UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal period ended December 31, 2022
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number	*Exact name of registrant as specified in its charter and principal office address and telephone number*	*State of Incorporation*	*I.R.S. Employer Identification No.*
001-37976	Southwest Gas Holdings, Inc. 8360 S. Durango Dr. Post Office Box 98510 Las Vegas, Nevada 89193-8510 (702) 876-7237	Delaware	81-3881866
1-7850	Southwest Gas Corporation 8360 S. Durango Dr. Post Office Box 98510 Las Vegas, Nevada 89193-8510 (702) 876-7237	California	88-0085720

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Southwest Gas Holdings, Inc. Common Stock, $1 par value	SWX	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Southwest Gas Holdings, Inc. **Yes** ☒ **No** ☐

Southwest Gas Corporation **Yes** ☐ **No** ☒

Indicate by check mark if each registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. **Yes** ☐ **No** ☒

Indicate by check mark whether each registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes** ☒ **No** ☐

Indicate by check mark whether each registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). **Yes** ☒ **No** ☐

Indicate by check mark whether each registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Southwest Gas Holdings, Inc.:

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Southwest Gas Corporation:			
Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Exchange Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether each registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). **Yes** ☐ **No** ☒

Aggregate market value of the voting and non-voting common stock held by nonaffiliates of the registrant
Southwest Gas Holdings, Inc.
$5,834,690,207 as of June 30, 2022

The number of shares outstanding of Southwest Gas Holdings, Inc. common stock:
Common Stock, $1 Par Value, 67,146,347 shares as of February 15, 2023

All of the outstanding shares of common stock ($1 par value) of Southwest Gas Corporation were held by Southwest Gas Holdings, Inc. as of February 15, 2023.

SOUTHWEST GAS CORPORATION MEETS THE CONDITIONS SET FORTH IN GENERAL INSTRUCTION (I)(1)(a) and (b) OF FORM 10-K AND IS THEREFORE FILING THIS REPORT WITH THE REDUCED DISCLOSURE FORMAT AS PERMITTED BY GENERAL INSTRUCTION I(2).

DOCUMENTS INCORPORATED BY REFERENCE

Description	Part Into Which Incorporated
Annual Report to Stockholders for the Year Ended December 31, 2022	Parts I, II, and IV
2023 Proxy Statement	Part III

TABLE OF CONTENTS

FILING FORMAT

This annual report on Form 10-K is a combined report being filed by two separate registrants: Southwest Gas Holdings, Inc. and Southwest Gas Corporation. Except where the content clearly indicates otherwise, any reference in the report to "we," "us" or "our" is to the holding company or the consolidated entity of Southwest Gas Holdings, Inc. and all of its subsidiaries, including Southwest Gas Corporation, which is a distinct registrant that is a wholly owned subsidiary of Southwest Gas Holdings, Inc. Information contained herein relating to any individual company is filed by such company on its own behalf. Each company makes representations only as to itself and makes no other representation whatsoever as to any other company.

Part II—Item 8. Financial statements and supplementary data in this Annual Report on Form 10-K includes separate financial statements (i.e., balance sheets, statements of income, statements of comprehensive income, statements of cash flows, and statements of equity) for Southwest Gas Holdings, Inc. and Southwest Gas Corporation, in that order. The notes to consolidated financial statements are presented on a combined basis for both entities. All Items other than Part II – Item 8 are combined for the reporting companies.

PART I

Item 1. BUSINESS

Southwest Gas Holdings, Inc., a Delaware corporation, is a holding company headquartered in Las Vegas, Nevada, which either on its own or together with its subsidiaries is referred to herein as the "Company." Through its wholly owned subsidiaries, Southwest Gas Corporation ("Southwest" or the "natural gas distribution" segment), Centuri Group, Inc. ("Centuri" or the "utility infrastructure services" segment), and prior to the closing of the MountainWest Sale (as defined below) on February 14, 2023, MountainWest Pipelines Holding Company ("MountainWest," or the "pipeline and storage" segment), the Company operated three business segments: natural gas distribution operations, utility infrastructure services, and pipeline and storage. Following the sale of MountainWest, the Company operates two business segments. Southwest Gas Holdings, Inc. is incorporated in Delaware and Southwest Gas Corporation is incorporated in California.

In December 2022, the Company announced that its Board of Directors (the "Board") unanimously determined to take strategic actions to simplify the Company's portfolio of businesses. These actions included entering into a definitive agreement to sell all of the equity interests in MountainWest in an all-cash transaction to Williams Partners Operating LLC ("Williams") for $1.5 billion in total enterprise value, subject to certain adjustments (collectively, the "MountainWest Sale"). Additionally, the Company determined it will pursue a spin-off of Centuri ("Centuri Spin-Off") to form a new independent publicly traded utility infrastructure services company. The Centuri Spin-Off together with the MountainWest Sale reflect the "Separation Transactions." As indicated above, the MountainWest Sale closed on February 14, 2023. As such, limited information with respect to MountainWest is included in this Annual Report on Form 10-K. The Centuri Spin-Off is expected to be completed in the fourth quarter of 2023 or the first quarter of 2024 and to be tax free to the Company and its stockholders for U.S. federal income tax purposes. The Centuri Spin-Off will be subject to, among other things, finalization of the transaction structure, final approval by the Board, approval by the Arizona Corporation Commission (the "ACC"), the receipt of a favorable Internal Revenue Service private letter ruling relating to the tax-free nature of the transaction, and the effectiveness of a registration statement that will be filed with the U.S. Securities and Exchange Commission (the "SEC").

Southwest and its subsidiaries provide regulated natural gas delivery services to customers in portions of Arizona, Nevada, and California. Public utility rates, practices, facilities, and service territories of Southwest are subject to regulatory oversight. The timing and amount of rate relief can materially impact results of operations. Natural gas purchases and the timing of related recoveries can materially impact liquidity. Results for the natural gas distribution segment are higher during winter periods due to the seasonality incorporated in its regulatory rate structures.

MountainWest, which was part of our operations in 2022, but sold in February 2023, owns and operates over 2,000 miles of highly contracted regulated interstate natural gas pipelines and storage facilities in the Rocky Mountain region, providing service in Utah, Wyoming, and Colorado, with non-regulated businesses primarily providing analytical and measurement services, and natural gas gathering. MountainWest's primary operations are regulated by the Federal Energy Regulatory Commission (the "FERC"), including regulated plant, tariff rates, and services performed. MountainWest's revenues are primarily derived from reservation charges for firm transportation and storage services as provided for in their FERC-approved tariffs. The profitability of MountainWest's primary pipeline businesses is dependent on its ability, through the rates it is permitted to charge, to recover costs and earn a reasonable return on its capital investments. Variability in earnings results from changes in operating and maintenance expenditures, as well as changes in rates and the demand for services, which are dependent on weather, changes in commodity prices, and the economy. This variability is separate from that which relates to strategic events, such as post-2021 acquisition integration costs or losses/impairment upon being reclassified as held for sale during the fourth quarter of 2022.

Centuri is a strategic utility infrastructure services company dedicated to partnering with North America's electric and gas providers to build and maintain the energy network that powers millions of homes across the United States ("U.S.") and

Canada. Centuri's skilled workforce delivers a comprehensive and integrated array of solutions through its primary operating companies: NPL Construction Co. ("NPL"), NPL Canada Ltd. ("NPL Canada"), New England Utility Constructors, Inc. ("Neuco"), Linetec Services, LLC ("Linetec"), and Riggs Distler & Company, Inc. ("Riggs Distler"). Centuri has strategically expanded its geographic reach and service offerings through organic and inorganic growth to better meet diverse customer needs across both electric and gas infrastructure, including growing customer attention to achieving environmental objectives. Utility infrastructure services activity is seasonal in most of Centuri's operating areas. Peak periods are the summer and fall months in colder climate areas, such as the northeastern and midwestern U.S. and in Canada. In warmer climate areas, such as the southwestern and southeastern U.S., utility infrastructure services activity continues year round. The availability of customer-provided materials, input costs, nature of specific customer contracts, and timing of incorporation of costs in change orders, if at all, can materially impact results.

Financial information concerning the Company's business segments is included in **Note 13 - Segment Information** of the notes to consolidated financial statements, which is included in the 2022 Annual Report to Stockholders and incorporated herein by reference.

Southwest Gas Holdings maintains a website (www.swgasholdings.com) for the benefit of stockholders, investors, customers, and other interested parties. Similarly, Southwest maintains a website (www.swgas.com) mainly focused on utility operations. The annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports are available, free of charge, through the SEC's website at www.sec.gov and the www.swgasholdings.com website as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. All Company SEC filings are also available on the www.swgasholdings.com website. Nothing included on our website shall be deemed to be a part of the annual report on Form 10-K. The Corporate Governance Guidelines, Code of Business Conduct and Ethics, and charters of the Nominating and Corporate Governance, Audit, and Compensation Committees of the Board of Directors of the Company are also available on the www.swgasholdings.com website. Print versions of these documents are available to stockholders upon request directed to the Corporate Secretary, Southwest Gas Holdings, Inc., 8360 S. Durango Drive, Las Vegas, NV 89113.

NATURAL GAS DISTRIBUTION

General Description

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

As of December 31, 2022, Southwest purchased and distributed or transported natural gas to 2,197,000 residential, commercial, and industrial customers in geographically diverse portions of Arizona, Nevada, and California. Southwest added 41,000 new customers during 2022.

The table below lists the percentage of operating margin (operating revenues less net cost of gas) by major customer class for the years indicated:

	Distribution		
For the Year Ended December 31,	Residential and Small Commercial	Other Sales Customers	Transportation
2022	85 %	4 %	11 %
2021	85 %	4 %	11 %
2020	85 %	3 %	12 %

Southwest is not dependent on any one or a few customers such that the loss of any one or several would have a significant adverse impact on earnings or cash flows.

Transportation of customer-secured gas to end-users accounted for 42% of total system throughput in 2022, but represents only 11% of operating margin as shown in the table above. Customers who utilized this service transported 93 million dekatherms in 2022, 95 million dekatherms in 2021, and 98 million dekatherms in 2020.

The demand for natural gas is seasonal, with greater demand in the colder winter months and decreased demand in the warmer summer months. It is the opinion of management that comparisons of earnings for interim periods do not reliably reflect overall trends and changes in operations due to this seasonality. The decoupled rate mechanisms in place in the three state service territories, as described below, are structured with seasonal variations. Also, earnings for interim, or any, periods can be significantly affected by the timing of general rate relief.

Rates and Regulation

Rates that Southwest is authorized to charge its distribution system customers are determined by the ACC, PUCN, and CPUC in general rate cases and are derived using rate base, cost of service, and cost of capital experienced in an historical test year, as adjusted in Arizona and Nevada, and projected for a future test year in California. The FERC regulates the northern Nevada transmission and liquefied natural gas ("LNG") storage facilities of Great Basin Gas Transmission Company ("Great Basin"), a wholly owned subsidiary, and the rates it charges for transportation of gas directly to certain end-users and to various local distribution companies ("LDCs"). The LDCs transporting on the Great Basin system are: NV Energy (serving Reno and Sparks, Nevada) and Southwest (serving Truckee, South and North Lake Tahoe in California, and various locations throughout northern Nevada).

Rates charged to customers vary according to customer class and rate jurisdiction and are set at levels that are intended to allow for the recovery of all commission-approved costs, including a return on rate base sufficient to pay interest on debt as well as a reasonable return on common equity. Rate base consists generally of the original cost of utility plant in service, net of amounts associated with costs borne by third parties, plus certain other assets such as working capital and inventories, less accumulated depreciation on utility plant in service, net deferred income tax liabilities, and certain other deductions.

Rate structures in all service territories allow Southwest to separate or "decouple" the recovery of operating margin from natural gas consumption, though decoupled structures (alternative revenue programs) vary by state. In California, authorized operating margin levels vary by month. In Nevada and Arizona, the decoupled rate structures apply to most customer classes on the basis of margin per customer, which varies by month. Collectively, these mechanisms provide stability in annual operating margin.

Rate schedules in all service areas contain deferred energy or purchased gas adjustment provisions, which allow Southwest to file for rate adjustments as the cost of purchased gas changes. Deferred energy and purchased gas adjustment (collectively "PGA") rate changes affect cash flows, but have no direct impact on profit margin. Filings to change rates in accordance with PGA clauses are subject to audit by the appropriate state regulatory commission staff.

Information with respect to recent general rate cases, PGA filings, and other regulatory proceedings is included in the Rates and Regulatory Proceedings section of Management's Discussion and Analysis ("MD&A"), which is incorporated by reference herein and included within the 2022 Annual Report to Stockholders.

The table below lists recent docketed general rate filings and the status of such filing within each ratemaking area:

Ratemaking Area	Type of Filing	Month Filed	Month Final Rates Effective
Arizona	General rate case	December 2021	February 2023
California:			
Northern, Southern, and South Lake Tahoe	General rate case	August 2019	January 2021
Nevada:			
Northern and Southern	General rate case	August 2021	April 2022
FERC:			
Great Basin	General rate case	May 2019	February 2020

Demand for Natural Gas

Deliveries of natural gas by Southwest are made under a priority system established by state regulatory commissions. The priority system is intended to ensure that the gas requirements of higher-priority customers, primarily residential customers and other customers who use 500 therms or less of gas per day, are fully satisfied on a daily basis before lower-priority customers, primarily electric utility and large industrial customers able to use alternative fuels, are provided any quantity of gas or capacity.

Demand for natural gas is greatly affected by temperature. On cold days, use of gas by residential and commercial customers can be as much as seven times greater than on warm days because of increased use of gas for space heating. To fully satisfy this increased high-priority demand, gas is withdrawn from storage in certain service areas, or peaking supplies are purchased from suppliers. If necessary, service to interruptible lower-priority customers may be curtailed to provide the needed delivery system capacity. Southwest maintains no significant backlog on its orders for gas service.

Natural Gas Supply

Southwest is responsible for acquiring and arranging delivery of natural gas to its system in sufficient quantities to meet its sales customers' needs. Southwest's primary natural gas procurement objective is to ensure that adequate supplies of natural gas are available at a reasonable cost. Southwest acquires natural gas from a wide variety of sources with a mix of purchase provisions, which includes spot market and firm supplies. The purchases may have terms from one day to several years and utilize both fixed and indexed pricing. During 2022, Southwest acquired natural gas from 36 suppliers. Southwest regularly monitors the number of suppliers, their performance, and their relative contribution to the overall customer supply portfolio. New suppliers are contracted when possible, and solicitations for supplies are extended to the largest practicable list of suppliers, taking into account each supplier's creditworthiness. Competitive pricing, flexibility in meeting Southwest's requirements, and demonstrated reliability of service are instrumental to any one supplier's inclusion in Southwest's portfolio. The goal of this practice is to mitigate the risk of nonperformance by any one supplier and ensure competitive prices in the portfolio.

Balancing reliability with supply cost results in a continually changing mix of purchase provisions within the supply portfolios. To address the unique requirements of its various market areas, Southwest assembles and administers a separate natural gas supply portfolio for each of its jurisdictional areas. Southwest facilitates most natural gas purchases through competitive bid processes.

To mitigate customer exposure to short-term market price volatility, during 2022 Southwest sought to fix the price on a portion of its forecasted annual normal-weather volume requirement (up to 25% in the California jurisdiction and to a limited extent, in the Arizona jurisdiction), primarily using firm, fixed-price purchasing arrangements that are secured periodically throughout the year. Southwest's price volatility mitigation program previously included the use of financial derivatives, in the form of fixed-for-floating-index-price swaps combined with indexed-price physical purchases, to secure a portion of the fixed-price portfolio, most recently, for the Arizona rate jurisdiction. The combination of fixed-price contracts and financial derivatives was designed to increase flexibility for Southwest and increase supplier diversification. The cost of such financial derivatives combined with the associated indexed-price physical purchases has been recoverable from customers through the PGA mechanism. For periods beyond October 2020, Southwest has not and does not plan at this time to make fixed-price term purchases broadly in other than California (as set forth above), nor engage in swap transactions for any of its territories.

For the 2022/2023 heating season, firm fixed-price physical commodity purchases ranged from approximately $4.59 to approximately $9.89 per dekatherm. Southwest makes natural gas purchases, not covered by firm fixed-price contracts, under variable-price contracts with firm quantities or on the spot market. Prices for these contracts are determined at the beginning of

each month to reflect that month's published first-of-month index price or based on a published daily price index. These monthly or daily index prices are not published or known until the purchase period begins.

The baseload firm natural gas supply arrangements are structured such that Southwest must nominate a stated volume of natural gas and the supplier must confirm that nomination. Contracts provide for fixed or market-based penalties to be paid by the non-performing party.

Storage availability may influence the average annual price of natural gas, as storage may allow a company to purchase natural gas quantities during the off-peak season and store it for use in high demand periods when prices may be greater or supplies/capacity, tighter. Dependent upon the rate jurisdiction, Southwest has some access to storage services, but overall there are small quantities of storage services available for Southwest's use. For available storage services, Southwest purchases natural gas for injection during the off-peak period for use in the high demand months; however, since storage is limited, its impact is also limited in regard to Southwest's annual average price of natural gas. Additionally, Southwest utilizes most available storage services for operational purposes to meet customer demand and not for economic purposes. This also limits the influence the available storage services have on Southwest's average annual price of natural gas.

Southwest currently has no market area storage service availability in its southern Nevada rate jurisdiction; however, in 2022, Southwest began receiving supply area storage services from Spire Storage West that will likely be used for the southern Nevada rate jurisdiction but could also be used to service the northern Nevada or northern California rate jurisdictions, as described below. Southwest generally has limited market area storage services availability for the southern and northern California, northern Nevada, and Arizona rate jurisdictions. The following summarizes Southwest's access to storage services for those rate jurisdictions.

Southwest has a storage services contract with Southern California Gas Company for use only within Southwest's southern California rate jurisdiction.

Southwest contracts for storage services from Great Basin's above-ground LNG facility. This storage service generally provides vaporization and injection, as well as peaking capability only for the northern Nevada and northern California rate jurisdictions.

Southwest also has interruptible storage contracts with Northwest Pipeline Corporation ("NWPL") for the northern Nevada and northern California rate jurisdictions. NWPL has the discretion to limit Southwest's ability to inject or withdraw from this interruptible storage, which consequently limits Southwest's use of this interruptible storage capacity. As such, this storage provides limited operational flexibility to adjust daily flowing supplies to meet demand.

For the Arizona rate jurisdiction, Southwest operates a 233,000 dekatherm above-ground LNG facility in southern Arizona. This facility is intended to enhance service reliability and flexibility in natural gas deliveries in the area by providing a local storage option that is operated by Southwest and connected directly to its distribution system.

Natural gas supplies for Southwest's southern system (Arizona, southern Nevada, and southern California properties) are primarily obtained from producing regions in Colorado and New Mexico (San Juan basin), Texas (Permian basin), and Rocky Mountain areas. For its northern system (northern Nevada and northern California properties), Southwest primarily obtains natural gas from Rocky Mountain producing areas and from Canada.

The landscape for national natural gas supply is continuously changing, including impacts related to governmental policies. Advanced drilling techniques continue to provide access to abundant and sustainable natural gas supplies. The natural gas market has responded to the abundant supply of natural gas at prices that are competitive with other forms of energy; however, the market price of natural gas has spiked in recent periods as a result of numerous market forces, including historically low storage levels, upstream maintenance events, and cold weather conditions across the central United States in December 2022 and regional pricing dislocation on the west coast in January 2023. In early 2021, winter storms in the central U.S. also led to unprecedented price spikes over a number of days. As a result of this increase in pricing, Southwest has undertaken incremental borrowing in order to fund the higher cost, including recently, when it entered into a $450 million term loan in January 2023 in order to fund increased supply costs. Southwest may be required to incur additional indebtedness in connection with future spikes in natural gas prices as a result of extreme weather events, or otherwise. Forecasts show that an ample and diverse natural gas supply continues to be available to Southwest's customers at a competitive price when compared to competing energy forms.

Southwest arranges for transportation of natural gas to its Arizona, Nevada, and California service territories through the pipeline systems of El Paso Natural Gas Company ("El Paso"), Kern River Gas Transmission Company ("Kern River"), Transwestern Pipeline Company ("Transwestern"), NWPL, Tuscarora Gas Pipeline Company ("Tuscarora"), Southern California Gas Company, Great Basin, and Ruby Pipeline LLC ("Ruby"), costs for which are recovered from Southwest's customers through the PGA mechanism. Southwest regularly monitors short- and long-term supply and pipeline capacity availability to ensure the reliability of service to its customers. Southwest currently receives firm transportation service, both on a short- and long-term basis, for all its service territories on the pipeline systems noted above. Southwest also contracts for firm natural gas supplies that are delivered to Southwest's city gates to supplement its firm capacity on the interstate pipelines and to

meet projected peak-day demands. Southwest could also utilize its interruptible contracts on the interstate pipelines for the transportation of additional natural gas supplies.

Southwest believes that the current levels of contracted firm interstate capacity and delivered purchases are sufficient to serve each of its service territories' forecasted peak-day requirements. As the need arises to acquire additional capacity on one of the interstate pipeline transmission systems and to secure additional supply, primarily due to customer growth, Southwest will continue to consider available options to obtain that capacity (either through the use of firm contracts with a pipeline company or by purchasing capacity on the open market), and will also consider options for the purchase of additional firm delivered natural gas supplies.

Competition

Electric utilities are the principal competitors of Southwest for the residential and small commercial markets throughout its service areas. Competition for space heating, general household, and small commercial energy needs generally occurs at the initial installation phase when the customer/builder typically makes the decision as to which type of equipment to install and operate. The customer will generally continue to use the chosen energy source for the life of the equipment. Southwest interfaces directly with the various home builders and commercial property developers in its service territories to ensure that natural gas appliances are considered in new developments and commercial centers. As a result of its efforts, Southwest has continued to experience growth in the new construction market among residential and small commercial customer classes. In 2022, Southwest provided natural gas to a large majority of the new homes constructed during the year in the major metropolitan markets composing our service territories.

Certain large commercial, industrial, and electric generation customers have the capability to switch to alternative energy sources. To date, Southwest has been successful in retaining most of these customers by setting rates (subject to conditions of the respective state tariffs) at levels competitive with commercially available alternative energy sources such as electricity and fuel oils. However, high natural gas prices or policies surrounding electrification could impact Southwest's ability to retain some of these customers. Reducing fossil fuel use has gained momentum in governmental policy overall in recent years. Southwest has taken steps to align with these efforts by supporting energy efficiency in our jurisdictions, being part of greenhouse gas protocols and initiatives in California, partnering on hydrogen blending innovation, and creating new biogas and renewable natural gas ("RNG") tariff schedules in Arizona, California, and Nevada. See also "*Environmental Matters"* below. While certain forms of renewable energy initiatives compete with natural gas, the abundance, low cost, resiliency, and reliability of natural gas, as well as the convenience and comfort it provides to our customers, result in competitive advantages across our portfolio of customers. Overall, management does not anticipate any material adverse impact on operating margin from fuel switching or alternative energy initiatives over the near term.

Southwest competes with interstate transmission pipeline companies, such as El Paso, Kern River, Transwestern, Tuscarora, and Ruby to provide service to certain large end-users. End-use customers located in proximity to these interstate pipelines pose a potential bypass threat. Southwest closely monitors each customer situation and provides competitive service in order to retain the customer. Southwest has remained competitive through the use of negotiated transportation contract rates (subject to conditions of the respective state tariffs), special long-term contracts with electric generation and cogeneration customers, and other tariff programs. These competitive response initiatives have mitigated the loss of operating margin earned from large customers.

Environmental Matters

Federal, state, and local laws and regulations governing the discharge of materials into the environment have a direct impact upon Southwest. Environmental efforts, with respect to matters such as storm water management, emissions of air pollutants, hazardous material management, and protection of endangered species and archaeological resources, directly impact the complexity and time required to obtain pipeline rights-of-way and construction permits. There have also been a number of federal and state legislative and regulatory initiatives proposed in recent years in an attempt to control or limit the effects of global warming and overall climate change, including greenhouse gas emissions ("GHGs"), such as methane. The adoption of this type of legislation by Congress or similar legislation by state governments mandating a substantial reduction in GHGs, or decarbonization generally, could have significant impacts on the energy industry in the future. Such new legislation or regulations could result in increased compliance costs or additional operating restrictions on our business, affect the demand for natural gas, or impact the prices we charge our customers. At this time, we cannot predict the potential impact of such laws or regulations, if adopted, on our future business, financial condition, or results. However, increased environmental legislation and regulation can also be beneficial to the natural gas industry. Natural gas is more environmentally friendly than many other fuels currently available and its use can help energy users comply with stricter environmental air quality standards. While transportation is typically cited as the leading source of carbon dioxide emissions in the U.S., natural gas for residential consumption/use is cited as accounting for less than 6% of total U.S. GHG emissions.

Southwest remains committed to providing customers with safe, reliable, sustainable, and affordable natural gas service and continues to work with policy makers and regulators to support and adopt renewable initiatives and expanded use of RNG and compressed natural gas ("CNG") as a transportation fuel. Additionally, Southwest is investigating blending hydrogen into its gas supply. Southwest is not only supporting a regional transportation customer in Nevada with its fleet's RNG and CNG needs, but Southwest also received favorable cost recovery regarding the conversion of part of its own vehicle fleet to CNG, in support of the state's GHG emission reduction goals. In recent years, regulatory activity in Arizona, California, and Nevada led to provisions allowing for the development of RNG projects. In addition, proposals were previously made in all three states to allow Southwest to purchase RNG as part of its gas supply portfolio; in the California and Nevada jurisdictions, those proposals have been accepted by regulators or legislative bodies.

The United States Environmental Protection Agency (the "EPA") and State of California Environmental Protection Agency (the "Cal/EPA") regulations require the reporting of GHGs from large sources and suppliers in order to facilitate the development of policies and programs to reduce GHGs. Southwest reports required information to the EPA and Cal/EPA under respective rules, including the volumes of natural gas that it receives for distribution to LDC customers, and the GHG emissions that result from the operation of its LDC pipelines.

California legislation and regulations promulgated by the California Air Resources Board (the "CARB") require Southwest to comply with the California GHG Emissions Reporting Program and the California Cap and Trade Program, which play an important role in the state's goal of reducing GHG emissions to 40% below 1990 levels by 2030. Southwest must report annual GHGs each year. The CARB annually allocates to Southwest a certain number of allowances based on Southwest's reported 2011 GHGs. Of those allocated allowances, Southwest must consign a certain percentage to the CARB for auction. Southwest can use any allocated allowances that remain after consignment, along with allowances it can purchase through CARB auctions or reserve sales, or through over the counter ("OTC") purchases with other market participants, to meet its compliance obligations.

As part of this program, there are ongoing three-year compliance periods established. The current compliance period ends in 2023. Southwest successfully met its earlier compliance obligations by surrendering a sufficient number of allowances prior to the required date, the most recent of which was November 1, 2021. Southwest will meet the 2023 compliance obligation by surrendering a sufficient number of allowances prior to November 1, 2024, or may surrender carbon offsets to meet a portion of the 2023 compliance obligation. In 2022, Southwest purchased carbon offsets that will partially meet the 2023 compliance obligation. Carbon offsets can only be used to satisfy a portion of the 2023 compliance obligation, and those combined with ongoing allowance purchases will support compliance years through 2023. The CPUC previously issued a decision that provides for the regulatory treatment of the program costs. The decision also implemented the California Climate Credit in October 2018, representing a return of auction proceeds, which is updated annually each April. There is no expected direct impact on earnings.

UTILITY INFRASTRUCTURE SERVICES

Centuri is a strategic utility infrastructure services company dedicated to partnering with North America's gas and electric providers to build and maintain the energy network that powers millions of homes across the U.S. and Canada. Centuri's skilled workforce delivers a comprehensive and integrated array of solutions through its operating companies. Centuri derives revenue primarily from installation, replacement, repair, and maintenance of energy networks. The primary focus of Centuri operations is the replacement of natural gas distribution pipelines and electric service lines, as well as new infrastructure installations. Centuri has formalized a service offering for emergency utility system restoration services to bring customers' above-ground utility infrastructure back online following regional storms and other extreme weather events. Utility infrastructure services work varies from relatively small projects to the installation of infrastructure for entire residential communities or business parks. Centuri seeks to build long-term relationships with customers to meet their needs across geographies and across both gas and electric infrastructure. Utility infrastructure services activity is seasonal in many of Centuri's operating areas. Peak periods are the summer and fall months in colder climate areas, such as the northeastern and midwestern U.S. and Canada. In warmer climate areas, such as the southwestern and southeastern U.S., utility infrastructure services activity typically continues year round.

During recent years, various factors resulted in an increase in large multi-year utility system replacement programs and expanded protocols. The U.S. Energy Policy Act of 2005 established mandatory electric grid reliability standards and incentivized investments in transmission and distribution systems. The U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration ("PHMSA") instituted Distribution Integrity Management Programs ("DIMP") effective February 2010, which required operators of gas distribution pipelines to develop and implement integrity management programs to enhance safety by identifying and reducing pipeline integrity risks. FERC Order No. 1000, issued in July 2011, established transmission planning requirements to encourage development of electric transmission infrastructure projects. In 2020, PHMSA issued its final "Mega Rule," including requirements for reconfirming transmission pipeline maximum allowable operating pressure and verification of pipeline materials, in addition to expanding assessments and requirements for work in moderate consequence areas, among other things. Then, in March 2022, and August 2022, PHMSA issued rules

amending federal pipeline safety regulations applicable to valve installation and minimum rupture detection standards for transmission pipelines, and amendments applicable to transmission pipeline integrity management, effective in October 2022 and May 2023, respectively. Likewise, there has been significant attention placed on electric grid modernization through national infrastructure legislation and related initiatives. The recently passed Inflation Reduction Act includes a number of provisions to accelerate the deployment of clean energy technologies, including incentives for the buildout of necessary infrastructure. The Department of Energy estimates more than 70% of the nation's grid transmission lines and power transformers are over 25 years old, creating vulnerability exacerbated by seasonal storm and extreme weather events. Centuri's services also support customers' environmental goals, such as reducing methane emissions from pipeline leaks through pipe repair and replacement. Centuri is well positioned to support growing customer attention in achieving environmental objectives through infrastructure construction and maintenance. Additionally, Centuri's acquisition of Riggs Distler in 2021 positions Centuri to benefit from the necessary development of onshore infrastructure to support offshore wind and power development.

Centuri's contract terms with utility customers generally specify unit-price or time-and-materials ("T&M") terms under master service agreements, and occasionally, fixed-price arrangements for bid work. Unit-price contracts establish prices for all of the various services to be performed during the contract period. These contracts often have annual pricing reviews that provide an opportunity for Centuri to reflect anticipated increases in labor costs. Centuri customers supply materials required for building and maintenance services under the majority of Centuri's contracts, and thus, increased costs of materials generally do not present a direct material risk to Centuri. During 2022, approximately 82% of revenue was earned under unit-price and T&M contracts. Storm restoration services are often contracted under T&M rates and generally involve a higher number of hours worked per day given the emergency response nature of the work performed. Backlog represents the dollar amount of revenue Centuri expects to recognize in the future from contracts awarded and in progress as of the end of the reporting period. Reported backlog differs from the concept of remaining performance obligations as defined by accounting principles generally accepted in the U.S. ("U.S. GAAP") and is not a measure of contract profitability. As of December 31, 2022, backlog of approximately $441 million existed with respect to outstanding fixed-priced contracts. Centuri maintains an average customer relationship tenure of more than 20 years, supported by its unwavering commitments to safety, quality, community engagement, and workforce development.

Materials used by Centuri in its utility infrastructure service activities are typically specified, purchased, and supplied by Centuri's customers. Contracts with customers also contain provisions which make customers generally liable for remediating environmental hazards encountered during the construction process. Such hazards might include digging in an area that was contaminated prior to construction, finding endangered animals, digging in historically significant sites, etc. Otherwise, Centuri's operations have limited environmental impact (dust control, normal waste disposal, handling harmful materials, etc.).

Competition within the industry has traditionally been limited to several regional and numerous local competitors in what has been a largely fragmented industry. Some national competitors also exist within the industry. Centuri operates in over 73 primary locations across 45 states and provinces in the U.S. and Canada, with its corporate headquarters located in Phoenix, Arizona. During 2022, Centuri served over 400 customers. Southwest accounted for approximately 5% of total revenue. Two additional customers accounted for approximately 18% of total revenue. No other customers individually accounted for 5% or more of total revenue.

Centuri is not directly affected by regulations promulgated by the ACC, PUCN, CPUC, or FERC. Centuri is an unregulated subsidiary of the Company. However, because Centuri performs work for Southwest, its associated costs are subject indirectly to "prudency reviews" like any other capital work performed by third parties or directly by Southwest. However, these reviews do not bring Centuri under the regulatory jurisdiction of any of the commissions noted above.

PIPELINE AND STORAGE

As described above, on February 14, 2023, the Company completed the sale of all of the equity interests in MountainWest. MountainWest's operations are comprised of over 2,000 miles of highly-contracted FERC-regulated interstate natural gas pipelines providing transportation and underground storage services in Utah, Wyoming, and Colorado. MountainWest includes two wholly owned, FERC-regulated businesses (referred to herein as MountainWest Pipeline and MountainWest Overthrust Pipeline), and another FERC-regulated pipeline held as a 50% interest in White River Hub ("WRH"). WRH is a variable interest entity of which MountainWest is not the primary beneficiary; therefore, WRH is not consolidated with MountainWest and is, instead, accounted for under the equity method of accounting.

Collectively, MountainWest has fewer than one hundred customers, which include storage customers, marketers, end-users, power generators, or utilities. The two largest customers comprise nearly half of their expected revenues.

MountainWest's operations are primarily in the midstream, including 56 billion cubic feet ("Bcf") of storage capacity that has, in the recent past, been at or near full contracting.

HUMAN CAPITAL

Throughout our collective operations, employees are critical to our success. Their talent and dedication are what allows us to provide safe and reliable service to customers and explore new opportunities that align with our strategies, while carrying out organizational core values related to safety, quality, and stewardship, among others. The Board oversees matters relating to our vision, values, and culture where employee health and safety; diversity, equity, and inclusion; and human and workplace rights are priorities. The Board receives regular reports from management and subject matter experts in these areas, and in turn provides guidance on current and future initiatives. The Board also assists management in integrating responsibility and sustainability into strategic activities to create long-term customer and shareholder value.

Our Company and the Board are committed to a culture of continuous improvement over the safety of our employees and the communities we serve every day. Employees and contract workers receive initial safety orientation training to learn practices, procedures, and policies established by our businesses. New and recurring safety training occurs at regular intervals thereafter. Frontline safety strategies, developed with executive leadership, contribute to the improvement of our safety management systems. Safety metrics also form part of incentive compensation programs for leaders of all the Company's business segments, reinforcing our top priority to safeguard our communities, our employees, and our assets. At Southwest, such metrics include Damages per 1,000 Tickets and Incident Response Time; at Centuri, they include Total Recordable Incident Rate and Days Away/Restricted/Transferred ("DART"). In each case, the measures are widely used in the respective industries comprising our businesses. All segments maintain additional behavioral-based programs and extensive employee training initiatives to promote safe work.

At December 31, 2022, Southwest had 2,351 regular full-time equivalent employees. Southwest believes that a skilled, highly trained workforce is a key to success in the utility industry, and a driver of Southwest's safety performance and high customer satisfaction ratings. Southwest believes it has a good relationship with its employees and that compensation, benefits, and working conditions are comparable to those generally found in the utility industry. In recent years, employee engagement surveys have been deployed to gauge the extent to which employees feel connected and valued. Flexible working arrangements are available to employees, which support work-life balance. No Southwest employees are represented by a labor union. A stable workforce has been important to knowledge transfer and succession processes, with the average tenure of Southwest employees being approximately 11 years. Germane to attracting and retaining employees are our compensation and benefits programs, which are regularly reviewed. For employees hired on or before December 31, 2021, Southwest offers an employee pension and employer matching contributions to the employee defined contribution plan. Employees hired on or after January 1, 2022 do not participate in the employee pension plan, but receive non-elective employer contributions and increased employer matching contributions to the employee defined contribution plan. The health and wellness of our workforce are supported by group insurance programs, incentive programs in support of total health, and related employee programs. Southwest also offers a tuition assistance program. Regular succession planning helps ensure that talent is identified, and existing and prospective leaders are developed in order to build their skills and be prepared for future roles.

At December 31, 2022, Centuri had 11,008 regular full-time equivalent employees working in over 45 states and provinces throughout the U.S. and Canada. Employee counts fluctuate between seasonal periods, normally heaviest in the summer and fall. Typical of the segment's industry, a majority of Centuri employees are represented by unions and covered by collective bargaining agreements. Centuri maintains a market-based total rewards strategy to attract, retain, motivate, and develop employees. Additionally, Centuri has a scholarship program, which awards more than half of the grants to minority students who are dependents of Centuri employees. Similar employee engagement and succession planning protocols to those existing at Southwest are deployed at Centuri.

As of December 31, 2022, MountainWest had 255 full-time employees across Utah, Wyoming, and Colorado. MountainWest is comprised of a highly skilled workforce which provides gas transportation and underground storage services in the midstream space. MountainWest does not have a unionized workforce. The MountainWest workforce transferred with the business as part of the sale to Williams in February 2023. Upon close, the Company is to provide certain services to Williams under a transition services agreement for a brief period, generally not beyond six months.

Collectively, we embrace a culture of diversity, equity, and inclusion to not only protect employees under laws designed to do so regardless of protected status, but to reinforce the value that diversity brings to the workplace. We strive to have a workforce that reflects the communities we serve, and engage experts from time to time to update management on the trends and benefits of diverse backgrounds, cultures, and perspectives. Our belief is that adherence to these principles forms the genesis of a workforce that is both diverse and inclusive. Southwest and Centuri have several programs, including employee resource groups, diversity councils, a diversity ambassadors (champions) network, educational outreach programs, and other initiatives designed to attract and retain a diverse workforce. We commit to creating a safe and respectful workplace by encouraging employees to value diversity through unconscious bias training, and by inviting them to engage in meaningful conversations about diversity, equity, and inclusion topics. Through these and other efforts, we place value in our people and nurture their development, while ensuring that all employees have an equitable opportunity for success.

Item 1A. RISK FACTORS

*Described below (and in **Item 7A. Quantitative and Qualitative Disclosures about Market Risk** of this report) are risk factors that we have identified that may have a negative impact on our future financial performance or affect whether we achieve the goals or expectations expressed or implied in any forward-looking statements contained herein. References below to "we," "us," and "our" should be read to refer to Southwest Gas Holdings, Inc. and any combination of its subsidiaries, including Southwest Gas Corporation and Centuri Group, Inc.*

Operational Risks

Southwest relies on having access to interstate pipelines' transportation capacity. If these pipelines and related transportation capacity were not available, it could impact Southwest's ability to meet customers' full requirements.

Southwest must acquire both sufficient natural gas supplies and interstate pipeline capacity to meet customer requirements. We must contract for reliable and adequate delivery capacity for our distribution system, while considering the dynamics of the interstate pipeline capacity market, our own on-system resources, as well as the characteristics of our customer base. Interruptions to or reductions of interstate pipeline service caused by physical constraints, excessive customer usage, or other force majeure could reduce our normal supply of gas. Restrictions placed on pipelines or the extractive and mid-stream industries could disrupt our business and reduce cash flows and earnings. A prolonged interruption or reduction of interstate pipeline service or availability of natural gas in any of our jurisdictions, particularly during the winter heating season, would reduce cash flow and earnings.

Failure to attract and retain an appropriately qualified employee workforce could adversely affect our collective operations.

Our ability to implement our business strategy and serve our customers is dependent upon our continuing ability to attract and retain talented professionals and a technically skilled workforce, and impacts our ability to transfer the knowledge and expertise of our workforce to new employees as our aging employees retire. Failure to attract, hire, and adequately train replacement employees, including the transfer of significant internal historical knowledge and expertise to the new employees, or the future availability and cost of contract labor could adversely affect our ability to manage and operate our business.

In particular, the productivity of Centuri's labor force and its ongoing relationship with clients is largely dependent on those serving in foreman, general foreman, regional, and executive level management positions. The ability to retain these individuals, due in large part to the competitive nature of the utility infrastructure service business, is necessary for the ongoing success and growth of Centuri. Further, the competitive environment within which Centuri performs work creates pricing pressures, specifically when its unionized business segment is bidding against non-union competitors. This workforce competition, including that which exists for resources across our businesses, could adversely impact our business, financial condition, results of operations, and cash flows.

Loss of one or more significant customers at Centuri could adversely affect results.

During 2022, over half of utility infrastructure services revenues were generated from ten customers. This concentration of risk could impact operating results if construction work slowed or halted with one or more of these customers, if competition for work increased, or if existing contracts were not replaced or extended.

Certain of our costs, such as operating expenses (including labor, fuel, and materials) at Southwest and Centuri, and interest and general and administrative expenses at both segments and the Company could be adversely impacted by periods of heightened inflation, which could have an adverse impact on our results of operations.

Throughout 2022, the consumer price index increased substantially and may continue to remain at elevated levels for an extended period of time. Federal policies and recent global events, such as the volatility in prices of oil and natural gas, and the conflict between Russia and Ukraine, may have exacerbated, and may continue to exacerbate, increases in the consumer price index. In addition, during periods of rising inflation, variable interest rates and the interest rates of any debt securities we, Southwest, or Centuri issue will likely be higher than more recent debt issuances, which will further tend to reduce returns to our stockholders. A sustained or further increase in inflation could have a material adverse impact on our operating expenses incurred in connection with, among others, the cost of natural gas supply, labor, products, and services required for operations, maintenance and capital improvements at Southwest, and fuel, labor, and materials costs at Centuri, as well as general administrative expenses for both segments.

With regard to Southwest, rate schedules in each of its service territories contain purchased gas adjustment clauses which permit Southwest to file for rate adjustments to recover increases in the cost of purchased gas. Increases in the cost of purchased gas have no direct impact on our profit margins but do affect cash flows and can therefore impact the amount of our capital resources. In order to help cope with the effects of inflation on its operations, Southwest may file requests for rate increases to cover the increased cost of purchased gas or other types of expenditures noted above. However, there can be no assurance that Southwest will be able to obtain adequate and timely rate relief to offset the effects of inflation and any non-recovery of costs or

regulatory lag will reduce our cash flows and earnings. As a result, during periods in which the inflation rate exceeds the rate increases applicable to purchased gas, or other types of expenditures, we may not adequately mitigate the impact of inflation, which may adversely affect our business, financial condition, results of operations, and cash flows.

Additionally, inflationary pricing has had and may continue to have a negative effect on the construction costs necessary to complete projects at Centuri, particularly with respect to fuel, labor, and subcontractor costs discussed above. Centuri is experiencing pressures on fuel, materials, and certain labor costs as a result of the inflationary environment and current general labor shortage, which has resulted in increased competition for skilled labor and wage inflation. Centuri has not been able to (except in limited circumstances), and may not be able to, fully adjust its contract pricing to compensate for these cost increases, which has affected, and may continue to affect, Centuri's profitability and cash flows. Inflationary pressures and related recessionary concerns in light of governmental and central bank efforts to mitigate inflation could also cause uncertainty for Centuri's customers and affect the level of their project activity, which could also adversely affect Centuri's profitability and cash flows. Furthermore, inflationary pressures may also influence Southwest's customers in remitting payments on their utility bills, which may adversely affect Southwest's cash flows and associated reserves for uncollectible accounts in earnings.

As inflation persists, the Board of Governors of the United States Federal Reserve Bank has raised and has indicated that it intends to continue to raise benchmark interest rates into 2023 and 2024, which likely will cause our borrowing costs to increase over time. As a result of the inflationary factors discussed above affecting the Company, Southwest, and Centuri, our business, financial condition, results of operations, cash flows, and liquidity could be adversely affected over time.

Fixed-price contracts at Centuri are subject to potential losses that could adversely affect results of operations.

Centuri enters into a variety of types of contracts customary in the underground utility construction industry. These contracts include unit-priced contracts (including unit-priced contracts with revenue caps), time and material (cost plus) contracts, and fixed-price (lump sum) contracts. Contracts with caps and fixed-price arrangements can be susceptible to constrained profits, or even losses, especially those contracts that cover an extended-duration performance period. This is due, in part, to the necessity of estimating costs far in advance of the completion date (at bid inception). Unforeseen inflation, or other costs unanticipated at inception, can detrimentally impact profitability for these types of contracts.

The nature of our operations presents inherent risks of loss that could adversely affect our results of operations.

Our natural gas distribution and pipeline and storage operations are subject to inherent hazards and risks such as gas leaks, fires, natural disasters, catastrophic accidents, explosions, pipeline ruptures, and other hazards and risks that may cause unforeseen interruptions, personal injury, or property damage. Our utility infrastructure services operations are reliant on skilled personnel who are trained and qualified to install utility infrastructure under established safety protocols and operator qualification programs, and in conformance with mandated engineering design specifications. Lapses in judgment or failure to follow protocol could lead to warranty and indemnification liabilities or catastrophic accidents, causing property damage or personal injury. Additionally, our facilities, machinery, and equipment, including our pipelines, are subject to third-party damage from construction activities, vandalism, or acts of terrorism. Such incidents could result in severe business disruptions, significant decreases in revenues, and/or significant additional costs to us. Any such incident could have an adverse effect on our financial condition, earnings, and cash flows. In addition, any of these or similar events could result in legal claims against us, cause environmental pollution, personal injury or death claims, damage to our properties or the properties of others, or loss of revenue by us or others.

The Company maintains liability insurance that covers Southwest for some, but not all, risks associated with the operation of our natural gas pipelines and facilities, and the utility infrastructure services we provide. In connection with these liability insurance policies, each entity is responsible for an initial deductible or self-insured retention amount per incident, after which the insurance carriers would be responsible for amounts up to the policy limits. Liability insurance policies at Southwest require us to be responsible for the first $1 million (self-insured retention) of each incident plus the first $4 million in total claims above our self-insured retention in the policy year; while Centuri's self-insured retention amount is $750,000 per occurrence. We cannot predict the likelihood that any future event will occur which will result in a claim exceeding these amounts; however, a large claim for which we were deemed liable would reduce our earnings up to and including these self-insurance maximums.

Weather conditions in our operating areas can adversely affect operations, financial position, and cash flows.

Centuri's results of operations, financial position, and cash flows can be significantly impacted by changes in weather that affect the ability of Centuri to provide utility companies with contracted-for trenching, installation, and replacement of underground pipes, as well as maintenance services for energy distribution systems. Generally, Centuri's revenues are lowest during the first quarter of the year due to less favorable winter weather conditions. These conditions also require certain areas to scale back their workforce at times during the winter season, presenting challenges associated with maintaining an adequately skilled labor force when it comes time to re-staff its work crews following the winter layoffs.

Conversely, Southwest's revenues are highest during the first and fourth quarters of the year during the winter months as customer consumption increases. While Southwest has decoupling mechanisms in place in all three states in which it operates,

warmer than normal weather can reduce the amount of billed revenue, as well as amounts collected or returned related to regulatory tracking mechanisms under various programs, thereby impacting cash flows. Weather extremes such as drought and high temperature variations are common occurrences in the southwest U.S. and could impact our growth and results of operations. Deviations from normal weather conditions, even those occurring outside of our service territories, as well as the seasonal nature of our businesses can create fluctuations in short-term cash requirements of both Southwest and Centuri, and earnings, primarily related to Centuri. For example, the market price of natural gas spiked as a result of cold weather conditions across the central United States in December 2022 and regional pricing dislocation on the west coast in January 2023. As a result of this increase in pricing, Southwest entered into a $450 million term loan in January 2023 in order to fund the incremental cost. Southwest may be required to incur additional indebtedness in connection with future spikes in natural gas prices as a result of extreme weather events.

A cybersecurity incident has the potential to disrupt normal business operations, expose sensitive information, and/or lead to physical damages, and may result in legal claims or damage to our reputation.

As a utility provider, midstream service provider, and infrastructure services provider, maintaining business operations is critical for our customers, business partners, suppliers, and our employees. A disruption in service could adversely impact our reputation, ability to provide services for our customers, and the media used to communicate and exchange information both internally and externally.

We process and store sensitive information, including personal identifiable information (“PII”), intellectual property, and business proprietary information as part of normal business operations. A cybersecurity breach of this information could expose us to monetary and other damages from customers, suppliers, business partners, government agencies, and others. The federal and state legislative and regulatory environment surrounding PII, information security, and data privacy is evolving and is likely to become increasingly demanding. For example, California enacted the California Consumer Privacy Act, which became effective on January 1, 2020 and requires covered businesses to, among other things, provide disclosures to California consumers regarding the collection, use, and disclosure of such consumers’ PII and afford such consumers new rights, including the right to opt out of certain sales of PII. Additional states are also considering new laws and regulations that further protect the confidentiality, privacy, and security of personal information. Should the Company experience a breach and/or become subject to additional regulation, it could face substantial compliance costs, reputational damage, and uncertain litigation risks.

Physical damage due to a cybersecurity incident or acts of cyber terrorism could impact utility, transmission, storage, and related services provided to customers and could lead to material liabilities. The Company has taken the initiative in fortifying the core infrastructure that supports the provision of these services. While these measures provide layers of defense to mitigate these risks, there can be no assurance that the measures will be effective against any particular cyber attack. Even though we have insurance coverage in place for cyber-related risks, if such an attack or act of terrorism were to occur, the Company’s operations and financial results could be adversely affected to the extent not fully covered by such insurance.

Reliance on third-party suppliers and subcontractors.

While Centuri maintains oversight of those third-party suppliers and subcontractors it utilizes to assist with certain aspects of the work it performs for clients, any delay or failure by these parties in the completion of their portion of a given project may result in delays in the overall progress of the project or cause us to incur additional costs, thereby potentially impacting Centuri’s overall profitability. Furthermore, if Centuri’s relationship with its third-party suppliers and subcontractors were to be damaged, it may be difficult to replace them in a cost-effective manner.

Reliance on similar services, and their availability, may also impact the ability of Southwest to execute on its objectives for projects undertaken.

Challenges relating to current supply chain constraints have negatively impacted Centuri’s work mix and volumes and could adversely impact our results of operations overall.

Due to increased demand across a range of industries, the global supply market for certain customer-provided components, including, but not limited to, electric transformers and gas risers needed to complete customer projects at Centuri, has experienced isolated performance constraint and disruption in recent periods in support of a few customers. This constrained supply environment has adversely affected, and could further affect, customer-provided component availability, lead times and cost, and could increase the likelihood of unexpected cancellations or delays of supply of key components to customers, thereby leading to delays in Centuri’s ability to timely deliver projects to customers. In an effort to mitigate these risks, Centuri has redirected efforts to projects whereby the customer has provided necessary materials, but delays in materials and redirecting workforces can lead to inefficiencies in absorption of fixed costs, higher labor costs for teams waiting to be deployed, and delays in pivoting to projects where necessary materials are available. Centuri’s efforts to adapt quickly or redeploy to other projects may fail to reduce the impact of these adverse supply chain conditions on Centuri’s business.

Despite these mitigation efforts, the constrained supply conditions may adversely impact Centuri’s revenues and results of operations. The COVID-19 pandemic, labor market, and conflict in Ukraine have also contributed to and exacerbated this strain

within and outside the U.S., and there can be no assurance that these impacts on the supply chain will not continue, or worsen, in the future, negatively impacting any of our business segments and their results. The current supply chain challenges could also result in increased use of cash, engineering design changes, and delays in the completion of customer or other capital projects, each of which could adversely impact our business and results of operations for Centuri or Southwest. In the event these supply chain challenges persist for the foreseeable future, these conditions could adversely impact our results of operations and financial condition over an extended period.

Disruptions in labor relations with Centuri's employees could adversely affect results of operations.

The majority of Centuri's labor force is covered by collective bargaining agreements with labor unions, which is typical of the utility infrastructure services industry. Labor disruptions, boycotts, strikes, or significant negotiated wage and benefit increases at Centuri, whether due to employee turnover or otherwise, could have a material adverse effect on Centuri's business and results of operations and cash flows.

Changing and uncertain work environment and conditions at Centuri.

Centuri performs work in a variety of geographic locations, each presenting unique environmental, surface, and subsurface conditions. As a consequence of work being performed under change orders when unexpected conditions are encountered, Centuri periodically experiences delays relating to billing and payment under these altered conditions.

Risks Related to Previously Announced Strategic Transactions

We may encounter challenges in executing our plan to spin-off Centuri into a standalone, independent public company, or in completing this transaction within the timeframe we anticipate, and we may not realize some or all of the expected benefits of the Separation Transactions.

In December 2022, we announced the Separation Transactions in order to better position MountainWest, Centuri, and Southwest to deliver long-term growth and create value for customers, investors, and employees. The MountainWest Sale closed on February 14, 2023. The Centuri Spin-Off will be subject to the satisfaction of a number of customary conditions, including, among others, final approvals by the Board, approval by the ACC, receipt of tax rulings in certain jurisdictions and/or tax opinions from external counsel, the filing with the SEC and effectiveness of a Form 10 registration statement and satisfactory completion of financing. The failure to satisfy all of the required conditions for the Centuri Spin-Off could delay the completion of the Centuri Spin-Off for a significant period of time or prevent it from occurring at all. Additionally, the Centuri Spin-Off is complex in nature, and unanticipated developments or changes may affect our ability to complete the Centuri Spin-Off as currently expected, within the anticipated timeframe or at all. These or other developments could cause us not to realize some or all of the expected benefits of the Separation Transactions, or to realize them on a different timeline than expected. If we are unable to complete the Centuri Spin-Off, we will have incurred costs without realizing the anticipated benefits of such transaction. In addition, the terms and conditions of the required regulatory authorizations and consents that are granted, if any, may impose requirements, limitations or costs, or place restrictions on the conduct of Centuri following the spin-off. Although we intend for the Centuri Spin-Off to be tax-free for U.S. federal income tax purposes to both the Company and its stockholders, there can be no assurance that the transaction will qualify as tax-free for U.S. purposes. If the Centuri Spin-Off were ultimately determined to be taxable, we would incur a significant tax liability for which the newly independent Centuri may, depending on the circumstances, be required to indemnify us. In certain circumstances the distributions to the Company's stockholders also could become taxable. Furthermore, if the Centuri Spin-Off is completed, it cannot be assured that we and Centuri will be successful as separate companies.

Whether or not both Separation Transactions are completed, our business may face material challenges in connection with these transactions, including, without limitation, the diversion of management's attention from ongoing business concerns and impact on the business of the Company; maintaining employee morale and retaining key management and other employees at Southwest and Centuri; retaining existing or attracting new business and operational relationships, including with customers, suppliers, employees, and other counterparties; and potential negative reactions from the financial markets. Each of Southwest and Centuri will also incur ongoing costs, including costs of operating as separate companies, that the separated businesses will no longer be able to share. Additionally, we cannot predict whether the market value of our common stock and the common stock of Centuri after the Centuri Spin-Off will be, in the aggregate, less than, equal to, or greater than the market value of our common stock prior to the Separation Transactions. If the Centuri Spin-Off is completed, investors holding our common stock may sell the common stock of Centuri if it does not match their investment strategies, which may cause a decline in the market price of such common stock.

If the Centuri Spin-Off is completed, our and Centuri's operational and financial profiles will change and each will be a less diversified company than Southwest Gas Holdings as it exists today.

The Centuri Spin-Off will result in us and Centuri being less diversified companies with more limited businesses concentrated in their respective industries. As a result, each company may be more vulnerable to changing market conditions, which could have a material adverse effect on its business, financial condition, and results of operations. In addition, the diversification of

revenues, costs, and cash flows will diminish, such that each company's results of operations, cash flows, working capital, effective tax rate, and financing requirements may be subject to increased volatility and its ability to fund capital expenditures and investments, pay dividends and service debt may be diminished. It is anticipated that the effective tax rate for each separate company will differ from the Southwest Gas Holdings consolidated effective tax rate.

If the Centuri Spin-Off is completed, there may be changes in our stockholder base, which may cause the price of our common stock to fluctuate.

Investors holding our common stock may hold our common stock because of a decision to invest in a company that operates in multiple markets with a diversified portfolio. If the Centuri Spin-Off is completed, shares of our common stock will represent an investment in a business concentrated in the natural gas distribution industry, and shares of the common stock of Centuri will represent an investment in the strategic utility infrastructure business. This change may not match some stockholders' investment strategies, which could cause them to sell their shares of our common stock or the common stock of Centuri, and excessive selling pressure could cause the market price to decrease following the consummation of the Centuri Spin-Off. Additionally, we cannot predict whether the market value of our common stock and the common stock of Centuri after the Centuri Spin-Off will be, in the aggregate, less than, equal to, or greater than the market value of our common stock prior to the Centuri Spin-Off.

Our goodwill and other assets have been subject to impairment and may be subject to further impairment in the future.

The Company recorded a goodwill impairment loss in connection with the MountainWest Sale of $449.6 million, plus an additional loss on sale of $5.8 million for estimated costs to sell. We assess long-lived assets, including intangible assets associated with acquisitions, for impairment whenever events or circumstances indicate that an asset's carrying amount may not be recoverable. To the extent that circumstances change, there may be additional goodwill impairment and losses on sale that could have a material impact on our results of operations. We cannot predict the amount and timing of any future impairments, if any. Any future impairment of our goodwill or intangible assets could have an adverse effect on results of operations, as well as the trading price of our common stock.

Financial, Economic, and Market Risks

As a holding company, Southwest Gas Holdings, Inc. depends on operating subsidiaries to meet financial obligations.

Southwest Gas Holdings, Inc. has no significant assets other than the stock of operating subsidiaries and is not expected to have significant operations on its own. Southwest Gas Holdings' ability to pay dividends to stockholders is dependent on the ability of its subsidiaries to generate sufficient net income and cash flows to service debt and pay upstream dividends. Because of the relative size of subsidiary operations, and their relative impacts to net income and cash flows, substantial dependency on the utility operations of Southwest Gas Corporation and the infrastructure services of Centuri Group, Inc. exists. The ability of Southwest Gas Holdings' subsidiaries to pay upstream dividends and make other distributions are subject to relevant debt covenant restrictions of subsidiaries and applicable state law.

Utility infrastructure segment clients' budgetary constraints, regulatory support or decisions, and financial condition could adversely impact work awarded.

The majority of Centuri's clients are regulated utilities, whose capital budgets are influenced significantly by the various public utility commissions. As a result, the timing and volume of work performed by Centuri is largely dependent on the regulatory environment in its operating areas and related client capital constraints. If budgets of Centuri's clients are reduced, or regulatory support for capital projects and programs is diminished, it could have a material adverse effect on our business, results of operations, and cash flows. Additionally, the impact of new regulatory and compliance requirements could result in productivity inefficiencies and adversely impact Centuri's results of operations and cash flows, or timing delays in their realization.

Southwest's liquidity, and in certain circumstances our earnings, may be reduced from historical amounts or expectations during periods in which natural gas prices are rising significantly or are more volatile.

Increases in the cost of natural gas may arise from a variety of factors, including weather, changes in demand, the level of production and availability of natural gas, transportation constraints, transportation capacity cost increases, federal and state energy and environmental regulation and legislation, the degree of market liquidity, natural disasters, wars and other catastrophic events, national and worldwide economic and political conditions, the price and availability of alternative fuels, and the success of our strategies in managing price risk.

Rate schedules in each of Southwest's service territories contain purchased gas adjustment clauses which permit Southwest to file for rate adjustments to recover increases in the cost of purchased gas. Increases in the cost of purchased gas have no direct impact on our profit margins, but do affect cash flows and can therefore impact the amount of our capital resources. Southwest has used short-term borrowings in the past to temporarily finance increases in purchased gas costs, and we expect to do so during 2023, if the need again arises.

Southwest may file requests for rate increases to cover the rise in the cost of purchased gas. Due to the nature of the regulatory process, there is a risk of disallowance of full recovery of these costs during any period in which there has been a substantial run-up of these costs or our costs are more volatile. Any disallowance of purchased gas costs would reduce cash flows and earnings.

Southwest's earnings may be materially impacted due to volatility in the cash surrender value of our company-owned life insurance policies during periods in which stock market changes are significant.

Southwest has life insurance policies on members of management and other key employees to indemnify ourselves against the loss of talent, expertise, and knowledge, as well as to provide indirect funding for certain nonqualified benefit plans. Cash surrender values are directly influenced by the investment portfolio underlying the insurance policies. This portfolio includes both equity and fixed income (mutual fund) investments. As a result, the cash surrender value (but not the net death benefits) moves up and down consistent with the movements in the broader stock and bond markets. Current tax regulations provide for tax-free treatment of life insurance (death benefit) proceeds. Therefore, changes in the cash surrender value components of company-owned life insurance policies, as they progress towards the ultimate death benefits, are also recorded without tax consequences. Currently, we intend to hold the company-owned life insurance policies for their duration. Changes in the cash surrender value of company-owned life insurance policies, except as related to the purchase of additional policies, affect our earnings but not our cash flows.

The cost of providing pension and postretirement benefits is subject to changes in pension asset values, changing demographics, and actuarial assumptions which may have an adverse effect on our financial results.

Southwest provides pension and postretirement benefits to eligible employees. The costs of providing such benefits are subject to changes in the market value of our pension fund assets, changing demographics, life expectancies of beneficiaries, current and future legislative changes, and various actuarial calculations and assumptions. The actuarial assumptions used may differ materially from actual results due to changing market and economic conditions, withdrawal rates, interest rates, and other factors. These differences may result in a significant impact on the amount of pension expense or other postretirement benefit costs recorded in future periods. For example, lower than assumed returns on investments and/or reductions in bond yields could result in increased contributions and higher pension expense which would have a negative impact on our cash flows and reduce net income.

Uncertain economic conditions may affect Southwest's ability to finance capital expenditures.

Southwest's business is capital intensive. Our ability to finance capital expenditures and other matters will depend upon general economic conditions in the capital markets. Declining interest rates are generally believed to be favorable to utilities while rising interest rates are believed to be unfavorable because of the high capital costs of utilities. In addition, our authorized rate of return is based upon certain assumptions regarding interest rates. If interest rates are lower than assumed rates, our authorized rate of return in the future could be reduced. If interest rates are higher than assumed rates, it will be more difficult for us to earn our currently authorized rate of return. Furthermore, declines in our stock price resulting from economic downturns or otherwise could impact our ability to finance our operations as planned. Historically, we have frequently used our at-the-market equity offering program ("ATM Program") to fund certain liquidity requirements. During 2022, we did not use our ATM program at the same levels that we have in prior years. As a result, we have been required to find alternative sources of capital primarily through the issuance of additional debt at the Company and Southwest. We do not expect our ATM program to be sufficient to meet all of our capital needs in 2023. As a result, we will continue to explore alternative financing sources, which may not be available to us on attractive terms or at all. Future issuances of securities could be more expensive than ATM issuances and may dilute stockholders.

Continued increases in market interest rates may have an adverse effect on the market price of our common stock.

One of the factors that investors may consider in deciding whether to buy or sell our common stock is our dividend yield, which is our dividend rate as a percentage of the share price of our common stock, relative to market interest rates. If market interest rates continue to increase, prospective investors may desire a higher dividend yield on our common stock or may seek securities paying higher dividends or interest. As a result, interest rate fluctuations and capital market conditions may affect the market price of our common stock and such effects could be significant. For instance, if interest rates rise without an increase in our dividend rate, the market price of our common stock could decrease because potential investors may require a higher dividend yield on our common stock as market rates on interest-bearing securities, such as bonds, rise.

Regulatory, Legislative, and Legal Risks

The Company is currently subject to, and may in the future be subject to, litigation or threatened litigation, which may result in liability exposure that could have a material adverse effect on its business and results of operations.

We are currently subject to, and may be subject in the future, to litigation or threatened litigation, including claims brought by stockholders and otherwise in the ordinary course of business. In particular, we are subject to ongoing stockholder litigation

and are subject to a risk of additional stockholder litigation in the future. Although we believe that adequate insurance coverage is maintained to protect against risk exposure, it is difficult to predict with absolute certainty the costs associated with litigation, indemnity obligations, or other claims asserted in any given year. Moreover, it is possible that not all liabilities and costs experienced will be covered by third-party insurance and potential further claims against us may result in significant additional defense costs and potentially significant judgments against us, some of which may not be, or cannot be, insured against. Additionally, whether or not any dispute actually proceeds to litigation, we may be required to pay damages or expenses, which may be significant, or involve our agreement with terms that restrict the operation of our business. Resolution of these types of matters against us may result in our having to pay significant fines, judgments, or settlements, which, if in excess of insured levels, could adversely impact our earnings and cash flows, thereby having an adverse effect on our financial condition, results of operations, cash flows and our ability to pay dividends on, and the per share trading price of, our common stock. As a consequence, liability exposure could materially and adversely affect our business and results of operations to the extent it is not fully mitigated by such insurance coverage. For more information about our ongoing legal proceedings, see **Note 10 - Commitments and Contingencies** included in the consolidated financial statements of the 2022 Annual Report to Stockholders.

Governmental policies and regulatory actions can reduce Southwest's earnings or cash flows.

Regulatory commissions set our utility customer rates and determine what we can charge for our rate-regulated services. Our ability to obtain timely future rate increases depends on regulatory discretion. Governmental policies and regulatory actions, including those of the ACC, CPUC, PUCN, and FERC relating to allowed rates of return, rate structure, purchased gas and investment recovery, operation and construction of facilities, present or prospective wholesale and retail competition including electrification or decarbonization policies or proposed policies by governmental entities or other parties, changes in tax laws and policies (including regulatory recovery or refunds thereof), and changes in and compliance with environmental and safety laws, including state or federal EPA or PHMSA regulations, and regulations placed on us or our customers regarding the product we deliver in meeting customer energy needs could reduce our earnings. Risks and uncertainties relating to delays in obtaining, or failure to obtain, regulatory approvals, conditions imposed in regulatory approvals, and determinations in regulatory investigations can also impact financial performance. The timing and amount of rate relief can materially impact results of operations. The timing and amount associated with the recovery of regulatory assets and associated with the return of regulatory liabilities can materially impact cash flows.

In general, we are unable to predict what types of conditions might be imposed on Southwest or what types of determinations might be made in pending or future regulatory proceedings or investigations. We nevertheless believe that it is not uncommon for conditions to be imposed in regulatory proceedings, for our regulated operations to agree to conditions as part of a settlement of a regulatory proceeding, or for determinations to be made in regulatory investigations that reduce our earnings and liquidity. For example, we may request recovery of a particular operating expense in a general rate case filing that a regulator disallows, negatively impacting our earnings if the expense continues to be incurred. Southwest records regulatory assets in the consolidated financial statements to reflect the ratemaking and regulatory decision-making authority of the regulators, or expected ratemaking treatment to be upheld, as allowed by U.S. GAAP. The creation of a regulatory asset allows for the deferral of costs which, absent a mechanism to recover such costs from customers in rates approved by regulators, would be charged to expense in the consolidated income statement in the period incurred. If there was a change in regulatory positions surrounding the collection of these deferred costs, there could be a material impact on financial position, results of operations, and cash flows.

Southwest may not be able to rely on rate decoupling to maintain stable financial position, results of operations, and cash flows.

Management has worked with regulatory commissions in designing rate structures that strive to provide affordable and reliable service to our customers while mitigating the volatility in prices to customers and stabilizing returns to investors. Rate structures in all service territories allow Southwest to separate or "decouple" the recovery of operating margin from natural gas consumption, though decoupled structures vary by state. In California, authorized operating margin levels vary by month. In Nevada and Arizona, the decoupled rate structures apply to most customer classes on the basis of margin per customer, which varies by month. Collectively, these mechanisms provide stability in annual operating margin. Significantly warmer-than-normal weather conditions in our service territories and other factors, such as climate change and alternative energy sources, may result in decreased cash flows attributable to lower natural gas sales and delays in recovering regulatory asset balances. Furthermore, continuation of the decoupled rate designs currently in place is subject to regulatory discretion, and if unfavorably modified or discontinued, could adversely impact Southwest's financial position and results of operations.

Southwest may be subject to increased costs related to the operation of natural gas pipelines under recent regulations concerning natural gas pipeline safety, which could have an adverse effect on our results of operations, financial condition, and/or cash flows.

We are committed to consistently monitoring and maintaining our distribution and transmission systems and storage operations to ensure that natural gas is acquired, stored, and/or delivered safely, reliably, and efficiently. Due to the combustible nature of our (or our customers') product, we anticipate that the natural gas industry could be the subject of increased federal, state, and local regulatory oversight over time. We continue to work diligently with industry associations and federal, state, and local regulators to ensure compliance with any applicable laws. We expect there to be increased costs associated with compliance (and potential penalties for any non-compliance) with applicable laws. If these costs are not recoverable in our customer rates, or if there are delays in recoverability due to regulatory lag, they could have a negative impact on our operating costs and financial results, including against our expectations.

Our delivery and related systems require numerous permits and other approvals from various federal, state, and local governmental agencies, and others to operate its business, including for pipeline expansion or infrastructure development; any failure to obtain or maintain required permits or approvals, or other factors that could prevent or delay planned development, could negatively affect our business and results of operations.

Southwest's existing and planned development projects require multiple permits and approvals. The acquisition, ownership and operation of natural gas pipelines and storage facilities require numerous permits, rights-of-way, approvals and certificates from federal, state, and local governmental agencies or others. Various factors may prevent or delay us from completing such projects or may make completion more costly, including the inability to obtain approval, public opposition to the project, regulatory opposition to one or more projects or related programs or their delayed recovery and returns thereon, inability to obtain adequate financing, competition for labor and materials, construction delays, cost overruns, and inability to negotiate acceptable agreements relating to rights-of-way, construction, or other material development components. Once received, approvals may be subject to litigation, and projects may be delayed or approvals reversed. If there is a delay in obtaining any required approvals, or if we fail to obtain or maintain any required approvals, easements or rights of way, or to comply with any applicable laws or regulations, we may not be able to construct or operate our facilities, may not be able to adequately service existing customers or support customer growth, or such conditions could cause us to incur additional costs. These circumstances could negatively impact our earnings.

General Risks

The Company's operating results may be adversely impacted by an economic downturn.

If an economic slowdown occurs, our financial condition, results of operations, and cash flows could be adversely affected. Fluctuations and uncertainties in the economy make it challenging for us to accurately forecast and plan future business activities and to identify risks that may affect our business, financial condition, and operating results. However, current global economic events such as the war in Ukraine, rising inflation, and increasing interest rates may cause the global economy to enter a period of economic slowdown or recession. We cannot predict the timing, strength, or duration of any future economic slowdown or recession. If the economy or the markets in which we operate decline from present levels, it may have an adverse effect on our business, financial condition, and results of operations.

A significant reduction in Southwest Gas Holdings, Inc. and Southwest's credit ratings could materially and adversely affect our business, financial condition, and results of operations.

We cannot be certain that any of our current credit ratings will remain in effect for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in its judgment, circumstances in the future so warrant. Our credit ratings are subject to change at any time in the discretion of the applicable ratings agencies. Numerous factors, including many which are not within our control, are considered by the ratings agencies in connection with assigning credit ratings.

Any downgrade could increase our future borrowing costs, which would diminish our financial results. We would likely be required to pay a higher interest rate in certain current, as well as future, financings, and our potential pool of investors and funding sources could decrease. A downgrade could require additional support in the form of letters of credit or cash or other collateral and otherwise adversely affect our business, financial condition, and results of operations.

We may be unable to successfully integrate business acquisitions into our business and realize the anticipated benefits of the acquisitions.

Business acquisitions are expected to result in various benefits, including, among other things, being accretive to earnings in future periods. The achievement of the anticipated benefits of such acquisitions is subject to a number of uncertainties, including whether the businesses are integrated efficiently and effectively. Failure to achieve the anticipated benefits of acquisitions could result in increased costs, decreases in the amount of expected revenues generated, and the potential diversion of management's time and energy, all of which could have an adverse effect on the consolidated financial position, results of

operations, cash flows, credit ratings, or market price of our common stock. Acquisitions may also cause us to issue equity securities which would dilute our existing stockholders' percentage of ownership.

Natural disasters, public health crises and epidemic or pandemic related illness (including COVID-19), war, or terrorist activities and other extreme events could adversely affect the Companies' business, results of operations, financial condition, liquidity and/or cash flows.

Local or national natural disasters, pandemic illness (including COVID-19), actual or threatened acts of war or terrorist activities, including the political and economic disruption and uncertainty related to Russia's military invasion of Ukraine, catastrophic failure of pipeline systems and other extreme events are a threat to our assets and operations. Our service territories may face a heightened risk due to exposure to acts of terrorism that could target or impact our natural gas distribution, transmission, and storage facilities and disrupt our operations and ability to meet customer requirements. In addition, the threat of terrorist activities could lead to increased economic instability and volatility in the price of natural gas that could affect our operations. Natural disasters, political unrest or actual or threatened terrorist activities may also disrupt capital markets and our ability to raise capital or may impact our suppliers or our customers directly. A local disaster or pandemic illness (including COVID-19) could result in part of our workforce being unable to operate or maintain our infrastructure or perform other tasks necessary to conduct our business. In addition, these risks could result in loss of human life, significant damage to property, environmental damage, impairment of our operations and substantial loss to the Company. Our regulators may not allow us to recover from our customers part or all of the increased cost related to the foregoing events, which could negatively affect our financial condition, results of operations, and cash flows.

A slow or inadequate response to events that could cause business interruption may have an adverse impact on operations and earnings. We may be unable to obtain sufficient insurance to cover all risks associated with local and national disasters, pandemic illness, terrorist activities, catastrophic failure of the pipeline system and other events, which could increase the risk that an event adversely affects our financial condition, results of operations and cash flows.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

The plant investment of Southwest consists primarily of transmission and distribution mains, compressor stations, peak shaving/storage facilities, service lines, meters, and regulators, which comprise the pipeline systems and facilities located in and around the communities served. Southwest also includes other properties such as land, buildings, furnishings, work equipment, vehicles, and software systems in utility plant. The northern Nevada and northern California properties of Southwest are referred to as the northern system; the Arizona, southern Nevada, and southern California properties are referred to as the southern system. Total gas plant at December 31, 2022 was $9.7 billion at Southwest, including construction work in progress. It is the opinion of management that the properties of Southwest are suitable and adequate for its purposes.

Substantially all gas main and service lines are constructed across property owned by others under right-of-way grants obtained from the record owners thereof, under the streets and on the grounds of municipalities under authority conferred by franchises or otherwise, or beneath public highways or public lands under authority of various federal and state statutes. None of the numerous county and municipal franchises are exclusive, and some are of limited duration. These franchises are renewed regularly as they expire, and Southwest anticipates no serious difficulties in obtaining future renewals.

With respect to the right-of-way grants, Southwest generally has had continuous and uninterrupted possession and use of such rights-of-way, and the associated gas mains and service lines, commencing with the initial stages of construction of such facilities. Permits have been obtained from public authorities and other governmental entities in certain instances to cross or to lay facilities along roads and highways. These permits typically are revocable at the election of the grantor, and Southwest occasionally must relocate its facilities when requested to do so by the grantor. Permits have also been obtained from railroad companies to cross over or under railroad lands or rights-of-way, which in some instances require annual or other periodic payments and are revocable at the election of the grantors.

Southwest, through two subsidiaries, operates two primary pipeline transmission systems:

- a system (including an LNG storage facility) owned by Great Basin extending from the Idaho-Nevada border to the Reno, Sparks, and Carson City areas and communities in the Lake Tahoe area in both California and Nevada and other communities in northern and western Nevada; and
- a system extending from the Colorado River at the southern tip of Nevada to the Las Vegas distribution area.

Southwest provides natural gas service in parts of Arizona, Nevada, and California. Service areas in Arizona include most of the central and southern areas of the state, including Phoenix, Tucson, Yuma, and surrounding communities. Service areas in northern Nevada include Carson City, Yerington, Fallon, Lovelock, Winnemucca, Elko and Spring Creek. Service areas in southern Nevada include the Las Vegas valley (including Henderson and Boulder City), Laughlin, and Mesquite. Service areas

in southern California include Barstow, Big Bear, Needles, and Victorville. Service areas in northern California include the Lake Tahoe area and Truckee.

MountainWest, which was part of our operations and properties in 2022, but sold in February 2023, provides over 2,000 miles of interstate natural gas pipelines and storage facilities in Utah, Wyoming, and Colorado. Plant investment primarily consists of transmission mains, storage facilities, and gas gathering and processing property. Substantially all property is constructed across property owned by others under right-of-way grants, similar to Southwest, with regular renewal, and no serious difficulty is currently expected in obtaining future renewals. MountainWest's system is located in the Rocky Mountains near large reserves of natural gas in six major producing areas, including the Greater Green River, Uinta, and Piceance basins. MountainWest transports gas from these areas to other major pipeline systems for delivery to markets in the west and midwest including the Dominion Energy local distribution system serving natural gas utility customers in Utah, southwest Wyoming, and southern Idaho. MountainWest owns and operates the Clay Basin storage facility located on the Wyoming-Utah border, an underground storage reservoir in the Rocky Mountain Region. Through wholly-owned subsidiaries, MountainWest owns and operates MountainWest Overthrust Pipeline, LLC in southwestern Wyoming. MountainWest also operates and owns 50% of the White River Hub, LLC providing transportation and hub services through interconnections with six interstate pipeline systems and a major processing plant near Meeker, Colorado.

Information on properties of Centuri can be found in this Form 10-K under Utility Infrastructure Services under Part I, which by this reference is incorporated herein.

Item 3. LEGAL PROCEEDINGS

The Company maintains liability insurance for various risks associated with the operation of its natural gas pipelines and facilities. In August 2021, a natural gas pipe operated by Southwest was involved in an explosion that injured four individuals and damaged property. The explosion was caused by a leak in the pipe, and is under investigation. Individuals that were injured have each brought legal claims against Southwest and other parties. As of December 31, 2022, Southwest's earnings exposure was deemed to be limited to its maximum self-insured retention level of $5 million. Based on our insurance policies, amounts incurred above the self-insured retention amounts that are indemnifiable by insurance companies are recorded on the balance sheet, but do not impact our earnings. An estimate of actual losses greater than that which has been recognized in these financial statements cannot be estimated as of the date these financial statements are issued.

In addition, the Company and Southwest are named as a defendant in various other legal proceedings. The ultimate dispositions of these proceedings are not presently determinable; however, it is the opinion of management that none of this litigation individually or in the aggregate will have a material adverse impact on the Company's or Southwest's financial position or results of operations. See **Note 10 - Commitments and Contingencies** for a discussion on ongoing litigation, including litigation filed by certain stockholders and by funds managed by Carl Icahn.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

Item 4A. EXECUTIVE OFFICERS OF THE REGISTRANT

The listing of the executive officers of the Company are set forth under **Part III Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**, which by this reference is incorporated herein.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

The principal market on which the common stock of the Company is traded is the New York Stock Exchange and the ticker symbol of the stock is "SWX." At February 15, 2023, there were 10,711 holders of record of common stock, and the market price of the common stock was $64.98. The dividends on, and information relating to, the Company's common stock required by this item are included in the 2022 Annual Report to Stockholders filed as an exhibit hereto and incorporated herein by reference.

Dividends are payable on the Company's common stock at the discretion of the Board. In setting the dividend rate, the Board considers, among other factors, current and expected future earnings levels, our ongoing capital expenditure plans and expected external funding needs, our payout ratio, and our ability to maintain strong credit ratings and liquidity. The Company has paid dividends on its common stock since 1956. The quarterly dividend was $0.62 in 2022, and in February 2023, the Board determined to retain the quarterly dividend at $0.62 per share effective with the June 2023 payment. Although no assurances can be provided on our future dividend payments, the Board currently intends to reevaluate the dividend upon the completion of the Centuri spin-off, and it is anticipated that we will pay a dividend consistent with industry peers.

Item 6. [RESERVED]

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Information required by this item is included in the 2022 Annual Report to Stockholders and is incorporated herein by reference.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to various forms of market risk, including commodity price risk, rate design risk, interest rate risk, and foreign currency exchange rate risk. The following describes our exposure to these risks.

Commodity Price Risk

In managing its natural gas supply portfolios, Southwest has historically entered short duration (generally one year or less) fixed-price contracts for its California rate jurisdictions, as well as variable-price contracts (firm and spot) for all its rate jurisdictions. Southwest has experienced price volatility over the past several years and such volatility is expected to continue into 2023 and beyond.

Southwest is protected financially from commodity price risk by deferred energy or purchased gas adjustment (collectively "PGA") mechanisms in each of its jurisdictions. These mechanisms generally allow Southwest to defer over- or under-collections of gas costs to PGA balancing accounts. With regulatory approval, Southwest can either refund amounts over-collected, or recoup amounts under-collected in future periods. In addition to the PGA mechanism, Southwest has historically utilized a Volatility Mitigation Program attempting to further reduce price volatility for its California rate jurisdiction customers. During 2022, Southwest continued to fix the price on a portion of its California natural gas portfolios using fixed-price contracts. For periods beyond October 2020, Southwest does not currently plan to make fixed-price term or swap purchases broadly for the Arizona or Nevada jurisdictions; however, it will continue to make fixed-price purchases for the California jurisdictions.

Southwest's natural gas purchasing practices are subject to prudence reviews by the various regulatory bodies in each jurisdiction. PGA changes affect cash flows and potentially short-term borrowing requirements, but do not directly impact profit margin.

Rate Design Risk

Rate design is the primary mechanism available to Southwest to mitigate weather risk. All of Southwest's service territories have decoupled rate structures which mitigate weather risk. In California, CPUC regulations allow Southwest to decouple operating margin from usage and offset weather risk based on monthly margin levels. In Nevada and Arizona, a decoupled rate structure applies to most customer classes based on monthly margin per customer benchmarks. All such mechanisms provide stability in annual operating margin by insulating us from variations in customer usage associated with abnormal weather conditions (including margin protection during warm weather and limits on margin during cold weather). Southwest is not assured that decoupled rate structures will continue to be supported in future rate cases.

Similarly, Southwest has in place ongoing infrastructure replacement protocol for certain pipe replacement activity. These programs are designed to mitigate the financial attrition associated with pipe replacement activity between rate cases by providing for the recovery of and return on expenditures. The programs have included the replacement of Early Vintage Plastic Pipe, Vintage Steel Pipe, and Customer-Owned Yard Lines, in addition to the conversion of master-metered mobile home parks to individually metered mobile homes. Southwest is not assured that currently approved programs will continue to be supported in future regulatory proceedings.

Great Basin's regulated rate design, similar to that which was in place for MountainWest in 2022, is under the jurisdiction of the FERC, and provides for a substantial portion of its rate structures based on fixed reservations and storage charges and it is not assured that currently approved structures will continue to be approved by the FERC in future filings or proceedings.

Interest Rate Risk

Changes in interest rates could adversely affect earnings or cash flows. The primary interest rate risks for the Company are the risk of increasing interest rates on variable-rate obligations and the risk of increasing interest rates between the time of an anticipated debt offering and the time of actual issuance. Interest rate risk sensitivity analysis is used to measure this risk by computing estimated changes in cash flows as a result of assumed changes in market interest rates. In Nevada, fluctuations in interest rates on $150 million of variable-rate tax-exempt Industrial Development Revenue Bonds ("IDRBs") are tracked and recovered from customers through a variable interest expense recovery mechanism, which mitigates risk to earnings and cash flows from interest rate fluctuations on these IDRBs. The following table represents the variable rate debt as of December 31, 2022 and 2021 and interest rate sensitivity analysis for a hypothetical 1% change in interest rates, assuming a constant outstanding balance in such debt over the next twelve months:

(Millions of dollars)	2022 (1)	Increase/Decrease in Interest Expense from 1% Rate Change	2021 (1)	Increase/Decrease in Interest Expense from 1% Rate Change
Variable Rate Debt:				
Southwest	$ 325.0	$ 3.25	$ 430.0	$ 4.30
Centuri	1,090.5	10.91	1,220.5	12.21
Corporate	1,320.2	13.20	1,659.0	16.59
Total Southwest Gas Holdings, Inc.	$ 2,735.7	$ 27.36	$ 3,309.5	$ 33.10

(1) Excludes the IDRBs noted above.

A sensitivity analysis at a different date may provide a higher or lower result, including relative to the amount of debt then outstanding. For instance, after the most recent balance sheet date of December 31, 2022, Corporate debt was substantially reduced in conjunction with the sale of MountainWest to Williams, when closing proceeds of $1.075 billion were used to substantially pay down amounts due under a 364-day Term Loan Facility, thereby reducing the amount due to $72 million compared to $1.15 billion included in the Corporate balance in the table above as of the end of 2022.

Foreign Currency Exchange Rate Risk

Centuri owns infrastructure services businesses that operate in Canada. Due to these operations, the Company is exposed to market risk associated with currency exchange rate fluctuations between the Canadian dollar and the U.S. dollar. Foreign currency translation risk is the risk that exchange rate gains or losses arise from translating foreign entities' statements of income and balance sheets from their functional currency (the Canadian Dollar) to our reporting currency (the U.S. Dollar) for consolidation purposes. During 2022, translation adjustments due to fluctuations in exchange rates were not significant. We do not have significant exposure to other foreign currency exchange rate fluctuations.

Other risk information is included in **Item 1A. Risk Factors** of this report.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements of Southwest Gas Holdings and Subsidiaries, and of Southwest, including the notes thereto, together with the reports of PricewaterhouseCoopers LLP, are included in the 2022 Annual Report to Stockholders and are incorporated herein by reference.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Management of Southwest Gas Holdings, Inc. and Southwest Gas Corporation has established disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to provide reasonable assurance that information required to be disclosed in their respective reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and to provide reasonable assurance that such information is accumulated and communicated to management of each company, including each respective Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and benefits of controls must be considered relative to their costs. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or management override of the control. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

Based on the most recent evaluation, as of December 31, 2022, management of Southwest Gas Holdings, Inc., including the Chief Executive Officer and Chief Financial Officer, believes the Company's disclosure controls and procedures are effective at attaining the level of reasonable assurance noted above.

Based on the most recent evaluation, as of December 31, 2022, management of Southwest Gas Corporation, including the Chief Executive Officer and Chief Financial Officer, believes Southwest's disclosure controls and procedures are effective at attaining the level of reasonable assurance noted above.

Internal Control Over Financial Reporting

The reports of management of Southwest Gas Holdings, Inc. and Southwest Gas Corporation required to be included herein are incorporated by reference to the information reported in the 2022 Annual Report to Stockholders under the caption "Management's Reports on Internal Control Over Financial Reporting."

The report of the independent registered public accounting firm required to be included herein by Southwest Gas Holdings, Inc. is incorporated by reference to the information reported in the 2022 Annual Report to Stockholders under the caption "Report of Independent Registered Public Accounting Firm."

This annual report on Form 10-K does not include an attestation report of Southwest Gas Corporation's registered public accounting firm regarding internal control over financial reporting pursuant to rules of the SEC that permit Southwest Gas Corporation to provide only management's report in this annual report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the fourth quarter of 2022 that have materially affected, or are likely to materially affect, the Company's internal control over financial reporting.

There have been no changes in Southwest's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the fourth quarter of 2022 that have materially affected, or are likely to materially affect Southwest's internal control over financial reporting.

Item 9B. OTHER INFORMATION

None.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

(a) *Identification of Directors.* Information with respect to Directors will be set forth under the heading "Election of Directors" in the definitive 2023 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2022 and by this reference is incorporated herein.

(b) *Information About Our Executive Officers.* Information with respect to Executive Officers will be set forth under the heading "Governance of the Company-Executive Officers" in the definitive 2023 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2022 and by this reference is incorporated herein.

(c) *Identification of Certain Significant Employees.* None.

(d) *Family Relationships.* No Directors or Executive Officers are related either by blood, marriage, or adoption.

(e) *Business Experience*. Information with respect to Directors will be set forth under the heading "Proposal 1 - Election of Directors" in the definitive 2023 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2022 and by this reference is incorporated herein. Information with respect to Executive Officers will be set forth under the heading "Governance of the Company - Executive Officers" in the definitive 2023 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2022 and by this reference is incorporated herein.

(f) *Involvement in Certain Legal Proceedings*. None.

(g) *Promoters and Control Persons*. None.

(h) *Audit Committee Financial Expert*. Information with respect to the designated financial experts of the Board of Directors' audit committee will be set forth under the heading "Governance of the Company - Committees of the Board" in the definitive 2023 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2022 and by this reference is incorporated herein.

*(*i) *Identification of the Audit Committee*. Information with respect to the composition of the Board of Directors' audit committee will be set forth under the heading "Governance of the Company - Committees of the Board" in the definitive 2023 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2022 and by this reference is incorporated herein.

(j) *Material Changes in Director Nomination Procedures for Security Holders.* None.

Code of Business Conduct and Ethics. We have adopted a code of business conduct and ethics for employees, including the president and chief executive officer, chief financial officer, chief accounting officer, and non-employee directors. The Company's Code of Business Conduct and Ethics can be viewed on our website (http://investors.swgasholdings.com/static-files/de8de4ce-63aa-4ca1-85d9-1ee73acddfd0).

Item 11. EXECUTIVE COMPENSATION

Information with respect to Item 11 will be set forth in the definitive 2023 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2022 and by this reference is incorporated herein.

(a) *Compensation Committee Interlocks and Insider Participation.* Information with respect to Compensation Committee interlocks and insider participation is set forth under the heading "Governance of the Company" in the definitive 2023 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2022 and by this reference is incorporated herein.

(b) *Compensation Committee Report.* Information with respect to the Compensation Committee Report is set forth under the heading "Compensation Committee Report" in the definitive 2023 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2022 and by this reference is incorporated herein.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

(a) *Security Ownership of Certain Beneficial Owners.* Information with respect to security ownership of certain beneficial owners is set forth under the heading "Securities Ownership by Directors, Director Nominees, Executive Officers, and Certain Beneficial Owners" in the definitive 2023 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2022 and by this reference is incorporated herein.

(b) *Security Ownership of Management.* Information with respect to security ownership of management is set forth under the heading "Securities Ownership by Directors, Director Nominees, Executive Officers, and Certain Beneficial Owners" in the definitive 2023 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2022 and by this reference is incorporated herein.

(c) *Changes in Control.* None.

(d) *Securities Authorized for Issuance Under Equity Compensation Plans.*

The following table sets forth the number of securities authorized for issuance under the Company's equity compensation plans at December 31, 2022.

Plan category	Number of securities to be issued upon vesting of award	Weighted-average grant date fair value of award	Number of securities remaining available for future issuance (excluding securities reflected in column a)
(Thousands of shares)	(a)	(b)	(c)
Equity compensation plans approved by security holders (1)	460	$ 64.34	916
Equity compensation plans not approved by security holders	—	—	—
Total	460	$ —	916

(1) The number of securities to be issued upon vesting of awards includes 283,000 performance shares, which was derived by assuming that target performance will be achieved during the relevant performance period. The number of securities remaining available for future issuance includes shares relating to the Omnibus Incentive Plan and Management Incentive Plan. Actual securities issued will be net of tax.

Additional information regarding the equity compensation plans is included in **Note 9 - Share-Based Compensation** of the notes to consolidated financial statements in the 2022 Annual Report to Stockholders.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information with respect to Item 13 will be set forth in the definitive 2023 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2022 and by this reference is incorporated herein.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information with respect to Item 14 will be set forth in the definitive 2023 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2022 and by this reference is incorporated herein.

PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this report on Form 10-K:

(1) The Consolidated Financial Statements of the Company and Southwest (including the Reports of Independent Registered Public Accounting Firm) required to be reported herein are incorporated by reference to the information reported in the 2022 Annual Report to Stockholders under the following captions:

(2) All schedules have been omitted because the required information is either inapplicable or included in the notes to consolidated financial statements.

(3) See **LIST OF EXHIBITS**.

(b) See **LIST OF EXHIBITS**.

Item 16. FORM 10–K SUMMARY.

None.

Exhibit Number	Description of Document
2.01***	Purchase and Sale Agreement, dated as of December 14, 2022, by and between Williams Partners Operating LLC, Southwest Gas Holdings, Inc. and MountainWest Pipelines Holding Company. Incorporated herein by reference to Exhibit 2.1 to Form 8-K dated December 14, 2022. File No. 001-37976.
3(i)	Certificate of Incorporation of Southwest Gas Holdings, Inc., a Delaware corporation. Incorporated herein by reference to Exhibit 3.1 to Form 8-K12B dated September 20, 2019, File No. 001-37976.
3(ii)	Amended and Restated Bylaws of Southwest Gas Holdings, Inc., effective October 18, 2021. Incorporated herein by reference to Exhibit 3.1 to Form 8-K dated October 18, 2021, File No. 001-37976.
3(iii)	Certificate of Elimination of the Series A Junior Participating Preferred Stock. Incorporated herein by reference to Exhibit 3.1 to Form 8-K dated January 13, 2023, File No. 001-37976.
4.01	Indenture between City of Big Bear Lake, California, and Harris Trust and Savings Bank as Trustee, dated December 1, 1993, with respect to the issuance of $50,000,000 Industrial Development Revenue Bonds (Southwest Gas Corporation Project), 1993 Series A, due 2028. Incorporated herein by reference to Exhibit 4.11 to Form 10-K for the year ended December 31, 1993, File No. 001-07850.
4.02	Indenture between Southwest Gas Corporation and Harris Trust and Savings Bank dated July 15, 1996, with respect to Debt Securities. Incorporated herein by reference to Exhibit 4.04 to Form 8-K dated July 26, 1996, File No. 001–07850.
4.03	First Supplemental Indenture of Southwest Gas Corporation to Harris Trust and Savings Bank dated August 1, 1996, supplementing and amending the Indenture dated as of July 15, 1996, with respect to 7 1/2% and 8% Debentures, due 2006 and 2026, respectively. Incorporated herein by reference to Exhibit 4.11 to Form 8-K dated July 31, 1996, File No. 001-07850.
4.04	Second Supplemental Indenture of Southwest Gas Corporation to Harris Trust and Savings Bank dated December 30, 1996, supplementing and amending the Indenture dated as of July 15, 1996, with respect to Medium-Term Notes. Incorporated herein by reference to Exhibit 4.04 to Form 8-K dated December 30, 1996, File No. 001–07850.
4.05	Indenture of Trust between Clark County, Nevada, and the BNY Midwest Trust Company, as Trustee, dated as of March 1, 2003, relating to Clark County, Nevada Industrial Development Revenue Bonds Series 2003. Incorporated herein by reference to Exhibit 10.01 to Form 10-Q for the quarter ended September 30, 2008, File No. 001-07850.
4.06	Indenture of Trust between Clark County, Nevada and The Bank of New York Mellon Trust Company, N.A., as Trustee, dated as of September 1, 2008, relating to Clark County, Nevada Industrial Development Revenue Bonds Series 2008A. Incorporated herein by reference to Exhibit 10.02 to Form 10-Q for the quarter ended September 30, 2008, File No. 001-07850.
4.07	Indenture of Trust between Clark County, Nevada and The Bank of New York Mellon Trust Company, N.A., as Trustee, dated December 1, 2009, relating to Clark County, Nevada Industrial Development Revenue Bonds Series 2009A. Incorporated herein by reference to Exhibit 4.27 to Form 10-K for the year ended December 31, 2009, File No. 001-07850.
4.08	Note Purchase Agreement, dated November 18, 2010, by and between Southwest Gas Corporation and Metropolitan Life Insurance Company, John Hancock Life Insurance Company (U.S.A.), certain of their respective affiliates, and Union Fidelity Life Insurance Company. Incorporated herein by reference to Exhibit 4.1 to Form 8-K dated November 18, 2010, File No. 001-07850.
4.09	Amendment No. 1 to Note Purchase Agreement, dated March 28, 2014, by and among Southwest Gas Corporation and the holders of the Notes. Incorporated herein by reference to Exhibit 4.1 to Form 8-K dated March 31, 2014, File No. 001–07850.
4.10	Amendment No. 2 to Note Purchase Agreement, dated September 30, 2016, by and among Southwest Gas Corporation and the holders of the Notes. Incorporated herein by reference to Exhibit 4.02 to Form 10-Q for the quarter ended September 30, 2016, File No. 001–07850.
4.11	Form of 6.1% Senior Note due 2041. Incorporated herein by reference to Exhibit 4.2 to Form 8-K dated November 18, 2010, File No. 001-07850.
4.12	Indenture, dated as of October 4, 2013, by and between Southwest Gas Corporation and the Bank of New York Mellon Trust Company, N.A., as Trustee. 4.875% Notes due 2043. Incorporated herein by reference to Exhibit 4.1 to Form 8-K dated October 1, 2013. File No. 001-07850.

Exhibit Number	Description of Document
4.13	Southwest Gas Holdings, Inc. Dividend Reinvestment and Direct Stock Purchase Plan. Incorporated by reference to prospectus 424(b)(5) dated December 2, 2020, File No. 333-251074.
4.14	Indenture, dated September 29, 2016, by and between Southwest Gas Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee. 3.80% Senior Notes due 2046. Incorporated herein by reference to Exhibit 4.01 to Form 8-K dated September 26, 2016, File No. 001-07850.
4.15	Indenture, dated March 15, 2018, by and between Southwest Gas Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee. Incorporated herein by reference to Exhibit 4.1 to Form 8-K dated March 15, 2018, File Nos. 001-37976 and 001-07850.
4.16	First Supplemental Indenture, dated March 15, 2018, by and between Southwest Gas Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee. Incorporated herein by reference to Exhibit 4.2 to Form 8-K dated March 15, 2018, File Nos. 001-37976 and 001-07850.
4.17	Form of 3.70% Senior Note due 2028 (included in Exhibit 4.23). Incorporated herein by reference to Exhibit 4.24 to Form 10-K for the year ended December 31, 2018, File Nos. 001-37976 and 001-07850.
4.18	Indenture, dated as of May 31, 2019, by and between Southwest Gas Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee. Incorporated herein by reference to Exhibit 4.1 to Form 8-K dated May 28, 2019. File No. 001-07850.
4.19	First Supplemental Indenture, dated May 31, 2019, by and between Southwest Gas Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee. Incorporated herein by reference to Exhibit 4.2 to Form 8-K dated May 28, 2019. File No. 001-07850.
4.20	Form of 4.150% Senior Note due 2049. Incorporated by reference to Exhibit 4.3 to Form 8-K dated May 28, 2019. File No. 001-07850.
4.21	Indenture, dated June 4, 2020, by and between Southwest Gas Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee. Incorporated herein by reference to Exhibit 4.1 to Form 8-K dated June 1, 2020. File Nos. 001-07850 and 001-37976.
4.22	First Supplemental Indenture, dated June 4, 2020, by and between Southwest Gas Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee. Incorporated herein by reference to Exhibit 4.2 to Form 8-K dated June 1, 2020. File Nos. 001-07850 and 001-37976.
4.23	Form of 2.200% Senior Note due 2030. Incorporated by reference to Exhibit 4.3 to Form 8-K dated June 1, 2020. File Nos. 001-07850 and 001-37976.
4.24	Description of Securities of Southwest Gas Holdings, Inc. Incorporated by reference to Exhibit 4.25 to Form 10-K for the year ended December 31, 2021. File Nos 001-07850 and 001-37976.
4.25	Second Supplemental Indenture, dated August 20, 2021, by and between Southwest Gas Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee. Incorporated herein by reference to Exhibit 4.1 to Form 8-K dated August 18, 2021, File Nos. 001-37976 and 001-07850.
4.26	Form of 3.18% Senior Note due 2051. Incorporated herein by reference to Exhibit 4.2 to Form 8-K dated August 18, 2021, File Nos. 001-37976 and 001-07850.
4.27	Third Supplemental Indenture, dated March 22, 2022, by and between Southwest Gas Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee. Incorporated herein by reference to Exhibit 4.1 to Form 8-K dated March 17, 2022. File Nos. 001-37976 and 001-07850.
4.28	Form of 4.05% Senior Note due 2032. Incorporated herein by reference to Exhibit 4.2 to Form 8-K dated March 17, 2022. File Nos. 001-37976 and 001-07850.
4.29	Fourth Supplemental Indenture, dated December 1, 2022, by and between Southwest Gas Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee. Incorporated herein by reference to Exhibit 4.1 to Form 8-K dated November 29, 2022. File Nos. 001-07850 and 001-37976.
4.30	Form of 5.800% Senior Note due 2027. Incorporated herein by reference to Exhibit 4.2 to Form 8-K dated November 29, 2022. File Nos. 001-07850 and 001-37976.
4.31	The Company and Southwest hereby agree to furnish to the SEC, upon request, a copy of any instruments defining the rights of holders of long-term debt issued by Southwest Gas Holdings or its subsidiaries; the total amount of securities authorized thereunder does not exceed 10% of the consolidated total assets of Southwest Gas Holdings and its subsidiaries.

Exhibit Number	Description of Document
10.01	Project Agreement between Southwest Gas Corporation and City of Big Bear Lake, California, dated as of December 1, 1993. Incorporated herein by reference to Exhibit 10.05 to Form 10-K for the year ended December 31, 1993, File No. 001-07850.
10.02*	Southwest Gas Corporation Supplemental Executive Retirement Plan, amended and restated August 3, 2020. Incorporated herein by reference to Exhibit 10.03 to Form 10-Q for the quarter ended September 30, 2020, File Nos. 001-37976 and 001-07850.
10.03*	Southwest Gas Holdings, Inc. Management Incentive Plan, amended and restated August 3, 2020. Incorporated herein by reference to Exhibit 10.04 to Form 10-Q for the quarter ended September 30, 2020, File Nos. 001-37976 and 001-07850.
10.04*	Southwest Gas Corporation Directors Deferral Plan, amended and restated December 28, 2016. Incorporated herein by reference to Exhibit 10.05 to Form 10-K for the year ended December 31, 2018, File Nos. 001-37976 and 001-07850.
10.05*	Southwest Gas Corporation 1986 Executive Deferral Plan, amended and restated August 3, 2020. Incorporated herein by reference to Exhibit 10.01 to Form 10-Q for the quarter ended September 30, 2020, File Nos. 001-37976 and 001-07850.
10.06*	Southwest Gas Corporation 2005 Executive Deferral Plan, amended and restated August 3, 2020. Incorporated herein by reference to Exhibit 10.02 to Form 10-Q for the quarter ended September 30, 2020, File Nos. 001-37976 and 001-07850.
10.07	Financing agreement dated as of March 1, 2003 by and between Clark County, Nevada, and Southwest Gas Corporation relating to Clark County, Nevada Industrial Development Revenue Bonds Series 2003A, Series 2003B, Series 2003C, Series 2003D and Series 2003E. Incorporated herein by reference to Exhibit 10 to Form 10-Q for the quarter ended September 30, 2003, File No. 001-07850.
10.08	First Amendment to Financing Agreement by and between Clark County, Nevada, and Southwest Gas Corporation dated as of July 1, 2005, amending the Financing Agreement dated as of March 1, 2003, with respect to Clark County, Nevada Industrial Development Revenue Bonds Series 2003A, Series 2003B, Series 2003C, Series 2003D, and Series 2003E. Incorporated herein by reference to Exhibit 10.2 to Form 10-Q for the quarter ended June 30, 2005, File No. 001-07850.
10.09	Financing Agreement between Clark County, Nevada, and Southwest Gas Corporation, dated as of September 1, 2008, relating to Clark County, Nevada Industrial Development Revenue Bonds Series 2008A. Incorporated herein by reference to Exhibit 10.03 to Form 10-Q for the quarter ended September 30, 2008, File No. 001-07850.
10.10	Financing Agreement between Clark County, Nevada and Southwest Gas Corporation, dated December 1, 2009, relating to Clark County, Nevada Industrial Development Revenue Bonds Series 2009A. Incorporated herein by reference to Exhibit 10.21 to Form 10-K for the year ended December 31, 2009, File No. 001-07850.
10.11	Southwest Gas Corporation $400 million Credit Facility. Incorporated herein by reference to Exhibit 10.2 to Form 8-K dated April 10, 2020, File Nos. 001-07850 and 001-37976.
10.12*	Southwest Gas Holdings, Inc. 2006 Restricted Stock/Unit Plan, amended and restated as of December 28, 2016. Incorporated herein by reference to Exhibit 10.14 to Form 10-K for the year ended December 31, 2018, File Nos. 001-37976 and 001-07850.
10.13*	Form of Performance Share Award Agreement with Named Executive Officers. Incorporated herein by reference to Exhibit 10.19 to Form 10-K for the year ended December 31, 2016, File No. 001-07850.
10.14*	Form of Restricted Stock Unit Award Agreement with Named Executive Officers. Incorporated herein by reference to Exhibit 10.20 to Form 10-K for the year ended December 31, 2016, File No. 001-07850.
10.15	Southwest Gas Holdings, Inc. $100 million Credit Facility. Incorporated herein by reference to Exhibit 10.1 to Form 8-K dated April 10, 2020, File No. 001-37976.
10.16*	Centuri Employment Agreement with Paul Daily, Chief Executive Officer. Incorporated herein by reference to Exhibit 10.01 to Form 10-Q for the quarter ended June, 30 2017, File No. 001-07850.
10.17*	Centuri/NPL Executive Deferred Compensation Plan. Incorporated herein by reference to Exhibit 10.02 to Form 10-Q for the quarter ended June, 30 2017, File No. 001-07850.

