SOUTHWEST GAS CORP
Form S-3ASR
September 26, 2016
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As filed with the Securities and Exchange Commission on September 26, 2016

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Southwest Gas Corporation

(Exact Name of Registrant as Specified in Its Charter)

California	**88-0085720**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

5241 Spring Mountain Road

P.O. Box 98510

Las Vegas, Nevada 89193-8510

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)

Roy R. Centrella

Senior Vice President, Chief Financial Officer

Southwest Gas Corporation

5241 Spring Mountain Road

P.O. Box 98510

Las Vegas, Nevada 89193-8510

(702) 876-7237

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ¨

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. x

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. x

If this form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer x	Accelerated filer ¨
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	**Amount to be registered/ Proposed maximum offering price (1)**	**Amount of registration fee (1)**
Senior Notes due 2046	$300,000,000	$30,210

(1) The registration fee is calculated in accordance with Rule 457(o) of the Securities Act of 1933, as amended.

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The information in this preliminary prospectus is not complete and may be changed. An automatic shelf registration statement relating to these securities has been filed with the Securities and Exchange Commission. This preliminary prospectus is not an offer to sell these securities or a solicitation to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated September 26, 2016

PRELIMINARY PROSPECTUS

$300,000,000

% Senior Notes due 2046

This is an offering by Southwest Gas Corporation of $300,000,000 of its % Senior Notes due 2046 (the Notes). The Notes will mature on , 2046, and interest will be paid semi-annually in arrears on April and October of each year or, if such day is not a business day, on the next succeeding business day, beginning on April , 2017. Interest will accrue from September , 2016. Southwest Gas Corporation may redeem the Notes in whole or in part at any time, or from time to time, at the redemption prices described on page 18. For a more detailed description of the Notes, see Description of the Notes beginning on page 17.

The Notes will be unsecured and unsubordinated general obligations of Southwest Gas Corporation and will rank equal in right of payment with all existing and future unsecured and unsubordinated senior debt of Southwest Gas Corporation and senior in right of payment to all existing and future subordinated debt of Southwest Gas Corporation. The Notes will be effectively subordinated to any secured debt that Southwest Gas Corporation may incur, to the extent of the assets securing such debt, and to all existing and future liabilities of Southwest Gas Corporation s subsidiaries, including trade payables.

Investing in the Notes involves risks. See Risk Factors beginning on page 9 of this prospectus and Item 1A Risk Factors beginning on page 8 of our Annual Report on Form 10-K for the year ended December 31, 2015 for a discussion of certain risks that you should consider in connection with an investment in the Notes.

	Per Note	Total
Public Offering Price (1)	%	$
Underwriting Discount	%	$
Proceeds to Southwest Gas Corporation (before expenses)	%	$

(1) Plus accrued interest, if any, from September , 2016.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The Notes are not, and are not expected to be, listed on any securities exchange or included in any automated quotation system. Currently, there is no public market for the Notes.

Delivery of the Notes will be made in book-entry form only through the facilities of The Depository Trust Company, including Clearstream Banking, société anonyme and/or Euroclear Bank S.A./N.V., and its participants against payment in New York, New York, on or about September , 2016.

Joint Book-Running Managers

BNY Mellon Capital Markets, LLC **BofA Merrill Lynch** **J.P. Morgan** **Wells Fargo Securities**

Co-Managers

Blaylock Beal Van, LLC **Ramirez & Co., Inc.**

The date of this prospectus is , 2016.

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You should rely only on the information contained or incorporated by reference in this prospectus or in any free writing prospectus that we may provide you in connection with the sale of the Notes offered hereby. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell the Notes in any jurisdiction where such offer or sale is not permitted. You should not assume that the information appearing in this prospectus or the documents incorporated herein by reference is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates. Any information contained on or accessible through our Internet site is not incorporated herein and does not constitute part of this prospectus.

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ABOUT THIS PROSPECTUS

Before investing in the Notes, please read and consider all information contained in this prospectus and the documents incorporated by reference in this prospectus together with the additional information described under the section entitled Available Information. You should also read and consider the information set forth in the section entitled Risk Factors in each of this prospectus and the documents incorporated by reference in this prospectus before you make an investment decision.

We are not making any representation to any purchaser of the Notes regarding the legality of an investment in the Notes by such purchaser. You should not consider any information in this prospectus to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the Notes.

