$.04361 per therm. For customers converting from sales service, an additional amount equal to the currently effective Deferred Energy Accounting Adjustment will be assessed for a period of twelve (12) months.

^{3/} Includes the following:

Component/Schedule	SG-RS	SG-RM	SG-RAC	SG-G1	SG-G2	SG-G3	SG-G4	SG-G5
Margin	.61631	.60822	.15847	.39922	.14999	.13503	.06949	.01615
Accumulated Deferred Interest Rate Adjustment	.01477	.01477	.01477	.01477	.01477	.01477	.01477	.01477
General Revenues Adjustment	.05168	.01849	.00000	(.10398)	(.01558)	(.02002)	(.01631)	.00000
Gas Infrastructure Replacement Rate	.00000	.00000	.00000	.00000	.00000	.00000	.00000	.00000
Conservation and Energy Efficiency	.00399	.00399	.00399	.00399	.00399	.00399	.00399	.00399
Contract Transition Adjustment Provision	.00082	.00082	.00082	.00082	.00082	.00082	.00082	.00082
Total	.68757	.64629	.17805	.31482	.15399	.13459	.07276	.03573

Component/Schedule	SG-G6	SG-AC	SG-WP	SG-EG	SG-CNG	SG-L
Margin	.03905	.13241	.11329	.07438	.14183	.62937
Accumulated Deferred Interest Rate Adjustment	.01477	.01477	.01477	.01477	.01477	.01477
General Revenues Adjustment	.00000	.00000	.00000	.00000	.00000	.00000
Gas Infrastructure Replacement Rate	.00000	.00000	.00000	.00000	.00000	.00000
Conservation and Energy Efficiency	.00399	.00399	.00399	.00399	.00399	.00399
Contract Transition Adjustment Provision	.00082	.00082	.00082	.00082	.00082	.00082
Total	.05863	.15199	.13287	.09396	.16141	.64895

- ^{4/} For all rate schedules, the Base Tariff Energy Rate (BTER) includes \$0.02852 per therm for the Unrecovered Gas Cost Expense Base Rate.
- ^{5/} The total monthly demand charge for Schedule Nos. SG-G4, SG-G5, and SG-G6 is equal to the unit rate shown multiplied by the customer's billing determinant.
- ^{6/} The charges for Schedule No. SG-CNG are subject to adjustments for applicable state and federal taxes on fuel used in motor vehicles.
- ^{7/} In addition to all other rates in this Statement of Rates, all customers in the Mesquite Expansion Area will pay a rate of \$0.05000 per therm as part of their Infrastructure Expansion Rate.
- ^{8/} The maximum and minimum rates for Schedule Nos. SG-G5 and SG-G6 are set forth below.

SG-G5	Minimum Rates	Maximum Rates	SG-G6	Minimum Rates	Maximum Rates
Basic Service Charge	\$1,000.00	Effective tariff rates	Basic Service Charge	\$1,000.00	Effective tariff rates
Transportation Charge	\$500.00		Transportation Charge	\$500.00	
Demand Charge	\$0.00186		Demand Charge	\$0.01208	
Margin	\$0.00779		Margin	\$0.01924	

<p>Issued: <p align="center">August 20, 2025</p> <p>Effective: <p align="center">October 1, 2025</p> <p>Advice Letter No.: <p align="center">546</p> </p></p></p>	<p>Issued by Amy L. Timperley Senior Vice President</p>	
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STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO NORTHERN NEVADA SCHEDULES ^{1/2/8}

Schedule Number	Description	Delivery Charge ^{3/}	Gas Cost		Infrastructure Expansion Rate ^{9/}	Currently Effective Tariff Rate
			Base Tariff Energy Rate ^{4/}	Deferred Energy Account Adjustment		
<u>NG-RS</u>	<u>Single-Family Residential Gas Service</u>					
	Basic Service Charge per Month	\$ 10.80				\$ 10.80
	Commodity Charge per Therm:					
	All Usage	\$.45157	\$ 0.68365	(\$.30000)	\$.01653	\$ 0.85175 R
<u>NG-RM</u>	<u>Multi-Family Residential Gas Service</u>					
	Basic Service Charge per Month	\$ 10.80				\$ 10.80
	Commodity Charge per Therm:					
	All Usage	\$.43459	\$ 0.68365	(\$.30000)	\$.01653	\$ 0.83477 R
<u>NG-RAC</u>	<u>Air Conditioning Residential Gas Service</u>					
	Basic Service Charge per Month	\$ 10.80				\$ 10.80
	Commodity Charge per Therm:					
	All Usage	\$.52597	\$ 0.68365	(\$.30000)	\$.01653	\$ 0.92615 R
<u>NG-G1</u>	<u>General Gas Service - 1</u>					
	Basic Service Charge per Month	\$ 28.80				\$ 28.80
	Commodity Charge per Therm:					
	All Usage	\$.31699	\$ 0.68365	(\$.30000)	\$.01653	\$ 0.71717 R
<u>NG-G2</u>	<u>General Gas Service - 2</u>					
	Basic Service Charge per Month	\$ 135.00				\$ 135.00
	Commodity Charge per Therm:					
	All Usage	\$.13058	\$ 0.68365	(\$.30000)	\$.01653	\$ 0.53076 R
<u>NG-G3</u>	<u>General Gas Service - 3</u>					
	Basic Service Charge per Month	\$ 350.00				\$ 350.00
	Commodity Charge per Therm:					
	All Usage	\$.13881	\$ 0.68365	(\$.30000)	\$.01653	\$ 0.53899 R
<u>NG-G4</u>	<u>General Gas Service - 4</u>					
	Basic Service Charge per Month	\$1,000.00				\$1,000.00
	Commodity Charge per Therm:					
	All Usage	\$.06791	\$ 0.68365	(\$.30000)	\$.01653	\$ 0.46809 R
	Demand Charge ^{5/}	\$.01588				\$.01588
<u>NG-G5</u>	<u>General Gas Service - 5 ^{7/}</u>					
	Basic Service Charge per Month	\$1,000.00				\$1,000.00
	Commodity Charge per Therm:					
	All Usage	\$.03225	\$ 0.68365	(\$.30000)	\$.01653	\$ 0.43243 R
	Demand Charge ^{5/}	\$.01833				\$.01833

<p>Issued:</p> <p align="center">November 21, 2025</p> <p>Effective:</p> <p align="center">January 1, 2026</p> <p>Advice Letter No.:</p> <p align="center">547</p>	<p>Issued by</p> <p>Amy L. Timperley</p> <p>Senior Vice President</p>	
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SOUTHWEST GAS CORPORATION
 P.O. Box 98510
 Las Vegas, Nevada 89193-8510
 Nevada Gas Tariff No. 7

Canceling 94th Revised P.U.C.N. Sheet No. 13
93rd Revised P.U.C.N. Sheet No. 13

STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO NORTHERN NEVADA SCHEDULES ^{1/2/8}

Schedule Number	Description	Delivery Charge ^{3/}	Gas Cost		Infrastructure Expansion Rate ^{9/}	Currently Effective Tariff Rate
			Base Tariff Energy Rate ^{4/}	Deferred Energy Account Adjustment		
NG-AC	<u>Air Conditioning Gas Service</u>					
	Basic Service Charge per Month	\$ 28.80				\$ 28.80
	Commodity Charge per Therm:					
	All Usage	\$.13326	\$ 0.68365	(\$.30000)	\$.01653	\$ 0.53344 R
NG-WP	<u>Water Pumping Gas Service</u>					
	Basic Service Charge per Month	\$ 36.00				\$ 36.00
	Commodity Charge per Therm:					
	All Usage	\$.17694	\$ 0.68365	(\$.30000)	\$.01653	\$ 0.57712 R
NG-EG	<u>Small Electric Generation Gas</u>					
	Basic Service Charge per Month	Otherwise Applicable Rate Schedule				
	Commodity Charge per Therm:					
	All Usage	\$.08467	\$ 0.68365	(\$.30000)	\$.01653	\$ 0.48485 R
NG-CNG	<u>Gas Service for Compression on Customer's Premises ^{6/}</u>					
	Basic Service Charge	\$ 25.80				\$ 25.80
	Commodity Charge per Therm:					
	All Usage	\$ 1.22859	\$ 0.68365	(\$.30000)	\$.01653	\$ 1.62877 R
NG-L	<u>Street and Outdoor Lighting Gas Service</u>					
	Commodity Charge per Therm:					
	All Usage	\$.66515	\$ 0.68365	(\$.30000)	\$.01653	\$ 1.06533 R
NG-OS	<u>Optional Gas Service</u>					
		As specified on Sheet Nos. 48 through 51.				
NG-AS	<u>Alternative Sales Service</u>					
		As specified on Sheet Nos. 52 through 53.				
NG-CGS	<u>Compression Gas Service</u>					
		As specified on Sheet Nos. 47A through 47I.				
NG-RNG	<u>Biogas and Renewable Natural Gas Service</u>					
		As specified on Sheet Nos. 53A through 53I.				

Issued: November 21, 2025 Effective: January 1, 2026 Advice Letter No.: 547	Issued by Amy L. Timperley Senior Vice President	
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STATEMENT OF RATES
EFFECTIVE RATES APPLICABLE TO NORTHERN NEVADA SCHEDULES ^{1/2/8}
(Continued)

- 1/ The charges shown above are subject to adjustments for taxes and assessments.
- 2/ Customers taking transportation service will pay the Basic Service Charge, the Delivery Charge per therm excluding the Conservation and Energy Efficiency component, and Demand Charge, if applicable, of the Currently Effective Tariff Rate for each meter included in the transportation service agreement, plus an amount of \$0.00111 per therm for distribution system shrinkage as defined in Rule No. 1 of this Nevada Gas Tariff for all quantities of gas not delivered through a direct connection to one of the Company's upstream interstate pipelines and a Transportation Service Charge of \$500.00 per month per individually qualifying premise. For purposes of calculating Payment for Excess Imbalances, the Imbalance Commodity Charge is \$0.36867 per therm and the Imbalance Reservation Charge is \$0.36674 per therm. For customers converting from sales service, an additional amount equal to the currently effective Deferred Energy Accounting Adjustment will be assessed for a period of twelve (12) months.
- 3/ Includes the following:

Component/Schedule	NG-RS	NG-RM	NG-RAC	NG-G1	NG-G2	NG-G3	NG-G4
Margin	.43618	.44199	.52154	.28094	.11385	.08689	.05788
General Revenues Adjustment	.01096	(.01183)	.00000	.03162	.01230	.04749	.00560
Gas Infrastructure Replacement Rate	.00000	.00000	.00000	.00000	.00000	.00000	.00000
Conservation and Energy Efficiency	.00443	.00443	.00443	.00443	.00443	.00443	.00443
Total	.45157	.43459	.52597	.31699	.13058	.13881	.06791

Component/Schedule	NG-G5	NG-AC	NG-WP	NG-EG	NG-CNG	NG-L
Margin	.02782	.12883	.17251	.08024	1.22416	.66072
General Revenues Adjustment	.00000	.00000	.00000	.00000	.00000	.00000
Gas Infrastructure Replacement Rate	.00000	.00000	.00000	.00000	.00000	.00000
Conservation and Energy Efficiency	.00443	.00443	.00443	.00443	.00443	.00443
Total	.03225	.13326	.17694	.08467	1.22859	.66515

- 4/ For all rate schedules, the Base Tariff Energy Rate (BTER) includes \$0.01387 per therm for the Unrecovered Gas Cost Expense Base Rate.
- 5/ The total monthly demand charge for Schedule Nos. NG-G4 and NG-G5 is equal to the unit rate shown multiplied by the customer's billing determinant.
- 6/ The charges for Schedule No. NG-CNG are subject to adjustments for applicable state and federal taxes on fuel used in motor vehicles.
- 7/ The maximum and minimum rates for Schedule No. NG-G5 are set forth below.

NG-G5	Minimum Rates	Maximum Rates
Basic Service Charge	\$1,000.00	Effective tariff rates
Transportation Charge	\$500.00	
Demand Charge	\$0.00917	
Margin	\$0.01391	

<p>Issued: May 16, 2025</p> <p>Effective: July 1, 2025</p> <p>Advice Letter No.:</p>	<p>Issued by Amy L. Timperley Senior Vice President</p>	
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SCHEDULE NO. SG-AS/NG-AS

ALTERNATIVE SALES SERVICE

APPLICABILITY

Applicable to transportation-eligible customers who do not elect to receive sales service under their otherwise applicable sales rate schedule.

TERRITORY

Throughout the Company's certificated Nevada Service Areas, except as may hereafter be provided.

RATES

The Basic Service Charge, commodity charge and demand charge, if applicable, are set forth under the customer's otherwise applicable gas sales tariff schedule, which are set forth in the currently effective Statement of Rates of this Nevada Gas Tariff and are incorporated herein by reference.

For transportation customers electing to switch to sales service under this schedule, the Base Tariff Energy Rate (BTER) of the customer's sales rate will be determined in accordance with Special Condition No. 2 of this schedule.

The minimum charge per month is the sum of the Basic Service Charge and the demand charge, if applicable.

LATE CHARGE

The monthly bill is due and payable as of the date of presentation. Included in the bill will be a late charge of five percent on the first \$200 of the monthly bill, plus two percent of any balance above \$200, which will be imposed if payment is not received by the next month's billing.

<p>Issued: December 31, 2018</p> <p>Effective: January 1, 2019</p> <p>Advice Letter No.:</p>	<p>Issued by Justin Lee Brown Senior Vice President</p>	
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SCHEDULE NO. SG-AS/NG-AS

ALTERNATIVE SALES SERVICE
(Continued)

SPECIAL CONDITIONS

1. Customers electing to switch to alternative sales service under this schedule will be required to enter into a service agreement with the Company. Existing alternative sales customers are required to notify the Company if they desire to elect service under their otherwise applicable sales schedule. The election must be submitted to the Company no later than April 1 of each year for sales service commencing the following November 1.
2. Upon switching from transportation service to sales service under this schedule, the Base Tariff Energy Rate (BTER) of the customer's sales rate will be the higher of the following charges for the initial 12 month sales period:
 - (i) The BTER of the Currently Effective Tariff Rate; or
 - (ii) The monthly weighted average cost of gas, including an assessment for interstate capacity costs, incurred by the Company.

The customer's sales rate will be adjusted to exclude the Deferred Energy Account Adjustment (DEAA) for the initial 12 month sales period. After the conclusion of the initial 12 month sales period, the customer shall be billed at the Currently Effective Tariff Rate.

3. Under this schedule, the Company is not obligated to secure resources upstream of the distribution system. Curtailment shall be according to Section C.2 of Rule 8 of this Nevada Gas Tariff.
4. The term "otherwise applicable gas sales tariff schedule" as used herein excludes all optional tariff schedules.
5. All remaining terms and conditions of the customer's otherwise applicable gas sales schedule shall apply to service under this schedule and are incorporated herein by reference.

<p>Issued: December 31, 2018</p> <p>Effective: January 1, 2019</p> <p>Advice Letter No.:</p>	<p>Issued by Justin Lee Brown Senior Vice President</p>	
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SCHEDULE NO. SG-G5
GENERAL GAS SERVICE - 5

APPLICABILITY

Applicable to customers whose average monthly requirements on an annual basis are 1,000,000 therms or greater and whose natural gas use during the Company's winter peak months of December through February is less than fifteen (15) percent of their annual usage.

TERRITORY

Throughout the Company's certificated Southern Nevada Service Areas, except as may hereafter be provided.

RATES

The demand charge, commodity charge and Basic Service Charge are set forth in the currently effective Statement of Rates of this Nevada Gas Tariff and are incorporated herein by reference.

For customers electing to receive sales service under this schedule, the Base Tariff Energy Rate (BTER) of the customer's sales rate will be determined in accordance with Special Condition No. 4 of this schedule.

The monthly demand charge shall be the product of the demand charge rate multiplied by the customer's billing determinant. The billing determinant shall be equal to the customer's highest monthly throughput during the most recent 12 month period, ending the month prior to the current billing period. Reductions in the customer's billing demand will be limited to no greater than 20 percent during any 12 month period ending with the current billing period. For new customers, the initial billing determinant shall be calculated by multiplying the customer's estimated average daily use by the number of days in the billing period.

The minimum charge per month is the sum of the Basic Service Charge and the demand charge.

<p>Issued: October 2, 2020</p> <p>Effective: October 7, 2020</p> <p>Advice Letter No.:</p>	<p>Issued by Justin Lee Brown Senior Vice President</p>	
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SCHEDULE NO. SG-G5
GENERAL GAS SERVICE - 5
(Continued)

LATE CHARGE

The monthly bill is due and payable as of the date of presentation. Included in the bill will be a late charge of five percent on the first \$200 of the monthly bill, plus two percent of any balance above \$200, which will be imposed if payment is not received by the next month's billing.

SPECIAL CONDITIONS

1. A service agreement specifying the customer's volumetric requirements and curtailment priority as defined in NAC 704.501 may be required under this schedule.
2. To receive sales service under this schedule, customers must make a three-year commitment to sales service.
3. Customers under this schedule may elect transportation service after providing an 18 month notification; however, customers with an active sales service agreement can return to transportation service only at the conclusion of their sales service agreement after providing at least 18 months notice.

Customers who switch to transportation service without providing proper notice will be assessed an exit fee to prevent the shifting of any costs to its remaining sales customers, if the Company determines there are such costs associated with the customer's change in service.

<p>Issued: October 2, 2020</p> <p>Effective: October 7, 2020</p> <p>Advice Letter No.:</p>	<p>Issued by Justin Lee Brown Senior Vice President</p>	
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SCHEDULE NO. SG-G5
GENERAL GAS SERVICE - 5
(Continued)

SPECIAL CONDITIONS *(Continued)*

4. The Base Tariff Energy Rate (BTER) of the customer's sales rate will be the higher of the following charges:
- (i) The BTER of the Currently Effective Tariff Rate; or
 - (ii) The monthly weighted average cost of gas, including an assessment for interstate capacity costs, incurred by the Company.

For customers switching from transportation service the customer's sales rate will be adjusted to exclude the Deferred Energy Account Adjustment (DEAA) for the initial 12 month sales period. After the conclusion of the initial twelve 12 month sales period, the customer shall be billed the Currently Effective DEAA Tariff Rate.

BASE TARIFF ENERGY RATE (BTER) AND DEFERRED ENERGY ACCOUNT ADJUSTMENT (DEAA)

The rates specified for this schedule are subject to increases or decreases in the cost of purchased gas in accordance with those provisions set forth in Chapter 704 of the NAC.

GENERAL TERMS AND CONDITIONS

Except as qualified in this schedule, all of the General Terms and Conditions are applicable to this schedule and are hereby made a part hereof.

<p>Issued: October 2, 2020</p> <p>Effective: October 7, 2020</p> <p>Advice Letter No.:</p>	<p>Issued by Justin Lee Brown Senior Vice President</p>	
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SCHEDULE NO. SG-G6
GENERAL GAS SERVICE - 6

APPLICABILITY

Applicable to customers whose average monthly requirements on an annual basis are 1,000,000 therms or greater and whose natural gas use during the Company's winter peak months of December through February is equal to or greater than fifteen (15) percent of their annual usage.

TERRITORY

Throughout the Company's certificated Southern Nevada Service Areas, except as may hereafter be provided.

RATES

The demand charge, commodity charge and Basic Service Charge are set forth in the currently effective Statement of Rates of this Nevada Gas Tariff and are incorporated herein by reference.

For customers electing to receive sales service under this schedule, the Base Tariff Energy Rate (BTER) of the customer's sales rate will be determined in accordance with Special Condition No. 4 of this schedule.

The monthly demand charge shall be the product of the demand charge rate multiplied by the customer's billing determinant. The billing determinant shall be equal to the customer's highest monthly throughput during the most recent 12 month period, ending the month prior to the current billing period. Reductions in the customer's billing demand will be limited to no greater than 20 percent during any 12 month period ending with the current billing period. For new customers, the initial billing determinant shall be calculated by multiplying the customer's estimated average daily use by the number of days in the billing period.

The minimum charge per month is the sum of the Basic Service Charge and the demand charge.

<p>Issued: April 1, 2022</p> <p>Effective: April 1, 2022</p> <p>Advice Letter No.:</p>	<p>Issued by Amy L. Timperley Vice President</p>	
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SCHEDULE NO. SG-G6
GENERAL GAS SERVICE - 6
(Continued)

LATE CHARGE

The monthly bill is due and payable as of the date of presentation. Included in the bill will be a late charge of five percent on the first \$200 of the monthly bill, plus two percent of any balance above \$200, which will be imposed if payment is not received by the next month's billing.

SPECIAL CONDITIONS

1. A service agreement specifying the customer's volumetric requirements and curtailment priority as defined in NAC 704.501 may be required under this schedule.
2. To receive sales service under this schedule, customers must make a three-year commitment to sales service.
3. Customers under this schedule may elect transportation service after providing an 18 month notification; however, customers with an active sales service agreement can return to transportation service only at the conclusion of their sales service agreement after providing at least 18 months notice.

Customers who switch to transportation service without providing proper notice will be assessed an exit fee to prevent the shifting of any costs to its remaining sales customers, if the Company determines there are such costs associated with the customer's change in service.

<p>Issued: October 2, 2020</p> <p>Effective: October 7, 2020</p> <p>Advice Letter No.:</p>	<p>Issued by Justin Lee Brown Senior Vice President</p>	
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SCHEDULE NO. SG-G6
GENERAL GAS SERVICE - 6
(Continued)

SPECIAL CONDITIONS *(Continued)*

4. The Base Tariff Energy Rate (BTER) of the customer's sales rate will be the higher of the following charges:
- (i) The BTER of the Currently Effective Tariff Rate; or
 - (ii) The monthly weighted average cost of gas, including an assessment for interstate capacity costs, incurred by the Company.

For customers switching from transportation service the customer's sales rate will be adjusted to exclude the Deferred Energy Account Adjustment (DEAA) for the initial 12 month sales period. After the conclusion of the initial twelve 12 month sales period, the customer shall be billed the Currently Effective DEAA Tariff Rate.

BASE TARIFF ENERGY RATE (BTER) AND DEFERRED ENERGY ACCOUNT ADJUSTMENT (DEAA)

The rates specified for this schedule are subject to increases or decreases in the cost of purchased gas in accordance with those provisions set forth in Chapter 704 of the NAC.

GENERAL TERMS AND CONDITIONS

Except as qualified in this schedule, all of the General Terms and Conditions are applicable to this schedule and are hereby made a part hereof.

<p>Issued: October 2, 2020</p> <p>Effective: October 7, 2020</p> <p>Advice Letter No.:</p>	<p>Issued by Justin Lee Brown Senior Vice President</p>	
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SCHEDULE NO. NG-G5
GENERAL GAS SERVICE – 5

APPLICABILITY

Applicable to customers whose average monthly requirements on an annual basis are 1,000,000 therms or greater.

TERRITORY

Throughout the Company's certificated Northern Nevada Service Areas, except as may hereafter be provided.

RATES

The demand charge, commodity charge and Basic Service Charge are set forth in the currently effective Statement of Rates of this Nevada Gas Tariff and are incorporated herein by reference.

To receive sales service under this schedule, the Base Tariff Energy Rate (BTER) of the customer's sales rate will be determined in accordance with Special Condition No. 4 of this schedule.

The monthly demand charge shall be the product of the demand charge rate multiplied by the customer's billing determinant. The billing determinant shall be equal to the customer's highest monthly throughput during the most recent 12 month period, ending the month prior to the current billing period. Reductions in the customer's billing demand will be limited to no greater than 20 percent during any 12 month period ending with the current billing period.

The minimum charge per month is the sum of the Basic Service Charge and the demand charge.

<p>Issued: October 2, 2020</p> <p>Effective: October 7, 2020</p> <p>Advice Letter No.:</p>	<p>Issued by Justin Lee Brown Senior Vice President</p>	
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SCHEDULE NO. NG-G5
GENERAL GAS SERVICE - 5
(Continued)

LATE CHARGE

The monthly bill is due and payable as of the date of presentation. Included in the bill will be a late charge of five percent on the first \$200 of the monthly bill, plus two percent of any balance above \$200, which will be imposed if payment is not received by the next month's billing.

SPECIAL CONDITIONS

1. A service agreement specifying the customer's volumetric requirements and curtailment priority as defined in NAC 704.501 may be required under this schedule.
2. To receive sales service under this schedule, the customer must make a three-year commitment to sales service.
3. The customer under this schedule may elect transportation service after providing an 18 month notification; however, customers with an active sales service agreement can return to transportation service only at the conclusion of their sales service agreement after providing at least 18 months notice.

If the customer switches to transportation service without providing proper notice an exit fee will be assessed to prevent the shifting of any costs to its remaining sales customers, if the Company determines there are such costs associated with the customer's change in service.

<p>Issued: <p style="text-align: center;">October 2, 2020</p> <p>Effective: <p style="text-align: center;">October 7, 2020</p> <p>Advice Letter No.:</p> </p></p>	<p>Issued by Justin Lee Brown Senior Vice President</p>	
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SCHEDULE NO. NG-G5
GENERAL GAS SERVICE - 5
(Continued)

SPECIAL CONDITIONS *(Continued)*

4. The Base Tariff Energy Rate (BTER) of the customer's sales rate will be the higher of the following charges:
- (i) The BTER of the Currently Effective Tariff Rate; or
 - (ii) The monthly weighted average cost of gas, including an assessment for interstate capacity costs, incurred by the Company.

For customers switching from transportation service the customer's sales rate will be adjusted to exclude the Deferred Energy Account Adjustment (DEAA) for the initial 12 month sales period. After the conclusion of the initial twelve 12 month sales period, the customer shall be billed the Currently Effective DEAA Tariff Rate.

BASE TARIFF ENERGY RATE (BTER) AND DEFERRED ENERGY ACCOUNT ADJUSTMENT (DEAA)

The rates specified for this schedule are subject to increases or decreases in the cost of purchased gas in accordance with those provisions set forth in Chapter 704 of the NAC.

GENERAL TERMS AND CONDITIONS

Except as qualified in this schedule, all of the General Terms and Conditions are applicable to this schedule and are hereby made a part hereof.

<p>Issued: October 2, 2020</p> <p>Effective: October 7, 2020</p> <p>Advice Letter No.:</p>	<p>Issued by Justin Lee Brown Senior Vice President</p>	
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SCHEDULE NO. ST-1/NT-1

TRANSPORTATION OF CUSTOMER-SECURED NATURAL GAS
(Continued)

1. AVAILABILITY *(Continued)*

1.3 The customer and the Company have executed a service agreement for service under this schedule. A single service agreement may provide for service to any or all the customer's separate premises, if all the premises are under common ownership. Each premise must individually qualify for transportation service.

1.4 Sales Service Election. Existing transportation customers, who are eligible to elect sales service, are required to notify the Company if they desire to elect sales service. The election must be submitted to the Company no later than April 1 of each year for sales service commencing the following November 1. Transportation customers with a Transportation Service Agreement requiring them to take transportation service are ineligible to elect sales service.

2. APPLICABILITY AND CHARACTER OF SERVICE

This schedule shall apply to gas transported by the Company for the customer pursuant to the executed service agreement.

- 2.1 The basic transportation service rendered under this schedule shall consist of:
- a. The receipt by the Company for the account of the customer of the customer's gas at the Receipt Point(s);
 - b. The transportation of gas through the Company's system for the account of the customer; and
 - c. The delivery of gas after transportation by the Company for the account of the customer at the Delivery Point(s).

<p>Issued: June 24, 2025</p> <p>Effective: September 17, 2025</p> <p>Advice Letter No.: 545</p>	<p>Issued by Amy L. Timperley Senior Vice President</p>	
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GENERAL REVENUES ADJUSTMENT PROVISION

(Continued)

AUTHORIZED GENERAL REVENUES PER CUSTOMER

Average Margin per Customer per Month – Southern Nevada

Month	Residential Gas Service		General Gas Service			
	SG-RS Single	SG-RM Multi	SG-G1	SG-G2	SG-G3	SG-G4
January	\$ 61.66	\$ 31.81	\$ 122.66	\$ 430.75	\$ 1,733.17	\$10,743.02
February	\$ 51.73	\$ 27.85	\$ 101.11	\$ 389.22	\$ 1,523.44	\$10,088.33
March	\$ 41.55	\$ 24.53	\$ 85.47	\$ 365.59	\$ 1,481.79	\$10,677.47
April	\$ 31.73	\$ 20.83	\$ 69.96	\$ 334.28	\$ 1,331.84	\$10,071.72
May	\$ 29.00	\$ 20.24	\$ 67.50	\$ 324.02	\$ 1,258.19	\$ 9,979.05
June	\$ 26.98	\$ 19.20	\$ 52.98	\$ 259.20	\$ 968.74	\$ 9,106.55
July	\$ 25.04	\$ 18.58	\$ 53.44	\$ 266.65	\$ 1,022.80	\$ 9,304.27
August	\$ 24.01	\$ 18.05	\$ 51.69	\$ 256.87	\$ 977.25	\$ 9,266.99
September	\$ 24.51	\$ 18.22	\$ 53.23	\$ 264.99	\$ 1,025.89	\$ 9,298.56
October	\$ 25.62	\$ 18.44	\$ 56.08	\$ 277.77	\$ 1,081.71	\$ 9,654.62
November	\$ 30.48	\$ 20.63	\$ 63.45	\$ 305.73	\$ 1,232.27	\$10,100.18
December	\$ 48.55	\$ 27.37	\$ 92.35	\$ 377.20	\$ 1,536.60	\$10,650.24
Total	\$ 420.86	\$ 265.75	\$ 869.92	\$3,852.27	\$15,173.69	\$118,941.00

Average Margin per Customer per Month – Northern Nevada

Month	Residential Gas Service		General Gas Service			
	NG-RS Single	NG-RM Multi	NG-G1	NG-G2	NG-G3	NG-G4
January	\$ 67.47	\$ 40.90	\$ 101.02	\$ 402.63	\$ 1,346.41	\$ 6,367.97
February	\$ 57.38	\$ 35.62	\$ 89.46	\$ 362.71	\$ 1,225.02	\$ 6,242.73
March	\$ 51.93	\$ 33.81	\$ 81.40	\$ 341.86	\$ 1,201.93	\$ 7,177.61
April	\$ 41.58	\$ 28.57	\$ 66.82	\$ 304.02	\$ 1,104.43	\$ 6,685.89
May	\$ 31.78	\$ 23.03	\$ 55.78	\$ 264.37	\$ 1,119.08	\$ 6,439.85
June	\$ 27.13	\$ 20.27	\$ 49.72	\$ 235.58	\$ 1,125.19	\$ 5,186.92
July	\$ 23.25	\$ 17.78	\$ 47.13	\$ 223.03	\$ 1,079.95	\$ 5,960.59
August	\$ 22.57	\$ 17.42	\$ 46.78	\$ 218.91	\$ 1,023.82	\$ 6,109.76
September	\$ 23.11	\$ 17.56	\$ 47.09	\$ 221.90	\$ 1,098.53	\$ 6,344.15
October	\$ 26.97	\$ 19.32	\$ 50.86	\$ 239.69	\$ 1,155.19	\$ 6,497.13
November	\$ 39.18	\$ 25.00	\$ 66.05	\$ 287.20	\$ 1,204.07	\$ 5,904.29
December	\$ 57.37	\$ 35.14	\$ 89.76	\$ 362.74	\$ 1,267.51	\$ 6,440.83
Total	\$ 469.72	\$ 314.42	\$ 791.87	\$3,464.64	\$13,951.13	\$75,357.72

<p>Issued:</p> <p style="text-align: center;">May 16, 2025</p> <p>Effective:</p> <p style="text-align: center;">July 1, 2025</p> <p>Advice Letter No.:</p>	<p>Issued by</p> <p>Amy L. Timperley</p> <p>Senior Vice President</p>	
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CONTRACT TRANSITION ADJUSTMENT PROVISION

APPLICABILITY

The Contract Transition Adjustment Provision (CTAP) applies to all rate schedules in this Nevada Gas Tariff. The Company will maintain separate CTAP accounting for its Northern Nevada Division and Southern Nevada Division.

The CTAP specifies the procedures to allow the utility to recover or return the difference in the Company's actual Base Tariff General Rate (BTGR) revenues derived from customers with discounted rate contracts or contracts for special services (collectively, Contracts) who transition to Schedule No. SG-G5, SG-G6 or NG-G5, and the amount for each customer that was included in the calculation of the Company's authorized BTGR revenues, adjusted for any increase in contract rates and revenues resulting from annual escalations of those rates and revenues due to annual changes in the gross domestic product deflator or consumer price index as applicable in the customer's Contracts.

BTGR revenues are those revenues collected through the margin portion of the fixed and variable delivery charge components of the Company's rates as stated on the Statement of Rates in this Nevada Gas Tariff and inflation adjusted revenues collected from customers served under Contracts.

TRACKING PERIOD

The initial tracking period shall be the first period including at least twelve (12) months ending September 30 following the transition of the customer from a Contract to Schedule No. SG-G5, SG-G6 or NG-G5, and each twelve (12) month period ending September 30 thereafter.

The Company will cease tracking the CTAP for a transitioning customer when that customer is included in a cost-of-service study as a Schedule No. SG-G5, SG-G6 or NG-G5 customer when rates are effective in the first general rate case filed after the customer transitions from a Contract to Schedule No. SG-G5, SG-G6 or NG-G5.

<p>Issued: April 10, 2024</p> <p>Effective: April 15, 2024</p> <p>Advice Letter No.:</p>	<p>Issued by Amy L. Timperley Senior Vice President/ Chief Regulatory Strategy and Planning Officer</p>	
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RULE NO. 1

DEFINITIONS
(Continued)

Industrial Customer: A customer who is engaged primarily in a process which creates or changes raw or unfinished materials into another form or product.

Inter-Divisional Capacity Transfer: A mechanism by which the unused off-peak interstate capacity of one of the Company's divisions is utilized by another of the Company's divisions to procure and transport otherwise inaccessible economically priced gas. The division owning the off-peak capacity receives benefit in the form of credits to its Deferred Energy Account. The division utilizing the off-peak capacity receives benefit through reduction in its purchased gas costs.

Interruptible Gas Service: Gas service subject to interruption or curtailment.

Intra-day Nomination: A Nomination submitted after the nominating deadline for Daily and Standing Nominations specified in Schedule No. ST-1/NT-1 which has an effective time no earlier than the beginning of the next Gas Day, and which has an ending time no later than the end of that Gas Day.

Law: A rule, or rules, established and enforced by federal, state, county or municipal authorities.

Main: A pipeline that serves as a common source of supply for more than one service line.

Main Extension: The length of main and its related facilities required to transport gas from the existing distribution facilities of the Company to the point of connecting with the service line.

Margin: The currently effective tariff sales rate, less the average cost of purchased gas and the surcharge(s) to amortize the balancing account(s), if any, included in the sales rate, multiplied by the units of gas used, plus the Basic Service Charge, demand charge and transportation service charge, calculated on an annual basis.

<p>Issued: April 1, 2022</p> <p>Effective: April 1, 2022</p> <p>Advice Letter No.:</p>	<p>Issued by Amy L. Timperley Vice President</p>	
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RULE NO. 3

APPLICATION FOR SERVICE

A. APPLICATION FOR SERVICE

The Company shall require each applicant for service to provide such information as stated in the content listing and also establish credit as provided for in Rule No. 12 of this Nevada Gas Tariff.

An applicant may apply for residential service from the Company by mail, by telephone, or on-line; however, if the applicant is applying for service for the first time, or has not received service from the Company during the preceding two years, such applicant may be required to apply for service in person.

1. Content. Such application may include the following information, but is not limited to:
 - a. Legal name of applicant(s).
 - b. Name of applicant's spouse or co-applicant.
 - c. Identification (Social Security number or driver's license number).
 - d. Date of birth.
 - e. Date and place of application.
 - f. Location of premises to be served.
 - g. Date applicant will be ready for service.
 - h. Previous address
 - i. Whether the premises have been previously supplied with gas.
 - j. Purposes for which service is to be used.
 - k. Address to which bills are to be mailed or delivered.
 - l. Rate schedule to be applied where optional rates are in effect.
 - m. Telephone number.
 - n. Third person identification, address and telephone number.
 - o. Whether customer or other permanent resident is elderly or disabled.
 - p. Such additional information as the Company may reasonably require.

<p>Issued: February 17, 2021</p> <p>Effective: May 1, 2021</p> <p>Advice Letter No.: 522</p>	<p>Issued by Justin Lee Brown Senior Vice President</p>	
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RULE NO. 3

APPLICATION FOR SERVICE
(Continued)

B. INDIVIDUAL LIABILITY FOR JOINT SERVICE

Two or more persons who join in one application for service shall be jointly and severally liable for proper use of the service and for payment of bills and shall be billed by means of single periodic bills to one person, as they may designate.

C. CHANGE IN CUSTOMER'S EQUIPMENT OR OPERATIONS

In the event that a customer shall make any substantial change either in the amount or character of the gas appliances or apparatus installed upon the customer's premises, the customer shall promptly notify the Company of such change.

D. CONNECTION OF SERVICE

The Company will endeavor to connect gas service as soon as possible after an application for service has been received.

E. SERVICE ESTABLISHMENT OR REESTABLISHMENT CHARGE

1. In order to partially cover the operating and clerical costs, the Company shall collect a service charge whenever service is established or reestablished as set forth and referred to as "Service Establishment Charge" in the currently effective Statement of Rates of this Nevada Gas Tariff. This charge will be applicable for establishing a new account or reestablishing service after having been ordered disconnected by the customer or terminated for nonpayment of bills or for failure otherwise to comply with filed rules or tariff schedules.

The service charge referenced above is not applicable to a customer whose service has been restored after having been disconnected as a result of its election to bypass the Company's distribution system and became its own gas supplier.

<p>Issued: November 10, 2009</p> <p>Effective: November 1, 2009</p> <p>Advice Letter No.:</p>	<p>Issued by John P. Hester Senior Vice President</p>	
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RULE NO. 3

APPLICATION FOR SERVICE
(Continued)

F. COMPANY EASEMENTS AND RIGHTS OF INGRESS AND EGRESS (Continued)

2. An easement or other property rights may be unsatisfactory if, among other things, it burdens the Company with undue costs (including costs related to indemnification, insurance, or the maintenance and restoration of the burdened estate); fails to provide a safe, convenient, and economical means for the placement, operation, or access to the Company's gas facilities; seeks to confer benefits for the applicant or a customer that are unjust, unreasonable, unjustly discriminatory, or preferential; is vague or ambiguous; or conflicts with this Tariff or with the Commission rules and regulations.

<p>Issued: December 31, 2018</p> <p>Effective: January 1, 2019</p> <p>Advice Letter No.:</p>	<p>Issued by Justin Lee Brown Senior Vice President</p>	
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RULE NO. 5

BILLS FOR SERVICE
(Continued)

B. ELECTRONIC BILLING *(Continued)*

2. Electronic Billing may be discontinued at any time by the Company, the customer or the Electronic Billing Service Provider.
3. Except as otherwise provided in this section, all other provisions of the Company's Rules and Regulations as contained in this Nevada Gas Tariff are applicable to Electronic Billing and made a part hereof.

C. SUMMARY BILLING

Summary Billing is an optional billing service for sales customers whereby customers with several individual accounts may receive a summary bill with summarized billing data for these accounts. A summary bill may be generated in lieu of the individual bills under the following conditions:

1. Customers electing this service shall execute a service agreement in order to participate in Summary Billing.
2. Eligibility for this service is limited to customers with a minimum of ten individual accounts.
3. The customer name on all of the individual accounts summarized under any one Summary Billing account must be the same.
4. Each month's payment of a summary bill for the "Amount Due" must be one payment in the form of a check, cashier's check or money order drawn on a bank or other financial institution and payable to the Company in U.S. currency, unless other arrangements acceptable to the Company have been previously established.
5. Payment of a summary bill is past due and subject to a late charge if the payment is not received within 15 days after its issuance.

<p>Issued: December 31, 2018</p> <p>Effective: January 1, 2019</p> <p>Advice Letter No.:</p>	<p>Issued by Justin Lee Brown Senior Vice President</p>	
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RULE NO. 5

BILLS FOR SERVICE
(Continued)

E. PAYMENT OF BILLS *(Continued)*

2. The date a bill is past due may not be earlier than 15 days after its issuance. If the last day for payment before a bill becomes past due falls on a Sunday, legal holiday or any other day when the office of the Company used for the payment of bills is closed, the last day for payment will be the next business day. Except as otherwise provided in Section E.3 herein, payment of a bill by first class mail is timely if the payment is received not more than four days after the past due date.
3. Any arrearage contained in a bill for service is delinquent and should be paid at the business office of the Company.

F. LATE CHARGE

The Company shall be allowed to recover a charge as set forth in each rate schedule of this Nevada Gas Tariff for the late payment of a bill.

G. RETURNED ITEM CHARGE

Should an item from a customer used to pay a bill for service be returned to the Company as uncollectible for any reason, including a lack of sufficient funds, the Company shall be allowed to recover a charge as set forth in the currently effective Statement of Rates, Other Service Charges, of this Nevada Gas Tariff. The Company will require the customer to make full payment in cash or by money order or cashier's check. The customer whose item is returned to the Company as uncollectible shall in no way be relieved of the obligation to render payment to the Company under the original terms of the bill or defer the Company's provision for termination of service for nonpayment of bills.

<p>Issued: December 31, 2018</p> <p>Effective: January 1, 2019</p> <p>Advice Letter No.:</p>	<p>Issued by Justin Lee Brown Senior Vice President</p>	
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RULE NO. 5

BILLS FOR SERVICE
(Continued)

H. EQUAL PAYMENT PLAN

1. The Equal Payment Plan (EPP) is available to all residential customers receiving (or applicants qualifying and applying to receive) natural gas service.
2. If a customer requests to participate in the EPP and the customer has an arrearage when the request is made, the customer may not enter the EPP unless the customer:
 - a. Pays at least 50% of the arrearage upon entering the EPP; and
 - b. Agrees to pay the remaining arrearage in amounts that are apportioned over the first year of participation.
3. Participation in the EPP is subject to approval by the Company. Customers may sign up for the EPP at any time of year. The EPP amount will be initially based on the Customer's annual estimated bill divided into 12 equal monthly payments and may be adjusted as set forth in Section 6 herein.
4. The Company will render its regular monthly billing statement showing both the amount for actual usage for the period and the designated EPP amount. The customer will pay the designated EPP amount, plus any additional amount shown on the bill for materials, parts, labor or other charges.
5. On the yearly anniversary of enrollment in the EPP, the amount of the Customer's EPP bills will be compared and computed against the Customer's actual usage for the previous year. A new EPP amount will be computed for the following year, and any debit or credit balance remaining from the prior year will be divided into 12 equal amounts and incorporated into the new EPP monthly billing amount.

<p>Issued: April 18, 2024</p> <p>Effective: August 1, 2024</p> <p>Advice Letter No.: AL 539</p>	<p>Issued by Amy L. Timperley Senior Vice President/ Chief Regulatory Strategy and Planning Officer</p>	
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RULE NO. 5

BILLS FOR SERVICE
(Continued)

H. EQUAL PAYMENT PLAN *(Continued)*

6. The EPP amount will be reviewed and may be adjusted each quarter to reduce the likelihood of an excessive debit or credit balance at the time of settlement, for changes in rates due to Commission-approved rate increases or decreases, or when estimates indicate that an overpayment or undercollection may occur by the end of the plan year.
7. The Company may remove from the EPP and place on regular billing any customer who fails to make two or more consecutive timely payments according to that customer's EPP obligation. Such a customer will then be subject to termination of service in accordance with Rule No. 6 for nonpayment of a bill.
8. Readmission to the EPP will be subject to approval by the Company and payment in full of all past due amounts.
9. A customer may voluntarily withdraw from the EPP at any time. Any amounts then owing for usage in excess of usage already paid for under the EPP will become due and payable at the customer's next regular billing, in accordance with the Company's filed tariff schedules. Any EPP payments in excess of amounts based upon actual usage at the time of withdrawal will be applied to the customer's next regular monthly bill or will be refunded if so requested by the customer.

<p>Issued: April 18, 2024</p> <p>Effective: August 1, 2024</p> <p>Advice Letter No.: AL 539</p>	<p>Issued by Amy L. Timperley Senior Vice President/ Chief Regulatory Strategy and Planning Officer</p>	
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RULE NO. 16

FACILITIES ON CUSTOMER'S PREMISES
(Continued)

C. COMPANY EASEMENTS AND RIGHTS OF INGRESS AND EGRESS *(Continued)*

An easement or other property rights may be unsatisfactory if, among other things, it burdens the Company with undue costs (including costs related to indemnification, insurance, or the maintenance and restoration of the burdened estate); fails to provide a safe, convenient, and economical means for the placement, operation, or access to the Company's gas facilities; seeks to confer benefits for the customer that are unjust, unreasonable, unjustly discriminatory, or preferential; is vague or ambiguous; or conflicts with this Tariff or with the Commission rules and regulations.

3. The Company shall at all times have the right of ingress to and egress from the customer's premises at all reasonable hours for any purpose reasonably connected with the furnishing of gas and the exercise of any and all rights secured to it by law or this Tariff
4. The Company shall have the right (but not the obligation) to remove any or all of its property installed on the customer's premises at any time after the termination of service.

<p>Issued: December 31, 2018</p> <p>Effective: January 1, 2019</p> <p>Advice Letter No.:</p>	<p>Issued by Justin Lee Brown Senior Vice President</p>	
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RULE NO. 16

FACILITIES ON CUSTOMER'S PREMISES
(Continued)

D. CUSTOMER'S RESPONSIBILITY FOR EQUIPMENT FOR RECEIVING GAS

The customer shall, at the customer's sole risk and expense, furnish, install and keep in good, safe, and leak free condition all regulators, gas piping, appliances, alarms, fixtures and apparatus of any kind or character located beyond the point of delivery which may be required for receiving gas from the Company and for applying and utilizing gas, including all necessary protective appliances and suitable housing therefore; the Customer will be solely responsible for any injury, damage or loss resulting from the gas, or its use loss, after such gas passes beyond the point of delivery, and the Company shall not be responsible for any loss, injury or damage occasioned or caused by the negligence or wrongful act of the Customer or any of the Customer's agents, employees or licensees in installing, maintaining, using, operating or interfering with any such regulators, gas piping, appliances, alarms, fixtures or apparatus. The Company has the right, but not the responsibility to refuse service to any Customer or discontinue service with or without notice if, in the Company's opinion, the facilities beyond the point of delivery are unsafe or present a hazardous condition.

E. SERVICE CONNECTIONS MADE BY COMPANY'S EMPLOYEES

Only duly authorized employees or agents of the Company are allowed to connect the service pipe to, or disconnect the same from, the Company's gas facilities, or to turn on the supply of gas from the meter. When turning on the supply of gas, the Company shall perform a leak check at the Company's standard delivery pressure of the customer piping and appliances connectors. If any uncontrolled hazardous leakage exists at the time of turn-on, service will be denied until the customer has eliminated all leaks. Except as provided in this Rule, the Company has no duty to inspect, maintain, or repair the customer's premises and has no duty to warn of any condition it observes thereon; the Company shall not be liable for any failure to inspect, maintain, or repair the customer's premises or for the failure to warn of any condition.

<p>Issued: December 31, 2018</p> <p>Effective: January 1, 2019</p> <p>Advice Letter No.:</p>	<p>Issued by Justin Lee Brown Senior Vice President</p>	
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RULE NO. 16

FACILITIES ON CUSTOMER'S PREMISES
(Continued)

F. EXCESS FLOW VALVE AND SERVICE LINE SHUT-OFF VALVE

An Excess Flow Valve or Service Line Shut-Off Valve shall be installed in accordance with Rule No. 9 of this Nevada Gas Tariff.

Issued:
December 31, 2018
Effective:
January 1, 2019
Advice Letter No.:

Issued by
Justin Lee Brown
Senior Vice President

Exhibit 3 – SWG Reference Records to Prior Commission Action

**SOUTHWEST GAS CORPORATION
NAC 703.2211(5) – REFERENCE TO PRIOR PROCEEDINGS BEFORE THE
COMMISSION THAT MAY BE RELATED TO THE APPLICATION**

Southwest Gas Corporation is informed and believes that the following proceedings have been held before the Commission since the effective date of rates in the Company’s last general rate application and may be related to one of more of the proposals contained in the current Application:

DOCKET NO.	DESCRIPTION
23-05014	Application of Southwest Gas Corporation for approval of its 2022 Conservation and Energy Efficiency Plan Annual Report and modification for Program Year 2024.
23-05033	Southwest Gas Corporation filed Notice, under Advice Letter No. 535, to adjust Northern and Southern Nevada Base Tariff Energy Rates and Deferred Energy Account Adjustment Rates effective July 1, 2023.
23-07009	Filing by Southwest Gas Corporation of tax adjustment pursuant to the Order issued in Docket No. 00-1028.
23-07024	Rulemaking to amend, adopt, and/or repeal regulations in accordance with Senate Bill 281 (2023) - Resource Planning and Energy Conservation for Certain Natural Gas Utilities.
23-08014	Southwest Gas Corporation filed Notice, under Advice Letter No. 536, to adjust Northern and Southern Nevada Base Tariff Energy Rates and Deferred Energy Account Adjustment Rates effective October 1, 2023.
23-09012	Application of Southwest Gas Corporation for authority to increase its retail natural gas utility service rates for Southern and Northern Nevada.
23-11008	Rulemaking to amend and/or repeal regulations in accordance with Governor Lombardo's Executive Order No. 2023-003, which requires agencies to streamline, clarify, reduce or otherwise improve regulations to ensure those regulations provide for the general welfare of Nevada, without unnecessarily inhibiting economic growth.