Exhibit Number	Description of Document
10.18*	Centuri Long-term Capital Investment Program. Incorporated herein by reference to Exhibit 10.03 to Form 10-Q for the quarter ended June, 30 2017, File No. 001-07850.
10.19*	Centuri Short-term Incentive Program. Incorporated herein by reference to Exhibit 10.01 to Form 10-Q for the quarter ended March 31, 2018, File Nos. 001-37976 and 001-07850.
10.20*	Southwest Gas Holdings, Inc. Omnibus Incentive Plan. Incorporated herein by reference to Appendix B to the Proxy Statement dated March 27, 2017, File No. 001-37976.
10.21*	Form of Change in Control Agreement with Officers. Incorporated herein by reference to Exhibit 10.24 to Form 10-K for the year ended December 31, 2017, File Nos. 001-37976 and 001-07850.
10.22	Centuri $450 million Credit Facility Agreement. Incorporated herein by reference to Exhibit 10.25 to Form 10-K for the year ended December 31, 2017, File Nos. 001-37976 and 001-07850.
10.23*	Form of Centuri Construction Group, Inc. Short-term Incentive Program. Incorporated herein by reference to Exhibit 10.01 to Form 10-Q for the quarter ended March, 31 2018, File Nos. 001-37976 and 001-07850.
10.24*	Form of Centuri Construction Group, Inc. Executive Long-Term Incentive Plan. Incorporated herein by reference to Exhibit 10.02 to Form 10-Q for the quarter ended March, 31 2018, File Nos. 001-37976 and 001-07850.
10.25*	Southwest Gas Corporation Board of Directors Retirement Plan, amended and restated effective December 28, 2016. Incorporated herein by reference to Exhibit 10.28 to Form 10-K for the year ended December 31, 2018, File Nos. 001-37976 and 001-07850.
10.26*	Southwest Gas Corporation Directors Deferral Plan, amended and restated November 14, 2018. Incorporated herein by reference to Exhibit 10.29 to Form 10-K for the year ended December 31, 2018, File Nos. 001-37976 and 001-07850.
10.27	First Amendment to Centuri and subsidiaries Credit Facility Agreement, the other credit parties referred to therein, and Wells Fargo Bank. Incorporated herein by reference to Exhibit 10.30 to Form 10-K for the year ended December 31, 2018, File Nos. 001-37976 and 001-07850.
10.28*	Amendment to the Centuri Group, Inc. Executive Long-Term Incentive Plan. Incorporated herein by reference to Exhibit 10.01 to Form 10-Q for the quarter ended March 31, 2019, File Nos. 001-37976 and 001-07850.
10.29*	Amendment to the Centuri Group, Inc. Long-Term Capital Investment Plan. Incorporated herein by reference to Exhibit 10.02 to Form 10-Q for the quarter ended March 31, 2019, File Nos. 001-37976 and 1-7850.
10.30*	Form of Paul Daily Award Agreement under the Centuri Group, Inc. Executive Long-Term Incentive Plan. Incorporated herein by reference to Exhibit 10.03 to Form 10-Q for the quarter ended March 31, 2019, File Nos. 001-37976 and 001-07850.
10.31*	Amendment to the Centuri Group, Inc. Executive Deferred Compensation Plan. Incorporated herein by reference to Exhibit 10.01 to Form 10-Q for the quarter ended March 31, 2020, File Nos. 001-37976 and 001-07850.
10.32*	Southwest Gas Corporation Employees' Investment Plan. Incorporated herein by reference to Exhibit 4.1 to Form S-8 dated December 16, 2016, File No. 333-215145.
10.33	Term Loan Agreement, dated as of March 23, 2021, by and among Southwest Gas Corporation, The Bank of New York Mellon, as Administrative Agent, and the lenders party, book runners and syndication agents thereto. Incorporated herein by reference to Exhibit 10.1 to Form 8-K dated March 23, 2021, File Nos. 001-37976 and 001-07850.
10.34*	Credit Agreement with Wells Fargo Securities, LLC and BofA Securities, Inc., as joint lead arrangers, Wells Fargo Bank, National Association, as administrative agent, Bank of America, N.A., as syndication agent, and the other lenders and agents party thereto. Incorporated herein by reference to Exhibit 10.1 to Form 8-K dated August 27, 2021, File No. 001-37976.
10.35	364-Day Term Loan Credit Agreement dated November 1, 2021 with JPMorgan Chase Bank, N.A., as Administrative Agent, the lenders party thereto, Bank of America, N.A., as Syndication Agent, and JPMorgan Chase Bank, N.A. and BofA Securities, Inc. as Joint Lead Arranger and Joint Bookrunner. Incorporated herein by reference to Exhibit 10.1 to Form 8-K dated November 1, 2021, File No. 001-37976.
10.36	Amendment No. 1 to the Southwest Gas Corporation $400 million Credit Facility. Incorporated herein by reference to Exhibit 10.2 to Form 8-K dated December 28, 2021, File Nos. 001-37976 and 001-07850.

Exhibit Number	Description of Document
10.37	Amendment No. 1 to the Southwest Gas Holdings, Inc. $200 million Credit Facility. Incorporated herein by reference to Exhibit 10.1 to Form 8-K dated December 28, 2021, File Nos. 001-37976 and 001-07850.
10.38	Amendment No. 1, dated as of March 22, 2022, to the Term Loan Agreement, dated as of March 23, 2021, by and among Southwest Gas Corporation, the lenders, book runners and syndication agents party thereto and The Bank of New York Mellon, as Administrative Agent. Incorporated herein by reference to Exhibit 10.1 to Form 8-K dated March 17, 2022, File Nos. 001-07850 and 001-37976.
10.39*	Severance Agreement and General Release, dated June 6, 2022, by and between John P. Hester, Southwest Gas Holdings, Inc. and Southwest Gas Corporation. Incorporated herein by reference to Exhibit 10.2 to Form 10-Q for the quarter ended June 30, 2022, File Nos. 001-37976 and 001-07850.
10.40*	Amended and Restated Award Agreement for the Centuri Group, Inc. Long-Term Incentive Plan. Incorporated herein by reference to Exhibit 10.3 to Form 10-Q for the quarter ended June 30, 2022, File Nos. 001-37976 and 001-07850.
10.41	Letter Agreement by and among Southwest Gas Holdings, Inc. and the Icahn Group, dated August 3, 2022. Incorporated herein by reference to Exhibit 10.1 to Form 8-K dated August 2, 2022. File No. 001-37976.
10.42	Amendment No. 1, dated as of September 26, 2022, to the 364-Day Term Loan Credit Agreement, dated as of November 1, 2021, with the lenders party thereto, JPMorgan Chase Bank, N.A, as Administrative Agent, Bank of America, N.A. as Syndication Agent, JPMorgan Chase Bank, N.A. and BofA Securities, Inc. as Joint Lead Arranger and Joint Bookrunner, and MUFG Bank, Ltd. as Documentation Agent. Incorporated herein by reference to Exhibit 10.1 to Form 8-K dated September 26, 2022, File No. 001-37976.
10.43	Amended and Restated Cooperation Agreement, dated as of October 24, 2022, by and among the Icahn Group and Southwest Gas Holdings, Inc. Incorporated herein by reference to Exhibit 10.1 to Form 8-K dated October 24, 2022. File No. 001-37976.
10.44*	Executive Employment Agreement by and between Southwest Gas Holdings, Inc., Southwest Gas Corporation and Robert J. Stefani. Incorporated herein by reference to Exhibit 10.1 to Form 8-K dated November 7, 2022. File Nos. 001-37976 and 001-07850.
10.45*	Change in Control Agreement by and between Southwest Gas Holdings, Inc., Southwest Gas Corporation and Robert J. Stefani. Incorporated herein by reference to Exhibit 10.2 to Form 8-K dated November 7, 2022. File Nos. 001-37976 and 001-07850.
10.46**	Amended Change in Control Agreement by and between Southwest Gas Holdings, Inc., Southwest Gas Corporation and Karen Haller.
10.47**	First Amendment to Centuri Credit Facility Agreement.
10.48	364-Day Term Loan Credit Agreement, dated as of January 20, 2023, by and among Southwest Gas Corporation, JPMorgan Chase Bank, N.A., as Administrative Agent, and the Lenders from time to time party thereto. Incorporated herein by reference to Exhibit 10.1 to Form 8-K dated January 20, 2023. File Nos. 001-37976 and 001-07850.
13.01	Portions of Southwest Gas Holdings, Inc. 2022 Annual Report to Stockholders incorporated by reference to the Form 10-K.
21.01**	List of subsidiaries - Southwest Gas Holdings, Inc.
23.01**	Consent of PricewaterhouseCoopers LLP, an independent registered public accounting firm - Southwest Gas Holdings, Inc.
23.02**	Consent of PricewaterhouseCoopers LLP, an independent registered public accounting firm - Southwest Gas Corporation.
31.01**	Section 302 Certifications–Southwest Gas Holdings, Inc.
31.02**	Section 302 Certifications–Southwest Gas Corporation.
32.01**	Section 906 Certifications–Southwest Gas Holdings, Inc.
32.02**	Section 906 Certifications–Southwest Gas Corporation.

Exhibit Number	Description of Document
101**	The following materials from the Annual Report on Form 10-K of Southwest Gas Holdings, Inc. and Southwest Gas Corporation for the year ended December 31, 2022, were formatted in Inline XBRL (Extensible Business Reporting Language): (1) Southwest Gas Holdings, Inc. Consolidated Balance Sheets, (ii) Southwest Gas Holdings, Inc. Consolidated Statements of Income, (iii) Southwest Gas Holdings, Inc. Consolidated Statements of Comprehensive Income, (iv) Southwest Gas Holdings, Inc. Consolidated Statements of Cash Flows, (v) Southwest Gas Holdings, Inc. Consolidated Statements of Equity, (vi) Southwest Gas Corporation Consolidated Balance Sheets, (vii) Southwest Gas Corporation Consolidated Statements of Income, (viii) Southwest Gas Corporation Consolidated Statements of Comprehensive Income, (ix) Southwest Gas Corporation Consolidated Statements of Cash Flows, (x) Southwest Gas Corporation Consolidated Statements of Equity. The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
104**	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Management Contracts or Compensation Plans

** Filed herewith

*** Southwest Gas Holdings, Inc. has omitted schedules and other similar attachments to such agreement pursuant to Item 601(b) of Regulation S-K. The Company will furnish a copy of such omitted document to the SEC upon request.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SOUTHWEST GAS HOLDINGS, INC.
(registrant)

Date: February 28, 2023

By: /s/ KAREN S. HALLER
Karen S. Haller
President and Chief Executive Officer

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ ANDREW W. EVANS (Andrew W. Evans)	Director	February 28, 2023
/s/ HENRY P. LINGINFELTER (Henry P. Linginfelter)	Director	February 28, 2023
/s/ RUBY SHARMA (Ruby Sharma)	Director	February 28, 2023
/s/ KAREN S. HALLER (Karen S. Haller)	Director, President and Chief Executive Officer	February 28, 2023
/s/ JANE LEWIS-RAYMOND (Jane Lewis-Raymond)	Director	February 28, 2023
/s/ ANNE L. MARIUCCI (Anne L. Mariucci)	Director	February 28, 2023
/s/ E. RENAE CONLEY (E. Renae Conley)	Chair of the Board of Directors	February 28, 2023
/s/ CARLOS A. RUISANCHEZ (Carlos A. Ruisanchez)	Director	February 28, 2023
/s/ ROBERT J. STEFANI (Robert J. Stefani)	Senior Vice President/ Chief Financial Officer	February 28, 2023
/s/ A. RANDALL THOMAN (A. Randall Thoman)	Director	February 28, 2023
/s/ ANDREW J. TENO (Andrew J. Teno)	Director	February 28, 2023
/s/ LESLIE T. THORNTON (Leslie T. Thornton)	Director	February 28, 2023
/s/ LORI L. COLVIN (Lori L. Colvin)	Vice President/Controller/ Chief Accounting Officer	February 28, 2023

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SOUTHWEST GAS CORPORATION
(registrant)

Date: February 28, 2023

By: /s/ KAREN S. HALLER
Karen S. Haller
Chief Executive Officer

Southwest Gas Corporation

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ KAREN S. HALLER (Karen S. Haller)	Director and Chief Executive Officer	February 28, 2023
/s/ E. RENAE CONLEY (E. Renae Conley)	Director	February 28, 2023
/s/ ROBERT J. STEFANI (Robert J. Stefani)	Director, Senior Vice President/ Chief Financial Officer	February 28, 2023
/s/ LORI L. COLVIN (Lori L. Colvin)	Vice President/Controller/ Chief Accounting Officer	February 28, 2023

AMENDED AND RESTATED
CHANGE IN CONTROL AGREEMENT

THIS AMENDED AND RESTATED CHANGE IN CONTROL AGREEMENT (this "Agreement") is entered into and effective as of the 18th day of May, 2022 (the "Effective Date"), among SOUTHWEST GAS CORPORATION, a California corporation ("Southwest"), SOUTHWEST GAS HOLDINGS, INC., a Delaware corporation ("Holdings" and together with Southwest and its successors, the "Company"), and Karen S. Haller (the "Executive").

WHEREAS, the Board of Directors of Holdings (the "Board") recognizes that the continuing possibility of a change in control of Southwest or Holdings is unsettling to the Executive and other officers of the Company; and

WHEREAS, the Board wishes to assure a continuing dedication by the Executive to her duties to the Company, notwithstanding the occurrence or potential occurrence of a change in control of Southwest or Holdings; and

WHEREAS, the Board believes it is important, should the Company receive proposals from third parties with respect to its future, to enable the Executive, without being influenced by the uncertainties of her own situation, to assess and advise the Board whether such proposals would be in the best interests of the Company and its stockholders and to take such other action regarding such proposals as the Board might determine to be appropriate; and

WHEREAS, the Board wishes to demonstrate to officers of the Company that the Company is concerned with the welfare of its officers and intends to see that loyal officers are treated fairly; and

WHEREAS, Southwest and Holdings previously entered into a change in control agreement with the Executive, and the Company and Executive wish to amend and restate such agreement in its entirety pursuant to the terms of this Agreement.

NOW, THEREFORE, the Company and the Executive agree as follows:

1. TERM

The term of this Agreement shall continue in effect until the Company's termination of this Agreement by providing Executive with written notice of such termination at least twelve (12) months prior to the proposed termination date, provided that such termination notice shall be deemed to be null and void (and this Agreement shall continue in full force and effect) if prior to such proposed termination date a Change in Control occurs or another event, including but not limited to the signing of a definitive agreement that would result in a Change in Control, occurs that is expected to result in a Change in Control. Notwithstanding the foregoing, this Agreement shall not terminate during the Protection Period or the Severance Period, in each case as defined below.

2. DEFINITIONS

As used in this Agreement:

(a) "Cause" means (i) a material act of theft, misappropriation, or conversion of corporate funds committed by the Executive or (ii) the Executive's demonstrably willful, deliberate and continued failure to follow reasonable directives of the Board which are within the Executive's ability to perform. The Executive shall not be deemed to have been terminated for Cause unless and until: (x) there shall have been delivered to the Executive a copy of a resolution duly adopted by the Board in good faith at a meeting of the Board called and held for such purpose (after reasonable notice to the Executive and an opportunity for the Executive, together with her counsel, to be heard before the Board) finding that the Executive was guilty of conduct set forth above and specifying the particulars thereof in reasonable detail; and (y) if the Executive contests such finding (or a conclusion that she has failed to timely cure the performance in response thereto), the arbitrator, by final determination in an arbitration proceeding pursuant to Section 5 hereof, has concluded that the Executive's conduct met the standard for termination for Cause above and that the Board's conduct met the standards of good faith and satisfied the procedural and substantive conditions of this Section 2(a) (collectively, the "Necessary Findings"). The Executive's costs of the arbitration shall be advanced by the Company and shall be repaid to the Company if the arbitrator makes the Necessary Findings.

If within sixty (60) days after receipt by the Executive of the resolution referred to in the preceding paragraph, the Executive notifies the Company that a dispute exists concerning the termination, the termination date of the Executive shall be the date as finally determined by mutual written agreement of the parties or by a final and binding arbitration award. During the period until the dispute is finally resolved, the Company will, in accordance with its regular payroll procedures, continue to pay the Executive her full compensation in effect when the notice giving rise to the dispute was given (including, but not limited to, base salary) and continue the Executive as a participant in all compensation, employee benefit, health and welfare and insurance plans, programs, arrangements and perquisites in which the Executive was participating or to which she was entitled when the notice giving rise to the dispute was given, until the dispute is finally resolved. Amounts paid under this Section 2(a) shall be repaid to the Company or be offset against or reduce any other amounts due the Executive under this Agreement, if appropriate, only upon the final resolution of the dispute. Notwithstanding the foregoing, if the Executive is a "specified employee" within the meaning of Section 409A of the Code and the related Treasury Regulations and guidance thereunder ("Section 409A") on the date of termination of the Executive's employment with the Company, during the six- (6-) month period following the Executive's termination of employment with the Company, payments to the Executive under this Section 2(a) (other than reimbursements and in-kind amounts described in Treasury Regulation Section 1.409A-1(b)(9)(v), or any successor provision thereto) that constitute "non-qualified deferred compensation" under Section 409A shall be delayed and paid to the Executive on the first regularly scheduled Company executive pay date that occurs in the seventh (7th) calendar month following the calendar month in which the Executive's termination of employment occurs; thereafter, any additional payments owed to the Executive under this Section 2(a) shall be paid to the Executive ratably on the following regularly scheduled Company executive pay dates.

(b) "Change in Control" means any of the following:

(i) Approval by the stockholders of Holdings of the dissolution or liquidation of Holdings;

(ii) Consummation of a merger or consolidation, or other reorganization, with or into one (1) or more entities that are not Subsidiaries, as a result of which less than 50% of the outstanding voting securities of the surviving or resulting entity immediately after such reorganization are, or shall be, owned, directly or indirectly, by stockholders of Holdings immediately before such reorganization (assuming for purposes of such determination that there is no change in the record ownership of Holdings' securities from the record date for such approval until such reorganization and that such record owners hold no securities of the other parties to such reorganization, but including in such determination any securities of the other parties to such reorganization held by affiliates of Holdings);

(iii) Consummation of the sale of substantially all of Holdings' business and/or assets to a person or entity which is not a Subsidiary;

(iv) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), but excluding any person described in and satisfying the conditions of Rule 13d-1(b)(1) thereunder), becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Holdings representing more than 30% of the combined voting power of Holdings' then outstanding securities entitled to then vote generally in the election of directors of Holdings; or

(v) During any period not longer than two (2) consecutive years, individuals who at the beginning of such period constituted the Board cease to constitute at least a majority thereof, unless the election, or the nomination for election by Holdings stockholders, of each new Board member was approved by a vote of at least three-fourths (3/4) of the Board members then still in office who were Board members at the beginning of such period (including for these purposes, new members whose election was so approved).

"Change in Control" under this Agreement shall, in addition to the enumerated events set forth above involving Holdings, the common stock of Holdings, or the board of directors of Holdings, include the events enumerated in items (i) through (iv) above with respect to Southwest.

Notwithstanding the foregoing, to the extent required by Section 409A, such Change in Control must be a change in control event under Treasury Regulation Section 1.409A–3(i)(5)(i).

Pursuant to a Plan of Reorganization entered into on December 28, 2016, by and among Southwest, Holdings, Southwest Gas Utility Group, Inc., a California corporation, and Southwest Reorganization Co., a California corporation, Southwest became a wholly owned subsidiary of Holdings, and the former stockholders of Southwest became the stockholders of Holdings (the closing of the transactions contemplated by the Plan of Reorganization, the "Reorganization"). The parties hereto agree that (i) the Reorganization did not constitute a "Change in Control" under this Agreement or any predecessor agreement with Southwest and (ii) in no event will this Agreement be construed so that the Executive becomes entitled to duplicate severance benefits from Southwest and Holdings.

(c) "COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended.

(d) "Code" means the Internal Revenue Code of 1986, as amended.

(e) "Disability" means that because of physical or mental illness or disability, the Executive shall have been continuously unable to perform the essential functions of her job with or without reasonable accommodation for a consecutive period of at least six (6) months.

(f) "Good Reason" means:

(i) without the Executive's express written consent, the assignment to her of any duties materially inconsistent with her positions, duties, authority, responsibilities or status with the Company immediately prior to the later of (i) Executive's termination date or (ii) a Change in Control;

(ii) a material demotion or a material change in the Executive's titles or offices as in effect immediately prior to the later of (i) Executive's termination date or (ii) a Change in Control;

(iii) any removal of the Executive from or any failure to re-elect her to any of such positions; except in connection with the termination of the Executive's employment for Cause, Disability or retirement or as a result of her death or by her other than for Good Reason;

(iv) without the Executive's express written consent, a material reduction by the Company in the Executive's base salary as in effect immediately prior to the later of (i) Executive's termination date or (ii) a Change in Control or, if greater, such greater base salary as may be in effect from time to time subsequent to such Change in Control, provided, in each case, that a reduction by the Company in the Executive's base salary of ten (10) percent or more shall be sufficient but not necessary to constitute a material reduction by the Company in the Executive's base salary;

(v) the failure by the Company to continue at levels materially not less than those in existence immediately prior to such Change in Control the Executive's participation in any thrift, incentive or compensation plan, or any pension plan, in which the Executive participated immediately prior to such Change in Control, provided that the Company may provide for participation in substantially similar plans that provide benefits at levels materially not less than those in existence immediately prior to the later of (i) Executive's termination date or (ii) a Change in Control;

(vi) the failure by the Company to provide for the Executive's participation in any welfare, life insurance, health, and accident or disability plan on the same basis as those provided to executives of the Company who are similarly situated to the Executive;

(vii) the taking of any action by the Company which would materially adversely affect the Executive's participation in or materially reduce her benefits under any single such plan or all such plans, when taken together, or deprive her of any material fringe

benefit enjoyed by her immediately prior to the later of (i) Executive's termination date or (ii) a Change in Control (except for the acceleration of the termination dates of stock options, restricted stock units, performance shares and other awards and rights, if applicable, as contemplated by this Agreement), provided that the taking of any action by the Company that reduces the economic value attributable to such participation, benefits or fringe benefit by ten (10) percent or more shall be sufficient but not necessary to constitute a materially adverse effect, material reduction or deprivation, as applicable;

(viii) the assignment to the Executive without her consent to a new work location which would require an increase in the round-trip commute to work from the Executive's residence immediately prior to the later of (i) Executive's termination date or (ii) a Change in Control of more than 40 miles per day; or

(ix) any material breach of any material provision of this Agreement.

Notwithstanding the foregoing, the Executive shall not be entitled to terminate her employment with the Company for Good Reason unless the following process is followed with respect to such termination. Within ninety (90) days following the initial occurrence of an event that purportedly constitutes Good Reason, the Executive shall give the Company written notice of the occurrence of such event, setting forth the exact nature of such event and the conduct required to cure such event. The Company shall have thirty (30) days from the receipt of such notice within which to cure such event (such period, the "Cure Period"). If, during the Cure Period, such event is cured, then the Executive shall not be permitted to terminate her employment with the Company for Good Reason as a result of such event. If, at the end of the Cure Period, such event is not cured, the Executive shall be entitled to terminate her employment with the Company for Good Reason as a result of such event during the sixty (60) day period following the end of the Cure Period. If the Executive does not terminate her employment with the Company for Good Reason during such sixty (60) day period, the Executive shall not be permitted to terminate her employment with the Company for Good Reason as a result of such event.

(g) "Subsidiary" means any corporation, partnership, joint venture or other entity in which the Company has a 50% or greater equity interest.

3. LIMITED RIGHT TO A SEVERANCE BENEFIT

The Executive shall be entitled to the severance benefits provided in this Section 3 if, within 24 months prior to a Change in Control (the "Pre-CIC Protection Period") and twenty-four (24) months after a Change in Control (together with the Pre-CIC Protection Period, the "Protection Period"): (i) the Executive terminates her employment with the Company for Good Reason or (ii) the Executive's employment is terminated by the Company for any reason other than (x) the Executive's death, (y) the Executive's Disability or (z) Cause; provided that in each case, for the immediately preceding clauses (i) and (ii), the Executive executes and delivers to the Company within forty-five (45) days of the date of such termination, and lets become effective and irrevocable, a Release in the form attached hereto as Attachment A ("Release"):

(a) Any restricted stock awards, restricted stock units, stock options, stock appreciation rights or performance shares relating to the common stock of Holdings granted to

the Executive and held by the Executive on the date of such termination, which are not then currently vested or exercisable shall: (i) if such termination occurs following a Change in Control, become vested on the date of such termination, at the greater of target or actual performance in the case of any performance awards or (ii) if such termination occurs during the Pre-CIC Protection Period, remain outstanding subject to their original terms and become vested immediately prior to such Change in Control, at the greater of target or actual performance in the case of any performance awards, in each case subject to Section 409A.

(b) A lump-sum severance payment equal to the sum of:

(i) Thirty-six (36) months of the Executive's yearly base salary in effect as of the date of such termination or, if greater, as of the date of a Change in Control, and

(ii) an amount equal to any incentive compensation that would be payable to the Executive under any short-term incentive compensation plan of the Company (including the Company's Management Incentive Plan or any successor plan thereto), calculated at the designated award opportunity for the Executive at the date of termination or, if greater, as of the date of a Change in Control, and at 100% of the target performance measures, for the period during the applicable plan year preceding the date of such termination and for the severance period of thirty-six (36) months following the date of such termination (such post-termination period, the "Severance Period"), and

(iii) an amount equal to the full cost of health and dental coverage for the Executive (and her eligible dependents) for the Severance Period, which amount shall be calculated based on the full cost of continued health and dental coverage for the Executive (and her eligible dependents) under COBRA as of the date of termination or, if greater, as of the date of such Change in Control, and

(iv) an amount equal to the full cost of replacement disability and life insurance coverage for the Executive (other than travel/accident) for the Severance Period, which cost shall be calculated as of the date of termination or, if greater, as of the date of such Change in Control.

Subject to the limits in Section 3(e) below, payment of the foregoing lump-sum severance payment shall be made in accordance with the Company's regular payroll procedures and be made to the Executive on the first regularly scheduled Company executive pay date that occurs on the later of (i) sixty (60) days after the termination of the Executive's employment or (ii) a Change in Control, provided that the Release has become effective and irrevocable.

(c) The Company shall pay the Executive any benefits under the Company's benefit plans, including Southwest's Executive Deferred Compensation Plan and Southwest's Supplemental Executive Retirement Plan (the "SERP"), which are fully vested on the date of such termination, in accordance with their terms, including with respect to applicable payment schedules and any applicable elections; provided, however, that, if the Executive shall have reached the age of fifty (50) by the date of such termination, the Executive shall receive additional benefits under the SERP such that the Executive shall be permitted to add to the formula for purposes of eligibility for benefits, vesting and calculation of benefits, six (6) points

which, at the election of the Executive, may be applied either to an age assumption or continuous length of service assumption or a combination thereof.

(d) The Executive shall be entitled to reimbursement of reasonable expenses actually incurred by the Executive directly related to outplacement services, which reimbursement shall not exceed Thirty Thousand Dollars ($30,000). Such reimbursement shall only be made for outplacement services directly related to such termination. Such expenses must be incurred not later than the end of the second calendar year following the calendar year of such termination. Such expense must be submitted by the Executive to the Company as promptly as practicable, and in no event later than required by the Company in order for the Company to make such reimbursement no later the last day of the third calendar year following the calendar year in which such termination occurs. In no event shall the Company make any such reimbursement later than the last day of the third calendar year following the calendar year in which such termination occurs.

(e) Notwithstanding anything to the contrary in this Section 3, if the Executive is a "specified employee" within the meaning of Section 409A, during the six- (6-) month period following the Executive's termination of employment with the Company, payments to the Executive under this Section 3 (other than reimbursements and in-kind amounts described in Treasury Regulation Section 1.409A-1(b)(9)(v) or any successor provision thereto) that constitute "non-qualified deferred compensation" under Section 409A shall be delayed and paid to the Executive on the first regularly scheduled Company executive pay date that occurs in the seventh (7th) calendar month following the calendar month in which the Executive's termination of employment occurs; thereafter, any additional payments owed to the Executive under this Section 3 shall be paid to the Executive in the manner otherwise specified in this Section 3. With respect to any payment delayed pursuant to this Section 3(e), the Company shall pay the Executive, on the day on which such delayed payment is made to the Executive, interest on such delayed payment for the period of such delay at the applicable federal rate provided for in Section 1274(d) of the Code for the month in which such delayed payment otherwise would have been made.

(f) For purposes of this Agreement, the Executive will be deemed to not have terminated employment with the Company unless the Executive has incurred a Separation from Service. "Separation from Service" means the termination of the Executive's employment by the Company if the Executive dies, retires or otherwise has a termination of employment with the Company; provided that the Executive's employment relationship is treated as continuing intact while on military leave, sick leave or other bona fide leave of absence if the period of such leave does not exceed six (6) months or longer, if the Executive's right to reemployment is provided either by statute or by contract. A leave of absence constitutes a bona fide leave of absence only if there is a reasonable expectation that the Executive will return to perform services for the Company. If the period of leave exceeds six (6) months and the Executive does not retain a right to reemployment under an applicable statute or by contract, the employment relationship is deemed to terminate on the first date immediately following such six- (6-) month period. Notwithstanding the foregoing, where a leave of absence is due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six (6) months, where such impairment causes the Executive to be unable to perform the duties of her position of employment, or any substantially similar position of employment, a twenty-nine (29-) month period of absence may be substituted

for such six- (6-) month period. For purposes of this paragraph, the term "Company" includes all other organizations that together with the Company are part of a control group of organizations under Section 414(b) and Section 414(c) of the Code. Whether an Executive has incurred a Separation from Service shall be determined based in accordance with Section 409A. Additionally, if the Executive ceases to work as an employee, but is retained to provide services as an independent contractor of the Company, the determination of whether the Executive has incurred a Separation from Service shall be determined based in accordance with Section 409A.

4. CERTAIN REDUCTION OF PAYMENTS BY THE COMPANY

In the event that it is determined that any payment or distribution by the Company to the Executive or for the Executive's benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or pursuant to or by reason of any other agreement, policy, plan, program or arrangement, including without limitation any stock option or restricted stock or similar right, or the lapse or termination of any restriction on or the vesting or exercisability of any of the foregoing (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Code (or any successor provision thereto), by reason of being considered "contingent on a change in the ownership or effective control" of the Company, within the meaning of Section 280G of the Code (or any successor provision thereto) or to any similar tax imposed by state or local law, or any interest or penalties with respect to such tax (such tax or taxes, together with any such interest and penalties, being hereafter collectively referred to as the "Excise Tax"), then the Payment shall be reduced by the Company in a manner determined by the Company to be $1.00 less than three (3) times the Executive's base amount (as defined in Section 280G of the Code) so that no portion of the Payment shall be subject to the Excise Tax, provided that the Company shall make such reduction only if such reduction would effect, on an after-tax basis, a Payment that is greater than the Payment that would be made if no such reduction were effected. The Executive shall be permitted to provide the Company with written notice specifying which of the Payments will be subject to reduction or elimination; provided, however, that to the extent that the Executive's ability to exercise such authority would cause any Payment to become subject to any taxes or penalties pursuant to Section 409A, or if the Executive does not provide the Company with any such written notice, the Company shall reduce or eliminate the Payments by first reducing or eliminating the portion of the Payments that are payable in cash and then by reducing or eliminating the non-cash portion of the Payments, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time. Except as set forth in the preceding sentence, any notice given by the Executive pursuant to the preceding sentence shall take precedence over the provisions of any other plan, arrangement or agreement governing the Executive's rights and entitlements to any benefits or compensation.

The Company may withhold from any amounts payable under this Agreement all federal, state, local and foreign taxes as may be required to be withheld pursuant to any applicable law or regulation.

5. ARBITRATION AND LITIGATION

Any dispute, controversy or claim arising out of or in respect to this Agreement (or its validity, interpretation or enforcement) or the subject matter hereof must be submitted to and settled by arbitration conducted before a single arbitrator or, at the election of the Company or

the Executive, a panel of arbitrators (chosen from a list of arbitrators provided by the American Arbitration Association with each party hereto taking alternate strikes and the remaining arbitrator or arbitrators, as applicable, hearing the dispute).

By agreeing to arbitrate all disputes related to this Agreement, the Company and the Executive acknowledge, among other things, that they are waiving the right to have the dispute heard by a court of law or equity and the right to a jury trial.

The arbitration will be conducted in Clark County, Nevada, in accordance with the then current rules of the American Arbitration Association or its successor. The arbitration of such issues, including the determination of any amount of damages suffered, will be final and binding upon the parties to the maximum extent permitted by law. The decision of the arbitrator or the panel, as applicable, shall be in writing and signed by the arbitrator. A copy of the arbitrator's or the panel's decision, as applicable, will be provided to each party. The arbitrator or panel, as applicable, in such action will not be authorized to change or modify any provision of this Agreement. Judgment upon the award rendered by the arbitrator or the panel, as applicable, may be entered by any court having jurisdiction thereof. The parties consent to the jurisdiction of the Supreme Court of the State of Nevada and of the U.S. District Court for the District of Nevada for all purposes in connection with arbitration, including the entry of judgment of any award.

The Company shall advance the arbitrator's or the panel's fees, as applicable, subject to the provisions of Section 2(a), however, the arbitrator or the panel, as applicable, will award reasonable legal fees and expenses (including arbitration costs) to the prevailing party upon application therefor. The non-prevailing party may thus incur greater expenses under arbitration than under traditional court litigation.

Except as may be necessary to enter judgment upon the award or to the extent required by applicable law, all claims, defenses and proceedings (including, without limiting the generality of the foregoing, the existence of the controversy and the fact that there is an arbitration proceeding) shall be treated in a confidential manner by the arbitrator or the panel, as applicable, the parties and their counsel, and each of their agents and employees, and all others acting on behalf or in concert with them. Without limiting the generality of the foregoing, no one shall divulge to any third party or person not directly involved in the arbitration, the contents of the pleadings, papers, orders, hearings, trials, or awards in the arbitration, except as may be necessary to enter judgment upon an award as required by applicable law. Any court proceedings relating to the arbitration hereunder, including, without limiting the generality of the foregoing, to prevent or compel arbitration to perform, correct, vacate or otherwise enforce an arbitration award, shall be filed under seal with the court, to the extent permitted by law.

6. BENEFITS AND BINDING EFFECT

This Agreement shall inure to the benefit of and be binding upon the Company, its successors and assigns, including but not limited to any corporation, person or other entity which may acquire all or substantially all of the assets and business of the Company or any corporation with or into which the Company may be consolidated or merged, and the Executive, her heirs, executors, administrators and legal representatives, provided that the obligations of the Executive hereunder may not be delegated.

7. OTHER AGREEMENTS

The Executive represents that the execution and performance of this Agreement will not result in a breach of any of the terms and conditions of any employment or other agreement between the Executive and any third party.

Provided that the Company duly performs all of its obligations (if any) arising by virtue of a termination of employment of the Executive, the Executive will not publicly disparage the Company or its officers, directors, employees or agents and will refrain from any action which could reasonably be expected to cause material adverse public relations or embarrassment to the Company or to any of such persons. Similarly, the Company (including its officers, directors, employees and agents) will not disparage the Executive and will refrain from any action which could reasonably be expected to result in embarrassment to the Executive or to materially and adversely affect her opportunities for employment. The preceding two (2) sentences shall not apply to disclosures required by applicable law, regulation or order of a court or governmental agency.

8. NOTICES

All notices or other communications relating to this Agreement shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid and return receipt requested, to the party concerned at the address set forth below:

If to the Company, to: Southwest Gas Holdings, Inc.
Southwest Gas Corporation
8360 S. Durango Drive
Las Vegas, Nevada 89113
Attn: General Counsel

If to the Executive, to: Karen S. Haller

Either party may change the address to which notices are to be sent to it by giving ten (10) days written notice of such change of address to the other party in the manner provided above for giving notice. Notices will be considered delivered on the date of personal delivery or on the date of deposit in the United States mail in the manner provided for giving notice by mail.

9. EXECUTIVE ACKNOWLEDGMENT AND SECTION 409A

The Executive acknowledges and agrees that she has consulted with and relied exclusively on her own counsel regarding the tax effects of this Agreement and that the Company shall have no liability or obligation with respect to any tax imposed by Section 409A, or other Code section, on the Executive as a result of the transactions and payments contemplated by this Agreement.

The parties agree that this Agreement shall be construed and interpreted to the maximum extent possible to comply with Section 409A.

10. ENTIRE AGREEMENT

The entire understanding and agreement among the parties has been incorporated into this Agreement, and this Agreement supersedes all other agreements, negotiations, and understandings between the Executive and the Company with respect to the subject matter hereof. This Agreement may not be amended orally, but only by an agreement in writing signed by both parties.

11. GOVERNING LAW

This Agreement shall be governed by and interpreted in accordance with the laws of the State of Nevada. It is intended by the parties that this Agreement be interpreted in accordance with its fair and simple meaning, not for or against either party, and neither party shall be deemed to be the drafter of this Agreement.

12. CAPTIONS; COUNTERPARTS

The section headings and captions included herein are for convenience and shall not constitute a part of this Agreement.

This Agreement may be executed simultaneously in two (2) or more counterparts, each of which shall be deemed an original, but all of which shall together constitute one (1) and the same Agreement.

13. SEVERABILITY

If any portion or provision of this Agreement is determined by arbitration or by a court of competent jurisdiction to be invalid, illegal or unenforceable, the remaining portions or provisions hereof shall not be affected.

(signature page follows)

IN WITNESS WHEREOF, this Amended and Restated Change in Control Agreement has been executed by the parties hereto as of the date first written above.

SOUTHWEST GAS HOLDINGS, INC.

By: /s/ Renae Conley
E. Renae Conley
Chair of the Board of Directors

SOUTHWEST GAS CORPORATION

By: /s/ Tom Moran
Thomas E. Moran
Vice President/Corporate Secretary

EXECUTIVE:

/s/ Karen S. Haller
Karen S. Haller

FIRST AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of November 4, 2022

This FIRST AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment") is by and among CENTURI GROUP, INC., a Nevada corporation (the "Company"), and each Additional Borrower that becomes a party thereto in accordance with Section 5.17 thereto, as US Borrowers, CENTURI CANADA DIVISION INC., a corporation organized under the laws of the Province of Ontario, Canada, and each Additional Borrower that becomes a party thereto in accordance with Section 5.17 thereto, as Canadian Borrowers, the other Credit Parties party hereto, the lenders party hereto (the "Lenders") and WELLS FARGO BANK, NATIONAL ASSOCIATION, as administrative agent for the Lenders (in such capacity, the "Administrative Agent").

Statement of Purpose

WHEREAS, the Company, the Lenders party thereto, the other Credit Parties party thereto and the Administrative Agent are parties to the Second Amended and Restated Credit Agreement dated as of August 27, 2021 (as amended hereby and as further amended, restated, extended, supplemented or otherwise modified from time to time, the "Credit Agreement" and the Credit Agreement prior to giving effect to this Amendment being referred to as the "Existing Credit Agreement"), pursuant to which the Lenders have extended certain credit facilities to the Borrowers.

WHEREAS, the Company and the Administrative Agent have elected to make an Early Opt-in Election to transition from LIBOR to Term SOFR solely with respect to the Revolving Credit Facility, pursuant to the terms of the Existing Credit Agreement.

WHEREAS, the Company has requested that the Administrative Agent and the Revolving Credit Lenders and Issuing Lenders agree to amend the Existing Credit Agreement as more specifically set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Capitalized Terms. All capitalized terms not otherwise defined in this Amendment (including without limitation in the introductory paragraph and the Preliminary Statements hereto) shall have the meanings as specified in the Credit Agreement (as set forth on Annex A attached hereto).

2. Amendments to the Credit Agreement. As of the Effective Date (as defined below) and subject to and in accordance with the terms and conditions set forth herein:

(a) the body of the Existing Credit Agreement (excluding the Schedules and Exhibits thereto, other than as set forth in clause (b) of this Section 2) are hereby amended to (i) delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~), (ii) add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) and (iii) move the green double-underlined text (indicated textually in the same manner as the following example: double-underlined text), in each case, as set forth in the Credit Agreement attached hereto as Annex A.

(b) Exhibit B (Form of Notice of Borrowing), Exhibit D (Form of Notice of Prepayment) and Exhibit E (Form of Notice of Conversion/Continuation) to the Existing Credit Agreement are each hereby amended and restated in its entirety as set forth as Annex B hereto.

3. Early Opt-in Election. Pursuant to Section 5.8(c) of the Existing Credit Agreement, the Company and the Administrative Agent have made an Early Opt-in Election to replace the LIBOR Rate with Term SOFR solely with respect to Revolving Credit Loans and Swingline Loans. The Early Opt-in Effective Date shall be the Effective Date. On and after the Effective Date, all outstanding Revolving Credit Loans that are LIBOR Rate Loans denominated in Dollars shall continue as LIBOR Rate Loans under the Credit Agreement (and, notwithstanding anything in this Amendment including Annex A hereto to the contrary, subject to the terms and conditions and applicable interest rate terms (including breakage) with respect to LIBOR Rate Loans under the Existing Credit Agreement) solely for the remainder of the Interest Periods applicable thereto immediately prior to the effectiveness of this Amendment; it being understood that such LIBOR Rate Loans and Interest Periods are not being renewed or extended as a result of this Amendment and, upon the expiration or earlier termination of such Interest Periods, such LIBOR Rate Loans shall be (i) repaid or (ii) converted to Base Rate Loans or SOFR Loans (in each case, as defined in the Credit Agreement) as the Borrowers may elect (which election in the case of clause (ii) shall be made in accordance with the notice requirements set forth in Section 5.2 of the Credit Agreement as though the Borrowers were requesting a borrowing to be made on the effective date of such conversion). This Amendment shall constitute notice to the Revolving Credit Lenders of an Early Opt-In Election and each Revolving Credit Lender hereby waives any notice period in connection therewith.

4. Conditions to Effectiveness. The effectiveness of this Amendment is subject to the satisfaction or waiver of the following conditions (the date of such satisfaction or waiver, the "Effective Date"):

(a) Amendment. The Administrative Agent shall have received counterparts of this Amendment executed by the Administrative Agent, the Revolving Credit Lenders, the Issuing Lenders and the Credit Parties.

(b) Certified Resolutions. The Administrative Agent shall have received a certificate of a Responsible Officer of each Credit Party certifying that attached thereto is a true, correct and complete copy of resolutions duly adopted by the board of directors (or other governing body) of such Credit Party authorizing and approving the transactions contemplated hereunder and the execution, delivery and performance of this Amendment, in form and substance reasonably satisfactory to the Administrative Agent.

(c) Payment at Closing. The Borrowers shall have paid or made arrangements to pay contemporaneously with closing (A) to the Administrative Agent, Wells Fargo Securities, LLC and the Lenders the fees as separately agreed among the Administrative Agent, Wells Fargo Securities, LLC, the Lenders and the Borrowers and any other accrued and unpaid fees or commissions due hereunder, including an amendment fee equal to 10.0 basis points of the aggregate amount of Revolving Credit Commitments of each Revolving Credit Lender party hereto on the Effective Date, (B) all fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent accrued and unpaid prior to or on the Effective Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrowers and the Administrative Agent) and (C) to any other Person such amount as may be due thereto in connection with the transactions contemplated hereby, including all taxes, fees and other charges in connection with the execution, delivery, recording, filing and registration of any of the Loan Documents.

Without limiting the generality of the provisions of Section 11.3 of the Credit Agreement, for purposes of determining compliance with the conditions specified in this Section 4 or otherwise, each Lender that has signed this Amendment shall be deemed to have consented to, approved or accepted or to

be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received written notice from such Lender prior to the proposed Effective Date specifying its objection thereto.

5. Representations and Warranties. Each Credit Party represents and warrants as follows:

(a) Each Credit Party has the right, power, and authority and has taken all necessary corporate or other action to authorize the execution, delivery and performance of this Amendment. This Amendment constitutes a legal, valid and binding obligation of such Credit Party, enforceable against each Credit Party that is party hereto in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(b) The execution, delivery and performance by each Credit Party of this Amendment and the transactions contemplated hereby do not and will not, by the passage of time, the giving of notice or otherwise, (i) require any Governmental Approval or violate any Applicable Law relating to any Credit Party or any Subsidiary thereof where the failure to obtain such Governmental Approval or such violation could reasonably be expected to have a Material Adverse Effect, (ii) conflict with, result in a breach of or constitute a default under the articles of incorporation, bylaws or other organizational documents of any Credit Party or any Subsidiary thereof, (iii) conflict with, result in a breach of or constitute a default under any indenture, agreement or other instrument to which such Person is a party or by which any of its properties may be bound or any Governmental Approval relating to such Person, which could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (iv) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by such Person other than Permitted Liens or (v) require any consent or authorization of, filing with, or other act in respect of, an arbitrator or Governmental Authority and no consent of any other Person is required in connection with the execution, delivery, performance, validity or enforceability of this Amendment other than consents, authorizations, filings or other acts or consents for which the failure to obtain or make could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) After giving effect to this Amendment, the representations and warranties contained in each of the Loan Documents are true and correct in all material respects, except for any representation and warranty that is qualified by materiality or reference to Material Adverse Effect, which such representation and warranty are true and correct in all respects, on and as of the date hereof as though made on and as of such date (other than any such representations or warranties that, by their terms, refer to a specific date, in which case as of such specific date).

(d) No Default or Event of Default shall exist after giving effect to this Amendment.

6. Limited Effect. Except as expressly provided herein, the Credit Agreement and the other Loan Documents shall remain unmodified and in full force and effect. This Amendment shall not be deemed (a) to be a waiver of, consent to, or a modification or amendment of any other term or condition of the Credit Agreement or any other Loan Document, (b) to prejudice any right or rights which the Administrative Agent or the Lenders may now have or may have in the future under or in connection with the Credit Agreement or the other Loan Documents or any of the instruments or agreements referred to therein, as the same may be amended, restated, supplemented or modified from time to time, (c) to be a commitment or any other undertaking or expression of any willingness to engage in any further discussion with the Credit Parties or any of their respective Subsidiaries or any other Person with respect to any other waiver, amendment, modification or any other change to the Credit Agreement or the Loan Documents or any rights or remedies arising in favor of the Lenders or the Administrative Agent, or any of them, under

or with respect to any such documents or (d) to be a waiver of, or consent to, or a modification or amendment of, any other term or condition of any other agreement by and among the Credit Parties, on the one hand, and the Administrative Agent or any other Lender, on the other hand. References in the Credit Agreement to "this Agreement" (and indirect references such as "hereunder", "hereby", "herein", "hereof" or other words of like import) and in any other Loan Document to the "Credit Agreement" shall be deemed to be references to the Credit Agreement as modified hereby. Without limiting the generality of the foregoing, the execution and delivery of this Amendment (including the annexes hereto) shall not constitute a novation of any indebtedness or other obligations owing to the Lenders or the Administrative Agent under the Credit Agreement based on facts or events occurring or existing prior to the execution and delivery of this Amendment.

7. Reaffirmation. By its execution hereof, each Credit Party (a) consents to this Amendment and agrees that the transactions contemplated by this Amendment shall not limit or diminish the obligations of such Person, or release such Person from any obligations, under any of the Loan Documents to which it is a party, (b) confirms and reaffirms its obligations under each of the Loan Documents to which it is a party and
(c) agrees that each of the Loan Documents to which it is a party remain in full force and effect and are hereby ratified and confirmed.

8. Execution in Counterparts. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or in electronic (*i.e.*, "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Amendment. The execution and delivery of this Amendment shall be deemed to include Electronic Signatures on electronic platforms approved by the Administrative Agent, which shall be of the same legal effect, validity or enforceability as delivery of a manually executed signature, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that, upon the request of any party hereto, such Electronic Signature shall be promptly followed by the original thereof

9. Governing Law. THIS AMENDMENT AND ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AMENDMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

10. Entire Agreement. This Amendment and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent and/or the Lead Arrangers, constitute the entire agreement among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

11. Successors and Assigns. This Amendment shall be binding on and inure to the benefit of the parties and their heirs, beneficiaries, successors and permitted assigns.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed under seal by their duly authorized officers, all as of the day and year first written above.

BORROWERS:

CENTURI GROUP, INC.

By: /s/ Kevin L. Neill Name: Kevin L. Neill
Title: Executive Vice President/Asst. Chief Financial Officer and Treasurer

CENTURI CANADA DIVISION INC.

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

GUARANTORS:

CANYON PIPELINE CONSTRUCTION, INC.

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

CANYON SPECIAL PROJECTS LLC

By: /s/ Gregory A. Izenstark Name: Gregory A. Izenstark Title: Treasurer

CANYON TRAFFIC CONTROL LLC

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

CENTURI OIL & GAS GROUP LLC

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

CENTURI POWER GROUP LLC

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

CENTURI SERVICES GROUP LLC

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

CENTURI U.S. DIVISION, INC.

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

ELECTRIC T&D DIVISION LLC

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer
ELECTRIC T&D HOLDINGS LLC

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

INTELLICHOICE ENERGY, LLC

By: /s/ Gregory A. Izenstark Name: Gregory A. Izenstark Title: Treasurer

INTELLICHOICE ENERGY OF CALIFORNIA, LLC

By: /s/ Gregory A. Izenstark Name: Gregory A. Izenstark Title: Treasurer

LINETEC SERVICES, LLC

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

MERITUS ELECTRIC T&D DIVISION LLC

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

MERITUS OIL & GAS DIVISION LLC

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

MERITUS SERVICES DIVISION LLC

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

NATIONAL BARRICADE LLC

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

NATIONAL POWERLINE LLC

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

NEUCO EQUIPMENT LLC

By: /s/ Gregory A. Izenstark Name: Gregory A. Izenstark Title: Treasurer

NEW ENGLAND UTILITY CONSTRUCTORS, INC

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

NPL CONSTRUCTION CO.

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

NPL EAST LLC

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

NPL GREAT LAKES LLC

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

NPL MID-AMERICA LLC

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

NPL WEST LLC

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

OIL & GAS DIVISION LLC

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

SERVICES DIVISION LLC

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

SOUTHWEST ADMINISTRATORS, INC.

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

DRUM PARENT LLC

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

NAPEC INC.

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Assistant Treasurer

CVTECH HOLDING INC.

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Assistant Treasurer

RIGGS DISTLER & COMPANY, INC.

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Assistant Treasurer

SHELBY MECHANICAL LLC

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Assistant Treasurer

SHELBY PLUMBING, LLC

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Assistant Treasurer

NPL CANADA LTD

By: /s/ Kevin L. Neill Name: Kevin L. Neill Title: Treasurer

W.S. NICHOLLS CONSTRUCTION INC. By: /s/ Kevin L. Neill

Name: Kevin L. Neill
Title: Treasurer

ADMINISTRATIVE AGENT AND LENDERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Administrative Agent, Lender and Issuing Lender

By: /s/ John Hancey Name: John Hancey
Title: Senior Vice President

BANK OF AMERICA, N.A., as Lender

By: /s/ Brendan Kelly Name: Brendan Kelly Title: Vice President

CANADIAN IMPERIAL BANK OF COMMERCE, as
Lender and Issuing Lender

By: /s/ Josh Spagnoletti Name: Josh Spagnoletti Title: Authorized Signatory

By: /s/ Cameron Scott Name: Cameron Scott
Title: Authorized Signatory

PNC BANK, NATIONAL ASSOCIATION, as Lender

By: /s/ Ben Snodgrass Name: Ben Snodgrass Title: Vice President

TRUIST BANK, as Lender

By: /s/ William P. Rutkowski Name: William P. Rutkowski Title: Director

U.S. BANK NATIONAL ASSOCIATION, as Lender

By: /s/ John M. Eyerman Name: John M. Eyerman Title: Senior Vice President

BANK OF MONTREAL, as Lender

By: /s/ John Armstrong Name: John Armstrong
Title: Managing Director, Chicago Branch

By: /s/ Helen Alvarez-Hernandez Name: Helen Alvarez-Hernandez
Title: Managing Director, Canadian Branch

ANNEX A

Amended Credit Agreement (See attached)

ANNEX B

Amended Exhibits B, D and E (See Attached)

~~EXECUTION VERSION~~EXHIBIT A TO FIRST AMENDMENT

Published CUSIP Number: 15643XAA6 Revolving Credit CUSIP Number: 15643XAB4 Initial Term Loan CUSIP Number: 15643XAC2

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

dated as of August 27, 2021
(as amended by the First Amendment to Second Amended and Restated Credit Agreement dated as of November 4, 2022)

by and among

CENTURI GROUP, INC.,
and
each Additional Borrower,
as US Borrowers,

CENTURI CANADA DIVISION INC.,
and
each Additional Borrower,
as Canadian Borrowers,

the Lenders referred to herein, as Lenders,

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Administrative Agent, Swingline Lender and Issuing Lender,

WELLS FARGO SECURITIES, LLC and BOFA SECURITIES, INC.,
as Joint Lead Arrangers and Joint Bookrunners

BANK OF AMERICA, N.A.,

as Syndication Agent and

CANADIAN IMPERIAL BANK OF COMMERCE, PNC BANK, NATIONAL ASSOCIATION, TRUIST BANK,
U.S. BANK NATIONAL ASSOCIATION and
BANK OF MONTREAL,
as Documentation Agents

TABLE OF CONTENTS

Page

EXHIBITS

SCHEDULES

SECOND AMENDED AND RESTATED CREDIT AGREEMENT, dated as of August 27, 2021,
by and among CENTURI GROUP, INC., a Nevada corporation, and each Additional Borrower that becomes a party hereto in accordance with Section 5.17, as US Borrowers, CENTURI CANADA DIVISION INC., a corporation organized under the laws of the Province of Ontario, Canada, and each Additional Borrower that becomes a party hereto in accordance with Section 5.17, as Canadian Borrowers, the lenders who are party to this Agreement and the lenders who may become a party to this Agreement pursuant to the terms hereof, as Lenders, and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as Administrative Agent for the Lenders.

STATEMENT OF PURPOSE

Certain of the Borrowers, certain financial institutions party thereto (the "Existing Lenders") and the Administrative Agent are parties to that certain Amended and Restated Credit Agreement dated as of November 7, 2017 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "Existing Credit Agreement") pursuant to which the Existing Lenders extended senior credit facilities to certain of the Borrowers.

The Borrowers have requested, and subject to the terms and conditions set forth in this Agreement, the Administrative Agent and the Lenders have agreed, upon the terms and subject to the conditions set forth herein, to amend and restate the Existing Credit Agreement as set forth herein and extend senior credit facilities to the Borrowers as set forth herein.

It is the intent of the parties hereto that this Agreement not constitute a novation of the obligations and liabilities of the parties under the Existing Credit Agreement and that this Agreement amend and restate the Existing Credit Agreement in its entirety.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, such parties hereby agree as follows:

ARTICLE I DEFINITIONS

SECTION 1.1 Definitions

. The following terms when used in this Agreement shall have the meanings assigned to them below:

"Acceptable Intercreditor Agreement" means an intercreditor agreement, the terms of which are consistent with market terms governing security arrangements for the sharing of liens and/or arrangements relating to the distribution of payments, as applicable, (a) to the extent executed in connection with the incurrence of Indebtedness secured by Collateral intended to rank equal in priority to the Liens on the Collateral securing the Obligations, on a pari passu basis, (b) to the extent executed in connection with the incurrence of Indebtedness secured by Collateral intended to rank junior in priority to the Liens on the Collateral securing the Obligations, on a junior basis, and/or (c) to the extent executed in connection with the incurrence of Indebtedness intended to rank junior in rights to payment to the Obligations, on a junior basis, in each case at the time such intercreditor agreement is proposed to be established, as determined by the Administrative Agent and the Borrower in the exercise of reasonable judgment, among the Administrative Agent and one or more representatives for the holders of any such Indebtedness.

"Acquisition" means any transaction, or any series of related transactions, consummated on or after the date of this Agreement, by which any Consolidated Company (a) acquires any going business or all or

substantially all of the assets of any firm, corporation or limited liability company, or division thereof, whether through purchase of assets, merger, amalgamation or otherwise or (b) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the securities of a corporation which have ordinary voting power for the election of directors (other than securities having such power only by reason of the happening of a contingency) or a majority (by percentage or voting power) of the outstanding ownership interests of a partnership or limited liability company.

"Additional Borrower" means certain Wholly-Owned US Subsidiaries and Wholly-Owned Canadian Subsidiaries of Centuri from time to time accepted as a Borrower to be party hereto pursuant to Section 5.17.

"Additional Borrower Notice" has the meaning set forth in Section 5.17.

5.17. “Additional Borrower Request and Assumption Agreement” has the meaning set forth in Section

“Adjusted Consolidated Net Income” means Consolidated Net Income for the applicable period, but excluding in calculating Consolidated Net Income (solely to the extent Consolidated Net Income for such period is greater than $0) the following items accrued for the applicable period of the calculation, (a) amortization of goodwill, (b) impairment charges with respect to goodwill and other intangible assets, (c) non-cash charges related to deferred taxes and valuation allowances on deferred tax assets and (d) non- amortized fees related to Indebtedness that are written off.

“Adjusted Term SOFR” means, for purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation plus (b) the Term SOFR Adjustment; provided that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

“Administrative Agent” means Wells Fargo, in its capacity as Administrative Agent hereunder, and any successor thereto appointed pursuant to Section 11.6.

“Administrative Agent’s Office” means the office of the Administrative Agent specified in or determined in accordance with the provisions of Section 12.1(c).

“Administrative Questionnaire” means an administrative questionnaire in a form supplied by the Administrative Agent.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agents” means, collectively, the Administrative Agent, the Arrangers and the syndication agent and the documentation agents listed on the cover page hereto.

“Agent Parties” has the meaning assigned thereto in Section 12.1(e).

"Agreement" means this Credit Agreement, as amended, restated, supplemented or otherwise modified from time to time.

"All-In Yield" means, as to any Indebtedness, the effective all-in yield applicable thereto as reasonably determined by the Administrative Agent in consultation with the Borrowers in a manner consistent with generally accepted financial practices, taking into account: (a) interest rate margins, (b) original issue discount ("OID") and upfront or similar fees (which shall be deemed to constitute like amounts of OID) payable by the Borrowers or any of their respective Subsidiaries or Affiliates to the lenders under, or holders of, such Indebtedness in the initial primary syndication thereof (with OID and upfront fees being equated to interest based on assumed four-year life to maturity (or, if less, the stated Weighted Average Life to Maturity at the time of its incurrence of the applicable Indebtedness)), and (c) any interest rate floor, but excluding (i) any arrangement, commitment, structuring, agency or underwriting fees that are not paid to or shared with all relevant lenders generally in connection with the commitment or syndication of such Indebtedness, (ii) any ticking, unused line or similar fees or (iii) any other fee that is not paid directly by the Borrowers generally to all relevant lenders ratably in the primary syndication of such Indebtedness; provided that (A) to the extent that any interest rate specified for such Indebtedness that is subject to a floor (in each case, without giving effect to any such floor on the date on which the All-In Yield is being calculated) is less than such floor, the amount of such difference will be deemed added to the interest rate margin applicable to such Indebtedness for purposes of calculating the All-In Yield and (B) to the extent that any interest rate specified for such Indebtedness that is subject to a floor (in each case, without giving effect to any such floor on the date on which the All-In Yield is being calculated) is equal to or greater than such floor, the floor will be disregarded in calculating the All-In Yield.

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the Borrowers or their respective Subsidiaries from time to time concerning or relating to bribery or corruption, including, without limitation, the United States Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder.

"Anti-Money Laundering Laws" means any and all laws, statutes, regulations or obligatory government decrees, orders, ordinances or rules applicable to the Borrowers or their respective Subsidiaries or Affiliates related to terrorism financing or money laundering including any applicable provision of the PATRIOT Act and The Currency and Foreign Transactions Reporting Act (also known as the "Bank Secrecy Act," 31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959).

"Applicable Designee" means any office, branch or Affiliate of a Lender designated thereby from time to time by written notice to the Administrative Agent and Centuri to fund all or any portion of such Lender's Canadian Revolving Credit Loans and, to the extent applicable, any Incremental Term Loan made to any Canadian Borrower under this Agreement. Notwithstanding the designation by any Lender of an Applicable Designee, the Borrowers and the Administrative Agent shall be permitted to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and no such designation shall relieve any such Lender of its obligations hereunder.

"Applicable Law" means all applicable provisions of constitutions, laws, statutes, ordinances, rules, treaties, regulations, permits, licenses, approvals, interpretations and orders of courts or Governmental Authorities and all orders and decrees of all courts and arbitrators.

"Applicable Margin" means:

(1) with respect to the Initial Term Loans, (i) for LIBOR Rate Loans, 2.50% per annum and (ii) for Base Rate Loans, 1.50% per annum; and

(2) with respect to the Revolving Credit Facility, the corresponding percentages per annum as set forth below based on the Consolidated Net Leverage Ratio:

Pricing Level	Consolidated Net Leverage Ratio	~~LIBOR Rate~~ ~~Adjusted~~ ~~Term~~ ~~SOFR~~ ~~and~~ ~~CDOR Rate~~ ~~+~~	Base Rate and Canadian Base Rate +	Commitment Fee
I	Less than or equal to 2.00 to 1.00	1.00%	0.00%	0.150%
II	Greater than 2.00 to 1.00, but less than or equal to 2.50 to 1.00	1.25%	0.25%	0.175%
III	Greater than 2.50 to 1.00, but less than or equal to 3.00 to 1.00	1.50%	0.50%	0.200%
IV	Greater than 3.00 to 1.00, but less than or equal to 3.50 to 1.00	1.75%	0.75%	0.250%
V	Greater than 3.50 to 1.00, but less than or equal to 4.00 to 1.00	2.00%	1.00%	0.300%
VI	Greater than 4.00 to 1.00, but less than or equal to 4.50 to 1.00	2.25%	1.25%	0.350%
VII	Greater than 4.50 to 1.00	2.50%	1.50%	0.350%

The Applicable Margin shall be determined and adjusted quarterly on the date five (5) Business Days after the day on which Centuri provides an Officer's Compliance Certificate pursuant to Section 8.2(a) for the most recently ended fiscal quarter of Centuri (each such date, a "Calculation Date"); provided that (a) the Applicable Margin shall be based on the Pricing Level ~~VI~~VII until the first Calculation Date occurring in connection with the first ~~full~~ fiscal quarter to end after the ~~Closing~~First Amendment Effective Date and, thereafter the Pricing Level shall be determined by reference to the Consolidated Net Leverage Ratio as of the last day of the most recently ended fiscal quarter of Centuri preceding the applicable Calculation Date, and (b) if Centuri fails to provide an Officer's Compliance Certificate when due as required by Section 8.2(a) or (b) for the most recently ended fiscal quarter of Centuri preceding the applicable Calculation Date, the Applicable Margin from the date on which such Officer's Compliance Certificate was required to have been delivered shall be based on Pricing Level ~~VI~~VII until such time as such Officer's Compliance Certificate is delivered, at which time the Pricing Level shall be determined by reference to the Consolidated Net Leverage Ratio as of the last day of the most recently ended fiscal quarter of Centuri preceding such Calculation Date. The applicable Pricing Level shall be effective from one Calculation Date until the next Calculation Date. Any adjustment in the Pricing Level shall be applicable to all Extensions of Credit then existing or subsequently made or issued.

Notwithstanding the foregoing, in the event that any financial statement or Officer's Compliance Certificate delivered pursuant to Section 8.1 or 8.2 is shown to be inaccurate (regardless of whether (i) this Agreement is in effect, (ii) any Commitments are in effect, or (iii) any Extension of Credit is outstanding when such inaccuracy is discovered or such financial statement or Officer's Compliance Certificate was delivered), and such inaccuracy, if corrected, would have led to the application of a higher Applicable Margin for any period (an "Applicable Period") than the Applicable Margin applied for such Applicable Period, then (A) Centuri shall immediately deliver to the Administrative Agent a corrected Officer's Compliance Certificate for such Applicable Period, (B) the Applicable Margin for such Applicable Period shall be determined as if the Consolidated Net Leverage Ratio in the corrected Officer's Compliance Certificate were applicable for such Applicable Period, and (C) the Borrowers shall immediately and retroactively be obligated to pay to the Administrative Agent the accrued additional interest and fees owing as a result of such increased Applicable Margin for such Applicable Period, which payment shall be promptly applied by the Administrative Agent in accordance with Section 5.4. Nothing in this paragraph shall limit the rights of

the Administrative Agent and Lenders with respect to Sections 5.1(b) and 10.2 nor any of their other rights under this Agreement or any other Loan Document. The Borrowers' obligations under this paragraph shall survive the termination of the Commitments and the repayment of all other Obligations hereunder.

"Applicant Borrower" has the meaning given such term in Section 5.17.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arrangers" means Wells Fargo Securities, LLC and BofA Securities, Inc., in their respective capacities as joint lead arrangers and joint bookrunners.

"Asset Disposition" means the disposition of any Property (including, without limitation, any Equity Interests owned thereby) by any Credit Party or any Subsidiary thereof, whether by sale, lease, transfer, statutory division or otherwise, and any issuance of Equity Interests by any Subsidiary of any Credit Party to any Person that is not a Credit Party or any Subsidiary thereof.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 12.9), and accepted by the Administrative Agent, in substantially the form attached as ***Exhibit G*** or any other form approved by the Administrative Agent.

"Attributable Indebtedness" means, on any date of determination, (a) in respect of any Capital Lease Obligation of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, (b) in respect of any Synthetic Lease, the capitalized amount or principal amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a Capital Lease Obligation and (c) in respect of any Permitted Receivables Transaction, the aggregate cash amount paid by the lenders and/or purchasers under such Permitted Receivables Transaction in connection with their purchase of, or the making of loans secured by, Receivables Assets or interests therein, as the same may be reduced from time to time by collections with respect to such Receivables Assets or otherwise in accordance with the terms of the Permitted Receivables Transaction Documents since the Closing Date.

"Available Amount" means, on any date of determination, an amount equal to:

(1) an amount, not less than zero, equal to 50% of Adjusted Consolidated Net Income for the period (taken as one accounting period) from the fiscal quarter following September 30, 2020 to the end of the fiscal quarter most recently ended in respect of which an Officer's Compliance Certificate has been delivered as required hereunder (or, in the case such Adjusted Consolidated Net Income shall be a negative number, 100% of such negative number); plus

(2) the net cash proceeds received by Centuri after the Closing Date as a result of any issuance of Qualified Equity Interests of Centuri to Southwest Gas and cash contributions received by Centuri from Southwest Gas as a capital contribution as common Equity Interests, in each case, during the period from the Closing Date through and including such date, other than the proceeds of issuances of Qualified Equity Interests or capital contributions to the extent specifically and contemporaneously utilized in connection with other transactions permitted pursuant to this Agreement (including the Drum Acquisition, but excluding any Investments made pursuant to Section 9.3(i) that are deducted pursuant to clause (d) below); plus

(3) the net cash proceeds received by Centuri or any Subsidiary during the period from the Closing Date through and including such date in connection with (i) cash returns, cash profits, cash distributions and similar cash amounts, including cash principal repayments of loans, in each case received in respect of any Investment originally made using the Available Amount after the Closing Date and (ii) sales of Investments that were originally made using the Available Amount (in each case, in an amount not to exceed the original amount of such Investment); minus

(4) the amount of payments made by Centuri or any of its Subsidiaries after the Closing Date to acquire the remaining Equity Interests of Linetec pursuant to Section 9.3(i); minus

(5) the aggregate amount of all usage of the Available Amount pursuant to Sections 9.3(j), 9.6(d) and 9.9(c) on and after the Closing Date through and including the date of determination.

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (a) if the then-current Benchmark is a term rate, any tenor for such Benchmark or (b) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then- removed from the definition of "Interest Period" pursuant to Section 5.8(c)(iv).

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Base Rate" means, at any time, the highest of (a) the Prime Rate, (b) the Federal Funds Rate plus 0.50% and (c)(i) in the case of the Initial Term Loans, the LIBOR Rate for an Interest Period of one month plus 1% and (ii) in the case of any other Loans, Adjusted Term SOFR for an Interest Period of one month plus 1%; each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate, the Federal Funds Rate ~~or~~, the LIBOR Rate or Adjusted Term SOFR.

"Base Rate Loan" means any Loan bearing interest at a rate based upon the Base Rate as provided in Section 5.1(a).

"Benchmark" means either a Benchmark (LIBOR) or a Benchmark (Non-LIBOR), as the context so requires.

"Benchmark (LIBOR)" means, initially, USD LIBOR; provided that if a Benchmark Transition Event (LIBOR), a Term SOFR Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date (LIBOR) have occurred with respect to USD LIBOR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 5.8(c)(i).

"Benchmark (Non-LIBOR)" means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event (Non-LIBOR) has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 5.8(c)(i).

"Benchmark Replacement" means either a Benchmark Replacement (LIBOR) or a Benchmark Replacement (Non-LIBOR), as the context so requires.

"Benchmark Replacement (LIBOR)" means, for any Available Tenor,

(1) with respect to any Benchmark Transition Event (LIBOR) or Early Opt-in Election, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date (LIBOR):

(a) the sum of: (A) Term SOFR and (B) the related Benchmark Replacement Adjustment (LIBOR); provided, that, if Centuri has provided a notification to the Administrative Agent in writing on or prior to such Benchmark Replacement Date (LIBOR) that a Borrower has a Hedge Agreement in place with respect to any of the Loans as of the date of such notice (which such notification the Administrative Agent shall be entitled to rely upon and shall have no duty or obligation to ascertain the correctness or completeness of), then the Administrative Agent, in its sole discretion, may decide not to determine the Benchmark Replacement (LIBOR) pursuant to this clause (a)(1) for such Benchmark Transition Event (LIBOR) or Early Opt-in Election, as applicable;

(b) the sum of: (A) Daily Simple SOFR and (B) the related Benchmark Replacement Adjustment (LIBOR);

(c) the sum of: (A) the alternate benchmark rate that has been selected by the Administrative Agent and Centuri as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for Dollar-denominated syndicated credit facilities at such time and (B) the related Benchmark Replacement Adjustment (LIBOR); or

(2) with respect to any Term SOFR Transition Event, the sum of (i) Term SOFR and (ii) the related Benchmark Replacement Adjustment (LIBOR);

provided that, (i) in the case of clause (a)(1), if the Administrative Agent decides that Term SOFR is not administratively feasible for the Administrative Agent, then Term SOFR will be deemed unable to be determined for purposes of this definition and (ii) in the case of clause (a)(1) or clause (b) of this definition, the applicable Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion and made in a manner substantially consistent with determinations being made for similarly situated customers of such Administrative Agent under agreements having similar provisions. If the Benchmark Replacement (LIBOR) as determined pursuant to clause (a)(1), (a)(2) or (a)(3) or clause (b) of this definition would be less than the Floor, the Benchmark Replacement (LIBOR) will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"Benchmark Replacement ~~Adjustment~~(Non-LIBOR)" means, with respect to any Benchmark Transition Event (Non-LIBOR) with respect to any Benchmark (other than LIBOR), the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and Centuri giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (b) the related Benchmark Replacement Adjustment (Non-LIBOR); provided that, if such Benchmark Replacement (Non-LIBOR) as so determined would be less than the Floor, such Benchmark Replacement (Non-LIBOR) will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"Benchmark Replacement Adjustment (LIBOR)" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

(a) for purposes of clauses (a)(1) and (b) of the definition of "Benchmark Replacement (LIBOR)," an amount equal to (A) 0.11448% (11.448 basis points) for an Available Tenor of one-month's duration, (B) 0.26161% (26.161 basis points) for an Available Tenor of three-months' duration and (C) 0.42826% (42.826 basis points) for an Available Tenor of six-months' duration;

(b) for purposes of clause (a)(2) of the definition of "Benchmark Replacement (LIBOR)," an amount equal to 0.11448% (11.448 basis points); and

(c) for purposes of clause (a)(3) of the definition of "Benchmark Replacement (LIBOR)," the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and Centuri giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Available Tenor of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date (LIBOR) or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Available Tenor of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities.

"Benchmark Replacement Adjustment (Non-LIBOR)" means, with respect to any replacement of the then-current Benchmark (other than LIBOR) with an Unadjusted Benchmark Replacement for any applicable Available Tenor, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and Centuri giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities.

"Benchmark Replacement Conforming Changes" means,

i. with respect to any Benchmark Replacement (LIBOR), any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day,"

the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent (in consultation with Centuri) decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement (LIBOR) and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement (LIBOR) exists, in such other manner of administration as the Administrative Agent decides (in consultation with Centuri) is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents); and

ii. with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement (Non-LIBOR), any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day," the definition of "US Government Securities Business Day," the definition of "Interest Period" or any similar or analogous definition (or the addition of a concept of "interest period"), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 5.9 and other technical, administrative or operational matters) that the Administrative Agent (in consultation with Centuri) decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent reasonably decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent reasonably determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides (in consultation with Centuri) is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"Benchmark Replacement Date (LIBOR)" means the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event (LIBOR)," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(2) in the case of clause (c) of the definition of "Benchmark Transition Event (LIBOR)," the date of the public statement or publication of information referenced therein;

(3) in the case of a Term SOFR Transition Event, the date that is thirty (30) days after the Administrative Agent has provided the Term SOFR Notice to the Lenders and Centuri pursuant to Section 5.8(c)(i)(~~B~~C); or

(4) in the case of an Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders and Centuri, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date (LIBOR) occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date (LIBOR) will be deemed to have occurred prior to the Reference Time for such determination and (ii) the "Benchmark Replacement Date (LIBOR)" will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Replacement Date (Non-LIBOR)" means the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event (Non- LIBOR)," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely as of a specific date ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(2) in the case of clause (c) of the definition of "Benchmark Transition Event (Non-LIBOR)," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the "Benchmark Replacement Date (Non-LIBOR)" will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event (LIBOR)" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely as of a specific date, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the FRB, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely as of a specific date, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.

For the avoidance of doubt, a "Benchmark Transition Event (LIBOR)" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event (Non-LIBOR)" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely as of a specific date; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the FRB, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely as of a specific date; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof)announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a "Benchmark Transition Event (Non-LIBOR)" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Start Date" means, in the case of a Benchmark Transition Event (Non- LIBOR), the earlier of (a) the applicable Benchmark Replacement Date (Non-LIBOR) and (b) if such Benchmark Transition Event (Non-LIBOR) is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

"Benchmark Unavailability Period" means either a Benchmark Unavailability Period (LIBOR) or a Benchmark Unavailability Period (Non-LIBOR), as the context so requires.

"Benchmark Unavailability Period (LIBOR)" means the period (if any) (x) beginning at the time that a Benchmark Replacement Date (LIBOR) pursuant to clauses (a) or (b) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 5.8(c) and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 5.8(c).

"Benchmark Unavailability Period (Non-LIBOR)" means the period (if any) (x) beginning at the time that a Benchmark Replacement Date (Non-LIBOR) has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 5.8(c)(i) and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 5.8(c)(i).

"Beneficial Ownership Certification" means any certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 CFR § 1010.230.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"Borrower Materials" has the meaning assigned thereto in Section 8.2.

"Borrowers" means, collectively, the US Borrowers and the Canadian Borrowers.

"Business Day" means:

(1) for all purposes other than as set forth in clause (b) below, any day (other than a Saturday, Sunday or legal holiday) on which banks in Charlotte, North Carolina and New York, New York, are open for the conduct of their commercial banking business;

(2) (i) with respect to all notices and determinations in connection with, and payments of principal and interest on, any LIBOR Rate Loan, or any Base Rate Loan as to which the interest rate is determined by reference to LIBOR, any day that is a Business Day described in clause (a) and that is also a London Banking Day and (ii) with respect to all notices and determinations in connection with, and payments of principal and interest on, any SOFR Loan, or any Base Rate Loan as to which the interest rate is determined by reference to Adjusted Term SOFR, any day that is a Business Day described in clause (a) and that is also a day on which the Federal Reserve Bank of New York is open; and

(3) with respect to all notices and determinations in connection with, and payments of principal and interest on, any Canadian Revolving Credit Loan, any day that is a Business Day described in clause

(a) and on which banks are open for business in London, England and Toronto, Canada. "Calculation Date" has the meaning

assigned thereto in the definition of Applicable Margin.

"Canadian AML Laws" means the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended, and any other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" laws in effect in Canada from time to time.

"Canadian Base Rate" means at any time, the greater of (a) the Canadian Prime Rate and (b) except during any period of time during which a notice delivered to Centuri under Section 5.8 shall remain in effect, the annual rate of interest equal to the sum of (i) the CDOR Rate for an Interest Period of one month at such time plus (ii) one percent (1%) per annum; each change in the Canadian Base Rate shall take effect simultaneously with the corresponding change or changes in the Canadian Prime Rate or the CDOR Rate, as applicable.

"Canadian Base Rate Loan" means any Canadian Loan bearing interest at a rate based upon the Canadian Base Rate as provided in Section 5.1(a).

"Canadian Borrowers" means, collectively, Centuri Canada and each Additional Borrower approved by the Lenders that becomes a party hereto as a Canadian Borrower.

"Canadian Cash Management Bank" means any Person that, (a) at the time it enters into a Cash Management Agreement with a Canadian Credit Party or a Foreign Subsidiary, is a Lender, an Affiliate of a Lender, the Administrative Agent or an Affiliate of the Administrative Agent, or (b) at the time it (or its Affiliate) becomes a Lender (including on the Closing Date), is a party to a Cash Management Agreement with a Canadian Credit Party or a Foreign Subsidiary, in each case in its capacity as a party to such Cash Management Agreement.

"Canadian Collateral Agreement" means that certain Second Amended and Restated Canadian Collateral Agreement of even date herewith executed by the Canadian Credit Parties in favor of the Administrative Agent, for the ratable benefit of the Canadian Secured Parties.

"Canadian Credit Parties" means, collectively, the Canadian Borrowers and the Canadian Subsidiary Guarantors.

"Canadian Credit Party Guarantee Agreement" means that certain Amended and Restated Canadian Credit Party Guarantee Agreement dated as of the date hereof executed by the Canadian Credit Parties in favor of the Administrative Agent, for the ratable benefit of the Canadian Secured Parties.

"Canadian Dollar" or "C$" means, at the time of determination, the lawful currency of Canada.

Plan.

"Canadian Employee Benefit Plan" means any Canadian Pension Plan or Canadian Multiemployer

"Canadian Hedge Bank" means any Person that, (a) at the time it enters into a Hedge Agreement with a Canadian Credit Party or a Foreign Subsidiary permitted under Article IX, is a Lender, an Affiliate of a Lender, the Administrative Agent or an Affiliate of the Administrative Agent or (b) at the time it (or its Affiliate) becomes a Lender (including on the Closing Date), is a party to a Hedge Agreement with a Canadian Credit Party or a Foreign Subsidiary, in each case in its capacity as a party to such Hedge Agreement.

"Canadian L/C Obligations" means at any time, an amount equal to the sum of (a) the aggregate undrawn and unexpired amount of the then outstanding Canadian Letters of Credit and (b) the aggregate amount of drawings under Canadian Letters of Credit which have not then been reimbursed pursuant to Section 3.5.

"Canadian Letters of Credit" means the collective reference to letters of credit denominated in Canadian Dollars pursuant to Section 3.1 (including any applicable Existing Letters of Credit). Notwithstanding anything to the contrary contained herein, a letter of credit issued by any Issuing Lender

(other than Wells Fargo at any time it is also acting as Administrative Agent) shall not be a "Canadian Letter of Credit" for purposes of the Loan Documents until such time as the Administrative Agent has been notified in writing of the issuance thereof by the applicable Issuing Lender.

"Canadian Multiemployer Plan" means a "multi-employer pension plan" as defined by Canadian Pension Laws and registered in accordance with Canadian Pension Laws and as to which any Credit Party or any Subsidiary thereof is making, or is accruing an obligation to make, or has accrued an obligation to make contributions within the preceding six (6) years, and shall not include any Multiemployer Plan.

"Canadian Obligations" means, in each case, whether now in existence or hereafter arising: (a) the principal of and interest on (including interest accruing after the filing of any bankruptcy or similar petition) the Canadian Revolving Credit Loans, Canadian Swingline Loans and, to the extent applicable, any Incremental Term Loan made to the Canadian Borrowers, (b) the Canadian L/C Obligations and (c) all other fees and commissions (including attorneys' fees), charges, indebtedness, loans, liabilities, financial accommodations, obligations, covenants and duties owing by the Canadian Credit Parties to the Term Loan Lenders, Revolving Credit Lenders, the applicable Swingline Lender or the Administrative Agent, in each case under any Loan Document, with respect to any Canadian Revolving Credit Loan, any Canadian Swingline Loan, any Canadian Letter of Credit and, to the extent applicable, any Incremental Term Loan made to the Canadian Borrowers of every kind, nature and description, direct or indirect, absolute or contingent, due or to become due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any note and including interest and fees that accrue after the commencement by or against any Credit Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws, naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

"Canadian Pension Laws" means the Pensions Benefit Act (Ontario), the ITA and any other Canadian federal or provincial pension benefits standards legislation and the regulations thereunder applicable to a Canadian Pension Plan or a Canadian Multiemployer Plan.

"Canadian Pension Plan" means any "registered pension plan" as defined under Section 248(l) of the ITA or any other registered or unregistered pension, or retirement or retirement savings plan and which
(a) is sponsored, maintained, funded, contributed to or required to be contributed to, or administered for the employees or former employees of any Credit Party or any Subsidiary thereof or (b) has at any time within the preceding six (6) years been sponsored, maintained, funded, contributed to or required to be contributed to, or administered for the employees or former employees of any Credit Party or any Subsidiary thereof, and shall not include any Pension Plan, other than a Canadian Multiemployer Plan.

"Canadian Pension Plan Unfunded Liability" means an unfunded liability in respect of any Canadian Pension Plan, including a going concern unfunded liability, solvency deficiency, reduced solvency deficiency or wind-up deficiency, in each case, as reported in the most recent valuation report delivered under Section 8.2(j) in respect of such Canadian Pension Plan.

"Canadian Prime Rate" means the rate of interest publicly announced from time to time by the Canadian Reference Bank as its prime rate in effect for determining interest rates on Canadian Dollar denominated commercial loans in Canada (which such rate is not necessarily the most favored rate of the Canadian Reference Bank and the Canadian Reference Bank may lend to its customers at rates that are at, above or below such rate) or, if the Canadian Reference Bank ceases to announce a rate so designated, any similar successor rate designated by the Administrative Agent.

"Canadian Reference Bank" means any one or more of The Bank of Nova Scotia, Bank of Montreal, Royal Bank of Canada, The Toronto-Dominion Bank, Canadian Imperial Bank of Commerce or National Bank of Canada, as the Administrative Agent may determine.

"Canadian Revolving Credit Loan" means any revolving loan denominated in Canadian Dollars made to the Canadian Borrowers pursuant to Section 2.1, and all such revolving loans collectively as the context requires, and shall include any Extended Revolving Credit Loans, any Refinancing Revolving Loans and any loans made pursuant to an Incremental Revolving Credit Facility Increase, in each case, related to such loans.

"Canadian Revolving Credit Note" means a promissory note made by the Canadian Borrowers in favor of a Revolving Credit Lender evidencing the Canadian Revolving Credit Loans made by such Revolving Credit Lender, substantially in the form attached as ***Exhibit A-2***, and any substitutes therefor, and any replacements, restatements, renewals or extension thereof, in whole or in part.

"Canadian Secured Obligations" means, collectively, (a) the Canadian Obligations and (b) all existing or future payment and other obligations owing by any Canadian Credit Party or any Foreign Subsidiary under (i) any Secured Hedge Agreement with a Canadian Hedge Bank and (ii) any Secured Cash Management Agreement with a Canadian Cash Management Bank.

"Canadian Secured Parties" means, collectively, the Administrative Agent, the Lenders, the Canadian Hedge Banks, the Canadian Cash Management Banks, each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Section 11.5, any other holder from time to time of any Canadian Secured Obligations and, in each case, their respective successors and permitted assigns.

"Canadian Subsidiary" means any Subsidiary of Centuri that is organized under the laws of Canada or any province or territory thereof, including, without limitation, the Canadian Borrowers.

"Canadian Subsidiary Guarantors" means, collectively, all direct and indirect Canadian Subsidiaries in existence on the Closing Date (other than the Canadian Borrowers) or which become a party to the Canadian Credit Party Guarantee Agreement pursuant to Section 8.14.

"Canadian Swingline Loan" means any swingline loan denominated in Canadian Dollars made by the applicable Swingline Lender to a Canadian Borrower pursuant to Section 2.2, and all such swingline loans collectively as the context requires.

"Canadian Swingline Note" means a promissory note made by the Canadian Borrowers in favor of the applicable Swingline Lender evidencing the Canadian Swingline Loans made by the Swingline Lender, substantially in the form attached as ***Exhibit A-4***, and any substitutes therefor, and any replacements, restatements, renewals or extension thereof, in whole or in part.

"Canadian Term Loan Note" means a promissory note made by any Canadian Borrower in favor of a Term Loan Lender evidencing the portion of any Incremental Term Loans made to such Canadian Borrower by such Term Loan Lender, substantially in the form attached as ***Exhibit A-6***, and any substitutes therefor, and any replacements, restatements or extensions thereof, in whole or in part.

"Canadian Termination Event" means a Canadian Pension Plan Unfunded Liability in excess of the Threshold Amount or the occurrence of any of the following which, individually or in the aggregate, has resulted or could reasonably be expected to result in liability of any Credit Party or any Subsidiary thereof in an aggregate amount in excess of the Threshold Amount: (a) the institution of any steps by any Governmental Authority to order the termination or wind-up, in full or in part, of any Canadian Employee

Benefit Plan, (b) the institution of any steps by a Credit Party to terminate, in full or in part, any Canadian Pension Plan if such plan has a Canadian Pension Plan Unfunded Liability, (c) an event respecting any Canadian Employee Benefit Plan which could reasonably be expected to result in the revocation of the registration of such Canadian Employee Benefit Plan which could otherwise reasonably be expected to adversely affect the Tax status of any such Canadian Employee Benefit Plan, (d) any event or condition which would reasonably constitute grounds under Canadian Pension Laws for the full or partial termination of, or the appointment of a trustee or replacement administrator to administer, any Canadian Employee Benefit Plan, (e) the partial or complete withdrawal of any Credit Party from a Canadian Multiemployer Plan if a withdrawal liability is asserted by such plan or by any Governmental Authority, or (f) any event or condition which results in the increase in the liability of any Credit Party or any Subsidiary thereof under a Canadian Multiemployer Plan.

"Capital Expenditures" means, with respect to the Consolidated Companies on a Consolidated basis, for any period, (a) the additions to property, plant and equipment and other capital expenditures that are (or would be) set forth in a consolidated statement of cash flows of such Person for such period prepared in accordance with GAAP and (b) Capital Lease Obligations during such period, but excluding expenditures for the restoration, repair or replacement of any fixed or capital asset which was destroyed or damaged, in whole or in part, to the extent financed by the proceeds of an insurance policy maintained by such Person.

"Capital Lease Obligations" of any Person means, subject to Section 1.3(b), the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as finance leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Cash Collateralize" means, to deposit in a Controlled Account or to pledge and deposit with, or deliver to the Administrative Agent, or directly to the applicable Issuing Lender (with notice thereof to the Administrative Agent), for the benefit of one or more of the Issuing Lenders, one or both of the Swingline Lenders or the Lenders, as collateral for L/C Obligations or obligations of the Lenders to fund participations in respect of L/C Obligations or Swingline Loans, cash or deposit account balances or, if the Administrative Agent and the applicable Issuing Lender and/or the applicable Swingline Lender, as the case may be, shall agree, in their sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to the Administrative Agent, such Issuing Lender and/or such Swingline Lender, as applicable. "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"Cash Equivalents" means, collectively, (a) marketable direct obligations issued or unconditionally guaranteed by Canada or the United States (or any agency thereof) maturing within one (1) year from the date of acquisition thereof, (b) commercial paper maturing no more than two hundred seventy (270) days from the date of creation thereof and currently having the highest rating obtainable from either S&P or Moody's (or, if at any time either S&P or Moody's are not rating such fund, an equivalent rating from another nationally recognized statistical rating agency), (c) investments in certificates of deposit, banker's acceptances, money market deposits and time deposits maturing within one hundred eighty (180) days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any state thereof that has a combined capital and surplus and undivided profits of not less than $500,000,000 and having a long-term debt rating of "A" or better by S&P or "A2" or better from Moody's (or, if at any time either S&P or Moody's are not rating the debt of such bank, an equivalent rating from another nationally recognized statistical rating agency), (d) time deposits maturing no more than thirty (30) days from the date of creation thereof with commercial banks or savings banks or savings and loan

associations each having membership either in the FDIC or the CDIC or the deposits of which are insured by the FDIC or the CDIC and in amounts not exceeding the maximum amounts of insurance thereunder, and (e) investments in any money market fund or money market mutual fund that has (i) substantially all of its assets invested in the types of investments referred to in clauses (a) through (d) above, (ii) net assets of not less than $250,000,000 and (iii) a rating of at least A-2 from S&P or at least P-2 from Moody's (or, if at any time either S&P or Moody's are not rating such fund, an equivalent rating from another nationally recognized statistical rating agency).

"Cash Management Agreement" means any agreement to provide cash management services, including treasury, depository, overdraft, credit or debit card (including non-card electronic payables and purchasing cards), electronic funds transfer and other cash management arrangements.

"Cash Management Bank" means any US Cash Management Bank or Canadian Cash Management Bank.

"CDIC" means the Canada Deposit Insurance Corporation.

"CDOR Rate" means the rate of interest per annum determined by the Administrative Agent on the basis of the rate applicable to Canadian Dollar bankers' acceptances for the applicable Interest Period (or if such Interest Period is not equal to a number of months, for a term equivalent to the number of months closest to such Interest Period) appearing on the "CDOR Page", or any successor page of Refinitiv Benchmark Services (UK) Limited (or such other page or commercially available source displaying Canadian interbank bid rates for Canadian Dollar bankers' acceptances as may be designated by the Administrative Agent from time to time), as of 10:00 a.m. (Toronto, Ontario time) on the first day of the applicable Interest Period (or if such day is not a Business Day, then on the immediately preceding Business Day). Each calculation by the Administrative Agent of the CDOR Rate shall be conclusive and binding for all purposes, absent manifest error.

Notwithstanding the foregoing, if the CDOR Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"CDOR Rate Loan" means any Loan bearing interest at a rate determined by reference to the CDOR Rate.

"Centuri" means Centuri Group, Inc. (formerly known as Centuri Construction Group, Inc.), a Nevada corporation.

"Centuri Canada" means Centuri Canada Division Inc., a corporation organized under the laws of the Province of Ontario, Canada.

"Centuri U.S. Division" means Centuri U.S. Division, Inc., formerly known as Meritus Group, Inc., a Nevada corporation.

"CFC" means a Foreign Subsidiary that is a "controlled foreign corporation" under Section 957 of the Code and any Subsidiary owned directly or indirectly by such Foreign Subsidiary.

"CFC Holdco" means a Subsidiary substantially all the assets of which consist of Equity Interests in Foreign Subsidiaries that each constitute a CFC and/or Indebtedness or accounts receivable owed by Foreign Subsidiaries that each constitute a CFC or are treated as owed by any such Foreign Subsidiaries for U.S. federal income tax purposes.

"Change in Control" means an event or series of events by which (a) Centuri shall fail to own, directly or indirectly, and control (i) one hundred percent (100%) on a fully diluted basis of the economic and voting Equity Interests of each US Borrower, and (ii) one hundred percent (100%) on a fully diluted basis of the economic and voting Equity Interests of Centuri Canada or (b) Southwest Gas shall fail to own, directly or indirectly, and control at least fifty-one percent (51%) on a fully diluted basis of the economic and voting Equity Interests of each of the Borrowers.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following:
(1) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted, implemented or issued.

"CIBC" means Canadian Imperial Bank of Commerce.

"Class" means (a) when used in reference to any Loan, whether such Loan is a Revolving Credit Loan, Swingline Loan, Term Loan, Extended Term Loan, Extended Revolving Credit Loan, Refinancing Revolving Loan of a given Refinancing Series or Refinancing Term Loan of a given Refinancing Series, and (b) when used in reference to any Commitment, whether such Commitment is a Revolving Credit Commitment, a Term Loan Commitment, an Extended Revolving Credit Commitment or Refinancing Revolving Credit Commitment of a given Refinancing Series.

"Closing Date" means the date of this Agreement.

"Code" means the United States Internal Revenue Code of 1986, and the rules and regulations promulgated thereunder.

"Collateral" means the collateral security for the Secured Obligations pledged or granted pursuant to the Security Documents.

"Commitment Fee" has the meaning assigned thereto in Section 5.3(a).

"Commitment Percentage" means, as to any Lender, such Lender's Revolving Credit Commitment Percentage or Term Loan Percentage, as applicable.

"Commitments" means, collectively, as to all Lenders, the Revolving Credit Commitments and the Term Loan Commitments of such Lenders.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.).

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated" means, when used with reference to financial statements or financial statement items of any Person, such statements or items on a consolidated basis in accordance with applicable principles of consolidation under GAAP.

"Consolidated Companies" means Centuri and its Subsidiaries.

"Consolidated EBITDA" means, for any period, the sum of the following determined on a Consolidated basis, without duplication, for the Consolidated Companies in accordance with GAAP:

(a) Consolidated Net Income for such period plus

(b) the sum of the following, without duplication, to the extent deducted in determining Consolidated Net Income (other than as set forth in clause (b)(x)(B)) for such period:

i. income and franchise taxes,

ii. Consolidated Interest Expense,

iii. amortization (including, for the avoidance of doubt, impairment charges, and amortization of goodwill and intangible assets acquired or arising from a business acquisition, regardless of whether presented as a separate line item or included in other book entries), depreciation and other non-cash charges (except to the extent that such non-cash charges are reserved for cash charges to be taken in the future), including any non-cash equity based compensation expense,

iv. non-recurring expenses and restructuring charges reducing Consolidated Net Income which do not represent a cash item in such period,

v. one-time fees and expenses in connection with the Drum Acquisition,

vi. net unrealized losses resulting from mark to market accounting for hedging activities, including, without limitation those resulting from the application of FASB Accounting Standards Codification 815,

vii. net unrealized non-cash losses resulting from foreign currency balance sheet adjustments required by GAAP,

viii. all transaction fees, charges and other amounts related to this Agreement and any amendment or other modification to the Loan Documents, in each case to the extent paid within six (6) months of the Closing Date or the effectiveness of such amendment or other modification,

ix. all transaction fees, charges and other amounts (including any financing fees, merger and acquisition fees, legal fees and expenses, due diligence fees or any other fees and expenses in connection therewith) in connection with any Permitted Acquisition, Investment, disposition, issuance or repurchase of Equity Interests, or the incurrence, amendment or waiver of Indebtedness permitted hereunder (other than those related to the Transactions or with respect to any amendment or modification of the Loan Documents), in each case, whether or not consummated, in each case to the extent paid within six (6) months of the closing or effectiveness of such event or the termination or abandonment of such transaction, as the case may be; provided that the aggregate amount added pursuant to this clause (b)(ix) taken together with the aggregate amount added pursuant to clause (b)(x) for any four quarter period shall in no event exceed twenty

percent (20%) of Consolidated EBITDA for such period (calculated prior to any such add-backs pursuant to clauses (b)(ix) and (b)(x)),

x. (A) other unusual and non-recurring cash expenses or charges, (B) the amount of any "run rate" synergies, operating expense reductions and other net cost savings and integration costs, in each case projected by the Borrowers in connection with Permitted Acquisitions, Asset Dispositions (including the termination or discontinuance of activities constituting such business) and/or other operating improvement, restructuring, cost savings initiative or other similar initiative taken after the Closing Date that have been consummated during the applicable period (calculated on a Pro Forma Basis as though such synergies, expense reductions and cost savings had been realized on the first day of the period for which Consolidated EBITDA is being determined), net of the amount of actual benefits realized during such period from such actions and (C) solely during the period from June 30, 2021 through December 31, 2022, the amount of projected EBITDA relating to the fourteen Exelon and Avangrid Master Services Agreements awarded in 2020 in an amount equal to $14,300,000 less the cumulative amount of actual EBITDA relating to such agreements after June 30, 2021); provided that (i) such synergies, expense reductions and cost savings are reasonably identifiable, factually supportable, expected to have a continuing impact on the operations of the Combined Companies and have been determined by the Borrowers in good faith to be reasonably anticipated to be realizable within eighteen (18) months following any such action as set forth in reasonable detail on a certificate of a Responsible Officer of Centuri delivered to the Administrative Agent, (ii) no such amounts shall be added pursuant to this clause to the extent duplicative of any expenses or charges otherwise added to Consolidated EBITDA, whether through a pro forma adjustment, the definition of Pro Forma Basis or otherwise and (iii) the aggregate amount added pursuant to this clause (b)(x) taken together with the aggregate amount added pursuant to clause (b)(ix) for any four quarter period shall in no event exceed twenty percent (20%) of Consolidated EBITDA for such period (calculated prior to any such add-backs pursuant to clauses (b)(ix) and (b)(x)), less

(c) the sum of the following, without duplication, to the extent included in determining Consolidated Net Income for such period:

i. interest income,

ii. unusual or non-recurring gains,

iii. net unrealized gains for items set forth in the foregoing clauses (b)(vi) and (vii),

iv. non-cash gains or non-cash items increasing Consolidated Net Income, and

v. any cash expense made during such period which represents the reversal of any non-cash expense that was added in a prior period pursuant to clause (b)(iii) above subsequent to the fiscal quarter in which the relevant non-cash expenses, charges or losses were incurred.

For purposes of this Agreement, Consolidated EBITDA shall be adjusted on a Pro Forma Basis. Notwithstanding the foregoing,

Consolidated EBITDA for the fiscal quarters ending September 30,

2020, January 3, 2021, April 4, 2021 and July 4, 2021 shall be the amounts corresponding to such fiscal quarters set forth on Schedule 1.1(c).

"Consolidated Funded Indebtedness" means, as of any date of determination with respect to the Consolidated Companies on a Consolidated basis, without duplication, the sum of all Indebtedness (other

than Indebtedness in respect of obligations under any undrawn letter of credit) of the Consolidated Companies.

"Consolidated Interest Coverage Ratio" means, as of any date of determination, determined on a Consolidated basis, without duplication, for the Consolidated Companies in accordance with GAAP: the ratio of (a) Consolidated EBITDA for the period of four (4) consecutive fiscal quarters ending on such date to (b) Consolidated Interest Expense for such period.

"Consolidated Interest Expense" means, for any period, the sum of the following determined on a Consolidated basis, without duplication, for the Consolidated Companies in accordance with GAAP, interest expense (including, without limitation, interest expense attributable to Capital Lease Obligations and all net payment obligations pursuant to Hedge Agreements) for such period. For purposes of this Agreement, Consolidated Interest Expense shall be adjusted on a Pro Forma Basis. Notwithstanding the foregoing, Consolidated Interest Expense for the period of four (4) consecutive fiscal quarters ending on September 30, 2021, December 31, 2021 and March 31, 2022 shall be calculated (i) for the fiscal quarter ending September 30, 2021, Consolidated Interest Expense for the fiscal quarter ending on such date times four (4), (ii) for the fiscal quarter ending December 31, 2021, Consolidated Interest Expense for the two consecutive fiscal quarters ending on such date times two (2) and (iii) for the fiscal quarter ending March 31, 2022, Consolidated Interest Expense for the three consecutive fiscal quarters ending on such date times four-third (4/3).

"Consolidated Net Leverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated Funded Indebtedness on such date minus the amount of Unrestricted cash and Cash Equivalents of Centuri and its Subsidiaries (excluding the proceeds of any Incremental Term Loans or any other Indebtedness incurred or made substantially concurrent with the determination of the amount of such Unrestricted cash and Cash Equivalents) on such date, not to exceed $150,000,000, to (b) Consolidated EBITDA for the period of four (4) consecutive fiscal quarters ending on or immediately prior to such date.

"Consolidated Net Income" means, for any period, the net income (or loss) of the Consolidated Companies for such period, determined on a Consolidated basis, without duplication, in accordance with GAAP; provided, that in calculating Consolidated Net Income of the Consolidated Companies for any period, there shall be excluded (a) the net income (or loss) of any Person (other than a Subsidiary which shall be subject to clause (c) below), in which any of the Consolidated Companies has a joint interest with a third party, except to the extent such net income is actually paid in cash to any of the Consolidated Companies by dividend or other distribution during such period (provided that the net income (or loss) of
W.S. Nicholls Western Construction, Ltd. and VRO Construction Partners 1, LLC attributable to the ownership percentage held by the Consolidated Companies shall be included regardless of whether such amounts are paid in cash to the Consolidated Companies), (b) the net income (or loss) of any Person accrued prior to the date it becomes a Subsidiary of any of the Consolidated Companies or is merged into or consolidated with any of the Consolidated Companies or that Person's assets are acquired by any of the Consolidated Companies except to the extent included pursuant to the foregoing clause (a), (c) the net income (if positive), of any Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary to any of the Consolidated Companies of such net income (i) is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Subsidiary or (ii) would be subject to any taxes payable on such dividends or distributions, but in each case only to the extent of such prohibition or taxes and (d) any gain or loss from Asset Dispositions during such period.

"Consolidated Total Assets" means, on any date of determination, the Consolidated total assets of Centuri and its Subsidiaries as set forth on the Consolidated balance sheet of Centuri as of the last day of

~~146960219_6~~
165457743_4

the fiscal quarter of Centuri ending on or immediately prior to such date and for which financial statements have been provided to the Administrative Agent in accordance with Section 8.1, determined on a Consolidated basis.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Corresponding Tenor" with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

"Credit Facility" means, collectively, the Revolving Credit Facility, the Term Loan Facility, the Swingline Facility and the L/C Facility.

"Credit Parties" means, collectively, the US Credit Parties and the Canadian Credit Parties.

"Daily Simple SOFR" means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for syndicated business loans; provided, that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

"Debt Issuance" means the issuance of any Indebtedness for borrowed money by any Credit Party or any of its Subsidiaries.

"Debt Ratings" means the collective reference to (a) the public corporate family rating of Centuri as determined by Moody's from time to time, (b) the public corporate credit rating of Centuri as determined by S&P from time to time and (c) the public ratings with respect to the Term Loan Facility as determined by both Moody's and S&P from time to time, and "Debt Rating" means, as applicable, any of the foregoing.

"Debtor Relief Laws" means the Bankruptcy Code of the United States of America, the Bankruptcy and Insolvency Act (Canada), the Winding-Up and Restructuring Act (Canada), the Companies' Creditors Arrangement Act (Canada) and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States, Canada or other applicable jurisdictions from time to time in effect.

"Default" means any of the events specified in Section 10.1 which with the passage of time, the giving of notice or any other condition, would constitute an Event of Default.

"Defaulting Lender" means, subject to Section 5.15(b), any Lender that (a) has failed to (i) fund all or any portion of the Revolving Credit Loans or any Term Loan required to be funded by it hereunder within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and Centuri in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, any Issuing Lender, any Swingline Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swingline Loans) within two Business Days of the date when due, (b) has notified Centuri, the Administrative Agent, any Issuing Lender or any Swingline Lender in writing that it does not intend to

comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or Centuri, to confirm in writing to the Administrative Agent and Centuri that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and Centuri), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the CDIC, the FDIC or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through
(d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 5.15(b)) upon delivery of written notice of such determination to Centuri, each Issuing Lender, each Swingline Lender and each Lender.

"Disqualified Equity Interests" means any Equity Interests that, by their terms (or by the terms of any security or other Equity Interest into which they are convertible or for which they are exchangeable) or upon the happening of any event or condition, (a) mature or are mandatorily redeemable (other than solely for Qualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments), (b) are redeemable at the option of the holder thereof (other than solely for Qualified Equity Interests) (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments), in whole or in part, (c) provide for the scheduled payment of dividends in cash or (d) are or become convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 91 days after the Term Loan Maturity Date; provided that if such Equity Interests are issued pursuant to a plan for the benefit of the Consolidated Companies or by any such plan to such employees, such Equity Interests shall not constitute Disqualified Equity Interests solely because they may be required to be repurchased by the Consolidated Companies in order to satisfy applicable statutory or regulatory obligations.

"Dollar Amount" means, with respect to any sum expressed in Canadian Dollars, the amount of Dollars which is equivalent to the amount so expressed in Canadian Dollars at the Spot Rate determined by the Administrative Agent to be available to it at the relevant time (including on each Revaluation Date).

"Dollars" or "$" means, unless otherwise qualified, dollars in lawful currency of the United States.

"Drum" means Drum Parent, Inc., a Delaware corporation.

"Drum Acquisition" means the acquisition of Drum and its Subsidiaries pursuant to the Drum Merger Agreement.

"Drum Material Adverse Effect" means a "Material Adverse Effect", as defined in the Drum Merger Agreement.

"Drum Merger Agreement" means that certain Agreement and Plan of Merger effective as of June 28, 2021, by and among Drum, Electric T&D Holdings LLC, as buyer, Centuri, ETDH Merger Sub, Inc. and OCM Drum Investors, L.P., as representative of the stockholders and optionholders of Drum immediately prior to the Drum Acquisition, as sellers, together with all schedules and exhibits thereto and as the same may be amended, restated, supplemented or otherwise modified from time to time prior to the Closing Date.

"Early Opt-in Election" means, if the then-current Benchmark is USD LIBOR, the occurrence of:

(1) a notification by the Administrative Agent to (or the request by Centuri to the Administrative Agent to notify) each of the other parties hereto that at least five currently outstanding Dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and

(2) the joint election by the Administrative Agent and Centuri to trigger a fallback from USD LIBOR and the provision by the Administrative Agent of written notice of such election to the Lenders.

"ECF Percentage" means, with respect to any Fiscal Year, (a) 50%, if the Consolidated Net Leverage Ratio at the end of such Fiscal Year is greater than 4.00 to 1.00, (b) 25%, if the Consolidated Net Leverage Ratio at the end of such Fiscal Year is greater than to 3.50 to 1.00 but less than or equal to 4.00 to 1.00 and (c) 0%, if the Consolidated Net Leverage Ratio at the end of such Fiscal Year is less than or equal to 3.50 to 1.00.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any credit institution or investment firm established in any EEA Member Country.

"Electronic Record" has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

"Electronic Signature" has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 12.9(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 12.9(b)(iii)).

"Employee Benefit Plan" means (a) any employee benefit plan within the meaning of Section 3(3) of ERISA that is maintained for employees of any Credit Party or any ERISA Affiliate or (b) any Pension Plan or Multiemployer Plan that has at any time within the preceding seven (7) years been maintained, funded or administered for the employees of any Credit Party or any current or former ERISA Affiliate.