When we use the terms Southwest, the Company, we, our or us, we are referring to Southwest Gas Corporation, together with our subsidiaries, except where the context otherwise requires or where otherwise indicated.

The Notes are being offered only for sale in jurisdictions where it is lawful to make such offers. The distribution of this prospectus and the offering of the Notes in other jurisdictions may also be restricted by law. Persons who receive this prospectus should inform themselves about and observe any such restrictions. This prospectus does not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not authorized or qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. See Underwriting beginning on page 33 of this prospectus.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This prospectus and the documents we incorporate by reference herein and therein contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Such statements include, without limitation, statements regarding our expectations, hopes or intentions regarding the future. These forward looking statements can often be identified by their use of words such as will, predict, continue, forecast, expect, believe, anticipate, could, target, project, intend, plan, seek, estimate, should, may and assume, as well as variations of similar expressions referring to the future.

Forward-looking statements involve certain risks and uncertainties, many of which are beyond our control. There are a number of important factors that could cause actual results to differ materially from those discussed in forward-looking statements, including, but not limited to, customer growth rates, conditions in the housing market, the ability to recover costs through the purchased gas adjustment mechanisms or other regulatory assets, the effects of regulation/deregulation, the timing and amount of rate relief, changes in rate design, variability in volume of gas or transportation service sold to customers, changes in gas procurement practices, changes in capital requirements and funding, the impact of conditions in the capital markets on financing costs, changes in construction expenditures and financing, changes in operations and maintenance expenses, effects of pension expense forecasts, accounting changes, future liability claims, changes in pipeline capacity for the transportation of gas and related costs, results of bid work conducted by Centuri Construction Group, Inc. (Centuri), impacts of structural and management changes at Centuri, Centuri construction expenses, differences between actual and originally expected outcomes of Centuri bid or other fixed-price construction agreements, and ability to successfully procure new work, acquisitions and management s plans related thereto, effects of our implementation of a currently contemplated holding company reorganization, competition, our ability to raise capital in external financings, our ability to continue to remain within the ratios and other limits subject to our debt covenants, and ongoing evaluations in regard to goodwill and other intangible assets. In addition, management can provide no assurance that certain trends relating to its financings and operating expenses will continue in future periods. If any of those risks and uncertainties materializes, actual results could differ materially from those discussed in any such forward-looking statement. Additional factors that could cause actual results to differ are discussed under the heading Risk Factors and in other sections of this prospectus and our current and periodic reports, and other filings, filed from time to time with the Securities and Exchange Commission (the SEC) that are incorporated by reference into this prospectus. See Available Information and Incorporation by Reference below and for information about how to obtain copies of those documents. All forward-looking statements in this prospectus and the documents incorporated by reference herein are made only as of the date of the document in which they are contained, based on information available to us as of the date of that document, and we caution you not to place undue reliance on forward-looking statements in light of the risks and uncertainties associated with them. We assume no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

You should consider these risks and those set forth in, or incorporated into, the Risk Factors section of this prospectus prior to investing in the Notes.

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AVAILABLE INFORMATION

We are required to file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any documents filed by us at the SEC s public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our filings with the SEC are also available to the public through the SEC s Internet site at http://www.sec.gov and through the New York Stock Exchange, 20 Broad Street, New York, New York 10005, on which our common stock is listed.

We have filed with the SEC an automatic shelf registration statement on Form S-3 relating to the securities covered by this prospectus. This prospectus is a part of the registration statement and does not contain all the information in the registration statement. Whenever a reference is made in this prospectus to a contract or other document of the Company, the reference is only a summary and you should refer to the exhibits that are a part of the registration statement for a copy of the contract or other document. You may review a copy of the registration statement at the SEC s public reference room in Washington, D.C., as well as through the SEC s Internet site.

INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference into this prospectus the information in other documents that we file with it, which means that we can disclose important information to you by referring you to those documents. The information that we incorporate by reference is considered to be a part of this prospectus.