23-11017	Application of Southwest Gas Corporation for authority to establish the Accumulated Deferred Interest rate in Southern Nevada pursuant to the Variable Interest Expense Recovery mechanism, Unrecovered Gas Cost Expense rates, system shrinkage rates, excess Imbalance Commodity and Reservation Charges, Renewable Energy Program Rates, General Revenues Adjustment rates, Conservation and Energy Efficiency rates, Mesquite Infrastructure Expansion Rates, Spring Creek Infrastructure Expansion Rates, and Contract Transition Adjustment Provision rate.
23-11021	Southwest Gas Corporation filed Notice, under Advice Letter No. 537, to adjust Northern and Southern Nevada Base Tariff Energy Rates and Deferred Energy Account Adjustment Rates effective January 1, 2024.
23-12025	Filing by Southwest Gas Corporation of its 2023 Status Report on the Spring Creek Expansion Project.
23-12026	Filing by Southwest Gas Corporation of its 2023 Status Report on the Mesquite Expansion Project.
24-02024	Southwest Gas Corporation filed Notice, under Advice Letter No. 538, to adjust Northern and Southern Nevada Base Tariff Energy Rates and Deferred Energy Account Adjustment Rates effective April 1, 2024.
24-04022	Application of Southwest Gas Corporation, filed under Advice Letter No. 539, to revise its Nevada Gas Tariff No. 7 to reflect revisions to the Equal Payment Plan.
24-05017	Application of Southwest Gas Corporation for approval of its 2023 Conservation and Energy Efficiency Plan Annual Report.
24-05031	Southwest Gas Corporation filed Notice, under Advice Letter No. 540, to adjust Northern and Southern Nevada Base Tariff Energy Rates and Deferred Energy Account Adjustment Rates effective July 1, 2024.
24-06020	Application of Southwest Gas Corporation for approval of its 2023 Conservation and Energy Efficiency Plan Annual Report.
24-06034	Informational Report of Southwest Gas Corporation concerning its near-term natural gas resource planning activities.
24-06037	Application of Southwest Gas Corporation for approval of its Conservation and Energy Efficiency Plan for the period 2025-2027.

24-08025	Southwest Gas Corporation filed Notice, under Advice Letter No. 541, to adjust Northern and Southern Nevada Base Tariff Energy Rates and Deferred Energy Account Adjustment Rates effective October 1, 2024.
24-11001	Application of Southwest Gas Corporation for authority to amend Certificate of Public Convenience and Necessity ("CPC") 2627 Sub 8 to expand its service territory to include areas contiguous to its existing Northern Nevada service territory located in Lyon County, Nevada.
24-11005	Application of Southwest Gas Corporation for authority to establish the Accumulated Deferred Interest rate in Southern Nevada pursuant to the Variable Interest Expense Recovery mechanism, Unrecovered Gas Cost Expense rates, system shrinkage rates, excess Imbalance Commodity and Reservation Charges, Renewable Energy Program Rates, General Revenues Adjustment rates, Conservation and Energy Efficiency rates, Mesquite Infrastructure Expansion Rates, Spring Creek Infrastructure Expansion Rates, Contract Transition Adjustment Provision rate, and establish the SGTC Volumetric Charge for Southern Nevada transportation customers.
24-11010	Southwest Gas Corporation filed Notice, under Advice Letter No. 542, to adjust Northern and Southern Nevada Base Tariff Energy Rates and Deferred Energy Account Adjustment Rates effective January 1, 2025.
24-11015	Application of Southwest Gas Corporation for review of its Spring Creek Expansion Project pursuant to the Order issued in Docket No. 19-06017.
24-12028	Filing by Southwest Gas Corporation of its 2024 Status Report on the Mesquite Expansion Project.
24-12029	Filing by Southwest Gas Corporation of its 2024 Status Report on the Spring Creek Expansion Project.
25-01017	Application of Southwest Gas Corporation for authority to establish regulatory accounting treatment for Line Locate Activity Expenses and to establish the Damage Prevention Cost Mechanism.
25-02017	Application of Southwest Gas Corporation for approval to continue its Move2Zero Carbon Offset Program to its northern and southern Nevada sales customers and to continue the currently authorized regulatory asset treatment to track costs associated with the Program.
25-02026	Southwest Gas Corporation filed Notice, under Advice Letter No. 543, to adjust Northern and Southern Nevada Base Tariff Energy Rates and Deferred Energy Account Adjustment Rates effective April 1, 2025.

25-03014	Joint Petition of the Regulatory Operations Staff and Southwest Gas Corporation requesting the Commission accept a stipulation regarding violations of Chapter 455 of the Nevada Revised Statutes and Nevada Administrative Code and 49 CFR 192 by Southwest Gas Corporation.
25-05009	Application of Southwest Gas Corporation, pursuant to NRS 704.110(15), for approval to adjust the Deferred Energy Accounting Adjustment Rates in excess of the maximum allowable adjustment under NRS 704.110(8) to provide a discounted rate effective July 1, 2025.
25-05018	Southwest Gas Corporation filed Notice, under Advice Letter No. 544, to adjust Northern and Southern Nevada Base Tariff Energy Rates and Deferred Energy Account Adjustment Rates effective July 1, 2025.
25-06027	Application of Southwest Gas Corporation, filed under Advice Letter No. 545, to revise Nevada Gas Tariff No. 7 to modify Transportation of Customer-Secured Natural Gas Schedule No. ST-1/NT-1 to reflect updated language pursuant to the Order issued in Docket No. 24-11001.
25-07001	Rulemaking to Adopt Regulation in Accordance with Assembly Bill 46, which relates to privileges applicable information obtained from records and other property of public utilities and certain other entities.
25-07003	Rulemaking to Adopt Regulations in Accordance with Assembly Bill 452, which is examining certain matters relating to a potential cost-sharing mechanism for the recovery of costs.
25-07006	Rulemaking to Amend, Adopt, and/or Repeal Regulations in Accordance with Senate Bill 417, governing the filing of an application for the establishment of an alternative rate-making plan by a natural gas utility.
25-07007	Rulemaking to Adopt Regulations in Accordance with Senate Bill 442, which relates to residential customer termination of service reporting requirements of public utilities.
25-08023	Southwest Gas Corporation filed Notice, under Advice Letter No. 546, to adjust Northern and Southern Nevada Base Tariff Energy Rates and Deferred Energy Account Adjustment Rates effective October 1, 2025.
25-09010	Application of Southwest Gas Corporation for approval of its 2026-2028 Triennial Integrated Resource Plan.
25-10022	Application of Southwest Gas Corporation for approval of its 2024 Conservation and Energy Efficiency Plan Annual Report.

25-10027	Filing by Southwest Gas Corporation of a copy of Application for Change in Accounting Method Form 3115 submitted to the Internal Revenue Service with its 2024 federal income tax return.
25-11012	Application of Southwest Gas Corporation for authority to adjust the Variable Interest Expense Recovery mechanism rates, Unrecovered Gas Cost Expense rates, System Shrinkage rates, Imbalance Commodity and Reservation Charges, General Revenues Adjustment rates, Conservation and Energy Efficiency rates, and the Contract Transition Adjustment Provision rate.
25-11019	Southwest Gas Corporation filed Notice, under Advice Letter No. 547, to adjust Northern and Southern Nevada Base Tariff Energy Rates and Deferred Energy Account Adjustment Rates effective January 1, 2026.
25-12024	Filing by Southwest Gas Corporation of its 2025 Status Report on the Mesquite Expansion Project.
25-12025	Filing by Southwest Gas Corporation of its 2025 Status Report on the Spring Creek Expansion Project.
26-02023	Southwest Gas Corporation filed Notice, under Advice Letter No. 548, to adjust Northern and Southern Nevada Base Tariff Energy Rates and Deferred Energy Account Adjustment Rates effective April 1, 2026.

Exhibit 4 – Proposed Notice of Application

Description of Application

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

NOTICE OF APPLICATION BY SOUTHWEST GAS CORPORATION TO ADJUST NATURAL GAS RATES AND CHARGES

Southwest Gas Corporation ("Southwest Gas") filed an Application with the Public Utilities Commission of Nevada ("Commission") March 17, 2026, designated as Docket No. 26-03_____, for authority to increase its retail natural gas utility service rates and charges for its Southern and Northern Nevada rate jurisdictions. Southwest Gas' request includes a statewide annual general rate increase of approximately \$71.3 to account for changes in the cost of service since the last general rate case and the inclusion in rate base of the Mesquite Expansion Project previously approved by the Commission. The proposed increase associated with changes in cost of service since the Company's last general rate case is approximately \$66.3 million, or approximately 12.4 percent in Southern Nevada, and approximately \$5 million, or approximately 3.9 percent in Northern Nevada.

Southwest Gas' existing rates and charges do not provide Southwest Gas with sufficient revenue to allow it a fair and reasonable return on its investment. The revenue deficiency is largely attributable to: (1) changes in operations & maintenance expenses required to support the Company's on-going operations; (2) changes in the cost of capital; (3) updated plant-in-service to reflect the Company's ongoing capital investments in Nevada; and, (4) changes in the number of customers and customer volumes.

The following table provides the estimated effect on rates and charges paid by customers for each class of customer for Southwest Gas' Southern Nevada rate jurisdiction. The table lists the average monthly bill using present and proposed rates, and then identifies the proposed increase or decrease under the proposed rates, including the percentage

change in the average customer's bill. Rows 20 through 28 of the table reflect the bill impacts associated with customers being transitioned from the first listed rate schedule to the second, should the first listed rate schedule be eliminated.

SOUTHWEST GAS CORPORATION
SOUTHERN NEVADA
MONTHLY BILL CHANGE COMPARISON BY RATE CLASS
TWELVE MONTHS ENDED NOVEMBER 30, 2025 (TEST YEAR)

Line No.	Class (a)	Monthly Bill [1], [2]		Increase/(Decrease)		Line No.
		At Currently Effective Rates	At Proposed Tariff Rates	Dollars	Percent	
		(b)	(c)	(d)	(e)	
1	Single-Family Residential Gas Service (SG-RS)	\$ 48.14	\$ 55.25	\$ 7.11	14.77%	1
2	Summer	28.59	31.98	3.39	11.86%	2
3	Winter	68.12	79.04	10.92	16.03%	3
4	Multi-Family Residential Gas Service (SG-RM)	\$ 29.83	\$ 35.41	\$ 5.58	18.71%	4
5	Summer	22.72	26.40	3.68	16.20%	5
6	Winter	37.42	45.03	7.61	20.34%	6
7	Air Conditioning Residential Gas Service (SG-RAC)	\$ 244.09	\$ 262.83	\$ 18.74	7.68%	7
8	General Gas Service					8
9	General-1	\$ 114.28	\$ 132.97	\$ 18.69	16.35%	9
10	General-2	809.94	872.71	62.77	7.75%	10
11	General-3	3,793.48	4,088.20	294.72	7.77%	11
12	General-4	16,646.60	18,913.21	2,266.61	13.62%	12
13	General-5	57,812.42	57,785.64	(26.78)	(0.05%)	13
14	General-6	66,080.50	97,897.71	31,817.21	48.15%	14
14	Air Conditioning Gas Service (SG-AC)	\$ 519.87	\$ 548.91	\$ 29.04	5.59%	14
15	Water Pumping Gas Service (SG-WP)	\$ 8,019.58	\$ 8,957.58	\$ 938.00	11.70%	15
16	Small Electric Generation Gas Service (SG-EG)	\$ 19,752.72	\$ 28,821.06	\$ 9,068.33	45.91%	16
17	Compression on Customer's Premises (SG-CNG)	\$ 331.13	\$ 348.67	\$ 17.54	5.30%	17
18	Street and Outdoor Lighting Gas Service (SG-L)	\$ 34.24	\$ 39.87	\$ 5.63	16.46%	18
19	Otherwise Applicable Rate Schedule Impact					19
20	SG-RAC to SG-RS	\$ 5,811.78	\$ 12,575.27	\$ 6,763.49	116.38%	20
21	SG-AC to SG-G-1	\$ 1,128.58	\$ 1,892.16	\$ 763.58	67.66%	21
22	SG-AC to SG-G-2	\$ 3,633.99	\$ 4,639.51	\$ 1,005.51	27.67%	22
23	SG-AC to SG-G-3	\$ 2,244.98	\$ 2,771.63	\$ 526.65	23.46%	23
24	SG-WP to SG-G-4	\$ 8,019.59	\$ 10,989.47	\$ 2,969.88	37.03%	24
25	SG-CNG to SG-G-1	\$ 83.60	\$ 130.87	\$ 47.27	56.55%	25
26	SG-CNG to SG-G-2	\$ 578.69	\$ 942.27	\$ 363.58	62.83%	26
27	SG-EG to SG-G-1	\$ 354.50	\$ 35.22	\$(319.28)	(90.07%)	27
28	SG-EG to SG-G-4	\$ 57,174.94	\$ 123,927.05	\$ 66,752.11	116.75%	28

[1] Margin component of Delivery Charge effective July 1, 2025.

[2] BTER (excluding UGCE) effective January 1, 2026.

The following table provides the estimated effect on rates and charges paid by customers for each class of customer for Southwest Gas' Northern Nevada rate jurisdiction. The table lists the average monthly bill using present and proposed rates, and then identifies the proposed increase or decrease under the proposed rates, including the percentage change in the average customer's bill. Rows 20 through 24 of the table reflect the bill impacts associated with customers being transitioned from the first listed rate schedule to the second, should the first listed rate schedule be eliminated.

SOUTHWEST GAS CORPORATION
NORTHERN NEVADA
MONTHLY BILL CHANGE COMPARISON BY RATE CLASS
TWELVE MONTHS ENDED NOVEMBER 30, 2025 (TEST YEAR)

Line No.	Class (a)	Monthly Bill [1], [2]		Increase/(Decrease)		Line No.
		At Currently Effective Rates (b)	At Proposed Tariff Rates (c)	Dollars (d)	Percent (e)	
1	Single-Family Residential Gas Service (NG-RS)	\$ 76.17	\$ 82.22	\$ 6.05	7.94%	1
2	Summer	35.13	37.38	2.25	6.40%	2
3	Winter	116.97	126.79	9.82	8.40%	3
4	Multi-Family Residential Gas Service (NG-RM)	\$ 47.01	\$ 50.57	\$ 3.56	7.57%	4
5	Summer	26.36	27.90	1.54	5.84%	5
6	Winter	67.50	73.09	5.59	8.28%	6
7	Air Conditioning Residential Gas Service (NG-RAC)	\$ 67.85	\$ 71.15	\$ 3.30	4.86%	7
8	General Gas Service					8
9	General-1	\$ 143.11	\$ 151.40	\$ 8.29	5.79%	9
10	General-2	1,157.34	1,180.40	23.06	1.99%	10
11	General-3	6,244.91	6,264.93	20.02	0.32%	11
12	General-4	18,964.65	19,477.05	512.40	2.70%	12
13	General-5	61,655.58	68,472.75	6,817.17	11.06%	13
14	Air Conditioning Gas Service (NG-AC)	\$ 126.08	\$ 129.47	\$ 3.38	2.68%	14
15	Water Pumping Gas Service (NG-WP)	\$ 104.79	\$ 108.38	\$ 3.58	3.42%	15
16	Small Electric Generation Gas Service (NG-EG)	\$ 84.03	\$ 91.56	\$ 7.53	8.97%	16
17	Gas Service for Compression on Customer's Premises (NG-CNG)	\$ 59.75	\$ 63.08	\$ 3.33	5.58%	17
18	Street and Outdoor Lighting Gas Service (NG-L)	\$ 19.45	\$ 21.01	\$ 1.56	8.00%	18
19	Otherwise Applicable Rate Schedule Impact					19
20	NG-RAC to NG-RS	\$ 196.90	\$ 199.23	\$ 2.33	1.18%	20
21	NG-AC to NG-G-1	\$ 118.58	\$ 143.43	\$ 24.86	20.96%	21
22	NG-WP to NG-G1	\$ 209.64	\$ 224.24	\$ 14.60	6.96%	22
23	NG-CNG to NG-G1	\$ 59.73	\$ 47.07	(12.66)	(21.20%)	23
24	NG-EG to NG-G1	\$ 252.10	\$ 167.30	(84.80)	(33.64%)	24

[1] Margin component of Delivery Charge effective April 15, 2024.

[2] BTER (excluding UGCE) effective January 1, 2026.

The Commission may set rates that are higher or lower than those contained in Southwest Gas' request.

Southwest Gas submits this Application pursuant to sections 704.001, 704.061 *et seq.* and 704.992 of the Nevada Revised Statutes ("NRS"); and all applicable sections of Chapters 703 and 704 of the Nevada Administrative Code ("NAC"), including, sections 703.115, 703.2201 *et seq.*, 703.530 *et seq.*, and 703.710 of Chapter 703, and all amendments thereto; and sections 704.640 *et seq.*, 704.6502 *et seq.*, 704.6671 *et seq.*, 704.796 *et seq.*, 704.9702 *et seq.* of Chapter 704, and all amendments thereto; as well as NAC 704.9716. Southwest Gas declares that a consumer session is required under Nevada law.

This Application is available for public review at the offices of the Commission: 1150 East William Street, Carson City, Nevada 89701 and 9075 West Diablo Drive, Suite 250, Las Vegas, Nevada 89148. Southwest Gas' filing is also available for review by the public during normal business hours at Southwest Gas' business offices.

Interested and affected persons may file: (1) comments in writing; (2) petitions for leave to intervene; or (3) notices of intent to participate as commenters in order to be placed on the service list to receive the pleadings in the docket at either of the Commission's offices on or before (Day), (Date), 2026.

Exhibit 5 – Proposed Notice of Hearing

Proposed Notice of Hearing to Southern Nevada Customers:

**BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA
NOTICE OF HEARING TO CUSTOMERS OF
SOUTHWEST GAS CORPORATION**

Southwest Gas Corporation (“Southwest Gas”) filed an Application with the Public Utilities Commission of Nevada (“Commission”) March 17, 2026, designated as Docket No. 26-03_____, for authority to increase rates and charges for its Southern Nevada rate jurisdiction.

The Commission has scheduled a public hearing on Southwest Gas’ request for (Day), (Date), 2026 at (Time). The hearing will take place at the Commission offices located at (Location). Southwest Gas is seeking approval of an increase in its retail natural gas utility service rates in its Southern Nevada rate jurisdiction. The proposed annual revenue increase for Southwest Gas’ Southern Nevada rate jurisdiction is \$66.3 million to account for changes in the cost of service since the last general rate case and the inclusion in rate base of Mesquite Expansion projects previously approved by the Commission. The proposed increase associated with capital investments since the Company’s last general rate case is approximately \$27 million or 5.1 percent. Southwest Gas’ existing rates and charges do not provide Southwest Gas with sufficient revenue to allow it a fair and reasonable return on its investment. The revenue deficiency is largely attributable to: changes in operations & maintenance expenses required to support the Company’s ongoing operations; 2) updated plant-in-service to reflect the Company’s ongoing capital investments to ensure safe and reliable service and to support continued customer growth in Nevada; and 3) changes in the cost of capital.

The following table provides the estimated effect on rates and charges paid by customers for each class of customer for Southwest Gas' Southern Nevada rate jurisdiction. The table lists the average monthly bill using present and proposed rates and then identifies the proposed increase or decrease under the proposed rates, including the percentage change in the average customer's bill. Pursuant to the stipulation approved in Docket No. 23-09012, the Company is including the customer bill impacts associated with transitioning customers currently served under rate Schedule Nos. SG-RAC, SG-AC, SG-WP, SG-CNG, and SG-EG to their otherwise applicable rate schedules. This information is provided to ensure these customers receive proper noticing should any of these schedules be eliminated in this Application.

SOUTHWEST GAS CORPORATION
SOUTHERN NEVADA
MONTHLY BILL CHANGE COMPARISON BY RATE CLASS
TWELVE MONTHS ENDED NOVEMBER 30, 2025 (TEST YEAR)

Line No.	Class	Monthly Bill [1], [2]		Increase/(Decrease)		Line No.
		At Currently Effective Rates	At Proposed Tariff Rates	Dollars	Percent	
		(b)	(c)	(d)	(e)	
1	Single-Family Residential Gas Service (SG-RS)	\$ 48.14	\$ 55.25	\$ 7.11	14.77%	1
2	Summer	28.59	31.98	3.39	11.86%	2
3	Winter	68.12	79.04	10.92	16.03%	3
4	Multi-Family Residential Gas Service (SG-RM)	\$ 29.83	\$ 35.41	\$ 5.58	18.71%	4
5	Summer	22.72	26.40	3.68	16.20%	5
6	Winter	37.42	45.03	7.61	20.34%	6
7	Air Conditioning Residential Gas Service (SG-RAC)	\$ 244.09	\$ 262.83	\$ 18.74	7.68%	7
8	General Gas Service					8
9	General-1	\$ 114.28	\$ 132.97	\$ 18.69	16.35%	9
10	General-2	809.94	872.71	62.77	7.75%	10
11	General-3	3,793.48	4,088.20	294.72	7.77%	11
12	General-4	16,646.60	18,913.21	2,266.61	13.62%	12
13	General-5	57,812.42	57,785.64	(26.78)	(0.05%)	13
14	General-6	66,080.50	97,897.71	31,817.21	48.15%	14
14	Air Conditioning Gas Service (SG-AC)	\$ 519.87	\$ 548.91	\$ 29.04	5.59%	14
15	Water Pumping Gas Service (SG-WP)	\$ 8,019.58	\$ 8,957.58	\$ 938.00	11.70%	15
16	Small Electric Generation Gas Service (SG-EG)	\$ 19,752.72	\$ 28,821.06	\$ 9,068.33	45.91%	16
17	Compression on Customer's Premises (SG-CNG)	\$ 331.13	\$ 348.67	\$ 17.54	5.30%	17
18	Street and Outdoor Lighting Gas Service (SG-L)	\$ 34.24	\$ 39.87	\$ 5.63	16.46%	18
19	Otherwise Applicable Rate Schedule Impact					19
20	SG-RAC to SG-RS	\$ 5,811.78	\$ 12,575.27	\$ 6,763.49	116.38%	20
21	SG-AC to SG-G-1	\$ 1,128.58	\$ 1,892.16	\$ 763.58	67.66%	21
22	SG-AC to SG-G-2	\$ 3,633.99	\$ 4,639.51	\$ 1,005.51	27.67%	22
23	SG-AC to SG-G-3	\$ 2,244.98	\$ 2,771.63	\$ 526.65	23.46%	23
24	SG-WP to SG-G-4	\$ 8,019.59	\$ 10,989.47	\$ 2,969.88	37.03%	24
25	SG-CNG to SG-G-1	\$ 83.60	\$ 130.87	\$ 47.27	56.55%	25
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27	SG-EG to SG-G-1	\$ 354.50	\$ 35.22	(319.28)	(90.07%)	27
28	SG-EG to SG-G-4	\$ 57,174.94	\$ 123,927.05	\$ 66,752.11	116.75%	28

[1] Margin component of Delivery Charge effective July 1, 2025.

[2] BTER (excluding UGCE) effective January 1, 2026.

The Commission may set rates that are higher or lower than those contained in Southwest Gas' request.

The legal authority and jurisdiction under which the hearing is to be held is embodied in sections 233B.121 *et seq.*, 704.001, 704.061 *et seq.* and 704.992 of the Nevada Revised Statutes (“NRS”); and all applicable sections of Chapters 703 and 704 of the Nevada Administrative Code (“NAC”), including sections 703.115, 703.2201 *et seq.*, 703.530 *et seq.*, and 703.710 of Chapter 703, and all amendments thereto; and sections 704.640 *et seq.*, 704.6502 *et seq.*, 704.6671 *et seq.*, section 704.796 *et seq.*, 704.9702 *et seq.* of Chapter 704, and all amendments thereto; as well as NAC 704.9716.

Southwest Gas’ filing is available for review by the public during normal business hours at Southwest Gas’ business offices or at the Commission’s offices at 1150 East William Street, Carson City, NV 89701-3109 and at 9075 West Diablo Drive, Suite 250, Las Vegas, Nevada 89148. Written comments may be sent to the Commission at either of its offices and should reference Docket No. 26-03_____.

Proposed Notice of Hearing to Northern Nevada Customers:

**BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA
NOTICE OF HEARING TO CUSTOMERS OF
SOUTHWEST GAS CORPORATION**

Southwest Gas Corporation (“Southwest Gas”) filed an Application with the Public Utilities Commission of Nevada (“Commission”) March 17, 2026, designated as Docket No. 26-03_____, for authority to increase rates and charges for its Northern Nevada rate jurisdiction.

The Commission has scheduled a public hearing on Southwest Gas’ request for (Day), (Date), 20XX at (Time). The hearing will take place at the Commission's office located at (Location). Southwest Gas is seeking approval of an increase in its retail natural gas utility service rates. The proposed annual revenue increase for Southwest Gas’ Northern Nevada rate jurisdiction is approximately \$5.0 million to account for changes in the cost of service since the last general rate case and the inclusion in rate base of GIR projects previously approved by the Commission. The proposed increase associated with capital investments since the Company’s last general rate case is approximately \$3.7 million or 2.9 percent.

Southwest Gas’ existing rates and charges do not provide Southwest Gas with sufficient revenue to allow it a fair and reasonable return on its investment. The revenue deficiency is largely attributable to: 1) changes in operations & maintenance expenses required to support the Company’s ongoing operations; 2) updated plant-in-service to reflect the Company’s ongoing capital investments to ensure safe and reliable service and to support continued customer growth in Nevada; and 3) changes in the cost of capital.

The following table provides the estimated effect on rates and charges paid by customers for each class of customer for Southwest Gas' Northern Nevada rate jurisdiction. The table lists the average monthly bill using present and proposed rates, and then identifies the proposed increase or decrease under the proposed rates, including the percentage change in the average customer's bill. Pursuant to the stipulation approved in Docket No. 23-09012, the Company is including the customer bill impacts associated with transitioning customers currently served under rate Schedule Nos. NG-RAC, NG-AC, NG-WP, NG-CNG, and NG-EG to their otherwise applicable rate schedules. This information is provided to ensure these customers receive proper noticing should any of these schedules be eliminated in this Application.

SOUTHWEST GAS CORPORATION
NORTHERN NEVADA
MONTHLY BILL CHANGE COMPARISON BY RATE CLASS
TWELVE MONTHS ENDED NOVEMBER 30, 2025 (TEST YEAR)

Line No.	Class	Monthly Bill [1], [2]		Increase/(Decrease)		Line No.
		At Currently Effective Rates	At Proposed Tariff Rates	Dollars	Percent	
	(a)	(b)	(c)	(d)	(e)	
1	Single-Family Residential Gas Service (NG-RS)	\$ 76.17	\$ 82.22	\$ 6.05	7.94%	1
2	Summer	35.13	37.38	2.25	6.40%	2
3	Winter	116.97	126.79	9.82	8.40%	3
4	Multi-Family Residential Gas Service (NG-RM)	\$ 47.01	\$ 50.57	\$ 3.56	7.57%	4
5	Summer	26.36	27.90	1.54	5.84%	5
6	Winter	67.50	73.09	5.59	8.28%	6
7	Air Conditioning Residential Gas Service (NG-RAC)	\$ 67.85	\$ 71.15	\$ 3.30	4.86%	7
8	General Gas Service					8
9	General-1	\$ 143.11	\$ 151.40	\$ 8.29	5.79%	9
10	General-2	1,157.34	1,180.40	23.06	1.99%	10
11	General-3	6,244.91	6,264.93	20.02	0.32%	11
12	General-4	18,964.65	19,477.05	512.40	2.70%	12
13	General-5	61,655.58	68,472.75	6,817.17	11.06%	13
14	Air Conditioning Gas Service (NG-AC)	\$ 126.08	\$ 129.47	\$ 3.38	2.68%	14
15	Water Pumping Gas Service (NG-WP)	\$ 104.79	\$ 108.38	\$ 3.58	3.42%	15
16	Small Electric Generation Gas Service (NG-EG)	\$ 84.03	\$ 91.56	\$ 7.53	8.97%	16
17	Gas Service for Compression on Customer's Premises (NG-CNG)	\$ 59.75	\$ 63.08	\$ 3.33	5.58%	17
18	Street and Outdoor Lighting Gas Service (NG-L)	\$ 19.45	\$ 21.01	\$ 1.56	8.00%	18
19	Otherwise Applicable Rate Schedule Impact					19
20	NG-RAC to NG-RS	\$ 196.90	\$ 199.23	\$ 2.33	1.18%	20
21	NG-AC to NG-G-1	\$ 118.58	\$ 143.43	\$ 24.86	20.96%	21
22	NG-WP to NG-G1	\$ 209.64	\$ 224.24	\$ 14.60	6.96%	22
23	NG-CNG to NG-G1	\$ 59.73	\$ 47.07	(\$ 12.66)	(21.20%)	23
24	NG-EG to NG-G1	\$ 252.10	\$ 167.30	(\$ 84.80)	(33.64%)	24

[1] Margin component of Delivery Charge effective April 15, 2024.
[2] BTER (excluding UGCE) effective January 1, 2026.

The Commission may set rates that are higher or lower than those contained in Southwest Gas' request.

The legal authority and jurisdiction under which the hearing is to be held is embodied in sections 233B.121 *et seq.*, 704.001, 704.061 *et seq.* and 704.992 of the Nevada Revised Statutes ("NRS"); and all applicable sections of Chapters 703 and 704 of the Nevada Administrative Code ("NAC"), including sections 703.115, 703.2201 *et seq.*, 703.530 *et seq.*, and 703.710 of Chapter 703, and all amendments thereto; and

sections 704.640 *et seq.*, 704.6502 *et seq.*, 704.6671 *et seq.*, section 704.796 *et seq.*, 704.9702 *et seq.* of Chapter 704, and all amendments thereto; as well as NAC 704.9716.

Southwest Gas' filing is available for review by the public during normal business hours at Southwest Gas' business offices or at the Commission's offices at 1150 East William Street, Carson City, NV 89701-3109 and at 9075 West Diablo Drive, Suite 250, Las Vegas, Nevada 89148. Written comments may be sent to the Commission at either of its offices and should reference Docket No. 26-03_____.

Exhibit 6 – Draft Notice

PUBLIC UTILITIES COMMISSION OF NEVADA
DRAFT NOTICE
(Applications, Tariff Filings, Complaints, and Petitions)

Pursuant to Nevada Administrative Code (“NAC”) 703.162, the Commission requires that a draft notice be included with all applications, tariff filings, complaints and petitions. Please complete and include **ONE COPY** of this form with your filing. (Completion of this form may require the use of more than one page)

A title that describes the relief requested (see NAC 703.160(5)(a)):

In the Matter of the Application of Southwest Gas Corporation for Authority to Increase its Retail Natural Gas Utility Service Rates in its Southern and Northern Nevada Rate Jurisdictions.

The name of the applicant, complainant, petitioner or the name of the agent for applicant, complainant or petitioner (see NAC 703.160(5)(b)):

Southwest Gas Corporation.

A brief description of the purpose of the filing or proceeding, including, without limitation, a clear and concise introductory statement that summarizes the relief requested or the type of proceeding scheduled **AND** the effect of the relief or proceeding upon consumers (see NAC 703.160(5)(c)):

Southwest Gas requests authorization to increase base tariff general rates to recover additional annual revenues of approximately \$66.3 million, or approximately a 12.4 percent increase in Southern Nevada and to recover approximately \$5 million in additional annual revenues, or approximately a 3.9 percent increase in Northern Nevada to account for changes in the cost of service since the last general rate case. Southwest Gas also requests approval of its proposed revisions to Nevada Gas Tariff No. 7.

A statement indicating whether a consumer session is required to be held pursuant to Nevada Revised Statute (“NRS”) 704.069(1)¹:

Consumer sessions are required.

If the draft notice pertains to a tariff filing, please include the tariff number **AND** the section number(s) or schedule number(s) being revised.

¹ NRS 704.069 states in pertinent part:

1. Except as otherwise provided in subsections 9 and 11 of NRS 704.110, the Commission shall conduct a consumer session to solicit comments from the public in any matter pending before the Commission pursuant to NRS 704.061 to 704.110, inclusive, in which:
 - (a) A public utility has filed a general rate application, an application to recover the increased cost of purchased fuel, purchased power, or natural gas purchased for resale, an annual deferred energy accounting adjustment application pursuant to NRS 704.187 or an annual rate adjustment application; and
 - (b) The changes proposed in the application will result in an increase in annual gross operating revenue, as certified by the applicant, in an amount that will exceed \$50,000 or 10 percent of the applicant’s annual gross operating revenue, whichever is less.

Gas Tariff No.	PUCN Sheet No.	Section
7	4	Table of Contents
7	10	Statement of Rates
7	10A	Statement of Rates
7	11	Statement of Rates
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7	12	Statement of Rates
7	13	Statement of Rates
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7	52	General Revenues Adjustment Provision
7	53	Schedule No. SG-AS/NG-AS
7	53J	Schedule No. SG-G5
7	53K	Schedule No. SG-G5
7	53L	Held for Future Use
7	53M	Schedule No. SG-G6
7	53N	Schedule No. SG-G6
7	53O	Held for Future Use
7	53S	Schedule No. NG-G5
7	53T	Schedule No. NG-G5
7	53U	Held for Future Use
7	55	Schedule No. ST-1/NT-1
7	89	General Revenues Adjustment Provision
7	91A1	Contract Transition Adjustment Provision
7	140	Rule No. 1
7	150	Rule No. 3
7	150A	Rule No. 3
7	152	Rule No. 3
7	153A	Rule No. 3
7	159	Rule No. 5
7	159A	Rule No. 5
7	161	Rule No. 5
7	161A	Rule No. 5
7	162	Rule No. 5
7	163A	Rule No. 5
7	217B	Rule No. 16
7	217C	Rule No. 16
7	217D	Rule No. 16

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**SOUTHWEST GAS CORPORATION
NORTHERN NEVADA
APPLICATION FOR AUTHORITY TO INCREASE NATURAL GAS RATES
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3	Statement C - Statement of Retained Earnings	C	1	Forsberg	3
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**SOUTHWEST GAS CORPORATION
NORTHERN NEVADA
APPLICATION FOR AUTHORITY TO INCREASE NATURAL GAS RATES
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12	Statement K - Operations and Maintenance Expense	K	1-2	Apo	12
13	Labor and Other Expenses	K-1	1-7	Apo	13
14	Advertising Costs	K-2	1-2	Apo	14
15	Outside Services Employed	K-3	1-3	Apo	15
16	Employee Pensions and Benefits	K-4	1-2	Apo	16
17	Regulatory Commission Expenses	K-5	1	Apo	17
18	Miscellaneous General Expenses	K-6	1-2	Apo	18
19	Intercompany and Interdepartmental Transactions	K-7	1-4	Apo	19
20	Statement L - Depreciation and Amortization Expenses	L	1-3	Apo	20
21	Summary of Requested Depreciation and Amortization Expenses	L-1	1-2	Apo	21
22	Statement M - Taxes	M	1-3	Williams	22
23	Reconciliation of Book and Tax Income	M-1	1	Williams	23
24	Book and Tax Depreciation	M-2	1-2	Williams	24
25	Consolidated Federal Income Tax	M-3	1-2	Williams	25
26	Accumulated Deferred Income Tax	M-4	1-4	Williams	26
27	Other Taxes	M-5	1-3	Williams	27
28	Statement N - Allocations	N	1-20	Lachica	28
29	Non-Regulated Services	N-1	1	Lachica	29
30	Class Cost of Service Study - Summary at Present and Proposed Rates	N-2	1-4	Brown	30
31	Statement O - Rate Design	O	1-8	Brown	31
32	Typical Bill Comparisons	O-1	1-6	Brown	32
33	Statement P - Changes in Presentation or Accounting	P	1-3	Bohannon	33
34	Statement Q - Shares	Q	1	Forsberg	34

Tab A

**SOUTHWEST GAS CORPORATION
TOTAL SYSTEM
COMPARATIVE BALANCE SHEETS
AT NOVEMBER 30, 2025 AND NOVEMBER 30, 2024**

Line No.	Description (a)	Balance at 11/30/2025 (b) Company Records	Balance at 11/30/2024 (c) Company Records	Line No.
<u>ASSETS</u>				
<u>Utility Plant</u>				
1	Gas Plant	\$ 11,484,071,572	\$ 10,830,090,627	1
2	Less: Accumulated Provision for Depreciation and Amortization	3,557,994,050	3,441,676,521	2
3	Net Gas Plant in Service and Held for Future Use	\$ 7,926,077,522	\$ 7,388,414,106	3
4	Acquisition Adjustments	0	0	4
5	Construction Work in Progress	192,115,483	192,932,917	5
6	Net Utility Plant	\$ 8,118,193,005	\$ 7,581,347,023	6
<u>Other Property and Investments</u>				
7	Other Subsidiaries	652,573	539,470	7
8	Other	167,487,330	157,673,704	8
9	Total Other Property and Investments	\$ 168,139,903	\$ 158,213,174	9
<u>Current and Accrued Assets</u>				
10	Cash and Cash Equivalents	\$ 102,262,032	\$ 303,121,546	10
11	Customers Accounts Receivable	136,872,610	158,771,842	11
12	Less: Reserves	(6,835,063)	(6,554,280)	12
13	Accounts Receivable - Merchandise and Other	5,815,941	8,694,136	13
14	Materials, Supplies and Gas Inventories	95,313,279	93,468,130	14
15	Prepayments	26,954,870	24,680,419	15
16	Accrued Utility Revenue	78,900,000	74,500,000	16
17	Deferred Purchased Gas Costs	0	0	17
18	Miscellaneous Current and Accrued Assets	195,385,654	113,065,919	18
19	Total Current and Accrued Assets	\$ 634,669,323	\$ 769,747,712	19
<u>Deferred Debits</u>				
20	Unamortized Debt Expense	\$ 11,184,970	\$ 12,891,899	20
21	Deferred Debits	372,510,287	374,858,867	21
22	Total Deferred Debits	383,695,257	387,750,766	22
23	Total Assets	\$ 9,304,697,488	\$ 8,897,058,675	23

**SOUTHWEST GAS CORPORATION
TOTAL SYSTEM
COMPARATIVE BALANCE SHEETS
AT NOVEMBER 30, 2025 AND NOVEMBER 30, 2024**

Line No.	Description (a)	Balance at 11/30/2025 (b) Company Records	Balance at 11/30/2024 (c) Company Records	Line No.
<u>CAPITALIZATION, LIABILITIES AND DEFERRED CREDITS</u>				
<u>Capitalization</u>				
1	Common Stock	\$ 49,111,944	\$ 49,111,944	1
2	Capital Surplus and Premium on Capital Stock	2,205,059,885	2,174,220,033	2
3	Capital Stock Expense	(11,333,051)	(11,333,051)	3
4	AOCI - Unamortized Matured Interest Rate Swaps	0	0	4
5	AOCI - US GAAP post retirement benefits	(37,597,000)	(39,394,000)	5
6	Retained Earnings	1,270,200,660	1,038,817,462	6
7	Total Common Equity	\$ 3,475,442,438	\$ 3,211,422,388	7
8	Long Term-Debt	3,507,723,762	3,504,205,467	8
9	Total Capitalization	\$ 6,983,166,200	\$ 6,715,627,855	9
<u>Current and Accrued Liabilities</u>				
10	Notes Payable	\$ 0	\$ 0	10
11	Accounts Payable	114,303,304	117,441,039	11
12	Customers Deposits	67,594,929	62,604,836	12
13	Taxes Accrued (Including Income Taxes)	44,260,388	48,108,727	13
14	Interest Accrued	43,137,707	43,349,051	14
15	Dividends Declared	0	44,600,000	15
16	Deferred Purchased Gas Costs	362,458,940	224,041,985	16
17	Other Current and Accrued Liabilities	117,915,309	125,536,423	17
18	Total Current and Accrued Liabilities	\$ 749,670,577	\$ 665,682,061	18
<u>Deferred Credits</u>				
19	Customer Advances for Construction	\$ 137,206,374	\$ 141,037,537	19
20	Deferred Investment Tax Credits	0	0	20
21	Deferred Income Taxes	885,241,215	806,841,766	21
22	Unamortized Gain on Reacquired Debt	5,008,045	5,544,248	22
23	Other Deferred Credits	544,405,077	562,325,208	23
24	Total Deferred Credits	\$ 1,571,860,711	\$ 1,515,748,759	24
25	Total Capitalization, Liabilities and Deferred Credits	\$ 9,304,697,488	\$ 8,897,058,675	25

Tab B

**SOUTHWEST GAS CORPORATION
TOTAL SYSTEM
STATEMENT OF INCOME
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2025**

Line No.	Description (a)	Amount as Recorded (b) Company Records	Line No.
1	Operating Revenues	\$ 1,979,722,187	1
2	Net Cost of Gas Sold	544,299,690	2
3	Operating Margin	<u>\$ 1,435,422,497</u>	3
	Operating Expenses		
4	Operations	\$ 426,888,523	4
5	Maintenance	92,733,475	5
6	Depreciation and Amortization	333,351,223	6
7	General Taxes	93,374,697	7
8	Operating Expenses	<u>\$ 946,347,918</u>	8
9	Operating Income	489,074,579	9
10	Net Interest Deductions	180,872,831	10
11	Pretax Utility Income (Loss)	\$ 308,201,748	11
12	Utility Income Taxes	54,381,839	12
13	Net Utility Income (Loss)	<u>\$ 253,819,909</u>	13
14	Other Income and Deductions, Net	22,740,016	14
15	Net Income (Loss) - Gas Operating Segment	<u><u>\$ 276,559,925</u></u>	15

Tab C

**SOUTHWEST GAS CORPORATION
TOTAL SYSTEM
STATEMENT OF RETAINED EARNINGS
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2025**

Line No.	Description (a)	Amount as Recorded (b) Company Records	Line No.
1	Balance at Nov 30, 2024	\$ 1,038,817,462	1
2	Add: Net Income	276,559,925	2
3	Deduct: Common Dividends	45,176,727	3
4	Balance at Nov 30,2025	\$ <u>1,270,200,660</u>	4

Tab D

**SOUTHWEST GAS CORPORATION
TOTAL SYSTEM
STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2025**

Line No.	Description (a)	Amount as Recorded (b) Company Records	Line No.
Cash Flows from Operating Activities:			
1	Net Income	\$ 276,559,925	1
	Adjustments to Reconcile Net Income to Net Cash Provided from Operating Activities:		
2	Depreciation and Amortization	\$ 333,351,223	2
3	Other Amortization	7,979,913	3
4	Change in Deferred Charges	(44,176,144)	4
5	Change in Deferred Credits	(19,773,267)	5
6	Change in Deferred Taxes	77,832,449	6
7	Change in Accrued Taxes	(3,848,339)	7
8	Undistributed Earnings of Subsidiaries	(113,102)	8
9	Allowance for Funds Used During Construction	(5,661,776)	9
10	Change in Deferred Purchased Gas Costs	138,416,955	10
11	Change in Receivables and Payables	17,542,195	11
12	Other	(98,497,521)	12
13	Net Cash Provided by Operating Activities	<u>\$ 679,612,511</u>	13
Cash Flows from Financing Activities:			
14	Change in Notes Payable	\$ 0	14
15	Dividends Paid	(89,209,107)	15
16	Capital Contribution from parent	20,000,000	16
17	Retirement of Long-Term Debt	0	17
18	Issuance of Long-Term Debt, Net	0	18
19	Other	(2,871,571)	19
20	Withholding Remittance - Share-Based Compensation	(2,614,187)	20
21	Net Cash Provided by Financing Activities	<u>\$ (74,694,865)</u>	21
Cash Flows from Investing Activities:			
22	Construction Expenditures	\$ (809,406,663)	22
23	Changes in Customer Advances	(2,505,404)	23
24	COLI Cash Redemption	829,132	24
25	Miscellaneous Inflows	5,305,775	25
26	Net Cash Used in Investing Activities	<u>\$ (805,777,160)</u>	26
27	Change in Cash and Cash Equivalents	(200,859,514)	27
28	Cash at Beginning of Period	303,121,546	28
29	Cash at End of Period	<u>\$ 102,262,032</u>	29

Tab E

**SOUTHWEST GAS CORPORATION
ACCOUNTANT'S REPORT AND FOOTNOTES
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2025**

Since the test period does not coincide with the Company's fiscal year, the applicable Accountant's Reports and Footnotes presented will be for the period ended November 30, 2025.

Note 1 - Background, Organization, and Summary of Significant Accounting Policies

Nature of Operations. This is a combined annual report of the Company and Southwest Gas. The notes to the consolidated financial statements apply to both entities. Southwest Gas Holdings, a Delaware corporation, is a holding company owning all of the shares of common stock of Southwest Gas; until April 22, 2024, all of the shares of common stock of Centuri; and until February 14, 2023, all of the shares of common stock of MountainWest.

In December 2022, the Company announced that its Board unanimously determined to take strategic actions to simplify the Company's portfolio of businesses. These actions included entering into a definitive agreement to sell 100% of MountainWest in an all-cash transaction to Williams for \$1.5 billion in total enterprise value, subject to certain adjustments. The sale closed on February 14, 2023.

Also as part of this simplification strategy, the Company previously communicated that it would pursue a separation of Centuri. In April 2024, the Company and Centuri announced the completion of an IPO of Centuri Holdings, Inc. common stock. Following the Centuri IPO, the Company owns approximately 81% of Centuri. Through the first quarter of 2024 and leading up to the Centuri IPO, Centuri continued to be wholly owned by the Company. Centuri continues to be consolidated as part of these financial statements, and will continue to be consolidated until such time as the conditions for consolidation are no longer met. Centuri now makes separate filings with the SEC as a public company. The Company's common stock continues to trade under the ticker symbol "SWX," while Centuri's common stock trades under the ticker symbol "CTRI." See **Note 7 - Common Stock** and **Note 15 - Dispositions**.

On October 15, 2024, the Company and the Icahn Group entered into an Amended and Restated Cooperation Agreement (the "Amended Agreement"), which amends, restates, supersedes, and replaces in its entirety the Amended and Restated Cooperation Agreement entered into on November 21, 2023. In accordance with the terms of the Amended Agreement, the Company agreed with the Icahn Group, among other things, to nominate Andrew W. Evans, Henry P. Linginfelter, Ruby Sharma, and Andrew J. Teno (collectively, the "Icahn Designees") for election at the Company's 2025 Annual Meeting. In addition, the Amended Agreement provides that the standstill restrictions on the Icahn Group will remain in effect until, and the Amended Agreement will terminate upon, the later of (x) the conclusion of the 2025 Annual Meeting and (y) the earlier of (1) immediately following the time at which Mr. Teno (or any replacement designee for Mr. Teno) is no longer serving on the Company's Board and (2) thirty days prior to the expiration of the advance notice deadline for submission of director nominees in connection with the Company's 2026 Annual Meeting of Stockholders; provided, however, that the Amended Agreement will terminate automatically on the date on which the Board re-appoints as a director any former director of the Board, without the approval of a majority of the Icahn Designees. The Company further agreed with the Icahn Group to establish the record date for the 2025 Annual Meeting for a time within thirty days of March 4, 2025. Other than the foregoing, the material terms of the prior agreement remain unchanged.

Southwest Gas is engaged in the business of purchasing, distributing, and transporting natural gas for customers in portions of Arizona, Nevada, and California. Public utility rates, practices, facilities, and service territories of Southwest Gas are subject to regulatory oversight. The timing and amount of rate relief can materially impact results of operations. Natural gas purchases and the timing of related recoveries can materially impact liquidity, highlighted by a significant cash balance existing as of the end of the fourth quarter of 2024, reflective of the collection of gas cost under purchased gas cost mechanisms as a component of customer bills. While mechanisms exist in all states in which Southwest Gas operates, which effectively and primarily decouple authorized operating cost recovery and profitability from the volume of natural gas sold, thereby also incentivizing energy conservation, results for the natural gas distribution segment are higher during winter periods due to the seasonality incorporated in its regulatory rate structures.

Centuri is a strategic utility infrastructure services company dedicated to partnering with North America's gas and electric providers to build and maintain the energy network that powers millions of homes across the U.S. and Canada. Centuri derives revenue primarily from installation, replacement, repair, and maintenance of energy networks. Centuri operates in the U.S. primarily as NPL, Neuco, Linetec, and Riggs Distler, and in Canada, primarily as NPL Canada. Utility infrastructure services activity is seasonal in many of Centuri's operating areas. Peak periods are the summer and fall months in colder climate areas, such as the northeastern and midwestern U.S. and in Canada. In warmer climate areas, such as the southwestern and southeastern U.S., utility infrastructure services activity continues year round.

Basis of Presentation. The Company follows U.S. GAAP in accounting for all of its businesses. Unless specified otherwise, all amounts are in U.S. dollars. Accounting for regulated operations conforms with U.S. GAAP as applied to rate-regulated companies and as prescribed by federal agencies and commissions of the various states in which the rate-regulated companies operate. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the

date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Management identified misstatements in historical periods at Southwest Gas related to Net cost of gas sold, which was overstated in 2021, 2022, and 2023 by \$3.5 million, \$8.3 million, and \$3.6 million, respectively. It also determined that Regulated operations revenue was overstated during these years by \$0.2 million, \$4.3 million, and \$5.3 million, respectively. Corrections were made as out-of-period adjustments with a net impact of \$8 million in 2023 and \$2.6 million in 2024.

