

Analyst Day New York

October 1, 2018



Southwest Gas™
HOLDINGS

Management Participants



John Hester
President and CEO
Southwest Gas Holdings



Paul Daily
President and CEO
Centuri Construction Group



Karen Haller
EVP/Chief Legal/Administration
Southwest Gas Holdings



Greg Peterson
SVP/CFO
Southwest Gas Holdings



Eric DeBonis
SVP/Operations
Southwest Gas Corporation



Justin Brown
SVP/General Counsel
Southwest Gas Corporation



Kevin Neill
EVP/CFO/Treasurer
Centuri Construction Group

Safe Harbor Statement



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This presentation includes “forward-looking statements” as defined by the Securities and Exchange Commission (SEC). We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this presentation that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. These include, without limitation, our 2018 expectations for our infrastructure services and natural gas operations segments, as well as statements regarding our expansion projects and other investment opportunities.

Forward-looking statements are based on assumptions which we believe are reasonable, based on current expectations and projections about future events and industry conditions and trends affecting our business. However, whether actual results and developments will conform to our expectations and predictions is subject to a number of risks and uncertainties that, among other things, could cause actual results to differ materially from those contained in the forward-looking statements, including without limitation, the risk factors described in Part I, Item 1A “Risk Factors,” and Part II, Item 7 and Item 7A “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Quantitative and Qualitative Disclosure about Market Risk” of our 2017 Annual Report on Form 10-K filed with the SEC, and other reports that we file with the SEC from time to time, and the following:

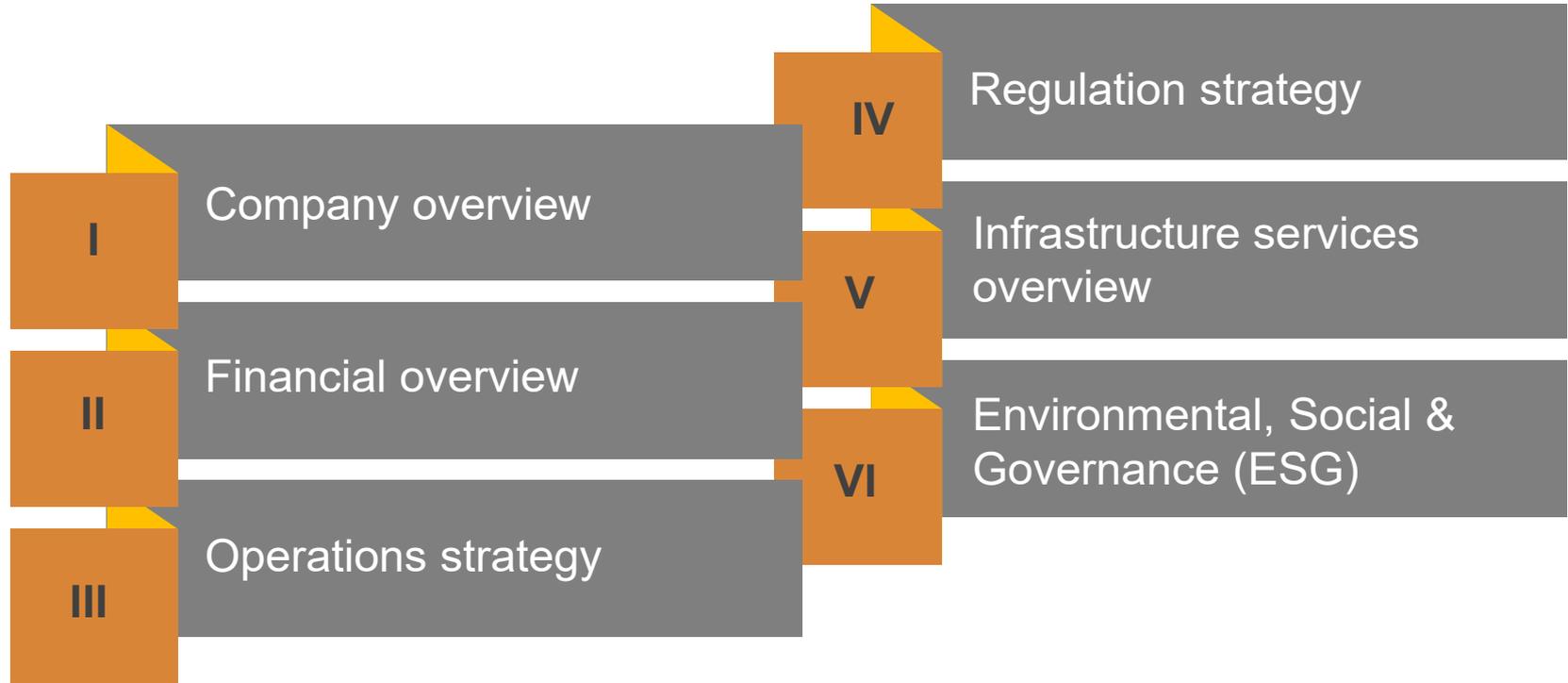
- The timing and amount of rate relief;
- Changes in operating expenses;
- Changes in rate design, infrastructure tracking mechanisms;
- Customer growth rates;
- Conditions in housing markets;
- The effects of regulation/deregulation;
- The impacts of construction activity at our infrastructure services segment;
- The impacts from acquisitions;
- The impacts of stock market volatility; and
- Other factors discussed from time to time in our filings with the SEC.

New factors that could cause actual results to differ materially from those described in forward-looking statements emerge from time to time, and it is not possible for us to predict all such factors, or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. The statements in this presentation are made as of the date hereof, even if subsequently made available on our Web site or otherwise. We do not assume any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made.

Presentation Outline



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Value Drivers



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Corporate Platform



Southwest Gas
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Southwest Gas Holdings, Inc

Natural Gas Operations



■ Natural Gas Operations
Service Territories

— Paiute Pipeline



SOUTHWEST GAS

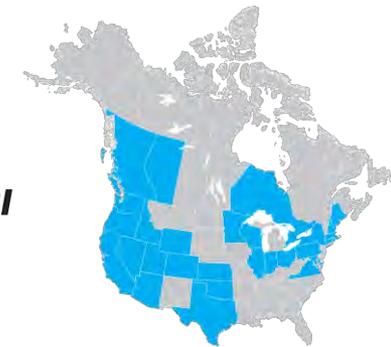
DIVERSIFIED LDC PLATFORM IN THREE STATES

- Largest LDC in Arizona and Nevada, also distribute and transport gas in parts of California
- Operate transmission system – Paiute Pipeline
- Over 2 million customers and growing, of which 99% are residential and small commercial
- Blended authorized ROE of 9.76%, and \$2.6 billion authorized rate base
- Constructive regulatory mechanisms which mitigate lag

Infrastructure Services



CENTURI
CONSTRUCTION GROUP



ONE OF NORTH AMERICA'S LARGEST FULL-SERVICE UNDERGROUND PIPELINE CONTRACTORS

- Headquartered in Phoenix, AZ
- Operates in 25 markets across the U.S. and Canada
- Long-term, industry and customer commitments
- Over \$1.4 billion in revenues – Twelve months ended June 2018

Recent Achievements



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Consolidated Results

- E.P.S. of \$4.29 for 12 months ended June 2018
- Dividend increased for the 12th straight year, 9.5% CAGR over past five years

Natural Gas Segment

- Added 33,000 net new customers over the past 12 months
- Nevada general rate case request for \$29.7 million
- Filed Gas Infrastructure Replacement Application with annualized revenue requirement of \$22 million
- PUCN approved expansion to Mesquite, Nevada

Infrastructure Services Segment

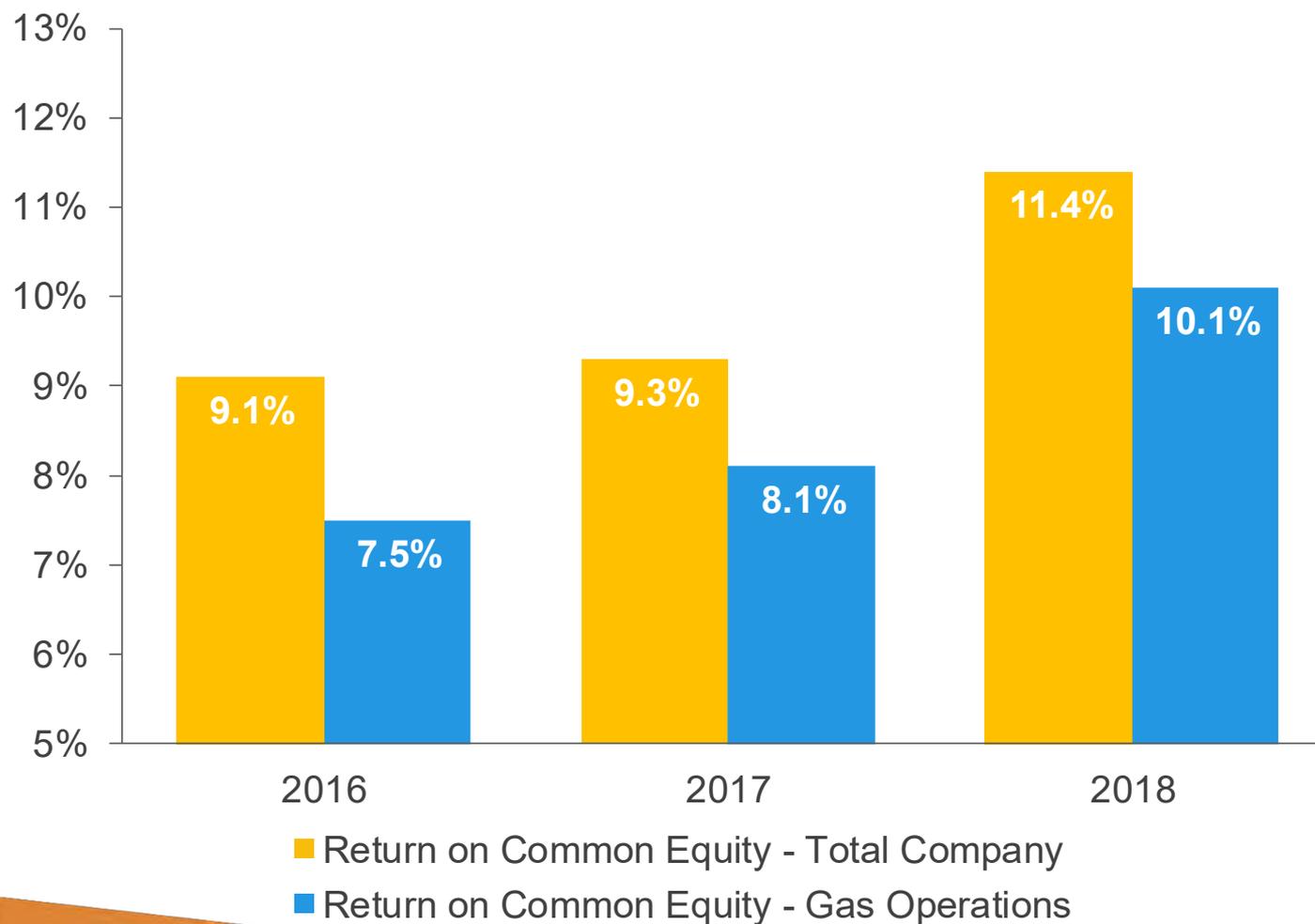
- Achieved record revenues of over \$1.4 billion for twelve months ended June 2018
- Net income for 12 months June 2018 of \$45.2 million
- Neuco acquisition exceeding expectations
- Enthusiastic about full-year Centuri performance

Return on Common Equity

Twelve months ended June 30



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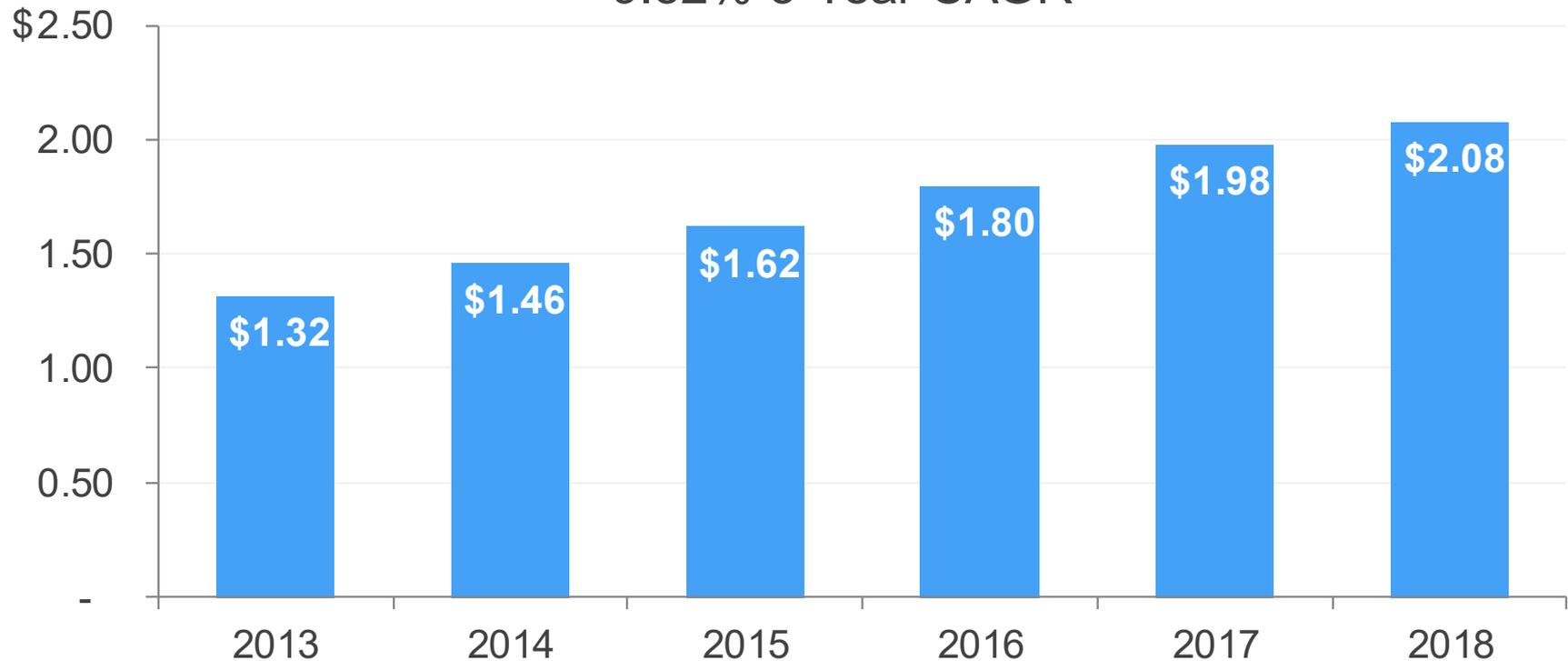


Dividend Growth



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9.52% 5-Year CAGR



CAGR = compound annual growth rate

- Maintain ~ payout ratio between 55% – 65%
- Expect future dividends to increase at the earnings growth rate

Rate Base

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\$2 billion capex over
next three years

12% annual CAGR

> 70% of capex with
immediate recovery

Collaborative
regulation

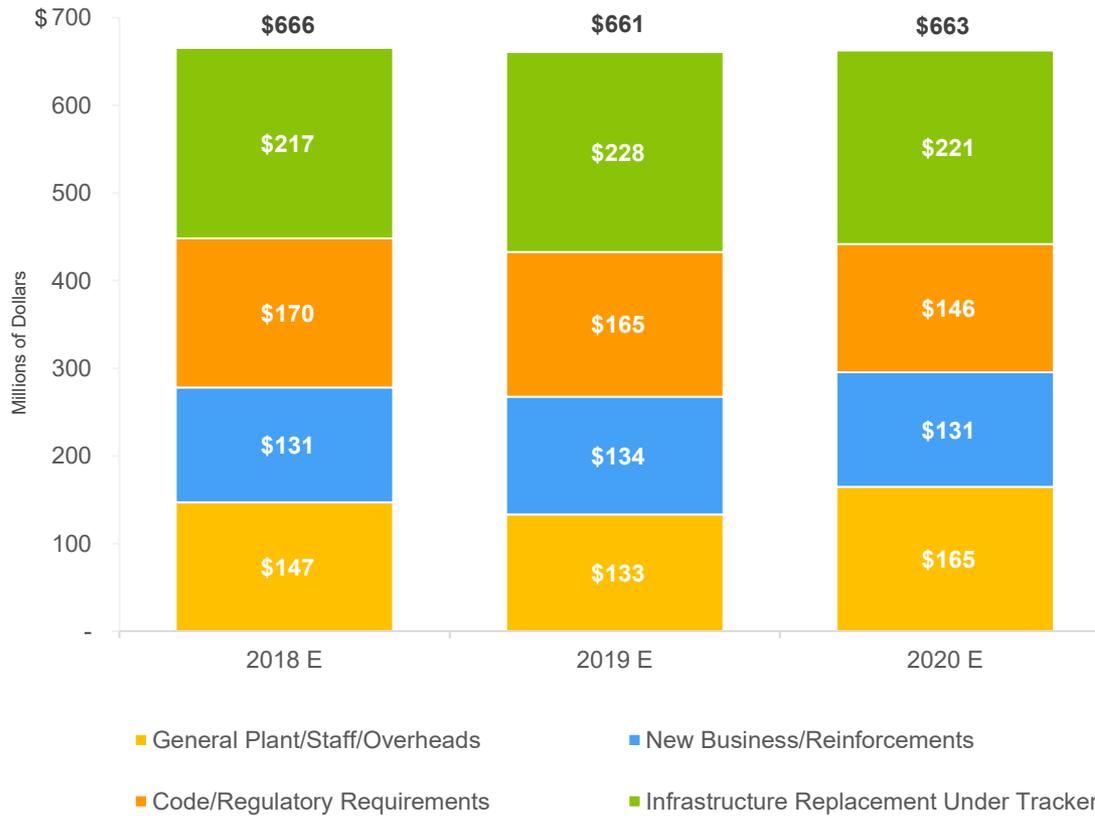
Attractive Rate Base Growth

Natural Gas Operations



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~ \$2 Billion of Capital Investment Through 2020



Attractive Rate Base Growth

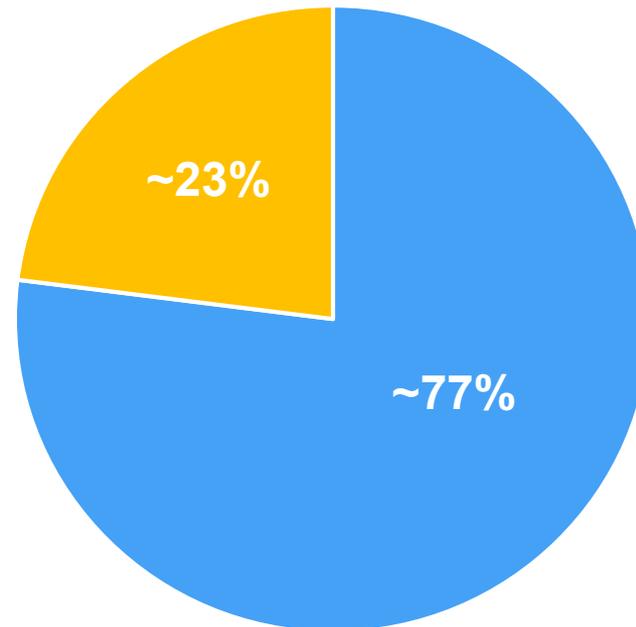
Natural Gas Operations



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Constructive Rate Mechanisms Reducing Regulatory Lag