Any reports that we file with the SEC on or after the date of this prospectus and before the date that the offering of the Notes is terminated will automatically update and, where applicable, supersede any information contained in this prospectus or incorporated by reference into this prospectus. This means that you must look at all of the SEC filings that we incorporate by reference to determine if any of the statements in this prospectus or in any documents previously incorporated by reference into this prospectus have been modified or superseded. We specifically incorporate by reference into this prospectus the following documents filed with the SEC (other than, in each case, documents or information deemed furnished and not filed in accordance with SEC rules, including pursuant to Item 2.02 or Item 7.01 of Form 8-K, and no such information shall be deemed specifically incorporated by reference hereby):

- Annual Report on Form 10-K for the year ended December 31, 2015;

- Quarterly Reports on Form 10-Q for the quarter ended March 31, 2016 and June 30, 2016, respectively;

- The portions of our Definitive Proxy Statement on Schedule 14A (filed on March 31, 2016) that were incorporated by reference into our Annual Report on Form 10-K for the fiscal year ended December 31, 2015;

- Current Reports on Form 8-K filed on February 24, 2016 (Item 8.01), February 29, 2016, April 1, 2016, May 10, 2016, June 30, 2016, August 5, 2016 (Item 5.02) and August 5, 2016 (Item 8.01); and

Any future filings that we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act on or after the date of this prospectus until the termination of the offering of the Notes.

You may obtain a copy of any or all of the documents referred to above which may have been or may be incorporated by reference into this prospectus (excluding certain exhibits unless they are specifically incorporated by reference in any such documents) at no cost to you by writing or telephoning us at the following:

Southwest Gas Corporation

5241 Spring Mountain Road

P.O. Box 98510

Las Vegas, Nevada 89193-8510

Attention: Corporate Secretary

Telephone: (702) 876-7237

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SUMMARY

This summary highlights information contained in this prospectus and the documents incorporated into this prospectus by reference. Because it is a summary, it does not contain all of the information that you should consider before investing in the Notes. You should read this entire prospectus and the documents incorporated by reference carefully, including the sections entitled Risk Factors and Description of the Notes and the financial statements and related notes thereto included or incorporated by reference in this prospectus in their entirety before making an investment decision.

Southwest Gas Corporation

Southwest was incorporated in March 1931 under the laws of the state of California and is composed of two business segments: natural gas operations and construction services.

Southwest is engaged in the business of purchasing, distributing, and transporting natural gas for customers in portions of Arizona, Nevada, and California. Southwest is the largest distributor of natural gas in Arizona, selling and transporting natural gas in most of central and southern Arizona, including the Phoenix and Tucson metropolitan areas. Southwest is also the largest distributor of natural gas in Nevada, serving the Las Vegas metropolitan area and northern Nevada. In addition, Southwest distributes and transports natural gas for customers in portions of California, including the Lake Tahoe area and the high desert and mountain areas in San Bernardino County.

As of June 30, 2016, Southwest had 1,962,000 residential, commercial, industrial, and other natural gas customers, of which 1,047,000 customers were located in Arizona, 724,000 in Nevada, and 191,000 in California. Residential and commercial customers represented over 99% of the total customer base. During the twelve months ended June 30, 2016, 54% of operating margin was earned in Arizona, 35% in Nevada, and 11% in California. During this same period, Southwest earned 85% of its operating margin from residential and small commercial customers, 3% from other sales customers, and 12% from transportation customers. These general composition patterns are expected to remain materially consistent for the foreseeable future.

Centuri, which also comprises our construction services segment, a 96.6% owned subsidiary, is a full-service underground piping contractor that primarily provides utility companies with trenching and installation, replacement, and maintenance services for energy distribution systems, and develops industrial construction solutions. Centuri operations are generally conducted under the business names of NPL Construction Co. (NPL), NPL Canada Ltd. (NPL Canada, formerly Link-Line Contractors Ltd.), W.S. Nicholls Construction, Inc. and related companies (W.S. Nicholls), and Brigadier Pipelines Inc. (Brigadier).

Southwest is subject to regulation by the Arizona Corporation Commission (ACC), the Public Utilities Commission of Nevada (PUCN), and the California Public Utilities Commission (CPUC). These commissions regulate public utility rates, practices, facilities, and service territories in their respective states. The CPUC also regulates the issuance of all securities by Southwest, with the exception of short-term borrowings. Certain accounting practices, transmission facilities, and rates are subject to regulation by the Federal Energy Regulatory Commission (FERC). Centuri is not regulated by the state utilities commissions or by the FERC in any of its operating areas.

