

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) February 9, 1995

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

California	1-7850	88-0085720
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

5241 Spring Mountain Road	
Post Office Box 98510	
Las Vegas, Nevada	89193-8510
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (702) 876-7237

[LOGO]

SOUTHWEST GAS CORPORATION

FOURTH QUARTER 1994

SOUTHWEST GAS - SERVING THE FASTEST-GROWING STATES IN THE NATION

Today, Southwest Gas serves one of the fastest-growing areas of the nation. Nevada and Arizona, which combined represent almost 90 percent of the Company's customer base, were national leaders in population and economic growth in 1994. According to the U. S. Bureau of Census, Nevada ranked number one in the nation in population growth in 1994 with a 5.4 percent increase, followed by Arizona at 3.3 percent. Also, in terms of percentage, Nevada led the nation in income growth and ranked second in job growth in 1994, while Arizona ranked among the top ten states in job creation and personal income growth.

Judging by the number of businesses moving into Arizona, the number of gaming projects planned in Nevada, and the continued mention of these two states in national surveys and publications, this solid population growth and economic expansion can be expected to continue for many years to come. In fact, the two states are projected to be the fastest-growing states in the nation until beyond the year 2000!

That's good news for Southwest Gas, because population growth and economic expansion translate into new customers for the Company. Builder commitments to use natural gas in their tracts have reached record numbers the last three years in the Company's three-state service territory. Although there is a lag from the time a builder makes a commitment until the time when the home is built and a new Southwest Gas customer is connected, the Company can look at those commitments and gauge the number of new customers it will connect in the near future, assuming economic conditions remain the same. Accumulated builder commitments could translate into the addition of as many as 60,000 new customers in 1995. The Company estimates that customer growth will average between 4 and 6 percent annually during the 1995-1997 time period, roughly two to three times the industry average.

While the Company's southern Nevada service area continues to experience rapid growth, another significant driver of the Company current growth trend is in Arizona. For example, the Central Arizona Division added nearly 10,600 residential customers in 1994, compared to only 3,800 in 1993 and just 2,600 in 1992. That's a major turn-around for the Company's largest service area.

Although, each new customer that signs up for service represents many years of additional margin for the Company, keeping up with this tremendous growth is also a challenge. But it's one that Southwest Gas has been meeting successfully for many years. In 1995 and beyond, the Company will continue to follow its formula for success in meeting the demands of growth. It includes equal measures of: effective planning, financing and development of the gas system; safe, efficient delivery of our product to customers; top-quality service; and a reasonable price.

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

	YEAR ENDED DECEMBER 31,		
	1994	1993	1992
GAS OPERATIONS SEGMENT:			
Operating revenues	\$ 599,268	\$ 538,149	\$ 534,127
Net cost of gas purchased	249,922	212,290	214,152
Operating margin	349,346	325,859	319,975
Operations and maintenance expenses	178,185	169,744	159,883
Depreciation, amortization, and general taxes	82,569	79,136	74,329
Operating income	88,592	76,979	85,763
Net interest deductions	49,465	41,988	35,996
Pre-tax utility income	39,127	34,991	49,767
Utility income tax expense	14,825	12,292	19,730
Net utility income	24,302	22,699	30,037
Other income (expense), net	(778)	316	2,177
Arizona pipe replacement disallowance, net	---	(9,264)	---
Contribution to net income - gas operations segment	23,524	13,751	32,214
FINANCIAL SERVICES SEGMENT:			
Net interest income after loan loss provision	51,414	51,037	39,632
Net loss from real estate operations	(612)	(910)	(15,286)
Other income, net	10,631	12,049	15,392
General and administrative expenses	47,369	52,280	49,465
Pre-tax income (loss)	14,064	9,896	(9,727)
Income tax expense	6,391	6,345	91
Net income (loss) before cumulative effect of accounting method change	7,673	3,551	(9,818)
Cumulative effect of accounting method change	---	3,045	---
Net income (loss) before carrying cost allocation	7,673	6,596	(9,818)
Acquisition carrying costs, net of tax - NOTE 5	(4,896)	(4,941)	(4,735)
Contribution to net income (loss) - financial services segment	2,777	1,655	(14,553)
Net income	26,301	15,406	17,661
Preferred & preference dividends	510	741	1,051
Net income applicable to common stock	\$ 25,791	\$ 14,665	\$ 16,610
Earnings per share	\$ 1.22	\$ 0.71	\$ 0.81
Earnings per share excluding disallowance	\$ 1.22	\$ 1.15	\$ 0.81
Average outstanding common shares	21,078	20,729	20,598

See Notes to Summary Financial Statements.