Earning on Annual Investments



- Begin earning on or recovering < 12 months
- Recovered through periodic general rate case filings

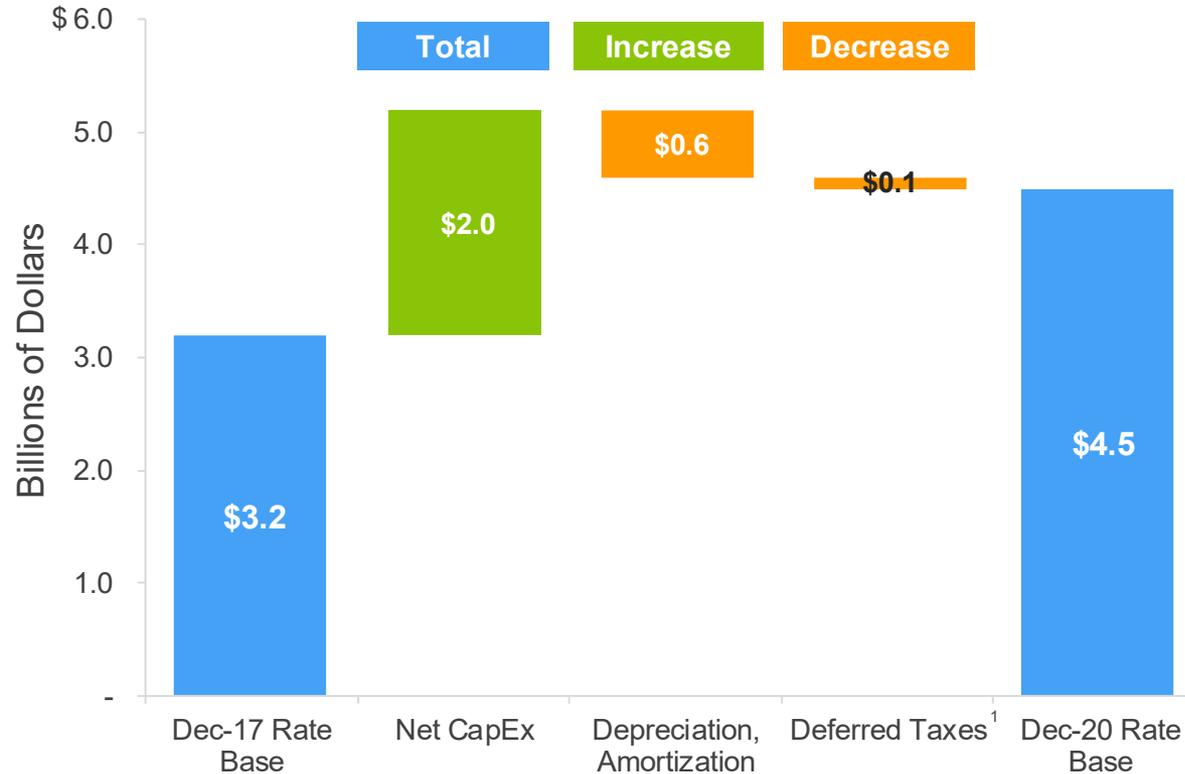
Attractive Rate Base Growth

Natural Gas Operations



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Attractive Rate Base Growth of ~ 12% CAGR



Rate base amounts reflect estimated total investment in facilities necessary to provide utility service. This is different than our authorized rate base, which is the rate base investment that has been approved by our regulatory bodies and that is reflected in rates.

Projecting 12.0% CAGR in rate base over next 3 years

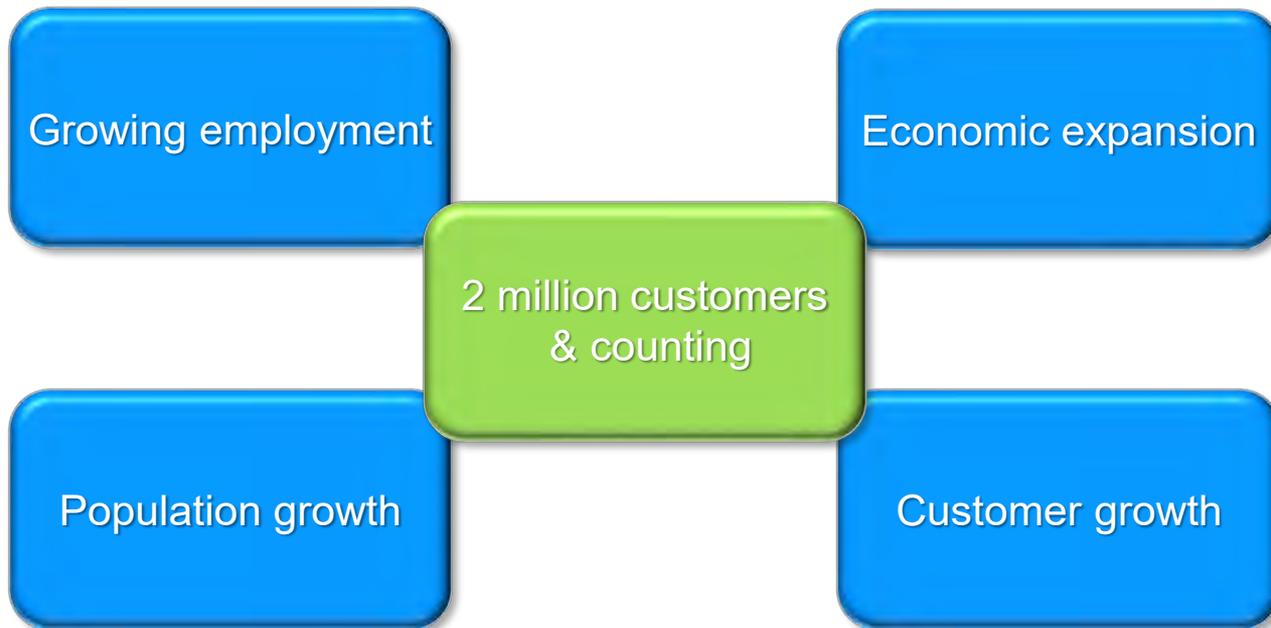
¹Includes changes in the regulatory liability created due to tax reform.

Economic Overview

Natural Gas Operations



SOUTHWEST GAS



Economic Overview – Service Area

Natural Gas Operations



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	<u>Unemployment Rate</u>		<u>Employment Growth</u>	
	<u>August 2017</u>	<u>August 2018</u>	<u>August 2017</u>	<u>August 2018</u>
Southern California ¹	5.5%	4.5%	2.9%	3.5%
Southern Nevada ²	5.3%	4.9%	2.7%	3.6%
Northern Nevada ³	4.4%	4.2%	2.1%	0.8%
Southern Arizona ⁴	4.7%	4.8%	1.9%	2.6%
Central Arizona ⁴	4.4%	4.5%	2.5%	3.6%

¹ Source: State of California Employment Development Department, California Labor Market Review, <http://www.labormarketinfo.edd.ca.gov>

² Source: Nevada Department of Employment, Training and Rehabilitation (DETR), Economy in Brief, <http://nevadaworkforce.com>

³ Source: Nevada DETR, Data Search: Total Employment (Carson City, Churchill, Douglas, Elko, Humboldt, Lyon, and Pershing Counties), <http://nevadaworkforce.com>

⁴ Source: Arizona Office of Employment & Population Statistics, Employment Report, <https://laborstats.az.gov/>

Economic Expansion – Service Area



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Natural Gas Operations



Las Vegas Ballpark – 2019²



Las Vegas Raiders - 2020¹



Caterpillar Headquarters,
Phoenix, AZ - 2019⁴



Sierra Bloom Wellness Campus,
Scottsdale, AZ - 2021³

¹ Source: Review Journal (www.reviewjournal.com); Economists Weigh Economic Impact of Stadium for Raiders in Las Vegas

² Source: Review Journal (www.reviewjournal.com); Las Vegas 51s Moving to \$150M Summerlin Stadium in 2019

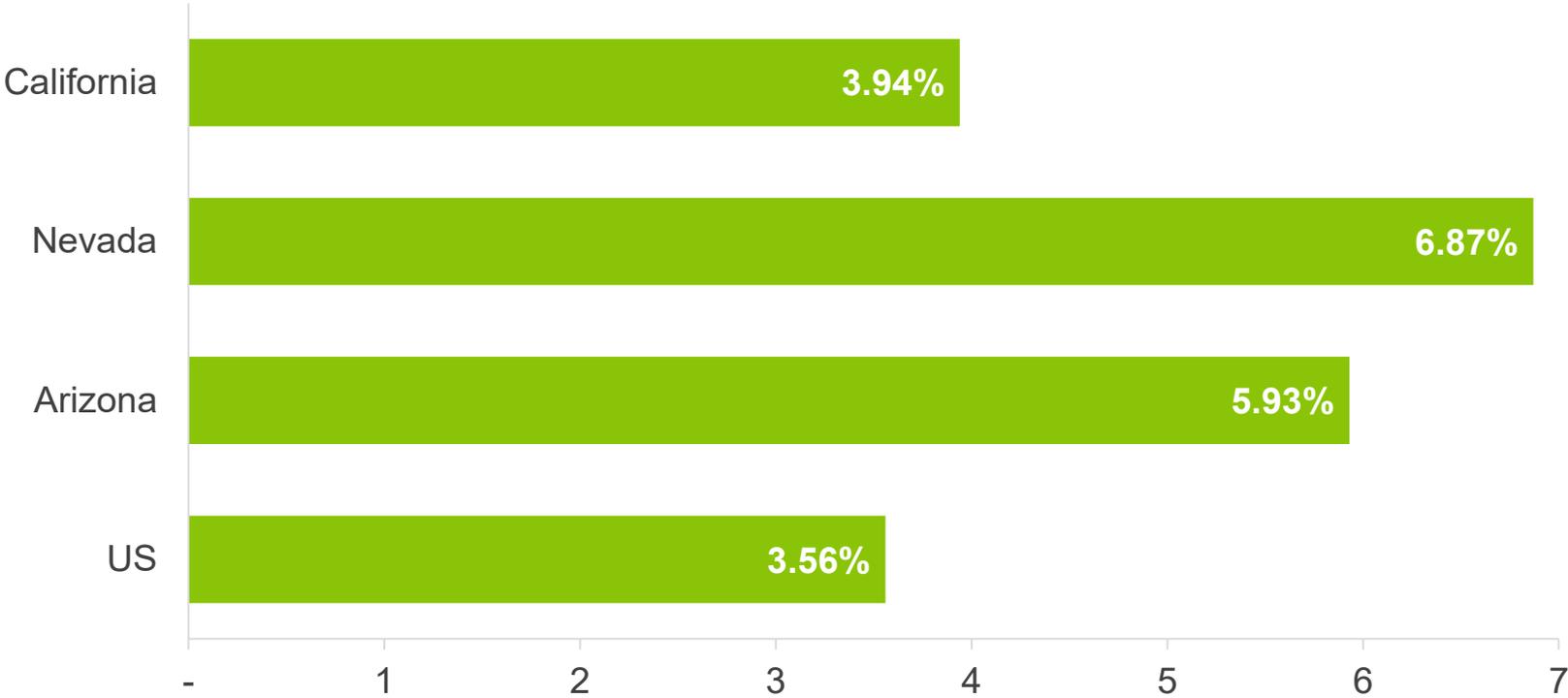
³ Source: Sierra Bloom (www.sierrabloom.com); Property Brochure

⁴ Source: AZ Big Media (www.azbigmedia.com); Arizona's Economic Developers Continue to Create Jobs

Projected Population Growth Service Territories



Projected Population Cumulative % Change 2019 - 2024



Customer Growth

Natural Gas Operations

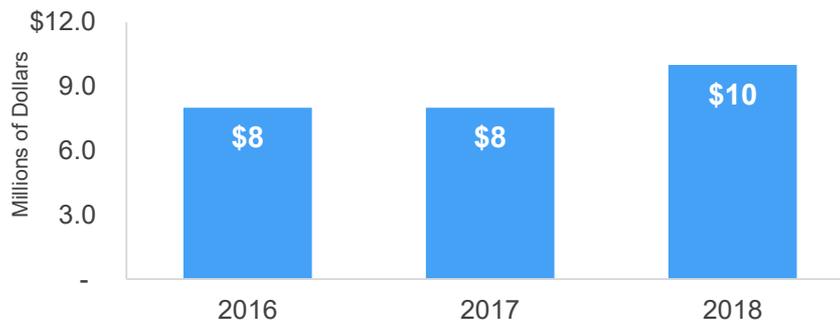
(In Thousands)



SOUTHWEST GAS

	Twelve Months Ended June 30,			Projected Customer Growth		
	2016	2017	2018	2019	2020	2021
Beginning period	1,938	1,962	1,994			
Net Customer Adds	24	32	33	33	34	34
Ending period	<u>1,962</u>	<u>1,994</u>	<u>2,027</u>			

Margin From New Customers



Financial Overview



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Continued
dividend growth

Robust long-term
earnings growth
prospects

Favorable
regulated/unregulated
earnings mix

Focus on
improving earned
rates of return

Balanced
financing mix to
support capex spend

Strong investment
grade credit ratings

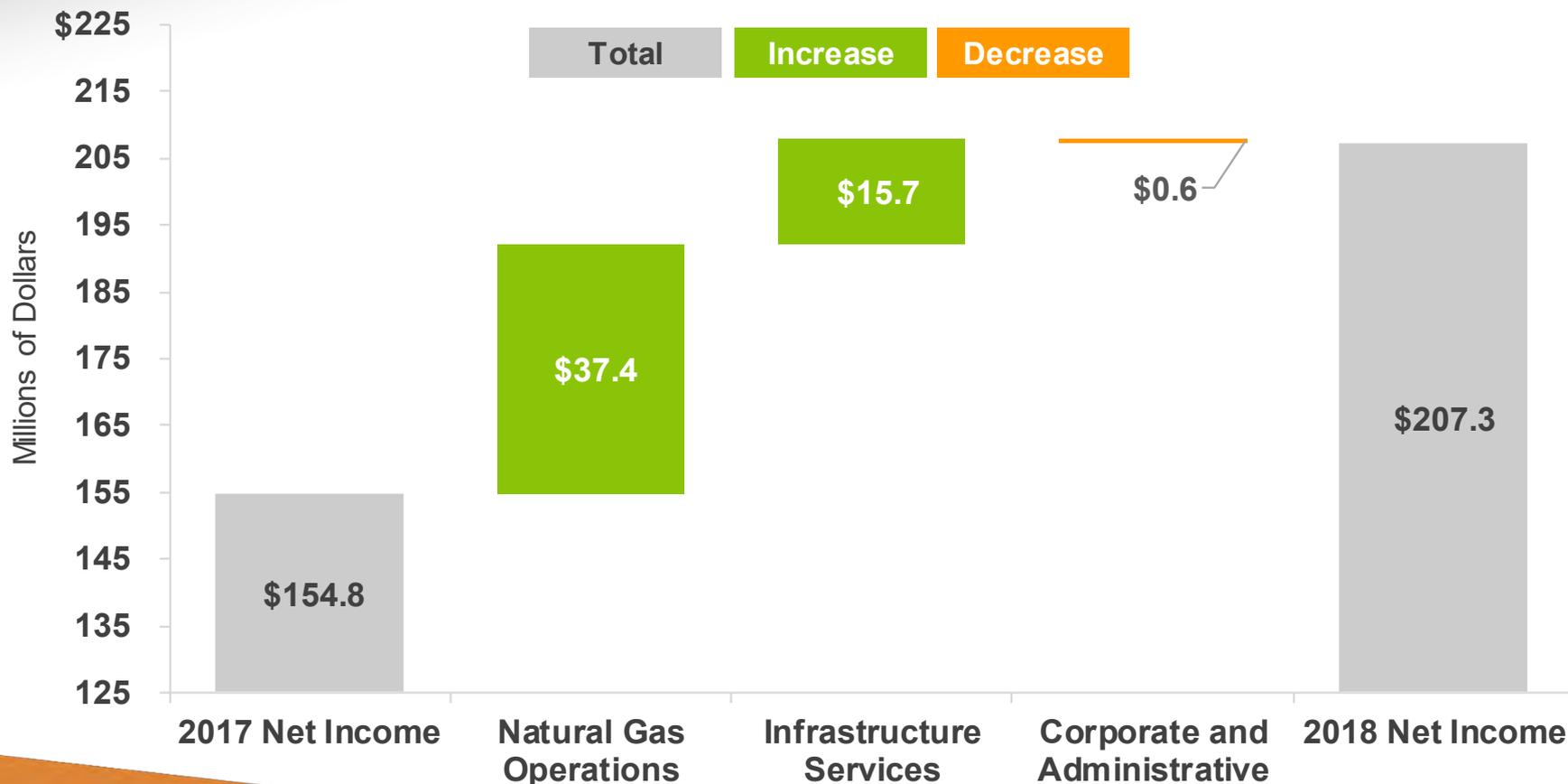
Consolidated Net Income

Twelve Months Ended June 30, 2018



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Total Increase - \$52.5 million



Stable Customer Base

Natural Gas Operations

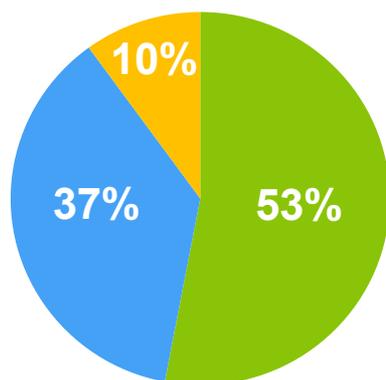


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TMTD June 30, 2018 Customer & Operating Margin Distribution

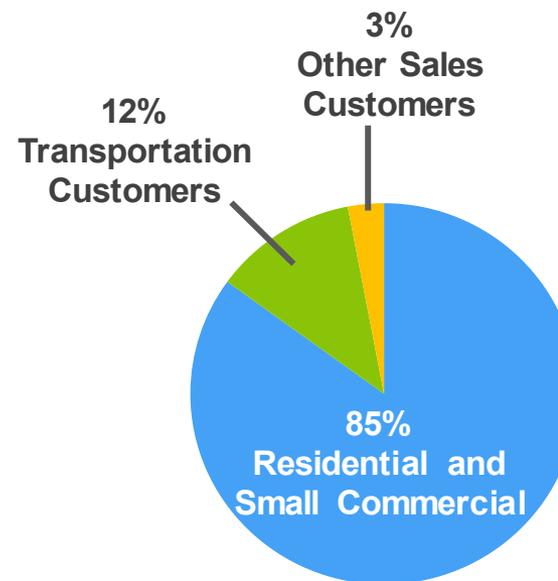
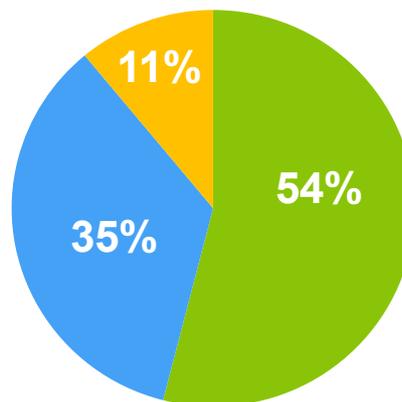
By State