Our administrative offices are located at 5241 Spring Mountain Road, P.O. Box 98510, Las Vegas, Nevada 89193-8510, telephone number (702) 876-7237. Southwest maintains a website (www.swgas.com) for the benefit of shareholders, investors, customers, and other interested parties. Southwest makes its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports available, free of charge, through its website as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The reference to our website is intended to be an inactive textual reference and the information on, or accessible through, our website is not part of this prospectus.

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Reorganization

As previously announced, on October 13, 2015, the Board of Directors of Southwest authorized Southwest s management to evaluate and pursue a holding company reorganization (the Reorganization) involving adjustments to the corporate structure hierarchy of Southwest s natural gas utility operations and construction services segments. The Reorganization is designed to provide further separation between Southwest s regulated and unregulated businesses, as well as to provide additional financing flexibility.

If consummated, in connection with the Reorganization, each outstanding share of Southwest common stock would automatically convert into a share of common stock of a new California corporation (HoldCo), such that shareholders of Southwest immediately prior to consummation of the Reorganization would own the same relative percentages of publicly traded common stock of HoldCo upon consummation of the Reorganization, and Southwest would become a wholly owned subsidiary of HoldCo. Promptly following the foregoing conversion, Southwest s 96.6% interest in Centuri would be contributed to HoldCo. Thus, following the Reorganization, Southwest and Centuri would each be subsidiaries of HoldCo, but Centuri would no longer be a subsidiary of Southwest. In addition, all of Southwest s outstanding debt securities (other than debt obligations associated with Centuri) outstanding at the time of the Reorganization, including the Notes offered by this prospectus, will remain obligations of Southwest and will not be assumed by HoldCo, and construction services debt outstanding would continue to be obligations solely of Centuri. After the Reorganization, debt securities could be issued by HoldCo, Southwest, or Centuri.

Preapproval of the Reorganization has been received from the Arizona Corporation Commission, the California Public Utilities Commission and the Public Utilities Commission of Nevada. The Reorganization is also contingent upon consents from various third parties and final Board approval, although no approval or waiver will be required, or consent requested, pursuant to the Indenture for the Notes. Subject to such conditions, the Reorganization is anticipated to become effective in January 2017.

The Reorganization is not being pursued in connection with any particular corporate transaction, and no material operational or financial impact is expected. Once the Reorganization is effective, the consolidated financial statements of HoldCo will reflect the same consolidated activities as the predecessor company. However, the financial statements of Southwest will only reflect the natural gas operations segment and will no longer reflect the activities, including the indebtedness, of Centuri (the constructions services segment), and accordingly, the income and business from Centuri may not be available to service the indebtedness of Southwest, including the Notes.

For the six months ended June 30, 2016, Southwest s total net income was $84.39 million, of which $79.94 million was attributable to natural gas operations and $4.45 million was attributable to Centuri. For the six months ended June 30, 2016, Southwest s total operating income was $162.2 million, of which $151.2 million was attributable to natural gas operations and $11.0 million was attributable to Centuri. As of June 30, 2016, consolidated long-term debt outstanding (less current maturities) was approximately $1,427.8 million, of which approximately $1,200.4 million was attributable to natural gas operations and approximately $227.4 million was attributable to Centuri.

For the year ended December 31, 2015, Southwest s total net income was $138.3 million, of which $111.6 million was attributable to natural gas operations and $26.7 million was attributable to Centuri. For the year ended December 31, 2015, Southwest s total operating income was $288.3 million, of which $234.8 million was attributable to natural gas operations and $53.5 million was attributable to Centuri. As of December 31, 2015, consolidated long-term debt outstanding (less current maturities) was approximately $1,551.2 million, of which approximately $1,372.3 million was attributable to natural gas operations and approximately $178.9 million was attributable to Centuri. As of December 31, 2015, consolidated total assets were approximately $5,359 million, of which approximately $4,823 million was attributable to the natural gas operations segment and approximately $536 million was attributable to

Centuri.

