

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) October 29, 1998

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.)

5241 Spring Mountain Road  
Post Office Box 98510  
Las Vegas, Nevada  
(Address of principal executive offices)

89193-8510  
(Zip Code)

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



ITEM 5. OTHER EVENTS

On October 29, 1998, Southwest Gas Corporation (the Company) released summary financial information to the general public, including the investment community, regarding the Company's operating performance and financial position for the quarter ended September 30, 1998. The financial information released is included herein. This information is summary in nature and should not be considered complete financial statements.

ITEM 7. EXHIBITS

99 Financial Analyst Report - Third Quarter 1998

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

Date: October 29, 1998

/s/ EDWARD A. JANOV

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Edward A. Janov  
Vice President/Controller and  
Chief Accounting Officer

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

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,		TWELVE MONTHS ENDED SEPTEMBER 30,	
	1998	1997	1998	1997	1998	1997
Gas operating revenues	\$ 128,229	\$ 95,009	\$ 567,609	\$ 414,313	\$ 767,961	\$ 584,075
Net cost of gas sold	51,499	28,508	246,254	149,830	305,762	198,226
Operating margin	76,730	66,501	321,355	264,483	462,199	385,849
Operations and maintenance expenses	50,765	50,310	153,796	148,165	206,790	201,972
Depreciation, amortization, and general taxes	28,262	26,244	83,055	77,670	109,306	101,038
Operating income (loss)	(2,297)	(10,053)	84,504	38,648	146,103	82,839
Net interest deductions	15,467	15,736	46,806	45,192	63,365	58,867
Preferred securities distribution	1,368	1,368	4,106	4,106	5,475	5,475
Pretax utility income (loss)	(19,132)	(27,157)	33,592	(10,650)	77,263	18,497
Utility income tax expense (benefit)	(7,550)	(10,421)	12,742	(4,093)	25,757	7,225
Net utility income (loss)	(11,582)	(16,736)	20,850	(6,557)	51,506	11,272
Other income (expense), net	(212)	(35)	(213)	(425)	(8,062)	(549)
Contribution to net income (loss) - gas operations	(11,794)	(16,771)	20,637	(6,982)	43,444	10,723
Contribution to net income (loss) - construction services	849	1,085	1,857	116	2,385	707
Net income (loss)	\$ (10,945)	\$ (15,686)	\$ 22,494	\$ (6,866)	\$ 45,829	\$ 11,430
Earnings (loss) per share - gas operations	\$ (0.41)	\$ (0.62)	\$ 0.74	\$ (0.26)	\$ 1.56	\$ 0.40
Earnings per share - construction services	0.03	0.04	0.06	0.01	0.09	0.02
Basic earnings (loss) per share	\$ (0.38)	\$ (0.58)	\$ 0.80	\$ (0.25)	\$ 1.65	\$ 0.42
Diluted earnings (loss) per share	\$ (0.38)	\$ (0.58)	\$ 0.80	\$ (0.25)	\$ 1.64	\$ 0.42
Average outstanding common shares	29,050	27,149	28,028	26,990	27,846	26,902
Average shares outstanding (assuming dilution)	--	--	28,216	--	28,022	27,021

The summary statements of income have been prepared by Southwest Gas Corporation (the Company) using the equity method of accounting for its construction services subsidiary. This presentation is not in accordance with generally accepted accounting principles (GAAP). However, it 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 operating segments.