Customers



- Arizona
- Nevada
- California

Margin



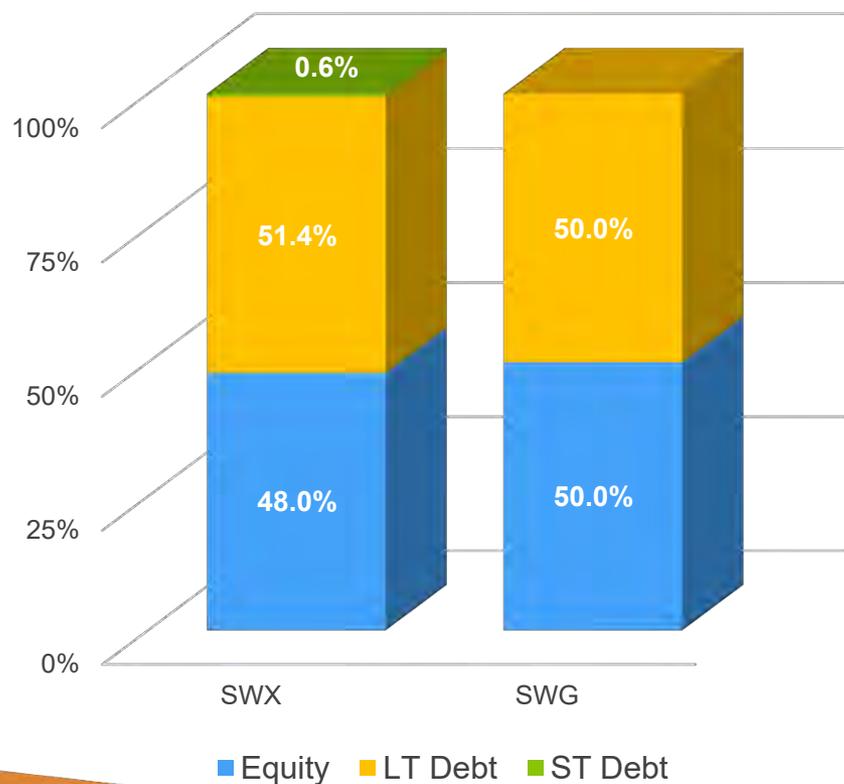
Consistent trends year over year

Strong Financial Condition Capital and Liquidity Profile

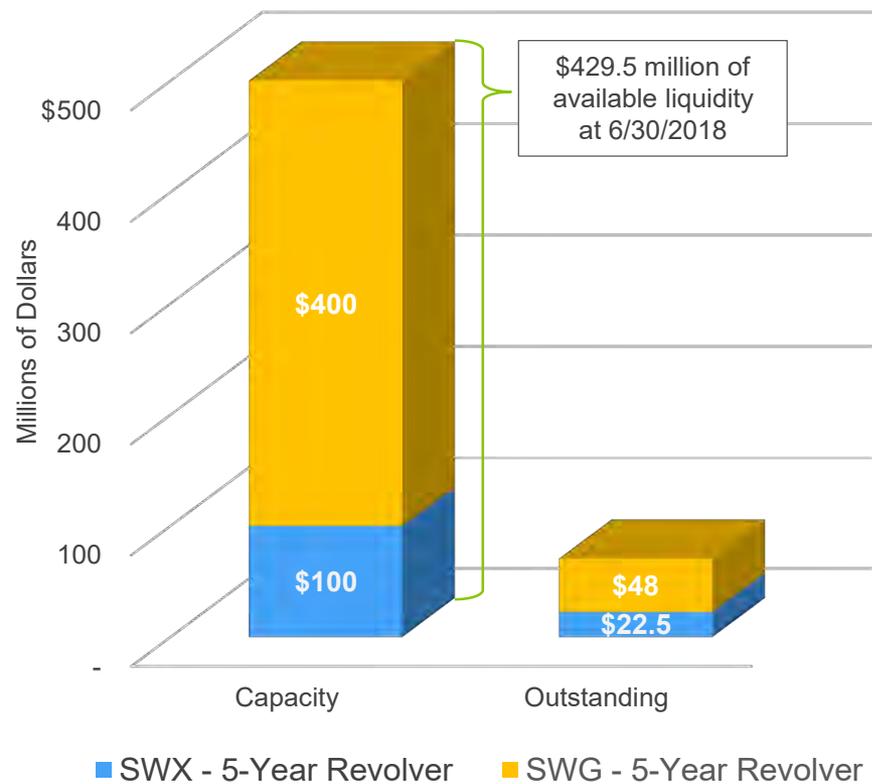


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Total Capitalization at
June 30, 2018



Liquidity Profile as of
June 30, 2018



Capital Expenditures

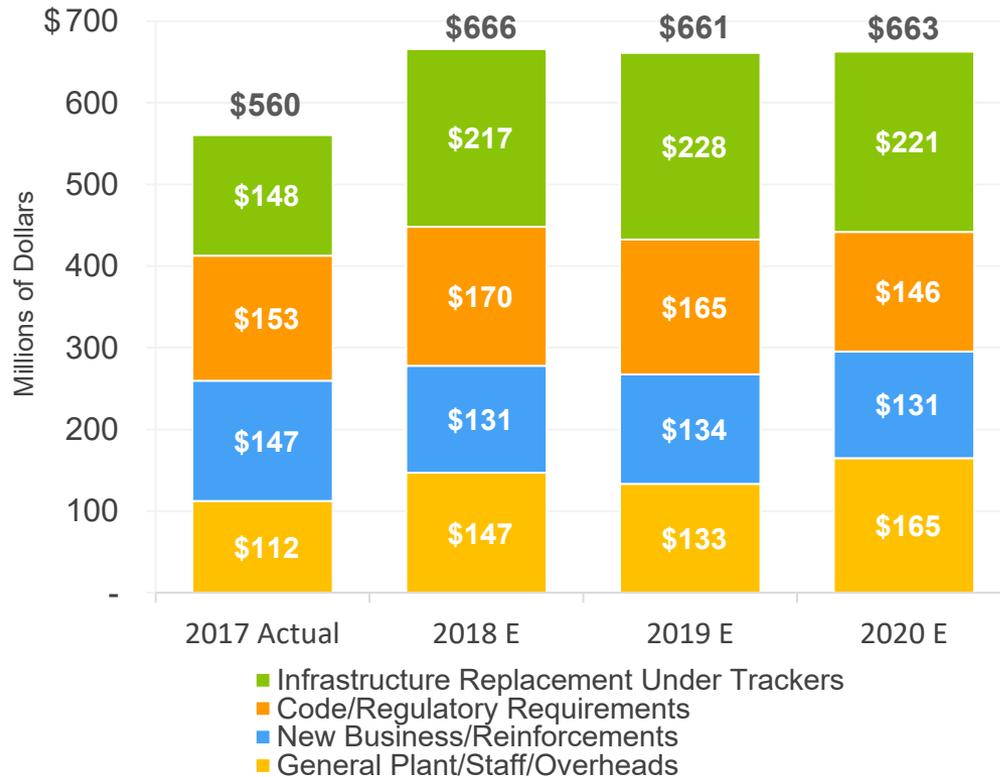
Natural Gas Operations

(In millions)



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LONG-TERM FINANCING ACTIVITY



2018-2020 estimate of \$2 billion

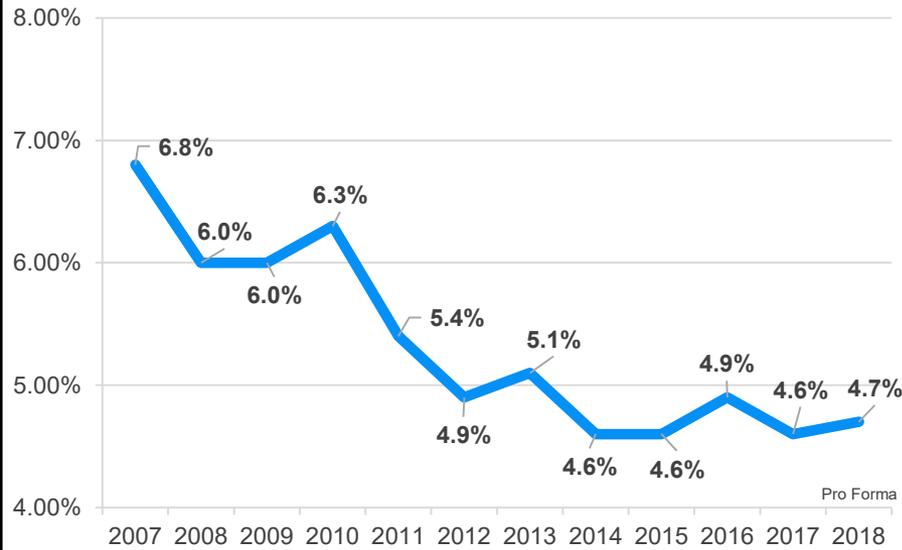
- Expect to fund 50-60% through internal cash flow
- March 2018 issued \$300 million, 3.7% senior unsecured notes due April 2028
- Anticipate funding remaining needs through a balance of debt and equity
- ATM program initiated at \$150 million, \$106.5 million utilized through June 2018 and \$43.5 million available

Improved Embedded Cost of Long-Term Debt

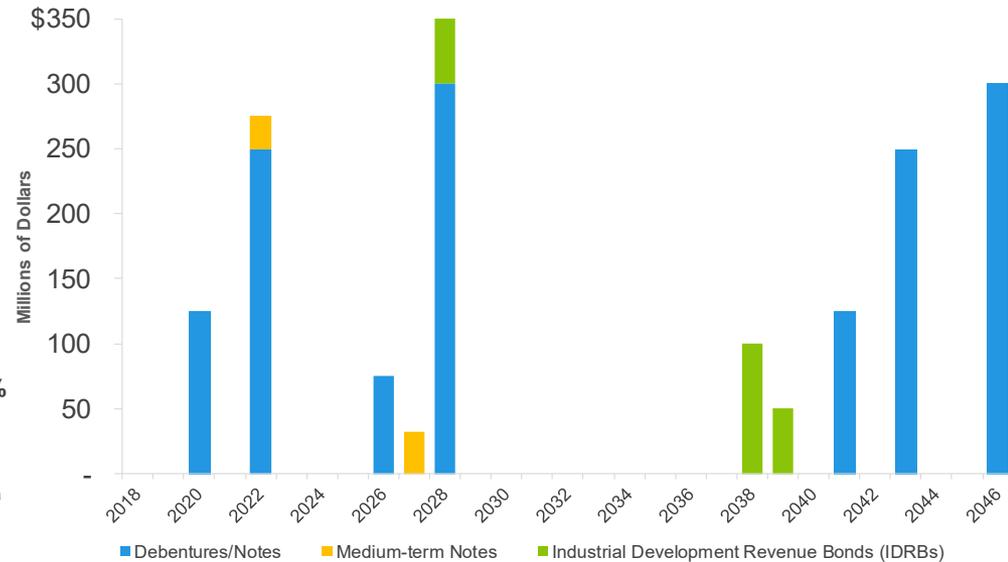
Natural Gas Operations



Embedded Cost of Long-Term Debt



Long-Term Debt Maturity Schedule¹



¹Does not include the long-term portion of the \$400 million Revolving Credit Facility, due March 2022, or debt outstanding of Centuri Construction Group subsidiary.

Credit Ratings



Investment Grade Ratings

Southwest Gas Holdings, Inc.

	Moody's	S&P	Fitch
Issuer Rating	Baa1	BBB+	BBB+
Outlook	Stable	Stable	Stable

Southwest Gas Corporation

	Moody's	S&P	Fitch
Senior Unsecured	A3	BBB+	A
Outlook	Stable	Stable	Stable

2018 Financial Influences



Natural Gas Operations

- Customer growth estimated at 1.6%
- Growing capital expenditure levels will be matched by appropriate financing activity
- Remaining Arizona rate relief recognized in the first quarter of 2018
- Pension expense to increase \$8 million due to low interest rates at December 31, 2017
- Nevada general rate case filed in May 2018 with new rates to become effective January 2019

Infrastructure Services

- Neuco full year results expected to drive revenue growth
- Lower tax rates are beneficial overall, but increased magnitude of seasonal first quarter loss

2018 expectations can be useful in estimating a range for net income. However, income statement line item variances may occur when compared to actual results due to potential regulatory requirements arising from tax reform.

2018 Estimated Line-Items

Guidance*

Natural Gas Operations



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Description	2017 (in millions)	2018E
Operating Margin	\$947	~ 2% increase (less approximately \$20 million impact due to tax reform)
O&M Expense	391 ^[1]	2% - 3% increase and \$8 million in increased pension expense
Depreciation & General Taxes	260	Flat – result of rate reduction from Arizona rate case (April 2017)
Operating Income	296	Flat to modestly up (less approximately \$20 million tax reform impact)
Net Interest Deductions	70	Increase \$9-\$11 million
Other Income (Loss)	(6) ^[1]	COLI – normal returns of \$3-\$5 million
Income Taxes	63	23% - 24% rate
Net Income	\$157	
Capital Expenditures	\$560	\$670 million (\$2 billion for years 2018-2020)

^[1] Reflects reclassification of non-service pension costs

2018 Estimated Line-Items Guidance*

Infrastructure Services



Description	2017 (in millions)	2018E
Revenues	\$1,246	~ 8% - 12% greater
Operating Income	48	~ 5% - 5.5% of revenues
Net Interest Deductions	8	Expected between \$12-\$13 million
Foreign Exchange		Changes in foreign exchange rates could influence outcomes
Income Taxes	2	27% - 28% rate
Net Income	\$38	

Comparative Total Returns



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Total Returns for Periods Ended June 30, 2018

	1-Year	3-Year	5-Year	10-Year
Southwest Gas Holdings	7.22%	15.74%	13.20%	13.08%
S&P 400 MidCap Gas Index	8.79%	16.17%	13.76%	8.74%
S&P Composite Utilities Index	4.37%	12.51%	10.92%	7.50%
S&P 500 Index	14.41%	11.92%	13.40%	10.16%

Total Return = Price appreciation plus gross dividends reinvested

Operations

Natural Gas Operations



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Continuous
operational
improvement

Safety culture

Enhanced customer
experience

Engaged with
industry and pipeline
safety regulators

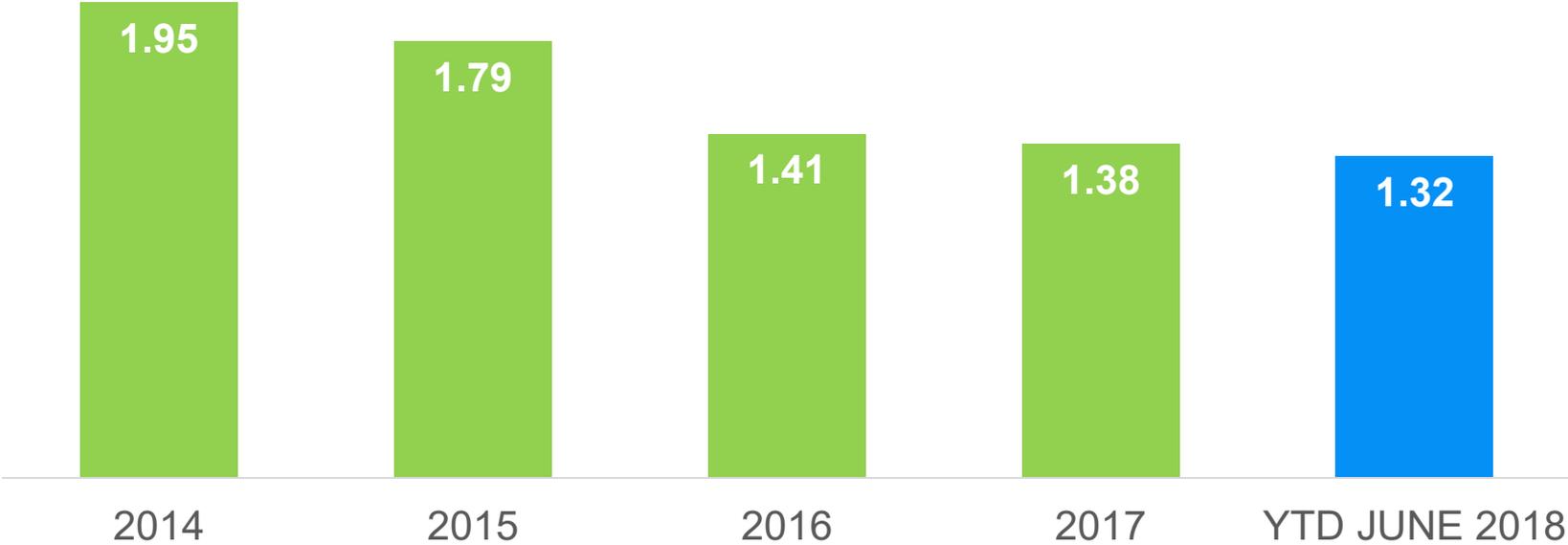
Efficient and cost
effective investments

Public Safety – Damage Prevention

Natural Gas Operations



Damages Per 1,000 Tickets



Public Safety – Damage Prevention

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- Company contractor executive engagement
- Field damage prevention administrators



Public Safety - Outreach

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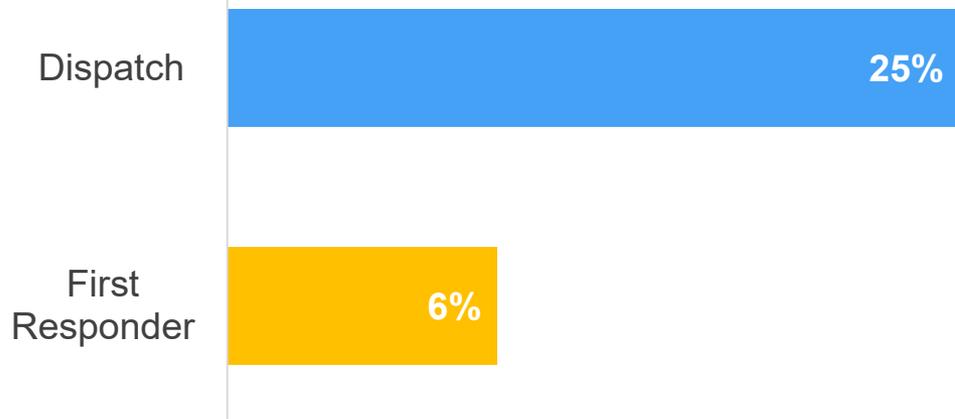


Public Safety – Emergency Response

Natural Gas Operations



June 2015 – June 2018
Improvement in Response Time



Public Safety – Emergency Response

Natural Gas Operations



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- Technology
- Data Analytics
- Scenario-Based Training



Safety Culture

Natural Gas Operations



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- Tone at the Top
- Sharing lessons learned
- Impromptu field visits

Employee Quote

“We work safe because we are a close group. We know we have each other’s backs. We know each other’s families and want to make sure each of us get back to them each day.”



Pipeline Safety Management System

Natural Gas Operations



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- Pipeline Safety Management System (American Petroleum Institute RP 1173)
- In-depth Gap Analysis and Enhancement Plan
- Proactive Relationship with Regulators

how can we do it
BETTER?