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The Offering

Issuer	Southwest Gas Corporation.
Notes Offered	% Senior Notes due 2046.
Aggregate Principal Amount	$300,000,000.
Maturity Date	September , 2046.
Interest Rate	% per annum.
Interest Payment Dates	Interest will be payable semi-annually in arrears on April and October of each year, beginning on April , 2017.
Day Count Convention	30/360.
Denominations	$2,000 and integral multiples of $1,000 in excess thereof.
Ranking	The Notes will be our unsecured and unsubordinated general obligations and will rank equal in right of payment with all of our existing and future unsecured and unsubordinated senior debt and senior in right of payment to all of our existing and future subordinated debt. The Notes will be effectively subordinated to any of our secured debt, to the extent of the assets securing such debt, and to all existing and future liabilities of our subsidiaries, including trade payables.
Optional Redemption	At any time prior to March , 2046 (six months prior to the maturity of the Notes), we may redeem the Notes, in whole or in part, at a price equal to the greater of (1) 100% of the principal amount of the Notes being redeemed, plus accrued and unpaid interest on those Notes up to but excluding the redemption date, or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the Notes being redeemed (not including any portion of such payments of interest

accrued as of the redemption date), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the adjusted treasury rate plus basis points, plus accrued and unpaid interest up to but excluding the redemption date. Such sum of present values will be calculated by a Quotation Agent appointed by us.

At any time on or after March , 2046 (six months prior to the maturity of the Notes), we may redeem the Notes in whole or in part at 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest on those Notes up to but excluding the redemption date. See Description of the Notes Redemption at Our Option.

Certain Covenants	The Indenture will contain covenants that include, but are not limited to, restrictions on our ability to issue indebtedness for borrowed money secured by a lien and enter into certain sale and lease-back transactions. See Description of the Notes Covenants.
Events of Default	Events of default generally will include failure to pay principal or any premium, failure to pay interest, failure to observe or perform any other covenant or warranty in the Notes or the Indenture, certain events of bankruptcy, insolvency or reorganization, and certain events of default under our other debt instruments. See Description of the Notes Events of Default.
Use of Proceeds	We intend to use approximately $230 million of the net proceeds from this offering to temporarily pay down, in full, the amount outstanding under our Credit Facility (as defined under Description of Other Indebtedness), which, as of September 23, 2016, was approximately $230 million, consisting of (i) $150 million (including $50 million of commercial paper) outstanding under the long-term portion of the Credit Facility and (ii) $80 million outstanding under the designated short-term portion of the Credit Facility. All such amounts may be re-borrowed in full or in part at any time prior to maturity. The remaining balance of the net proceeds from this offering may be used for general corporate purposes. See Use of Proceeds.
Clearance and Settlement	The Notes will be cleared through The Depository Trust Company (DTC), including Clearstream Banking, société anonyme (Clearstream) and/or Euroclear Bank S.A./N.V. (Euroclear), and its participants.
Listing	The Notes are not, and are not expected to be, listed on any securities exchange or included in any automated quotation system. Currently there is no public market for the Notes.
Further Issuances	We may create and issue further notes ranking equally and ratably with the Notes offered by this prospectus in all respects, so that such further notes will be consolidated and form a single series with the Notes offered by this prospectus and will have the same terms as to status and redemption; provided that if such further notes are not fungible for U.S. federal income tax purposes with such previously issued Notes, such further notes will have a separate CUSIP number, if applicable.
Trustee	The Bank of New York Mellon Trust Company, N.A.

Risk Factors	You should consider carefully the information set forth in the section entitled Risk Factors beginning on page 9 of this prospectus and those risk factors incorporated by reference in this prospectus from our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, those risks discussed from time to time in our subsequently filed reports, and other information as provided under Available Information.
Governing Law	The Notes will be governed by the laws of the State of New York.

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Summary Historical Consolidated Financial and Other Data

The following table sets forth certain summary financial data of Southwest as of and for each of the fiscal years ended December 31, 2015, 2014, 2013, 2012 and 2011 and the twelve months ended June 30, 2016 and 2015. The data for Southwest as of and for each of the fiscal years ended December 31, 2015, 2014, 2013, 2012 and 2011 were derived from our audited consolidated financial statements. The data for Southwest as of and for the twelve months ended June 30, 2016 and 2015 were derived from our unaudited condensed consolidated financial statements. You should read the selected financial data in conjunction with our audited consolidated financial statements as of December 31, 2015 and 2014 and for each of the fiscal years ended December 31, 2015, 2014 and 2013, the notes thereto and the related Management s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2015, as well as our unaudited condensed consolidated financial statements as of June 30, 2016 and 2015 for the twelve months ended June 30, 2016 and 2015, the notes thereto and the related Management s Discussion and Analysis of Financial Condition and Results of Operations in our Quarterly Report on Form 10-Q for the period ended June 30, 2016, both of which are also incorporated herein by reference.