/TABLE

SOUTHWEST GAS CORPORATION
BALANCE SHEET
AT DECEMBER 31, 1994
(In thousands)
(Unaudited)

ASSETS		
UTILITY PLANT		
Gas plant, net of accumulated depreciation	\$ 1,001,077	
Construction work in progress	33,675	

Net utility plant	1,034,752	

OTHER PROPERTY AND INVESTMENTS		
PriMerit Bank - NOTE 2	175,855	
Other	31,615	

Total other property and investments	207,470	

CURRENT AND ACCRUED ASSETS		
Cash, working funds and temporary cash investments	5,869	
Receivables - less reserve of \$1,553 for uncollectibles	57,042	
Accrued utility revenue	47,533	
Deferred purchased gas costs	15,219	
Other	29,215	

Total current and accrued assets	154,878	

DEFERRED DEBITS		
Unamortized debt expense	14,027	
Other deferred debits	42,311	

Total deferred debits	56,338	

TOTAL ASSETS	\$ 1,453,438	
	=====	
CAPITALIZATION, LIABILITIES AND DEFERRED CREDITS		
CAPITALIZATION		
Common stockholders' equity		
Common stock equity, \$1 par, 21,282 shares outstanding	\$ 296,129	
Retained earnings	52,427	

Total common stockholders' equity - NOTE 6	348,556	33.7%
Preferred stock equity - NOTE 3	4,000	0.4
Long term debt - NOTE 4	683,263	65.9
	-----	-----
Total capitalization	1,035,819	100.0%
	-----	=====
CURRENT AND ACCRUED LIABILITIES		
Notes payable	92,000	
Accounts payable	48,965	
Customer deposits	22,893	
Taxes accrued (including income taxes)	42,919	
Deferred income taxes	6,943	
Other	46,381	

Total current and accrued liabilities	260,101	

DEFERRED CREDITS		
Deferred investment tax credits	20,741	
Deferred income taxes	109,634	
Other	27,143	

Total deferred credits	157,518	

TOTAL CAPITALIZATION, LIABILITIES AND DEFERRED CREDITS	\$ 1,453,438	
	=====	

See Notes to Summary Financial Statements.

/TABLE

SOUTHWEST GAS CORPORATION
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 1994
(In thousands)
(Unaudited)

CASH FLOWS FROM OPERATIONS:	
Net income	\$ 26,301
Adjustments to reconcile net income to net cash provided by operating activity:	
Depreciation and amortization	57,240
Change in receivables and payables	(8,686)
Change in accrued taxes	354
Undistributed earnings from subsidiaries	(7,122)
Change in gas cost related balancing items	10,607
Allowance for funds used during construction	(805)
Change in deferred taxes	3,691
Other	7,216

Net cash provided from operating activities	88,796

CASH FLOWS FROM FINANCING ACTIVITIES:	
Change in notes payable	6,000
Dividends paid	(17,411)
Net change in long-term debt	69,062
Retirement of preferred stock	(4,058)
Proceeds from stock issuance	4,773
Other	(224)

Net cash provided from financing activities	58,142

CASH FLOWS FROM INVESTING ACTIVITIES:	
Construction expenditures	(141,327)
Other	(1,785)

Net cash used in investing activities	(143,112)

Change in cash and temporary cash investments	3,826
Cash at beginning of period	2,043

Cash at end of period	\$ 5,869
	=====
SUPPLEMENTAL INFORMATION:	
Interest paid, net of amount capitalized	\$ 55,167
Income taxes, net of refunds	\$ 2,132

See Notes to Summary Financial Statements.

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:

Debt refinanced with term loan bank facility closed January 1995	\$ 200,000
Debentures:	
Debentures, 9% series A, due 2011	27,557
Debentures, 9% series B, due 2011	31,913
Debentures, 8.75% series C, due 2011	19,261
Debentures, 9.375% series D, due 2017	120,000
Debentures, 10% series E, due 2013	23,079
Debentures, 9.75% series F, due 2002	100,000
Industrial revenue bonds - net of funds held in trust	172,041
Unamortized discount on long-term debt	(10,588)

TOTAL LONG-TERM DEBT	\$ 683,263 =====
CURRENT MATURITIES	\$ 5,000 =====

NOTE 5 - ACQUISITION CARRYING COSTS, NET:

	YEAR ENDED DECEMBER 31,		
	1994	1993	1992
Interest expense	\$ (7,874)	\$ (7,874)	\$ (7,333)
Other intercompany expenses	(286)	(361)	(558)
Income taxes	3,264	3,294	3,156
ACQUISITION CARRYING COSTS, NET	\$ (4,896)	\$ (4,941)	\$ (4,735)
	=====	=====	=====

NOTE 6 - COMMON STOCKHOLDERS' EQUITY:

The Company's 1994 Form 10-K reports \$339,089 for total stockholders' equity. The \$9,467 difference results from the exclusion of PriMerit's unrealized loss on debt securities from common equity in these statements since PriMerit is presented on the equity method of accounting.