"Environmental Claims" means any and all administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, accusations, allegations, notices of noncompliance or violation, investigations (other than internal reports prepared by any Person in the ordinary course of business and not in response to any third party action or request of any kind) or proceedings relating in any way to any actual or alleged violation of or liability under any Environmental Law or relating to any permit issued, or any approval given, under any such Environmental Law, including, without limitation, any and all claims by Governmental Authorities for enforcement, cleanup, removal, response, remedial or other actions or damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from Hazardous Materials or arising from alleged injury or threat of injury to human health or the environment.

"Environmental Laws" means any and all federal, foreign, state, provincial and local laws, statutes, ordinances, codes, rules, standards and regulations, permits, licenses, approvals, interpretations and orders of courts or Governmental Authorities, relating to the protection of human health or the environment, including, but not limited to, requirements pertaining to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation, handling, reporting, licensing, permitting, investigation or remediation of Hazardous Materials.

"Equity Interests" means (a) in the case of a corporation, capital stock, (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock, (c) in the case of a partnership, partnership interests (whether general or limited), (d) in the case of a limited liability company, membership interests, (e) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person and (f) any and all warrants, rights or options to purchase any of the foregoing.

"ERISA" means the Employee Retirement Income Security Act of 1974, and the rules and regulations thereunder.

"ERISA Affiliate" means any Person who together with any Credit Party or any of its Subsidiaries is treated as a single employer within the meaning of Section 414(b), (c), (m) or (o) of the Code or Section 4001(b) of ERISA.

"Erroneous Payment" has the meaning assigned thereto in Section 11.11(a).

"Erroneous Payment Deficiency Assignment" has the meaning assigned thereto in Section 11.11(d).

"Erroneous Payment Impacted Class" has the meaning assigned thereto in Section 11.11(d).

"Erroneous Payment Return Deficiency" has the meaning assigned thereto in Section 11.11(d).

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor thereto) as in effect from time to time.

"Eurodollar Reserve Percentage" means, for any day, the percentage which is in effect for such day as prescribed by the FRB for determining the maximum reserve requirement (including, without limitation, any basic, supplemental or emergency reserves) in respect of eurocurrency liabilities or any similar category of liabilities for a member bank of the Federal Reserve System in New York City.

"Event of Default" means any of the events specified in Section 10.1; provided that any requirement for passage of time, giving of notice, or any other condition, has been satisfied.

"Excess Cash Flow" means, for Centuri and its Subsidiaries on a Consolidated basis, in accordance with GAAP for any Fiscal Year:

(1) the sum, without duplication, of:

(a) Consolidated Net Income for such Fiscal Year; plus

(b) an amount equal to the amount of all non-cash charges to the extent deducted in determining Consolidated Net Income for such Fiscal Year (excluding any non-cash charges representing an accrual or reserve for a potential cash charge in any future Fiscal Year or amortization of a prepaid cash gain that was paid in a prior Fiscal Year); plus

(c) decreases in Working Capital for such Fiscal Year,

minus

(2) the sum, without duplication, of:

(a) the aggregate amount of cash actually paid by Centuri and its Subsidiaries during such Fiscal Year on account of Capital Expenditures, Permitted Acquisitions and other Investments pursuant to Section 9.3 (but excluding Investments in cash or Cash Equivalents and Investments in Centuri or any Subsidiary) (other than any amounts that were committed during a prior Fiscal Year to the extent such amounts reduced Excess Cash Flow in such prior Fiscal Year per clause (b)(ii) below), except to the extent any such Capital Expenditure, Permitted Acquisition or other Investment is made with the proceeds of long-term Indebtedness (other than Revolving Credit Loans), any Equity Issuance, casualty proceeds, condemnation proceeds or other proceeds that would not be included in Consolidated EBITDA; provided that any amount of Capital Expenditures deducted under this clause (b)(i) that are financed with long-term Indebtedness, any Equity Issuance, casualty proceeds, condemnation proceeds or other proceeds that would not be included in Consolidated EBITDA in a future period, shall be added to the calculation of Excess Cash Flow in the applicable future period; plus

(b) without duplication of amounts deducted from Excess Cash Flow in other periods,
(A) the aggregate consideration required to be paid in cash by Centuri and its Subsidiaries pursuant to binding contracts, commitments, letters of intent or purchase orders (such amount, the "Contract Consideration") entered into prior to or during such Fiscal Year and (B) any planned cash expenditures by Centuri and its Subsidiaries (such amount, the "Planned Expenditures"), in the case of each of clauses (A) and (B), relating to Permitted Acquisitions, Capital Expenditures and other Investments pursuant to Section 9.3 (but excluding Investments in cash or Cash Equivalents and Investments in Centuri or any Subsidiary) to be consummated or made during the period of four
(4) consecutive fiscal quarters of Centuri following the end of such Fiscal Year and identified in writing to the Administrative Agent with reasonable supporting calculations, except to the extent any such Capital Expenditure, Permitted Acquisition or other Investment is made with the proceeds

of long-term Indebtedness (other than Revolving Credit Loans), any Equity Issuance, casualty proceeds, condemnation proceeds or other proceeds that would not be included in Consolidated EBITDA; provided that to the extent that the aggregate amount of cash actually utilized to finance such Permitted Acquisitions, Capital Expenditures or other Investments during such following period of four consecutive fiscal quarters is less than such Contract Consideration and Planned Expenditures, the amount of such shortfall shall be added to the calculation of Excess Cash Flow, at the end of such period of four consecutive fiscal quarters; provided further that any amount of Contract Consideration and/or Planned Expenditures relating to Capital Expenditures deducted under this clause (b)(ii) that are financed with long-term Indebtedness, any Equity Issuance, casualty proceeds, condemnation proceeds or other proceeds that would not be included in Consolidated EBITDA in a future period, shall be added to the calculation of Excess Cash Flow in the applicable future period;

(c) the aggregate amount of all scheduled principal payments or repayments of Indebtedness (other than mandatory prepayments of Loans) made by Centuri and its Subsidiaries during such Fiscal Year, but only to the extent that such payments or repayments by their terms cannot be reborrowed or redrawn and do not occur in connection with a refinancing of all or any portion of such Indebtedness, except to the extent such principal payments are financed with the proceeds of long-term Indebtedness, any Equity Issuance, casualty proceeds, condemnation proceeds or other proceeds that would not be included in Consolidated EBITDA; plus

(d) the amount of Restricted Payments made by Centuri and its Subsidiaries in cash during such Excess Cash Flow Period pursuant to Section 9.6(e) and (f), in each case to the extent that such Restricted Payments are not financed with the proceeds of long-term Indebtedness, any Equity Issuance, casualty proceeds, condemnation proceeds or other proceeds that would not be included in Consolidated EBITDA; plus

(e) an amount equal to the amount of all non-cash credits to the extent included in determining Consolidated Net Income for such Fiscal Year; plus

(f) increases to Working Capital for such Fiscal Year.

"Exchange Act" means the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.).

"Excluded Subsidiary" means (a) each CFC, (b) each Subsidiary that is a direct or indirect Subsidiary of a CFC, (c) each CFC Holdco, (d) any Receivables Subsidiary, (e) any Subsidiary that is not a Wholly Owned Subsidiary if the organizational documents of such Subsidiary prohibit a guaranty by such Subsidiary of the Obligations or the pledge of the Equity Interests of such Subsidiary, and (f) any other Subsidiary with respect to which the Administrative Agent and the Borrower mutually agree that the cost of providing a Guarantee would be excessive in relation to the benefit to be afforded thereby.

"Excluded Swap Obligation" means, with respect to any Credit Party, any Swap Obligation if, and to the extent that, all or a portion of the liability of such Credit Party for or the guarantee of such Credit Party of, or the grant by such Credit Party of a security interest to secure, such Swap Obligation (or any liability or guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Credit Party's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the liability for or the guarantee of such Credit Party or the grant of such security interest becomes effective with respect to such Swap Obligation (such determination being made after giving effect to any applicable

keepwell, support or other agreement for the benefit of the applicable Credit Party, including the keepwell provisions in each applicable Guaranty Agreement). If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guarantee or security interest is or becomes illegal for the reasons identified in the immediately preceding sentence of this definition.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, United States federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by Centuri under Section 5.12(b)) or (ii) such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 5.11, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient's failure to comply with Section 5.11(g), (d) any United States federal withholding Taxes imposed under FATCA, and (e) any Canadian withholding Taxes imposed on a Lender by reason of such Lender (i) being a "specified shareholder" (as defined in subsection 18(5) of the ITA) of a Credit Party or (ii) not dealing at arm's length (for purposes of the ITA) with a "specified shareholder" (as defined in subsection 18(5) of the ITA) of the Credit Party. (except, in the case of (e)(i) or (ii), where any such non-arm's length or specified shareholder relationship arises solely in connection with or as a result of, any Lender or other Recipient hereunder having become a party to, received or perfected a security interest under, or received, exercised or enforced any rights hereunder or under any other Loan Document).

"Existing Credit Agreement" has the meaning assigned thereto in the Statement of Purpose hereto.

"Existing Lenders" has the meaning assigned thereto in the Statement of Purpose hereto.

"Existing Letters of Credit" means those letters of credit existing on the Closing Date and identified on Schedule 1.1(b).

"Extended Revolving Credit Commitment" means any Class of Revolving Credit Commitments the maturity of which shall have been extended pursuant to Section 5.19.

"Extended Revolving Credit Loans" means any Revolving Credit Loans made pursuant to the Extended Revolving Credit Commitments.

"Extended Term Loans" means any Class of Term Loans the maturity of which shall have been extended pursuant to Section 5.19.

"Extension" has the meaning assigned thereto in Section 5.19(a).

"Extension Amendment" means an amendment to this Agreement (which may, at the option of the Administrative Agent and the Borrowers, be in the form of an amendment and restatement of this Agreement) among the Credit Parties, the applicable extending Lenders, the Administrative Agent and, to the extent required by Section 5.19, the Issuing Lenders and/or the Swingline Lender implementing an Extension in accordance with Section 5.19.

"Extension Offer" has the meaning assigned thereto in Section 5.19(a).

"Extensions of Credit" means, as to any Lender at any time, (a) an amount equal to the sum of (i) the aggregate principal amount of all Revolving Credit Loans made by such Lender then outstanding, (ii) such Lender's Revolving Credit Commitment Percentage of the L/C Obligations then outstanding, (iii) such Lender's Revolving Credit Commitment Percentage of the Swingline Loans then outstanding and (iv) the aggregate principal amount of the Term Loans made by such Lender then outstanding, or (b) the making of any Loan or participation in any Letter of Credit by such Lender, as the context requires.

Board.

"FASB ASC" means the Accounting Standards Codification of the Financial Accounting Standards

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code, and any intergovernmental agreements and related legislation or official administrative rules or regulations with respect thereto.

"FCA" has the meaning assigned thereto in Section 1.11.

"FDIC" means the Federal Deposit Insurance Corporation.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System on such day (or, if such day is not a Business Day, for the immediately preceding Business Day), as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that if such rate is not so published for any day which is a Business Day, the Federal Funds Rate for such day shall be the average of the quotation for such day on such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by the Administrative Agent.

Notwithstanding the foregoing, if the Federal Funds Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"Fee Letters" means (a) that certain Wells Fargo Fee Letter dated as of July 13, 2021, amongst Centuri, Wells Fargo Securities, LLC and Wells Fargo, (b) that certain Joint Fee Letter dated as of July 13, 2021 amongst the Borrowers, the Arrangers, Wells Fargo, Bank of America, N.A., Canadian Imperial Bank of Commerce, PNC Bank, National Association, Truist Bank, U.S. Bank National Association and Bank of Montreal (c) any letter between one or more of the Borrowers and any Issuing Lender (other than Wells Fargo) relating to certain fees payable to such Issuing Lender in its capacity as such, in each case, as amended, restated, supplemented or otherwise modified from time to time.

"First Amendment Effective Date" means November 4, 2022.

"First Tier Foreign Subsidiary" means any CFC or CFC Holdco the Equity Interests of which are owned directly by any US Credit Party.

"Fiscal Year" means the fiscal year of the Consolidated Companies ending on December 31.

"Floor" means, (i) with respect to the Initial Term Loan Facility, 0.50%, (ii) with respect to any Incremental Term Loan, Refinancing Term Loan or Extended Term Loan, the applicable floor determined

pursuant to Section 5.13, 5.18 or 5.19, as applicable, and (iii) for any purpose other than as specified in clause (i), 0%.

"Foreign Lender" means (a) with respect to the US Borrowers, a Lender that is not a U.S. Person, and (b) with respect to the Canadian Borrowers, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Canadian Borrowers are resident for tax purposes.

"Foreign Subsidiary" means any Subsidiary that is not a US Subsidiary.

"FRB" means the Board of Governors of the Federal Reserve System of the United States.

"Fronting Exposure" means, at any time there is a Defaulting Lender, (a) with respect to any Issuing Lender, such Defaulting Lender's Revolving Credit Commitment Percentage of the outstanding L/C Obligations with respect to Letters of Credit issued by such Issuing Lender, other than such L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof and (b) with respect to any Swingline Lender, such Defaulting Lender's Revolving Credit Commitment Percentage of outstanding Swingline Loans other than Swingline Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

"Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

"Governmental Approvals" means all authorizations, consents, approvals, permits, licenses and exemptions of, and all registrations and filings with or issued by, any Governmental Authorities.

"Governmental Authority" means the government of the United States or Canada or any other nation, or of any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation or (e) for the purpose of assuming in any other manner the obligee in respect

of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (whether in whole or in part).

"Guaranty Agreements" means, collectively, the US Credit Party Guaranty Agreement and the Canadian Credit Party Guarantee Agreement.

"Hazardous Materials" means any substances or materials (a) which are or become defined as hazardous wastes, hazardous substances, pollutants, contaminants, chemical substances or mixtures or toxic substances under any Environmental Law, (b) which are toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise harmful to human health or the environment and are or become regulated by any Governmental Authority, (c) the presence of which require investigation or remediation under any Environmental Law or common law, (d) the discharge or emission or release of which requires a permit or license under any Environmental Law or other Governmental Approval, (e) which are deemed by a Governmental Authority to constitute a nuisance or a trespass which pose a health or safety hazard to Persons or neighboring properties, (f) which consist of underground or aboveground storage tanks, whether empty, filled or partially filled with any substance or (g) which contain, without limitation, asbestos, polychlorinated biphenyls, urea formaldehyde foam insulation, petroleum hydrocarbons, petroleum derived substances or waste, crude oil, nuclear fuel, natural gas or synthetic gas.

"Hedge Agreement" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement.

"Hedge Bank" means any US Hedge Bank or Canadian Hedge Bank.

"Hedge Termination Value" means, in respect of any one or more Hedge Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Hedge Agreements, (a) for any date on or after the date such Hedge Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Hedge Agreements, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Hedge Agreements (which may include a Lender or any Affiliate of a Lender).

"IBA" has the meaning assigned thereto in Section 1.11.

"Immaterial Subsidiary" means any Subsidiary designated in writing by Centuri to the Administrative Agent as an Immaterial Subsidiary that is not already a Credit Party and that does not, as of the last day of the most recently completed period of four (4) consecutive fiscal quarters for which Centuri has delivered financial statements pursuant to Section 6.1(e)(i), 8.1(a) or 8.1(b), as applicable, have assets with a value in excess of 2.0% of the Consolidated Total Assets of the Consolidated Companies and did

not, as of such period, have revenues exceeding 2.0% of the Consolidated revenues of the Consolidated Companies; provided that if (a) such Subsidiary shall have been designated in writing by Centuri to the Administrative Agent as an Immaterial Subsidiary, and (b) if (i) the aggregate total assets then owned by all Subsidiaries of Centuri that would otherwise constitute Immaterial Subsidiaries shall have an aggregate value in excess of 5.0% of the Consolidated Total Assets of the Consolidated Companies as of the last day of such fiscal quarter or (ii) the combined revenues of all Subsidiaries of Centuri that would otherwise constitute Immaterial Subsidiaries shall exceed 5.0% of the Consolidated revenues of the Consolidated Companies for such four-quarter period, Centuri shall re-designate one or more of such Subsidiaries to not be Immaterial Subsidiaries within ten (10) Business Days after delivery of the Officer's Compliance Certificate for such fiscal quarter such that only those such Subsidiaries as shall then have aggregate assets of less than 5.0% of the Consolidated Total Assets of the Consolidated Companies and combined revenues of less than 5.0% of the Consolidated revenues of the Consolidated Companies shall constitute Immaterial Subsidiaries. Notwithstanding the foregoing, in no event shall (A) any Subsidiary that owns a majority of the Equity Interests of a Material Subsidiary, (B) any Wholly-Owned US Subsidiary that owns, or otherwise licenses or has the right to use, trademarks and other intellectual property material to the operation of the Consolidated Companies or (C) any Subsidiary that is an obligor or guarantor of any Indebtedness of any Credit Party or any Subsidiary thereof in excess of the Threshold Amount, in any such case be designated as an Immaterial Subsidiary. Notwithstanding the foregoing, in no event shall any Subsidiary that is an obligor or guarantor of any Refinancing Debt, Junior Indebtedness or Incremental Equivalent Indebtedness be permitted to be designated as an "Immaterial Subsidiary" hereunder.

"Increase Effective Date" has the meaning assigned thereto in Section 5.13(c).

"Incremental Equivalent Indebtedness" has the meaning assigned thereto in Section 9.1(m).

"Incremental Amendment" has the meaning assigned thereto in Section 5.13(d).

"Incremental Increases" has the meaning assigned thereto in Section 5.13(a)(ii).

"Incremental Lender" has the meaning assigned thereto in Section 5.13(b).

"Incremental Revolving Credit Facility Increase" has the meaning assigned thereto in Section 5.13(a)(ii).

"Incremental Term Loan" has the meaning assigned thereto in Section 5.13(a)(i).

"Incremental Term Loan Commitment" means the commitment of any Lender to make an Incremental Term Loan to a Borrower in accordance with Section 5.13.

"Indebtedness" means, with respect to any Person at any date and without duplication, the sum of the following:

(1) all liabilities, obligations and indebtedness for borrowed money including, but not limited to, obligations evidenced by bonds, debentures, notes or other similar instruments of any such Person;

(2) all obligations to pay the deferred purchase price of property or services of any such Person (including, without limitation, all obligations under non-competition, earn-out or similar agreements), except trade payables arising in the ordinary course of business not more than ninety (90) days past due, or that are currently being contested in good faith by appropriate

proceedings and with respect to which reserves in conformity with GAAP have been provided for on the books of such Person;

(3) the Attributable Indebtedness of such Person with respect to such Person's Capital Lease Obligations and Synthetic Leases (regardless of whether accounted for as indebtedness under GAAP);

(4) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person to the extent of the value of such property (other than customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business);

(5) all Indebtedness of any other Person secured by a Lien on any asset owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements except trade payables arising in the ordinary course of business), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(6) all obligations, contingent or otherwise, of any such Person relative to the face amount of letters of credit, whether or not drawn, including, without limitation, any Reimbursement Obligation, and banker's acceptances issued for the account of any such Person;

(7) all obligations of any such Person in respect of Disqualified Equity Interests;

(8) all net obligations of such Person under any Hedge Agreements; and

(9) all Guarantees of any such Person with respect to any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Hedge Agreement on any date shall be deemed to be the Hedge Termination Value thereof as of such date. In respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the amount of such Indebtedness as of any date of determination will be the lesser of (x) the fair market value of such assets as of such date and (y) the amount of such Indebtedness as of such date.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Loan Document and

(2) to the extent not otherwise described in clause (a), Other Taxes. "Indemnitee" has the meaning

assigned thereto in Section 12.3(b).

"Information" has the meaning assigned thereto in Section 12.10.

"Initial Term Loan" means the term loan denominated in Dollars made to Centuri, by the Term Loan Lenders pursuant to Section 4.1.

"Insurance and Condemnation Event" means the receipt by any Credit Party or any of its Subsidiaries of any cash insurance proceeds or condemnation award payable by reason of theft, loss, physical destruction or damage, taking or similar event with respect to any of their respective Property.

"Interest Period" means, as to each LIBOR Rate Loan, SOFR Loan or CDOR Rate Loan, the period commencing on the date such LIBOR Rate Loan, SOFR Loan and CDOR Rate Loan is disbursed or converted to or continued as a LIBOR Rate Loan, SOFR Loan or CDOR Rate Loan and ending on the date that is (x) with respect to LIBOR Rate Loans and SOFR Loans, one (1), three (3) or six (6) months thereafter and (y) with respect to CDOR Rate Loans, one (1), two (2) or three (3) months thereafter, in each case as selected by the applicable Borrower in its Notice of Borrowing or Notice of Conversion/Continuation and subject to availability; provided that:

(a) the Interest Period shall commence on the date of advance of or conversion to any LIBOR Rate Loan, SOFR Loan or CDOR Rate Loan and, in the case of immediately successive Interest Periods, each successive Interest Period shall commence on the date on which the immediately preceding Interest Period expires;

(b) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; provided that if any Interest Period ~~with respect to a LIBOR Rate Loan or CDOR Rate Loan~~ would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the immediately preceding Business Day;

(c) any Interest Period ~~with respect to a LIBOR Rate Loan or CDOR Rate Loan~~ that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the relevant calendar month at the end of such Interest Period;

(d) no Interest Period shall extend beyond the Revolving Credit Maturity Date or the Term Loan Maturity Date, as applicable, and Interest Periods shall be selected by the applicable Borrower so as to permit such Borrower to make the quarterly principal installment payments pursuant to Section 4.3 without payment of any amounts pursuant to Section 5.9; and

(e) there shall be no more than sixteen (16) Interest Periods in effect at any time.

"Interstate Commerce Act" means the body of law commonly known as the Interstate Commerce Act (49 U.S.C §§ 1 et seq.).

“Investment Company Act” means the Investment Company Act of 1940 (15 U.S.C. § 80(a)(1), et seq.).

“IRS” means the United States Internal Revenue Service.

“ISP98” means the International Standby Practices (1998 Revision, effective January 1, 1999), International Chamber of Commerce Publication No. 590.

“Issuing Lenders” means (a) Wells Fargo, solely in its capacity as issuer of US Letters of Credit, (2) CIBC, solely in its capacity as issuer of Canadian Letters of Credit, (c) solely with respect to Existing Letters of Credit, the applicable issuer thereof listed on Schedule 1.1(b) and (d) any other Revolving Credit Lender to the extent it has agreed, in its sole discretion, to act as an “Issuing Lender” hereunder and that has been approved in writing by Centuri and the Administrative Agent (such approval by the Administrative Agent not to be unreasonably delayed or withheld), in each case in its capacity as issuer of any Letter of Credit (including each Existing Letter of Credit) hereunder or any successor thereto.

“ITA” means the Income Tax Act (Canada), as amended from time to time.

"Junior Indebtedness" means, with respect to Centuri and its Subsidiaries, any (a) Subordinated Indebtedness, (b) Indebtedness secured by Liens that are junior to the Liens securing the Secured Obligations and (c) unsecured Indebtedness (excluding intercompany Indebtedness) with an aggregate outstanding principal amount in excess of the Threshold Amount.

"L/C Commitment" means, as to any Issuing Lender, the obligation of such Issuing Lender to issue Letters of Credit for the account of the Borrowers or one or more of their respective Subsidiaries from time to time in an aggregate amount equal to such amount as set forth on Schedule 1.1(d) or as separately agreed to in a written agreement between Centuri and such Issuing Lender (which such agreement shall be promptly delivered to the Administrative Agent upon execution), in each case any such amount may be changed after the Closing Date in a written agreement between Centuri and such Issuing Lender (which such agreement shall be promptly delivered to the Administrative Agent upon execution); provided that the L/C Commitment with respect to any Person that ceases to be an Issuing Lender for any reason pursuant to the terms hereof shall be $0 (subject to the Letters of Credit of such Person remaining outstanding in accordance with the provisions hereof).

"L/C Facility" means the letter of credit facility established pursuant to Article III.

"L/C Obligations" means, collectively, the Canadian L/C Obligations and the US L/C Obligations.

"L/C Participants" means, with respect to any Letter of Credit, the collective reference to all the Revolving Credit Lenders other than the applicable Issuing Lender.

"L/C Sublimit" means the lesser of (a) $~~100,000,000~~125,000,000 and (b) the Revolving Credit Commitment.

"LCA Test Date" has the meaning assigned thereto in Section 1.12(a).

"Lender" means each Person executing this Agreement as a Lender on the Closing Date and any other Person that shall have become a party to this Agreement as a Lender pursuant to an Assignment and Assumption or pursuant to Section 5.13, other than any Person that ceases to be a party hereto as a Lender pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term "Lenders" includes the Swingline Lenders.

"Lending Office" means, with respect to any Lender, the office of such Lender maintaining such Lender's Extensions of Credit.

"Letter of Credit Application" means an application and a reimbursement agreement, in the form specified by the applicable Issuing Lender from time to time, requesting such Issuing Lender to issue a Letter of Credit.

Credit.

"Letters of Credit" means the collective reference to Canadian Letters of Credit and US Letters of

"Leverage Ratio Increase" has the meaning assigned thereto in Section 9.13(b).

"LIBOR" means, subject to the implementation of a Benchmark Replacement in accordance with Section 5.8(c),

(a) for any interest rate calculation with respect to a LIBOR Rate Loan, the rate of interest per annum determined on the basis of the rate for deposits in Dollars for a period equal to the applicable Interest

Period as published by the ICE Benchmark Administration Limited, a United Kingdom company, or a comparable or successor quoting service approved by the Administrative Agent, at approximately 11:00
a.m. (London time) two (2) London Banking Days prior to the first day of the applicable Interest Period. If, for any reason, such rate is not so published then "LIBOR" shall be determined by the Administrative Agent to be the arithmetic average of the rate per annum at which deposits in Dollars would be offered by first class banks in the London interbank market to the Administrative Agent at approximately 11:00 a.m. (London time) two (2) London Banking Days prior to the first day of the applicable Interest Period for a period equal to such Interest Period, and

(b) for any interest rate calculation with respect to a Base Rate Loan, the rate of interest per annum determined on the basis of the rate for deposits in Dollars for an Interest Period equal to one month (commencing on the date of determination of such interest rate) as published by the ICE Benchmark Administration Limited, a United Kingdom company, or a comparable or successor quoting service approved by the Administrative Agent, at approximately 11:00 a.m. (London time) on such date of determination, or, if such date is not a Business Day, then the immediately preceding Business Day. If, for any reason, such rate is not so published then "LIBOR" for such Base Rate Loan shall be determined by the Administrative Agent to be the arithmetic average of the rate per annum at which deposits in Dollars would be offered by first class banks in the London interbank market to the Administrative Agent at approximately 11:00 a.m. (London time) on such date of determination for a period equal to one month commencing on such date of determination.

Each calculation by the Administrative Agent of LIBOR shall be conclusive and binding for all purposes, absent manifest error.

Notwithstanding the foregoing, (x) in no event shall LIBOR (including, without limitation, any Benchmark Replacement with respect thereto) be less than the Floor and (y) unless otherwise specified in any amendment to this Agreement entered into in accordance with Section 5.8(c), in the event that a Benchmark Replacement with respect to LIBOR is implemented then all references herein to LIBOR shall be deemed references to such Benchmark Replacement.

"LIBOR Rate" means a rate per annum determined by the Administrative Agent pursuant to the following formula:

$$\text{LIBOR Rate} = \frac{\text{LIBOR}}{\text{1.00-Eurodollar Reserve Percentage}}$$

"LIBOR Rate Loan" means any Loan bearing interest at a rate based upon the LIBOR Rate as provided in Section 5.1(a).

"Lien" means, with respect to any asset, any mortgage, leasehold mortgage, lien, pledge, charge, security interest, hypothecation or encumbrance of any kind in respect of such asset whether statutory, based on common law, contract, or otherwise. For the purposes of this Agreement, a Person shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Capital Lease Obligation or other title retention agreement relating to such asset.

"Limited Condition Acquisition" means any Acquisition that (a) is not prohibited hereunder and

(2) is not conditioned on the availability of, or on obtaining, third-party financing. "Linetec" means Linetec

Services, LLC, a Delaware limited liability company.

"Linetec Purchase Agreement" means that certain Membership Interest Purchase Agreement dated November 26, 2018 by and among, inter alia, Centuri U.S. Division, Linetec and the existing sole equity holders of Linetec, including all exhibits, schedules and annexes thereto.

"Loan Documents" means, collectively, this Agreement, each Note, the Letter of Credit Applications, the Security Documents, the Guaranty Agreements, the Fee Letters, each Acceptable Intercreditor Agreement, each Refinancing Amendment, each Incremental Amendment, each Extension Amendment and each other document, instrument, certificate and agreement executed and delivered by the Credit Parties or any of their respective Subsidiaries in favor of or provided to the Administrative Agent or any Secured Party in connection with this Agreement or otherwise referred to herein or contemplated hereby (excluding any Secured Hedge Agreement and any Secured Cash Management Agreement).

"Loans" means the collective reference to the Revolving Credit Loans, the Term Loans and the Swingline Loans, and "Loan" means any of such Loans.

"London Banking Day" means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank Eurodollar market.

"Material Adverse Effect" means, with respect to the Consolidated Companies, (a) a material adverse effect on the properties, business, operations or financial condition of such Persons, taken as a whole, (b) a material impairment of the ability of any such Person to perform its obligations under the Loan Documents to which it is a party, (c) a material impairment of the rights and remedies of the Administrative Agent or any Lender under any Loan Document or (d) an impairment of the legality, validity, binding effect or enforceability against any Credit Party of any Loan Document to which it is a party.

"Material Subsidiary" means, as of any date, any Subsidiary that is not an Immaterial Subsidiary.

"Minimum Collateral Amount" means, at any time, (a) with respect to Cash Collateral consisting of cash or deposit account balances, an amount equal to 100% of the sum of (i) the Fronting Exposure of the Issuing Lenders with respect to Letters of Credit issued and outstanding at such time and (ii) the Fronting Exposure of the Swingline Lenders with respect to all Swingline Loans outstanding at such time and (b) otherwise, an amount determined by the Administrative Agent and each of the applicable Issuing Lenders that is entitled to Cash Collateral hereunder at such time in their sole discretion.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA to which any Credit Party or any ERISA Affiliate is making, or is accruing an obligation to make, or has accrued an obligation to make contributions within the preceding seven (7) years.

"Net Cash Proceeds" means, as applicable, (a) with respect to any Asset Disposition or Insurance and Condemnation Event, the gross proceeds received by any Credit Party or any of its Subsidiaries therefrom (including any cash, Cash Equivalents, deferred payment pursuant to, or by monetization of, a note receivable or otherwise, as and when received) less the sum of (i) in the case of an Asset Disposition, all income taxes and other taxes assessed by, or reasonably estimated to be payable to, a Governmental Authority as a result of such transaction (provided that if such estimated taxes exceed the amount of actual taxes required to be paid in cash in respect of such Asset Disposition, the amount of such excess shall constitute Net Cash Proceeds), (ii) all customary out-of-pocket fees and expenses incurred in connection with such transaction or event and (iii) the principal amount of, premium, if any, and interest on any Indebtedness secured on a pari passu on senior ranking to the Liens created under the Loan Documents by a Lien on the asset (or a portion thereof) disposed of, which Indebtedness is required to be repaid in

connection with such transaction or event, and (b) with respect to any Debt Issuance, the gross cash proceeds received by any Credit Party or any of its Subsidiaries therefrom less all customary out-of-pocket legal, underwriting and other fees and expenses (whether similar or dissimilar to the foregoing) incurred in connection therewith.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver, amendment, modification or termination of any Loan Document that (a) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 12.2 and (b) has been approved by the Required Lenders or the Required Facility Lenders, as applicable.

"Non-Credit Party Subsidiary" means any Subsidiary of a Consolidated Company that is not a Credit Party.

time.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such

"Notes" means the collective reference to the US Revolving Credit Notes, the US Swingline Note, the US Term Loan Notes, the Canadian Revolving Credit Notes, the Canadian Swingline Note and the Canadian Term Loan Notes.

"Notice of Account Designation" has the meaning assigned thereto in Section 2.3(b).

"Notice of Borrowing" has the meaning assigned thereto in Section 2.3(a).

"Notice of Conversion/Continuation" has the meaning assigned thereto in Section 5.2.

"Notice of Prepayment" has the meaning assigned thereto in Section 2.4(c).

"Obligations" means, collectively, the Canadian Obligations and the US Obligations.

"OFAC" means the U.S. Department of the Treasury's Office of Foreign Assets Control.

"Officer's Compliance Certificate" means a certificate of the chief financial officer or the treasurer of Centuri substantially in the form attached as ***Exhibit F***.

"Operating Lease" means, as to any Person as determined in accordance with GAAP, any lease of Property (whether real, personal or mixed) by such Person as lessee which is not a Capital Lease Obligation.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court, documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 5.12).

"Participant" has the meaning assigned thereto in Section 12.9(d).

"Participant Register" has the meaning assigned thereto in Section 12.9(d).

"PATRIOT Act" means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

"Payment Recipient" has the meaning assigned thereto in Section 11.11(a).

"PBGC" means the Pension Benefit Guaranty Corporation or any successor agency.

"Pension Plan" means any Employee Benefit Plan, other than a Multiemployer Plan, which is subject to the provisions of Title IV of ERISA or Section 412 of the Code and which (a) is maintained, funded or administered for the employees of any Credit Party or any ERISA Affiliate or (b) has at any time within the preceding seven (7) years been maintained, funded or administered for the employees of any Credit Party or any current or former ERISA Affiliates and shall not include any Canadian Pension Plan.

"Permitted Acquisition" means any Acquisition by any Credit Party if each such Acquisition meets all of the following requirements (subject, in the case of a Permitted Acquisition that is a Limited Condition Acquisition, to Section 1.12):

(a) no less than fifteen (15) Business Days prior to the proposed closing date of such Acquisition (or such shorter period as agreed to by the Administrative Agent in its sole discretion), Centuri shall have delivered written notice of such Acquisition to the Administrative Agent and the Lenders, which notice shall include the proposed closing date of such Acquisition;

(b) Centuri shall have certified on or before the closing date of such Acquisition, in writing and in a form reasonably acceptable to the Administrative Agent, that such Acquisition has been approved by the board of directors (or equivalent governing body) of the Person to be acquired;

(c) the Person or business to be acquired shall be in a line of business permitted pursuant to Section 9.11 or, in the case of an Acquisition of assets, the assets acquired are useful in the business of the Consolidated Companies as conducted immediately prior to such Acquisition;

(d) if such transaction is a merger, amalgamation, or consolidation, a Borrower or a Subsidiary Guarantor shall be the surviving Person and no Change in Control shall have been effected thereby;

(e) Centuri shall have delivered to the Administrative Agent such documents reasonably requested by the Administrative Agent or the Required Lenders (through the Administrative Agent) pursuant to Section 8.14 to be delivered at the time required pursuant to Section 8.14;

(f) Centuri shall be in compliance with ~~the financial covenants set forth in Section 9.13 (giving effect to any Leverage Ratio Increase that has been elected pursuant to Section 9~~.13(b))(i) a Consolidated Interest Coverage Ratio of 2.50 to 1.00 and (ii) a Consolidated Net Leverage Ratio of (A) 5.50 to 1.00 for the period beginning on September 30, 2022 through and including December 30, 2022, (B) 4.75 to 1.00 for the period beginning on December 31, 2022 through and including December 30, 2023 and (C) 4.00 to 1.00 for the period beginning on December 31, 2023 and thereafter, in each case, calculated on a Pro Forma Basis (as of the most recent Fiscal Quarter end preceding the proposed closing date of the acquisition for which financial statements are available and after giving effect thereto and any Indebtedness incurred in connection therewith);

(g) if the Permitted Acquisition Consideration for any such Acquisition (or series of related Acquisitions) exceeds $150,000,000 in the aggregate, no later than five (5) Business Days (or such shorter period as agreed to by the Administrative Agent in its sole discretion) prior to the proposed closing date of such Acquisition, Centuri shall have delivered to the Administrative Agent an Officer's Compliance Certificate for the most recent fiscal quarter end preceding such Acquisition for which financial statements are available demonstrating, in form and substance reasonably satisfactory to the Administrative Agent, that the condition set forth in paragraph (f) above is satisfied;

(h) if the Permitted Acquisition Consideration for any such Acquisition (or series of related Acquisitions) exceeds $150,000,000 in the aggregate, no later than five (5) Business Days (or such shorter period as agreed to by the Administrative Agent in its sole discretion) prior to the proposed closing date of such Acquisition, Centuri, to the extent requested by the Administrative Agent, (i) shall have delivered to the Administrative Agent promptly upon the finalization thereof copies of substantially final Permitted Acquisition Documents, and (ii) shall have delivered to, or made available for inspection by, the Administrative Agent substantially complete Permitted Acquisition Diligence Information;

(i) no Default or Event of Default shall have occurred and be continuing both before and after giving effect to such Acquisition and any Indebtedness incurred in connection therewith; and

(j) if the Permitted Acquisition Consideration for any such Acquisition (or series of related Acquisitions) exceeds $150,000,000 in the aggregate, Centuri shall have (i) delivered to the Administrative Agent a certificate of a Responsible Officer certifying that all of the requirements set forth above have been satisfied or waived or will be satisfied or waived on or prior to the consummation of such purchase or other Acquisition and (ii) provided such other documents and other information as may be reasonably requested by the Administrative Agent in connection with such purchase or other Acquisition.

Notwithstanding the foregoing, the Drum Acquisition shall constitute a Permitted Acquisition. "Permitted Acquisition

Consideration" means the aggregate amount of the purchase price,

including, but not limited to, any assumed debt, earn-outs (valued at the maximum amount payable thereunder), deferred payments, or Equity Interests of any Borrower or any Subsidiary Guarantor, net of the applicable acquired company's cash and Cash Equivalents balance (as shown on its most recent financial statements delivered in connection with the applicable Permitted Acquisition) to be paid on a singular basis in connection with any applicable Permitted Acquisition as set forth in the applicable Permitted Acquisition Documents executed by such Borrower or such Subsidiary Guarantor in order to consummate the applicable Permitted Acquisition.

"Permitted Acquisition Diligence Information" means with respect to any Acquisition proposed by any Borrower or any Subsidiary Guarantor, to the extent applicable, all material financial information, all material contracts, all material customer lists, all material supply agreements, and all other material information, in each case, reasonably requested to be delivered to the Administrative Agent in connection with such Acquisition (except to the extent that any such information is (a) subject to any confidentiality agreement, unless mutually agreeable arrangements can be made to preserve such information as confidential, (b) classified or (c) subject to any attorney-client privilege).

"Permitted Acquisition Documents" means with respect to any Acquisition proposed by any Borrower or any Subsidiary Guarantor, final copies or substantially final drafts if not executed at the required time of delivery of the purchase agreement, sale agreement, merger agreement, amalgamation agreement or other agreement evidencing such Acquisition, including, without limitation, all legal opinions

and each other document executed, delivered, contemplated by or prepared in connection therewith and any amendment, modification or supplement to any of the foregoing.

"Permitted Drum Equity" means the Equity Interests of Drum Parent LLC (formerly Drum Parent, Inc.) in an amount not to exceed 5.0% of the total Equity Interests of Drum Parent LLC.

"Permitted Liens" means the Liens permitted pursuant to Section 9.2.

"Permitted Receivables Transaction" means one or more transactions pursuant to which (a) Receivables Assets or interests therein are sold to or financed by one or more Receivables Subsidiaries, and such Receivables Subsidiaries finance their acquisition of such Receivables Assets or interests therein, or the financing thereof, by selling or borrowing against such Receivables Assets or (b) Receivable Assets or interests therein are sold or discounted directly to one or more investors or other purchasers (other than Centuri or any Subsidiary), including, without limitation, in connection with a supply chain arrangement or other receivables discount program; provided that in each case such transactions shall be non-recourse (except in respect of fees, costs, indemnifications, representations and warranties and other obligations in which recourse is available against originators or servicers of Receivables Assets included in special- purpose-vehicle receivables financing arrangements, in each case, other than any of the foregoing which are in effect credit support substitutes) to Centuri and its Subsidiaries (other than a Receivables Subsidiary) and neither Centuri nor any of its Subsidiaries (other than a Receivables Subsidiary) shall provide credit support of any kind.

"Permitted Receivables Transaction Documents" means all documents and agreements evidencing, relating to or otherwise governing a Permitted Receivables Transaction.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Platform" has the meaning assigned thereto in Section 8.2.

"PPSA" means the Personal Property Security Act of Ontario or any successor statute or similar legislation of any jurisdiction the laws of which are required by such legislation to be applied in connection with the issue, perfection, enforcement, validity or effect of security interests.

"Prime Rate" means, at any time, the rate of interest per annum publicly announced from time to time by the Administrative Agent as its prime rate. Each change in the Prime Rate shall be effective as of the opening of business on the day such change in such prime rate occurs. The parties hereto acknowledge that the rate announced publicly by the Administrative Agent as its prime rate is an index or base rate and shall not necessarily be its lowest or best rate charged to its customers or other banks.

"Pro Forma Basis" means, for any period during which one or more Specified Transactions occurs, that such Specified Transaction (and all other Specified Transactions that have been consummated during the applicable period) shall be deemed to have occurred as of the first day of the applicable period of measurement and for purposes of calculations made of the financial covenants in Section 9.13, (a) after consummation of any Specified Disposition (i) income statement items (whether positive or negative) and Capital Expenditures attributable to the Property or Person disposed of shall be excluded and (ii) Indebtedness which is retired shall be excluded and deemed to have been retired as of the first day of the applicable period and (b) after consummation of any Permitted Acquisition (i) income statement items (whether positive or negative) and Capital Expenditures attributable to the Person or Property acquired shall, to the extent not otherwise included in such income statement items for Consolidated Companies in accordance with GAAP or in accordance with any defined terms set forth in Section 1.1, be included to the

extent relating to any period applicable in such calculations, and (ii) to the extent not retired in connection with such Permitted Acquisition, Indebtedness of the Person or Property acquired shall be deemed to have been incurred as of the first day of the applicable period.

"Property" means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, including, without limitation, Equity Interests.

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Public Lenders" has the meaning assigned thereto in Section 8.2.

"Qualified Equity Interests" means any Equity Interests that are not Disqualified Equity Interests.

"Receivables Assets" means accounts receivable (including any bills of exchange), notes receivable, lease receivables or other instruments from time to time originated, acquired or otherwise owned by Centuri or any Subsidiary in the ordinary course of business, including any thereof constituting or evidenced by chattel paper, instruments or general intangibles, and all proceeds thereof and rights (contractual and other) and collateral (including all general intangibles, documents, instruments and records) related thereto.

"Receivables Subsidiary" means any direct or indirect special purpose, bankruptcy-remote Subsidiary of Centuri established in connection with a Permitted Receivables Transaction for the acquisition of Receivables Assets or interests therein, and which is organized in a manner intended to reduce the likelihood that it would be substantively consolidated with the Borrower or any of its Subsidiaries (other than Receivables Subsidiaries) in the event Centuri or any such Subsidiary becomes subject to a proceeding under any Debtor Relief Laws.

"Recipient" means (a) the Administrative Agent, (b) any Lender and (c) any Issuing Lender, as applicable.

"Reference Time" with respect to any setting of the then-current Benchmark means (1) if such Benchmark is USD LIBOR, 11:00 a.m. (London time) on the day that is two (2) London Banking Days preceding the date of such setting, and (2) if such Benchmark is not USD LIBOR, the time determined by the Administrative Agent in its reasonable discretion.

"Refinance" has the meaning assigned thereto in Section 5.18(a).

"Refinancing Amendment" has the meaning assigned thereto in Section 5.18(d).

"Refinancing Debt" means Refinancing Term Loans, Refinancing Revolving Credit Commitments, Refinancing Revolving Loans and/or Refinancing Notes, as the context requires.

"Refinancing Effective Date" has the meaning assigned thereto in Section 5.18(b).

"Refinancing Lender" has the meaning assigned thereto in Section 5.18(c).

"Refinancing Notes" has the meaning assigned thereto in Section 5.18(a).

"Refinancing Revolving Credit Commitments" has the meaning assigned thereto in Section 5.18(a).

"Refinancing Revolving Loans" has the meaning assigned thereto in Section 5.18(a).

"Refinancing Series" has the meaning assigned thereto in Section 5.18(c).

"Refinancing Term Loans" has the meaning assigned thereto in Section 5.18(a).

"Register" has the meaning assigned thereto in Section 12.9(c).

"Reimbursement Obligation" means the obligation of the Borrowers to reimburse any Issuing Lender pursuant to Section 3.5 for amounts drawn under Letters of Credit issued by such Issuing Lender.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Relevant Governmental Body" means the FRB or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the FRB or the Federal Reserve Bank of New York, or any successor thereto.

"Repricing Transaction" means (a) any prepayment or repayment of all or a portion of the Initial Term Loan with the proceeds of, or any conversion of any such Initial Term Loan into, any new or replacement bank Indebtedness or other credit facility (whether under this Agreement or otherwise), including, without limitation, any Refinancing Term Loans or Refinancing Notes, bearing interest with an All-In Yield less than the All-In Yield applicable to such Initial Term Loan subject to such event and (b) any repricing of any of the Initial Term Loan (whether pursuant to an amendment, amendment and restatement, mandatory assignment or otherwise) which reduces the All-In Yield applicable to all or a portion of such Initial Term Loan, in each case, other than in connection with the consummation of an Acquisition not permitted under this Agreement, an initial public offering of Centuri or the occurrence of a Change in Control (so long as the primary purpose of the prepayment or repayment of, or amendment to such Initial Term Loan in connection therewith is not to reduce the All-In Yield applicable to such Initial Term Loan as certified by a financial officer of Centuri in a certificate to the Administrative Agent (on which the Administrative Agent is expressly permitted to rely)).

"Required Facility Lenders" means (a) for the Revolving Credit Facility, the Required Revolving Credit Lenders or (b) for the Term Loan Facility, the Required Term Loan Lenders, as applicable.

"Required Lenders" means, at any time, two or more Lenders having Total Credit Exposures representing more than fifty percent (50%) of the Total Credit Exposures of all Lenders or, if the Commitments have been terminated, two or more Lenders holding more than fifty percent (50%) of the aggregate outstanding Extensions of Credit. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

"Required Revolving Credit Lenders" means, at any date, any combination of two or more Revolving Credit Lenders that are not Affiliates (except if there is only one Revolving Credit Lender) holding more than fifty percent (50%) of the sum of the aggregate amount of the Revolving Credit Commitment or, if the Revolving Credit Commitment has been terminated, any combination of Revolving Credit Lenders holding more than fifty percent (50%) of the aggregate Extensions of Credit under the Revolving Credit Facility; provided that the Revolving Credit Commitment of, and the portion of the Extensions of Credit under the Revolving Credit Facility, as applicable, held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Revolving Credit Lenders.

"Required Term Loan Lenders" means, at any time, Lenders having outstanding Term Loans, representing more than fifty percent (50%) of the sum of the aggregate outstanding Term Loans at such time. The outstanding Term Loans of any Defaulting Lender shall be disregarded in determining Required Term Loan Lenders at any time.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Responsible Officer" means, as to any Person, the chief executive officer, president, chief financial officer, controller, treasurer or assistant treasurer of such Person or any other officer of such Person reasonably acceptable to the Administrative Agent. Any document delivered hereunder or under any other Loan Document that is signed by a Responsible Officer of a Person shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Person and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Person.

"Restricted Payment" has the meaning assigned thereto in Section 9.6.

"Revaluation Date" means, with respect to any Extension of Credit, each of the following: (a) each date of a borrowing, conversion or continuation of any Loan, but only as to the amounts so borrowed on such date, (b) each date of issuance of any Letter of Credit, but only as to the Letter of Credit so issued, amended or extended on such date, and (c) such additional dates as the Administrative Agent shall determine or the Required Lenders shall require.

"Revolving Credit Commitment" means (a) as to any Revolving Credit Lender, the obligation of such Revolving Credit Lender to make Revolving Credit Loans to, and to purchase participations in L/C Obligations and Swingline Loans for the account of, the Borrowers hereunder in an aggregate principal amount at any time outstanding not to exceed the amount set forth opposite such Revolving Credit Lender's name on the Register, as such amount may be modified at any time or from time to time pursuant to the terms hereof (including, without limitation, Section 5.13) and (b) as to all Revolving Credit Lenders, the aggregate commitment of all Revolving Credit Lenders to make Revolving Credit Loans, as such amount may be modified at any time or from time to time pursuant to the terms hereof (including, without limitation, Section 5.13). The aggregate Revolving Credit Commitment of all the Revolving Credit Lenders on the Closing Date shall be $400,000,000. The initial Revolving Credit Commitment of each Revolving Credit Lender on the Closing Date is set forth opposite the name of such Lender on Schedule 1.1(a). The Revolving Credit Commitment of any Lender shall include the Extended Revolving Credit Commitment and Refinancing Revolving Credit Commitment of such Lender.

"Revolving Credit Commitment Percentage" means, with respect to any Revolving Credit Lender at any time, the percentage of the total Revolving Credit Commitments of all the Revolving Credit Lenders represented by such Revolving Credit Lender's Revolving Credit Commitment. If the Revolving Credit Commitments have terminated or expired, the Revolving Credit Commitment Percentages shall be determined based upon the Revolving Credit Commitments most recently in effect, giving effect to any assignments. The initial Revolving Credit Commitment of each Revolving Credit Lender is set forth opposite the name of such Lender on Schedule 1.1(a).

"Revolving Credit Exposure" means, as to any Revolving Credit Lender at any time, the aggregate principal amount at such time of its outstanding Revolving Credit Loans and such Revolving Credit Lender's participation in L/C Obligations and Swingline Loans at such time.

"Revolving Credit Facility" means the revolving credit facility established pursuant to Article II (including any increase in such revolving credit facility established pursuant to Section 5.13, any Refinance pursuant to Section 5.18 and any Extension pursuant to Section 5.19).

"Revolving Credit Lenders" means, collectively, all of the Lenders with a Revolving Credit Commitment. With respect to (a) each provision of this Agreement relating to the making or the repayment of any Canadian Revolving Credit Loan, (b) any rights of set-off, (c) any rights of indemnification or expense reimbursement and (d) reserves, capital adequacy or other provisions, each reference to a "Revolving Credit Lender" shall be deemed to include such Revolving Credit Lender's Applicable Designee with respect to the portion of such Revolving Credit Lender's Commitment funded by such Applicable Designee.

"Revolving Credit Loan" means, collectively, all US Revolving Credit Loans and all Canadian Revolving Credit Loans.

"Revolving Credit Maturity Date" means the earliest to occur of (a) August 27, 2026, (b) the date of termination of the entire Revolving Credit Commitment by the US Borrowers pursuant to Section 2.5, and (c) the date of termination of the Revolving Credit Commitment pursuant to Section 10.2(a); provided, that the Revolving Credit Maturity Date applicable to Extended Revolving Credit Commitments and Refinancing Revolving Credit Commitments shall be the final maturity date specified in the relevant documentation for such Extended Revolving Credit Commitments or Refinancing Revolving Credit Commitments.

"Revolving Credit Outstandings" means the sum of (a) with respect to Revolving Credit Loans and Swingline Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Revolving Credit Loans and Swingline Loans, as the case may be, occurring on such date; plus (b) with respect to any L/C Obligations on any date, the aggregate outstanding amount thereof on such date after giving effect to any Revolving Extensions of Credit occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements of outstanding unpaid drawings under any Letters of Credit or any reductions in the maximum amount available for drawing under Letters of Credit taking effect on such date.

"Revolving Extensions of Credit" means (a) any Revolving Credit Loan then outstanding, (b) any Letter of Credit then outstanding or (c) any Swingline Loan then outstanding.

thereto.

"S&P" means Standard & Poor's Rating Service, a division of S&P Global Inc. and any successor

"Sanctioned Country" means at any time, a region, country or territory which is itself the subject or target of any Sanctions (which, as of the Closing Date, consists of Cuba, Iran, North Korea, Syria and Crimea).

"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union, any member state of the European Union, Her Majesty's Treasury of the United Kingdom, Global Affairs Canada, or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in clauses (a) and (b).

"Sanctions" means sanctions, trade embargoes and anti-terrorism laws, including, but not limited to, those imposed, administered or enforced from time to time by the U.S. government (including those administered by OFAC or the U.S. Department of State), the United Nations Security Council, the European Union, any member state of the European Union, Her Majesty's Treasury of the United Kingdom, Global Affairs Canada, or other relevant sanctions authority.

"Secured Cash Management Agreement" means any Cash Management Agreement between or among any Credit Party or applicable Subsidiary thereof and any Cash Management Bank.

"Secured Hedge Agreement" means any Hedge Agreement between or among any Credit Party or applicable Subsidiary thereof and any Hedge Bank.

"Secured Obligations" means, collectively, (a) the Obligations and (b) all existing or future payment and other obligations owing by any Credit Party under (i) any Secured Hedge Agreement (other than an Excluded Swap Obligation) and (ii) any Secured Cash Management Agreement.

"Secured Parties" means, collectively, the Canadian Secured Parties and the US Secured Parties.

"Securities Act" means the Securities Act of 1933 (15 U.S.C. §§ 77 et seq.).

"Security Documents" means the collective reference to the US Collateral Agreement, Canadian Collateral Agreement, and each other agreement or writing pursuant to which any Credit Party pledges or grants a security interest in any Property or assets securing the Secured Obligations.

"SOFR" means~~, with respect to any Business Day,~~ a rate ~~per annum~~ equal to the secured overnight financing rate ~~for such Business Day published~~as administered by the SOFR Administrator ~~on the SOFR Administrator's Website on the immediately succeeding Business Day~~.

"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"SOFR Administrator's Website" means the website of the Federal Reserve Bank of New York, ~~currently at h~~ttp://www.newyorkfed.org, ~~or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time~~Loan" means any Loan bearing interest at a rate based on Adjusted Term SOFR as provided in Section 5.1(a).

"Solvent" and "Solvency" mean, with respect to any Person on any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature, (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute an unreasonably small capital, and (e) such Person is able to pay its debts and liabilities, contingent obligations and other commitments as they mature in the ordinary course of business. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Southwest Gas" means Southwest Gas Holdings, Inc., a Delaware corporation.

"Specified Disposition" means any Asset Disposition (or series of related Asset Dispositions) having gross sales proceeds in excess of $10,000,000.

"Specified Representations" means the representations and warranties set forth in the Loan Documents relating to corporate existence of the Credit Parties and good standing of the Credit Parties in their respective jurisdictions of organization; power and authority, due authorization, execution and delivery and enforceability, in each case, relating to the Credit Parties entering into and performance of the Loan Documents; no conflicts with or consents under the Credit Parties' organizational documents; Solvency of the Borrowers and their respective subsidiaries on a Consolidated basis as of the Closing Date (after giving effect to the Transactions); Federal Reserve margin regulations; the Investment Company Act; use of proceeds not in violation of Sanctions, Anti-Money Laundering Laws, Anti-Corruption Laws and Beneficial Ownership Certifications; and creation, validity and perfection of security interests in the Collateral; and the status of the Credit Facilities and the guaranties thereof as senior debt (or equivalent term) and, to the extent applicable, "designated senior debt" (or an equivalent term).

"Specified Transactions" means (a) any Specified Disposition consummated after the Closing Date, (b) any Permitted Acquisition consummated after the Closing Date and (c) the Transactions.

"Spot Rate" for a currency means the rate determined by the Administrative Agent to be the rate quoted by the Person acting in such capacity as the spot rate for the purchase by such Person of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two (2) Business Days prior to the date as of which the foreign exchange computation is made; provided that the Administrative Agent may obtain such spot rate from another financial institution reasonably designated by the Administrative Agent if the Person acting in such capacity does not have as of the date of determination a spot buying rate for any such currency.

"Subordinated Indebtedness" means the collective reference to any Indebtedness incurred by any Consolidated Company that is subordinated in right and time of payment to the Obligations on terms and conditions satisfactory to the Administrative Agent.

"Subsidiary" means as to any Person, any corporation, partnership, limited liability company or other entity of which more than fifty percent (50%) of the outstanding Equity Interests having ordinary voting power to elect a majority of the board of directors (or equivalent governing body) or other managers of such corporation, partnership, limited liability company or other entity is at the time owned by (directly or indirectly) or the management is otherwise controlled by (directly or indirectly) such Person (irrespective of whether, at the time, Equity Interests of any other class or classes of such corporation, partnership, limited liability company or other entity shall have or might have voting power by reason of the happening of any contingency). Unless otherwise qualified, references to "Subsidiary" or "Subsidiaries" herein shall refer to those of Centuri.

"Subsidiary Guarantors" means, collectively, the US Subsidiary Guarantors and the Canadian Subsidiary Guarantors.

"Swap Obligation" means, with respect to any Credit Party, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"Swingline Commitment" means the lesser of (a) $30,000,000 and (b) the Revolving Credit Commitment.

"Swingline Facility" means the swingline facility established pursuant to Section 2.2.

"Swingline Lender" means (a) Wells Fargo, solely in its capacity as swingline lender with respect to US Swingline Loans and (b) CIBC, solely in its capacity as swingline lender with respect to Canadian Swingline Loans, in each case, or any successor thereto.

"Swingline Loan" means, a US Swingline Loan or a Canadian Swingline Loan, as the context requires, and "Swingline Loans" means, collectively, all US Swingline Loans and all Canadian Swingline Loans.

"Synthetic Lease" means any synthetic lease, tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing product where such transaction is considered borrowed money indebtedness for tax purposes but is classified as an Operating Lease in accordance with GAAP.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

"Term Loan Commitment" means (a) as to any Term Loan Lender, the obligation of such Term Loan Lender to make a portion of the Initial Term Loan and/or Incremental Term Loans, as applicable, to the account of the US Borrowers or the Canadian Borrowers, as applicable, hereunder on the Closing Date or the applicable borrowing date (in the case of any Incremental Term Loan) in an aggregate principal amount not to exceed the amount set forth opposite such Lender's name on the Register, as such amount may be increased, reduced or otherwise modified at any time or from time to time pursuant to the terms hereof and (b) as to all Term Loan Lenders, the aggregate commitment of all Term Loan Lenders to make such Initial Term Loan. The aggregate Term Loan Commitment with respect to the Initial Term Loan of all Term Loan Lenders on the Closing Date shall be $1,145,000,000.

"Term Loan Facility" means the term loan facility established pursuant to Article IV (including any new term loan facility established pursuant to Section 5.13, each facility providing for the borrowing of Refinancing Term Loans and each facility providing for the borrowing of Extended Term Loans).

"Term Loan Lender" means any Lender with a Term Loan Commitment and/or outstanding Term Loans, each reference to a "Term Loan Lender" shall be deemed to include such Term Loan Lender's Applicable Designee with respect to the portion of such Term Loan Lender's Term Loan Commitment funded by such Applicable Designee.

"Term Loan Maturity Date" means the first to occur of (a) August 27, 2028 and (b) the date of acceleration of the Term Loans pursuant to Section 10.2(a); provided, that the Term Loan Maturity Date applicable to Incremental Term Loans, Extended Term Loans and Refinancing Term Loans shall be the final maturity date specified in the relevant documentation for such Incremental Term Loans, Extended Term Loans and Refinancing Term Loans.

"Term Loan Percentage" means, with respect to any Term Loan Lender at any time, the percentage of the total outstanding principal balance of the Term Loans represented by the outstanding principal balance of such Term Loan Lender's Term Loans.

"Term Loans" means the Initial Term Loan and, if applicable, the Incremental Term Loans, the Extended Term Loans and the Refinancing Term Loans, and "Term Loan" means any of such Term Loans.

"Term SOFR" means:

i. for purposes of Revolving Credit Loans and Swingline Loans:

1. for any calculation with respect to a SOFR Loan, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the "Periodic Term SOFR Determination Day") that is two (2) US Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (Eastern time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date (Non-LIBOR) with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding US Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding US Government Securities Business Day is not more than three (3) US Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

2. for any calculation with respect to a Base Rate Loan on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the "Base Rate Term SOFR Determination Day") that is two (2) US Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (Eastern time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date (Non-LIBOR) with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding US Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding US Government Securities Business Day is not more than three (3) US Government Securities Business Days prior to such Base Rate SOFR Determination Day; and

ii. for all other purposes, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"Term SOFR Adjustment" means a percentage equal to 0.10% per annum.

"Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

"Term SOFR Notice" means a notification by the Administrative Agent to the Lenders and the Borrower of the occurrence of a Term SOFR Transition Event.

"Term SOFR Reference Rate" means the forward-looking term rate based on SOFR.

"Term SOFR Transition Event" means the determination by the Administrative Agent that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, (b) the administration of Term SOFR is administratively feasible for the Administrative Agent and (c) a Benchmark Transition Event (LIBOR) or an Early Opt-in Election, as applicable, has previously occurred resulting in the replacement of the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance

with Section 5.8(c) with a Benchmark Replacement (LIBOR) the Unadjusted Benchmark Replacement component of which is not Term SOFR.

"Termination Event" means the occurrence of any of the following which, individually or in the aggregate, has resulted or could reasonably be expected to result in liability of the US Borrowers or any of their respective Subsidiaries in an aggregate amount in excess of the Threshold Amount: (a) a "Reportable Event" described in Section 4043 of ERISA for which the thirty (30) day notice requirement has not been waived by the PBGC, or (b) the withdrawal of any Credit Party or any ERISA Affiliate from a Pension Plan during a plan year in which it was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA, or (c) the termination of a Pension Plan, the filing of a notice of intent to terminate a Pension Plan or the treatment of a Pension Plan amendment as a termination, under Section 4041 of ERISA, if the plan assets are not sufficient to pay all plan liabilities, or (d) the institution of proceedings to terminate, or the appointment of a trustee with respect to, any Pension Plan by the PBGC, or (e) any other event or condition which would constitute grounds under Section 4042(a) of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan, or (f) the imposition of a Lien pursuant to Section 430(k) of the Code or Section 303 of ERISA, or (g) the determination that any Pension Plan or Multiemployer Plan is considered an at-risk plan or plan in endangered or critical status with the meaning of Sections 430, 431 or 432 of the Code or Sections 303, 304 or 305 of ERISA or (h) the partial or complete withdrawal of any Credit Party or any ERISA Affiliate from a Multiemployer Plan if withdrawal liability is asserted by such plan, or (i) any event or condition which results in the reorganization or insolvency of a Multiemployer Plan under Sections 4241 or 4245 of ERISA, or (j) any event or condition which results in the termination of a Multiemployer Plan under Section 4041A of ERISA or the institution by PBGC of proceedings to terminate a Multiemployer Plan under Section 4042 of ERISA, or (k) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Credit Party or any ERISA Affiliate.

"Threshold Amount" means $35,000,000.

"Total Credit Exposure" means, as to any Lender at any time, the unused Commitments, Revolving Credit Exposure and outstanding Term Loans of such Lender at such time.

"Transactions" means, collectively, (a) the refinancing of Indebtedness outstanding under the Existing Credit Agreement, (b) the refinancing of certain Indebtedness of Drum and its Subsidiaries, (c) the initial Extensions of Credit, (d) the financing of the Drum Acquisition and (e) the payment of the costs incurred in connection with the foregoing.

"UCC" means the Uniform Commercial Code as in effect in the State of New York.

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Unadjusted Benchmark Replacement" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"Uniform Customs" means the Uniform Customs and Practice for Documentary Credits (2007 Revision), effective July, 2007 International Chamber of Commerce Publication No. 600.

"United States" means the United States of America.

"Unrestricted" shall mean, when referring to cash and Cash Equivalents of Centuri and its Subsidiaries, that such cash and Cash Equivalents (a) do not appear or would not be required to appear as "restricted" on the financial statements of Centuri or any such Subsidiary (unless related to the Loan Documents or the Liens created thereunder), (b) are not subject to a Lien in favor of any Person other than the Administrative Agent under the Loan Documents, (c) are assets of Centuri or a Subsidiary that is a US Subsidiary and are held in bank accounts or securities accounts located in the United States or (d) are not otherwise unavailable to Centuri or such Subsidiary.

"USD LIBOR" means the London interbank offered rate for Dollars.

"US Borrowers" means, collectively, Centuri and each Additional Borrower approved by the Lenders that becomes a party hereto as a US Borrower.

"US Cash Management Bank" means any Person that, (a) at the time it enters into a Cash Management Agreement with a US Credit Party or any US Subsidiary thereof, is a Lender, an Affiliate of a Lender, the Administrative Agent or an Affiliate of the Administrative Agent, or (b) at the time it (or its Affiliate) becomes a Lender (including on the Closing Date), is a party to a Cash Management Agreement with a US Credit Party or any US Subsidiary thereof, in each case in its capacity as a party to such Cash Management Agreement.

"US Collateral Agreement" means that certain Second Amended and Restated US Collateral Agreement of even date herewith executed by the US Credit Parties in favor of the Administrative Agent, for the ratable benefit of the US Secured Parties and the Canadian Secured Parties.

"US Credit Parties" means, collectively, the US Borrowers and the US Subsidiary Guarantors.

"US Credit Party Guaranty Agreement" means that certain Second Amended and Restated US Credit Party Guaranty Agreement of even date herewith executed by the US Credit Parties in favor of the Administrative Agent, for the ratable benefit of the US Secured Parties and the Canadian Secured Parties.

"US Government Securities Business Day" means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities; provided, that for purposes of notice requirements in Sections 2.3(a), 2.4(c) and 5.2, in each case, such day is also a Business Day.

"US Hedge Bank" means any Person that, (a) at the time it enters into a Hedge Agreement with a US Credit Party or any US Subsidiary thereof permitted under Article IX, is a Lender, an Affiliate of a Lender, the Administrative Agent or an Affiliate of the Administrative Agent or (b) at the time it (or its Affiliate) becomes a Lender (including on the Closing Date), is a party to a Hedge Agreement with a US Credit Party or any US Subsidiary thereof, in each case in its capacity as a party to such Hedge Agreement.

"US L/C Obligations" means at any time, an amount equal to the sum of (a) the aggregate undrawn and unexpired amount of the then outstanding US Letters of Credit and (b) the aggregate amount of drawings under US Letters of Credit which have not then been reimbursed pursuant to Section 3.5.

"US Letters of Credit" means the collective reference to letters of credit denominated in Dollars pursuant to Section 3.1 (including any applicable Existing Letters of Credit). Notwithstanding anything to the contrary contained herein, a letter of credit issued by any Issuing Lender (other than Wells Fargo at any time it is also acting as Administrative Agent) shall not be a "US Letter of Credit" for purposes of the Loan Documents until such time as the Administrative Agent has been notified in writing of the issuance thereof by the applicable Issuing Lender.

"US Obligations" means, in each case, whether now in existence or hereafter arising: (a) the principal of and interest on (including interest accruing after the filing of any bankruptcy or similar petition) the Loans (other than the Canadian Revolving Credit Loans, the Canadian Swingline Loans and, to the extent applicable, any Incremental Term Loan made to the Canadian Borrowers), (b) the US L/C Obligations and (c) all other fees and commissions (including attorneys' fees), charges, indebtedness, loans, liabilities, financial accommodations, obligations, covenants and duties owing by the US Credit Parties to the Lenders, the Issuing Lenders or the Administrative Agent, in each case under any Loan Document, with respect to any Loan (other than any Canadian Revolving Credit Loan, any Canadian Swingline Loan and, to the extent applicable, any Incremental Term Loan made to the Canadian Borrowers) or any US Letter of Credit of every kind, nature and description, direct or indirect, absolute or contingent, due or to become due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any note and including interest and fees that accrue after the commencement by or against any Credit Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws, naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

"U.S. Person" means any Person that is a "United States person" as defined in Section 7701(a)(30) of the Code.

"US Revolving Credit Loans" means any revolving loan denominated in Dollars made to the US Borrowers pursuant to Section 2.1, and all such revolving loans collectively as the context requires, and shall include any Extended Revolving Credit Loans, any Refinancing Revolving Loans and any loans made pursuant to an Incremental Revolving Credit Facility Increase, in each case, related to such loans.

"US Revolving Credit Note" means a promissory note made by the US Borrowers in favor of a Revolving Credit Lender evidencing the Revolving Credit Loans made by such Revolving Credit Lender, substantially in the form attached as ***Exhibit A-1***, and any substitutes therefor, and any replacements, restatements, renewals or extension thereof, in whole or in part.

"US Secured Obligations" means, collectively, (a) the US Obligations and (b) all existing or future payment and other obligations owing by any US Credit Party or any US Subsidiary thereof under (i) any Secured Hedge Agreement with a US Hedge Bank and (ii) any Secured Cash Management Agreement with a US Cash Management Bank.

"US Secured Parties" means, collectively, the Administrative Agent, the Lenders, the Issuing Lenders, the US Hedge Banks, the US Cash Management Banks, each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Section 12.5, any other holder from time to time of any US Secured Obligations and, in each case, their respective successors and permitted assigns.

"US Subsidiary" means any Subsidiary that is organized under the laws of the United States, any State thereof or the District of Columbia.

"US Subsidiary Guarantors" means, collectively, all US Subsidiaries in existence on the Closing Date or which become parties to the US Credit Party Guaranty Agreement pursuant to Section 8.14.

"US Swingline Loan" means any swingline loan denominated in Dollars made by the applicable Swingline Lender to a US Borrower pursuant to Section 2.2, and all such swingline loans collectively as the context requires.

"US Swingline Note" means a promissory note made by the US Borrowers in favor of the applicable Swingline Lender evidencing the Swingline Loans made by the applicable Swingline Lender, substantially in the form attached as ***Exhibit A-3***, and any substitutes therefor, and any replacements, restatements, renewals or extension thereof, in whole or in part.

"U.S. Tax Compliance Certificate" has the meaning assigned thereto in Section 5.11(g).

"US Term Loan Note" means a promissory note made by the US Borrowers in favor of a Term Loan Lender evidencing the portion of the Term Loans made by such Term Loan Lender to the US Borrowers, substantially in the form attached as ***Exhibit A-5***, and any substitutes therefor, and any replacements, restatements, renewals or extensions thereof, in whole or in part.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness, in each case of clauses (a) and (b), without giving effect to the application of any prior prepayment to such installment, sinking fund, serial maturity or other required payment of principal.

"Wells Fargo" means Wells Fargo Bank, National Association, a national banking association.

"Wholly-Owned" means, with respect to a Subsidiary, that all of the Equity Interests of such Subsidiary are, directly or indirectly, owned or controlled by Centuri and/or one or more of its Wholly- Owned Subsidiaries (except for directors' qualifying shares or other shares required by Applicable Law to be owned by a Person other than Centuri and/or one or more of its Wholly-Owned Subsidiaries).

"Withholding Agent" means any Credit Party and the Administrative Agent.

"Working Capital" means, for Centuri and its Subsidiaries on a Consolidated basis and calculated in accordance with GAAP, as of any date of determination, the excess of (a) current assets (other than cash, Cash Equivalents, taxes and deferred taxes) over (b) current liabilities, excluding, without duplication, (i) the current portion of any long-term Indebtedness, (ii) outstanding Revolving Credit Loans and Swingline Loans, (iii) the current portion of current taxes and deferred income taxes and (iv) the current portion of accrued Consolidated Interest Expense.

"Write-Down and Conversion Powers" means (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail- In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

SECTION 1.2 Other Definitions and Provisions

. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document: (a) the definitions of terms herein shall apply equally to the singular and plural forms of the terms defined, (b) whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms, (c) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (d) the word "will" shall be construed to have the same meaning and effect as the word "shall", (e) any reference herein to any Person shall be construed to include such Person's successors and assigns, (f) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (g) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (h) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights,
(1) the term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form and (j) in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including".

SECTION 1.3 Accounting Terms.

(a) All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with GAAP, applied on a consistent basis, as in effect from time to time and in a manner consistent with that used in preparing the audited financial statements required by Section 8.1(a), except as otherwise specifically prescribed herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Consolidated Companies shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

(b) If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrowers or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrowers shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrowers shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP; provided, further that all obligations of any Person that are or would have been treated as operating leases for purposes of GAAP prior to the effectiveness of FASB ASC 842 shall continue to be accounted for as operating leases for purposes of all financial definitions and calculations for purpose of this Agreement (whether or not such operating lease obligations were in effect on such date) notwithstanding the fact that such obligations are required in accordance with FASB ASC 842 (on a prospective or retroactive basis or otherwise) to be treated as Capital Lease Obligations in the financial statements.

SECTION 1.4 UCC and PPSA Terms

. Terms defined in the UCC and/or the PPSA in effect on the Closing Date and not otherwise defined herein shall, unless the context otherwise indicates, have the meanings provided in the UCC and/or the PPSA, as applicable; provided that if any term is defined in both the UCC and the PPSA and not otherwise defined herein, such term shall have the meaning provided in the UCC. Subject to the foregoing, the term "UCC" and "PPSA" refers, as of any date of determination, to the UCC or PPSA then in effect.

SECTION 1.5 Rounding

. Any financial ratios required to be maintained pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio or percentage is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

SECTION 1.6 References to Agreement and Laws

. Unless otherwise expressly provided herein, (a) any definition or reference to formation documents, governing documents, agreements (including the Loan Documents) and other contractual documents or instruments shall be deemed to include all subsequent amendments, restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, extensions, supplements and other modifications are not prohibited by any Loan Document; and (b) any definition or reference to any Applicable Law, including, without limitation, the Code, the Commodity Exchange Act, ERISA, the Exchange Act, the PATRIOT Act, the Securities Act, the UCC, the PPSA, the Investment Company Act, the Interstate Commerce Act, the Trading with the Enemy Act of the United States or any of the foreign assets control regulations of the United States Treasury Department, shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Applicable Law.

SECTION 1.7 Times of Day

. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

SECTION 1.8 Letter of Credit Amounts

.

(1) Unless otherwise specified, all references herein to the amount of a Letter of Credit at any time shall be deemed to mean the maximum face amount of such Letter of Credit after giving effect to all increases thereof contemplated by such Letter of Credit or the Letter of Credit Application therefor (at the time specified therefor in such applicable Letter of Credit or Letter of Credit Application and as such amount may be reduced by (i) any permanent reduction of such Letter of Credit or (ii) any amount which is drawn, reimbursed and no longer available under such Letter of Credit).

(2) For purposes of Articles II, III and V, the applicable outstanding amount of all Canadian Letters of Credit and Canadian L/C Obligations shall be deemed to refer to the Dollar Amount thereof.

SECTION 1.9 Guarantees/Earn-Outs

. Unless otherwise specified, (a) the amount of any Guarantee shall be the lesser of the amount of the obligations guaranteed and still outstanding and the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Guarantee and (b) the amount of any

earn-out or similar obligation shall be the amount of such obligation as reflected on the balance sheet of such Person in accordance with GAAP.

SECTION 1.10 Alternative Currency Matters

.

(1) Covenant Compliance Generally. For purposes of determining compliance under Sections 9.1, 9.2, 9.3, 9.5 and 9.6, any amount in a currency other than Dollars will be converted to Dollars in a manner consistent with that used in calculating Consolidated Net Income in the most recent annual financial statements of the Consolidated Companies delivered pursuant to Section 8.1(a). Notwithstanding the foregoing, for purposes of determining compliance with Sections 9.1, 9.2 and 9.3, with respect to any amount of Indebtedness or Investment in a currency other than Dollars, no breach of any basket contained in such sections shall be deemed to have occurred solely as a result of changes in rates of exchange occurring after the time such Indebtedness or Investment is incurred; provided that for the avoidance of doubt, the foregoing provisions of this Section 1.10 shall otherwise apply to such Sections, including with respect to determining whether any Indebtedness or Investment may be incurred at any time under such Sections.

(2) Amount of Obligations. Unless otherwise specified, for purposes of this Agreement, any determination of the amount of any outstanding Canadian Revolving Credit Loans, Canadian Swingline Loans, Incremental Term Loans denominated in Canadian Dollars or Canadian Obligations shall be based upon the Dollar Amount of such Canadian Revolving Credit Loans, Canadian Swingline Loans, Incremental Term Loans denominated in Canadian Dollars or Canadian Obligations, as the case may be.

(3) Exchange Rates. The Administrative Agent shall determine the Spot Rates as of each Revaluation Date to be used for calculating Dollar Amount of any Extensions of Credit and Revolving Credit Outstandings denominated in Canadian Dollars. Such Spot Rates shall become effective as of such Revaluation Date and shall be the Spot Rates employed in converting any amounts between the applicable currencies until the next Revaluation Date to occur.

SECTION 1.11 Rates

. The interest rate on LIBOR Rate Loans and Base Rate Loans (when determined by reference to clause (3) of the definition of Base Rate) may be determined by reference to LIBOR, which is derived from the London interbank offered rate. The London interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. On March 5, 2021, ICE Benchmark Administration ("IBA"), the administrator of the London interbank offered rate, and the Financial Conduct Authority (the "FCA"), the regulatory supervisor of IBA, announced in public statements (the "Announcements") that the final publication or representativeness date for the London interbank offered rate for Dollars for: (a) 1-week and 2-month tenor settings will be December 31, 2021 and (b) overnight, 1-month, 3-month, 6-month and 12-month tenor settings will be June 30, 2023. No successor administrator for IBA was identified in such Announcements. As a result, it is possible that commencing immediately after such dates, the London interbank offered rate for such tenors may no longer be available or may no longer be deemed a representative reference rate upon which to determine the interest rate on LIBOR Rate Loans or Base Rate Loans (when determined by reference to clause (c) of the definition of Base Rate). There is no assurance that the dates set forth in the Announcements will not change or that IBA or the FCA will not take further action that could impact the availability, composition or characteristics of any London interbank offered rate. Public and private sector industry initiatives have been and continue, as of the date hereof, to be underway to implement new or alternative reference rates to

be used in place of the London interbank offered rate. In the event that the London interbank offered rate or any other then-current Benchmark is no longer available or in certain other circumstances set forth in Section 5.8(c), such Section 5.8(c) provides a mechanism for determining an alternative rate of interest. The Administrative Agent will notify Centuri, pursuant to Section 5.8(c), of any change to the reference rate upon which the interest rate on LIBOR Rate Loans and Base Rate Loans (when determined by reference to clause (c) of the definition of Base Rate) is based. However, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, (i) the continuation of, administration of, submission of, calculation of or any other matter related to the Term SOFR Reference Rate, Adjusted Terms SOFR, Term SOFR, the London interbank offered rate or other rates in ~~the~~any such definition ~~of "LIBOR"~~ or with respect to any alternative, successor or replacement rate thereto (including any then-current Benchmark or any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement), as it may or may not be adjusted pursuant to Section 5.8(c), will be similar to, or produce the same value or economic equivalence of, LIBOR or any other Benchmark, or have the same volume or liquidity as did the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR or the London interbank offered rate or any other Benchmark prior to its discontinuance or unavailability, or (ii) the effect, implementation or composition of any Benchmark Replacement Conforming Changes. The Administrative Agent and its Affiliates or other related entities may engage in transactions that affect the calculation of ~~a~~the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR, any other Benchmark, or any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto and such transactions may be adverse to the Borrowers. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR, or any other Benchmark, any component definition thereof or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrowers, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

SECTION 1.12 Limited Condition Acquisitions

. In the event that Centuri notifies the Administrative Agent in writing that any proposed Acquisition is a Limited Condition Acquisition and that Centuri wishes to test the conditions to such Acquisition and any Incremental Term Loan or Incremental Equivalent Indebtedness that is to be used to finance such Acquisition in accordance with this Section 1.12, then, so long as agreed to by the Administrative Agent and the lenders providing such Incremental Term Loan or such Incremental Equivalent Indebtedness, the following provisions shall apply:

(a) any condition to such Limited Condition Acquisition, such Incremental Term Loan or such Incremental Equivalent Indebtedness that requires that no Default or Event of Default shall have occurred and be continuing at the time of such Limited Condition Acquisition or the incurrence of such Incremental Term Loan or Incremental Equivalent Indebtedness, shall be satisfied if (i) no Default or Event of Default shall have occurred and be continuing at the time of the execution of the definitive purchase agreement, merger agreement or other acquisition agreement governing such Limited Condition Acquisition (the "LCA Test Date") and (ii) no Event of Default under any of Section 10.1(a), 10.1(b), 10.1(i) or 10.1(j) shall have occurred and be continuing both immediately before and immediately after giving effect to such Limited Condition Acquisition and any Indebtedness incurred in connection therewith (including any such additional Incremental Term Loan or Incremental Equivalent Indebtedness);

(b) any condition to such Limited Condition Acquisition, such Incremental Term Loan or such Incremental Equivalent Indebtedness that the representations and warranties in this Agreement and the other Loan Documents shall be true and correct at the time of consummation of such Limited Condition Acquisition or the incurrence of such Incremental Term Loan or Incremental Equivalent Indebtedness shall be deemed satisfied if (i) all representations and warranties in this Agreement and the other Loan Documents are true and correct in all material respects (except for any representation and warranty that is qualified by materiality or reference to Material Adverse Effect, which such representation and warranty shall be true and correct in all respects) as of the LCA Test Date, or if such representation speaks as of an earlier date, as of such earlier date and (ii) as of the date of consummation of such Limited Condition Acquisition, (A) the representations and warranties under the relevant definitive agreement governing such Limited Condition Acquisition as are material to the lenders providing such Incremental Term Loan or Incremental Equivalent Indebtedness shall be true and correct, but only to the extent that Centuri or its applicable Subsidiary has the right to terminate its obligations under such agreement or otherwise decline to close such Limited Condition Acquisition as a result of a breach of such representations and warranties or the failure of those representations and warranties to be true and correct and (B) certain of the representations and warranties in this Agreement and the other Loan Documents which are customary for similar "funds certain" financings and required by the lenders providing such Incremental Term Loan or Incremental Equivalent Indebtedness shall be true and correct in all material respects (except for any representation and warranty that is qualified by materiality or reference to Material Adverse Effect, which such representation and warranty shall be true and correct in all respects);

(c) any financial ratio test or condition to be tested in connection with such Limited Condition Acquisition and the availability of such Incremental Term Loan or Incremental Equivalent Indebtedness will be tested as of the LCA Test Date, in each case, after giving effect to the relevant Limited Condition Acquisition and related incurrence of Incremental Term Loan or Incremental Equivalent Indebtedness, on a Pro Forma Basis where applicable, and, for the avoidance of doubt, (i) such ratios and baskets shall not be tested at the time of consummation of such Limited Condition Acquisition and (ii) if any of such ratios are exceeded or conditions are not met following the LCA Test Date, but prior to the closing of such Limited Condition Acquisition, as a result of fluctuations in such ratio or amount (including due to fluctuations in Consolidated EBITDA of Centuri or the Person subject to such Limited Condition Acquisition), at or prior to the consummation of the relevant transaction or action, such ratios will not be deemed to have been exceeded and such conditions will not be deemed unmet as a result of such fluctuations solely for purposes of determining whether the relevant transaction or action is permitted to be consummated or taken;

(d) except as provided in the next sentence, in connection with any subsequent calculation of any ratio or basket on or following the relevant LCA Test Date and prior to the earlier of the date on which such Limited Condition Acquisition is consummated and the date that the definitive agreement for such Limited Condition Acquisition is terminated or expires without consummation of such Limited Condition Acquisition, any such ratio or basket shall be calculated on a Pro Forma Basis assuming such Limited Condition Acquisition and other transactions in connection therewith (including the incurrence or assumption of the applicable Incremental Term Loan, Incremental Equivalent Indebtedness or any other applicable Indebtedness) have been consummated; provided that any calculation of any such ratio or basket under Section 9.6 and Section 9.9 shall be calculated (i) on a Pro Forma Basis assuming such Limited Condition Acquisition and other transactions in connection therewith (including the incurrence or assumption of the applicable Incremental Term Loan, Incremental Equivalent Indebtedness or any other applicable Indebtedness) have been consummated and (ii) assuming such Limited Condition Acquisition and other transactions in connection therewith (including the incurrence or assumption of the applicable Incremental Term Loan, Incremental Equivalent Indebtedness or any other applicable Indebtedness) have not been consummated. Notwithstanding the foregoing, any calculation of a ratio in connection with determining the Applicable Margin and determining whether or not the Borrower is in compliance with the

financial covenants set forth in Section 9.13 shall, in each case be calculated assuming such Limited Condition Acquisition and other transactions in connection therewith (including the incurrence or assumption of the applicable Incremental Term Loan, Incremental Equivalent Indebtedness or any other applicable Indebtedness to be incurred or assumed in connection with such Acquisition) have not been consummated.

The foregoing provisions shall apply with similar effect during the pendency of multiple Limited Condition Acquisitions such that each of the possible scenarios is separately tested.

SECTION 1.13 Divisions

. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

ARTICLE II REVOLVING CREDIT FACILITY

SECTION 2.1 Revolving Credit Loans

. Subject to the terms and conditions of this Agreement and the other Loan Documents, and in reliance upon the representations and warranties set forth in this Agreement and the other Loan Documents, each Revolving Credit Lender severally agrees to make (a) US Revolving Credit Loans to the US Borrowers and
(2) Canadian Revolving Credit Loans to the Canadian Borrowers, in each case, from time to time from the Closing Date through, but not including, the Revolving Credit Maturity Date as requested by a US Borrower or a Canadian Borrower, as applicable, in accordance with the terms of Section 2.3; provided, that, (i) on the Closing Date, the aggregate Revolving Credit Outstandings, excluding the aggregate undrawn and unexpired amount of the Existing Letters of Credit, shall not exceed $125,000,000, (ii) after the Closing Date, (A) the Revolving Credit Outstandings shall not exceed the Revolving Credit Commitment and (B) the Revolving Credit Exposure of any Revolving Credit Lender shall not at any time exceed such Revolving Credit Lender's Revolving Credit Commitment. Each Revolving Credit Loan by a Revolving Credit Lender shall be in a principal amount equal to such Revolving Credit Lender's Revolving Credit Commitment Percentage of the aggregate principal amount of Revolving Credit Loans requested on such occasion. Subject to the terms and conditions hereof, the Borrowers may borrow, repay and reborrow Revolving Credit Loans hereunder until the Revolving Credit Maturity Date.

SECTION 2.2 Swingline Loans.

(a) Availability. Subject to the terms and conditions of this Agreement and the other Loan Documents, and in reliance upon the representations and warranties set forth in this Agreement and the other Loan Documents, (a) the Swingline Lender shall make US Swingline Loans to the US Borrowers and
(b) the Swingline Lender shall make Canadian Swingline Loans to the Canadian Borrowers, in each case, from time to time from the Closing Date through, but not including, the Revolving Credit Maturity Date; provided, that (i) after giving effect to any amount requested, the Revolving Credit Outstandings shall not exceed the Revolving Credit Commitment and (ii) the aggregate principal amount of all outstanding Swingline Loans (after giving effect to any amount requested), shall not exceed the Swingline Commitment.

ii. Refunding.

1. Swingline Loans shall be refunded by the Revolving Credit Lenders on demand by the applicable Swingline Lender. Such refundings shall be made by the Revolving Credit Lenders in accordance with their respective Revolving Credit Commitment Percentages, in the applicable currency of the underlying Swingline Loan, and shall thereafter be reflected as Revolving Credit Loans of the Revolving Credit Lenders on the books and records of the Administrative Agent. Each Revolving Credit Lender shall fund its respective Revolving Credit Commitment Percentage of such Revolving Credit Loans as required to repay Swingline Loans outstanding to the applicable Swingline Lender upon demand by such Swingline Lender but in no event later than 1:00 p.m. on the next succeeding Business Day after such demand is made. No Revolving Credit Lender's obligation to fund its respective Revolving Credit Commitment Percentage of a Swingline Loan shall be affected by any other Revolving Credit Lender's failure to fund its Revolving Credit Commitment Percentage of a Swingline Loan, nor shall any Revolving Credit Lender's Revolving Credit Commitment Percentage be increased as a result of any such failure of any other Revolving Credit Lender to fund its Revolving Credit Commitment Percentage of a Swingline Loan.

2. The applicable Borrower shall pay to the applicable Swingline Lender on demand and, in any event on the Revolving Credit Maturity Date, the amount of such Swingline Loans made to such Borrower to the extent amounts received from the Revolving Credit Lenders are not sufficient to repay in full the outstanding Swingline Loans requested or required to be refunded. If not demanded by such Swingline Lender, each Canadian Swingline Loan shall be repaid by the applicable Canadian Borrower on the date that is five (5) Business Days after such Canadian Swingline Loan is made. In addition, each Borrower hereby authorizes the Administrative Agent to charge any account maintained by such Borrower with the applicable Swingline Lender (up to the amount available therein) in order to immediately pay the applicable Swingline Lender the amount of such Swingline Loans made to such Borrower to the extent amounts received from the Revolving Credit Lenders are not sufficient to repay in full the outstanding Swingline Loans requested or required to be refunded. If any portion of any such amount paid to the applicable Swingline Lender shall be recovered by or on behalf of any Borrower from the applicable Swingline Lender in bankruptcy or otherwise, the loss of the amount so recovered shall be ratably shared among all the Revolving Credit Lenders in accordance with their respective Revolving Credit Commitment Percentages (unless the amounts so recovered by or on behalf of such Borrower pertain to a Swingline Loan extended after the occurrence and during the continuance of an Event of Default of which the Administrative Agent has received notice in the manner required pursuant to Section 11.3 and which such Event of Default has not been waived by the Required Lenders or the Lenders, as applicable).

3. Each Revolving Credit Lender acknowledges and agrees that its obligation to refund Swingline Loans in accordance with the terms of this Section is absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, non- satisfaction of the conditions set forth in Article VI. Further, each Revolving Credit Lender agrees and acknowledges that if prior to the refunding of any outstanding Swingline Loans pursuant to this Section, one of the events described in Section 10.1(i) or (j) shall have occurred, each Revolving Credit Lender will, on the date the applicable Revolving Credit Loan would have been made, purchase an undivided participating interest in the Swingline Loan to be refunded in an amount equal to its Revolving Credit Commitment Percentage of the aggregate amount of such Swingline Loan. Each Revolving Credit Lender will immediately transfer to the applicable Swingline Lender, in immediately available funds, the amount of its participation and upon receipt thereof such Swingline Lender will deliver to such Revolving Credit Lender a certificate evidencing

such participation dated the date of receipt of such funds and for such amount. Whenever, at any time after the applicable Swingline Lender has received from any Revolving Credit Lender such Revolving Credit Lender's participating interest in a Swingline Loan, the applicable Swingline Lender receives any payment on account thereof, the applicable Swingline Lender will distribute to such Revolving Credit Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Revolving Credit Lender's participating interest was outstanding and funded).

iii. Defaulting Lenders. Notwithstanding anything to the contrary contained in this Agreement, this Section 2.2 shall be subject to the terms and conditions of Section 5.14 and Section 5.15.

iv. Resignation of Swingline Lender. In connection with (i) any Refinancing Revolving Credit Commitments or (ii) any Extension of Revolving Credit Commitments, that has not been consented to by the applicable Swingline Lender, such Swingline Lender may, in connection with such Refinancing Revolving Credit Commitments or Extension resign as a Swingline Lender hereunder upon not less than five (5) Business Days' prior notice to Centuri and the Administrative Agent (or such shorter period of time as may be acceptable to Centuri and the Administrative Agent). Following such notice of resignation, such Swingline Lender shall have no further obligations to make Swingline Loans pursuant to this Agreement.

SECTION 2.3 Procedure for Advances of Revolving Credit Loans and Swingline Loans.

(1) Requests for Borrowing. The applicable Borrower shall give the Administrative Agent irrevocable prior written notice substantially in the form of ***Exhibit B*** (a "Notice of Borrowing") not later than 11:00 a.m. (i) on the same Business Day as each Base Rate Loan, each US Swingline Loan and each Canadian Swingline Loan, (ii) at least one (1) Business Day before each Canadian Base Rate Loan (other than Canadian Swingline Loans), (iii) at least three (3) US Government Securities Business Days before each ~~LIBOR Rate~~SOFR Loan and (iv) at least four (4) Business Days before each CDOR Rate Loan, of its intention to borrow, specifying (A) the date of such borrowing, which shall be a Business Day, (B) the amount of such borrowing, which shall be, (x) with respect to Base Rate Loans (other than Swingline Loans) and Canadian Revolving Credit Loans in an aggregate principal amount of $2,000,000 (or C$2,000,000) or a whole multiple of $500,000 (or C$500,000) in excess thereof, (y) with respect to ~~LIBOR Rate~~SOFR Loans, in an aggregate principal amount of $2,000,000 or a whole multiple of $500,000 in excess thereof and (z) with respect to Swingline Loans in an aggregate principal amount of $500,000 (or C$500,000) or a whole multiple of $100,000 (or C$100,000) in excess thereof, (C) whether such Loan is to be a US Revolving Credit Loan, Canadian Revolving Credit Loan, US Swingline Loan or Canadian Swingline Loan,
(D) in the case of a US Revolving Credit Loan, whether the Loans are to be ~~LIBOR Rate~~SOFR Loans or Base Rate Loans, (E) in the case of a Canadian Revolving Credit Loan, whether the Loans are to be CDOR Rate Loans or Canadian Base Rate Loans, and (F) in the case of a ~~LIBOR Rate~~SOFR Loan or a CDOR Rate Loan, the duration of the Interest Period applicable thereto. A Notice of Borrowing received after 11:00 a.m. shall be deemed received on the next Business Day or US Government Securities Business Day, as applicable. The Administrative Agent shall promptly notify the Revolving Credit Lenders of each Notice of Borrowing.

(2) Disbursement of Revolving Credit and Swingline Loans. Not later than (i) 1:00 p.m. on the proposed borrowing date, each Revolving Credit Lender will make available to the Administrative Agent, for the account of the US Borrowers, at the office of the Administrative Agent in funds immediately available to the Administrative Agent (in Dollars), such Revolving Credit Lender's Revolving Credit Commitment Percentage of the US Revolving Credit Loans to be made on such borrowing date, (ii) 11:00
a.m. on the proposed borrowing date, each Revolving Credit Lender will make available to the Administrative Agent, for the account of the Canadian Borrowers, at the office of the Administrative Agent

in funds immediately available to the Administrative Agent (in Canadian Dollars), such Revolving Credit Lender's Revolving Credit Commitment Percentage of the Canadian Revolving Credit Loans to be made on such borrowing date and (iii) 1:00 p.m. on the proposed borrowing date, the applicable Swingline Lender will make available to the Administrative Agent, for the account of the applicable Borrower, at the office of the Administrative Agent in funds immediately available to the Administrative Agent (in the applicable currency), the Swingline Loans to be made on such borrowing date. Each Borrower hereby irrevocably authorizes the Administrative Agent to disburse the proceeds of each borrowing requested pursuant to this Section in immediately available funds by crediting or wiring such proceeds to the deposit account of such Borrower identified in the most recent notice substantially in the form attached as ***Exhibit C*** (a "Notice of Account Designation") delivered by such Borrower to the Administrative Agent or as may be otherwise agreed upon by such Borrower and the Administrative Agent from time to time. Subject to Section 5.7 hereof, the Administrative Agent shall not be obligated to disburse the portion of the proceeds of any Revolving Credit Loan requested pursuant to this Section to the extent that any Revolving Credit Lender has not made available to the Administrative Agent its Revolving Credit Commitment Percentage of such Loan. Revolving Credit Loans to be made for the purpose of refunding Swingline Loans shall be made by the Revolving Credit Lenders as provided in Section 2.2(b).

SECTION 2.4 Repayment and Prepayment of Revolving Credit and Swingline Loans.

i. Repayment on Termination Date. Each Borrower hereby agrees to repay the outstanding principal amount of (i) all Revolving Credit Loans made to such Borrower in full on the Revolving Credit Maturity Date, and (ii) all Swingline Loans made to such Borrower in accordance with Section 2.2(b) (but, in any event, no later than the Revolving Credit Maturity Date), together, in each case, with all accrued but unpaid interest thereon.

ii. Mandatory Prepayments.

1. If at any time the Revolving Credit Outstandings exceed the Revolving Credit Commitment (as a result of currency fluctuations or otherwise), each applicable Borrower agrees to repay immediately upon notice from the Administrative Agent, by payment to the Administrative Agent for the account of the Revolving Credit Lenders, Extensions of Credit in an amount equal to such excess with each such repayment applied first, to the principal amount of outstanding US Swingline Loans, second, to the principal amount of outstanding Canadian Swingline Loans, third to the principal amount of outstanding US Revolving Credit Loans, fourth, to the principal amount of outstanding Canadian Revolving Credit Loans and fifth, with respect to any Letters of Credit then outstanding, a payment of Cash Collateral into a Cash Collateral account opened by the Administrative Agent, for the benefit of the Revolving Credit Lenders, in an amount equal to such excess (such Cash Collateral to be applied, upon the occurrence and during the continuance of an Event of Default, in accordance with Section 10.2(b)); provided that if any US Borrower is required to make a payment of Cash Collateral pursuant to the terms of this Section 2.4(b)(i) as a result of any such excess, such amount (to the extent not applied in accordance with Section 10.2(b)) shall be returned to such US Borrower within three Business Days after such excess ceases to exist.

2. [intentionally omitted].

3. If at any time Swingline Loans outstanding at such time exceed the Swingline Commitment (as a result of currency fluctuations or otherwise), the applicable Borrower or Borrowers agree to repay within one (1) Business Day following receipt of notice from the Administrative Agent, by payment to the Administrative Agent for the account of the applicable

Swingline Lender, Swingline Loans in an amount equal to such excess with each such repayment applied ratably to the outstanding Swingline Loans.

4. If at any time Letters of Credit outstanding at such time exceed the L/C Sublimit (as a result of currency fluctuations or otherwise), the applicable Borrower or Borrowers agree to Cash Collateralize the amount of such excess (such Cash Collateral to be applied, upon the occurrence and during the continuance of an Event of Default, in accordance with Section 10.2(b)); provided that if any Borrower is required to make a payment of Cash Collateral pursuant to the terms of this Section 2.4(b)(iv) as a result of any such excess, such amount (to the extent not applied in accordance with Section 10.2(b)) shall be returned to such Borrower within three Business Days after such excess ceases to exist.

iii. Optional Prepayments. The Borrowers may at any time and from time to time prepay Revolving Credit Loans and Swingline Loans, in whole or in part, without premium or penalty, with irrevocable prior written notice to the Administrative Agent substantially in the form attached as ***Exhibit D*** (a "Notice of Prepayment") given not later than 11:00 a.m. (i) on the same Business Day as each Base Rate Loan, each Canadian Swingline Loan and each US Swingline Loan, (ii) at least one (1) Business Day before each Canadian Base Rate Loan, (iii) at least three (3) US Government Securities Business Days before each ~~LIBOR Rate~~SOFR Loan and (iv) at least four (4) Business Days before each CDOR Rate Loan, specifying the date and amount of prepayment and whether the prepayment is of ~~LIBOR Rate~~SOFR Loans, Base Rate Loans, Canadian Base Rate Loans, CDOR Rate Loans, US Swingline Loans, Canadian Swingline Loans or a combination thereof, and, if of a combination thereof, the amount allocable to each. Upon receipt of such notice, the Administrative Agent shall promptly notify each Revolving Credit Lender. If any such notice is given, the amount specified in such notice shall be due and payable on the date set forth in such notice. Partial prepayments shall be in an aggregate amount of $1,000,000 (or C$1,000,000) or a whole multiple of $500,000 (or C$500,000) in excess thereof with respect to Base Rate Loans (other than Swingline Loans) and Canadian Revolving Credit Loans, $2,000,000 or a whole multiple of $500,000 in excess thereof with respect to ~~LIBOR Rate~~SOFR Loans and $100,000 (or C$100,000) or a whole multiple of $100,000 (or C$100,000) in excess thereof with respect to Swingline Loans. A Notice of Prepayment received after 11:00 a.m. shall be deemed received on the next Business Day or US Government Securities Business Day, as applicable. Each such repayment shall be accompanied by any amount required to be paid pursuant to Section 5.9 hereof. Notwithstanding the foregoing, any Notice of Prepayment delivered in connection with any refinancing of all of the Credit Facility with the proceeds of such refinancing or of any incurrence of Indebtedness, may be, if expressly so stated to be, contingent upon the consummation of such refinancing or incurrence and may be revoked by the Borrowers in the event such refinancing is not consummated (provided that the failure of such contingency shall not relieve any Borrower from its obligations in respect thereof under Section 5.9).

iv. Prepayment of Excess Proceeds. In the event proceeds remain after the prepayments of Term Loan Facility pursuant to Section 4.4(b), the amount of such excess proceeds shall be used on the date of the required prepayment under Section 4.4(b) to prepay the outstanding principal amount of the Revolving Credit Loans, without a corresponding reduction of the Revolving Credit Commitment, with remaining proceeds, if any, refunded to the Borrowers.

v. Limitation on Prepayment of ~~LIBOR Rate~~SOFR Loans. The Borrowers may not prepay any ~~LIBOR Rate~~SOFR Loan on any day other than on the last day of the Interest Period applicable thereto unless such prepayment is accompanied by any amount required to be paid pursuant to Section 5.9 hereof.

vi. Hedge Agreements. No repayment or prepayment of the Loans pursuant to this Section shall affect any of the Borrowers' obligations under any Hedge Agreement entered into with respect to the Loans.

SECTION 2.5 Permanent Reduction of the Revolving Credit Commitment.

(1) Voluntary Reduction. The Borrowers shall have the right at any time and from time to time, upon at least five (5) Business Days prior irrevocable written notice to the Administrative Agent, to permanently reduce, without premium or penalty, (i) the entire Revolving Credit Commitment at any time or (ii) portions of the Revolving Credit Commitment, from time to time, in an aggregate principal amount not less than $3,000,000 or any whole multiple of $1,000,000 in excess thereof. Any reduction of the Revolving Credit Commitment shall be applied to the Revolving Credit Commitment of each Revolving Credit Lender according to its Revolving Credit Commitment Percentage. All Commitment Fees accrued until the effective date of any termination of the Revolving Credit Commitment shall be paid on the effective date of such termination. No such reduction in the Revolving Credit Commitments shall reduce the Swingline Commitment or the L/C Sublimit (except as set forth in each respective definition). Notwithstanding the foregoing, any notice to reduce the Revolving Credit Commitment to zero delivered in connection with any refinancing of all of the Credit Facility with the proceeds of such refinancing or of any incurrence of Indebtedness, may be, if expressly so stated to be, contingent upon the consummation of such refinancing or incurrence and may be revoked by any Borrower in the event such refinancing is not consummated (provided that the failure of such contingency shall not relieve any Borrower from its obligations in respect thereof under Section 5.9).

(2) Corresponding Payment. Each permanent reduction permitted pursuant to this Section shall be accompanied by a payment of principal sufficient to reduce the aggregate outstanding Revolving Credit Loans, Swingline Loans and L/C Obligations, as applicable, after such reduction to the Revolving Credit Commitment as so reduced, and if the aggregate amount of all outstanding Letters of Credit exceeds the Revolving Credit Commitment as so reduced, the applicable Borrower shall be required to deposit Cash Collateral in a Cash Collateral account opened by the Administrative Agent in an amount equal to such excess. Such Cash Collateral shall be applied in accordance with Section 10.2(b). Any reduction of the Revolving Credit Commitment to zero shall be accompanied by payment of all outstanding Revolving Credit Loans and Swingline Loans (and furnishing of Cash Collateral satisfactory to the Administrative Agent for all L/C Obligations) and shall result in the termination of the Revolving Credit Commitment and the Swingline Commitment and the Revolving Credit Facility. If the reduction of the Revolving Credit Commitment requires the repayment of any ~~LIBOR Rate~~SOFR Loan, such repayment shall be accompanied by any amount required to be paid pursuant to Section 5.9 hereof.

SECTION 2.6 Termination of Revolving Credit Facility

. The Revolving Credit Facility and the Revolving Credit Commitments shall terminate on the Revolving Credit Maturity Date (after giving effect to any Extension).

ARTICLE III

LETTER OF CREDIT FACILITY

SECTION 3.1 L/C Facility.

(1) Availability. Subject to the terms and conditions hereof, each applicable Issuing Lender, in reliance on the agreements of the Revolving Credit Lenders set forth in Section 3.4(a), agrees to issue (i) standby or commercial US Letters of Credit in an aggregate amount not to exceed its L/C Commitment for

the account of the US Borrowers or, subject to Section 3.10, any US Subsidiary or Affiliate thereof that is organized under the laws of the United States, any State thereof or the District of Columbia and (ii) standby or commercial Canadian Letters of Credit in an aggregate amount not to exceed its L/C Commitment for the account of the Canadian Borrowers or, subject to Section 3.10, any Canadian Subsidiary or Affiliate thereof that is organized under the laws of Canada or any province or territory thereof, in each case, on any Business Day from the Closing Date through but not including the thirtieth (30th) Business Day prior to the Revolving Credit Maturity Date in such form as may be approved from time to time by the applicable Issuing Lender; provided, that no Issuing Lender shall issue any Letter of Credit if, after giving effect to such issuance, (A) the L/C Obligations would exceed the L/C Sublimit, (B) the Revolving Credit Outstandings would exceed the Revolving Credit Commitment or (C) the L/C Obligations with respect to Letters of Credit issued by such Issuing Lender would exceed such Issuing Lender's L/C Commitment. Each Letter of Credit (1) (x) to be denominated in Dollars shall, in the case of a commercial US Letter of Credit, be in a minimum amount of $100,000 and, in the case of a standby US Letter of Credit, be in a minimum amount of $100,000 (or such lesser amounts as agreed to by the applicable Issuing Lender and the Administrative Agent), and (y) to be denominated in Canadian Dollars shall, in the case of a commercial Canadian Letter of Credit, be in a minimum amount of C$100,000 and, in the case of a standby Canadian Letter of Credit, be in a minimum amount of C$100,000 (or such lesser amounts as agreed to by the applicable Issuing Lender and the Administrative Agent), (2) except as agreed to by the Administrative Agent and the applicable Issuing Lender with respect to any Existing Letter of Credit, shall expire on a date no more than twelve (12) months after the date of issuance or last renewal of such Letter of Credit (subject to automatic renewal for additional one (1) year periods pursuant to the terms of the Letter of Credit Application or other documentation acceptable to the applicable Issuing Lender), (3) shall expire no later than the fifth (5th) Business Day prior to the Revolving Credit Maturity Date (except that if agreed to by the applicable Issuing Lender and the Administrative Agent, any Existing Letter of Credit may expire after such date so long as such Existing Letter of Credit is Cash Collateralized pursuant to documentation and on terms and conditions acceptable to such Issuing Lender and the Administrative Agent no later than the date that is 91 days prior to the Revolving Credit Maturity Date), (4) with respect to each US Letter of Credit, shall be subject to the Uniform Customs, in the case of a commercial Letter of Credit, or ISP98, in the case of a standby Letter of Credit, in each case, as set forth in the Letter of Credit Application or as determined by the applicable Issuing Lender and, to the extent not inconsistent therewith, the laws of the State of New York and (5) with respect to each Canadian Letter of Credit, shall be subject to the law set forth in the Letter of Credit Application or as agreed by the applicable Issuing Lender and the Canadian Borrowers. No Issuing Lender shall at any time be obligated to issue any Letter of Credit hereunder if (A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such Issuing Lender from issuing such Letter of Credit, or any Applicable Law applicable to such Issuing Lender or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such Issuing Lender shall prohibit, or request that such Issuing Lender refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon such Issuing Lender with respect to letters of credit generally or such Letter of Credit in particular any restriction or reserve or capital requirement (for which such Issuing Lender is not otherwise compensated) not in effect on the Closing Date, or any unreimbursed loss, cost or expense that was not applicable, in effect as of the Closing Date and that such Issuing Lender in good faith deems material to it,

(B) the conditions set forth in Section 6.2 are not satisfied or (C) the beneficiary of such Letter of Credit is a Sanctioned Person. References herein to "issue" and derivations thereof with respect to Letters of Credit shall also include extensions or modifications of any outstanding Letters of Credit, unless the context otherwise requires. As of the Closing Date, each of the Existing Letters of Credit shall constitute, for all purposes of this Agreement and the other Loan Documents, a Letter of Credit issued and outstanding hereunder.