In addition, the Company determined the loss upon reclassifying MountainWest as an asset held for sale was understated by approximately \$21 million during the year ended December 31, 2022, and corrected this item in the first quarter of 2023.

The Company (and Southwest Gas, as relevant) assessed, both quantitatively and qualitatively, the impact of these items on previously issued financial statements in concluding that they were not material to any earlier period or to the period of correction.

Consolidation. The accompanying financial statements (as of and for the periods presented) are presented on a consolidated basis for the Company and Southwest Gas (except those accounted for using the equity method as discussed below). All significant intercompany balances and transactions have been eliminated with the exception of transactions between Southwest Gas and Centuri in accordance with accounting treatment for rate-regulated entities.

Centuri, through its subsidiaries, holds a 50% interest in WSN, a Canadian infrastructure services company that is a variable interest entity. Centuri determined that it is not the primary beneficiary of the entity due to a shared-power structure; therefore, Centuri does not consolidate the entity and has recorded its investment, and results related thereto, using the equity method. The investment in WSN, related earnings, and dividends received from WSN in 2024 and 2023 were not significant. Centuri's maximum exposure to loss as a result of its involvement with WSN was estimated at \$10.9 million as of December 31, 2024.

Fair Value Measurements. Certain assets and liabilities are reported at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

U.S. GAAP states that a fair value measurement should be based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy that ranks the inputs used to measure fair value by their reliability. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to fair values derived from unobservable inputs (Level 3 measurements). Financial assets and liabilities are categorized in their entirety based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that a company has the ability to access at the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for similar assets or liabilities, either directly or indirectly.

Level 3 – unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The Company primarily used quoted market prices and other observable market pricing information (exclusive of any purchase accounting adjustments) in valuing cash and cash equivalents, long-term debt outstanding, and assets of the qualified pension plan and the postretirement benefits other than pensions required to be recorded and/or disclosed at fair value. The Company uses prices and inputs that are current as of the measurement date, and recognizes transfers between levels at either the actual date of an event or a change in circumstance that caused the transfer.

Net Regulated Operations Plant. Net regulated operations plant includes gas plant at original cost, less the accumulated provision for depreciation and amortization, plus any unamortized balance of acquisition adjustments. Original cost generally includes contracted services, material, payroll, and related costs such as taxes and certain benefits, general and administrative expenses applicable to construction efforts, and an allowance for funds used during construction, less contributions in aid of construction. Aligned with regulatory treatment, when plant is retired, the cost of such plant, net of any salvage value, is charged to accumulated depreciation. See also *Depreciation and Amortization* below.

Other Property and Investments. Other property and investments on Southwest Gas' and the Company's Consolidated Balance Sheets includes:

(Thousands of dollars)	December 31,	
	2024	2023
Net cash surrender value of COLI policies	\$ 155,199	\$ 146,546
Other property	4,479	6,112
Total Southwest Gas Corporation	159,678	152,658
Non-regulated property, equipment, and intangibles	1,730,712	1,752,094
Non-regulated accumulated provision for depreciation and amortization	(740,569)	(675,632)
Other property and investments	41,327	37,220
Total Southwest Gas Holdings, Inc.	<u>\$ 1,191,148</u>	<u>\$ 1,266,340</u>

Included in the table above are the net cash surrender values of COLI policies. These life insurance policies on members of management and other key employees are used by Southwest Gas to indemnify itself against the loss of talent, expertise, and knowledge, as well as to provide indirect funding for certain nonqualified benefit plans. The term non-regulated in regard to assets and related balances in the table above is in reference to the non-rate regulated operations of Centuri.

Intangible Assets. Intangible assets (other than goodwill) are amortized using the straight-line method to reflect the pattern of economic benefits consumed over the estimated periods benefited. The recoverability of intangible assets is evaluated when events or circumstances indicate that a revision of estimated useful lives is warranted or that an intangible asset may be impaired. These intangible assets are included in Other property and investments on the Company's Consolidated Balance Sheets. Centuri's intangible assets (other than goodwill) have finite lives and are associated with businesses previously acquired. The balances at December 31, 2024 and 2023, respectively, were as follows:

(Thousands of dollars)	December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	\$ 389,918	\$ (105,218)	\$ 284,700
Trade names and trademarks	78,955	(22,754)	56,201
Total	<u>\$ 468,873</u>	<u>\$ (127,972)</u>	<u>\$ 340,901</u>

(Thousands of dollars)	December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	\$ 392,512	\$ (85,212)	\$ 307,300
Trade names and trademarks	79,408	(17,660)	61,748
Total	<u>\$ 471,920</u>	<u>\$ (102,872)</u>	<u>\$ 369,048</u>

Collective amortization expense for these acquired intangible assets for the years ended December 31, 2024, 2023, and 2022 was \$26.6 million, \$26.7 million, and \$29.8 million, respectively. The weighted-average amortization periods for customer relationships and trade names and trademarks are 19 years and 15 years, respectively.

The estimated future amortization of the above intangible assets for the next five years and thereafter is as follows:

(Thousands of dollars)	
2025	\$ 26,566
2026	26,349
2027	25,994
2028	25,678
2029	25,678
Thereafter	210,636
Total	<u>\$ 340,901</u>

See **Note 2 - Regulated Operations Plant and Leases** for additional information regarding natural gas distribution intangible assets.

Cash and Cash Equivalents. For purposes of reporting consolidated cash flows, cash and cash equivalents include cash on hand, money market funds, and financial instruments with original maturities of three months or less. Such investments are carried at cost, which approximates fair value. Cash and cash equivalents of the Company include \$64.3 million and

\$48.9 million of money market fund investments at December 31, 2024 and 2023, respectively. Of these amounts, \$48.8 million and \$38.6 million at December 31, 2024 and 2023, respectively, were held by Southwest Gas. The money market fund investments were acquired and are generally redeemable at their net asset value.

Noncash investing activities for the Company and Southwest Gas include capital expenditures that were not yet paid as of year end, thereby remaining in accounts payable, the amounts related to which decreased by approximately \$8.7 million and \$6.1 million, for the Company and Southwest Gas, respectively during the year ended December 31, 2024; decreased \$17.1 million and \$20.9 million, for the Company and Southwest Gas, respectively, during the year ended December 31, 2023; and, increased \$23.4 million and \$19.7 million, for the Company and Southwest Gas, respectively, during the year ended December 31, 2022. Additionally for Southwest Gas, noncash investing activities include customer advances applied as contributions toward utility construction activity, and such amounts were not significant for the periods presented herein. Also, see **Note 2 - Regulated Operations Plant and Leases** for information related to ROU assets obtained in exchange for lease liabilities, which are noncash investing and financing activities. ROU assets and lease liabilities are also subject to noncash impacts as a result of other factors, such as lease terminations and modifications.

The Company and Southwest Gas expanded their presentation in 2024 to show the Change in short-term portion of credit facility and Repayment of short-term debt as separate line items within their Consolidated Statements of Cash Flows. The comparable prior-year periods have been updated to reflect this change.

Income Taxes. The asset and liability method of accounting is utilized for the recognition of income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are anticipated to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. For regulatory and financial reporting purposes, ITCs related to gas utility operations are deferred and amortized over the life of related fixed assets. As of December 31, 2024, the Company had cumulative book earnings of approximately \$106 million in its foreign jurisdiction. Management previously asserted and continues to assert that all the earnings of Centuri's Canadian subsidiaries will be permanently reinvested in Canada. As a result, no U.S. deferred income taxes have been recorded related to cumulative foreign earnings.

The FASB issued guidance to allow an accounting policy election of either (i) treating taxes attributable to future taxable income related to GILTI as a current period expense when incurred or (ii) recognizing deferred taxes for temporary differences expected to reverse as GILTI in future years. The Company elected to treat GILTI as a current period cost when incurred and has considered the estimated 2024 GILTI impact on its 2024 tax expense, which was immaterial.

Deferred Purchased Gas Costs. The various regulatory commissions have established procedures to enable Southwest Gas to adjust billing rates for changes in the cost of natural gas purchased. The difference between the current cost of gas purchased and the cost of gas recovered in billed rates is deferred. Generally, these deferred amounts are recovered or refunded within one year.

Prepaid and other current assets. Prepaid and other current assets for Southwest Gas and the Company include, among other things, gas pipe materials and operating supplies of \$77.8 million and \$83.4 million as of December 31, 2024 and 2023, respectively (carried at weighted average cost).

Held for sale. The Company and Southwest Gas recognize, when applicable, the assets and liabilities of a disposal group as held for sale in the period (i) it has approved and committed to a plan to sell the disposal group, (ii) the disposal group is available for immediate sale in its present condition, (iii) an active program to locate a buyer and other actions to sell the disposal group have been initiated, (iv) it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. The Company and Southwest Gas initially measure a disposal group that is classified as held for sale at the lower of its carrying value or fair value less any costs to sell. Any loss resulting from this measurement is recognized in the period in which the held for sale criteria are met. Conversely, gains are not recognized on the sale of a disposal group until closing. Upon designation as held for sale, the Company and Southwest Gas stop recording depreciation expense and assess the fair value of the disposal group less any costs to sell at each reporting period, until it is no longer classified as held for sale.

In the first quarter of 2023, the Company and Southwest Gas concluded certain assets associated with their previous corporate headquarters met the criteria to be classified as held for sale. As a result, the Company and Southwest Gas reclassified approximately \$27 million from Other property and investments to Current assets held for sale on their respective Consolidated Balance Sheets in the first quarter of 2023. Also in 2023, the Company and Southwest Gas recorded an estimated loss of \$5.2 million on the assets based upon an updated fair value less costs to sell, which was recorded in Other income (deductions). The sale was completed in January 2024.

Goodwill. As required by U.S. GAAP, goodwill is assessed for impairment annually, or more frequently, if circumstances indicate impairment to the carrying value of goodwill may have occurred. The goodwill impairment analysis was conducted as of October 1st using a qualitative assessment, as permitted by U.S. GAAP. Management of the Company and Southwest Gas considered its reporting units and segments, determining that they remained consistent between periods presented below, and that no change was necessary with regard to the level at which goodwill is assessed for impairment. The Company and Southwest Gas determined that it is not more likely than not that the fair values of the Centuri and Southwest Gas reporting units were less than their carrying amounts in either 2024 or 2023, and therefore, no impairment was recorded in either year in regard to these entities.

In regard to MountainWest, a loss was recognized, primarily as a goodwill impairment of \$449.6 million in the fourth quarter of 2022. As noted above, an additional \$21 million loss was recorded in the first quarter of 2023.

Goodwill in the Natural Gas Distribution and Utility Infrastructure Services segments is included in their respective Consolidated Balance Sheets as follows:

(Thousands of dollars)	Natural Gas Distribution	Utility Infrastructure Services	Total Company
Balance, December 31, 2022	\$ 11,155	\$ 776,095	\$ 787,250
Foreign currency translation adjustment	—	2,479	2,479
Balance, December 31, 2023	11,155	778,574	\$ 789,729
Foreign currency translation adjustment	—	(8,528)	(8,528)
Balance, December 31, 2024	<u>\$ 11,155</u>	<u>\$ 770,046</u>	<u>\$ 781,201</u>

Noncontrolling Interest. In connection with the Centuri IPO, the Company recorded a noncontrolling interest as part of equity in the Consolidated Balance Sheet (associated with the interests held by the new investors in Centuri), and recognized the excess of the fair value of the Centuri IPO proceeds over the carrying value of the noncontrolling interest, in addition to a portion of AOCI relevant to the proportional interest of the noncontrolling parties in Centuri, within Additional paid-in capital. The Consolidated Statements of Income include multiple components of comprehensive income attributable to noncontrolling interests following the Centuri IPO. These amounts, including those distinguishable from net income attributed to these parties, are separately presented in the Consolidated Statements of Equity. Refer also to **Note 15 - Dispositions**.

Other Current Liabilities. Management recognizes in its balance sheets various liabilities that are expected to be settled through future cash payments within the next twelve months, including certain regulatory mechanisms (refer to **Note 5 - Regulatory Assets and Liabilities**), customary accrued expenses for employee compensation and benefits, declared but unpaid dividends, and miscellaneous other accrued liabilities. Other current liabilities for the Company include \$44.5 million and \$44.4 million of dividends declared as of December 31, 2024 and 2023, respectively. Also included in the balance for the Company and Southwest Gas was \$13.3 million and \$87.6 million in accrued purchased gas costs as of December 31, 2024 and 2023, respectively. See also *Deferred Purchased Gas Costs* above.

Accumulated Removal Costs. Approved regulatory practices allow Southwest Gas to include in depreciation expense a component intended to recover removal costs associated with regulated operations plant retirements. In accordance with the SEC position on presentation of these amounts, management reclassifies estimated removal costs from Accumulated depreciation to Accumulated removal costs within the liabilities section of the Consolidated Balance Sheets. Management regularly updates the estimated accumulated removal costs as amounts fluctuate between periods depending on the level of replacement work performed (and actual cost experience) compared to the estimated cost of removal in rates.

Revenue. See **Note 3 - Revenue** for information related to revenue recognition for Southwest Gas and Centuri.

Intercompany Transactions. Centuri recognizes revenues generated from contracts with Southwest Gas (see **Note 13 - Segment Information**). The accounts receivable balance, revenues, and associated profits are included in the consolidated financial statements of the Company and Southwest Gas, and are not eliminated during consolidation in accordance with accounting treatment for rate-regulated entities.

Utility Infrastructure Services Expenses. Centuri's utility infrastructure services expenses in the Consolidated Statements of Income includes payroll expenses, office and equipment rental costs, subcontractor expenses, training, job-related materials, gains and losses on equipment sales, and professional fees.

Net Cost of Gas Sold. Components of net cost of gas sold include natural gas commodity costs (fixed-price and variable-rate), pipeline capacity/transportation costs, and any actual settled costs of natural gas derivative instruments, where relevant. Also included are the net impacts of PGA deferrals and recoveries, which by their inclusion, result in net cost of gas sold overall that is comparable to amounts included in billed gas operating revenues. Differences between amounts incurred with suppliers,

transmission pipelines, etc. and amounts already included in customer rates, are temporarily deferred in PGA accounts pending inclusion in customer rates.

Operations and Maintenance Expense. Operations and maintenance expense includes Southwest Gas' operating and maintenance costs associated with serving utility customers and maintaining its distribution and transmission systems, uncollectible customer accounts expense, administrative and general salaries and expense, and employee benefits expense excluding relevant non-service cost components (that have been reclassified to Other income (deductions) due to requirements in U.S. GAAP), as well as legal expense (including injuries and damages), professional and other external contracted services, and other business expenses.

Depreciation and Amortization. Regulated operations plant depreciation is computed on the straight-line remaining life method at composite rates considered sufficient to amortize costs over estimated service lives, including components which compensate for removal costs (net of salvage value), and retirements, as approved by the appropriate regulatory agency. When plant is retired from service, the original cost of plant, including cost of removal, less salvage, is charged to the accumulated provision for depreciation. See also discussion regarding *Accumulated Removal Costs* above. Other regulatory assets, including acquisition adjustments, are amortized when appropriate, over time periods authorized by regulators. Non-regulated operations, including utility infrastructure services-related property and equipment, are depreciated on a straight-line method based on the estimated useful lives of the related assets. Costs and gains related to refunding regulated operations debt and debt issuance expenses are deferred and amortized over the weighted-average lives of the new issues and become a component of interest expense.

AFUDC. AFUDC represents the cost of both debt and equity funds used to finance regulated operations plant construction. AFUDC is capitalized as part of the cost of regulated operations plant. The debt portion of AFUDC is reported in the Company's and Southwest Gas' Consolidated Statements of Income as an offset to Net interest deductions and the equity portion is reported as Other income. Regulated operations plant construction costs, including AFUDC, are recoverable as part of authorized rates through depreciation when completed projects are placed into operation, and general rate relief is requested and granted. AFUDC, disaggregated by type, included in the Company's and Southwest Gas' Consolidated Statements of Income are presented in the table below:

(Thousands of dollars)	2024	2023	2022
AFUDC:			
Debt portion	\$ 3,126	\$ 6,851	\$ 3,535
Equity portion	6,597	1,869	—
AFUDC capitalized as part of regulated operations plant	<u>\$ 9,723</u>	<u>\$ 8,720</u>	<u>\$ 3,535</u>
AFUDC rate	<u>6.76 %</u>	<u>6.30 %</u>	<u>2.64 %</u>

AFUDC related to MountainWest was not significant in 2023 or 2022 and is not reflected in the table above. Debt and equity AFUDC at Southwest Gas were impacted in 2023 and 2022 by the amount of short-term debt outstanding based on the regulatory formula for each component.

Other Income (Deductions). The following table provides the composition of significant items included in Other income (deductions) on the Consolidated Statements of Income:

(Thousands of dollars)	2024	2023	2022
Southwest Gas Corporation:			
Change in COLI policies	\$ 8,400	\$ 10,100	\$ (5,400)
Interest income	33,581	50,757	16,183
Equity AFUDC	6,597	1,869	—
Non-service components of net periodic benefit cost	16,523	20,387	(751)
Miscellaneous expense	(10,825)	(12,452)	(16,916)
Southwest Gas Corporation – total other income (deductions)	<u>54,276</u>	<u>70,661</u>	<u>(6,884)</u>
Centuri, MountainWest, and Southwest Gas Holdings, Inc.:			
Foreign transaction gain (loss)	(51)	(517)	977
Equity AFUDC	—	82	465
Equity in earnings of unconsolidated investments	189	868	2,629
Miscellaneous income and (expense)	238	60	(3,113)
Corporate and administrative	(84)	151	(263)
Southwest Gas Holdings, Inc. - total other income (deductions)	<u>\$ 54,568</u>	<u>\$ 71,305</u>	<u>\$ (6,189)</u>

Included in the table above is the change in COLI policies (including net death benefits recognized, where relevant). Current tax regulations provide for tax-free treatment of life insurance (death benefit) proceeds. Therefore, changes in the cash surrender value components of COLI policies, as they progress towards the ultimate death benefits, are also recorded without tax consequences.

Interest income primarily relates to Southwest Gas' regulatory asset balances, including its deferred purchased gas cost mechanisms, the combined balance of which ranged from an asset balance of \$553 million as of December 31, 2023 to a net liability balance of \$228 million as of December 31, 2024. Interest income is earned on asset balances and interest expense is incurred on liability balances. In regard to net periodic benefit cost, refer to **Note 11 - Pension and Other Postretirement Benefits**. Miscellaneous expense for Southwest Gas includes a variety of items, not limited to, but including where applicable, reserves for uncompleted software projects and the reduction in value of Southwest Gas' previous corporate campus property (discussed above).

Derivatives. In managing its natural gas supply portfolios, Southwest Gas has historically entered into fixed- and variable-price contracts, which qualify as derivatives. The fixed-price contracts, firm commitments to purchase a fixed amount of gas in the future at a fixed price, qualify for the normal purchases and normal sales exception that is allowed for contracts that are probable of delivery in the normal course of business, and are exempt from fair value reporting. The variable-price contracts qualify as derivative instruments; however, because the contract price is the prevailing price at the future transaction date, no fair value adjustment is required. Southwest Gas does not utilize derivative financial instruments for speculative purposes, nor does it have trading operations.

Foreign Currency Translation and Transactions. Foreign currency-denominated assets and liabilities of consolidated subsidiaries are translated into U.S. dollars at exchange rates existing at the respective balance sheet dates. Translation adjustments resulting from fluctuations in exchange rates are recorded as a separate component of Other comprehensive income and accumulations thereof within stockholders' equity. Results of operations of foreign subsidiaries are translated using the monthly weighted-average exchange rates during the respective periods. Gains and losses resulting from foreign currency transactions are included in Other income and (expenses) of the Company. Gains and losses resulting from intercompany foreign currency transactions that are of a long-term investment nature are reported in Other comprehensive income, if applicable.

EPS. Basic EPS in each period of this report were calculated by dividing net income (loss) attributable to the Company by the weighted-average number of shares during those periods. Diluted EPS includes additional weighted-average common stock

equivalents (performance share units and restricted stock units), if dilutive. Unless otherwise noted, the term EPS refers to Basic EPS. A reconciliation of the denominator used in Basic and Diluted EPS calculations is shown in the following table:

(In thousands)	2024	2023	2022
Weighted average basic shares	71,841	70,787	65,558
Effect of dilutive securities:			
Restricted stock units (1)(2)	191	203	—
Weighted average diluted shares	<u>72,032</u>	<u>70,990</u>	<u>65,558</u>

(1) The number of anti-dilutive restricted stock units for 2022 excluded from the calculation of diluted shares is 157,000.

(2) The number of securities granted for 2024, 2023, and 2022 includes 158,000, 173,000, and 144,000 performance stock units, respectively, the total of which was derived by assuming that target performance will be achieved during the relevant performance period.

Recent Accounting Standards Updates.

Recently issued accounting pronouncement adopted in 2024:

In November 2023, the FASB issued ASU 2023-07 “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures.” The update, among other amendments, requires disclosure of significant segment expenses that are regularly provided to the CODM and included within each reported measure of segment profit or loss, an amount and description of the composition of other segment items to reconcile to segment profit or loss, and the title and position of the entity’s CODM. The Company and Southwest Gas adopted this update in the fourth quarter of 2024, the impact of which is reflected in **Note 13 - Segment Information**, with no impact on results of operations, cash flows, or financial condition of the Company or Southwest Gas.

Recently issued accounting pronouncements that will be effective in 2025 and thereafter:

In December 2023, the FASB issued ASU 2023-09 “Income Taxes (Topic 740): Improvements to Income Tax Disclosures.” The update, among other amendments, provides for enhanced income tax information primarily through changes in the rate reconciliation and income taxes paid information. The update is effective for annual periods beginning after December 15, 2024; early adoption is permitted. Management is evaluating the impacts this update might have on the Company’s and Southwest Gas’ disclosures.

In November 2024, the FASB issued ASU 2024-03 “Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses.” The update requires disclosure of disaggregated information about certain income statement expense line items in the notes to the financial statements. The update is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027; early adoption is permitted. The update should be applied prospectively; however, retrospective application is also permitted. Management is evaluating the impacts this update might have on the Company’s and Southwest Gas’ disclosures.

Subsequent Events. Management monitors events occurring after the balance sheet date and prior to the issuance of the financial statements to determine the impacts, if any, of events on the financial statements to be issued or disclosures to be made, and has reflected them where appropriate.

Note 2 - Regulated Operations Plant and Leases*Net Regulated Operations Plant*

Major classes of regulated operations plant and their respective balances as of December 31, 2024 and 2023 were as follows:

(Thousands of dollars)	December 31,	
	2024	2023
Gas plant:		
Storage	\$ 121,817	\$ 104,527
Transmission	447,719	402,591
Distribution	9,343,955	8,684,949
General	587,423	539,188
Software and software-related intangibles	328,769	393,444
Other	15,212	15,663
	10,844,895	10,140,362
Less: accumulated depreciation and amortization	(2,914,457)	(2,822,669)
Construction work in progress	178,647	200,549
Net regulated operations plant	<u>\$ 8,109,085</u>	<u>\$ 7,518,242</u>

Regulated operations plant depreciation is computed on the straight-line remaining life method at composite rates considered sufficient to amortize costs over estimated service lives, including components which are intended to compensate for removal costs (net of salvage value), and retirements, based on the processes of regulatory proceedings and related regulatory commission approvals and/or mandates. In 2024 and 2023, annual regulated operations depreciation and amortization expense in regard to Southwest Gas averaged 2.6% of the original cost of depreciable and amortizable property, and 2.7% in 2022. Transmission and distribution plant are associated with the core natural gas delivery infrastructure, and combined, constitute the majority of gas plant. Annual regulated operations depreciation expense for Southwest Gas averaged approximately 2.2% of the original cost of depreciable transmission and distribution plant during the period 2022 through 2024. The decrease in Software and software-related intangibles was due to the removal of fully amortized software that is no longer in use.

Depreciation and amortization expense on gas plant, including intangibles, was as follows:

(Thousands of dollars)	2024	2023	2022
Depreciation and amortization expense	\$ 274,556	\$ 256,847	\$ 243,857

Included in the figures above is amortization of regulated operations intangibles of \$19.3 million, \$20.5 million, and \$21 million for the years ended December 31, 2024, 2023, and 2022, respectively. The amounts above exclude regulatory asset and liability amortization.

Leases

Determinations are made as to whether an arrangement is a lease at inception. ROU assets represent the right to use an underlying asset for the lease term; lease liabilities represent obligations to make lease payments arising from the lease. Operating lease ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. When leases do not provide an implicit interest rate, an incremental borrowing rate based on information available at commencement is used in determining the present value of lease payments; an implicit rate, if readily determinable, is used. Lease terms utilized in the computations may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. When lease agreements include non-lease components, they are included with the lease component and accounted for as a single component, for all asset classes. Southwest Gas has no significant operating, finance, or short-term leases.

Centuri has operating and finance leases for corporate and field offices, construction equipment, and transportation vehicles. Centuri is currently not a lessor in any significant lease arrangements. Centuri's leases have remaining lease terms of up to 14 years. Some of these include options to extend the leases, generally for optional terms of up to 5 years, and some include options to terminate the leases within 1 year. Centuri's equipment leases may include variable payment terms in addition to the fixed lease payments if machinery is used in excess of the standard work periods. These variable payments are not probable of occurring under the current operating environment and have not been included in consideration of lease payments. Short-term leases were not recorded on the balance sheet under the provisions of U.S. GAAP, as permitted. Due to the seasonality of Centuri's business, expense for short-term leases will fluctuate throughout the year with higher expense incurred during the warmer months. Executed lease agreements that had not yet commenced were insignificant as of December 31, 2024.

The components of lease expense for Centuri were as follows:

(Thousands of dollars)	2024	2023	2022
Operating lease cost	\$ 26,565	\$ 22,162	\$ 17,881
Finance lease cost:			
Amortization of ROU assets	7,831	7,780	7,702
Interest on lease liabilities	1,312	1,680	1,520
Total finance lease cost	9,143	9,460	9,222
Short-term lease cost	103,465	122,333	120,339
Total lease cost	\$ 139,173	\$ 153,955	\$ 147,442

Supplemental cash flow information related to Centuri leases for the years ended December 31, 2024, 2023, and 2022 was as follows:

(Thousands of dollars)	2024	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	\$ 26,451	\$ 21,908	\$ 16,725
Operating cash flows from finance leases	1,312	1,680	1,520
Financing cash flows from finance leases	11,293	12,113	11,985
ROU assets obtained in exchange for lease obligations:			
Operating leases	\$ 9,345	\$ 50,173	\$ 22,653
Finance leases	124	1,625	28,861

Supplemental information related to Centuri leases, including location in the Consolidated Balance Sheets, is as follows:

(Thousands of dollars)	December 31,	
	2024	2023
Operating leases:		
Other property and investments	\$ 104,139	\$ 118,448
Other current liabilities	\$ 18,695	\$ 19,363
Other deferred credits and other long-term liabilities	91,739	105,215
Total operating lease liabilities	\$ 110,434	\$ 124,578
Finance leases:		
Other property and investments	\$ 33,790	\$ 43,525
Other current liabilities	\$ 9,331	\$ 11,370
Other deferred credits and other long-term liabilities	15,009	24,334
Total finance lease liabilities	\$ 24,340	\$ 35,704
Weighted average remaining lease term (in years)		
Operating leases	6.72	7.45
Finance leases	2.99	3.64
Weighted average discount rate		
Operating leases	5.05 %	4.88 %
Finance leases	4.27 %	4.02 %

The following is a schedule of maturities of Centuri lease liabilities as of December 31, 2024:

(Thousands of dollars)	Operating Leases	Finance Leases
2025	\$ 23,723	\$ 10,237
2026	21,269	7,623
2027	19,366	5,765
2028	16,894	1,775
2029	14,202	518
Thereafter	34,478	227
Total lease payments	129,932	26,145
Less imputed interest	19,498	1,805
Total	\$ 110,434	\$ 24,340

Note 3 - Revenue

The following information about the Company's revenues is presented by segment. Southwest Gas encompasses the natural gas distribution segment and Centuri encompasses the utility infrastructure services segment.

Natural Gas Distribution Segment:

Southwest Gas recognizes revenue when it satisfies its performance by transferring gas to the customer. Revenues also include the net impacts of margin tracker/decoupling accruals based on criteria in U.S. GAAP for rate-regulated entities associated with alternative revenue programs. Revenues from customer arrangements and from alternative revenue programs are described below.

Southwest Gas acts as an agent for state and local taxing authorities in the collection and remittance of a variety of taxes, including sales and use taxes and surcharges. These taxes are not included in Regulated operations revenues. Management uses the net classification method to report taxes collected from customers to be remitted to governmental authorities.

Southwest Gas generally offers two types of services to its customers: tariff sales and transportation-only service. Tariff sales encompass sales to many types of customers (primarily residential) under various rate schedules, subject to cost-of-service ratemaking, which is based on the rate-regulation of state commissions and the FERC. Southwest Gas provides both the commodity and the related distribution service to nearly all of its approximate 2.3 million customers, and only several hundred customers (who are eligible to secure their own gas) subscribe to transportation-only service. Natural gas is delivered and consumed by the customer simultaneously. The provision of service is represented by the turn of the meter dial and is the primary representation of the satisfaction of performance obligations of Southwest Gas. The amount billable via regulated rates (both volumetric and fixed monthly rates as part of rate design) corresponds to the value to the customer, and management believes that the amount billable (amount Southwest Gas has the right to invoice) is appropriate to utilize for purposes of recognizing revenue. Estimated amounts remaining unbilled since the last meter read date are restricted from being billed due only to the passage of time and therefore are also recognized for service provided through the balance sheet date. While natural gas service is typically recurring, there is generally not a contract term for utility service. Therefore, the contract term is not generally viewed to extend beyond the service provided to date, and customers can generally terminate service at will.

Transportation-only service is also governed by tariff rate provisions. Transportation-only service is generally only available to very large customers under requirements of Southwest Gas' various tariffs. With this service, customers secure their own gas supply and Southwest Gas provides transportation services to move the customer-supplied gas to the intended location. Southwest Gas concluded that transportation/transmission service is suitable to an "over time" recognition model. Rate structures under Southwest Gas' regulation for transportation customers include a combination of volumetric charges and monthly "fixed" charges (including charges commonly referred to as capacity charges, demand charges, or reservation charges) as part of the rate design of regulated jurisdictions. These types of fixed charges represent a separate performance obligation associated with standing ready over the period of the month to deliver quantities of gas, regardless of whether the customer takes delivery of any quantity of gas. The performance obligations under these circumstances are satisfied over the course of the month under an output measure of progress based on time, which correlates to the period for which the charges are eligible to be invoiced.

Under its regulation, Southwest Gas enters into negotiated rate contracts for those customers located in proximity to another pipeline, which pose a threat of bypassing its distribution system. Southwest Gas may also enter into similar contracts for customers otherwise able to satisfy their energy needs by means of alternative fuel to natural gas. Less than two dozen customers are party to contracts with rate components subject to negotiation. Many rate provisions and terms of service for these less common types of contracts are also subject to regulatory oversight and tariff provisions. The performance obligations for these customers are satisfied similarly to those for other customers by means of transporting/delivering natural gas to the

customer. Many or most of the rate components, and structures, for these types of customers are the same as those for similar customers without negotiated rate components; and the negotiated rates are within the parameters of the tariff guidelines. Furthermore, while some of these contracts include contract periods extending over time, including multiple years, as amounts billable under the contract are based on rates in effect for the customer for service provided to date, no significant financing component is deemed to exist.

As indicated above, revenues also include the net impacts of margin tracker/decoupling accruals. All of Southwest Gas' service territories have decoupled rate structures (also referred to as alternative revenue programs) that are designed to eliminate the direct link between volumetric sales and revenue, thereby mitigating the impacts of unusual weather variability and conservation on margin. The primary alternative revenue programs involve permissible adjustments for differences between stated tariff benchmarks and amounts billed through revenue from contracts with customers via existing rates. Such adjustments are recognized monthly in revenue and in the associated regulatory asset/liability accounts in advance of rate adjustments intended to collect or return amounts recognized. Revenues recognized for the adjustment to the benchmarks noted are required to be presented separately from revenues from contracts with customers, and as such, are provided below and identified as related to alternative revenue programs (which excludes recoveries from customers).

Southwest Gas' operating revenues included on the Consolidated Statements of Income of both the Company and Southwest Gas include revenue from contracts with customers, which is shown below disaggregated by customer type, in addition to other categories of revenue:

(Thousands of dollars)	December 31,		
	2024	2023	2022
Residential	\$ 1,654,685	\$ 1,725,223	\$ 1,324,794
Small commercial	493,709	513,366	378,520
Large commercial	111,350	117,973	85,234
Industrial/other	62,997	75,219	50,894
Transportation	115,782	104,298	100,642
Revenue from contracts with customers	2,438,523	2,536,079	1,940,084
Alternative revenue program revenues (deferrals)	23,055	(52,365)	(18,478)
Other revenues (a)	13,638	15,850	13,463
Total Regulated operations revenues	\$ 2,475,216	\$ 2,499,564	\$ 1,935,069

(a) Amounts include late fees and other miscellaneous revenues, and may also include the impact of certain regulatory mechanisms.

Utility Infrastructure Services Segment:

During 2023 and 2024, Utility infrastructure services segment management, in connection with Centuri's planned separation, changed its service type revenue classification to align with changes in its organization structure, and as a result, prior year "other" revenue has been recast into gas infrastructure services or electric power infrastructure services to reflect these changes, with no impact to revenue overall. The majority of Centuri contracts are performed under unit-price contracts. Generally, these contracts state prices per unit of installation. Typical installations are accomplished in a few weeks or less. Revenues are recorded as installations are completed. Revenues are recorded for long-term fixed-price contracts in a pattern that reflects the transfer of control of promised goods and services to the customer over time. The amount of revenue recognized on fixed-price contracts is based on costs expended to date relative to anticipated final contract costs (a method of recognition based on inputs). Some unit-price contracts contain caps that if encroached, trigger revenue and loss recognition similar to a fixed-price contract model.

Centuri is required to collect taxes imposed by various governmental agencies on the work performed for its customers. These taxes are not included in Utility infrastructure services revenues. Management uses the net classification method to report taxes collected from customers to be remitted to governmental authorities.

Centuri derives revenue from the installation, replacement, repair, maintenance of energy distribution systems, and in developing industrial construction solutions. Centuri has operations in the U.S. and Canada. The majority of Centuri's revenues are related to contracts for natural gas pipeline replacement and installation work for natural gas utilities, and electric power infrastructure installation, upgrade, and maintenance, as well as emergency restoration to repair above-ground infrastructure damaged by inclement weather. In addition, Centuri performs certain industrial construction activities for various customers and industries. Centuri has two types of agreements with its customers: MSAs and bid contracts. Most of Centuri's customers supply many of their own materials in order for Centuri to complete its work under the contracts.

An MSA identifies most of the terms describing each party's rights and obligations that will govern future work authorizations. An MSA is often effective for multiple years. A work authorization is issued by the customer to describe the location, timing,

and any additional information necessary to complete the work for the customer. The combination of the MSA and the work authorization determines when a contract exists and revenue recognition may begin. Each work authorization is generally a single performance obligation as Centuri is performing a significant integration service.

A bid contract is typically a one-time agreement for a specific project that has all necessary terms defining each party's rights and obligations. Each bid contract is evaluated for revenue recognition individually. Control of assets created under bid contracts generally passes to the customer over time. Bid contracts often have a single performance obligation as Centuri is providing a significant integration service.

Centuri's MSA and bid contracts are characterized as either fixed-price contracts or unit-price contracts for revenue recognition purposes. The cost-to-cost input method is used to measure progress towards the satisfaction of a performance obligation for fixed-price contracts. Input methods result in the recognition of revenue based on the entity's expended effort toward satisfaction of the performance obligation relative to the total expected effort to satisfy the performance obligation. For unit-price contracts, an output method is used to measure progress towards satisfaction of a performance obligation. Also, with regard to unit-price contracts, the output measurement will be the completion of each unit that is required under the contract.

Actual revenues and project costs can vary, sometimes substantially, from previous estimates due to changes in a variety of factors, including unforeseen circumstances. These factors, along with other risks inherent in performing fixed-price contracts may cause actual revenues and gross profit for a project to differ from previous estimates, and could result in reduced profitability or losses on projects. Changes in these factors may result in revisions to costs and earnings, the impacts for which are recognized in the period in which the changes are identified. Once identified, these types of conditions continue to be evaluated for each project throughout the project term and ongoing revisions in management's estimates of contract value, contract cost, and contract profit are recognized as necessary in the period determined.

Centuri categorizes work performed under MSAs and bid contracts into two primary service types: gas construction and electrical construction. Gas construction includes work involving previously existing gas pipelines and the installation of new pipelines or service lines. Electrical construction includes work involving installation and maintenance of transmission and distribution lines and storm restoration services.

Contracts can have compensation/consideration that is variable. For MSAs, variable consideration is evaluated at the customer level as the terms creating variability in pricing are included within the MSA and are not specific to a work authorization. For multi-year MSAs, variable consideration components are typically determined for each year of the contract and not for the full contract term. For bid contracts, variable consideration is evaluated at the individual contract level. The expected value method or most likely amount method is used based on the nature of the variable consideration. Types of variable consideration include liquidated damages, delay penalties, performance incentives, safety bonuses, payment discounts, and volume rebates. Centuri will typically estimate variable consideration and adjust financial information, as necessary.

Change orders involve the modification in scope, price, or both to the current contract, and are typically approved by both parties. Once approved, the change order is either treated as a separate contract or as part of the existing contract, as appropriate under the circumstances. When the scope is agreed upon in the change order but not the price, Centuri estimates the change to the transaction price.

The following tables display Centuri's revenue from contracts with customers disaggregated by service type and contract type:

(Thousands of dollars)	December 31,		
	2024	2023*	2022*
Service Types:			
Gas infrastructure services	\$ 1,458,451	\$ 1,592,243	\$ 1,664,977
Electric power infrastructure services	1,178,778	1,307,033	1,095,350
Total Utility infrastructure services revenues	<u>\$ 2,637,229</u>	<u>\$ 2,899,276</u>	<u>\$ 2,760,327</u>

*The years ended December 31, 2023 and 2022 were previously presented as: Gas infrastructure services of \$1,549,152 and \$1,630,911, respectively; Electric power infrastructure services of \$1,307,033 and \$1,095,350, respectively; and Other of \$43,091 and \$34,066, respectively.

(Thousands of dollars)	December 31,		
	2024	2023	2022
Contract Types:			
Master services agreement	\$ 2,121,144	\$ 2,388,688	\$ 2,342,220
Bid contract	516,085	510,588	418,107
Total Utility infrastructure services revenues	<u>\$ 2,637,229</u>	<u>\$ 2,899,276</u>	<u>\$ 2,760,327</u>
Unit-price contracts	\$ 1,508,683	\$ 1,570,356	\$ 1,608,131
Fixed-price contracts	539,528	673,605	498,039
Time and materials contracts	589,018	655,315	654,157
Total Utility infrastructure services revenues	<u>\$ 2,637,229</u>	<u>\$ 2,899,276</u>	<u>\$ 2,760,327</u>

The following table provides information about contracts receivable and revenue earned on contracts in progress in excess of billings (contract assets), both of which are included within Accounts receivable, net of allowances, as well as amounts billed in excess of revenue earned on contracts (contract liabilities) at Centuri, which are included in Other current liabilities as of December 31, 2024 and 2023 on the Company's Consolidated Balance Sheets:

(Thousands of dollars)	December 31,	
	2024	2023
Contracts receivable, net	\$ 281,441	\$ 347,454
Revenue earned on contracts in progress in excess of billings	238,169	269,808
Amounts billed in excess of revenue earned on contracts	24,975	43,694

The revenue earned on contracts in progress in excess of billings primarily relates to Centuri's rights to consideration for work completed but not billed and/or approved at the reporting date. These contract assets are transferred to contracts receivable when the rights become unconditional. These contract assets are recoverable from Centuri's customers based upon various measures of performance, including achievement of certain milestones, completion of specified units or completion of a contract. In addition, many of Centuri's time and materials arrangements are billed in arrears pursuant to contract terms that are standard within the industry, resulting in contract assets and/or unbilled receivables being recorded, as revenue is recognized in advance of billings. Due to the lag in billing, resulting from the aforementioned contractual provisions, there may be circumstances in which material changes to a customer's business, cash flows or financial condition, which may be impacted by negative economic or market conditions, could affect Centuri's ability to bill and subsequently collect amounts due. These changes may result in the need to record an estimated valuation allowance to state contract asset balances at their net realizable value.

Revenue earned on contracts in progress in excess of billings that are not expected to be recognized within a year from the financial statement date are not included in the table above, and were \$23.9 million as of December 31, 2024, and \$0.2 million as of December 31, 2023. These non-current balances were included in Deferred charges and other assets on the Company's Consolidated Balance Sheets.

On occasion, Centuri recognizes revenue related to contract claims, which arise when there is a dispute between Centuri and a customer regarding a change in the scope of work and associated price for work already performed. As of December 31, 2024, Centuri had recorded \$24.8 million in net recovery claims. Centuri records estimated claims as variable consideration based on the most likely amount it expects to receive, and to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty surrounding the variable consideration is resolved.

Contract assets (including both current and non-current) decreased \$8 million during 2024 due primarily to timing of billings.

The amounts billed in excess of revenue earned primarily relate to the advance consideration received from customers for which work has not yet been completed. The contract liability decreased from December 31, 2023 to December 31, 2024 by \$18.7 million due to approximately \$40 million of revenue recognized that was included in the balance as of December 31, 2023, net of additional payments received in advance of work completed.

For contracts that have an original duration of one year or less, Centuri uses the practical expedient applicable to such contracts and does not consider/compute an interest component based on the time value of money. Further, because of the short duration of these contracts, the Company has not disclosed the transaction price for the remaining performance obligations as of the end of each reporting period or when the Company expects to recognize the revenue.

As of December 31, 2024, Centuri has 49 contracts with an original duration of more than one year. The aggregate amount of the transaction price allocated to the unsatisfied performance obligations of these contracts as of December 31, 2024 was \$251.9 million. Centuri expects to recognize the remaining performance obligations over the next two years; however, the timing of that recognition is largely within the control of the customer, including when the necessary equipment and materials required to complete the work will be provided by the customer.

Utility infrastructure services contracts receivable consists of the following:

(Thousands of dollars)	December 31,	
	2024	2023
Billed on completed contracts and contracts in progress	\$ 281,416	\$ 348,021
Other receivables	2,727	1,945
Contracts receivable, gross	284,143	349,966
Allowance for doubtful accounts	(2,702)	(2,512)
Contracts receivable, net	\$ 281,441	\$ 347,454

In September 2024, Centuri entered into a three-year Securitization Facility for an aggregate amount of up to \$125 million with PNC, to enhance Centuri's financial flexibility by providing additional liquidity. Under the Securitization Facility, certain designated subsidiaries of Centuri have sold and/or contributed, and will continue to sell and/or contribute, their trade accounts receivable and contract assets generated in the ordinary course of business to an indirect wholly owned bankruptcy-remote SPE of Centuri created specifically for this purpose. The SPE is a variable interest entity, and Centuri is the primary beneficiary and therefore consolidates the SPE. The SPE transfers ownership and control of accounts receivable (but not contract assets) to PNC for payments as set forth in the receivables purchase agreement. Centuri and its related subsidiaries have no continuing involvement in the transferred accounts receivable, other than collection and administrative responsibilities, and, once sold, the accounts receivable are no longer available to satisfy Centuri's creditors or those of its related subsidiaries. Centuri has not recorded any servicing asset or liability related to this continuing involvement as Centuri has determined it is compensated adequately for its servicing role. Centuri accounts for accounts receivable sold to PNC as a sale of financial assets and has derecognized the accounts receivable from its consolidated balance sheet.

In addition, Centuri has agreed to guarantee the performance of the indirect wholly-owned subsidiaries of Centuri and itself as the servicer of their respective obligations under the documentation for the Securitization Facility. Centuri is not guaranteeing the collectibility of the receivables or the creditworthiness of the related obligors. The Securitization Facility is subject to yield charges based upon a rate as specified in the Securitization Facility. These yield charges are recorded in net interest deductions on the Company's Consolidated Statement of Income and were \$2.2 million for the fiscal year ended December 31, 2024. Centuri may incur a recourse obligation in limited circumstances, but has determined this liability is not material.

The total outstanding balance of accounts receivable that have been sold and derecognized is \$125 million as of December 31, 2024. Additionally, the SPE owned unsold accounts receivable and contract assets of \$45.2 million and \$78.3 million, respectively, as of December 31, 2024. These balances are primarily included in Accounts receivable, net of allowances in the Company's Consolidated Balance Sheet, with certain non-current balances included in Deferred charges and other assets. For the year ended December 31, 2024, Centuri received \$125 million in cash proceeds from the Securitization Facility, which are included in cash from operating activities on the Company's Consolidated Statement of Cash Flows and had no repayments to the Securitization Facility. As of December 31, 2024, Centuri had no available capacity under the Facility.

Note 4 - Receivables and Related Allowances

Business activity with respect to natural gas utility operations is conducted with customers located within the three-state region of Arizona, Nevada, and California. Southwest Gas' accounts receivable are short-term in nature, with billing due dates customarily not extending beyond one month, with customers' credit worthiness assessed upon account creation by evaluation of other utility service or their credit file, and related payment history. Although Southwest Gas seeks to minimize its credit risk related to utility operations by requiring security deposits from new customers, imposing late fees, and actively pursuing collection on overdue accounts where possible, some accounts are ultimately not collected. Customer accounts are subject to collection procedures that vary by jurisdiction (late fee assessment, notice requirements for disconnection of service, and procedures for actual disconnection and/or reestablishment of service). After disconnection of service, accounts are customarily written off approximately two months after disconnection if the account remains inactive. Dependent upon the jurisdiction, reestablishment of service requires both payment of previously unpaid balances and additional deposit requirements. Generally, costs related to uncollectible accounts are included in the ratemaking process as a cost of service. However, the Nevada and California jurisdictions have certain regulatory mechanisms in place to separately track and collect portions of uncollectible accounts through the mechanisms; eligible amounts are deferred and collected through a surcharge in the ratemaking process. Southwest Gas continues to actively work with customers experiencing financial hardship by means of

flexible payment options and partnering with assistance agencies. Provisions for uncollectible accounts are recorded monthly based on customers' current and future ability to pay amounts that are due, experience, consideration of current and expected future conditions, customer and rate composition, regulatory requirements, and write-off processes.

Utility infrastructure services accounts receivable are recorded at face amounts less an allowance for doubtful accounts. Centuri's customers are generally investment-grade gas and electric utility companies for which Centuri has historically recognized an insignificant amount of write-offs. Centuri's accounts receivable balances carry standard payment terms of up to 60 days. Centuri maintains an allowance that is estimated based on historical collection experience, current and estimated future economic and market conditions, and a review of the current status of each customer's accounts receivable balance. Account balances are monitored at least monthly, and are charged off against the allowance when management determines it is probable the balance will not be recovered.

The table below contains information about Southwest Gas' gas utility customer accounts receivable balance (net of allowance) at December 31, 2024 and 2023:

(Thousands of dollars)	December 31,	
	2024	2023
Gas utility customer accounts receivable balance	\$ 194,177	\$ 263,337

The following table represents the percentage of customers in each of Southwest Gas' three states at December 31, 2024, which was consistent with the prior year:

Percent of customers by state:

Arizona	54 %
Nevada	37 %
California	9 %

Southwest Gas activity in the allowance account for uncollectibles is summarized as follows:

(Thousands of dollars)	Allowance for Uncollectibles
Balance, December 31, 2021	\$ 3,259
Additions charged to expense	12,707
Accounts written off, less recoveries	(11,136)
Balance, December 31, 2022	4,830
Additions charged to expense	11,877
Accounts written off, less recoveries	(10,612)
Balance, December 31, 2023	6,095
Additions charged to expense	12,400
Accounts written off, less recoveries	(11,428)
Balance, December 31, 2024	\$ 7,067

The table above does not give effect for amounts included in the regulatory tracking mechanisms noted earlier. At December 31, 2024, the utility infrastructure services segment (Centuri) had \$519.6 million in combined customer accounts and contracts receivable. The allowance for doubtful accounts at Centuri was \$2.7 million and \$2.5 million as of December 31, 2024 and 2023, respectively.

Note 5 - Regulatory Assets and Liabilities

Southwest Gas is subject to the regulation of the ACC, the PUCN, the CPUC, and the FERC. Accounting policies for Southwest Gas conform to U.S. GAAP applicable to rate-regulated entities and reflect the effects of the ratemaking process. Accounting treatment for rate-regulated entities allows for deferral as regulatory assets, costs that otherwise would be expensed, if it is probable that future recovery from customers will occur. If rate recovery is no longer probable, due to competition or the actions of regulators, the related regulatory asset is required to be written off. Regulatory liabilities are recorded if it is probable that revenues will be reduced for amounts that will be refunded to customers through the ratemaking process. Management records regulatory assets and liabilities based on decisions of the commissions noted above, including the issuance of regulatory orders and precedents established by these commissions. Southwest Gas has generally been successful in seeking recovery of regulatory assets, and regularly files rate cases or other administrative filings in the various jurisdictions, in some cases, to establish the basis for recovering regulatory assets reflected in accounting records.

