

United States
Securities and Exchange Commission
Washington, D.C. 20549

Form 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) April 17, 1995

SOUTHWEST GAS CORPORATION
(exact name of registrant as specified in its charter)

California (State or other jurisdiction of incorporation or organization)	1-7850 (Commission File Number)	88-0085720 (I.R.S. Employer Identification No.)
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5241 Spring Mountain Road Post Office Box 98510 Las Vegas, Nevada (Address of principal executive offices)	89193-8510 (Zip Code)
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Registrant's telephone number, including area code: (702) 876-7237

ITEM 5. OTHER EVENTS

SOUTHWEST GAS ANNOUNCES FIRST QUARTER EARNINGS

Las Vegas - Southwest Gas Corporation announced 1995 first quarter earnings of \$0.68 per share, a \$0.39 decrease from the \$1.07 per share reported for the same period in 1994. Consolidated net income applicable to common stock was \$14,550,000, compared to \$22,571,000 for the same quarter in 1994. Average outstanding common shares increased to 21,396,000 in the first quarter of 1995 from 21,023,000 in the first quarter of 1994.

The gas operations segment's contribution to consolidated net income was \$14,449,000, compared to a \$21,734,000 contribution reported for the first quarter of 1994. According to Michael O. Maffie, President and Chief Executive Officer, the decrease was principally the result of lower operating margin (revenues less cost of gas purchased) directly attributable to significantly warmer weather throughout the Company's service territories when compared to the same period in 1994. In addition, higher operating expenses and net interest deductions were incurred as a result of the continued expansion and upgrading of the gas system to accommodate the Company's unprecedented customer growth, which continues to significantly outpace industry averages.

Operating margin decreased approximately \$11 million in the first quarter of 1995 as compared to the same period in 1994 due to the differences in heating demand between periods. Unseasonably warm weather in the Company's three largest operating areas, Phoenix, Las Vegas and Tucson, resulted in weather-sensitive customers purchasing approximately 14 percent less gas than anticipated. On a weather-normalized basis, first quarter 1995 operating margin would have been approximately \$14.6 million, or 14 percent, greater than actually reported, while first quarter 1994 operating margin would have been approximately \$3.6 million, or three percent greater than actual.

Record customer growth partially mitigated the \$11 million negative impact of warmer weather on operating margin between the two quarters. During the first quarter of 1995, the Company billed an average of 48,000 more customers per month than in the first quarter of 1994, resulting in approximately \$5.3 million of additional operating margin.

Overall, on a net basis, operating margin declined \$5.7 million, or five percent, in the first quarter of 1995 when compared to the first quarter of 1994.

Operating expenses and net interest deductions increased due to new investment in gas plant and higher costs incurred as a result of the Company's providing service to meet the record customer growth. This growth is exacting a net earnings penalty in the form of higher operating and financing costs as the Company builds the infrastructure necessary to accommodate customer growth. However, net earnings should improve as construction programs are completed, additional rate relief is applied for and granted, and new customers contribute incremental operating margin.

The Company's financial services subsidiary, PriMerit Bank, reported 1995 first quarter net income of \$1,678,000 compared to net income of \$2,189,000 reported for the first quarter of 1994. The difference between quarters was principally due to the first quarter 1994 recognition of a \$1,690,000 net gain (\$1.1 million after tax) on the sale of the Bank's credit card portfolio. PriMerit contributed \$196,000 to first quarter 1995 consolidated net income after deducting tax-effected carrying costs associated with its acquisition by Southwest Gas Corporation compared to a \$976,000 contribution in the first quarter of 1994. First quarter 1995 core bank earnings (net income exclusive of goodwill amortization and one-time, nonrecurring transactions) were \$2,952,000, compared to first quarter 1994 core bank earnings of \$2,375,000, a 24 percent improvement.

For the twelve months ended March 31, 1995, consolidated net income applicable to common stock was \$17,770,000 and earnings per share were \$0.84, compared to consolidated net income applicable to common stock of \$20,316,000 and earnings per share of \$0.98 during the twelve month period ended March 31, 1994.

The gas operations segment's contribution to consolidated net income for the twelve months ended March 31, 1995 was \$16,240,000 compared to a \$20,792,000 contribution reported for the prior period. The decrease in earnings was principally attributable to increased operations and maintenance expenses, depreciation expense, general taxes and net interest deductions. Differences in heating demand between periods also negatively impacted current period net income. Prior period results include the December 1993 write-off of certain pipe replacement costs in Arizona, as ordered by the Arizona Corporation Commission. The Company wrote off \$15,886,000 in gross plant, which resulted in a noncash, after-tax reduction to prior period net income of \$9,264,000, or \$0.44 per share.

Net earnings from PriMerit Bank were \$7,161,000 (contributing \$1,997,000 to consolidated net income after deducting tax-effected carrying costs) for the twelve months ended March 31, 1995, compared to net income of \$5,131,000 (resulting in a contribution of \$198,000 after deducting tax-effected carrying costs) for the twelve-month period ended March 31, 1994. Core bank earnings were \$11,884,000, compared to \$8,550,000 for the earlier period, a 39 percent improvement.