(2) Defaulting Lenders. Notwithstanding anything to the contrary contained in this Agreement, Article III shall be subject to the terms and conditions of Section 5.14 and Section 5.15.

SECTION 3.2 Procedure for Issuance of Letters of Credit

. The (a) US Borrowers may from time to time request that any Issuing Lender issue a US Letter of Credit and (b) Canadian Borrowers may from time to time request that any Issuing Lender issue a Canadian Letter of Credit, in each case, by delivering to such Issuing Lender at its applicable office (with a copy to the Administrative Agent at the Administrative Agent's Office) a Letter of Credit Application therefor, completed to the satisfaction of such Issuing Lender, and such other certificates, documents and other papers and information as such Issuing Lender or the Administrative Agent may request. Upon receipt of any Letter of Credit Application, the applicable Issuing Lender shall process such Letter of Credit Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall, subject to Section 3.1 and Article VI, promptly issue the Letter of Credit requested thereby (but in no event shall such Issuing Lender be required to issue any Letter of Credit earlier than three (3) Business Days after its receipt of the Letter of Credit Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed by such Issuing Lender and the applicable Borrower. The applicable Issuing Lender shall promptly furnish to the applicable Borrowers and the Administrative Agent a copy of such Letter of Credit and the Administrative Agent shall promptly notify each Revolving Credit Lender of the issuance and upon request by any Lender, furnish to such Revolving Credit Lender a copy of such Letter of Credit and the amount of such Revolving Credit Lender's participation therein.

SECTION 3.3 Commissions and Other Charges.

(1) Letter of Credit Commissions. Subject to Section 5.15(a)(iii)(B), Centuri shall pay to the Administrative Agent, for the account of the applicable Issuing Lender and the L/C Participants, a letter of credit commission with respect to each Letter of Credit in the amount equal to the daily amount available to be drawn under such Letters of Credit times 50% of the Applicable Margin with respect to Revolving Credit Loans that are ~~LIBOR Rate~~SOFR Loans (determined, in each case, on a per annum basis). Such commission shall be payable quarterly in arrears on the last Business Day of each calendar quarter, on the Revolving Credit Maturity Date and thereafter on demand of the Administrative Agent. The Administrative Agent shall, promptly following its receipt thereof, distribute to the applicable Issuing Lender and the L/C Participants all commissions received pursuant to this Section 3.3 in accordance with their respective Revolving Credit Commitment Percentages.

(2) Issuance Fee. In addition to the foregoing commission, the applicable Borrower shall pay directly to the applicable Issuing Lender, for its own account, an issuance fee with respect to each Letter of Credit issued by such Issuing Lender as set forth in the applicable Fee Letter executed by such Issuing Lender. Such issuance fee shall be payable quarterly in arrears on the last Business Day of each calendar quarter commencing with the first such date to occur after the issuance of such Letter of Credit, on the Revolving Credit Maturity Date and thereafter on demand of the applicable Issuing Lender. For the avoidance of doubt, such issuance fee shall be applicable to and paid upon each of the Existing Letters of Credit.

(3) Other Fees, Costs, Charges and Expenses. In addition to the foregoing fees and commissions, the Borrowers shall pay or reimburse each Issuing Lender for such normal and customary fees, costs, charges and expenses as are incurred or charged by such Issuing Lender in issuing, effecting payment under, amending or otherwise administering any Letter of Credit issued by it.

SECTION 3.4 L/C Participations.

(1) Each Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce each Issuing Lender to issue Letters of Credit hereunder, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from each Issuing Lender, on the terms and conditions hereinafter stated, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's Revolving Credit Commitment Percentage in each Issuing Lender's obligations and rights under and in respect of each Letter of Credit issued by it hereunder and the amount of each draft paid by such Issuing Lender thereunder. Each L/C Participant unconditionally and irrevocably agrees with each Issuing Lender that, if a draft is paid under any Letter of Credit issued by such Issuing Lender for which such Issuing Lender is not reimbursed in full by the Borrowers through a Revolving Credit Loan or otherwise in accordance with the terms of this Agreement, such L/C Participant shall pay to such Issuing Lender upon demand at such Issuing Lender's address for notices specified herein an amount equal to such L/C Participant's Revolving Credit Commitment Percentage of the amount of such draft, or any part thereof, which is not so reimbursed.

(2) Upon becoming aware of any amount required to be paid by any L/C Participant to any Issuing Lender pursuant to Section 3.4(a) in respect of any unreimbursed portion of any payment made by such Issuing Lender under any Letter of Credit issued by it, such Issuing Lender shall notify the Administrative Agent of such unreimbursed amount and the Administrative Agent shall notify each L/C Participant (with a copy to the applicable Issuing Lender) of the amount and due date of such required payment and such L/C Participant shall pay to the Administrative Agent (which, in turn shall pay such Issuing Lender) the amount specified on the applicable due date. If any such amount is paid to such Issuing Lender after the date such payment is due, such L/C Participant shall pay to such Issuing Lender on demand, in addition to such amount, the product of (i) such amount, times (ii) the daily average Federal Funds Rate as determined by the Administrative Agent during the period from and including the date such payment is due to the date on which such payment is immediately available to such Issuing Lender, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. A certificate of such Issuing Lender with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error. With respect to payment to such Issuing Lender of the unreimbursed amounts described in this Section, if the L/C Participants receive notice that any such payment is due (A) prior to 1:00 p.m. on any Business Day, such payment shall be due that Business Day, and (B) after 1:00 p.m. on any Business Day, such payment shall be due on the following Business Day.

(3) Whenever, at any time after any Issuing Lender has made payment under any Letter of Credit issued by it and has received from any L/C Participant its Revolving Credit Commitment Percentage of such payment in accordance with this Section, such Issuing Lender receives any payment related to such Letter of Credit (whether directly from the US Borrowers or otherwise), or any payment of interest on account thereof, such Issuing Lender will distribute to such L/C Participant its pro rata share thereof; provided, that in the event that any such payment received by such Issuing Lender shall be required to be returned by such Issuing Lender, such L/C Participant shall return to such Issuing Lender the portion thereof previously distributed by such Issuing Lender to it.

SECTION 3.5 Reimbursement Obligation of the Borrowers

. In the event of any drawing under any Letter of Credit, the applicable Borrower agrees to reimburse (either with the proceeds of a Revolving Credit Loan as provided for in this Section or with funds from other sources), in same day funds, the applicable Issuing Lender on each date on which such Issuing Lender notifies the applicable Borrower of the date and amount of a draft paid by it under any Letter of Credit for the amount of (a) such draft so paid and (b) any amounts referred to in Section 3.3(c) incurred by such

Issuing Lender in connection with such payment. Unless the applicable Borrower shall immediately notify such Issuing Lender that such Borrower intends to reimburse such Issuing Lender for such drawing from other sources or funds, such Borrower shall be deemed to have timely given a Notice of Borrowing to the Administrative Agent requesting that the Revolving Credit Lenders make a Revolving Credit Loan bearing interest at the Base Rate on the applicable repayment date in the amount of (i) such draft so paid and (ii) any amounts referred to in Section 3.3(c) incurred by such Issuing Lender in connection with such payment, and the Revolving Credit Lenders shall make a Revolving Credit Loan bearing interest at the Base Rate in such amount, the proceeds of which shall be applied to reimburse such Issuing Lender for the amount of the related drawing and such fees and expenses. Each Revolving Credit Lender acknowledges and agrees that its obligation to fund a Revolving Credit Loan in accordance with this Section to reimburse such Issuing Lender for any draft paid under a Letter of Credit issued by it is absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, non-satisfaction of the conditions set forth in Section 2.3(a) or Article VI. If a Borrower has elected to pay the amount of such drawing with funds from other sources and shall fail to reimburse such Issuing Lender as provided above, the unreimbursed amount of such drawing shall bear interest at the rate which would be payable on any outstanding Base Rate Loans which were then overdue from the date such amounts become payable (whether at stated maturity, by acceleration or otherwise) until payment in full.

SECTION 3.6 Obligations Absolute

. Each Borrower's obligations under this Article III (including, without limitation, the Reimbursement Obligation) shall be absolute and unconditional under any and all circumstances and irrespective of any set off, counterclaim or defense to payment such Borrower may have or have had against the applicable Issuing Lender or any beneficiary of a Letter of Credit or any other Person. Each Borrower also agrees that the applicable Issuing Lender and the L/C Participants shall not be responsible for, and such Borrower's Reimbursement Obligation under Section 3.5 shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among such Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of such Borrower against any beneficiary of such Letter of Credit or any such transferee. No Issuing Lender shall be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit issued by it, except for errors or omissions caused by such Issuing Lender's gross negligence or willful misconduct, as determined by a court of competent jurisdiction by final nonappealable judgment. Each Borrower agrees that any action taken or omitted by any Issuing Lender under or in connection with any Letter of Credit issued by it or the related drafts or documents, if done in the absence of gross negligence or willful misconduct shall be binding on such Borrower and shall not result in any liability of such Issuing Lender or any L/C Participant to any Borrower. The responsibility of any Issuing Lender to the Borrowers in connection with any draft presented for payment under any Letter of Credit issued to it shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment substantially conforms to the requirements under such Letter of Credit.

SECTION 3.7 Effect of Letter of Credit Application

. To the extent that any provision of any Letter of Credit Application related to any Letter of Credit is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall apply and control.

SECTION 3.8 Removal and Resignation of Issuing Lenders

.

(1) The Borrowers may at any time remove any Lender from its role as an Issuing Lender hereunder upon not less than thirty (30) days prior notice to such Issuing Lender and the Administrative Agent (or such shorter period of time as may be acceptable to such Issuing Lender and the Administrative Agent).

(2) Any Lender may at any time resign from its role as an Issuing Lender hereunder upon not less than thirty (30) days prior notice to Centuri and the Administrative Agent (or such shorter period of time as may be acceptable to Centuri and the Administrative Agent).

(3) In connection with (i) any Refinancing Revolving Credit Commitments or (ii) any Extension of Revolving Credit Commitments, that has not been consented to by any Issuing Lender, such Issuing Lender may, in connection with such Refinancing Revolving Credit Commitments or Extension resign as an Issuing Lender hereunder upon not less than five (5) Business Days' prior notice to Centuri and the Administrative Agent (or such shorter period of time as may be acceptable to Centuri and the Administrative Agent).

(4) Any removed or resigning Issuing Lender shall retain all the rights, powers, privileges and duties of an Issuing Lender hereunder with respect to all Letters of Credit issued by it that are outstanding as of the effective date of its removal or resignation as an Issuing Lender and all L/C Obligations with respect thereto (including, without limitation, the right to require the Revolving Credit Lenders to take such actions as are required under Section 3.4). Without limiting the foregoing, upon the removal or resignation of a Lender as an Issuing Lender hereunder, the Borrowers may, or at the request of such removed or resigned Issuing Lender the Borrowers shall, use commercially reasonable efforts to, arrange for one or more of the other Issuing Lenders to issue Letters of Credit hereunder in substitution for the Letters of Credit, if any, issued by such removed or resigned Issuing Lender and outstanding at the time of such removal or resignation, or make other arrangements satisfactory to the removed or resigned Issuing Lender to effectively cause another Issuing Lender to assume the obligations of the removed or resigned Issuing Lender with respect to any such Letters of Credit.

SECTION 3.9 Reporting of Letter of Credit Information and L/C Commitment

. At any time that there is an Issuing Lender that is not also the financial institution acting as Administrative Agent, then (a) on the last Business Day of each calendar month, (b) on each date that a Letter of Credit is amended, terminated or otherwise expires, (c) on each date that a Letter of Credit is issued or the expiry date of a Letter of Credit is extended, and (d) upon the request of the Administrative Agent, each Issuing Lender (or, in the case of clauses (b), (c) or (d) of this Section, the applicable Issuing Lender) shall deliver to the Administrative Agent a report setting forth in form and detail reasonably satisfactory to the Administrative Agent information (including, without limitation, any reimbursement, Cash Collateral, or termination in respect of Letters of Credit issued by such Issuing Lender) with respect to each Letter of Credit issued by such Issuing Lender that is outstanding hereunder. In addition, each Issuing Lender shall provide notice to the Administrative Agent of its L/C Commitment, or any change thereto, promptly upon it becoming an Issuing Lender or making any change to its L/C Commitment. No failure on the part of any Issuing Lender to provide such information pursuant to this Section 3.9 shall limit the obligations of the Borrowers or any Revolving Credit Lender hereunder with respect to its reimbursement and participation obligations hereunder.

SECTION 3.10 Letters of Credit Issued for Subsidiaries

. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Borrower or any Subsidiary or Affiliate thereof described in Section 3.1(a), the applicable Borrower shall be obligated to reimburse, or to cause the applicable Subsidiary or Affiliate to reimburse, the applicable Issuing Lender hereunder for any and all drawings under such Letter of Credit; provided that aggregate face amount of all Letters of Credit issued for the account of such Affiliates of the Borrowers that are not also Subsidiaries of the Borrowers shall not exceed $25,000,000 at any time outstanding. Each Borrower hereby acknowledges that the issuance of Letters of Credit for the account of any of its Subsidiaries or Affiliates inures to the benefit of such Borrower and that such Borrower's business derives substantial benefits from the businesses of such Subsidiaries and Affiliates.

ARTICLE IV TERM LOAN FACILITY

SECTION 4.1 Initial Term Loan

. Subject to the terms and conditions of this Agreement and the other Loan Documents, and in reliance upon the representations and warranties set forth in this Agreement and the other Loan Documents, each Term Loan Lender severally agrees to make the Initial Term Loan to Centuri, on the Closing Date, in a principal amount equal to such Lender's Term Loan Percentage of the Initial Term Loan as of the Closing Date.

SECTION 4.2 Procedure for Advance of Initial Term Loan

. The applicable Borrower shall give the Administrative Agent an irrevocable Notice of Borrowing prior to 11:00 a.m. on the Closing Date requesting that the Term Loan Lenders make the Initial Term Loan as a Base Rate Loan on such date (provided that the Centuri may request, no later than three (3) Business Days prior to the Closing Date, that the Term Loan Lenders make the Initial Term Loan as a LIBOR Rate Loan, as applicable, if Centuri has delivered to the Administrative Agent a letter in form and substance reasonably satisfactory to the Administrative Agent indemnifying the Lenders in the manner set forth in Section 5.9 of this Agreement). Upon receipt of such Notice of Borrowing from the applicable Borrower, the Administrative Agent shall promptly notify each Term Loan Lender thereof. Not later than 1:00 p.m. on the Closing Date, with respect to the Initial Term Loan made on the Closing Date, each Term Loan Lender will make available to the Administrative Agent for the account of the applicable Borrower, at the Administrative Agent's Office in immediately available funds, the amount of such Initial Term Loan to be made by such Term Loan Lender on the Closing Date. The Borrowers hereby irrevocably authorize the Administrative Agent to disburse the proceeds of the Initial Term Loan in immediately available funds by wire transfer to such Person or Persons as may be designated by the applicable Borrower in writing.

SECTION 4.3 Repayment of Term Loans.

(1) Initial Term Loan. The Borrowers shall repay the aggregate outstanding principal amount of the Initial Term Loan in consecutive quarterly installments equal to $2,862,500 (as the amounts of individual installments may be adjusted pursuant to Section 4.4) on the last Business Day of each of March, June, September and December commencing December 31, 2021; provided, however, that the final principal repayment installment of the Initial Term Loan shall be repaid on the Term Loan Maturity Date in an amount equal to the aggregate principal amount of all Initial Term Loans outstanding on such date, together with accrued interest thereon.

(2) Incremental Term Loans. The US Borrowers or the Canadian Borrowers, as applicable, shall repay the aggregate outstanding principal amount of each Incremental Term Loan (if any) as determined pursuant to, and in accordance with, Section 5.13.

SECTION 4.4 Prepayments of Term Loans.

(1) Optional Prepayments. Except as provided in Section 4.4(c), the applicable Borrower shall have the right at any time and from time to time, without premium or penalty, to prepay any of the Term Loans, in whole or in part, upon delivery to the Administrative Agent of a Notice of Prepayment not later than 11:00 a.m. (i) on the same Business Day as each Base Rate Loan, (ii) at least one (1) Business Day before each Canadian Base Rate Loan and (iii) at least three (3) Business Days before each LIBOR Rate Loan or CDOR Rate Loan, as applicable, specifying the date and amount of repayment, whether the repayment is of LIBOR Rate Loans, CDOR Rate Loans, Base Rate Loans or Canadian Base Rate Loans or a combination thereof, and if a combination thereof, the amount allocable to each and whether the repayment is of the Initial Term Loan, an Incremental Term Loan or a combination thereof, and if a combination thereof, the amount allocable to each. Each optional prepayment of the Term Loans hereunder shall be in an aggregate principal amount of at least $5,000,000 (or C$5,000,000) or any whole multiple of
$1,000,000 (C$1,000,000) in excess thereof and shall be applied, on a pro rata basis, to the outstanding principal installments of the Term Loans being so repaid as directed by the applicable Borrowers (or, if not so directed, in direct order of maturity). Each repayment shall be accompanied by any amount required to be paid pursuant to Section 5.9 hereof. A Notice of Prepayment received after 11:00 a.m. shall be deemed received on the next Business Day. The Administrative Agent shall promptly notify the applicable Term Loan Lenders of each Notice of Prepayment. Notwithstanding the foregoing, any Notice of Prepayment delivered in connection with any refinancing of all of the Credit Facility with the proceeds of such refinancing or of any other incurrence of Indebtedness may be, if expressly so stated to be, contingent upon the consummation of such refinancing or incurrence and may be revoked by the applicable Borrower in the event such refinancing is not consummated; provided that the delay or failure of such contingency shall not relieve any Borrower from its obligations in respect thereof under Section 5.9.

(2) Mandatory Prepayments.

a. Debt Issuances. The Borrowers shall make mandatory principal prepayments of the Loans in the manner set forth in clause (v) below in an amount equal to one hundred percent (100%) of the aggregate Net Cash Proceeds from any Debt Issuance of Refinancing Debt or any other Debt Issuance not otherwise permitted pursuant to Section 9.1. Such prepayment shall be made within three (3) Business Days after the date of receipt of the Net Cash Proceeds of any such Debt Issuance.

b. Asset Dispositions and Insurance and Condemnation Events. The Borrowers shall make mandatory principal prepayments of the Loans in the manner set forth in clause (v) below in amounts equal to one hundred percent (100%) of the aggregate Net Cash Proceeds from (A) any Asset Disposition (other than any Asset Disposition permitted pursuant to, and in accordance with, clauses (a) through (p) of Section 9.5) or (B) any Insurance and Condemnation Event, to the extent that the aggregate amount of such Net Cash Proceeds, in the case of each of clauses (A) and (B), respectively, exceed $5,000,000 during any Fiscal Year. Such prepayments shall be made within three (3) Business Days after the date of receipt of the Net Cash Proceeds; provided that, so long as no Default or Event of Default has occurred and is continuing, no prepayment shall be required under this Section 4.4(b)(ii) with respect to such portion of such Net Cash Proceeds that Centuri shall have reinvested, or prior to such date given written notice to the Administrative Agent of its intent to reinvest in accordance with Section 4.4(b)(iii).

c. Reinvestment Option. With respect to any Net Cash Proceeds realized or received with respect to any Asset Disposition or any Insurance and Condemnation Event by any Credit Party of any Subsidiary thereof (in each case, to the extent not excluded pursuant to Section

4.4(b)(ii)), at the option of Centuri, the Credit Parties may reinvest all or any portion of such Net Cash Proceeds in assets used or useful for the business of the Credit Parties and their Subsidiaries within (x) twelve (12) months following receipt of such Net Cash Proceeds or (y) if such Credit Party enters into a bona fide commitment to reinvest such Net Cash Proceeds within twelve (12) months following receipt thereof, within the later of (A) twelve (12) months following receipt thereof and (B) six (6) months of the date of such commitment; provided that if any Net Cash Proceeds are no longer intended to be or cannot be so reinvested at any time after delivery of a notice of reinvestment election, an amount equal to any such Net Cash Proceeds shall be applied within three (3) Business Days after the applicable Credit Party reasonably determines that such Net Cash Proceeds are no longer intended to be or cannot be so reinvested to the prepayment of the Term Loans as set forth in this Section 4.4(b); provided further that any Net Cash Proceeds relating to Collateral shall be reinvested in assets constituting Collateral. Pending the final application of any such Net Cash Proceeds, the applicable Credit Party may invest an amount equal to such Net Cash Proceeds in any manner that is not prohibited by this Agreement.

d. Excess Cash Flow. After the end of each Fiscal Year (commencing with the Fiscal Year ending December 31, 2022), within five (5) Business Days after the earlier to occur of (x) the actual delivery of the financial statements and related Officer's Compliance Certificate for such Fiscal Year and (y) the date on which the financial statements and the related Officer's Compliance Certificate for such Fiscal Year are required to be delivered pursuant to Section 8.1(a) and Section 8.2(a), the Borrowers shall make mandatory principal prepayments of the Loans in the manner set forth in clause (v) below in an amount equal to (A) the applicable ECF Percentage for such Fiscal Year times Excess Cash Flow for such Fiscal Year minus (B) the aggregate amount of (i) all optional prepayments of Revolving Credit Loans during such Fiscal Year (solely to the extent accompanied by permanent optional reductions in the Revolving Credit Commitment) and (ii) all optional prepayments of any Term Loans during such Fiscal Year, in each case to the extent that such prepayments are not funded with the incurrence of any Indebtedness, any Equity Issuance, any casualty proceeds, any condemnation proceeds or any other proceeds that would not be included in Consolidated EBITDA; provided, that, so long as no Event of Default has occurred and is continuing or would result therefrom, no such prepayments shall be required unless Excess Cash Flow for such year equals or exceeds $5,000,000, at which point the Borrowers shall cause to be prepaid an aggregate principal amount of Loans equal to the applicable percentage of Excess Cash Flow as set forth herein from the first dollar.

e. Notice; Manner of Payment. Upon the occurrence of any event triggering the prepayment requirement under clauses (i) through and including (iv) above, the applicable Borrower shall promptly deliver a Notice of Prepayment to the Administrative Agent and upon receipt of such notice, the Administrative Agent shall promptly so notify the Lenders. Each prepayment of the Loans under this Section shall be applied as follows: first, ratably between the Initial Term Loan and any Incremental Term Loans to reduce on a pro rata basis (applied to reduce the remaining scheduled principal installments of the Initial Term Loan and any Incremental Term Loans on a pro rata basis) and (ii) second, to the extent of any excess, to repay the Revolving Credit Loans pursuant to Section 2.4(d), without a corresponding reduction in the Revolving Credit Commitment. Proceeds of any Refinancing Debt shall be applied solely to prepay each applicable Class of Term Loans and/or Revolving Credit Loans subject to such Refinance. Notwithstanding the foregoing, with respect to any Net Cash Proceeds from any Asset Disposition or Insurance and Condemnation Event, the applicable Borrower may prepay Term Loans and prepay or purchase any Refinancing Notes or Incremental Equivalent Indebtedness that is secured by the Collateral on a pari passu basis (at a purchase price no greater than par plus accrued and unpaid interest), to the extent required thereby, on a pro rata basis in accordance with the respective outstanding principal

amounts of the Term Loans and such Refinancing Notes or Incremental Equivalent Indebtedness as of the time of the applicable Asset Disposition or Insurance and Condemnation Event.

f. Rejection Right. Each Term Loan Lender may reject all (but not less than all) of its pro rata share of any mandatory prepayment (except in the case of any prepayment of Term Loans in accordance with Section 4.4(b)(i) with the proceeds of Refinancing Debt) (such declined amounts, the "Declined Proceeds") of Term Loans required to be made pursuant to Section 4.4(b) by providing written notice to the Administrative Agent no later than 5:00 p.m. one Business Day after the date of such Lender's receipt of notice from the Administrative Agent regarding such prepayment. If a Lender fails to deliver a notice of rejection to the Administrative Agent within the time frame specified above, any such failure will be deemed an acceptance of the total amount of such mandatory prepayment of Term Loans. Any Declined Proceeds remaining after offering such Declined Proceeds to the Lenders in accordance with the terms hereof shall be retained by the Borrowers and used for any purpose not prohibited by this Agreement.

g. Prepayment of LIBOR Rate Loans, SOFR Loans and CDOR Rate Loans. Each prepayment shall be accompanied by any amount required to be paid pursuant to Section 5.9; provided that, so long as no Default or Event of Default shall have occurred and be continuing, if any prepayment of LIBOR Rate Loans, SOFR Loans or CDOR Rate Loans is required to be made under this Section 4.4(b) prior to the last day of the Interest Period therefor, in lieu of making any payment pursuant to this Section 4.4(b) in respect of any such LIBOR Rate Loan, SOFR Loan or CDOR Rate Loans prior to the last day of the Interest Period therefor, the applicable Borrower may, in its sole discretion, deposit an amount sufficient to make any such prepayment otherwise required to be made thereunder together with accrued interest to the last day of such Interest Period into an account held at, and subject to the sole control of, the Administrative Agent until the last day of such Interest Period, at which time the Administrative Agent shall be authorized (without any further action by or notice to or from the Borrowers or any other Credit Party) to apply such amount to the prepayment of such Term Loans in accordance with this Section 4.4(b). Upon the occurrence and during the continuance of any Default or Event of Default, the Administrative Agent shall also be authorized (without any further action by or notice to or from the Borrowers or any other Credit Party) to apply such amount to the prepayment of the outstanding Term Loans in accordance with the relevant provisions of this Section 4.4(b).

h. No Reborrowings. Amounts prepaid under the Term Loan pursuant to this Section may not be reborrowed.

(3) Call Premium. In connection with any Repricing Transaction that is consummated in respect of all or any portion of the Initial Term Loans, during the six (6) month period following the Closing Date, the Borrower shall pay to the Administrative Agent, for the ratable benefit each Term Loan Lender, a fee equal to 1.0% of the aggregate principal amount of the Initial Term Loans of such Term Loan Lender subject to such Repricing Transaction (it being understood that any such fees under clause (b) of the definition of "Repricing Transaction" shall be paid to each Non-Consenting Lender that is replaced in such Repricing Transaction pursuant to Section 5.12(b)). Such fees shall be due and payable within three (3) Business Days of the date of the effectiveness of such Repricing Transaction.

ARTICLE V GENERAL LOAN PROVISIONS

SECTION 5.1 Interest.

(1) Interest Rate Options. Subject to the provisions of this Section, at the election of the US Borrowers or the Canadian Borrowers, as applicable:

a. (A) US Revolving Credit Loans and any Term Loans denominated in Dollars shall bear interest at (~~A~~1) the Base Rate plus the Applicable Margin or (~~B~~2) Adjusted Term SOFR plus the Applicable Margin (provided that Adjusted Term SOFR shall not be available until three (3) US Government Securities Business Days after the First Amendment Effective Date unless the US Borrowers have delivered to the Administrative Agent a letter in form and substance reasonably satisfactory to the Administrative Agent indemnifying the Lenders in the manner set forth in Section 5.9 of this Agreement) and (B) Term Loans denominated in Dollars shall bear interest at (1) the Base Rate plus the Applicable Margin or (2) the LIBOR Rate plus the Applicable Margin (provided that the LIBOR Rate shall not be available until three (3) Business Days after the Closing Date unless the US Borrowers have delivered to the Administrative Agent a letter in form and substance reasonably satisfactory to the Administrative Agent indemnifying the Lenders in the manner set forth in Section 5.9 of this Agreement);

b. Canadian Revolving Credit Loans and Term Loans denominated in Canadian Dollars shall bear interest at (A) the Canadian Base Rate plus the Applicable Margin or (B) the CDOR Rate plus the Applicable Margin (provided that the CDOR Rate shall not be available until four (4) Business Days after the Closing Date unless the Canadian Borrowers have delivered to the Administrative Agent a letter in form and substance reasonably satisfactory to the Administrative Agent indemnifying the Lenders in the manner set forth in Section 5.9 of this Agreement);

c. US Swingline Loans shall bear interest at the Base Rate plus the Applicable Margin; and

d. Canadian Swingline Loans shall bear interest at the Canadian Base Rate plus the Applicable Margin.

The US Borrowers or the Canadian Borrowers, as applicable, shall select the rate of interest and Interest Period, if any, applicable to any Loan at the time a Notice of Borrowing is given or at the time a Notice of Conversion/Continuation is given pursuant to Section 5.2. Any US Revolving Credit Loan or Term Loan denominated in Dollars or any portion thereof as to which a US Borrower has not duly specified an interest rate as provided herein shall be deemed a Base Rate Loan. Any Canadian Revolving Credit Loan or Term Loan denominated in Canadian Dollars or any portion thereof as to which a Canadian Borrower has not duly specified an interest rate as provided herein shall be deemed a Canadian Base Rate Loan. Subject to Section 5.1(b), any LIBOR Rate Loan, SOFR Loan or CDOR Rate Loan or any portion thereof as to which the applicable Borrower has not duly specified an Interest Period as provided herein shall be deemed a LIBOR Rate Loan, SOFR Loan or a CDOR Rate Loan with an Interest Period of one (1) month.

(2) Default Rate. Subject to Section 10.3, (i) immediately upon the occurrence and during the continuance of an Event of Default under Section 10.1(a), (b), (i) or (j), or (ii) at the election of the Required Lenders (or the Administrative Agent at the direction of the Required Lenders), upon the occurrence and during the continuance of any other Event of Default, (A) the Borrowers shall no longer have the option to request LIBOR Rate Loans, SOFR Loans, CDOR Rate Loans, Swingline Loans or Letters of Credit, (B) all outstanding LIBOR Rate Loans shall bear interest at a rate per annum of two percent (2%) in excess of the rate (including the Applicable Margin) then applicable to LIBOR Rate Loans until the end of the applicable Interest Period and thereafter at a rate equal to two percent (2%) in excess of the rate (including the Applicable Margin) then applicable to Base Rate Loans, (C) all outstanding SOFR Loans shall bear interest

at a rate per annum of two percent (2%) in excess of the rate (including the Applicable Margin) then applicable to SOFR Loans until the end of the applicable Interest Period and thereafter at a rate equal to two percent (2%) in excess of the rate (including the Applicable Margin) then applicable to Base Rate Loans, (D) all outstanding CDOR Rate Loans shall bear interest at a rate per annum of two percent (2%) in excess of the rate (including the Applicable Margin) then applicable to CDOR Rate Loans until the end of the applicable Interest Period and thereafter at a rate equal to two percent (2%) in excess of the rate (including the Applicable Margin) then applicable to Canadian Base Rate Loans, (~~D~~E) all outstanding Base Rate Loans and other US Obligations arising hereunder or under any other Loan Document shall bear interest at a rate per annum equal to two percent (2%) in excess of the rate (including the Applicable Margin) then applicable to Base Rate Loans or such other US Obligations arising hereunder or under any other Loan Document, (~~E~~F) all outstanding Canadian Base Rate Loans and other Canadian Obligations arising hereunder or under any other Loan Document shall bear interest at a rate per annum equal to two percent (2%) in excess of the rate (including the Applicable Margin) then applicable to Canadian Base Rate Loans or such other Canadian Obligations arising hereunder or under any other Loan Document, and (~~F~~G) all accrued and unpaid interest shall be due and payable on demand of the Administrative Agent. Interest shall continue to accrue on the Obligations after the filing by or against any Borrower of any petition seeking any relief in bankruptcy or under any Debtor Relief Law.

(3) Interest Payment and Computation.

a. Interest on (A) each Base Rate Loan and each Canadian Base Rate Loan shall be due and payable in arrears on the last Business Day of each calendar quarter commencing December 31, 2021; (B) each US Swingline Loan and each Canadian Swingline Loan shall be due and payable in arrears on the last Business Day of each calendar quarter commencing December 31, 2021; and (C) each LIBOR Rate Loan, SOFR Loan and CDOR Rate Loan shall be due and payable on the last day of each Interest Period applicable thereto, and if such Interest Period extends over three (3) months, at the end of each three (3) month interval during such Interest Period; provided that (i) in the event of any repayment or prepayment of any SOFR Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (ii) in the event of any conversion of any SOFR Loan prior to the end of the Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion. All computations of interest for Base Rate Loans when the Base Rate is determined by the Prime Rate, all computations of interest for Canadian Base Rate Loans and all computations of interest for CDOR Rate Loans shall be made on the basis of a year of 365 or 366 days, as applicable, and actual days elapsed. All other computations of fees and interest provided hereunder shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365/366-day year).

b. Whenever any amount is payable under this Agreement or any other Loan Document by the Canadian Borrowers as interest or as a fee which requires the calculation of an amount using a percentage per annum, each party to this Agreement acknowledges and agrees that such amount shall be calculated as of the date payment is due without application of the "deemed reinvestment principle" or the "effective yield method" (e.g., when interest is calculated and payable monthly, the rate of interest payable per month is 1/12 of the stated rate of interest per annum).

c. For the purposes of the *Interest Act* (Canada) and disclosure under such Act, whenever interest to be paid under this Agreement or any other Loan Document is to be calculated on the basis of a year of 365 days or any other period of time that is less than a calendar year, the yearly rate of interest to which the rate determined pursuant to such calculation is equivalent is the

rate so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by either 365 or such other period of time, as the case may be.

(4) Maximum Rate.

a. In no contingency or event whatsoever shall the aggregate of all amounts deemed interest under this Agreement charged or collected pursuant to the terms of this Agreement exceed the highest rate permissible under any Applicable Law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto. In the event that such a court determines that the Lenders have charged or received interest hereunder in excess of the highest applicable rate, the rate in effect hereunder shall automatically be reduced to the maximum rate permitted by Applicable Law and the Lenders shall at the Administrative Agent's option (A) promptly refund to the applicable Borrowers any interest received by the Lenders in excess of the maximum lawful rate or (B) apply such excess to the principal balance of the US Obligations or the Canadian Obligations, as applicable. It is the intent hereof that the Borrowers not pay or contract to pay, and that neither the Administrative Agent nor any Lender receive or contract to receive, directly or indirectly in any manner whatsoever, interest in excess of that which may be paid by the applicable Borrower under Applicable Law.

b. If any provision of this Agreement or of any of the other Loan Documents would obligate the Canadian Borrowers or any other Canadian Credit Party to make any payment of interest or other amount payable to any Lender, in an amount or calculated at a rate which would result in a receipt by such Lender of interest at a criminal rate (as such terms are construed under the Criminal Code (Canada)) then, notwithstanding such provisions, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by such Lender of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows: (A) firstly, by reducing the amount or rate of interest required to be paid to such Lender on Canadian Revolving Credit Loans or Canadian Swingline Loans, as applicable, and (B) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to such Lender, which would constitute "interest" for purposes of Section 347 of the Criminal Code (Canada). Any amount or rate of interest referred to in this Section 5.1 shall be determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term that the applicable Canadian Revolving Credit Loan or Canadian Swingline Loan remains outstanding on the assumption that any charges, fees or expenses that fall within the meaning of "interest" (as defined in the Criminal Code (Canada)) shall, if they relate to a specific period of time, be pro-rated over that period of time and otherwise be pro-rated over the period from the Closing Date to the date set out in clause (a) of the definition of "Revolving Credit Maturity Date" and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by Administrative Agent shall be conclusive for the purposes of such determination.

(5) Term SOFR Benchmark Replacement Conforming Changes. In connection with the use or administration of Term SOFR, the Administrative Agent (in consultation with Centuri) will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. The Administrative Agent will promptly notify the US Borrower and the Lenders of the effectiveness of any Benchmark Replacement Conforming Changes in connection with the use or administration of Term SOFR.

SECTION 5.2 Notice and Manner of Conversion or Continuation of Loans

. Provided that no Default or Event of Default has occurred and is then continuing:

(1) the US Borrowers shall have the option to (a) convert at any time all or any portion of any outstanding Term Loans that are Base Rate Loans ~~(other than US Swingline Loans)~~ in a principal amount equal to $3,000,000 or any whole multiple of $500,000 in excess thereof into one or more LIBOR Rate Loans, (b) convert at any time all or any portion of any outstanding Revolving Credit Loans that are Base Rate Loans (other than US Swingline Loans) in a principal amount equal to $3,000,000 or any whole multiple of $500,000 in excess thereof into one or more SOFR Loans, and (~~b~~c) upon the expiration of any Interest Period, (i) convert all or any part of its outstanding LIBOR Rate Loans or SOFR Loans in a principal amount equal to $1,000,000 or a whole multiple of $100,000 in excess thereof into Base Rate Loans (other than Swingline Loans) ~~or~~, (ii) continue such LIBOR Rate Loans as LIBOR Rate Loans or (iii) continue such SOFR Loans as SOFR Loans; and

(2) the Canadian Borrowers shall have the option to (a) convert at any time all or any portion of any outstanding Canadian Base Rate Loans (other than Canadian Swingline Loans) in a principal amount equal to C$1,000,000 or any whole multiple of C$100,000 in excess thereof into one or more CDOR Rate Loans and (b) upon the expiration of any Interest Period for such CDOR Rate Loans, (i) convert all or any part of its outstanding CDOR Rate Loans in a principal amount equal to C$1,000,000 or a whole multiple of C$100,000 in excess thereof into Canadian Base Rate Loans (other than Canadian Swingline Loans) or
(2) continue such CDOR Rate Loans as CDOR Rate Loans.

Whenever any Borrower desires to convert or continue Loans as provided above, such Borrower shall give the Administrative Agent irrevocable prior written notice in the form attached as ***Exhibit E*** (a "Notice of Conversion/Continuation") not later than 11:00 a.m. three (3) Business Days before (or three (3) US Government Securities Business Days before the day of a proposed conversion to or continuation of SOFR Loans or four (4) Business Days before the day of a proposed conversion to or continuation of CDOR Rate Loans) the day on which a proposed conversion or continuation of such Loan is to be effective specifying
(1) the Loans to be converted or continued, and, in the case of any LIBOR Rate Loan, SOFR Loan or CDOR Rate Loan to be converted or continued, the last day of the Interest Period therefor, (B) the effective date of such conversion or continuation (which shall be a Business Day), (C) the principal amount of such Loans to be converted or continued, and (D) the Interest Period to be applicable to such converted or continued LIBOR Rate Loan, SOFR Loan or CDOR Rate Loan. If the applicable Borrower fails to give a timely Notice of Conversion/Continuation prior to the end of the Interest Period for any LIBOR Rate Loan, SOFR Loan or CDOR Rate Loan, then the applicable LIBOR Rate Loan, SOFR Loan or CDOR Rate Loan shall automatically continue as a LIBOR Rate Loan, SOFR Loan or CDOR Rate Loan (in each case having the same Interest Period as the then expiring Interest Period), as applicable. Any such automatic continuation shall be effective as of the last day of the Interest Period then in effect with respect to the applicable LIBOR Rate Loan, SOFR Loan or CDOR Rate Loan. If the applicable Borrower requests a conversion to, or continuation of, LIBOR Rate Loans, SOFR Loans or CDOR Rate Loans, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month in the case of a conversion and an Interest Period that is the same as the then expiring Interest Period in the case of a continuation. Notwithstanding anything to the contrary herein, a Swingline Loan may not be converted to a LIBOR Rate Loan, SOFR Loan or CDOR Rate Loan. The Administrative Agent shall promptly notify the affected Lenders of such Notice of Conversion/Continuation.

SECTION 5.3 Fees.

(a) Commitment Fee. Commencing on the Closing Date, subject to Section 5.15(a)(iii)(A), the US Borrowers shall pay to the Administrative Agent, for the account of the Revolving Credit Lenders, a non-refundable commitment fee (the "Commitment Fee") at a rate per annum equal to the Applicable Margin on the average daily unused portion of the Revolving Credit Commitment of the Revolving Credit Lenders (other than the Defaulting Lenders, if any); provided, that the amount of outstanding Swingline Loans shall not be considered usage of the Revolving Credit Commitment for the purpose of calculating the Commitment Fee. The Commitment Fee shall be payable in arrears on the last Business Day of each calendar quarter during the term of this Agreement commencing December 31, 2021 and ending on the date upon which all Obligations (other than contingent indemnification obligations not then due) arising under the Revolving Credit Facility shall have been indefeasibly and irrevocably paid and satisfied in full, all Letters of Credit have been terminated or expired (or been Cash Collateralized) and the Revolving Credit Commitment has been terminated. The Commitment Fee shall be distributed by the Administrative Agent to the Revolving Credit Lenders (other than any Defaulting Lender) pro rata in accordance with such Revolving Credit Lenders' respective Revolving Credit Commitment Percentages.

(b) Other Fees. The Borrowers shall pay to the Arrangers and the Administrative Agent for their own respective accounts fees in the amounts and at the times specified in any Fee Letter as applicable. The Borrowers shall pay to the Lenders such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified.

SECTION 5.4 Manner of Payment

.

(1) Payments made by the Borrowers. Each payment by a Borrower on account of the principal of or interest on the Loans or of any fee, commission or other amounts (including the Reimbursement Obligations) payable to the Lenders under this Agreement shall be made not later than 1:00 p.m. on the date specified for payment under this Agreement to the Administrative Agent at the Administrative Agent's Office for the account of the Lenders entitled to such payment, in immediately available funds and shall be made without any set off, counterclaim or deduction whatsoever. Any payment received after such time but before 2:00 p.m. on such day shall be deemed a payment on such date for the purposes of Section 10.1, but for all other purposes shall be deemed to have been made on the next succeeding Business Day. Any payment received after 2:00 p.m. shall be deemed to have been made on the next succeeding Business Day for all purposes. Upon receipt by the Administrative Agent of each such payment, the Administrative Agent shall distribute to each such Lender at its address for notices set forth herein its Commitment Percentage in respect of the relevant Credit Facility (or other applicable share as provided herein) of such payment and shall wire advice of the amount of such credit to each Lender. Each payment to the Administrative Agent on account of the principal of or interest on the Swingline Loans or of any fee, commission or other amounts payable to the applicable Swingline Lender shall be made in like manner, but for the account of the applicable Swingline Lender. Each payment to the Administrative Agent of any Issuing Lender's fees or L/C Participants' commissions shall be made in like manner, but for the account of such Issuing Lender or the L/C Participants, as the case may be. Each payment to the Administrative Agent of Administrative Agent's fees or expenses shall be made for the account of the Administrative Agent and any amount payable to any Lender under Sections 5.9, 5.10, 5.11 or 12.3 shall be paid to the Administrative Agent for the account of the applicable Lender. Subject to the definition of Interest Period, if any payment under this Agreement shall be specified to be made upon a day which is not a Business Day, it shall be made on the next succeeding day which is a Business Day and such extension of time shall in such case be included in computing any interest if payable along with such payment.

(2) Defaulting Lenders. Notwithstanding the foregoing, if there exists a Defaulting Lender each payment by any Borrower to such Defaulting Lender hereunder shall be applied in accordance with Section 5.15(a)(ii).

SECTION 5.5 Evidence of Indebtedness.

(1) Extensions of Credit. The Extensions of Credit made by each Lender and each Issuing Lender shall be evidenced by one or more accounts or records maintained by such Lender or such Issuing Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender or the applicable Issuing Lender shall be conclusive absent manifest error of the amount of the Extensions of Credit made by the Lenders or such Issuing Lender to the applicable Borrowers and their applicable respective Subsidiaries and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrowers hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender or any Issuing Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the applicable Borrower shall execute and deliver to such Lender (through the Administrative Agent) a US Revolving Credit Note, Canadian Revolving Credit Note, a US Term Loan Note, a Canadian Term Loan Note, US Swingline Note and/or Canadian Swingline Note, as applicable, which shall evidence such Lender's Revolving Credit Loans, Term Loans and/or Swingline Loans, as applicable, in addition to such accounts or records. Each Lender may attach schedules to its Notes and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

(2) Participations. In addition to the accounts and records referred to in subsection (a), each Revolving Credit Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Revolving Credit Lender of participations in Letters of Credit and Swingline Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Revolving Credit Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

SECTION 5.6 Sharing of Payments by Lenders

. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender's receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations (other than pursuant to Sections 5.9, 5.10, 5.11 or 12.3) greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them; provided that:

a. if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and

b. the provisions of this paragraph shall not be construed to apply to (A) any payment made by the Borrowers pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (B) the application of Cash Collateral provided for in Section 5.14 or (C) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in Swingline Loans and Letters of Credit to any assignee or participant, other than to any of the Consolidated Companies or their Affiliates (as to which this Section 5.6 shall apply).

Each Credit Party consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Credit Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of each Credit Party in the amount of such participation.

SECTION 5.7 Administrative Agent's Clawback.

(1) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender (i) in the case of Base Rate Loans, not later than 12:00 noon on the date of any proposed borrowing, (ii) in the case of Canadian Revolving Credit Loans, not later than 12:00 noon one (1) Business Day before the date of any proposed borrowing and (iii) otherwise, prior to the proposed date of any borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Sections 2.3(b) and 4.2 and may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable borrowing available to the Administrative Agent, then the applicable Lender and the applicable Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the applicable Borrower to but excluding the date of payment to the Administrative Agent, (A) in the case of a payment to be made by such Lender, (1) with respect to any Loan denominated in Dollars, at the greater of (x) the daily average Federal Funds Rate and (y) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (2) with respect to any Loan denominated in Canadian Dollars, at the greater of (x) a rate equal to the Administrative Agent's aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance and of any fees, penalties, overdraft charges or other costs or expenses incurred by the Administrative Agent as a result of the failure to deliver funds hereunder) of carrying such amount and (y) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (B) in the case of a payment to be made by such Borrower, (1) with respect to any Loan denominated in Dollars, the Base Rate and (2) with respect to any Loan denominated in Canadian Dollars, the Canadian Base Rate. If the applicable Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to such Borrower the amount of such interest paid by such Borrower for such period. If such Lender pays its share of the applicable borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such borrowing. Any payment by any Borrower shall be without prejudice to any claim such Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(2) Payments by the Borrowers; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the applicable Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders, any Issuing Lender or any Swingline Lender hereunder that the applicable Borrower will not make such payment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and

may, in reliance upon such assumption, distribute to the Lenders, such Issuing Lender or such Swingline Lender, as the case may be, the amount due. In such event, if the applicable Borrower has not in fact made such payment, then each of the Lenders, each Issuing Lender or each Swingline Lender, as the case maybe, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender, Issuing Lender or Swingline Lender, with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent,
(i) with respect to any Extension of Credit (other than any Canadian Revolving Credit Loan, any Canadian Swingline Loan and, to the extent applicable, any Incremental Term Loan made to the Canadian Borrowers), at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (ii) with respect to any Canadian Revolving Credit Loan, any Canadian Swingline Loan and, to the extent applicable, any Incremental Term Loan made to the Canadian Borrowers, at a rate equal to the Administrative Agent's aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance and of any fees, penalties, overdraft charges or other costs or expenses incurred by the Administrative Agent as a result of the failure to deliver funds hereunder) of carrying such amount.

(3) Nature of Obligations of Lenders Regarding Extensions of Credit. The obligations of the Lenders under this Agreement to make the Loans and issue or participate in Letters of Credit and to make payments under this Section, Section 5.11(e), Section 11.11, Section 12.3(c) or Section 12.7, as applicable, are several and are not joint or joint and several. The failure of any Lender to make available its Commitment Percentage of any Loan requested by any Borrower shall not relieve it or any other Lender of its obligation, if any, hereunder to make its Commitment Percentage of such Loan available on the borrowing date, but no Lender shall be responsible for the failure of any other Lender to make its Commitment Percentage of such Loan available on the borrowing date.

SECTION 5.8 Changed Circumstances.

(1) Circumstances Affecting LIBOR Rate, SOFR or CDOR Rate Availability. Subject to clause (c) below, in connection with any request for (x) a LIBOR Rate Loan (or a Base Rate Loan as to which the interest rate is determined with reference to LIBOR) or a conversion to or continuation thereof), (y) a SOFR Loan (or a Base Rate Loan as to which the interest rate is determined with reference to Adjusted Term SOFR) or a conversion to or continuation thereof or (~~y~~z) a CDOR Rate Loan (or a Canadian Base Rate Loan as to which the interest rate is determined with reference to the CDOR Rate or a conversion thereof) or otherwise, if for any reason

a. with respect to a proposed LIBOR Rate Loan, the Administrative Agent shall determine (which determination shall be conclusive and binding absent manifest error) that Dollar deposits are not being offered to banks in the London interbank Eurodollar market for the applicable amount and Interest Period of such Loan,

b. the Administrative Agent shall determine (which determination shall be conclusive and binding absent manifest error) that reasonable and adequate means do not exist for ascertaining
(1) the LIBOR Rate for such Interest Period with respect to a proposed LIBOR Rate Loan (or any Base Rate Loan as to which the interest rate is determined with reference to LIBOR), (B) Adjusted Term SOFR for the applicable Interest Period with respect to a proposed SOFR Loan on or prior to the first date of such Interest Period or (~~B~~C) the CDOR Rate for such Interest Period with respect to a proposed CDOR Rate Loan (or any Canadian Base Rate Loan as to which the interest rate is determined with reference to the CDOR Rate), or

c. the Required Lenders shall determine (which determination shall be conclusive and binding absent manifest error) that the LIBOR Rate, Adjusted Term SOFR or CDOR Rate, as applicable, does not adequately and fairly reflect the cost to such Lenders of making or maintaining such Loans during such Interest Period,

then, in each case, the Administrative Agent shall promptly give notice thereof to Centuri. Thereafter, until the Administrative Agent notifies Centuri that such circumstances no longer exist, the obligation of the Lenders to make LIBOR Rate Loans (or Base Rate Loans as to which the interest rate is determined with reference to LIBOR), SOFR Loans or CDOR Rate Loans (or Canadian Base Rate Loans as to which the interest rate is determined with reference to CDOR), as applicable, and the right of any Borrower to convert any Loan to or continue any Loan as a LIBOR Rate Loan (or a Base Rate Loan as to which the interest rate is determined with reference to LIBOR), SOFR Loan (or a Base Rate Loan as to which the interest rate is determined with reference to Adjusted Term SOFR) or a CDOR Rate Loan (or Canadian Base Rate Loan as to which the interest rate is determined with reference to CDOR), as applicable, shall be suspended, and

(1) in the case of LIBOR Rate Loans, the applicable Borrower shall either (A) repay in full (or cause to be repaid in full) the then outstanding principal amount of each such LIBOR Rate Loan made to it together with accrued interest thereon (subject to Section 5.1(d)), on the last day of the then current Interest Period applicable to such LIBOR Rate Loan; or (B) convert the then outstanding principal amount of each such LIBOR Rate Loan made to it to a Base Rate Loan as to which the interest rate is not determined by reference to LIBOR as of the last day of such Interest Period; (ii) in the case of SOFR Loans, the applicable Borrower shall either (A) repay in full (or cause to be repaid in full) the then outstanding principal amount of each such SOFR Loan made to it together with accrued interest thereon (subject to Section 5.1(d)), on the last day of the then current Interest Period applicable to such SOFR Loan; or (B) convert the then outstanding principal amount of each such SOFR Loan made to it to a Base Rate Loan as to which the interest rate is not determined by reference to Adjusted Term SOFR as of the last day of such Interest Period; (iii) in the case of Base Rate Loans as to which the interest rate is determined by reference to LIBOR or Adjusted Term SOFR (as applicable), the US Borrowers shall convert the then outstanding principal amount of each such Loan to a Base Rate Loan as to which the interest rate is not determined by reference to LIBOR or Adjusted Term SOFR (as applicable) as of the last day of such Interest Period; or (~~iii~~iv) in the case of CDOR Rate Loans (or Canadian Base Rate Loans as to which the interest rate is determined by reference to the CDOR Rate), the Canadian Borrowers shall convert the then outstanding principal amount of each such Loan to a Canadian Base Rate Loan as to which the interest rate is not determined by reference to the CDOR Rate.

(2) Laws Affecting LIBOR Rate, SOFR or CDOR Rate Availability. If, after the date hereof, the introduction of, or any change in, any Applicable Law or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any of the Lenders (or any of their respective Lending Offices) with any request or directive (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, shall make it unlawful or impossible for any of the Lenders (or any of their respective Lending Offices) to honor its obligations hereunder to make or maintain (x) any LIBOR Rate Loan (or any Base Rate Loan as to which the interest rate is determined by reference to LIBOR), (y) any SOFR Loan or to determine or charge interest based upon SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR or (~~y~~z) any CDOR Rate Loan (or any Canadian Base Rate Loan as to which the interest rate is determined by reference to the CDOR Rate), such Lender shall promptly give notice thereof to the Administrative Agent and the Administrative Agent shall promptly give notice to Centuri and the other Lenders. Thereafter, until the Administrative Agent notifies Centuri that such circumstances no longer exist:

a. the obligations of the Lenders to make LIBOR Rate Loans (or Base Rate Loans as to which the interest rate is determined by reference to LIBOR), SOFR Loans or CDOR Rate Loans (or Canadian Base Rate Loans as to which the interest rate is determined by reference to the CDOR Rate), as applicable, and the right of the Borrowers to convert any Loan to a LIBOR Rate Loan or SOFR Loan (as applicable) or continue any Loan as a LIBOR Rate Loan (or a Base Rate Loan as to which the interest rate is determined by reference to LIBOR) or SOFR Loan (or a Base Rate Loan as to which the interest rate is determined with reference to Adjusted Term SOFR) (as applicable), or to convert any Loan to a CDOR Rate Loan (or any Canadian Base Rate Loan as to which the interest rate is determined by reference to the CDOR Rate), shall be suspended and thereafter the applicable Borrower may select only Base Rate Loans and Canadian Base Rate Loans, as applicable, as to which the interest rate is not determined by reference to LIBOR, Adjusted Term SOFR or CDOR hereunder,

b. all Base Rate Loans shall cease to be determined by reference to LIBOR or Adjusted Term SOFR, as applicable, and/or all Canadian Base Rate Loans shall cease to be determined by reference to CDOR, as applicable, and

c. if any of the Lenders may not lawfully continue to maintain a LIBOR Rate Loan or SOFR Loan, as applicable, to the end of the then current Interest Period applicable thereto, the applicable Loan shall immediately be converted to a Base Rate Loan as to which the interest rate is not determined by reference to LIBOR or Adjusted Term SOFR, as applicable, for the remainder of such Interest Period. Each Lender agrees to designate a different Lending Office or assign its rights and obligations hereunder to another of its officers, branches or affiliates if such designation or assignment will avoid the need for such notice and will not, in the good faith judgment of such Lender, otherwise be materially disadvantageous to such Lender. Each Borrower hereby agrees to pay all reasonable costs and expenses incurred by such Lender in connection with any such designation or assignment.

(3) Benchmark Replacement Setting.

a. (A) Benchmark Replacement (LIBOR). Notwithstanding anything to the contrary herein or in any other Loan Document (and any Hedge Agreement shall be deemed not to be a "Loan Document" for purposes of this Section 5.8(c)) if a Benchmark Transition Event (LIBOR) or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date (LIBOR) have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (a)(1) or (a)(2) of the definition of "Benchmark Replacement (LIBOR)" for such Benchmark Replacement Date (LIBOR), such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (a)(3) of the definition of "Benchmark Replacement (LIBOR)" for such Benchmark Replacement Date (LIBOR), such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark

Replacement from Lenders comprising the Required Lenders. If an Unadjusted Benchmark Replacement is Daily Simple SOFR, all interest payments will be payable on a monthly basis.

(2) Benchmark Replacement (Non-LIBOR). Notwithstanding anything to the contrary herein or in any other Loan Document (and any Hedge Agreement shall be deemed not to be a "Loan Document" for purposes of this Section 5.8(c)), upon the occurrence of a Benchmark Transition Event (Non-LIBOR), the Administrative Agent and the Borrowers may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event (Non- LIBOR) will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all affected Lenders and the Borrowers so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 5.8(c)(i)(B) will occur prior to the applicable Benchmark Transition Start Date.

(3) ~~(B)~~ Notwithstanding anything to the contrary herein or in any other Loan Document, if a Term SOFR Transition Event and its related Benchmark Replacement Date (LIBOR) have occurred prior to the Reference Time in respect of any setting of the then- current Benchmark, then the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; provided that this clause (B) shall not be effective unless the Administrative Agent has delivered to the Lenders and the Borrower a Term SOFR Notice. For the avoidance of doubt, the Administrative Agent shall not be required to deliver a Term SOFR Notice after a Term SOFR Transition Event and may elect or not elect to do so in its sole discretion.

b. Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

c. Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders of (A) any occurrence of a Benchmark Transition Event (LIBOR), a Term SOFR Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date (LIBOR), (B) the implementation of any Benchmark Replacement, (C) the effectiveness of any Benchmark Replacement Conforming Changes, (D) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 5.8(c)(iv) below and (E) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 5.8(c), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole

discretion (and made in a manner substantially consistent with determinations being made for similarly situated customers of such Administrative Agent under agreements having provisions similar to this Section 5.8(c)) and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 5.8(c).

d. Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate or USD LIBOR) and either (1) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion (and made in a manner substantially consistent with determinations being made for similarly situated customers of such Administrative Agent under agreements having provisions similar to this Section 5.8(c)) or (2) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (B) if a tenor that was removed pursuant to clause (A) above either (1) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (2) is not, or is no longer, subject to an announcement that it is or will be no longer ~~be~~ representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

e. Benchmark Unavailability Period. Upon Centuri's receipt of notice of the commencement of a Benchmark Unavailability Period, the applicable Borrower may revoke any request for a borrowing of, conversion to or continuation of LIBOR Rate Loans or SOFR Loans (as applicable) to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the applicable Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

f. London Interbank Offered Rate Benchmark Transition Event. On March 5, 2021, the IBA, the administrator of the London interbank offered rate, and the FCA, the regulatory supervisor of the IBA, made the Announcements that the final publication or representativeness date for Dollars for (I) 1-week and 2-month London interbank offered rate tenor settings will be December 31, 2021 and (II) overnight, 1-month, 3-month, 6-month and 12-month London interbank offered rate tenor settings will be June 30, 2023. No successor administrator for the IBA was identified in such Announcements. The parties hereto agree and acknowledge that the Announcements resulted in the occurrence of a Benchmark Transition Event (LIBOR) with respect to the London interbank offered rate pursuant to the terms of this Agreement and that any obligation of the Administrative Agent to notify any parties of such Benchmark Transition Event (LIBOR) pursuant to clause (iii) of this Section 5.8(c) shall be deemed satisfied.

(4) Illegality. Subject to Section 5.12, if, in any applicable jurisdiction, the Administrative Agent, any Issuing Lender or any Lender or its Applicable Designee determines that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for the Administrative Agent, any Issuing Lender, any Lender or any Applicable Designee to (i) perform any of its

obligations hereunder or under any other Loan Document, (ii) to fund or maintain its participation in any Loan or (iii) issue, make, maintain, fund or charge interest or fees with respect to any Extension of Credit to any Borrower that is a Foreign Subsidiary such Person shall promptly notify the Administrative Agent, then, upon the Administrative Agent notifying Centuri, and until such notice by such Person is revoked, any obligation of such Person to issue, make, maintain, fund or charge interest or fees with respect to any such Extension of Credit shall be suspended, and to the extent required by Applicable Law, cancelled. Upon receipt of such notice, the Credit Parties shall, (A) repay that Person's participation in the Loans or other applicable Obligations on the last day of the Interest Period for each Loan or other Obligation occurring after the Administrative Agent has notified Centuri or, if earlier, the date specified by such Person in the notice delivered to the Administrative Agent (being no earlier than the last day of any applicable grace period permitted by Applicable Law) and (B) take all reasonable actions requested by such Person to mitigate or avoid such illegality.

SECTION 5.9 Indemnity

. Each Borrower hereby indemnifies each of the Lenders against any loss or expense (including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain a LIBOR Rate Loan, a SOFR Loan or a CDOR Rate Loan or from fees payable to terminate the deposits from which such funds were obtained) which may arise or be attributable to each Lender's obtaining, liquidating or employing deposits or other funds acquired to effect, fund or maintain any Loan (a) as a consequence of any failure by such Borrower to make any payment when due of any amount due hereunder in connection with a LIBOR Rate Loan, a SOFR Loan or a CDOR Rate Loan, (b) due to any failure of such Borrower to borrow, continue or convert on a date specified therefor in a Notice of Borrowing or Notice of Conversion/Continuation or (c) due to any payment, prepayment or conversion of any LIBOR Rate Loan, any SOFR Loan or any CDOR Rate Loan on a date other than the last day of the Interest Period therefor. The amount of such loss or expense shall be determined, in the applicable Lender's sole discretion, based upon the assumption that such Lender funded its Commitment Percentage of the LIBOR Rate Loans ~~in the London interbank market~~, SOFR Loans or ~~the~~ CDOR Rate Loans ~~in the Canadian bankers' acceptance market~~, as applicable, and using any reasonable attribution or averaging methods which such Lender deems appropriate and practical. A certificate of such Lender setting forth the basis for determining such amount or amounts necessary to compensate such Lender shall be forwarded to the applicable Borrower through the Administrative Agent and shall be conclusively presumed to be correct save for manifest error. The applicable Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

SECTION 5.10 Increased Costs.

(1) Increased Costs Generally. If any Change in Law shall:

a. impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, any Lender (except any reserve requirement reflected in the LIBOR Rate) or any Issuing Lender;

b. subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (e) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

c. impose on any Lender or any Issuing Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender, the Issuing Lender or such other Recipient of making, converting to, continuing or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender, such Issuing Lender or such other Recipient of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender, such Issuing Lender or such other Recipient hereunder (whether of principal, interest or any other amount) then, upon written request of such Lender, such Issuing Lender or other Recipient, the Borrowers shall promptly pay to any such Lender, such Issuing Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, such Issuing Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(2) Capital Requirements. If any Lender or any Issuing Lender determines that any Change in Law affecting such Lender or such Issuing Lender or any Lending Office of such Lender or such Lender's or such Issuing Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's or such Issuing Lender's capital or on the capital of such Lender's or such Issuing Lender's holding company, if any, as a consequence of this Agreement, the Revolving Credit Commitment of such Lender or the Loans made by, or participations in Letters of Credit or Swingline Loans held by, such Lender, or the Letters of Credit issued by such Issuing Lender, to a level below that which such Lender or such Issuing Lender or such Lender's or such Issuing Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuing Lender's policies and the policies of such Lender's or such Issuing Lender's holding company with respect to capital adequacy or liquidity), then from time to time upon written request of such Lender or such Issuing Lender the Borrowers shall promptly pay to such Lender or such Issuing Lender, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Lender or such Lender's or such Issuing Lender's holding company for any such reduction suffered.

(3) Certificates for Reimbursement. A certificate of a Lender, or an Issuing Lender or such other Recipient setting forth the amount or amounts necessary to compensate such Lender or such Issuing Lender, such other Recipient or any of their respective holding companies, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Borrowers, shall be conclusive absent manifest error. The Borrowers shall pay such Lender or such Issuing Lender or such other Recipient, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(4) Delay in Requests. Failure or delay on the part of any Lender or any Issuing Lender or such other Recipient to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such Issuing Lender's or such other Recipient's right to demand such compensation; provided that the Borrowers shall not be required to compensate any Lender or an Issuing Lender or any other Recipient pursuant to this Section for any increased costs incurred or reductions suffered more than six (6) months prior to the date that such Lender or such Issuing Lender or such other Recipient, as the case may be, notifies the Borrowers of the Change in Law giving rise to such increased costs or reductions, and of such Lender's or such Issuing Lender's or such other Recipient's intention to claim compensation therefor (except that if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

SECTION 5.11 Taxes.

(1) Defined Terms. For purposes of this Section 5.11, the term "Lender" includes any Issuing Lender and the term "Applicable Law" includes FATCA.

(2) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Credit Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Credit Party shall be increased as necessary so that, after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section), the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(3) Payment of Other Taxes by the Credit Parties. The Credit Parties shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(4) Indemnification by the Credit Parties. With respect to any Indemnified Taxes arising from US Obligations, the US Credit Parties shall jointly and severally indemnify each Recipient, within ten (10) days after written demand therefor, for the full amount of any such Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. With respect to any Indemnified Taxes arising from Canadian Obligations, the Credit Parties shall jointly and severally indemnify each Recipient, within ten (10) days after written demand therefor, for the full amount of any such Indemnified Taxes (including Indemnified Taxes imposed on or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrowers by a Recipient (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Recipient, shall be conclusive absent manifest error.

(5) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Credit Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Credit Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 12.9(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the

Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(6) Evidence of Payments. As soon as practicable after any payment of Taxes by any Credit Party to a Governmental Authority pursuant to this Section 5.11, such Credit Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(7) Status of Lenders.

a. Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to Centuri and the Administrative Agent, at the time or times reasonably requested by Centuri or the Administrative Agent, such properly completed and executed documentation reasonably requested by Centuri or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by Centuri or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by Centuri or the Administrative Agent as will enable Centuri or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 5.11(g)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

b. Without limiting the generality of the foregoing:

i. Any Lender that is a U.S. Person shall deliver to Centuri and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Centuri or the Administrative Agent), executed originals of IRS Form W-9 (or any successor form) certifying that such Lender is exempt from United States federal backup withholding tax;

ii. any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Centuri and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Centuri or the Administrative Agent), whichever of the following is applicable:

1. in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN (or any successor form) or W-8BEN-E (or any successor form), as applicable, establishing an exemption from, or reduction of, United States federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN (or any successor form) or W-8BEN-E (or any successor form), as applicable, establishing

an exemption from, or reduction of, United States federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

2. executed copies of IRS Form W-8ECI (or any successor form);

3. in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of ***Exhibit H-1*** to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of a US Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN (or any successor form) or W-8BEN-E (or any successor form), as applicable; or

4. to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY (or any successor form), accompanied by IRS Form W-8ECI (or any successor form), IRS Form W-8BEN (or any successor form) or W-8BEN-E (or any successor form), a U.S. Tax Compliance Certificate substantially in the form of ***Exhibit H-2*** or ***Exhibit H-3***, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of ***Exhibit H-4*** on behalf of each such direct and indirect partner;

iii. any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Centuri and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Centuri or the Administrative Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in United States federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the US Borrowers or the Administrative Agent to determine the withholding or deduction required to be made; and

iv. if a payment made to a Lender under any Loan Document would be subject to United States federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to Centuri and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by Centuri or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Centuri or the Administrative Agent as may be necessary for the US Borrowers and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that (x) it shall promptly notify Centuri and the Administrative Agent of any change in circumstances which would modify or render invalid any claimed exemption or reduction to withholding and (y) if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Centuri and the Administrative Agent in writing of its legal inability to do so; provided that no such updating or notification is required to be made on account of any Canadian withholding tax if no form or certification has been previously delivered for Canadian withholding tax purposes.

(8) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 5.11 (including by the payment of additional amounts pursuant to this Section 5.11), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph
(8) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

a. Survival. Each party's obligations under this Section 5.11 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

SECTION 5.12 Mitigation Obligations; Replacement of Lenders.

(1) Designation of a Different Lending Office. If any Lender requests compensation under Section 5.10, or requires any Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 5.11, or determines that it is unable to fulfill its obligations hereunder due to illegality pursuant to Section 5.8(d), then such Lender shall, at the request of the Borrowers, use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 5.10 or Section 5.11 or avoid illegality under Section 5.8(d), as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. Each Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(2) Replacement of Lenders. If any Lender requests compensation under Section 5.10, or if the Borrowers are required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 5.11, or any Lender determines

that it is unable to fulfill its obligations hereunder due to illegality pursuant to Section 5.8(d) and, in each case, such Lender has declined or is unable to designate a different Lending Office in accordance with Section 5.12(a), or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrowers may, at their sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 12.9), all of its interests, rights (other than its existing rights to payments pursuant to Section 5.10 or Section 5.11) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

a. the Borrowers shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 12.9;

b. such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and funded participations in Letters of Credit and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 5.9) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts);

c. in the case of any such assignment resulting from a claim for compensation under Section 5.10 or payments required to be made pursuant to Section 5.11, such assignment will result in a reduction in such compensation or payments thereafter;

d. such assignment does not conflict with Applicable Law; and

e. in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrowers to require such assignment and delegation cease to apply.

Each party hereto agrees that (x) an assignment required pursuant to this Section 5.12 may be effected pursuant to an Assignment and Assumption executed by Centuri, the Administrative Agent and the assignee and (y) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender or the Administrative Agent, provided, further that any such documents shall be without recourse to or warranty by the parties thereto.

SECTION 5.13 Incremental Loans.

(1) Request for Increase. At any time after the Closing Date, upon written notice to the Administrative Agent, the US Borrowers, or the Canadian Borrowers, as applicable, may, from time to time, request (i) one or more incremental term loans, including a borrowing of an additional term loan, the principal amount of which will be added to the tranche of Term Loan with the latest maturity date (an “Incremental Term Loan”) or (ii) one or more increases in the Revolving Credit Commitments (an “Incremental Revolving Credit Facility Increase” and, together with the initial principal amount of the

Incremental Term Loans, the "Incremental Increases"); provided that (A) the aggregate principal amount for all such Incremental Increases and Incremental Equivalent Indebtedness incurred after the Closing Date shall not exceed the sum of (1) the greater of $300,000,000 and Consolidated EBITDA as of the most recently ended four consecutive fiscal quarter period for which financial statements and the related Officer's Compliance Certificate have been delivered pursuant to Sections 8.1(a) or (b) and 8.2(a) plus (2) an amount which, after giving pro forma effect to such Incremental Increase and/or Incremental Equivalent Indebtedness (assuming that the entire Incremental Increase and/or Incremental Equivalent Indebtedness is funded on the effective date thereof and after giving effect to the use of proceeds thereof and any permanent repayment of Indebtedness in connection therewith) pursuant to this clause (2), would not cause the Consolidated Net Leverage Ratio, as of the most recently ended four consecutive fiscal quarter period for which financial statements and the related Officer's Compliance Certificate have been delivered pursuant to Sections 8.1(a) or (b) and 8.2(a) (or in the case of any Incremental Term Loan, the proceeds of which will finance a substantially concurrent Limited Condition Acquisition, as of the LCA Test Date), to exceed 4.00 to 1.00 (in each case, as demonstrated by Centuri in a written certification to the Administrative Agent), (B) any such request for an increase shall be in a minimum amount of $5,000,000 (or C$5,000,000) for any Incremental Term Loan and $5,000,000 for any Incremental Revolving Credit Facility Increase or, if less, the remaining amount permitted pursuant to the foregoing clause (A) and (C) no Lender will be required or otherwise obligated to provide any portion of such Incremental Increase. Incremental Term Loans may be made to the US Borrowers in Dollars or to the Canadian Borrowers in Canadian Dollars. Unless the applicable Borrower otherwise notifies the Administrative Agent, if all or any portion of any Incremental Increases or Incremental Equivalent Indebtedness would be permitted under clause (A)(2) above on the applicable date of incurrence, such Incremental Increases or Incremental Equivalent Indebtedness (or the relevant portion thereof) shall be deemed to have been incurred in reliance on clause (A)(2) above prior to the utilization of any amount available under clause (A)(1) above.

(2) Incremental Lenders. Each notice from the applicable Borrower pursuant to this Section shall set forth the requested amount, currency and proposed terms of the relevant Incremental Increase. Incremental Increases may be provided by any existing Lender or by any other Persons (an "Incremental Lender"); provided that the Administrative Agent, each Issuing Lender and/or each Swingline Lender, as applicable, shall have consented (not to be unreasonably withheld, conditioned or delayed) to such Incremental Lender's providing such Incremental Increases to the extent any such consent would be required under Section 12.9(b) for an assignment of Loans or Revolving Credit Commitments, as applicable, to such Incremental Lender. At the time of sending such notice, the applicable Borrower (in consultation with the Administrative Agent) shall specify the time period within which each Incremental Lender is requested to respond, which shall in no event be less than ten (10) Business Days from the date of delivery of such notice to the proposed Incremental Lenders (or such shorter period as may be approved by the Administrative Agent). Each proposed Incremental Lender may elect or decline, in its sole discretion, and shall notify the Administrative Agent within such time period whether it agrees, to provide an Incremental Increase and, if so, whether by an amount equal to, greater than or less than requested. Any Person not responding within such time period shall be deemed to have declined to provide an Incremental Increase.

(3) Increase Effective Date and Allocations. The Administrative Agent and the applicable Borrower shall determine the effective date (the "Increase Effective Date") and the final allocation of such Incremental Increase (limited in the case of the Incremental Lenders to their own respective allocations thereof). The Administrative Agent shall promptly notify the applicable Borrower and the Incremental Lenders of the final allocation of such Incremental Increases and the Increase Effective Date.

(4) Terms of Incremental Increases. The terms of each Incremental Increase (which shall be set forth in the relevant Incremental Amendment) shall be determined by the applicable Borrowers and the applicable Incremental Lenders; provided that:

a. in the case of each Incremental Term Loan (the terms of which shall be set forth in the relevant Incremental Amendment):

i. the maturity of any such Incremental Term Loan shall not be earlier than the then the latest scheduled maturity date of the Loans and Commitments in effect as of the Increase Effective Date and the Weighted Average Life to Maturity of any such Incremental Term Loan shall not be shorter than the remaining Weighted Average Life to Maturity of such latest maturing Term Loans; provided that the restrictions of this clause
(1) shall not apply to the extent such Incremental Term Loan constitutes a customary bridge or similar facility that is to be automatically converted or exchanged into notes or other permitted Indebtedness that otherwise would satisfy this clause (A) so long as such conversion or exchange is subject only to conditions customary for similar conversions and exchanges and the applicable Borrower irrevocably agrees at the time of incurrence thereof to take all actions necessary to convert or exchange such Incremental Term Loan);

(2) the All-In Yield and pricing grid, if applicable, for such Incremental Term Loan shall be determined by the applicable Incremental Lenders and the applicable Borrower on the applicable Increase Effective Date; provided that if the All-In Yield in respect of any Incremental Term Loan incurred on or prior to the date that is six (6) months after the Closing Date exceeds the All-In Yield for the Initial Term Loan (as reasonably determined by the Administrative Agent) by more than 0.50%, then the Applicable Margin for the Initial Term Loan shall be increased so that the All-In Yield in respect of such Initial Term Loan is equal to the All-In Yield for such Incremental Term Loan minus 0.50% (determined at each level of each applicable pricing grid);

(3) any mandatory prepayment (other than scheduled amortization payments) of each Incremental Term Loan shall be made on a pro rata basis with all then existing Term Loans, except that the applicable Borrower and the Incremental Lenders in respect of such Incremental Term Loan may, in their sole discretion, elect to prepay or receive, as applicable, any prepayments on a less than pro rata basis (but not on a greater than pro rata basis); and

(4) except as provided above, all other terms and conditions applicable to any Incremental Term Loan shall be consistent with the terms and conditions of the Initial Term Loan or otherwise reasonably satisfactory to the Administrative Agent and the applicable Borrower (provided that such other terms and conditions, taken as a whole, shall not be more favorable to the Lenders under any Incremental Term Loans than such other terms and conditions, taken as a whole, under the Initial Term Loans);

b. in the case of each Incremental Revolving Credit Facility Increase (the terms of which shall be set forth in the relevant Incremental Amendment):

i. Revolving Credit Loans made with respect to the Incremental Revolving Credit Facility Increase shall mature on the Revolving Credit Maturity Date and shall bear interest at the rate applicable to the Revolving Credit Loans;

ii. the outstanding Revolving Credit Loans and Revolving Credit Commitment Percentages of Swingline Loans and L/C Obligations will be reallocated by the Administrative Agent on the applicable Increase Effective Date among the Revolving Credit Lenders (including the Incremental Lenders providing such Incremental Revolving Credit Facility Increase) in accordance with their revised Revolving Credit Commitment Percentages (and the Revolving Credit Lenders (including the Incremental Lenders providing such Incremental Revolving Credit Facility Increase) agree to make all payments and adjustments necessary to effect such reallocation and the applicable Borrower shall pay any and all costs required pursuant to Section 5.9 in connection with such reallocation as if such reallocation were a repayment); and

iii. except as provided above, all of the other terms and conditions applicable to such Incremental Revolving Credit Facility Increase shall, except to the extent otherwise provided in this Section 5.13, be identical to the terms and conditions applicable to the Revolving Credit Facility, including the Applicable Margin and unused fees (but may have different upfront fees);

c. each Incremental Increase shall constitute US Obligations of the US Borrowers or Canadian Obligations of the Canadian Borrowers, as applicable, and shall be secured and guaranteed with the other Extensions of Credit on a pari passu basis; and

d. any Incremental Lender with an Incremental Revolving Credit Facility Increase shall be entitled to the same voting rights as the existing Revolving Credit Lenders under the Revolving Credit Facility and any Extensions of Credit made in connection with each Incremental Revolving Credit Facility Increase shall receive proceeds of prepayments on the same basis as the other Revolving Credit Loans made hereunder.

(5) Conditions to Effectiveness of Incremental Increases. Any Incremental Increase shall become effective as of such Increase Effective Date and shall be subject to the following conditions precedent, which, in the case of an Incremental Term Loan incurred solely to finance a substantially concurrent Limited Condition Acquisition, shall be subject to Section 1.12:

a. no Default or Event of Default shall exist on such Increase Effective Date immediately prior to or after giving effect to (A) such Incremental Increase or (B) the making of any Extensions of Credit pursuant thereto;

b. all of the representations and warranties set forth in Article VII shall be true and correct in all material respects (or if qualified by materiality or Material Adverse Effect, in all respects) as of such Increase Effective Date, or if such representation speaks as of an earlier date, as of such earlier date;

c. the Administrative Agent shall have received from Centuri, an Officer's Compliance Certificate demonstrating that the Consolidated Companies are in pro forma compliance with the financial covenants set forth in Section 9.13 (based on the financial statements most recently delivered pursuant to Section 8.1) after giving effect to such Incremental Increase (assuming that the entire applicable Incremental Term Loan and/or Incremental Revolving Credit Facility Increase is fully funded on the effective date thereof) and any Permitted Acquisition, refinancing of Indebtedness or other event consummated in connection therewith giving rise to a Pro Forma Basis adjustment;

d. the Credit Parties shall have executed an Incremental Amendment in form and substance reasonably acceptable to the applicable Borrower and the applicable Incremental Lenders; and

e. the Administrative Agent shall have received from the applicable Borrower, any customary legal opinions or other documents (including a resolution duly adopted by the board of directors (or equivalent governing body) of each Credit Party authorizing such Incremental Increase), and other documents reasonably requested by Administrative Agent in connection with such Incremental Increase.

(6) Incremental Amendments. Each such Incremental Increase shall be effected pursuant to an amendment (an "Incremental Amendment") to this Agreement and, as appropriate, the other Loan Documents, executed by the Credit Parties, the Administrative Agent and the applicable Incremental Lenders, which Incremental Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to effect the provisions of this Section 5.13;

(7) Conflicting Provisions. This Section shall supersede any provisions in Section 5.6 or 12.2 to the contrary.

SECTION 5.14 Cash Collateral

. At any time that there shall exist a Defaulting Lender, within one Business Day following the written request of the Administrative Agent, any Issuing Lender (with a copy to the Administrative Agent) or any Swingline Lender (with a copy to the Administrative Agent), the Borrowers shall Cash Collateralize the Fronting Exposure of such Issuing Lender and/or such Swingline Lender, as applicable, with respect to such Defaulting Lender (determined after giving effect to Section 5.15(a)(iv) and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the Minimum Collateral Amount.

(1) Grant of Security Interest. Each Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to the Administrative Agent, for the benefit of each Issuing Lender and each Swingline Lender, and agrees to maintain, a first priority security interest in all such Cash Collateral as security for the Defaulting Lender's obligation to fund participations in respect of L/C Obligations and Swingline Loans, to be applied pursuant to subsection (b) below. If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent, each Issuing Lender and each Swingline Lender as herein provided (other than Permitted Liens in favor of a depository bank), or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrowers will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by the Defaulting Lender).

(2) Application. Notwithstanding anything to the contrary contained in this Agreement or any other Loan Document, Cash Collateral provided under this Section 5.14 or Section 5.15 in respect of Letters of Credit and Swingline Loans shall be applied to the satisfaction of the Defaulting Lender's obligation to fund participations in respect of L/C Obligations and Swingline Loans (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(3) Termination of Requirement. Cash Collateral (or the appropriate portion thereof) provided to reduce the Fronting Exposure of any Issuing Lender and/or any Swingline Lender, as applicable, shall no longer be required to be held as Cash Collateral pursuant to this Section 5.14 following (i) the elimination

of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Lender), or (ii) the determination by the Administrative Agent, the Issuing Lenders and the Swingline Lenders that there exists excess Cash Collateral; provided that, subject to Section 5.15, the Person providing Cash Collateral, the Issuing Lenders and the Swingline Lenders may agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations.

SECTION 5.15 Defaulting Lenders.

(1) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

a. Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definitions of "Required Lenders", "Required Revolving Credit Lenders" or "Required Term Loan Lenders" and Section 12.2.

b. Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article X or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 12.4 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Issuing Lenders or the Swingline Lenders hereunder; *third*, to Cash Collateralize the Fronting Exposure of the Issuing Lenders and the Swingline Lenders with respect to such Defaulting Lender in accordance with Section 5.14; *fourth*, as the Borrowers may request (so long as no Default or Event of Default exists), to the funding of any Loan or funded participation in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Borrowers, to be held in a deposit account and released pro rata in order to (A) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans and funded participations under this Agreement and (B) Cash Collateralize the Issuing Lenders' future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit and Swingline Loans issued under this Agreement, in accordance with Section 5.14; *sixth*, to the payment of any amounts owing to the Lenders, the Issuing Lenders or the Swingline Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender, any Issuing Lender or any Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of Default exists, to the payment of any amounts owing to any Borrower as a result of any judgment of a court of competent jurisdiction obtained by such Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (1) such payment is a payment of the principal amount of any Loans or funded participations in Letters of Credit or Swingline Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (2) such Loans were made or the related Letters of Credit or Swingline Loans were issued at a time when the conditions set forth in Section 6.2 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and funded participations in Letters of Credit or Swingline Loans owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or funded participations in Letters of Credit or

Swingline Loans owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swingline Loans are held by the Lenders pro rata in accordance with the Revolving Credit Commitments under the applicable Revolving Credit Facility without giving effect to Section 5.15(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 5.15(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

c. Certain Fees.

i. No Defaulting Lender shall be entitled to receive any Commitment Fee for any period during which that Lender is a Defaulting Lender (and the Borrowers shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

ii. Each Defaulting Lender shall be entitled to receive letter of credit commissions pursuant to Section 3.3 for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Revolving Credit Commitment Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 5.14.

iii. With respect to any Commitment Fee or letter of credit commission not required to be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the Borrowers shall (1) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations or Swingline Loans that has been reallocated to such Non- Defaulting Lender pursuant to clause (iv) below, (2) pay to each applicable Issuing Lender and Swingline Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such Issuing Lender's or Swingline Lender's Fronting Exposure to such Defaulting Lender, and (3) not be required to pay the remaining amount of any such fee.

d. Reallocation of Participations to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations and Swingline Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Revolving Credit Commitment Percentages (calculated without regard to such Defaulting Lender's Revolving Credit Commitment) but only to the extent that (x) the conditions set forth in Section 6.2 are satisfied at the time of such reallocation (and, unless the Borrowers shall have otherwise notified the Administrative Agent at such time, the Borrowers shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non- Defaulting Lender's Revolving Credit Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

e. Cash Collateral, Repayment of Swingline Loans. If the reallocation described in clause (iv) above cannot, or can only partially, be effected, the Borrowers shall, without prejudice to any right or remedy available to it hereunder or under law, (x) first, repay Swingline Loans in an

amount equal to the Swingline Lenders' Fronting Exposure and (y) second, Cash Collateralize the Issuing Lenders' Fronting Exposure in accordance with the procedures set forth in Section 5.14.

(2) Defaulting Lender Cure. If the Borrowers, the Administrative Agent, the Issuing Lenders and the Swingline Lenders agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), such Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swingline Loans to be held pro rata by the Lenders in accordance with the Commitments under the applicable Credit Facility (without giving effect to Section 5.15(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrowers while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

SECTION 5.16 Centuri as Agent for the Borrowers; Nature of Obligations

.

(1) Each Borrower hereby irrevocably appoints and authorizes Centuri (a) to provide the Administrative Agent with all notices with respect to Loans obtained for the benefit of such Borrower and all other notices and instructions under this Agreement, (b) to take such action on behalf of such Borrower as Centuri deems appropriate on its behalf to such Borrower Loans or Letters of Credit and to exercise such other powers as are reasonably incidental thereto to carry out the purposes of this Agreement and (c) to act as its agent for service of process and notices required to be delivered under this Agreement or the other Loan Documents, it being understood and agreed that receipt by Centuri of any summons, notice or other similar item shall be deemed effective receipt by the Consolidated Companies.

(2) Notwithstanding anything to contrary contained in the Loan Documents, (a) the US Borrowers shall be jointly and severally liable for all Obligations and (b) the Canadian Borrowers shall be jointly and severally liable for all Canadian Obligations, but in no event shall any Canadian Borrower have any obligation with respect to the US Obligations. In the event of any conflict or inconsistency between this Section 5.16(b) and any other provision of any Loan Document, this Section 5.16(b) shall control.

SECTION 5.17 Additional Borrowers

. Subject to Section 8.14, Centuri may at any time, upon not less than fifteen (15) Business Days' notice from Centuri to the Administrative Agent and the Lenders (or such shorter period as may be agreed by the Administrative Agent in its sole discretion), request that a Wholly-Owned US Subsidiary or Wholly-Owned Canadian Subsidiary (each, an "Applicant Borrower") be designated as an Additional Borrower to receive Loans and request Letters of Credit hereunder by delivering to the Administrative Agent (which shall promptly deliver counterparts thereof to each Lender) a duly executed notice and agreement in substantially the form of ***Exhibit I*** (an "Additional Borrower Request and Assumption Agreement"); provided that no US Subsidiary or Canadian Subsidiary may be designated as an Additional Borrower without the consent of each Revolving Credit Lender unless such US Subsidiary or Canadian Subsidiary is already a US Subsidiary Guarantor or Canadian Subsidiary Guarantor, as applicable. The parties hereto acknowledge and agree that prior to any Applicant Borrower becoming entitled to utilize the Credit Facilities, the

Administrative Agent and the Lenders shall have received such supporting Security Documents, supplements to the Loan Documents, resolutions, incumbency certificates, opinions of counsel, all documentation and other information in order to comply with requirements of any Anti-Money Laundering Laws including, without limitation, the PATRIOT Act and any applicable "know your customer" rules and regulations, Beneficial Ownership Certification and other documents or information, in form, content and scope reasonably satisfactory to the Administrative Agent, as may be required by the Administrative Agent or the Lenders in their sole discretion, and Notes signed by such new Borrowers to the extent any Lenders so require. If the Administrative Agent and the Lenders agree that an Applicant Borrower shall be entitled to receive Loans and request Letters of Credit hereunder, then promptly following receipt of all such requested documents and information described above, the Administrative Agent shall send a notice in substantially the form of ***Exhibit J*** (an "Additional Borrower Notice") to Centuri and the Lenders specifying the effective date upon which the Applicant Borrower shall constitute an Additional Borrower for purposes hereof, whereupon each of the Lenders agrees to permit such Additional Borrower to receive Loans and request Letters of Credit hereunder, on the terms and conditions set forth herein, and each of the parties agrees that such Additional Borrower otherwise shall be a Borrower for all purposes of this Agreement; provided that no Notice of Borrowing or Letter of Credit Application may be submitted by or on behalf of such Additional Borrower until the date five (5) Business Days after such effective date.

SECTION 5.18 Refinancing Facilities.

(1) The Borrowers may by written notice to the Administrative Agent elect to request the establishment of (i) one or more additional tranches or Classes of term loans under this Agreement ("Refinancing Term Loans") or one or more series of debt securities ("Refinancing Notes"), which refinance, renew, replace, defease or refund (collectively, "Refinance") one or more Classes of Term Loans under this Agreement or (ii) one or more additional revolving facilities under this Agreement providing for revolving commitments ("Refinancing Revolving Credit Commitments" and the revolving loans thereunder, "Refinancing Revolving Loans") which Refinances one or more Classes of Revolving Credit Commitments (and Revolving Credit Loans thereunder) under this Agreement; provided that:

a. no Default or Event of Default has occurred and is continuing or would result therefrom;

b. the principal amount of such Refinancing Debt or Refinancing Revolving Credit Commitments may not exceed the aggregate principal amount of the Term Loans or Revolving Credit Commitments being Refinanced plus accrued and unpaid interest thereon, any prepayment premiums applicable thereto and reasonable fees and expenses incurred in connection therewith;

c. the final maturity date of such Refinancing Debt or Refinancing Revolving Credit Commitments shall not be earlier than the maturity date of the Term Loans (or, in the case of any unsecured or junior lien Refinancing Debt, no earlier than the date that is 91 days after the latest final maturity date of the Term Loans existing at the time of such refinancing or replacement) or Revolving Credit Commitments being Refinanced, and the Weighted Average Life to Maturity of such Refinancing Debt shall be no earlier than the then remaining Weighted Average Life to Maturity of each Class of Term Loans being refinanced;

d. the other terms and conditions of such Refinancing Debt or Refinancing Revolving Credit Commitments (except as otherwise provided in clause (iii) above and with respect to pricing, interest rate margins, premiums, discounts, fees, rate floors and optional prepayment or redemption terms), taken as a whole shall (as reasonably determined by the Borrowers) be substantially similar to, or (taken as a whole) not materially less favorable to the Borrowers and their respective

Subsidiaries than, the terms, taken as a whole, applicable to Term Loans or Revolving Credit Commitments being Refinanced, except to the extent such covenants and other terms apply solely to any period after the latest final Term Loan Maturity Date or Revolving Credit Maturity Date of the Term Loans and/or Revolving Credit Commitments being Refinanced (or, in the case of any unsecured or junior lien Refinancing Debt, after the date that is 91 days after such latest final Term Loan Maturity Date or Revolving Credit Maturity Date);

e. the proceeds of such Refinancing Debt, Refinancing Revolving Credit Commitments or Refinancing Revolving Loans shall be applied, concurrently or substantially concurrently with the incurrence thereof (in accordance with Section 4.4(b)(i)), solely to the repayment of the outstanding amount of one or more Classes of Term Loans or permanently reduce one or more Classes of Revolving Credit Commitments and Revolving Credit Loans, as the case may be, being Refinanced thereby;

f. each Class of Refinancing Term Loans or Refinancing Revolving Credit Commitments shall be in an aggregate amount of $5,000,000 or any whole multiple of $1,000,000 in excess thereof (or such other amount necessary to repay or replace any Class of outstanding Term Loans or Refinancing Revolving Credit Commitments in full);

g. no Subsidiary that is not also a Subsidiary Guarantor may be a borrower or a guarantor with respect to such Refinancing Debt, Refinancing Revolving Credit Commitments and/or Refinancing Revolving Loans;

h. Refinancing Debt, Refinancing Revolving Credit Commitments and/or Refinancing Revolving Loans may be unsecured or may only be secured by the Collateral and may rank pari passu or junior in right of payment and/or security with the remaining Revolving Credit Commitments, Revolving Credit Loans and/or Term Loans, so long as the holders of any Refinancing Debt, Refinancing Revolving Credit Commitments and/or Refinancing Revolving Loans that are junior in right of payment and/or security are subject to an Acceptable Intercreditor Agreement;

i. such Refinancing Debt or Refinancing Revolving Credit Commitments shall not be secured by any asset of the Borrowers and their respective Subsidiaries other than the Collateral;

j. in the case of any Refinancing Revolving Credit Commitments, substantially concurrently with the effectiveness thereof, all the Revolving Credit Commitments then in effect shall be terminated, and all the Revolving Credit Loans then outstanding, together with all interest thereon, and all other amounts accrued for the benefit of the Revolving Credit Lenders, shall be repaid or paid (it being understood, however, that any Letters of Credit may continue to be outstanding hereunder), and the aggregate amount of such Refinancing Revolving Credit Commitments does not exceed the aggregate amount of the Revolving Credit Commitments so terminated; and

k. any mandatory prepayment requirements, in the case of any Refinancing Term Loans, may provide that such Refinancing Term Loans may participate in any mandatory prepayment on a pro rata basis with any Class of existing Term Loans, but may not provide for prepayment requirements that are more favorable to the Lenders holding such Refinancing Term Loans than to the Lenders holding such Class of Term Loans.

(2) Each such notice shall specify the date (each, a "Refinancing Effective Date") on which the applicable Borrower proposes that the Refinancing Debt be made or the Refinancing Revolving Credit

Commitments shall become effective, which shall be a date not less than three (3) Business Days (or such shorter period as may be agreed to by the Administrative Agent) after the date on which such notice is delivered to the Administrative Agent.

(3) The Borrowers may approach any Lender or any other Person that would be an Eligible Assignee of the applicable Class of Loans or Commitments pursuant to Section 12.9(b) to provide all or a portion of the Refinancing Term Loans or Refinancing Revolving Credit Commitments (a "Refinancing Lender"); provided that any Lender offered or approached to provide all or a portion of the Refinancing Term Loans may elect or decline, in its sole discretion, to provide a Refinancing Term Loan or Refinancing Revolving Credit Commitment, as applicable. Any Refinancing Term Loans or Refinancing Revolving Credit Commitment made on any Refinancing Effective Date shall be designated a series (a "Refinancing Series") of Refinancing Term Loans or Refinancing Revolving Credit Commitments for all purposes of this Agreement; provided that (i) any Refinancing Term Loans may, to the extent provided in the applicable Refinancing Amendment, be designated as an increase in any previously established Refinancing Series of Refinancing Term Loans made to the applicable Borrower and (ii) any Refinancing Revolving Credit Commitments may, to the extent provided in the applicable Refinancing Amendment, be designated as an increase in any previously established Refinancing Series of Refinancing Revolving Credit Commitments.

(4) The Administrative Agent and the Lenders hereby consent to the transactions contemplated by this Section 5.18 (including, for the avoidance of doubt, the payment of interest, fees, amortization or premium in respect of the Refinancing Term Loans and Refinancing Revolving Credit Commitments, and Refinancing Revolving Loans on the terms specified by the Borrowers) and hereby waive the requirements of this Agreement (including, but not limited to, Section 5.6 and Section 12.2) or any other Loan Document that may otherwise prohibit such Refinance or any other transaction contemplated by this Section 5.18. The Refinancing Term Loans and Refinancing Revolving Credit Commitments shall be established pursuant to an amendment to this Agreement among the applicable Borrower and the applicable Refinancing Lenders providing such Refinancing Term Loans or Refinancing Revolving Credit Commitments (a "Refinancing Amendment") which shall be consistent with the provisions set forth in this Section 5.18. The Refinancing Notes shall be established pursuant to documentation which shall be consistent with the provisions set forth in Section 5.18(a). Each Refinancing Amendment shall be binding on the Lenders, the Administrative Agent, the Credit Parties party thereto and the other parties hereto without the consent of any other Lender (except with respect to Refinancing Revolving Credit Commitments as provided above) and the Lenders hereby irrevocably authorize the Administrative Agent to enter into amendments to this Agreement and the other Loan Documents as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrowers, to effect the provisions of this Section 5.18, including in order to establish new tranches or sub-tranches in respect of the Refinancing Term Loans or Refinancing Revolving Credit Commitments and Refinancing Revolving Loans and such technical amendments as may be necessary or appropriate in connection therewith and to adjust the amortization schedule in Section 4.3(a) (insofar as such schedule relates to payments due to Lenders, the Term Loans of which are Refinanced; provided that no such amendment shall reduce the pro rata share of any such payment that would have otherwise been payable to the Lenders, the Term Loans of which are not Refinanced). The Administrative Agent shall be permitted, and is hereby authorized, to enter into such Refinancing Amendments with the Borrowers to effect the foregoing. The effectiveness of any Refinancing Amendment shall be subject to the satisfaction on the date thereof of conditions as may be required by the Refinancing Lenders providing such Refinancing Amendment.

(5) If any Refinancing Revolving Credit Commitment is designated as an increase in any previously established Refinancing Revolving Credit Commitment, on the Refinancing Effective Date, subject to the satisfaction of the foregoing terms and conditions, each of the Refinancing Lenders with Refinancing Revolving Credit Commitments of such Refinancing Series shall purchase from each of the

other Lenders with Refinancing Revolving Credit Commitments of such Refinancing Series, at the principal amount thereof and in the applicable currencies, such interests in the Revolving Credit Loans under such Refinancing Revolving Credit Commitments outstanding immediately prior to such Refinancing as shall be necessary in order that, after giving effect to all such assignments and purchases, the Refinancing Revolving Loans of such Refinancing Series will be held by Refinancing Lenders thereunder ratably in accordance with the percentage of the total Refinancing Revolving Credit Commitments of all Refinancing Lenders represented by each such Refinancing Lender's Refinancing Revolving Credit Commitment. After giving effect to any Refinancing Revolving Credit Commitments, all outstanding Swingline Loans and Letters of Credit shall be participated on a pro rata basis by all Lenders with a Revolving Credit Commitment in accordance with their revised Revolving Credit Commitment Percentages.

(6) The Administrative Agent is authorized to enter into any Acceptable Intercreditor Agreement (and any amendments, amendments and restatements, restatements or waivers of or supplements to or other modifications to, such agreements) and to take all actions (and execute all documents) required (or otherwise deemed advisable by the Administrative Agent) in connection with the incurrence by any Credit Party of any Refinancing Debt, in order to permit such Refinancing Debt to be secured by a valid, perfected lien and the parties hereto acknowledge that any Acceptable Intercreditor Agreement will be binding upon them. Each Lender (i) hereby agrees that it will be bound by and will take no actions contrary to the provisions of any Acceptable Intercreditor Agreement and (ii) hereby authorizes and instructs the Administrative Agent to enter into any Acceptable Intercreditor Agreement (and any amendments, amendments and restatements, restatements or waivers of or supplements to or other modifications to, such agreements) in connection with the incurrence by any Credit Party of any Refinancing Debt, in order to permit such Refinancing Debt to be secured by a valid, perfected lien and to subject the Liens on the Collateral securing the Secured Obligations to the provisions thereof.

(7) Notwithstanding the terms of Sections 5.13, 5.18 and 5.19, in no event shall there be more than (i) two (2) tranches of revolving facilities in the aggregate in effect at any time (including the Revolving Credit Commitments, any Extended Revolving Credit Commitments and any Refinancing Revolving Credit Commitments) and (ii) four (4) tranches of term loans (including the Initial Term Loan, any Extended Term Loans, any Incremental Term Loans and any Refinancing Term Loans), in each case under this Agreement.

SECTION 5.19 Amend and Extend Transactions.

(1) The Borrowers may, by written notice to the Administrative Agent from time to time, request an extension (each, an "Extension") of the maturity date of any Class of Term Loans with a like maturity date or Revolving Credit Commitments with a like maturity date. Such notice shall (i) set forth the amount of the applicable Class of Revolving Credit Commitments and/or Term Loans that will be subject to the Extension (which shall be in a minimum amount of $25,000,000 and minimum increments of $5,000,000), (ii) set forth the date on which such Extension is requested to become effective (which shall be not less than ten (10) Business Days nor more than sixty (60) days after the date of such Extension notice (or such longer or shorter periods as the Administrative Agent shall agree in its sole discretion)) and (iii) identify the relevant Class of Revolving Credit Commitments and/or Term Loans to which such Extension relates. Each Lender of the applicable Class shall be offered (an "Extension Offer") an opportunity to participate in such Extension on a pro rata basis and on the same terms and conditions as each other Lender of such Class pursuant to procedures established by, or reasonably acceptable to, the Administrative Agent and the Borrowers; provided that no Lender will be required or otherwise obligated to participate in such Extension. If the aggregate principal amount of Revolving Credit Commitments or Term Loans in respect of which Lenders shall have accepted the relevant Extension Offer shall exceed the maximum aggregate principal amount of Revolving Credit Commitments or Term Loans, as applicable, subject to the Extension Offer as set forth in the Extension notice, then the Revolving Credit Commitments or Term Loans, as

applicable, of Lenders of the applicable Class shall be extended ratably up to such maximum amount based on the respective principal amounts with respect to which such Lenders have accepted such Extension Offer.

(2) The following shall be conditions precedent to the effectiveness of any Extension: (i) no Default or Event of Default shall have occurred and be continuing immediately prior to and immediately after giving effect to such Extension, (ii) the representations and warranties set forth in Article VII and in each other Loan Document shall be deemed to be made and shall be true and correct in all material respects on and as of the effective date of such Extension, (iii) the Issuing Lenders and the Swingline Lender shall have consented to any Extension of the Revolving Credit Commitments, to the extent that such Extension provides for the issuance or extension of Letters of Credit or making of Swingline Loans at any time during the extended period and (iv) the terms of such Extended Revolving Credit Commitments and Extended Term Loans shall comply with paragraph (c) of this Section.

(3) The terms of each Extension shall be determined by the Borrowers and the applicable extending Lenders and set forth in an Extension Amendment; provided that (i) the final maturity date of any Extended Revolving Credit Commitment or Extended Term Loan shall be no earlier than the Revolving Credit Maturity Date or the Term Loan Maturity Date, respectively, (ii)(A) there shall be no scheduled amortization of the loans or reductions of commitments under any Extended Revolving Credit Commitments and (B) the Weighted Average Life to Maturity of the Extended Term Loans shall be no shorter than the remaining Weighted Average Life to Maturity of the existing Term Loans, (iii) the Extended Revolving Credit Loans and the Extended Term Loans will rank *pari passu* in right of payment and with respect to security with the existing Revolving Credit Loans and the existing Term Loans and the borrower and guarantors of the Extended Revolving Credit Commitments or Extended Term Loans, as applicable, shall be the same as the Borrowers and Subsidiary Guarantors with respect to the existing Revolving Credit Loans or Term Loans, as applicable, (iv) the interest rate margin, rate floors, fees, original issue discount and premium applicable to any Extended Revolving Credit Commitment (and the Extended Revolving Credit Loans thereunder) and Extended Term Loans shall be determined by the Borrowers and the applicable extending Lenders, (v)(A) the Extended Term Loans may participate on a pro rata or less than pro rata (but not greater than pro rata) basis in mandatory prepayments with the other Term Loans and
(2) borrowing and prepayment of Extended Revolving Credit Loans, or reductions of Extended Revolving Credit Commitments, and participation in Letters of Credit and Swingline Loans, shall be on a pro rata basis with the other Revolving Credit Loans or Revolving Credit Commitments (other than upon the maturity of the non-extended Revolving Credit Loans and Revolving Credit Commitments) and (vi) the terms of the Extended Revolving Credit Commitments or Extended Term Loans, as applicable, shall be substantially identical to the terms set forth herein (except as set forth in clauses (i) through (v) above).

(4) In connection with any Extension, the Borrowers, the Administrative Agent and each applicable extending Lender shall execute and deliver to the Administrative Agent an Extension Amendment and such other documentation as the Administrative Agent shall reasonably specify to evidence the Extension. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Extension. Any Extension Amendment may, without the consent of any other Lender, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrowers, to implement the terms of any such Extension, including any amendments necessary to establish Extended Revolving Credit Commitments or Extended Term Loans as a new Class or tranche of Revolving Credit Commitments or Term Loans, as applicable, and such other technical amendments as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrowers in connection with the establishment of such new Class or tranche (including to preserve the pro rata treatment of the extended and non-extended Classes or

tranches and to provide for the reallocation of Revolving Credit Exposure upon the expiration or termination of the commitments under any Class or tranche), in each case on terms consistent with this section.

(5) Notwithstanding the terms of Sections 5.13, 5.18 and 5.19, in no event shall there be more than (i) two (2) tranches of revolving facilities in the aggregate in effect at any time (including the Revolving Credit Commitments, any Extended Revolving Credit Commitments and any Refinancing Revolving Credit Commitments) and (ii) four (4) tranches of term loans (including the Initial Term Loan, any Extended Term Loans, any Incremental Term Loans and any Refinancing Term Loans), in each case under this Agreement.