The following table represents existing regulatory assets and liabilities:

(Thousands of dollars)	December 31,	
	2024	2023
Regulatory assets:		
Accrued pension and other postretirement benefit costs (1)	\$ 299,961	\$ 309,794
Deferred purchased gas costs (2)	13,937	552,885
Unamortized premium on reacquired debt (3)	11,529	13,080
Accrued absence time (4)	21,231	18,937
Margin, interest- and property tax-tracking (5)	57,842	14,717
Other (10)	89,718	78,138
	<u>\$ 494,218</u>	<u>\$ 987,551</u>
Regulatory liabilities:		
Deferred purchased gas costs (2)	(242,259)	—
Accrued purchased gas costs (6)	(13,269)	(87,579)
Accumulated removal costs (7)	(472,000)	(458,000)
Unamortized gain on reacquired debt (8)	(5,500)	(6,036)
Regulatory excess deferred/other taxes and gross-up (9)	(368,378)	(394,411)
Margin, interest- and property tax-tracking (5)	(27,082)	(57,344)
Other (10)	(3,465)	(2,490)
Net regulatory assets (liabilities)	<u>\$ (637,735)</u>	<u>\$ (18,309)</u>

(1) Included in Deferred charges and other assets on the Consolidated Balance Sheets. Recovery period is greater than five years. (See **Note 11 - Pension and Other Postretirement Benefits**).

(2) Balance recovered or refunded on an ongoing basis with interest.

(3) Included in Deferred charges and other assets on the Consolidated Balance Sheets. Recovered over life of debt instruments.

(4) Recovery through cost of service generally on a one-year lag basis and part of overhead loading processes. Included in Prepaid and other current assets on the Consolidated Balance Sheets.

(5) Margin tracking/decoupling mechanisms are alternative revenue programs; revenue associated with under-collections (for the difference between authorized margin levels and amounts billed to customers through rates currently) is recognized as revenue so long as recovery is expected to take place within 24 months. Total category asset balances are included in Prepaid and other current assets and Deferred charges and other assets on the Consolidated Balance Sheets. Total category liability balances are included in Other current liabilities and Other deferred credits and other long-term liabilities.

(6) Balance recovered or refunded on an ongoing basis. Asset balance is included in Prepaid and other current assets and the liability balance is included in Other current liabilities on the Consolidated Balance Sheets.

(7) Included in Accumulated removal costs on the Consolidated Balance Sheets; a component of ongoing depreciation rates as part of margin rates overall and of benchmarks under trackers as part of general rate cases.

(8) Included in Other deferred credits and other long-term liabilities on the Consolidated Balance Sheets. Amortized over life of debt instruments.

(9) Includes remeasurement/reduction of the net accumulated deferred income tax liability from U.S. tax reform. The reduction (EADIT) became a regulatory liability with tax gross-up. EADIT reduces rate base, and is expected to be returned to utility customers in accordance with IRS and regulatory requirements. Included generally in Other deferred credits and other long-term liabilities on the Consolidated Balance Sheets, except for \$19 million in 2024 which is in Other current liabilities. Amount includes a separate \$7 million gross-up related to contributions in aid of construction.

(10) The following tables detail the components of Other regulatory assets and liabilities. Other regulatory assets are included in either Prepaid and other current assets or Deferred charges and other assets on the Consolidated Balance Sheets (as indicated). Recovery periods vary. Other regulatory liabilities are included in either Other current liabilities or Other deferred credits and other long-term liabilities on the Consolidated Balance Sheets (as indicated).

(Thousands of dollars)	December 31,	
	2024	2023
Other Regulatory Assets:		
State mandated public purpose programs (including low income and conservation programs) (a) (f)	\$ 24,229	\$ 21,290
Infrastructure replacement programs and similar (b) (f)	21,751	16,491
Environmental compliance programs (c) (f)	4,472	4,005
Pension tracking mechanism (d)	16,151	16,167
Other (e)	23,115	20,185
	<u>\$ 89,718</u>	<u>\$ 78,138</u>

- a) Included in Prepaid and other current assets on the Consolidated Balance Sheets.
- b) In 2024, the balances are included in Deferred charges and other assets on the Consolidated Balance Sheets. In 2023, approximately \$171,000 included in Prepaid and other current assets and \$16.3 million included in Deferred charges and other assets on the Consolidated Balance Sheets.
- c) In 2024, approximately \$3.4 million of these balances included in Prepaid and other current assets and \$1.1 million in Deferred charges and other assets on the Consolidated Balance Sheets. In 2023, approximately \$3 million included in Prepaid and other current assets and \$967,000 included in Deferred charges and other assets on the Consolidated Balance Sheets.
- d) Included in Deferred charges and other assets on the Consolidated Balance Sheets.
- e) In 2024, approximately \$10.7 million included in Prepaid and other current assets and \$12.4 million included in Deferred charges and other assets on the Consolidated Balance Sheets. In 2023, \$9 million included in Prepaid and other current assets and \$11.2 million included in Deferred charges and other assets on the Consolidated Balance Sheets.
- f) Balance recovered or refunded on an ongoing basis, generally with interest.

(Thousands of dollars)	December 31,	
	2024	2023
Other Regulatory Liabilities:		
State mandated public purpose programs (including low income and conservation programs) (g) (i)	\$ —	\$ (254)
Other (h) (i)	(3,465)	(2,236)
	<u>\$ (3,465)</u>	<u>\$ (2,490)</u>

- g) In 2023, included in Other current liabilities on the Consolidated Balance Sheets.
- h) In 2024, included in Other current liabilities on the Consolidated Balance Sheets. In 2023, included in Other current liabilities, except \$146,000 which was included in Other deferred credits and other long-term liabilities on the Consolidated Balance Sheets.
- i) Balance typically recovered or refunded on an ongoing basis, generally with interest.

Note 6 - Other Comprehensive Income and AOCI

The following information provides insight into amounts impacting the Company's and Southwest Gas' Other comprehensive income (loss), both before and after-tax impacts, within the Consolidated Statements of Comprehensive Income, which also impact AOCI in the Consolidated Balance Sheets and the Consolidated Statements of Equity.

Related Tax Effects Allocated to Each Component of Other Comprehensive Income (Loss):

(Thousands of dollars)	December 31,								
	2024			2023			2022		
	Before-Tax Amount	Tax (Expense) or Benefit (1)	Net-of-Tax Amount	Before-Tax Amount	Tax (Expense) or Benefit (1)	Net-of-Tax Amount	Before-Tax Amount	Tax (Expense) or Benefit (1)	Net-of-Tax Amount
Defined benefit pension plans:									
Net actuarial gain/(loss)	\$ 4,842	\$ (1,162)	\$ 3,680	\$ (3,188)	\$ 765	\$ (2,423)	\$ 4,079	\$ (980)	\$ 3,099
Amortization of prior service cost	175	(42)	133	175	(42)	133	175	(42)	133
Amortization of net actuarial (gain)/loss	7,641	(1,834)	5,807	1,333	(319)	1,014	34,818	(8,357)	26,461
Regulatory adjustment	(9,833)	2,360	(7,473)	(1,330)	319	(1,011)	(28,232)	6,775	(21,457)
Pension plans other comprehensive income (loss)	2,825	(678)	2,147	(3,010)	723	(2,287)	10,840	(2,604)	8,236
FSIRS (designated hedging activities):									
Amounts reclassified into net income	—	—	—	—	—	—	545	(129)	416

FSIRS other comprehensive income (loss)	—	—	—	—	—	—	545	(129)	416
Total other comprehensive income (loss) – Southwest Gas Corporation	2,825	(678)	2,147	(3,010)	723	(2,287)	11,385	(2,733)	8,652
Foreign currency translation adjustments	(10,123)	—	(10,123)	2,742	—	2,742	(6,133)	—	(6,133)
Total other comprehensive income (loss)	(7,298)	(678)	(7,976)	(268)	723	455	5,252	(2,733)	2,519
Total other comprehensive income (loss) – noncontrolling interest (2)	1,341	—	1,341	—	—	—	—	—	—
Total other comprehensive income (loss) – Southwest Gas Holdings, Inc.	<u>\$ (5,957)</u>	<u>\$ (678)</u>	<u>\$ (6,635)</u>	<u>\$ (268)</u>	<u>\$ 723</u>	<u>\$ 455</u>	<u>\$ 5,252</u>	<u>\$ (2,733)</u>	<u>\$ 2,519</u>

(1) Tax amounts are calculated using a 24% rate. The Company has elected to indefinitely reinvest, in Canada, the earnings of Centuri's Canadian subsidiaries, thus precluding deferred taxes on such earnings. As a result of this assertion, and no repatriation of earnings anticipated, the Company is not recognizing a tax effect or presenting a tax expense or benefit for currency translation adjustments in Other comprehensive income (loss).

(2) Amount reflects the portion of the foreign currency translation adjustment attributable to the noncontrolling interest in Centuri following the Centuri IPO.

The following table represents a rollforward of AOCI, presented on the Company's Consolidated Balance Sheets and its Consolidated Statements of Equity:

(Thousands of dollars)	Defined Benefit Plans			Foreign Currency and Centuri IPO			AOCI
	Before-Tax	Tax (Expense) Benefit (3)	After-Tax	Before-Tax	Tax (Expense) Benefit	After-Tax	
Beginning Balance AOCI December 31, 2023	<u>\$ (53,352)</u>	<u>\$ 12,804</u>	<u>\$ (40,548)</u>	<u>\$ (3,239)</u>	<u>\$ —</u>	<u>\$ (3,239)</u>	<u>\$ (43,787)</u>
Net actuarial gain/(loss)	4,842	(1,162)	3,680	—	—	—	3,680
Foreign currency translation adjustment	—	—	—	(10,123)	—	(10,123)	(10,123)
Amortization of prior service cost (1)	175	(42)	133	—	—	—	133
Amortization of net actuarial loss (1)	7,641	(1,834)	5,807	—	—	—	5,807
Regulatory adjustment (2)	(9,833)	2,360	(7,473)	—	—	—	(7,473)
Net current period other comprehensive income (loss)	<u>2,825</u>	<u>(678)</u>	<u>2,147</u>	<u>(10,123)</u>	<u>—</u>	<u>(10,123)</u>	<u>(7,976)</u>
Less current period other comprehensive (income) loss attributable to noncontrolling interest (4)	—	—	—	1,341	—	1,341	1,341
Centuri IPO (5)	—	—	—	1,204	—	1,204	1,204
Net current period other comprehensive income (loss) attributable to Southwest Gas Holdings, Inc.	<u>2,825</u>	<u>(678)</u>	<u>2,147</u>	<u>(7,578)</u>	<u>—</u>	<u>(7,578)</u>	<u>(5,431)</u>
Ending Balance AOCI December 31, 2024	<u><u>\$ (50,527)</u></u>	<u><u>\$ 12,126</u></u>	<u><u>\$ (38,401)</u></u>	<u><u>\$ (10,817)</u></u>	<u><u>\$ —</u></u>	<u><u>\$ (10,817)</u></u>	<u><u>\$ (49,218)</u></u>

(1) These AOCI components are included in the computation of net periodic benefit cost (see **Note 11 - Pension and Other Postretirement Benefits** for additional details).

(2) The regulatory adjustment represents the portion of the activity above that is expected to be recovered through rates in the future (the related regulatory asset is included in Deferred charges and other assets on the Company's Consolidated Balance Sheets).

(3) Tax amounts are calculated using a 24% rate.

(4) Amount reflects the foreign currency translation adjustment attributable to the noncontrolling interest in Centuri following the Centuri IPO.

(5) Amount reflects the attributed proportion of the AOCI balance associated with the ownership interests in Centuri held by the new investors as of the Centuri IPO date, amounts for which were reclassified from AOCI to Additional paid-in capital on the Company's Consolidated Balance Sheet.

The following table represents a rollforward of AOCI, presented on Southwest Gas' Consolidated Balance Sheets:

(Thousands of dollars)	Defined Benefit Plans		
	Before-Tax	Tax (Expense) Benefit (8)	After-Tax
Beginning Balance AOCI December 31, 2023	<u>\$ (53,352)</u>	<u>\$ 12,804</u>	<u>\$ (40,548)</u>
Net actuarial gain/(loss)	4,842	(1,162)	3,680
Amortization of prior service cost (6)	175	(42)	133
Amortization of net actuarial loss (6)	7,641	(1,834)	5,807
Regulatory adjustment (7)	(9,833)	2,360	(7,473)
Net current period other comprehensive income (loss) attributable to Southwest Gas Corporation	<u>2,825</u>	<u>(678)</u>	<u>2,147</u>
Ending Balance AOCI December 31, 2024	<u><u>\$ (50,527)</u></u>	<u><u>\$ 12,126</u></u>	<u><u>\$ (38,401)</u></u>

(6) These AOCI components are included in the computation of net periodic benefit cost (see **Note 11 - Pension and Other Postretirement Benefits** for additional details).

- (7) The regulatory adjustment represents the portion of the activity above that is expected to be recovered through rates in the future (the related regulatory asset is included in Deferred charges and other assets on Southwest Gas' Consolidated Balance Sheets).
- (8) Tax amounts are calculated using a 24% rate.

The following table represents amounts (before income tax impacts) included in AOCI (in the tables above), that have not yet been recognized in net periodic benefit cost:

(Thousands of dollars)	December 31,	
	2024	2023
Net actuarial loss	\$ (349,485)	\$ (361,968)
Prior service cost	(1,003)	(1,178)
Less: amount recognized in regulatory assets	299,961	309,794
Recognized in AOCI	<u>\$ (50,527)</u>	<u>\$ (53,352)</u>

See **Note 11 - Pension and Other Postretirement Benefits** for more information on the defined benefit pension plans.

Note 7 - Common Stock

Shares of the Company's common stock are publicly traded on the NYSE, under the ticker symbol "SWX." Share-based compensation related to Southwest Gas and Centuri is based on awards to be issued in shares of the Company.

In November 2023, the Company and Southwest Gas jointly filed an automatic shelf registration statement (File No. 333-275774), or a Universal Shelf, which became effective upon filing and includes a prospectus detailing the Company's ability to offer and sell, from time to time in amounts at prices and on terms that will be determined at the time of such offering, any combination of common stock, preferred stock, debt securities (which may or may not be guaranteed by one or more of its directly or indirectly wholly owned subsidiaries if indicated in the relevant prospectus supplement), guarantees of debt securities issued by Southwest Gas, depository shares, warrants to purchase common stock, preferred stock or depository shares issued by the Company or debt securities issued by the Company or Southwest Gas, units and rights. Additionally as part of the Universal Shelf, Southwest Gas may offer and sell, from time to time in amounts at prices and on terms that will be determined at the time of such offering, any combination of debt securities (which may or may not be guaranteed by one or more of its directly or indirectly wholly owned subsidiaries if indicated in the relevant prospectus supplement) and guarantees of debt securities issued by the Company or by one or more of its directly or indirectly wholly owned subsidiaries if indicated in the relevant prospectus supplement.

On August 6, 2024, the Company entered into an Equity Distribution Agreement with J.P. Morgan Securities LLC and Wells Fargo Securities, LLC for the offer and sale of up to \$340,000,000 of common stock from time to time in an ATM Program. The offering amount was carried forward from the Company's previous at-the-market equity offering program. The shares are issuable pursuant to the Company's Universal Shelf. No issuances have occurred under the ATM Program as of December 31, 2024.

During 2024, the Company issued approximately 92,000 shares of common stock through the omnibus incentive plan.

Additionally during 2024, the Company issued 127,000 shares of common stock through the Dividend Reinvestment and Stock Purchase Plan, raising proceeds of approximately \$9 million.

As of December 31, 2024, there were 5.4 million shares of common stock registered and available for issuance under the provisions of the various stock issuance plans.

On November 3, 2023, the Board authorized a dividend of one Purchase Right for each outstanding share of common stock, \$1 par value per share, of the Company to stockholders on record at the close of business on November 17, 2023. The description and terms of the Purchase Rights are set forth in the Plan, dated as of November 5, 2023, between the Company and Equiniti Trust Company, LLC, as rights agent. Each Purchase Right entitles the registered holder to purchase from the Company one ten-thousandth of a share of Series A Preferred, no par value per share, of the Company, at a purchase price of \$300.00 per one ten-thousandth of a share of Series A Preferred, subject to adjustment. The Purchase Rights have a de minimis fair value and will expire in accordance with the provisions of the Plan.

By adopting the Plan, the Board is seeking to preserve the Company's ability to effectuate a Spin-Off Transaction that would be tax-free to the Company (the "Tax-Free Status"). While the Company intends that any Spin-Off Transaction, if effected, would qualify as a tax-free transaction to the Company's stockholders, the ability to effect a spin-off that is tax-free to the Company (as opposed to its stockholders) could be lost if certain stock purchases (including by existing or new holders in the open market) are treated as part of a plan pursuant to which one or more persons directly or indirectly acquire a 50% or greater interest in the Company (a "355 Ownership Change") within applicable time periods for purposes of Section 355(e) of the Internal Revenue Code. The Company believes that there is minimal capacity for changes in the ownership of its stock before a

355 Ownership Change could occur. The Plan is intended to restrict acquisitions of Company stock that could cause a 355 Ownership Change and could impair the Company's ability to effectuate a Spin-Off Transaction that has Tax-Free Status. The Board believes it is in the best interest of the Company and its stockholders to preserve the Company's ability to effectuate a Spin-Off Transaction with Tax-Free Status. The Plan has not been triggered as of December 31, 2024.

Note 8 - Debt

Long-Term Debt

Long-term debt is recognized in the Company's and Southwest Gas' Consolidated Balance Sheets generally at the carrying value of the obligations outstanding. Details surrounding the fair value and individual carrying values of instruments are provided in the table that follows.

(Thousands of dollars)	December 31,			
	2024		2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Southwest Gas Corporation:				
Debentures:				
8% Series, due 2026	\$ 75,000	\$ 77,898	\$ 75,000	\$ 79,502
Medium-term notes, 7.92% series, due 2027	25,000	26,285	25,000	26,883
Medium-term notes, 6.76% series, due 2027	7,500	7,701	7,500	7,800
Notes, 5.8%, due 2027	300,000	306,450	300,000	309,180
Notes, 3.7%, due 2028	300,000	287,460	300,000	285,300
Notes, 5.45%, due 2028	300,000	302,970	300,000	307,170
Notes, 2.2%, due 2030	450,000	385,425	450,000	382,635
Notes, 4.05%, due 2032	600,000	558,120	600,000	563,940
Notes, 6.1%, due 2041	125,000	127,900	125,000	126,238
Notes, 4.875%, due 2043	250,000	210,700	250,000	214,050
Notes, 3.8%, due 2046	300,000	219,390	300,000	225,240
Notes, 4.15%, due 2049	300,000	223,470	300,000	236,370
Notes, 3.18%, due 2051	300,000	187,680	300,000	197,760
Unamortized discount and debt issuance costs	(26,477)		(29,594)	
	<u>3,306,023</u>		<u>3,302,906</u>	
Revolving credit facility and commercial paper	—	—	—	—
Industrial development revenue bonds:				
Tax-exempt Series A, due 2028	50,000	50,000	50,000	50,000
2003 Series A, due 2038	50,000	50,000	50,000	50,000
2008 Series A, due 2038	50,000	50,000	50,000	50,000
2009 Series A, due 2039	50,000	50,000	50,000	50,000
Unamortized discount and debt issuance costs	(1,546)		(1,363)	
	<u>198,454</u>		<u>198,637</u>	
Less: current maturities	—		—	
Southwest Gas Corporation total long-term debt, less current maturities	<u>3,504,477</u>		<u>3,501,543</u>	
Southwest Gas Holdings, Inc.:				
Centuri secured term loan facility	706,375	709,059	994,238	996,723
Centuri secured revolving credit facility	113,533	113,455	77,121	77,205
Other debt obligations	65,794	63,659	96,599	92,209
Unamortized discount and debt issuance costs	(11,821)		(17,111)	
Less: current maturities	(30,018)		(42,552)	
Southwest Gas Holdings, Inc. total long-term debt, less current maturities	<u>\$4,348,340</u>		<u>\$4,609,838</u>	

The fair values of Southwest Gas' and the Company's revolving credit facilities and Southwest Gas' IDRBs are categorized as Level 1 as their interest rates reset frequently. The fair values of Southwest Gas' debentures (which include senior and medium-term notes) and Centuri's term loan facility and unsecured senior notes were determined utilizing a market-based valuation approach, where fair values are determined based on evaluated pricing data, and as such are categorized as Level 2 in the hierarchy.

Southwest Gas has a \$400 million credit facility that was otherwise scheduled to expire in April 2025. However, in August 2024, Southwest Gas entered into a new agreement to replace its existing credit facility. The agreement extended the maturity date to August 2029 and made other miscellaneous changes, while the operations, designations, and key business terms are comparable to the prior facility. Southwest Gas designates \$150 million of associated capacity as long-term debt and the remaining \$250 million for working capital purposes. At December 31, 2024, the applicable margin ranged from 0.750% to 1.500% for loans bearing interest with reference to SOFR and from 0.000% to 0.500% for loans bearing interest with reference to the alternative base rate. At December 31, 2024, the applicable margin was 1.125% for loans with reference to SOFR and 0.125% for loans bearing interest with reference to the alternative base rate. Southwest Gas is also required to pay a commitment fee, ranging from 0.075% to 0.200% per annum, on the unfunded portion of the commitments, which was not significant for the year ended December 31, 2024. The credit facility contains a financial covenant requiring Southwest Gas to maintain a ratio of funded debt to total capitalization not to exceed 0.70 to 1.00 as of the end of any quarter of any fiscal year. At December 31, 2024, no borrowings were outstanding on the long-term portion (including under the commercial paper program discussed below), nor under the short-term portion of the facility.

Southwest Gas has a \$50 million commercial paper program. Issuances under the commercial paper program are supported by Southwest Gas' current revolving credit facility and, therefore, do not represent additional borrowing capacity. Borrowings under the commercial paper program, if any, are designated as long-term debt. Interest rates for the program are calculated at the then current commercial paper rate. At December 31, 2024, as noted above, no borrowings were outstanding under the commercial paper program.

Centuri has a \$1.545 billion secured revolving credit and term loan multi-currency facility. Amounts can be borrowed in either Canadian or U.S. dollars. The revolving credit facility matures on August 27, 2026 and the term loan facility matures on August 27, 2028. On May 13, 2024, Centuri amended its revolving credit facility to transition from Canadian Dollar Offered Rate benchmarks to CORRA. The applicable margin for the revolving credit facility ranges from 1.0% to 2.5% for SOFR and CORRA loans and from 0.0% to 1.5% for "base rate" loans, depending on Centuri's total net leverage ratio. The applicable margin for the term loan facility is 1.50% for base rate loans and 2.50% for SOFR loans. The capacity of the line of credit portion of the facility is \$400 million; related amounts borrowed and repaid are available to be re-borrowed. The term loan portion of the facility has a limit of \$1.145 billion. The obligations under the credit agreement are secured by present and future ownership interests in substantially all direct and indirect subsidiaries of Centuri, substantially all of the tangible and intangible personal property of each borrower, certain of their direct and indirect subsidiaries, and all products, profits, and proceeds of the foregoing. Centuri's assets securing the facility at December 31, 2024 totaled \$2.4 billion. At December 31, 2024, \$820 million in borrowings were outstanding under Centuri's combined secured revolving credit and term loan facility.

Centuri is also required to pay a commitment fee on the unused portion of the commitments. The commitment fee ranges from 0.15% to 0.35% per annum, which was not significant for the year ended December 31, 2024. The credit agreement contains certain customary representations and warranties, affirmative and negative covenants, and events of default. There are no financial covenants related to the term loan facility. On March 22, 2024, Centuri amended the financial covenants of its revolving credit facility and was required to maintain certain net leverage ratios. However, the amendment also provided that, in the event that a "Qualified IPO" (as defined in the amendment) is consummated prior to March 31, 2025, the maximum net leverage ratio would be reduced based on the amount of net proceeds received from such Qualified IPO. Pursuant to these terms, the completion of the Centuri IPO (which constituted a "Qualified IPO" for purposes of the amendment) resulted in a change to the maximum net leverage ratio. Based on the amount of proceeds received, Centuri was required to maintain a net leverage ratio of less than a maximum of 5.25 to 1.00 from April 18, 2024 through June 30, 2024, 5.00 to 1.00 from July 1, 2024 through September 29, 2024, 4.25 to 1.00 from September 30, 2024 through December 29, 2024, and 4.00 to 1.00 on December 30, 2024 and thereafter. The terms of the Centuri credit facility otherwise remained unchanged. Following the Centuri IPO and private placement, Centuri used approximately \$316 million of proceeds to pay down \$156 million of debt under the existing line of credit and \$160 million of debt under the term loan portion of the facility, with the remainder of the IPO proceeds used for general corporate purposes.

All amounts outstanding under Centuri's secured revolving credit and term loan facility are considered long-term borrowings. The effective interest rate on this facility was 7.02% at December 31, 2024.

The effective interest rates on Southwest Gas' variable-rate IDRBs are included in the table below:

	December 31,	
	2024	2023
2003 Series A	4.86 %	5.03 %
2008 Series A	4.89 %	4.89 %
2009 Series A	4.73 %	4.65 %
Tax-exempt Series A	4.29 %	4.73 %

In Nevada, interest fluctuations due to changing interest rates on Southwest Gas' 2003 Series A, 2008 Series A, and 2009 Series A variable-rate IDRBs are tracked and recovered from customers through a variable interest expense recovery mechanism.

None of Southwest Gas' debt instruments have credit triggers or other clauses that result in default if bond ratings are lowered by rating agencies. Interest and fees on certain debt instruments are subject to adjustment depending on Southwest Gas' bond ratings. Certain debt instruments are subject to a leverage ratio cap and the 6.1% Notes due 2041 are also subject to a minimum net worth requirement. At December 31, 2024, Southwest Gas was in compliance with all of its covenants. Under the most restrictive of the financial covenants, approximately \$4.1 billion in additional debt could be issued while still meeting the leverage ratio requirement. Relating to the minimum net worth requirement, as of December 31, 2024, there is at least \$2.7 billion of cushion in equity. No specific dividend restrictions exist under the collective covenants. None of the debt instruments contain material adverse change clauses.

Certain Centuri debt instruments have leverage ratio caps and fixed charge ratio coverage requirements. At December 31, 2024, Centuri was in compliance with all of its covenants. Under the most restrictive of the covenants, Centuri could issue over \$151 million in additional debt and meet the leverage ratio requirement. Centuri has at least \$28 million of cushion relating to the minimum fixed charge ratio coverage requirement. Centuri's covenants limit its ability to provide cash dividends to the Company, its parent. The dividend restriction is equal to a calculated available amount generally defined as 50% of its rolling twelve-month consolidated net income adjusted for certain items, such as parent contribution inflows, Linetec redeemable noncontrolling interest payments, or dividend payments, among other adjustments, as applicable. Under these restrictions and the financial covenants of the amended revolving credit facility, Centuri's ability to pay dividends to the Company is limited. However, such dividends are not customarily relied upon in order for the Company to satisfy dividends declared for its stockholders.

Estimated maturities of long-term debt for the next five years are:

(Thousands of dollars)	2025	2026	2027	2028	2029	Total
Southwest Gas Corporation:						
Debtures	\$ —	\$ 75,000	\$ 332,500	\$ 650,000	\$ —	\$ 1,057,500
Revolving credit facility and commercial paper	—	—	—	—	—	—
Total	—	75,000	332,500	650,000	—	1,057,500
Southwest Gas Holdings, Inc.:						
Centuri secured term loan facility	—	—	—	706,375	—	706,375
Centuri secured revolving credit facility	—	113,533	—	—	—	113,533
Other debt obligations	30,018	28,517	7,259	—	—	65,794
Total	\$ 30,018	\$ 217,050	\$ 339,759	\$ 1,356,375	\$ —	\$ 1,943,202

Short-Term Debt

Southwest Gas Holdings has a \$300 million credit facility that is scheduled to expire in December 2026 and is primarily used for short-term financing needs. Interest rates for this facility are calculated at either SOFR or the "alternate base rate," plus in each case an applicable margin that is determined based on the Company's senior unsecured debt rating. At December 31, 2024, the applicable margin is 1.250% for loans bearing interest with reference to SOFR and 0.250% for loans bearing interest with reference to the alternative base rate. The commitment fee rates, terms, and covenants, noted above for Southwest Gas, are also applicable to Southwest Gas Holdings in its amended credit facility, including the noted ratio of funded debt to total capitalization as of the end of any quarter of any fiscal year. The commitment fee under this credit facility was not significant for the year ended December 31, 2024. There was \$130 million and \$78.5 million outstanding under this facility with a weighted average interest rate of 5.818% and 6.638% at December 31, 2024 and 2023, respectively.

In April 2023, Southwest Gas Holdings entered into a \$550 million term loan that was set to mature in October 2024. Southwest Gas Holdings, Inc. utilized a majority of the proceeds to make an equity contribution to Southwest Gas. In August 2024, the Company amended this term loan agreement, extending the maturity date to July 31, 2025 and changed the interest with reference to SOFR from an applicable margin of 1.300% to 1.125%, among other miscellaneous changes.

As indicated above, under Southwest Gas' \$400 million credit facility, \$250 million has been designated by management for working capital purposes. However, Southwest Gas had no short-term borrowings outstanding at December 31, 2024 and 2023.

Note 9 - Share-Based Compensation

At December 31, 2024, the following share-based compensation plans existed at the Company: an omnibus incentive plan and a restricted stock/unit plan. The fair value of share grants is primarily based on the closing price of the Company's stock on the date of grant. All share grants in 2024, including time-lapse restricted stock units and performance stock units, occurred under the omnibus incentive plan. The table below shows total share-based plan compensation expense which was recognized in the Consolidated Statements of Income:

(Thousands of dollars)	Year Ended December 31,		
	2024	2023	2022
Share-based compensation plan expense, net of related tax benefits	\$ 10,202	\$ 5,147	\$ 6,225
Share-based compensation plan related tax benefits	3,222	1,625	1,966

Omnibus Incentive Plan

The omnibus incentive plan is used to promote the long-term growth and profitability of the Company, including its subsidiaries, by providing directors, employees, and certain other individuals with incentives to increase stockholder value and otherwise contribute to the success of the Company. In addition, the plan enables the Company to attract, retain, and reward the best available persons for positions of responsibility. The omnibus incentive plan provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, performance stock units, and other equity-based, as well as cash, awards. Employees, directors, and consultants who provide services to the Company or any subsidiary may be eligible under this plan. For grants under the omnibus incentive plan, directors continue to immediately vest in the shares upon grant but are provided the option to defer receipt of equity compensation until they leave the Board.

Performance-based incentive opportunities under the ongoing programs of the omnibus plan were granted to all officers of Southwest Gas in the form of performance stock units and are based, depending on the officer, on consolidated earnings per share, utility net income, and utility return on equity, with an adjustment, where relevant, based on TSR compared to peer companies, and for all participants, measured over a three-year forward performance period. Performance stock units are restricted based on vesting, and in this case, further subject to future performance determinations against relevant benchmarks. From time to time, special awards may be granted, as permissible under the omnibus plan, that are recognized based on the relevant conditions of the grant and accounting determinations for recognition and in 2024 three officers received special performance stock unit awards with accelerated vesting provisions for certain termination events. Southwest Gas recorded \$5.2 million, \$1.1 million, and \$2.1 million of estimated compensation expense associated with the collective performance stock unit during 2024, 2023, and 2022, respectively. There is no accelerated vesting under the performance stock program, but in association with the ongoing program, vesting in the ultimate award, if any, is based on the period of employment within the three-year forward vesting period.

Restricted stock/units under the restricted stock/unit plan were previously granted to attract, motivate, retain, and reward key employees of the Company with an incentive to attain high levels of individual performance and improved financial performance. The legacy plan was also established to attract, motivate, and retain experienced and knowledgeable directors. All remaining shares under the legacy restricted stock/unit plan (in regard to employees) were issued during 2021; remaining unissued legacy program shares relate solely to directors, and such shares were immediately vested at the time of grant, with distribution to occur when service on the Board ends. No new grants are made under the legacy plan, as all future stock-based incentive compensation, including with regard to restricted stock, is granted under programs of the omnibus incentive plan, which for directors, with advance election, issuance may occur upon grant. Conversely, with regard to management, grants under the omnibus plan are of time-lapse restricted stock units, with graded vesting (and issuance in the form of common stock) occurring (following grant), at the rate of 40% at the end of year one and 30% at the end of years two and three. Accelerated vesting occurs based on retirement eligibility.

The following table summarizes the activity of the omnibus incentive plan and restricted stock/units programs as of December 31, 2024:

(Thousands of shares)	Performance Stock Units	Weighted-average grant date fair value	Restricted Stock Units/Director Deferred Stock Units	Weighted-average grant date fair value
Nonvested/unissued at December 31, 2023	351	\$ 62.95	208	\$ 56.29
Granted	183	68.54	87	62.55
Dividends	3	—	8	—
Forfeited or expired	(143)	62.19	(3)	61.06
Vested and issued (1)	(68)	67.29	(68)	60.43
Nonvested/unissued at December 31, 2024	<u>326</u>	\$ 64.95	<u>232</u>	\$ 55.39

(1) Includes shares for retiree payouts and those converted for taxes.

The weighted average grant date fair value of performance stock units and time-lapse restricted stock units granted in 2023 was \$62.78 and \$62.83, respectively, and in 2022 was \$66.11 for both performance stock units and time-lapse restricted stock units.

As of December 31, 2024, total compensation cost related to all unvested shares not yet recognized is \$11.4 million, which is expected to be recognized over a weighted average period of 2.1 years.

Note 10 - Commitments and Contingencies

The Company and Southwest Gas are defendants in miscellaneous legal proceedings. They are also parties to various regulatory proceedings. The ultimate dispositions of these proceedings are not presently determinable; however, it is the opinion of management that no litigation or regulatory proceedings to which the Company and Southwest Gas are currently subject will have a material adverse impact on their financial position, results of operations, or cash flows.

The Company maintains excess liability insurance that covers Southwest Gas for various risks associated with the operation of the natural gas pipelines and facilities. In connection with these liability insurance policies, Southwest Gas is responsible for an initial deductible or self-insured retention amount per incident, after which the insurance carriers would be responsible for amounts up to the policy limits. For the policy period of August 2024 to July 2025, these liability insurance policies require Southwest Gas, as applicable, to be responsible for the first \$1 million (self-insured retention) of each incident plus a supplemental retention aggregate of \$4 million in the policy year. When amounts are expected to be incurred above these amounts, subject to insurance carrier indemnity, a liability is recognized for the additional amount, in addition to a receivable, associated with amounts expected to be indemnified by the insurance carrier amounts, without impact to earnings.

Centuri maintains liability insurance for various risks associated with its operations. In connection with these liability insurance policies, Centuri is responsible for an initial deductible or self-insured retention amount per occurrence, after which the insurance carriers would be responsible for amounts up to the policy limits. For the policy year May 2024 to April 2025, Centuri is responsible for the first \$750,000 (self-insured retention) per occurrence under these liability insurance policies.

Through an assessment process of commitments and contingencies of any kind, the Company and Southwest Gas may determine that certain costs are likely to be incurred in the future related to specific legal matters. In these circumstances and in accordance with accounting policies, the Company and Southwest Gas will make an accrual, as necessary.

Note 11 - Pension and Other Postretirement Benefits

Southwest Gas Corporation

Employees' Investment Plan

An EIP is offered to eligible employees of Southwest Gas through deduction of a percentage of base compensation, subject to IRS limitations. The EIP provides for purchases of various mutual fund investments and Company common stock. For employees hired on or before December 31, 2021, one-half of amounts deferred are matched, up to a maximum matching contribution of 3.5% of an employee's annual compensation. Employees hired on or after January 1, 2022 are eligible for non-elective employer contributions of 3% plus a matching contribution (dollar-for-dollar) up to 7% of eligible compensation. Officers hired after January 1, 2022 are similarly eligible for non-elective and matching contributions. Contributions to the plan by Southwest Gas were \$9.9 million, \$8.3 million, and \$6.9 million for 2024, 2023, and 2022, respectively.

Deferred Compensation Plan

A deferred compensation plan is offered to all officers of Southwest Gas, regardless of hire date, and a separate deferred compensation plan is offered to members of the Company's Board. The plans provide the opportunity to defer up to 100% of annual cash compensation. One-half of amounts deferred by officers are matched, up to a maximum matching contribution of

3.5% of an officer's annual base salary. Upon retirement, payments of compensation deferred, plus interest, are made in equal monthly installments over 10, 15, or 20 years, as elected by the participant. Directors have an additional option to receive such payments over a five-year period. Deferred compensation earns interest at a rate determined each January. The interest rate equals 150% of Moody's Seasoned Corporate Bond Rate Index.

Pension and Postretirement Plans

A noncontributory QRP with defined benefits covering substantially all Southwest Gas employees hired on or before December 31, 2021 is available, in addition to a separate unfunded SERP, which is limited to Southwest Gas' officers. PBOP are provided to qualified retirees for limited benefits related to health care, dental, vision and life insurance, some of which were subject to earlier "sunset" dates. The defined benefit QRP, SERP, and PBOP are not available to Southwest Gas employees hired on or after January 1, 2022. As noted above, employees hired on or after that date, are eligible for enhanced contributions to the EIP.

The overfunded or underfunded positions of defined benefit postretirement plans, including pension plans, are recognized in the Consolidated Balance Sheets. Any actuarial gains and losses, prior service costs, and transition assets or obligations are recognized in AOCI under Stockholders' equity, net of tax, until they are amortized as a component of net periodic benefit cost.

A regulatory asset has been established for the portion of the total amounts otherwise chargeable to AOCI that are expected to be recovered through rates in future periods. Changes in actuarial gains and losses and prior service costs pertaining to the regulatory asset will be recognized as an adjustment to the regulatory asset account as these amounts are amortized and recognized as components of net periodic pension costs each year.

The QRP invests the majority of its plan assets in common collective trusts, which include a well-diversified portfolio of domestic and international equity securities and fixed income securities, and are managed by a professional investment manager appointed by Southwest Gas. The investment manager has full discretionary authority to direct the investment of plan assets held in trust within the specific guidelines prescribed by Southwest Gas through the plan's investment policy statement. Southwest Gas previously implemented an LDI strategy for part of the portfolio, a form of investing designed to better match the movement in pension plan assets with the impact of interest rate changes and indirectly, inflation assumption changes on the pension plan liability. The implementation of the LDI strategy was intended to be phased in over time by using a glide path. The glide path was designed to increase the allocation of the plan's assets to fixed income securities, as the funded status of the plan increases, in order to more closely match the duration of the plan assets to that of the plan liability. During the fourth quarter of 2023, the asset mix was adapted in accordance with an updated policy statement to be primarily balanced with approximately 50% equities and 50% fixed income investments. Beginning in 2024, a treasury futures overlay was added as part of the LDI strategy intending to manage interest rate fluctuations with the goal of reducing funded ratio volatility; as of the end of 2024, the pension plan was approximately 95% funded. While the overlay is intended for these purposes, there is no guarantee that these intentions will be achieved. Pension plan assets are held in a Master Trust. The pension plan funding policy is in compliance with the federal government's funding requirements.

Pension costs for these plans are affected by the amount and timing of cash contributions to the plans, the return on plan assets, discount rates, and by employee demographics, including age, compensation, and length of service. Changes made to the provisions of the plans may also impact current and future pension costs. Actuarial formulas are used in the determination of pension costs and are affected by actual plan experience and assumptions about future experience. Key actuarial assumptions include the expected return on plan assets, the discount rate used in determining the projected benefit obligation and pension costs, and the assumed rate of increase in employee compensation. Relatively small changes in these assumptions, particularly the discount rate, may significantly affect pension costs and plan obligations for the QRP. In determining the discount rate, management matches the plan's projected cash flows to a spot-rate yield curve based on highly rated corporate bonds.

There was a 75 basis point increase in the discount rate between years, as reflected below. The methodology utilized to determine the discount rate was consistent with prior years. The weighted-average rate of compensation remained consistent with the prior year. The asset return assumption (which impacts the following year's expense) increased from the prior year by 25 basis points. The rates are presented in the table below:

	December 31,	
	2024	2023
Discount rate	5.75 %	5.00 %
Weighted-average rate of compensation increase	3.50 %	3.50 %
Asset return assumption	7.00 %	6.75 %

Future years' expense level movements (up or down) may continue to be greatly influenced by long-term interest rates, asset returns, and funding levels; however, management implemented a treasury futures overlay to primarily be responsive to

changing interest rates, and therefore, indirectly, discount rates that will apply to the pension, in attempting to preserve funded status.

The following table sets forth the QRP, SERP, and PBOP funded statuses and amounts recognized on the Consolidated Balance Sheets and Consolidated Statements of Income.

(Thousands of dollars)	Year Ended December 31,					
	2024			2023		
	QRP	SERP	PBOP	QRP	SERP	PBOP
Change in benefit obligations:						
Benefit obligation for service rendered to date at beginning of year (PBO/PBO/APBO)	\$ 1,241,177	\$ 45,031	\$ 66,009	\$ 1,159,451	\$ 42,097	\$ 65,437
Service cost	28,252	243	1,287	25,840	250	1,269
Interest cost	60,387	2,167	3,178	59,165	2,123	3,302
Actuarial loss (gain)	(87,575)	(725)	(2,691)	62,109	3,995	941
Benefits paid	(66,996)	(3,533)	(5,719)	(65,388)	(3,434)	(4,940)
Benefit obligation at end of year (PBO/PBO/APBO)	1,175,245	43,183	62,064	1,241,177	45,031	66,009
Change in plan assets:						
Market value of plan assets at beginning of year	1,166,372	—	35,920	1,030,044	—	38,459
Actual return on plan assets	896	—	3,027	145,716	—	4,626
Employer contributions	20,000	3,533	2,514	56,000	3,434	—
Benefits paid	(66,996)	(3,533)	(3,339)	(65,388)	(3,434)	(7,165)
Market value of plan assets at end of year	1,120,272	—	38,122	1,166,372	—	35,920
Funded status at year end	\$ (54,973)	\$ (43,183)	\$ (23,942)	\$ (74,805)	\$ (45,031)	\$ (30,089)
Weighted-average assumptions (benefit obligation):						
Discount rate	5.75 %	5.75 %	5.75 %	5.00 %	5.00 %	5.00 %
Weighted-average rate of compensation increase	3.50 %	3.50 %	N/A	3.50 %	3.50 %	N/A

Funding for the plans above during calendar year 2025 is expected to be approximately \$28.5 million, of which \$25 million pertains to the QRP. Management monitors plan assets and liabilities and may, at its discretion, increase plan funding levels above the minimum in order to achieve a desired funded status and avoid or minimize potential benefit restrictions.

The accumulated benefit obligation for the QRP and the SERP is presented below:

(Thousands of dollars)	December 31,	
	2024	2023
QRP	\$ 1,084,462	\$ 1,143,204
SERP	40,753	40,635

Benefits expected to be paid for the QRP, SERP, and PBOP over the next 10 years are as follows:

(Millions of dollars)	2025	2026	2027	2028	2029	2030-2034
QRP	\$ 70.0	\$ 71.0	\$ 73.0	\$ 74.0	\$ 76.0	\$ 404.0
SERP	3.5	3.5	3.4	3.4	3.4	16.1
PBOP	5.0	5.1	5.1	5.1	5.2	25.7

No assurance can be made that actual funding and benefits paid will match these estimates.

For PBOP measurement purposes, the per capita cost of the covered health care benefits medical rate trend assumption is 5.5%, declining to 4.5%. Specific contributions are made for health care benefits of employees who retire after 1988, but Southwest Gas pays all covered health care costs for employees who retired prior to 1989. The medical trend rate assumption noted above applies to the benefit obligations of pre-1989 retirees only.

The service cost component of net periodic benefit costs included in the table below is part of an overhead loading process associated with the cost of labor. The overhead process ultimately results in allocation of that portion of overall net periodic benefit costs to the same accounts to which productive labor is charged. As a result, service costs become components of various accounts, primarily Operations and maintenance expense, Net regulated operations plant, and Deferred charges and other assets for both the Company and Southwest Gas. The non-service cost components of net periodic benefit cost are reflected in Other income (deductions) on the Consolidated Statements of Income of each entity, based on accounting guidance

for the presentation of such costs. Variability in total net periodic benefit cost between periods, especially with regard to the QRP, is subject to changes in underlying actuarial assumptions between periods, notably the discount rate.

Components of net periodic benefit cost:

(Thousands of dollars)	QRP			SERP			PBOP		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
Service cost	\$28,252	\$25,840	\$44,110	\$243	\$250	\$424	\$1,287	\$1,269	\$1,941
Interest cost	60,387	59,165	45,006	2,167	2,123	1,441	3,178	3,302	2,452
Expected return on plan assets	(87,812)	(84,062)	(79,913)	—	—	—	(2,259)	(2,424)	(3,228)
Amortization of prior service cost	—	—	—	—	—	—	175	175	175
Amortization of net actuarial loss	6,308	336	32,468	1,333	998	2,350	—	—	—
Net periodic benefit cost	<u>\$7,135</u>	<u>\$1,279</u>	<u>\$41,671</u>	<u>\$3,743</u>	<u>\$3,371</u>	<u>\$4,215</u>	<u>\$2,381</u>	<u>\$2,322</u>	<u>\$1,340</u>
Weighted-average assumptions (net benefit cost)									
Discount rate	5.00 %	5.25 %	3.00 %	5.00 %	5.25 %	3.00 %	5.00 %	5.25 %	3.00 %
Expected return on plan assets	6.75 %	6.75 %	6.50 %	N/A	N/A	N/A	6.75 %	6.75 %	6.50 %
Weighted-average rate of compensation increase	3.50 %	3.25 %	3.25 %	3.50 %	3.25 %	3.25 %	N/A	N/A	N/A

Other Changes in Plan Assets and Benefit Obligations Recognized in Net Periodic Benefit Cost and Other Comprehensive Income

(Thousands of dollars)	Year Ended December 31,											
	2024				2023				2022			
	Total	QRP	SERP	PBOP	Total	QRP	SERP	PBOP	Total	QRP	SERP	PBOP
Net actuarial loss (gain) (a)	\$ (4,842)	\$ (659)	\$ (725)	\$ (3,458)	\$ 3,188	\$ 455	\$ 3,995	\$ (1,262)	\$ (4,079)	\$ 11,049	\$ (6,133)	\$ (8,995)
Amortization of prior service cost (b)	(175)	—	—	(175)	(175)	—	—	(175)	(175)	—	—	(175)
Amortization of net actuarial loss (b)	(7,641)	(6,308)	(1,333)	—	(1,333)	(335)	(998)	—	(34,818)	(32,468)	(2,350)	—
Regulatory adjustment	9,833	6,200	—	3,633	1,330	(107)	—	1,437	28,232	19,062	—	9,170
Recognized in other comprehensive (income) loss	(2,825)	(767)	(2,058)	—	3,010	13	2,997	—	(10,840)	(2,357)	(8,483)	—
Net periodic benefit costs recognized in net income	<u>13,259</u>	<u>7,135</u>	<u>3,743</u>	<u>2,381</u>	<u>6,972</u>	<u>1,279</u>	<u>3,371</u>	<u>2,322</u>	<u>47,226</u>	<u>41,671</u>	<u>4,215</u>	<u>1,340</u>
Total of amount recognized in net periodic benefit cost and other comprehensive (income) loss	<u>\$ 10,434</u>	<u>\$ 6,368</u>	<u>\$ 1,685</u>	<u>\$ 2,381</u>	<u>\$ 9,982</u>	<u>\$ 1,292</u>	<u>\$ 6,368</u>	<u>\$ 2,322</u>	<u>\$ 36,386</u>	<u>\$ 39,314</u>	<u>\$ (4,268)</u>	<u>\$ 1,340</u>

The table above discloses the net gain or loss and prior service cost recognized in Other comprehensive income, separated into (a) amounts initially recognized in Other comprehensive income, and (b) amounts subsequently recognized as adjustments to Other comprehensive income as those amounts are amortized as components of net periodic benefit cost. See also **Note 6 - Other Comprehensive Income and AOCI**.

The following table sets forth, by level within the three-level fair value hierarchy, the fair values of the assets of the QRP and the PBOP as of December 31, 2024 and 2023. The SERP has no assets.