	Twelve months ended June 30,		**Fiscal year ended December 31,**				
	2016	**2015**	**2015**	**2014**	**2013**	**2012**	**2011**
			(in thousands, except per share data)				
Operating Data							
Operating revenues							
Gas operating revenues	$ 1,395,629	$ 1,463,873	$ 1,454,639	$ 1,382,087	$ 1,300,154	$ 1,321,728	$ 1,403,366
Construction revenues	1,074,168	869,109	1,008,986	739,620	650,628	606,050	483,822
Total operating revenues	2,469,797	2,332,982	2,463,625	2,121,707	1,950,782	1,927,778	1,887,188
Operating expenses	2,173,856	2,047,716	2,175,293	1,837,224	1,676,567	1,656,254	1,637,108
Operating income	295,941	285,266	288,332	284,483	274,215	271,524	250,080
Net income attributable to Southwest Gas Corporation	145,774	137,648	138,317	141,126	145,320	133,331	112,287
Basic earnings per share of common stock	3.08	2.95	2.94	3.04	3.14	2.89	2.45
Diluted earnings per share	3.06	2.92	2.92	3.01	3.11	2.86	2.43
Balance Sheet							
Total assets	5,366,840	5,140,333(1)	5,358,685	5,208,297	4,565,174	4,488,057	4,276,007
Total current liabilities	582,721	466,190	535,045	470,117	434,164	535,129	847,568
Total equity	1,641,770	1,549,633	1,592,325	1,486,266	1,412,395	1,308,498	1,225,031

Long-term debt, less current maturities	1,427,805	1,515,154(1)	1,551,204	1,631,374	1,381,327	1,268,373	930,858

(1) As of December 31, 2015, the Company adopted Accounting Standards Update No. 2015-03, which resulted in debt issuance costs being reflected as a reduction of debt instead of as an asset. As a result, approximately $6.5 million in unamortized debt costs as of June 30, 2015 have been reclassified herein from total assets and reflected as a reduction in long-term debt, less current maturities to conform to the December 31, 2015 presentation.

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RISK FACTORS

Investing in the Notes involves risks. You should carefully consider the specific risk factors set forth below, as well as the risk factors described in Item 1A Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated by reference in this prospectus, as well as those risks discussed from time to time in our subsequently filed reports, before deciding to invest in the Notes. You should also consider the other information contained or incorporated by reference in this prospectus before deciding to invest in the Notes. This prospectus contains or incorporates statements that constitute forward-looking statements regarding, among other matters, our intent, belief or current expectations about our business. These forward-looking statements are subject to risks, uncertainties and assumptions.

Risks Relating to the Notes

Your right to receive payments on the Notes is unsecured and will be effectively subordinated to the existing and future debt and other liabilities of our subsidiaries.

The Notes are unsecured and therefore will be effectively subordinated to any secured debt we may incur to the extent of the assets securing such debt. In the event of a liquidation, dissolution, reorganization, bankruptcy or similar proceeding involving us, the assets which serve as collateral for any secured debt will be available to satisfy the obligations under the secured debt before any payments are made on the Notes.

In addition, the Notes will be effectively subordinated to the liabilities of our subsidiaries. Our subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts due on the Notes, whether by dividends, distributions, loans or other payments. In the event of a liquidation, dissolution, reorganization, bankruptcy or any similar proceeding, the assets of our subsidiaries will be available to pay obligations on the Notes only after creditors of our subsidiaries have been paid first. In such a case, as a result of the application of the subsidiaries assets to satisfy claims of creditors, including trade creditors, and preferred equity holders, the value of the stock of the subsidiaries would be diminished and perhaps rendered worthless. Accordingly, there may not be sufficient funds remaining to pay amounts due on all or any of the Notes. The Indenture (as defined under Description of the Notes) will not prohibit us or our subsidiaries from incurring additional unsecured indebtedness or issuing preferred equity in the future. In addition, certain debt and security agreements entered into by our subsidiaries may contain various restrictions, including restrictions on payments by our subsidiaries to us.

The Indenture and other instruments that govern our outstanding indebtedness contain restrictions and limitations that could significantly affect our ability to operate our business, as well as significantly affect our liquidity, and adversely affect you, as holders of the Notes.