SOUTHWEST GAS CORPORATION
 SELECTED STATISTICAL DATA
 DECEMBER 31, 1994

FINANCIAL STATISTICS

Market value to book value per share at year end	86%
Twelve months to date return on equity -- total company	7.6%
-- gas segment	7.8%
Common stock dividend yield at year end	5.8%

GAS OPERATIONS SEGMENT

Rate Jurisdiction	Authorized Rate Base (In thousands)	Authorized Rate of Return	Authorized Return on Common Equity
Central Arizona	\$ 267,348	9.13%	10.75%
Southern Arizona	157,620	9.12	11.00
Southern Nevada	184,673	8.89	11.55
Northern Nevada	47,695	9.16	11.55
Southern California	79,812	9.47	10.90
Northern California	5,939	9.49	10.90
Paiute Pipeline Company	61,057	10.09	11.50

SYSTEM THROUGHPUT BY CUSTOMER CLASS

(In dekatherms)	YEAR ENDED DECEMBER 31,		
	1994	1993	1992
Residential	45,966,773	43,921,257	42,249,330
Small commercial	23,572,285	22,327,742	21,770,538
Large commercial	10,306,232	11,263,387	10,623,560
Industrial / Other	8,341,530	7,543,313	7,908,651
Transportation	91,479,064	72,502,319	65,114,140
Total system throughput	179,665,884	157,558,018	147,666,219

HEATING DEGREE DAY COMPARISON

	YEAR ENDED DECEMBER 31,		
	1994	1993	1992
Actual	2,427	2,470	2,261
Ten year average	2,387	2,401	2,375

/TABLE

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

	THREE MONTHS ENDED DECEMBER 31,		TWELVE MONTHS ENDED DECEMBER 31,	
	1994	1993	1994	1993
GAS OPERATIONS SEGMENT:				
Operating revenues	\$191,461	\$171,350	\$599,268	\$538,149
Net cost of gas purchased	70,077	56,088	249,922	212,290
Operating margin	121,384	115,262	349,346	325,859
Operations and maintenance expenses	46,523	42,966	178,185	169,744
Depreciation, amortization, and general taxes	21,140	19,804	82,569	79,136
Operating income	53,721	52,492	88,592	76,979
Net interest deductions	13,278	11,222	49,465	41,988
Pre-tax utility income	40,443	41,270	39,127	34,991
Utility income tax expense	15,677	14,821	14,825	12,292
Net utility income	24,766	26,449	24,302	22,699
Other income (expense), net	(330)	425	(778)	316
Arizona pipe replacement disallowance, net	---	(9,264)	---	(9,264)
Contribution to net income - gas operations segment	24,436	17,610	23,524	13,751
FINANCIAL SERVICES SEGMENT:				
Net interest income after loan loss provision	12,669	13,641	51,414	51,037
Net income (loss) from real estate operations	(614)	(598)	(612)	(910)
Non-interest income	2,142	4,156	10,631	12,049
General and administrative expenses	11,596	13,066	47,369	52,280
Pre-tax income	2,601	4,133	14,064	9,896
Income tax expense	1,270	1,815	6,391	6,345
Net income before cumulative effect of accounting method change	1,331	2,318	7,673	3,551
Cumulative effect of accounting method change	---	---	---	3,045
Net income before carrying cost allocation	1,331	2,318	7,673	6,596
Acquisition carrying costs, net of tax	(1,230)	(1,232)	(4,896)	(4,941)
Contribution to net income - financial services segment	101	1,086	2,777	1,655
Net income	24,537	18,696	26,301	15,406
Preferred & preference dividends	95	138	510	741
Net income applicable to common stock	\$ 24,442	\$ 18,558	\$ 25,791	\$ 14,665
Earnings per share	\$ 1.15	\$ 0.90	\$ 1.22	\$ 0.71
Earnings per share excluding disallowance	\$ 1.15	\$ 1.34	\$ 1.22	\$ 1.15
Average outstanding common shares	21,190	20,913	21,078	20,729

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.

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: February 9, 1995