(Thousands of dollars)	December 31,					
	2024			2023		
	QRP	PBOP	Total	QRP	PBOP	Total
Assets at fair value:						
Level 1 – Quoted prices in active markets for identical financial assets						
Mutual funds	\$ —	\$ 36,951	\$ 36,951	\$ —	\$ 34,891	\$ 34,891
Total Level 1 Assets (1)	—	36,951	36,951	—	34,891	34,891
Level 2 – Significant other observable inputs						
Commingled trust equity funds (2)						
Global	237,333	211	237,544	234,123	97	234,220
International	105,977	94	106,071	105,908	44	105,952
U.S. equity securities	171,122	153	171,275	164,966	68	165,034
Emerging markets	55,327	49	55,376	54,489	22	54,511
Commingled trust fixed income funds (3)	528,238	469	528,707	597,828	246	598,074
Pooled funds and mutual funds	15,009	191	15,200	6,593	552	7,145
Government fixed income (4)	5,048	4	5,052	165	—	165
Total Level 2 assets (5)	1,118,054	1,171	1,119,225	1,164,072	1,029	1,165,101
Total Plan assets at fair value	1,118,054	38,122	1,156,176	1,164,072	35,920	1,199,992
Insurance company general account contracts (6)	2,218	—	2,218	2,300	—	2,300
Total Plan assets	\$ 1,120,272	\$ 38,122	\$ 1,158,394	\$ 1,166,372	\$ 35,920	\$ 1,202,292

(1) The Mutual funds category is a balanced fund that invests in a diversified portfolio of common stocks, preferred stocks, and fixed-income securities. Under normal circumstances, the fund invests between 25% and 75% of its total assets in equity securities and at least 25% in fixed-income investments. It may also invest up to 30% in non-U.S. securities. The fund seeks regular income, conservation of principal, and an opportunity for long-term growth of principal and income.

(2) The commingled trust equity funds include common collective trusts that invest in a diversified portfolio of securities regularly traded on securities exchanges. These funds are shown in the above table at NAV, which is the value of securities in the fund less the amount of any liabilities outstanding. Strategies employed by the funds include investment in:

- Global equities, including domestic equities
- International developed countries equities
- Domestic equities
- Emerging markets equities

Shares in the commingled trust equity funds may be redeemed given one business day notice. While they are trust equity funds and reported at NAV, due to the short redemption notice period, the lack of redemption fees, the fact that the underlying investments are exchange-traded, and that substantial liabilities do not exist subject to the NAV calculation, these investments are viewed as indirectly observable (Level 2) in the fair value hierarchy and are therefore not excluded from the body of the fair value table as a reconciling item.

The global fund provides diversified exposure to global equity markets. The fund seeks to provide long-term capital growth by investing primarily in securities listed on the major developed equity markets of the U.S., Europe, and Asia, as well as within those listed on emerging country equity markets on a tactical basis.

The international fund invests in international financial markets, primarily those of developed economies in Europe and the Pacific Basin. The fund invests primarily in equity securities issued by foreign corporations, but may invest in other securities perceived as offering attractive investment return opportunities.

The domestic equities securities funds include a large and medium capitalization fund and a small capitalization fund. The large and medium capitalization fund is designed to track the performance of the large and medium capitalization companies contained in the index, which represents approximately 90% of the market capitalization of the U.S. stock market. The small capitalization fund is designed to provide maximum long-term appreciation through investments that are well diversified by industry.

The emerging markets fund invests in countries defined as an emerging market country. Fund investments are made directly in each country or, where direct investment is inefficient or prohibited, through appropriate financial instruments or participation in commingled funds. Major emerging markets include Brazil, India, China, and other developing countries around the world.

(3) The commingled trust fixed income funds consist primarily of fixed income debt securities issued by the U.S. Treasury, government agencies, and fixed income debt securities issued by corporations. The fixed income fund investments may include the use of high yield, international fixed income securities and other instruments, including derivatives, to ensure prudent diversification over a broad spectrum of investments. The changes in the value of the fixed income funds are intended to offset the changes in the pension plan liabilities due to changes in the discount rate.

These funds are shown in the above table at NAV. Investments in the commingled trust fixed equity funds may be redeemed given one business day notice. While they are fixed income funds and reported at NAV, due to the short redemption notice period, the lack of redemption fees, the fact that the underlying investments are exchange-traded, and that substantial liabilities do not exist subject to the NAV calculation, these investments are viewed as indirectly observable (Level 2), and are also not excluded from the body of the fair value table as a reconciling item.

(4) Government fixed income consists of government-related securities including cash and cash equivalent securities including assets invested in the Treasury futures overlay and associated cash collateral.

(5) With the exception of items (2), (3), and (4), which are discussed above, the Level 2 assets consist mainly of pooled funds and mutual funds. These funds are collective short-term funds that invest in Treasury bills and money market funds and are used as a temporary cash repository.

(6) The insurance company general account contracts are annuity insurance contracts used to pay the pensions of employees who retired prior to 1989. The balance of the account disclosed in the above table is the contract value, which is the result of deposits, withdrawals, and interest credits.

Centuri

Defined Contribution Plans

Centuri offers defined contribution plans under Section 401(k) of the Internal Revenue Code to its eligible employees, regardless of whether they are covered under collective-bargaining agreements. Eligibility requirements vary, as does timing of participation, matching, vesting, and profit-sharing features of the plans. Contributions by Centuri to these plans for the years ended December 31, 2024, 2023, and 2022 were \$16 million, \$15 million, and \$13 million, respectively.

Deferred Compensation Plan

Centuri sponsors a nonqualified deferred compensation plan that is offered to a select group of management and highly-compensated employees. The plan allows participants to defer up to 80% of base salary and provides a match of 100% of contributions up to 5% of a participant's salary. The plan also allows Centuri, at its election, to credit participant accounts with discretionary contributions. Participants are 100% vested in salary deferrals, contributions, and all earnings. Participant accounts include a return based on the performance of the underlying investment options selected. Payments from the plan are designated at each annual enrollment period based on specified triggering events and are payable by lump sum or on an annual installment basis.

Multiemployer Pension Plans

Centuri makes defined contributions to several multiemployer defined benefit pension plans under the terms of CBAs with various unions representing certain employees. Contribution rates are generally specified in the CBAs and are made to the plans on a "pay-as-you-go" basis. Such contributions correspond to the number of union employees and the particular plans in which they participate, and vary depending upon the location, number of ongoing projects, and the need for union resources in connection with those projects.

The risks of participating in multiemployer plans are different from single-employer plans, including: (i) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers; (ii) if a participating employer stops contributing to the multiemployer plan, the unfunded obligations of the plan may become the obligation of the remaining participating employers; and (iii) if a participating employer chooses to stop participating in these multiemployer plans, the employer may be required to pay to those plans an amount based on the underfunded status of the plan.

The Pension Protection Act of 2006 requires special funding and operational rules for multiemployer plans in the U.S., including classification of the plans (based on multiple factors, including the funded status of the plan), the most severe of which is "critical." Depending upon the classification, plans may be required to adopt measures to improve their funded status through a funding improvement or rehabilitation plan, which may require additional contributions from employers (in the form of a surcharge on benefit contributions) and/or modification of retiree benefits. The amount of additional funds, if any, that Centuri may be obligated to contribute to these plans in the future cannot be estimated due to the uncertainty regarding future levels of work that may require the utilization of union employees covered by these plans, as well as uncertainty as to the future contribution levels and possible surcharges on contributions that may apply to these plans at that time.

Centuri contributed \$68.2 million, \$75.7 million, and \$71 million collectively to the plans for the years ended December 31, 2024, 2023, and 2022, respectively. Substantially all of the contributions made by Centuri during these years were to U.S. plans that were not classified as critical, and for which no special surcharges were assessed. As of December 31, 2024 (based on the latest data available as of the issuance of this report), 11 plans were classified as critical. The aggregate contributions to these 11 plans were \$5.6 million, \$7.8 million and \$5.7 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Note 12 - Income Taxes*Southwest Gas Holdings, Inc.:*

The following is a summary of income (loss) before taxes and noncontrolling interests for domestic and foreign operations:

(Thousands of dollars)	Year ended December 31,		
	2024	2023	2022
U.S.	\$ 224,173	\$ 176,820	\$ (302,581)
Foreign	17,123	20,529	29,244
Total income (loss) before income taxes	<u>\$ 241,296</u>	<u>\$ 197,349</u>	<u>\$ (273,337)</u>

Income tax expense (benefit) consists of the following:

(Thousands of dollars)	Year Ended December 31,		
	2024	2023	2022
Current:			
Federal	\$ (1)	\$ 392	\$ (949)
State	1,823	7,960	7,123
Foreign	8,141	6,566	9,089
	<u>9,963</u>	<u>14,918</u>	<u>15,263</u>
Deferred:			
Federal	29,247	23,009	(76,984)
State	866	4,999	(12,828)
Foreign	(3,616)	(1,094)	(1,104)
	<u>26,497</u>	<u>26,914</u>	<u>(90,916)</u>
Total income tax expense (benefit)	<u>\$ 36,460</u>	<u>\$ 41,832</u>	<u>\$ (75,653)</u>

Deferred income tax expense (benefit) consists of the following significant components:

(Thousands of dollars)	Year Ended December 31,		
	2024	2023	2022
Deferred federal and state:			
Property-related items	\$ 237,630	\$ 22,460	\$ 41,191
Purchased gas cost adjustments	(104,770)	(45,366)	76,306
Employee benefits	6,742	10,091	12,223
Regulatory adjustments	(8,012)	(28,083)	(15,482)
Deferred payroll taxes	—	—	(6,344)
Deferred revenue	(4,738)	3,347	5,751
Debt-related costs	(330)	4,079	164
Net operating loss	(107,408)	(25,915)	(120,704)
MountainWest sale/goodwill impairment	—	93,086	(105,507)
All other deferred	7,383	(6,785)	21,505
Total deferred federal and state	<u>26,497</u>	<u>26,914</u>	<u>(90,897)</u>
Deferred ITC, net	—	—	(19)
Total deferred income tax expense (benefit)	<u>\$ 26,497</u>	<u>\$ 26,914</u>	<u>\$ (90,916)</u>

References above and below to Deferred payroll taxes relate to the employer portion of Social Security tax, for which deferment of remittance was permissible under the CARES Act.

A reconciliation of the U.S. federal statutory rate to the consolidated effective tax rate (and the sources of these differences and the effect of each) are summarized as follows:

	Year Ended December 31,		
	2024	2023	2022
U.S. federal statutory income tax rate	21.0 %	21.0 %	21.0 %
Net state taxes	1.3	5.9	3.2
Tax credits	(0.5)	(0.2)	0.2
Company-owned life insurance	(1.0)	(1.5)	(0.8)
Amortization of excess deferred taxes	(8.1)	(11.7)	5.2
MountainWest sale	—	5.1	—
Meals and entertainment expenses	1.3	1.7	(0.2)
All other differences	1.1	0.9	(0.9)
Consolidated effective income tax rate	<u>15.1 %</u>	<u>21.2 %</u>	<u>27.7 %</u>

Deferred tax assets and liabilities consist of the following:

(Thousands of dollars)	December 31,	
	2024	2023
Deferred tax assets:		
Deferred income taxes for future amortization of ITC and excess deferred taxes	\$ 81,802	\$ 87,566
Employee benefits	12,518	19,938
Net operating losses	356,880	249,472
Lease-related item	27,239	29,494
Other	9,806	7,059
Valuation allowance	(1,659)	(1,986)
	<u>486,586</u>	<u>391,543</u>
Deferred tax liabilities:		
Property-related items, including accelerated depreciation	1,134,409	896,167
Regulatory balancing accounts	3,988	108,758
Debt-related costs	1,384	1,714
Intangibles	91,995	93,081
Lease-related item	25,453	27,746
Other	34,963	16,611
	<u>1,292,192</u>	<u>1,144,077</u>
Net noncurrent deferred tax liabilities	<u>\$ 805,606</u>	<u>\$ 752,534</u>

Net noncurrent deferred tax liabilities above at December 31, 2024 and 2023 are reflected net of \$3.2 million and \$0.5 million of noncurrent deferred tax assets associated with the Company's Canadian operations, which are shown separately on the Company's Consolidated Balance Sheets.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

(Thousands of dollars)	December 31,	
	2024	2023
Unrecognized tax benefits at beginning of year	\$ 3,095	\$ 3,072
Gross increases – tax positions in prior period	120	45
Gross decreases – tax positions in prior period	—	(22)
Gross increases – current period tax positions	171	—
Lapse in statute of limitations	(2,103)	—
Unrecognized tax benefits at end of year	<u>\$ 1,283</u>	<u>\$ 3,095</u>

Southwest Gas Corporation:

The following is a summary of income before taxes:

(Thousands of dollars)	Year ended December 31,		
	2024	2023	2022
Total income before income taxes	<u>\$ 304,350</u>	<u>\$ 279,125</u>	<u>\$ 184,921</u>

Income tax expense (benefit) consists of the following:

(Thousands of dollars)	Year Ended December 31,		
	2024	2023	2022
Current:			
Federal	\$ (12)	\$ (21)	\$ (78)
State	105	97	7,805
	<u>93</u>	<u>76</u>	<u>7,727</u>
Deferred:			
Federal	39,643	32,776	23,710
State	3,438	4,047	(896)
	<u>43,081</u>	<u>36,823</u>	<u>22,814</u>
Total income tax expense	<u>\$ 43,174</u>	<u>\$ 36,899</u>	<u>\$ 30,541</u>

Deferred income tax expense (benefit) consists of the following significant components:

(Thousands of dollars)	Year Ended December 31,		
	2024	2023	2022
Deferred federal and state:			
Property-related items	\$ 247,797	\$ 38,862	\$ 29,633
Purchased gas cost adjustments	(104,770)	(45,366)	76,306
Employee benefits	4,728	8,937	5,332
Regulatory adjustments	(8,012)	(24,548)	(15,482)
Deferred payroll taxes	—	—	(892)
Net operating loss	(100,848)	58,739	(76,080)
All other deferred	4,186	199	4,016
Total deferred federal and state	<u>43,081</u>	<u>36,823</u>	<u>22,833</u>
Deferred ITC, net	—	—	(19)
Total deferred income tax expense	<u>\$ 43,081</u>	<u>\$ 36,823</u>	<u>\$ 22,814</u>

A reconciliation of the U.S. federal statutory rate to the consolidated effective tax rate (and the sources of these differences and the effect of each) are summarized as follows:

	Year Ended December 31,		
	2024	2023	2022
U.S. federal statutory income tax rate	21.0 %	21.0 %	21.0 %
Net state taxes	1.5	1.6	1.6
Tax credits	(0.4)	(0.2)	(0.3)
Company-owned life insurance	(0.6)	(0.8)	0.6
Amortization of excess deferred taxes	(6.5)	(8.2)	(6.9)
All other differences	(0.8)	(0.2)	0.5
Effective income tax rate	<u>14.2 %</u>	<u>13.2 %</u>	<u>16.5 %</u>

Deferred tax assets and liabilities consist of the following:

(Thousands of dollars)	December 31,	
	2024	2023
Deferred tax assets:		
Deferred income taxes for future amortization of ITC and excess deferred taxes	\$ 81,802	\$ 87,566
Net operating losses	177,309	76,461
Other	2,108	136
	<u>261,219</u>	<u>164,163</u>
Deferred tax liabilities:		
Property-related items, including accelerated depreciation	1,020,885	772,124
Regulatory balancing accounts	3,988	108,758
Debt-related costs	1,384	1,714
Employee benefits	26,225	20,818
Other	28,710	10,585
	<u>1,081,192</u>	<u>913,999</u>
Net deferred tax liabilities	<u>\$ 819,973</u>	<u>\$ 749,836</u>

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

(Thousands of dollars)	December 31,	
	2024	2023
Unrecognized tax benefits at beginning of year	\$ 2,622	\$ 2,644
Gross increases – tax positions in prior period	83	—
Gross decreases – tax positions in prior period	—	(22)
Gross increases – current period tax positions	171	—
Lapse in statute of limitations	(2,103)	—
Unrecognized tax benefits at end of year	<u>\$ 773</u>	<u>\$ 2,622</u>

In assessing whether uncertain tax positions should be recognized in its financial statements, management first determines whether it is more-likely-than-not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. In evaluations of whether a tax position has met the more-likely-than-not recognition threshold, management presumes that the position will be examined by the appropriate taxing authority that would have full knowledge of all relevant information. For tax positions that meet the more-likely-than-not recognition threshold, management measures the amount of benefit recognized in the financial statements at the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. Unrecognized tax benefits are recognized in the first financial reporting period in which information becomes available indicating that such benefits will more-likely-than-not be realized. For each reporting period, management applies a consistent methodology to measure unrecognized tax benefits, and all unrecognized tax benefits are reviewed periodically and adjusted as circumstances warrant. Measurement of unrecognized tax benefits is based on management's assessment of all relevant information, including prior audit experience, the status of audits, conclusions of tax audits, lapsing of applicable statutes of limitation, identification of new issues, and any administrative guidance or developments.

At December 31, 2024, the total amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate was \$1.3 million for the Company and \$0.8 million for Southwest Gas. No significant increases or decreases in unrecognized tax benefits are expected within the next 12 months.

The Company and Southwest Gas recognize interest expense and income and penalties related to income tax matters in income tax expense. The amount of tax-related interest income for 2022 through 2024 was not significant.

The Company and its subsidiaries file a consolidated federal income tax return in the U.S. and in various states, as well as separate returns in Canada. With few exceptions, the Company is no longer subject to U.S. federal, state and local, or Canadian income tax examinations for years before 2020.

The Company and each of its subsidiaries, including Southwest Gas, participate in a tax sharing agreement to establish the method for allocating tax benefits and losses among members of the consolidated group. The consolidated federal income tax is apportioned among the subsidiaries using a separate return method.

The sale of MountainWest by the Company, which occurred in February 2023, was a taxable transaction for U.S. federal and state income tax purposes. See also **Note 15 - Dispositions**.

In April 2023, the IRS issued Revenue Procedure 2023-15, which provides a safe harbor method of accounting that taxpayers may use to determine whether expenditures to repair, maintain, replace, or improve natural gas transmission and distribution property must be capitalized for tax purposes. The Company intends to adopt this change in tax accounting method with its 2024 U.S. federal income tax return filing in 2025, and it expects the safe harbor method to increase tax repair deductions. The Company's deferred taxes reflect the impacts of this pending adoption and are not material to the consolidated financial statements overall.

At December 31, 2024, the Company has a U.S. federal net operating loss carryforward of \$1.5 billion. The Company also has general business credits of \$6.5 million, which begin to expire in 2041. The Company has capital loss carryforwards of \$5 million, which begin to expire in 2028. At December 31, 2024, the Company has an income tax net operating loss carryforward related to Canadian operations of \$42.7 million, which begins to expire in 2040. As of the same date, the Company has \$720.8 million of state net operating loss carryforwards. Depending on the jurisdiction in which the state net operating loss was generated, the carryforwards will begin to expire in 2028.

Management intends to continue to permanently reinvest any future foreign earnings in Canada.

Note 13 - Segment Information

The Company has two reportable segments: the natural gas distribution segment (Southwest Gas) and the utility infrastructure services segment (Centuri). Our reportable segments are based on the nature of their activities.

Southwest Gas is engaged in the business of purchasing, distributing, and transporting natural gas. Centuri is primarily engaged in the business of providing gas and electric providers installation, replacement, repair, and maintenance of energy networks. Although the utility infrastructure services operations are geographically dispersed, they are aggregated and reported as a single segment as each reporting unit has similar economic characteristics and customers.

The pipeline and storage segment (MountainWest) was sold in 2023 and was primarily engaged in the business of providing interstate transportation and underground storage services.

In order to reconcile to net income as disclosed in the Consolidated Statements of Income, an Other column is included below associated with certain unallocated expenses, such as shareholder activism costs, costs related to the Centuri separation, goodwill impairment, and net interest deductions, for corporate and administrative activities related to Southwest Gas Holdings.

The accounting policies of the reported segments are the same as those described within **Note 1 - Background, Organization, and Summary of Significant Accounting Policies**. Centuri accounts for services provided to Southwest Gas at contractual prices at contract inception. Accounts receivable and intercompany profits are not eliminated during consolidation in accordance with accounting treatment for rate-regulated entities.

Approximately 99% of the total Company's long-lived assets are in the U.S. with the remainder in Canada.

Segment information is presented in a similar manner to how the CODM, the Company's CEO and President, reviews operating results in assessing performance and allocating resources. The CODM evaluates the performance of the reportable segments based on each segment's net income (loss). The CODM considers budget-to-actual variances when making decisions about allocating capital and personnel to the segments. The CODM also uses net income (loss) to assess the return on assets of each segment including margin earned and in the compensation of certain employees. The CODM reviews capital expenditures by reportable segment rather than by any individual or total asset amount.

Accounts receivable for services provided by Centuri to Southwest Gas are presented in the table below:

(Thousands of dollars)	December 31,	
	2024	2023
Accounts receivable for Centuri services	\$ 9,648	\$ 13,017

The following table presents the amount of revenues by geographic area:

(Thousands of dollars)	December 31,		
	2024	2023	2022
Revenues (a)			
United States	\$4,914,574	\$5,199,178	\$4,637,557
Canada	197,871	234,794	322,452
Total	<u>\$5,112,445</u>	<u>\$5,433,972</u>	<u>\$4,960,009</u>

(a) Revenues are attributed to countries based on the location of customers.

The financial information pertaining to each segment as of and for the three years ended December 31, 2024, 2023, and 2022 is as follows:

(Thousands of dollars)	Year Ended December 31, 2024			
	Natural Gas Distribution	Utility Infrastructure Services	Other	Total
Revenues from external customers	\$ 2,475,216	\$ 2,530,394	\$ —	\$ 5,005,610
Intersegment sales	—	106,835	—	106,835
Total segment revenue	2,475,216	2,637,229	—	5,112,445
Less:				
Net cost of gas sold	1,150,005	—	—	1,150,005
Operations and maintenance expense	520,820	—	15,343	536,163
Utility infrastructure services expense	—	2,415,101	—	2,415,101
Other segment items (1)	500,041	225,484	44,355	769,880
Income (loss) before income taxes	304,350	(3,356)	(59,698)	241,296
Income tax expense (benefit)	43,174	3,709	(10,423)	36,460
Net income (loss)	261,176	(7,065)	(49,275)	204,836
Net income attributable to noncontrolling interests	—	6,021	—	6,021
Net income (loss) attributable to Southwest Gas Holdings, Inc.	<u>\$ 261,176</u>	<u>\$ (13,086)</u>	<u>\$ (49,275)</u>	<u>\$ 198,815</u>

(1) Other segment items for each reportable segment includes:

- Natural Gas Distribution: Depreciation and amortization, Taxes other than income taxes, Net interest deductions, and Other income (deductions).
- Utility Infrastructure Services: Depreciation and amortization, Net interest deductions, and Other income (deductions).

Other segment disclosures

(Thousands of dollars)	Year Ended December 31, 2024			
	Natural Gas Distribution	Utility Infrastructure Services	Other	Total
Interest income	\$ 33,581	\$ —	\$ —	\$ 33,581
Interest expense	\$ 162,257	\$ 90,515	\$ 44,271	\$ 297,043
Depreciation and amortization	\$ 303,095	\$ 135,345	\$ —	\$ 438,440
Segment assets	\$ 9,533,955	\$ 2,476,134	\$ 13,747	\$ 12,023,836
Capital expenditures	\$ 846,590	\$ 99,333	\$ —	\$ 945,923

Year Ended December 31, 2023

(Thousands of dollars)	Natural Gas Distribution	Utility Infrastructure Services	Pipeline and Storage (2)	Other	Total
Revenues from external customers	\$ 2,499,564	\$ 2,782,845	\$ 35,132	\$ —	\$ 5,317,541
Intersegment sales	—	116,431	—	—	116,431
Total segment revenue	2,499,564	2,899,276	35,132	—	5,433,972
Less:					
Net cost of gas sold	1,246,901	—	6,368	—	1,253,269
Operations and maintenance expense	511,646	—	11,378	21,058	544,082
Utility infrastructure services expense	—	2,617,402	—	—	2,617,402
Other segment items (1)	461,892	242,858	24,419	92,701	821,870
Income (loss) before income taxes	279,125	39,016	(7,033)	(113,759)	197,349
Income tax expense (benefit)	36,899	14,736	9,255	(19,058)	41,832
Net income (loss)	242,226	24,280	(16,288)	(94,701)	155,517
Net income attributable to noncontrolling interests	—	4,628	—	—	4,628
Net income (loss) attributable to Southwest Gas Holdings, Inc.	\$ 242,226	\$ 19,652	\$ (16,288)	\$ (94,701)	\$ 150,889

(1) Other segment items for each reportable segment includes:

- Natural Gas Distribution: Depreciation and amortization, Taxes other than income taxes, Net interest deductions, and Other income (deductions).
- Utility Infrastructure Services: Depreciation and amortization, Net interest deductions, and Other income (deductions).
- Pipeline and Storage: Taxes other than income taxes, Goodwill impairment and loss on sale, Net interest deductions, and Other income (deductions).

(2) The information for the year ended December 31, 2023 presented for MountainWest reflects activity from January 1, 2023 through February 13, 2023 (the last full day of its ownership by the Company).

Other segment disclosures

Year Ended December 31, 2023

(Thousands of dollars)	Natural Gas Distribution	Utility Infrastructure Services	Pipeline and Storage (1)	Other	Total
Interest income	\$ 50,757	\$ —	\$ —	\$ —	\$ 50,757
Interest expense	\$ 149,830	\$ 97,476	\$ 2,200	\$ 42,780	\$ 292,286
Depreciation and amortization	\$ 295,462	\$ 145,446	\$ —	\$ —	\$ 440,908
Goodwill impairment and loss on sale	\$ —	\$ —	\$ 21,215	\$ 50,015	\$ 71,230
Segment assets	\$ 9,268,571	\$ 2,592,590	\$ —	\$ 8,735	\$ 11,869,896
Capital expenditures	\$ 762,081	\$ 106,650	\$ 3,790	\$ —	\$ 872,521

(1) The information for the year ended December 31, 2023 presented for MountainWest reflects activity from January 1, 2023 through February 13, 2023 (the last full day of its ownership by the Company).

Year Ended December 31, 2022

(Thousands of dollars)	Natural Gas Distribution	Utility Infrastructure Services	Pipeline and Storage	Other	Total
Revenues from external customers	\$ 1,935,069	\$ 2,625,669	\$ 264,613	\$ —	\$ 4,825,351
Intersegment sales	—	134,658	—	—	134,658
Total segment revenue	1,935,069	2,760,327	264,613	—	4,960,009
Less:					
Net cost of gas sold	789,216	—	9,844	—	799,060
Operations and maintenance expense	491,928	—	100,263	44,575	636,766
Utility infrastructure services expense	—	2,529,318	—	—	2,529,318
Other segment items (1)	469,004	217,611	527,907	53,680	1,268,202
Income (loss) before income taxes	184,921	13,398	(373,401)	(98,255)	(273,337)
Income tax expense (benefit)	30,541	5,727	(89,668)	(22,253)	(75,653)
Net income (loss)	154,380	7,671	(283,733)	(76,002)	(197,684)
Net income attributable to noncontrolling interests	—	5,606	—	—	5,606
Net income (loss) attributable to Southwest Gas Holdings, Inc.	\$ 154,380	\$ 2,065	\$ (283,733)	\$ (76,002)	\$ (203,290)

(1) Other segment items for each reportable segment includes:

- Natural Gas Distribution: Depreciation and amortization, Taxes other than income taxes, Net interest deductions, and Other income (deductions).
- Utility Infrastructure Services: Depreciation and amortization, Net interest deductions, and Other income (deductions).
- Pipeline and Storage: Depreciation and amortization, Taxes other than income taxes, Goodwill impairment and loss on sale, Net interest deductions, and Other income (deductions).

Other segment disclosures

Year Ended December 31, 2022

(Thousands of dollars)	Natural Gas Distribution	Utility Infrastructure Services	Pipeline and Storage	Other	Total
Interest income	\$ 16,183	\$ —	\$ —	\$ —	\$ 16,183
Interest expense	\$ 115,880	\$ 61,371	\$ 18,185	\$ 47,314	\$ 242,750
Depreciation and amortization	\$ 263,043	\$ 155,353	\$ 52,059	\$ —	\$ 470,455
Goodwill impairment and loss on sale	\$ —	\$ —	\$ 449,606	\$ 5,819	\$ 455,425
Segment assets	\$ 8,803,681	\$ 2,642,272	\$ 1,743,349	\$ 7,312	\$ 13,196,614
Capital expenditures	\$ 683,131	\$ 130,166	\$ 46,124	\$ —	\$ 859,421

Note 14 - Redeemable Noncontrolling Interests

Separate from the noncontrolling ownership interests in Centuri following the Centuri IPO (see **Note 15 - Dispositions** below), redeemable noncontrolling interests have been established in association with certain business acquisitions by Centuri. These interests (redeemable at fair value) reflect interests retained by noncontrolling parties in Centuri subsidiaries.

In connection with Centuri's earlier acquisition of Linetec in November 2018, the previous Linetec owner initially retained a 20% equity interest in Linetec, with redemption of that interest being subject to certain rights based on the passage of time or upon the occurrence of certain triggering events. Effective in 2022, the Company, by means of Centuri, had the right, but not the obligation, to purchase at fair value (subject to a floor) a portion of the interest held by the noncontrolling party, and in incremental amounts each year thereafter. In March 2022, the parties agreed to a partial redemption, reducing the noncontrolling interest to 15%, and in March 2023, agreed to a partial 5% redemption (of the 15% then remaining). Then, in April 2023, Centuri paid \$39.9 million to the previous Linetec owner, thereby reducing the balance continuing to be redeemable at that time to 10% under the terms of the original agreement. In March 2024, the parties entered into an agreement to redeem the remaining 10% equity interest for \$92 million, which resulted in Centuri owning all of the equity interest in Linetec as of March 31, 2024. Centuri paid (in April 2024) the total amount payable under the terms of the redemption agreement.

Separately, in November 2021, certain members of Riggs Distler management acquired a noncontrolling interest in Drum, which is subject to certain rights based on the passage of time or upon the occurrence of certain triggering events. Effective

January 2027 and each calendar year thereafter or upon the occurrence of certain triggering events, Centuri has the right, but not the obligation, to purchase all of the interest held by the noncontrolling party at fair value. If the rights are not exercised in accordance with the timeline noted, or upon the occurrence of certain other triggering events, the noncontrolling party has the ability, but not the obligation, to exit their investment retained by requiring Centuri to purchase all of their outstanding interest. The outstanding noncontrolling interest is not subject to minimum purchase provisions and, following the eligibility dates for the election, they do not expire. The redemption price represents the fair value of the ownership interest to be redeemed on the redemption date under the terms of the agreement. A portion of the redeemable noncontrolling interest acquired was funded through promissory notes made to noncontrolling interest holders bearing interest at the prime rate plus 2%.

During the first quarter of 2024, Centuri forgave all outstanding promissory notes and unpaid interest owed from the Riggs Distler noncontrolling interest holders and in exchange obtained a 0.47% portion of the equity interest in Drum that had been funded through these notes. This comprises most of the change noted below as redemption of Drum interests during the year. Additionally, in 2024, Centuri reached an agreement to purchase 0.14% of the noncontrolling interest in Drum for \$0.9 million. The remaining noncontrolling interest in Drum outstanding as of December 31, 2024 was 0.80%, with Centuri owning over 99% of Drum following these events.

Significant changes in the value of the redeemable noncontrolling interests, above a floor determined at the establishment date, are recognized as they occur, and the carrying value is adjusted as necessary at each reporting date. The fair value is estimated using a market approach that utilizes certain financial metrics from guideline public companies of similar industry and operating characteristics. Adjustment to the redemption value also impact retained earnings, as reflected in the Company's Consolidated Statement of Equity, but do not impact net income.

The following depicts changes to the balances of the redeemable noncontrolling interests:

(Thousands of dollars)	Linetec	Drum	Total
Balance, December 31, 2022	\$ 146,765	\$ 12,584	\$ 159,349
Net income attributable to redeemable noncontrolling interests	4,473	155	4,628
Redemption value adjustments	(19,366)	—	(19,366)
Redemption of redeemable noncontrolling interest	(39,894)	(50)	(39,944)
Balance, December 31, 2023	91,978	12,689	104,667
Net income attributable to redeemable noncontrolling interests	(193)	95	(98)
Redemption value adjustments	194	—	194
Redemption of redeemable noncontrolling interest	(91,979)	(5,124)	(97,103)
Balance, December 31, 2024	\$ —	\$ 7,660	\$ 7,660

Note 15 - Dispositions

In December 2022, the Company announced that the Board unanimously determined to take strategic actions to simplify the Company's portfolio of businesses. These actions included entering into a definitive agreement to sell 100% of MountainWest in an all-cash transaction to Williams for \$1.5 billion in total enterprise value, subject to certain adjustments, which closed in the first quarter of 2023. Additionally, the Company determined it would pursue a separation of Centuri, including forming a new independent publicly traded utility infrastructure services company.

Centuri

In April 2024, the Company and Centuri announced the completion of the Centuri IPO of 12,400,000 shares of Centuri's common stock at a price of \$21.00 per share. Centuri granted the underwriters a 30-day option to purchase up to an additional 1,860,000 shares of its common stock, which was exercised. In addition, Centuri announced a concurrent private placement of an additional 2,591,929 shares at a price equal to the Centuri IPO price, with Icahn Partners LP and Icahn Partners Master Fund LP, investment entities associated with Carl C. Icahn. Centuri's common stock is listed on the NYSE under the symbol "CTRI" and began trading on April 18, 2024. The net proceeds to Centuri from the Centuri IPO and the concurrent private placement, after deducting underwriting discounts and commissions of \$18 million and offering expenses, were approximately \$328 million. Centuri used the proceeds to repay a portion (approximately \$316 million) of outstanding indebtedness under its revolving credit and term loan facility, with the remainder for general corporate purposes. As part of the Centuri IPO and related undertakings, and to ultimately facilitate a full separation of Centuri over periods ahead, multiple agreements were executed between the Company and Centuri, including a Separation Agreement, a Tax Matters Agreement, and a Registration Rights Agreement. Centuri's Board formed in association with these events includes certain overlapping members with the Company, including Andrew W. Evans, Anne L. Mariucci, and Karen S. Haller (the Company's CEO).

After completion of the Centuri IPO, the Company owns approximately 81% of all ownership interests in Centuri, and continues to consolidate the financial results of Centuri. As of the IPO date, management determined the carrying value of the noncontrolling interest based on the relationship of the ownership interest of the new investors to the carrying value (net assets) of Centuri (as reflected in the Company's consolidated financial information). The difference between the fair value of proceeds from the Centuri IPO and the carrying value of the noncontrolling interest was recorded as a reduction in Additional paid-in capital of the Company. As of December 31, 2024, \$177 million is reflected as equity attributable to noncontrolling interest in the Company's Consolidated Balance Sheet. Net income attributable to the noncontrolling interest for the year ended December 31, 2024 was \$6.1 million, related to the approximately 19% noncontrolling interest in Centuri from the time of the closing of the Centuri IPO on April 22, 2024 through the end of the year. Refer to the Company's Consolidated Statement of Income and the Consolidated Statement of Equity for impacts associated with the noncontrolling interest in Centuri.

The following reflects the effects of changes in the Company's ownership interest in Centuri on the Company's equity:

(Thousands of dollars)	2024
Net income attributable to Southwest Gas Holdings, Inc.	\$ 198,815
Increase in additional paid-in capital as a result of Centuri IPO	154,006
Change from net income attributable to Southwest Gas Holdings, Inc. and transfers from noncontrolling interest	<u>\$ 352,821</u>

The Company intends to fully dispose of its ownership in Centuri in one or more disposition transactions, including by way of sales of its shares of Centuri common stock, one or more exchange offers for Company shares, or distributions, or any combination thereof.

MountainWest

As noted above, the MountainWest sale was completed in 2023. The MountainWest sale did not meet the criteria for reporting discontinued operations as the sale did not represent a strategic shift that would have a major effect on the Company's operations or financial results. As a result of MountainWest being classified as held-for-sale as of December 31, 2022, the Company recorded an impairment loss of \$449.6 million in 2022. The Company recognized an additional loss on sale of \$21 million during the quarter ended March 31, 2023. This reflected an accrued post-closing payment of \$7.4 million related to cash and net working capital balances above/below a contractual benchmark, with the remaining charge associated with other changes in the assets and liabilities that were not subject to post-closing payment true-up provisions. As disclosed in **Note 1 - Background, Organization, and Summary of Significant Accounting Policies**, the \$21 million additional loss noted above was identified as a misstatement related to its initial estimation of the loss recorded upon reclassifying MountainWest as an asset held for sale during the year ended December 31, 2022. Consequently, the impairment loss for the year ended December 31, 2022 was understated by that amount and corrected in the first quarter of 2023.

Prior to the sale of MountainWest, in September 2022, the FERC issued an order initiating an investigation, pursuant to section 5 of the Natural Gas Act, to determine whether rates charged by MountainWest Overthrust Pipeline, LLC, a subsidiary of MountainWest, were just and reasonable and setting the matter for hearing. Pursuant with terms of the sale, in March 2023, the parties agreed to a settlement related to this matter, and as a result, the Company recorded an additional loss of \$28.4 million from the disposal of MountainWest in the first quarter of 2023, which was included in Goodwill impairment and loss on sale in the Company's Consolidated Statement of Income. The \$28.4 million was paid in the third quarter of 2023 and the matter is now closed. The \$28.4 million reduced Proceeds from the sale of businesses, net of cash sold in the Company's Consolidated Statements of Cash Flows. Other contingent commitments were part of the agreement as well, expenses for which have been immaterial to date and are expected to continue to be immaterial overall.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Management of the Southwest Gas Holdings, Inc. and Southwest Gas has established disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to provide reasonable assurance that information required to be disclosed in their respective reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and to provide reasonable assurance that such information is accumulated and communicated to management of each company, including each respective Chief Executive Officer and Chief Financial Officer, as appropriate,

Note 1 – Background, Organization, and Summary of Significant Accounting Policies

Nature of Operations. The Company, a Delaware corporation, is a holding company owning all of the shares of common stock of Southwest Gas; and until April 22, 2024, all of the shares of common stock of Centuri. The Company's common stock trades under the ticker symbol "SWX." References throughout this document to Centuri relate to Centuri Group, Inc., for periods prior to April 22, 2024, or subsequently, to Centuri Holdings, Inc.

As part of a simplification strategy, the Company previously communicated that it would pursue a separation of Centuri. In April 2024, the Company and Centuri announced the completion of an IPO of Centuri Holdings, Inc. common stock. Following the Centuri IPO, the Company owns approximately 81% of Centuri. Through the first quarter of 2024 and leading up to the Centuri IPO, Centuri continued to be wholly owned by the Company. Centuri continues to be consolidated as part of these financial statements, and will continue to be consolidated until such time as the conditions for consolidation are no longer met. Centuri makes separate filings with the SEC as a public company. Centuri's common stock trades under the ticker symbol "CTRI."

Southwest Gas is engaged in the business of purchasing, distributing, and transporting natural gas for customers in portions of Arizona, Nevada, and California. Public utility rates, practices, facilities, and service territories of Southwest Gas are subject to regulatory oversight. The timing and amount of rate relief can materially impact results of operations. Natural gas purchases and the timing of related recoveries can materially impact liquidity. While mechanisms exist in all states in which Southwest Gas operates, which effectively and primarily decouple authorized operating cost recovery and profitability from the volume of natural gas sold, thereby also incentivizing energy conservation, results for the natural gas distribution segment are higher during winter periods due to the seasonality incorporated in its regulatory rate structures.

Centuri is a strategic utility infrastructure services company dedicated to partnering with North America's gas and electric providers to build and maintain the energy network that powers millions of homes across the U.S. and Canada. Centuri derives revenue primarily from installation, replacement, repair, and maintenance of energy networks. Centuri operates in the U.S., primarily as NPL, Neuco, Linetec, Riggs Distler, and National, and in Canada, primarily as NPL Canada. Utility infrastructure services activity is seasonal in many of Centuri's operating areas. Peak periods are the summer and fall months in colder climate areas, such as the northeastern and midwestern U.S. and in Canada. In warmer climate areas, such as the southwestern and southeastern U.S., utility infrastructure services activity continues year round.

Basis of Presentation. The condensed consolidated financial statements of the Company and Southwest Gas included herein have been prepared pursuant to the rules and regulations of the SEC. The year-end 2024 condensed consolidated balance sheet data was derived from audited financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations.

The preparation of the condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, as of the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In the opinion of management, all adjustments, consisting of normal recurring items and estimates necessary for a fair statement of results for the interim periods, have been made.

Centuri and the Company do not always have the same basis of presentation, which could result in differences between the amounts presented in the Company's financial information related to Centuri, and amounts included in Centuri's separate publicly filed financial information.

These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto of Southwest Gas and the Company included in our 2024 Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Other Property and Investments. Other property and investments on Southwest Gas' and the Company's Condensed Consolidated Balance Sheets includes:

(Thousands of dollars)	March 31, 2025	December 31, 2024
Net cash surrender value of COLI policies	\$ 153,535	\$ 155,199
Other property	4,459	4,479
Total Southwest Gas Corporation	157,994	159,678
Non-regulated property, equipment, and intangibles	1,740,381	1,730,712
Non-regulated accumulated provision for depreciation and amortization	(765,483)	(740,569)
Other property and investments	39,180	41,327
Total Southwest Gas Holdings, Inc.	\$ 1,172,072	\$ 1,191,148

Cash and Cash Equivalents. Cash and cash equivalents of the Company include \$57.5 million and \$60.7 million of money market fund investments at March 31, 2025 and December 31, 2024, respectively. Of these amounts, \$43.9 million and \$45.2 million at March 31, 2025 and December 31, 2024, respectively, were held by Southwest Gas.

Cash flows from investing and financing activities exclude the impacts of certain items that while reflected on the balance sheets had no impact on cash flows. For instance, capital expenditures that were not yet paid, thereby remaining in Accounts payable or Other current liabilities have been excluded from cash flows, amounts related to which declined by approximately \$19.1 million and \$10.6 million for the Company and Southwest Gas, respectively, during the three months ended March 31, 2025; and declined approximately \$20.8 million and \$9.6 million during the three months ended March 31, 2024, for the Company and Southwest Gas, respectively. Right-of-use assets obtained in exchange for lease liabilities have also been excluded from cash flows.

Prepaid and other current assets. Prepaid and other current assets for the Company and Southwest Gas include, among other things, materials and operating supplies of \$72.8 million at March 31, 2025 and \$77.8 million at December 31, 2024 (carried at weighted average cost).

Goodwill. Goodwill is assessed as of October 1 each year for impairment, or more frequently, if circumstances indicate an impairment to the carrying value of goodwill may have occurred. The Company's reporting units for goodwill are its operating segments, which are also its reportable segments. Since December 31, 2024, management qualitatively assessed whether events during the first three months of 2025 indicated it was more likely than not that the fair value of our reporting units was less than their carrying value, which if the case, could be an indication of a goodwill impairment. Through management's assessments, no impairment was deemed to have occurred in the continuing segments of the Company. Goodwill in the Natural Gas Distribution and Utility Infrastructure Services segments is included in the respective Condensed Consolidated Balance Sheets as follows:

(Thousands of dollars)	Natural Gas Distribution	Utility Infrastructure Services	Total Company
December 31, 2024	\$ 11,155	\$ 770,046	\$ 781,201
Foreign currency translation adjustment	—	86	86
March 31, 2025	\$ 11,155	\$ 770,132	\$ 781,287

Other Current Liabilities. Management recognizes in its balance sheets various liabilities that are expected to be settled through future cash payment within the next twelve months, including amounts payable under regulatory mechanisms, customary accrued expenses for employee compensation and benefits, declared but unpaid dividends, and miscellaneous other accrued liabilities. Other current liabilities for the Company include \$44.6 million and \$44.5 million of dividends declared as of March 31, 2025 and December 31, 2024, respectively. Southwest Gas did not declare a dividend in the first quarter of 2025; however, it expects to declare and pay a dividend to Southwest Gas Holdings in the second quarter of 2025, prior to Southwest Gas Holdings' scheduled dividend payment to stockholders. Also included in the balance for the Company and Southwest Gas was \$18.6 million and \$13.3 million in accrued purchased gas costs as of March 31, 2025 and December 31, 2024, respectively.

Other Income (Deductions). The following table provides the composition of significant items included in Other income (deductions) in Southwest Gas' and the Company's Condensed Consolidated Statements of Income:

(Thousands of dollars)	Three Months Ended March 31,	
	2025	2024
Southwest Gas Corporation:		
Change in COLI policies	\$ (1,700)	\$ 3,600
Interest income	5,810	9,776
Equity AFUDC	1,353	1,839
Other components of net periodic benefit cost	4,369	4,131
Miscellaneous expense	(530)	(1,246)
Southwest Gas Corporation - total other income (deductions)	9,302	18,100
Centuri and Southwest Gas Holdings, Inc.:		
Foreign transaction gain (loss)	(5)	102
Equity in earnings (loss) of unconsolidated investments	72	(113)
Miscellaneous income and (expense)	(547)	43
Corporate and administrative	(107)	(11)
Southwest Gas Holdings, Inc. - total other income (deductions)	\$ 8,715	\$ 18,121

Interest income primarily relates to Southwest Gas' regulatory asset balances, including its deferred purchased gas cost mechanisms, the combined balance of which ranged from an asset balance of \$199 million as of March 31, 2024 to a net liability balance of \$282 million as of March 31, 2025. Interest income is earned on asset balances and interest expense is incurred on liability balances. Corporate and administrative costs are those incurred directly by the parent entity, Southwest Gas Holdings. Refer also to **Note 2 – Components of Net Periodic Benefit Cost** for details regarding Other components of net periodic benefit cost.

AOCl. The Company and Southwest Gas recorded \$85,000 and \$122,000 of taxes in other comprehensive income during the three-month periods ended March 31, 2025 and 2024, respectively. The Company has elected to indefinitely reinvest, in Canada, the earnings of Centuri's Canadian subsidiaries, thus precluding deferred taxes on such earnings. As a result of this election, and no repatriation of earnings anticipated, the Company is not recognizing a tax effect or presenting a tax expense or benefit for currency translation adjustments reported in Other comprehensive income (loss).

Redeemable Noncontrolling Interest. Certain members of Riggs Distler management continue to hold a 0.80% interest in Drum, the parent of Riggs Distler, as of March 31, 2025, which is redeemable, subject to certain rights based on the passage of time or upon the occurrence of certain triggering events.

Significant changes in the value of the redeemable noncontrolling interest, above a floor determined at the establishment date, are recognized as they occur, and the carrying value is adjusted as necessary at each reporting date. The fair value is estimated using a market approach that utilizes certain financial metrics from guideline public companies of similar industry and operating characteristics. Valuation adjustments also impact retained earnings, as reflected in the Company's Condensed Consolidated Statement of Equity, but do not impact net income. The following depicts changes to the balance of the redeemable noncontrolling interest in Drum:

(Thousands of dollars)	Drum
Balance, December 31, 2024	\$ 7,660
Net income attributable to redeemable noncontrolling interest	13
Balance, March 31, 2025	\$ 7,673

EPS. Basic EPS in each period of this report were calculated by dividing net income attributable to the Company by the weighted-average number of shares during those periods. Diluted EPS includes additional weighted-average common stock

equivalents (performance stock units and restricted stock units). Unless otherwise noted, the term EPS refers to Basic EPS. A reconciliation of the denominator used in Basic and Diluted EPS calculations is shown in the following table:

(In thousands)	Three Months Ended March 31,	
	2025	2024
Weighted average basic shares	72,012	71,728
Effect of dilutive securities:		
Restricted stock units (1)	126	154
Weighted average diluted shares	72,138	71,882

(1) The number of securities included 110,000 and 136,000 performance stock units during the three months ended March 31, 2025 and March 31, 2024, respectively, the total of which was derived by assuming that target performance will be achieved during the relevant performance period.

Income Taxes. The Company's effective tax rate was 20.2% for the three months ended March 31, 2025, compared to 16.3% for the corresponding period in 2024, primarily due to pre-tax income differences, the amortization of excess deferred income taxes, and changes in COLI policy values.

Southwest Gas' effective tax rate was 20.4% for the three months ended March 31, 2025, compared to 18.2% for the corresponding period in 2024, primarily for the same reasons as noted above for the Company.

As previously disclosed, the Company intends to fully separate from Centuri in the periods ahead. Depending on the form of the Centuri separation, the Company may be required to record a deferred tax liability for the difference of the outside basis in the investment in Centuri as determined under GAAP compared to tax law. It is anticipated that the creation of this liability would impact income tax expense in the period recorded.

On February 24, 2025, the Company entered into a Tax Assets Agreement with Centuri. The Tax Assets Agreement addresses the Company's arrangements with Centuri with respect to certain Tax Assets that each company will retain following any deconsolidation for U.S. federal and relevant state income tax laws. Upon deconsolidation and under the terms of the Tax Assets Agreement, it is anticipated that the Company will contribute certain Tax Assets to Centuri, which will be treated as a deemed capital contribution.

Recent Accounting Standards Updates.

Recently issued accounting pronouncements that will be effective in 2025 and thereafter:

In December 2023, the FASB issued ASU 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." The update, among other amendments, provides for enhanced disclosures primarily related to changes in the effective income tax rate reconciliation and information regarding income taxes paid. The update is effective for annual periods beginning after December 15, 2024. Management is evaluating the impacts this update might have on the Company's and Southwest Gas' disclosures.

In November 2024, the FASB issued ASU 2024-03 "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses." The update requires disclosure of disaggregated information about certain income statement expense line items in the notes to the financial statements. The update is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027; early adoption is permitted. The update should be applied prospectively; however, retrospective application is also permitted. Management is evaluating the impacts this update might have on the Company's and Southwest Gas' disclosures.

Note 2 – Components of Net Periodic Benefit Cost

The components of Southwest Gas' net periodic benefit cost for its QRP, SERP, and PBOP for the three months ended March 31, 2025 and 2024 are presented in the following tables.