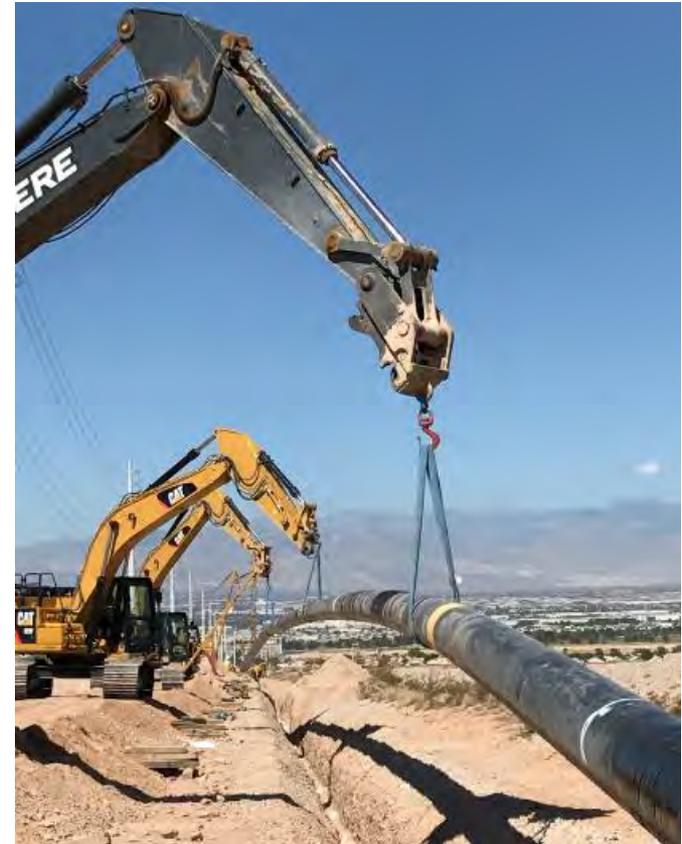
Operational Excellence

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- American Gas Association (AGA) peer review program
- AGA best practices committee
- Western Energy Institute
- Contractor Engagement



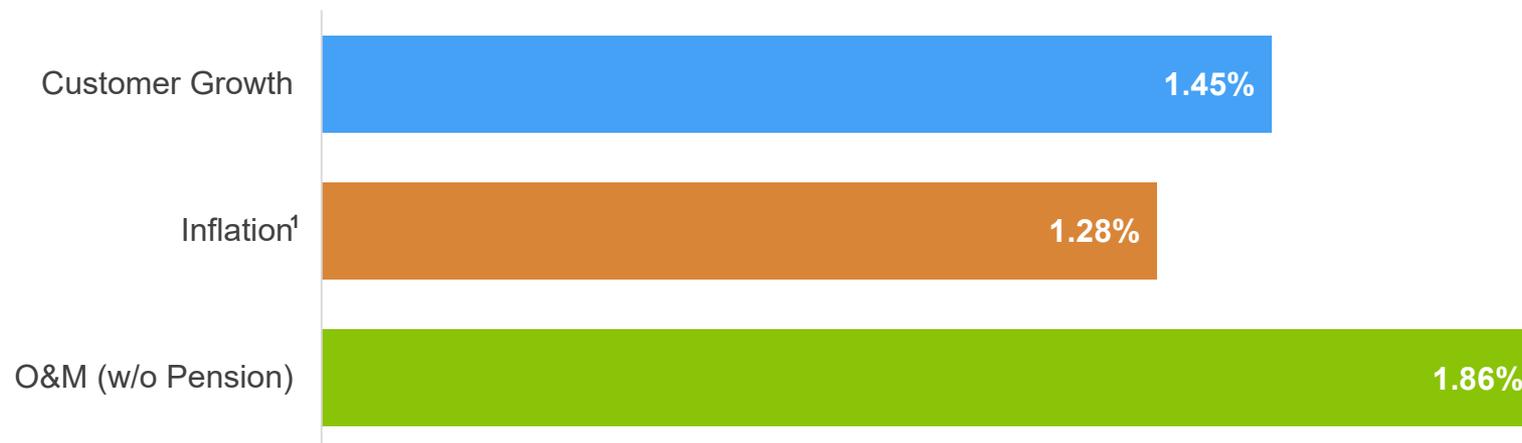
Operational Efficiency

Natural Gas Operations

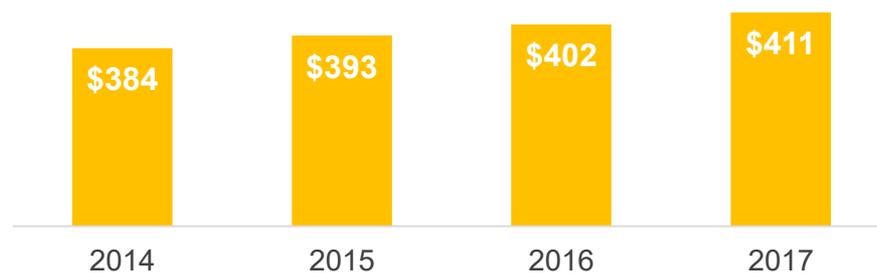


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2014 – 2017 Compound Annual Growth Rate



Total O&M Expenditures (in millions)



¹Source: <https://www.minneapolisfed.org/community/financial-and-economic-education/cpi-calculator-information/consumer-price-index-and-inflation-rates-1913>

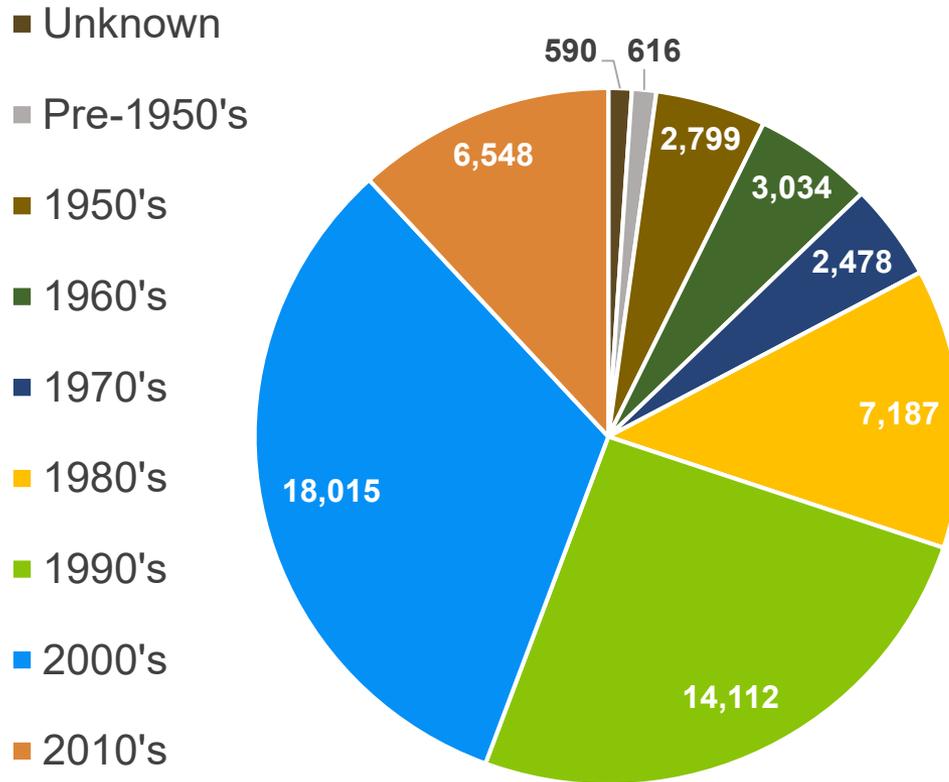
System Description

Natural Gas Operations



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Miles of Pipe by Decade of Installation



- 70% installed post-1990
- No cast iron
- No unprotected bare steel
- Vintage plastic pipe replacement
- Vintage steel pipe replacement in AZ and NV

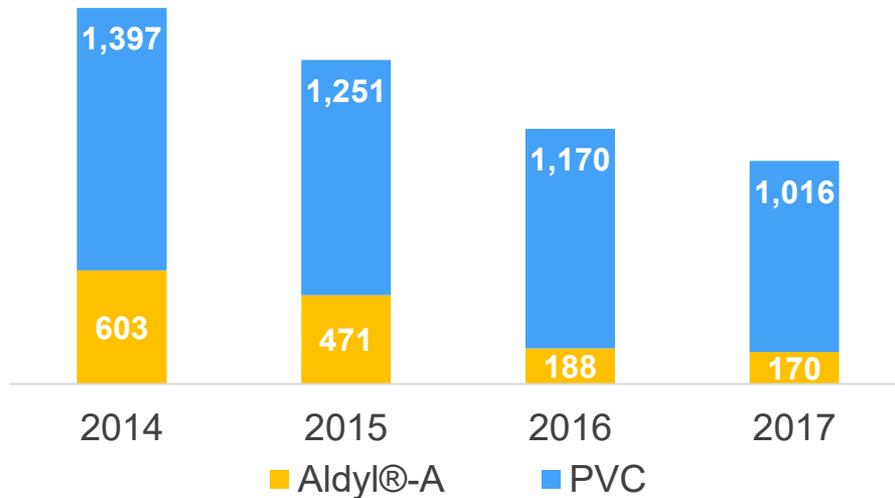
55,000 total miles of distribution main & service

Vintage Plastic and Steel Inventory

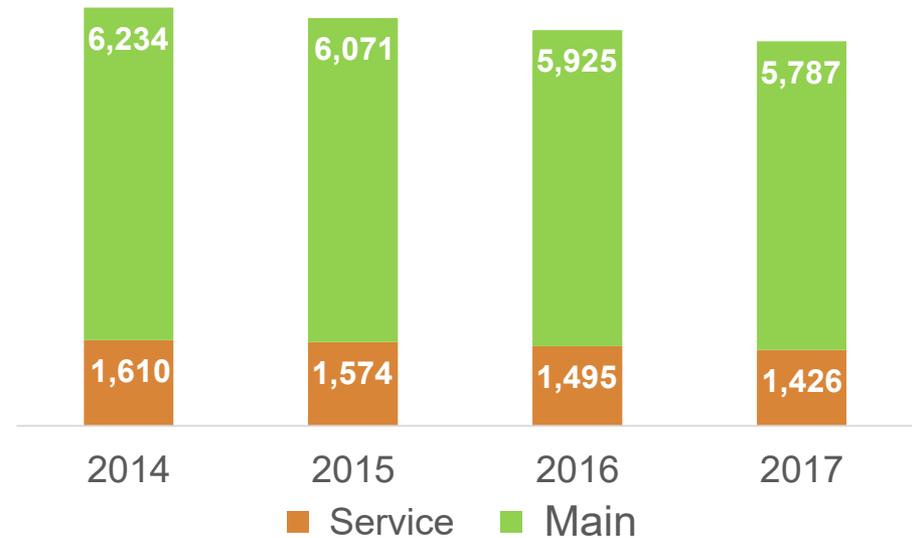
Natural Gas Operations



Vintage Plastic Main and Service (Miles)



Pre-1970 Steel Main and Service (Miles)



Technology Enhancements

Natural Gas Operations



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- Field Material Verification
- Robotic In-line Inspection
- Automated Pressure Testing



Key Construction Projects

Natural Gas Operations

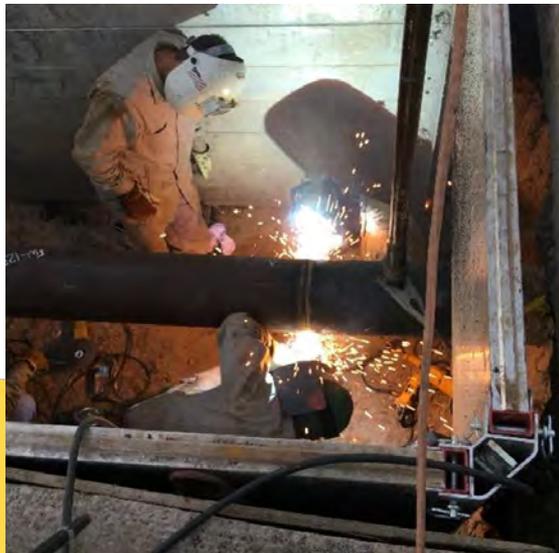


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Southern Arizona LNG Plant



Steel Replacement



2018 Paiute Pipeline Expansion



Mesquite Expansion

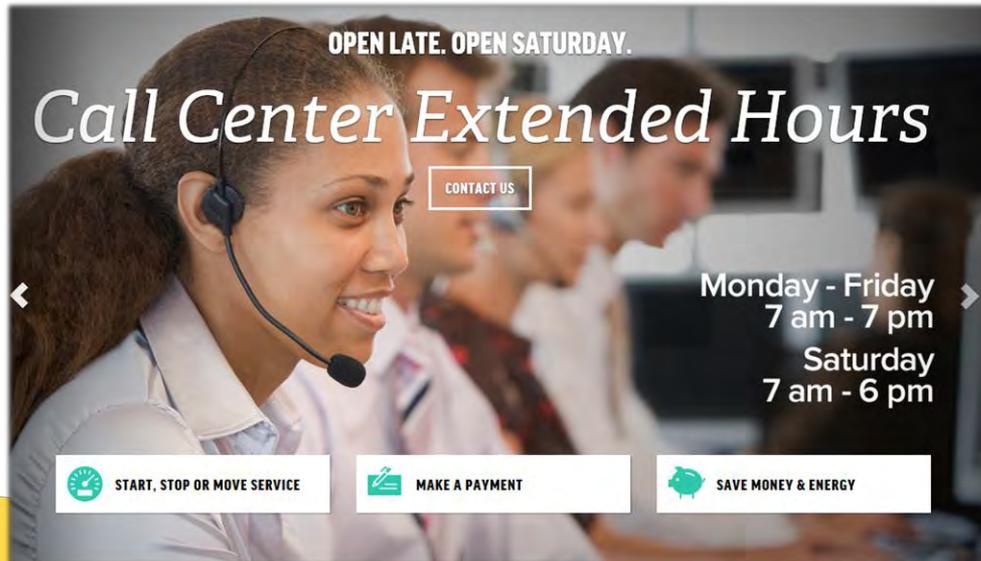


Enhancing the Customer Experience

Natural Gas Operations



- Customer Experience Committee
- Customer operations enhancements
- Technology enhancements on the horizon



 **Improved Call Answer Speed**

 **Increased Customer Appointments**

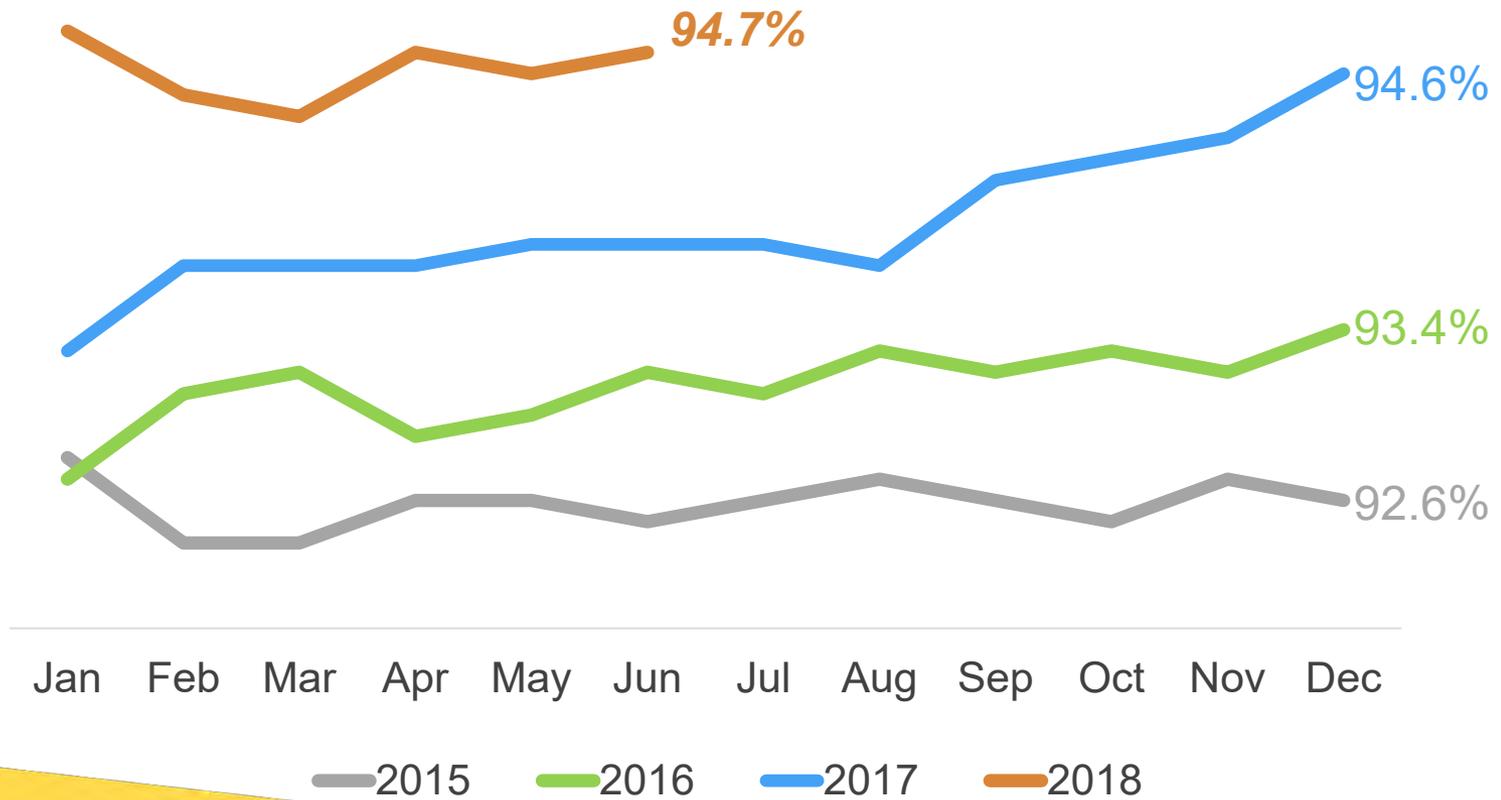
Customer Satisfaction

Natural Gas Operations



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Customer Satisfaction



Regulatory Collaboration

Natural Gas Operations



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Collaborative
regulatory approach

Timely cost
recovery

Commission
approved expansion
projects

Pending Nevada
general rate filing

Tax reform
proceedings update

Constructive
regulatory
mechanisms

Regulatory Collaboration

Natural Gas Operations



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Regulatory Collaboration Has Enabled:

- Decoupling of rates
- Replacement of aging pipeline (infrastructure mechanisms)
- Pre-approval of expansion projects
- Enhanced programs and training to ensure compliance with evolving industry rules and regulations

Outcome:

- Improved safety and reliability for customers
- More predictable earnings and cash flows
- Reduced regulatory lag
- Long-term sustainable growth opportunities
- Alignment of all stakeholders needs (customers, employees, shareholders)

Authorized Rate Base and Rates of Return

Natural Gas Operations



Rate Jurisdiction	Authorized Rate Base (In thousands)	% of Total Rate Base	Authorized Rate of Return	Authorized Return on Common Equity (ROE)	Decoupled	Authorized Common Equity Ratio
Arizona	\$ 1,324,902	51 %	7.42 %	9.50 %	✓	51.70 %
Southern Nevada	825,190	32	6.55	10.00	✓	42.74
Northern Nevada	115,933	4	7.88	9.30	✓	59.06
Southern California	159,277	6	6.83	10.10	✓	55.00
Northern California	67,620	3	8.18	10.10	✓	55.00
South Lake Tahoe	25,389	1	8.18	10.10	✓	55.00
Paiute Pipeline Company ¹	87,158	3	8.46	11.00	✓	51.75
Total	\$ 2,605,469	100 %		9.76 %		
Weighted average authorized ROE				9.76 %		

¹Estimated amounts based on rate case settlement.