/TABLE



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

	NINE MONTHS ENDED SEPTEMBER 30,		TWELVE MONTHS ENDED SEPTEMBER 30,	
	1998	1997	1998	1997
Gas operating revenues	\$ 567,609	\$ 414,313	\$ 767,961	\$ 584,075
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Operating margin	321,355	264,483	462,199	385,849
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Operating income	84,504	38,648	146,103	82,839
Net interest deductions	46,806	45,192	63,365	58,867
Preferred securities distribution	4,106	4,106	5,475	5,475
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Utility income tax expense (benefit)	12,742	(4,093)	25,757	7,225
Net utility income (loss)	20,850	(6,557)	51,506	11,272
Other income (expense), net	(213)	(425)	(8,062)	(549)
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Contribution to net income (loss) - construction services	1,857	116	2,385	707
Net income (loss)	\$ 22,494	\$ (6,866)	\$ 45,829	\$ 11,430
Earnings (loss) per share - gas operations	\$ 0.74	\$ (0.26)	\$ 1.56	\$ 0.40
Earnings per share - construction services	0.06	0.01	0.09	0.02
Basic earnings (loss) per share	\$ 0.80	\$ (0.25)	\$ 1.65	\$ 0.42
Diluted earnings (loss) per share	\$ 0.80	\$ (0.25)	\$ 1.64	\$ 0.42
Average outstanding common shares	28,028	26,990	27,846	26,902
Average shares outstanding (assuming dilution)	28,216	--	28,022	27,021

See Notes to Summary Financial Statements.

/TABLE



SOUTHWEST GAS CORPORATION  
SUMMARY BALANCE SHEET  
AT SEPTEMBER 30, 1998  
(In thousands)  
(Unaudited)

ASSETS		
UTILITY PLANT		
Gas plant, net of accumulated depreciation	\$ 1,387,598	
Construction work in progress	37,833	
	-----	
Net utility plant	1,425,431	
	-----	
OTHER PROPERTY AND INVESTMENTS		
Investment in construction services subsidiary	26,896	
Other	46,561	
	-----	
Total other property and investments	73,457	
	-----	
CURRENT AND ACCRUED ASSETS		
Cash, working funds and temporary cash investments	6,846	
Receivables - less reserve of \$914 for uncollectibles	31,088	
Accrued utility revenue	22,500	
Deferred purchased gas costs	59,740	
Other	40,407	
	-----	
Total current and accrued assets	160,581	
	-----	
DEFERRED DEBITS		
Unamortized debt expense	18,566	
Other deferred debits	27,760	
	-----	
Total deferred debits	46,326	
	-----	
TOTAL ASSETS	\$ 1,705,795	
	=====	
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION		
Common stockholders' equity		
Common stock equity, \$1 par, 30,285 shares outstanding	\$ 453,546	
Retained earnings	720	
	-----	
Total common stockholders' equity	454,266	34.5%
Preferred securities of Southwest Gas Capital I, 9.125%	60,000	4.6
Long-term debt - NOTE 2	801,198	60.9
	-----	-----
Total capitalization	1,315,464	100.0%
	-----	=====
CURRENT AND ACCRUED LIABILITIES		
Notes payable	31,000	
Accounts payable	31,695	
Customer deposits	22,918	
Taxes accrued (including income taxes)	23,904	
Other	59,016	
	-----	
Total current and accrued liabilities	168,533	
	-----	
DEFERRED CREDITS		
Deferred investment tax credits	17,488	
Deferred income taxes	153,369	
Other	50,941	
	-----	
Total deferred credits	221,798	
	-----	
TOTAL CAPITALIZATION AND LIABILITIES	\$ 1,705,795	
	=====	

See Notes to Summary Financial Statements.

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SOUTHWEST GAS CORPORATION  
SUMMARY STATEMENT OF CASH FLOWS  
NINE MONTHS ENDED SEPTEMBER 30, 1998  
(In thousands)  
(Unaudited)