	QRP	
	March 31,	
	Three Months	
	2025	2024
(Thousands of dollars)		
Service cost	\$ 6,098	\$ 7,063
Interest cost	16,397	15,097
Expected return on plan assets	(22,582)	(21,953)
Amortization of net actuarial loss	752	1,577
Net periodic benefit cost	\$ 665	\$ 1,784

	SERP	
	March 31,	
	Three Months	
	2025	2024
(Thousands of dollars)		
Service cost	\$ 58	\$ 61
Interest cost	596	542
Amortization of net actuarial loss	270	333
Net periodic benefit cost	\$ 924	\$ 936

	PBOP	
	March 31,	
	Three Months	
	2025	2024
(Thousands of dollars)		
Service cost	\$ 292	\$ 322
Interest cost	856	794
Expected return on plan assets	(624)	(565)
Amortization of prior service costs	44	44
Amortization of net actuarial gain	(78)	—
Net periodic benefit cost	\$ 490	\$ 595

Note 3 – Revenue

The following information about the Company's revenues is presented by segment. Southwest Gas encompasses the natural gas distribution segment and Centuri encompasses the utility infrastructure services segment.

Natural Gas Distribution Segment:

Southwest Gas' operating revenues, but not its profits, are directly impacted by variability between comparative periods in the cost of natural gas procured for customers as such costs are incorporated in customer rates. When incorporated (for customers other than those taking transportation-only service), such costs are passed along to customers, generally dollar-for-dollar without markup. Southwest Gas' revenues overall, reflected on the Condensed Consolidated Statements of Income of both the

Company and Southwest Gas, include revenue from contracts with customers, which is shown below, disaggregated by customer type, in addition to other categories of revenue:

(Thousands of dollars)	Three Months Ended March 31,	
	2025	2024
Residential	\$ 561,639	\$ 784,237
Small commercial	130,365	206,445
Large commercial	21,715	38,016
Industrial/other	13,472	20,823
Transportation	29,566	28,687
Revenue from contracts with customers	756,757	1,078,208
Alternative revenue program revenues (deferrals)	(12,366)	(29,433)
Other revenues (1)	2,025	4,158
Total Regulated operations revenues	<u>\$ 746,416</u>	<u>\$ 1,052,933</u>

(1) Amounts include late fees and other miscellaneous revenues, and may also include the impact of certain regulatory mechanisms.

Utility Infrastructure Services Segment:

During 2024, Utility infrastructure services segment management, in connection with Centuri's planned separation, changed its service type revenue classification to align with changes in its organization structure, and as a result, prior year "other" revenue has been recast into gas infrastructure services to reflect these changes, with no impact to revenue overall. The following tables display Centuri's revenue, reflected as Utility infrastructure services revenues on the Condensed Consolidated Statements of Income of the Company, representing revenue from contracts with customers, disaggregated by service and contract types:

(Thousands of dollars)	Three Months Ended March 31,	
	2025	2024*
Service Types:		
Gas infrastructure services	\$ 237,478	\$ 267,557
Electric power infrastructure services	312,603	260,466
Total Utility infrastructure services revenues	<u>\$ 550,081</u>	<u>\$ 528,023</u>

*The three months ended March 31, 2024 were previously presented as: Gas infrastructure services of \$261,226, Electric power infrastructure services of \$260,466, and Other of \$6,331.

(Thousands of dollars)	Three Months Ended March 31,	
	2025	2024
Contract Types:		
Master services agreement	\$ 419,249	\$ 443,242
Bid contract	130,832	84,781
Total Utility infrastructure services revenues	<u>\$ 550,081</u>	<u>\$ 528,023</u>
Unit price contracts	\$ 285,228	\$ 307,849
Fixed price contracts	129,813	110,282
Time and materials contracts	135,040	109,892
Total Utility infrastructure services revenues	<u>\$ 550,081</u>	<u>\$ 528,023</u>

The following table provides information about contracts receivable and revenue earned on contracts in progress in excess of billings (contract assets), both of which are included within Accounts receivable, net of allowances, as well as amounts billed in

excess of revenue earned on contracts (contract liabilities) at Centuri, which are included in Other current liabilities as of March 31, 2025 and December 31, 2024 on the Company's Condensed Consolidated Balance Sheets:

(Thousands of dollars)	March 31, 2025	December 31, 2024
Contracts receivable, net	\$ 207,115	\$ 281,441
Revenue earned on contracts in progress in excess of billings	272,584	238,169
Amounts billed in excess of revenue earned on contracts	25,364	24,975

Revenue earned on contracts in progress in excess of billings that are not expected to be recognized within a year from the financial statement date are not included in the table above, and were \$25 million as of March 31, 2025, and \$23.9 million as of December 31, 2024. These non-current balances were included in Deferred charges and other assets on the Company's Condensed Consolidated Balance Sheets.

These contract assets primarily relate to Centuri's rights to consideration for work completed, but not billed and/or approved for billing at the reporting date, and are transferred to contracts receivable when the rights become unconditional. Contract assets (current and non-current) increased \$35.6 million as of March 31, 2025 compared to December 31, 2024 due to incremental work performed for which milestones had not yet been met to trigger billing.

As of March 31, 2025, Centuri had recorded \$25.2 million in net recovery claims with customers. Net recovery claims occur when there is a dispute regarding a change in the scope of work and associated price for work already performed. Centuri records estimated claims as variable consideration based on the most likely amount it expects to receive, and to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

The amounts billed in excess of revenue earned primarily relate to the advance consideration received from customers for which work has not yet been completed. The increase in the contract liability balance from December 31, 2024 to March 31, 2025 of \$389,000 was due to amounts received for services not yet performed, net of \$13.8 million in revenue recognized that was included in the balance as of December 31, 2024.

For contracts where payment is expected to be collected less than one year from when services are performed (as determined at contract inception), Centuri uses the practical expedient and does not consider/compute an interest component based on the time value of money. Further, because of the short duration of these contracts, the Company has not disclosed the transaction price for the remaining performance obligations as of the end of each reporting period or when the Company expects to recognize the revenue.

As of March 31, 2025, Centuri had 43 fixed price contracts with an original duration of more than one year. The aggregate amount of the transaction price allocated to the unsatisfied performance obligations of these contracts as of March 31, 2025 was \$133.4 million. Centuri expects to recognize the remaining performance obligations over approximately the next 1.5 years; however, the timing of that recognition is largely within the control of the customer, including when the necessary equipment and materials required to complete the work are provided by the customer.

Utility infrastructure services contracts receivable consists of the following:

(Thousands of dollars)	March 31, 2025	December 31, 2024
Billed on completed contracts and contracts in progress	\$ 205,599	\$ 281,416
Other receivables	4,028	2,727
Contracts receivable, gross	209,627	284,143
Allowance for doubtful accounts	(2,512)	(2,702)
Contracts receivable, net	\$ 207,115	\$ 281,441

In September 2024, Centuri entered into a three-year Securitization Facility for an aggregate amount of up to \$125 million with PNC, to enhance Centuri's financial flexibility by providing additional liquidity. Under the Securitization Facility, certain designated subsidiaries of Centuri have sold and/or contributed, and will continue to sell and/or contribute, their trade accounts receivable and contract assets generated in the ordinary course of business to an indirect wholly owned bankruptcy-remote SPE of Centuri created specifically for this purpose.

The total outstanding balance of accounts receivable that have been sold and derecognized was \$111.5 million and \$125 million as of March 31, 2025 and December 31, 2024, respectively. Additionally, the SPE owned unsold accounts receivable and contract assets of \$5.2 million and \$72.3 million, respectively, as of March 31, 2025, and \$45.2 million and \$78.3 million, respectively, as of December 31, 2024, which were not sold to PNC. These balances are primarily included in Accounts

receivable, net of allowances in the Company's Condensed Consolidated Balance Sheet, with certain non-current balances included in Deferred charges and other assets. For the three months ended March 31, 2025, Centuri received no cash proceeds from the Securitization Facility and made \$13.5 million in repayments to the Securitization Facility. As of March 31, 2025, Centuri had \$13.5 million of unused capacity under the Securitization Facility.

Note 4 – Common Stock

Shares of the Company's common stock are publicly traded on the NYSE, under the ticker symbol "SWX." Share-based compensation related to Southwest Gas is based on stock awards to be issued in shares of the Company. Beginning in 2024, Centuri also maintains a separate plan for awards to be issued in shares of Centuri. During the three months ended March 31, 2025, the Company issued an insignificant amount of shares through the Omnibus Incentive and Dividend Reinvestment and Direct Stock Purchase Plans.

On August 6, 2024, the Company entered into an Equity Distribution Agreement with J.P. Morgan Securities LLC and Wells Fargo Securities, LLC for the offer and sale of up to \$340,000,000 of common stock from time to time in an ATM Program. The shares are issuable pursuant to the Company's automatic shelf registration statement on Form S-3 (File No. 333-275774). No issuances have occurred under the ATM Program as of March 31, 2025.

Note 5 – Debt

Long-Term Debt

Long-term debt is recognized in the Company's and Southwest Gas' Condensed Consolidated Balance Sheets generally at the carrying value of the obligations outstanding. Details surrounding the fair value and individual carrying values of instruments are provided in the table that follows.

	March 31, 2025		December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(Thousands of dollars)				
Southwest Gas Corporation:				
Debentures:				
8% Series, due 2026	\$ 75,000	\$ 77,479	\$ 75,000	\$ 77,898
Medium-term notes, 7.92% series, due 2027	25,000	26,295	25,000	26,285
Medium-term notes, 6.76% series, due 2027	7,500	7,729	7,500	7,701
Notes, 5.8%, due 2027	300,000	308,160	300,000	306,450
Notes, 3.7%, due 2028	300,000	291,990	300,000	287,460
Notes, 5.45%, due 2028	300,000	305,790	300,000	302,970
Notes, 2.2%, due 2030	450,000	395,415	450,000	385,425
Notes, 4.05%, due 2032	600,000	559,980	600,000	558,120
Notes, 6.1%, due 2041	125,000	124,988	125,000	127,900
Notes, 4.875%, due 2043	250,000	215,900	250,000	210,700
Notes, 3.8%, due 2046	300,000	225,720	300,000	219,390
Notes, 4.15%, due 2049	300,000	230,070	300,000	223,470
Notes, 3.18%, due 2051	300,000	193,350	300,000	187,680
Unamortized discount and debt issuance costs	(25,675)		(26,477)	
	<u>3,306,825</u>		<u>3,306,023</u>	
Revolving credit facility and commercial paper	—	—	—	—

	March 31, 2025		December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(Thousands of dollars)				
Industrial development revenue bonds:				
Tax-exempt Series A, due 2028	50,000	50,000	50,000	50,000
2003 Series A, due 2038	50,000	50,000	50,000	50,000
2008 Series A, due 2038	50,000	50,000	50,000	50,000
2009 Series A, due 2039	50,000	50,000	50,000	50,000
Unamortized discount and debt issuance costs	(1,473)		(1,546)	
	<u>198,527</u>		<u>198,454</u>	
Less: current maturities	—		—	
Southwest Gas Corporation total long-term debt, less current maturities	<u>3,505,352</u>		<u>3,504,477</u>	
Southwest Gas Holdings, Inc.:				
Centuri secured term loan facility	706,375	705,527	706,375	709,059
Centuri secured revolving credit facility	97,820	97,805	113,533	113,455
Other debt obligations	57,918	56,282	65,794	63,659
Unamortized discount and debt issuance costs	(10,638)		(11,821)	
Less: current maturities	(28,932)		(30,018)	
Southwest Gas Holdings, Inc. total long-term debt, less current maturities	<u>\$ 4,327,895</u>		<u>\$4,348,340</u>	

Southwest Gas has a \$400 million credit facility that is scheduled to expire in August 2029. It has designated \$150 million of associated capacity as long-term debt and the remaining \$250 million for working capital purposes. At March 31, 2025, the applicable margin is 1.125% for loans bearing interest with reference to SOFR and 0.125% for loans bearing interest with reference to the alternative base rate. At March 31, 2025, no borrowings were outstanding on the long-term portion (including under the commercial paper program), nor under the short-term portion of the facility.

Centuri has a \$1.545 billion secured revolving credit and term loan multi-currency facility. Amounts can be borrowed in either Canadian or U.S. dollars. The revolving credit facility matures on August 27, 2026 and the term loan facility matures on August 27, 2028. The applicable margin for the revolving credit facility ranges from 1.0% to 2.5% for SOFR and CORRA loans and from 0.0% to 1.5% for “base rate” loans, depending on Centuri’s total net leverage ratio. The applicable margin for the term loan facility is 1.50% for base rate loans and 2.50% for SOFR loans. The capacity of the line of credit portion of the facility is \$400 million; related amounts borrowed and repaid are available to be re-borrowed. The term loan portion of the facility has a limit of \$1.145 billion. The obligations under the credit agreement are secured by present and future ownership interests in substantially all direct and indirect subsidiaries of Centuri, substantially all of the tangible and intangible personal property of each borrower, certain of their direct and indirect subsidiaries, and all products, profits, and proceeds of the foregoing. Centuri’s assets securing the facility at March 31, 2025 totaled \$2.3 billion. At March 31, 2025, \$804.2 million in borrowings were outstanding under Centuri’s combined secured revolving credit and term loan facility.

Short-Term Debt

Southwest Gas Holdings has a \$300 million credit facility that is scheduled to expire in December 2026 and is primarily used for short-term financing needs. There was \$140 million outstanding under this credit facility as of March 31, 2025.

In August 2024, Southwest Gas Holdings entered into a \$550 million term loan that is set to mature in July 2025.

As indicated above, under Southwest Gas’ \$400 million credit facility, \$250 million has been designated by management for working capital purposes; no short-term borrowings were outstanding as of March 31, 2025.

Note 6 – Segment Information

The Company has two reportable segments: the natural gas distribution segment (Southwest Gas) and the utility infrastructure services segment (Centuri). Our reportable segments are based on the nature of their activities.

In order to reconcile to net income as disclosed in the Condensed Consolidated Statements of Income, an Other column is included below associated with certain unallocated expenses that represent the corporate and administrative activities associated with Southwest Gas Holdings, such as costs related to the Centuri separation and net interest deductions.

Approximately 99% of the total Company's long-lived assets are in the U.S. with the remainder in Canada.

Segment information is presented in a similar manner to how the CODM, the Company's CEO and President, reviews operating results in assessing performance and allocating resources. The CODM evaluates the performance of the reportable segments based on each segment's net income (loss). The CODM considers budget-to-actual variances when making decisions about allocating capital and personnel to the segments. The CODM also uses net income (loss) to assess the return on assets of each segment including margin earned and in the compensation of certain employees. The CODM reviews capital expenditures by reportable segment rather than by any individual or total asset amount.

Centuri accounts for services provided to Southwest Gas at contractual prices. Accounts receivable for these services, which are not eliminated during consolidation, are presented in the table below:

(Thousands of dollars)	March 31, 2025	December 31, 2024
Accounts receivable for Centuri services (1)	\$ 441	\$ 9,648

(1) The primary change in this balance relates to certain accounts receivable balances sold by Centuri as part of its Securitization Facility described in **Note 3 – Revenue**.

The following table presents the amount of revenues by geographic area:

(Thousands of dollars)	Three Months Ended	
	March 31,	
	2025	2024
Revenues (1)		
United States	\$1,256,712	\$1,539,976
Canada	39,785	40,980
Total	\$1,296,497	\$1,580,956

(1) Revenues are attributed to countries based on the location of customers.

The financial information pertaining to the natural gas distribution and utility infrastructure services segments are as follows:

(Thousands of dollars)	Three Months Ended March 31, 2025			
	Natural Gas Operations	Utility Infrastructure Services	Other	Total
Revenues from external customers	\$ 746,416	\$ 528,972	\$ —	\$ 1,275,388
Intersegment sales	—	21,109	—	21,109
Total segment revenue	\$ 746,416	\$ 550,081	\$ —	\$ 1,296,497
Less:				
Net cost of gas sold	284,579	—	—	284,579
Operations and maintenance	129,407	—	1,844	131,251
Utility infrastructure services expense	—	528,571	—	528,571
Other segment items (1)	152,780	52,566	9,894	215,240
Income (loss) before income taxes	179,650	(31,056)	(11,738)	136,856
Income tax expense (benefit)	36,708	(6,405)	(2,634)	27,669
Net income (loss)	142,942	(24,651)	(9,104)	109,187
Net loss attributable to noncontrolling interests	—	(4,683)	—	(4,683)
Net income (loss) attributable to Southwest Gas Holdings, Inc.	\$ 142,942	\$ (19,968)	\$ (9,104)	\$ 113,870

(1) Other segment items for each reportable segment includes:

- Natural Gas Distribution: Depreciation and amortization, Taxes other than income taxes, Net interest deductions, and Other income (deductions).
- Utility Infrastructure Services: Depreciation and amortization, Net interest deductions, and Other income (deductions).

Other segment disclosures

Three Months Ended March 31, 2025

(Thousands of dollars)	Natural Gas Operations	Utility Infrastructure Services	Other	Total
Interest income	\$ 5,810	\$ —	\$ —	\$ 5,810
Interest expense	\$ 44,631	\$ 17,862	\$ 9,788	\$ 72,281
Depreciation and amortization	\$ 93,690	\$ 34,223	\$ —	\$ 127,913
Segment assets	\$ 9,679,467	\$ 2,384,596	\$ 11,741	\$ 12,075,804
Capital expenditures	\$ 163,134	\$ 24,362	\$ —	\$ 187,496

Three Months Ended March 31, 2024

(Thousands of dollars)	Natural Gas Distribution	Utility Infrastructure Services	Other	Total
Revenues from external customers	\$ 1,052,933	\$ 504,745	\$ —	\$ 1,557,678
Intersegment sales	—	23,278	—	23,278
Total segment revenue	\$ 1,052,933	\$ 528,023	\$ —	\$ 1,580,956
Less:				
Net cost of gas sold	629,997	—	—	629,997
Operations and maintenance	130,866	—	4,280	135,146
Utility infrastructure services expense	—	515,643	—	515,643
Other segment items (1)	126,070	58,386	11,073	195,529
Income (loss) before income taxes	166,000	(46,006)	(15,353)	104,641
Income tax expense (benefit)	30,175	(9,601)	(3,495)	17,079
Net income (loss)	135,825	(36,405)	(11,858)	87,562
Net loss attributable to noncontrolling interests	—	(175)	—	(175)
Net income (loss) attributable to Southwest Gas Holdings, Inc.	\$ 135,825	\$ (36,230)	\$ (11,858)	\$ 87,737

(1) Other segment items for each reportable segment includes:

- Natural Gas Distribution: Depreciation and amortization, Taxes other than income taxes, Net interest deductions, and Other income (deductions).
- Utility Infrastructure Services: Depreciation and amortization, Net interest deductions, and Other income (deductions).

Other segment disclosures

Three Months Ended March 31, 2024

(Thousands of dollars)	Natural Gas Distribution	Utility Infrastructure Services	Other	Total
Interest income	\$ 9,776	\$ —	\$ —	\$ 9,776
Interest expense	\$ 36,444	\$ 24,099	\$ 11,062	\$ 71,605
Depreciation and amortization	\$ 84,823	\$ 34,319	\$ —	\$ 119,142
Segment assets	\$ 9,370,465	\$ 2,506,670	\$ 10,859	\$ 11,887,994
Capital expenditures	\$ 190,699	\$ 30,499	\$ —	\$ 221,198

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Southwest Gas Holdings is a holding company that owns all of the shares of common stock of Southwest Gas; and until April 22, 2024, all of the shares of common stock of Centuri. Consistent with the Company's earlier determination to simplify the Company's portfolio of businesses, the Company determined it would pursue a separation of Centuri. In April 2024, the Company and Centuri announced the completion of the Centuri IPO. Following the Centuri IPO, the Company owns approximately 81% of the outstanding Centuri common stock. The Company intends to fully dispose of its ownership in Centuri in one or more disposition transactions, including by way of sales of its shares of Centuri common stock, one or more exchange offers for Company shares, or distributions to Company stockholders via spin-off, or any combination thereof.

Note 1 – Background and Organization

Nature of Operations. The Company, a Delaware corporation, is a holding company owning all of the shares of common stock of Southwest Gas; and until April 22, 2024, all of the shares of common stock of Centuri. The Company's common stock trades under the ticker symbol "SWX."

Southwest Gas is engaged in the business of purchasing, distributing, and transporting natural gas for customers in portions of Arizona, Nevada, and California. Public utility rates, practices, facilities, and service territories of Southwest Gas are subject to regulatory oversight. The timing and amount of rate relief can materially impact results of operations. Natural gas purchases and the timing of related recoveries can materially impact liquidity. While mechanisms exist in all states in which Southwest Gas operates, which decouple authorized operating cost recovery and profitability from the volume of natural gas sold, thereby also incentivizing energy conservation, results for the natural gas distribution segment are higher during winter periods due to the seasonality incorporated in its regulatory rate structures.

Centuri is a strategic utility infrastructure services company dedicated to partnering with North America's gas and electric providers to build and maintain the energy network that powers millions of homes across the U.S. and Canada. Centuri derives revenue primarily from installation, replacement, repair, and maintenance of energy networks. Centuri operates through a family of complementary companies in the U.S. and Canada. Utility infrastructure services activity is seasonal in many of Centuri's operating areas. Peak periods are the summer and fall months in colder climate areas, such as the northeastern and midwestern U.S. and in Canada. In warmer climate areas, such as the southwestern and southeastern U.S., utility infrastructure services activity continues year round.

As part of a simplification strategy, the Company previously communicated that it would pursue a separation of Centuri. In April 2024, the Company and Centuri announced the completion of an IPO of Centuri Holdings, Inc. common stock. Following the Centuri IPO, the Company owned approximately 81% of Centuri. In May 2025, and again in June 2025, the Company and Centuri completed secondary public offerings of Centuri common stock owned by the Company. The Company also completed a private placement of Centuri stock as part of the May 2025 transaction. At June 30, 2025, the Company owned 53.3% of Centuri. In July 2025, the Company closed on an additional private placement offering. Following this additional private placement, the Company owns 52.1% of Centuri. Centuri continues to be consolidated as part of these financial statements, and will continue to be consolidated until such time as the conditions for consolidation are no longer met. See also **Note 7 - Centuri Separation**.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation. The condensed consolidated financial statements of the Company and Southwest Gas included herein have been prepared pursuant to the rules and regulations of the SEC. The year-end 2024 condensed consolidated balance sheet data was derived from audited financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations.

The preparation of the condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, as of the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In the opinion of management, all adjustments, consisting of normal recurring items and estimates necessary for a fair statement of results for the interim periods, have been made.

Centuri and the Company do not always have the same basis of presentation, which could result in differences between the amounts presented in the Company's financial information related to Centuri, and amounts included in Centuri's separate publicly filed financial information.

Certain items in the prior period financial statements have been reclassified to conform to the current year presentation. Such reclassifications did not affect revenue, operating income, net income, or cash flows.

These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto of Southwest Gas and the Company included in our 2024 Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Other Property and Investments. Other property and investments on Southwest Gas' and the Company's Condensed Consolidated Balance Sheets includes:

(Thousands of dollars)	June 30, 2025	December 31, 2024
Net cash surrender value of COLI policies	\$ 158,874	\$ 155,199
Other property	4,438	4,479
Total Southwest Gas Corporation	163,312	159,678
Non-regulated property, equipment, and intangibles	1,764,398	1,730,712
Non-regulated accumulated provision for depreciation and amortization	(796,033)	(740,569)
Other property and investments	37,674	41,327
Total Southwest Gas Holdings, Inc.	\$ 1,169,351	\$ 1,191,148

Cash Flow Supplemental Information. Cash flows from investing and financing activities exclude the impacts of certain items that while reflected on the balance sheets had no impact on cash flows. For instance, capital expenditures that were not yet paid, thereby remaining in Accounts payable or Other current liabilities have been excluded from cash flows, amounts related to which declined by approximately \$5.8 million and \$4.0 million for the Company and Southwest Gas, respectively, during the six months ended June 30, 2025; and declined approximately \$8.5 million for the Company and increased by approximately \$2.2 million for Southwest during the six months ended June 30, 2024.

Prepaid and other current assets. Prepaid and other current assets for the Company and Southwest Gas include, among other things, \$57.1 million and \$32.4 million related to a regulatory asset associated with the Arizona decoupling mechanism as of June 30, 2025 and December 31, 2024, respectively.

Goodwill. Goodwill is assessed as of October 1 each year for impairment, or more frequently, if circumstances indicate an impairment to the carrying value of goodwill may have occurred. The Company's reporting units for goodwill are its operating segments, which are also its reportable segments. Since December 31, 2024, management qualitatively assessed whether events during the first six months of 2025 indicated it was more likely than not that the fair value of our reporting units was less than their carrying value, which if the case, could be an indication of a goodwill impairment. Through management's assessments, no impairment was deemed to have occurred in the continuing segments of the Company. Goodwill in the Natural Gas Distribution and Utility Infrastructure Services segments is included in the respective Condensed Consolidated Balance Sheets as follows:

(Thousands of dollars)	Natural Gas Distribution	Utility Infrastructure Services	Total Company
December 31, 2024	\$ 11,155	\$ 770,046	\$ 781,201
Foreign currency translation adjustment	—	5,303	5,303
June 30, 2025	\$ 11,155	\$ 775,349	\$ 786,504

Other Current Liabilities. Management recognizes in its balance sheets various liabilities that are expected to be settled through future cash payment within the next twelve months, including amounts payable under regulatory mechanisms, customary accrued expenses for employee compensation and benefits, declared but unpaid dividends, and miscellaneous other accrued liabilities. Other current liabilities for the Company include \$44.6 million and \$44.5 million of dividends declared as of June 30, 2025 and December 31, 2024, respectively.

Other Income (Deductions). The following table provides the composition of significant items included in Other income (deductions) in Southwest Gas' and the Company's Condensed Consolidated Statements of Income:

(Thousands of dollars)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Southwest Gas Corporation:				
Change in COLI policies	\$ 5,500	\$ 1,000	\$ 3,800	\$ 4,600
Interest income	5,817	9,137	11,627	18,913
Equity AFUDC	1,558	1,835	2,911	3,674
Other components of net periodic benefit cost	4,368	4,130	8,737	8,261
Miscellaneous income and (expense)	563	(1,891)	33	(3,137)
Southwest Gas Corporation - total other income (deductions)	17,806	14,211	27,108	32,311
Centuri and Southwest Gas Holdings, Inc.:				
Foreign transaction loss	(24)	(103)	(29)	(1)
Equity in earnings (loss) of unconsolidated investments	77	(44)	149	(157)
Miscellaneous income and (expense)	302	855	(245)	898
Corporate and administrative	260	20	153	9
Southwest Gas Holdings, Inc. - total other income (deductions)	\$ 18,421	\$ 14,939	\$ 27,136	\$ 33,060

Interest income primarily relates to Southwest Gas' regulatory asset balances, including its deferred purchased gas cost mechanisms. Interest income is earned on asset balances and interest expense is incurred on liability balances. Corporate and administrative costs are those incurred directly by the parent entity, Southwest Gas Holdings. Refer also to **Note 3 – Components of Net Periodic Benefit Cost** for details regarding Other components of net periodic benefit cost.

Redeemable Noncontrolling Interest. Certain members of Riggs Distler management continue to hold a 0.80% interest in Drum, the parent of Riggs Distler, as of June 30, 2025, which is redeemable, subject to certain rights based on the passage of time or upon the occurrence of certain triggering events.

The following depicts changes to the balance of the redeemable noncontrolling interest in Drum:

(Thousands of dollars)	Drum
Balance, December 31, 2024	\$ 7,660
Net income attributable to redeemable noncontrolling interest	39
Balance, June 30, 2025	\$ 7,699

EPS. Basic EPS in each period of this report were calculated by dividing net income attributable to the Company by the weighted-average number of shares during those periods. Diluted EPS includes additional weighted-average common stock equivalents (performance stock units and restricted stock units). Unless otherwise noted, the term EPS refers to Basic EPS. A reconciliation of the denominator used in Basic and Diluted EPS calculations is shown in the following table:

(In thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Weighted average basic shares	72,088	71,839	72,050	71,784
Effect of dilutive securities:				
Restricted stock units (1)(2)	—	176	145	165
Weighted average diluted shares	72,088	72,015	72,195	71,949

(1) The number of securities included 144,000 performance stock units during the three months ended June 30, 2024. During the six months ended June 30, 2025 and June 30, 2024, respectively, the number of securities included 124,000 and 140,000 performance stock units, the total of which was derived by assuming that target performance will be achieved during the relevant performance period.

(2) The number of anti-dilutive restricted stock units excluded from the calculation of diluted shares during the three months ended June 30, 2025 is 161,000.

Income Taxes. The Company's effective tax rate was 124.4% for the three months ended June 30, 2025, compared to 17.1% for the corresponding period in 2024, primarily due to pre-tax income differences, the amortization of excess deferred income taxes, nondeductible Centuri IPO costs, and the sale of Centuri shares, which includes the establishment of the outside basis difference deferred tax liability and state income tax deferred tax assets. The Company's effective tax rate was 44.8% for the six months ended June 30, 2025, compared to 16.5% for the corresponding period in 2024, primarily due to pre-tax income differences, amortization of excess deferred income taxes, and the sale of Centuri shares, which includes the establishment of the outside basis difference deferred tax liability and state income tax deferred tax assets (See **Note 7 - Centuri Separation**).

Southwest Gas' effective tax rate was 12.3% for the three months ended June 30, 2025, compared to 6.3% for the corresponding period in 2024, primarily due to pre-tax income differences and the amortization of excess deferred income taxes. Southwest's effective tax rate was 19.0% for the six months ended June 30, 2025, compared to 16.4% in the corresponding period in 2024 primarily due to the amortization of excess accumulated deferred income taxes and the impacts of COLI.

On July 4, 2025, the OBBBA was signed into law, which makes permanent many of the tax provisions enacted in 2017 as part of the Tax Cuts and Jobs Act that were set to expire at the end of 2025. In addition, the OBBBA makes changes to certain U.S. corporate tax provisions, but many are generally not effective until 2026. The Company is currently evaluating the impact of the new legislation but does not expect it to have a material impact on the results of operations.

Recent Accounting Standards Updates.

Recently issued accounting pronouncements that will be effective in 2025 and thereafter:

In December 2023, the FASB issued ASU 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." The update, among other amendments, provides for enhanced disclosures primarily related to changes in the effective income tax rate reconciliation and information regarding income taxes paid. The update is effective for annual periods beginning after December 15, 2024. Management is evaluating the impacts this update might have on the Company's and Southwest Gas' disclosures.

In November 2024, the FASB issued ASU 2024-03 "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses." The update requires disclosure of disaggregated information about certain income statement expense line items in the notes to the financial statements. The update is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027; early adoption is permitted. The update should be applied prospectively; however, retrospective application is also permitted. Management is evaluating the impacts this update might have on the Company's and Southwest Gas' disclosures.

Note 3 – Components of Net Periodic Benefit Cost

The components of Southwest Gas' net periodic benefit cost for its QRP, SERP, and PBOP for the three and six months ended June 30, 2025 and 2024 are presented in the following tables.

(Thousands of dollars)	Three Months Ended June 30,					
	2025			2024		
	QRP	SERP	PBOP	QRP	SERP	PBOP
Service cost	\$ 6,099	\$ 58	\$ 292	\$ 7,063	\$ 61	\$ 322
Interest cost	16,397	596	857	15,097	542	795
Expected return on plan assets	(22,581)	—	(624)	(21,953)	—	(565)
Amortization of prior service costs	—	—	44	—	—	44
Amortization of net actuarial loss (gain)	752	270	(79)	1,577	333	—
Net periodic benefit cost	<u>\$ 667</u>	<u>\$ 924</u>	<u>\$ 490</u>	<u>\$ 1,784</u>	<u>\$ 936</u>	<u>\$ 596</u>

(Thousands of dollars)	Six Months Ended June 30,					
	2025			2024		
	QRP	SERP	PBOP	QRP	SERP	PBOP
Service cost	\$ 12,197	\$ 116	\$ 584	\$ 14,126	\$ 122	\$ 644
Interest cost	32,794	1,192	1,713	30,194	1,084	1,589
Expected return on plan assets	(45,163)	—	(1,248)	(43,906)	—	(1,130)
Amortization of prior service costs	—	—	88	—	—	88
Amortization of net actuarial loss (gain)	1,504	540	(157)	3,154	666	—
Net periodic benefit cost	<u>\$ 1,332</u>	<u>\$ 1,848</u>	<u>\$ 980</u>	<u>\$ 3,568</u>	<u>\$ 1,872</u>	<u>\$ 1,191</u>

Note 4 – Revenue

The following information about the Company's revenues is presented by segment. Southwest Gas encompasses the natural gas distribution segment and Centuri encompasses the utility infrastructure services segment.

Natural Gas Distribution Segment:

Southwest Gas' operating revenues, but not its profits, are directly impacted by variability between comparative periods in the cost of natural gas procured for customers as such costs are incorporated in customer rates. When incorporated (for customers other than those taking transportation-only service), such costs are passed along to customers, generally dollar-for-dollar without markup. Southwest Gas' revenues overall, reflected on the Condensed Consolidated Statements of Income of both the

Company and Southwest Gas, include revenue from contracts with customers, which is shown below, disaggregated by customer type, in addition to other categories of revenue:

(Thousands of dollars)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Residential	\$ 238,844	\$ 310,552	\$ 800,483	\$ 1,094,789
Small commercial	72,024	110,640	202,389	317,085
Large commercial	17,921	29,310	39,636	67,326
Industrial/other	10,669	15,471	24,141	36,294
Transportation	29,403	26,673	58,969	55,360
Revenue from contracts with customers	368,861	492,646	1,125,618	1,570,854
Alternative revenue program revenues (deferrals)	24,870	13,070	12,504	(16,363)
Other revenues (1)	2,587	4,377	4,612	8,535
Total Regulated operations revenues	<u>\$ 396,318</u>	<u>\$ 510,093</u>	<u>\$ 1,142,734</u>	<u>\$ 1,563,026</u>

(1) Amounts include late fees and other miscellaneous revenues, and may also include the impact of certain regulatory mechanisms.

Utility Infrastructure Services Segment:

During 2024, Utility infrastructure services segment management, in connection with Centuri's planned separation, changed its service type revenue classification to align with changes in its organization structure, and as a result, prior year "other" revenue has been recast into gas infrastructure services to reflect these changes, with no impact to revenue overall. The following tables display Centuri's revenue, reflected as Utility infrastructure services revenues on the Condensed Consolidated Statements of Income of the Company, representing revenue from contracts with customers, disaggregated by service and contract types:

(Thousands of dollars)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024*	2025	2024*
Service Types:				
Gas infrastructure services	\$ 391,945	\$ 387,352	\$ 629,423	\$ 654,909
Electric power infrastructure services	332,107	284,723	644,710	545,189
Total Utility infrastructure services revenues	<u>\$ 724,052</u>	<u>\$ 672,075</u>	<u>\$ 1,274,133</u>	<u>\$ 1,200,098</u>

*The three months ended June 30, 2024 were previously presented as: Gas infrastructure services of \$381,676, Electric power infrastructure services of \$284,723, and Other of \$5,676. The six months ended June 30, 2024 were previously presented as: Gas infrastructure services of \$642,902, Electric power infrastructure services of \$545,189, and Other of \$12,007.

(Thousands of dollars)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Contract Types:				
Master services agreement	\$ 593,813	\$ 559,459	\$ 1,013,062	\$ 1,002,701
Bid contract	130,239	112,616	261,071	197,397
Total Utility infrastructure services revenues	<u>\$ 724,052</u>	<u>\$ 672,075</u>	<u>\$ 1,274,133</u>	<u>\$ 1,200,098</u>
Unit price contracts	\$ 420,474	\$ 398,441	\$ 705,702	\$ 706,290
Fixed price contracts	140,498	134,566	270,311	244,848
Time and materials contracts	163,080	139,068	298,120	248,960
Total Utility infrastructure services revenues	<u>\$ 724,052</u>	<u>\$ 672,075</u>	<u>\$ 1,274,133</u>	<u>\$ 1,200,098</u>

The following table provides information about contracts receivable and revenue earned on contracts in progress in excess of billings (contract assets), both of which are included within Accounts receivable, net of allowances, as well as amounts billed in

excess of revenue earned on contracts (contract liabilities) at Centuri, which are included in Other current liabilities as of June 30, 2025 and December 31, 2024 on the Company's Condensed Consolidated Balance Sheets:

(Thousands of dollars)	June 30, 2025	December 31, 2024
Contracts receivable, net	\$ 256,141	\$ 281,441
Revenue earned on contracts in progress in excess of billings	314,477	238,169
Amounts billed in excess of revenue earned on contracts	32,817	24,975

Revenue earned on contracts in progress in excess of billings that are not expected to be recognized within a year from the financial statement date are not included in the table above, and were \$27.8 million as of June 30, 2025, and \$23.9 million as of December 31, 2024. These non-current balances were included in Deferred charges and other assets on the Company's Condensed Consolidated Balance Sheets.

These contract assets primarily relate to Centuri's right to consideration for work completed but not billed and/or approved for billing at the reporting date, and are transferred to contracts receivable when the rights become unconditional. The increase in contract assets (current and non-current) of \$80.3 million from December 31, 2024 was due to incremental work performed for which milestones had not yet been met to trigger billing.

As of June 30, 2025, Centuri had recorded \$42.3 million in net recovery claims with customers. Net recovery claims occur when there is a dispute regarding a change in the scope of work and associated price for work already performed. Centuri records estimated claims as variable consideration based on the most likely amount it expects to receive, and to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

The amounts billed in excess of revenue earned primarily relate to the advance consideration received from customers for which work has not yet been completed. The increase in the contract liability balance from December 31, 2024 to June 30, 2025 of \$7.8 million was due to amounts received for services not yet performed, net of \$17.6 million in revenue recognized that was included in the balance as of December 31, 2024.

For contracts where payment is expected to be collected less than one year from when services are performed (as determined at contract inception), Centuri uses the practical expedient and does not consider/compute an interest component based on the time value of money. Further, because of the short duration of these contracts, the Company has not disclosed the transaction price for the remaining performance obligations as of the end of each reporting period or when the Company expects to recognize the revenue.

As of June 30, 2025, Centuri had 43 fixed price contracts with an original duration of more than one year. The aggregate amount of the transaction price allocated to the unsatisfied performance obligations of these contracts as of June 30, 2025 was \$202.8 million. Centuri expects to recognize the remaining performance obligations over approximately the next 2.5 years; however, the timing of that recognition is largely within the control of the customer, including when the necessary equipment and materials required to complete the work are provided by the customer.

Utility infrastructure services contracts receivable consists of the following:

(Thousands of dollars)	June 30, 2025	December 31, 2024
Billed on completed contracts and contracts in progress	\$ 253,881	\$ 281,416
Other receivables	2,651	2,727
Contracts receivable, gross	256,532	284,143
Allowance for doubtful accounts	(391)	(2,702)
Contracts receivable, net	\$ 256,141	\$ 281,441

In September 2024, Centuri entered into a three-year Securitization Facility for an aggregate amount of up to \$125 million with PNC, to enhance Centuri's financial flexibility by providing additional liquidity. Under the Securitization Facility, certain designated subsidiaries of Centuri have sold and/or contributed, and will continue to sell and/or contribute, their trade accounts receivable and contract assets generated in the ordinary course of business to an indirect wholly owned bankruptcy-remote SPE of Centuri created specifically for this purpose.

The total outstanding balance of accounts receivable that have been sold and derecognized was \$125 million as of both June 30, 2025 and December 31, 2024, respectively. Centuri had no unused capacity on the Securitization Facility as of June 30, 2025. Additionally, the SPE owned unsold accounts receivable and contract assets of \$25.2 million and \$104.3 million,

respectively, as of June 30, 2025, and \$45.2 million and \$78.3 million, respectively, as of December 31, 2024, which were not sold to PNC. These balances are primarily included in Accounts receivable, net of allowances in the Company's Condensed Consolidated Balance Sheet, with certain non-current balances included in Deferred charges and other assets. During the three and six months ended June 30, 2025, Centuri incurred \$1.7 million and \$3.5 million, respectively, in yield fees on the Securitization Facility, which were recorded in Net interest deductions on the Company's Condensed Consolidated Statements of Income.

Note 5 – Debt

Long-Term Debt

Long-term debt is recognized in the Company's and Southwest Gas' Condensed Consolidated Balance Sheets generally at the carrying value of the obligations outstanding. Details surrounding the fair value and individual carrying values of instruments are provided in the table that follows.

	June 30, 2025		December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(Thousands of dollars)				
Southwest Gas Corporation:				
Southwest Gas long-term debt	\$ 3,532,500	\$3,191,328	\$3,532,500	\$3,121,449
Unamortized discount and debt issuance costs	(26,263)		(28,023)	
Southwest Gas Corporation total long-term debt (no current maturities)	<u>3,506,237</u>		<u>3,504,477</u>	
Southwest Gas Holdings, Inc.:				
Centuri long-term debt	928,591	929,465	885,702	886,173
Unamortized discount and debt issuance costs	(9,860)		(11,821)	
Less: current maturities	(28,101)		(30,018)	
Southwest Gas Holdings, Inc. total long-term debt, less current maturities	<u>\$ 4,396,867</u>		<u>\$4,348,340</u>	

Southwest Gas has a \$400 million revolving credit facility that is scheduled to expire in August 2029. In June 2025, Southwest Gas amended this revolving credit agreement, which among other things, added a swingline loan sub-facility in an aggregate principal amount at any time outstanding not to exceed \$30 million and added a one-week interest period option with an interest rate equal to Daily Simple SOFR plus 0.03839% plus the applicable margin. At June 30, 2025, the applicable margin is 1.125% for loans bearing interest with reference to SOFR and 0.125% for loans bearing interest with reference to the alternative base rate. At June 30, 2025, no borrowings were outstanding on the long-term portion (including under the commercial paper program), nor under the short-term portion of the facility.

In July 2025, Centuri amended its second amended and restated credit agreement, which among other things, updated the change in control provision to permit Southwest Gas Holdings to dispose of its ownership in Centuri below 51% without triggering an event of default, refinanced and replaced in full the existing term loan facility with an \$800 million term loan facility with a maturity date of July 9, 2032, \$93.6 million of which is comprised of new term loans used to refinance existing indebtedness and \$706.4 million of which was used to refinance existing term loans. In addition, the senior secured revolving credit facility increased from \$400 million to \$450 million, and extended the maturity date of the senior secured revolving credit facility from August 27, 2026 to July 9, 2030. The amendment also decreased the interest rate margin applicable to term loans by 0.25% to 2.25% for SOFR Loans and 1.25% for Base Rate Loans.

Short-Term Debt

In June 2025, Southwest Gas Holdings entered into a new \$300 million revolving credit agreement that matures in August 2029, replacing Southwest Gas Holdings' existing \$300 million credit facility that was set to expire in December 2026. At June 30, 2025, the applicable margin is 1.25% for loans bearing interest to SOFR and 0.25% for loans bearing interest with reference to the alternative base. Southwest Gas Holdings has a one-week interest period option with an interest rate equal to Daily Simple SOFR plus 0.03839% plus the applicable margin. Southwest Gas Holdings is also required to pay a commitment fee on the unfunded portion of the commitments which ranges from 0.075% to 0.200%. The revolving credit agreement also

contains a swingline loan sub-facility in an aggregate principal amount at any time outstanding not to exceed \$30 million. At June 30, 2025, there was \$35.0 million outstanding under this credit facility.

In August 2024, Southwest Gas Holdings entered into a \$550 million term loan that had been set to mature in July 2025. In June 2025, Southwest Gas Holdings entered into a second amended and restated term loan credit agreement, extending the maturity date of this agreement to June 2026 and excluding Centuri and its subsidiaries from certain material representations, covenants, and events of default. Prior to the execution of the amendment, Southwest Gas Holdings prepaid a portion of the indebtedness, decreasing the balance from \$550 million to \$225 million, utilizing proceeds received from the Centuri separation transactions. See **Note 7 - Centuri Separation**.

The weighted average interest rate of all short-term borrowings is 5.56% and 5.63% at June 30, 2025 and December 31, 2024, respectively.

Note 6 – Segment Information

The Company has two reportable segments: the natural gas distribution segment (Southwest Gas) and the utility infrastructure services segment (Centuri). Our reportable segments are based on the nature of their activities.

In order to reconcile to net income as disclosed in the Condensed Consolidated Statements of Income, an Other column is included below associated with certain unallocated expenses that represent the corporate and administrative activities associated with Southwest Gas Holdings, such as costs related to the Centuri separation and net interest deductions.

Approximately 99% of the total Company’s long-lived assets are in the U.S. with the remainder in Canada.

Segment information is presented in a similar manner to how the CODM, the Company’s CEO and President, reviews operating results in assessing performance and allocating resources. The CODM evaluates the performance of the reportable segments based on each segment’s net income (loss). The CODM considers budget-to-actual variances when making decisions about allocating capital and personnel to the segments. The CODM also uses net income (loss) to assess the return on assets of each segment including margin earned and in the compensation of certain employees. The CODM reviews capital expenditures by reportable segment rather than by any individual or total asset amount.

Centuri accounts for services provided to Southwest Gas at contractual prices. Accounts receivable for these services, which are not eliminated during consolidation, are presented in the table below:

(Thousands of dollars)	June 30, 2025	December 31, 2024
Accounts receivable for Centuri services (1)	\$ 5,877	\$ 9,648

(1) The primary change in this balance relates to certain accounts receivable balances sold by Centuri as part of its Securitization Facility described in **Note 4 – Revenue**.

The following table presents the amount of revenues by geographic area:

(Thousands of dollars)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues (1)				
United States	\$ 1,065,261	\$ 1,135,502	\$ 2,321,973	\$ 2,675,478
Canada	55,109	46,666	94,894	87,646
Total	\$ 1,120,370	\$ 1,182,168	\$ 2,416,867	\$ 2,763,124

(1) Revenues are attributed to countries based on the location of customers.

The financial information pertaining to the natural gas distribution and utility infrastructure services segments are as follows:

(Thousands of dollars)	Three Months Ended June 30, 2025			
	Natural Gas Operations	Utility Infrastructure Services	Other	Total
Revenue from contracts with customers	\$ 368,861	\$ 697,952	\$ —	\$ 1,066,813
Alternative revenue program and other revenues	27,457	—	—	27,457
Intersegment sales	—	26,100	—	26,100
Total segment revenue	396,318	724,052	—	1,120,370
Less:				
Net cost of gas sold	102,134	—	—	102,134
Operations and maintenance	136,652	—	2,044	138,696
Utility infrastructure services expense	—	657,671	—	657,671
Other segment items (1)	119,121	52,115	8,368	179,604
Income (loss) before income taxes	38,411	14,266	(10,412)	42,265
Income tax expense	4,734	5,941	41,919	52,594
Net income (loss)	33,677	8,325	(52,331)	(10,329)
Net income attributable to noncontrolling interests	—	2,554	—	2,554
Net income (loss) attributable to Southwest Gas Holdings, Inc.	\$ 33,677	\$ 5,771	\$ (52,331)	\$ (12,883)

(1) Other segment items for each reportable segment includes:

- Natural Gas Distribution: Depreciation and amortization, Taxes other than income taxes, Net interest deductions, and Other income (deductions).
- Utility Infrastructure Services: Depreciation and amortization, Net interest deductions, and Other income (deductions).

Other segment disclosures

(Thousands of dollars)	Three Months Ended June 30, 2025			
	Natural Gas Operations	Utility Infrastructure Services	Other	Total
Interest income	\$ 5,817	\$ —	\$ —	\$ 5,817
Interest expense	\$ 44,737	\$ 18,247	\$ 8,628	\$ 71,612
Depreciation and amortization	\$ 68,940	\$ 34,223	\$ —	\$ 103,163
Segment assets	\$ 9,688,433	\$ 2,513,389	\$ 12,123	\$ 12,213,945
Capital expenditures	\$ 199,323	\$ 20,800	\$ —	\$ 220,123

(Thousands of dollars)	Three Months Ended June 30, 2024			
	Natural Gas Distribution	Utility Infrastructure Services	Other	Total
Revenue from contracts with customers	\$ 492,646	\$ 643,394	\$ —	\$ 1,136,040
Alternative revenue program and other revenues	17,447	—	—	17,447
Intersegment sales	—	28,681	—	28,681
Total segment revenue	510,093	672,075	—	1,182,168
Less:				
Net cost of gas sold	242,479	—	—	242,479
Operations and maintenance	129,627	—	4,996	134,623
Utility infrastructure services expense	—	604,545	—	604,545
Other segment items (1)	108,543	56,306	11,281	176,130
Income (loss) before income taxes	29,444	11,224	(16,277)	24,391

Income tax expense (benefit)	1,850	4,293	(1,962)	4,181
Net income (loss)	27,594	6,931	(14,315)	20,210
Net income attributable to noncontrolling interests	—	1,877	—	1,877
Net income (loss) attributable to Southwest Gas Holdings, Inc.	\$ 27,594	\$ 5,054	\$ (14,315)	\$ 18,333

(1) Other segment items for each reportable segment includes:

- Natural Gas Distribution: Depreciation and amortization, Taxes other than income taxes, Net interest deductions, and Other income (deductions).
- Utility Infrastructure Services: Depreciation and amortization, Net interest deductions, and Other income (deductions).