ACC – Arizona Corporation Commission
PUCN - Public Utilities Commission of Nevada
CPUC - California Public Utilities Commission
FERC - Federal Energy Regulatory Commission

Regulatory Commissions

Commissioner Update

Natural Gas Operations



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Arizona Commissioners	Party Affiliation	Term Ends
Tom Forese (Chair)	R	Jan. 2019
Robert L. Burns	R	Jan. 2021
Andy Tobin	R	Jan. 2021
Boyd Dunn	R	Jan. 2021
Justin Olson	R	Jan. 2019

California Commissioners	Party Affiliation	Term Ends
Michael Picker (President)	D	Jan. 2021
Carla Peterman	D	Jan. 2019
Liane Randolph	D	Jan. 2021
Clifford Rechtschaffen	D	Jan. 2023
Martha Guzman Aceves	D	Jan. 2023

Nevada Commissioners	Party Affiliation	Term Ends
Ann Wilkinson (Chair)	R	Sept. 2020
Ann Pongracz	D	Sept. 2019
Bruce Breslow	R	Sept. 2021

FERC Commissioners	Party Affiliation	Term Ends
Kevin McIntyre (Chair)	R	June 2023
Cheryl LaFleur	D	June 2019
Neil Chatterjee	R	June 2021
Richard Glick	D	June 2022
Vacant	-	-

Regulation – Regulatory Proceedings



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Nevada General Rate Case

Natural Gas Operations

Base Rates

- Rate Relief – \$29.7 million (reflects new tax rate)
- Rate Base – ↑\$311 million (\$1.25 billion)
- ROE – 10.3%
- Common Equity – 49.7%
- Depreciation Study – ↑\$3.8 million

Regulatory Mechanisms

- Continue decoupled rate design (GRA)
- Reset capex tracker program and rate (GIR)
- Pension tracker proposal

Key Milestones

- Application filed – May 2018
 - Original request of \$32.5M (certification period July 31, 2018)
- Certification filed – August 2018
 - Updated request of \$29.7M (certification period July 31, 2018)
- Intervenor testimony – September 21, 2018 – October 5, 2018
- Hearings – October 22, 2018
- Effective date for new rates – Expected January 2019

Regulation – Regulatory Proceedings

Natural Gas Operations



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Next California General Rate Case

- CPUC approved Southwest's request to extend rate case cycle
- Expected to file next rate case by September 2019
- Continuation of post test year annual attrition increases of 2.75% through 2020
 - Incremental revenue of \$2.7 million effective January 2018

Next Arizona General Rate Case

Last Proceeding:

- New rates effective April 1, 2017
- Impact to operating income:
 - 2017 - \$45 million
 - 2018 - \$16 million
- Currently targeting May 2019 for next general rate case filing, consistent with agreed to moratorium

Regulation – Tax Reform Proceedings



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Natural Gas Operations

Arizona

- The ACC issued an order directing all utilities to apply regulatory accounting treatment to track all impacts resulting from tax reform and to file plans for how to address ratemaking impacts. Southwest made a filing April 2 proposing two different methodologies to flow benefits from tax reform back to customers, including a refund of approximately \$12M. On July 19, 2018, the ACC approved a Staff recommended Opinion and Order for an annual refund of \$20M.

Nevada

- The PUCN opened a docket in April 2018 directing utilities to file written comments on how the utility plans to address potential tax reform changes. Southwest proposed to incorporate the effects of tax reform as part of its May general rate case filing. The PUCN recently issued an order confirming that the pending rate case is the proper venue to address the effects of tax reform and that no further action is necessary.

California

- The CPUC has not opened a docket or initiated any formal proceedings to address tax reform. As part of the CPUC approved agreement to extend our rate case cycle, Southwest was directed to establish a memorandum account to track changes resulting from changes in tax law, procedure or policy for attrition years 2019 and 2020.

Paiute Pipeline Company

- The FERC recently approved its proposed rulemaking directing pipelines to make a filing on the rate effect of the new tax law and to explain how the pipeline plans to adjust rates to reflect the change in the tax law or provide an explanation why a change in rates is not necessary. Paiute anticipates making a filing with FERC before year end.

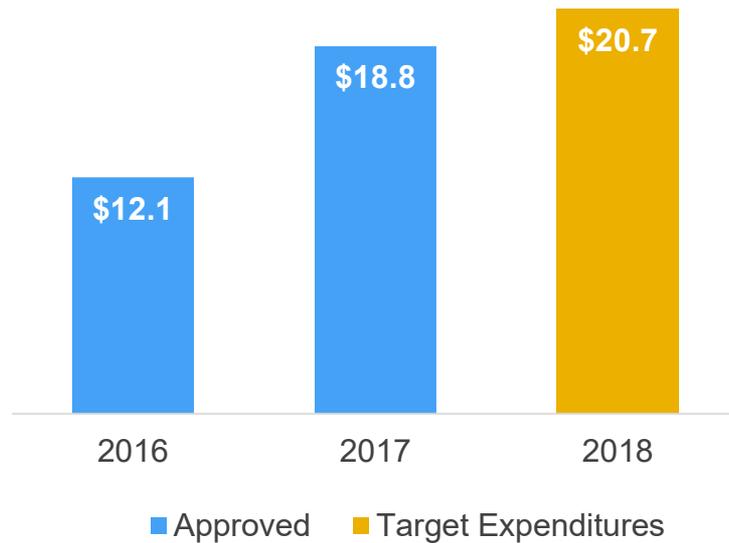
ACC – Arizona Corporation Commission
PUCN - Public Utilities Commission of Nevada
CPUC - California Public Utilities Commission
FERC - Federal Energy Regulatory Commission

Regulation – Infrastructure Replacement Programs

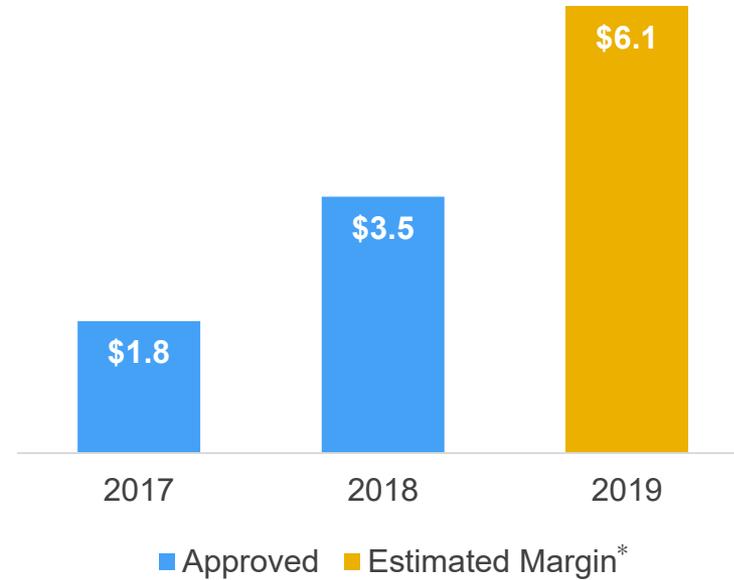


Natural Gas Operations
(In millions)

Arizona COYL
Capital Investment



Arizona COYL
Surcharge Revenue



*Estimated margin is based upon estimated capital investment of \$20.7M

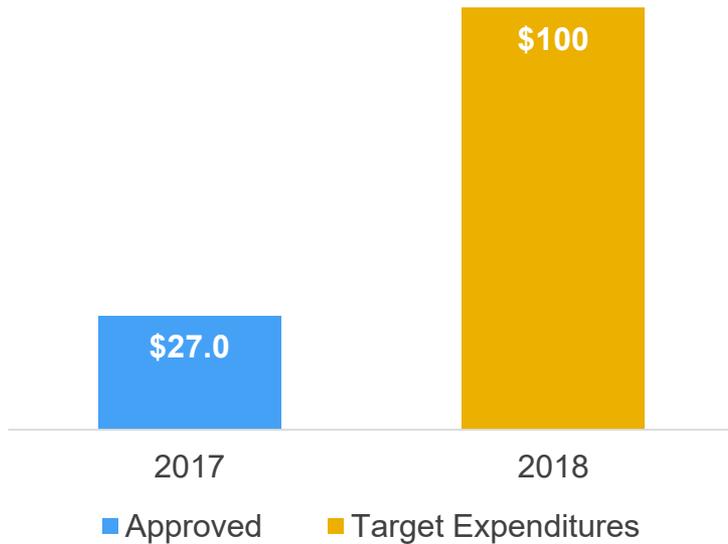
Since inception of the COYL program in 2012 through December 31, 2017, the Company has replaced 16,362 COYLs at a cost of \$54 million.

Regulation – Infrastructure Replacement Programs

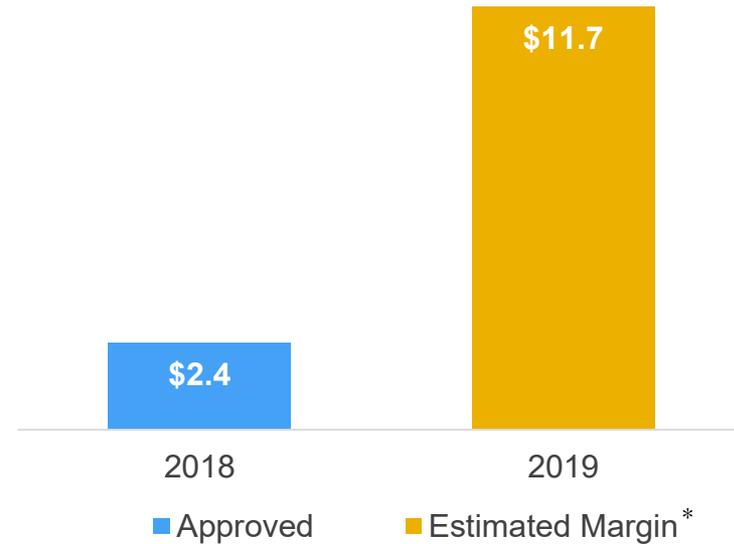


Natural Gas Operations
(In millions)

Arizona VSP
Capital Investment



Arizona VSP
Surcharge Revenue



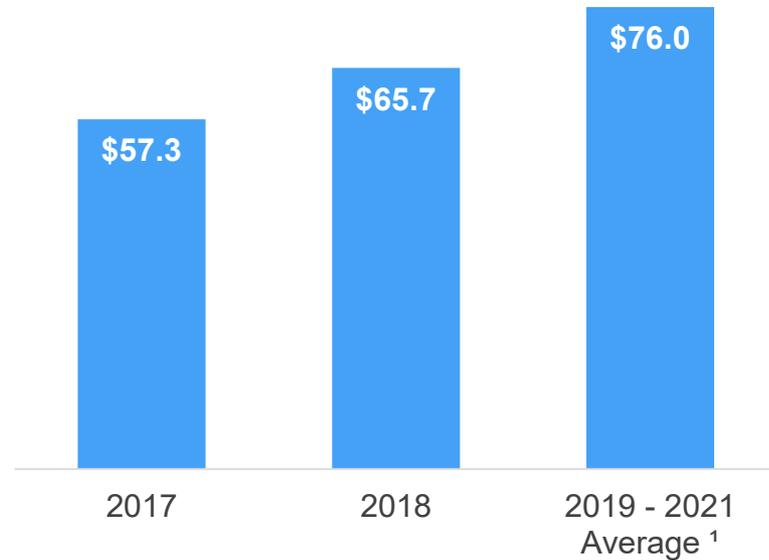
*Estimated margin is based upon estimated capital investment of \$100M

Regulation – Infrastructure Replacement Programs



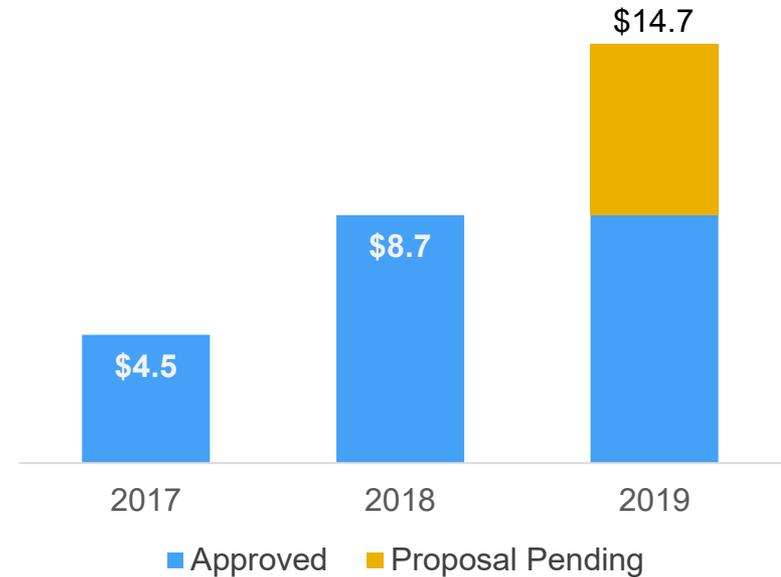
Natural Gas Operations
(In millions)

Nevada GIR Program
Capital Investment



¹ Proposal to spend \$228 million over the period 2019–2021.

Nevada GIR Program
Surcharge Revenue



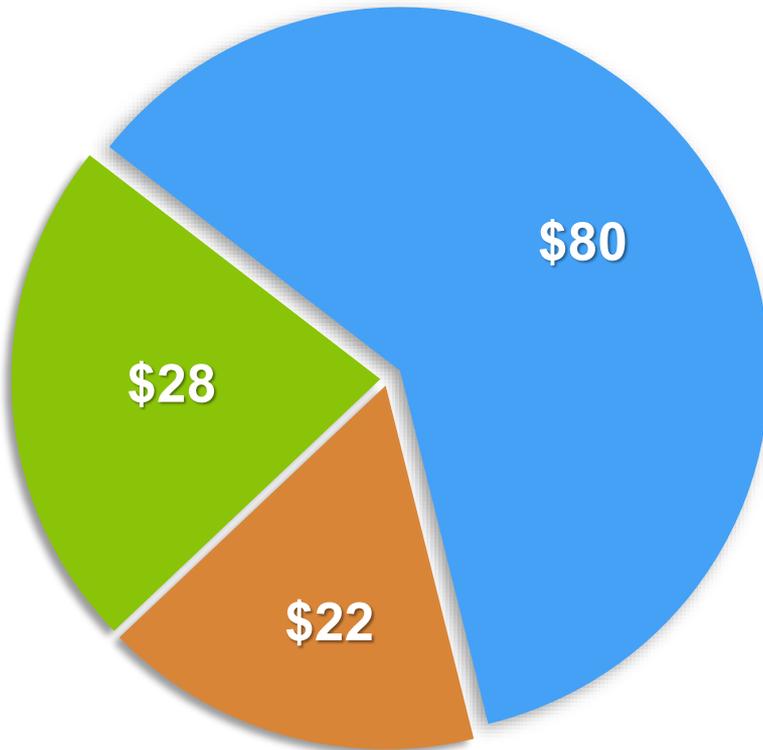
Regulation – Expansion Projects

Natural Gas Operations



SOUTHWEST GAS

Millions of Dollars



ARIZONA LNG FACILITY

- Approved \$80 million, 233,000 dekatherm LNG facility
- Construction is over 65% complete
- Approximately \$45 million spent through June 2018
- Construction expected to be completed by end of 2019

SOUTHERN NEVADA EXPANSION

- PUCN approved \$28 million expansion project in May 2018 to extend facilities to Mesquite, NV (SB 151 project)
- Anticipate providing service to certain customers as early as the first half of 2019

PAIUTE PIPELINE COMPANY EXPANSION

- Construction of \$22 million project began in July 2018
- FERC Order authorizing Paiute to construct its 2018 Expansion Project was issued May 2018
- The new facility is expected to be in place by the end of 2018

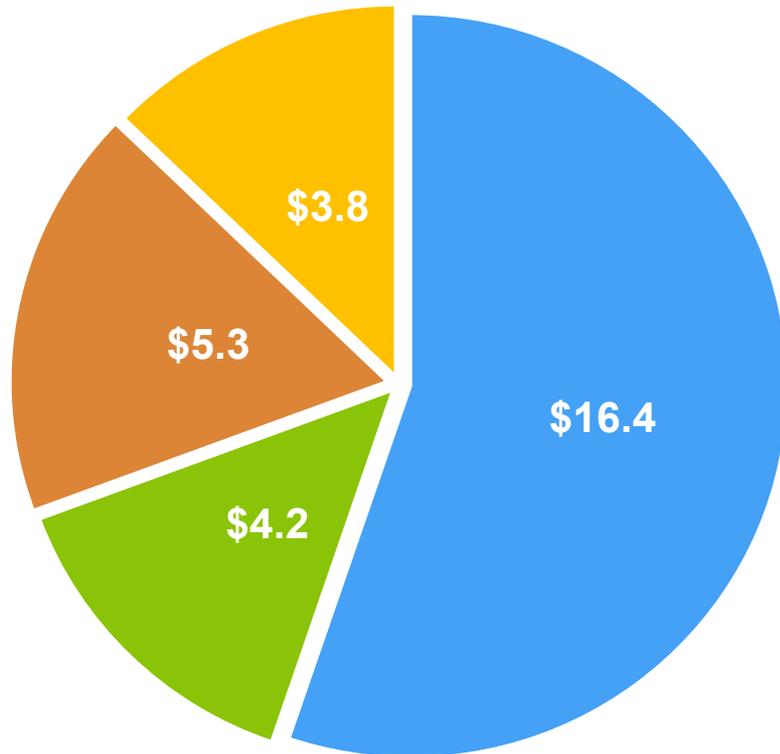
Rate Case Drivers

Natural Gas Operations



SOUTHWEST GAS

Nevada General Rate Case
(proposed rate relief of \$29.7M)



■ GIR ■ ROE ■ Cost of Service ■ Depreciation

HISTORICAL DRIVERS

- Margin recovery - volumetric rate design
- Timely recovery of capital costs
- Capital structure and Capital market conditions
- Operation and maintenance costs

CURRENT DRIVERS

- Operation and maintenance costs
- Capital market conditions
- Reset tracker programs