CASH FLOWS FROM OPERATIONS:	
Net income	\$ 22,494
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	59,539
Change in receivables and payables	34,837
Change in gas cost related balancing items	30,009
Change in accrued taxes	22,012
Change in deferred taxes	(9,134)
Allowance for funds used during construction	(1,401)
Other	(1,934)
	-----
Net cash provided by operating activities	156,422
	-----
CASH FLOWS FROM INVESTING ACTIVITIES:	
Construction expenditures	(124,358)
Other	(3,518)
	-----
Net cash used in investing activities	(127,876)
	-----
CASH FLOWS FROM FINANCING ACTIVITIES:	
Net proceeds from stock issuances	63,846
Dividends paid	(17,460)
Change in notes payable	(111,000)
Long-term debt issuances, net	29,571
	-----
Net cash used in financing activities	(35,043)
	-----
Change in cash and temporary cash investments	(6,497)
Cash at beginning of period	13,343
	-----
Cash at end of period	\$ 6,846
	=====
SUPPLEMENTAL INFORMATION:	
Interest paid, net of amounts capitalized	\$ 45,396
Income taxes, net of refunds	\$ 6,406

See Notes to Summary Financial Statements.

SOUTHWEST GAS CORPORATION  
NOTES TO SUMMARY FINANCIAL STATEMENTS  
(In Thousands)  
(Unaudited)

NOTE 1 - BASIS OF PRESENTATION:

The summary financial statements have been prepared by Southwest Gas Corporation (the Company) using the equity method of accounting for its construction services subsidiary. 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 summary 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 operating segments.

NOTE 2 - LONG-TERM DEBT:

Term loan facility	\$ 200,000
Debtures and notes:	
Debentures, 9.75% series F, due 2002	100,000
Debentures, 7.50% series, due 2006	75,000
Debentures, 8% series, due 2026	75,000
Medium-term notes, 7.59% series, due 2017	25,000
Medium-term notes, 7.78% series, due 2022	25,000
Medium-term notes, 7.92% series, due 2027	25,000
Medium-term notes, 6.89% series, due 2007	17,500
Medium-term notes, 6.76% series, due 2027	7,500
Medium-term notes, 6.27% series, due 2008	25,000
Industrial development revenue bonds:	
Variable-rate bonds, Series A, due 2028 - net of funds held in trust	28,201
7.30% 1992 Series A, due 2027	30,000
7.50% 1992 Series B, due 2032	100,000
6.50% 1993 Series A, due 2033	75,000
Unamortized discount on long-term debt	(7,003)
	-----
TOTAL LONG-TERM DEBT	\$ 801,198
	=====
ESTIMATED CURRENT MATURITIES	\$ --
	=====

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SOUTHWEST GAS CORPORATION  
 SELECTED STATISTICAL DATA  
 SEPTEMBER 30, 1998

FINANCIAL STATISTICS

Market value to book value per share at quarter end	136%
Twelve months to date return on equity -- total company	11.2%
-- gas segment	11.1%
Common stock dividend yield at quarter end	4.0%

GAS OPERATIONS SEGMENT

Rate Jurisdiction	Authorized		
	Authorized Rate Base (In thousands)	Authorized Rate of Return	Return on Common Equity
Arizona (1)	\$ 541,104	9.38%	11.25%
Southern Nevada (1)	237,165	9.50	11.55
Northern Nevada (1)	63,986	9.67	11.55
Southern California	69,486	9.94	11.35
Northern California	21,470	10.02	11.35
Paiute Pipeline Company (1)	61,602	9.69	11.60

(1) Estimated amounts based on rate case settlements.

SYSTEM THROUGHPUT BY CUSTOMER CLASS

(In dekatherms)	NINE MONTHS ENDED SEPTEMBER 30,		TWELVE MONTHS ENDED SEPTEMBER 30,	
	1998	1997	1998	1997
Residential	44,893,515	37,427,296	58,021,097	49,848,278
Small commercial	20,332,720	18,289,465	26,703,795	24,485,468
Large commercial	6,116,845	5,951,794	7,819,232	7,638,423
Industrial / Other	13,206,848	5,967,696	15,842,753	7,291,800
Transportation	73,183,218	80,285,401	95,983,545	102,952,681
Total system throughput	157,733,146	147,921,652	204,370,422	192,216,650

HEATING DEGREE DAY COMPARISON

Actual	1,749	1,357	2,365	1,974
Ten-year average	1,452	1,430	2,042	2,019

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