ARTICLE VI

CONDITIONS OF CLOSING AND BORROWING

SECTION 6.1 Conditions to Closing and Initial Extensions of Credit

. The obligation of the Lenders to close this Agreement and to make the initial Loans or issue or participate in the initial Letter of Credit, if any, on the Closing Date is subject to the satisfaction of each of the following conditions:

(1) Executed Loan Documents. This Agreement, a US Revolving Credit Note and a Canadian Revolving Credit Note in favor of each Revolving Credit Lender requesting a US Revolving Credit Note and a Canadian Revolving Credit Note, a US Term Loan Note and a Canadian Term Loan Note in favor of each Term Loan Lender requesting a US Term Loan Note, a US Swingline Note in favor of the Swingline Lender and a Canadian Swingline Note in favor of the Swingline Lender (in each case, if requested thereby), the Security Documents and the Guaranty Agreements, together with any other applicable Loan Documents, shall have been duly authorized, executed and delivered to the Administrative Agent by the parties thereto, shall be in full force and effect.

(2) Closing Certificates; Etc. The Administrative Agent shall have received each of the following in form and substance reasonably satisfactory to the Administrative Agent:

a. Officer’s Certificate. A certificate from a Responsible Officer of Centuri to the effect that (A) all representations and warranties of the Credit Parties contained in this Agreement and the other Loan Documents are true, correct and complete in all material respects (except to the extent any such representation and warranty is qualified by materiality or reference to Material Adverse Effect, in which case, such representation and warranty shall be true, correct and complete in all respects); provided that the only representations and warranties under this Agreement or any other Loan Document the accuracy of which shall be a condition to the availability of the initial Extensions of Credit on the Closing Date shall be the Specified Representations; (B) the condition set forth in Section 6.1(f)(iv) is satisfied; (C) attached thereto is a true and correct copy of the Drum Merger Agreement as in effect on the Closing Date; and (D) each of the Credit Parties, as applicable, has satisfied each of the conditions set forth in Section 6.1 and Section 6.2.

b. Officer’s Certificate of each Credit Party. A certificate of a Responsible Officer of each Credit Party certifying as to the incumbency and genuineness of the signature of each officer of such Credit Party executing Loan Documents to which it is a party and certifying that attached thereto is a true, correct and complete copy of (A) the articles or certificate of incorporation or formation (or equivalent), as applicable, of such Credit Party and all amendments thereto, and in the case of the US Credit Parties only, certified as of a recent date by the appropriate Governmental Authority in its jurisdiction of incorporation, organization or formation (or equivalent), as applicable, (B) the bylaws or other governing document of such Credit Party as in effect on the

Closing Date, (C) resolutions duly adopted by the board of directors (or other governing body) of such Credit Party authorizing and approving the transactions contemplated hereunder and the execution, delivery and performance of this Agreement and the other Loan Documents to which it is a party, and (D) with respect to the US Credit Parties only, each certificate required to be delivered pursuant to Section 6.1(b)(iii).

c. Certificates of Good Standing. Certificates as of a recent date of the good standing of each Credit Party under the laws of its jurisdiction of incorporation, organization or formation (or equivalent), as applicable.

d. Opinions of Counsel. Opinions of counsel to the Credit Parties addressed to the Administrative Agent and the Lenders with respect to the Credit Parties, the Loan Documents and such other matters as the Administrative Agent shall reasonably request (which such opinions shall expressly permit reliance by permitted successors and assigns of the addressees thereof).

(3) Personal Property Collateral.

a. Filings and Recordings. The Administrative Agent shall have received all filings and recordations that are necessary to perfect the security interests of the Administrative Agent, on behalf of the US Secured Parties and the Canadian Secured Parties in the Collateral and the Administrative Agent shall have received evidence reasonably satisfactory to the Administrative Agent that upon such filings and recordations such security interests constitute valid and perfected first priority Liens thereon (subject to Permitted Liens).

b. Pledged Collateral. The Administrative Agent shall have received, subject to Section 8.19, (A) original stock certificates or other certificates evidencing the certificated Equity Interests pledged pursuant to the Security Documents, together with an undated stock power for each such certificate duly executed in blank by the registered owner thereof and (B) each original promissory note pledged pursuant to the Security Documents together with an undated allonge for each such promissory note duly executed in blank by the holder thereof.

c. Lien Search. The Administrative Agent shall have received the results of customary Lien searches (including UCC and PPSA searches and a search as to bankruptcy, tax and intellectual property matters as applicable), in form and substance reasonably satisfactory thereto, made against the Credit Parties, indicating among other things that the assets of each such Credit Party are free and clear of any Lien (except for Permitted Liens).

(4) [Intentionally Omitted].

(5) Financial Matters.

a. Financial Statements. The Agents shall have received (A) the audited Consolidated balance sheet of Centuri and its Subsidiaries for the Fiscal Year ended on December 31, 2020 and the related audited statements of income and retained earnings and cash flows for each such Fiscal Year, (B) an unaudited Consolidated balance sheet of Centuri and its Subsidiaries for the fiscal quarter ended on June 30, 2021 and related statements of operations for the six-month period then ended and such financial statements described in this clause (B) are publicly available,
(3) unaudited Consolidated balance sheets and the related Consolidated statements of income and cash flows of Centuri and its Subsidiaries for each interim fiscal quarter ended after June 30, 2021 and at least 45 days prior to the Closing Date, (D) the audited Consolidated balance sheet of Drum and its Subsidiaries for the fiscal years ended December 31, 2020 and December 31, 2019 and the

related audited statements of income and retained earnings and cash flows for each such fiscal year, (E) an unaudited Consolidated balance sheet of Drum and its Subsidiaries for the fiscal quarter ended on June 30, 2021 and related statements of operations for the six-month period then ended and (F) unaudited Consolidated balance sheets and the related Consolidated statements of income and cash flows of Drum and its Subsidiaries for each interim fiscal quarter ended after June 30, 2021 and at least 45 days prior to the Closing Date.

b. Financial Condition/Solvency Certificate. Centuri shall have delivered to the Administrative Agent a certificate, in form and substance satisfactory to the Administrative Agent, and certified as accurate by the chief financial officer of Centuri, that (A) after giving effect to the Transactions, Centuri and its Subsidiaries, on a Consolidated basis, are Solvent and (B) the financial projections previously delivered to the Agents represent the good faith estimates (utilizing reasonable assumptions) of the financial condition and operations of the Consolidated Companies.

c. Payment at Closing. If an invoice has been provided to Centuri not less than two (2) Business Days prior to the Closing Date, the Borrowers shall have paid or made arrangements to pay contemporaneously with closing (A) to the Administrative Agent, the Arrangers and the Lenders the fees set forth or referenced in Section 5.3 and any other accrued and unpaid fees or commissions due hereunder, (B) all fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent accrued and unpaid prior to or on the Closing Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between Centuri and the Administrative Agent) and (C) to any other Person such amount as may be due thereto in connection with the transactions contemplated hereby, including all taxes, fees and other charges in connection with the execution, delivery, recording, filing and registration of any of the Loan Documents.

(6) Drum Acquisition.

a. Consummation of the Drum Acquisition. The Drum Acquisition (including the payment of all amounts due and payable in connection with the consummation of the Drum Acquisition) shall be, or shall have been, consummated in accordance with the Drum Merger Agreement without giving effect to any waivers, modifications, or consents thereof that are materially adverse to the Lenders (as reasonably determined by the Agents) unless such waivers, modifications, or consents are approved in writing by the Agents.

b. Drum Merger Agreement. The Arrangers shall have received true, correct and fully executed copies of the Drum Merger Agreement.

c. Drum Acquisition Representations and Warranties. Each of the representations made by Drum or any of its Subsidiaries or Affiliates or with respect to Drum or its Subsidiaries or its business in the Drum Merger Agreement that are material to the interests of the Lenders are accurate in all material respects (or if qualified by materiality or reference to material adverse effect, in all respects), but only to the extent that in the event of an inaccuracy with respect to, or a breach of, such representations Centuri or its Affiliates have the right to terminate their respective obligations under the Drum Merger Agreement or otherwise decline to close the Drum Acquisition.

d. No Drum Material Adverse Effect. Since the date of the Drum Merger Agreement, there shall not have occurred a Drum Material Adverse Effect or any event or condition that could reasonably be expected to have a Drum Material Adverse Effect.

(7) Miscellaneous.

a. Notice of Account Designation. The Administrative Agent shall have received a Notice of Account Designation specifying the account or accounts to which the proceeds of any Loans made on or after the Closing Date are to be disbursed.

b. Existing Indebtedness. (A) All amounts due or outstanding in respect of the Existing Credit Agreement shall have been (or substantially simultaneously with the Closing Date shall be) refinanced in full and (B) all existing Indebtedness of Drum and its Subsidiaries (other than such Indebtedness that is expressly permitted to remain outstanding pursuant to the Drum Merger Agreement and permitted by Section 9.1(c)) shall be repaid in full, all commitments (if any) in respect thereof shall have been terminated and all guarantees therefor and security therefor shall be released, in each case prior to or substantially concurrently with the initial Extensions of Credit hereunder and the Administrative Agent shall have received pay-off letters in form and substance satisfactory to it evidencing such repayment, termination and release.

c. PATRIOT Act, etc. To the extent requested by the Agents or any Lender at least ten (10) Business Days prior to the Closing Date, (A) the Agents and the Lenders shall have received, at least five Business Days prior to the Closing Date (or such shorter period as the Administrative Agent may agree), all documentation and other information requested by the Agents or any Lender in order to comply with requirements of any Anti-Money Laundering Laws including, without limitation, the PATRIOT Act and any applicable "know your customer" rules and regulations and (B) the Borrowers shall have delivered to the Agents, and directly to any Lender requesting the same, a Beneficial Ownership Certification in relation to it (or a certification that such Borrower qualifies for an express exclusion from the "legal entity customer" definition under the Beneficial Ownership Regulations), in each case at least five (5) Business Days prior to the Closing Date.

d. Other Documents. All opinions, certificates and other instruments and all proceedings in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to the Administrative Agent. The Administrative Agent shall have received copies of all other documents, certificates and instruments reasonably requested thereby, with respect to the transactions contemplated by this Agreement.

Without limiting the generality of the provisions of Section 11.3(c), for purposes of determining compliance with the conditions specified in this Section 6.1, the Administrative Agent and each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

SECTION 6.2 Conditions to All Extensions of Credit

. Subject to Section 5.13 and Section 1.12 solely with respect to any Incremental Term Loan incurred to finance a substantially concurrent Limited Condition Acquisition, the obligations of the Lenders to make or participate in any Extensions of Credit (including the initial Extension of Credit), convert or continue any Loan and/or any Issuing Lender to issue or extend any Letter of Credit are subject to the satisfaction of

the following conditions precedent on the relevant borrowing, continuation, conversion, issuance or extension date:

(1) Continuation of Representations and Warranties. The representations and warranties contained in this Agreement and the other Loan Documents shall be true and correct in all material respects, except for any representation and warranty that is qualified by materiality or reference to Material Adverse Effect, which such representation and warranty shall be true and correct in all respects, on and as of such borrowing, continuation, conversion, issuance or extension date with the same effect as if made on and as of such date (except for any such representation and warranty that by its terms is made only as of an earlier date, which representation and warranty shall remain true and correct in all material respects as of such earlier date, except for any representation and warranty that is qualified by materiality or reference to Material Adverse Effect, which such representation and warranty shall be true and correct in all respects as of such earlier date); provided that that the only representations and warranties the accuracy of which shall be a condition to the availability of the initial Extensions of Credit on the Closing Date shall be the Specified Representations.

(2) No Existing Default. Except with respect to the initial Extensions of Credit on the Closing Date, no Default or Event of Default shall have occurred and be continuing (i) on the borrowing, continuation or conversion date with respect to such Loan or after giving effect to the Loans to be made, continued or converted on such date or (ii) on the issuance or extension date with respect to such Letter of Credit or after giving effect to the issuance or extension of such Letter of Credit on such date.

(3) Notices. The Administrative Agent shall have received a Notice of Borrowing, Letter of Credit Application, or Notice of Conversion/Continuation, as applicable, from the applicable Borrower in accordance with Section 2.3(a), Section 3.2, Section 4.2 or Section 5.2, as applicable.

(4) New Swingline Loans/Letters of Credit. So long as any Lender is a Defaulting Lender, (i) no Swingline Lender shall be required to fund any Swingline Loans unless it is satisfied that it will have no Fronting Exposure after giving effect to such Swingline Loan and (ii) no Issuing Lender shall be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

Each Notice of Borrowing, Letter of Credit Application, as applicable, submitted by the Borrowers shall be deemed to be a representation and warranty that the conditions specified in Sections 6.2(a) and (b) have been satisfied on and as of the date of the applicable Extension of Credit.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES OF THE CREDIT PARTIES

To induce the Administrative Agent and Lenders to enter into this Agreement and to induce the Lenders to make Extensions of Credit, the Credit Parties hereby represent and warrant to the Administrative Agent and the Lenders both immediately before and after giving effect to the transactions contemplated hereunder, which representations and warranties shall be deemed made on the Closing Date and as otherwise set forth in Section 6.2, that:

SECTION 7.1 Organization; Power; Qualification

. Each Credit Party and each Subsidiary thereof (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation, (b) has the power and authority to own its Properties and to carry on its business as now being conducted and (c) is duly qualified and authorized

to do business in each jurisdiction in which the character of its Properties or the nature of its business requires such qualification and authorization, in the case of this clause (c), except to the extent failure to do so would not reasonably be expected to have a Material Adverse Effect. The jurisdictions in which each Credit Party and each Subsidiary thereof are organized and qualified to do business as of the Closing Date are described on Schedule 7.1. No Credit Party nor any Subsidiary thereof is an Affected Financial Institution.

SECTION 7.2 Ownership

. Each Subsidiary of each Credit Party as of the Closing Date is listed on Schedule 7.2. As of the Closing Date, the capitalization of each Credit Party and its Subsidiaries consists of the number of shares, authorized, issued and outstanding, of such classes and series, with or without par value, described on Schedule 7.2. All outstanding shares have been duly authorized and validly issued and are fully paid and nonassessable and not subject to any preemptive or similar rights, except as described in Schedule 7.2. As of the Closing Date, there are no outstanding stock purchase warrants, subscriptions, options, securities, instruments or other rights of any type or nature whatsoever, which are convertible into, exchangeable for or otherwise provide for or require the issuance of Equity Interests of any Credit Party or any Subsidiary thereof, except as described on Schedule 7.2.

SECTION 7.3 Authorization; Enforceability

. Each Credit Party has the right, power and authority and has taken all necessary corporate and other action to authorize the execution, delivery and performance of this Agreement and each of the other Loan Documents to which it is a party in accordance with their respective terms. This Agreement and each of the other Loan Documents have been duly executed and delivered by the duly authorized officers of each Credit Party that is a party thereto, and each such document constitutes the legal, valid and binding obligation of each Credit Party that is a party thereto, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar state, provincial, or federal Debtor Relief Laws from time to time in effect which affect the enforcement of creditors' rights in general and the availability of equitable remedies.

SECTION 7.4 Compliance of Agreement, Loan Documents and Borrowing with Laws, Etc

. The execution, delivery and performance by each Credit Party of the Loan Documents to which each such Credit Party is a party, in accordance with their respective terms, the Extensions of Credit hereunder and the transactions contemplated hereby or thereby do not and will not, by the passage of time, the giving of notice or otherwise, (a) require any Governmental Approval or violate any Applicable Law relating to any Credit Party or any Subsidiary thereof where the failure to obtain such Governmental Approval or such violation could reasonably be expected to have a Material Adverse Effect, (b) conflict with, result in a breach of or constitute a default under the articles of incorporation, bylaws or other organizational documents of any Credit Party or any Subsidiary thereof, (c) conflict with, result in a breach of or constitute a default under any indenture, agreement or other instrument to which such Person is a party or by which any of its properties may be bound or any Governmental Approval relating to such Person, which could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (d) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by such Person other than Permitted Liens or (e) other than filings or consents which have been obtained and remain in effect, require any consent or authorization of, filing with, or other act in respect of, an arbitrator or Governmental Authority and no consent of any other Person is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement other than consents,

authorizations, filings or other acts or consents for which the failure to obtain or make could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

SECTION 7.5 Compliance with Law; Governmental Approvals

. Each Credit Party and each Subsidiary thereof (a) has all Governmental Approvals required by any Applicable Law for it to conduct its business, each of which is in full force and effect, is final and not subject to review on appeal and is not the subject of any pending or, to its knowledge, threatened in writing attack by direct or collateral proceeding, (b) is in compliance with each Governmental Approval applicable to it and in compliance with all other Applicable Laws relating to it or any of its properties and (c) has timely filed all material reports, documents and other materials required to be filed by it under all Applicable Laws with any Governmental Authority and has retained all material records and documents required to be retained by it under Applicable Law except in each case (a), (b) or (c) where the failure to have, comply or file could not reasonably be expected to have a Material Adverse Effect.

SECTION 7.6 Tax Returns and Payments

. Each Credit Party and each Subsidiary thereof has duly filed or caused to be filed all federal, state, provincial, local and other tax returns required by Applicable Law to be filed, and has paid, or made adequate provision for the payment of, all federal, state, provincial, local and other taxes, assessments and governmental charges or levies upon it and its property, income, profits and assets which are due and payable (other than (a) where the failure to file, pay, or make provision could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, or (b) any amount the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided for on the books of the relevant Credit Party). Such returns accurately reflect in all material respects all liability for taxes of any Credit Party or any Subsidiary thereof for the periods covered thereby. As of the Closing Date, except as set forth on Schedule 7.6, there is no ongoing audit or examination or, to its knowledge, other investigation by any Governmental Authority of the tax liability of any Credit Party or any Subsidiary thereof. No Governmental Authority has asserted any Lien or other claim against any Credit Party or any Subsidiary thereof with respect to unpaid taxes which has not been discharged or resolved (other than (a) any amount the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided for on the books of the relevant Credit Party or (b) Permitted Liens). The charges, accruals and reserves on the books of each Credit Party and each Subsidiary thereof in respect of federal, state, provincial, local and other taxes for all Fiscal Years and portions thereof since the organization of any Credit Party or any Subsidiary thereof are in the judgment of the Borrowers adequate, and the Borrowers do not anticipate any additional taxes or assessments for any of such years.

SECTION 7.7 Intellectual Property Matters

. Each Credit Party and each Subsidiary thereof owns or possesses rights to use all franchises, licenses, copyrights, copyright applications, patents, patent rights or licenses, patent applications, trademarks, trademark rights, service mark, service mark rights, trade names, trade name rights, copyrights and other rights with respect to the foregoing which are reasonably necessary to conduct its business, except where the failure to own or possess such rights could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No event has occurred which permits, or after notice or lapse of time or both would permit, the revocation or termination of any such rights, and no Credit Party nor any Subsidiary thereof is liable to any Person for infringement under Applicable Law with respect to any such rights as a result of its business operations, except as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

SECTION 7.8 Environmental Matters

. Except where the failure of any of the following representations to be correct could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect:

(1) the properties owned, leased or operated by each Credit Party and each Subsidiary thereof do not contain, and to their knowledge have not previously contained, any Hazardous Materials in amounts or concentrations which constitute or constituted a violation of applicable Environmental Laws and, to their knowledge, the properties owned, leased or operated by each Credit Party and each Subsidiary thereof in the past do not contain and have not previously contained any Hazardous Materials in amounts or concentrations which constituted a violation of applicable Environmental Laws;

(2) each Credit Party and each Subsidiary thereof and such properties owned, leased or operated by such Credit Party or such Subsidiary and all operations conducted in connection therewith are in compliance, and have been in compliance, with all applicable Environmental Laws, and there is no contamination at, under or about such properties or such operations which could interfere with the continued operation of such properties or impair the fair saleable value thereof;

(3) no Credit Party nor any Subsidiary thereof has received any written notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters, Hazardous Materials, or compliance with Environmental Laws, nor does any Credit Party or any Subsidiary thereof have knowledge or reason to believe that any such notice will be received or is being threatened;

(4) to the knowledge of each Credit Party and each Subsidiary thereof, Hazardous Materials have not been transported or disposed of to or from the properties owned, leased or operated by any Credit Party or any Subsidiary thereof in violation of, or in a manner or to a location which could give rise to liability under, Environmental Laws, nor have any Hazardous Materials been generated, treated, stored or disposed of at, on or under any of such properties in violation of, or in a manner that could give rise to liability under, any applicable Environmental Laws;

(5) no judicial proceedings or governmental or administrative action is pending, or, to the knowledge of the Borrowers, threatened in writing, under any Environmental Law to which any Credit Party or any Subsidiary thereof is or will be named as a potentially responsible party with respect to such properties or operations conducted in connection therewith, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any applicable Environmental Law with respect to any Credit Party, any Subsidiary thereof or such properties or such operations; and

(6) there has been no release, or to the best of each Borrower's knowledge, threat of release, of Hazardous Materials at or from properties owned, leased or operated by any Credit Party or any Subsidiary, now or in the past five (5) years, in violation of or in amounts or in a manner that could give rise to liability under applicable Environmental Laws.

SECTION 7.9 Employee Benefit Matters.

(1) As of the Closing Date, no Credit Party nor any ERISA Affiliate maintains or contributes to, or has any obligation under, any Employee Benefit Plans or Canadian Employee Benefit Plans other than those identified on Schedule 7.9;

(2) Each Credit Party and each ERISA Affiliate is in compliance with all applicable provisions of ERISA, the Code and the regulations and published interpretations thereunder with respect to all

Employee Benefit Plans (and with all Canadian Pension Laws with respect to all Canadian Employee Benefit Plans) except for any required amendments for which the remedial amendment period as defined in Section 401(b) of the Code has not yet expired and except where a failure to so comply could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each Employee Benefit Plan that is intended to be qualified under Section 401(a) of the Code has been determined by the IRS to be so qualified, and each trust related to such plan has been determined to be exempt under Section 501(a) of the Code except for such plans that have not yet received determination letters but for which the remedial amendment period for submitting a determination letter has not yet expired. Each Canadian Employee Benefit Plan that is intended to be registered under Canadian Pension Laws has been so registered and such registration has not been revoked nor has any notice of intent to revoke such registration been received. No liability has been incurred by any Credit Party or any ERISA Affiliate which remains unsatisfied for any taxes or penalties assessed with respect to any Employee Benefit Plan, Canadian Employee Benefit Plan or any Multiemployer Plan except for a liability that could not reasonably be expected to have a Material Adverse Effect;

(3) As of the Closing Date, no Pension Plan has been terminated, nor has any Pension Plan become subject to funding based benefit restrictions under Section 436 of the Code, nor has any funding waiver from the IRS been received or requested with respect to any Pension Plan, nor has any Credit Party or any ERISA Affiliate failed to make any contributions or to pay any amounts due and owing as required by Sections 412 or 430 of the Code, Section 302 of ERISA or the terms of any Pension Plan on or prior to the due dates of such contributions under Sections 412 or 430 of the Code or Section 302 of ERISA, nor has there been any event requiring any disclosure under Section 4041(c)(3)(C) or 4063(a) of ERISA with respect to any Pension Plan, nor has any Credit Party nor any Subsidiary thereof failed to make or remit any required contributions when due to any Canadian Employee Benefit Plan, nor has any solvency funding relief been elected or exercised with respect to any Canadian Pension Plan;

(4) Except where the failure of any of the following representations to be correct could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, no Credit Party nor any ERISA Affiliate has: (i) engaged in a nonexempt prohibited transaction described in Section 406 of the ERISA or Section 4975 of the Code, (ii) incurred any liability to the PBGC which remains outstanding other than the payment of premiums and there are no premium payments which are due and unpaid, (iii) failed to make a required contribution or payment to a Multiemployer Plan or Canadian Multiemployer Plan, or (iv) failed to make a required installment or other required payment under Sections 412 or 430 of the Code or Canadian Pension Laws or to make a required contribution or payment under the terms of any Canadian Employee Benefit Plan;

(5) No Termination Event or Canadian Termination Event has occurred or is reasonably expected to occur;

(6) Except where the failure of any of the following representations to be correct could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, no proceeding, claim (other than a benefits claim in the ordinary course of business), lawsuit and/or investigation is existing or, to the best of the knowledge of each Borrower after due inquiry, threatened in writing concerning or involving (i) any employee welfare benefit plan (as defined in Section 3(1) of ERISA) currently maintained or contributed to by any Credit Party or any ERISA Affiliate, (ii) any Pension Plan or Canadian Pension Plan, or (iii) any Multiemployer Plan or Canadian Multiemployer Plan.

(7) No Credit Party nor any Subsidiary thereof is a party to any contract, agreement or arrangement that could, solely as a result of the delivery of this Agreement or the consummation of

transactions contemplated hereby, result in the payment of any "excess parachute payment" within the meaning of Section 280G of the Code.

(8) As of the Closing Date, no Credit Party nor any Subsidiary thereof has established, or commenced participation in, any Canadian Employee Benefit Plan containing a defined benefit provision.

(9) As of the Closing Date no Borrower is nor will be using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments.

SECTION 7.10 Margin Stock

. No Credit Party nor any Subsidiary thereof is engaged principally or as one of its activities in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" (as each such term is defined or used, directly or indirectly, in Regulation U of the Board of Governors of the Federal Reserve System). No part of the proceeds of any of the Loans or Letters of Credit will be used for purchasing or carrying margin stock or for any purpose which violates, or which would be inconsistent with, the provisions of Regulation T, U or X of such Board of Governors. Following the application of the proceeds of each Extension of Credit, not more than twenty-five percent (25%) of the value of the assets (either of each Borrower only or of the Consolidated Companies on a Consolidated basis) subject to the provisions of Section 9.2 or Section 9.5 or subject to any restriction contained in any agreement or instrument between any Borrower and any Lender or any Affiliate of any Lender relating to Indebtedness in excess of the Threshold Amount will be "margin stock".

SECTION 7.11 Government Regulation

. No Credit Party nor any Subsidiary thereof is an "investment company" or a company "controlled" by an "investment company" (as each such term is defined or used in the Investment Company Act) and no Credit Party nor any Subsidiary thereof is, or after giving effect to any Extension of Credit will be, subject to regulation under the Interstate Commerce Act, or any other Applicable Law which limits its ability to incur or consummate the transactions contemplated hereby.

SECTION 7.12 [Intentionally Omitted]

.

SECTION 7.13 Employee Relations

. As of the Closing Date, no Credit Party nor any Subsidiary thereof is party to any collective bargaining agreement, nor has any labor union been recognized as the representative of its employees except as set forth on Schedule 7.13. No Borrower knows of any pending, threatened in writing or contemplated strikes, work stoppage or other collective labor disputes involving its employees or those of its Subsidiaries that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

SECTION 7.14 Burdensome Provisions

. No Subsidiary is party to any agreement or instrument or otherwise subject to any restriction or encumbrance that restricts or limits its ability to make dividend payments or other distributions in respect of its Equity Interests to any Consolidated Company or to transfer any of its assets or properties to any Consolidated Company in each case other than existing under or by reason of the Loan Documents or Applicable Law.

SECTION 7.15 Financial Statements

. The audited and unaudited financial statements delivered pursuant to Section 6.1(e)(i) are complete and correct and fairly present on a Consolidated basis the assets, liabilities and financial position of the Consolidated Companies as at such dates, and the results of the operations and changes of financial position for the periods then ended (other than customary year-end adjustments for unaudited financial statements and the absence of footnote disclosures for unaudited financial statements). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP. Such financial statements show all material indebtedness and other material liabilities, direct or contingent, of the Consolidated Companies as of the date thereof, including material liabilities for taxes, material commitments, and Indebtedness, in each case, to the extent required to be disclosed under GAAP. The projections delivered to the Administrative Agent and the Arrangers prior to the Closing Date were prepared in good faith on the basis of the assumptions stated therein, which assumptions are believed to be reasonable in light of then existing conditions except that such financial projections and statements shall be subject to normal year end closing and audit adjustments (it being recognized by the Lenders that projections are not to be viewed as facts and that the actual results during the period or periods covered by such projections may vary from such projections).

SECTION 7.16 No Material Adverse Change

. Since December 31, 2020, there has been no material adverse change in the properties, business, operations, or financial condition of the Consolidated Companies and no event has occurred or condition arisen, either individually or in the aggregate, that could reasonably be expected to have a Material Adverse Effect.

SECTION 7.17 Solvency

. The Borrowers and their respective Subsidiaries, on a Consolidated basis, are Solvent.

SECTION 7.18 Title to Properties

. As of the Closing Date, the real property listed on Schedule 7.18 constitutes all of the real property that is owned, leased, or subleased by any Credit Party or any of its Subsidiaries. Each Credit Party and each Subsidiary thereof has such title to the real property owned or leased by it as is necessary or desirable to the conduct of its business and valid and legal title to all of its personal property and assets, except those which have been disposed of by such Credit Party or such Subsidiary subsequent to such date which dispositions have been in the ordinary course of business or as otherwise expressly permitted hereunder.

SECTION 7.19 Litigation

. There are no actions, suits or proceedings pending nor, to the knowledge of any Borrower, threatened in writing against or in any other way relating adversely to or affecting any Credit Party or any Subsidiary thereof or any of their respective properties in any court or before any arbitrator of any kind or before or by any Governmental Authority that could reasonably be expected to have a Material Adverse Effect.

SECTION 7.20 Anti-Corruption Laws and Sanctions

.

(1) None of (i) the Borrowers, any Subsidiary of any Borrower or, to the knowledge of any Borrower or any such Subsidiary, any of their respective directors, officers or employees, or (ii) to the

~~146960219_6~~
165457743_4

knowledge of any Borrower, any agent of any Borrower or any Subsidiary of any Borrower that will act in any capacity in connection with or benefit from the credit facilities established hereby, (A) is a Sanctioned Person or currently the subject or target of any Sanctions, (B) is controlled by or is acting on behalf of a Sanctioned Person, (C) has its assets located in a Sanctioned Country, (D) is under administrative, civil or criminal investigation for an alleged violation of, or received notice from or made a voluntary disclosure to any governmental entity regarding a possible violation of, Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions by a governmental authority that enforces Sanctions or any Anti-Corruption Laws or Anti-Money Laundering Laws, or (E) directly or indirectly derives revenues from investments in, or transactions with, Sanctioned Persons.

(2) Each Borrower and its Subsidiaries has implemented and maintains in effect policies and procedures designed to ensure compliance by such Borrower and its Subsidiaries and their respective directors, officers, employees, agents and Controlled Affiliates with all Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions.

(3) Each Borrower and its Subsidiaries, each director, officer, and to the knowledge of such Borrower, employee, agent and Affiliate of such Borrower and each such Subsidiary, is in compliance with all Anti-Corruption Laws, Anti-Money Laundering Laws in all material respects and applicable Sanctions.

(4) No proceeds of any Extension of Credit have been used, directly or indirectly, by any Borrower, any of its Subsidiaries or any of its or their respective directors, officers, employees and agents in violation of Section 8.15.

SECTION 7.21 Absence of Defaults

. No event has occurred or is continuing (a) which constitutes a Default or an Event of Default, or (b) which constitutes, or which with the passage of time or giving of notice or both would constitute, a default or event of default by any Credit Party or any Subsidiary thereof under any judgment, decree or order to which any Credit Party or any Subsidiary thereof is a party or by which any Credit Party or any Subsidiary thereof or any of their respective properties may be bound or which would require any Credit Party or any Subsidiary thereof to make any payment thereunder prior to the scheduled maturity date therefor that, in any case under this clause (b), could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

SECTION 7.22 Senior Indebtedness Status

. The Obligations of each Credit Party and each Subsidiary thereof under this Agreement and each of the other Loan Documents ranks and shall continue to rank at least senior in priority of payment to all Subordinated Indebtedness and pari passu in priority of payment with all senior unsecured Indebtedness of each such Person and, to the extent required to be so designated to constitute "Senior Indebtedness" (or the equivalent), has been so designated as "Senior Indebtedness" (or the equivalent) under all instruments and documents, now or in the future, relating to all Subordinated Indebtedness and all senior unsecured Indebtedness of such Person.

SECTION 7.23 Disclosure

. Each Credit Party and each Subsidiary thereof has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which any Credit Party and any Subsidiary thereof are subject, and all other matters known to them, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No financial statement, material report, material certificate or other material information furnished (whether in writing or orally) by or on behalf of

any Credit Party or any Subsidiary thereof to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished), taken together as a whole, contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, pro forma financial information, estimated financial information and other projected or estimated information, such information was prepared in good faith based upon assumptions believed to be reasonable at the time (it being recognized by the Lenders that projections are not to be viewed as facts and that the actual results during the period or periods covered by such projections may vary from such projections). As of the Closing Date, all of the information included in the Beneficial Ownership Certification, if applicable, is true and correct.

SECTION 7.24 Insurance

. The Credit Parties and their Subsidiaries are insured by financially sound and reputable insurance companies against at least such risks and in at least such amounts as are customarily maintained by similar businesses and as may be required by Applicable Law (including, without limitation, hazard and business interruption insurance).

ARTICLE VIII AFFIRMATIVE COVENANTS

Until all of the Obligations (other than contingent indemnification obligations not then due) have been paid and satisfied in full in cash, all Letters of Credit have been terminated or expired (or been Cash Collateralized) and the Commitments terminated, each Credit Party will, and will cause each of its Subsidiaries to:

SECTION 8.1 Financial Statements and Budgets

. Deliver to the Administrative Agent, in form and detail satisfactory to the Administrative Agent (which shall promptly make such information available to the Lenders in accordance with its customary practice):

(1) Annual Financial Statements. As soon as practicable and in any event within ninety (90) days (or, if earlier, on the date of any required public filing thereof) after the end of each Fiscal Year (commencing with the Fiscal Year ending December 31, 2021), an audited Consolidated balance sheet of the Consolidated Companies as of the close of such Fiscal Year and audited Consolidated statements of income, retained earnings and cash flows including the notes thereto and a report containing management's discussion and analysis of such financial statements, all in reasonable detail setting forth in comparative form the corresponding figures as of the end of and for the preceding Fiscal Year and prepared in accordance with GAAP and, if applicable, containing disclosure of the effect on the financial position or results of operations of any change in the application of accounting principles and practices during the year. Such annual financial statements shall be audited by an independent certified public accounting firm of recognized national standing acceptable to the Administrative Agent, and accompanied by a report and opinion thereon by such certified public accountants prepared in accordance with generally accepted auditing standards that is not subject to any "going concern" or similar qualification or exception or any qualification as to the scope of such audit or with respect to accounting principles followed by the Consolidated Companies not in accordance with GAAP.

(2) Quarterly Financial Statements. As soon as practicable and in any event within forty-five (45) days (or, if earlier, on the date of any required public filing thereof) after the end of the first three fiscal

quarters of each Fiscal Year (commencing with the fiscal quarter ended September 30, 2021), an unaudited Consolidated balance sheet of the Consolidated Companies as of the close of such fiscal quarter and unaudited Consolidated statements of income, retained earnings and cash flows and a report containing management's discussion and analysis of such financial statements for the fiscal quarter then ended and that portion of the Fiscal Year then ended, including the notes thereto, all in reasonable detail setting forth in comparative form the corresponding figures as of the end of and for the corresponding period in the preceding Fiscal Year and prepared by Centuri in accordance with GAAP and, if applicable, containing disclosure of the effect on the financial position or results of operations of any change in the application of accounting principles and practices during the period, and certified by the chief financial officer of Centuri to present fairly in all material respects the financial condition of the Consolidated Companies on a Consolidated basis as of their respective dates and the results of operations of the Consolidated Companies for the respective periods then ended, subject to normal year-end adjustments and the absence of footnotes.

(3) Annual Budget. As soon as practicable and in any event within sixty (60) days after the end of each Fiscal Year (commencing with the Fiscal Year ending December 31, 2021), an operating and capital budget of the Consolidated Companies for the ensuing four (4) fiscal quarters, such budget to be prepared in accordance with GAAP and to include, on a quarterly basis, the following: a quarterly operating and capital budget, a projected income statement, statement of cash flows and balance sheet, calculations demonstrating projected compliance with the financial covenants set forth in Section 9.13 and a report containing management's discussion and analysis of such budget with a reasonable disclosure of the key assumptions and drivers with respect to such budget, accompanied by a certificate from a Responsible Officer of Centuri to the effect that such budget contains good faith estimates (utilizing assumptions believed to be reasonable at the time of delivery of such budget) of the financial condition and operations of the Consolidated Companies for such period.

SECTION 8.2 Certificates; Other Reports

. Deliver to the Administrative Agent (which shall promptly make such information available to the Lenders in accordance with its customary practice):

(1) at each time financial statements are delivered pursuant to Sections 8.1(a) or (b) and at such other times as the Administrative Agent shall reasonably request, a duly completed Officer's Compliance Certificate signed by the chief executive officer, chief financial officer, treasurer or controller of Centuri, which will include, as of the date of such financial statements, (i) calculations showing compliance with the financial covenants set forth in Section 9.13, (ii) determination of the "Applicable Margin", (iii) calculations of Immaterial Subsidiaries and (iv) a reasonably detailed calculation of the Available Amount; and, if requested by the Administrative Agent, work-in-progress reports in a form consistent with that provided by Centuri in connection with the Existing Credit Agreement;

(2) [intentionally omitted];

(3) promptly upon receipt thereof, copies of all reports, if any, submitted to any Credit Party, any Subsidiary thereof or any of their respective boards of directors by their respective independent public accountants in connection with their auditing function, including, without limitation, any management report and any management responses thereto;

(4) [intentionally omitted];

(5) promptly after the assertion or occurrence thereof, notice of any action or proceeding against or of any noncompliance by any Credit Party or any Subsidiary thereof with any Environmental Law that could reasonably be expected to have a Material Adverse Effect;

(6) [intentionally omitted];

(7) promptly, and in any event within five (5) Business Days after receipt thereof by any Consolidated Company, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of such Consolidated Company;

(8) promptly upon the request thereof, such other information and documentation required by bank regulatory authorities under applicable Anti-Money Laundering Laws (including, without limitation, any applicable "know your customer" rules and regulations, the PATRIOT Act and Canadian AML Laws), as from time to time reasonably requested by the Administrative Agent or any Lender;

(9) promptly: (i) notice of the establishment, or intent to establish, a new Canadian Employee Benefit Plan that contains a defined benefit provision, or any change to an existing Canadian Employee Benefit Plan to include a defined benefit provision, or (ii) notice of the acquisition of an interest in any Person if such Person sponsors, administers, participates in, or has any liability in respect of any Canadian Employee Benefit Plan that contains a defined benefit provision;

(10) promptly: (i) copies of all actuarial reports and any other material reports with respect to each Canadian Employee Benefit Plan as filed by a Credit Party with any applicable Governmental Authority, (ii) a current calculation of the Credit Parties' aggregate Canadian Pension Plan Unfunded Liabilities pursuant to a valuation or report in a form and substance reasonably satisfactory to the Administrative Agent, when available on an annual basis or upon the reasonable request of the Administrative Agent (such additional request not to be made more than one time per calendar year), (iii) promptly after receipt thereof, a copy of any material direction, order, notice or ruling that any Credit Party receives from any applicable Governmental Authority with respect to any Canadian Employee Benefit Plan,
(11) notification within thirty (30) days of any increases having a cost to one or more of the Credit Parties in excess of the Threshold Amount per annum in the aggregate in the benefits of any Canadian Employee Benefit Plan, and (v) notification of the existence of any report which discloses a Canadian Pension Plan Unfunded Liability; and

(k) such other information regarding the operations, business affairs and financial condition of any Credit Party or any Subsidiary thereof as the Administrative Agent or any Lender may reasonably request.

Each Borrower hereby acknowledges that (a) the Administrative Agent and/or the Arrangers will make available to the Lenders and the Issuing Lenders materials and/or information provided by or on behalf of the Borrowers hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on Debt Domain, IntraLinks, SyndTrak Online or another similar electronic system (the "Platform") and (b) certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Borrowers or their respective securities) (each, a "Public Lender"). Each Borrower hereby agrees that it will use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that (w) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," each Borrower shall be deemed to have authorized the Administrative Agent, the Arrangers, the Issuing Lenders and the Lenders to treat such Borrower Materials as not containing any material non- public information (although it may be sensitive and proprietary) with respect to such Borrower or its securities for purposes of United States Federal and state securities laws (provided, however, that to the

extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 12.10);
(25) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Investor;" and (z) the Administrative Agent and the Arrangers shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Investor."

SECTION 8.3 Notice of Litigation and Other Matters

. Promptly (but in no event later than ten (10) Business Days after any Responsible Officer of any Credit Party obtains knowledge thereof) notify the Administrative Agent in writing of (which shall promptly make such information available to the Lenders in accordance with its customary practice):

(a) the occurrence of any Default or Event of Default;

(b) the commencement of all proceedings and investigations by or before any Governmental Authority and all actions and proceedings in any court or before any arbitrator against or involving any Credit Party or any Subsidiary thereof or any of their respective properties, assets or businesses in each case that if adversely determined could reasonably be expected to result in a Material Adverse Effect;

(c) any notice of any violation received by any Credit Party or any Subsidiary thereof from any Governmental Authority including, without limitation, any notice of violation of Environmental Laws which in any such case could reasonably be expected to have a Material Adverse Effect;

(d) any labor controversy that has resulted in, or threatens to result in, a strike or other work action against any Credit Party or any Subsidiary thereof which could reasonably be expected to have a Material Adverse Effect;

(e) any attachment, judgment, lien (other than Permitted Liens), levy or order exceeding the Threshold Amount that may be assessed against or threatened in writing against any Credit Party or any Subsidiary thereof;

(f) any event which constitutes or which with the passage of time or giving of notice or both would constitute a default or event of default under any contract or other agreement, written or oral, of any Credit Party or any of its Subsidiaries involving monetary liability of or to any such Person in an amount in excess of $35,000,000 per annum;

(g) (i) any unfavorable determination letter from the IRS regarding the qualification of an Employee Benefit Plan under Section 401(a) of the Code (along with a copy thereof), (ii) all notices received by any Credit Party or any ERISA Affiliate of the PBGC's intent to terminate any Pension Plan or to have a trustee appointed to administer any Pension Plan, (iii) all notices received by any Credit Party or any ERISA Affiliate from a Multiemployer Plan sponsor concerning the imposition or amount of withdrawal liability pursuant to Section 4202 of ERISA and (iv) the Borrowers obtaining knowledge or reason to know that any Credit Party or any ERISA Affiliate has filed or intends to file a notice of intent to terminate any Pension Plan under a distress termination within the meaning of Section 4041(c) of ERISA, or any notice of intent to terminate in whole or in part any Canadian Employee Benefit Plan under Canadian Pension Laws or otherwise that, in each case, is filed with or by the PBGC or other Governmental Authority applicable to Canadian Employee Benefit Plans by any Credit Party or any ERISA Affiliate or otherwise received by any Credit Party or any ERISA Affiliate; and

(h) any event which makes any of the representations set forth in Article VII that is subject to materiality or Material Adverse Effect qualifications inaccurate in any respect or any event which makes

any of the representations set forth in Article VII that is not subject to materiality or Material Adverse Effect qualifications inaccurate in any material respect.

Each notice pursuant to Section 8.3 shall be accompanied by a statement of a Responsible Officer of Centuri setting forth details of the occurrence referred to therein and stating what action Centuri has taken and proposes to take with respect thereto. Each notice pursuant to Section 8.3(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

SECTION 8.4 Preservation of Corporate Existence and Related Matters

. Except as permitted by Section 9.4, preserve and maintain its separate corporate existence and all rights, franchises, licenses and privileges necessary to the conduct of its business, and qualify and remain qualified as a foreign corporation or other entity and authorized to do business in each jurisdiction in which the failure to so qualify could reasonably be expected to have a Material Adverse Effect.

SECTION 8.5 Maintenance of Property and Licenses.

(1) Protect and preserve all Properties necessary in and material to its business, including copyrights, patents, trade names, service marks and trademarks; maintain in good working order and condition, ordinary wear and tear excepted, all buildings, equipment and other tangible real and personal property; and from time to time make or cause to be made all repairs, renewals and replacements thereof and additions to such Property necessary for the conduct of its business, so that the business carried on in connection therewith may be conducted in a commercially reasonable manner, in each case except as such action or inaction could not reasonably be expected to result in a Material Adverse Effect.

(2) Maintain, in full force and effect in all material respects, each and every material license, permit, certification, qualification, approval or franchise issued by any Governmental Authority (each a "License") required for each of them to conduct their respective businesses as presently conducted, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 8.6 Insurance

. Maintain insurance with financially sound and reputable insurance companies against at least such risks and in at least such amounts as are customarily maintained by similar businesses and as may be required by Applicable Law (including, without limitation, hazard and business interruption insurance). All such insurance shall, (a) provide that no cancellation or material modification thereof shall be effective until at least 30 days after receipt by the Administrative Agent of written notice thereof (except as a result of non- payment of premium in which case only 10 days' prior written notice shall be required) and (b) name the Administrative Agent as an additional insured party (or in the case of each casualty insurance policy, name the Administrative Agent as lender's loss payee) thereunder. On the Closing Date and from time to time thereafter deliver to the Administrative Agent upon its request information in reasonable detail as to the insurance then in effect, stating the names of the insurance companies, the amounts and rates of the insurance, the dates of the expiration thereof and the properties and risks covered thereby.

SECTION 8.7 Accounting Methods and Financial Records

. Maintain a system of accounting, and keep proper books, records and accounts (which shall be true and complete in all material respects) as may be required or as may be necessary to permit the preparation of financial statements in accordance with GAAP and in compliance with the regulations of any Governmental Authority having jurisdiction over it or any of its Properties.

SECTION 8.8 Payment of Taxes and Other Obligations

. Pay and perform (a) all taxes, assessments and other governmental charges that may be levied or assessed upon it or any of its Property and (b) all other Indebtedness, obligations and liabilities in accordance with customary trade practices, except where the failure to pay or perform such items described in clauses (a) or

(2) of this Section could not reasonably be expected to have a Material Adverse Effect. SECTION

8.9 Compliance with Laws and Approvals

. Observe and remain in compliance in all material respects with all Applicable Laws and maintain in full force and effect all Governmental Approvals, in each case applicable to the conduct of its business except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 8.10 Environmental Laws

. In addition to and without limiting the generality of Section 8.9, (a) comply with, and take commercially reasonable efforts to ensure such compliance by all tenants and subtenants with all applicable Environmental Laws and obtain and comply with and maintain, and take commercially reasonable efforts to ensure that all tenants and subtenants, if any, obtain and comply with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws, except with respect to any matters that could not reasonably be expected to result in a Material Adverse Effect, (b) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws, and promptly comply with all lawful orders and directives of any Governmental Authority regarding Environmental Laws, and (c) defend, indemnify and hold harmless the Administrative Agent and the Lenders, and their respective parents, Subsidiaries, Affiliates, employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature known or unknown, contingent or otherwise, arising out of, or in any way relating to the presence of Hazardous Materials, or the violation of, noncompliance with or liability under any Environmental Laws applicable to the operations of the Consolidated Companies, or any orders, requirements or demands of Governmental Authorities related thereto, including, without limitation, reasonable attorney's and consultant's fees, investigation and laboratory fees, response costs, court costs and litigation expenses, except to the extent that any of the foregoing directly result from the gross negligence, willful misconduct or breach in bad faith of obligations of the party seeking indemnification therefor, as determined by a court of competent jurisdiction by final nonappealable judgment.

SECTION 8.11 Compliance with ERISA and Canadian Pension Laws

. In addition to and without limiting the generality of Section 8.9, (a) except where the failure to so comply could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (i) comply with applicable provisions of ERISA, the Code and the regulations and published interpretations thereunder with respect to all Employee Benefit Plans and with Canadian Pension Laws with respect to all Canadian Employee Benefit Plans, (ii) not take any action or fail to take action the result of which could reasonably be expected to result in a liability to the PBGC or to a Multiemployer Plan or to a Canadian Multiemployer Plan, (iii) not participate in any prohibited transaction that could result in any civil penalty under ERISA or tax under the Code or any penalty or tax under Canadian Pension Laws and (iv) operate each Employee Benefit Plan in such a manner that will not incur any tax liability under Section 4980B of the Code or any liability to any qualified beneficiary as defined in Section 4980B of the Code, (b) comply with and perform in all material respects all of their obligations, including any fiduciary, funding, investment and administration obligations, under and in respect of each Canadian Employee Benefit Plan

under the terms thereof, any funding agreements, and all Applicable Laws, and (c) furnish to the Administrative Agent upon the Administrative Agent's request such additional information about any Employee Benefit Plan or Canadian Employee Benefit Plan as may be reasonably requested by the Administrative Agent. No Credit Party nor any Subsidiary shall at any time terminate or wind-up a Canadian Employee Benefit Plan unless there are no Canadian Pension Plan Unfunded Liabilities in excess of the Threshold Amount.

SECTION 8.12 Maintenance of Debt Ratings

. Use commercially reasonable efforts to maintain all Debt Ratings.

SECTION 8.13 Visits and Inspections

. Permit representatives of the Administrative Agent or any Lender, from time to time upon prior reasonable notice and at such times during normal business hours, all at the expense of the Borrowers, to visit and inspect its properties; inspect, audit and make extracts from its books, records and files, including, but not limited to, management letters prepared by independent accountants; and discuss with its principal officers, and its independent accountants, its business, assets, liabilities, financial condition, results of operations and business prospects; provided that excluding any such visits and inspections during the continuation of an Event of Default, the Administrative Agent shall not exercise such rights more often than one (1) time during any calendar year at the Borrowers' expense; provided further that upon the occurrence and during the continuance of an Event of Default, the Administrative Agent or any Lender may do any of the foregoing at the expense of the Borrowers at any time without advance notice. Upon the request of the Administrative Agent or the Required Lenders, participate in a meeting of the Administrative Agent and Lenders once during each Fiscal Year, which meeting will be held at Centuri's corporate offices (or such other location as may be agreed to by Centuri and the Administrative Agent) at such time as may be agreed by Centuri and the Administrative Agent.

SECTION 8.14 Additional Subsidiaries and Collateral.

(a) Additional US Subsidiaries. Promptly after (x) the creation or acquisition (including by statutory division) of any US Subsidiary (other than an Excluded Subsidiary), (y) any US Subsidiary that is an Excluded Subsidiary failing to constitute an Excluded Subsidiary or (z) the re-designation of any Immaterial Subsidiary (and, in any event, within thirty (30) days after such event, as such time period may be extended by the Administrative Agent in its sole discretion) cause such Person to (i) either (A) become a US Subsidiary Guarantor by delivering to the Administrative Agent a duly executed supplement to the US Credit Party Guaranty Agreement or such other document as the Administrative Agent shall deem appropriate for such purpose, or (B) become an Additional Borrower in compliance with Section 5.17, (ii) grant a security interest, to secure all Secured Obligations, in all Collateral (subject to the exceptions specified in the US Collateral Agreement) owned by such US Subsidiary by delivering to the Administrative Agent a duly executed supplement to each applicable Security Document or such other document as the Administrative Agent shall deem appropriate for such purpose and comply with the terms of each applicable Security Document, (iii) deliver to the Administrative Agent such opinions, documents and certificates referred to in Section 6.1 as may be reasonably requested by the Administrative Agent, (iv) deliver to the Administrative Agent such original certificated Equity Interests or other certificates and stock or other transfer powers evidencing the Equity Interests of such Person, (v) deliver to the Administrative Agent such updated Schedules to the Loan Documents as requested by the Administrative Agent with respect to such Person, and (vi) deliver to the Administrative Agent such other documents as may be reasonably requested by the Administrative Agent, all in form, content and scope reasonably satisfactory to the Administrative Agent.

(b) Additional Canadian Subsidiaries. Promptly after (x) the creation or acquisition of any Canadian Subsidiary (other than an Excluded Subsidiary), (y) any Canadian Subsidiary that is an Excluded Subsidiary failing to constitute an Excluded Subsidiary or (z) the re-designation of any Immaterial Subsidiary (and in any event within thirty (30) days after such event, as such time period may be extended by the Administrative Agent in its sole discretion) cause such Canadian Subsidiary to (i) either (A) become a Canadian Subsidiary Guarantor by delivering to the Administrative Agent a duly executed supplement to the Canadian Credit Party Guarantee Agreement or such other document as the Administrative Agent shall deem appropriate for such purpose, or (B) become an Additional Borrower in compliance with Section 5.17, (ii) grant a security interest, to secure all Canadian Secured Obligations, in all Collateral (subject to the exceptions specified in the Canadian Collateral Agreement) owned by such Canadian Subsidiary by delivering to the Administrative Agent a duly executed supplement to each applicable Security Document or such other document as the Administrative Agent shall deem appropriate for such purpose and comply with the terms of each applicable Security Document, (iii) deliver to the Administrative Agent such opinions, documents and certificates referred to in Section 6.1 as may be reasonably requested by the Administrative Agent, (iv) deliver to the Administrative Agent such original certificated Equity Interests or other certificates and stock or other transfer powers evidencing the Equity Interests of such Person, (v) deliver to the Administrative Agent such updated Schedules to the Loan Documents as requested by the Administrative Agent with respect to such Person, and (vi) deliver to the Administrative Agent such other documents as may be reasonably requested by the Administrative Agent, all in form, content and scope reasonably satisfactory to the Administrative Agent.

(c) Additional First Tier Foreign Subsidiaries. Notify the Administrative Agent promptly after any Person becomes a First Tier Foreign Subsidiary, and at the request of the Administrative Agent, promptly thereafter (and, in any event, within forty-five (45) days after such request, as such time period may be extended by the Administrative Agent in its sole discretion), cause (i) the applicable US Credit Party to deliver to the Administrative Agent Security Documents pledging (A) as security for the US Secured Obligations, sixty-six percent (66%) of the total outstanding voting Equity Interests (and one hundred percent (100%) of the non-voting Equity Interests) of any such new First Tier Foreign Subsidiary and (B) as security for the Canadian Secured Obligations, one hundred percent (100%) of the Equity Interests of any such new First Tier Foreign Subsidiary and, in each case, a consent thereto executed by such new First Tier Foreign Subsidiary (including, without limitation, if applicable, original stock certificates (or the equivalent thereof pursuant to the Applicable Laws and practices of any relevant foreign jurisdiction) evidencing the Equity Interests of such new First Tier Foreign Subsidiary, together with an appropriate undated stock power for each certificate duly executed in blank by the registered owner thereof),
(2) such Person to deliver to the Administrative Agent such opinions, documents and certificates referred to in Section 6.1 as may be reasonably requested by the Administrative Agent, (iii) such Person to deliver to the Administrative Agent such updated Schedules to the Loan Documents as requested by the Administrative Agent with regard to such Person and (iv) such Person to deliver to the Administrative Agent such other documents as may be reasonably requested by the Administrative Agent, all in form, content and scope reasonably satisfactory to the Administrative Agent.

(d) Merger Subsidiaries. Notwithstanding the foregoing, to the extent any new Subsidiary is created solely for the purpose of consummating a merger transaction pursuant to a Permitted Acquisition, and such new Subsidiary at no time holds any assets or liabilities other than any merger consideration contributed to it contemporaneously with the closing of such merger transaction, such new Subsidiary shall not be required to take the actions set forth in Section 8.14(a) or (b), as applicable, until the consummation of such Permitted Acquisition (at which time, the surviving entity of the respective merger transaction shall be required to so comply with Section 8.14(a) or (b), as applicable, within ten (10) Business Days of the consummation of such Permitted Acquisition, as such time period may be extended by the Administrative Agent in its sole discretion).

(e) Additional Collateral. After the Closing Date, Centuri will notify the Administrative Agent in writing promptly upon any Credit Party's acquisition (including any acquisition by statutory division) or ownership of any Collateral not already covered by the US Collateral Agreement or Canadian Collateral Agreement, as applicable (such acquisition or ownership being herein called an "Additional Collateral Event" and the property so acquired or owned being herein called "Additional Collateral"). As soon as practicable and in any event within thirty (30) days (or such longer period as the Administrative Agent shall agree) after an Additional Collateral Event, the applicable Credit Party shall (i) execute and deliver or cause to be executed and delivered Security Documents, in form and substance reasonably satisfactory to Administrative Agent, in favor of Administrative Agent and duly executed by the applicable Credit Party, covering and effecting and granting a first-priority Lien (subject to Permitted Liens) upon the applicable Additional Collateral, and such other documents (including, without limitation, certificates and legal opinions, all in form and substance reasonably satisfactory to Administrative Agent) as may be reasonably required by Administrative Agent in connection with the execution and delivery of such Security Documents and (ii) deliver or cause to be delivered by the Consolidated Companies such other documents or certificates consistent with the terms of this Agreement and relating to the transactions contemplated hereby as Administrative Agent may reasonably request.

SECTION 8.15 Use of Proceeds

. The Borrowers shall use the proceeds of the Extensions of Credit (a) to finance the Transactions, (b) pay fees, commissions and expenses in connection with the Transactions, and (c) for working capital and general corporate purposes of the Consolidated Companies, including the payment of certain fees and expenses incurred in connection with the Transactions and this Agreement. No Borrower will request any Extension of Credit, nor shall any Borrower use, and each Borrower shall ensure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Extension of Credit (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 8.16 Corporate Governance

. (a) Maintain entity records and books of account separate from those of any other entity which is an Affiliate of such entity, (b) not commingle its funds or assets with those of any other entity which is an Affiliate of such entity (except pursuant to cash management systems reasonably acceptable to the Administrative Agent) and (c) provide that its board of directors (or equivalent governing body) will hold all appropriate meetings, or act by unanimous written consent, to authorize and approve such entity's actions, which meetings will be separate from those of any other entity which is an Affiliate of such entity; provided, however, that Centuri and Southwest Administrators, Inc. shall be permitted, at the request of Centuri, to (x) maintain entity records and books of account that are not separate and (y) commingle their funds and assets on an as needed basis to conduct the Consolidated Companies' business in its ordinary course consistent with past practices.

SECTION 8.17 Further Assurances

. Execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements and other documents), which may be required under any Applicable Law, or which the Administrative Agent or the Required Lenders may reasonably request, to effectuate the transactions contemplated by the Loan Documents or to grant,

preserve, protect or perfect the Liens created or intended to be created by the Security Documents or the validity or priority of any such Lien, all at the expense of the Credit Parties.

SECTION 8.18 Compliance with Anti-Corruption Laws; Beneficial Ownership Regulation, Anti-Money Laundering Laws and Sanctions

. Each Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by such Borrower, its Subsidiaries and their respective directors, officers, employees and agents (a) in all material respects with Anti-Corruption Laws and applicable Sanctions, (b) notify the Administrative Agent and each Lender that previously received a Beneficial Ownership Certification of any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified therein and (c) promptly upon the reasonable request of the Administrative Agent or any Lender, provide the Administrative Agent or such Lender, as the case may be, any information or documentation requested by it for purposes of complying with the Beneficial Ownership Regulation.

SECTION 8.19 Post-Closing Matters

. Execute and deliver the documents and complete the tasks set forth on Schedule 8.19, in each case within the time limits specified on such schedule.

ARTICLE IX NEGATIVE COVENANTS

Until all of the Obligations (other than contingent, indemnification obligations not then due) have been paid and satisfied in full in cash, all Letters of Credit have been terminated or expired (or been Cash Collateralized) and the Commitments terminated, the Credit Parties will not, and will not permit any of their respective Subsidiaries to.:

SECTION 9.1 Indebtedness

. Create, incur, assume or suffer to exist any Indebtedness except:

(1) the Obligations;

(2) Indebtedness and obligations owing (i) under Hedge Agreements entered into in order to manage existing or anticipated interest rate, exchange rate or commodity price risks and not for speculative purposes, or (ii) to Cash Management Banks pursuant to Cash Management Agreements entered into in the ordinary course of business;

(3) Indebtedness existing on the Closing Date and listed on Schedule 9.1, and any refinancings, refundings, renewals or extensions thereof; provided that (i) the principal amount of such Indebtedness is not increased at the time of such refinancing, refunding, renewal or extension except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing and by an amount equal to any existing commitments unutilized thereunder, (ii) the final maturity date and Weighted Average Life to Maturity of such refinancing, refunding, renewal or extension shall not be prior to or shorter than that applicable to the Indebtedness prior to such refinancing, refunding, renewal or extension and (iii) any refinancing, refunding, renewal or extension of any Subordinated Indebtedness shall be (A) on subordination terms at least as favorable to the Lenders, (B) no more restrictive on the Consolidated Companies than the Subordinated Indebtedness being

refinanced, refunded, renewed or extended and (C) in an amount not less than the amount outstanding at the time of such refinancing, refunding, renewal or extension;

(4) Capital Lease Obligations and purchase money Indebtedness, in each case incurred in the ordinary course of business of the Consolidated Companies in an aggregate amount not to exceed at any time outstanding the greater of (i) $200,000,000 and (ii) 7.5% of Consolidated Total Assets;

(5) Guaranty Obligations with respect to Indebtedness permitted pursuant to subsections (a) through (d), (g), (j) and (k) of this Section;

(6) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or other similar instrument drawn against insufficient funds in the ordinary course of business;

(7) Indebtedness under performance bonds, surety bonds, release, appeal and similar bonds, statutory obligations or with respect to workers' compensation claims, in each case incurred in the ordinary course of business, and reimbursement obligations in respect of any of the foregoing;

(8) unsecured intercompany Indebtedness (i) owed by any US Credit Party to another US Credit Party, (ii) owed by any Canadian Credit Party to another Canadian Credit Party, (iii) owed by any US Credit Party to any Canadian Credit Party, (iv) owed by any Canadian Credit Party to any US Credit Party in an aggregate amount not to exceed at any time outstanding the greater of (x) $50,000,000 and (y) 2.0% of Consolidated Total Assets, and (v) owed by or to any Non-Credit Party Subsidiary by or to any Credit Party or another Non-Credit Party Subsidiary, provided that the aggregate amount of such Indebtedness owed by a Non-Credit Party Subsidiary to a Credit Party shall not exceed at any time outstanding the greater of (x) $50,000,000 and (y) 2.0% of Consolidated Total Assets, provided further that any such Indebtedness owed by a Credit Party to a Non-Credit Party Subsidiary shall be subordinated to the Obligations on terms reasonably satisfactory to the Administrative Agent;

(9) Indebtedness of a Person existing at the time such Person became a Subsidiary or assets were acquired from such Person in connection with an Investment permitted pursuant to Section 9.3, to the extent that (i) such Indebtedness was not incurred in connection with, or in contemplation of, such Person becoming a Subsidiary or the acquisition of such assets, (ii) neither Centuri nor any Subsidiary thereof (other than such Person or any other Person that such Person merges with or that acquires the assets of such Person) shall have any liability or other obligation with respect to such Indebtedness and (iii) Centuri is in compliance on a pro forma basis with a Consolidated Net Leverage Ratio ~~at least 0.50~~of (A) 5.00 to 1.00 ~~below~~for the ~~then applicable covenant level required pursuant to Section 9.13~~period beginning on September 30, 2022 through and including December 30, 2022, (B) 4.25 to 1.00 for the period beginning on December 31, 2022 through and including December 30, 2022 and (~~b~~C) 3.50 to 1.00 for the period beginning on December 31, 2023 and thereafter, determined as of the most recently ended four consecutive fiscal quarter period for which financial statements and the related Officer's Compliance Certificate have been delivered pursuant to Sections 8.1(a) or (b) and 8.2(a);

(10) unsecured Indebtedness of Centuri and its Subsidiaries; provided, that in the case of each incurrence of such Indebtedness, (i) no Default or Event of Default shall have occurred and be continuing or would be caused by the incurrence of such Indebtedness, (ii) the Administrative Agent shall have received satisfactory written evidence that, after giving effect to the incurrence of such Indebtedness and the receipt and application of the proceeds thereof, Centuri is in compliance on a pro forma basis with ~~the financial covenants set forth in Section 9.13~~(A) a Consolidated Interest Coverage Ratio of 2.50 to 1.00 and (B) a Consolidated Net Leverage Ratio of (1) 5.50 to 1.00 for the period beginning on September 30, 2022 through and including December 30, 2022, (2) 4.75 to 1.00 for the period beginning on December 31, 2022

through and including December 30, 2023 and (3) 4.00 to 1.00 for the period beginning on December 31, 2023 and thereafter, in each case, determined as of the most recently ended four consecutive fiscal quarter period for which financial statements and the related Officer's Compliance Certificate have been delivered pursuant to Sections 8.1(a) or (b) and 8.2(a), (iii) such Indebtedness does not mature prior to the date that is 91 days after the then latest maturity of the Commitments and Loans, (iv) the Weighted Average Life to Maturity of such Indebtedness shall not be shorter than the remaining Weighted Average Life to Maturity of the Term Loans then outstanding and (v) the terms of such Indebtedness reflect market terms (taken as a whole) at the time of issuance and (other than pricing, fees, rate floors, premiums and optional prepayment or redemption provisions (and, if applicable, subordination terms)), taken as a whole, are not materially more restrictive (as determined by Centuri in good faith) on Centuri and its Subsidiaries than the terms and conditions of this Agreement, taken as a whole, other than covenants which do not have effect until after the then latest maturity date of the Commitments and Loans;

(11) Attributable Indebtedness incurred pursuant to Permitted Receivables Transactions in an aggregate amount not to exceed at any time outstanding the greater of (i) $150,000,000 and (ii) 6.0% of Consolidated Total Assets;

(12) other Indebtedness of any Credit Party or any Subsidiary thereof not otherwise permitted pursuant to this Section in an aggregate principal amount not to exceed at any time outstanding the greater of (i) $100,000,000 and (ii) 4.0% of Consolidated Total Assets; and

(13) Indebtedness of the Credit Parties in respect of one or more series of senior secured first lien notes that are issued in a public offering, Rule 144A or other private placement under the Securities Act, or a bridge financing in lieu of the foregoing that otherwise converts into permanent Incremental Equivalent Indebtedness (as defined below), that are secured by the Collateral on a *pari passu* basis and issued by the Credit Parties in lieu of Incremental Term Loans ("Incremental Equivalent Indebtedness"); provided that:

a. the aggregate principal amount of such Indebtedness incurred under this clause (m) shall not, together with the aggregate principal amount of all Incremental Increases incurred pursuant to Section 5.13, exceed the amount set forth in Section 5.13(a);

b. subject to Section 1.12 in the case of any Incremental Equivalent Indebtedness incurred to finance a substantially concurrent Limited Condition Acquisition, immediately after giving effect to the incurrence of such Indebtedness and the use of proceeds thereof, no Default or Event of Default shall have occurred and be continuing or would result therefrom;

c. the stated maturity date of such Indebtedness shall be no earlier than, and the terms of such Indebtedness shall not provide for any scheduled payment, mandatory repayment or redemption or sinking fund or similar obligations at any time prior to the latest maturity date of the Loans and Commitments in effect at the time of such incurrence; provided that such Indebtedness may have scheduled payments, mandatory repayments or redemptions or similar obligations prior to its stated maturity so long as (x) such Indebtedness does not have a shorter Weighted Average Life to Maturity than the remaining Weighted Average Life to Maturity of any Class of Term Loans then outstanding at the time of incurrence, (y) any mandatory prepayment (other than scheduled amortization payments which shall be determined by the applicable Borrower and the lenders of such Indebtedness) of such Indebtedness shall be made on a pro rata basis with all then existing Term Loans, except that the applicable Borrower and the lenders of such Indebtedness may, in their sole discretion, elect to prepay or receive, as applicable, any prepayments on a less than pro rata basis (but not on a greater than pro rata basis)

and (z) such mandatory repayments or redemptions or similar obligations are no more restrictive on the applicable Borrower or its Subsidiaries than the provisions of Section 4.4(b); provided that the restrictions of this clause (iii) shall not apply to the extent such Indebtedness constitutes a customary bridge or similar facility that is to be automatically converted or exchanged into notes or other permitted Indebtedness that otherwise would satisfy this clause (iii) so long as such conversion or exchange is subject only to conditions customary for similar conversions and exchanges and the applicable Credit Party irrevocably agrees at the time of incurrence thereof to take all actions necessary to convert or exchange such Indebtedness);

d. such Indebtedness shall have pricing (including interest rates, fees and premiums), amortization (subject to clause (iii) above), optional prepayment and redemption terms as may be agreed to by the applicable Borrower and the lenders or holders of such Indebtedness;

e. such Indebtedness is not recourse to or guaranteed by any Subsidiary that is not a Credit Party;

f. (x) the obligations in respect thereof shall not be secured by any Lien on any asset of any Borrower or any Subsidiary other than any asset constituting Collateral, (y) the security agreements relating to such Indebtedness shall be substantially the same as the Security Documents (with such differences as are reasonably satisfactory to the Administrative Agent) and (z) such Indebtedness shall be subject to an Acceptable Intercreditor Agreement;

g. except as otherwise set forth in this clause (m), the terms, covenants and conditions with respect to such Indebtedness, when taken as a whole, shall not be materially more restrictive on the applicable Borrower and its Subsidiaries than the terms and conditions of this Agreement, taken as a whole (except for (x) terms, covenants and conditions with respect to such Indebtedness that are applicable only to the periods after the latest maturity date of the Loans and Commitments in effect at the time of incurrence or assumption of such Indebtedness and (y) any materially more restrictive terms added for the benefit of any such Indebtedness, if such materially more restrictive terms are also added for the benefit of the Lenders hereunder with respect to any Term Loans or Term Loan Commitments remaining outstanding after giving effect to the incurrence or assumption of such Indebtedness and the application of the proceeds thereof) and such Indebtedness shall not include any financial maintenance covenants; provided that a certificate of a Responsible Officer of the applicable Borrower delivered to the Administrative Agent prior to the incurrence or assumption of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or substantially final drafts of the documentation related thereto, stating that the applicable Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirement shall be conclusive evidence that such terms and conditions satisfy the foregoing requirement;

h. subject to Section 1.12 in the case of any such Indebtedness incurred to finance a substantially concurrent Limited Condition Acquisition, the Administrative Agent shall have received from Centuri, an Officer's Compliance Certificate demonstrating that the Consolidated Companies are in pro forma compliance with the financial covenants set forth in Section 9.13 (based on the financial statements most recently delivered pursuant to Section 8.1) after giving effect to such Indebtedness (assuming that the entire amount is fully funded on the effective date thereof) and the use of proceeds thereof; and

(i) prior to the incurrence of such Indebtedness, the applicable Borrower shall have delivered to the Administrative Agent a certificate from a Responsible Officer of such Borrower certifying as to compliance with the requirements of the preceding clauses (i) through (viii) above.

SECTION 9.2 Liens

. Create, incur, assume or suffer to exist, any Lien on or with respect to any of its Property, whether now owned or hereafter acquired, except:

(1) Liens created pursuant to the Loan Documents (including, without limitation, Liens in favor of the Swingline Lenders and/or the Issuing Lenders, as applicable, on Cash Collateral granted pursuant to the Loan Documents);

(2) Liens in existence on the Closing Date and described on Schedule 9.2, and the replacement, renewal or extension thereof (including Liens incurred in connection with any refinancing, refunding, renewal or extension of Indebtedness pursuant to Section 9.1(c) (solely to the extent that such Liens were in existence on the Closing Date and described on Schedule 9.2)); provided that the scope of any such Lien shall not be increased, or otherwise expanded, to cover any additional property or type of asset, as applicable, beyond that in existence on the Closing Date, except for products and proceeds of the foregoing;

(3) Liens for taxes, assessments and other governmental charges or levies (excluding any Lien imposed pursuant to any of the provisions of ERISA, any Canadian Pension Laws or Environmental Laws)
(1) not past due or as to which the period of grace (not to exceed thirty (30) days), if any, related thereto has not expired or (ii) which are being contested in good faith and by appropriate proceedings if adequate reserves are maintained to the extent required by GAAP;

(4) the claims of materialmen, mechanics, carriers, warehousemen, processors or landlords for labor, materials, supplies or rentals incurred in the ordinary course of business, which (i) are not overdue for a period of more than thirty (30) days, or if more than thirty (30) days overdue, no action has been taken to enforce such Liens and such Liens are being contested in good faith and by appropriate proceedings if adequate reserves are maintained to the extent required by GAAP and (ii) do not, individually or in the aggregate, materially impair the use thereof in the operation of the business of the Consolidated Companies taken as a whole;

(5) deposits or pledges made in the ordinary course of business in connection with, or to secure payment of, obligations under workers' compensation, unemployment or employment insurance and other types of social security or similar legislation (other than Liens imposed pursuant to any of the provisions of ERISA or any Canadian Pension Laws), or to secure the performance of bids, trade contracts and leases (other than Indebtedness) or subleases, statutory obligations, surety bonds (other than bonds related to judgments or litigation), performance bonds and other obligations of a like nature incurred in the ordinary course of business, in each case, so long as no foreclosure sale or similar proceeding has been commenced with respect to any portion of the Collateral on account thereof;

(6) encumbrances in the nature of zoning restrictions, easements and rights or restrictions of record on the use of real property, which in the aggregate are not substantial in amount and which do not, in any case, detract from the value of such property or impair the use thereof in the ordinary conduct of business;

(7) Liens arising from the filing of precautionary UCC financing statements relating solely to personal property leased pursuant to operating leases entered into in the ordinary course of business of the Consolidated Companies;

(8) Liens securing Indebtedness permitted under Section 9.1(d); provided that (i) such Liens shall be created concurrently with or within twenty four (24) months of the acquisition, repair, improvement or lease, as applicable, of the related Property, (ii) such Liens do not at any time encumber any property other than the Property financed by such Indebtedness and the proceeds thereof, (iii) the amount of Indebtedness secured thereby is not increased and (iv) the principal amount of Indebtedness secured by any such Lien shall at no time exceed one hundred percent (100%) of the original price for the purchase, repair improvement or lease amount (as applicable) of such Property at the time of purchase, repair, improvement or lease (as applicable);

(9) Liens securing judgments for the payment of money not constituting an Event of Default under Section 10.1(m) or securing appeal or other surety bonds relating to such judgments;

(10) (i) Liens of a collecting bank arising in the ordinary course of business under Section 4- 210 of the UCC and/or the PPSA, as applicable, in effect in the relevant jurisdiction and (ii) Liens of any depositary bank in connection with statutory, common law and contractual rights of set-off and recoupment with respect to any deposit account of any Borrower or any Subsidiary thereof;

(11) (i) contractual or statutory Liens of landlords to the extent relating to the property and assets relating to any lease agreements with such landlord, and (ii) contractual Liens of suppliers (including sellers of goods) or customers granted in the ordinary course of business to the extent limited to the property or assets relating to such contract;

(12) Liens on Property (i) of any Subsidiary which are in existence at the time that such Subsidiary is acquired pursuant to a Permitted Acquisition and (ii) of Centuri or any of its Subsidiaries existing at the time such tangible property or tangible assets are purchased or otherwise acquired by Centuri or such Subsidiary thereof pursuant to a transaction permitted pursuant to this Agreement; provided that, with respect to each of the foregoing clauses (i) and (ii), (A) such Liens are not incurred in connection with, or in anticipation of, such Permitted Acquisition, purchase or other acquisition, (B) such Liens are applicable only to specific Property, (C) such Liens are not "blanket" or all asset Liens, (D) such Liens do not attach to any other Property of Centuri or any of its Subsidiaries and (E) the Indebtedness secured by such Liens is permitted under Section 9.1(i) of this Agreement);

(13) any interest or title of a licensor, sublicensor, lessor or sublessor with respect to any assets under any license or lease agreement entered into in the ordinary course of business which do not (i) interfere in any material respect with the business of the Consolidated Companies taken as a whole or materially detract from the value of the relevant assets of the Consolidated Companies taken as a whole or
(2) secure any Indebtedness;

(14) Liens on Receivables Assets that have been transferred to a Person other than Centuri and its Subsidiaries (other than a Receivables Subsidiary) in connection with such Permitted Receivables Transaction securing Permitted Receivables Transactions;

(15) Liens not otherwise permitted hereunder securing Indebtedness or other obligations in the aggregate principal amount not to exceed at any time outstanding the greater of (i) $100,000,000 and (ii) 4.0% of Consolidated Total Assets; and

(16) Liens on Collateral securing Incremental Equivalent Indebtedness.

Notwithstanding the foregoing, in no event shall this Section permit any consensual Liens on real property except pursuant to clauses (a), (b), (c), (d), (f), (h), (k), (l) and (p) above.

SECTION 9.3 Investments

. Purchase, invest in or otherwise acquire (in one transaction or a series of transactions), directly or indirectly, any Equity Interests, interests in any partnership or joint venture (including, without limitation, the creation or capitalization of any Subsidiary), evidence of Indebtedness or other obligation or security, substantially all or a portion of the business or assets of any other Person or any other investment or interest whatsoever in any other Person, or make, directly or indirectly, any loans, advances or extensions of credit to, or any investment in cash or by delivery of Property in, any Person (all the foregoing, "Investments") except:

(1) (i) Investments existing on the Closing Date and described on Schedule 9.3;

(b) Investments made after the Closing Date by any US Credit Party in any other US Credit Party;

(c) Investments made after the Closing Date by any Canadian Credit Party in any other Canadian Credit Party;

(d) Investments made after the Closing Date by any Non-Credit Party Subsidiary in any Credit Party or any other Non-Credit Party Subsidiary;

(e) Investments made after the Closing Date by any Canadian Credit Party in any US Credit Party;

(f) Investments made after the Closing Date by any US Credit Party in any Canadian Credit Party in an aggregate amount not to exceed at any time outstanding the greater of (x) $50,000,000 and (y) 2.0% of Consolidated Total Assets; and

(g) Investments made after the Closing Date by any Credit Party in any Non-Credit Party Subsidiary in an aggregate amount at any time outstanding not to exceed the greater of (x) $50,000,000 and (y) 2.0% of Consolidated Total Assets.

(2) Investments in cash and Cash Equivalents;

(3) deposits made in the ordinary course of business to secure the performance of leases or other obligations as permitted by Section 9.2;

(4) Hedge Agreements permitted pursuant to Section 9.1(b);

(5) (i) purchases of assets in the ordinary course of business and (ii) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(6) Investments by any Credit Party in the form of Permitted Acquisitions to the extent that any Person or Property acquired in such Acquisition becomes a part of such Credit Party or becomes (whether or not such Person is a Wholly-Owned Subsidiary) a Subsidiary Guarantor in the manner and at the time contemplated by Section 8.14;

(7) Investments (i) in the form of loans and advances to officers, directors and employees in the ordinary course of business (including, without limitation, loans and advances for the relocation of such Person's residence) in an aggregate amount not to exceed at any time outstanding $10,000,000 (determined without regard to any write-downs or write-offs of such loans or advances) and (ii) in the form of loans and advances to officers, directors and employees in connection with the purchase of the Permitted Drum Equity;

Investments in the form of intercompany Indebtedness permitted pursuant to Section 9.1(h);

(8)

(9) the acquisition by a US Subsidiary Guarantor of the remaining Equity Interests of Linetec pursuant to the LLC Agreement (as defined in the Linetec Purchase Agreement);

(10) Investments in an amount not to exceed the Available Amount at the time such Investment is made; provided that at the time of such Investment, or LCA Test Date, as applicable, (i) no Default or Event of Default has occurred and is continuing or would result therefrom and (ii) after giving pro forma effect to such Investment and any Indebtedness incurred in connection therewith, Centuri is in compliance with ~~the financial covenants set forth in Section 9.13~~(A) a Consolidated Interest Coverage Ratio of 2.50 to 1.00 and (B) a Consolidated Net Leverage Ratio of (1) 5.50 to 1.00 for the period beginning on September 30, 2022 through and including December 30, 2022, (2) 4.75 to 1.00 for the period beginning on December 31, 2022 through and including December 30, 2023 and (3) 4.00 to 1.00 for the period beginning on December 31, 2023 and thereafter, in each case, determined as of the most recently ended four consecutive fiscal quarter period for which financial statements and the related Officer's Compliance Certificate have been delivered pursuant to Sections 8.1(a) or (b) and 8.2(a);

(11) Guaranty Obligations permitted pursuant to Section 9.1;

(12) the Drum Acquisition;

(13) (i) Investments in any Receivables Subsidiary that, in the good faith determination of Centuri, are prudent and reasonably necessary to effect or maintain any Permitted Receivables Transaction or any repurchase obligation in connection therewith and (ii) contributions or sales of Receivables Assets in connection with any Permitted Receivables Transaction;

(14) Investments not otherwise permitted pursuant to this Section 9.3 in an aggregate amount not to exceed at any time outstanding the greater of (i) $50,000,000 and (ii) 2.0% of Consolidated Total Assets; provided that, immediately before and immediately after giving pro forma effect to any such Investments, no Default or Event of Default shall have occurred and be continuing; and

(15) Investments not otherwise permitted pursuant to this Section 9.3; provided that, immediately after giving pro forma effect to the making of any such Investment and any Indebtedness incurred in connection therewith, subject to Section 1.12 in connection with a Limited Condition Acquisition, (i) no Default or Event of Default shall have occurred and be continuing and (ii) the Consolidated Net Leverage Ratio is less than or equal to 3.50 to 1.00 as of the most recently ended four consecutive fiscal quarter period for which financial statements and the related Officer's Compliance Certificate have been delivered pursuant to Sections 8.1(a) or (b) and 8.2(a).

For purposes of determining the amount of any Investment outstanding for purposes of this Section 9.3, such amount shall be deemed to be the amount of such Investment when made, purchased or acquired (without adjustment for subsequent increases or decreases in the value of such Investment) less any amount

realized in respect of such Investment upon the sale, collection or return of capital (not to exceed the original amount invested).

SECTION 9.4 Fundamental Changes

. Merge, amalgamate, consolidate or enter into any similar combination with, or enter into any Asset Disposition of all or substantially all of its assets (whether in a single transaction or a series of transactions) with, any other Person or liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution) (including, in each case, pursuant to statutory division), except:

(1) any Subsidiary of the US Borrower may merge into the US Borrower in a transaction in which the US Borrower is the surviving Person;

(2) (i) any Subsidiary (other than a Borrower) may merge into any other Subsidiary in a transaction in which the surviving entity is a US Credit Party and (ii) any US Borrower may merge into another US Borrower;

(3) any Canadian Subsidiary (other than the Canadian Borrowers) may be merged, amalgamated or consolidated with or into any other Subsidiary in a transaction in which the surviving or resulting entity is a Canadian Credit Party;

(4) any Subsidiary of the US Borrower may liquidate or dissolve if the US Borrower determines in good faith that such liquidation or dissolution is in the best interests of the US Borrower and is not materially disadvantageous to the Lenders, provided that, to the extent such Subsidiary is a (A) US Credit Party, its assets are transferred to a US Credit Party, and (B) Canadian Credit Party, its assets are transferred to a Canadian Credit Party;

(5) any Consolidated Company may give effect to a merger, amalgamation or consolidation the purpose of which is to effect an Investment or Asset Disposition permitted under Article IX so long as, in the case of any such merger, amalgamation or consolidation to which a Credit Party is a party, (i) such Credit Party is the surviving Person, or (ii) if such Credit Party is not the surviving Person, the surviving Person becomes a Credit Party by executing, upon consummation of such merger, amalgamation or consolidation, such documents (including guaranties and security agreements) as are satisfactory to the Agent to render such surviving Person a Credit Party provided that if a Borrower is party to such merger, amalgamation or consolidation such Borrower shall be the surviving Person;

(6) any Subsidiary may dispose of all or substantially all of its assets (upon voluntary liquidation, dissolution, winding up or otherwise) to any Borrower;

(7) any Subsidiary may dispose of all or substantially all of its assets (upon voluntary liquidation, dissolution, winding up or otherwise) to any other Subsidiary; provided that such disposal by
(1) a US Credit Party shall be permitted to be made only to another US Credit Party and (ii) a Canadian Credit Party shall be permitted to be made only to another Canadian Credit Party; and

(8) Asset Dispositions permitted by Section 9.5.

SECTION 9.5 Asset Dispositions

. Make any Asset Disposition except:

(1) the sale of inventory or assets in the ordinary course of business;

(2) the transfer of assets to a Borrower or any Subsidiary Guarantor pursuant to any other transaction permitted pursuant to Section 9.4;

(3) the write-off, discount, sale or other disposition of defaulted or past-due receivables and similar obligations in the ordinary course of business and not undertaken as part of an accounts receivable financing transaction;

(4) the disposition of any Hedge Agreement or close out of any position thereunder;

(5) dispositions of Investments in cash and Cash Equivalents;

(6) the transfer by any Credit Party of its assets to any other Credit Party;

(7) the transfer by any Non-Credit Party Subsidiary of its assets to any Credit Party (provided that in connection with any new transfer, such Credit Party shall not pay more than an amount equal to the fair market value of such assets as determined in good faith at the time of such transfer);

(8) the transfer by any Non-Credit Party Subsidiary of its assets to any other Non-Credit Party Subsidiary;

(9) the sale, abandonment or other disposition of obsolete, worn-out or surplus assets no longer needed or necessary in the business of the Consolidated Company effecting such Asset Disposition or any of its Subsidiaries;

(10) non-exclusive licenses and sublicenses of intellectual property rights in the ordinary course of business not interfering, individually or in the aggregate, in any material respect with the conduct of the business of the Consolidated Companies;

(11) leases, subleases, licenses or sublicenses of real or personal property granted by Centuri or any of its Subsidiaries to others in the ordinary course of business not interfering in any material respect with the business of the Consolidated Companies;

(12) Asset Dispositions in connection with Insurance and Condemnation Events; provided that the requirements of Section 4.4(b) are complied with in connection therewith;

(13) Asset Dispositions in connection with transactions permitted by Section 9.4 (other than Section 9.4(h));

(14) the sale of the Permitted Drum Equity to officers, directors or employees;

(15) Asset Dispositions not otherwise pursuant to this Section; provided that (i) at the time of such transaction, no Default or Event of Default shall exist or would result from such Asset Disposition and
(2) the aggregate book value of all property disposed of in reliance on this clause (o) shall not exceed
$50,000,000 during the term of this Agreement;

(16) the sale, discount or other transfer of Receivables Assets pursuant to a Permitted Receivables Transaction; and

(17) Asset Dispositions not otherwise permitted pursuant to this Section; provided that (i) at the time of such Asset Disposition, no Default or Event of Default shall exist or would result from such Asset

Disposition and (ii) such Asset Disposition is made for fair market value and the consideration received shall be no less than seventy-five percent (75%) in cash.

SECTION 9.6 Restricted Payments

. Declare or pay any dividend on, or make any payment or other distribution on account of, or purchase, redeem, retire or otherwise acquire (directly or indirectly), or set apart assets for a sinking or other analogous fund for the purchase, redemption, retirement or other acquisition of, any class of Equity Interests of any Credit Party or any Subsidiary thereof, or make any distribution of cash, property or assets to the holders of shares of any Equity Interests of any Credit Party or any Subsidiary thereof (all of the foregoing, the "Restricted Payments") provided that:

(1) so long as no Default or Event of Default has occurred and is continuing or would result therefrom, any Consolidated Company may pay dividends in shares of its own Qualified Equity Interests;

(2) any Subsidiary of a Consolidated Company may pay cash dividends to any Credit Party;

(3) any Non-Credit Party Subsidiary may make Restricted Payments to any other Non-Credit Party Subsidiary (and, if applicable, to other holders of its outstanding Equity Interests on a ratable basis);

(4) any Consolidated Company may declare and make Restricted Payments in an amount not to exceed the Available Amount; provided that (i) no Default or Event of Default has occurred and is continuing or would result therefrom and (ii) after giving pro forma effect to such usage and any Indebtedness incurred in connection therewith, Centuri is in compliance with ~~the financial covenants set forth in Section 9.13~~(A) a Consolidated Interest Coverage Ratio of 2.50 to 1.00 and (B) a Consolidated Net Leverage Ratio of (1) 5.50 to 1.00 for the period beginning on September 30, 2022 through and including December 30, 2022, (2) 4.75 to 1.00 for the period beginning on December 31, 2022 through and including December 30, 2023 and (3) 4.00 to 1.00 for the period beginning on December 31, 2023 and thereafter, in each case, determined as of the most recently ended four consecutive fiscal quarter period for which financial statements and the related Officer's Compliance Certificate have been delivered pursuant to Sections 8.1(a) or (b) and 8.2(a);

(5) any Consolidated Company may declare and make Restricted Payments in an amount not to exceed $25,000,000 per Fiscal Year; provided that, immediately after giving pro forma effect to the making of any such Restricted Payment and any Indebtedness incurred in connection therewith, (i) no Default or Event of Default has occurred and is continuing or would result therefrom and (ii) the Consolidated Net Leverage Ratio is greater than 3.50 to 1.00 as of the most recently ended four consecutive fiscal quarter period for which financial statements and the related Officer's Compliance Certificate have been delivered pursuant to Sections 8.1(a) or (b) and 8.2(a);

(6) any Consolidated Company may declare and make Restricted Payments in an aggregate amount not to exceed during the term of this Agreement the greater of (i) $50,000,000 and (ii) 2.0% of Consolidated Total Assets; and

(7) any Consolidated Company may declare and make Restricted Payments not otherwise permitted pursuant to this Section 9.6; provided that, immediately after giving pro forma effect to the making of any such Restricted Payment and any Indebtedness incurred in connection therewith, (i) no Default or Event of Default shall have occurred and be continuing and (ii) the Consolidated Net Leverage Ratio is less than or equal to 3.50 to 1.00 as of the most recently ended four consecutive fiscal quarter period for which financial statements and the related Officer's Compliance Certificate have been delivered pursuant to Sections 8.1(a) or (b) and 8.2(a).

SECTION 9.7 Transactions with Affiliates

. Directly or indirectly enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of Property, the rendering of any service or the payment of any management, advisory or similar fees, with (a) any officer, director, holder of any Equity Interests in, or other Affiliate of Centuri or any of its Subsidiaries or (b) any Affiliate of any such officer, director or holder, other than:

(a) transactions permitted by Sections 9.1, 9.3, 9.4, 9.5, 9.6 and 9.9;

(b) transactions existing on the Closing Date and described on Schedule 9.7;

(c) transactions (i) between or among US Credit Parties not involving any other Affiliate and (ii) between or among Canadian Credit Parties not involving any other Affiliate;

(d) other transactions in the ordinary course of business on terms as favorable as would be obtained by it on a comparable arm's-length transaction with an independent, unrelated third party as determined in good faith by the board of directors (or equivalent governing body) of Centuri;

(e) employment and severance arrangements (including equity incentive plans and employee benefit plans and arrangements) with their respective officers and employees in the ordinary course of business;

(f) payment of customary compensation, fees and reasonable out of pocket costs to, and indemnities for the benefit of, directors, officers and employees of the Consolidated Companies in the ordinary course of business to the extent attributable to the ownership or operation of the Consolidated Companies;

(g) conveyances of assets to joint ventures pursuant to terms negotiated and agreed to on an arms-length basis with one or more third-parties that were not Affiliates of a Credit Party immediately prior to the execution and delivery of the written agreement setting forth such terms; and

(h) customary overhead allocations and intercompany charges applied by Centuri on a consistent basis to its Subsidiaries generally.

SECTION 9.8 Accounting Changes; Organizational Documents.

(1) Change its Fiscal Year end, or make (without the consent of the Administrative Agent) any material change in its accounting treatment and reporting practices except as required by GAAP.

(2) Amend, modify or change its articles of incorporation (or corporate charter or other similar organizational documents), or amend, modify or change its bylaws (or other similar documents) in any manner materially adverse to the rights or interests of the Lenders.

SECTION 9.9 Payments and Modifications of Junior Indebtedness.

(1) Amend, modify, waive or supplement (or permit the modification, amendment, waiver or supplement of) any of the terms or provisions of any Junior Indebtedness in any respect which would materially and adversely affect the rights or interests of the Administrative Agent and Lenders hereunder.

(2) Cancel, forgive, make any payment or prepayment on, or redeem or acquire for value (including, without limitation, (i) by way of depositing with any trustee with respect thereto money or securities before due for the purpose of paying when due and (ii) at the maturity thereof) any Junior Indebtedness, except:

(a) refinancings, refundings, renewals, extensions or exchange of any Junior Indebtedness permitted pursuant to Section 9.1 and by any subordination agreement applicable thereto; and

(b) the payment of interest, expenses and indemnities in respect of Junior Indebtedness (other than any such payments prohibited by the subordination provisions thereof);

(3) payments and prepayments of any Junior Indebtedness in an amount not to exceed the Available Amount; provided that (i) no Default or Event of Default has occurred and is continuing or would result therefrom and (ii) after giving pro forma effect to such usage and any Indebtedness incurred in connection therewith, Centuri is in compliance with ~~the financial covenants set forth in Section 9.13~~(A) a Consolidated Interest Coverage Ratio of 2.50 to 1.00 and (B) a Consolidated Net Leverage Ratio of (1) 5.50 to 1.00 for the period beginning on September 30, 2022 through and including December 30, 2022, (2) 4.75 to 1.00 for the period beginning on December 31, 2022 through and including December 30, 2023 and (3) 4.00 to 1.00 for the period beginning on December 31, 2023 and thereafter, in each case, determined as of the most recently ended four consecutive fiscal quarter period for which financial statements and the related Officer's Compliance Certificate have been delivered pursuant to Sections 8.1(a) or (b) and 8.2(a); and

(4) payments and prepayments of any Junior Indebtedness not otherwise permitted pursuant to this Section 9.9; provided that, immediately before and immediately after giving pro forma effect to the making of any such payment and any Indebtedness incurred in connection therewith, (A) no Default or Event of Default shall have occurred and be continuing and (B) the Consolidated Net Leverage Ratio is less than or equal to 3.50 to 1.00 as of the most recently ended four consecutive fiscal quarter period for which financial statements and the related Officer's Compliance Certificate have been delivered pursuant to Sections 8.1(a) or (b) and 8.2(a).

SECTION 9.10 No Further Negative Pledges; Restrictive Agreements.

(1) Enter into, assume or be subject to any agreement prohibiting or otherwise restricting the creation or assumption of any Lien upon its properties or assets, whether now owned or hereafter acquired, or requiring the grant of any security for such obligation if security is given for some other obligation, except (i) pursuant to this Agreement and the other Loan Documents, (ii) pursuant to any document or instrument governing Indebtedness incurred pursuant to Section 9.1(c), (d) or (i) (provided that any such restriction contained therein relates only to the asset or assets acquired in connection therewith and proceeds thereof), (iii) restrictions contained in the organizational documents of any Subsidiary that is not a Subsidiary Guarantor as of the Closing Date, (iv) customary restrictions in connection with any Permitted Lien or any document or instrument governing any Permitted Lien (provided that any such restriction contained therein relates only to the asset or assets subject to such Permitted Lien and proceeds thereof) and (v) restrictions contained in Permitted Receivables Transaction Documents (provided that such restrictions and conditions apply solely to (A) Receivables Assets involved in such Permitted Receivables Transaction and (B) any applicable Receivables Subsidiary).

(2) Create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Credit Party or any Subsidiary thereof to (i) pay dividends or make any other distributions to any Credit Party or any Subsidiary on its Equity Interests or with respect

to any other interest or participation in, or measured by, its profits, (ii) pay any Indebtedness or other obligation owed to any Credit Party, (iii) make loans or advances to any Credit Party, (iv) sell, lease or transfer any of its properties or assets to any Credit Party or (v) act as a Credit Party pursuant to the Loan Documents or any renewals, refinancings, exchanges, refundings or extension thereof, except (in respect of any of the matters referred to in clauses (i) through (v) above) for such encumbrances or restrictions existing under or by reason of (A) this Agreement and the other Loan Documents, (B) Applicable Law, (C) any document or instrument governing Indebtedness incurred pursuant to Section 9.1(c), (d) or (i) (provided, that any such restriction contained therein relates only to the asset or assets acquired in connection therewith and proceeds thereof), (D) any Permitted Lien or any document or instrument governing any Permitted Lien (provided, that any such restriction contained therein relates only to the asset or assets subject to such Permitted Lien), (E) obligations that are binding on a Subsidiary at the time such Subsidiary first becomes a Subsidiary of Centuri, so long as such obligations are not entered into in contemplation of such Person becoming a Subsidiary, (F) customary restrictions contained in an agreement related to the sale of Property or the Equity Interests of a Subsidiary (to the extent such sale is permitted pursuant to Section 9.5) that limit the transfer of such Property or Equity Interests of such Subsidiary pending the consummation of such sale,
(7) customary restrictions in leases, subleases, licenses and sublicenses or asset sale agreements otherwise permitted by this Agreement so long as such restrictions relate only to the assets subject thereto, (H) customary provisions restricting assignment of any agreement entered into in the ordinary course of business and (I) restrictions contained in Permitted Receivables Transaction Documents (provided that such restrictions and conditions apply solely to (x) Receivables Assets involved in such Permitted Receivables Transaction and (y) any applicable Receivables Subsidiary).

SECTION 9.11 Nature of Business

. Engage in any business other than the business conducted by the Consolidated Companies as of the Closing Date and business activities reasonably related or ancillary thereto.

SECTION 9.12 Sale Leasebacks

. Directly or indirectly become or remain liable as lessee or as guarantor or other surety with respect to any lease, whether an operating lease or a Capital Lease Obligation, of any Property (whether real, personal or mixed), whether now owned or hereafter acquired, (a) which any Credit Party or any Subsidiary thereof has sold or transferred or is to sell or transfer to a Person which is not another Credit Party or Subsidiary of a Credit Party or (b) which any Credit Party or any Subsidiary of a Credit Party intends to use for substantially the same purpose as any other Property that has been sold or is to be sold or transferred by such Credit Party or such Subsidiary to another Person which is not another Credit Party or Subsidiary of a Credit Party in connection with such lease, except (i) any transaction with respect to Property that is not Collateral, and (ii) any transaction pursuant to which any Indebtedness incurred in connection therewith, the Liens securing such Indebtedness and the Asset Disposition related thereto are otherwise expressly permitted pursuant to Sections 9.1, 9.2 and 9.5, respectively.

SECTION 9.13 Financial Covenants.

(a) Consolidated Interest Coverage Ratio. As of the last day of any fiscal quarter, permit the Consolidated Interest Coverage Ratio to be less than 2.50 to 1.00.

(b) Consolidated Net Leverage Ratio. As of the last day of any fiscal quarter during the periods set forth below, permit the Consolidated Net Leverage Ratio to be greater than the corresponding ratio set forth below:

Period	Maximum Consolidated Net Leverage Ratio
Closing Date through September 30, 2022	5.50 to 1.00
December 31, 2022 through June 30, 2023	~~4.75~~
September 30, 2023	6.00 to 1.00 5.50 to 1.00 4.50 to 1.00
December 31, 2023	4.00 to 1.00
March 31, 2024 and thereafter	

Notwithstanding the foregoing, for any measurement period ending on or after ~~December~~March 31, ~~2023~~2024, in connection with any Permitted Acquisition having aggregate cash consideration (including cash, Cash Equivalents and other deferred payment obligations) in excess of $150,000,000, Centuri may, at its election, in connection with such Permitted Acquisition and upon prior written notice to the Administrative Agent, increase the required Consolidated Net Leverage Ratio pursuant to this Section 9.13(b) to up to 4.50 to 1.00 (at Centuri's option), which such increase shall be applicable (i) with respect to a Permitted Acquisition that is not a Limited Condition Acquisition, for the fiscal quarter in which such Permitted Acquisition is consummated and the three (3) consecutive quarterly test periods thereafter or (ii) with respect to a Permitted Acquisition that is a Limited Condition Acquisition, for purposes of determining compliance on a Pro Forma Basis with this Section 9.13(b) on the LCA Test Date, for the fiscal quarter in which such Permitted Acquisition is consummated and for the three (3) consecutive quarterly test periods after which such Permitted Acquisition is consummated (each, a "Leverage Ratio Increase"); provided that
(10) such increase shall apply solely with respect to compliance with this Section 9.13(b) and any determination of the Consolidated Net Leverage Ratio for purposes of the definition of Permitted Acquisition and any incurrence test with respect to any Indebtedness used to finance a Permitted Acquisition and shall not apply to any other incurrence test set forth in this Agreement and (y) there shall be at least two full fiscal quarters following the cessation of each such Leverage Ratio Increase during which no Leverage Ratio Increase shall then be in effect.

The provisions of this Section 9.13 are for the benefit of the Revolving Credit Lenders only and the Required Revolving Credit Lenders may amend, waive or otherwise modify this Section 9.13 or the defined terms used for purposes of this Section 9.13 or waive any Default or Event of Default resulting from a breach of this Section 9.13 in accordance with the provisions of Section 12.2.

SECTION 9.14 Disposal of Subsidiary Interests

. Permit any US Subsidiary existing as of the date hereof to be a non-Wholly-Owned Subsidiary except as a result of or in connection with a dissolution, merger, amalgamation, consolidation or disposition permitted by Section 9.4 or 9.5, except in connection with the grant of the Permitted Drum Equity to officers, directors or employees.

ARTICLE X DEFAULT AND REMEDIES

SECTION 10.1 Events of Default

. Each of the following shall constitute an Event of Default:

(a) Default in Payment of Principal of Loans and Reimbursement Obligations. Any Borrower shall default in any payment of principal of any Loan or Reimbursement Obligation when and as due (whether at maturity, by reason of acceleration or otherwise).

(b) Other Payment Default. Any Borrower shall default in the payment when and as due (whether at maturity, by reason of acceleration or otherwise) of interest on any Loan or Reimbursement Obligation or the payment of any other Obligation, and such default shall continue for a period of three (3) Business Days.

(c) Misrepresentation. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of any Credit Party or any Subsidiary thereof in this Agreement, in any other Loan Document, or in any document delivered in connection herewith or therewith that is subject to materiality or Material Adverse Effect qualifications, shall be incorrect or misleading in any respect when made or deemed made or any representation, warranty, certification or statement of fact made or deemed made by or on behalf of any Credit Party or any Subsidiary thereof in this Agreement, any other Loan Document, or in any document delivered in connection herewith or therewith that is not subject to materiality or Material Adverse Effect qualifications, shall be incorrect or misleading in any material respect when made or deemed made.

(d) Default in Performance of Certain Covenants. Any Credit Party or any Subsidiary thereof shall default in the performance or observance of any covenant or agreement contained in Sections 8.1(a), (b) or (d), 8.2(a) or (b), 8.3(a), 8.4, 8.13, 8.15, 8.16, 8.17, 8.18 or 8.19 or Article IX; provided that a breach of the financial covenants set forth in Section 9.13 shall not constitute an Event of Default with respect to any Term Loans, and the Term Loan Lenders shall not be permitted to exercise any remedies with respect to a breach of the financial covenants set forth in Section 9.13, unless and until the Required Revolving Credit Lenders have declared all amounts outstanding under the Revolving Credit Facility to be due and payable and all outstanding Revolving Credit Commitments to be terminated, in each case in accordance with this Agreement and such declaration has not been rescinded.

(e) Default in Performance of Other Covenants and Conditions. Any Credit Party or any Subsidiary thereof shall default in the performance or observance of any term, covenant, condition or agreement contained in this Agreement (other than as specifically provided for in Section 10.1(a), (b), (c) or (d)) or any other Loan Document and such default shall continue for a period of thirty (30) days after the earlier of (i) the Administrative Agent's delivery of written notice thereof to Centuri and (ii) a Responsible Officer of any Credit Party having obtained knowledge thereof.

(f) Indebtedness Cross-Default. Any Credit Party or any Subsidiary thereof shall (i) default in the payment of any Indebtedness (other than the Loans or any Reimbursement Obligation) the aggregate outstanding principal amount, or with respect to any Hedge Agreement, the Hedge Termination Value, of which is in excess of the Threshold Amount beyond the period of grace if any, provided in the instrument or agreement under which such Indebtedness was created, or (ii) default in the observance or performance of any other agreement or condition relating to any Indebtedness (other than the Loans or any Reimbursement Obligation) the aggregate outstanding principal amount, or with respect to any Hedge Agreement, the Hedge Termination Value, of which is in excess of the Threshold Amount or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, with the giving of notice and/or lapse of time, if required, any such Indebtedness to become due prior to its stated maturity (any applicable grace period having expired).

(g) [Intentionally Omitted].

(h) Change in Control. Any Change in Control shall occur.

(i) Voluntary Bankruptcy Proceeding. Any Credit Party or any Subsidiary thereof or Southwest Gas shall (i) commence a voluntary case under any Debtor Relief Laws, (ii) file a petition seeking to take advantage of any Debtor Relief Laws, (iii) consent to or fail to contest in a timely and appropriate manner any petition filed against it in an involuntary case under any Debtor Relief Laws, (iv) apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee, or liquidator of itself or of a substantial part of its property, domestic or foreign, (v) admit in writing its inability to pay its debts as they become due, (vi) make a general assignment for the benefit of creditors, or (vii) take any corporate action for the purpose of authorizing any of the foregoing.

(j) Involuntary Bankruptcy Proceeding. A case or other proceeding shall be commenced against any Credit Party or any Subsidiary thereof or Southwest Gas in any court of competent jurisdiction seeking (i) relief under any Debtor Relief Laws, or (ii) the appointment of a trustee, receiver, custodian, liquidator or the like for any Credit Party or any Subsidiary thereof or Southwest Gas or for all or any substantial part of their respective assets, domestic or foreign, and such case or proceeding shall continue without dismissal or stay for a period of sixty (60) consecutive days, or an order granting the relief requested in such case or proceeding (including, but not limited to, an order for relief under such federal bankruptcy laws) shall be entered.

(k) Failure of Agreements. Any provision of this Agreement or any provision of any other Loan Document shall for any reason cease to be valid and binding on any Credit Party or any Subsidiary thereof party thereto or any such Person shall so state in writing, or any Loan Document shall for any reason cease to create a valid and perfected first priority Lien (subject to Permitted Liens) on, or security interest in, any of the Collateral purported to be covered thereby, in each case other than in accordance with the express terms hereof or thereof.

(l) Employee Benefit Plan Events. The occurrence of any of the following events: (i) any Credit Party or any ERISA Affiliate fails to make full payment when due of all amounts which, under the provisions of any Pension Plan or Sections 412 or 430 of the Code, any Credit Party or any ERISA Affiliate is required to pay as contributions thereto and such unpaid amounts are in excess of the Threshold Amount,
(ii) any Credit Party fails to make full payment when due of all amounts which, under the provisions of any Canadian Employee Benefit Plan or under Canadian Pension Laws, any Credit Party is required to pay as contributions thereto and such unpaid amounts are in excess of the Threshold Amount, (iii) a Termination Event or Canadian Termination Event or (iv) any Credit Party or any ERISA Affiliate as employers under one or more Multiemployer Plans makes a complete or partial withdrawal from any such Multiemployer Plan and the plan sponsor of such Multiemployer Plans notifies such withdrawing employer that such employer has incurred a withdrawal liability requiring payments in an amount exceeding the Threshold Amount.