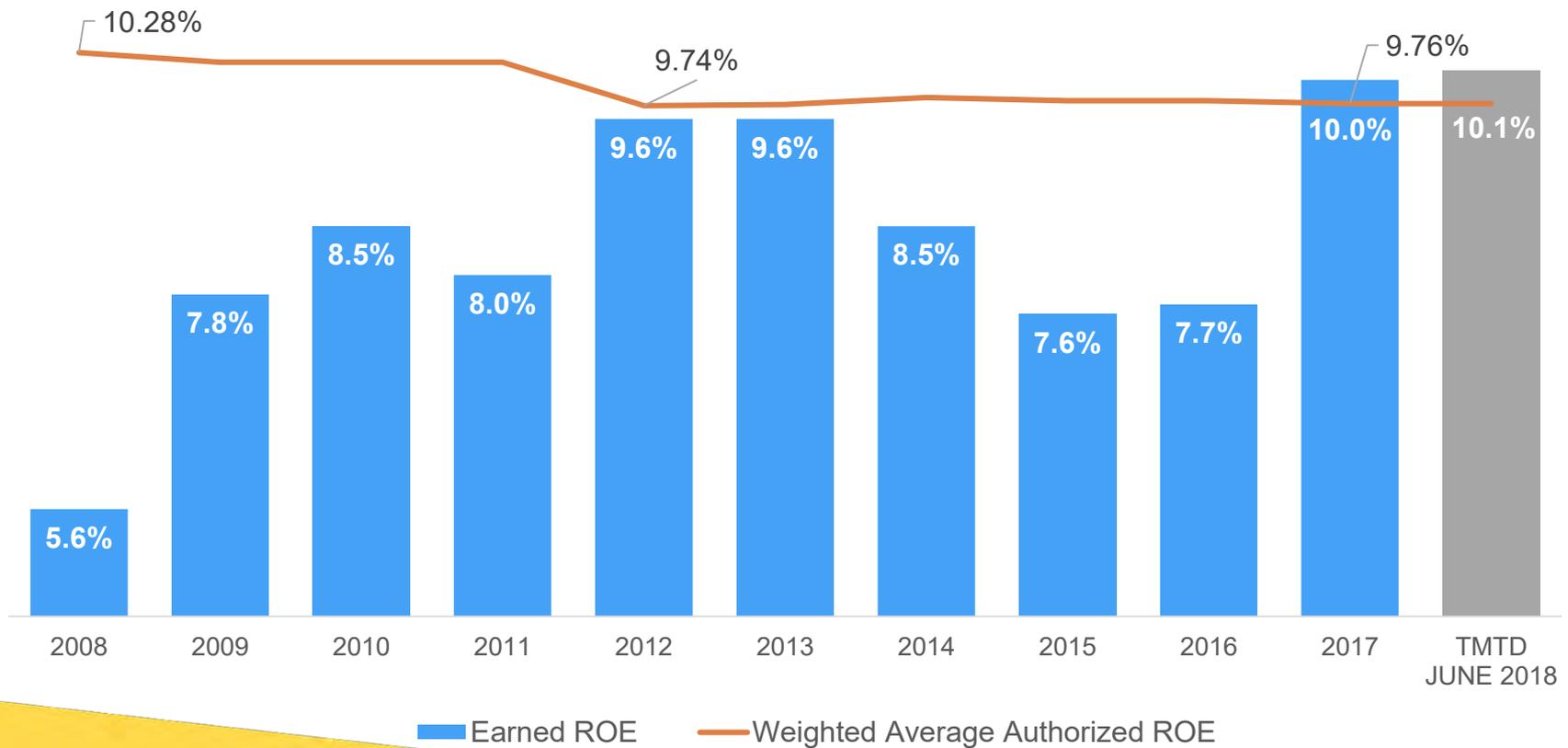
Rate Case Drivers

Natural Gas Operations



SOUTHWEST GAS

Difference Between Utility Authorized and Earned Return on Common Equity



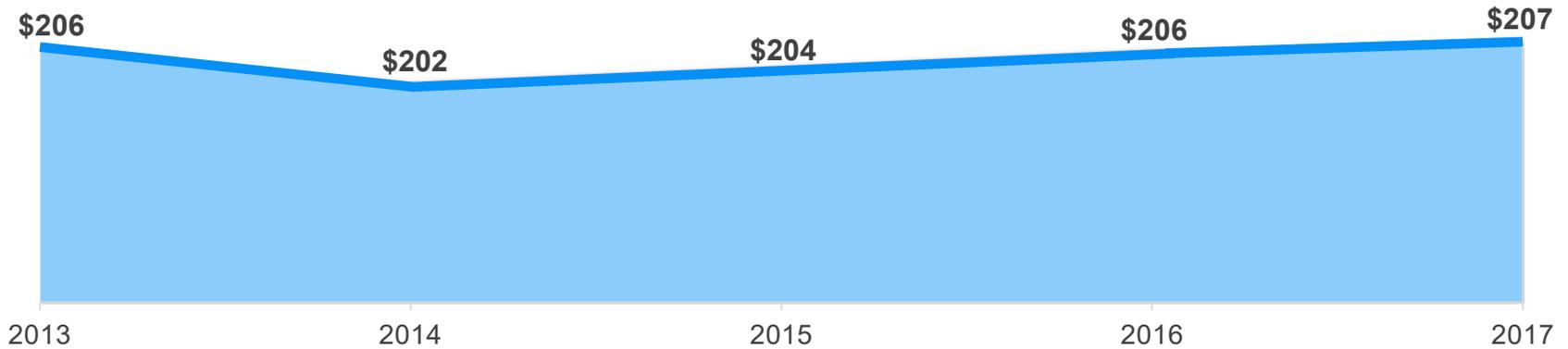
Rate Case Drivers

Natural Gas Operations



SOUTHWEST GAS

Operation and Maintenance Costs Per Customer



Regulation – Strategic Focus

Natural Gas Operations



SOUTHWEST GAS

Strategic Focus	Initiatives			
<p>Revenue Stability</p> <p>Full Revenue Decoupling Non-Volumetric Rate Designs</p>	<p><u>Arizona</u></p> <p>Delivery Charge Adjustment Mechanism</p>	<p><u>California</u></p> <p>Fixed Cost Adjustment Mechanism</p>	<p><u>Nevada</u></p> <p>General Revenues Adjustment Mechanism</p>	<p><u>Paiute</u></p> <p>SFV/Demand Charges</p>
<p>Mitigate Regulatory Lag</p> <p>Cost Recovery Mechanisms Cost Recovery Trackers Timely Rate Case Filings</p>	<p><u>Arizona</u></p> <ul style="list-style-type: none"> ▪ PGA Mechanism ▪ COYL Program ▪ VSP Program ▪ Property Tax Tracker 	<p><u>California</u></p> <ul style="list-style-type: none"> ▪ PGA Mechanism ▪ PBA Tracker (pension tracker) ▪ IRRAM (COYL Program) ▪ Annual Attrition 	<p><u>Nevada</u></p> <ul style="list-style-type: none"> ▪ PGA Mechanism ▪ GIR Program ▪ VIER Mechanism ▪ Pension Tracker Proposal 	
<p>Capital Investment Opportunities</p> <p>Enhanced Safety/Reliability Expansion Opportunities Non-Traditional Uses</p>	<p><u>Enhanced Safety/Reliability</u></p> <ul style="list-style-type: none"> ▪ COYL/VSP/GIR Programs ▪ Pipe Replacement ▪ Master Meter Replacement Programs 	<p><u>Expansion Opportunities</u></p> <ul style="list-style-type: none"> ▪ Paiute 2018 Expansion ▪ SAZ LNG Storage Facility ▪ Nevada Legislation - SB 151 	<p><u>Non-Traditional Opportunities</u></p> <ul style="list-style-type: none"> ▪ CNG/NGV Market Share Opportunities ▪ RNG Opportunities ▪ CSM Replacement 	

Monthly Household Bills

Natural Gas Operations



SOUTHWEST GAS

Natural Gas Bills Lowest Among Residential Utilities



Natural Gas

\$39

Water

\$78

Cable/Satellite TV

\$101

Electric

\$123

Mobile Phone

\$161

- Sources:**
- **Natural Gas \$39** - 2017 Southwest Gas average monthly residential bill
 - **Water \$78** - Circle of Blue (www.circleofblue.org); Price of Water 2017: Four Percent Increase in 30 Large U.S. Cities
 - **Cable/Satellite TV \$101** - USA Today (www.usatoday.com); TV Rate Hikes: Why Cable Bills are Rising Again and What Can You Do
 - **Electric \$123** - U.S. Energy Information Administration (www.eia.gov); Electricity data
 - **Mobile Phone** - Federal Communications Commission (<https://apps.fcc.gov>); March 2017 average cell phone bill for 2 smartphones
 - **Photo** - Richmond American Homes (www.richmondamerican.com); Granite Falls

Long-term Value

Infrastructure Services



Commitment to
safety and
quality

High quality,
long-tenured
customer base

Consistent earnings
growth history

Favorable
long-term market
outlook

Competitive
advantages of scale
and capabilities

Extensive
North American
footprint

Company History

Infrastructure Services



1967



**NPL
Founded**

NPL was founded in Gonvick, Minnesota as Northern Gas Line Constructors. Over fifty years later NPL is still serving its very first customer, now known as Minnesota Energy Resources (MERC).



1987



**Phoenix
Move**

With a focus on national growth, NPL relocates its corporate headquarters to Phoenix, Arizona.



1996



**Southwest
Gas**

NPL becomes a wholly-owned subsidiary of Southwest Gas Corporation, following completion of a \$24 million acquisition.



2012



**Strategic
Alliances**

Strategic Alliances developed to meet the long term needs of key customers.



2014



**Record
Growth**

Revenue reaches \$500 million.



2017



**Neuco
Acquisition**

Centuri expands its geographical reach in the U.S. to include New England with the acquisition of New England Utility Constructors Inc. (Neuco).