Southwest Gas Corporation is a diversified natural gas and financial services organization. It provides natural gas to approximately 989,000 customers in Arizona, Nevada and California. PriMerit Bank, a federally chartered savings bank, markets a wide variety of consumer financial products and services through its branches in northern and southern Nevada.

SOUTHWEST GAS CONSOLIDATED EARNINGS DIGEST

QUARTER ENDED MARCH 31, -----	1995 -----	1994 -----
Revenues	\$ 238,888,000	\$ 239,155,000
Net Income	\$ 14,645,000	\$ 22,710,000
Net Income Applicable to Common Stock	\$ 14,550,000	\$ 22,571,000
Average Number of Common Shares Outstanding	21,396,000	21,023,000
Earnings Per Share of Common Stock	\$ 0.68	\$ 1.07
TWELVE MONTHS ENDED MARCH 31, -----	1995 -----	1994 -----
Revenues	\$ 727,689,000	\$ 708,435,000
Net Income	\$ 18,237,000	\$ 20,990,000
Net Income Applicable to Common Stock	\$ 17,770,000	\$ 20,316,000
Average Number of Common Shares Outstanding	21,170,000	20,833,000
Earnings Per Share of Common Stock	\$ 0.84	\$ 0.98

SOUTHWEST GAS CORPORATION
SUMMARY STATEMENTS OF INCOME
(In thousands, except per share amounts)
(Unaudited)

	THREE MONTHS ENDED MARCH 31,		TWELVE MONTHS ENDED MARCH 31,	
	1995	1994	1995	1994
GAS OPERATIONS SEGMENT:				
Operating revenues	\$ 203,521	\$ 207,297	\$ 595,492	\$ 563,069
Net cost of gas purchased	98,906	96,996	251,833	222,547
Operating margin	104,615	110,301	343,659	340,522
Operations and maintenance expenses	45,867	42,420	181,631	170,776
Depreciation, amortization, and general taxes	21,919	20,396	84,091	79,731
Operating income	36,829	47,485	77,937	90,015
Net interest deductions	13,323	11,652	51,136	43,475
Pre-tax utility income	23,506	35,833	26,801	46,540
Utility income tax expense	9,127	14,017	9,936	16,713
Net utility income	14,379	21,816	16,865	29,827
Other income (expense), net	70	(82)	(625)	229
Arizona pipe replacement disallowance, net	---	---	---	(9,264)
Contribution to net income - gas operations segment	14,449	21,734	16,240	20,792
FINANCIAL SERVICES SEGMENT:				
Net interest income after loan loss provision	13,418	12,562	52,270	50,965
Net loss from real estate operations	(433)	(485)	(560)	(1,232)
Other income, net	2,243	3,812	9,062	13,821
General and administrative expenses	12,116	11,954	47,532	51,206
Pre-tax income	3,112	3,935	13,240	12,348
Income tax expense	1,434	1,746	6,079	7,217
Net income before carrying cost allocation	1,678	2,189	7,161	5,131
Acquisition carrying costs, net of tax - NOTE 5	(1,482)	(1,213)	(5,164)	(4,933)
Contribution to net income - financial services segment	196	976	1,997	198
Net income	14,645	22,710	18,237	20,990
Preferred & preference dividends	95	139	467	674
Net income applicable to common stock	\$ 14,550	\$ 22,571	\$ 17,770	\$ 20,316
Earnings per share	\$ 0.68	\$ 1.07	\$ 0.84	\$ 0.98
Earnings per share excluding disallowance	\$ ---	\$ ---	\$ ---	\$ 1.42
Average outstanding common shares	21,396	21,023	21,170	20,833

See Notes to Summary Financial Statements.

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SOUTHWEST GAS CORPORATION
BALANCE SHEET
AT MARCH 31, 1995
(In thousands)
(Unaudited)

ASSETS		
UTILITY PLANT		
Gas plant, net of accumulated depreciation	\$ 1,030,404	
Construction work in progress	23,152	

Net utility plant	1,053,556	

OTHER PROPERTY AND INVESTMENTS		
PriMerit Bank - NOTE 2	177,532	
Other	33,152	

Total other property and investments	210,684	

CURRENT AND ACCRUED ASSETS		
Cash, working funds and temporary cash investments	29,986	
Receivables - less reserve of \$1,959 for uncollectibles	41,509	
Accrued utility revenue	29,653	
Other	24,345	

Total current and accrued assets	125,493	

DEFERRED DEBITS		
Unamortized debt expense	14,082	
Other deferred debits	42,801	

Total deferred debits	56,883	

TOTAL ASSETS	\$ 1,446,616	
	=====	
CAPITALIZATION, LIABILITIES AND DEFERRED CREDITS		
CAPITALIZATION		
Common stockholders' equity		
Common stock equity, \$1 par, 21,528 shares outstanding	\$ 299,734	
Retained earnings	62,550	

Total common stockholders' equity - NOTE 6	362,284	34.4%
Preferred stock equity - NOTE 3	4,000	0.4
Long term debt - NOTE 4	687,286	65.2
	-----	-----
Total capitalization	1,053,570	100.0%
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CURRENT AND ACCRUED LIABILITIES		
Notes Payable	70,000	
Accounts payable	31,821	
Customer deposits	22,514	
Taxes accrued (including income taxes)	59,989	
Deferred purchased gas costs	6,213	
Other	44,049	

Total current and accrued liabilities	234,586	

DEFERRED CREDITS		
Deferred investment tax credits	20,524	
Deferred income taxes	111,064	
Other	26,872	

Total deferred credits	158,460	

TOTAL CAPITALIZATION, LIABILITIES AND DEFERRED CREDITS	\$ 1,446,616	
	=====	

See Notes to Summary Financial Statements.