(m) Judgment. A judgment or order for the payment of money which causes the aggregate amount of all such judgments or orders (net of any amounts paid or fully covered by independent third party insurance as to which the relevant insurance company does not dispute coverage) to exceed the Threshold Amount shall be entered against any Credit Party or any Subsidiary thereof by any court and such judgment or order shall continue without having been discharged, vacated or stayed for a period of thirty (30) consecutive days after the entry thereof.

SECTION 10.2 Remedies

. Upon the occurrence and during the continuance of an Event of Default, with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to Centuri:

(1) Acceleration; Termination of Credit Facility. Terminate the Revolving Credit Commitment and declare the principal of and interest on the Loans and the Reimbursement Obligations at the time outstanding, and all other amounts owed to the Lenders and to the Administrative Agent under this Agreement or any of the other Loan Documents (including, without limitation, all L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented or shall be entitled to present the documents required thereunder) and all other Obligations, to be forthwith due and payable, whereupon the same shall immediately become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived by each Credit Party, anything in this Agreement or the other Loan Documents to the contrary notwithstanding, and terminate the Credit Facility and any right of any Borrower to request borrowings or Letters of Credit thereunder; provided, that upon the occurrence of an Event of Default specified in Section 10.1(i) or (j), the Credit Facility shall be automatically terminated and all Obligations shall automatically become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived by each Credit Party, anything in this Agreement or in any other Loan Document to the contrary notwithstanding; provided that upon the occurrence and during the continuance of any Event of Default attributable to a failure to comply with the financial covenants set forth in Section 9.13 (which has not become an Event of Default with respect to the Term Loans pursuant to Section 10.1(d)), actions pursuant to this clause (a) may be taken by the Required Revolving Credit Lenders with respect to the Revolving Credit Loans and the Revolving Credit Commitments only (without the requirement for Required Lender action) or by the Administrative Agent at the direction of the Required Revolving Credit Lenders.

(2) Letters of Credit. With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to the preceding paragraph, the Borrowers shall at such time deposit in a Cash Collateral account opened by the Administrative Agent an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts held in such Cash Collateral account shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay the other Secured Obligations on a pro rata basis and in accordance with Section 10.4. After all such Letters of Credit shall have expired or been fully drawn upon, the Reimbursement Obligation shall have been satisfied and all other Secured Obligations shall have been paid in full, the balance, if any, in such Cash Collateral account shall be returned to the Borrowers.

(3) General Remedies. Exercise on behalf of the Secured Parties all of its other rights and remedies under this Agreement, the other Loan Documents and Applicable Law, in order to satisfy all of the Secured Obligations.

SECTION 10.3 Rights and Remedies Cumulative; Non-Waiver; etc.

(1) The enumeration of the rights and remedies of the Administrative Agent and the Lenders set forth in this Agreement is not intended to be exhaustive and the exercise by the Administrative Agent and the Lenders of any right or remedy shall not preclude the exercise of any other rights or remedies, all of which shall be cumulative, and shall be in addition to any other right or remedy given hereunder or under the other Loan Documents or that may now or hereafter exist at law or in equity or by suit or otherwise.

No delay or failure to take action on the part of the Administrative Agent or any Lender in exercising any right, power or privilege shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege or shall be construed to be a waiver of any Event of Default. No course of dealing between the Borrowers, the Administrative Agent and the Lenders or their respective agents or employees shall be effective to change, modify or discharge any provision of this Agreement or any of the other Loan Documents or to constitute a waiver of any Event of Default.

(2) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Credit Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 10.2 for the benefit of all the Lenders and the Issuing Lenders; provided that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) any Issuing Lender or any Swingline Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as an Issuing Lender or Swingline Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 12.4 (subject to the terms of Section 5.6), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Credit Party under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section
10.b and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 5.6, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

SECTION 10.4 Crediting of Payments and Proceeds

. In the event that the Obligations have been accelerated pursuant to Section 10.2 or the Administrative Agent or any Lender has exercised any remedy set forth in this Agreement or any other Loan Document, all payments received on account of the Secured Obligations and all net proceeds from the enforcement of the Secured Obligations shall be applied:

i. with respect to any payment received from or on behalf of, or any net proceeds from the enforcement of the Secured Obligations received from or on behalf of, any US Credit Party (or proceeds from any Collateral owned by any US Credit Party):

First, to payment of that portion of the US Secured Obligations constituting fees, indemnities, expenses and other amounts, including attorney fees, payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the US Secured Obligations constituting fees (other than Commitment Fees and Letter of Credit fees payable to the Revolving Credit Lenders), indemnities and other amounts (other than principal and interest) payable to the Lenders, the Issuing Lenders and the Swingline Lenders under the Loan Documents, including attorney fees, ratably among the Lenders, the Issuing Lenders and the Swingline Lenders in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the US Secured Obligations constituting accrued and unpaid Commitment Fees, Letter of Credit fees payable to the Revolving Credit Lenders and interest on the Loans and Reimbursement Obligations, ratably among the Lenders, the Issuing Lenders and the Swingline Lenders in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the US Secured Obligations constituting unpaid principal of the Loans, Reimbursement Obligations and payment obligations then owing under Secured Hedge Agreements and Secured Cash Management Agreements and to Cash Collateralize any US L/C Obligations then outstanding, ratably among the Lenders, the Issuing Lenders, Swingline Lenders, the Hedge Banks and the Cash Management Banks in proportion to the respective amounts described in this clause Fourth payable to them;

ii. Fifth, to the payment of the Canadian Secured Obligations in the order set forth in clause below; and

Last, the balance, if any, after all of the US Secured Obligations and the Canadian Secured Obligations have been indefeasibly paid in full, to the Borrowers or as otherwise required by Applicable Law.

(b) with respect to any payment received from or on behalf of, or any net proceeds from the enforcement of the Secured Obligations received from or on behalf of, any Canadian Credit Party (or proceeds from any Collateral owned by any Canadian Credit Party):

First, to payment of that portion of the Canadian Secured Obligations constituting fees, indemnities, expenses and other amounts, including attorney fees, payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Canadian Secured Obligations constituting fees (other than Commitment Fees and Letter of Credit fees payable to the Revolving Credit Lenders), indemnities and other amounts (other than principal and interest) payable to the Lenders, the Issuing Lenders and the Swingline Lenders under the Loan Documents, including attorney fees, ratably among the Lenders, the Issuing Lenders and the Swingline Lenders in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Canadian Secured Obligations constituting accrued and unpaid Commitment Fees and Letter of Credit fees payable to the Revolving Credit Lenders and interest on the Loans and the Reimbursement Obligations, ratably among the Lenders, the Issuing Lenders and the Swingline Lenders in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Canadian Secured Obligations constituting unpaid principal of the Loans, Reimbursement Obligations and payment obligations then owing under Secured Hedge Agreements with Canadian Hedge Banks and Secured Cash Management Agreements with Canadian Cash Management Banks and to Cash Collateralize any Canadian L/C Obligations then outstanding, ratably among the Lenders, the Issuing Lenders and the Swingline Lenders, the Canadian Hedge Banks and the Canadian Cash Management Banks in proportion to the respective amounts described in this clause Fourth payable to them; and

Last, the balance, if any, after all of the Canadian Secured Obligations have been indefeasibly paid in full, to the Canadian Borrowers or as otherwise required by Applicable Law.

Notwithstanding the foregoing, Secured Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements shall be excluded from the application described above if the Administrative Agent has not received written notice thereof, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be, following such acceleration or exercise of remedies and at least three (3) Business Days prior to the application of the proceeds thereof. Each Cash Management Bank or Hedge Bank that is not a party to this Agreement that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to the terms of Article XI for itself and its Affiliates as if a "Lender" party hereto.

SECTION 10.5 Administrative Agent May File Proofs of Claim

. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Credit Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on any Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(1) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Secured Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Issuing Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the Issuing Lenders and the Administrative Agent under Sections 3.3, 5.3 and 12.3) allowed in such judicial proceeding; and

(2) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and each Issuing Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the Issuing Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 3.3, 5.3 and 12.3.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or any Issuing Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or any Issuing Lender to authorize the Administrative Agent to vote in respect of the claim of any Lender or any Issuing Lender in any such proceeding.

SECTION 10.6 Credit Bidding.

(1) The Administrative Agent, on behalf of itself and the Secured Parties, shall have the right, exercisable at the discretion of the Required Lenders, to credit bid and purchase for the benefit of the Administrative Agent and the Secured Parties all or any portion of Collateral at any sale thereof conducted by the Administrative Agent under the provisions of the UCC, and/or the PPSA, as applicable, including pursuant to Sections 9-610 or 9-620 of the UCC, at any sale thereof conducted under the provisions of the United States Bankruptcy Code, including Section 363 thereof or any of the applicable Debtor Relief Laws,

or a sale under a plan of reorganization, or at any other sale or foreclosure conducted by the Administrative Agent (whether by judicial action or otherwise) in accordance with Applicable Law. Such credit bid or purchase may be completed through one or more acquisition vehicles formed by the Administrative Agent to make such credit bid or purchase and, in connection therewith, the Administrative Agent is authorized, on behalf of itself and the other Secured Parties, to adopt documents providing for the governance of the acquisition vehicle or vehicles, and assign the applicable Secured Obligations to any such acquisition vehicle in exchange for Equity Interests and/or debt issued by the applicable acquisition vehicle (which shall be deemed to be held for the ratable account of the applicable Secured Parties on the basis of the Secured Obligations so assigned by each Secured Party); provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or Equity Interests thereof, shall be governed, directly or indirectly, by the vote of the Required Lenders, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in Section 12.2.

(2) Each Lender hereby agrees, on behalf of itself and each of its Affiliates that is a Secured Party, that, except as otherwise provided in any Loan Document or with the written consent of the Administrative Agent and the Required Lenders, it will not take any enforcement action, accelerate obligations under any Loan Documents, or exercise any right that it might otherwise have under Applicable Law to credit bid at foreclosure sales, UCC and/or PPSA sales, as applicable, or other similar dispositions of Collateral.

SECTION 10.7 Judgment Currency

. If, for the purpose of obtaining judgment in any court or obtaining an order enforcing a judgment, it becomes necessary to convert any amount due under this Agreement in Dollars or in any other currency (hereinafter in this Section 10.7 called the “first currency”) into any other currency (hereinafter in this Section 10.7 called the “second currency”), then the conversion shall be made at the Administrative Agent’s spot rate of exchange for buying the first currency with the second currency prevailing at the Administrative Agent’s close of business on the Business Day next preceding the day on which the judgment is given or (as the case may be) the order is made. Any payment made by a Credit Party to any Secured Party pursuant to this Agreement in the second currency shall constitute a discharge of the obligations of any applicable Credit Parties to pay to such Secured Party any amount originally due to the Secured Party in the first currency under this Agreement only to the extent of the amount of the first currency which such Secured Party is able, on the date of the receipt by it of such payment in any second currency, to purchase, in accordance with such Secured Party’s normal banking procedures, with the amount of such second currency so received. If the amount of the first currency falls short of the amount originally due to such Secured Party in the first currency under this Agreement, the Credit Parties agree that they will indemnify each Secured Party against and save such Secured Party harmless from any shortfall so arising. If the amount of the first currency exceeds the amount originally due to a Secured Party in the first currency under this Agreement, such Secured Party shall promptly remit such excess to the Credit Parties. The covenants contained in this Section 10.7 shall survive the termination of the Loan Documents and payment of the obligations hereunder.

ARTICLE XI

THE ADMINISTRATIVE AGENT

SECTION 11.1 Appointment and Authority.

(1) Each of the Lenders and each Issuing Lender hereby irrevocably appoints, designates and authorizes Wells Fargo to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Except as provided in Sections 11.6 and 11.9 the provisions of this Article are solely for the benefit of the Administrative Agent, the Arrangers, the Lenders, the Issuing Lenders and their respective Related Parties, and no Consolidated Company shall have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(2) The Administrative Agent shall also act as the "collateral agent" under the Loan Documents, and each of the Lenders (including each holder of Secured Hedge Obligations and Secured Cash Management Obligations) and the Issuing Lenders hereby irrevocably appoints and authorizes the Administrative Agent to act as the agent of such Lender and such Issuing Lender for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Credit Parties to secure any of the Secured Obligations, together with such powers and discretion as are reasonably incidental thereto (including, without limitation, to enter into additional Loan Documents or supplements to existing Loan Documents on behalf of the Secured Parties). In this connection, the Administrative Agent, as "collateral agent" and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to this Article XI for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Security Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent), shall be entitled to the benefits of all provisions of Articles XI and XII (including Section 12.3, as though such co-agents, sub-agents and attorneys-in-fact were the "collateral agent" under the Loan Documents) as if set forth in full herein with respect thereto.

SECTION 11.2 Rights as a Lender

. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of banking, trust, financial advisory, underwriting, capital markets or other business with the Consolidated Companies or other Affiliates thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders or to provide notice to or consent of the Lenders with respect thereto.

SECTION 11.3 Exculpatory Provisions.

(1) The Administrative Agent, the Arrangers and their respective Related Parties shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder and thereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent, the Arrangers and their respective Related Parties:

a. shall not be subject to any agency, trust, fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

b. shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law;

c. shall not, have any duty to disclose, and shall not be liable for the failure to disclose to any Lender, any Issuing Lender or any other Person, any credit or other information relating concerning the business, prospects, operations, properties, assets, financial or other condition or creditworthiness of the Consolidated Companies or any of their respective Subsidiaries or Affiliates that is communicated to, obtained by or otherwise in the possession of the Person serving as the Administrative Agent, the Arrangers or their respective Related Parties in any capacity, except for notices, reports and other documents that are required to be furnished by the Administrative Agent to the Lenders pursuant to the express provisions of this Agreement; and

d. shall not be required to account to any Lender or any Issuing Lender for any sum or profit received by the Administrative Agent for its own account.

(2) The Administrative Agent, the Arrangers and their respective Related Parties shall not be liable for any action taken or not taken by it under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby or thereby (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 12.2 and Section 10.2) or (ii) in the absence of its own gross negligence, willful misconduct or breach in bad faith of obligations hereunder as determined by a court of competent jurisdiction by final non-appealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until notice describing such Default or Event of Default and indicating that such notice is a "Notice of Default" is given to the Administrative Agent by a Borrower, a Lender or an Issuing Lender.

(3) The Administrative Agent, the Arrangers and their respective Related Parties shall not be responsible for or have any duty or obligations to any Lender or Participant or any other Person to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith (including any report provided to it by an Issuing Lender pursuant to Section 3.9), (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Security Documents, (v) the value or the sufficiency of any Collateral,
(24) the satisfaction of any condition set forth in Article VI or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent or (vii) the utilization of any Issuing Lender's L/C Commitment (it being understood and agreed that each Issuing Lender shall monitor compliance with its own L/C Commitment without any further action by the Administrative Agent).

SECTION 11.4 Reliance by the Administrative Agent

. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an Issuing Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender or such Issuing Lender unless the Administrative Agent shall have received notice to the contrary from such Lender or such Issuing Lender prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrowers), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. Each Lender or Issuing Lender that has signed this Agreement or a signature page to an Assignment and Assumption or any other Loan Document pursuant to which it is to become a Lender or Issuing Lender hereunder shall be deemed to have consented to, approved and accepted and shall deemed satisfied with each document or other matter required thereunder to be consented to, approved or accepted by such Lender or Issuing Lender or that is to be acceptable or satisfactory to such Lender or Issuing Lender.

SECTION 11.5 Delegation of Duties

. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Credit Facility as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

SECTION 11.6 Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders, the Issuing Lenders and the Borrowers. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrowers, to appoint a successor, which shall be a bank or financial institution reasonably experienced in serving as administrative agent on syndicated bank facilities with an office in the United States, or an Affiliate of any such bank or financial institution with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Lenders and the Issuing Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above; provided that in no event shall any such successor Administrative Agent be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by Applicable Law, by notice in writing to Centuri and such Person, remove such Person as Administrative Agent and, in consultation with the Borrowers, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable), (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the Issuing Lenders under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) except for any indemnity payments or other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and each Issuing Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent (other than any rights to indemnity payments owed to the retiring or removed Administrative Agent), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 12.3 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent or relating to its duties as Administrative Agent that are carried out following its retirement or removal, including, without limitation, any actions taken with respect to acting as collateral agent or otherwise holding any Collateral on behalf of any of the Secured Parties or in respect of any actions taken in connection with the transfer of agency to a replacement or successor Administrative Agent.

(d) Any resignation by, or removal of, Wells Fargo as Administrative Agent pursuant to this Section shall also constitute its resignation as an Issuing Lender and Swingline Lender. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Issuing Lender, if in its sole discretion it elects to, and Swingline Lender, (b) the retiring Issuing Lender and Swingline Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor Issuing Lender, if in its sole discretion it elects to, shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the retiring Issuing Lender to effectively assume the obligations of the retiring Issuing Lender with respect to such Letters of Credit.

SECTION 11.7 Non-Reliance on Administrative Agent and Other Lenders

. Each Lender and each Issuing Lender expressly acknowledges that none of the Administrative Agent, any Arranger or any of their respective Related Parties has made any representations or warranties to it and that no act taken or failure to act by the Administrative Agent, any Arranger or any of their respective

Related Parties, including any consent to, and acceptance of any assignment or review of the affairs of the Consolidated Companies and their Subsidiaries or Affiliates shall be deemed to constitute a representation or warranty of the Administrative Agent, any Arranger or any of their respective Related Parties to any Lender, any Issuing Lender or any other Secured Party as to any matter, including whether the Administrative Agent, any Arranger or any of their respective Related Parties have disclosed material information in their (or their respective Related Parties') possession. Each Lender and each Issuing Lender expressly acknowledges, represents and warrants to the Administrative Agent and each Arranger that (a) the Loan Documents set forth the terms of a commercial lending facility, (b) it is engaged in making, acquiring, purchasing or holding commercial loans in the ordinary course and is entering into this Agreement and the other Loan Documents to which it is a party as a Lender for the purpose of making, acquiring, purchasing and/or holding the commercial loans set forth herein as may be applicable to it, and not for the purpose of making, acquiring, purchasing or holding any other type of financial instrument, (c) it is sophisticated with respect to decisions to make, acquire, purchase or hold the commercial loans applicable to it and either it or the Person exercising discretion in making its decisions to make, acquire, purchase or hold such commercial loans is experienced in making, acquiring, purchasing or holding commercial loans, (d) it has, independently and without reliance upon the Administrative Agent, any Arranger, any other Lender or any of their respective Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and appraisal of, and investigations into, the business, prospects, operations, property, assets, liabilities, financial and other condition and creditworthiness of the Consolidated Companies and their Subsidiaries, all applicable bank or other regulatory Applicable Laws relating to the Transactions and the transactions contemplated by this Agreement and the other Loan Documents and (e) it has made its own independent decision to enter into this Agreement and the other Loan Documents to which it is a party and to extend credit hereunder and thereunder. Each Lender and each Issuing Lender also acknowledges that (i) it will, independently and without reliance upon the Administrative Agent, any Arranger or any other Lender or any of their respective Related Parties (A) continue to make its own credit analysis, appraisals and decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder based on such documents and information as it shall from time to time deem appropriate and its own independent investigations and (B) continue to make such investigations and inquiries as it deems necessary to inform itself as to the Consolidated Companies and their Subsidiaries and (ii) it will not assert any claim in contravention of this Section 11.7.

SECTION 11.8 No Other Duties, Etc

. Anything herein to the contrary notwithstanding, none of the syndication agents, documentation agents, co-agents, arrangers or bookrunners listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or an Issuing Lender hereunder, but each such Person shall have the benefit of the indemnities and exculpatory provisions hereof.

SECTION 11.9 Collateral and Guaranty Matters.

(1) Each of the Lenders (including in its or any of its Affiliate's capacities as a holder of Secured Hedge Obligations and Secured Cash Management Obligations) irrevocably authorize the Administrative Agent:

a. to release any Lien on any Collateral granted to or held by the Administrative Agent, for the ratable benefit of the Secured Parties, under any Loan Document (A) upon the termination of the Revolving Credit Commitment and payment in full of all Secured Obligations (other than (1) contingent indemnification obligations and (2) Secured Cash Management

Obligations or Secured Hedge Obligations) and the expiration or termination of all Letters of Credit (other than Letters of Credit which have been Cash Collateralized or as to which other arrangements satisfactory to the Administrative Agent and the applicable Issuing Lender shall have been made),
(B) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition to a Person other than a Credit Party permitted under the Loan Documents, as certified by Centuri, or (C) if approved, authorized or ratified in writing by the Required Lenders in accordance with Section 12.2; provided that any release of all or substantially of the Collateral shall be subject to Section 12.2(j);

b. to subordinate any Lien on any Collateral granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien permitted pursuant to Section 9.2(h); provided that the subordination of all or substantially all of the Collateral shall be subject to Section 12.2(j); and

c. to release any Subsidiary Guarantor from its obligations under any Loan Documents if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents, as certified by Centuri; provided that the release of Subsidiary Guarantors comprising substantially all of the credit support for the Secured Obligations shall be subject to Section 12.2(i).

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Subsidiary Guarantor from its obligations under any Guaranty Agreement pursuant to this Section 11.9. In each case as specified in this Section 11.9, the Administrative Agent will, at the Borrowers' expense, execute and deliver to the applicable Credit Party such documents as such Credit Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Security Documents or to subordinate its interest in such item, or to release such Subsidiary Guarantor from its obligations under such Guaranty Agreement, in each case in accordance with the terms of the Loan Documents and this Section 11.9. In the case of any such sale, transfer or disposal of any property constituting Collateral in a transaction constituting an Asset Disposition permitted pursuant to Section 9.5 to a Person other than a Credit Party, the Liens created by any of the Security Documents on such property shall be automatically released without need for further action by any person. Notwithstanding anything to the contrary in this Agreement or in any other Loan Document, without the consent of the Required Lenders, no Credit Party shall be released from its obligations under the Loan Documents if such Credit Party ceases to be a Wholly Owned Subsidiary solely by virtue of a disposition or issuance of Equity Interests, unless (x) such disposition or issuance is a good faith disposition or issuance to a bona-fide unaffiliated third party whose primary purpose is not the release of the Guarantee and obligations of such Credit Party under the Loan Documents and (y) the Investment of the Credit Parties in such Subsidiary shall be deemed a de novo Investment as at that time and such Investment shall be permitted under Section 9.3.

(2) The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Credit Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

SECTION 11.10 Secured Hedge Agreements and Secured Cash Management Agreements

. No Cash Management Bank or Hedge Bank that obtains the benefits of Section 10.4 or any Collateral by virtue of the provisions hereof or of any Security Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral), or to notice of or to consent to any amendment, waiver or modification of the provisions hereof or of any Guarantee or any Security Document, other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Except as expressly provided in Section 10.4, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Secured Cash Management Agreements and Secured Hedge Agreements.

SECTION 11.11 Erroneous Payments

.

(1) Each Lender, each Issuing Lender, each other Secured Party and any other party hereto hereby severally agrees that if (i) the Administrative Agent notifies (which such notice shall be conclusive absent manifest error) such Lender or Issuing Lender or any other Secured Party (or the Lender Affiliate of a Secured Party) or any other Person that has received funds from the Administrative Agent or any of its Affiliates, either for its own account or on behalf of a Lender, Issuing Lender or other Secured Party (each such recipient, a "Payment Recipient") that the Administrative Agent has determined in its reasonable discretion that any funds received by such Payment Recipient were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Payment Recipient) or (ii) any Payment Recipient receives any payment from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, as applicable, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, as applicable, or (z) that such Payment Recipient otherwise becomes aware was transmitted or received in error or by mistake (in whole or in part) then, in each case, (A) an error in payment shall be presumed to have been made (any such amounts specified in clauses (i) or (ii) of this Section 11.11(a), whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise; individually and collectively, an "Erroneous Payment"), and (B) such Payment Recipient is deemed to have knowledge of such error at the time of its receipt of such Erroneous Payment; provided that nothing in this Section shall require the Administrative Agent to provide any of the notices specified in clauses (i) or (ii) above. Each Payment Recipient agrees that it shall not assert any right or claim to any Erroneous Payment, and hereby waives any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payments, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine.

(2) Without limiting the immediately preceding clause (a), each Payment Recipient agrees that, in the case of clause (a)(ii) above, it shall promptly notify the Administrative Agent in writing of such occurrence.

(3) In the case of either clause (a)(i) or (a)(ii) above, such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and upon demand from the Administrative Agent such Payment Recipient shall (or, shall cause any Person who received any portion of an Erroneous Payment on its behalf to), promptly, but in all events no later than two Business Days thereafter (or such later date as the Administrative Agent may, in its sole discretion, specify in writing), return to the Administrative Agent

the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made in Same Day Funds and in the currency so received, together with interest thereon (except to the extent waived in writing by the Administrative Agent) in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent at the Overnight Rate.

(4) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (c), from any Lender that is a Payment Recipient or an Affiliate of a Payment Recipient (such unrecovered amount as to such Lender, an "Erroneous Payment Return Deficiency"), then at the sole discretion of the Administrative Agent and upon the Administrative Agent's written notice to such Lender (i) such Lender shall be deemed to have made a cashless assignment of the full face amount of the portion of its Loans (but not its Commitments) of the relevant Class with respect to which such Erroneous Payment was made (the "Erroneous Payment Impacted Class") to the Administrative Agent or, at the option of the Administrative Agent, the Administrative Agent's applicable lending affiliate in an amount that is equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the "Erroneous Payment Deficiency Assignment") plus any accrued and unpaid interest on such assigned amount, without further consent or approval of any party hereto and without any payment by the Administrative Agent or its applicable lending affiliate as the assignee of such Erroneous Payment Deficiency Assignment. Without limitation of its rights hereunder, the Administrative Agent may cancel any Erroneous Payment Deficiency Assignment at any time by written notice to the applicable assigning Lender and upon such revocation all of the Loans assigned pursuant to such Erroneous Payment Deficiency Assignment shall be reassigned to such Lender without any requirement for payment or other consideration. The parties hereto acknowledge and agree that (1) any assignment contemplated in this clause (d) shall be made without any requirement for any payment or other consideration paid by the applicable assignee or received by the assignor, (2) the provisions of this clause (d) shall govern in the event of any conflict with the terms and conditions of Section 12.9 and (3) the Administrative Agent may reflect such assignments in the Register without further consent or action by any other Person.

(5) Each party hereto hereby agrees that (x) in the event an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent (1) shall be subrogated to all the rights of such Payment Recipient with respect to such amount and (2) is authorized to set off, net and apply any and all amounts at any time owing to such Payment Recipient under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Payment Recipient from any source, against any amount due to the Administrative Agent under this Section 11.11 or under the indemnification provisions of this Agreement,

(6) the receipt of an Erroneous Payment by a Payment Recipient shall not for the purpose of this Agreement be treated as a payment, prepayment, repayment, discharge or other satisfaction of any Obligations owed by the Borrowers or any other Credit Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrowers or any other Credit Party for the purpose of making for a payment on the Obligations and (z) to the extent that an Erroneous Payment was in any way or at any time credited as payment or satisfaction of any of the Obligations, the Obligations or any part thereof that were so credited, and all rights of the Payment Recipient, as the case may be, shall be reinstated and continue in full force and effect as if such payment or satisfaction had never been received.

(6) Each party's obligations under this Section 11.11 shall survive the resignation or replacement of the Administrative Agent or any transfer of right or obligations by, or the replacement of, a

Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

(7) Nothing in this Section 11.11 will constitute a waiver or release of any claim of any party hereunder arising from any Payment Recipient's receipt of an Erroneous Payment.

ARTICLE XII MISCELLANEOUS

SECTION 12.1 Notices.

(1) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows:

If to the Borrowers: Centuri Group, Inc.

19820 North 7th Avenue, #120
Phoenix, Arizona 85027
Attention of: Jason Wilcock, Executive Vice President/General Counsel and Corporate Secretary
Telephone No.: (623) 582-1235
Facsimile No.: (623) 582-6853

E-mail: jwilcock@NextCenturi.com With copies to:

Southwest Gas Holdings, Inc. 5241 Spring Mountain Road Las
Vegas, NV 89150
Attention of: Karen S. Haller, General Counsel Telephone No.: (702) 364-3191
Facsimile No.: (702) 364-3452

E-mail: karen.haller@swgas.com

and

Foley & Lardner LLP
777 East Wisconsin Avenue Milwaukee, WI 53202-5306 Attention
of: Heidi M. Furlong Telephone No.: (414) 297-5620
Facsimile: (414) 297-4900
E-mail: HFurlong@foley.com

If to Wells Fargo as Administrative Agent:

Wells Fargo Bank, National Association MAC D1109-019
1525 West W.T. Harris Blvd. Charlotte, NC 28262
Attention of: Syndication Agency Services Telephone No.: (704) 590-2703

Facsimile No.: (704) 715-0092 With copies to:

Wells Fargo Bank, National Association 100 W. Washington Street, 25th

Floor Phoenix, AZ 85003

MAC S4101-251
Attention of: Aaron Lemke Telephone No.: (602) 378-6629
Facsimile No.: (602) 378-1360

E-mail: aaron.k.lemke@wellsfargo.com If to any Lender:

To the address of such Lender set forth on the Register

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(2) Electronic Communications. Notices and other communications to the Lenders and the Issuing Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or any Issuing Lender pursuant to Article II or III if such Lender or such Issuing Lender, as applicable, has notified the Administrative Agent that is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or a Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications. Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent

during the normal business hours of the recipient, such notice, email or other communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(3) Administrative Agent's Office. The Administrative Agent hereby designates its office located at the address set forth above, or any subsequent office which shall have been specified for such purpose by written notice to Centuri and Lenders, as the Administrative Agent's Office referred to herein, to which payments due are to be made and at which Loans will be disbursed and Letters of Credit requested.

(4) Change of Address, Etc. Each of the Borrowers, the Administrative Agent, any Issuing Lender or any Swingline Lender may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto. Any Lender may change its address or facsimile number for notices and other communications hereunder by notice to Centuri, the Administrative Agent, each Issuing Lender and each Swingline Lender.

(5) Platform.

a. Each Credit Party agrees that the Administrative Agent may, but shall not be obligated to, make the Borrower Materials available to the Issuing Lenders and the other Lenders by posting the Borrower Materials on the Platform.

b. The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the accuracy or completeness of the Borrower Materials or the adequacy of the Platform, and expressly disclaim liability for errors or omissions in the Borrower Materials. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Borrower Materials or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to any Credit Party, any Lender or any other Person or entity for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of any Credit Party's or the Administrative Agent's transmission of communications through the Internet (including, without limitation, the Platform), except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided that in no event shall any Agent Party have any liability to any Credit Party, any Lender, the Issuing Lender or any other Person for indirect, special, incidental, consequential or punitive damages, losses or expenses (as opposed to actual damages, losses or expenses).

(6) Private Side Designation. Each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and Applicable Law, including United States Federal and state securities Applicable Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrowers or their respective securities for purposes of United States Federal or state securities Applicable Laws.

SECTION 12.2 Amendments, Waivers and Consents

. Except as set forth below or as specifically provided in any Loan Document, any term, covenant, agreement or condition of this Agreement or any of the other Loan Documents may be amended or waived

by the Lenders, and any consent given by the Lenders, if, but only if, such amendment, waiver or consent is in writing signed by the Required Lenders (or in the case of any amendment which directly affects only one Class under the Credit Facility, the Required Facility Lenders, and not the Required Lenders or the Required Facility Lenders, as applicable) (or by the Administrative Agent with the consent of the Required Lenders) and delivered to the Administrative Agent and, in the case of an amendment, signed by the Borrowers; provided, that no amendment, waiver or consent shall:

(1) without the prior written consent of the Required Revolving Credit Lenders, amend, modify or waive (i) Section 6.2 or any other provision of this Agreement if the effect of such amendment, modification or waiver is to require the Revolving Credit Lenders (pursuant to, in the case of any such amendment to a provision hereof other than Section 6.2, any substantially concurrent request by any Borrower for a borrowing of Revolving Credit Loans or issuance of Letters of Credit) to make Revolving Credit Loans when such Revolving Credit Lenders would not otherwise be required to do so, (ii) the amount of the Swingline Commitment or (iii) the amount of the L/C Sublimit;

(2) increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 10.2) or the amount of Loans of any Lender, in any case, without the written consent of such Lender;

(3) waive, extend or postpone any date fixed by this Agreement or any other Loan Document for any payment or prepayment of principal (it being understood that a waiver of a mandatory prepayment under Section 4.4(b) shall only require the consent of the Required Term Loan Lenders), interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly and adversely affected thereby (provided that a waiver of a mandatory prepayment under Section 4.4(b) shall only require the consent of Required Lenders);

(4) reduce the principal of, or the rate of interest specified herein on, any Loan or Reimbursement Obligation, or (subject to clause (iv) of the proviso set forth in the paragraph below) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender directly and adversely affected thereby; provided that only the consent of the Required Lenders shall be necessary (i) to waive any obligation of the Borrowers to pay interest at the rate set forth in Section 5.1(b) during the continuance of an Event of Default or (ii) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or L/C Obligation or to reduce any fee payable hereunder;

(5) change Section 5.6 or Section 10.4 in a manner that would alter the pro rata sharing of payments or order of application required thereby without the written consent of each Lender directly and adversely affected thereby;

(6) change Section 4.4(b)(v) in a manner that would alter the order of application of amounts prepaid pursuant thereto without the written consent of each Lender directly and adversely affected thereby;

(7) except as otherwise permitted by this Section 12.2 change any provision of this Section or reduce the percentages specified in the definitions of "Required Lenders," "Required Revolving Credit Lenders", "Required Facility Lenders" or "Required Term Loan Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender directly and adversely affected thereby;

(8) impose any greater restriction on the ability of any Lender under any Class to assign any of its rights or obligations hereunder without the written consent of the Required Facility Lenders under such Class;

(9) consent to the assignment or transfer by any Credit Party of such Credit Party's rights and obligations under any Loan Document to which it is a party (except as permitted pursuant to Section 9.4), in each case, without the written consent of each Lender;

(10) release (i) all of the Subsidiary Guarantors or (ii) Subsidiary Guarantors comprising all or substantially all of the credit support for the Secured Obligations, in any case, from any Guaranty Agreement (other than as authorized in Section 11.9), without the written consent of each Lender;

(11) release or subordinate all or substantially all of the Collateral or release or subordinate any Security Document (or any Lien created thereby) (other than as authorized in Section 11.9 (other than Section 11.9(a)(i)(C)) or as otherwise specifically permitted or contemplated in this Agreement or the applicable Security Document) without the written consent of each Lender;

(12) amend, waive or otherwise modify any provision of Section 9.13 (or any defined terms used therein, but only for purposes of Section 9.13 and not for any other purposes, including, without limitation, any pro forma compliance or incurrence tests) or waive any Event of Default resulting from a breach of the financial covenants set forth in Section 9.13, in each case without the written consent of the Required Revolving Credit Lenders; or

(13) subordinate any of the Obligations owed to the Lenders under a particular Credit Facility in right of payment or otherwise adversely affect the priority of payment of any of such Obligations without the consent of each Lender directly and adversely affected thereby;

provided further, that (i) no amendment, waiver or consent shall, unless in writing and signed by each affected Issuing Lender in addition to the Lenders required above, affect the rights or duties of such Issuing Lender under this Agreement or any Letter of Credit Application relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the applicable Swingline Lender in addition to the Lenders required above, affect the rights or duties of such Swingline Lender under this Agreement; (iii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; (iv) each Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto, (v) any waiver, amendment or modification of this Agreement that by its terms affects the rights or duties under this Agreement of Lenders holding Loans or Commitments of a particular Class (but not the Lenders holding Loans or Commitments of any other Class) may be effected by an agreement or agreements in writing entered into by the Borrowers and the requisite percentage in interest of the affected Class of Lenders that would be required to consent thereto under this Section if such Class of Lenders were the only Class of Lenders hereunder at the time, (vi) each Letter of Credit Application may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto; provided that a copy of such amended Letter of Credit Application shall be promptly delivered to the Administrative Agent upon such amendment or waiver, (vii) the Administrative Agent and the Borrowers shall be permitted to amend any provision of the Loan Documents (and such amendment shall become effective without any further action or consent of any other party to any Loan Document) if the Administrative Agent and the Borrowers shall have jointly identified an obvious error or any error, ambiguity, defect or inconsistency, or omission of a technical or immaterial nature in any such provision; (viii) the Administrative Agent (and, if applicable, the Borrowers) may, without the consent of any Lender, enter into amendments or modifications to this

Agreement or any of the other Loan Documents or to enter into additional Loan Documents in order to implement any Benchmark Replacement or any Benchmark Replacement Conforming Changes or otherwise effectuate the terms of Section 5.8(c) in accordance with the terms of Section 5.8(c); and (ix) the Required Revolving Credit Lenders may (x) amend or otherwise modify the financial covenants set forth in Section 9.13 or, solely for purposes of such financial covenants, the defined terms used, directly or indirectly, therein, or (y) waive any noncompliance with the financial covenants set forth in Section 9.13 or any Event of Default resulting from any such noncompliance, in each case without the consent of any other Lenders. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that (A) the Revolving Credit Commitment of such Lender may not be increased or extended without the consent of such Lender, and (B) any amendment, waiver or consent hereunder which requires the consent of all Lenders or each affected Lenders that by its terms disproportionately and adversely affects any such Defaulting Lender relative to other affected Lenders shall require the consent of such Defaulting Lender.

Notwithstanding anything in this Agreement to the contrary, each Lender hereby irrevocably authorizes the Administrative Agent on its behalf, and without further consent, to enter into amendments or modifications to this Agreement (including, without limitation, amendments to this Section 12.2) or any of the other Loan Documents or enter into additional Loan Documents as the Administrative Agent reasonably deems appropriate in order to effectuate the terms of Section 5.13, 5.18 and 5.19 (including, without limitation, as applicable, (1) to permit the Incremental Term Loans, Extended Term Loans, Incremental Revolving Credit Facility Increases, extended Revolving Credit Commitments or Extended Revolving Credit Loans, as applicable, to share ratably in the benefits of this Agreement and the other Loan Documents, (2) to include the Incremental Term Loan Commitments, the Incremental Revolving Credit Facility Increase or the Extended Revolving Credit Commitments, as applicable, or outstanding Incremental Term Loans, outstanding Incremental Revolving Credit Facility Increase, outstanding Extended Revolving Credit Loans or outstanding Extended Term Loans, as applicable, in any determination of (i) Required Lenders or Required Revolving Credit Lenders, as applicable or (ii) similar required lender terms applicable thereto); provided that no amendment or modification shall result in any increase in the amount of any Lender's Commitment or any increase in any Lender's Commitment Percentage, in each case, without the written consent of such affected Lender, (3) amend and restate this Agreement if, upon giving effect to such amendment and restatement, such Lender shall no longer be a party to this Agreement (as so amended and restated), the Commitments of such Lender shall have terminated, such Lender shall have no other commitment or other obligation hereunder and shall have been paid in full all principal, interest and other amounts owing to it or accrued for its account under this Agreement and the other Loan Documents and (4) to make amendments to any outstanding tranche of Term Loans to permit any Incremental Term Loans or Commitments relating thereto to be "fungible" (including, without limitation, for purposes of the Code) with such tranche of Term Loans, including, without limitation, increases in the Applicable Margin or any fees payable to such outstanding tranche of Term Loans or providing such outstanding tranche of Term Loans with the benefit of any call protection or covenants that are applicable to the proposed Incremental Term Loans or Commitments relating thereto; provided that any such amendments or modifications to such outstanding tranche of Term Loans shall not directly adversely affect the Lenders holding such tranche of Term Loans without their consent.

SECTION 12.3 Expenses; Indemnity.

(1) Costs and Expenses. The Borrowers shall pay, (i) all reasonable out of pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent), the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby

shall be consummated), (ii) all reasonable out of pocket expenses incurred by any Issuing Lender in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable out of pocket expenses incurred by the Administrative Agent, any Lender or any Issuing Lender (including the reasonable fees, charges and disbursements of any counsel for the Administrative Agent, any Lender or any Issuing Lender) in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out of pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(2) Indemnification by the Borrowers. The Borrowers shall indemnify the Administrative Agent (and any sub-agent thereof), each Arranger, each Lender and each Issuing Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, and shall pay or reimburse any such Indemnitee for, any and all losses, claims (including, without limitation, any Environmental Claims), penalties, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Borrowers or any other Credit Party), arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby (including, without limitation, the Transactions), (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by any Issuing Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Credit Party or any Subsidiary thereof, or any Environmental Claim related in any way to any Credit Party or any Subsidiary, (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Credit Party or any Subsidiary thereof, and regardless of whether any Indemnitee is a party thereto, or (v) any claim (including, without limitation, any Environmental Claims), investigation, litigation or other proceeding (whether or not the Administrative Agent or any Lender is a party thereto) and the prosecution and defense thereof, arising out of or in any way connected with the Loans, this Agreement, any other Loan Document, or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby, including without limitation, reasonable attorneys and consultant's fees, provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (A) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (B) result from a claim brought by any Credit Party or any Subsidiary thereof against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if such Credit Party or such Subsidiary has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. This Section 12.3(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(3) Reimbursement by Lenders. To the extent that the Borrowers for any reason fail to indefeasibly pay any amount required under clause (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), any Arranger, any Issuing Lender, any Swingline Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), such Issuing Lender, such Swingline Lender or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed

expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time, or if the Total Credit Exposure has been reduced to zero, then based on such Lender's share of the Total Credit Exposure immediately prior to such reduction) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that with respect to such unpaid amounts owed to any Issuing Lender or any Swingline Lender solely in its capacity as such, only the Revolving Credit Lenders shall be required to pay such unpaid amounts, such payment to be made severally among them based on such Revolving Credit Lenders' Revolving Credit Commitment Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought or, if the Revolving Credit Commitment has been reduced to zero as of such time, determined immediately prior to such reduction); provided, further, that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), such Issuing Lender or such Swingline Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), such Issuing Lender or such Swingline Lender in connection with such capacity. The obligations of the Lenders under this clause (c) are subject to the provisions of Section 5.7.

(4) Waiver of Consequential Damages, Etc. To the fullest extent permitted by Applicable Law, each Borrower and each other Credit Party shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in clause (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(5) Payments. All amounts due under this Section shall be payable promptly after written demand therefor.

(6) Survival. Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the obligations hereunder.

SECTION 12.4 Right of Setoff

. If an Event of Default shall have occurred and be continuing, each Lender, each Issuing Lender, each Swingline Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, such Issuing Lender, such Swingline Lender or any such Affiliate to or for the credit or the account of the Borrowers or any other Credit Party against any and all of the obligations of the Borrowers or such Credit Party now or hereafter existing under this Agreement or any other Loan Document to such Lender, such Issuing Lender or such Swingline Lender or any of their respective Affiliates, irrespective of whether or not such Lender, such Issuing Lender, such Swingline Lender or any such Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrowers or such Credit Party may be contingent or unmatured or are owed to a branch or office of such Lender, such Issuing Lender, such Swingline Lender or such Affiliate different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender or any Affiliate thereof shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative

Agent for further application in accordance with the provisions of Section 10.4 and, pending such payment, shall be segregated by such Defaulting Lender or Affiliate of a Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Lenders, the Swingline Lenders and the Lenders, and (y) the Defaulting Lender or its Affiliate shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Secured Obligations owing to such Defaulting Lender or any of its Affiliates as to which it exercised such right of setoff. The rights of each Lender, each Issuing Lender, each Swingline Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, such Issuing Lender, such Swingline Lender or their respective Affiliates may have. Each Lender, such Issuing Lender and such Swingline Lender agree to notify the Borrowers and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 12.5 Governing Law; Jurisdiction, Etc.

(1) Governing Law. This Agreement and the other Loan Documents and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the law of the State of New York.

(2) Submission to Jurisdiction. The Borrowers and each other Credit Party irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender, any Issuing Lender, any Swingline Lender, or any Related Party of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the exclusive jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by Applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent, any Lender, any Issuing Lender or any Swingline Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrowers or any other Credit Party or its properties in the courts of any jurisdiction.

(3) Waiver of Venue. The Borrowers and each other Credit Party irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(4) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 12.1. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

SECTION 12.6 Waiver of Jury Trial

. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 12.7 Reversal of Payments

. To the extent any Credit Party makes a payment or payments to the Administrative Agent for the ratable benefit of any of the Secured Parties or to any Secured Party directly or the Administrative Agent or any Secured Party receives any payment or proceeds of the Collateral or any Secured Party exercise its right of setoff, which payments or proceeds (including any proceeds of such setoff) or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any Debtor Relief Law, other Applicable Law or equitable cause, then, to the extent of such payment or proceeds repaid, the Secured Obligations or part thereof intended to be satisfied shall be revived and continued in full force and effect as if such payment or proceeds had not been received by the Administrative Agent, and each Lender and each Issuing Lender severally agrees to pay to the Administrative Agent upon demand its applicable ratable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent plus interest thereon at a per annum rate equal to the Federal Funds Rate from the date of such demand to the date such payment is made to the Administrative Agent.

SECTION 12.8 Injunctive Relief

. The Borrowers recognizes that, in the event the Borrowers fail to perform, observe or discharge any of its obligations or liabilities under this Agreement, any remedy of law may prove to be inadequate relief to the Lenders. Therefore, the Borrowers agree that the Lenders, at the Lenders' option, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

SECTION 12.9 Successors and Assigns; Participations.

(1) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Borrowers nor any other Credit Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective

successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(2) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Revolving Credit Commitment and the Loans at the time owing to it); provided that, in each case with respect to any Credit Facility, any such assignment shall be subject to the following conditions:

a. Minimum Amounts.

i. in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it (in each case with respect to any Credit Facility) or contemporaneous assignments to related Approved Funds that equal at least the amount specified in paragraph (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

ii. in any case not described in paragraph (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $5,000,000, in the case of any assignment in respect of the Revolving Credit Facility, or $1,000,000, in the case of any assignment in respect of the Term Loan Facility, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, Centuri otherwise consents (each such consent not to be unreasonably withheld or delayed); provided that Centuri shall be deemed to have given its consent five (5) Business Days after the date written notice thereof has been delivered by the assigning Lender (through the Administrative Agent) unless such consent is expressly refused by Centuri prior to such fifth (5th) Business Day;

b. Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned and each assignment of Term Loans shall be a ratable assignment of the assigning Lender's Term Loans made to the US Borrowers and the assigning Lender's Term Loans made to the Canadian Borrowers (if any);

c. Required Consents. No consent shall be required for any assignment except to the extent required by paragraph (b)(i)(B) of this Section and, in addition:

i. the consent of Centuri (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided, that Centuri shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof; and provided, further,

that Centuri's consent shall not be required during the period commencing on the Closing Date and ending on the date that is ninety (90) days following the Closing Date;

ii. the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (i) the Revolving Credit Facility if such assignment is to a Person that is not a Lender with a Revolving Credit Commitment, an Affiliate of such Lender or an Approved Fund with respect to such Lender or (ii) the Term Loans to a Person who is not a Lender, an Affiliate of a Lender or an Approved Fund; and

iii. the consents of the Issuing Lenders and the Swingline Lenders (such consents not to be unreasonably withheld or delayed) shall be required for any assignment in respect of the Revolving Credit Facility.

d. Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500 for each assignment; provided that (A) only one such fee will be payable in connection with simultaneous assignments to two or more related Approved Funds by a Lender and (B) the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

e. No Assignment to Certain Persons. No such assignment shall be made to (A) the Borrowers or any of the Borrowers' respective Subsidiaries or Affiliates or (B) any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B).

f. No Assignment to Natural Persons. No such assignment shall be made to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person).

g. Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of Centuri and the Administrative Agent, the applicable pro rata share of Loans previously requested, but not funded by, the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (A) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the Issuing Lenders, the Swingline Lenders and each other Lender hereunder (and interest accrued thereon), and (B) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swingline Loans in accordance with its Revolving Credit Commitment Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 5.8, 5.9, 5.10, 5.11 and 12.3 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section (other than a purported assignment to a natural Person or any Borrower or any of the Borrowers' Subsidiaries or Affiliates, which shall be null and void.)

(3) Register. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrowers, shall maintain at one of its offices in Charlotte, North Carolina, a copy of each Assignment and Assumption and each Incremental Amendment delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amounts of (and stated interest on) the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, absent manifest error, and the Borrowers, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrowers and any Lender (but only to the extent of entries in the Register that are applicable to such Lender), at any reasonable time and from time to time upon reasonable prior notice.

(4) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrowers or the Administrative Agent, sell participations to any Person (other than a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person) or any Borrower or any of the Borrowers' Subsidiaries or Affiliates) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrowers, the Administrative Agent, the Issuing Lenders, the Swingline Lenders and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 12.3(c) with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 12.2(b), (c), (d) or (e) that directly and adversely affects such Participant. The Borrowers agree that each Participant shall be entitled to the benefits of Sections 5.9, 5.10 and 5.11 (subject to the requirements and limitations therein, including the requirements under Section 5.11(g) (it being understood that the documentation required under Section 5.11(g) shall be delivered to the participating

Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Section 5.12 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 5.10 or 5.11, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrowers' request and expense, to use reasonable efforts to cooperate with the Borrowers to effectuate the provisions of Section 5.12(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 12.4 as though it were a Lender; provided that such Participant agrees to be subject to Section 5.6 and Section 12. 4 as though it were a Lender.

Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts of (and stated interest on) each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(5) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(6) Cashless Settlement. Notwithstanding anything to the contrary contained in this Agreement, any Lender may exchange, continue or rollover all or a portion of its Loans in connection with any refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to a cashless settlement mechanism approved by the Borrowers, the Administrative Agent and such Lender.

SECTION 12.10 Treatment of Certain Information; Confidentiality

. Each of the Administrative Agent, the Lenders and the Issuing Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by, or required to be disclosed to, any regulatory or similar authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) as to the extent required by Applicable Laws or regulations or in any legal, judicial or administrative proceeding or other compulsory process, (d) to any other party hereto, (e) in connection with the exercise of any remedies under this Agreement, under any other Loan Document or under any Secured Hedge

Agreement or Secured Cash Management Agreement, or any action or proceeding relating to this Agreement, any other Loan Document or any Secured Hedge Agreement or Secured Cash Management Agreement, or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrowers and their respective obligations, this Agreement or payments hereunder, (g) on a confidential basis to (i) any rating agency in connection with rating the Consolidated Companies or the Credit Facility or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Credit Facility, (h) with the consent of Centuri, (i) to Gold Sheets and other similar bank trade publications, such information to consist of deal terms and other information customarily found in such publications, (j) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, any Lender, any Issuing Lender or any of their respective Affiliates from a third party that is not, to such Person's knowledge, subject to confidentiality obligations to the Borrowers, (k) to governmental regulatory authorities in connection with any regulatory examination of the Administrative Agent or any Lender or in accordance with the Administrative Agent's or any Lender's regulatory compliance policy if the Administrative Agent or such Lender deems necessary for the mitigation of claims by those authorities against the Administrative Agent or such Lender or any of its subsidiaries or affiliates, (l) to the extent that such information is independently developed by such Person, or (m) for purposes of establishing a "due diligence" defense. For purposes of this Section, "Information" means all information received from any Credit Party or any Subsidiary thereof relating to any Credit Party or any Subsidiary thereof or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or any Issuing Lender on a nonconfidential basis prior to disclosure by any Credit Party or any Subsidiary thereof; provided that, in the case of information received from a Credit Party or any Subsidiary thereof after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 12.11 Performance of Duties

. Each of the Credit Party's obligations under this Agreement and each of the other Loan Documents shall be performed by such Credit Party at its sole cost and expense.

SECTION 12.12 All Powers Coupled with Interest

. All powers of attorney and other authorizations granted to the Lenders, the Administrative Agent and any Persons designated by the Administrative Agent or any Lender pursuant to any provisions of this Agreement or any of the other Loan Documents shall be deemed coupled with an interest and shall be irrevocable so long as any of the Obligations remain unpaid or unsatisfied, any of the Commitments remain in effect or the Credit Facility has not been terminated.

SECTION 12.13 Survival.

(1) All representations and warranties set forth in Article VII and all representations and warranties contained in any certificate, or any of the Loan Documents (including, but not limited to, any such representation or warranty made in or in connection with any amendment thereto) shall constitute representations and warranties made under this Agreement. All representations and warranties made under

this Agreement shall be made or deemed to be made at and as of the Closing Date (except those that are expressly made as of a specific date), shall survive the Closing Date and shall not be waived by the execution and delivery of this Agreement, any investigation made by or on behalf of the Lenders or any borrowing hereunder.

(2) Notwithstanding any termination of this Agreement, the indemnities to which the Administrative Agent and the Lenders are entitled under the provisions of this Article XII and any other provision of this Agreement and the other Loan Documents shall continue in full force and effect and shall protect the Administrative Agent and the Lenders against events arising after such termination as well as before.

SECTION 12.14 Titles and Captions

. Titles and captions of Articles, Sections and subsections in, and the table of contents of, this Agreement are for convenience only, and neither limit nor amplify the provisions of this Agreement.

SECTION 12.15 Severability of Provisions

. Any provision of this Agreement or any other Loan Document which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remainder of such provision or the remaining provisions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 12.16 Counterparts; Integration; Effectiveness; Electronic Execution.

(1) Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent, the Issuing Lenders, the Swingline Lenders and/or the Arrangers, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 6.1, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (i.e., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of this Agreement.

(2) Electronic Execution. The words “execute,” “execution,” “signed,” “signature,” “delivery” and words of like import in or related to this Agreement, any other Loan Document or any document, amendment, approval, consent, waiver, modification, information, notice, certificate, report, statement, disclosure, or authorization to be signed or delivered in connection with this Agreement or any other Loan Document or the transactions contemplated hereby shall be deemed to include Electronic Signatures or execution in the form of an Electronic Record, and contract formations on electronic platforms approved by the Administrative Agent, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Each party hereto agrees that any Electronic Signature or execution in the form of an Electronic Record shall be valid and binding on itself and each of the other parties hereto

to the same extent as a manual, original signature. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the parties of a manually signed paper which has been converted into electronic form (such as scanned into PDF format), or an electronically signed paper converted into another format, for transmission, delivery and/or retention. Notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided that without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept such Electronic Signature from any party hereto, the Administrative Agent and the other parties hereto shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of the executing party without further verification and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by an original manually executed counterpart thereof. Without limiting the generality of the foregoing, each party hereto hereby (A) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders and any of the Credit Parties, electronic images of this Agreement or any other Loan Document (in each case, including with respect to any signature pages thereto) shall have the same legal effect, validity and enforceability as any paper original, and (B) waives any argument, defense or right to contest the validity or enforceability of the Loan Documents based solely on the lack of paper original copies of any Loan Documents, including with respect to any signature pages thereto.

SECTION 12.17 Term of Agreement

. This Agreement shall remain in effect from the Closing Date through and including the date upon which all Obligations (other than contingent indemnification obligations not then due) arising hereunder or under any other Loan Document shall have been indefeasibly and irrevocably paid and satisfied in full, all Letters of Credit have been terminated or expired (or been Cash Collateralized) or otherwise satisfied in a manner acceptable to the Issuing Lender) and the Revolving Credit Commitment has been terminated. No termination of this Agreement shall affect the rights and obligations of the parties hereto arising prior to such termination or in respect of any provision of this Agreement which survives such termination.

SECTION 12.18 USA PATRIOT Act; Anti-Money Laundering Laws

. The Administrative Agent and each Lender hereby notifies the Borrowers that pursuant to the requirements of the PATRIOT Act or any other Anti-Money Laundering Laws, each of them is required to obtain, verify and record information that identifies each Credit Party, which information includes the name and address of each Credit Party and other information that will allow such Lender to identify each Credit Party in accordance with the PATRIOT Act or such Anti-Money Laundering Laws.

SECTION 12.19 Independent Effect of Covenants

. The Borrowers expressly acknowledge and agree that each covenant contained in Articles VIII or IX hereof shall be given independent effect. Accordingly, the Borrowers shall not engage in any transaction or other act otherwise permitted under any covenant contained in Articles VIII or IX, before or after giving effect to such transaction or act, the Borrowers shall or would be in breach of any other covenant contained in Articles VIII or IX.

SECTION 12.20 No Advisory or Fiduciary Responsibility.

(a) In connection with all aspects of each transaction contemplated hereby, each Credit Party acknowledges and agrees, and acknowledges its Affiliates' understanding, that (i) the facilities provided for hereunder and any related arranging or other services in connection therewith (including in connection

with any amendment, waiver or other modification hereof or of any other Loan Document) are an arm's- length commercial transaction between the Borrowers and their respective Affiliates, on the one hand, and the Administrative Agent, the Arrangers and the Lenders, on the other hand, and each Borrower is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents (including any amendment, waiver or other modification hereof or thereof), (ii) in connection with the process leading to such transaction, each of the Administrative Agent, the Arrangers and the Lenders is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary, for the Borrowers or any of their respective Affiliates, stockholders, creditors or employees or any other Person, (iii) none of the Administrative Agent, the Arrangers or the Lenders has assumed or will assume an advisory, agency or fiduciary responsibility in favor of the Borrowers with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Loan Document (irrespective of whether any Arranger or Lender has advised or is currently advising the Borrowers or any of their respective Affiliates on other matters) and none of the Administrative Agent, the Arrangers or the Lenders has any obligation to the Borrowers or any of its Affiliates with respect to the financing transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents, (iv) the Arrangers and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from, and may conflict with, those of the Borrowers and their respective Affiliates, and none of the Administrative Agent, the Arrangers or the Lenders has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship and (v) the Administrative Agent, the Arrangers and the Lenders have not provided and will not provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Loan Document) and the Credit Parties have consulted their own legal, accounting, regulatory and tax advisors to the extent they have deemed appropriate.

(b) Each Credit Party acknowledges and agrees that each Lender, the Arrangers and any Affiliate thereof may lend money to, invest in, and generally engage in any kind of business with, any of the Borrowers, any Affiliate thereof or any other person or entity that may do business with or own securities of any of the foregoing, all as if such Lender, Arranger or Affiliate thereof were not a Lender or Arranger or an Affiliate thereof (or an agent or any other person with any similar role under the Credit Facilities) and without any duty to account therefor to any other Lender, the Arrangers, the Borrowers or any Affiliate of the foregoing. Each Lender, the Arrangers and any Affiliate thereof may accept fees and other consideration from the Borrowers or any Affiliate thereof for services in connection with this Agreement, the Credit Facilities or otherwise without having to account for the same to any other Lender, the Arrangers, the Borrowers or any Affiliate of the foregoing.

SECTION 12.21 Inconsistencies with Other Documents

. In the event there is a conflict or inconsistency between this Agreement and any other Loan Document, the terms of this Agreement shall control; provided that any provision of the Security Documents which imposes additional burdens on the Consolidated Companies or further restricts the rights of the Consolidated Companies or gives the Administrative Agent or Lenders additional rights shall not be deemed to be in conflict or inconsistent with this Agreement and shall be given full force and effect.

SECTION 12.22 Acknowledgement and Consent to Bail-In of Affected Financial Institutions

. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be

subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(1) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(2) the effects of any Bail-In Action on any such liability, including, if applicable;

a. a reduction in full or in part or cancellation of any such liability;

b. a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Documents; or

c. the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

SECTION 12.23 Certain ERISA Matters.

(1) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, each Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Credit Party, that at least one of the following is and will be true:

a. such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit or the Commitments;

b. the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement;

c. (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through
(g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of

subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement; or

d. such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, each Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Credit Party, that none of the Administrative Agent, any Arranger and their respective Affiliates is a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

SECTION 12.24 Acknowledgement Regarding Any Supported QFCs

. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Hedge Agreements or any other agreement or instrument that is a QFC (such support, "QFC Credit Support" and, each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the FDIC under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(1) In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(2) As used in this Section 12.24, the following terms have the following meanings:

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Covered Entity" means any of the following:

a. a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

b. a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

c. a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

SECTION 12.25 Amendment and Restatement; No Novation

. This Agreement constitutes an amendment and restatement of the Existing Credit Agreement, effective from and after the Closing Date. The execution and delivery of this Agreement shall not constitute a novation of any indebtedness or other obligations owing to the Lenders or the Administrative Agent under the Existing Credit Agreement based on facts or events occurring or existing prior to the execution and delivery of this Agreement. On the Closing Date, the credit facilities described in the Existing Credit Agreement, shall be amended, supplemented, modified and restated in their entirety by the facilities described herein, and all loans and other obligations of any Borrower outstanding as of such date under the Existing Credit Agreement, shall be deemed to be loans and obligations outstanding under the corresponding facilities described herein, without any further action by any Person, except that the Administrative Agent shall make such transfers of funds as are necessary in order that the outstanding balance of such Loans, together with any Loans funded on the Closing Date, reflect the respective Commitments of the Lenders hereunder.

[Signature pages omitted**]**

EXHIBIT B
to
Second Amended and Restated Credit Agreement dated as of August 27, 2021
by and among Centuri Group, Inc.
and each Additional Borrower that becomes a party thereto as a US Borrower, as US Borrowers,
Centuri Canada Division Inc.
and each Additional Borrower that becomes a party thereto as a Canadian Borrower, as Canadian Borrowers,
the lenders party thereto, as Lenders,
and
Wells Fargo Bank, National Association, as Administrative Agent

FORM OF NOTICE OF BORROWING

166115119_2

NOTICE OF BORROWING

Dated as of:

Wells Fargo Bank, National Association, as Administrative Agent
MAC D 1109-019
1525 West W.T. Harris Blvd. Charlotte, North Carolina 28262

Attention: Syndication Agency Services Ladies and Gentlemen:

This irrevocable Notice of Borrowing is delivered to you pursuant to Section [2.3][5.13] of the Second Amended and Restated Credit Agreement, dated as of August 27, 2021 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Centuri Group, Inc., a Nevada corporation ("Centuri"), and each Additional Borrower that becomes a party thereto in accordance with Section 5.17 thereof (collectively, the "US Borrowers"), Centuri Canada Division Inc., a corporation organized under the laws of the Province of Ontario, Canada "Centuri Canada"), and each Additional Borrower that becomes a party thereto in accordance with Section 5.17 thereof (collectively, the "Canadian Borrowers"), the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent. Capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Credit Agreement.

1. [Centuri][INSERT EACH ADDITIONAL US BORROWER][Centuri Canada][INSERT EACH ADDITIONAL CANADIAN BORROWER] hereby request[s] that the Lenders make [a US Revolving Credit Loan][a US Swingline Loan][a Canadian Revolving Credit Loan][a Canadian Swingline Loan][an Incremental Term Loan] to [Centuri][INSERT EACH ADDITIONAL US BORROWER][Centuri Canada][INSERT EACH ADDITIONAL CANADIAN BORROWER] in the aggregate principal amount of [$] [C$]_ . (Complete with an amount in accordance with Section 2.3 or Section 5.13, as applicable, of the Credit Agreement.)

2. [Centuri][INSERT EACH ADDITIONAL US BORROWER][Centuri Canada][INSERT EACH ADDITIONAL CANADIAN BORROWER] hereby request[s] that such Loan(s) be made on the

following Business Day: . (Complete with a Business Day in accordance with Section 2.3 of the Credit Agreement for US Revolving Credit Loans, Canadian Revolving Credit Loans, US Swingline Loans and Canadian Swingline Loans or Section 5.13 of the Credit Agreement for an Incremental Term Loan).

3. [Centuri][INSERT EACH ADDITIONAL US BORROWER][Centuri Canada][INSERT EACH ADDITIONAL CANADIAN BORROWER] hereby request[s] that such Loan(s) bear interest at the following interest rate, plus the Applicable Margin, as set forth below:

Component of Loan[1]	Interest Rate	Interest Period (Term SOFR and/or CDOR Rate)

[1] Complete with the Dollar amount of that portion of the overall Loan requested that is to bear interest at the selected interest rate and/or Interest Period (e.g., for a $20,000,000 loan, $5,000,000 may be requested at Base Rate, $8,000,000 may be requested at Term SOFR with an interest period of three months and $7,000,000 may be requested at Term SOFR with an interest period of one month).

[Base Rate][Canadian Base Rate][Adjusted Term SOFR][CDOR Rate][2]

4. The aggregate principal amount of all Loans and L/C Obligations outstanding as of the date hereof (including the Loan(s) requested herein) does not exceed the maximum amount permitted to be outstanding pursuant to the terms of the Credit Agreement.

5. All of the conditions applicable to the Loan(s) requested herein as set forth in the Credit Agreement have been satisfied as of the date hereof and will remain satisfied to the date of such Loan.

[Signature Page Follows]

[2] Complete with (i) the Base Rate or Adjusted Term SOFR for US Revolving Credit Loans, (ii) the Canadian Base Rate or CDOR Rate for Canadian Revolving Credit Loans, (iii) the Base Rate, Canadian Base Rate, Adjusted Term SOFR or CDOR Rate for any Incremental Term Loan, (v) the Base Rate for US Swingline Loans and (vi) the Canadian Base Rate for Canadian Swingline Loans.

IN WITNESS WHEREOF, the undersigned has executed this Notice of Borrowing as of the day and year first written above.

[CENTURI GROUP, INC., as [a] US Borrower

By: Name:
Title:]

[[INSERT EACH ADDITIONAL US BORROWER],
as a US Borrower

By: Name:
Title:]

[CENTURI CANADA DIVISION INC., as [a]
Canadian Borrower

By: Name:
Title:]

[[INSERT EACH ADDITIONAL CANADIAN
BORROWER], as a Canadian Borrower

By: Name:
Title:]

EXHIBIT D
to
Second Amended and Restated Credit Agreement dated as of August 27, 2021
by and among Centuri Group, Inc.
and each Additional Borrower that becomes a party thereto as a US Borrower, as US Borrowers,
Centuri Canada Division Inc.
and each Additional Borrower that becomes a party thereto as a Canadian Borrower, as Canadian Borrowers,
the lenders party thereto, as Lenders,
and
Wells Fargo Bank, National Association, as Administrative Agent

FORM OF NOTICE OF PREPAYMENT

166115119_2

NOTICE OF PREPAYMENT

Dated as of:

Wells Fargo Bank, National Association, as Administrative Agent
MAC D 1109-019
1525 West W.T. Harris Blvd. Charlotte, North Carolina 28262

Attention: Syndication Agency Services Ladies and Gentlemen:

This irrevocable Notice of Prepayment is delivered to you pursuant to Section **[**2.4(c)**]** **[**4.4(a)**]** of the Second Amended and Restated Credit Agreement, dated as of August 27, 2021 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Centuri Group, Inc., a Nevada corporation ("Centuri"), and each Additional Borrower that becomes a party thereto in accordance with Section 5.17 thereof (collectively, the "US Borrowers"), Centuri Canada Division Inc., a corporation organized under the laws of the Province of Ontario ("Centuri Canada"), Canada, and each Additional Borrower that becomes a party thereto in accordance with Section 5.17 thereof (collectively, the "Canadian Borrowers"), the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent. Capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Credit Agreement.

1. [Centuri][INSERT EACH ADDITIONAL US BORROWER][Centuri Canada][INSERT EACH ADDITIONAL CANADIAN BORROWER] hereby provide[s] notice to the Administrative Agent that it shall prepay the following [Base Rate Loans] [LIBOR Rate Loans] [SOFR Loans] [Canadian Base

Rate Loans] and/or [CDOR Rate Loans]: _. (Complete with an amount in accordance with Section 2.4 or Section 4.4 of the Credit Agreement.)

2. The Loan(s) to be prepaid consist of: **[**check each applicable box**]**

☐ a US Swingline Loan

☐ a Canadian Swingline Loan

☐ a US Revolving Credit Loan

☐ a Canadian Revolving Credit Loan

☐ the Initial Term Loan

☐ an Incremental Term Loan

3. [Centuri][INSERT EACH ADDITIONAL US BORROWER][Centuri Canada][INSERT EACH ADDITIONAL CANADIAN BORROWER] shall repay the above-referenced Loans on the following Business Day: . (Complete with a date no earlier than (i) the same Business Day as of the date of this Notice of Prepayment with respect to any US Swingline Loan, Canadian Swingline Loan or Base Rate Loan, (ii) one (1) Business Day subsequent to the date of this Notice of Prepayment with respect to each Canadian Base Rate Loan, (iii) three (3) Business Days subsequent to the date of this Notice of Prepayment with respect to any LIBOR Rate Loan (iv) three (3) U.S.

Government Securities Business Days subsequent to the date of this Notice of Prepayment with respect to any SOFR Loan and (v) four (4) Business days subsequent to the date of this Notice of Prepayment with respect to any CDOR Rate Loan.)

[Signature Page Follows]

166115119_2

IN WITNESS WHEREOF, the undersigned has executed this Notice of Prepayment as of the day and year first written above.

[CENTURI GROUP, INC., as [a] US Borrower

By: Name:
Title:]

[[INSERT EACH ADDITIONAL US BORROWER],
as a US Borrower

By: Name:
Title:]

[CENTURI CANADA DIVISION INC., as [a]
Canadian Borrower

By: Name:
Title:]

[[INSERT EACH ADDITIONAL CANADIAN
BORROWER], as a Canadian Borrower

By: Name:
Title:]

166115119_2

EXHIBIT E
to
Second Amended and Restated Credit Agreement dated as of August 27, 2021
by and among Centuri Group, Inc.
and each Additional Borrower that becomes a party thereto as a US Borrower, as US Borrowers,
Centuri Canada Division Inc.
and each Additional Borrower that becomes a party thereto as a Canadian Borrower, as Canadian Borrowers,
the lenders party thereto, as Lenders,
and
Wells Fargo Bank, National Association, as Administrative Agent

FORM OF NOTICE OF CONVERSION/CONTINUATION

166115119_2

NOTICE OF CONVERSION/CONTINUATION

Dated as of:

Wells Fargo Bank, National Association, as Administrative Agent
MAC D 1109-019
1525 West W.T. Harris Blvd. Charlotte, North Carolina 28262

Attention: Syndication Agency Services Ladies and Gentlemen:

This irrevocable Notice of Conversion/Continuation (this "Notice") is delivered to you pursuant to Section 5.2 of the Second Amended and Restated Credit Agreement, dated as of August 27, 2021 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Centuri Group, Inc., a Nevada corporation, and each Additional Borrower that becomes a party thereto in accordance with Section 5.17 thereof (collectively, the "US Borrowers"), Centuri Canada Division Inc., a corporation organized under the laws of the Province of Ontario, Canada, and each Additional Borrower that becomes a party thereto in accordance with Section 5.17 thereof (collectively, the "Canadian Borrowers"), the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent. Capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Credit Agreement.

a. The Loan to which this Notice relates is **[**a US Revolving Credit Loan**]** [a Canadian Revolving Credit Loan] **[**the Initial Term Loan**] [**an Incremental Term Loan**]**. (Delete as applicable.)

b. This Notice is submitted for the purpose of: (Check one and complete applicable information in accordance with the Credit Agreement.)

☐ Converting all or a portion of a [Base Rate Loan into a LIBOR Rate Loan] [Base Rate Loan into a SOFR Loan] [Canadian Base Rate Loan into a CDOR Rate Loan]

Outstanding principal balance: $

Principal amount to be converted: $

Requested effective date of conversion: _____

Requested new Interest Period: _____

☐ Converting all or a portion of a [LIBOR Rate Loan into a Base Rate Loan][SOFR Loan into a Base Rate Loan][CDOR Rate Loan into a Canadian Base Rate Loan]

Outstanding principal balance: $

Principal amount to be converted: $

Last day of the current Interest Period: _____

Requested effective date of conversion: _____

☐Continuing all or a portion of a [LIBOR Rate Loan as a LIBOR Rate Loan][SOFR Loan as a SOFR Loan][CDOR Rate Loan as a CDOR Rate Loan]

Outstanding principal balance: $

Principal amount to be continued: $

Last day of the current Interest Period: _____

Requested effective date of continuation: _____

Requested new Interest Period: _____

c. The aggregate principal amount of all Loans and L/C Obligations outstanding as of the date hereof does not exceed the maximum amount permitted to be outstanding pursuant to the terms of the Credit Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Notice of Conversion/Continuation as of the day and year first written above.

[CENTURI GROUP, INC., as [a] US Borrower

By: Name:
Title:]

[[INSERT EACH ADDITIONAL US BORROWER],
as a US Borrower

By: Name:
Title:]

[CENTURI CANADA DIVISION INC., as [a]
Canadian Borrower

By: Name:
Title:]

[[INSERT EACH ADDITIONAL CANADIAN
BORROWER], as a Canadian Borrower

By: Name:
Title:]

Exhibit 13.01

Management's Discussion and Analysis of Financial Condition and Results of Operations

About Southwest Gas Holdings, Inc.

Southwest Gas Holdings, Inc. is a holding company that owns all of the shares of common stock of Southwest Gas Corporation ("Southwest" or the "natural gas distribution" segment), all of the shares of common stock of Centuri Group, Inc. ("Centuri" or the "utility infrastructure services" segment), and as of December 31, 2022, all of the shares of common stock of MountainWest Pipelines Holding Company ("MountainWest" or "pipeline and storage" segment). Southwest Gas Holdings, Inc. and its subsidiaries are collectively referred to as the "Company."

In December 2022, the Company announced that its Board of Directors (the "Board") unanimously determined to take strategic actions to simplify the Company's portfolio of businesses. These actions included entering into a definitive agreement (the "MountainWest Purchase Agreement") to sell 100% of MountainWest in an all-cash transaction to Williams Partners Operating LLC ("Williams") for $1.5 billion in total enterprise value, subject to certain adjustments. Additionally, the Company determined it will pursue a spin-off of Centuri (the "Centuri spin-off"), to form a new independent publicly traded utility infrastructure services company. The MountainWest transaction closed on February 14, 2023. The Company is to provide certain services to Williams under a transition services agreement for a brief period, generally not beyond six months. As a result of entry into the agreement, the Company recorded a loss, composed of a goodwill impairment of $449.6 million plus $5.8 million in estimated selling costs. A customary post-closing true-up will occur but is not currently expected to be material to the financial statements as a whole. The Centuri spin-off is expected to be completed in the fourth quarter of 2023 or the first quarter of 2024 and to be tax free to the Company and its stockholders for U.S. federal income tax purposes. The Centuri spin-off will be subject to, among other things, finalizing the transaction structure, final approval by the Board, approval by the Arizona Corporation Commission, the receipt of a favorable Internal Revenue Service private letter ruling relating to the tax-free nature of the transaction, and the effectiveness of a registration statement that will be filed with the U.S. Securities and Exchange Commission. See **Note 15 - Acquisitions and Dispositions** for additional information.

As described in **Note 1 - Background, Organization, and Summary of Significant Accounting Policies**, on May 6, 2022, the Company entered into a Cooperation Agreement ("Cooperation Agreement") with Carl C. Icahn and the persons and entities named therein (the "Icahn Group"). Pursuant to the Initial Cooperation Agreement, the Company, among other things, made certain previously disclosed changes to the Board and management team. On October 24, 2022, the Company and the Icahn Group entered into the Amended Cooperation Agreement, which amended, restated, superseded, and replaced in its entirety the Initial Cooperation Agreement. Under the Amended Cooperation Agreement, certain of the standstill provisions in the Initial Cooperation Agreement were extended, the Icahn Group's governance rights were amended, and the Company agreed to certain actions in connection with the 2023 Annual Meeting. Additional information about the Amended Cooperation Agreement can be found in the Company's Current Report on Form 8-K, filed with the SEC on October 26, 2022.

Our business includes Southwest, which is engaged in the business of purchasing, distributing, and transporting natural gas for customers in portions of Arizona, Nevada, and California. Southwest is the largest distributor of natural gas in Arizona and Nevada, and distributes and transports natural gas for customers in portions of California. Additionally, through its subsidiaries, Southwest operates two regulated interstate pipelines serving portions of the northern territories of Nevada and California.

As of December 31, 2022, Southwest had 2,197,000 residential, commercial, industrial, and other natural gas customers, of which 1,176,000 customers were located in Arizona, 816,000 in Nevada, and 205,000 in California. In January 2022, approximately 5,300 customers became part of Southwest's gas distribution operations that were formerly served by Graham County Utilities. First-time meter sets were approximately 41,000 in 2022, compared to 37,000 in 2021. Residential and commercial customers represented over 99% of the total customer base. During 2022, 54% of operating margin (gas operating revenues less the net cost of gas sold) was earned in Arizona, 34% in Nevada, and 12% in California. During this same period, Southwest earned 85% of its operating margin from residential and small commercial customers, 4% from other sales customers, and 11% from transportation customers. These general patterns are expected to remain materially consistent for the foreseeable future.

Southwest recognizes operating revenues from the distribution and transportation of natural gas (and related services) to customers. Operating margin is a financial measure defined by management as Regulated operations revenues less the net cost of gas sold. However, operating margin is not specifically defined in accounting principles generally accepted in the United States ("U.S. GAAP"). Thus, operating margin is considered a non-GAAP measure. Management uses this financial measure because Regulated operations revenues include the net cost of gas sold, which is a tracked cost that is passed through to customers without markup under purchased gas adjustment ("PGA") mechanisms. Fluctuations in the net cost of gas sold impact revenues on a dollar-for-dollar basis, but do not impact operating margin or operating income. Therefore, management believes operating margin provides investors and other interested parties with useful and relevant information to analyze Southwest's financial performance in a rate-regulated environment. The principal factors affecting changes in operating margin

are general rate relief (including impacts of infrastructure program recoveries) and customer growth. Commission decisions on the amount and timing of relief may impact our earnings. Refer to the Summary Operating Results table below for a reconciliation of gross margin to operating margin, and refer to *Rates and Regulatory Proceedings* in this Management's Discussion and Analysis for details of various rate proceedings.

The demand for natural gas is seasonal, with greater demand in the colder winter months and decreased demand in the warmer summer months. All of Southwest's service territories have decoupled rate structures (alternative revenue programs), which are designed to eliminate the direct link between volumetric sales and revenue, thereby mitigating the impacts of weather variability and conservation on operating margin, allowing Southwest to pursue energy efficiency initiatives.

Centuri is a strategic infrastructure services company that partners with regulated utilities to build and maintain the energy network that powers millions of homes and businesses across the United States ("U.S.") and Canada. With an unwavering commitment to serve as long-term partners to customers and communities, Centuri's employees enable regulated utilities to safely and reliably deliver natural gas and electricity, as well as achieve their goals for environmental sustainability. Centuri operates in 73 primary locations across 45 states and provinces in the U.S. and Canada. Centuri operates in the U.S., primarily as NPL, Neuco, Linetec, and Riggs Distler, and in Canada, primarily as NPL Canada.

Utility infrastructure services activity can be impacted by changes in infrastructure replacement programs of utilities, weather, and local and federal regulation (including tax rates and incentives). Utilities continue to implement or modify system integrity management programs to enhance safety pursuant to federal and state mandates. These programs have resulted in multi-year utility system replacement programs throughout the U.S. Generally, Centuri revenues are lowest during the first quarter of the year due to less favorable winter weather working conditions. Revenues typically improve as more favorable weather conditions occur during the summer and fall months. In cases of severe weather, such as following a regional storm, Centuri may be engaged to perform restoration activities related to above-ground utility infrastructure, and related results impacts are not solely within the control of management. In addition, in certain circumstances, such as with large bid contracts (especially those of a longer duration), or unit-price contracts with revenue caps, results may be impacted by differences between costs incurred and those anticipated when the work was originally bid. Work awarded, or failing to be awarded, by individual large customers can impact operating results.

MountainWest is an interstate natural gas transmission pipeline company that provides transportation and underground storage services to customers in Utah, Wyoming, and Colorado. A substantial portion of its revenue results from reservation charges, but variable rates are also included as part of its primarily rate-regulated rate structures.

All of our businesses may be impacted by economic conditions that impact businesses generally, such as inflationary impacts on goods and services consumed in the business, rising interest rates, labor markets and costs (including in regard to contracted or professional services), and the availability of those resources. Certain of these impacts may be more predominant in certain of our operations, such as with regard to fuel costs for work equipment and skilled/trade labor costs at Centuri.

Executive Summary

The items discussed in this Executive Summary are intended to provide an overview of the results of the Company's and Southwest's operations and are covered in greater detail in later sections of management's discussion and analysis.

Summary Operating Results

	Year ended December 31,		
(In thousands, except per share amounts)	2022	2021	2020
Contribution to net income (loss)			
Natural gas distribution	$ 154,380	$ 187,135	$ 159,118
Utility infrastructure services	2,065	40,420	74,862
Pipeline and storage	(283,733)	—	—
Corporate and administrative	(76,002)	(26,776)	(1,656)
Net income (loss)	$ (203,290)	$ 200,779	$ 232,324
Weighted average common shares	65,558	59,145	55,998
Basic earnings (loss) per share			
Consolidated	$ (3.10)	$ 3.39	$ 4.15
Natural Gas Distribution			
Reconciliation of Gross Margin to Operating Margin (Non-GAAP measure)			
Utility Gross Margin	$ 574,534	$ 570,325	$ 528,730
Plus:			
Operations and maintenance (excluding Admin. & General) expense	308,276	267,160	243,723
Depreciation and amortization expense	263,043	253,398	235,295
Operating margin	$ 1,145,853	$ 1,090,883	$ 1,007,748

Overview

Southwest Gas Holdings:
- MountainWest sale completed in February 2023 and Centuri spin-off plans are ongoing
- Issued 6,325,000 shares of common stock, raising $452 million in net proceeds
- Corporate and administrative expenses include impact of interest on remaining $1.15 billion term loan, as well as stockholder activism/settlement and strategic review costs
- In February 2023, paid down $1.075 billion of the Term Loan Facility upon close of the sale of MountainWest, leaving approximately $72 million in aggregate principal amount outstanding under such loan

Natural gas distribution:
- 41,000 first-time meters sets (1.9% growth rate) occurred over the past 12 months
- Operating margin increased $55 million, or 5%, between 2022 and 2021
- Issued $600 million in 4.05% 10-year Notes and $300 million in 5.80% 5-year Notes
- $683 million capital investment in 2022
- COLI results declined $14 million compared to the prior year
- Nevada general rate case finalized with rate relief effective April 2022
- Arizona general rate case finalized with revenue increase of $54.3 million and new rates effective February 1, 2023

Utility infrastructure services:

- Record revenues of $2.8 billion in 2022, an increase of $602 million, or 28%, compared to 2021
- $94 million in Clean Energy Offshore Wind Projects for 2022
- Costs impacted by inflation, including higher fuel, subcontractor, interest, and equipment rental costs
- Negative impact on work mix and volume due to certain customers' supply chain challenges in procuring necessary materials

Pipeline and storage:

- Recognized revenue of $265 million in 2022
- Recognized goodwill impairment loss of $449.6 million as a result of the MountainWest sale

This section of this Form 10-K generally discusses 2022 and 2021 items and year-to-year comparisons between 2021 and 2020. Discussions of 2020 items and year-to-year comparisons between 2021 and 2020 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, which incorporates by reference the Company's annual report to stockholders filed as Exhibit 13 to the Annual Report on Form 10-K.

Results of Natural Gas Distribution

	Year Ended December 31,		
(Thousands of dollars)	2022	2021	2020
Regulated operations revenues	$ 1,935,069	$ 1,521,790	$ 1,350,585
Net cost of gas sold	789,216	430,907	342,837
Operating margin	1,145,853	1,090,883	1,007,748
Operations and maintenance expense	491,928	438,550	406,382
Depreciation and amortization	263,043	253,398	235,295
Taxes other than income taxes	83,197	80,343	63,460
Operating income	307,685	318,592	302,611
Other income (deductions)	(6,884)	(4,559)	(6,590)
Net interest deductions	115,880	97,560	101,148
Income before income taxes	184,921	216,473	194,873
Income tax expense	30,541	29,338	35,755
Contribution to consolidated results	$ 154,380	$ 187,135	$ 159,118

2022 vs. 2021

Contribution to consolidated net income from natural gas distribution operations decreased $33 million between 2022 and 2021. The decline was primarily due to increases in Operations and maintenance expense, Depreciation and amortization, and Net interest deductions, offset by an increase in Operating margin and Other income.

Operating margin increased $55 million between years. Customer growth provided approximately $17 million as 41,000 first-time meter sets were added in 2022, and combined rate relief provided approximately $14 million of incremental operating margin during the current year. Also contributing to the increase were customer late fees that were $4.4 million greater in the current year due to the lifting, in 2021, of a moratorium on such fees. Approved revenue in Arizona related to recoveries associated with Vintage Steel Pipe and Customer-Owned Yard Line programs also contributed to the improvements between periods ($22 million). Offsetting these increases were lower recoveries associated with other regulatory programs ($4 million), for which the effects are mitigated by a comparable decrease in amortization expense between periods (discussed below).

Operations and maintenance expense increased $53 million, or 12%, between 2022 and 2021. While management worked to mitigate the impacts of historic inflation and labor market challenges, specific increases in costs were nonetheless experienced, including, among others, pipeline integrity, reliability, line location and engineering services costs ($8 million), an increase in the reserve for customer accounts deemed uncollectible following the 2021 lifting of the moratorium on disconnections and inflation/economic conditions on our customers ($7 million), employee labor (including incremental overtime pay) ($7 million), travel, training, recruitment, and medical screening costs ($6 million), legal and claim-related costs ($5 million), temporary/contractor services for customer support ($4 million) and division operations ($2 million), increased cost of fuel used in our operations ($4 million), and pension-related service cost ($3 million), as well as higher allocated corporate/Board costs ($1 million).

Depreciation and amortization expense increased $10 million, or 4%, between years primarily due to a $537 million, or 6%, increase in average gas plant in service for the current year, offset by a reduction ($4 million) in amortization of regulatory account balances, as discussed in regard to Operating margin above. The increase in gas plant was attributable to pipeline capacity reinforcement work, franchise requirements, scheduled pipe replacement activities, and new infrastructure.

Taxes other than income taxes increased $2.9 million, or 4%, between 2022 and 2021 primarily due to an increase in property taxes in Arizona, and to a lesser extent, in Nevada.

Other income decreased $2 million between 2022 and 2021. Non-service-related components of employee pension and postretirement benefit cost in this category decreased $13 million between years. The current year also includes an $11 million increase in interest income compared to the prior year, including related to carrying charges associated with regulatory account balances, including the Purchased Gas Adjustment ("PGA") mechanisms. Interest income is earned when these balances are in asset positions and interest expense is incurred when balances are in liability positions. Offsetting these impacts was a $14 million decline in COLI results between years, a $9 million reserve for a software project deemed non-recoverable from utility operations, and a $3 million market adjustment on other property in 2022.

Net interest deductions increased $18.3 million between 2022 and 2021, primarily due to increased interest associated with $300 million of Senior Notes issued in August 2021 and $600 million of Senior Notes issued in March 2022. Other impacts include increased interest associated with a higher amount of short-term debt in 2022 compared to 2021. Equity financing from Southwest's parent entity, which often occurs, did not occur during 2022.

Tax amounts include the amortization of Excess Accumulated Deferred Income Taxes ("EADIT"), which following 2017 U.S. tax reform, reduces income tax expense as amounts are returned to customers.

Results of Utility Infrastructure Services

	Year Ended December 31,		
(Thousands of dollars)	2022	2021	2020
Utility infrastructure services revenues	$ 2,760,327	$ 2,158,661	$ 1,948,288
Operating expenses:			
Utility infrastructure services expenses	2,529,318	1,955,467	1,729,429
Depreciation and amortization	155,353	117,643	96,732
Operating income	75,656	85,551	122,127
Other income (deductions)	(887)	1,067	(207)
Net interest deductions	61,371	20,999	9,269
Income before income taxes	13,398	65,619	112,651
Income tax expense	5,727	18,776	31,128
Net income	7,671	46,843	81,523
Net income attributable to noncontrolling interests	5,606	6,423	6,661
Contribution to consolidated results	$ 2,065	$ 40,420	$ 74,862

2022 vs. 2021

Contribution to consolidated net income from utility infrastructure services decreased $38.4 million in 2022 compared to 2021. While top-line revenues increased substantially in 2022 compared to 2021, Centuri's performance overall was impacted by inflation, customer supply chain challenges affecting mix of work, and increased amortization and interest related to Riggs Distler, which was acquired in August 2021.

Utility infrastructure services revenues increased $601.7 million, or 28%, including $440.2 million related to Riggs Distler, which was acquired by Centuri on August 30, 2021. Revenues from electric infrastructure services increased $252.9 million in 2022 when compared to the prior year, of which $172.4 million was associated with Riggs Distler. Included in electric infrastructure services revenues overall during 2022 was $69.7 million from emergency restoration services performed by Linetec, Riggs Distler, and National Powerline following storm damage to customers' above-ground utility infrastructure in and around the Gulf Coast and eastern regions of the U.S. and Canada, compared to $65.3 million in the prior year. Centuri's revenues derived from storm-related services vary from period to period due to the unpredictable nature of weather-related events, and when this type of work is performed, it typically generates a higher profit margin than core infrastructure services, due to improved operating efficiencies related to equipment utilization and absorption of fixed costs. The current year also includes approximately $229.5 million in incremental revenues, including $47.6 million from Riggs Distler, and from continued growth with gas infrastructure services customers under master service and bid agreements. Other revenues increased

$119.3 million, primarily due to $94.2 million of offshore wind revenue at Riggs Distler. This is stemming from two multi-year jobs that began in 2022 whereby Riggs Distler provides materials, subcontracted manufacturing, fabrication, and assembly of secondary steel components on shore, with delivery at a port facility for the offshore projects. Centuri revenues from contracts with Southwest totaled $134.7 million in 2022 and $102.3 million in 2021. Centuri accounts for services provided to Southwest at contractual prices.

Utility infrastructure services expenses increased $573.9 million, or 29%, between 2022 and 2021. The overall increase includes $405.1 million from Riggs Distler, and incremental costs related to the higher volume of work otherwise. Changes in mix of work caused in part by customers' supply chain challenges, as well as inflation, led to higher input costs including fuel and subcontractor expenses, as well as increased project-related travel and equipment rental costs incurred to fulfill electric infrastructure services. Fuel costs alone increased $32.7 million, including $7.3 million related to Riggs Distler, and project-related travel expenses increased $12.7 million in 2022. A loss of $7.5 million was incurred on a gas infrastructure bid project during the year due to higher costs than anticipated and scheduling delays. This project is anticipated to reach substantial completion in the first quarter of 2023. Also included in total Utility infrastructure services expenses were general and administrative costs, which increased approximately $4 million between years, primarily attributable to higher costs incurred by Riggs Distler of $7 million, in addition to strategic review and severance costs of $6.1 million (combined), as well as other administrative costs due to the continued growth in the business. These were partially offset by lower incentive compensation costs in 2022 and $14 million in professional fees in connection with the acquisition of Riggs Distler in 2021, which did not recur. Gains on sale of equipment (reflected as an offset to Utility infrastructure services expenses) were approximately $6.4 million and $6.9 million in 2022 and 2021, respectively.

Depreciation and amortization expense increased $37.7 million between 2022 and 2021, of which $34.9 million relates to Riggs Distler. The remaining increase was attributable to equipment and computer systems purchased to support the growing volume of infrastructure work overall. Depreciation expense, relative to the revenues recorded, was generally consistent during 2022 compared to 2021.

The increase in net interest deductions of $40.4 million was primarily due to incremental outstanding borrowings in connection with the 2021 acquisition of Riggs Distler under Centuri's $1.445 billion amended and restated secured revolving credit and term loan facility, in addition to higher interest rates on outstanding variable-rate borrowings.

Income tax expense decreased $13 million between 2022 and 2021, primarily due to reduced profitability in 2022.

Results of Pipeline and Storage

	Year Ended December 31,
(Thousands of dollars)	2022
Regulated operations revenues	$ 264,613
Operating expenses:	
Net cost of gas sold	9,843
Operations and maintenance expense	100,263
Depreciation and amortization	52,059
Taxes other than income taxes	10,186
Goodwill impairment	449,606
Operating loss	(357,344)
Other income	2,128
Net interest deductions	18,185
Loss before income taxes	(373,401)
Income tax benefit	(89,668)
Contribution to consolidated results	$ (283,733)

The pipeline and storage entities of MountainWest were part of an acquisition on December 31, 2021, which have since been sold to Williams (closed on February 14, 2023). Operating results for the Pipeline and Storage segment during 2022 included rate-regulated transmission and subscription storage revenues of $248.3 million. Results include a goodwill impairment loss of $449.6 million as a result of the sale of MountainWest at a price less than the equity interests in MountainWest. Operating expenses also include approximately $26 million related to the stand-up of processes and systems which, following the earlier

acquisition, were under a Transition Services Agreement with the previous seller, in addition to certain employee retention payments.

Rates and Regulatory Proceedings

Southwest is subject to the regulation of the Arizona Corporation Commission (the "ACC"), the Public Utilities Commission of Nevada (the "PUCN"), the California Public Utilities Commission (the "CPUC"), and the Federal Energy Regulatory Commission (the "FERC"). Due to the size of Southwest's regulated operations and the frequency of rate cases and other procedural activities with its commissions, the following discussion focuses primarily on the proceedings within its natural gas distribution operations.

General Rate Relief and Rate Design

Rates charged to customers vary according to customer class and rate jurisdiction and are set by the individual state and federal regulatory commissions that govern Southwest's service territories. Southwest makes periodic filings for rate adjustments as the cost of providing service (including the cost of natural gas purchased) changes, and as additional investments in new or replacement pipeline and related facilities are made. Rates are intended to provide for recovery of all commission-approved costs and a reasonable return on investment. The mix of fixed and variable components in rates assigned to various customer classes (rate design) can significantly impact the operating margin actually realized by Southwest. Management has worked with its regulatory commissions in designing rate structures that strive to provide affordable and reliable service to its customers while mitigating volatility in prices to customers and stabilizing returns to investors. Such rate structures were in place in all of Southwest's operating areas during all periods for which results of natural gas distribution operations are disclosed above.

Arizona Jurisdiction

Arizona General Rate Case. In December 2021, Southwest filed a general rate case application proposing a revenue increase of approximately $90.7 million. Although updated rates related to the previous rate case became effective in January 2021, the most significant driver for the December 2021 request was the necessity to reflect in rates the substantial capital investments that have been made since the end of the test year in the previous case, including the customer information system implemented in May 2021. The filing was based on a test year ended August 31, 2021 and proposed a return on common equity of 9.90% relative to a target equity ratio of 51%. Southwest also proposed a twelve-month post-test year adjustment to reflect otherwise non-revenue producing plant in service as of August 31, 2022 and certain expense adjustments. Recovery (over three years) of the approximately $12 million related to the outstanding deferral balance associated with the LNG facility (see below) was included in the request, along with the approximate $2.1 million (also over three years) in late payment charges that were suppressed from customer accounts during the COVID-19 pandemic. A request to continue the Delivery Charge Adjustment ("DCA"), Southwest's full-revenue decoupling mechanism, was also included, while the only proposed change to Southwest's existing rate design contemplated the year-round offering of the Low Income Ratepayer Assistance program.

At a hearing held in September 2022, Southwest, the Utilities Division Staff (the "Staff"), and the Residential Utility Consumer Office jointly stipulated to several issues, including a target capital structure consisting of 50% equity and 50% debt; a 9.30% return on equity; and foregoing recovery of the requested COVID-19 moratorium waived late fees, as well as an acquisition premium related to the recent Graham County acquisition. Among the uncontested issues identified prior to the hearing were the continuation of the DCA mechanism, the continuation of the existing rate design, and Southwest's alternate property tax expense calculation, reflecting actual incurred property tax expense in 2021, instead of a pro forma adjustment reflecting forecasted property tax expense. The Administrative Law Judge issued the Recommended Opinion and Order in mid-December 2022, and the ACC approved a modified final order at their January 10, 2023 open meeting, authorizing a $54.3 million increase. New rates were effective February 1, 2023.

Delivery Charge Adjustment. The DCA is filed each April, which along with other reporting requirements, contemplates a rate to recover the over- or under-collected margin tracker (decoupling mechanism) balance. An April 2022 request proposed a rate to return $10.5 million, the over-collected balance existing at the end of the first quarter 2022, which was approved effective July 1, 2022. A filing will be made prior to the end of April 2023 to request a rate to address the outstanding balance at March 31, 2023.

Tax Reform. A Tax Expense Adjustor Mechanism ("TEAM") was approved in Southwest's 2019 general rate case to timely recognize tax rate changes resulting from federal or state tax legislation following the TEAM implementation. In addition, the TEAM tracks and returns/recovers the revenue requirement impact of changes in amortization of EADIT (including that which resulted from 2017 U.S. federal tax reform) compared to the amount authorized in the most recently concluded rate case. In December 2021, Southwest filed its inaugural TEAM rate application, which proposed a $4.7 million refund, comprised of an approximate $9 million decrease in revenue requirement offset by an under-collected balance of $4.3 million. Staff issued a proposed order supporting the TEAM credit, which was approved by the ACC with rates effective November 1, 2022. In

December 2022, Southwest filed its second TEAM rate application, which proposes to update the TEAM surcredit effective April 2023 to incorporate a base revenue reduction of $6.6 million. A decision is anticipated in the second quarter of 2023.

Liquefied Natural Gas ("LNG") Facility. In 2014, Southwest sought ACC preapproval to construct, operate, and maintain a 233,000 dekatherm LNG facility in southern Arizona. This facility is intended to enhance service reliability and flexibility related to natural gas deliveries in the southern Arizona area by providing a local storage option, connecting directly to Southwest's distribution system. Southwest was ultimately granted approval for construction and deferral of costs. The facility was placed in service in December 2019. The capital costs and operating expenses associated with plant operation were approved and considered as part of Southwest's 2019 general rate case. Approximately $12 million in costs, incurred following the in-service date of the facility and after the period considered as part of the 2019 general rate case, were deferred in the authorized regulatory asset. These costs will be amortized over four years consistent with the ACC's decision in the most recent general rate case.

Customer-Owned Yard Line ("COYL") Program. Southwest originally received approval, in connection with its 2010 Arizona general rate case, to implement a program to conduct leak surveys, and if leaks were present, to replace and relocate service lines and meters for Arizona customers whose meters were set off from the customer's home, representing a non-traditional configuration. A filing in May 2021 proposed the recovery of previously unrecovered surcharge revenue from 2019 and 2020 (collectively, $13.7 million) over a one-year period. Such amounts related to plant investments that were made in advance of those periods. In November 2021, the ACC approved full recovery within the proposed timeline, the rate for which was implemented the same month. In a February 2022 filing, Southwest requested and received approval to increase its surcharge revenue by $3.4 million to recover the revenue requirement associated with investments made since August 2020 and through calendar year 2021. The rate was implemented in June 2022. A decrease in the COYL rate became effective in November 2022 to reflect the expiration of the collection period associated with the 2019 and 2020 COYL program revenue referred to above. Recovery of the remaining investments is ongoing.

Vintage Steel Pipe Program ("VSP"). Southwest received approval, in connection with its 2016 Arizona general rate case, to implement a VSP replacement program, due to having a substantial amount of pre-1970s vintage steel pipe in Arizona. However, as part of Southwest's 2020 rate case decision, the ACC ultimately decided to discontinue the accelerated VSP program. A filing in May 2021 proposed the recovery of previously unrecovered surcharge revenue relating to investments during 2019 and 2020, with approximately $60 million to be recovered over a three-year period. In November 2021, the ACC approved full recovery over the proposed three-year timeline with updated rates, which became effective in March 2022.

Graham County Utilities. In April 2021, Southwest and Graham County Utilities, Inc. ("GCU") filed a joint application with the ACC for approval to transfer assets of GCU to Southwest and extend Southwest's Certificate of Public Convenience and Necessity to serve the more than 5,000 associated customers, for a purchase price of $3.5 million. Approval of the application by the ACC was received in December 2021, with final transfer in mid-January 2022. Former GCU customers retained their existing rates while Southwest's most recent rate case was processed; however, the customers will move to Southwest's rates February 1, 2023, consistent with the effective date of new rates associated with Southwest's most recent general rate case.

California Jurisdiction

California General Rate Case. Southwest's most recent general rate case concluded following an agreement in principle with the Public Advocate's Office, unanimously approved by the CPUC on March 25, 2021, including a $6.4 million total combined revenue increase with a 10% return on common equity, relative to a 52% equity ratio. Approximately $4 million of the original proposed increase was associated with a North Lake Tahoe project that would not ultimately be completed by the beginning of 2021; consequently, the parties agreed to provide for recovery of the cost of service impacts of the project through the annual attrition filing. The rate case decision maintains Southwest's existing 2.75% annual attrition adjustments and the continuation of the pension balancing account. It also includes cumulative expenditures totaling $119 million over the five-year rate cycle to implement risk-informed proposals, consisting of a school COYL replacement, meter protection, and pipe replacement programs. New rates were ultimately implemented April 1, 2021, with Southwest permitted to establish a general rate case memorandum account to track the impacts of a delay in the implementation of new rates (between January 1, 2021 and the date rates were implementation) for purposes of later recovery.

Attrition Filing. Following the 2021 implementation of new rates approved as part of the recently concluded general rate case, Southwest is also authorized to continue annual Post Test Year ("PTY") attrition increases of 2.75%, the first of which began in January 2022, with the latest such increase effective in January 2023.

Customer Data Modernization Initiative ("CDMI"). In April 2019, Southwest filed an application with the CPUC seeking authority to establish a two-way, interest-bearing balancing account to record costs associated with the CDMI to mitigate adverse financial implications related to the multi-year project (including a new customer information system, ultimately implemented in May 2021). Effective October 2019, the CPUC granted a memorandum account, which allowed Southwest to track costs, including operations and maintenance costs and capital-related costs, such as depreciation, taxes, and return

associated with California's portion of the CDMI (initially estimated at $19 million). The balance tracked in the memorandum account was transferred to the two-way balancing account in July 2020. A rate to begin recovering the balance accumulated through June 30, 2020 was established and made effective September 1, 2020, and updated multiple times since, including in January 2023, with ongoing updates expected at least annually.

Carbon Offset Program. In March 2022, Southwest filed an application to seek approval to offer a voluntary program to California customers to purchase carbon offsets in an effort to provide customers additional options to reduce their respective GHG emissions. A request to establish a two-way balancing account to track program-related costs and revenues was included as part of the application. The CPUC issued Decision 22-09-010 dismissing Southwest's application without prejudice. Southwest intends to file a new application in the second quarter 2023 addressing the concerns raised by third parties, which included a request to demonstrate that purchased offsets would result in GHG emissions reductions.

Building Decarbonization. A CPUC decision was issued regarding the elimination of monetary allowances for gas line extensions, a 10-year refundable payment option, and the 50% discount payment option for both residential and non-residential customers of all California gas utilities. This applies to new applications for gas line extensions submitted on or after July 1, 2023. Although this decision eliminates the various allowances related to line extensions, it does not preclude extending natural gas service to customers in California.

Residential Disconnection Protections. A decision was issued by the CPUC establishing disconnection protections for residential customers of small and multi-jurisdictional utilities, including Southwest. A similar decision was adopted for four large California utilities in 2020. This decision prohibits the utility from assessing credit deposits for residential customers in establishing or re-establishing service, and prohibits the assessment of reconnection fees for residential customers, among other provisions. The decision, however, also provides authorization to establish a two-way balancing account to track residential uncollectible charges for future recovery in a general rate case, subject to a relevant cap.

Nevada Jurisdiction

Nevada General Rate Case. Southwest filed its most recently concluded Nevada general rate case in August 2021, which was further updated by a certification filing in December 2021. The request proposed a combined revenue increase of approximately $28.7 million (as of the certification date); the most significant driver for which was the substantial capital investments that were made since the end of the test year in the previous case, including the customer information system implemented in May 2021. The filing included a proposed return on common equity of 9.90% with a target equity ratio of 51%; recovery of previously deferred late payment charges related to a regulatory asset associated with COVID-19; and continuation of full revenue decoupling under the General Revenues Adjustment ("GRA") mechanism. On February 7, 2022, the parties filed a stipulation with the PUCN, providing for a statewide revenue increase of $14.05 million, a return on common equity of 9.40% relative to a 50% target equity ratio, and continuation of Southwest's full revenue decoupling mechanism. The stipulation was approved by the PUCN, and new rates became effective April 1, 2022. The PUCN's order did not include recovery of the approximate $6.6 million in deferred late payment charges related to a regulatory asset associated with COVID-19, which had previously been reserved.

General Revenues Adjustment. As noted above, the continuation of the GRA was affirmed as part of Southwest's most recent general rate case with an expansion to include a large customer class (with average monthly throughput requirements greater than 15,000 therms), effective April 2022. Southwest makes Annual Rate Adjustment ("ARA") filings to update rates to recover or return amounts associated with various regulatory mechanisms, including the GRA. Southwest made its most recent ARA filing in November 2022 related to balances as of September 30, 2022, with new rates expected to become effective July 1, 2023. While there is no impact to net income overall from adjustments to recovery rates associated with the related regulatory balances, operating cash flows are impacted by such changes.

COYL Program. In August 2021, Southwest filed a joint petition with the Regulatory Operations Staff of the PUCN proposing a Nevada COYL replacement program to include residential COYLs, public school COYLs, and any other COYLs that are identified to be a safety concern. The petition was approved in January 2022 and provides for capital investments up to $5 million per year for five years and the establishment of a regulatory asset to track the capital-related costs. After five years, the program will be reassessed to determine if it should be continued.

Infrastructure Replacement Mechanism. In 2014, the PUCN approved final rules for the Gas Infrastructure Replacement ("GIR") mechanism, which provided for the deferral and recovery of certain costs associated with accelerated replacement of qualifying infrastructure that would not otherwise provide incremental revenues between general rate cases. Associated with the replacement of various types of pipe infrastructure under the mechanism (Early Vintage Plastic Pipe, COYL, and VSP), the related regulations provide Southwest with the opportunity to file a GIR "Advance Application" annually to seek preapproval of qualifying replacement projects.