Business Units

Infrastructure Services

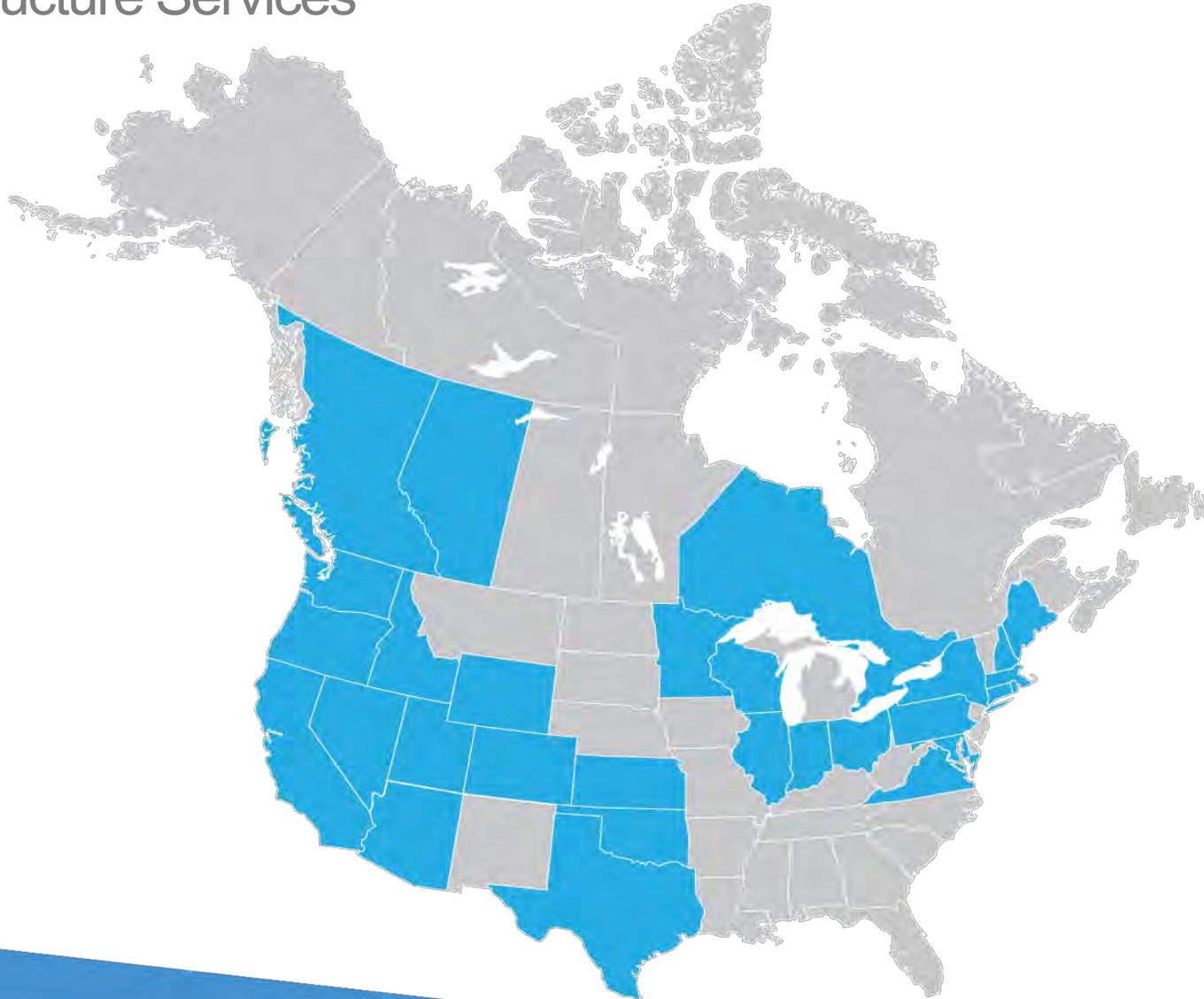


Markets Served

Infrastructure Services



CENTURI
CONSTRUCTION GROUP



Work Type Distribution

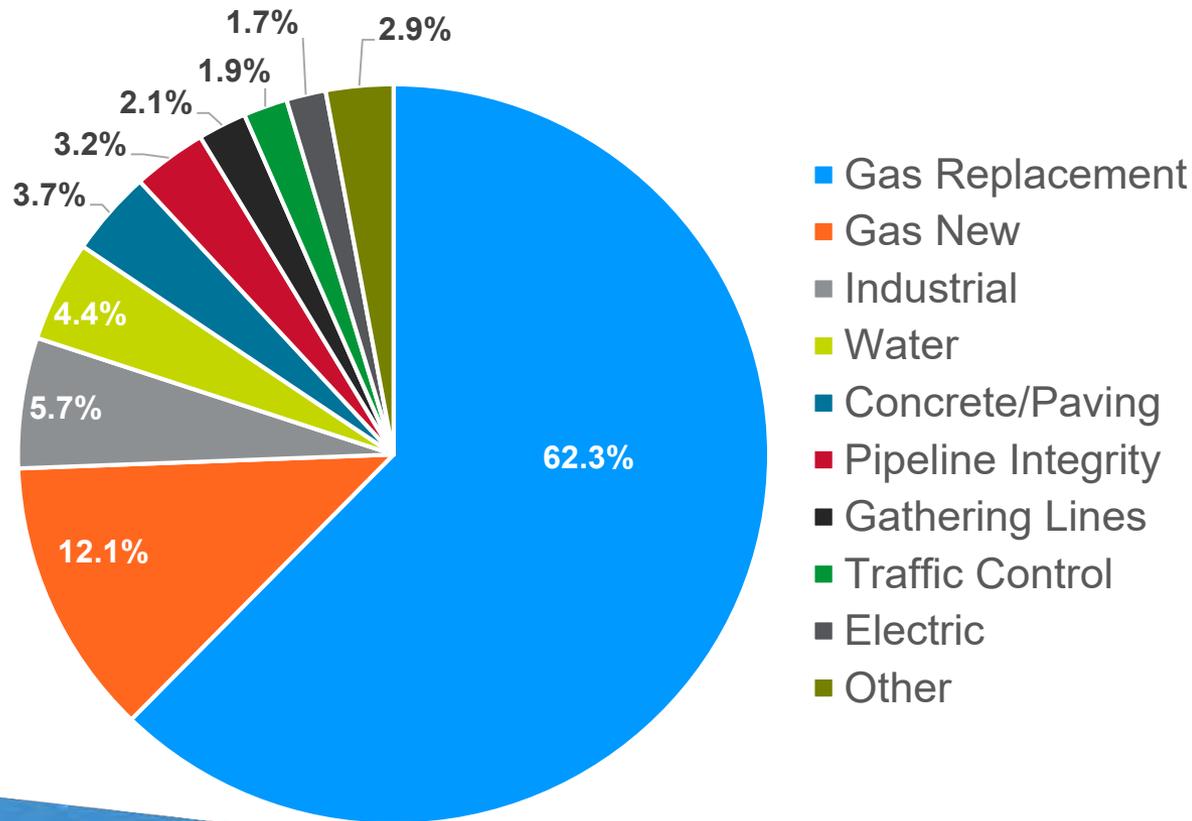
Infrastructure Services



Revenue by Work Type

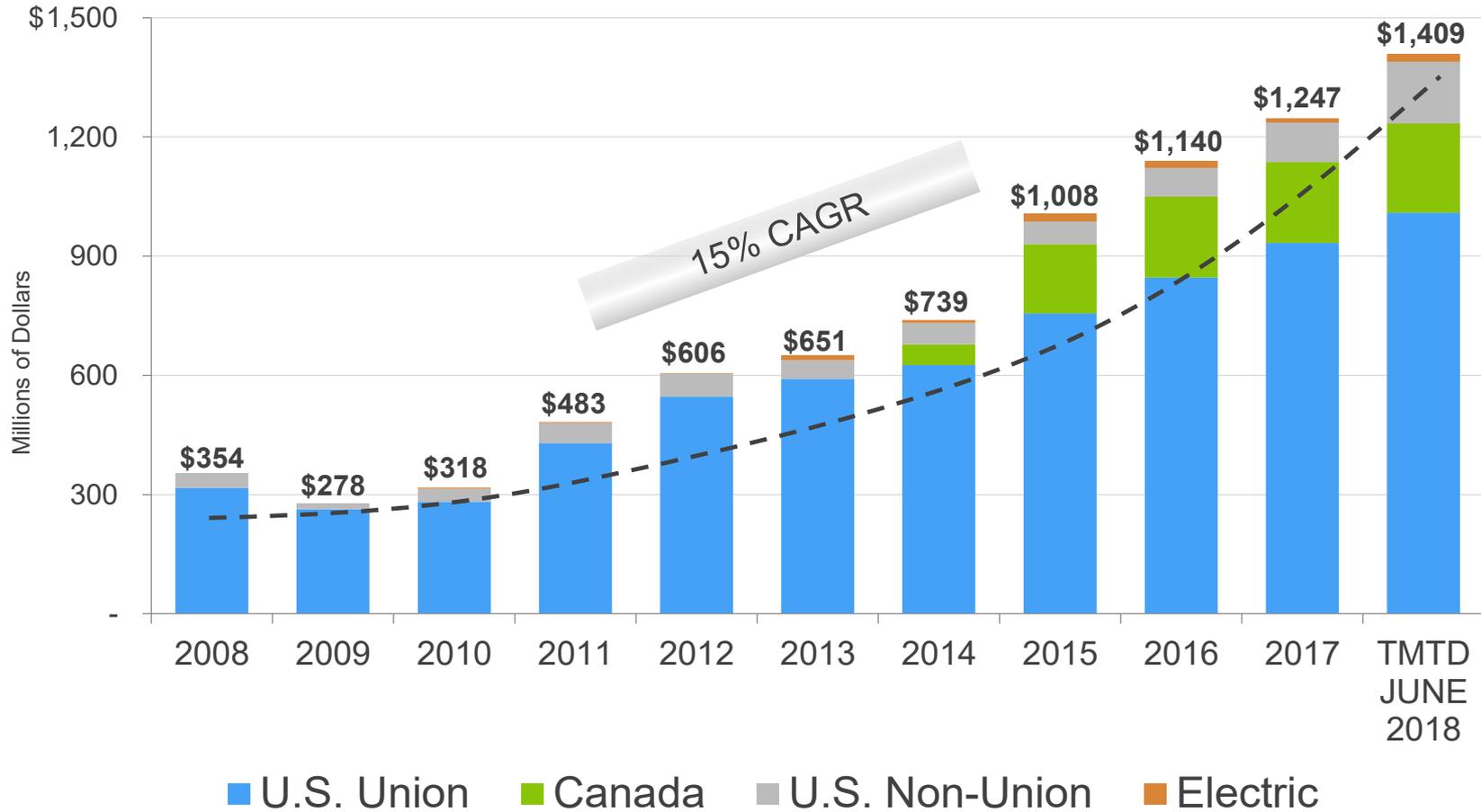
Centuri Total \$1.4 Billion

Twelve months ended June 30, 2018



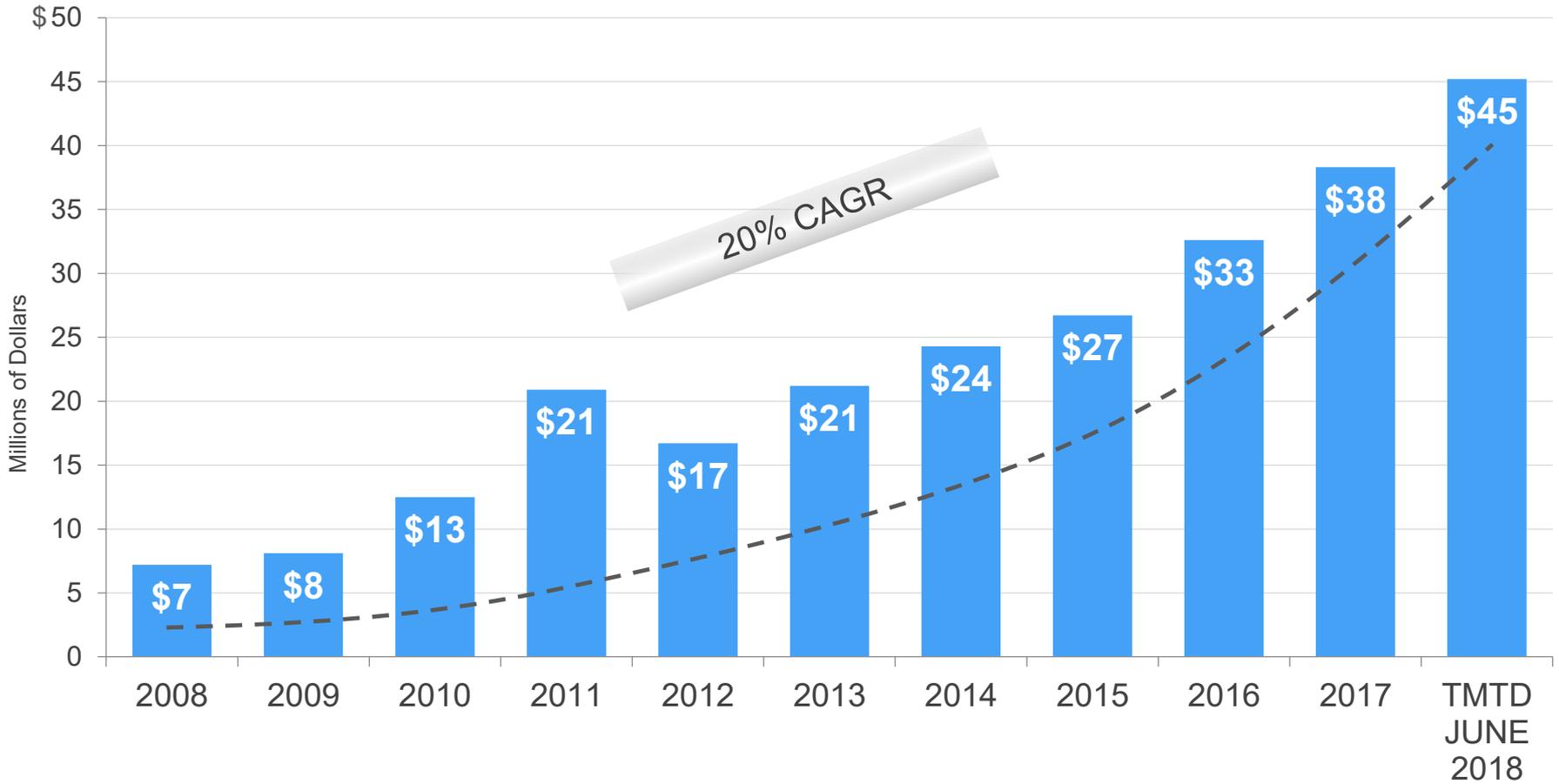
Revenue History

Infrastructure Services



Net Income History

Infrastructure Services



Differentiators to E&C Peers

Infrastructure Services



Customer Profile:

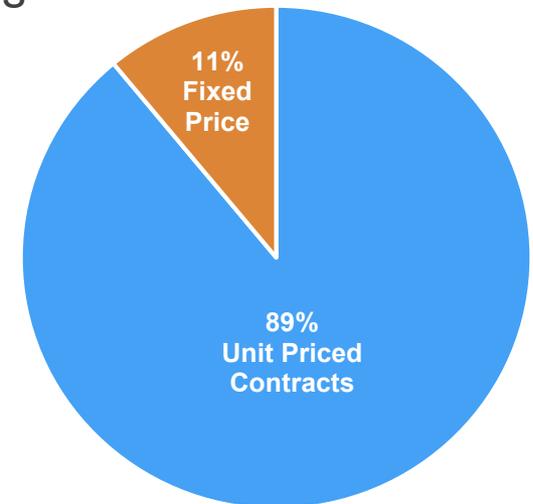
- Primarily credit-rated investor owned utilities and municipalities
- LDCs with long-term, funded replacement programs
- Long tenure (> 20 years) and alliance relationships

Contract Structure:

- Multi-year MSAs with extension options
- Primarily unit price
- Limited fixed-price, lump-sum bids

Project Duration and Scope:

- Limited design or materials procurement risk
- Short-term completion cycles



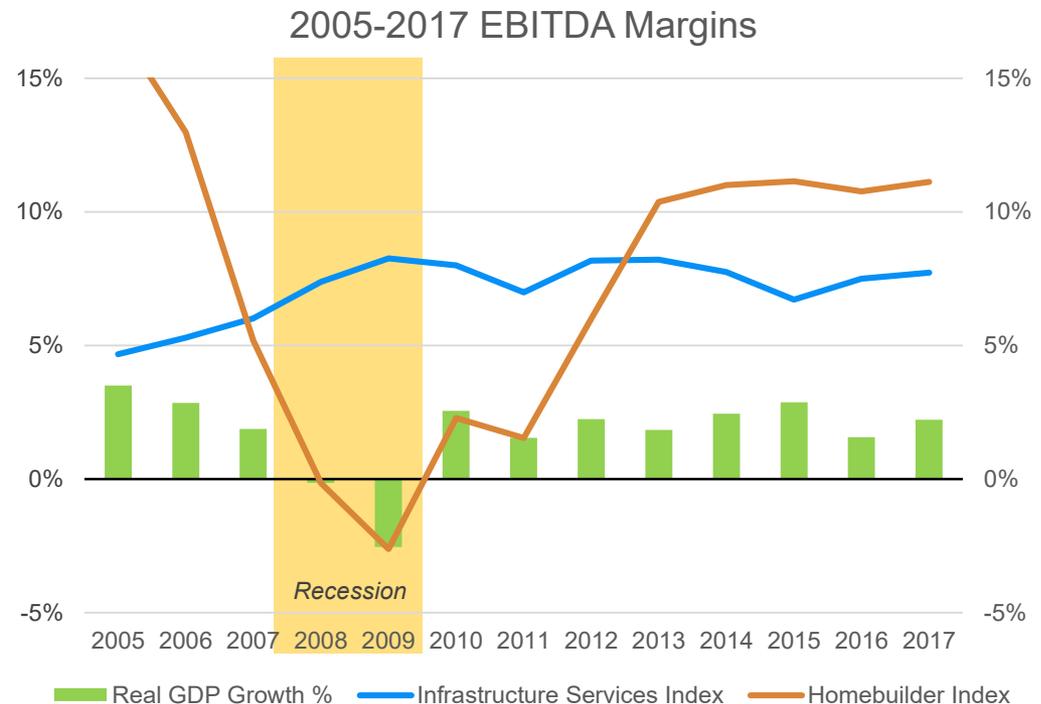
TMTD ended June 30, 2018.

Specialty Contracting: Resilient in a Downturn



Utility infrastructure services companies like Centuri perform well in economic downturns

- Historical data show that utility infrastructure services margins are resilient during economic downturns
 - Contrasts with other construction businesses, such as homebuilders, where margins have shown vulnerability
- Not all construction related activities are “cyclical” and vulnerable to economic downturns



Source: S&P Capital IQ and company filings. Infrastructure Services Index includes: AEGN, DY, EME, IESC, MTZ, MYRG, PRIM and PWR.
 Homebuilder Index includes: BZH, DHI, HOV, LEN, MHO, MTH, NVR, PHM, TOL and WLH.
 EBITDA margin defined as gross margin (excluding depreciation and amortization expense) as a percentage of Revenue.

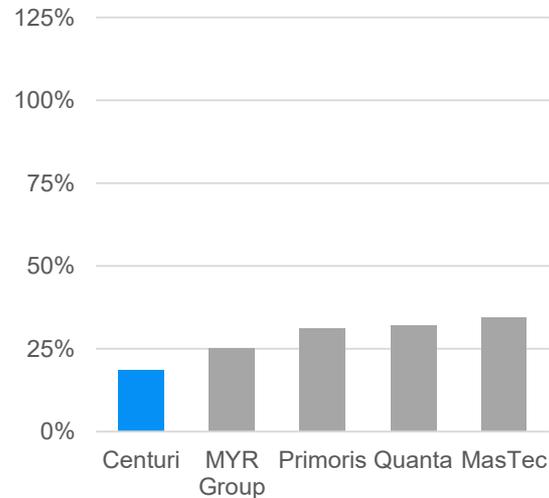
Centuri: Lower Volatility Than Peers



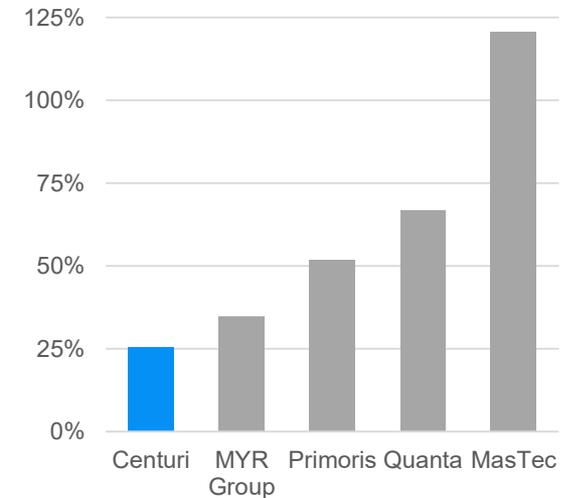
Centuri's low volatility results from financial discipline and prudent business management

- Never posted an annual Net Loss under SWX ownership
- Consistently paid dividends to SWX since 1997, supporting overall company dividend
- Customers are investment-grade utilities with well defined, compliance driven capital investment plans
- Contract work consists of shorter duration projects with low execution risk

**2008-2017
EBITDA Volatility**
(Standard Deviation)



**2008-2017
Net Income Volatility**
(Standard Deviation)

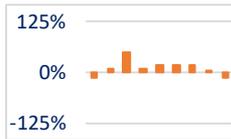
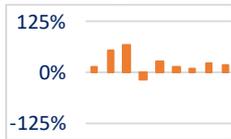
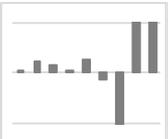


Centuri: Peer Group Comparison



Publicly-traded utility infrastructure peers

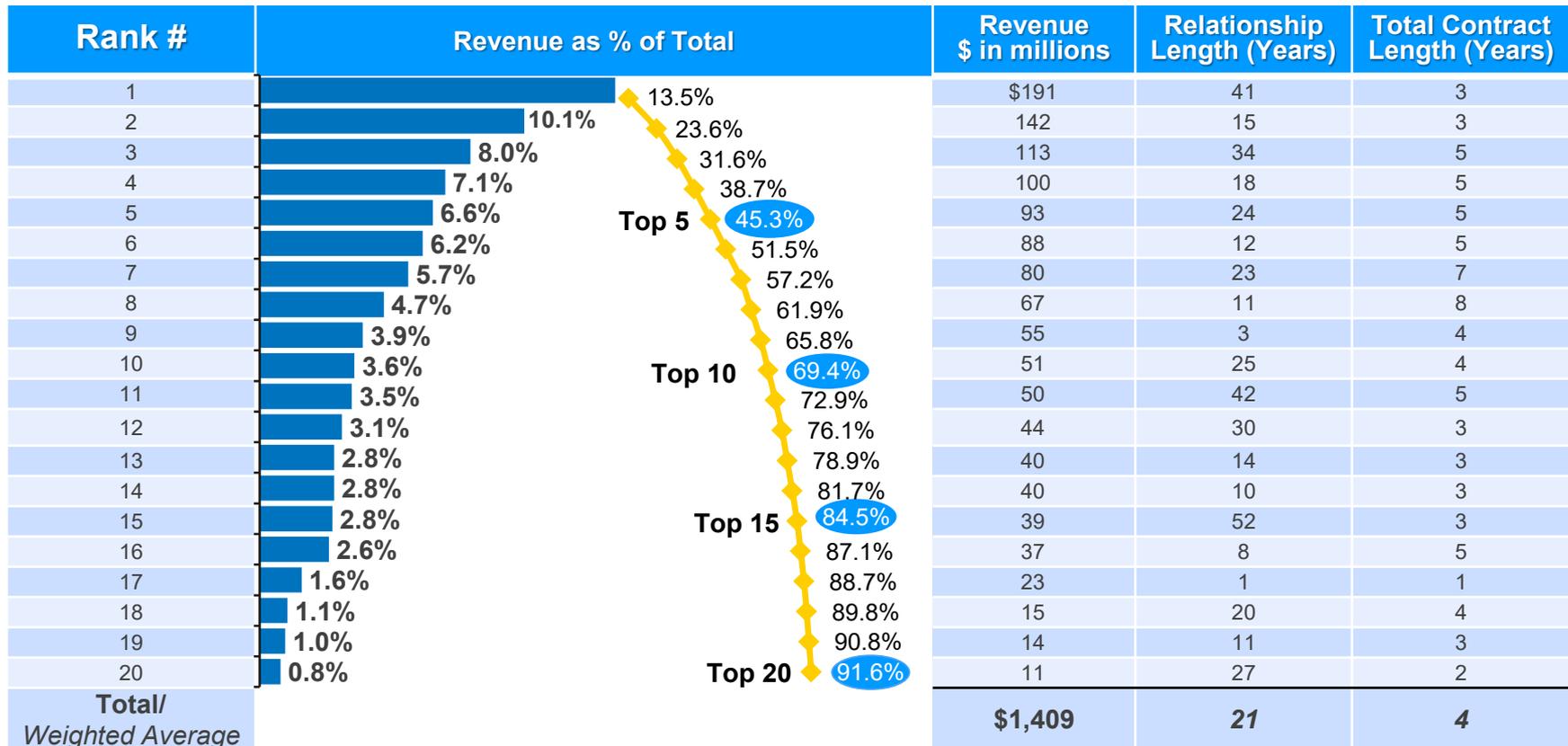


Annual revenue - \$millions (12 months ended June 2018)	\$1,409	\$10,162	\$6,573	\$2,340	\$1,432
Total workforce (December 2017)	5,486	32,800	17,300	7,102	5,275
Double-breasted (union and open shop)	Yes	Yes	Yes	Yes	Yes
Gas distribution construction	Yes	Yes	Yes	Yes	No
Exposure to cross-country gas pipeline construction	No	Yes	Yes	Yes	No
Electric distribution construction	Yes	Yes	Yes	Yes	Yes
Exposure to cross-country electric transmission construction	No	Yes	Yes	Yes	Yes
2008-2017 EBITDA growth profile (YOY Growth %)					
10y EBITDA CAGR	10%	6%	20%	16%	4%
10y YOY EBITDA volatility	19%	32%	34%	31%	25%
2008-2017 Net Income growth profile (YOY Growth %)					
10y Net Income CAGR	20%	8%	20%	8%	-1%
10y YOY Net Income volatility	26%	52%	121%	67%	35%

Top 20 Customers

Infrastructure Services

Twelve Months Ended June 30, 2018



Broad Customer Base

Infrastructure Services



Favorable Regulatory Environment

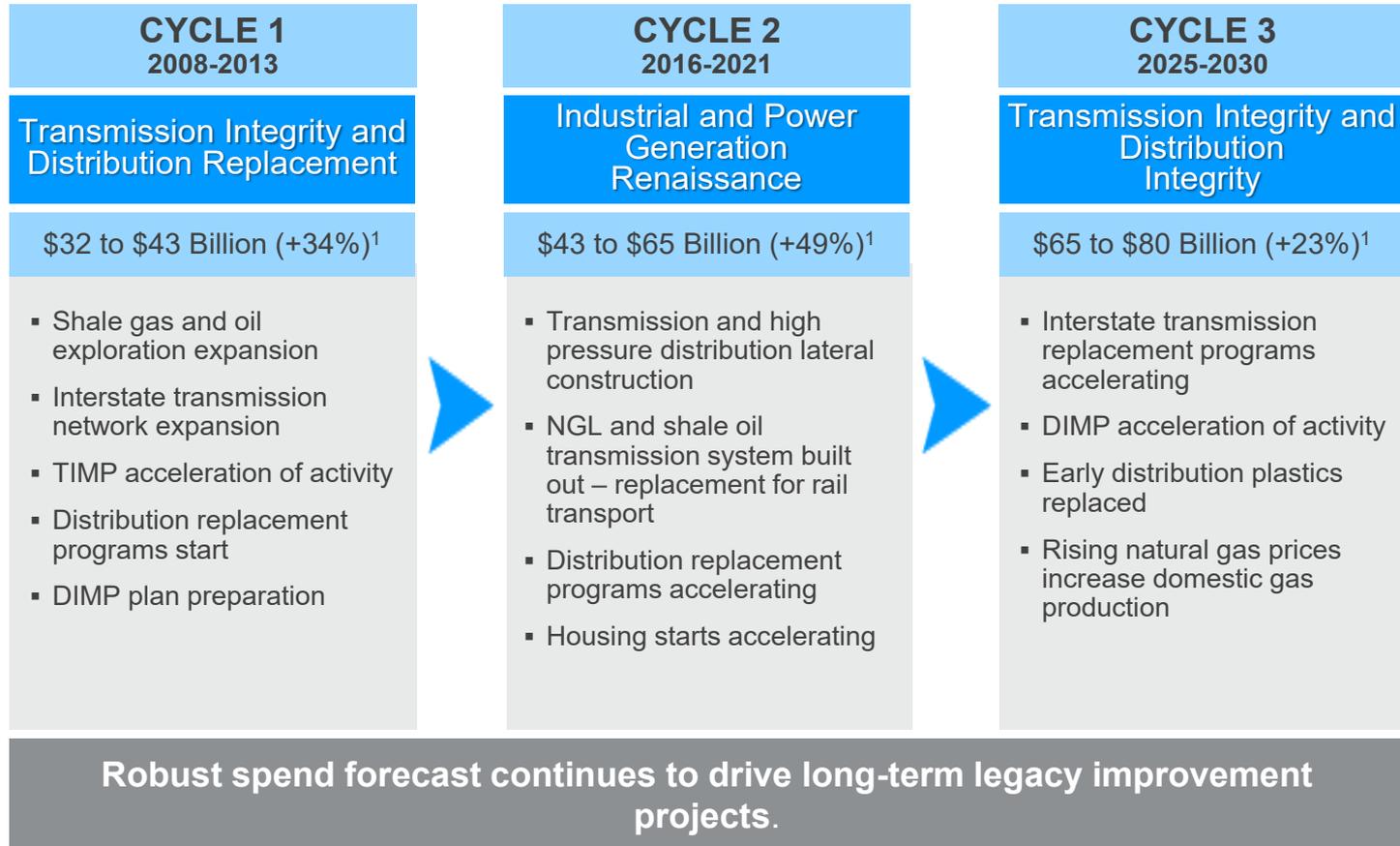
Infrastructure Services



- Natural Gas and Hazardous Liquids Pipeline Safety Acts
 - Established 1960s and 1970s
- Additional mandates established in early 2000s continue
- Industry focus on enhancing safety amplifies the need for long-term replacement programs
- Numerous multi-decade improvement projects begin across the U.S.
 - Cast iron and bare steel
 - Vintage plastics