Other segment disclosures

(Thousands of dollars)	Three Months Ended June 30, 2024			
	Natural Gas Distribution	Utility Infrastructure Services	Other	Total
Interest income	\$ 9,137	\$ —	\$ —	\$ 9,137
Interest expense	\$ 39,839	\$ 22,629	\$ 11,301	\$ 73,769
Depreciation and amortization	\$ 61,687	\$ 34,385	\$ —	\$ 96,072
Segment assets	\$ 9,360,652	\$ 2,611,428	\$ 13,264	\$ 11,985,344
Capital expenditures	\$ 200,648	\$ 22,656	\$ —	\$ 223,304

(Thousands of dollars)	Six Months Ended June 30, 2025			
	Natural Gas Operations	Utility Infrastructure Services	Other	Total
Revenue from contracts with customers	\$ 1,125,618	\$ 1,226,924	\$ —	\$ 2,352,542
Alternative revenue program and other revenues	17,116	—	—	17,116
Intersegment sales	—	47,209	—	47,209
Total segment revenue	1,142,734	1,274,133	—	2,416,867
Less:				
Net cost of gas sold	386,713	—	—	386,713
Operations and maintenance	266,059	—	3,888	269,947
Utility infrastructure services expense	—	1,186,242	—	1,186,242
Other segment items (1)	271,901	104,681	18,262	394,844
Income (loss) before income taxes	218,061	(16,790)	(22,150)	179,121
Income tax expense (benefit)	41,442	(464)	39,285	80,263
Net income (loss)	176,619	(16,326)	(61,435)	98,858
Net loss attributable to noncontrolling interests	—	(2,129)	—	(2,129)
Net income (loss) attributable to Southwest Gas Holdings, Inc.	\$ 176,619	\$ (14,197)	\$ (61,435)	\$ 100,987

(1) Other segment items for each reportable segment includes:

- Natural Gas Distribution: Depreciation and amortization, Taxes other than income taxes, Net interest deductions, and Other income (deductions).
- Utility Infrastructure Services: Depreciation and amortization, Net interest deductions, and Other income (deductions).

Other segment disclosures

(Thousands of dollars)	Six Months Ended June 30, 2025			
	Natural Gas Operations	Utility Infrastructure Services	Other	Total
Interest income	\$ 11,627	\$ —	\$ —	\$ 11,627
Interest expense	\$ 89,368	\$ 36,109	\$ 18,416	\$ 143,893
Depreciation and amortization	\$ 162,630	\$ 68,446	\$ —	\$ 231,076
Segment assets	\$ 9,688,433	\$ 2,513,389	\$ 12,123	\$ 12,213,945
Capital expenditures	\$ 362,457	\$ 45,162	\$ —	\$ 407,619

(Thousands of dollars)	Six Months Ended June 30, 2024			
	Natural Gas Distribution	Utility Infrastructure Services	Other	Total
Revenue from contracts with customers	\$ 1,570,854	\$ 1,148,139	\$ —	\$ 2,718,993
Alternative revenue program and other revenues (deferrals)	(7,828)	—	—	(7,828)
Intersegment sales	—	51,959	—	51,959
Total segment revenue	1,563,026	1,200,098	—	2,763,124
Less:				
Net cost of gas sold	872,476	—	—	872,476
Operations and maintenance	260,493	—	9,276	269,769
Utility infrastructure services expense	—	1,120,188	—	1,120,188
Other segment items (1)	234,613	114,692	22,354	371,659
Income (loss) before income taxes	195,444	(34,782)	(31,630)	129,032
Income tax expense (benefit)	32,025	(5,308)	(5,457)	21,260
Net income (loss)	163,419	(29,474)	(26,173)	107,772
Net income attributable to noncontrolling interests	—	1,702	—	1,702
Net income (loss) attributable to Southwest Gas Holdings, Inc.	\$ 163,419	\$ (31,176)	\$ (26,173)	\$ 106,070

(1) Other segment items for each reportable segment includes:

- Natural Gas Distribution: Depreciation and amortization, Taxes other than income taxes, Net interest deductions, and Other income (deductions).
- Utility Infrastructure Services: Depreciation and amortization, Net interest deductions, and Other income (deductions).

Other segment disclosures

(Thousands of dollars)	Six Months Ended June 30, 2024			
	Natural Gas Distribution	Utility Infrastructure Services	Other	Total
Interest income	\$ 18,913	\$ —	\$ —	\$ 18,913
Interest expense	\$ 76,283	\$ 46,728	\$ 22,363	\$ 145,374
Depreciation and amortization	\$ 146,510	\$ 68,704	\$ —	\$ 215,214
Segment assets	\$ 9,360,652	\$ 2,611,428	\$ 13,264	\$ 11,985,344
Capital expenditures	\$ 391,347	\$ 53,155	\$ —	\$ 444,502

Note 7 - Centuri Separation

In April 2024, the Company and Centuri announced the completion of the Centuri IPO. After completion of the Centuri IPO, the Company owned approximately 81% of all ownership interests in Centuri.

In May 2025, the Company and Centuri completed a secondary public offering of 9,000,000 shares of Centuri's common stock owned by the Company at a price of \$17.50 per share. The Company granted the underwriters a 30-day option to purchase up to an additional 1,350,000 shares of its common stock, which was exercised. In addition, the Company announced the concurrent private placement of an additional 2,857,142 shares at a price equal to the public offering price, with Icahn Partners LP and Icahn Partners Master Fund LP, investment entities associated with Carl C. Icahn. The net proceeds to the Company from the secondary public offering and concurrent private placement, after deducting underwriting discounts and commissions of \$6.6 million and other fees, were approximately \$224.6 million. Centuri did not receive any of the proceeds from the sale of the secondary offering or private placement. The Company used the proceeds for the repayment of outstanding indebtedness (see **Note 5 – Debt**).

In June 2025, the Company and Centuri completed an additional secondary public offering of 9,750,000 shares of Centuri's common stock owned by the Company at a price of \$20.75 per share. The Company granted the underwriters a 30-day option to purchase up to an additional 1,462,500 shares of its common stock, which was exercised. The net proceeds to the Company from the public offering, after deducting underwriting discounts and commissions of \$8.6 million and other fees, were approximately \$224.1 million. Centuri did not receive any of the proceeds from the sale. The Company used the proceeds for

the repayment of outstanding indebtedness (see **Note 5 – Debt**). After completion of the offering, the Company owned approximately 53.3% of all ownership interests in Centuri. In addition, the Company closed the concurrent private placement of an additional 1,060,240 shares at a price equal to the Centuri public offering price, with Icahn Partners LP and Icahn Partners Master Fund LP, investment entities associated with Carl C. Icahn, in July 2025. The net proceeds to the Company from the concurrent private placement were approximately \$22.0 million. Centuri did not receive any of the proceeds from the sale of the private placement; the Company used the proceeds for the repayment of outstanding indebtedness. After completion of the private placement, the Company owns 52.1% of all ownership interests in Centuri and continues to consolidate the financial results of Centuri. The Company intends to fully dispose of its ownership in Centuri in one or more disposition transactions, including by way of sales of its shares of Centuri common stock, one or more exchange offers for Company shares, or any combination thereof.

The difference between the fair value of proceeds from the offerings/private placements and the carrying value of the noncontrolling interest is reflected as an increase in Additional paid-in capital of the Company.

The following reflects the effects of changes in the Company’s ownership interest in Centuri on the Company’s equity:

(Thousands of dollars)	Six Months Ended June 30, 2025
Net income attributable to Southwest Gas Holdings, Inc.	\$ 100,987
Increase in Additional paid-in capital as a result of Centuri stock sales	138,907
Change from net income attributable to Southwest Gas Holdings, Inc. and Centuri stock sales	<u>\$ 239,894</u>

During the second quarter 2025, following the sale of Centuri common stock, the Company was no longer eligible to include Centuri in its consolidated federal and certain state income tax returns (tax deconsolidation) and the Company’s tax-free spin protection plan expired. As such, the Company could no longer assert the ability to complete a tax-free disposition of its investment in Centuri. This event required the Company to recognize a previously unrecorded deferred tax liability related to the outside basis of its investment in Centuri. Recognizing this liability resulted in a charge of approximately \$52.4 million to income tax expense.

In addition, the Company recorded approximately \$7.0 million in deferred tax assets reflecting state income tax assets, which are now expected to be utilized in connection with the disposition of Centuri shares. The combined effect of these items resulted in a net charge to income tax expense of approximately \$45.4 million.

On February 24, 2025, the Company entered into a Tax Assets Agreement with Centuri. The Tax Assets Agreement addresses the Company’s arrangements with Centuri with respect to certain Tax Assets that each company will retain following any deconsolidation for U.S. federal and relevant state income tax laws. Under the terms of the Tax Assets Agreement, it is anticipated that the Company will contribute certain Tax Assets to Centuri, which will be treated as a deemed capital contribution. This amount is currently estimated to be approximately \$30.2 million and will be finalized upon the filing of the 2024 and 2025 final consolidated or combined federal and state income tax returns.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Southwest Gas Holdings is a holding company that owns all of the shares of common stock of Southwest Gas; and until the Centuri IPO in April 22, 2024, all of the shares of common stock of Centuri. Consistent with the Company’s earlier determination to simplify the Company’s portfolio of businesses, the Company determined it would pursue a separation of Centuri. In April 2024, the Company and Centuri announced the completion of the Centuri IPO. The Company completed subsequent sales of Centuri stock in May, June, and July 2025. Following these sales, the Company owned 53.3% at June 30, 2025 and 52.1% at July 8, 2025 of Centuri. The Company intends to fully dispose of its ownership in Centuri in one or more disposition transactions, including by way of sales of its shares of Centuri common stock, one or more exchange offers for Company shares, or any combination thereof.

Our business includes Southwest Gas, which is engaged in the business of purchasing, distributing, and transporting natural gas for customers in portions of Arizona, Nevada, and California. Southwest Gas is the largest regulated distributor of natural gas in Arizona and Nevada, and also distributes and transports natural gas for customers in portions of California. Additionally, through its subsidiaries, Southwest Gas operates two regulated interstate pipelines serving portions of Nevada and California. Southwest Gas makes investments in infrastructure to support customer demand associated with population growth and

Note 1 – Background and Organization

Nature of Operations. The Company, a Delaware corporation, is a holding company owning all of the shares of common stock of Southwest Gas; and until April 22, 2024, all of the shares of common stock of Centuri. The Company's common stock trades under the ticker symbol "SWX."

The Company's businesses were managed within two separate reportable segments until August 2025, our Natural Gas Distribution segment (Southwest Gas) and our Utility Infrastructure Services segment (Centuri). After August 2025, our business is solely comprised of our Natural Gas Distribution segment (see **Note 7 – Segment Information**).

Southwest Gas is engaged in the business of purchasing, distributing, and transporting natural gas for customers in portions of Arizona, Nevada, and California. Public utility rates, practices, facilities, and service territories of Southwest Gas are subject to regulatory oversight. The timing and amount of rate relief can materially impact results of operations. Natural gas purchases and the timing of related recoveries can materially impact liquidity. While mechanisms exist in all states in which Southwest Gas operates, which decouple authorized operating cost recovery and profitability from the volume of natural gas sold, thereby also incentivizing energy conservation, results for the Natural Gas Distribution segment are higher during winter periods due to the seasonality incorporated in its regulatory rate structures.

As part of a simplification strategy, the Company previously communicated that it would pursue a separation of Centuri. In April 2024, the Company and Centuri announced the completion of the Centuri IPO. Following the Centuri IPO, the Company owned approximately 81% of Centuri. From May 2025 through September 2025, the Company completed a series of secondary public offerings and private placements of its holdings of Centuri common stock and, on September 5, 2025, completed a sale of its remaining shares. The Company's sale of Centuri (which represents the entirety of the Company's Utility Infrastructure Services segment) met the criteria to be presented as discontinued operations in accordance with U.S. GAAP. See also **Note 2 – Summary of Significant Accounting Policies** and **Note 6 - Centuri Separation**.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation. The condensed consolidated financial statements of the Company and Southwest Gas included herein have been prepared pursuant to the rules and regulations of the SEC. The year-end 2024 condensed consolidated balance sheet data was derived from audited financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations.

The preparation of the condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, as of the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In the opinion of management, all adjustments, consisting of normal recurring items and estimates necessary for a fair statement of results for the interim periods, have been made.

Discontinued Operations. On August 11, 2025, the Company completed a secondary public offering and a concurrent private placement transaction with Icahn investment entities. These transactions resulted in the sale of a combined total of 18,823,500 shares of Centuri common stock previously held by the Company (see **Note 6 - Centuri Separation**). Following the completion of these transactions, the Company no longer maintained a controlling financial interest in Centuri. Accordingly, Centuri's assets, liabilities, and results of operations are no longer included in the Company's consolidated financial statements.

In addition, the sale of Centuri, which comprised the Company's Utility Infrastructure Services segment, represents a strategic shift that has a significant impact on the Company's operations and financial results. Therefore, Centuri meets the criteria to be reported as discontinued operations in accordance with U.S. GAAP. The results of discontinued operations are aggregated and presented separately in the Condensed Consolidated Statements of Income and Condensed Consolidated Statements of Cash Flows for all periods presented. Assets and liabilities of the discontinued operations are aggregated and reported separately on the Condensed Consolidated Balance Sheets as of December 31, 2024. Unless otherwise noted, the financial disclosures and related information provided herein relate to our continuing operations, which exclude our former Utility Infrastructure Services segment, and we have recast prior period amounts to reflect discontinued operations.

These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto of Southwest Gas and the Company included in our 2024 Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Other Property and Investments. Other property and investments on Southwest Gas' and the Company's Condensed Consolidated Balance Sheets includes:

(Thousands of dollars)	September 30, 2025	December 31, 2024
Net cash surrender value of COLI policies	\$ 161,717	\$ 155,199
Other property	4,418	4,479
Total Southwest Gas Corporation	166,135	159,678
Other property and investments	6,359	5,770
Total Southwest Gas Holdings, Inc.	\$ 172,494	\$ 165,448

Prepaid and other current assets. Prepaid and other current assets for the Company and Southwest Gas include, among other things, \$82.7 million and \$32.4 million related to a regulatory asset associated with the Arizona decoupling mechanism as of September 30, 2025 and December 31, 2024, respectively.

Other Income (Deductions). The following table provides the composition of significant items included in Other income (deductions) in Southwest Gas' and the Company's Condensed Consolidated Statements of Income:

(Thousands of dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Southwest Gas Corporation:				
Change in COLI policies	\$ 2,700	\$ 3,200	\$ 6,500	\$ 7,800
Interest income	5,688	8,736	17,315	27,649
Equity AFUDC	1,501	1,874	4,412	5,548
Other components of net periodic benefit cost	4,369	4,131	13,106	12,392
Miscellaneous income and (expense)	(981)	(1,276)	(948)	(4,413)
Southwest Gas Corporation - total other income (deductions)	13,277	16,665	40,385	48,976
Southwest Gas Holdings, Inc.:				
Corporate and administrative	2,090	(66)	2,244	(58)
Southwest Gas Holdings, Inc. – total other income (deductions)	\$ 15,367	\$ 16,599	\$ 42,629	\$ 48,918

Interest income primarily relates to Southwest Gas' regulatory asset balances, including its deferred purchased gas cost mechanisms. Interest income is earned on asset balances and interest expense is incurred on liability balances. Corporate and administrative costs are those incurred directly by the parent entity, Southwest Gas Holdings. Refer also to **Note 5 – Components of Net Periodic Benefit Cost** for details regarding Other components of net periodic benefit cost.

EPS. Basic EPS in each period of this report were calculated by dividing net income attributable to the Company by the weighted-average number of shares during those periods. Diluted EPS includes additional weighted-average common stock equivalents (performance stock units and restricted stock units). Unless otherwise noted, the term EPS refers to Basic EPS. A reconciliation of the denominator used in Basic and Diluted EPS calculations is shown in the following table:

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Weighted average basic shares	72,209	71,880	72,104	71,816
Effect of dilutive securities:				
Restricted stock units ⁽¹⁾⁽²⁾	196	206	161	178
Weighted average diluted shares	72,405	72,086	72,265	71,994

⁽¹⁾ The number of securities included 161,000 and 165,000 performance stock units during the three months ended September 30, 2025 and September 30, 2024. During the nine months ended September 30, 2025 and September 30, 2024, respectively, the number of securities included 136,000 and 148,000 performance stock units, the total of which was derived by assuming that target performance will be achieved during the relevant performance period.

(2) The number of anti-dilutive restricted stock units excluded from the calculation of diluted shares from continuing operations during the three months ended September 30, 2024 is 206,000 and from discontinued operations during the nine months ended September 30, 2024 is 178,000, respectively.

Income Taxes. The Company's effective tax rate was (23.8)% for the three months ended September 30, 2025, compared to 46.0% for the corresponding period in 2024, primarily due to pre-tax income differences, the amortization of excess deferred income taxes, and COLI. The Company's effective tax rate was 17.9% for the nine months ended September 30, 2025, compared to 12.0% for the corresponding period in 2024, primarily due to pre-tax income differences, amortization of excess deferred income taxes, and COLI.

Southwest Gas' effective tax rate was (8.3)% for the three months ended September 30, 2025, compared to 113.0% for the corresponding period in 2024, primarily due to pre-tax income differences, the amortization of excess deferred income taxes, and COLI. Southwest Gas' effective tax rate was 18.4% for the nine months ended September 30, 2025, compared to 14.2% in the corresponding period in 2024 primarily due to pre-tax income differences, the amortization of excess accumulated deferred income taxes, and COLI.

On July 4, 2025, the OBBBA was signed into law, which makes permanent many of the tax provisions enacted in 2017 as part of the Tax Cuts and Jobs Act that were set to expire at the end of 2025. In addition, the OBBBA makes changes to certain U.S. corporate tax provisions, but many are generally not effective until 2026. The Company and Southwest Gas have determined that the new legislation does not materially impact the results of operations.

Recent Accounting Standards Updates.

Recently issued accounting pronouncements that will be effective in 2025 and thereafter:

In December 2023, the FASB issued ASU 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." The update, among other amendments, provides for enhanced disclosures primarily related to changes in the effective income tax rate reconciliation and information regarding income taxes paid. The update is effective for annual periods beginning after December 15, 2024. Management plans to adopt ASU 2023-09 beginning with the fourth quarter of fiscal 2025 and utilize the retrospective application. The adoption of this ASU is not expected to have a material impact the Company's and Southwest Gas' disclosures.

In November 2024, the FASB issued ASU 2024-03 "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses." The update requires disclosure of disaggregated information about certain income statement expense line items in the notes to the financial statements. The update is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027; early adoption is permitted. The update should be applied prospectively; however, retrospective application is also permitted. Management is evaluating the impacts this update might have on the Company's and Southwest Gas' disclosures.

In July 2025, the FASB issued ASU 2025-05 "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets." The amendments in this update provide a practical expedient permitting an entity to assume that conditions at the balance sheet date remain unchanged over the life of the asset when estimating expected credit losses for current accounts receivable and current contract assets. The update is effective for annual periods beginning after December 15, 2025; early adoption is permitted. Management plans to adopt ASU 2025-05 beginning with the fourth quarter of fiscal 2025 and utilize the practical expedient provided therein. The adoption of this ASU is not expected to have a material impact on the Company's or Southwest Gas' financial position or results of operations.

In September 2025, the FASB issued ASU 2025-06 "Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software." The amendments in this update improve the operability of the guidance by removing all references to software development project stages so that the guidance is neutral to different software development methods. This update is effective for annual periods beginning after December 15, 2027, including interim periods within those fiscal years; early adoption is permitted. Management is evaluating the impacts this update might have on the Company's and Southwest Gas' consolidated financial statements.

Note 3 – Revenue

Southwest Gas' operating revenues, but not its profits, are directly impacted by variability between comparative periods in the cost of natural gas procured for customers as such costs are incorporated in customer rates. When incorporated (for customers other than those taking transportation-only service), such costs are passed along to customers, generally dollar-for-dollar without markup. Southwest Gas' revenues overall, reflected on the Condensed Consolidated Statements of Income of both the

Company and Southwest Gas, include revenue from contracts with customers, which is shown below, disaggregated by customer type, in addition to other categories of revenue:

(Thousands of dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Residential	\$ 168,742	\$ 189,156	\$ 969,225	\$ 1,283,945
Small commercial	50,564	70,708	252,953	387,793
Large commercial	16,758	20,569	56,394	87,895
Industrial/other	9,695	13,443	33,836	49,737
Transportation	28,226	27,515	87,195	82,875
Revenue from contracts with customers	273,985	321,391	1,399,603	1,892,245
Alternative revenue program revenues	40,064	34,341	52,568	17,978
Other revenues ⁽¹⁾	2,862	3,399	7,474	11,934
Total Regulated operations revenues	<u>\$ 316,911</u>	<u>\$ 359,131</u>	<u>\$ 1,459,645</u>	<u>\$ 1,922,157</u>

⁽¹⁾ Amounts include late fees and other miscellaneous revenues, and may also include the impact of certain regulatory mechanisms.

Note 4 – Debt

Long-Term Debt

Long-term debt is recognized in the Company's and Southwest Gas' Condensed Consolidated Balance Sheets generally at the carrying value of the obligations outstanding. Details surrounding the fair value and individual carrying values of instruments are provided in the table that follows.

(Thousands of dollars)	September 30, 2025		December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Southwest Gas Holdings, Inc. and Southwest Gas Corporation:				
Southwest Gas long-term debt	\$ 3,532,500	\$ 3,236,584	\$ 3,532,500	\$ 3,121,449
Unamortized discount and debt issuance costs	(25,380)		(28,023)	
Southwest Gas Holdings, Inc. and Southwest Gas Corporation total long-term debt (no current maturities)	<u>\$ 3,507,120</u>		<u>\$ 3,504,477</u>	

Southwest Gas has a \$400 million revolving credit facility that is scheduled to expire in August 2029. Southwest Gas designates \$150 million of associated capacity as long-term debt and the remaining \$250 million for working capital purposes. In June 2025, Southwest Gas amended this revolving credit agreement, which among other things, added a swingline loan sub-facility in an aggregate principal amount at any time outstanding not to exceed \$30 million and added a one-week interest period option with an interest rate equal to Daily Simple SOFR plus 0.03839% plus the applicable margin. At September 30, 2025, the applicable margin is 1.125% for loans bearing interest with reference to SOFR and 0.125% for loans bearing interest with reference to the alternative base rate. At September 30, 2025, no borrowings were outstanding on the long-term portion (including under the commercial paper program), nor under the short-term portion of the facility.

Short-Term Debt

In June 2025, Southwest Gas Holdings entered into a new \$300 million revolving credit agreement that matures in August 2029, replacing Southwest Gas Holdings' existing \$300 million credit facility that was set to expire in December 2026. At September 30, 2025, the applicable margin is 1.25% for loans bearing interest to SOFR and 0.25% for loans bearing interest with reference to the alternative base. Southwest Gas Holdings has a one-week interest period option with an interest rate equal to Daily Simple SOFR plus 0.03839% plus the applicable margin. Southwest Gas Holdings is also required to pay a commitment fee on the unfunded portion of the commitments which ranges from 0.075% to 0.200%. The revolving credit agreement also contains a swingline loan sub-facility in an aggregate principal amount at any time outstanding not to exceed \$30 million. At September 30, 2025, there were no borrowings outstanding under this credit facility.

In August 2024, Southwest Gas Holdings entered into a \$550 million term loan that had been set to mature in July 2025. In June 2025, Southwest Gas Holdings entered into a second amended and restated term loan credit agreement, extending the maturity date of this agreement to June 2026 and excluding Centuri and its subsidiaries from certain material representations, covenants, and events of default. Prior to the execution of the amendment, Southwest Gas Holdings prepaid a portion of the indebtedness, decreasing the balance from \$550 million to \$225 million, utilizing proceeds received from the Centuri separation transactions. In August 2025, Southwest Gas Holdings paid the remaining balance of \$225 million utilizing proceeds received from additional Centuri separation transactions. See **Note 6 - Centuri Separation**.

The weighted average interest rate of all short-term borrowings is 5.63% at December 31, 2024. There were no short-term borrowings at September 30, 2025.

Note 5 – Components of Net Periodic Benefit Cost

The components of Southwest Gas' net periodic benefit cost for its QRP, SERP, and PBOP for the three and nine months ended September 30, 2025 and 2024 are presented in the following tables.

(Thousands of dollars)	Three Months Ended September 30,					
	2025			2024		
	QRP	SERP	PBOP	QRP	SERP	PBOP
Service cost	\$ 6,099	\$ 58	\$ 292	\$ 7,063	\$ 61	\$ 322
Interest cost	16,397	596	856	15,097	542	794
Expected return on plan assets	(22,582)	—	(623)	(21,953)	—	(565)
Amortization of prior service costs	—	—	44	—	—	44
Amortization of net actuarial loss (gain)	751	270	(78)	1,577	333	—
Net periodic benefit cost	<u>\$ 665</u>	<u>\$ 924</u>	<u>\$ 491</u>	<u>\$ 1,784</u>	<u>\$ 936</u>	<u>\$ 595</u>

(Thousands of dollars)	Nine Months Ended September 30,					
	2025			2024		
	QRP	SERP	PBOP	QRP	SERP	PBOP
Service cost	\$ 18,296	\$ 174	\$ 876	\$ 21,189	\$ 183	\$ 966
Interest cost	49,191	1,788	2,569	45,291	1,626	2,383
Expected return on plan assets	(67,745)	—	(1,871)	(65,859)	—	(1,695)
Amortization of prior service costs	—	—	132	—	—	132
Amortization of net actuarial loss (gain)	2,255	810	(235)	4,731	999	—
Net periodic benefit cost	<u>\$ 1,997</u>	<u>\$ 2,772</u>	<u>\$ 1,471</u>	<u>\$ 5,352</u>	<u>\$ 2,808</u>	<u>\$ 1,786</u>

Note 6 - Centuri Separation

In April 2024, the Company and Centuri announced the completion of the Centuri IPO, prior to which Centuri was a wholly owned subsidiary of the Company. Immediately upon the completion of the Centuri IPO, the Company continued to own approximately 81% of the outstanding shares of common stock of Centuri.

In May 2025, the Company completed a secondary public offering of 10,350,000 shares of Centuri's common stock owned by the Company (inclusive of 1,350,000 shares related to the exercise of the overallotment option) at a price of \$17.50 per share. In addition, the Company sold 2,857,142 shares at a price equal to the public offering price to the Icahn investment entities in a concurrent private placement. The net proceeds to the Company from this public offering and concurrent private placement, after deducting underwriting discounts and commissions of \$6.6 million and other fees, were approximately \$224.6 million.

In June 2025, the Company completed an additional secondary public offering of 11,212,500 shares of Centuri's common stock owned by the Company (inclusive of 1,462,500 shares related to the exercise of the overallotment option) at a price of \$20.75 per share. The net proceeds to the Company from the public offering, after deducting underwriting discounts and commissions of \$8.6 million and other fees, were approximately \$224.1 million. In addition, in July 2025 the Company closed the concurrent private placement sale of an additional 1,060,240 shares at a price equal to the June 2025 Centuri public offering price, with

Icahn investment entities. The net proceeds to the Company from this concurrent private placement were approximately \$22.0 million. After completion of the June 2025 public offering and July 2025 private placement, the Company owned approximately 52.1% of the then-outstanding Centuri common stock.

On August 11, 2025, the Company completed an additional secondary public offering and concurrent private placement sale with Icahn investment entities for a combined total of 18,823,500 shares of Centuri common stock owned by the Company at a price of \$19.50 per share. The net proceeds to the Company, after deducting underwriting discounts and commissions of \$11.8 million and other fees, were approximately \$355.2 million. The Company used the proceeds for the repayment of outstanding indebtedness, the third quarter dividends to stockholders, and will use the remainder for general corporate purposes (see **Note 4 – Debt**). After completion of the offering and concurrent private placement, the Company owned approximately 30.9% of the then-outstanding Centuri common stock, and, therefore, no longer had a controlling financial interest in Centuri. As a result, the Company met the requirements for the deconsolidation of Centuri. In addition, the sale of Centuri, which comprised the Company’s Utility Infrastructure Services segment, represents a strategic shift that has a significant impact on the Company’s operations and financial results. Therefore, the sale meets the criteria to be reported as discontinued operations in accordance with U.S. GAAP. Accordingly, the historical financial results of Centuri, for all periods presented, are reflected in the Condensed Consolidated Financial Statements as discontinued operations. On August 11, 2025, following the deconsolidation of Centuri, the Company remeasured its retained 30.9% ownership interest at fair value. This remeasurement resulted in a gain of \$230.4 million, which was included in the total gain recognized upon deconsolidation further described below. Subsequent to this date, the Company elected to continue measuring its retained interest, accounted for under the equity method, at fair value through the date of final disposition on September 5, 2025. Upon final disposition, the Company recognized a loss of \$9.7 million. After considering the initial fair value adjustment, the Company recorded a net gain of \$220.7 million related to the disposition on its retained interest in Centuri.

On September 5, 2025, the Company completed a final additional secondary public offering of 27,362,210 shares of Centuri common stock owned by the Company at a price of \$19.18 per share. After completion of the offering, the Company no longer owns any shares of Centuri common stock and no longer has governance rights afforded to it under the Separation Agreement, including the right to nominate any of Centuri’s directors and any remaining consent rights over certain of Centuri’s corporate actions. The net proceeds to the Company from the public offering, after deducting other fees of approximately \$900,000, were approximately \$524.0 million.

Centuri did not receive any of the proceeds from the series of public offerings or private placements subsequent to the Centuri IPO. The Company expects to use the proceeds for general corporate purposes including support for future capital investments at Southwest Gas as well as the potential 2028 expansion of Great Basin, and future dividend payments to stockholders that would otherwise have been funded by Southwest Gas.

The following table presents the net proceeds received by the Company for the sale of Centuri common stock subsequent to the Centuri IPO:

Secondary Offering Information	Net Proceeds (in million) ⁽¹⁾
May 22, 2025 public offering and private placement	\$ 224.6
June 18, 2025 public offering	224.1
July 8, 2025 private placement	22.0
August 11, 2025 public offering and private placement	355.2
September 5, 2025 public offering	524.0
Total	\$ 1,349.9

⁽¹⁾ Net proceeds, net of transaction costs

Discontinued Operations

The gain on deconsolidation as of August 11, 2025 is calculated as follows (in thousands):

Fair value of the retained investment in Centuri ⁽¹⁾	\$	533,636
Net proceeds received from the August 11, 2025 public offering and private placement		355,220
Carrying value of noncontrolling interest attributable to Centuri prior to deconsolidation		460,897
Less: Carrying value of Centuri net assets prior to deconsolidation, including AOCI		(982,396)
Gain on deconsolidation of Centuri before income tax ⁽²⁾		367,357
Income tax expense		88,566
Gain on deconsolidation of Centuri, net of tax	\$	278,791

⁽¹⁾ Centuri's quoted stock price is used for fair value measurement, which is classified as level 1 in the fair value hierarchy as of August 11, 2025.

⁽²⁾ Includes \$136.9 million gain on interest sold and \$230.4 million gain on the investment retained.

The following table summarizes the components of assets and liabilities of discontinued operations on the Company's Condensed Consolidated Balance Sheets at September 30, 2025 and December 31, 2024:

(Thousands of dollars)	September 30, 2025	December 31, 2024
Cash	\$ —	\$ 49,019
Accounts receivable, net of allowances	—	519,610
Other current assets	—	32,755
Total current assets classified as discontinued operations	—	601,384
Other property and investments, net	—	1,025,700
Goodwill	—	770,046
Deferred income taxes	—	52,376
Deferred charges and other assets	—	79,004
Total noncurrent assets classified as discontinued operations	—	1,927,126
Current maturities of long-term debt	—	30,018
Accounts payable	—	140,889
Income tax payable ⁽¹⁾	7,919	—
Other current liabilities	—	211,985
Total current liabilities classified as discontinued operations	7,919	382,892
Long-term debt, less current maturities	—	843,863
Other deferred credits	—	172,863
Total noncurrent liabilities classified as discontinued operations	\$ —	\$ 1,016,726

⁽¹⁾ Estimated tax payable related to Centuri disposition.

Summarized results from discontinued operations were as follows:

(Thousands of dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Utility infrastructure services revenues	\$ 338,981	\$ 720,053	\$ 1,613,113	\$ 1,920,151
Utility infrastructure services expenses	(319,523)	(645,483)	(1,507,543)	(1,771,344)
Depreciation and amortization	(14,947)	(33,208)	(83,393)	(101,912)
Net interest deductions	(15,422)	(23,925)	(51,530)	(70,653)
Gain on deconsolidation	367,357	—	367,357	—
Loss on final disposition of retained interest	(9,688)	—	(9,688)	—
Other income (deductions), net	(9)	160	(136)	900
Income (loss) from discontinued operations before income taxes	346,749	17,597	328,180	(22,858)
Income tax expense	(82,965)	(5,707)	(126,366)	(849)
Net income (loss) from discontinued operations	263,784	11,890	201,814	(23,707)
Net income (loss) attributable to noncontrolling interest	(2,517)	2,374	(4,646)	4,076
Net income (loss) from discontinued operations attributable to Southwest Gas Holdings, Inc.	\$ 266,301	\$ 9,516	\$ 206,460	\$ (27,783)

During the second quarter 2025, following the May 2025 sale of Centuri common stock, the Company was no longer eligible to include Centuri in its consolidated federal and certain state income tax returns (tax deconsolidation) and the Company's tax-free spin protection plan expired. As such, the Company could no longer assert the ability to complete a tax-free disposition of its investment in Centuri. This event required the Company to recognize a previously unrecorded deferred tax liability related to the outside basis of its investment in Centuri. The Company recognized tax expense of \$14.4 million and \$66.8 million for the three-month and nine-month periods ended September 30, 2025, respectively, related to the recognition of outside basis differences. Following the sale of the Company's remaining shares of Centuri common stock in September 2025, the Company was no longer eligible to include Centuri in its remaining state income tax returns.

The Company recorded a tax benefit of \$15.7 million and \$22.7 million for the three-month and nine-month periods ended September 30, 2025, respectively, related to deferred tax assets. These benefits reflect state net operating losses that are now expected to be utilized in connection with the disposition of Centuri shares. The combined effect of these items resulted in a net tax benefit of \$1.3 million for the three-month period ended September 30, 2025, and a net tax expense of \$44.1 million for the nine-month period ended September 30, 2025.

On February 24, 2025, the Company entered into a Tax Assets Agreement with Centuri. The Tax Assets Agreement addresses the Company's arrangements with Centuri with respect to certain Tax Assets that each company will retain following any deconsolidation for U.S. federal and relevant state income tax laws. Under the terms of the Tax Assets Agreement, the Company contributed \$56.4 million of Tax Assets to Centuri, which were treated as a deemed capital contribution. This amount is subject to change and will be finalized upon the filing of the 2024 and 2025 final consolidated or combined federal and state income tax returns. Any future changes to the Tax Assets contributed to Centuri will be recorded in discontinued operations.

Note 7 – Segment Information

The Company's businesses were managed within two separate reportable segments until August 2025, our Natural Gas Distribution segment (Southwest Gas) and our Utility Infrastructure Services segment (Centuri). After August 2025, our business is solely comprised of our Natural Gas Distribution segment, see **Note 6 - Centuri Separation**. The results of the Utility Infrastructure Services segment are presented as discontinued operations in the Condensed Consolidated Statements of Income and, as such, have been excluded from continuing operations and segment results for all periods presented. Previously reported results for the Natural Gas Distribution segment were not impacted by the Centuri deconsolidation.

In order to reconcile to net income as disclosed in the Condensed Consolidated Statements of Income, an Other column is included below associated with certain unallocated expenses that represent the corporate and administrative activities associated with Southwest Gas Holdings, such as costs related to the Centuri separation and net interest deductions.

Segment information is presented in a similar manner to how the CODM, the Company's CEO and President, reviews operating results in assessing performance and allocating resources. The CODM evaluates the performance of the reportable segment based on the segment's net income (loss). The CODM considers budget-to-actual variances when making decisions about allocating capital and personnel to the segment. The CODM also uses net income (loss) to assess the return on assets of the segment including margin earned and in the compensation of certain employees.

The financial information pertaining to the Natural Gas Distribution segment is as follows:

(Thousands of dollars)	Three Months Ended September 30, 2025		
	Natural Gas Distribution	Other	Total
Revenue from contracts with customers	\$ 273,985	\$ —	\$ 273,985
Alternative revenue program and other revenues	42,926	—	42,926
Total segment revenue	316,911	—	316,911
Less:			
Net cost of gas sold	42,685	—	42,685
Operations and maintenance	133,808	969	134,777
Other segment items ⁽¹⁾	135,320	757	136,077
Income (loss) from continuing operations before income taxes	5,098	(1,726)	3,372
Income tax benefit	(422)	(381)	(803)
Income (loss) from continuing operations	\$ 5,520	\$ (1,345)	4,175
Income from discontinued operations, net of taxes			263,784
Net income			267,959
Net (loss) attributable to noncontrolling interests			(2,517)
Net income attributable to Southwest Gas Holdings, Inc.			\$ 270,476

⁽¹⁾ Other segment items includes: Depreciation and amortization, Taxes other than income taxes, Net interest deductions, and Other income (deductions).

Other segment disclosures

(Thousands of dollars)	Three Months Ended September 30, 2025		
	Natural Gas Distribution	Other	Total
Interest income	\$ 5,688	\$ —	\$ 5,688
Interest expense	\$ 46,156	\$ 2,847	\$ 49,003
Depreciation and amortization	\$ 79,073	\$ —	\$ 79,073
Segment assets	\$ 9,725,477	\$ 603,102	\$ 10,328,579
Capital expenditures	\$ 207,894	\$ —	\$ 207,894

(Thousands of dollars)	Three Months Ended September 30, 2024		
	Natural Gas Distribution	Other	Total
Revenue from contracts with customers	\$ 321,391	\$ —	\$ 321,391
Alternative revenue program and other revenues	37,740	—	37,740
Total segment revenue	359,131	—	359,131
Less:			
Net cost of gas sold	111,712	—	111,712
Operations and maintenance	129,736	1,125	130,861
Other segment items ⁽¹⁾	122,083	11,560	133,643
Loss from continuing operations before income taxes	(4,400)	(12,685)	(17,085)
Income tax benefit	(4,972)	(2,886)	(7,858)
Income (loss) from continuing operations	\$ 572	\$ (9,799)	(9,227)
Income from discontinued operations, net of taxes			11,890
Net income			2,663
Net income attributable to noncontrolling interests			2,374
Net income attributable to Southwest Gas Holdings, Inc.			\$ 289

⁽¹⁾ Other segment items includes: Depreciation and amortization, Taxes other than income taxes, Net interest deductions, and Other income (deductions).

Other segment disclosures

(Thousands of dollars)	Three Months Ended September 30, 2024		
	Natural Gas Distribution	Other	Total
Interest income	\$ 8,736	\$ —	\$ 8,736
Interest expense	\$ 42,312	\$ 11,494	\$ 53,806
Depreciation and amortization	\$ 74,153	\$ —	\$ 74,153
Capital expenditures	\$ 252,373	\$ —	\$ 252,373

	As of December 31, 2024		
Segment assets	\$ 9,533,825	\$ 10,571	\$ 9,544,396

(Thousands of dollars)	Nine Months Ended September 30, 2025		
	Natural Gas Distribution	Other	Total
Revenue from contracts with customers	\$ 1,399,603	\$ —	\$ 1,399,603
Alternative revenue program and other revenues	60,042	—	60,042
Total segment revenue	1,459,645	—	1,459,645
Less:			
Net cost of gas sold	429,398	—	429,398
Operations and maintenance	399,867	3,078	402,945
Other segment items ⁽¹⁾	407,221	19,019	426,240
Income (loss) from continuing operations before income taxes	223,159	(22,097)	201,062
Income tax expense (benefit)	41,020	(4,961)	36,059
Income (loss) from continuing operations	\$ 182,139	\$ (17,136)	165,003
Income from discontinued operations, net of taxes			201,814
Net income			366,817
Net (loss) attributable to noncontrolling interests			(4,646)

Net income attributable to Southwest Gas Holdings, Inc. \$ 371,463

⁽¹⁾ Other segment items includes: Depreciation and amortization, Taxes other than income taxes, Net interest deductions, and Other income (deductions).

Other segment disclosures

(Thousands of dollars)	Nine Months Ended September 30, 2025		
	Natural Gas Distribution	Other	Total
Interest income	\$ 17,315	\$ —	\$ 17,315
Interest expense	\$ 135,524	\$ 21,263	\$ 156,787
Depreciation and amortization	\$ 241,703	\$ —	\$ 241,703
Segment assets	\$ 9,725,477	\$ 603,102	\$ 10,328,579
Capital expenditures	\$ 570,351	\$ —	\$ 570,351

(Thousands of dollars)	Nine Months Ended September 30, 2024		
	Natural Gas Distribution	Other	Total
Revenue from contracts with customers	\$ 1,892,245	\$ —	\$ 1,892,245
Alternative revenue program and other revenues	29,912	—	29,912
Total segment revenue	1,922,157	—	1,922,157
Less:			
Net cost of gas sold	984,188	—	984,188
Operations and maintenance	390,229	4,728	394,957
Other segment items ⁽¹⁾	356,696	33,915	390,611
Income (loss) from continuing operations before income taxes	191,044	(38,643)	152,401
Income tax expense (benefit)	27,053	(8,794)	18,259
Income (loss) from continuing operations	\$ 163,991	\$ (29,849)	134,142
Net (loss) from discontinued operations, net of taxes			(23,707)
Net income			110,435
Net income attributable to noncontrolling interests			4,076
Net income attributable to Southwest Gas Holdings, Inc.			\$ 106,359

⁽¹⁾ Other segment items includes: Depreciation and amortization, Taxes other than income taxes, Net interest deductions, and Other income (deductions).

Other segment disclosures

(Thousands of dollars)	Nine Months Ended September 30, 2024		
	Natural Gas Distribution	Other	Total
Interest income	\$ 27,649	\$ —	\$ 27,649
Interest expense	\$ 118,595	\$ 33,857	\$ 152,452
Depreciation and amortization	\$ 220,663	\$ —	\$ 220,663
Capital expenditures	\$ 643,720	\$ —	\$ 643,720

	As of December 31, 2024		
Segment assets	\$ 9,533,825	\$ 10,571	\$ 9,544,396

Tab F

**SOUTHWEST GAS CORPORATION
NORTHERN NEVADA
COST OF CAPITAL
FOR THE CERTIFICATION PERIOD ENDED MAY 31, 2026
FOR STATEMENT F CALCULATION**

Line No.	Description (a)	Capital Ratio (b)	Capital Cost (c)	Weighted Cost of Capital (b) x (c) (d)	Line No.
1	Long-Term Debt	48.41% [1]	4.40% [7]	2.13%	1
2	Short-Term Debt	-0.01% [2]	-83.27% [8]	0.01%	2
3	Customer Deposits	1.54% [3]	3.64% [9]	0.06%	3
4	Total Debt	<u>49.95% [4]</u>	<u>4.40% [10]</u>	<u>2.20%</u>	4
5	Preferred Equity	0.00% [5]	0.00% [11]	0.00%	5
6	Common Equity	<u>50.05% [6]</u>	<u>10.00% [12]</u>	<u>5.01%</u>	6
7	Total	<u><u>100.00%</u></u>		<u><u>7.20%</u></u>	7

[1] Sch F-1, Sh 1, Ln 8, Col (d) x 49.95%

[2] Sch F-1, Sh 1, Ln 9, Col (d) x 49.95%

[3] Sch F-1, Sh 1, Ln 10, Col (d) x 49.95%

[4] Stmt F, Sh 3, Ln 11, Col (c)

[5] Stmt F, Sh 3, Ln 12, Col (c)

[6] Stmt F, Sh 3, Ln 13, Col (c)

[7] Sch F-1, Sh 1, ((Ln 8, Col (f)) / (Ln 8, Col (d)))

[8] Sch F-1, Sh 1, Ln 9, Col (e)

[9] Sch F-1, Sh 1, Ln 10, Col (e)

[10] Sch F-1, Sh 1, Ln 11, Col (f)

[11] Sch F-2, Sh 1, Ln 1, Col (e)

[12] See Direct Testimony of Company witness Ann E. Bulkley and Amy L. Timperley

**SOUTHWEST GAS CORPORATION
NORTHERN NEVADA
COST OF CAPITAL
FOR THE TEST PERIOD ENDED NOVEMBER 30, 2025**

Line No.	Description (a)	Capital Ratio (b)	Capital Cost (c)	Weighted Cost of Capital (b) x (c) (d)	Line No.
1	Long-Term Debt	48.47% [1]	4.39% [7]	2.13%	1
2	Short-Term Debt	-0.01% [2]	-74.73% [8]	0.01%	2
3	Customer Deposits	1.62% [3]	4.15% [9]	0.07%	3
4	Total Debt	<u>50.08% [4]</u>	<u>4.40% [10]</u>	<u>2.21%</u>	4
5	Preferred Equity	0.00% [5]	0.00% [11]	0.00%	5
6	Common Equity	<u>49.92% [6]</u>	<u>10.00% [12]</u>	<u>4.99%</u>	6
7	Total	<u><u>100.00%</u></u>		<u><u>7.20%</u></u>	7

[1] Sch F-1, Sh 2, Ln 8, Col (d) x 50.08%

[2] Sch F-1, Sh 2, Ln 9, Col (d) x 50.08%

[3] Sch F-1, Sh 2, Ln 10, Col (d) x 50.08%

[4] Stmt F, Sh 4, Ln 11, Col (c)

[5] Stmt F, Sh 4, Ln 12, Col (c)

[6] Stmt F, Sh 4, Ln 13, Col (c)

[7] Sch F-1, Sh 2, ((Ln 8, Col (f)) / (Ln 8, Col (d)))

[8] Sch F-1, Sh 2, Ln 9, Col (e)

[9] Sch F-1, Sh 2, Ln 10, Col (e)

[10] Sch F-1, Sh 2, Ln 11, Col (f)

[11] Sch F-2, Sh 2, Ln 1, Col (e)

[12] See Direct Testimony of Company witness Ann E. Bulkley and Amy L. Timperley

**SOUTHWEST GAS CORPORATION
CONSOLIDATED COMPANY CAPITAL COSTS
FOR THE CERTIFICATION PERIOD ENDED MAY 31, 2026**

Line No.	Description (a)	Recorded Amount (b)	Capital Ratio [4] (c)	Cost of Capital (d)	Line No.
	<u>Debt [1]</u>				
	Long-Term Debt				
1	Debentures	\$ 3,278,124,485	44.96%	4.34%	1
2	Medium Term Notes	32,480,476	0.45%	7.72%	2
3	Loss on Reacquired Debt	(2,978,938)	-0.04%	-5.77%	3
4	Clark County IDR B's - Fixed	1,054,196	0.01%	-16.60%	4
5	Clark County IDR B's - Var	146,324,569	2.01%	4.00%	5
6	Big Bear IDR B's	49,891,357	0.68%	3.65%	6
7	Term Facilities	114,614,651	1.57%	4.98%	7
8	Total Long-Term Debt	3,619,510,795	49.65%		8
9	Short-Term Debt	(731,886)	-0.01%	-83.27%	9
10	Customer Deposits [2]	22,494,173	0.31%	3.64%	10
11	Total Debt	3,641,273,082	49.95%		11
	<u>Equity</u>				
12	Preferred Equity	\$ -	0.00%		12
13	Common Equity [3]	3,649,262,000	50.05%	10.00%	13
14	Total Equity	3,649,262,000	50.05%		14
15	Total Capital	\$ 7,290,535,082	100.00%		15

[1] For all recorded amounts of debt and related costs (except California Big Bear IDR B's) see Sch F-1, Sh 1. For California Big Bear IDR B's recorded amounts see Sch F-1, Sh 3.

[2] See Sch F-1, Sh 11, for the recorded amount and cost.

[3] Common equity recorded amount is the total common equity estimated by the Company at May 31, 2026, less capital stock expense. Does not reflect the accumulated other comprehensive income.

[4] Capital Ratios = Recorded Amounts / Total Capital.

**SOUTHWEST GAS CORPORATION
CONSOLIDATED COMPANY CAPITAL COSTS
FOR THE TEST PERIOD ENDED NOVEMBER 30, 2025**

Line No.	Description (a)	Recorded Amount (b)	Capital Ratio [4] (c)	Cost of Capital (d)	Line No.
	<u>Debt [1]</u>				
	Long-Term Debt				
1	Debentures	\$ 3,276,165,064	46.56%	4.34%	1
2	Medium Term Notes	32,471,311	0.46%	7.72%	2
	Unamortized Loss				
3	on Reacquired Debt	(3,064,869)	-0.04%	-5.61%	3
4	Clark County IDR B's - Fixed	1,141,710	0.02%	-15.33%	4
5	Clark County IDR B's - Var	146,110,534	2.08%	4.34%	5
6	Big Bear IDR B's	49,869,021	0.71%	3.50%	6
7	Term Facilities	(455,075)	-0.01%	-80.11%	7
8	Total Long-Term Debt	<u>3,502,237,696</u>	<u>49.77%</u>		8
9	Short-Term Debt	(808,712)	-0.01%	-74.73%	9
10	Customer Deposits [2]	<u>22,612,670</u>	<u>0.32%</u>	<u>4.15%</u>	10
11	Total Debt	<u>3,524,041,654</u>	<u>50.08%</u>		11
	<u>Equity</u>				
12	Preferred Equity	\$ -	0.00%		12
13	Common Equity [3]	<u>3,513,039,438</u>	<u>49.92%</u>	10.00%	13
14	Total Equity	<u>3,513,039,438</u>	<u>49.92%</u>		14
15	Total Capital	<u>\$ 7,037,081,092</u>	<u>100.00%</u>		15

[1] For all recorded amounts of debt and related costs (except California Big Bear IDR B's) see Sch F-1, Sh 2. For California Big Bear IDR B's recorded amounts see Sch F-1, Sh 4.