The Indenture will contain a number of significant covenants that could adversely affect our ability to operate our business, as well as significantly affect our liquidity, and therefore could adversely affect our results of operations. These covenants restrict, among other things, our ability to:

- issue indebtedness for borrowed money secured by a lien, and

- enter into certain sale and lease-back transactions.

These covenants are subject to important exceptions and qualifications as described under Description of the Notes Covenants. In addition, the applicable indentures governing our outstanding medium term notes and certain of our outstanding senior notes contain similar restrictive covenants, and the note purchase agreement related to our outstanding 6.10% Senior Notes due 2041 and our Credit Facility each contain a number of covenants and obligations. The breach of any covenant or obligation under the Indenture, the applicable indentures or note purchase agreement governing or related to our outstanding medium term and senior notes or the Credit Facility that is not otherwise waived or cured could result in a default and could trigger acceleration of those obligations, which in turn could trigger cross defaults under other agreements governing our long-term indebtedness. Any default under the Indenture, the applicable indentures or note purchase agreement governing or related to our outstanding medium term and senior notes or the Credit Facility could adversely affect our growth, financial condition, results of operations and ability to make payments on our debt, and could force us to seek protection under the bankruptcy laws. For a description of our outstanding medium term and senior notes, the related indentures and note purchase agreement and our Credit Facility, see Description of Other Indebtedness.

An active trading market may not develop for the Notes and you may be unable to sell your Notes.

The Notes will be new securities for which there currently is no trading market, and we do not intend to list the Notes on any securities exchange or automated quotation system. Although we have been informed by the underwriters that they presently intend to make a market in the Notes after this offering is completed, they have no obligation to do so and may discontinue market-making at any time without notice. In addition, market-making activities will be subject to limits imposed by the Securities Act and the Exchange Act. As a result, you cannot be sure that an active trading market will develop for the Notes. If an active public trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected.

In addition, the liquidity of the trading market for the Notes, if one develops, and the market price quoted for the Notes, may be adversely affected by: changes in the overall market for debt securities; changes in our financial condition, performance or prospects; the prospects for companies in our industry generally; the number of holders of the Notes; the interest of securities dealers in making a market for the Notes; and prevailing interest rates. Further, any adverse events in the global financial markets as a whole may cause a reduction of liquidity in the secondary market for the Notes.

The market valuation of the Notes may be exposed to volatility.

Historically, the debt market has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The market, if any, for the Notes may not be free from similar disruptions and any such disruptions could adversely affect the prices at which the holders of Notes may sell their Notes. As has been evident in connection with the recent turmoil in global financial markets, including the uncertainty following the June 2016 referendum in which voters in the United Kingdom approved an exit from the European Union, the debt market can experience sudden and sharp price swings, which can be exacerbated by factors such as (i) large or sustained sales by major investors in debt, (ii) a default by a high-profile issuer or (iii) simply a change in investors psychology regarding debt. A real or perceived economic downturn could cause a decline in the market value of the Notes. Moreover, if one of the major rating agencies lowers its credit rating of us or the Notes, the market value of the Notes will likely decline. Therefore, holders of the Notes may be unable to sell their Notes at a particular time or, in the event they are able to sell their Notes, the price that they receive when they sell may not be favorable.

To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control.

Our ability to make payments on and to refinance our indebtedness, including the Notes, and to fund planned capital expenditures and expansion efforts will depend upon our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We may need or decide to refinance all or a portion of our indebtedness before maturity, and cannot provide assurances that we will be able to refinance any of our indebtedness, including the Notes, on commercially reasonable terms, or at all. We may have to adopt one or more alternatives, such as reducing or delaying planned expenses and capital expenditures, selling assets, restructuring debt, obtaining additional equity or debt financing, or entering into joint ventures.

We may choose to redeem the Notes prior to maturity.

We may redeem all or a portion of the Notes at any time. See Description of the Notes Redemption at Our Option. If prevailing interest rates are lower at the time of redemption, holders of the Notes may not be able to reinvest the redemption proceeds in a comparable security at an interest rate as high as the interest rate of the Notes being redeemed.

The Indenture will not limit the amount of unsecured indebtedness that we or our subsidiaries may incur or our ability to enter into a change of control transaction or require us to comply with any financial covenants.