Gas Growth Cycles

Infrastructure Services



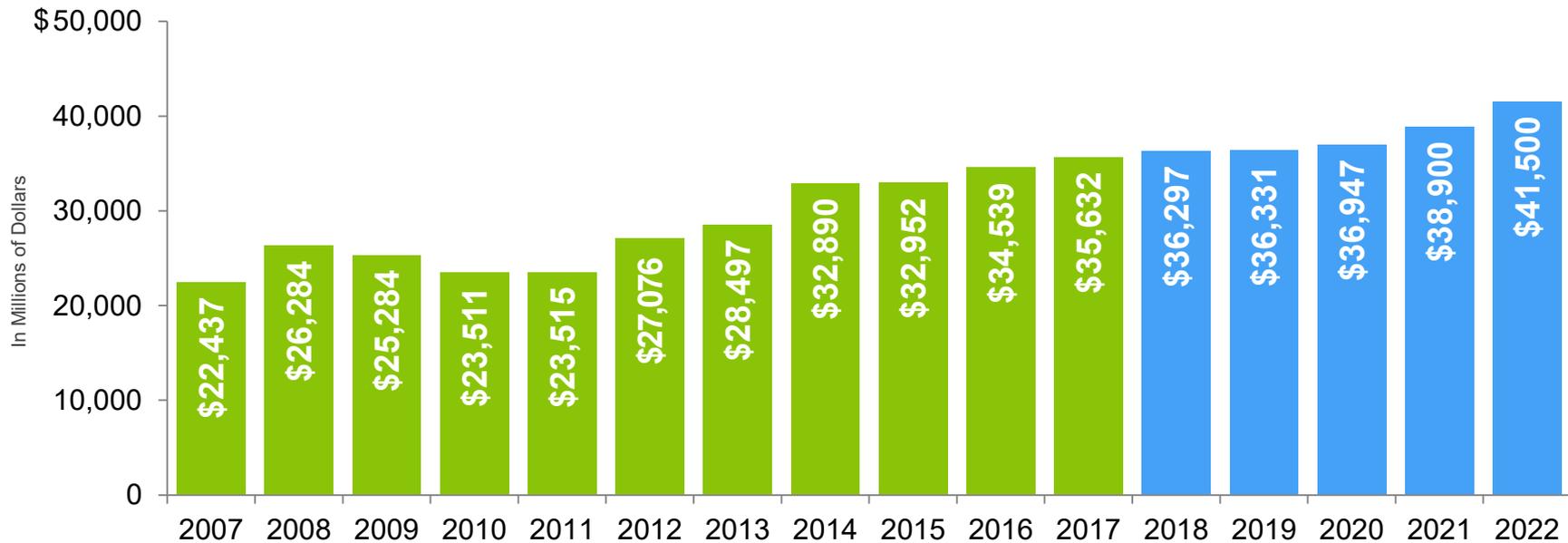
¹ Construction spend including construction materials

Electric T&D Construction Spending Forecast



Infrastructure Services

- Continued growth in Electric T & D spend, driven by regulatory replacement mechanisms and system improvements
- Increased spending on station equipment supporting Smart Grid transformation



Source: Continuum Capital. Compiled from building permits, construction put in place, and trade sources. Includes construction labor, materials, and design.

Forecast as of May 2018

Competitive Advantages

Infrastructure Services



- Industry leader in safety and quality
- Ability to deliver scalable solutions and a diverse array of services to customers
- Broad footprint across U.S. and Canada
- Over 50 years of industry experience
- Long-standing customer alliance relationships
- Management expertise (long term and tenured)
- Community involvement and support at local level



Strategic Goals

Infrastructure Services



Safety

Create a world class safety culture throughout Centuri supported by a commitment to zero incidents.

Growth, Profitability and Diversification

Drive profitability across all business units through expansion of services, responsible deployment of capital, increased efficiencies and productivity, retention of key accounts, and cost control.

Strategic Employment

Attract and retain the industry's best people through strategic employment, leadership development, and succession planning.

Organizational Excellence

Establish and embrace high performing enterprise processes that support our core businesses to achieve organizational excellence.

One Team

Foster collaboration and unilateral support among the management teams to maximize economic value added throughout the enterprise.

Long-Term Strategic Growth Opportunities

Infrastructure Services



GROWTH, PROFITABILITY AND DIVERSIFICATION

STRATEGIC EMPLOYMENT

ORGANIZATIONAL EXCELLENCE

ONE TEAM

SAFETY

1. Protect the **Core**
2. Diversify into **Electric Distribution, Transmission (light) and Maintenance Services**
3. Develop additional **Energy Services** offerings
4. Expand **Pipeline Integrity** and **Local Transmission** for LDC's
5. Grow **Non-Union** services and footprint
6. Leverage **Enterprise Footprint** of key relationships to support **diversification**
7. Identify, recruit, retain, and develop **Employees**

Acquisition Opportunities

Infrastructure Services



- Quality Acquisitions
 - Link-Line group of companies (2014)
 - Enterprise Trenchless Technologies, Inc. (2016)
 - New England Utility Constructors, Inc. (2017)
- Focused Markets for Future Potential Expansion
 - Electric transmission and distribution
 - Pipeline integrity
 - Related energy infrastructure and maintenance services
- Business Opportunities
 - Expansion and diversification of services to existing customers
 - Serving new customers and markets

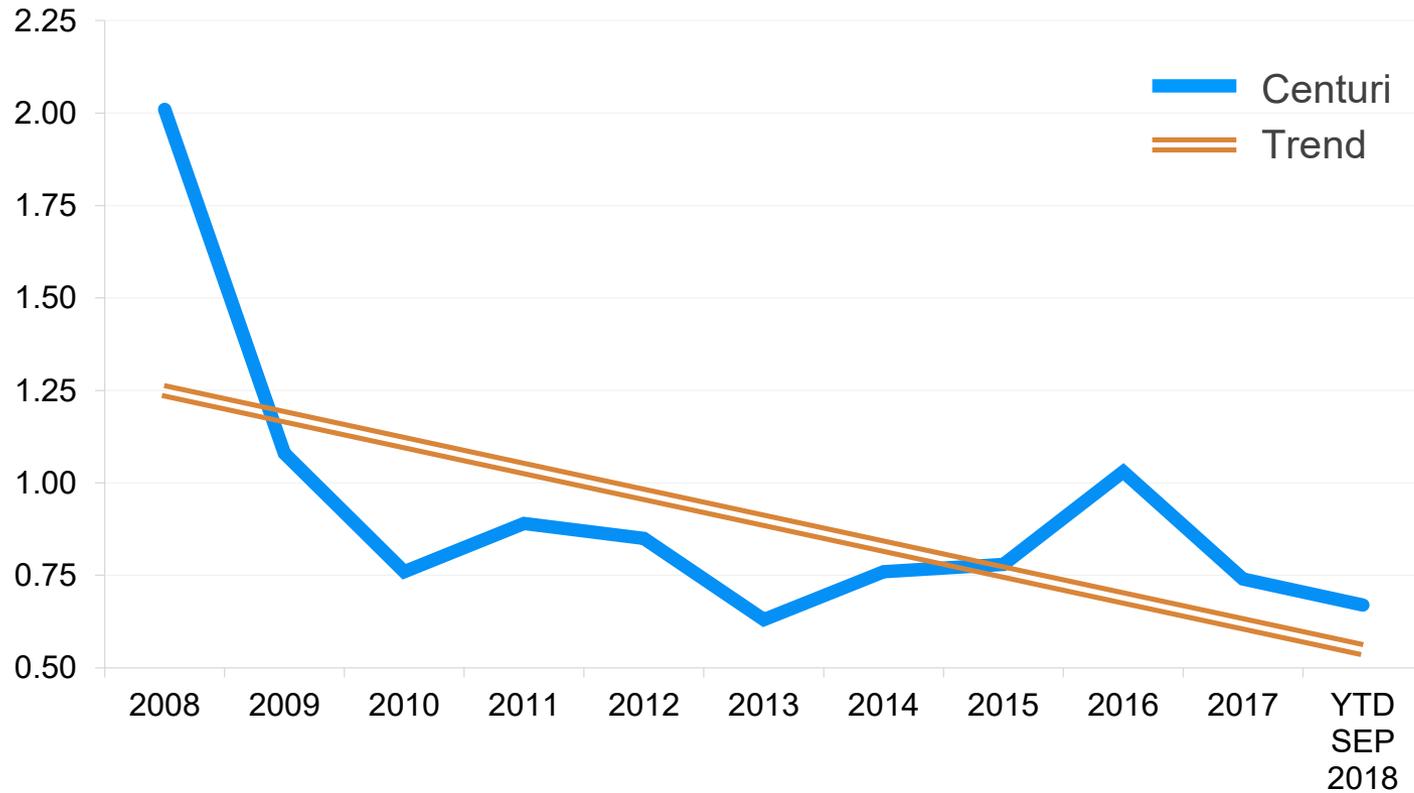
Safety Statistics

Infrastructure Services



DART

(Days Away, Restricted or Transferred)



This safety metric helps employers determine how many workplace injuries and illnesses required employees to miss work, perform restricted work activities or transfer to another job within a calendar year

Environmental, Social, and Governance (ESG)

Commitment to
the environment

Employee
well-being

Service to our
communities

Governance aligned
with shareholder
interests

Growing Our Business Responsibly



Southwest Gas
HOLDINGS

- Enterprise Risk Management program
 - Responsibility of risk oversight by the entire Board
 - Committee of Senior Management
 - Effective identification, management, and mitigation of risks
- Strong ethics and compliance programs
 - Code of Business Conduct and Ethics promotes highest ethical standards
 - Robust Federal and State Regulatory Compliance Programs
- Companywide ESG Management Committee
- Robust utility contractor and supplier selection
 - Multi-Discipline Evaluation (Safety, Stability, Experience, References/Work history, etc.)



Policies and Commitment to Reduce Environmental Impact



SOUTHWEST GAS

- Member of the EPA Natural Gas STAR Program since 1997
 - Implement methane reduction projects
 - Annually report reduction actions
- Inaugural member of the EPA's Methane Challenge Program (2016)
 - Promote cost-effective technologies and practices to reduce methane emissions
- Sustainability Report published since 2011

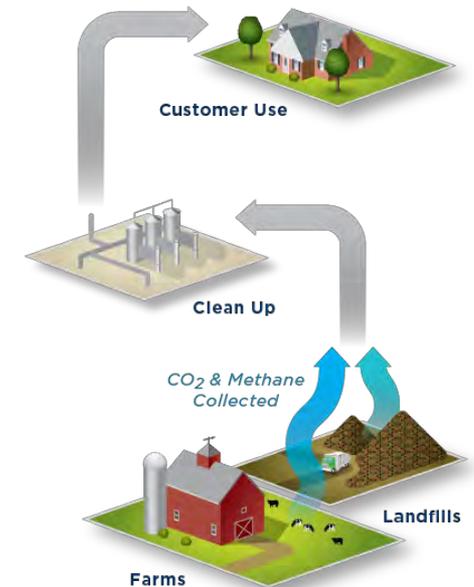


Reduction in Greenhouse Gas (GHG) Emissions



SOUTHWEST GAS

- Twenty percent GHG reduction by 2025 from utility fleet and building facilities
- Compressed natural gas (CNG) vehicles – 28% GHG reduction compared to gasoline
 - Expand the Company's fleet of CNG vehicles
 - Enable expansion and service of customer fleets
- Renewable Natural Gas (RNG)
 - Working with regulators to establish framework for RNG
 - Partnering with customers to make RNG a reality



Reduce Environmental Impact

Pipeline Operation & Customer Programs



SOUTHWEST GAS

Emissions mitigation efforts

Implementation of best practices, procedure enhancements, pilot projects, research and development opportunities

California Mitigation Plan – documents initiatives

Excavation damage prevention

Reduced excavation damages per 1,000 tickets by 40% between 2008 and 2017

Industry leading excavation damage statistics

Pipeline inspection and replacement

Accelerated vintage pipe replacement with favorable regulatory treatment

Leak management

Accelerated leak surveys and repairs

Minimal backlog of nonhazardous leaks

Energy efficiency education & rebates

Website (energy saving tips, rebates offered in each service territory)



Employee Well-Being



Southwest Gas
HOLDINGS

Safety and health

- Culture of safety
- Empower employees to speak up and stop work
- Wellness Programs

Promote workforce diversity and inclusion

Education assistance programs

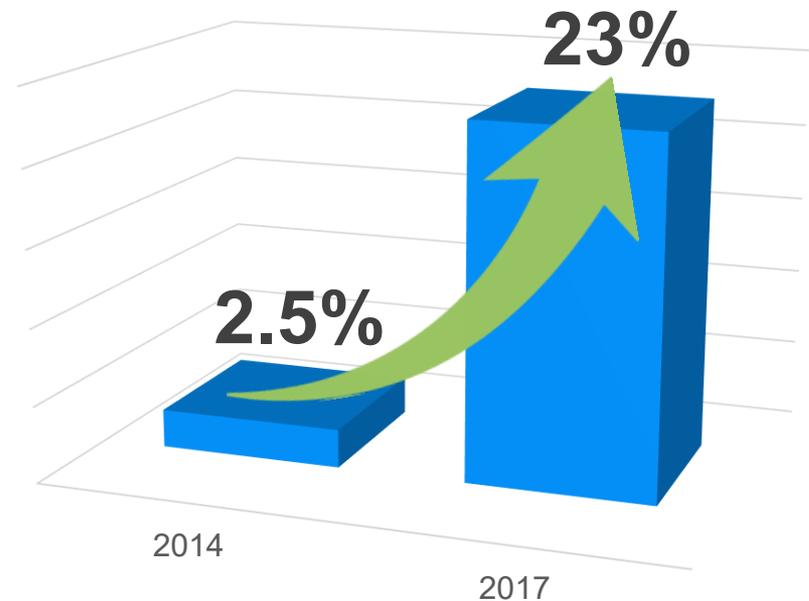
Extensive training and succession programs



Supplier Diversity

- Supplier base reflective of our communities supports our ability to remain competitive while contributing to healthier and more vibrant local economies
- Supplier Diversity Programs since 1983
- Southwest Gas Corporation Diverse Supply Spend in 2017
 - For products of approximately 53%
 - For services of approximately 27%
 - Total products and services approximately 31%

Centuri's largest subsidiary NPL increased diverse spend 2014-2017



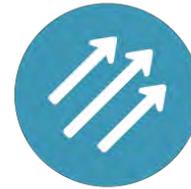
Serving Our Communities



SOUTHWEST GAS

\$1.9M
Employee
donations in
2017

\$1,070
Average
employee
donation



BLUE Building Lives
Up Everywhere®

Employee Volunteerism
Powered by Southwest Gas



FUEL for **LIFE**®

Employee Giving
Powered by Southwest Gas

5,400
Employee
volunteer
hours
(2016-2017)

95%
Customer
Satisfaction

Rated
**“Most
Trusted
Utility”**
2018 Cogent
Report

\$704,000
Fueling
Good
Foundation

Bill
assistance
programs

Serving Our Communities



Centuri companies and employees provide assistance to those in need throughout their service territory



**NPL – “Climb for a Dream”
Colleen’s Dream Foundation**



**NPL Canada – “Enbridge Ride to Conquer Cancer”
Princess Margaret Cancer Centre**

Board Governance and Leadership

9 out of 10 Independent Directors

All directors on the Audit, Compensation and Nominating, and Corporate Governance Committees are independent

Separate Roles

Separate Chairman and CEO roles

Wide-ranging Mix

Current directors skills and experiences well-suited to business segments

Gender Diversity

Gender diversity is a key element for promoting diverse perspectives and ideas

Proven Leadership

Evolution of both business segments

Governance Aligned With Shareholder Interests

Annual election of all directors with one vote per common share

Shareholders able to call special meetings

Mergers may be approved by simple majority vote

ISS QualityScore of 2 out of 10
(low risk)

Significant stock ownership requirements

Directors 5x value of annual cash retainer

5x base for CEO, 1x-3x for Company and utility officers



Executive Compensation

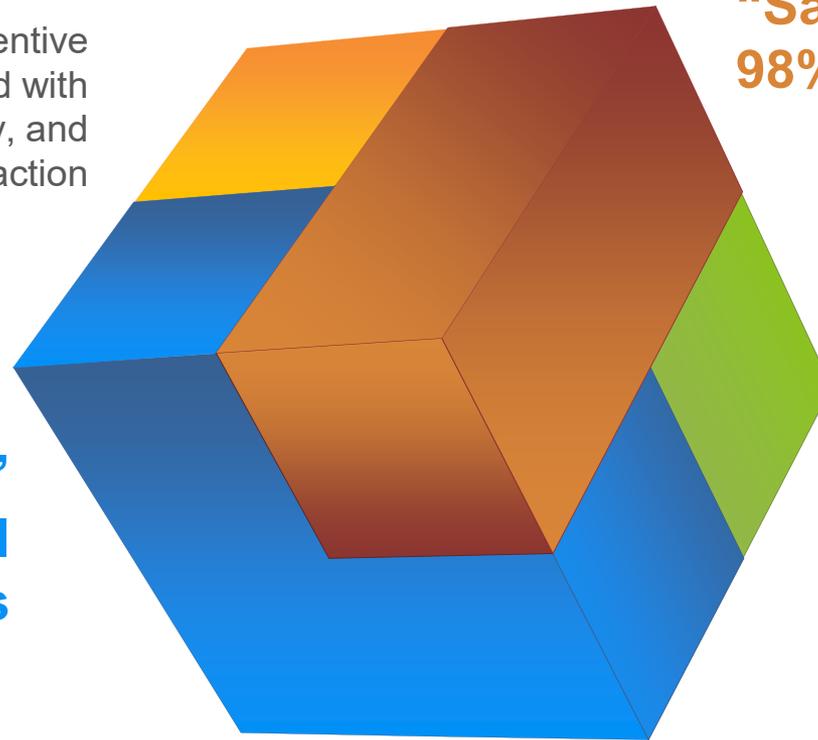


Southwest GasTM
HOLDINGS

Pay for Performance compensation

Management incentive
compensation aligned with
performance, safety, and
customer satisfaction

**“Say on Pay”
98% in 2018**



**“Double trigger”
change in control
provisions**

**Anti-hedging
and insider
trading policies**

Compelling Value Proposition



Southwest Gas
HOLDINGS

STRONG, FINANCIAL FOUNDATION

- June 30, 2018 - \$4.29 EPS
- 10% gas segment ROE (9.5% excluding tax benefit)
- \$0.10, or 5%, 2018 dividend increase; 9.5% CAGR 5-Year dividend growth
- Ample liquidity and credit capacity

ATTRACTIVE SERVICE TERRITORY AND CUSTOMER GROWTH

NATURAL GAS SERVICES

- Customer growth over 33,000 a year for 2018-2020
- Exceeded 2 million in customers in 2017

INFRASTRUCTURE SERVICES

- One of the largest, and STILL growing, underground pipeline contractors in North America
- Acquisition of Neuco

DIVERSIFIED ASSET/CUSTOMER BASE WITH CONSTRUCTIVE REGULATION

NATURAL GAS SERVICES

- Regulated distribution assets in three states
- Constructive rate mechanisms reduce regulatory lag

INFRASTRUCTURE SERVICES

- Serving 25 markets across the U.S. and Canada
- Broad utility customer base

STRONG RATE BASE GROWTH AND MARKET OUTLOOK

NATURAL GAS SERVICES

- Approximately \$2 billion in capital investment for three years, 2018-2020, of which ~ 80% associated with continued safety and reliability
- A 12% CAGR in rate base for 2018-2020
- Begin earning or recovering 77% of capital expenditures within 12 months of spend

INFRASTRUCTURE SERVICES

- Increased pipe replacement work due to aging infrastructures and heightened regulation and safety