[2] See Sch F-1, Sh 12, for the recorded amount and cost.

[3] Common equity recorded amount is the total common equity recorded by the Company at November 30, 2025, less capital stock expense. Does not reflect the accumulated other comprehensive income.

[4] Capital Ratios = Recorded Amounts / Total Capital.

**SOUTHWEST GAS CORPORATION
NORTHERN NEVADA
SUMMARY COST OF DEBT
FOR THE CERTIFICATION PERIOD ENDED MAY 31, 2026**

Line No.	Description (a)	Amount Outstanding (b)	Allocated to Rate Base [1] (c)	Ratio (d)	Rate (e)	Weighted Cost (f)	Line No.
1	Debentures [2]	\$ 3,278,124,485	\$ 125,119,934	92.85%	4.34%	4.03%	1
2	Medium Term Notes [3]	32,480,476	1,239,720	0.92%	7.72%	0.07%	2
3	Unamortized Loss on Reacquired Debt [4]	(2,978,938)	(113,701)	-0.08%	-5.77%	0.00%	3
4	Term Facility [5]	114,614,651	4,374,629	3.25%	4.98%	0.16%	4
5	Tax Exempt - Fixed Rate [6]	1,054,196	0	0.00%	-16.60%	0.00%	5
6	Tax Exempt - Variable Rate [7]	146,324,569	0	0.00%	4.00%	0.00%	6
7	Big Bear IDR's [8]	49,891,357	-	0.00%	3.65%	0.00%	7
8	Total Long-Term Debt	<u>\$ 3,619,510,795</u>	<u>\$ 130,620,582</u>	<u>96.93%</u>		<u>4.27%</u>	8
9	Short-Term Debt [9]	(731,886)	(27,935)	-0.02%	-83.27%	0.02%	9
10	Customer Deposits [10]	22,494,173	4,168,351	3.09%	3.64%	0.11%	10
11	Total Cost of Debt	<u>\$ 3,641,273,082</u>	<u>\$ 134,760,998</u>	<u>100.00%</u>		<u>4.40%</u>	11

[1] Total Debt = Rate Base x Total Debt Ratio = (\$269,817,661 X 49.95%)= \$134,760,998

- [2] Sch F-1, Sh 3, Ln 12.
- [3] Sch F-1, Sh 3, Ln 15.
- [4] Sch F-1, Sh 3, Ln 16.
- [5] Sch F-1, Sh 7, Ln 1.
- [6] Sch F-1, Sh 3, Ln 27.
- [7] Sch F-1, Sh 3, Ln 32.
- [8] Sch F-1, Sh 3, Ln 33.
- [9] Sch F-1, Sh 9, Ln 1.
- [10] Sch F-1, Sh 11, Ln 3.

**SOUTHWEST GAS CORPORATION
NORTHERN NEVADA
SUMMARY COST OF DEBT
FOR THE TEST PERIOD ENDED NOVEMBER 30, 2025**

Line No.	Description (a)	Amount Outstanding (b)	Allocated to Rate Base [1] (c)	Ratio (d)	Rate (e)	Weighted Cost (f)	Line No.
1	Debentures [2]	\$ 3,276,165,064	\$ 122,093,643	95.93%	4.34%	4.16%	1
2	Medium Term Notes [3]	32,471,311	1,210,116	0.95%	7.72%	0.07%	2
3	Unamortized Loss on Reacquired Debt [4]	(3,064,869)	(114,219)	-0.09%	-5.61%	0.01%	3
4	Term Facility [5]	(455,075)	(16,959)	-0.01%	-80.11%	0.01%	4
5	Tax Exempt - Fixed Rate [6]	1,141,710	0	0.00%	-15.33%	0.00%	5
6	Tax Exempt - Variable Rate [7]	146,110,534	0	0.00%	4.34%	0.00%	6
7	Big Bear IDRB's [8]	49,869,021	-	0.00%	3.50%	0.00%	7
8	Total Long-Term Debt	<u>\$ 3,502,237,696</u>	<u>\$ 123,172,581</u>	<u>96.78%</u>		<u>4.25%</u>	8
9	Short-Term Debt [9]	(808,712)	(30,138)	-0.02%	-74.73%	0.02%	9
10	Customer Deposits [10]	22,612,670	4,128,598	3.24%	4.15%	0.13%	10
11	Total Debt	<u>\$ 3,524,041,654</u>	<u>\$ 127,271,041</u>	<u>100.00%</u>		<u>4.40%</u>	11

[1] Total Debt = Rate Base x Total Debt Ratio = (\$254,144,736 X 50.08%) = \$127,271,041

- [2] Sch F-1, Sh 4, Ln 12.
- [3] Sch F-1, Sh 4, Ln 15.
- [4] Sch F-1, Sh 4, Ln 16.
- [5] Sch F-1, Sh 8, Ln 1.
- [6] Sch F-1, Sh 4, Ln 27.
- [7] Sch F-1, Sh 4, Ln 32.
- [8] Sch F-1, Sh 4, Ln 33.
- [9] Sch F-1, Sh 10, Ln 1.
- [10] Sch F-1, Sh 12, Ln 3.

SOUTHWEST GAS CORPORATION
COST OF LONG-TERM DEBT
FOR THE CERTIFICATION PERIOD ENDED MAY 31, 2026[1]

Line No.	Description (a)	Outstanding Principal (b)	Unamortized Debt Expense and Debt Discount (c)	Net Proceeds (d)	Effective Interest Rate (e)	Cost of Debt (f)	Line No.
Debentures & Notes							
1	8.0% Debenture, Due 2026	75,000,000	111,872	74,888,128	8.93%	6,691,226	1
2	6.1% Notes, Due 2041	125,000,000	117,424	124,882,576	6.11%	7,630,063	2
3	4.875% Notes, Due 2043	250,000,000	2,076,462	247,923,538	4.95%	12,264,585	3
4	3.80% Notes, Due 2046	300,000,000	3,412,369	296,587,631	3.88%	11,511,770	4
5	3.70% Notes, Due 2028	300,000,000	710,952	299,289,048	3.84%	11,492,699	5
6	4.15% Notes, Due 2049	300,000,000	3,070,210	296,929,790	4.22%	12,530,437	6
7	2.2% Notes, Due 2030	450,000,000	1,978,369	448,021,631	2.32%	10,394,102	7
8	3.18% Notes, Due 2051	300,000,000	3,090,639	296,909,361	3.24%	9,619,863	8
9	4.05% Notes, Due 2032	600,000,000	5,015,319	594,984,681	4.21%	25,048,855	9
10	5.80% Notes, Due 2027	300,000,000	1,066,925	298,933,075	6.05%	18,085,451	10
11	5.45% Notes, Due 2028	300,000,000	1,224,973	298,775,027	5.69%	17,000,299	11
12	Total Debentures	<u>\$ 3,300,000,000</u>	<u>\$ 21,875,515</u>	<u>\$ 3,278,124,485</u>	<u>4.34%</u>	<u>\$ 142,269,351</u>	12
				Sch F-1, Sh 1 Ln 1, Col (b)			
Medium Term Notes							
13	7.92% MTN, Due 2027	25,000,000	19,524	24,980,476	8.00%	1,999,064	13
14	6.76% MTN, Due 2027	7,500,000	-	7,500,000	6.76%	507,000	14
15	Total Medium Term Notes	<u>\$ 32,500,000</u>	<u>\$ 19,524</u>	<u>\$ 32,480,476</u>	<u>7.72%</u>	<u>\$ 2,506,064</u>	15
				Sch F-1, Sh 1 Ln 2, Col (b)			
16	Unamortized Loss on Reacquired Debt[2]	<u>\$ -</u>	<u>\$ 2,978,938</u>	<u>\$ (2,978,938)</u>	<u>-5.77%</u>	<u>\$ 171,862</u>	16
				Sch F-1, Sh 1 Ln 3, Col (b)			
Amortization of Gain (Loss) on Retirement of Debt [3]							
17	1999 Series A, Due 2038	\$ -	\$ 233,981	\$ (233,981)	-8.00%	\$ 18,718	17
18	1999 Series C, Due 2038	-	318,942	(318,942)	-8.00%	25,515	18
19	1999 Series D, Due 2038	-	184,609	(184,609)	-8.00%	14,769	19
20	2003 Series C, Due 2038	-	578,453	(578,453)	-8.51%	49,230	20
21	2003 Series D, Due 2038	-	690,509	(690,509)	-8.51%	58,767	21
22	2003 Series E, Due 2038	-	91,208	(91,208)	-8.51%	7,762	22
23	2004 Series A, Due 2034	-	484,616	(484,616)	-12.37%	59,952	23
24	2004 Series B, Due 2033	-	(1,685,516)	1,685,516	-13.33%	(224,736)	24
25	2005 Series A, Due 2035	-	556,705	(556,705)	-10.71%	59,647	25
26	2006 Series A, Due 2036	-	(2,507,704)	2,507,704	-9.76%	(244,654)	26
27	Total Tax Exempt Clark County	<u>\$ -</u>	<u>\$ (1,054,196)</u>	<u>\$ 1,054,196</u>	<u>-16.60%</u>	<u>\$ (175,029)</u>	27
				Sch F-1, Sh 1 Ln 5, Col (b)			
28	Total Fixed Rate Debt	<u>\$ 3,332,500,000</u>	<u>\$ 23,819,781</u>	<u>\$ 3,308,680,219</u>	<u>4.38%</u>	<u>\$ 144,772,247</u>	28
Tax Exempt Clark County[4]							
29	2003 Series A, Due 2038	\$ 50,000,000	\$ 1,189,460	\$ 48,810,540	3.90%	\$ 1,902,330	29
30	2008 Series A, Due 2038	50,000,000	2,115,117	47,884,883	4.31%	2,062,574	30
31	2009 Series A, Due 2039	50,000,000	370,854	49,629,146	3.80%	1,886,654	31
32	Total CC Tax Exempt Variable	<u>\$ 150,000,000</u>	<u>\$ 3,675,431</u>	<u>\$ 146,324,569</u>	<u>4.00%</u>	<u>\$ 5,851,558</u>	32
				Sch F-1, Sh 1 Ln 6, Col (b)			
Tax Exempt Big Bear							
33	1993 Series A, Due 2028	\$ 50,000,000	\$ 108,643	\$ 49,891,357	3.65%	\$ 1,823,022	33
34	Term Facility	<u>\$ 150,000,000</u>	<u>\$ 35,385,349</u>	<u>\$ 114,614,651</u>	<u>4.98%</u>	<u>\$ 5,711,683</u>	34
				Sch F-1, Sh 1 Ln 4, Col (b)			
35	Total Variable Rate Debt	<u>\$ 350,000,000</u>	<u>\$ 39,169,424</u>	<u>\$ 310,830,576</u>	<u>4.31%</u>	<u>\$ 13,386,262</u>	35
36	Total Debt	<u>\$ 3,682,500,000</u>	<u>\$ 62,989,205</u>	<u>\$ 3,619,510,795</u>	<u>4.37%</u>	<u>\$ 158,158,510</u>	36

[1] Outstanding principal amounts are the Company's projected amounts at May 31, 2026.

[2] In March 2010, the Company redeemed the \$100 million, 7.70% Subordinated Debentures (Preferred Securities), due 9/15/2043, at par. The unamortized debt expenses were recorded as a reacquisition loss and will be amortized over the remaining life of the retired securities.

[3] The Company has called all of its Clark County fixed rate revenue bonds. The unamortized gains and losses are being amortized and affects the cost of debt.

[4] Rate is based on the previous 12-month period, which is consistent in computing the Average Variable Interest Rate (AVIR) for the Variable Interest Expense Recovery (VIER) mechanism.

SOUTHWEST GAS CORPORATION
COST OF LONG-TERM DEBT
FOR THE TEST PERIOD ENDED NOVEMBER 30, 2025[1]

Line No.	Description (a)	Outstanding Principal (b)	Unamortized Debt Expense and Debt Discount (c)	Net Proceeds (d)	Effective Interest Rate (e)	Cost of Debt (f)	Line No.
Debentures & Notes							
1	8.0% Debenture, Due 2026	75,000,000	442,706	74,557,294	8.93%	6,661,666	1
2	6.1% Notes, Due 2041	125,000,000	119,880	124,880,120	6.11%	7,629,912	2
3	4.875% Notes, Due 2043	250,000,000	2,114,075	247,885,925	4.95%	12,262,725	3
4	3.80% Notes, Due 2046	300,000,000	3,467,190	296,532,810	3.88%	11,509,642	4
5	3.70% Notes, Due 2028	300,000,000	896,519	299,103,481	3.84%	11,485,574	5
6	4.15% Notes, Due 2049	300,000,000	3,109,543	296,890,457	4.22%	12,528,777	6
7	2.2% Notes, Due 2030	450,000,000	2,214,974	447,785,026	2.32%	10,388,613	7
8	3.18% Notes, Due 2051	300,000,000	3,130,172	296,869,828	3.24%	9,618,582	8
9	4.05% Notes, Due 2032	600,000,000	5,395,893	594,604,107	4.21%	25,032,833	9
10	5.80% Notes, Due 2027	300,000,000	1,401,885	298,598,115	6.05%	18,065,186	10
11	5.45% Notes, Due 2028	300,000,000	1,542,102	298,457,898	5.69%	16,982,254	11
12	Total Debentures	<u>\$ 3,300,000,000</u>	<u>\$ 23,834,936</u>	<u>\$ 3,276,165,064</u>	<u>4.34%</u>	<u>\$ 142,165,765</u>	12
				Sch F-1, Sh 2 Ln 1, Col (b)			
Medium Term Notes							
13	7.92% MTN, Due 2027	25,000,000	28,689	24,971,311	8.00%	1,998,330	13
14	6.76% MTN, Due 2027	7,500,000	-	7,500,000	6.76%	507,000	14
15	Total Medium Term Notes	<u>\$ 32,500,000</u>	<u>\$ 28,689</u>	<u>\$ 32,471,311</u>	<u>7.72%</u>	<u>\$ 2,505,330</u>	15
				Sch F-1, Sh 2 Ln 2, Col (b)			
16	Unamortized Loss on Reacquired Debt[2]	<u>\$ -</u>	<u>\$ 3,064,869</u>	<u>\$ (3,064,869)</u>	<u>-5.61%</u>	<u>\$ 171,862</u>	16
				Sch F-1, Sh 2 Ln 3, Col (b)			
Amortization of Gain (Loss) on Retirement of Debt [3]							
17	1999 Series A, Due 2038	\$ -	\$ 243,340	\$ (243,340)	-7.69%	\$ 18,718	17
18	1999 Series C, Due 2038	-	331,700	(331,700)	-7.69%	25,515	18
19	1999 Series D, Due 2038	-	191,993	(191,993)	-7.69%	14,769	19
20	2003 Series C, Due 2038	-	603,068	(603,068)	-8.16%	49,230	20
21	2003 Series D, Due 2038	-	719,893	(719,893)	-8.16%	58,767	21
22	2003 Series E, Due 2038	-	95,089	(95,089)	-8.16%	7,762	22
23	2004 Series A, Due 2034	-	514,592	(514,592)	-11.65%	59,952	23
24	2004 Series B, Due 2033	-	(1,797,884)	1,797,884	-12.50%	(224,736)	24
25	2005 Series A, Due 2035	-	586,528	(586,528)	-10.17%	59,647	25
26	2006 Series A, Due 2036	-	(2,630,031)	2,630,031	-9.30%	(244,654)	26
27	Total Tax Exempt Clark County	<u>\$ -</u>	<u>\$ (1,141,710)</u>	<u>\$ 1,141,710</u>	<u>-15.33%</u>	<u>\$ (175,029)</u>	27
				Sch F-1, Sh 2 Ln 5, Col (b)			
28	Total Fixed Rate Debt	<u>\$ 3,332,500,000</u>	<u>\$ 25,786,784</u>	<u>\$ 3,306,713,216</u>	<u>4.37%</u>	<u>\$ 144,667,928</u>	28
Tax Exempt Clark County[4]							
29	2003 Series A, Due 2038	\$ 50,000,000	\$ 1,287,329	\$ 48,712,671	4.26%	\$ 2,075,880	29
30	2008 Series A, Due 2038	50,000,000	2,212,213	47,787,787	4.65%	2,223,875	30
31	2009 Series A, Due 2039	50,000,000	389,925	49,610,075	4.11%	2,038,375	31
32	Total CC Tax Exempt Variable	<u>\$ 150,000,000</u>	<u>\$ 3,889,466</u>	<u>\$ 146,110,534</u>	<u>4.34%</u>	<u>\$ 6,338,130</u>	32
				Sch F-1, Sh 2 Ln 6, Col (b)			
Tax Exempt Big Bear							
33	1993 Series A, Due 2028	\$ 50,000,000	\$ 130,979	\$ 49,869,021	3.50%	\$ 1,746,601	33
34	Term Facility	<u>\$ 150,000,000</u>	<u>\$ 150,455,075</u>	<u>\$ (455,075)</u>	<u>-80.11%</u>	<u>\$ 364,540</u>	34
				Sch F-1, Sh 2 Ln 4, Col (b)			
35	Total Variable Rate Debt	<u>\$ 350,000,000</u>	<u>\$ 154,475,520</u>	<u>\$ 195,524,480</u>	<u>4.32%</u>	<u>\$ 8,449,271</u>	35
36	Total Debt	<u>\$ 3,682,500,000</u>	<u>\$ 180,262,304</u>	<u>\$ 3,502,237,696</u>	<u>4.37%</u>	<u>\$ 153,117,199</u>	36

[1] Outstanding principal amounts are the Company's recorded amounts at November 30, 2025.

[2] In March 2010, the Company redeemed the \$100 million, 7.70% Subordinated Debentures (Preferred Securities), due 9/15/2043, at par. The unamortized debt expenses were recorded as a reacquisition loss and will be amortized over the remaining life of the retired securities.

[3] The Company has called all of its Clark County fixed rate revenue bonds. The unamortized gains and losses are being amortized and affects the cost of debt.

[4] Rate is based on the previous 12-month period, which is consistent in computing the Average Variable Interest Rate (AVIR) for the Variable Interest Expense Recovery (VIER) mechanism.

**SOUTHWEST GAS CORPORATION
COST OF DEBT
ORIGINAL NET PROCEEDS OF ISSUES OUTSTANDING [1]**

Line No.	Description (a)	Issue Date (b)	Maturity Date (c)	Interest Rate (d)	Offered (e)	Gross Proceeds (f)	Underwriter's Commission and Discounts		Debt and Issuance Expense		Net Proceeds (k)	Per \$100 Unit (l)	Cost of Money [2] (m)	Line No.
							Amount (g)	Percent of Gross Proceeds (h)	Amount (i)	Percent of Gross Proceeds (j)				
1	Debentures													
1	8.0% Debenture, Due 2026	08/01/96	08/01/26	8.00%	75,000,000	75,000,000	894,750	1.19%	6,383,290	8.51%	67,721,960	90.30	8.93%	1
2	6.1% Notes, Due 2041	02/15/11	02/15/41	6.10%	125,000,000	125,000,000	0	0.00%	167,358	0.13%	124,832,642	99.87	6.11%	2
3	4.875% Notes, Due 2043	10/04/13	10/01/43	4.875%	250,000,000	250,000,000	2,382,500	0.95%	413,165	0.17%	247,204,335	98.88	4.95%	3
4	3.80% Notes, Due 2046	09/29/16	09/29/46	3.80%	300,000,000	300,000,000	3,531,000	1.18%	775,217	0.26%	295,693,783	98.56	3.88%	4
5	3.70% Notes, Due 2028	03/15/18	04/01/28	4.150%	300,000,000	300,000,000	2,505,000	0.84%	836,902	0.28%	296,658,098	98.89	3.84%	5
6	4.15% Notes, Due 2049	05/31/19	06/01/49	4.150%	300,000,000	300,000,000	2,778,000	0.93%	774,680	0.26%	296,447,320	98.82	4.22%	6
7	2.2% Notes, Due 2030	06/15/30	06/15/30	2.200%	450,000,000	450,000,000	3,492,000	0.78%	1,166,059	0.26%	445,341,941	98.96	2.32%	7
8	3.18% Notes, Due 2051	08/20/21	08/15/51	3.180%	300,000,000	300,000,000	2,682,000	0.89%	764,555	0.25%	296,553,446	98.85	3.24%	8
9	4.05% Notes, Due 2032	03/22/22	03/15/32	4.050%	600,000,000	600,000,000	6,138,000	1.02%	1,861,147	0.31%	592,000,853	98.67	4.21%	9
10	5.80% Notes, Due 2027	12/01/22	12/01/27	5.800%	300,000,000	300,000,000	2,199,000	0.73%	1,015,874	0.34%	296,785,126	98.93	6.05%	10
11	5.45% Notes, Due 2028	03/23/23	03/23/28	5.450%	300,000,000	300,000,000	2,241,000	0.75%	862,911	0.29%	296,896,089	98.97	5.69%	11
12	Total Debentures				\$ 3,300,000,000	\$ 3,300,000,000	\$ 28,843,250	0.87%	\$ 15,021,159	0.46%	\$ 3,256,135,591	98.67		12
13	Medium Term Notes													
13	7.92% MTN, Due 2027	06/04/97	06/04/27	7.920%	25,000,000	25,000,000	187,500	0.75%	45,761	0.18%	24,766,739	99.07	8.00%	13
14	6.76% MTN, Due 2027	09/24/97	09/24/27	6.760%	7,500,000	7,500,000	46,875	0.63%	17,228	0.23%	7,435,897	99.15	6.88%	14
15	Total Medium Term Notes				\$ 32,500,000	\$ 32,500,000	\$ 234,375	0.72%	\$ 62,990	0.19%	\$ 32,202,635	99.09		15
16	Fixed Rate Tax Exempt Clark County [3]													
16	1999 Series A, Due 2038	10/05/99	12/01/38	6.100%	\$ 12,410,000	\$ 12,410,000	\$ 53,920	0.43%	\$ 658,490	5.31%	\$ 11,697,590	94.26	6.63%	16
17	1999 Series C, Due 2038	07/19/00	12/01/38	5.950%	14,320,000	14,320,000	38,342	0.27%	936,800	6.54%	13,344,858	93.19	6.58%	17
18	1999 Series D, Due 2038	09/26/01	12/01/38	5.550%	8,270,000	8,270,000	21,451	0.26%	523,760	6.33%	7,724,789	93.41	6.13%	18
19	2003 Series C, Due 2038	03/20/03	03/01/38	5.450%	30,000,000	30,000,000	200,538	0.67%	1,440,962	4.80%	28,358,500	94.53	5.93%	19
20	2003 Series D, Due 2038	03/20/03	03/01/38	3.350%	20,000,000	20,000,000	133,692	0.67%	154,313	0.77%	19,711,994	98.56	3.44%	20
21	2003 Series E, Due 2038	03/20/03	03/01/38	5.800%	15,000,000	15,000,000	100,269	0.67%	115,735	0.77%	14,783,996	98.56	5.93%	21
22	2004 Series A, Due 2034	07/16/04	07/01/34	5.250%	65,000,000	65,000,000	1,081,500	1.66%	2,915,229	4.48%	61,003,271	93.85	6.08%	22
23	2004 Series B, Due 2033	10/19/04	12/01/33	5.000%	75,000,000	75,000,000	986,250	1.28%	5,034,264	6.71%	69,009,487	92.01	5.99%	23
24	2005 Series A, Due 2035	10/05/05	10/01/35	4.850%	100,000,000	100,000,000	1,350,000	1.35%	2,724,048	2.72%	95,925,952	95.93	5.36%	24
25	2006 Series A, Due 2036	09/20/06	09/01/36	4.750%	56,000,000	56,000,000	686,000	1.23%	801,557	1.43%	54,512,443	97.34	5.09%	25
26	Total Fixed Rate Tax Exempt Clark County				\$ 396,000,000	\$ 396,000,000	\$ 4,621,963	1.17%	\$ 15,305,158	3.86%	\$ 376,072,879	94.97		26
27	Variable Rate Tax Exempt Clark County													
27	2003 Series A, Due 2038	03/20/03	03/01/38	Var	\$ 50,000,000	\$ 50,000,000	\$ 128,076	0.26%	\$ 2,820,818	5.64%	\$ 47,051,106	94.10	Var	27
28	2008 Series A, Due 2038	09/24/08	03/01/38	Var	50,000,000	50,000,000	178,749	0.36%	4,771,935	9.54%	45,049,316	90.10	Var	28
29	2009 Series A, Due 2039	12/09/09	12/01/39	Var	50,000,000	50,000,000	175,000	0.35%	766,649	1.53%	49,058,351	98.12	Var	29
30	Total Variable Rate Tax Exempt Clark County				\$ 150,000,000	\$ 150,000,000	\$ 481,825	0.32%	\$ 8,359,402	5.57%	\$ 141,158,773	94.11		30
31	Tax Exempt Big Bear													
31	1993 Series A, Due 2028	12/15/93	12/01/28	Var	\$ 50,000,000	\$ 50,000,000	\$ 175,000	0.35%	\$ 656,763	1.31%	\$ 49,168,237	98.34	Var	31
32	Term Facility	08/01/24	08/01/29	Var	\$ 150,000,000	\$ 150,000,000	\$ -	0.00%	\$ 601,421	0.40%	\$ 149,398,579	99.60	Var	32
33	Total Debt Capital				\$ 4,078,500,000	\$ 4,078,500,000	\$ 34,356,413	0.84%	\$ 40,006,893	0.96%	\$ 4,004,136,694	98.18	Var	33

[1] Based on Company records.
 [2] Based on the Net Proceeds method.
 [3] The Company has called and retired all of the fixed-rate tax exempt Clark County Industrial Development Revenue Bonds. The unamortized gains and losses are being amortized and are included in the cost of debt.

**SOUTHWEST GAS CORPORATION
COST OF DEBT
ORIGINAL NET PROCEEDS OF ISSUES OUTSTANDING [1]**

Line No.	Description	Issue Date (b)	Maturity Date (c)	Interest Rate (d)	Offered (e)	Gross Proceeds (f)	Underwriter's Commissions and Discounts		Debt and Issuance Expense		Net Proceeds		Per \$100 Unit (l)	Cost of Money [2] (m)	Line No.
							Amount (g)	Percent of Gross Proceeds (h)	Amount (i)	Percent of Gross Proceeds (j)	Amount (k)	Amount (l)			
1	Debtentures														
2	8.0% Debenture, Due 2026	08/01/96	08/01/26	8.000%	75,000,000	75,000,000	894,750	1.19%	6,383,290	8.51%	67,721,960	90.30	8.93%	1	
3	6.1% Notes, Due 2041	02/15/41	02/15/41	6.100%	125,000,000	125,000,000	0	0.00%	167,358	0.13%	124,832,642	99.87	6.11%	2	
4	4.875% Notes, Due 2043	10/04/13	10/01/43	4.875%	250,000,000	250,000,000	2,382,500	0.95%	413,165	0.17%	247,204,335	98.88	4.95%	3	
5	3.80% Notes, Due 2046	09/29/16	09/29/46	3.800%	300,000,000	300,000,000	3,531,000	1.18%	775,217	0.26%	295,693,783	98.56	3.88%	4	
6	3.70% Notes, Due 2028	03/15/18	04/01/28	3.700%	300,000,000	300,000,000	2,505,000	0.84%	836,902	0.28%	296,658,098	98.89	3.84%	5	
7	4.15% Notes, Due 2049	05/31/19	06/01/49	4.150%	300,000,000	300,000,000	2,778,000	0.93%	774,680	0.26%	296,447,320	98.82	4.22%	6	
8	2.2% Notes, Due 2030	06/04/20	06/15/30	2.200%	450,000,000	450,000,000	3,492,000	0.78%	1,166,059	0.26%	445,341,941	98.96	2.32%	7	
9	3.18% Notes, Due 2051	08/20/21	08/15/51	3.180%	300,000,000	300,000,000	2,682,000	0.89%	764,555	0.25%	296,553,446	98.85	3.24%	8	
10	4.05% Notes, Due 2032	03/22/22	03/15/32	4.050%	600,000,000	600,000,000	6,138,000	1.02%	1,861,147	0.34%	592,000,853	98.67	4.21%	9	
11	5.80% Notes, Due 2027	12/01/22	12/01/27	5.800%	300,000,000	300,000,000	2,199,000	0.73%	1,015,874	0.31%	296,785,126	98.93	6.05%	10	
12	5.45% Notes, Due 2028	03/23/23	03/23/28	5.450%	300,000,000	300,000,000	2,241,000	0.75%	862,911	0.29%	296,896,089	98.97	5.69%	11	
	Total Debtentures				\$ 3,300,000,000	\$ 3,300,000,000	\$ 28,843,250	0.87%	\$ 15,021,159	0.46%	\$ 3,256,135,591	98.67		12	
13	Medium Term Notes														
14	7.92% MTN, Due 2027	06/04/97	06/04/27	7.920%	25,000,000	25,000,000	187,500	0.75%	45,761	0.18%	24,766,739	99.07	8.00%	13	
15	6.76% MTN, Due 2027	09/23/97	09/24/27	6.760%	7,500,000	7,500,000	46,875	0.63%	17,228	0.23%	7,435,897	99.15	6.88%	14	
	Total Medium Term Notes				\$ 32,500,000	\$ 32,500,000	\$ 234,375	0.72%	\$ 62,990	0.19%	\$ 32,202,635	99.09		15	
16	Fixed Rate Tax Exempt Clark County [3]														
17	1999 Series A, Due 2038	10/05/99	12/01/38	6.100%	12,410,000	12,410,000	\$ 53,920	0.43%	\$ 658,490	5.31%	\$ 11,697,590	94.26	6.63%	16	
18	1999 Series C, Due 2038	07/19/00	12/01/38	5.950%	14,320,000	14,320,000	38,342	0.27%	936,800	6.54%	13,344,858	93.19	6.58%	17	
19	1999 Series D, Due 2038	09/26/01	12/01/38	5.590%	8,270,000	8,270,000	21,451	0.26%	523,789	6.33%	7,724,789	93.41	6.13%	18	
20	2003 Series C, Due 2038	03/20/03	03/01/38	3.350%	30,000,000	30,000,000	200,538	0.67%	1,440,962	4.80%	28,358,500	94.53	5.93%	19	
21	2003 Series D, Due 2038	03/20/03	03/01/38	3.350%	20,000,000	20,000,000	133,692	0.67%	154,313	0.77%	19,711,994	98.56	3.44%	20	
22	2003 Series E, Due 2038	03/20/03	03/01/38	5.800%	15,000,000	15,000,000	100,269	0.67%	115,735	0.77%	14,783,996	98.56	5.93%	21	
23	2004 Series A, Due 2034	07/16/04	07/01/34	5.250%	65,000,000	65,000,000	1,081,500	1.66%	2,915,229	4.48%	61,003,271	93.85	6.08%	22	
24	2004 Series B, Due 2033	10/19/04	12/01/33	5.000%	75,000,000	75,000,000	956,250	1.28%	5,034,264	6.71%	69,009,487	92.01	5.99%	23	
25	2005 Series A, Due 2035	10/05/05	10/01/35	4.850%	100,000,000	100,000,000	1,350,000	1.35%	2,724,048	2.72%	95,925,952	95.93	5.36%	24	
26	2006 Series A, Due 2036	09/20/06	09/01/36	4.750%	56,000,000	56,000,000	686,000	1.23%	801,557	1.43%	54,512,443	97.34	5.09%	25	
	Total Fixed Rate Tax Exempt Clark County				\$ 396,000,000	\$ 396,000,000	\$ 4,621,963	1.17%	\$ 15,305,158	3.86%	\$ 376,072,879	94.97		26	
27	Variable Rate Tax Exempt Clark County														
28	2003 Series A, Due 2038	03/20/03	03/01/38	Var	50,000,000	50,000,000	128,076	0.26%	2,820,818	5.64%	\$ 47,051,106	94.10	Var	27	
29	2008 Series A, Due 2038	09/24/08	03/01/38	Var	50,000,000	50,000,000	178,749	0.36%	4,771,935	9.54%	45,049,316	90.10	Var	28	
30	2009 Series A, Due 2039	12/09/09	12/01/39	Var	50,000,000	50,000,000	175,000	0.35%	766,649	1.53%	49,058,351	98.12	Var	29	
	Total Variable Rate Tax Exempt Clark County				\$ 150,000,000	\$ 150,000,000	\$ 481,825	0.32%	\$ 8,359,402	5.57%	\$ 141,158,773	94.11		30	
31	Tax Exempt Bio Bear														
	1993 Series A, Due 2028	12/15/93	12/01/28	Var	50,000,000	50,000,000	175,000	0.35%	656,763	1.31%	\$ 49,168,237	98.34	Var	31	
32	Term Facility														
	Term Facility	08/01/24	08/01/29	Var	150,000,000	150,000,000	\$ -	0.00%	601,421	0.40%	\$ 149,398,579	99.60	Var	32	
33	Total Debt Capital				\$ 4,078,500,000	\$ 4,078,500,000	\$ 34,356,413	0.84%	\$ 40,006,893	0.98%	\$ 4,004,136,694	98.18	Var	33	

[1] Based on Company records.
 [2] Based on the Net Proceeds method.
 [3] The Company has called and retired all of the fixed-rate tax exempt Clark County Industrial Development Revenue Bonds. The unamortized gains and losses are being amortized and are included in the cost of debt.

**SOUTHWEST GAS CORPORATION
COST OF TERM FACILITY
FOR THE CERTIFICATION PERIOD ENDED MAY 31, 2026 [1]**

Line No.	Description (a)	Amount (b)	Annual Cost (c)	Cost (d)	Line No.
1	<u>Bank Borrowings</u> Term Facility	\$ 114,614,651	4.98%	\$ 5,711,683	1
		Sch F-1, Sh 1 Ln 4, Col (b)	Sch F-1, Sh 1 Ln 4, Col (e)		

[1] Projected amount and cost

**SOUTHWEST GAS CORPORATION
COST OF TERM FACILITY
FOR THE TEST PERIOD ENDED NOVEMBER 30, 2025 [1]**

Line No.	Description (a)	Amount (b)	Annual Cost (c)	Cost (d)	Line No.
1	<u>Bank Borrowings</u> Term Facility	<u>\$ (455,075)</u>	<u>-80.11%</u>	<u>\$ 364,540</u>	1
		Sch F-1, Sh 2 Ln 4, Col (b)	Sch F-1, Sh 2 Ln 4, Col (e)		

[1] Based on Company records.

**SOUTHWEST GAS CORPORATION
COST OF SHORT-TERM DEBT
FOR THE CERTIFICATION PERIOD ENDED MAY 31, 2026**

Line No.	Description (a)	Principal Amount[1] (b)	Interest Cost (c)	Interest Amount (d)	Line No.
1	Short-Term Borrowing	\$(731,886)	-83.27%	\$ 609,407	1
		Sch F-1, Sh 1 Ln 9, Col (b)	Sch F-1, Sh 1 Ln 9, Col (e)		

[1] 12-Month average balance of short-term borrowings.

**SOUTHWEST GAS CORPORATION
COST OF SHORT-TERM DEBT
FOR THE TEST PERIOD ENDED NOVEMBER 30, 2025**

Line No.	Description (a)	Principal Amount[1] (b)	Interest Cost (c)	Interest Amount (d)	Line No.
1	Short-Term Borrowing	<u>\$ (808,712)</u>	<u>-74.73%</u>	<u>\$ 604,344</u>	1
		Sch F-1, Sh 2 Ln 9, Col (b)	Sch F-1, Sh 2 Ln 9, Col (e)		

[1] 12-Month average balance of short-term borrowings.

SOUTHWEST GAS CORPORATION
CUSTOMER DEPOSITS - INTEREST CALCULATION
FOR THE CERTIFICATION PERIOD ENDED MAY 31, 2026

Line No.	Description (a)	Deposit Balance (b)	Interest Rate (c)	Interest (d)	Line No.
<u>Customer Deposits by State (Company Estimates)[1]</u>					
1	Southern Nevada	\$ 18,325,822	3.64%	\$ 666,144	1
		Sch F-1, Sh 1 Ln 10, Col (c)			
2	Northern Nevada	<u>4,168,351</u>	<u>3.64%</u>	<u>151,520</u>	2
3	Total Nevada	<u>\$ 22,494,173</u>	<u>3.64%</u>	<u>\$ 817,663</u>	3
		Sch F-1, Sh 1 Ln 10, Col (b)	Sch F-1, Sh 1 Ln 10, Col (e)		
4	Arizona	39,410,727	3.54%	1,395,140	4
5	California	5,315,534	3.74%	198,801	5
6	Total	<u>\$ 67,220,434</u>	<u>3.59%</u>	<u>\$ 2,411,604</u>	6

[1] Does not include Great Basin Transmission Company customer deposits of \$28,953.

**SOUTHWEST GAS CORPORATION
CUSTOMER DEPOSITS - INTEREST CALCULATION
AT NOVEMBER 30, 2025**

Line No.	Description (a)	Deposit Balance (b)	Interest Rate (c)	Interest (d)	Line No.
<u>Customer Deposits by State (Company Records)[1]</u>					
1	Southern Nevada	\$ 18,484,072	4.15%	\$ 767,089	1
		Sch F-1, Sh 2 Ln 10, Col (c)			
2	Northern Nevada	<u>4,128,598</u>	<u>4.15%</u>	<u>171,337</u>	2
3	Total Nevada	<u>\$ 22,612,670</u>	<u>4.15%</u>	<u>\$ 938,426</u>	3
		Sch F-1, Sh 2 Ln 10, Col (b)	Sch F-1, Sh 2 Ln 10, Col (e)		
4	Arizona	39,623,381	4.23%	1,676,069	4
5	California	5,329,926	3.98%	212,131	5
6	Total	<u>\$ 67,565,977</u>	<u>4.18%</u>	<u>\$ 2,826,626</u>	6

[1] Does not include Great Basin Transmission Company customer deposits of \$28,953.

**SOUTHWEST GAS CORPORATION
COST OF PREFERRED SECURITIES
FOR THE CERTIFICATION PERIOD ENDING MAY 31, 2026**

Line No.	Description (a)	Net Proceeds Per Share (b)	Number of Shares (c)	Net Proceeds (d)	Effective Cost (e)	Annual Cost (f)	Line No.
1	Currently the Company has no preferred securities.	\$ -	-	\$ -	0.00%	-	1
					Stmt F, Sh 1 Ln 5, Col (c)		

**SOUTHWEST GAS CORPORATION
COST OF PREFERRED SECURITIES
FOR THE TEST PERIOD ENDED NOVEMBER 30, 2025**

Line No.	Description (a)	Net Proceeds Per Share (b)	Number of Shares (c)	Net Proceeds (d)	Effective Cost (e)	Annual Cost (f)	Line No.
1	Currently the Company has no preferred securities.	\$ -	-	\$ -	0.00%	-	1
					Stmnt F, Sh 2 Ln 5, Col (c)		

SOUTHWEST GAS CORPORATION
COST OF PREFERRED SECURITIES
ISSUES OUTSTANDING AT MAY 31, 2026

Line No.	Description (a)	Issuance Date (b)	Maturity Date (c)	Call Date (d)	Annual Dividend Rate/Share (e)	At Par (f)	Gross Proceeds (g)	Underwriter's Commission Amount (h) Percent of Gross Proceeds (i)	Required Debt Expense Amount (j) Percent of Gross Proceeds (k)	Issuance Expense Amount (l) Percent of Gross Proceeds (m)	Net Proceeds Amount (n) Per Share (o)	Line No.
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1

1 Currently the Company has no preferred securities.

SOUTHWEST GAS CORPORATION
COST OF PREFERRED SECURITIES
ISSUES OUTSTANDING AT NOVEMBER 30, 2025

Line No.	Description (a)	Issuance Date (b)	Maturity Date (c)	Call Date (d)	Annual Dividend Rate/Share (e)	Total Issued		Underwriter's Commission		Required Debt Expense		Issuance Expense		Net Proceeds	
						At Par (f)	Gross Proceeds (g)	Amount (h)	Percent of Gross Proceeds (i)	Amount (j)	Percent of Gross Proceeds (k)	Amount (l)	Percent of Gross Proceeds (m)	Amount (n)	Amount Per Share (o)

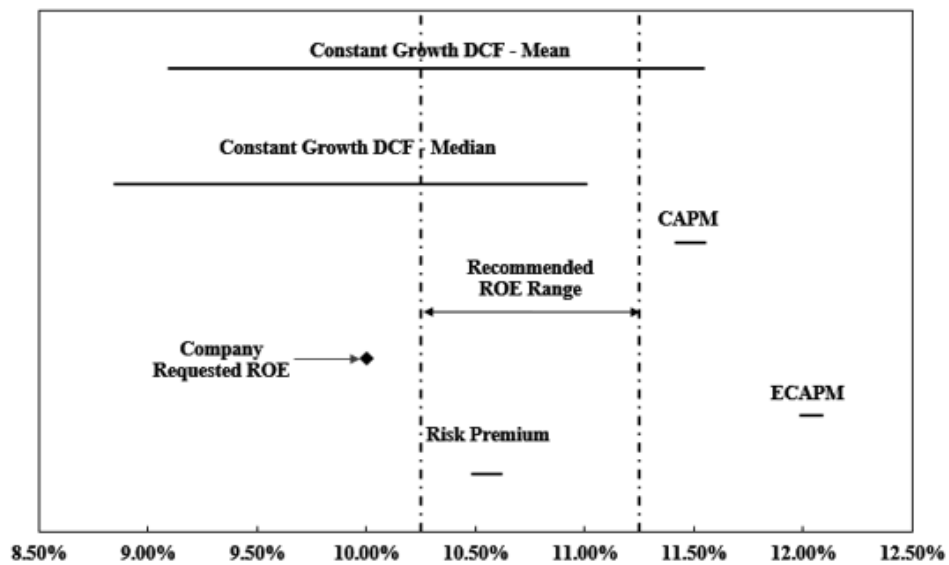
1

1 Currently the Company has no preferred securities.

**SOUTHWEST GAS CORPORATION
COST OF COMMON EQUITY
FOR THE CERTIFICATION PERIOD ENDED MAY 31, 2026**

Based on analytical model results and the consideration of other relevant factors, Ms. Bulkeley recommends a range of 10.25% to 11.25% as being representative of the range of equity investors' required rate of return for investment in Southwest Gas. The derivation and justification for this recommended range is detailed in the prepared direct testimony of Southwest Gas witness Ms. Ann E, Bulkeley. Given these ranges, the Company's requested ROE of 10.00% falls within the range of results from the cost of equity models, but slightly below Ms. Bulkeley's recommended ROE range. The requested ROE of 10.00% is discussed in the prepared direct testimony of Southwest Gas witness Amy L. Timperley. The table below summarizes Ms. Bulkeley's analytical results.

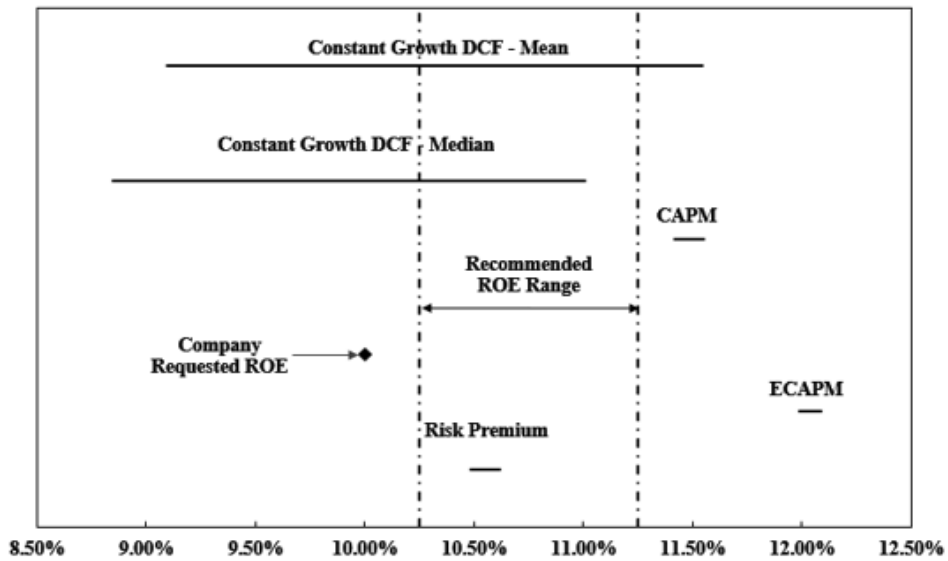
Figure 1: Summary of Cost of Equity Analytical Results



**SOUTHWEST GAS CORPORATION
COST OF COMMON EQUITY
FOR THE TEST PERIOD ENDED NOVEMBER 30, 2025**

Based on analytical model results and the consideration of other relevant factors, Ms. Bulkeley recommends a range of 10.25% to 11.25% as being representative of the range of equity investors' required rate of return for investment in Southwest Gas. The derivation and justification for this recommended range is detailed in the prepared direct testimony of Southwest Gas witness Ms. Ann E, Bulkeley. Given these ranges, the Company's requested ROE of 10.00% falls within the range of results from the cost of equity models, but slightly below Ms. Bulkeley's recommended ROE range. The requested ROE of 10.00% is discussed in the prepared direct testimony of Southwest Gas witness Amy L. Timperley. The table below summarizes Ms. Bulkeley's analytical results.

Figure 1: Summary of Cost of Equity Analytical Results



**SOUTHWEST GAS CORPORATION
COMMON STOCK SALES
FOR THE PERIOD MAY 31, 2020 THROUGH MAY 31, 2026**

Line No.	Description (Company Records) [1] [2]	Date (b)	Number of Shares (c)	Gross Proceeds (d)	Underwriter's Expense		Issuance Expense		Price (f)	Net (k)	Line No.
					Amount (e)	% of Gross Proceeds (f)	Amount (h)	% of Gross Proceeds (i)			
1	Equity Shelf Program	Various	--	\$ -	--	--	\$ -	--	--	--	1
2	Employee Investment Plan	Various	--	--	--	--	--	--	--	--	2
3	Dividend Reinvestment Plan (DRSPP)	Various	--	--	--	--	--	--	--	--	3
4	Stock Incentive Plan	Various	--	--	--	--	--	--	--	--	4
5	Management Incentive Plan	Various	--	--	--	--	--	--	--	--	5
6	RSUP	Various	--	--	--	--	--	--	--	--	6
7	Accrued Incentive Pay	Various	--	--	--	--	--	--	--	--	7
8	Total Issued During the Period		--	\$ -	--	0.00%	\$ -	--	\$ -	0.00%	8
9	Issued and Outstanding at 05-31-20 [3]		47,482,068	956,161,471							9
10	Issued and Outstanding at 05-31-26 [3]		47,482,068	956,161,471							10

[1] Southwest Gas Corporation reorganized as a holding company effective January 01, 2017, with Southwest Gas Corporation becoming a wholly-owned subsidiary of Southwest Gas Holdings, Inc. During the period May 31, 2020 through May 31, 2026 no additional common stock has been issued.

[2] Original issues.

[3] Outstanding based on Company records.

[3] Outstanding based on Company records.

**SOUTHWEST GAS CORPORATION
COMMON STOCK SALES
FOR THE PERIOD NOVEMBER 30, 2019 THROUGH NOVEMBER 30, 2025**

Line No.	Description (Company Records) [1] [2]	Date (b)	Number of Shares (c)	Gross Proceeds (d)	Underwriter's Expense		Issuance Expense		Price (f)	Net (k)	Line No.
					Amount (e)	% of Gross Proceeds (f)	Amount (h)	% of Gross Proceeds (i)			
1	Equity Shelf Program	Various	--	\$ -	--	--	--	--	--	--	1
2	Employee Investment Plan	Various	--	--	--	--	--	--	--	--	2
3	Dividend Reinvestment Plan (DRSPP)	Various	--	--	--	--	--	--	--	--	3
4	Stock Incentive Plan	Various	--	--	--	--	--	--	--	--	4
5	Management Incentive Plan	Various	--	--	--	--	--	--	--	--	5
6	RSUP	Various	--	--	--	--	--	--	--	--	6
7	Accrued Incentive Pay	Various	--	--	--	--	--	--	--	--	7
8	Total Issued During the Period		--	\$ -	--	0.00%	\$ -	0.00%	\$ -	\$ -	8
9	Issued and Outstanding at 11-30-2019 [3]		47,482,068	956,161,471							9
10	Issued and Outstanding at 11-30-2025 [3]		47,482,068	956,161,471							10

[1] Southwest Gas Corporation reorganized as a holding company effective January 01, 2017, with Southwest Gas Corporation becoming a wholly-owned subsidiary of Southwest Gas Holdings, Inc. During the period November 30, 2019 through November 30, 2025 no additional common stock has been issued.

[2] Original issues.

[3] Outstanding based on Company records.

[3] Outstanding based on Company records.