Neither we nor any of our subsidiaries will be restricted from incurring additional unsecured debt or other liabilities, including additional senior debt, under the Indenture. As of June 30, 2016, we had approximately $1.4 billion of indebtedness outstanding (excluding current maturities) and $297.5 million of borrowings available under our Credit Facility. If we incur additional debt or liabilities, our ability to pay our obligations on the Notes could be adversely affected. In addition, we will not be restricted from paying dividends on or issuing or repurchasing our securities under the Indenture. Furthermore, the Indenture will not contain any provisions restricting our or any of our subsidiaries ability to sell assets (other than certain restrictions on our ability to consolidate, merge or sell all or substantially all of our assets and our ability to sell the stock of certain subsidiaries), to enter into transactions with affiliates, or to create restrictions on the payment of dividends or other amounts to us from our subsidiaries. Additionally, the Indenture will not require us to offer to purchase the Notes in connection with a change of control or require that we or our subsidiaries adhere to any financial tests or ratios or specified levels of net worth. There will be no financial covenants in the Indenture. You will not be protected under the Indenture in the event of a highly leveraged transaction, reorganization, change of control, restructuring, merger or similar transaction that may adversely affect you, except to the limited extent described in this prospectus under Description of the Notes.

Following the Reorganization, the assets related to our construction business will not be available to satisfy obligations under the Notes.

As part of the Reorganization, Southwest will no longer hold its 96.6% interest in Centuri, its construction segment, which would be transferred to and held by HoldCo. Accordingly, the income and business from the construction segment may not be available to service our indebtedness, including the Notes, which will remain with Southwest following the Reorganization, and in the event of a liquidation, dissolution, reorganization, bankruptcy or similar proceeding involving us, the assets related to the construction segment may not be available for Southwest to make payments on the Notes. See Summary Reorganization.

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USE OF PROCEEDS

The net proceeds from the sale of the Notes will be approximately $ million, after deducting the underwriting discounts and other estimated expenses payable by us. We intend to use approximately $230 million of the net proceeds from this offering to temporarily pay down, in full, the amount outstanding under our Credit Facility, which, as of September 23, 2016, was approximately $230 million, consisting of (i) $150 million (including $50 million of commercial paper) outstanding under the long-term portion of the Credit Facility and (ii) $80 million outstanding under the designated short-term portion of the Credit Facility. All such amounts may be re-borrowed in full or in part at any time prior to maturity. The remaining balance of the net proceeds from this offering may be used for general corporate purposes, including, but not limited to, property acquisitions, capital expenditures and investments related to our facilities, refunding maturing debt, funding payment or redemption requirements of our debt, retiring, refinancing or exchanging our debt, and reimbursing our treasury funds. Pending the specific use of the net proceeds as described above, or any other specific application, the net proceeds from the sale of the Notes may initially be temporarily invested in short-term marketable securities.

The Credit Facility matures on March 25, 2021. The interest rate per annum applicable to revolving loans under the Credit Facility is based upon, at our option, the LIBOR or the alternate base rate, plus in each case an applicable margin that is determined based on our senior unsecured long-term debt rating. The applicable margin ranges from 0.875% to 1.750% for loans bearing interest with reference to LIBOR and from 0.00% to 0.750% for loans bearing interest with reference to the alternative base rate. We are also required to pay a commitment fee on the unfunded portion of the commitments based on our senior unsecured long-term debt rating. The commitment fee ranges from 0.100% to 0.250% per annum. As of September 23, 2016, the weighted average interest rate on the total outstanding borrowings under the Credit Facility was 1.4%. For more information regarding our Credit Facility, see Description of Other Indebtedness Credit Facility.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our consolidated ratio of earnings to fixed charges for the twelve months ended June 30, 2016, December 31, 2015, 2014, 2013, 2012, and 2011. For the purpose of computing the ratios of earnings to fixed charges, earnings are defined as the sum of pretax income from continuing operations plus fixed charges. Fixed charges consist of all interest expense, including capitalized interest, one-third of rent expense (which approximates the interest component of such expense), preferred securities distributions, and amortized debt costs.

	Twelve months ended June 30,	**Twelve months ended December 31,**				
	2016	**2015**	**2014**	**2013**	**2012**	**2011**
Ratio of earnings to fixed charges	3.49x	3.43x	3.58x	3.90x	3.61x	3.21x