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SOUTHWEST GAS CORPORATION
STATEMENT OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 1995
(In thousands)
(Unaudited)

CASH FLOWS FROM OPERATIONS:	
Net income	\$ 14,645
Adjustments to reconcile net income to net cash provided by operating activity:	
Depreciation and amortization	15,137
Change in receivables and payables	14,535
Change in accrued taxes	7,204
Undistributed earnings from subsidiaries	(1,651)
Change in gas cost related balancing items	23,472
Allowance for funds used during construction	(485)
Change in deferred taxes	1,213
Other	4,418

Net cash provided from operating activities	78,488

CASH FLOWS FROM FINANCING ACTIVITIES:	
Change in notes payable	(22,000)
Dividends paid	(4,478)
Net change in long-term debt	3,870
Proceeds from stock issuance	3,605
Other	(44)

Net cash used in financing activities	(19,047)

CASH FLOWS FROM INVESTING ACTIVITIES:	
Construction expenditures	(33,929)
Other	(1,395)

Net cash used in investing activities	(35,324)

Change in cash and temporary cash investments	24,117
Cash at beginning of period	5,869

Cash at end of period	\$ 29,986
	=====
SUPPLEMENTAL INFORMATION:	
Interest paid, net of amount capitalized	\$ 16,766
Income taxes, net of refunds	\$ 5,179

See Notes to Summary Financial Statements.

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SOUTHWEST GAS CORPORATION
NOTES TO SUMMARY FINANCIAL STATEMENTS
(In thousands, except par values)
(Unaudited)

NOTE 1 - BASIS OF PRESENTATION:

The financial statements have been prepared by Southwest Gas Corporation (the Company) using the equity method of accounting for PriMerit Bank (PriMerit). Segmented information is presented within the income statement. The Financial Services segment includes the net income of PriMerit and its subsidiaries on a stand-alone basis, reduced by allocated carrying costs associated with the Company's investment in PriMerit (principally interest) net of taxes. This presentation is not in accordance with generally accepted accounting principles (GAAP), and certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been omitted. The financial statement presentation in this report produces the same net income as the consolidated financial statements and, in management's opinion, is a fair representation of the operations and contributions to net income of the Company's two segments.

NOTE 2 - INVESTMENT IN PRIMERIT BANK:

The financing sources for Southwest's investment in PriMerit consist of approximately \$62,400 of 9.375% series D debentures, \$20,000 of 9.75% series F debentures, and 4,027 shares of common stock.

NOTE 3 - PREFERRED STOCK:

Cumulative preferred stock, \$100 par value, 9.5% series, 40 shares outstanding	\$ 4,000 =====
CURRENT REDEMPTION REQUIREMENTS	\$ 800 =====

NOTE 4 - LONG-TERM DEBT:

Commercial paper facility	\$ 200,000
Debentures:	
Debentures, 9% series A, due 2011	26,964
Debentures, 9% series B, due 2011	31,226
Debentures, 8.75% series C, due 2011	18,485
Debentures, 9.375% series D, due 2017	120,000
Debentures, 10% series E, due 2013	23,074
Debentures, 9.75% series F, due 2002	100,000
Industrial revenue bonds - net of funds held in trust	177,972
Unamortized discount on long-term debt	(10,435)

TOTAL LONG-TERM DEBT	\$ 687,286 =====
CURRENT MATURITIES	\$ 5,000 =====

NOTE 5 - ACQUISITION CARRYING COSTS, NET:

	THREE MONTHS ENDED MARCH 31,		TWELVE MONTHS ENDED MARCH 31,	
	1995	1994	1995	1994
	-----	-----	-----	-----
Interest expense	\$ (2,409)	\$ (1,968)	\$ (8,314)	\$ (7,873)
Other intercompany expenses	(60)	(54)	(293)	(349)
Income taxes	987	809	3,443	3,289
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ACQUISITION CARRYING COSTS, NET	\$ (1,482) =====	\$ (1,213) =====	\$ (5,164) =====	\$ (4,933) =====

NOTE 6 - COMMON STOCKHOLDERS' EQUITY:

For purposes of this report, common stockholders' equity excludes PriMerit's unrealized loss on debt securities available for sale since PriMerit is presented on the equity method of accounting.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SOUTHWEST GAS CORPORATION

/s/ Edward A. Janov

Edward A. Janov
Controller and Chief Accounting Officer

Date: April 17, 1995