In cases where preapproval of projects is requested and granted, a GIR rate application is separately filed to reset the GIR recovery surcharge rate related to previously approved and completed projects. On September 27, 2022, Southwest filed its latest rate application to reset the recovery surcharge in January 2023 to include cumulative deferrals through August 31, 2022. However, in November 2022, Southwest reached a settlement with parties to discontinue the GIR, and determined it would not plan to seek further ratemaking recovery, related to which, it wrote off the immaterial remaining balance.

Conservation and Energy Efficiency. The PUCN allows deferral (and later recovery) of approved conservation and energy efficiency costs, recovery rates for which are adjusted in association with ARA filings. In its November 2022 ARA filing, Southwest proposed an annualized margin increase of $139,000 and a decrease of $290,000 for southern and northern Nevada, respectively. A PUCN decision is anticipated in the second quarter 2023 with rates expected to become effective July 2023. Separately, in May 2022, Southwest filed an application seeking approval of its annual Conservation and Energy Efficiency Plan Report for 2021, with no proposed modifications to the previously approved $1.3 million annual budget for years 2022-2024. The parties reached a stipulation that was approved by the PUCN in July 2022.

Expansion and Economic Development Legislation. In January 2016, final regulations were approved by the PUCN associated with legislation ("SB 151") previously introduced and signed into law in Nevada. The legislation authorized natural gas utilities to expand their infrastructure to provide service to unserved and underserved areas in Nevada.

In November 2017, Southwest filed for preapproval of a project to extend service to Mesquite, Nevada, in accordance with the SB 151 regulations, which was ultimately approved. Southwest provides periodic updates, and requests adjustment of recovery rates (as part of ARA filings and other rate proceedings) for the revenue requirement associated with the investments to serve customers. As of December 2022, approximately 49 miles of natural gas infrastructure have been installed throughout the Mesquite expansion area.

In June 2019, Southwest filed for preapproval to construct the infrastructure necessary to expand natural gas service to Spring Creek, near Elko, Nevada, and to implement a cost recovery methodology to recover the associated revenue requirement consistent with the SB 151 regulations. The expansion facilities consist of a high-pressure approach main and associated regulator stations, an interior backbone, and an extension of the distribution system from the interior backbone. The total capital investment was estimated to be $61.9 million. A stipulation was reached with the parties and approved by the PUCN in December 2019, including a rate recovery allocation amongst northern Nevada, Elko, and Spring Creek expansion customers. Construction began in the third quarter of 2020, with service to customers starting in December 2020. As of December 2022, approximately 60 miles of natural gas infrastructure have been installed throughout the Spring Creek expansion area, with completion anticipated in 2026.

Carbon Offset Program. In June 2021, Southwest filed an application to seek approval to offer a voluntary program to northern and southern Nevada customers to purchase carbon offsets in an effort to provide customers additional options to reduce their GHG emissions. A request to establish a regulatory asset to track program-related costs and revenues was included as part of the application. The parties reached a stipulation that was approved by the PUCN in December 2021, approving Southwest's proposal. The program opened for participation in the fourth quarter of 2022.

FERC Jurisdiction

General Rate Case. Great Basin Gas Transmission Company ("Great Basin"), a wholly owned subsidiary of Southwest, reached an agreement in principle with the FERC Staff providing that its three largest transportation customers and all storage customers would be required to have primary service agreement terms of at least five years, that term-differentiated rates would continue generally, and included a 9.90% pre-tax rate of return. Interim rates were made effective February 2020. As part of the settlement, Great Basin will not file a rate case later than May 31, 2025.

MountainWest Overthrust Pipeline. On September 22, 2022, the FERC issued an order initiating an investigation, pursuant to section 5 of the Natural Gas Act, to determine whether rates currently charged by MountainWest Overthrust Pipeline, LLC, a subsidiary of MountainWest, are just and reasonable and setting the matter for hearing (the "Section 5 Rate Case"). Unless earlier settled by the parties, a hearing on the matter is to commence on August 1, 2023 with an initial decision from the presiding administrative law judge due by November 14, 2023. Under the terms of the MountainWest Purchase Agreement, the Company is obligated, for a period of four years following the closing of the sale of MountainWest, to indemnify Williams and MountainWest for any damages and liabilities resulting from the Section 5 Rate Case, including any reduction to the current applicable rate, up to a cap of $75 million. Williams has agreed that it will not enter into any settlement of the Section 5 Rate Case that will result in any damages being paid by the Company under such indemnity without the prior written consent of the Company (and such consent shall not be unreasonably withheld). The range of loss, if any, that could result from this matter cannot currently be estimated.

PGA Filings

The rate schedules in all of Southwest's service territories contain provisions that permit adjustments to rates as the cost of purchased gas changes. These deferred energy provisions and purchased gas adjustment clauses are collectively referred to as "PGA" clauses. Differences between gas costs recovered from customers and amounts paid for gas by Southwest result in over- or under-collections. Balances are recovered from or refunded to customers on an ongoing basis with interest. As of December 31, 2022, under-collections in each of Southwest's service territories resulted in an asset of approximately $450.1 million on the Company's and Southwest's Consolidated Balance Sheets. The market price of natural gas spiked due to numerous market forces including historically low storage levels, unexpected upstream pipeline maintenance events, and cold weather conditions across the western region in the latter part of 2022 and continuing into January 2023. As a result of this increase in pricing, Southwest entered into a $450 million term loan in order to fund the incremental cost. We may be required to incur additional indebtedness in connection with future spikes in natural gas prices as a result of extreme weather events or otherwise. See also *Deferred Purchased Gas Costs* in **Note 1 - Background, Organization, and Summary of Significant Accounting Policies**.

Filings to change rates in accordance with PGA clauses are subject to audit by state regulatory commission staffs. PGA changes impact cash flows, but have no direct impact on operating margin. However, gas cost deferrals and recoveries can impact comparisons between periods of individual consolidated income statement components. These include Regulated operations revenues, Net cost of gas sold, Net interest deductions, and Other income (deductions).

The following table presents Southwest's outstanding PGA balances receivable/(payable) at the end of its two most recent fiscal years:

	December 31,	
(Thousands of dollars)	2022	2021
Arizona	$ 292,472	$ 214,387
Northern Nevada	27,384	12,632
Southern Nevada	122,959	55,967
California	7,305	8,159
	$ 450,120	$ 291,145

Arizona PGA Filings. In Arizona, Southwest calculates the change in the gas cost component of customer rates monthly (to allow for timely refunds to/recoveries from customers), utilizing a rolling twelve-month average. During 2022, the Gas Cost Balancing Account continued with a surcharge in order to recover the under-collected balance.

California Gas Cost Filings. In California, a monthly gas cost adjustment based on forecasted monthly prices is utilized. Monthly adjustments modeled in this fashion provide the timeliest recovery of gas costs in any Southwest jurisdiction.

Nevada ARA Application. In November 2022, Southwest filed to adjust its quarterly Deferred Energy Account Adjustment rate, which is based upon a twelve-month rolling average, in addition to requesting adjusted Base Tariff Energy rates, both of which were most recently approved effective July 2022. These new rates are intended to address the outstanding balances over a twelve-month period.

Gas Price Volatility and Mitigation

To mitigate price volatility to its customers, Southwest periodically enters into fixed-price term contracts under its volatility mitigation programs for up to 25% of the California jurisdictions' annual normal weather supply needs and to a limited extent, in the Arizona jurisdiction. For the 2022/2023 heating season, contracts contained in the fixed-price portion of the supply portfolio ranged from approximately $4.59 to approximately $9.89 per dekatherm. In consultation with its regulators, for periods beyond October 2020, Southwest currently does not plan to make any fixed-price term purchases in other than California (as set above), nor to enter into swap agreements. Southwest's natural gas purchases, not covered by fixed-price contracts, are under variable-price contracts with firm quantities, or on the spot market. The contract price for these contracts is either determined at the beginning of each month to reflect the published first-of-month index price, or at market prices based on a published daily price index. In each case, the index price is not published or known until the purchase period begins.

Pipeline Safety Regulation

In July 2021, the PUCN issued an order revising its regulations to require annual leak surveys (previously every three years) of all distribution pipelines transporting natural gas and/or liquefied petroleum, effective January 1, 2023. In conjunction with this change, the PUCN authorized the establishment of a regulatory asset account to track the incremental cost of compliance related to the new regulation, for consideration in a future general rate case filing.

In March 2022, the Pipeline and Hazardous Materials Safety Administration ("PHMSA") issued final rules that amended the federal pipeline safety regulations applicable to the valve installation and minimum rupture detection standards for gas transmission pipelines (effective October 2022). Southwest has integrated the requirements of this new rule into its operating procedures. In addition, in August 2022, PHMSA issued final rules that amended the federal pipeline safety regulations applicable to the integrity management of gas transmission pipelines (effective May 2023). Southwest is integrating the requirements of this new rule into its operating procedures related to repair criteria, integrity management improvements, cathodic protection, management of change, and other related gas transmission integrity related amendments.

Southwest continues to monitor changing pipeline safety legislation and participates, to the extent possible, in providing public comments and working with industry associations, such as the American Gas Association, in shaping regulatory language associated with these new mandates and reporting requirements. Additionally, management works with its state and federal commissions to develop customer rates that are responsive to incremental costs of compliance. However, due to the timing of when rates are implemented in response to new requirements, and as additional rules are developed, compliance requirements could impact expenses and the timing and amount of capital expenditures for Southwest.

Capital Resources and Liquidity

Historically, cash on hand and cash flows from operations have provided a substantial portion of cash used in investing activities (primarily construction expenditures and property additions). In recent years, Southwest has accelerated pipe replacement activities to fortify system integrity and reliability, including on an accelerated basis in association with certain gas infrastructure replacement programs. This activity has necessitated the issuance of both debt and equity securities to supplement cash flows from operations. The Company, in executing on its interim plans to fund the 2021 MountainWest acquisition, initially funded the transaction through short-term borrowings, which were expected to be refinanced through a multi-pronged permanent financing plan, part of which was executed during the first quarter of 2022 when the Company used $452 million in net proceeds from an underwritten offering of common stock to repay a portion of the short-term borrowings. Also, in September 2022, the Company amended the short-term borrowing arrangement related to the remaining acquisition indebtedness to extend the maturity date to December 2023 and replace the benchmark borrowing rates. Upon the close of the MountainWest sale in February 2023, the Company paid down $1.075 billion of the term loan associated with the earlier acquisition indebtedness. The Company's capitalization strategy is to maintain an appropriate balance of equity and debt to preserve investment-grade credit ratings, which help minimize interest costs. Investment-grade credit ratings have been maintained by the Company.

Cash Flows

Southwest Gas Holdings, Inc.:

Operating Cash Flows. Cash flows provided by consolidated operating activities increased $296 million between 2022 and 2021. The improvement in operating cash flows primarily resulted from the change in purchased gas costs in the PGA mechanism, including amounts incurred and deferred, as well as impacts related to when amounts are incorporated in customer bills to recover or return deferred balances. Amounts were greatly impacted due to the higher than expected natural gas costs during the winter period noted above in *PGA Filings*. Other impacts include a decrease in net income, and the impact of changes in components of working capital overall. Depreciation and amortization impact earnings, but not cash flows directly. As described above, an impairment was recognized related to the negotiated sale price associated with MountainWest, also impacting earnings, but did not impact cash flows directly in 2022.

The corporate and administrative expenses/outflows for Southwest Gas Holdings, Inc. include outlays related to stockholder activism and the strategic review, in addition to financing costs for debt used to fund the MountainWest acquisition.

Investing Cash Flows. Cash used in consolidated investing activities decreased $2.2 billion in 2022 as compared to 2021. The change was primarily due to the acquisitions of Riggs Distler by Centuri and MountainWest by Southwest Gas Holdings, Inc., in 2021, including post-closing true-up amounts under the agreements. The overall decrease was partly offset by an increase in capital expenditures in both the natural gas distribution and utility infrastructure services segments.

Financing Cash Flows. Net cash provided by consolidated financing activities decreased $2.7 billion in 2022 as compared to 2021. The change was primarily due to financing the acquisitions of MountainWest and Riggs Distler. The Company entered into a 364-day $1.6 billion Term Loan Facility to temporarily fund the MountainWest acquisition in 2021, and Centuri entered into an amended and restated credit agreement providing for a $1.145 billion secured term loan facility and a $400 million secured revolving credit facility, which in addition to funding the Riggs Distler acquisition, refinanced its previous $590 million loan facility in 2021.

The Company reduced its 364-day Term Loan facility through net proceeds of $452 million from the issuance of common stock in an underwritten public offering in 2022. Furthermore, debt proceeds were received by Southwest from a March 2022 issuance of $600 million in notes and an additional December 2022 issuance of $300 million in notes, offset by a pay down in

February 2022 of $25 million in 7.78% series Medium-term notes then maturing, as well as $250 million in notes maturing in April 2022.

The capital requirements and resources of the Company generally are determined independently for the individual business segments. Each business segment is generally responsible for securing its own financing sources. However, the holding company may raise funds through stock issuances or other external financing sources in support of each business segment.

Southwest Gas Corporation:

Operating Cash Flows. Cash flows provided by operating activities increased $259 million between 2022 and 2021. The improvement in operating cash flows was primarily attributable to the impacts related to deferred purchased gas costs and the related regulatory mechanism (described above), as well as changes in other working capital components overall.

Investing Cash Flows. Cash used in investing activities increased $69 million in 2022 as compared to 2021, primarily due to the increase in cash outlays for construction expenditures. See also *2022 Construction Expenditures* below.

Financing Cash Flows. Net cash provided by financing activities decreased $175 million in 2022 as compared to 2021. During 2022 no parent capital was contributed to Southwest, but in 2021, over $200 million was contributed to Southwest. Southwest issued $600 million in notes in March 2022 used to pay down amounts then outstanding under its credit facility, paid down $25 million in maturing notes in February 2022, redeemed $250 million in notes maturing in April 2022, and issued an additional $300 million in notes in December 2022. In 2021, Southwest borrowed $250 million in a term loan for financing a gas cost run-up surrounding Winter Storm Uri and issued $300 million in notes. Other financing activity related to borrowing and repayments under Southwest's credit facility.

2022 Construction Expenditures

During the three-year period ended December 31, 2022, total gas plant in service increased from $7.8 billion to $9.5 billion, or at an average annual rate of 7%. Replacement, new business, and reinforcement work was a substantial portion of the plant increase during the three-year noted. Customer growth impacted expenditures as Southwest set approximately 116,000 meters during this time, which is reflected in new business.

During 2022, construction expenditures (through cash outlays) for the natural gas distribution segment were $683 million. The majority of these expenditures represented costs associated with replacement of existing transmission and distribution plant to fortify system integrity and reliability, as well as general plant additions. Cash flows from operating activities of Southwest were $284 million, providing approximately 35% of construction expenditures and dividend requirements of the natural gas operations segment. Other funding was provided by cash on hand, external financing activities, and funds from the existing credit facility.

2022 Financing Activity

In March 2022, the Company sold, through a prospectus supplement under its Universal Shelf (as defined below), an aggregate of 6.325 million shares of common stock, with an underwritten public offering price of $74.00 per share, resulting in proceeds to the Company of $452.3 million, net of the underwriters discount of $15.8 million. These net proceeds were used to repay a portion of the outstanding borrowings under the 364-day term loan credit agreement to earlier fund the MountainWest acquisition.

As of December 31, 2022, the Company had up to $342 million of common stock available for sale under its Equity Shelf Program (as defined below). See **Note 7 - Common Stock** for more information.

Net proceeds received under the Dividend Reinvestment and Stock Purchase Plan during 2022 was approximately $10.5 million, from the issuance of approximately 142,000 shares of Southwest Gas Holdings, Inc. common stock.

Gas Segment Construction Expenditures, Debt Maturities, and Financing

Management estimates natural gas distribution segment construction expenditures during the three-year period ending December 31, 2025 will be approximately $2.0 billion. Of this amount, approximately $665 million to $685 million is expected to be incurred in 2023. Southwest plans to continue to request regulatory support to undertake projects, or to accelerate projects as necessary, for the improvement of system flexibility and reliability, or to expand, where relevant, to unserved or underserved areas. Southwest may expand existing, or initiate new, programs. Significant replacement activities are expected to continue well beyond the next few years. During the three-year period ending December 31, 2025, cash flows from operating activities of Southwest are expected to provide approximately 77% of the funding for gas operations of Southwest and total construction expenditures and dividend requirements. From a debt maturity standpoint, Southwest has a $225 million Term Loan due in March 2023. Any additional cash requirements, including construction-related, and any paydown or refinancing of debt, are expected to be provided by existing credit facilities, equity contributions from the Company, and/or other external financing sources. The timing, types, and amounts of any additional external financings will be dependent on a number of factors,

including the cost of gas purchases, conditions in the capital markets, timing and amounts of rate relief, timing and amounts of surcharge collections from, or amounts returned to, customers related to other regulatory mechanisms, as well as growth levels in Southwest's service areas and earnings. External financings could include the issuance of debt securities, bank and other short-term borrowings, and other forms of financing.

Liquidity

Several factors (some of which are out of the control of the Company) that could significantly affect liquidity in future years include: variability of natural gas prices, changes in ratemaking policies of regulatory commissions, regulatory lag, customer growth in the natural gas distribution segment, the ability to access and obtain capital from external sources, interest rates, changes in income tax laws, pension funding requirements, inflation, and the level of earnings. Natural gas prices and related gas cost recovery rates, as well as plant investment, have historically had the most significant impact on liquidity, aside from the Company's recent strategic undertakings, including acquisition and disposition undertakings.

On an interim basis, Southwest defers over- or under-collections of gas costs to PGA balancing accounts. In addition, Southwest uses this mechanism to either refund amounts over-collected or recoup amounts under-collected as compared to the price paid for natural gas during the period since the last PGA rate change went into effect. At December 31, 2022, the combined balance in the PGA accounts totaled an under-collection of $450.1 million. As described earlier, the market price of natural gas spiked as a result of numerous market forces including historically low storage levels, unexpected upstream pipeline maintenance events, and cold weather conditions across the western region in the latter part of 2022 and continuing into January 2023. As a result of this increase in pricing, in January 2023, Southwest entered into a 364-day $450 million term loan in order to fund the incremental cost. We may be required to incur additional indebtedness in connection with future spikes in natural gas prices as a result of extreme weather events or otherwise. See **PGA Filings** for more information.

In March 2022, Southwest amended its $250 million Term Loan (first borrowed in March 2021), extending the maturity date to March 21, 2023. The proceeds were originally used to fund the increased cost of natural gas supply during the month of February 2021 caused by extreme weather conditions in the central U.S. during Winter Storm Uri. The March 2021 Term Loan was extended as a result of the current gas cost environment and management's funding plans for other gas purchases. At December 31, 2022, there was $225 million outstanding under the amended March 2021 Term Loan.

In March 2022, Southwest issued $600 million aggregate principal amount of 4.05% Senior Notes. The notes will mature in March 2032. Southwest used the net proceeds to redeem $250 million 3.875% notes due in April 2022 and to repay amounts then outstanding under its credit facility, with the remaining net proceeds used for general corporate purposes.

In December 2022, Southwest issued $300 million aggregate principal amount of 5.80% Senior Notes. The notes will mature in December 2027. Southwest used the net proceeds to repay amounts then outstanding under its credit facility, with the remaining net proceeds used for general corporate purposes.

Southwest Gas Holdings, Inc. has a credit facility with a borrowing capacity of $300 million that expires in December 2026. The total commitment amount available under the credit facility was increased by $100 million from $200 million to $300 million in December 2022. This facility is intended for short-term financing needs. At December 31, 2022, $173 million was outstanding under this facility, which was also the maximum amount outstanding during 2022.

Southwest has a credit facility with a borrowing capacity of $400 million, which expires in April 2025. Southwest designates $150 million of the facility for long-term borrowing needs and the remaining $250 million for working capital purposes. The maximum amount outstanding during 2022 occurred during the fourth quarter and was $285 million ($150 million outstanding on the long-term portion of the credit facility, none under the commercial paper program, in addition to $135 million outstanding on the short-term portion). As of December 31, 2022, $50 million was outstanding on the long-term portion of the credit facility (no borrowings were outstanding under the commercial paper program), and no borrowings were outstanding on the short-term portion. The credit facility has been used as necessary to meet liquidity requirements, including temporarily financing under-collected PGA balances, meeting the refund needs of over-collected balances, or temporarily funding capital expenditures. The credit facility has generally been adequate for Southwest's working capital needs outside of funds raised through operations and other types of external financing.

Southwest has a $50 million commercial paper program. Any issuance under the commercial paper program is supported by the revolving credit facility and, therefore, does not represent additional borrowing capacity. Any borrowing under the commercial paper program is designated as long-term debt. Interest rates for the commercial paper program are calculated at the then current commercial paper rate. At December 31, 2022, there were no borrowings outstanding under this program.

Centuri has a senior secured revolving credit and term loan multi-currency facility. The line of credit portion comprises $400 million; associated amounts borrowed and repaid are available to be re-borrowed. The term loan facility portion provided approximately $1.145 billion in financing. The term loan facility expires on August 27, 2028 and the revolving credit facility expires on August 27, 2026. This multi-currency facility allows the borrower to request loan advances in either Canadian

dollars or U.S. dollars. The obligations under the credit agreement are secured by present and future ownership interests in substantially all direct and indirect subsidiaries of Centuri, substantially all of the tangible and intangible personal property of each borrower, certain of their direct and indirect subsidiaries, and all products, profits, and proceeds of the foregoing. Centuri assets securing the facility at December 31, 2022 totaled $2.5 billion. The maximum amount outstanding on the combined facility during 2022 was $1.221 billion, which occurred in the first quarter, at which point $1.117 billion was outstanding on the term loan facility. As of December 31, 2022, $82 million was outstanding on the revolving credit facility, in addition to $1.009 billion that was outstanding on the term loan portion of the facility. Also at December 31, 2022, there was approximately $254 million, net of letters of credit, available for borrowing under the line of credit.

In November 2022, Centuri amended the financial covenants of the revolving credit facility (the "Centuri Credit Facility Amendment") to increase the maximum total net leverage ratio during the period from December 31, 2022 through December 31, 2023. The Credit Facility Amendment also transitioned the interest rate benchmark for the revolving credit facility from LIBOR to SOFR. The applicable margin for the revolving credit facility now ranges from 1.0% to 2.5% for SOFR loans and from 0.0% to 1.5% for CDOR and "base rate" loans, depending on Centuri's total net leverage ratio. Further, the Centuri Credit Facility Amendment increases a letter of credit sub-facility from $100 million to $125 million. The Centuri Credit Facility Amendment did not modify any terms of the term loan facility.

In November 2021, the Company entered into a $1.6 billion delayed-draw Term Loan Facility that was funded on December 31, 2021 in connection with the acquisition of MountainWest. In March 2022, the Company used net proceeds from the issuance of common stock to repay a portion of borrowings under the Term Loan Facility. In September 2022, the Company entered into Amendment No. 1 to the Term Loan Facility. The amendment, among other things, (1) extended the maturity date of the Term Loan to December 30, 2023, and (2) replaced LIBOR interest rate benchmarks with SOFR interest rate benchmarks. There was $1.15 billion outstanding under this Term Loan Facility as of December 31, 2022. Upon the close of the MountainWest sale (February 14, 2023), the Company paid down $1.075 billion, resulting in an outstanding balance of $72 million as of the date of the date of closing the sale.

In April 2021, the Company entered into a Sales Agency Agreement between it and BNY Mellon Capital Markets, LLC and J.P. Morgan Securities LLC (the "Equity Shelf Program") for the offer and sale of up to $500 million of common stock from time to time in an at-the-market offering program. There was no activity under this multi-year program in 2022. Net proceeds from the sales of shares of common stock under the Equity Shelf Program are intended for general corporate purposes, including the acquisition of property for the construction, completion, extension, or improvement of pipeline systems and facilities located in and around the communities served by Southwest, as well as for repayment or repurchase of indebtedness (including amounts outstanding from time to time under the credit facilities, senior notes, term loan or future credit facilities), and to provide for working capital. See **Note 7 - Common Stock**.

Interest rates for Centuri's term loan contain LIBOR-based rates. Certain LIBOR-based rates were discontinued as a benchmark or reference rate after 2021, while other LIBOR-based rates are scheduled to be discontinued after June 2023. As of December 31, 2022, the Company had $1.009 billion in aggregate outstanding borrowings under Centuri's term loan facility. The conversion to an alternate rate is not expected to have a material impact on its financial condition or results of operations; however, the alternative rate may be less predictable or less attractive than LIBOR.

Credit Ratings

Credit ratings apply to debt securities such as bonds, notes, and other debt instruments and do not apply to equity securities such as common stock. Borrowing costs and the ability to raise funds are directly impacted by the credit ratings of the Company. Credit ratings issued by nationally recognized ratings agencies (Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Ratings Services ("Standard & Poor's"), and Fitch Ratings ("Fitch")) provide a method for determining the creditworthiness of an issuer. Credit ratings are important because long-term debt constitutes a significant portion of total capitalization. These credit ratings are a factor considered by lenders when determining the cost of current and future debt for each debt obligor (i.e., generally the better the rating, the lower the cost to borrow funds). The current unsecured long-term debt ratings of the companies are considered investment grade.

	Moody's (1)	Standard & Poor's (2)	Fitch (3)
Southwest Gas Holdings, Inc.:			
Issuer rating	Baa2	BBB-	BBB
Outlook	Stable	Positive Outlook	Rating Watch Negative
Last reaffirmed	October 2021	December 2022	December 2022
Southwest Gas Corporation:			
Senior unsecured long-term debt	Baa1	BBB	A
Outlook	Stable	Positive Outlook	Rating Watch Negative
Last reaffirmed	January 2021	December 2022	December 2022
Centuri Group, Inc.:			
Issuer rating	Ba2	B+	N/A
Outlook	Under Review for Downgrade	CreditWatch Developing	N/A
Last reaffirmed	December 2022	December 2022	N/A

(1) Moody's debt ratings range from Aaa (highest rating possible) to C (lowest quality, usually in default). A numerical modifier of 1 (high end of the category) through 3 (low end of the category) is included with the rating to indicate the approximate rank of a company within the range.
(2) Standard & Poor's ("S&P") debt ratings range from AAA (highest rating possible) to D (obligation is in default). The ratings from 'AA' to 'CCC' may be modified by the addition of a plus "+" or minus "-" sign to show relative standing within the major rating categories.
(3) Fitch debt ratings range from AAA (highest credit quality) to D (defaulted debt obligation). The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories.

A credit rating, including the foregoing, is not a recommendation to buy, sell, or hold a debt security, but is intended to provide an estimation of the relative level of credit risk of debt securities, and is subject to change or withdrawal at any time by the rating agency. Numerous factors, including many that are not within management's control, are considered by the ratings agencies in connection with the assigning of credit ratings.

None of Southwest's debt instruments have credit triggers or other clauses that result in default if these bond ratings are lowered by rating agencies. Interest and fees on certain debt instruments are subject to adjustment depending on Southwest's bond ratings. Certain debt instruments are subject to a leverage ratio cap, and the 6.1% Notes due 2041 are also subject to a minimum net worth requirement. At December 31, 2022, Southwest was in compliance with all of its covenants. Under the most restrictive of the financial covenants, approximately $2.5 billion in additional debt could be issued and the leverage ratio requirement would still be met. At least $2 billion of cushion in equity relating to the minimum net worth requirement exists at December 31, 2022. No specific limitations as to dividends exist under the collective covenants. None of the debt instruments contain material adverse change clauses.

At December 31, 2022, Southwest Gas Holdings, Inc. was also in compliance with all of the covenants of its credit facility and 364-day Term Loan. Interest and fees on its credit facility and 364-day Term Loan are subject to adjustment depending on its senior debt ratings. The credit facility and 364-day Term Loan are subject to a leverage ratio cap. Under the most restrictive of the financial covenants, approximately $1 billion in additional debt could be issued while still meeting the leverage ratio requirement. No specific limitations as to dividends exist under the collective covenants. The credit facility and 364-day Term Loan do not contain material adverse change clauses.

Certain Centuri debt instruments have leverage ratio caps and interest coverage ratio requirements. At December 31, 2022, Centuri was in compliance with all of its covenants. Under the most restrictive of the covenants, Centuri could issue approximately $222 million in additional debt and meet the leverage ratio requirement. Centuri has approximately $33 million of cushion relating to the minimum interest coverage ratio requirement. Centuri's revolving credit and term loan facility is secured by underlying assets of the utility infrastructure services segment. Centuri also has restrictions on how much it could give to the Company in cash dividends, which is limited to a calculated available amount, generally defined as 50% of its rolling twelve-month consolidated net income adjusted for certain items, such as parent contributions inflows, Linetec redeemable noncontrolling interest payments, or dividend payments, among other adjustments, as applicable.

Inflation

Inflation can impact results of operations for each of the Company's business segments, and it has increased substantially over the past year. Labor, employee benefits, fuel, natural gas, professional services, and construction costs are the categories most significantly impacted by inflation. Changes to the cost of gas are generally recovered through PGA mechanisms and do not

significantly impact net earnings. Labor, employee benefits, and professional services are components of the cost of service, and gas infrastructure costs are the primary component of utility rate base. In order to recover increased costs, and earn a fair return on rate base, general rate cases or other procedural filings are made by our regulated operations, when deemed necessary, for review and approval by regulatory authorities. Regulatory lag, that is, the time between the date increased costs are incurred and the time such increases are recovered through the ratemaking process, can impact earnings. See **Rates and Regulatory Proceedings** for a discussion of recent rate case proceedings.

Contractual Obligations

Our largest contractual obligations as of December 31, 2022 consisted of:

- Debt-related obligations for scheduled principal payments, other borrowings, and interest payments over the life of the debt. Debt obligations are included in our consolidated balance sheets. See **Note 8 - Debt** for additional information.
- Centuri operating and finance leases are included in our consolidated balance sheets and represent multi-year obligations for buildings, land, equipment, and vehicles. Southwest and MountainWest operating and finance leases are immaterial. See **Note 2 - Regulated Operations Plant and Leases** for additional information.
- Southwest has gas purchase obligations that include fixed-price and variable-rate gas purchase contracts. Variable-rate contracts reflect minimum contractual obligations with estimation in pricing based on market information. Actual future variable-rate purchase commitments may vary depending on market prices at the time of delivery and values may change significantly from their estimated amounts. Certain other variable-rate contracts allow for variability in quantities for which associated demand charges are included in the gas purchase obligations based on the maximum daily quantities available under the contracts. Renewable natural gas purchase obligations, in which the commencement dates are not specifically determinable and the volumes and contract prices are inestimable until certain contract provisions are met, are excluded from gas purchase obligations. As of December 31, 2022, gas purchase obligations of $907 million are payable within the next 12 months.
- Southwest has pipeline capacity and storage contracts for firm transportation service, both on a short- and long-term basis with several companies in all of its service territories, some with terms extending to 2044. Southwest also has interruptible contracts in place that allow additional capacity to be acquired should an unforeseen need arise. Costs associated with these pipeline capacity contracts are a component of the cost of gas sold and are recovered from customers primarily through the PGA mechanisms. As of December 31, 2022 pipeline capacity and storage obligations of $89.8 million are payable within 12 months.
- Other commitments associated with noncancellable obligations consist primarily of software licensing, equipment, outsourced processing subscriptions, and operating and/or maintenance agreements, as applicable.
- Estimated funding for pension and other postretirement benefits during calendar year 2023 is $59.3 million. Funding amounts for years beyond 2023 are not currently known.

Recently Issued Accounting Standards Updates

The Financial Accounting Standards Board routinely issues Accounting Standards Updates. See **Note 1 - Background, Organization, and Summary of Significant Accounting Policies** for more information regarding these Accounting Standards Updates and their potential impact on the Company's and Southwest's financial position, results of operations, and disclosures.

Application of Critical Accounting Policies

A critical accounting policy is one that is very important to the portrayal of the financial condition and results of a company, and requires the most difficult, subjective, or complex judgments of management. The need to make estimates about the effect of items that are uncertain is what makes these judgments difficult, subjective, and/or complex. Management makes subjective judgments about the accounting and regulatory treatment of many items and bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments. These estimates may change as new events occur, as more experience is acquired, as additional information is obtained, and as the operating environment changes. While management may make many estimates and judgments, many would not be materially altered, or provide a material impact to the financial statements taken as a whole, if different estimates, or means of estimation were employed. The following are accounting policies that are deemed critical to the financial statements. For more information regarding significant accounting policies, see notes to the consolidated financial statements.

Regulatory Accounting

Natural gas distribution operations are subject to the specific regulation of the ACC, PUCN, CPUC, or the FERC, as applicable. The accounting policies of the Company and Southwest conform to U.S. GAAP applicable to rate-regulated entities and reflect the effects of the ratemaking process. As such, the Company and Southwest are allowed to defer, as regulatory assets, costs that otherwise would be expensed, if it is probable that future recovery from customers (subject to our rate-regulated operations) will occur. Companies are also permitted to recognize, as regulatory assets, amounts associated with various revenue

decoupling mechanisms, as long as the requirements of alternative revenue programs permitted under U.S. GAAP continue to be met. Management reviews the regulatory assets to assess their ultimate recoverability within the approved regulatory guidelines. If rate recovery is no longer probable, due to competition or the actions of regulators, write-off of the related regulatory asset (which would be recognized as current-period expense) is required. Regulatory liabilities are recorded if it is probable that revenues will be reduced for amounts that will be refunded to customers through the ratemaking process. The timing and inclusion of costs in rates is often delayed (regulatory lag) and results in a reduction of current-period earnings. Refer to **Note 5 - Regulatory Assets and Liabilities**.

Accrued Utility Revenues

Revenues related to the sale and/or delivery of natural gas are generally recorded when natural gas is delivered to customers. However, the determination of natural gas sales to individual customers is based on the reading of their meters, which is performed on a systematic basis throughout the month. At the end of each month, operating margin associated with natural gas service that has been provided but not yet billed is accrued. This accrued utility revenue is estimated each month based primarily on applicable rates, number of customers, rate structure, analyses reflecting significant historical trends, seasonality, and experience. The interplay of these assumptions can impact the variability of the accrued utility revenue estimates. All Southwest rate jurisdictions have decoupled rate structures, limiting variability due to extreme weather conditions.

Accounting for Income Taxes

The Company is subject to income taxes in the U.S. and Canada. Income tax calculations require estimates due to known future tax rate changes, book to tax differences, and uncertainty with respect to regulatory treatment of certain property items. The asset and liability method of accounting is utilized for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Regulatory tax assets and liabilities are recorded to the extent management believes they will be recoverable from, or refunded to, customers in future rates. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Management regularly assesses financial statement tax provisions to identify any change in the regulatory treatment or tax-related estimates, assumptions, or enacted tax rates that could have a material impact on cash flows, financial position, and/or results of operations.

Accounting for Pensions and Other Postretirement Benefits

Southwest has a noncontributory qualified retirement plan with defined benefits covering substantially all employees hired on or before December 31, 2021. In addition, there is a separate unfunded supplemental retirement plan which is limited to officers hired on or before December 31, 2021. Pension obligations and costs for these plans are affected by the amount and timing of cash contributions to the plans, the return on plan assets, discount rates, and by employee demographics, including age, compensation, and length of service. Changes made to the provisions of the plans may also impact current and future pension costs. Actuarial formulas are used in the determination of pension obligations and costs and are affected by actual plan experience and assumptions about future experience. Key actuarial assumptions include the expected return on plan assets, the discount rate used in determining the projected benefit obligation and pension costs, and the assumed rate of increase in employee compensation. Relatively small changes in these assumptions (particularly the discount rate) may significantly affect pension obligations and costs for these plans. For example, a change of 0.25% in the discount rate assumption would change the pension plan projected benefit obligation by approximately $39 million and future pension expense by $4 million. A change of 0.25% in the employee compensation assumption would change the pension obligation by approximately $10 million and expense by $2 million. A 0.25% change in the expected asset return assumption would change pension expense by approximately $3 million (but has no impact on the pension obligation).

At December 31, 2022, the discount rate was 5.25%, an increase from the 3.00% rate used at December 31, 2021. The methodology utilized to determine the discount rate was consistent with prior years. The weighted-average rate of compensation escalation remained at 3.25% at December 31, 2022, the same as the rate used at December 31, 2021. The asset return assumption is 6.75% to be used for 2023 expense, an increase from the 6.50% utilized for 2021. Pension costs for 2023 are estimated to decrease approximately $40 million as compared to that experienced in 2022. Future years' expense level movements (up or down) will continue to be greatly influenced by long-term interest rates, asset returns, and funding levels.

Goodwill

Goodwill is assessed for impairment annually as of October, or more frequently, if events or changes in circumstances indicate an impairment may have occurred before that time. As permitted under accounting guidance on testing goodwill for impairment, we perform either a qualitative assessment or a quantitative assessment of each of our reporting units based on management's judgment. Adjustment of values would only occur if conditions of impairment were deemed to be permanent. With respect to our qualitative assessments, we consider events and circumstances specific to us, such as macroeconomic

conditions, industry and market considerations, cost factors, and overall financial performance, when evaluating whether it is more likely than not that the fair values of our reporting units are less than their respective carrying amounts. The assumptions we use in our analysis, including discount rates, are subject to uncertainty, and declines in the future performance of our reporting units and changing business conditions could result in the recognition of impairment charges, which could be significant. The Company's reporting units are the same as its segments for purposes of impairment evaluation. In December 2022, the Company announced the planned sale of MountainWest. The Board determined to sell MountainWest in order to simplify the business. As the consideration to be received for the sale was below the equity interests in MountainWest, the Company recorded held for sale losses, including a pre-tax goodwill impairment loss of $449.6 million in the fourth quarter of 2022. Further adjustments to this estimate are likely, as a result of post-closing true-up and validation processes contained in the sale agreement. See **Note 15 - Acquisitions and Dispositions** for additional information.

Held for Sale

The Company and Southwest recognize the assets and liabilities of a disposal group as held for sale in the period (i) they have approved and committed to a plan to sell the disposal group, (ii) the disposal group is available for immediate sale in its present condition, (iii) an active program to locate a buyer and other actions to sell the disposal group have been initiated, (iv) it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. The disposal group that is classified as held for sale is initially measured at the lower of its carrying value or fair value less any costs to sell. Any loss resulting from this measurement is recognized in the period in which the held for sale criteria are met. Upon designation as held for sale, the Company stops recording depreciation expense and assesses the fair value of the disposal group less any costs to sell at each reporting period and until it is no longer classified as held for sale.

In December 2022, the Company entered into a definitive agreement to sell 100% of MountainWest in an all-cash transaction to Williams for $1.5 billion in total enterprise value, subject to certain adjustments, which closed on February 14, 2023. In addition to the loss attributable to goodwill impairment, as noted above, the Company recognized an additional loss of $5.8 million related to estimated costs to sell. We use judgment to estimate such costs to sell, including consulting with external advisors and attorneys and considering the level of such costs in prior transactions. See **Note 15 - Acquisitions and Dispositions** for additional information.

Business Combinations

In accordance with U.S. GAAP, the assets acquired and liabilities assumed in an acquired business are recorded at their estimated fair values on the date of acquisition. The amount of goodwill initially recognized in a business combination is based on the excess of the purchase price of the acquired company over the fair value of the other assets acquired and liabilities assumed. The determination of these fair values requires management to make significant estimates and assumptions. For example, assumptions with respect to the timing and amount of future revenues and expenses associated with an asset are used to determine its fair value, but the actual timing and amount may differ materially, resulting in impairment of the asset's recorded value. In some cases, the Company engages independent third-party valuation firms to assist in determining the fair values of acquired assets and liabilities assumed. Critical assumptions used to value the trade name and customer relationship intangibles include, but are not limited to, future expected cash flows of the acquired business, trademarks, trade names, customer relationships, technology obsolescence, attrition rates, royalty rates, and discount rates. In addition, uncertain tax positions and tax-related valuation allowances assumed in connection with a business combination are initially estimated at the acquisition date. These items are reevaluated quarterly, based upon facts and circumstances that existed at the acquisition date with any adjustments to the preliminary estimates being recorded to goodwill, provided that the Company is within the twelve-month measurement period allowed by authoritative guidance. Subsequent to the measurement period or the final determination of the estimated value of the tax allowance or contingency, whichever comes first, changes to these uncertain tax positions and tax-related valuation allowances will affect the provision for income taxes in the Consolidated Statements of Income, and could have a material impact on the Company's results of operations and financial position. Refer to **Note 15 - Acquisitions and Dispositions**.

Certifications

The SEC requires the filing of certifications of the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of registrants regarding reporting accuracy, disclosure controls and procedures, and internal control over financial reporting as exhibits to periodic filings. The CEO and CFO certifications for the period ended December 31, 2022 are included as exhibits to the 2022 Annual Report on Form 10-K filed with the SEC.

Forward-Looking Statements

This annual report contains contains statements which constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 ("Reform Act"). All statements other than statements of historical fact included or incorporated by reference in this annual report are forward-looking statements, including, without limitation,

statements regarding the Company's plans, objectives, goals, intentions, projections, strategies, future events or performance, negotiations, and underlying assumptions. The words "may," "if," "will," "should," "could," "expect," "plan," "anticipate," "believe," "estimate," "predict," "project," "continue," "forecast," "intend," "endeavor," "promote," "seek," and similar words and expressions are generally used and intended to identify forward-looking statements. For example, statements regarding plans to refinance near-term maturities, to spin-off Centuri from the Company, those regarding operating margin patterns, customer growth, the composition of our customer base, price volatility, seasonal patterns, the ability to pay debt, the Company's COLI strategy, the magnitude of future acquisition or divestiture purchase price true-ups and related impairments or losses related thereto, replacement market and new construction market, impacts from pandemics, including on our employees, customers, business, financial position, earnings, bad debt expense, work deployment and related uncertainties, expected impacts of valuation adjustments associated with any redeemable noncontrolling interests, the profitability of storm work, mix of work, or absorption of fixed costs by larger infrastructure services customers including Southwest, the impacts of U.S. tax reform including disposition in any regulatory proceeding and bonus depreciation tax deductions, the impact of recent PHMSA rulemaking, the amounts and timing for completion of estimated future construction expenditures, plans to pursue infrastructure programs or programs under SB151 legislation, forecasted operating cash flows and results of operations, net earnings impacts or recovery of costs from gas infrastructure replacement and COYL programs and surcharges, funding sources of cash requirements, amounts generally expected to be reflected in future period revenues from regulatory rate proceedings including amounts requested or settled from recent and ongoing general rate cases or other regulatory proceedings, rates and surcharges, PGA administration, recovery and timing, and other rate adjustments, sufficiency of working capital and current credit facilities or the ability to cure negative working capital balances, bank lending practices, the Company's views regarding its liquidity position, ability to raise funds and receive external financing capacity and the intent and ability to issue various financing instruments and stock under the existing at-the-market equity program or otherwise, if necessary, future dividends or increases and the Board's current target dividend payout ratio, pension and postretirement benefits, certain impacts of tax acts, the effect of any other rate changes or regulatory proceedings, contract or construction change order negotiations, impacts of accounting standard updates, statements regarding future gas prices, gas purchase contracts and pipeline imbalance charges or claims related thereto, recoverability of regulatory assets, the impact of certain legal proceedings or claims, and the timing and results of future rate hearings, including any ongoing or future general rate cases and other proceedings, and statements regarding pending approvals are forward-looking statements. All forward-looking statements are intended to be subject to the safe harbor protection provided by the Reform Act.

A number of important factors affecting the business and financial results of the Company could cause actual results to differ materially from those stated in the forward-looking statements. These factors include, but are not limited to, customer growth rates, conditions in the housing market, inflation, interest rates and related government actions, sufficiency of labor markets and ability to timely hire qualified employees or similar resources, acquisition and divestiture decisions including prices paid or received and their impacts to impairments, write-downs, or losses generally, the impacts of pandemics including that which may result from a restriction by government officials or otherwise, including impacts on employment in our territories, the health impacts to our customers and employees, the ability to collect on customer accounts due to the suspension or lifted moratorium on late fees or service disconnection in any or all jurisdictions, the ability to obtain regulatory recovery of related costs, the ability of the infrastructure services business to conduct work and the impact of a delay or termination of work, and decisions of Centuri customers (including Southwest) as to whether to pursue capital projects due to economic impacts resulting from a pandemic or otherwise, the ability to recover and timing thereof related to costs associated with the PGA mechanisms or other regulatory assets or programs, the effects of regulation/deregulation, governmental or regulatory policy regarding pipeline safety, greenhouse gas emissions, natural gas, including potential prohibitions on the use of natural gas appliances, or alternative energy, the regulatory support for ongoing infrastructure programs or expansions, the timing and amount of rate relief, the timing and methods determined by regulators to refund amounts to customers resulting from U.S. tax reform, changes in rate design, variability in volume of gas or transportation and storage service sold to customers, changes in gas procurement practices, changes in capital requirements and funding, the impact of credit rating actions and conditions in the capital markets on financing costs, the impact of variable rate indebtedness associated with a discontinuance of LIBOR including in relation to amounts of indebtedness then outstanding, changes in construction expenditures and financing, levels of or changes in operations and maintenance expenses, effects of pension or other postretirement benefit expense forecasts or plan modifications, accounting changes and regulatory treatment related thereto, currently unresolved and future liability claims and disputes, changes in pipeline capacity for the transportation of gas and related costs, results of Centuri bid work, the impact of weather on Centuri's operations, projections about acquired business' earnings, or those that may be planned, future acquisition-related costs, differences between actual experience and projections in costs to integrate or stand up portions of newly acquired business operations, impacts of changes in the value of any redeemable noncontrolling interests if at other than fair value, Centuri utility infrastructure expenses, differences between actual and originally expected outcomes of Centuri bid or other fixed-price construction agreements, outcomes from contract and change order negotiations, ability to successfully procure new work and impacts from work awarded or failing to be awarded from significant customers (collectively, including from Southwest), the mix of work awarded, the amount of work awarded to Centuri following work stoppages or reduction, the

result of productivity inefficiencies from regulatory requirements, customer supply chain challenges, or otherwise, delays in commissioning individual projects, acquisitions and management's plans related thereto, the ability of management to successfully finance, close, and assimilate any acquired businesses, the timing and ability of management to successfully separate Centuri from the Company, the impact on our stock price or our credit ratings due to undertaking or failing to undertake acquisition or divestiture activities or other strategic endeavors, the impact on our stock price, costs, actions or disruptions or continuation thereof related to significant stockholders and their activism, competition, our ability to raise capital in external financings, our ability to continue to remain within the ratios and other limits subject to our debt covenants, and ongoing evaluations in regard to goodwill and other intangible assets. In addition, the Company can provide no assurance that its discussions regarding certain trends or plans relating to its financing and operating expenses will continue, proceed as planned, cease to continue, or fail to be alleviated, in future periods. For additional information on the risks associated with the Company's business, see **Item 1A. Risk Factors** and **Item 7A. Quantitative and Qualitative Disclosures About Market Risk** in this Annual Report on Form 10-K for the year ended December 31, 2022.

All forward-looking statements in this annual report are made as of the date hereof, based on information available to the Company and Southwest as of the date hereof, and the Company and Southwest assume no obligation to update or revise any of their forward-looking statements even if experience or future changes show that the indicated results or events will not be realized. **We caution you to not rely unduly on any forward-looking statement(s).**

Common Stock Price and Dividend Information

The principal market on which the common stock of the Company is traded is the New York Stock Exchange and the ticker symbol of the stock is "SWX." At February 15, 2023, there were 10,711 holders of record of common stock, and the market price of the common stock was $64.98.

Dividends are payable on the Company's common stock at the discretion of the Board of Directors (the "Board"). In setting the dividend rate, the Board considers, among other factors, current and expected future earnings levels, our ongoing capital expenditure plans and expected external funding needs, our payout ratio, and our ability to maintain credit ratings and liquidity. The quarterly common stock dividend declared was $0.57 per share throughout 2020, $0.60 per share throughout 2021, and $0.62 per share throughout 2022. The Company has paid dividends on its common stock since 1956. In February 2023, the Board determined to keep the quarterly dividend at $0.62, effective with the June 2023 payment.

SOUTHWEST GAS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Thousands of dollars, except par value)

	December 31, 2022	December 31, 2021
ASSETS		
Regulated operations plant:		
Gas plant	$ 9,453,907	$ 10,789,690
Less: accumulated depreciation	(2,674,157)	(3,397,736)
Construction work in progress	244,750	202,068
Net regulated operations plant	7,024,500	7,594,022
Other property and investments, net	1,281,172	1,316,479
Current assets:		
Cash and cash equivalents	123,078	222,697
Accounts receivable, net of allowances	866,246	707,127
Accrued utility revenue	88,100	84,900
Income taxes receivable, net	8,738	16,816
Deferred purchased gas costs	450,120	291,145
Prepaid and other current assets	433,850	292,082
Current assets held for sale	1,737,530	—
Total current assets	3,707,662	1,614,767
Noncurrent assets:		
Goodwill	787,250	1,781,332
Deferred income taxes	82	121
Deferred charges and other assets	395,948	458,536
Total noncurrent assets	1,183,280	2,239,989
Total assets	$ 13,196,614	$ 12,765,257
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Common stock, $1 par (authorized – 120,000,000 shares; issued and outstanding – 67,119,143 and 60,422,081 shares)	$ 68,749	$ 62,052
Additional paid-in capital	2,287,183	1,824,216
Accumulated other comprehensive loss, net	(44,242)	(46,761)
Retained earnings	747,069	1,114,313
Total Southwest Gas Holdings, Inc. equity	3,058,759	2,953,820
Redeemable noncontrolling interests	159,349	196,717
Long-term debt, less current maturities	4,403,299	4,115,684
Total capitalization	7,621,407	7,266,221
Commitments and contingencies (Note 10)		
Current liabilities:		
Current maturities of long-term debt	44,557	297,324
Short-term debt	1,542,806	1,909,000
Accounts payable	662,090	353,365
Customer deposits	51,182	59,327
Income taxes payable, net	2,690	6,734
Accrued general taxes	67,094	53,473
Accrued interest	38,556	30,964
Deferred purchased gas costs	—	5,736
Other current liabilities	369,743	396,126
Current liabilities held for sale	644,245	—
Total current liabilities	3,422,963	3,112,049
Deferred income taxes and other credits:		
Deferred income taxes and investment tax credits, net	682,067	768,868
Accumulated removal costs	445,000	480,583
Other deferred credits and other long-term liabilities	1,025,177	1,137,536
Total deferred income taxes and other credits	2,152,244	2,386,987
Total capitalization and liabilities	$ 13,196,614	$ 12,765,257

The accompanying notes are an integral part of these statements.

SOUTHWEST GAS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)

	Year Ended December 31,		
	2022	2021	2020
Operating revenues:			
Regulated operations revenues	$ 2,199,682	$ 1,521,790	$ 1,350,585
Utility infrastructure services revenues	2,760,327	2,158,661	1,948,288
Total operating revenues	4,960,009	3,680,451	3,298,873
Operating expenses:			
Net cost of gas sold	799,060	430,907	342,837
Operations and maintenance	636,766	473,146	408,116
Depreciation and amortization	470,455	371,041	332,027
Taxes other than income taxes	93,383	80,343	63,460
Utility infrastructure services expenses	2,529,318	1,955,467	1,729,429
Goodwill impairment and cost to sell	455,425	—	—
Total operating expenses	4,984,407	3,310,904	2,875,869
Operating income (loss)	(24,398)	369,547	423,004
Other income and (expenses):			
Net interest deductions	(242,750)	(119,198)	(111,477)
Other income (deductions)	(6,189)	(3,499)	(6,789)
Total other income and (expenses)	(248,939)	(122,697)	(118,266)
Income (loss) before income taxes	(273,337)	246,850	304,738
Income tax expense (benefit)	(75,653)	39,648	65,753
Net income (loss)	(197,684)	207,202	238,985
Net income attributable to noncontrolling interests	5,606	6,423	6,661
Net income (loss) attributable to Southwest Gas Holdings, Inc.	$ (203,290)	$ 200,779	$ 232,324
Earnings (loss) per share:			
Basic	$ (3.10)	$ 3.39	$ 4.15
Diluted	$ (3.10)	$ 3.39	$ 4.14
Weighted average shares:			
Basic	65,558	59,145	55,998
Diluted	65,558	59,259	56,076

The accompanying notes are an integral part of these statements.

SOUTHWEST GAS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Thousands of dollars)

	Year Ended December 31,		
	2022	2021	2020
Net income (loss)	$ (197,684)	$ 207,202	$ 238,985
Other comprehensive income (loss), net of tax			
Defined benefit pension plans:			
Net actuarial gain (loss)	3,099	44,974	(43,730)
Amortization of prior service cost	133	729	878
Amortization of net actuarial loss	26,461	33,894	28,751
Regulatory adjustment	(21,457)	(67,027)	5,650
Net defined benefit pension plans	8,236	12,570	(8,451)
Forward-starting interest rate swaps (“FSIRS”):			
Amounts reclassified into net income	416	1,652	2,467
Net forward-starting interest rate swaps	416	1,652	2,467
Foreign currency translation adjustments	(6,133)	20	1,713
Total other comprehensive income (loss), net of tax	2,519	14,242	(4,271)
Comprehensive income (loss)	(195,165)	221,444	234,714
Comprehensive income attributable to noncontrolling interests	5,606	6,423	6,661
Comprehensive income (loss) attributable to Southwest Gas Holdings, Inc.	$ (200,771)	$ 215,021	$ 228,053

The accompanying notes are an integral part of these statements.

SOUTHWEST GAS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Thousands of dollars)

	Year Ended December 31,		
	2022	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income (loss)	$ (197,684)	$ 207,202	$ 238,985
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	470,455	371,041	332,027
Impairment of assets and other charges	455,425	—	—
Deferred income taxes	(72,048)	61,212	50,717
Gains on sale of property and equipment	(7,865)	(6,906)	(1,848)
Changes in undistributed stock compensation	9,446	9,294	7,114
Equity AFUDC	(465)	—	(4,724)
Changes in current assets and liabilities:			
Accounts receivable, net of allowances	(193,775)	(51,554)	(48,772)
Accrued utility revenue	(3,200)	(2,500)	(3,300)
Deferred purchased gas costs	(147,215)	(343,728)	36,239
Accounts payable	293,909	50,426	(7,694)
Accrued taxes	17,929	(6,725)	15,171
Other current assets and liabilities	(207,853)	(89,209)	107,427
Changes in deferred charges and other assets	16,886	(13,541)	(32,591)
Changes in other liabilities and deferred credits	(26,485)	(73,629)	(62,671)
Net cash provided by operating activities	407,460	111,383	626,080
CASH FLOW FROM INVESTING ACTIVITIES:			
Construction expenditures and property additions	(859,421)	(715,626)	(825,105)
Acquisition of businesses, net of cash acquired	(18,809)	(2,354,260)	—
Changes in customer advances	21,506	15,974	14,033
Other	17,822	18,256	9,003
Net cash used in investing activities	(838,902)	(3,035,656)	(802,069)
CASH FLOW FROM FINANCING ACTIVITIES:			
Issuance of common stock, net	461,828	213,641	139,245
Dividends paid	(160,563)	(138,222)	(125,504)
Centuri distribution to redeemable noncontrolling interest	(39,649)	—	—
Issuance of long-term debt, net	1,067,805	1,660,696	662,377
Retirement of long-term debt	(499,914)	(452,664)	(356,406)
Change in credit facility and commercial paper	(80,000)	(20,000)	—
Change in short-term debt	(366,193)	(48,000)	(104,000)
Issuance of short-term debt	—	1,850,000	—
Withholding remittance – share-based compensation	(2,662)	(1,264)	(2,736)
Other, including principal payments on finance leases	(24,172)	(729)	(3,402)
Net cash provided by financing activities	356,480	3,063,458	209,574
Effects of currency translation on cash and cash equivalents	(854)	160	228
Change in cash and cash equivalents	(75,816)	139,345	33,813
Change in cash and cash equivalents included in current assets held for sale	(23,803)	—	—
Cash and cash equivalents at beginning of period	222,697	83,352	49,539
Cash and cash equivalents at end of period	$ 123,078	$ 222,697	$ 83,352
SUPPLEMENTAL INFORMATION:			
Interest paid, net of amounts capitalized	$ 219,825	$ 104,352	$ 105,182
Income taxes paid (received), net	$ 12,001	$ 4,208	$ (10,951)

The accompanying notes are an integral part of these statements.

SOUTHWEST GAS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands, except per share amounts)

	Year Ended December 31,		
	2022	2021	2020
Common stock shares			
Beginning balances	60,422	57,193	55,007
Common stock issuances	6,697	3,229	2,186
Ending balances	67,119	60,422	57,193
Common stock amount			
Beginning balances	$ 62,052	$ 58,823	$ 56,637
Common stock issuances	6,697	3,229	2,186
Ending balances	68,749	62,052	58,823
Additional paid-in capital			
Beginning balances	1,824,216	1,609,155	1,466,937
Common stock issuances	462,967	219,298	142,218
Promissory notes in association with redeemable noncontrolling interest	—	(4,237)	—
Ending balances	2,287,183	1,824,216	1,609,155
Accumulated other comprehensive loss			
Beginning balances	(46,761)	(61,003)	(56,732)
Foreign currency exchange translation adjustment	(6,133)	20	1,713
Net actuarial gain (loss) arising during period, less amortization of unamortized benefit plan cost, net of tax	8,236	12,570	(8,451)
FSIRS amounts reclassified to net income, net of tax	416	1,652	2,467
Ending balances	(44,242)	(46,761)	(61,003)
Retained earnings			
Beginning balances	1,114,313	1,067,978	1,039,072
Net income (loss)	(203,290)	200,779	232,324
Redemption value adjustments	3,325	(12,016)	(74,513)
Dividends declared	(167,279)	(142,428)	(128,905)
Ending balances	747,069	1,114,313	1,067,978
Total equity ending balances	$ 3,058,759	$ 2,953,820	$ 2,674,953
Dividends declared per common share	$ 2.48	$ 2.38	$ 2.28

The accompanying notes are an integral part of these statements.

SOUTHWEST GAS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Thousands of dollars)

	December 31,	
	2022	2021
ASSETS		
Regulated operations plant:		
Gas plant	$ 9,453,907	$ 8,901,575
Less: accumulated depreciation	(2,674,157)	(2,538,508)
Construction work in progress	244,750	183,485
Net regulated operations plant	7,024,500	6,546,552
Other property and investments, net	169,397	153,093
Current assets:		
Cash and cash equivalents	51,823	38,691
Accounts receivable, net of allowance	234,081	169,666
Accrued utility revenue	88,100	84,900
Income taxes receivable, net	103	7,826
Deferred purchased gas costs	450,120	291,145
Receivable from parent	2,130	1,031
Prepaid and other current assets	401,789	242,243
Total current assets	1,228,146	835,502
Noncurrent assets:		
Goodwill	11,155	10,095
Deferred charges and other assets	370,483	405,021
Total noncurrent assets	381,638	415,116
Total assets	$ 8,803,681	$ 7,950,263
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Common stock	$ 49,112	$ 49,112
Additional paid-in capital	1,622,969	1,618,911
Accumulated other comprehensive loss, net	(38,261)	(46,913)
Retained earnings	935,355	906,827
Total equity	2,569,175	2,527,937
Long-term debt, less current maturities	3,251,296	2,440,603
Total capitalization	5,820,471	4,968,540
Commitments and contingencies (Note 10)		
Current liabilities:		
Current maturities of long-term debt	—	275,000
Short-term debt	225,000	250,000
Accounts payable	497,046	234,070
Customer deposits	51,182	56,127
Accrued general taxes	67,094	53,064
Accrued interest	29,569	22,926
Other current liabilities	150,817	146,422
Total current liabilities	1,020,708	1,037,609
Deferred income taxes and other credits:		
Deferred income taxes and investment tax credits, net	683,948	638,828
Accumulated removal costs	445,000	424,000
Other deferred credits and other long-term liabilities	833,554	881,286
Total deferred income taxes and other credits	1,962,502	1,944,114
Total capitalization and liabilities	$ 8,803,681	$ 7,950,263

The accompanying notes are an integral part of these statements.

SOUTHWEST GAS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Thousands of dollars)

	Year Ended December 31,		
	2022	2021	2020
Regulated operations revenues	$ 1,935,069	$ 1,521,790	$ 1,350,585
Operating expenses:			
Net cost of gas sold	789,216	430,907	342,837
Operations and maintenance	491,928	438,550	406,382
Depreciation and amortization	263,043	253,398	235,295
Taxes other than income taxes	83,197	80,343	63,460
Total operating expenses	1,627,384	1,203,198	1,047,974
Operating income	307,685	318,592	302,611
Other income and (expenses):			
Net interest deductions	(115,880)	(97,560)	(101,148)
Other income (deductions)	(6,884)	(4,559)	(6,590)
Total other income and (expenses)	(122,764)	(102,119)	(107,738)
Income before income taxes	184,921	216,473	194,873
Income tax expense	30,541	29,338	35,755
Net income	$ 154,380	$ 187,135	$ 159,118

The accompanying notes are an integral part of these statements.

SOUTHWEST GAS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Thousands of dollars)

	Year Ended December 31,		
	2022	2021	2020
Net income	$ 154,380	$ 187,135	$ 159,118
Other comprehensive income (loss), net of tax			
Defined benefit pension plans:			
Net actuarial gain (loss)	3,099	44,974	(43,730)
Amortization of prior service cost	133	729	878
Amortization of net actuarial loss	26,461	33,894	28,751
Regulatory adjustment	(21,457)	(67,027)	5,650
Net defined benefit pension plans	8,236	12,570	(8,451)
Forward-starting interest rate swaps (“FSIRS”):			
Amounts reclassified into net income	416	1,652	2,467
Net forward-starting interest rate swaps	416	1,652	2,467
Total other comprehensive income (loss), net of tax	8,652	14,222	(5,984)
Comprehensive income	$ 163,032	$ 201,357	$ 153,134

The accompanying notes are an integral part of these statements.

SOUTHWEST GAS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Thousands of dollars)

	Year Ended December 31,		
	2022	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income	$ 154,380	$ 187,135	$ 159,118
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	263,043	253,398	235,295
Deferred income taxes	42,387	53,237	44,997
Gain on sale of property	(1,503)	—	—
Changes in undistributed stock compensation	5,776	6,392	5,294
Equity AFUDC	—	—	(4,724)
Changes in current assets and liabilities:			
Accounts receivable, net of allowances	(64,414)	(22,806)	3,933
Accrued utility revenue	(3,200)	(2,500)	(3,300)
Deferred purchased gas costs	(158,975)	(343,728)	36,239
Accounts payable	243,276	57,764	9,618
Accrued taxes	21,754	7,753	(1,527)
Other current assets and liabilities	(188,737)	(70,271)	48,545
Changes in deferred charges and other assets	(1,694)	(28,743)	(44,291)
Changes in other liabilities and deferred credits	(27,690)	(72,386)	(65,136)
Net cash provided by operating activities	284,403	25,245	424,061
CASH FLOW FROM INVESTING ACTIVITIES:			
Construction expenditures and property additions	(683,131)	(601,983)	(692,216)
Changes in customer advances	21,506	15,973	14,033
Other	6,917	(32)	771
Net cash used in investing activities	(654,708)	(586,042)	(677,412)
CASH FLOW FROM FINANCING ACTIVITIES:			
Contributions from parent	—	202,583	177,922
Dividends paid	(122,200)	(111,400)	(104,500)
Issuance of long-term debt, net	891,663	297,318	446,508
Retirement of long-term debt	(275,000)	—	(125,000)
Change in credit facility and commercial paper	(80,000)	(20,000)	—
Change in short-term debt	(25,000)	193,000	(137,000)
Withholding remittance – share-based compensation	(2,569)	(1,263)	(2,736)
Other	(3,457)	(1,820)	(1,262)
Net cash provided by financing activities	383,437	558,418	253,932
Change in cash and cash equivalents	13,132	(2,379)	581
Cash and cash equivalents at beginning of period	38,691	41,070	40,489
Cash and cash equivalents at end of period	$ 51,823	$ 38,691	$ 41,070
SUPPLEMENTAL INFORMATION:			
Interest paid, net of amounts capitalized	$ 107,980	$ 90,240	$ 96,726
Income taxes paid (received), net	$ 5	$ (13,529)	$ (19,603)

The accompanying notes are an integral part of these statements.

SOUTHWEST GAS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands)

	Year Ended December 31,		
	2022	2021	2020
Common stock shares			
Beginning and ending balances	47,482	47,482	47,482
Common stock amount			
Beginning and ending balances	$ 49,112	$ 49,112	$ 49,112
Additional paid-in capital			
Beginning balances	1,618,911	1,410,345	1,229,083
Share-based compensation	4,058	5,983	3,340
Contributions from Southwest Gas Holdings, Inc.	—	202,583	177,922
Ending balances	1,622,969	1,618,911	1,410,345
Accumulated other comprehensive loss			
Beginning balances	(46,913)	(61,135)	(55,151)
Net actuarial gain (loss) arising during period, less amortization of unamortized benefit plan cost, net of tax	8,236	12,570	(8,451)
FSIRS amounts reclassified to net income, net of tax	416	1,652	2,467
Ending balances	(38,261)	(46,913)	(61,135)
Retained earnings			
Beginning balances	906,827	835,146	782,108
Net income	154,380	187,135	159,118
Share-based compensation	(852)	(854)	(780)
Dividends declared to Southwest Gas Holdings, Inc.	(125,000)	(114,600)	(105,300)
Ending balances	935,355	906,827	835,146
Total Southwest Gas Corporation equity ending balances	$ 2,569,175	$ 2,527,937	$ 2,233,468

The accompanying notes are an integral part of these statements.

Note 1 - Background, Organization, and Summary of Significant Accounting Policies

Nature of Operations. This is a combined annual report of Southwest Gas Holdings, Inc. and its subsidiaries (the “Company”) and Southwest Gas Corporation and its subsidiaries (“Southwest” or the “natural gas distribution” segment). The notes to the consolidated financial statements apply to both entities. Southwest Gas Holdings, Inc., a Delaware corporation, is a holding company, owning all of the shares of common stock of Southwest, all of the shares of common stock of Centuri Group, Inc. (“Centuri” or the “utility infrastructure services” segment), and until February 14, 2023, all of the shares of common stock of MountainWest Pipelines Holding Company (“MountainWest” or the “pipeline and storage” segment).

In December 2022, the Company announced that its Board of Directors (the “Board”) unanimously determined to take strategic actions to simplify the Company’s portfolio of businesses. These actions included entering into a definitive agreement to sell 100% of MountainWest in an all-cash transaction to Williams Partners Operating LLC (“Williams”) for $1.5 billion in total enterprise value, subject to certain adjustments. Additionally, the Company determined it will pursue a spin-off of Centuri (the “Centuri spin-off”), to form a new independent publicly traded utility infrastructure services company. The MountainWest transaction closed on February 14, 2023, following the expiration of an applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. The Centuri spin-off is expected to be completed in the fourth quarter of 2023 or the first quarter of 2024 and to be tax free to the Company and its stockholders for U.S. federal income tax purposes. The Centuri spin-off will be subject to, among other things, finalizing the transaction structure, final approval by the Board, approval by the Arizona Corporation Commission, the receipt of a favorable Internal Revenue Service private letter ruling relating to the tax-free nature of the transaction, and the effectiveness of a registration statement that will be filed with the U.S. Securities and Exchange Commission. Upon classifying the pipeline and storage segment disposal group as held for sale, the Company recorded a loss, composed of a goodwill impairment loss of $449.6 million, plus an additional loss of approximately $5.8 million for estimated costs to sell, in the fourth quarter of 2022. The Company elected to not reclassify MountainWest’s assets and liabilities as held for sale as of December 31, 2021; therefore, balance sheet information as of December 31, 2021 in the accompanying notes to financial statements has not been adjusted. See **Note 15 - Acquisitions and Dispositions** for additional information.

Southwest is engaged in the business of purchasing, distributing, and transporting natural gas for customers in portions of Arizona, Nevada, and California. Public utility rates, practices, facilities, and service territories of Southwest are subject to regulatory oversight. The timing and amount of rate relief can materially impact results of operations. Natural gas purchases and the timing of related recoveries can materially impact liquidity. Results for the natural gas distribution segment are higher during winter periods due to the seasonality incorporated in its regulatory rate structures.

Centuri is a strategic utility infrastructure services company dedicated to partnering with North America’s gas and electric providers to build and maintain the energy network that powers millions of homes across the United States (“U.S.”) and Canada. Centuri derives revenue primarily from installation, replacement, repair, and maintenance of energy networks. Centuri operates in the U.S. primarily as NPL Construction Co. (“NPL”), New England Utility Constructors, Inc. (“Neuco”), Linetec Services, LLC (“Linetec”), and Riggs Distler & Company, Inc. (“Riggs Distler”), and in Canada, primarily as NPL Canada Ltd. (“NPL Canada”). Utility infrastructure services activity is seasonal in many of Centuri’s operating areas. Peak periods are the summer and fall months in colder climate areas, such as the northeastern and midwestern U.S. and in Canada. In warmer climate areas, such as the southwestern and southeastern U.S., utility infrastructure services activity continues year round.

MountainWest includes MountainWest Pipeline, LLC, along with its subsidiary, MountainWest Overthrust Pipeline, LLC, and an equity interest in White River Hub, LLC, which is not consolidated, along with non-regulated businesses providing analytical and measurement services, and natural gas gathering.

On May 6, 2022, the Company entered into a Cooperation Agreement (the “Cooperation Agreement”) with Carl C. Icahn and the persons and entities referenced therein (collectively, the “Icahn Group”). In accordance with the Cooperation Agreement, among other things, John P. Hester, then President and Chief Executive Officer of the Company and Southwest, retired from his positions with the Company and Southwest and resigned from the Board. Karen S. Haller, the Company’s former Executive Vice President/Chief Legal and Administrative Officer, was appointed President and Chief Executive Officer of the Company and Chief Executive Officer of Southwest, and was appointed as a member of the Board effective immediately following the completion of the Company’s 2022 annual meeting of stockholders. Justin L. Brown, formerly Southwest’s Senior Vice President/General Counsel, was appointed as President of Southwest.

In addition, pursuant to the Cooperation Agreement, as modified by a letter agreement, dated as of August 3, 2022 (the "Letter Agreement" and together with the Cooperation Agreement, the "Initial Cooperation Agreement") by and between the Company and the Icahn Group, the Icahn Group has the ability to designate up to four directors to the Board (collectively, the "Icahn Designees"), subject to certain ownership thresholds. As of the date of this Annual Report on 10-K, the Icahn Designees are Andrew W. Evans, Henry P. Linginfelter, Ruby Sharma, and Andrew J. Teno.

The Initial Cooperation Agreement required the Board to expand the Strategic Transactions Committee from three directors to six directors, comprised of the existing members of the Strategic Transactions Committee in addition to the three Initial Icahn Designees. As long as the Icahn Group has the ability to designate at least three members of the Board, three of such individuals are to be included on the Strategic Transactions Committee. If the Icahn Group may only designate two members of the Board, then both would serve on the Strategic Transactions Committee.

On May 9, 2022, the Company also entered into Amendment No. 1 to the Rights Agreement dated October 10, 2021 (the “Original Rights Agreement” and as amended, the “Amended Rights Agreement”), to increase the triggering percentage from 10% to 24.9% pursuant to the terms of the Initial Cooperation Agreement and permit the subsequent consummation of the Offer. The Amended Rights Agreement expired on October 9, 2022. The Company filed a Certificate of Elimination with the Secretary of State of the State of Delaware on January 13, 2023, eliminating from the Company's Certificate of Incorporation the Certificate of Designation of Series A Junior Participating Preferred Stock filed on October 10, 2022, and the associated Preferred Stock Purchase Rights were deregistered by the SEC and delisted by the New York Stock Exchange on the same day.

An earlier civil suit (initiated in November 2021) by Icahn entities against the Company and certain directors and officers of the Company was subject to a stipulation of dismissal as part of the Initial Cooperation Agreement, which also provided for the reimbursement by the Company of certain out-of-pocket third-party expenses, including certain legal fees, incurred by the Icahn Group.

On October 24, 2022, the Company and the Icahn Group entered into an Amended and Restated Cooperation Agreement (the “Amended Cooperation Agreement”), which amended, restated, superseded, and replaced in its entirety the Initial Cooperation Agreement. Among other things, the Amended Cooperation Agreement provides for the nomination of the Icahn Designees for election at the Company's 2023 annual meeting of stockholders (the "2023 Annual Meeting"), the extension of the standstill restrictions on the Icahn Group through the 2023 Annual Meeting or the Company's 2024 annual meeting of stockholders, subject to certain restrictions and exceptions, and subject to certain ownership thresholds by the Icahn Group and the approval by the Strategic Transactions Committee, certain aspects of the corporate structure and conduct of the first annual meeting of any independent, publicly traded company resulting from a separation of the Company's businesses.

Basis of Presentation. The Company follows accounting principles generally accepted in the United States (“U.S. GAAP”) in accounting for all of its businesses. Unless specified otherwise, all amounts are in U.S. dollars. Accounting for regulated operations conforms with U.S. GAAP as applied to rate-regulated companies and as prescribed by federal agencies and commissions of the various states in which the rate-regulated companies operate. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Consolidation. The accompanying financial statements (as of and for the periods presented) are presented on a consolidated basis for Southwest Gas Holdings, Inc. and all subsidiaries and Southwest Gas Corporation and all subsidiaries (except those accounted for using the equity method as discussed below). All significant intercompany balances and transactions have been eliminated with the exception of transactions between Southwest and Centuri in accordance with accounting treatment for rate-regulated entities.

Centuri, through its subsidiaries, holds a 50% interest in W.S. Nicholls Western Construction Ltd. (“Western”), a Canadian infrastructure services company that is a variable interest entity. Centuri determined that it is not the primary beneficiary of the entity due to a shared-power structure; therefore, Centuri does not consolidate the entity and has recorded its investment, and results related thereto, using the equity method. The investment in Western, related earnings, and dividends received from Western in 2022 and 2021 were not significant. Centuri’s maximum exposure to loss as a result of its involvement with Western was estimated at $11.4 million as of December 31, 2022.

MountainWest, through its subsidiaries, holds a 50% noncontrolling interest in MountainWest White River Hub, LLC, a FERC-regulated transporter of natural gas with facilities that connect with six interstate pipeline systems and a major processing plant in Colorado. As noted above, MountainWest does not consolidate the entity and has recorded its investment using the equity method. The investment in White River Hub is approximately $25 million as of December 31, 2022 and the related proportional earnings and dividends in 2022 were not significant to the Company.

Fair Value Measurements. Certain assets and liabilities are reported at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

U.S. GAAP states that a fair value measurement should be based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy that ranks the inputs used to measure fair value by their reliability. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities

(Level 1 measurements) and the lowest priority to fair values derived from unobservable inputs (Level 3 measurements). Financial assets and liabilities are categorized in their entirety based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that a company has the ability to access at the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for similar assets or liabilities, either directly or indirectly.

Level 3 – unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The Company primarily used quoted market prices and other observable market pricing information (exclusive of any purchase accounting adjustments) in valuing cash and cash equivalents, long-term debt outstanding, and assets of the qualified pension plan and the postretirement benefits other than pensions required to be recorded and/or disclosed at fair value. The Company uses prices and inputs that are current as of the measurement date, and recognizes transfers between levels at either the actual date of an event or a change in circumstance that caused the transfer.

Net Regulated Operations Plant. Net regulated operations plant includes gas plant at original cost, less the accumulated provision for depreciation and amortization, plus any unamortized balance of acquisition adjustments. Original cost generally includes contracted services, material, payroll, and related costs such as taxes and certain benefits, general and administrative expenses, and an allowance for funds used during construction, less contributions in aid of construction. Aligned with regulatory treatment, when plant is retired, the cost of such plant, net of any salvage value, is charged to accumulated depreciation. See also *Depreciation and Amortization* below.

Other Property and Investments. Other property and investments on Southwest's and the Company's Consolidated Balance Sheets includes:

	December 31,	
(Thousands of dollars)	2022	2021
Net cash surrender value of COLI policies	$ 136,245	$ 149,947
Other property	33,152	3,146
Total Southwest Gas Corporation	169,397	153,093
Non-regulated property, equipment, and intangibles	1,677,218	1,616,392
Non-regulated accumulated provision for depreciation and amortization	(596,518)	(512,343)
Other property and investments	31,075	59,337
Total Southwest Gas Holdings, Inc.	$ 1,281,172	$ 1,316,479

Included in the table above are the net cash surrender values of company-owned life insurance ("COLI") policies. These life insurance policies on members of management and other key employees are used by Southwest to indemnify itself against the loss of talent, expertise, and knowledge, as well as to provide indirect funding for certain nonqualified benefit plans. The term non-regulated in regard to assets and related balances in the table above is in reference to the non-rate regulated operations of Centuri, and to a more limited extent, MountainWest as of year-end 2021. MountainWest is not reflected in the table above as of December 31, 2022, since the balance has been reclassified as held for sale on the Company's Consolidated Balance sheet as of that date. See **Note 15 - Acquisitions and Dispositions** for additional information.

Intangible Assets. Intangible assets (other than goodwill) are amortized using the straight-line method to reflect the pattern of economic benefits consumed over the estimated periods benefited. The recoverability of intangible assets is evaluated when events or circumstances indicate that a revision of estimated useful lives is warranted or that an intangible asset may be impaired. These intangible assets are included in Other property and investments on the Company's Consolidated Balance

Sheets. Centuri's intangible assets (other than goodwill) have finite lives and are associated with businesses previously acquired. The balances at December 31, 2022 and 2021, respectively, were as follows:

	December 31, 2022		
(Thousands of dollars)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	$ 391,758	$ (63,509)	$ 328,249
Trade names and trademarks	79,277	(12,278)	66,999
Total	$ 471,035	$ (75,787)	$ 395,248

	December 31, 2021		
Customer relationships	$ 393,834	$ (42,886)	$ 350,948
Trade names and trademarks	79,650	(7,093)	72,557
Customer contracts backlog	4,500	(1,500)	3,000
Total	$ 477,984	$ (51,479)	$ 426,505

Amortization expense for the acquired intangible assets listed above for the years ended December 31, 2022, 2021, and 2020 was $29.8 million, $17.3 million, and $10.8 million, respectively. The weighted-average amortization periods for customer relationships, trade names and trademarks, and customer contracts backlog are 19 years, 15 years, and 1 year, respectively.

The estimated future amortization of the intangible assets for the next five years and thereafter is as follows:

(Thousands of dollars)	
2023	$ 26,690
2024	26,690
2025	26,678
2026	26,455
2027	26,088
Thereafter	262,647
Total	$ 395,248

See **Note 2 - Regulated Operations Plant and Leases** for additional information regarding natural gas distribution intangible assets**.**

Cash and Cash Equivalents. For purposes of reporting consolidated cash flows, cash and cash equivalents include cash on hand and financial instruments with original maturities of three months or less. Such investments are carried at cost, which approximates market value. Cash and cash equivalents of the Company include $30 million of money market fund investments at December 31, 2022, and $20 million at December 31, 2021. The money market fund investments for Southwest were $17.6 million at December 31, 2022 and insignificant at December 31, 2021. These investments fall within Level 2 of the fair value hierarchy, due to the asset valuation methods used by money market funds.

Noncash investing activities for the Company and Southwest include capital expenditures that were not yet paid as of year end, thereby remaining in accounts payable, the amounts related to which increased by approximately $23.4 million and $19.7 million, for the Company and Southwest, respectively during the year ended December 31, 2022, and $15.5 million and $13.9 million, for the Company and Southwest, respectively, during the year ended December 31, 2021. Additionally for Southwest, noncash investing activities include customer advances applied as contributions toward utility construction activity, such amounts were not significant for the periods presented herein. Also, see **Note 2 - Regulated Operations Plant and Leases** for information related to right-of-use ("ROU") assets obtained in exchange for lease liabilities, which are noncash investing and financing activities. ROU assets and lease liabilities are also subject to noncash impacts as a result of other factors, such as lease terminations and modifications.

Income Taxes. The asset and liability method of accounting is utilized for the recognition of income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are anticipated to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. For regulatory and financial reporting purposes, investment tax credits ("ITC") related to gas utility operations are deferred and amortized over the life of related fixed assets.

As of December 31, 2022, the Company had cumulative book earnings of approximately $79 million in its foreign jurisdiction. Management previously asserted and continues to assert that all the earnings of Centuri's Canadian subsidiaries will be permanently reinvested in Canada. As a result, no U.S. deferred income taxes have been recorded related to cumulative foreign earnings.

The Financial Accounting Standards Board (the "FASB") issued guidance to allow an accounting policy election of either (i) treating taxes attributable to future taxable income related to Global Intangible Low-Taxed Income ("GILTI") as a current period expense when incurred or (ii) recognizing deferred taxes for temporary differences expected to reverse as GILTI in future years. The Company has elected to treat GILTI as a current period cost when incurred and has considered the estimated 2022 GILTI impact to its 2022 tax expense, which was immaterial.

Deferred Purchased Gas Costs. The various regulatory commissions have established procedures to enable the rate-regulated companies to adjust billing rates for changes in the cost of natural gas purchased. The difference between the current cost of gas purchased and the cost of gas recovered in billed rates is deferred. Generally, these deferred amounts are recovered or refunded within one year.

Prepaid and other current assets. Prepaid and other current assets for Southwest and the Company include, among other things, accrued purchased gas costs of $207 million in 2022 and $52 million in 2021. Additionally, Southwest had gas pipe materials and operating supplies of $77.3 million in 2022 and $62.9 million in 2021 (carried at weighted average cost). MountainWest's materials and supplies were immaterial in the 2021 period in which they were included in the balance of Prepaid and other current assets in regard to the Company.

Held for sale. The Company and Southwest recognize the assets and liabilities of a disposal group as held for sale in the period (i) it has approved and committed to a plan to sell the disposal group, (ii) the disposal group is available for immediate sale in its present condition, (iii) an active program to locate a buyer and other actions to sell the disposal group have been initiated, (iv) it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. The Company and Southwest initially measure a disposal group that is classified as held for sale at the lower of its carrying value or fair value less any costs to sell. Any loss resulting from this measurement is recognized in the period in which the held for sale criteria are met. Conversely, gains are not recognized on the sale of a disposal group until closing. Upon designation as held for sale, the Company and Southwest stop recording depreciation expense and assess the fair value of the disposal group less any costs to sell at each reporting period, until it is no longer classified as held for sale. See **Note 15 - Acquisitions and Dispositions** for information related to the MountainWest assets and liabilities held for sale.

The Company and Southwest had earlier classified certain assets associated with its previous corporate headquarters as held for sale. The sale was not completed and management determined that the assets no longer meet the criteria to be classified as held for sale. As a result, the Company and Southwest reclassified approximately $27 million from Prepaid and other current assets to Other property and investments on their respective Consolidated Balance Sheets during the fourth quarter of 2022. Southwest also received an updated appraisal on these assets, and as a result, recorded a loss of $2.9 million in the fourth quarter of 2022.

Goodwill. As required by U.S. GAAP, goodwill is assessed for impairment annually, or more frequently, if circumstances indicate impairment to the carrying value of goodwill may have occurred. The goodwill impairment analysis was conducted as of October 1st using a qualitative assessment, as permitted by U.S. GAAP. Management of the Company and Southwest considered its reporting units and segments, determining that they remained consistent between periods presented below, and that no change was necessary with regard to the level at which goodwill is assessed for impairment. The acquisition of MountainWest resulted in a new reportable segment, which was assessed for impairment beginning in 2022, and upon being classified as held for sale, an impairment was recognized, as outlined below. The Company and Southwest determined that it is not more likely than not that the fair values of the Centuri and Southwest reporting units were less than their carrying amounts in either 2022 or 2021, and therefore, no impairment was recorded in either year in regard to these entities.

In regard to MountainWest, and the agreement to sell the equity interests to Williams, which was undertaken to simplify the Company's business overall and ultimately position it as a pure-play local distribution company, management considered the expected proceeds, which were below the carrying value of the equity interests at that time; as such, a loss was recognized, recorded primarily as a goodwill impairment of $449.6 million in the fourth quarter of 2022. See **Note 15 - Acquisitions and Dispositions** for additional information. Additional losses are possible through the post-closing process for MountainWest, as customary final adjustments are made. There can also be no assurances that future assessments of remaining goodwill on the Company's and Southwest's balance sheets will not result in an impairment; various factors, including the planned spin-off of Centuri, or changes in economic conditions, governmental monetary policies, interest rates, or others, on their own or in combination, could result in the fair value of the related reporting units being lower than their carrying value.

Goodwill in the Natural Gas Distribution and Utility Infrastructure Services segments is included in their respective Consolidated Balance Sheets as follows:

(Thousands of dollars)	Natural Gas Distribution	Utility Infrastructure Services	Total Company
Balance, December 31, 2020	$ 10,095	$ 335,089	$ 345,184
Additional goodwill from Riggs Distler acquisition	—	449,501	449,501
Foreign currency translation adjustment	—	468	468
Balance, December 31, 2021	10,095	785,058	$ 795,153
Additional goodwill from Graham County acquisition	1,060	—	1,060
Measurement-period adjustments from Riggs Distler acquisition	—	(1,924)	(1,924)
Foreign currency translation adjustment	—	(7,039)	(7,039)
Balance, December 31, 2022	$ 11,155	$ 776,095	$ 787,250

Goodwill related to the pipeline and storage segment, which as of December 31, 2021 was $986.2 million, is not reflected in the above table as the balance has been reclassified as held for sale on the Company's Consolidated Balance sheet as of December 31, 2022. See **Note 15 - Acquisitions and Dispositions** for additional information.

Other Current Liabilities. Management recognizes in its balance sheets various liabilities that are expected to be settled through future cash payment within the next twelve months, including certain regulatory mechanisms (refer to **Note 5 - Regulatory Assets and Liabilities**), customary accrued expenses for employee compensation and benefits, declared but unpaid dividends, and miscellaneous other accrued liabilities. Other current liabilities for the Company include $41.6 million and $36 million of dividends declared as of December 31, 2022 and 2021, respectively.

Accumulated Removal Costs. Approved regulatory practices allow Southwest to include in depreciation expense a component intended to recover removal costs associated with regulated operations plant retirements. In accordance with the Securities and Exchange Commission ("SEC") position on presentation of these amounts, management reclassifies estimated removal costs from Accumulated depreciation to Accumulated removal costs within the liabilities section of the Consolidated Balance Sheets. Management regularly updates the estimated accumulated removal costs as amounts fluctuate between periods depending on the level of replacement work performed (and actual cost experience) compared to the estimated cost of removal in rates.

Gas Operating Revenues. Southwest recognizes revenue when it satisfies its performance by transferring gas to the customer. Natural gas is delivered and "consumed" by the customer simultaneously. Revenues are recorded when customers are billed. Customer billings are substantially based on monthly meter reads and include certain other charges assessed monthly, and are calculated in accordance with applicable tariffs and state and local laws, regulations, and related agreements. An estimate of the margin associated with natural gas service provided, but not yet billed, to residential and commercial customers from the latest meter read date to the end of the reporting period is also recognized as accrued utility revenue. Revenues also include the net impacts of margin tracker/decoupling accruals based on criteria in U.S. GAAP for rate-regulated entities associated with alternative revenue programs. All of Southwest's service territories have decoupled rate structures, which are designed to eliminate the direct link between volumetric sales and revenue, thereby mitigating the impacts of unusual weather variability and conservation on margin. See **Note 3 - Revenue** for additional information and also a description of MountainWest's revenues.

Utility Infrastructure Services Revenues. The majority of Centuri contracts are performed under unit-price contracts. Generally, these contracts state prices per unit of installation. Typical installations are accomplished in a few weeks or less. Revenues are recorded as installations are completed. Revenues are recorded for long-term fixed-price contracts in a pattern that reflects the transfer of control of promised goods and services to the customer over time. The amount of revenue recognized on fixed-price contracts is based on costs expended to date relative to anticipated final contract costs. Changes in job performance, job conditions, and final contract settlements are factors that influence management's assessment of total contract value and the total estimated costs to complete those contracts. Revisions in estimates of costs and earnings during the course of work are reflected in the accounting period in which the facts requiring revision become known. If a loss on a contract becomes known or is anticipated, the entire amount of the estimated ultimate loss is recognized at that time in the financial statements. Some unit-price contracts contain caps that if encroached, trigger revenue and loss recognition similar to a fixed-price contract model. See **Note 3 - Revenue**.

Intercompany Transactions. Centuri recognizes revenues generated from contracts with Southwest (see **Note 13 - Segment Information**). The accounts receivable balance, revenues, and associated profits are included in the consolidated financial statements of the Company and Southwest and are not eliminated during consolidation in accordance with accounting treatment for rate-regulated entities.

Utility Infrastructure Services Expenses. Centuri's utility infrastructure services expenses in the Consolidated Statements of Income includes payroll expenses, office and equipment rental costs, subcontractor expenses, training, job-related materials, gains and losses on equipment sales, and professional fees.

Net Cost of Gas Sold. Components of net cost of gas sold include natural gas commodity costs (fixed-price and variable-rate), pipeline capacity/transportation costs, and any actual settled costs of natural gas derivative instruments, where relevant. Also included are the net impacts of PGA deferrals and recoveries, which by their inclusion, result in net cost of gas sold overall that is comparable to amounts included in billed gas operating revenues. Differences between amounts incurred with suppliers, transmission pipelines, etc. and amounts already included in customer rates, are temporarily deferred in PGA accounts pending inclusion in customer rates.

Operations and Maintenance Expense. Operations and maintenance expense includes Southwest's operating and maintenance costs associated with serving utility customers and maintaining its distribution and transmission systems, uncollectible customer accounts expense, administrative and general salaries and expense, employee benefits expense excluding relevant non-service cost components, legal expense (including injuries and damages), professional and other external contracted services, and other business expenses. Also included are similar costs for MountainWest.

Depreciation and Amortization. Regulated operations plant depreciation is computed on the straight-line remaining life method at composite rates considered sufficient to amortize costs over estimated service lives, including components which compensate for removal costs (net of salvage value), and retirements, as approved by the appropriate regulatory agency. When plant is retired from service, the original cost of plant, including cost of removal, less salvage, is charged to the accumulated provision for depreciation. See also discussion regarding *Accumulated Removal Costs* above. Other regulatory assets, including acquisition adjustments, are amortized when appropriate, over time periods authorized by regulators. Non-regulated operations, including utility infrastructure services-related property and equipment, are depreciated on a straight-line method based on the estimated useful lives of the related assets. Costs and gains related to refunding regulated operations debt and debt issuance expenses are deferred and amortized over the weighted-average lives of the new issues and become a component of interest expense.

Allowance for Funds Used During Construction ("AFUDC"). AFUDC represents the cost of both debt and equity funds used to finance regulated operations plant construction. AFUDC is capitalized as part of the cost of regulated operations plant. The debt portion of AFUDC is reported in the Company's and Southwest's Consolidated Statements of Income as an offset to Net interest deductions and the equity portion is reported as Other income. Regulated operations plant construction costs, including AFUDC, are recoverable as part of authorized rates through depreciation when completed projects are placed into operation, and general rate relief is requested and granted. AFUDC, disaggregated by type, included in the Company's and Southwest's Consolidated Statements of Income are presented in the table below:

(Thousands of dollars)	2022	2021	2020
AFUDC:			
Debt portion	$ 3,535	$ 1,046	$ 3,202
Equity portion	—	—	4,724
AFUDC capitalized as part of regulated operations plant	$ 3,535	$ 1,046	$ 7,926
AFUDC rate	2.64 %	0.96 %	5.51 %

AFUDC related to MountainWest includes $86,000 of debt and $465,000 of equity during the year ended December 31, 2022, which is not reflected in the table above. Debt and equity AFUDC at Southwest were impacted in 2022 and 2021 by the amount of short-term debt outstanding based on the regulatory formula for each component.

Other Income (Deductions). The following table provides the composition of significant items included in Other income (deductions) on the Consolidated Statements of Income:

(Thousands of dollars)	2022	2021	2020
Southwest Gas Corporation:			
Change in COLI policies	$ (5,400)	$ 8,800	$ 9,200
Interest income	16,183	5,113	4,015
Equity AFUDC	—	—	4,724
Other components of net periodic benefit cost	(751)	(14,021)	(20,022)
Miscellaneous income and (expense)	(16,916)	(4,451)	(4,507)
Southwest Gas Corporation – total other income (deductions)	(6,884)	(4,559)	(6,590)
Centuri, MountainWest, and Southwest Gas Holdings, Inc.:			
Foreign transaction gain (loss)	977	(22)	(16)
Equity AFUDC	465	—	—
Equity in earnings of unconsolidated investments	2,629	226	80
Miscellaneous income and (expense)	(3,113)	863	(271)
Corporate and administrative	(263)	$ (7)	$ 8
Southwest Gas Holdings, Inc. - total other income (deductions)	$ (6,189)	$ (3,499)	$ (6,789)

Included in the table above is the change in COLI policies (including net death benefits recognized, where relevant). Current tax regulations provide for tax-free treatment of life insurance (death benefit) proceeds. Therefore, changes in the cash surrender value components of COLI policies, as they progress towards the ultimate death benefits, are also recorded without tax consequences. Miscellaneous income and (expense) in 2022 includes the reduction in value of Southwest's previous corporate campus property.

Derivatives. In managing its natural gas supply portfolios, Southwest has historically entered into fixed- and variable-price contracts, which qualify as derivatives. The fixed-price contracts, firm commitments to purchase a fixed amount of gas in the future at a fixed price, qualify for the normal purchases and normal sales exception that is allowed for contracts that are probable of delivery in the normal course of business, and are exempt from fair value reporting. The variable-price contracts qualify as derivative instruments; however, because the contract price is the prevailing price at the future transaction date, no fair value adjustment is required. Southwest does not utilize derivative financial instruments for speculative purposes, nor does it have trading operations.

Foreign Currency Translation and Transactions. Foreign currency-denominated assets and liabilities of consolidated subsidiaries are translated into U.S. dollars at exchange rates existing at the respective balance sheet dates. Translation adjustments resulting from fluctuations in exchange rates are recorded as a separate component of accumulated other comprehensive income within stockholders' equity. Results of operations of foreign subsidiaries are translated using the monthly weighted-average exchange rates during the respective periods. Gains and losses resulting from foreign currency transactions are included in Other income and (expenses) of the Company. Gains and losses resulting from intercompany foreign currency transactions that are of a long-term investment nature are reported in Other comprehensive income, if applicable.

Earnings (Loss) Per Share. Basic earnings (loss) per share ("EPS") in each period of this report were calculated by dividing net income (loss) attributable to Southwest Gas Holdings, Inc. by the weighted-average number of shares during those periods. Diluted EPS includes additional weighted-average common stock equivalents (performance shares and restricted stock units), if dilutive. Unless otherwise noted, the term "Earnings Per Share" refers to Basic EPS. A reconciliation of the denominator used in Basic and Diluted EPS calculations is shown in the following table:

(In thousands)	2022	2021	2020
Weighted average basic shares	65,558	59,145	55,998
Effect of dilutive securities:			
Restricted stock units (1)(2)	—	114	78
Weighted average diluted shares	65,558	59,259	56,076

(1) The number of anti-dilutive restricted stock units for 2022 excluded from the calculation of diluted shares is 157,000.
(2) The number of securities granted for 2022, 2021, and 2020 includes 144,000, 104,000, and 69,000 performance shares, respectively, the total of which was derived by assuming that target performance will be achieved during the relevant performance period.

Recent Accounting Standards Updates.

Accounting pronouncements effective or adopted in 2022:

In March 2020, the FASB issued Accounting Standards Update ("ASU") 2020-04 "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting." The update provides optional guidance for a limited time to ease the potential burden in accounting for, or recognizing the effects of, reference rate reform on financial reporting, including when modifying a contract (during the eligibility period covered by the update to the topic) to replace a reference rate affected by reference rate reform. The update applies only to contracts and hedging relationships that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued due to reference rate reform. The guidance was eligible to be applied upon issuance on March 12, 2020, and can generally be applied through December 31, 2022. In December 2022, the FASB issued ASU 2022-06 "Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848." The update provides deferral of the sunset date of Topic 848 from December 31, 2022 to December 31, 2024. Management will continue to monitor the impacts this update might have on the Company's and Southwest's consolidated financial statements and disclosures, and will reflect such appropriately, in the event that the optional guidance is elected. See also LIBOR discussion in **Note 8 - Debt**.

In August 2020, the FASB issued ASU 2020-06 "Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity." The update, amongst other amendments, improves the guidance related to the disclosures and earnings per share for convertible instruments and contracts in an entity's own equity. The Company and Southwest adopted the update in the first quarter of 2022, the impact of which was not material to the consolidated financial statements of the Company or Southwest.

There are no other recently issued accounting standards updates that are expected to be adopted or material to Southwest or the Company effective in 2023 or thereafter.

Subsequent Events. Management monitors events occurring after the balance sheet date and prior to the issuance of the financial statements to determine the impacts, if any, of events on the financial statements to be issued or disclosures to be made, and has reflected them where appropriate. See **Note 1 - Background, Organization, and Summary of Significant Accounting Policies, Note 8 - Debt,** and **Note 15 - Acquisitions and Dispositions**.

Note 2 - Regulated Operations Plant and Leases

Net Regulated Operations Plant

Major classes of regulated operations plant and their respective balances as of December 31, 2022 and 2021 were as follows:

	December 31,		
(Thousands of dollars)	2022	2021	2021
	Southwest Gas Holdings Inc.*		Southwest Gas Corporation
Gas plant:			
Storage	$ 104,218	$ 437,793	$ 103,874
Transmission	399,357	1,917,529	397,590
Distribution	8,039,793	7,506,489	7,506,489
General	505,109	530,346	496,643
Software and software-related intangibles	389,496	380,372	380,372
Other	15,934	17,161	16,607
	9,453,907	10,789,690	8,901,575
Less: accumulated depreciation and amortization	(2,674,157)	(3,397,736)	(2,538,508)
Construction work in progress	244,750	202,068	183,485
Net regulated operations plant	$ 7,024,500	$ 7,594,022	$ 6,546,552

*Southwest Gas Holdings, Inc. included the regulated operations plant associated with MountainWest only as of December 31, 2021, given that the MountainWest disposal group was deemed held for sale as of December 31, 2022. Therefore, the balances in the table above for Southwest Gas Holdings, Inc. are the same as for Southwest Gas Corporation as of December 31, 2022.

Regulated operations plant depreciation is computed on the straight-line remaining life method at composite rates considered sufficient to amortize costs over estimated service lives, including components which are intended to compensate for removal costs (net of salvage value), and retirements, based on the processes of regulatory proceedings and related regulatory

commission approvals and/or mandates. In 2022, 2021, and 2020, annual regulated operations depreciation and amortization expense in regard to Southwest averaged 2.7% of the original cost of depreciable and amortizable property. Transmission and distribution plant are associated with the core natural gas delivery infrastructure, and combined, constitute the majority of gas plant. Annual regulated operations depreciation expense for Southwest averaged approximately 2.2% of the original cost of depreciable transmission and distribution plant during the period 2020 through 2022.

Depreciation and amortization expense on gas plant, including intangibles, was as follows:

(Thousands of dollars)	2022	2021	2020
Depreciation and amortization expense	$ 243,857	$ 230,245	$ 215,636

Included in the figures above is amortization of regulated operations intangibles of $21 million, $17.7 million, and $13.7 million for the years ended December 31, 2022, 2021, and 2020, respectively. The amounts above exclude regulatory asset and liability amortization.

Leases

Determinations are made as to whether an arrangement is a lease at inception. ROU assets represent the right to use an underlying asset for the lease term; lease liabilities represent obligations to make lease payments arising from the lease. Operating lease ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. When leases do not provide an implicit interest rate, an incremental borrowing rate based on information available at commencement is used in determining the present value of lease payments; an implicit rate, if readily determinable, is used. Lease terms utilized in the computations may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. When lease agreements include non-lease components, they are included with the lease component and accounted for as a single component, for all asset classes. Southwest and MountainWest have no significant operating, finance, or short-term leases.

Centuri has operating and finance leases for corporate and field offices, construction equipment, and transportation vehicles. Centuri is currently not a lessor in any significant lease arrangements. Centuri's leases have remaining lease terms of up to 16 years. Some of these include options to extend the leases, generally for optional terms of up to 5 years, and some include options to terminate the leases within 1 year. Centuri's equipment leases may include variable payment terms in addition to the fixed lease payments if machinery is used in excess of the standard work periods. These variable payments are not probable of occurring under the current operating environment and have not been included in consideration of lease payments. During 2021, the presentation of short-term lease cost changed to include all short-term costs associated with leases with a term of less than one month as compared to the historical presentation of only including short-term lease costs for leases with a duration of over one month and less than one year. The lease costs associated with leases with terms of less than one month were $66.4 million for the year ended December 31, 2020. Due to the seasonality of Centuri's business, expense for short-term leases will fluctuate throughout the year with higher expense incurred during the warmer months. Short-term leases were not recorded on the balance sheet as permitted under the provisions of Accounting Standards Codification ("ASC") Topic 842. As of December 31, 2022, Centuri had no executed lease agreements that had not yet commenced.

The components of lease expense for Centuri were as follows:

(Thousands of dollars)	2022	2021	2020
Operating lease cost	$ 17,881	$ 15,279	$ 14,294
Finance lease cost:			
Amortization of ROU assets	7,702	2,138	140
Interest on lease liabilities	1,520	278	37
Total finance lease cost	9,222	2,416	177
Short-term lease cost	120,339	103,800	19,806
Total lease cost	$ 147,442	$ 121,495	$ 34,277

Supplemental cash flow information related to Centuri leases for the years ended December 31, 2022, 2021, and 2020 was as follows:

(Thousands of dollars)	2022	2021	2020
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 16,725	$ 14,669	$ 12,889
Operating cash flows from finance leases	1,520	278	36
Financing cash flows from finance leases	11,985	3,547	199
ROU assets obtained in exchange for lease obligations:			
Operating leases	$ 22,653	$ 11,597	$ 19,372
Finance leases	28,861	3,332	361

Supplemental information related to Centuri leases, including location in the Consolidated Balance Sheets, is as follows:

(Thousands of dollars)	December 31,	
	2022	2021
Operating leases:		
Other property and investments	$ 85,270	$ 80,638
Other current liabilities	$ 13,863	$ 12,185
Other deferred credits and other long-term liabilities	77,119	72,930
Total operating lease liabilities	$ 90,982	$ 85,115
Finance leases:		
Other property and investments	$ 51,313	$ 30,705
Other current liabilities	$ 12,028	$ 8,858
Other deferred credits and other long-term liabilities	34,238	20,585
Total finance lease liabilities	$ 46,266	$ 29,443
Weighted average remaining lease term (in years)		
Operating leases	6.66	7.57
Finance leases	4.33	3.92
Weighted average discount rate		
Operating leases	4.06 %	3.95 %
Finance leases	3.95 %	2.58 %

The following is a schedule of maturities of Centuri lease liabilities as of December 31, 2022:

(Thousands of dollars)	Operating Leases	Finance Leases
2023	$ 17,392	$ 13,657
2024	15,267	12,225
2025	12,595	9,852
2026	10,646	7,263
2027	10,146	5,311
Thereafter	43,078	2,374
Total lease payments	109,124	50,682
Less imputed interest	18,142	4,416
Total	$ 90,982	$ 46,266

Note 3 - Revenue

The following information about the Company's revenues is presented by segment. Southwest encompasses the natural gas distribution segment, Centuri encompasses the utility infrastructure services segment, and MountainWest, prior to its sale in February 2023, encompassed the pipeline and storage segment.

Natural Gas Distribution Segment:

Southwest recognizes revenue when it satisfies its performance by transferring gas to the customer. Revenues also include the net impacts of margin tracker/decoupling accruals based on criteria in U.S. GAAP for rate-regulated entities associated with alternative revenue programs. Revenues from customer arrangements and from alternative revenue programs are described below.

Southwest acts as an agent for state and local taxing authorities in the collection and remittance of a variety of taxes, including sales and use taxes and surcharges. These taxes are not included in Regulated operations revenues. Management uses the net classification method to report taxes collected from customers to be remitted to governmental authorities.

Southwest generally offers two types of services to its customers: tariff sales and transportation–only service. Tariff sales encompass sales to many types of customers (primarily residential) under various rate schedules, subject to cost-of-service ratemaking, which is based on the rate-regulation of state commissions and the FERC. Southwest provides both the commodity and the related distribution service to nearly all of its approximate 2.2 million customers, and only several hundred customers (who are eligible to secure their own gas) subscribe to transportation-only service. Natural gas is delivered and consumed by the customer simultaneously. The provision of service is represented by the turn of the meter dial and is the primary representation of the satisfaction of performance obligations of Southwest. The amount billable via regulated rates (both volumetric and fixed monthly rates as part of rate design) corresponds to the value to the customer, and management believes that the amount billable (amount Southwest has the right to invoice) is appropriate to utilize for purposes of recognizing revenue. Estimated amounts remaining unbilled since the last meter read date are restricted from being billed due only to the passage of time and therefore are also recognized for service provided through the balance sheet date. While natural gas service is typically recurring, there is generally not a contract term for utility service. Therefore, the contract term is not generally viewed to extend beyond the service provided to date, and customers can generally terminate service at will.

Transportation-only service is also governed by tariff rate provisions. Transportation-only service is generally only available to very large customers under requirements of Southwest's various tariffs. With this service, customers secure their own gas supply and Southwest provides transportation services to move the customer-supplied gas to the intended location. Southwest concluded that transportation/transmission service is suitable to an "over time" recognition model. Rate structures under Southwest's regulation for transportation customers include a combination of volumetric charges and monthly "fixed" charges (including charges commonly referred to as capacity charges, demand charges, or reservation charges) as part of the rate design of regulated jurisdictions. These types of fixed charges represent a separate performance obligation associated with standing ready over the period of the month to deliver quantities of gas, regardless of whether the customer takes delivery of any quantity of gas. The performance obligations under these circumstances are satisfied over the course of the month under an output measure of progress based on time, which correlates to the period for which the charges are eligible to be invoiced.

Under its regulation, Southwest enters into negotiated rate contracts for those customers located in proximity to another pipeline, which pose a threat of bypassing its distribution system. Southwest may also enter into similar contracts for customers otherwise able to satisfy their energy needs by means of alternative fuel to natural gas. Less than two dozen customers are party to contracts with rate components subject to negotiation. Many rate provisions and terms of service for these less common types of contracts are also subject to regulatory oversight and tariff provisions. The performance obligations for these customers are satisfied similarly to those for other customers by means of transporting/delivering natural gas to the customer. Many or most of the rate components, and structures, for these types of customers are the same as those for similar customers without negotiated rate components; and the negotiated rates are within the parameters of the tariff guidelines. Furthermore, while some of these contracts include contract periods extending over time, including multiple years, as amounts billable under the contract are based on rates in effect for the customer for service provided to date, no significant financing component is deemed to exist.

As indicated above, revenues also include the net impacts of margin tracker/decoupling accruals. All of Southwest's service territories have decoupled rate structures (also referred to as alternative revenue programs) that are designed to eliminate the direct link between volumetric sales and revenue, thereby mitigating the impacts of unusual weather variability and conservation on margin. The primary alternative revenue programs involve permissible adjustments for differences between stated tariff benchmarks and amounts billed through revenue from contracts with customers via existing rates. Such adjustments are recognized monthly in revenue and in the associated regulatory asset/liability accounts in advance of rate adjustments intended to collect or return amounts recognized. Revenues recognized for the adjustment to the benchmarks noted are required to be presented separately from revenues from contracts with customers, and as such, are provided below and identified as related to alternative revenue programs (which excludes recoveries from customers).

Southwest's operating revenues included on the Consolidated Statements of Income of both the Company and Southwest include revenue from contracts with customers, which is shown below disaggregated by customer type, in addition to other categories of revenue:

	December 31,		
(Thousands of dollars)	2022	2021	2020
Residential	$ 1,324,794	$ 1,035,612	$ 958,520
Small commercial	378,520	270,214	221,541
Large commercial	85,234	57,371	44,633
Industrial/other	50,894	42,313	26,242
Transportation	100,642	92,240	88,215
Revenue from contracts with customers	1,940,084	1,497,750	1,339,151
Alternative revenue program revenues (deferrals)	(18,478)	13,181	12,140
Other revenues (a)	13,463	10,859	(706)
Total Regulated operations revenues	$ 1,935,069	$ 1,521,790	$ 1,350,585

(a) Amounts include late fees and other miscellaneous revenues, and may also include the impact of certain regulatory mechanisms, such as cost-of-service components in current customer rates that are expected to be returned to customers in future periods. Also includes the impacts of a temporary pandemic-period moratorium on late fees and disconnection for nonpayment during the majority of 2020 and part of 2021; 2020 also includes amounts related to tax reform savings reserves/adjustments.

Utility Infrastructure Services Segment:

The majority of Centuri contracts are performed under unit-price contracts. Generally, these contracts state prices per unit of installation. Typical installations are accomplished in a few weeks or less. Revenues are recorded as installations are completed. Revenues are recorded for long-term fixed-price contracts in a pattern that reflects the transfer of control of promised goods and services to the customer over time. The amount of revenue recognized on fixed-price contracts is based on costs expended to date relative to anticipated final contract costs (a method of recognition based on inputs). Some unit-price contracts contain caps that if encroached, trigger revenue and loss recognition similar to a fixed-price contract model.

Centuri is required to collect taxes imposed by various governmental agencies on the work performed for its customers. These taxes are not included in Utility infrastructure services revenues. Management uses the net classification method to report taxes collected from customers to be remitted to governmental authorities.

Centuri derives revenue from the installation, replacement, repair, and maintenance of energy distribution systems. Centuri has operations in the U.S. and Canada. The primary focus of Centuri operations is replacement of natural gas distribution pipe and electric service lines, as well as new infrastructure installations. In addition, Centuri performs certain industrial construction activities for various customers and industries. Centuri has two types of agreements with its customers: master services agreements ("MSAs") and bid contracts. Most of Centuri's customers supply many of their own materials in order for Centuri to complete its work under the contracts.

An MSA identifies most of the terms describing each party's rights and obligations that will govern future work authorizations. An MSA is often effective for multiple years. A work authorization is issued by the customer to describe the location, timing, and any additional information necessary to complete the work for the customer. The combination of the MSA and the work authorization determines when a contract exists and revenue recognition may begin. Each work authorization is generally a single performance obligation as Centuri is performing a significant integration service.

A bid contract is typically a one-time agreement for a specific project that has all necessary terms defining each party's rights and obligations. Each bid contract is evaluated for revenue recognition individually. Control of assets created under bid contracts generally passes to the customer over time. Bid contracts often have a single performance obligation as Centuri is providing a significant integration service.

Centuri's MSA and bid contracts are characterized as either fixed-price contracts or unit-price contracts for revenue recognition purposes. The cost-to-cost input method is used to measure progress towards the satisfaction of a performance obligation for fixed-price contracts. Input methods result in the recognition of revenue based on the entity's expended effort toward satisfaction of the performance obligation relative to the total expected effort to satisfy it in full. For unit-price contracts, an output method is used to measure progress towards satisfaction of a performance obligation (based on the completion of each unit that is required under the contract).

Actual revenues and project costs can vary, sometimes substantially, from previous estimates due to changes in a variety of factors, including unforeseen circumstances. These factors, along with other risks inherent in performing fixed-price contracts

may cause actual revenues and gross profit for a project to differ from previous estimates, and could result in reduced profitability or losses on projects. Changes in these factors may result in revisions to costs and earnings, the impacts for which are recognized in the period in which the changes are identified. Once identified, these types of conditions continue to be evaluated for each project throughout the project term, and ongoing revisions in management's estimates of contract value, cost, and profit are recognized as necessary in the period determined.

Centuri categorizes work performed under MSAs and bid contracts into three primary service types: gas construction, electrical construction, and other construction. Gas construction includes work involving previously existing gas pipelines and the installation of new pipelines or service lines. Electrical construction includes work involving installation and maintenance of transmission and distribution lines, including storm restoration services. Other construction includes all other work and can include industrial and water utility services.

Contracts can have compensation/consideration that is variable. For MSAs, variable consideration is evaluated at the customer level as the terms creating variability in pricing are included within the MSA and are not specific to a work authorization. For multi-year MSAs, variable consideration items are typically determined for each year of the contract and not for the full contract term. For bid contracts, variable consideration is evaluated at the individual contract level. The expected value method or most likely amount method is used based on the nature of the variable consideration. Types of variable consideration include liquidated damages, delay penalties, performance incentives, safety bonuses, payment discounts, and volume rebates. Centuri will typically estimate variable consideration and adjust financial information, as necessary.

Change orders involve the modification in scope, price, or both to the current contract, requiring approval by both parties. The existing terms of the contract continue to be accounted for under the current contract until such time as a change order is approved. Once approved, the change order is either treated as a separate contract or as part of the existing contract, as appropriate under the circumstances. When the scope is agreed upon in the change order but not the price, Centuri estimates the change to the transaction price.

The following tables display Centuri's revenue from contracts with customers disaggregated by service type and contract type:

	December 31,		
(Thousands of dollars)	2022	2021	2020
Service Types:			
Gas infrastructure services	$ 1,531,818	$ 1,302,340	$ 1,261,160
Electric power infrastructure services	778,124	525,202	411,826
Other	450,385	331,119	275,302
Total Utility infrastructure services revenues	$ 2,760,327	$ 2,158,661	$ 1,948,288

	December 31,		
(Thousands of dollars)	2022	2021	2020
Contract Types:			
Master services agreement	$ 2,342,220	$ 1,652,978	$ 1,490,009
Bid contract	418,107	505,683	458,279
Total Utility infrastructure services revenues	$ 2,760,327	$ 2,158,661	$ 1,948,288
Unit-price contracts	$ 1,608,131	$ 1,369,082	$ 1,356,640
Fixed-price contracts	498,039	267,742	157,701
Time and materials contracts	654,157	521,837	433,947
Total Utility infrastructure services revenues	$ 2,760,327	$ 2,158,661	$ 1,948,288

The following table provides information about contracts receivable and revenue earned on contracts in progress in excess of billings (contract assets), both of which are included within Accounts receivable, net of allowances, and provides information

about amounts billed in excess of revenue earned on contracts (contract liabilities), which are included in Other current liabilities as of December 31, 2022 and 2021 on the Company's Consolidated Balance Sheets:

	December 31,	
(Thousands of dollars)	2022	2021
Contracts receivable, net	$ 394,022	$ 296,005
Revenue earned on contracts in progress in excess of billings	238,059	214,774
Amounts billed in excess of revenue earned on contracts	35,769	11,860

The revenue earned on contracts in progress in excess of billings (contract asset) primarily relates to Centuri's rights to consideration for work completed but not billed and/or approved at the reporting date. These contract assets are transferred to contracts receivable when the rights become unconditional. These contract assets are recoverable from Centuri's customers based upon various measures of performance, including achievement of certain milestones, completion of specified units or completion of a contract. In addition, many of Centuri's time and materials arrangements are billed in arrears pursuant to contract terms that are standard within the industry, resulting in contract assets and/or unbilled receivables being recorded, as revenue is recognized in advance of billings. Due to the lag in invoicing associated with contractual provisions (or other economic or market conditions that may impact a customer's business), Centuri's ability to bill and subsequently collect amounts due may be impacted. These changes may result in the need to record an estimated valuation allowance to adjust contract asset balances to their net realizable value.

The amounts billed in excess of revenue earned (contract liability) primarily relate to the advance consideration received from customers for which work has not yet been completed. The change in this contract liability balance from December 31, 2021 to December 31, 2022 was due to revenue recognized of approximately $11.9 million that was included in this balance as of January 1, 2022, after which time it became earned and the balance was reduced, in addition to increases due to amounts received, net of revenue recognized during the period related to contracts that commenced during the period.

For contracts that have an original duration of one year or less, Centuri does not consider/compute an interest component based on the time value of money. Further, because of the short duration of these contracts, the Company has not disclosed the transaction price for the remaining performance obligations as of the end of each reporting period or when the Company expects to recognize the revenue.

As of December 31, 2022, Centuri has 57 contracts with an original duration of more than one year. The aggregate amount of the transaction price allocated to the unsatisfied performance obligations of these contracts as of December 31, 2022 was $440.8 million. Centuri expects to recognize the remaining performance obligations over approximately the next two years; however, the timing of that recognition is largely within the control of the customer, including when the necessary equipment and materials required to complete the work will be provided by the customer.

Utility infrastructure services contracts receivable consists of the following:

	December 31,	
(Thousands of dollars)	2022	2021
Billed on completed contracts and contracts in progress	$ 395,771	$ 292,770
Other receivables	2,569	3,492
Contracts receivable, gross	398,340	296,262
Allowance for doubtful accounts	(4,318)	(257)
Contracts receivable, net	$ 394,022	$ 296,005

Pipeline and Storage Segment:

MountainWest derives revenue on the basis of services rendered, commodities delivered, or contracts settled and includes amounts yet to be billed to customers. MountainWest generates revenue and earnings from annual reservation payments under firm peaking storage and firm transportation contracts. Straight-fixed-variable rate designs are used to allow for recovery of substantially all fixed costs in demand or reservation charges, thereby reducing the earnings impact of volume changes on gas transportation and storage operations.

MountainWest receives upfront payment for certain storage services it provides to customers, which are considered to be contract liabilities. These payments are amortized to revenue over the term of the contract.

The primary types of sales and service activities reported as revenue from contracts with customers are FERC-regulated gas transportation and storage services, and to a lesser extent, natural gas liquid ("NGL") revenues consisting primarily of NGL

processing services, and other revenue (consisting of natural gas sales, as well as services related to gathering and processing activities and miscellaneous service revenue).

Transportation and storage contracts are primarily stand-ready service contracts that include fixed reservation and variable usage fees. Fixed fees are recognized ratably over the life of the contract as the stand-ready performance obligations are satisfied, while variable usage fees are recognized when MountainWest has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the performance obligation completed to date. Substantially all of MountainWest's revenues are derived from performance obligations satisfied over time, rather than recognized at a single point in time. Payment for most sales and services varies by contract type, but is typically due within a month of billing.

MountainWest typically receives or retains NGLs and natural gas from customers when providing natural gas processing, transportation, or storage services. MountainWest records the fair value of NGLs received as service revenue recognized over time and recognizes revenue from the subsequent sale of the NGLs to customers upon delivery. MountainWest typically retains some natural gas under certain transportation service arrangements, intended to facilitate performance of the service and allow for natural losses that occur. As the intent of the retention amount is to enable fulfillment of the contract rather than to provide compensation for services, the fuel allowance is not included in revenue.

MountainWest Regulated operations revenues on the Consolidated Statements of Income of the Company include revenue from contracts with customers, which is shown below, disaggregated by categories of sales and service activities.

(Thousands of dollars)	December 31, 2022
Regulated gas transportation and storage revenues	$ 248,304
NGL revenues	5,983
Other revenues	10,152
Revenue from contracts with customers	264,439
Other revenues	174
Total Regulated operations revenues	$ 264,613

MountainWest has certain multi-year contracts with fixed-price performance obligations that were unsatisfied (or partially unsatisfied) at the end of the reporting period, whereby revenue will be earned over time as MountainWest stands ready to provide service. These amounts are not material to the Company's financial statements overall. MountainWest also has certain contract liabilities related to consideration received from customers with an obligation to transfer goods or services subsequent to the balance sheet date, amounts for which are not material.

Note 4 - Receivables and Related Allowances

Business activity with respect to natural gas utility operations is conducted with customers located within the three-state region of Arizona, Nevada, and California. Southwest's accounts receivable are short-term in nature, with billing due dates customarily not extending beyond one month, with customers' credit worthiness assessed upon account creation by evaluation of other utility service or their credit file, and related payment history. Although Southwest seeks generally to minimize its credit risk related to utility operations by requiring security deposits from new customers, imposing late fees, and actively pursuing collection on overdue accounts, some accounts are ultimately not collected. Customer accounts are subject to collection procedures that vary by jurisdiction (late fee assessment, notice requirements for disconnection of service, and procedures for actual disconnection and/or reestablishment of service). After disconnection of service, accounts are customarily written off approximately two months after disconnection if the account remains inactive. Dependent upon the jurisdiction, reestablishment of service requires both payment of previously unpaid balances and additional deposit requirements. Provisions for uncollectible accounts are recorded monthly based on experience, consideration of current and expected future conditions, customer and rate composition, and write-off processes. They are included in the ratemaking process as a cost of service. The Nevada jurisdictions have a regulatory mechanism associated with the gas-cost-related portion of uncollectible accounts. Such amounts are deferred and collected through a surcharge in the ratemaking process. Southwest lifted the moratorium on disconnection of natural gas service for non-payment in Arizona and Nevada in September 2021, which was initiated (at the same time as a moratorium on late fees) in March 2020 in response to the COVID-19 pandemic. The moratorium on disconnection in California ended in November 2021. Southwest recommenced assessing late fees on past-due balances in Arizona and Nevada in April 2021, and in California in August 2021. After these moratoriums were lifted, Southwest resumed collection efforts. These moratoriums have influenced our bad debt expense and write-offs through 2022. Southwest continues to actively work with customers experiencing financial hardship by means of flexible payment options and partnering with assistance agencies. Management continues to monitor expected credit losses in light of the impacts of events/conditions such as COVID-19, local/regional inflation, and others. In addition, management is monitoring the impact of certain residential disconnection protections recently established in Southwest's California jurisdictions, such as prohibiting credit deposits and fees for reconnection, among other things. While a two-way balancing account was permitted to track residential uncollectible accounts for future recovery, the mechanism is subject to a cap, above which uncollectible expense would nonetheless be incurred and recognized. The allowance as of December 31, 2022 reflects the expected impact from the pandemic on balances as of that date, including consideration of customers' current and future ability to pay those amounts that are due.

Utility infrastructure services accounts receivable are recorded at face amounts less an allowance for doubtful accounts. Centuri's customers are generally investment-grade gas and electric utility companies for which Centuri has historically recognized an insignificant amount of write-offs. Centuri's accounts receivable balances carry standard payment terms of up to 60 days. Centuri maintains an allowance that is estimated based on historical collection experience, current and estimated future economic and market conditions, and a review of the current status of each customer's accounts receivable balance. Account balances are monitored at least monthly, and are charged off against the allowance when management determines it is probable the balance will not be recovered. Centuri has not been significantly impacted, nor does it anticipate it will experience significant difficulty in collecting amounts due, given the nature of its customers, as a result of the COVID-19 environment, historically high inflation, or other conditions.

The table below contains information about Southwest's gas utility customer accounts receivable balance (net of allowance) at December 31, 2022 and 2021:

	December 31,	
(Thousands of dollars)	2022	2021
Gas utility customer accounts receivable balance	$ 225,317	$ 169,114

The following table represents the percentage of customers in each of Southwest's three states at December 31, 2022, which was consistent with the prior year:

Percent of customers by state:	
Arizona	54 %
Nevada	37 %
California	9 %

Southwest activity in the allowance account for uncollectibles is summarized as follows:

(Thousands of dollars)	Allowance for Uncollectibles
Balance, December 31, 2019	$ 2,095
Additions charged to expense	4,693
Accounts written off, less recoveries	(2,454)
Balance, December 31, 2020	4,334
Additions charged to expense	5,415
Accounts written off, less recoveries	(6,490)
Balance, December 31, 2021	3,259
Additions charged to expense	12,707
Accounts written off, less recoveries	(11,136)
Balance, December 31, 2022	$ 4,830

At December 31, 2022, the utility infrastructure services segment (Centuri) had $632.1 million in combined customer accounts and contracts receivable. The allowance for doubtful accounts at Centuri as of December 31, 2022 was $4.3 million. The allowance for uncollectibles and write-offs related to Centuri customers were insignificant for all periods prior to December 31, 2022 and not reflected in the table above.

Note 5 - Regulatory Assets and Liabilities

Southwest is subject to the regulation of the Arizona Corporation Commission ("ACC"), the Public Utilities Commission of Nevada ("PUCN"), the California Public Utilities Commission ("CPUC"), and the FERC. Accounting policies for Southwest conform to U.S. GAAP applicable to rate-regulated entities and reflect the effects of the ratemaking process. Accounting treatment for rate-regulated entities allows for deferral as regulatory assets, costs that otherwise would be expensed, if it is probable that future recovery from customers will occur. If rate recovery is no longer probable, due to competition or the actions of regulators, the related regulatory asset is required to be written off. Regulatory liabilities are recorded if it is probable that revenues will be reduced for amounts that will be refunded to customers through the ratemaking process. Management records regulatory assets and liabilities based on decisions of the commissions noted above, including the issuance of regulatory orders and precedents established by these commissions. The regulated operations have generally been successful in seeking recovery of regulatory assets, and regularly file rate cases or other administrative filings in the various jurisdictions, in some cases, to establish the basis for recovering regulatory assets reflected in accounting records.

The following table represents existing regulatory assets and liabilities:

	December 31,		
	2022	2021	2021
(Thousands of dollars)	Southwest Gas Holdings Inc.*		Southwest Gas Corporation
Regulatory assets:			
Accrued pension and other postretirement benefit costs (1)	$ 311,124	$ 339,356	$ 339,356
Deferred purchased gas costs (2)	450,120	291,145	291,145
Settled interest rate hedges (3)	—	31,278	—
Accrued purchased gas costs (4)	207,368	51,631	51,631
Unamortized premium on reacquired debt (5)	14,707	16,283	16,283
Accrued absence time (9)	17,854	16,975	16,975
Margin, interest- and tax-tracking (10)	21,024	22,709	22,709
Other (12)	65,981	62,233	60,798
	$ 1,088,178	$ 831,610	798,897
Regulatory liabilities:			
Deferred purchased gas costs (2)	—	(5,736)	—
Accumulated removal costs (6)	(445,000)	(482,558)	(424,000)
Unamortized gain on reacquired debt (7)	(6,572)	(7,108)	(7,108)
Regulatory excess deferred/other taxes and gross-up (8)	(424,921)	(511,567)	(446,333)
Margin, interest- and property tax-tracking (10)	(10,920)	(8,523)	(8,523)
Unrecognized other postretirement benefit costs (11)	—	(17,815)	—
Other (12)	(5,393)	(10,321)	(8,573)
Net regulatory assets (liabilities)	$ 195,372	$ (212,018)	$ (95,640)

*Southwest Gas Holdings, Inc. includes the regulatory assets and liabilities associated with MountainWest only as of December 31, 2021, due to the held-for-sale classification of the disposal group as of December 31, 2022. As of that date, the regulatory assets and liabilities for Southwest Gas Corporation are the same, including in amount, as those reflected for the Company.

(1) Included in Deferred charges and other assets on the Consolidated Balance Sheets. Recovery period is greater than five years. (See **Note 11 - Pension and Other Postretirement Benefits**).
(2) Balance recovered or refunded on an ongoing basis with interest.
(3) Reflects MountainWest interest rate cash flow hedges entered into in association with the issuance of $180 million principal balance 4.875% unsecured senior notes due in 2041 that are amortized to interest expense over the life of the debt instrument. The current portion at December 31, 2021 was included in Prepaid and other current assets and the long-term portion was included in Deferred charges and other assets on the Company's 2021 Consolidated Balance Sheet.
(4) Included in Prepaid and other current assets on the Consolidated Balance Sheets. Balance recovered or refunded on an ongoing basis.
(5) Included in Deferred charges and other assets on the Consolidated Balance Sheets. Recovered over life of debt instruments.
(6) Included in Other deferred credits and other long-term liabilities on the Consolidated Balance Sheets. In 2021, substantially all amounts related to MountainWest were also included in Other deferred credits and other long-term liabilities, except $2 million which was included in Other current liabilities on the Company's Consolidated Balance Sheet.

(7) Included in Other deferred credits and other long-term liabilities on the Consolidated Balance Sheets. Amortized over life of debt instruments.

(8) Includes remeasurement/reduction of the net accumulated deferred income tax liability from U.S. tax reform. The reduction (excess accumulated deferred taxes, or "EADIT") became a regulatory liability with tax gross-up. EADIT reduces rate base, and is expected to be returned to utility customers in accordance with IRS and regulatory requirements. Included generally in Other deferred credits and other long-term liabilities on the Consolidated Balance Sheets, except for $30.3 million in 2022 which is in Other current liabilities. Amount also includes difference in current taxes required to be returned to customers and a separate $2.7 million gross-up related to contributions in aid of construction.

(9) Regulatory recovery occurs on a one-year lag basis through the labor loading process. Included in Prepaid and other current assets on the Consolidated Balance Sheets.

(10) Margin tracking/decoupling mechanisms are alternative revenue programs; revenue associated with under-collections (for the difference between authorized margin levels and amounts billed to customers through rates currently) is recognized as revenue so long as recovery is expected to take place within 24 months. Total category asset balances are included in Prepaid and other current assets on the Consolidated Balance Sheets. Total category liability balances are included in Other current liabilities and Other deferred credits and other long-term liabilities.

(11) Reflected a regulatory liability at MountainWest for the collection of postretirement benefit costs allowed in rates in excess of expenses incurred, included in Other deferred credits and other long-term liabilities on the Company's Consolidated Balance Sheet as of December 31, 2021, before MountainWest balances were included as Current liabilities held for sale.

(12) The following tables detail the components of Other regulatory assets and liabilities. Other regulatory assets are included in either Prepaid and other current assets or Deferred charges and other assets on the Consolidated Balance Sheets (as indicated). Recovery periods vary. Other regulatory liabilities are included in either Other current liabilities or Other deferred credits and other long-term liabilities on the Consolidated Balance Sheets (as indicated).

	December 31,		
	2022	2021	2021
(Thousands of dollars)	Southwest Gas Holdings Inc.		Southwest Gas Corporation
Other Regulatory Assets:			
State mandated public purpose programs (including low income and conservation programs) (a) (e)	$ 18,693	$ 15,239	$ 15,239
Infrastructure replacement programs and similar (b) (e)	8,533	6,545	6,545
Environmental compliance programs (c) (e)	5,803	6,807	6,807
Pension tracking mechanism (b)	13,098	10,281	10,281
Other (d)	19,854	23,361	21,926
	$ 65,981	$ 62,233	$ 60,798

a) Included in Prepaid and other current assets on the Consolidated Balance Sheets.

b) Included in Deferred charges and other assets on the Consolidated Balance Sheets, except $930,000 which is included in Prepaid and other current assets in 2022.

c) In 2022, approximately $5 million of these balances included in Prepaid and other current assets and $825,000 in Deferred charges and other assets on the Consolidated Balance Sheets. In 2021, approximately $5.8 million included in Prepaid and other current assets and $1 million included in Deferred charges and other assets on the Consolidated Balance Sheets.

d) In 2022, approximately $6.4 million included in Prepaid and other current assets and $13.4 million included in Deferred charges and other assets on the Consolidated Balance Sheets. In 2021, for Southwest Gas Corporation, $6.7 million included in Prepaid and other current assets and $15.2 million included in Deferred charges and other assets on the Consolidated Balance Sheets. For the Company in 2021, $7.7 million included in Prepaid and other current assets and $15.6 million included in Deferred charges and other assets on the Consolidated Balance Sheets.

e) Balance recovered or refunded on an ongoing basis, generally with interest.

	December 31,		
	2022	2021	2021
(Thousands of dollars)	Southwest Gas Holdings Inc.		Southwest Gas Corporation
Other Regulatory Liabilities:			
State mandated public purpose programs (including low income and conservation programs) (a) (c)	$ (1,567)	$ (1,886)	$ (1,886)
Environmental compliance programs (c) (d)	—	(4,182)	(4,182)
Other (b) (c)	(3,826)	(4,253)	(2,505)
	$ (5,393)	$ (10,321)	$ (8,573)

a) Included in Other current liabilities on the Consolidated Balance Sheets.

b) Included in Other current liabilities, except $823,000, in 2022, which is included in Other deferred credits and other long-term liabilities on the Consolidated Balance Sheets.
c) Balance typically recovered or refunded on an ongoing basis, generally with interest.
d) In 2021, included in Other current liabilities on the Consolidated Balance Sheets.

Note 6 - Other Comprehensive Income and Accumulated Other Comprehensive Income ("AOCI")

The following information provides insight into amounts impacting the Company's and Southwest's Other comprehensive income (loss), both before and after-tax impacts, within the Consolidated Statements of Comprehensive Income, which also impact Accumulated other comprehensive income ("AOCI") in the Consolidated Balance Sheets and the Consolidated Statements of Equity.

Related Tax Effects Allocated to Each Component of Other Comprehensive Income (Loss):

	Year Ended December 31,								
	2022			2021			2020		
(Thousands of dollars)	Before-Tax Amount	Tax (Expense) or Benefit (1)	Net-of-Tax Amount	Before-Tax Amount	Tax (Expense) or Benefit (1)	Net-of-Tax Amount	Before-Tax Amount	Tax (Expense) or Benefit (1)	Net-of-Tax Amount
Defined benefit pension plans:									
Net actuarial gain/(loss)	$ 4,079	$ (980)	$ 3,099	$ 59,176	$ (14,202)	$ 44,974	$ (57,539)	$ 13,809	$ (43,730)
Amortization of prior service cost	175	(42)	133	959	(230)	729	1,155	(277)	878
Amortization of net actuarial (gain)/loss	34,818	(8,357)	26,461	44,597	(10,703)	33,894	37,830	(9,079)	28,751
Regulatory adjustment	(28,232)	6,775	(21,457)	(88,194)	21,167	(67,027)	7,435	(1,785)	5,650
Pension plans other comprehensive income (loss)	10,840	(2,604)	8,236	16,538	(3,968)	12,570	(11,119)	2,668	(8,451)
FSIRS (designated hedging activities):									
Amounts reclassified into net income	545	(129)	416	2,174	(522)	1,652	3,247	(780)	2,467
FSIRS other comprehensive income (loss)	545	(129)	416	2,174	(522)	1,652	3,247	(780)	2,467
Total other comprehensive income (loss) – Southwest Gas Corporation	11,385	(2,733)	8,652	18,712	(4,490)	14,222	(7,872)	1,888	(5,984)
Foreign currency translation adjustments:									
Translation adjustments	(6,133)	—	(6,133)	20	—	20	1,713	—	1,713
Foreign currency other comprehensive income (loss)	(6,133)	—	(6,133)	20	—	20	1,713	—	1,713
Total other comprehensive income (loss) – Southwest Gas Holdings, Inc.	$ 5,252	$ (2,733)	$ 2,519	$ 18,732	$ (4,490)	$ 14,242	$ (6,159)	$ 1,888	$ (4,271)

(1) Tax amounts are calculated using a 24% rate. With regard to foreign currency translation adjustments, the Company has elected to indefinitely reinvest the earnings of Centuri's Canadian subsidiaries in Canada, thus preventing deferred taxes on such earnings. As a result of this assertion, and no repatriation of earnings anticipated, the Company is not recognizing a tax effect or presenting a tax expense or benefit for currency translation adjustments in Other comprehensive income (loss).

The following table represents a rollforward of AOCI, presented on the Company's Consolidated Balance Sheets and its Consolidated Statements of Equity:

	Defined Benefit Plans			FSIRS			Foreign Currency Items			
(Thousands of dollars)	Before-Tax	Tax (Expense) Benefit (4)	After-Tax	Before-Tax	Tax (Expense) Benefit (4)	After-Tax	Before-Tax	Tax (Expense) Benefit	After-Tax	AOCI
Beginning Balance AOCI December 31, 2021	$ (61,182)	$ 14,685	$ (46,497)	$ (545)	$ 129	$ (416)	$ 152	$ —	$ 152	$ (46,761)
Net actuarial gain/(loss)	4,079	(980)	3,099	—	—	—	—	—	—	3,099
Translation adjustments	—	—	—	—	—	—	(6,133)	—	(6,133)	(6,133)
Other comprehensive income before reclassifications	4,079	(980)	3,099	—	—	—	(6,133)	—	(6,133)	(3,034)
FSIRS amount reclassified from AOCI (1)	—	—	—	545	(129)	416	—	—	—	416
Amortization of prior service cost (2)	175	(42)	133	—	—	—	—	—	—	133
Amortization of net actuarial loss (2)	34,818	(8,357)	26,461	—	—	—	—	—	—	26,461
Regulatory adjustment (3)	(28,232)	6,775	(21,457)	—	—	—		—	—	(21,457)
Net current period other comprehensive income (loss) attributable to Southwest Gas Holdings, Inc.	10,840	(2,604)	8,236	545	(129)	416	(6,133)	—	(6,133)	2,519
Ending Balance AOCI December 31, 2022	$ (50,342)	$ 12,081	$ (38,261)	$ —	$ —	$ —	$ (5,981)	$ —	$ (5,981)	$ (44,242)

(1) The FSIRS reclassification amount is included in Net interest deductions on the Company's Consolidated Statements of Income.

(2) These AOCI components are included in the computation of net periodic benefit cost (see **Note 11 - Pension and Other Postretirement Benefits** for additional details).

(3) The regulatory adjustment represents the portion of the activity above that is expected to be recovered through rates in the future (the related regulatory asset is included in Deferred charges and other assets on the Company's Consolidated Balance Sheets).

(4) Tax amounts are calculated using a 24% rate.

The following table represents a rollforward of AOCI, presented on Southwest's Consolidated Balance Sheets:

	Defined Benefit Plans			FSIRS			
(Thousands of dollars)	Before-Tax	Tax (Expense) Benefit (9)	After-Tax	Before-Tax	Tax (Expense) Benefit (9)	After-Tax	AOCI
Beginning Balance AOCI December 31, 2021	$ (61,182)	$ 14,685	$ (46,497)	$ (545)	$ 129	$ (416)	$ (46,913)
Net actuarial gain/(loss)	4,079	(980)	3,099	—	—	—	3,099
Other comprehensive loss before reclassifications	4,079	(980)	3,099	—	—	—	3,099
FSIRS amount reclassified from AOCI (6)	—	—	—	545	(129)	416	416
Amortization of prior service cost (7)	175	(42)	133	—	—	—	133
Amortization of net actuarial loss (7)	34,818	(8,357)	26,461	—	—	—	26,461
Regulatory adjustment (8)	(28,232)	6,775	(21,457)	—	—	—	(21,457)
Net current period other comprehensive income (loss) attributable to Southwest Gas Corporation	10,840	(2,604)	8,236	545	(129)	416	8,652
Ending Balance AOCI December 31, 2022	$ (50,342)	$ 12,081	$ (38,261)	$ —	$ —	$ —	$ (38,261)

(6) The FSIRS reclassification amount is included in Net interest deductions on Southwest's Consolidated Statements of Income.

(7) These AOCI components are included in the computation of net periodic benefit cost (see **Note 11 - Pension and Other Postretirement Benefits** for additional details).

(8) The regulatory adjustment represents the portion of the activity above that is expected to be recovered through rates in the future (the related regulatory asset is included Deferred charges and other assets on Southwest's Consolidated Balance Sheets).

(9) Tax amounts are calculated using a 24% rate.

The following table represents amounts (before income tax impacts) included in AOCI (in the tables above), that have not yet been recognized in net periodic benefit cost:

	Year Ended December 31,	
(Thousands of dollars)	2022	2021
Net actuarial loss	$ (360,113)	$ (399,010)
Prior service cost	(1,353)	(1,528)
Less: amount recognized in regulatory assets	311,124	339,356
Recognized in AOCI	$ (50,342)	$ (61,182)

See **Note 11 - Pension and Other Postretirement Benefits** for more information on the defined benefit pension plans.

Note 7 - Common Stock

Shares of the Company's common stock are publicly traded on the New York Stock Exchange, under the ticker symbol "SWX." Share-based compensation related to Southwest and Centuri is based on awards to be issued in shares of Southwest Gas Holdings, Inc.

In December 2020, the Company and Southwest jointly filed with the SEC an automatic shelf registration statement (File No. 333-251074), or a "Universal Shelf," which became effective upon filing and includes a prospectus detailing the Company's ability to offer and sell, from time to time in amounts at prices and on terms that will be determined at the time of such offering, any combination of common stock, preferred stock, debt securities (which may or may not be guaranteed by one or more of its directly or indirectly wholly owned subsidiaries if indicated in the relevant prospectus supplement), guarantees of debt securities issued by Southwest, depository shares, warrants to purchase common stock, preferred stock or depository shares issued by the Company or debt securities issued by the Company or Southwest, units and rights. Additionally as part of the Universal Shelf, Southwest may offer and sell, from time to time in amounts at prices and on terms that will be determined at the time of such offering, any combination of debt securities (which may or may not be guaranteed by one or more of its directly or indirectly wholly owned subsidiaries if indicated in the relevant prospectus supplement) and guarantees of debt securities issued by the Company or by one or more of its directly or indirectly wholly owned subsidiaries if indicated in the relevant prospectus supplement.

On April 8, 2021, the Company entered into a Sales Agency Agreement between the Company and BNY Mellon Capital Markets, LLC and J.P. Morgan Securities LLC (the "Equity Shelf Program") for the offer and sale of up to $500 million of common stock from time to time in an at-the-market offering program. The shares are issued pursuant to the Company's Universal Shelf. There was no activity under the Equity Shelf Program during the year ended December 31, 2022. The following table provides the life-to-date activity under that program through December 31, 2022:

Gross proceeds	$ 158,180,343
Less: agent commissions	(1,581,803)
Net proceeds	$ 156,598,540
Number of shares sold	2,302,407
Weighted average price per share	$ 68.70

As of December 31, 2022, the Company had approximately $342 million of common stock available for future issuance under the program. Net proceeds from the sale of shares of common stock under the Equity Shelf Program are intended for general corporate purposes, including the acquisition of property for the construction, completion, extension, or improvement of pipeline systems and facilities located in and around the communities served by Southwest.

In March 2022, the Company issued, through a separate prospectus supplement under the Universal Shelf, an aggregate of 6.325 million shares of common stock, in an underwritten public offering price of $74.00 per share, resulting in proceeds to the Company of $452.3 million, net of an underwriters' discount of $15.8 million. The Company used the net proceeds to repay a portion of the outstanding borrowings under the 364-day term loan credit agreement that was used to initially fund the MountainWest acquisition.

During 2022, the Company issued approximately 230,000 shares of common stock through the Restricted Stock/Unit Plan and Omnibus Incentive Plan.

Additionally during 2022, the Company issued 142,000 shares of common stock through the Dividend Reinvestment and Stock Purchase Plan, raising proceeds of approximately $10.5 million.

As of December 31, 2022, there were 3.3 million shares of common stock registered and available for issuance under the provisions of the various stock issuance plans, which does not include the amount of common stock available that is separately disclosed with respect to the Equity Shelf Program above.

Note 8 - Debt

Long-Term Debt

Long-term debt is recognized in the Company's and Southwest's Consolidated Balance Sheets generally at the carrying value of the obligations outstanding. Details surrounding the fair value and individual carrying values of instruments are provided in the table that follows.

	December 31,			
	2022		2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(Thousands of dollars)				
Southwest Gas Corporation:				
Debentures:				
Notes, 6.1%, due 2041	$ 125,000	$ 113,184	$ 125,000	$ 166,380
Notes, 4.05%, due 2032	600,000	527,052	—	—
Notes, 3.875%, due 2022	—	—	250,000	250,603
Notes, 4.875%, due 2043	250,000	195,703	250,000	307,538
Notes, 3.8%, due 2046	300,000	209,169	300,000	329,055
Notes, 3.7%, due 2028	300,000	275,043	300,000	325,191
Notes, 4.15%, due 2049	300,000	218,712	300,000	342,030
Notes, 2.2%, due 2030	450,000	353,763	450,000	440,838
Notes, 3.18%, due 2051	300,000	185,523	300,000	292,116
Notes, 5.8%, due 2027	300,000	305,913	—	—
8% Series, due 2026	75,000	80,027	75,000	92,623
Medium-term notes, 7.78% series, due 2022	—	—	25,000	25,122
Medium-term notes, 7.92% series, due 2027	25,000	26,840	25,000	31,555
Medium-term notes, 6.76% series, due 2027	7,500	7,662	7,500	8,949
Unamortized discount and debt issuance costs	(29,471)		(19,959)	
	3,003,029		2,387,541	
Revolving credit facility and commercial paper	50,000	50,000	130,000	130,000
Industrial development revenue bonds:				
Tax-exempt Series A, due 2028	50,000	50,000	50,000	50,000
2003 Series A, due 2038	50,000	50,000	50,000	50,000
2008 Series A, due 2038	50,000	50,000	50,000	50,000
2009 Series A, due 2039	50,000	50,000	50,000	50,000
Unamortized discount and debt issuance costs	(1,733)		(1,938)	
	198,267		198,062	
Less: current maturities	—		(275,000)	
Southwest Gas Corporation total long-term debt, less current maturities	$ 3,251,296		$ 2,440,603	

Southwest Gas Holdings, Inc.:				
Centuri secured term loan facility	$ 1,008,550	$ 995,852	$ 1,117,138	$ 1,117,841
Centuri secured revolving credit facility	81,955	82,315	103,329	103,749
MountainWest unsecured senior notes, 3.53%, due in 2028*	—	—	102,078	102,078
MountainWest unsecured senior notes, 4.875%, due in 2041*	—	—	199,926	199,926
MountainWest unsecured senior notes, 3.91%, due in 2038*	—	—	147,735	147,735
Other debt obligations	126,844	118,314	51,665	50,003
Unamortized discount and debt issuance costs	(20,789)		(24,466)	
Less: current maturities	(44,557)		(22,324)	
Southwest Gas Holdings, Inc. total long-term debt, less current maturities	$ 4,403,299		$ 4,115,684	

*MountainWest amounts are not reflected in the above table as of December 31, 2022 as the balance has been reclassified as held for sale on the Company's Consolidated Balance Sheet as of December 31, 2022. See **Note 15 - Acquisitions and Dispositions** for additional information.

The fair values of Southwest's and the Company's revolving credit facilities and Southwest's Industrial Development Revenue Bonds ("IDRBs") are categorized as Level 1 based on the FASB's fair value hierarchy, due to the ability to access similar debt arrangements at measurement dates with comparable terms, including variable/market rates. Additionally, Southwest's revolving credit facility and IDRBs have interest rates that reset frequently. The fair values of Southwest's debentures (which include senior and medium-term notes) and the Company's term loan facility and unsecured senior notes were determined utilizing a market-based valuation approach, where fair values are determined based on evaluated pricing data, and as such are categorized as Level 2 in the hierarchy.

Southwest has a $400 million credit facility that is scheduled to expire in April 2025. Southwest designates $150 million of associated capacity as long-term debt and the remaining $250 million for working capital purposes. Interest rates for the credit facility are calculated at either the Secured Overnight Financing Rate ("SOFR") or an "alternate base rate," plus in each case an applicable margin that is determined based on Southwest's senior unsecured debt rating. At December 31, 2022, the applicable margin ranges from 0.750% to 1.500% for loans bearing interest with reference to SOFR and from 0.000% to 0.500% for loans bearing interest with reference to the alternative base rate. At December 31, 2022, the applicable margin is 1.125% for loans with reference to SOFR and 0.125% for loans bearing interest with reference to the alternative base rate. Southwest is also required to pay a commitment fee, ranging from 0.075% to 0.200% per annum, on the unfunded portion of the commitments, which was not significant for the year ended December 31, 2022. The credit facility contains a financial covenant requiring Southwest to maintain a ratio of funded debt to total capitalization not to exceed 0.70 to 1.00 as of the end of any quarter of any fiscal year. At December 31, 2022, $50 million was outstanding on the long-term portion (no borrowings were outstanding under the commercial paper program discussed below). The effective interest rate on the long-term portion of the credit facility was 5.88% at December 31, 2022.

Southwest has a $50 million commercial paper program. Issuances under the commercial paper program are supported by Southwest's current revolving credit facility and, therefore, do not represent additional borrowing capacity. Borrowings under the commercial paper program, if any, are designated as long-term debt. Interest rates for the program are calculated at the then current commercial paper rate. At December 31, 2022, as noted above, no borrowings were outstanding under the commercial paper program.

In March 2022, Southwest issued $600 million aggregate principal amount of 4.05% Senior Notes at a discount of 0.65%. The notes will mature in March 2032. Southwest used the net proceeds to redeem the $250 million 3.875% notes due in April 2022 and to repay outstanding amounts under its credit facility, with the remaining net proceeds used for general corporate purposes.

Centuri has a $1.545 billion secured revolving credit and term loan multi-currency facility. Amounts can be borrowed in either Canadian or U.S. dollars. On November 4, 2022, Centuri amended the financial covenants of its revolving credit facility to increase the maximum total net leverage ratio during the period from December 31, 2022 through December 31, 2023 (the "Centuri Credit Facility Amendment"). The Centuri Credit Facility Amendment also transitioned the interest rate benchmark for the revolving credit facility from LIBOR to SOFR. The applicable margin for the revolving credit facility now ranges from 1.0% to 2.5% for SOFR loans and from 0.0% to 1.5% for Canadian Dealer Offered Rate ("CDOR") and "base rate" loans, depending on Centuri's total net leverage ratio. Further, the Centuri Credit Facility Amendment increases a letter of credit sub-facility from $100 million to $125 million. The Centuri Credit Facility Amendment did not modify any terms of the term loan facility. The revolving credit facility matures on August 27, 2026 and the term loan facility matures on August 27, 2028. The capacity of the line of credit portion of the facility is $400 million; related amounts borrowed and repaid are available to be re-borrowed. The term loan portion of the facility has a limit of $1.145 billion. The obligations under the credit agreement are

secured by present and future ownership interests in substantially all direct and indirect subsidiaries of Centuri, substantially all of the tangible and intangible personal property of each borrower, certain of their direct and indirect subsidiaries, and all products, profits, and proceeds of the foregoing.

The term loan facility is subject to a LIBOR floor of 0.50%. Furthermore, Centuri Canada Division Inc. may borrow under the revolving credit facility with interest rates based on terms referred to above. The margin for the term loan facility is 1.50% for base rate loans and 2.50% for LIBOR loans. Centuri is also required to pay a commitment fee on the unused portion of the commitments. The commitment fee ranges from 0.15% to 0.35% per annum. The credit agreement contains certain customary representations and warranties, affirmative and negative covenants, and events of default. There are no financial covenants related to the term loan facility. The revolving credit facility requires Centuri to maintain a maximum total net leverage ratio of 6.00 to 1.00 from December 31, 2022 through June 30, 2023, 5.50 to 1.00 from July 1, 2023 through September 30, 2023, 4.50 to 1.00 from October 1, 2023 through December 31, 2023, and 4.00 to 1.00 from January 1, 2024 and thereafter. The agreement also requires Centuri to maintain a minimum interest coverage ratio of 2.50 to 1.00. Centuri's assets securing the facility at December 31, 2022 totaled $2.5 billion. At December 31, 2022, $1.091 billion in borrowings were outstanding under Centuri's combined secured revolving credit and term loan facility.

All amounts outstanding are considered long-term borrowings. The effective interest rate on the secured revolving credit and term loan facility was 7.2% at December 31, 2022.

The effective interest rates on Southwest's variable-rate IDRBs are included in the table below:

	December 31,	
	2022	2021
2003 Series A	4.68 %	0.91 %
2008 Series A	4.84 %	0.90 %
2009 Series A	4.67 %	0.88 %
Tax-exempt Series A	4.30 %	0.92 %

In Nevada, interest fluctuations due to changing interest rates on Southwest's 2003 Series A, 2008 Series A, and 2009 Series A variable-rate IDRBs are tracked and recovered from customers through a variable interest expense recovery mechanism.

None of Southwest's debt instruments have credit triggers or other clauses that result in default if bond ratings are lowered by rating agencies. Interest and fees on certain debt instruments are subject to adjustment depending on Southwest's bond ratings. Certain debt instruments are subject to a leverage ratio cap and the 6.1% Notes due 2041 are also subject to a minimum net worth requirement. At December 31, 2022, Southwest was in compliance with all of its covenants. Under the most restrictive of the financial covenants, approximately $2.5 billion in additional debt could be issued while still meeting the leverage ratio requirement. Relating to the minimum net worth requirement, as of December 31, 2022, there is at least $2 billion of cushion in equity. No specific dividend restrictions exist under the collective covenants. None of the debt instruments contain material adverse change clauses.

Certain Centuri debt instruments have leverage ratio caps and fixed charge ratio coverage requirements. At December 31, 2022, Centuri was in compliance with all of its covenants. Under the most restrictive of the covenants, Centuri could issue over $222 million in additional debt and meet the leverage ratio requirement. Centuri has at least $33 million of cushion relating to the minimum fixed charge ratio coverage requirement. Centuri's covenants limit its ability to provide cash dividends to Southwest Gas Holdings, Inc., its parent. The dividend restriction is equal to a calculated available amount generally defined as 50% of its rolling twelve-month consolidated net income adjusted for certain items, such as parent contribution inflows, Linetec redeemable noncontrolling interest payments, or dividend payments, among other adjustments, as applicable.

Estimated maturities of long-term debt for the next five years are:

(Thousands of dollars)	2023	2024	2025	2026	2027	Total
Southwest Gas Corporation:						
Debentures	$ —	$ —	$ —	$ 75,000	$ 332,500	$ 407,500
Revolving credit facility and commercial paper	—	—	50,000	—	—	50,000
Total	—	—	50,000	75,000	332,500	457,500
Southwest Gas Holdings, Inc.:						
Centuri secured term loan facility	14,313	11,450	11,450	11,450	11,450	60,113
Centuri secured revolving credit facility	—	—	—	81,955	—	81,955
Other debt obligations	30,245	31,102	29,554	28,651	7,292	126,844
Total	$ 44,558	$ 42,552	$ 91,004	$ 197,056	$ 351,242	$ 726,412

Short-Term Debt

Southwest Gas Holdings, Inc. has a $300 million credit facility that is primarily used for short-term financing needs. Interest rates for this facility are calculated at either SOFR or the "alternate base rate," plus in each case an applicable margin that is determined based on the Company's senior unsecured debt rating. There was $173 million and $59 million outstanding under this facility with a weighted average interest rate of 5.588% and 1.323% at December 31, 2022 and 2021, respectively.

On December 30, 2022, in connection with that certain Amended and Restated Revolving Credit Agreement, dated as of April 10, 2020 (as amended by Amendment No. 1 thereto, dated as of December 28, 2021), by and between Southwest Gas Holdings, Inc., the lenders party thereto, and The Bank of New York Mellon, as Administrative Agent, and pursuant to an Increase Request delivered by the Company to the Administrative Agent, the total commitment amount available under the credit facility was increased, from $200 million to $300 million. Interest rate benchmarks (SOFR or an alternative) as well as related ranges, including with regard to the applicable margin, largely mirror those included in Southwest's amended facility agreement noted above, determined in this case based on Southwest Gas Holdings, Inc.'s senior unsecured long-term debt rating. At December 31, 2022, the applicable margin is 1.250% for loans bearing interest with reference to SOFR and 0.250% for loans bearing interest with reference to the alternative base rate. The commitment fee rates, terms, and covenants, noted above for Southwest, are also applicable to Southwest Gas Holdings, Inc. in its amended credit facility, including the noted ratio of funded debt to total capitalization as of the end of any quarter of any fiscal year. The commitment fee under this credit facility was not significant for the year ended December 31, 2022.

In March 2022, Southwest amended its $250 million Term Loan (the "March 2021 Term Loan") extending the maturity date to March 21, 2023 and replacing LIBOR interest rate benchmarks with SOFR interest rate benchmarks. The proceeds were originally used to fund the increased cost of natural gas supply during the month of February 2021, caused by extreme weather conditions in the central U.S. There was $225 million outstanding under the March 2021 Term Loan as of December 31, 2022. Interest rates for the amended term loan are calculated at either SOFR or an "alternate base rate," plus in each case an applicable margin that is determined based on Southwest's senior unsecured long-term debt rating. The applicable margin ranges from 0.550% to 1.000% for loans bearing interest with reference to SOFR and 0.000% for loans bearing interest with reference to an alternate base rate. The amended agreement contains a financial covenant requiring Southwest to maintain a ratio of funded debt to total capitalization not to exceed 0.70 to 1.00 as of the end of any quarter of any fiscal year. The weighted average interest rate at December 31, 2022 was 5.173%.

On September 26, 2022, Southwest Gas Holdings, Inc. entered into Amendment No. 1 to the 364-day Term Loan Credit Agreement. The Credit Agreement provided for a $1.6 billion delayed-draw term loan (the "Term Loan Facility") to primarily fund the acquisition of the equity interests in MountainWest. The amended Credit Agreement, among other things, (1) extended the maturity date of the Term Loan to December 30, 2023 and (2) replaced LIBOR benchmarks with SOFR interest rate benchmarks. The Company agreed to pay the Lenders fees equal to 0.10% of the aggregate principal amount outstanding under the Term Loan on March 31, 2023, 0.15% of the aggregate principal amount outstanding under the Term Loan on June 30, 2023, and 0.20% of the aggregate principal amount outstanding under the Term Loan on September 30, 2023. There was $1.15 billion outstanding under the Term Loan Facility as of December 31, 2022. Upon the close of the MountainWest sale, the Company paid down $1.075 billion of the Term Loan Facility, leaving approximately $72 million in aggregate principal amount outstanding. The applicable margin for the Term Loan Facility is 0.500% to 1.250% for base rate loans and 1.500% to 2.250% for SOFR loans, depending on the applicable pricing level in effect. Each of the interest rate spreads will increase by 0.25% at certain time intervals beginning June 30, 2023. The commitment fee ranges from 0.060% to 0.175% per calendar quarter commencing January 3, 2022, depending on the applicable pricing level in effect. The pricing levels are based on the

Company's senior debt ratings. The interest rate is subject to customary benchmark replacement provisions. The weighted average interest rate at December 31, 2022 was 6.423%.

The Credit Agreement contains representations and warranties, affirmative, negative, and financial covenants and events of default substantially similar to the Company's existing credit facility. Subject to certain exceptions, after the funding date, the Company must make a mandatory prepayment from 100% of the net cash proceeds received by the Company or any of its subsidiaries from any debt offerings or equity issuances and/or 100% of the committed amount under any specified acquisition financings.

At December 31, 2022, Southwest Gas Holdings, Inc. was in compliance with all of its credit facility and 364-day Term Loan covenants. Interest and fees on the credit facility and 364-day Term Loan are subject to adjustment depending on its senior debt ratings. The credit facility and 364-day Term Loan are subject to a leverage ratio cap. Under the most restrictive of the financial covenants, approximately $1.2 billion in additional debt could be issued while still meeting the leverage ratio requirement. No specific dividend restrictions exist under the collective covenants. The credit facility and 364-day Term Loan do not contain material adverse change clauses.

As indicated above, under Southwest's $400 million credit facility, $250 million has been designated by management for working capital purposes. Southwest had no short-term borrowings outstanding at December 31, 2022 and 2021.

In January 2023, Southwest entered into a 364-day $450 million term loan agreement that matures on January 19, 2024. The Company used the proceeds to fund higher than expected natural gas costs for the November 2022 through March 2023 winter period, caused by numerous market forces including historically low storage levels, unexpected upstream pipeline maintenance events, and cold weather conditions across the western region. Interest rates for this term loan are calculated at either SOFR plus an adjustment of 0.100% or an "alternate base rate," plus in each case an applicable margin that is determined based on Southwest's senior unsecured long-term debt rating. The applicable margin is 0.950% with reference to SOFR and 0.000% with reference to the alternate base rate. The term loan agreement contains a financial covenant requiring Southwest to maintain a ratio of funded debt to total capitalization not to exceed 0.70 to 1.00 as of the end of any quarter of any fiscal year.

LIBOR

Certain rates established at LIBOR were scheduled to be discontinued as a benchmark or reference rate after 2021, while other LIBOR-based rates are scheduled to be discontinued after June 2023. As of December 31, 2022, the Company had $1.009 billion in aggregate outstanding borrowings under Centuri's Term Loan Facility. Southwest and Southwest Gas Holdings, Inc. had no outstanding borrowings or variable rate debt agreements with reference to LIBOR as of December 31, 2022.

Note 9 - Share-Based Compensation

At December 31, 2022, the following share-based compensation plans existed at the Company: an omnibus incentive plan and a restricted stock/unit plan. The fair value of share grants is primarily based on the closing price of the Company's stock on the date of grant. All share grants in 2022, including time-lapse restricted stock units and performance shares, occurred under the omnibus incentive plan. The table below shows total share-based plan compensation expense which was recognized in the Consolidated Statements of Income:

	Year Ended December 31,		
(Thousands of dollars)	2022	2021	2020
Share-based compensation plan expense, net of related tax benefits	$ 6,225	$ 5,747	$ 4,816
Share-based compensation plan related tax benefits	1,966	1,815	1,521

Omnibus Incentive Plan

The omnibus incentive plan is used to promote the long-term growth and profitability of the Company, including its subsidiaries, by providing directors, employees, and certain other individuals with incentives to increase stockholder value and otherwise contribute to the success of the Company. In addition, the plan enables the Company to attract, retain, and reward the best available persons for positions of responsibility. The omnibus incentive plan provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, and other equity-based and cash awards. Employees, directors, and consultants who provide services to the Company or any subsidiary may be eligible under this plan. For grants under the omnibus incentive plan, directors continue to immediately vest in the shares upon grant but are provided the option to defer receipt of equity compensation until they leave the Board of Directors.

Performance-based incentive opportunities under the omnibus plan were granted to all officers of Southwest in the form of performance shares and are based, depending on the officer, on consolidated earnings per share, utility net income, and utility return on equity, with an adjustment based on relative total shareholder return, in each case, measured over a three-year

performance period. Like other restricted stock/unit programs, shares are restricted based on vesting, and in this case, further subject to future performance determinations against relevant benchmarks. Southwest recorded $2.1 million, $3.4 million, and $2.8 million of estimated compensation expense associated with these shares during 2022, 2021, and 2020, respectively.

Restricted Stock/Units

Restricted stock/units under the restricted stock/unit plan were previously granted to attract, motivate, retain, and reward key employees of the Company with an incentive to attain high levels of individual performance and improved financial performance. The legacy plan was also established to attract, motivate, and retain experienced and knowledgeable directors. As noted above, grants of restricted stock during 2022, were granted under the omnibus incentive plan. All remaining shares under the legacy restricted stock/unit plan (in regard to employees) were issued during 2021; remaining unissued legacy program shares relate solely to directors, and such shares were immediately vested at the time of grant, with distribution to occur when service on the Board ends. No new grants are made under the legacy plan, as all future stock-based incentive compensation, including with regard to restricted stock, is granted under programs of the omnibus incentive plan, which for directors, with advance election, issuance may occur upon grant. Conversely, with regard to management, grants under the omnibus plan are of time-lapse character, with graded vesting (and issuance in the form of common stock) occurring, 40% at the end of year one and 30% at the end of years two and three.

The following table summarizes the activity of the restricted stock/units programs as of December 31, 2022:

(Thousands of shares)	Restricted Stock/ Units (1)	Weighted-average grant date fair value
Nonvested/unissued at December 31, 2021	520	$ 61.01
Granted	279	66.11
Dividends	10	—
Forfeited or expired	(85)	66.62
Vested and issued (2)	(264)	56.43
Nonvested/unissued at December 31, 2022	460	$ 64.34

(1) The number of performance shares includes 167,200 granted and 41,100 vested and issued, which was derived by assuming that target performance will be achieved during the relevant performance period.
(2) Includes shares for retiree payouts and those converted for taxes.

The weighted average grant date fair value of all restricted stock/units granted in 2021 and 2020 was $65.38 and $76.85, respectively.

As of December 31, 2022, total compensation cost related to all nonvested omnibus shares not yet recognized is $5.3 million, which is expected to be recognized over a weighted average period of 2.4 years.

Note 10 - Commitments and Contingencies

The Company and Southwest are defendants in miscellaneous legal proceedings. They are also parties to various regulatory proceedings. The ultimate dispositions of these proceedings are not presently determinable; however, it is the opinion of management that no litigation or regulatory proceeding to which the Company and Southwest are currently subject will have a material adverse impact on their financial position, results of operations, or cash flows.

The Company maintains liability insurance that covers both Southwest and through the sale date, MountainWest, for various risks associated with the operation of the natural gas pipelines and facilities. In connection with these liability insurance policies, each entity is responsible for an initial deductible or self-insured retention amount per incident, after which the insurance carriers would be responsible for amounts up to the policy limits. For the policy year August 2022 to July 2023, these liability insurance policies require Southwest or MountainWest, as applicable, to be responsible for the first $1 million (self-insured retention) of each incident plus the first $4 million in aggregate claims above its self-insured retention in the policy year. When amounts are expected to be incurred above these amounts, subject to insurance carrier indemnity, a liability is recognized for the additional amount, in addition to a receivable from the insurance carrier amounts, without impact to earnings.

Centuri maintains liability insurance for various risks associated with its operations. In connection with these liability insurance policies, Centuri is responsible for an initial deductible or self-insured retention amount per occurrence, after which the insurance carriers would be responsible for amounts up to the policy limits. For the policy year May 2022 to April 2023, Centuri is responsible for the first $750,000 (self-insured retention) per occurrence under these liability insurance policies.

In August 2021, a natural gas pipe operated by Southwest was involved in an explosion that injured four individuals and damaged property. The explosion was caused by a leak in the pipe, and is under investigation. Individuals that were injured have each brought legal claims against Southwest and other parties. If Southwest is deemed fully or partially responsible,

Southwest estimates its net exposure could be equal to the self-insured retention of $5 million (the maximum noted above). In 2021, pursuant to ASC 450 - *Contingencies*, Southwest recorded a $5 million liability related to this incident reflecting its best estimate of the probable loss at that time. Additional amounts, subject to insurance indemnity, have been recognized on the consolidated balance sheets, in accordance with the above-noted accounting for amounts above the self-insurance retention provisions, which were not material to our financial position. Any amounts above that which has already been recognized (to be covered by insurance) cannot be estimated as of the date these financial statements are issued.

Other contingencies are also recognized where appropriate, if claims are brought, or expected to be brought, against the Company or Southwest, where management expects it may settle (or be required to settle) claims in cash, or in some cases, by means of insurance indemnification. The balance of such reserves was updated for additional accruals, including in regard to a contract dispute. For that item, $6.2 million was recorded during the second quarter of 2022, based on management's estimate of Southwest's exposure. The amount was paid in the fourth quarter of 2022 and the matter is closed.

As described in **Note 1 - Background, Organization, and Summary of Significant Accounting Policies**, the November 2021 civil suit filed by the Icahn Group, against the Company and certain officers and directors, was subject to a stipulation of dismissal with prejudice in May 2022, pursuant to the terms of the Cooperation Agreement.

On November 18, 2021, the City Pension Fund for Firefighters and Police Officers in the City of Miami Beach commenced a putative class action lawsuit in the Court of Chancery for the State of Delaware on behalf of a putative class of persons who purchased the Company's stock. The action is captioned City Pension Fund for Firefighters and Police Officers in the City of Miami Beach v. Robert L. Boughner, et al., C.A. No. 2021-0990-KSJM (Del. Ch.). The complaint was later amended on November 30, 2021. The amended complaint named the Company and the individual members of the Board as defendants. The complaint sought to assert breach of fiduciary duty claims, alleging that the Board's recommendation that stockholders reject Icahn's offer to purchase shares of the Company's common stock omitted material information about the Company's financial analysis; and sought to have the Board approve Icahn's slate of nominees as "continuing directors" under certain of the Company's debt instruments. In March 2022, the City Pension Fund filed a motion for summary judgment on its claim; however, in April 2022, the City Pension Fund filed a notice of withdrawal of its motion for summary judgment. The Company believes that the claims lack merit and intends to vigorously defend against them.

Through an assessment process of commitments and contingencies of any kind, the Company and Southwest may determine that certain costs are likely to be incurred in the future related to specific legal matters. In these circumstances and in accordance with accounting policies, the Company and Southwest will make an accrual, as necessary.

Note 11 - Pension and Other Postretirement Benefits

Southwest Gas Corporation

Employees' Investment Plan

An Employees' Investment Plan ("EIP") is offered to eligible employees of Southwest through deduction of a percentage of base compensation, subject to Internal Revenue Service ("IRS") limitations. The EIP provides for purchases of various mutual fund investments and Company common stock. For employees hired on or before December 31, 2021, one-half of amounts deferred are matched, up to a maximum matching contribution of 3.5% of an employee's annual compensation. Employees hired on or after January 1, 2022 are eligible for non-elective employer contributions of 3% plus a matching contribution (dollar-for-dollar) up to 7% of eligible compensation. Officers hired after January 1, 2022 are eligible for non-elective and matching contributions. Contributions to the plan by Southwest were $6.9 million, $6.1 million, and $5.9 million for 2022, 2021, and 2020, respectively.

Deferred Compensation Plan

A deferred compensation plan is offered to all officers of Southwest and a separate deferred compensation plan is offered to members of the Company's Board of Directors. The plans provide the opportunity to defer up to 100% of annual cash compensation. One-half of amounts deferred by officers are matched, up to a maximum matching contribution of 3.5% of an officer's annual base salary. Upon retirement, payments of compensation deferred, plus interest, are made in equal monthly installments over 10, 15, or 20 years, as elected by the participant. Directors have an additional option to receive such payments over a five-year period. Deferred compensation earns interest at a rate determined each January. The interest rate equals 150% of Moody's Seasoned Corporate Bond Rate Index.

Pension and Postretirement Plans

A noncontributory qualified retirement plan with defined benefits covering substantially all Southwest employees hired on or before December 31, 2021 is available, in addition to a separate unfunded supplemental executive retirement plan ("SERP"), which is limited to Southwest's officers. Postretirement benefits other than pensions ("PBOP") are provided to qualified retirees for health care, dental, vision and life insurance benefits. The defined benefit qualified retirement plan, SERP, and PBOP are

not available to Southwest employees hired on or after January 1, 2022. As noted above, employees hired on or after that date, are eligible for enhanced contributions to the EIP.

The overfunded or underfunded positions of defined benefit postretirement plans, including pension plans, are recognized in the Consolidated Balance Sheets. Any actuarial gains and losses, prior service costs, and transition assets or obligations are recognized in Accumulated other comprehensive income under Stockholders' equity, net of tax, until they are amortized as a component of net periodic benefit cost.

A regulatory asset has been established for the portion of the total amounts otherwise chargeable to Accumulated other comprehensive income that are expected to be recovered through rates in future periods. Changes in actuarial gains and losses and prior service costs pertaining to the regulatory asset will be recognized as an adjustment to the regulatory asset account as these amounts are amortized and recognized as components of net periodic pension costs each year.

The qualified retirement plan invests the majority of its plan assets in common collective trusts, which include a well-diversified portfolio of domestic and international equity securities and fixed income securities, and are managed by a professional investment manager appointed by Southwest. The investment manager has full discretionary authority to direct the investment of plan assets held in trust within the specific guidelines prescribed by Southwest through the plan's investment policy statement. In 2016, Southwest adopted a liability driven investment ("LDI") strategy for part of the portfolio, a form of investing designed to better match the movement in pension plan assets with the impact of interest rate changes and inflation assumption changes on the pension plan liability. The implementation of the LDI strategy will be phased in over time by using a glide path. The glide path is designed to increase the allocation of the plan's assets to fixed income securities, as the funded status of the plan increases, in order to more closely match the duration of the plan assets to that of the plan liability. Pension plan assets are held in a Master Trust. The pension plan funding policy is in compliance with the federal government's funding requirements.

Pension costs for these plans are affected by the amount and timing of cash contributions to the plans, the return on plan assets, discount rates, and by employee demographics, including age, compensation, and length of service. Changes made to the provisions of the plans may also impact current and future pension costs. Actuarial formulas are used in the determination of pension costs and are affected by actual plan experience and assumptions about future experience. Key actuarial assumptions include the expected return on plan assets, the discount rate used in determining the projected benefit obligation and pension costs, and the assumed rate of increase in employee compensation. Relatively small changes in these assumptions, particularly the discount rate, may significantly affect pension costs and plan obligations for the qualified retirement plan. In determining the discount rate, management matches the plan's projected cash flows to a spot-rate yield curve based on highly rated corporate bonds. Changes to the discount rate from year-to-year, if any, are generally made in increments of 25 basis points.

There was a 225 basis point increase in the discount rate between years, as reflected below. The methodology utilized to determine the discount rate was consistent with prior years. The weighted-average rate of compensation increase remained the same (consistent with management's expectations overall). The asset return assumption (which impacts the following year's expense) increased by 25 basis points. The rates are presented in the table below:

	December 31,	
	2022	2021
Discount rate	5.25 %	3.00 %
Weighted-average rate of compensation increase	3.25 %	3.25 %
Asset return assumption	6.75 %	6.50 %

Future years' expense level movements (up or down) will continue to be greatly influenced by long-term interest rates, asset returns, and funding levels.

The following table sets forth the retirement plan, SERP, and PBOP funded statuses and amounts recognized on the Consolidated Balance Sheets and Consolidated Statements of Income.

	Year Ended December 31,					
	2022			2021		
(Thousands of dollars)	Qualified Retirement Plan	SERP	PBOP	Qualified Retirement Plan	SERP	PBOP
Change in benefit obligations:						
Benefit obligation for service rendered to date at beginning of year (PBO/PBO/APBO)	$ 1,531,197	$ 49,530	$ 84,226	$ 1,499,239	$ 53,631	$ 82,205
Service cost	44,110	424	1,941	41,159	526	1,691
Interest cost	45,006	1,441	2,452	40,432	1,431	2,193
Actuarial loss (gain)	(399,066)	(6,134)	(18,260)	8,908	(3,244)	3,438
Benefits paid	(61,796)	(3,164)	(4,922)	(58,541)	(2,814)	(5,301)
Benefit obligation at end of year (PBO/PBO/APBO)	1,159,451	42,097	65,437	1,531,197	49,530	84,226
Change in plan assets:						
Market value of plan assets at beginning of year	1,366,043	—	52,168	1,186,433	—	52,286
Actual return on plan assets	(330,203)	—	(6,036)	136,151	—	7,717
Employer contributions	56,000	3,164	—	102,000	2,814	—
Benefits paid	(61,796)	(3,164)	(7,673)	(58,541)	(2,814)	(7,835)
Market value of plan assets at end of year	1,030,044	—	38,459	1,366,043	—	52,168
Funded status at year end	$ (129,407)	$ (42,097)	$ (26,978)	$ (165,154)	$ (49,530)	$ (32,058)
Weighted-average assumptions (benefit obligation):						
Discount rate	5.25 %	5.25 %	5.25 %	3.00 %	3.00 %	3.00 %
Weighted-average rate of compensation increase	3.25 %	3.25 %	N/A	3.25 %	3.25 %	N/A

Estimated funding for the plans above during calendar year 2023 is expected to be approximately $59 million, of which $56 million pertains to the retirement plan. Management monitors plan assets and liabilities and may, at its discretion, increase plan funding levels above the minimum in order to achieve a desired funded status and avoid or minimize potential benefit restrictions.

The accumulated benefit obligation for the retirement plan and the SERP is presented below:

	December 31,	
(Thousands of dollars)	2022	2021
Retirement plan	$ 1,074,493	$ 1,395,773
SERP	39,263	46,885

Benefits expected to be paid for pension, SERP, and PBOP over the next 10 years are as follows:

(Millions of dollars)	2023	2024	2025	2026	2027	2028-2032
Pension	$ 65.0	$ 67.0	$ 68.0	$ 69.0	$ 71.0	$ 377.0
SERP	3.3	3.3	3.2	3.1	3.1	14.6
PBOP	5.1	5.2	5.2	5.1	5.2	25.6

No assurance can be made that actual funding and benefits paid will match these estimates.

For PBOP measurement purposes, the per capita cost of the covered health care benefits medical rate trend assumption is 6.0%, declining to 4.5%. Specific contributions are made for health care benefits of employees who retire after 1988, but Southwest pays all covered health care costs for employees who retired prior to 1989. The medical trend rate assumption noted above applies to the benefit obligations of pre-1989 retirees only.

The service cost component of net periodic benefit costs included in the table below is part of an overhead loading process associated with the cost of labor. The overhead process ultimately results in allocation of that portion of overall net periodic benefit costs to the same accounts to which productive labor is charged. As a result, service costs become components of various accounts, primarily Operations and maintenance expense, Net regulated operations plant, and Deferred charges and other assets for both the Company and Southwest. The non-service cost components of net periodic benefit cost are reflected in Other income (deductions) on the Consolidated Statements of Income of each entity, based on accounting guidance for the presentation of such costs.

Components of net periodic benefit cost:

	Qualified Retirement Plan			SERP			PBOP		
(Thousands of dollars)	2022	2021	2020	2022	2021	2020	2022	2021	2020
Service cost	$44,110	$41,159	$34,299	$424	$526	$389	$1,941	$1,691	$1,581
Interest cost	45,006	40,432	45,555	1,441	1,431	1,604	2,452	2,193	2,582
Expected return on plan assets	(79,913)	(72,352)	(65,296)	—	—	—	(3,228)	(3,239)	(3,408)
Amortization of prior service cost	—	—	—	—	—	—	175	959	1,155
Amortization of net actuarial loss	32,468	41,955	36,025	2,350	2,642	1,805	—	—	—
Net periodic benefit cost	$41,671	$51,194	$50,583	$4,215	$4,599	$3,798	$1,340	$1,604	$1,910
Weighted-average assumptions (net benefit cost)									
Discount rate	3.00 %	2.75 %	3.50 %	3.00 %	2.75 %	3.50 %	3.00 %	2.75 %	3.50 %
Expected return on plan assets	6.50 %	6.50 %	6.75 %	N/A	N/A	N/A	6.50 %	6.50 %	6.75 %
Weighted-average rate of compensation increase	3.25 %	3.00 %	3.25 %	3.25 %	3.00 %	3.25 %	N/A	N/A	N/A

Other Changes in Plan Assets and Benefit Obligations Recognized in Net Periodic Benefit Cost and Other Comprehensive Income

	Year Ended December 31,											
	2022				2021				2020			
(Thousands of dollars)	Total	Qualified Retirement Plan	SERP	PBOP	Total	Qualified Retirement Plan	SERP	PBOP	Total	Qualified Retirement Plan	SERP	PBOP
Net actuarial loss (gain) (a)	$ (4,079)	$ 11,049	$ (6,133)	$ (8,995)	$ (59,176)	$ (54,892)	$ (3,245)	$ (1,039)	$ 57,539	$ 45,665	$ 7,240	$ 4,634
Amortization of prior service cost (b)	(175)	—	—	(175)	(959)	—	—	(959)	(1,155)	—	—	(1,155)
Amortization of net actuarial loss (b)	(34,818)	(32,468)	(2,350)	—	(44,597)	(41,955)	(2,642)	—	(37,830)	(36,025)	(1,805)	—
Prior service cost	—	—	—	—	—	—	—	—	—	—	—	—
Regulatory adjustment	28,232	19,062	—	9,170	88,194	86,196	—	1,998	(7,435)	(3,956)	—	(3,479)
Recognized in other comprehensive (income) loss	(10,840)	(2,357)	(8,483)	—	(16,538)	(10,651)	(5,887)	—	11,119	5,684	5,435	—
Net periodic benefit costs recognized in net income	47,226	41,671	4,215	1,340	57,397	51,194	4,599	1,604	56,291	50,583	3,798	1,910
Total of amount recognized in net periodic benefit cost and other comprehensive (income) loss	$ 36,386	$ 39,314	$ (4,268)	$ 1,340	$ 40,859	$ 40,543	$ (1,288)	$ 1,604	$ 67,410	$ 56,267	$ 9,233	$ 1,910

The table above discloses the net gain or loss and prior service cost recognized in Other comprehensive income, separated into (a) amounts initially recognized in Other comprehensive income, and (b) amounts subsequently recognized as adjustments to Other comprehensive income as those amounts are amortized as components of net periodic benefit cost. See also **Note 6 - Other Comprehensive Income and Accumulated Other Comprehensive Income ("AOCI")**.

The following table sets forth, by level within the three-level fair value hierarchy, the fair values of the assets of the qualified pension plan and the PBOP as of December 31, 2022 and 2021. The SERP has no assets.

	December 31,					
	2022			2021		
(Thousands of dollars)	Qualified Retirement Plan	PBOP	Total	Qualified Retirement Plan	PBOP	Total
Assets at fair value:						
Level 1 – Quoted prices in active markets for identical financial assets						
Mutual funds	$ —	$ 31,631	$ 31,631	$ —	$ 35,194	$ 35,194
Total Level 1 Assets (1)	—	31,631	31,631	—	35,194	35,194
Level 2 – Significant other observable inputs						
Commingled trust equity funds (2)						
Global	266,368	1,673	268,041	373,936	4,538	378,474
International	117,976	741	118,717	158,461	1,923	160,384
U.S. equity securities	184,300	1,159	185,459	279,062	3,386	282,448
Emerging markets	62,436	392	62,828	82,004	995	82,999
Commingled trust fixed income funds (3)	390,070	2,450	392,520	463,942	5,630	469,572
Pooled funds and mutual funds	6,359	412	6,771	5,979	500	6,479
Government fixed income and mortgage backed securities	159	1	160	196	2	198
Total Level 2 assets (4)	1,027,668	6,828	1,034,496	1,363,580	16,974	1,380,554
Total Plan assets at fair value	1,027,668	38,459	1,066,127	1,363,580	52,168	1,415,748
Insurance company general account contracts (5)	2,376	—	2,376	2,463	—	2,463
Total Plan assets	$ 1,030,044	$ 38,459	$ 1,068,503	$ 1,366,043	$ 52,168	$ 1,418,211

(1) The Mutual funds category above is a balanced fund that invests in a diversified portfolio of common stocks, preferred stocks, and fixed-income securities. Under normal circumstances the balanced fund will hold no more than 75%, and no less than 25%, of its total assets in equity securities. The fund seeks regular income, conservation of principal, and an opportunity for long-term growth of principal and income.

(2) The commingled trust equity funds include common collective trusts that invest in a diversified portfolio of securities regularly traded on securities exchanges. These funds are shown in the above table at net asset value ("NAV"), which is the value of securities in the fund less the amount of any liabilities outstanding. Strategies employed by the funds include investment in:

- Global equities, including domestic equities
- International developed countries equities
- Domestic equities
- Emerging markets equities

Shares in the commingled trust equity funds may be redeemed given one business day notice. While they are trust equity funds and reported at NAV, due to the short redemption notice period, the lack of redemption fees, the fact that the underlying investments are exchange-traded, and that substantial liabilities do not exist subject to the NAV calculation, these investments are viewed as indirectly observable (Level 2) in the fair value hierarchy and are therefore not excluded from the body of the fair value table as a reconciling item.

The global fund provides diversified exposure to global equity markets. The fund seeks to provide long-term capital growth by investing primarily in securities listed on the major developed equity markets of the U.S., Europe, and Asia, as well as within those listed on emerging country equity markets on a tactical basis.

The international fund invests in international financial markets, primarily those of developed economies in Europe and the Pacific Basin. The fund invests primarily in equity securities issued by foreign corporations, but may invest in other securities perceived as offering attractive investment return opportunities.

The domestic equities securities funds include a large and medium capitalization fund and a small capitalization fund. The large and medium capitalization fund is designed to track the performance of the large and medium capitalization companies contained in the index, which represents approximately 90% of the market capitalization of the U.S. stock market. The small capitalization fund is designed to provide maximum long-term appreciation through investments that are well diversified by industry.

The emerging markets fund invests in countries defined as an emerging market country. Fund investments are made directly in each country or, where direct investment is inefficient or prohibited, through appropriate financial instruments or participation in commingled funds. Major emerging markets include Brazil, India, China, and other developing countries around the world.

(3) The commingled trust fixed income funds consist primarily of fixed income debt securities issued by the U.S. Treasury, government agencies, and fixed income debt securities issued by corporations. The fixed income fund investments may include the use of high yield, international fixed income securities and other instruments, including derivatives, to ensure prudent diversification over a broad spectrum

of investments. The changes in the value of the fixed income funds are intended to offset the changes in the pension plan liabilities due to changes in the discount rate.

These funds are shown in the above table at NAV. Investments in the commingled trust fixed equity funds may be redeemed given one business day notice. While they are fixed income funds and reported at NAV, due to the short redemption notice period, the lack of redemption fees, the fact that the underlying investments are exchange-traded, and that substantial liabilities do not exist subject to the NAV calculation, these investments are viewed as indirectly observable (Level 2), and are also not excluded from the body of the fair value table as a reconciling item.

(4) With the exception of items (2) and (3), which are discussed above, the Level 2 assets consist mainly of pooled funds and mutual funds. These funds are collective short-term funds that invest in Treasury bills and money market funds and are used as a temporary cash repository.

(5) The insurance company general account contracts are annuity insurance contracts used to pay the pensions of employees who retired prior to 1989. The balance of the account disclosed in the above table is the contract value, which is the result of deposits, withdrawals, and interest credits.

Centuri

Defined Contribution Plans

Centuri offers defined contribution plans under Section 401(k) of the Internal Revenue Code to its eligible employees, regardless of whether they are covered under collective-bargaining agreements. Eligibility requirements vary, as does timing of participation, matching, vesting, and profit-sharing features of the plans. Contributions by Centuri to these plans for the years ended December 31, 2022, 2021, and 2020 were $13 million, $9 million, and $9 million, respectively.

Deferred Compensation Plan

Centuri sponsors a nonqualified deferred compensation plan that is offered to a select group of management and highly-compensated employees. The plan allows participants to defer up to 80% of base salary and provides a match of 100% of contributions up to 5% of a participant's salary. The plan also allows Centuri, at its election, to credit participant accounts with discretionary contributions. Participants are 100% vested in salary deferrals, contributions, and all earnings. Participant accounts include a return based on the performance of the underlying investment options selected. Payments from the plan are designated at each annual enrollment period based on specified triggering events and are payable by lump sum or on an annual installment basis.

Multiemployer Pension Plans

Centuri makes defined contributions to several multiemployer defined benefit pension plans under the terms of collective bargaining agreements ("CBAs") with various unions representing certain employees. Contribution rates are generally specified in the CBAs and are made to the plans on a "pay-as-you-go" basis. Such contributions correspond to the number of union employees and the particular plans in which they participate, and vary depending upon the location, number of ongoing projects, and the need for union resources in connection with those projects.

The risks of participating in multiemployer plans are different from single-employer plans, including: (i) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers; (ii) if a participating employer stops contributing to the multiemployer plan, the unfunded obligations of the plan may become the obligation of the remaining participating employers; and (iii) if a participating employer chooses to stop participating in these multiemployer plans, the employer may be required to pay those plans an amount based on the underfunded status of the plan.

The Pension Protection Act of 2006 requires special funding and operational rules for multiemployer plans in the U.S., including classification of the plans (based on multiple factors, including the funded status of the plan), the most severe of which is "critical." Depending upon the classification, plans may be required to adopt measures to improve their funded status through a funding improvement or rehabilitation plan, which may require additional contributions from employers (in the form of a surcharge on benefit contributions) and/or modification of retiree benefits. The amount of additional funds, if any, that Centuri may be obligated to contribute to these plans in the future cannot be estimated due to the uncertainty regarding future levels of work that may require the utilization of union employees covered by these plans, as well as uncertainty as to the future contribution levels and possible surcharges on contributions that may apply to these plans at that time.

Centuri contributed $71 million, $57.4 million, and $44.3 million collectively to the plans for the years ended December 31, 2022, 2021, and 2020, respectively. Substantially all of the contributions made by Centuri during these years were to U.S. plans that were not classified as critical, and for which no special surcharges were assessed. Eight plans were classified as critical and required special surcharges; the aggregate contributions to these plans were $3.8 million for the year ended December 31, 2022 and were insignificant during the periods ending December 31, 2021 and 2020.

Note 12 - Income Taxes

Southwest Gas Holdings, Inc.:

The following is a summary of income (loss) before taxes and noncontrolling interests for domestic and foreign operations:

	Year ended December 31,		
(Thousands of dollars)	2022	2021	2020
U.S.	$ (302,581)	$ 221,507	$ 282,489
Foreign	29,244	25,343	22,249
Total income (loss) before income taxes	$ (273,337)	$ 246,850	$ 304,738

Income tax expense (benefit) consists of the following:

	Year Ended December 31,		
(Thousands of dollars)	2022	2021	2020
Current:			
Federal	$ (949)	$ (2,872)	$ 6,287
State	7,123	(11,516)	8,617
Foreign	9,089	6,524	4,666
	15,263	(7,864)	19,570
Deferred:			
Federal	(76,984)	39,117	44,547
State	(12,828)	8,239	414
Foreign	(1,104)	156	1,222
	(90,916)	47,512	46,183
Total income tax expense (benefit)	$ (75,653)	$ 39,648	$ 65,753

Deferred income tax expense (benefit) consists of the following significant components:

	Year Ended December 31,		
(Thousands of dollars)	2022	2021	2020
Deferred federal and state:			
Property-related items	$ 41,191	$ 35,072	$ 50,504
Purchased gas cost adjustments	76,306	73,613	(5,726)
Employee benefits	12,223	(1,484)	459
Regulatory adjustments	(15,482)	(10,101)	(9,885)
Deferred payroll taxes	(6,344)	(6,344)	(9,055)
Deferred revenue	5,751	6,021	588
Net operating loss	(120,704)	(64,981)	2,331
Goodwill impairment	(105,507)	—	—
Alternative minimum tax	—	—	4,409
All other deferred	21,669	15,768	12,610
Total deferred federal and state	(90,897)	47,564	46,235
Deferred ITC, net	(19)	(52)	(52)
Total deferred income tax expense (benefit)	$ (90,916)	$ 47,512	$ 46,183

References above and below to Deferred payroll taxes relate to the employer portion of Social Security tax, for which deferment of remittance was permissible under the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act.

A reconciliation of the U.S. federal statutory rate to the consolidated effective tax rate (and the sources of these differences and the effect of each) are summarized as follows:

	Year Ended December 31,		
	2022	2021	2020
U.S. federal statutory income tax rate	21.0 %	21.0 %	21.0 %
Net state taxes	3.2	1.0	3.0
Tax credits	0.2	(0.5)	(0.5)
Company-owned life insurance	(0.8)	(1.1)	(0.8)
Amortization of excess deferred taxes	5.2	(4.3)	(0.8)
All other differences	(1.1)	—	(0.3)
Consolidated effective income tax rate	27.7 %	16.1 %	21.6 %

Deferred tax assets and liabilities consist of the following:

	December 31,	
(Thousands of dollars)	2022	2021
Deferred tax assets:		
Deferred income taxes for future amortization of ITC and excess deferred taxes	$ 109,093	$ 116,496
Employee benefits	29,307	39,181
Net operating losses	223,557	102,853
Deferred payroll taxes	—	6,344
Lease-related item	19,745	18,462
Goodwill impairment	105,507	—
Other	13,197	12,149
Valuation allowance	(2,197)	(4,902)
	498,209	290,583
Deferred tax liabilities:		
Property-related items, including accelerated depreciation	873,328	843,559
Regulatory balancing accounts	154,124	77,818
Debt-related costs	(2,365)	2,277
Intangibles	105,668	97,860
Lease-related item	21,164	17,254
Other	28,275	20,562
	1,180,194	1,059,330
Net noncurrent deferred tax liabilities	$ 681,985	$ 768,747

Net noncurrent deferred tax liabilities above at December 31, 2022 and 2021 are reflected net of $82,000 and $121,000 of noncurrent deferred tax assets associated with the Company’s Canadian operations, which are shown separately on the Company’s Consolidated Balance Sheets.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	December 31,	
(Thousands of dollars)	2022	2021
Unrecognized tax benefits at beginning of year	$ 2,629	$ 1,928
Gross increases – tax positions in prior period	389	442
Gross increases – current period tax positions	54	259
Gross decreases – current period tax positions	—	—
Settlements	—	—
Lapse in statute of limitations	—	—
Unrecognized tax benefits at end of year	$ 3,072	$ 2,629

Southwest Gas Corporation:

The following is a summary of income before taxes:

	Year ended December 31,		
(Thousands of dollars)	2022	2021	2020
Total income before income taxes	$ 184,921	$ 216,473	$ 194,873

Income tax expense (benefit) consists of the following:

	Year Ended December 31,		
(Thousands of dollars)	2022	2021	2020
Current:			
Federal	$ (78)	$ (3,643)	$ (4,678)
State	7,805	(6,556)	(179)
	7,727	(10,199)	(4,857)
Deferred:			
Federal	23,710	36,842	38,561
State	(896)	2,695	2,051
	22,814	39,537	40,612
Total income tax expense	$ 30,541	$ 29,338	$ 35,755

Deferred income tax expense (benefit) consists of the following significant components:

	Year Ended December 31,		
(Thousands of dollars)	2022	2021	2020
Deferred federal and state:			
Property-related items	$ 29,633	$ 23,077	$ 36,029
Purchased gas cost adjustments	76,306	73,613	(5,726)
Employee benefits	5,332	5,508	11,437
Regulatory adjustments	(15,482)	(10,101)	(9,885)
Deferred payroll taxes	(892)	(892)	(1,810)
Alternative minimum tax	—	—	4,409
Net operating loss	(76,080)	(59,119)	—
All other deferred	4,016	7,503	6,210
Total deferred federal and state	22,833	39,589	40,664
Deferred ITC, net	(19)	(52)	(52)
Total deferred income tax expense	$ 22,814	$ 39,537	$ 40,612

A reconciliation of the U.S. federal statutory rate to the consolidated effective tax rate (and the sources of these differences and the effect of each) are summarized as follows:

	Year Ended December 31,		
	2022	2021	2020
U.S. federal statutory income tax rate	21.0 %	21.0 %	21.0 %
Net state taxes	1.6	0.3	1.7
Tax credits	(0.3)	(0.6)	(0.7)
Company-owned life insurance	0.6	(0.9)	(1.0)
Amortization of excess deferred taxes	(6.9)	(4.9)	(1.3)
All other differences	0.5	(1.3)	(1.4)
Effective income tax rate	16.5 %	13.6 %	18.3 %

Deferred tax assets and liabilities consist of the following:

	December 31,	
(Thousands of dollars)	2022	2021
Deferred tax assets:		
Deferred income taxes for future amortization of ITC and excess deferred taxes	$ 94,273	$ 101,133
Employee benefits	(12,604)	(4,671)
Net operating losses	135,200	59,119
Deferred payroll taxes	—	892
Other	2,512	6,777
Valuation allowance	—	(22)
	219,381	163,228
Deferred tax liabilities:		
Property-related items, including accelerated depreciation	733,011	703,374
Regulatory balancing accounts	154,124	77,818
Debt-related costs	2,062	2,277
Other	14,132	18,587
	903,329	802,056
Net deferred tax liabilities	$ 683,948	$ 638,828

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	December 31,	
(Thousands of dollars)	2022	2021
Unrecognized tax benefits at beginning of year	$ 2,362	$ 1,793
Gross increases – tax positions in prior period	259	310
Gross decreases – tax positions in prior period	—	—
Gross increases – current period tax positions	23	259
Gross decreases – current period tax positions	—	—
Settlements	—	—
Lapse in statute of limitations	—	—
Unrecognized tax benefits at end of year	$ 2,644	$ 2,362

In assessing whether uncertain tax positions should be recognized in its financial statements, management first determines whether it is more-likely-than-not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. In evaluations of whether a tax position has met the more-likely-than-not recognition threshold, management presumes that the position will be examined by the appropriate taxing authority that would have full knowledge of all relevant information. For tax positions that meet the more-likely-than-not recognition threshold, management measures the amount of benefit recognized in the financial statements at the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. Unrecognized tax benefits are recognized in the first financial reporting period in which information becomes available indicating that such benefits will more-likely-than-not be realized. For each reporting period, management applies a consistent methodology to measure unrecognized tax benefits, and all unrecognized tax benefits are reviewed periodically and adjusted as circumstances warrant. Measurement of

unrecognized tax benefits is based on management's assessment of all relevant information, including prior audit experience, the status of audits, conclusions of tax audits, lapsing of applicable statutes of limitation, identification of new issues, and any administrative guidance or developments.

At December 31, 2022, the total amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate was $3.1 million for the Company and $2.6 million for Southwest. No significant increases or decreases in unrecognized tax benefits are expected within the next 12 months.

The Company and Southwest recognize interest expense and income and penalties related to income tax matters in income tax expense. There was $0, $21,000, and $523,000 of tax-related interest income for 2022, 2021, and 2020, respectively.

The Company's regulated operations accounting for income taxes is impacted by the FASB's ASC Topic 980 – *Regulated Operations*. Reductions in accumulated deferred income tax balances due to the reduction in the corporate income tax rates to 21% under the provisions of the Tax Cuts and Jobs Act (the "TCJA"), enacted in December 2017, may continue to result in a refund of excess deferred taxes to customers, generally through reductions in future rates. The TCJA included provisions that stipulate how these excess deferred taxes may be passed back to customers for certain accelerated tax depreciation benefits. The December 31, 2022 Consolidated Balance Sheets of Southwest and the Company reflect the impact of the TCJA and the remaining unamortized balance of the regulatory liability (including a gross-up), barring further changes to income tax rates. See also **Note 5 - Regulatory Assets and Liabilities**.

The Company and its subsidiaries file a consolidated federal income tax return in the U.S. and in various states, as well as separate returns in Canada. With few exceptions, the Company is no longer subject to U.S. federal, state and local, or Canadian income tax examinations for years before 2018.

The Company and each of its subsidiaries, including Southwest, participate in a tax sharing agreement to establish the method for allocating tax benefits and losses among members of the consolidated group. The consolidated federal income tax is apportioned among the subsidiaries using a separate return method.

The acquisition of MountainWest by the Company was a taxable transaction for U.S. federal and state income tax purposes. As a result, the Company obtained a step-up in the basis of the assets acquired (as determined for income tax purposes), without succeeding to the holding period, accounting methods, or historical income tax liabilities associated with MountainWest. Accordingly, the deferred income taxes were redetermined on the date of acquisition, December 31, 2021.

At December 31, 2022, the Company has a U.S. federal net operating loss carryforward of $932.8 million. The Company also has general business credits of $4 million, which begin to expire in 2041. The Company has no capital loss carryforwards. At December 31, 2022, the Company has an income tax net operating loss carryforward related to Canadian operations of $21.2 million, which begins to expire in 2034. As of the same date, the Company has $519 million of state net operating loss carryforwards. Depending on the jurisdiction in which the state net operating loss was generated, the carryforwards will begin to expire in 2031.

Management intends to continue to permanently reinvest any future foreign earnings in Canada.

Note 13 - Segment Information

The Company's operating segments are determined based on the nature of their activities. The natural gas distribution segment is engaged in the business of purchasing, distributing, and transporting natural gas. The utility infrastructure services segment is primarily engaged in the business of providing gas and electric providers installation, replacement, repair, and maintenance of energy networks. Although the utility infrastructure services operations are geographically dispersed, they are aggregated and reported as a single segment as each reporting unit has similar economic characteristics. Over 99% of the total Company's long-lived assets are in the U.S. The pipeline and storage segment (sold in 2023) is primarily engaged in the business of providing interstate transportation and underground storage services, primarily composed of regulated operations under the jurisdiction of the FERC.

The accounting policies of the reported segments are the same as those described within **Note 1 - Background, Organization, and Summary of Significant Accounting Policies**. Centuri accounts for the services provided to Southwest at contractual prices at contract inception. Accounts receivable for these services, which are not eliminated during consolidation, are presented in the table below:

	December 31,	
(Thousands of dollars)	2022	2021
Accounts receivable for Centuri services	$ 18,067	$ 15,166

The following table presents the amount of revenues by geographic area:

(Thousands of dollars)	December 31, 2022	2021	2020
Revenues (a)			
United States	$ 4,637,557	$ 3,411,018	$ 3,057,041
Canada	322,452	269,433	241,832
Total	$ 4,960,009	$ 3,680,451	$ 3,298,873

(a) Revenues are attributed to countries based on the location of customers.

The Company has three reportable segments beginning in 2021: natural gas distribution, utility infrastructure services, and pipeline and storage. In order to reconcile to net income as disclosed in the Consolidated Statements of Income, an Other column is included associated with impacts of corporate and administrative activities related to Southwest Gas Holdings, Inc. The financial information pertaining to each segment as of and for the three years ended December 31, 2022, 2021, and 2020 are as follows:

	Year Ended December 31, 2022				
(Thousands of dollars)	Natural Gas Distribution	Utility Infrastructure Services	Pipeline and Storage	Other	Total
Revenues from external customers	$ 1,935,069	$ 2,625,669	$ 264,613	$ —	$ 4,825,351
Intersegment sales	—	134,658	—	—	134,658
Total	$ 1,935,069	$ 2,760,327	$ 264,613	$ —	$ 4,960,009
Interest income	$ 16,183	$ —	$ —	$ —	$ 16,183
Interest expense	$ 115,880	$ 61,371	$ 18,185	$ 47,314	$ 242,750
Depreciation and amortization	$ 263,043	$ 155,353	$ 52,059	$ —	$ 470,455
Income tax expense (benefit)	$ 30,541	$ 5,727	$ (89,668)	$ (22,253)	$ (75,653)
Segment net income (loss)	$ 154,380	$ 2,065	$ (283,733)	$ (76,002)	$ (203,290)
Segment assets*	$ 8,803,681	$ 2,642,272	$ 1,743,349	$ 7,312	$ 13,196,614
Capital expenditures	$ 683,131	$ 130,166	$ 46,124	$ —	$ 859,421

*The segment assets of the Pipeline and Storage segment represented by MountainWest have been reclassified, as of December 31, 2022, as current assets held for sale on the Company's Consolidated Balance Sheet. See **Note 15 - Acquisitions and Dispositions** for additional information.

	Year Ended December 31, 2021				
(Thousands of dollars)	Natural Gas Distribution	Utility Infrastructure Services	Pipeline and Storage	Other	Total
Revenues from external customers	$ 1,521,790	$ 2,056,315	$ —	$ —	$ 3,578,105
Intersegment sales	—	102,346	—	—	102,346
Total	$ 1,521,790	$ 2,158,661	$ —	$ —	$ 3,680,451
Interest income	$ 5,113	$ —	$ —	$ —	$ 5,113
Interest expense	$ 97,560	$ 20,999	$ —	$ 639	$ 119,198
Depreciation and amortization	$ 253,398	$ 117,643	$ —	$ —	$ 371,041
Income tax expense	$ 29,338	$ 18,776	$ —	$ (8,466)	$ 39,648
Segment net income (loss)	$ 187,135	$ 40,420	$ —	$ (26,776)	$ 200,779
Segment assets	$ 7,950,263	$ 2,579,748	$ 2,187,582	$ 47,664	$ 12,765,257
Capital expenditures	$ 601,983	$ 113,643	$ —	$ —	$ 715,626

(Thousands of dollars)	Year Ended December 31, 2020			
	Natural Gas Distribution	Utility Infrastructure Services	Other	Total
Revenues from external customers	$ 1,350,585	$ 1,813,429	$ —	$ 3,164,014
Intersegment sales	—	134,859	—	134,859
Total	$ 1,350,585	$ 1,948,288	$ —	$ 3,298,873
Interest income	$ 4,015	$ —	$ —	$ 4,015
Interest expense	$ 101,148	$ 9,269	$ 1,060	$ 111,477
Depreciation and amortization	$ 235,295	$ 96,732	$ —	$ 332,027
Income tax expense	$ 35,755	$ 31,128	$ (1,130)	$ 65,753
Segment net income (loss)	$ 159,118	$ 74,862	$ (1,656)	$ 232,324
Segment assets	$ 7,256,636	$ 1,475,237	$ 3,980	$ 8,735,853
Capital expenditures	$ 692,216	$ 132,889	$ —	$ 825,105

The corporate and administrative activities for Southwest Gas Holdings, Inc. in 2022 and 2021 include expenses incurred to acquire MountainWest (2021 only), as well as shareholder activism costs, costs related to the strategic review, the settlement agreement with the Icahn Group, and the most significant individual amount being the financing costs for the MountainWest acquisition in 2022, collectively net of tax impacts.

Note 14 - Redeemable Noncontrolling Interests

In connection with the acquisition of Linetec in November 2018, the previous owner retained a 20% equity interest in Linetec, the reduction of which is subject to certain rights based on the passage of time or upon the occurrence of certain triggering events. Effective January 2022, the Company, by means of Centuri, has the right, but not the obligation, to purchase at fair value (subject to a floor) a portion of the interest held by the noncontrolling party, and in incremental amounts each year thereafter. In March 2022, the parties agreed to a partial redemption based on these provisions, and as a result, Centuri paid $39.6 million to the previous owner of Linetec for a 5% equity interest in Linetec, thereby reducing the balance continuing to be redeemable to 15% under the terms of the original agreement. In order to fund the redemption, Southwest Gas Holdings, Inc. contributed capital to Centuri. The shares subject to the election accumulate (if earlier elections are not made) such that 100% of the interest retained by the noncontrolling party is subject to the election beginning in 2024. If the Company does not exercise its rights at each or any of the specified intervals, the noncontrolling party has the ability, but not the obligation, to exit their investment retained, by requiring Centuri to purchase a similar portion of their interest up to the maximum cumulative amounts specified at each interval discussed above. The outstanding noncontrolling interest is not subject to minimum purchase provisions and, following the eligibility dates for the elections, they do not expire. The redemption price represents the greater of fair value of the ownership interest to be redeemed on the redemption date or a floor amount under the terms of the agreement. The Company has determined that this noncontrolling interest is a redeemable noncontrolling interest and, in accordance with SEC guidance, is classified as mezzanine equity (temporary equity) in the Company’s Consolidated Balance Sheets.

In November 2021, certain members of Riggs Distler management acquired a 1.42% interest in Drum Parent LLC (“Drum”), which is subject to certain rights based on the passage of time or upon the occurrence of certain triggering events. Effective January 2027 and each calendar year thereafter or upon the occurrence of certain triggering events, the Company, through Centuri, has the right, but not the obligation, to purchase all of the interest held by the noncontrolling party at fair value. If the Company does not exercise its rights in accordance with the timeline noted, or upon the occurrence of certain other triggering events, the noncontrolling party has the ability, but not the obligation, to exit their investment retained by requiring Centuri to purchase all of their outstanding interest. The outstanding noncontrolling interest is not subject to minimum purchase provisions and, following the eligibility date for the election, they do not expire. The redemption price represents the fair value of the ownership interest to be redeemed on the redemption date under the terms of the agreement. A portion of the redeemable noncontrolling interest acquired was funded through promissory notes made to noncontrolling interest holders bearing interest at the prime rate plus 2%. The promissory notes are payable by the noncontrolling interest holders upon certain triggering events including, but not limited to, termination of employment or the redemption of any interest under the agreement. The promissory notes are recognized as a reduction to the Company’s stockholders’ equity. Additionally, the Company has determined that this noncontrolling interest is a redeemable noncontrolling interest and, in accordance with SEC guidance, is classified as mezzanine equity (temporary equity) in the Company’s Consolidated Balance Sheets.

Significant changes in the value of the total redeemable noncontrolling interests, above a floor determined at the establishment date, are recognized as they occur, and the carrying value is adjusted as necessary at each reporting date. The fair value is

estimated using a market approach that utilizes certain financial metrics from guideline public companies of similar industry and operating characteristics. Based on the fair value model employed, the estimated redemption value of the Linetec redeemable noncontrolling interest decreased by approximately $3.3 million during the year ended December 31, 2022. Adjustment to the redemption value also impacted retained earnings, as reflected in the Company's Consolidated Statement of Equity, but did not impact net income.

The following depicts changes to the balances of the redeemable noncontrolling interests:

	Linetec	Drum	Total
(Thousands of dollars)			
Balance, December 31, 2020	$ 165,716	$ —	$ 165,716
Redeemable noncontrolling interest acquired	—	12,562	12,562
Net income attributable to redeemable noncontrolling interests	6,416	7	6,423
Redemption value adjustments	12,016	—	12,016
Balance, December 31, 2021	184,148	12,569	196,717
Net income attributable to redeemable noncontrolling interests	5,591	15	5,606
Redemption value adjustments	(3,325)	—	(3,325)
Redemption of equity interest from noncontrolling party	(39,649)	—	(39,649)
Balance, December 31, 2022	$ 146,765	$ 12,584	$ 159,349

Note 15 - Acquisitions and Dispositions

Acquisitions

In August 2021, the Company, through its subsidiaries, led principally by Centuri, completed the acquisition of Drum, including its primary subsidiary, Riggs Distler. Additionally, in December 2021, the Company completed the acquisition of the MountainWest entities. During the year ended December 31, 2022, MountainWest recorded measurement period adjustments of $28.2 million, primarily due to a final post-closing payment; as a result, goodwill was reduced by that amount. The purchase accounting for both acquisitions was finalized in 2022. The following unaudited pro forma financial information reflects the consolidated results of operations of the Company assuming the Riggs Distler and MountainWest acquisitions had taken place on January 1, 2020. The most significant pro forma adjustments relate to: (i) reflecting approximately $48.7 million in transaction costs in the year ended December 31, 2020, and excluding such costs from the year ended December 31, 2021, and (ii) reflecting incremental interest expense of $48.4 million in 2021, and approximately $52.1 million in the comparable 2020 period. The pro forma financial information has been prepared for comparative purposes only, and is not intended to be indicative of what the Company's results would have been had the acquisition occurred at the beginning of the periods presented or of what results may be in the future, for a number of reasons. The reasons include, but are not limited to, differences between the assumptions used to prepare the pro forma information, potential cost savings from operating efficiencies, nor the impact of incremental costs incurred in integrating the businesses.

Amounts below are in millions of dollars, except per share amounts.

	Unaudited Year Ended December 31,	
	2021	2020
Total operating revenues	$ 4,236	$ 3,980
Net income attributable to Southwest Gas Holdings, Inc.	$ 278	$ 276
Basic earnings per share	$ 4.70	$ 4.93
Diluted earnings per share	$ 4.69	$ 4.93

Dispositions

In December 2022, the Company announced that the Board unanimously determined to take strategic actions to simplify the Company's portfolio of businesses. These actions included entering into a definitive agreement to sell 100% of MountainWest in an all-cash transaction to Williams for $1.5 billion in total enterprise value, subject to certain adjustments. Additionally, the Company determined it will pursue a spin-off of Centuri to form a new independent publicly traded utility infrastructure services company. The MountainWest transaction closed on February 14, 2023. Upon close, the Company is expected to provide certain services to Williams under a transition services agreement for a brief period, generally not beyond six months. The Centuri spin-off is expected to be completed in the fourth quarter of 2023 or the first quarter of 2024 and to be tax free to the Company and its stockholders for U.S. federal income tax purposes. The separation will be subject to, among other things,

finalizing the transaction structure, final approval by the Board, approval by the ACC, the receipt of a favorable IRS private letter ruling relating to the tax-free nature of the transaction, and the effectiveness of a registration statement that will be filed with the SEC.

As a result of entering into a definitive agreement to sell MountainWest and considering other factors, the Company determined that MountainWest met criteria to be characterized as held for sale as of December 31, 2022, and as a result, MountainWest's assets and liabilities, excluding income tax related balances, have been presented as held for sale on the Company's consolidated balance sheet. The MountainWest sale did not meet the criteria for reporting discontinued operations as the sale did not represent a strategic shift that would have a major effect on the Company's operations or financial results. Company management considered the estimated proceeds, which were below the carrying value of the disposal group, and determined that the loss on disposal was attributable to goodwill, resulting in an impairment loss of $449.6 million. The goodwill impairment loss is reported in Goodwill impairment and cost to sell on the Company's Consolidated Statement of Income for the year ended December 31, 2022. The Company believes that the sale price of $1.5 billion, as adjusted for indebtedness and other estimated adjustments per the purchase and sale agreement, provided a reasonable indication of the fair value of MountainWest as it represents an exit price in an orderly transaction between market participants. While the fair value was estimated based on the closing statement from the sale of MountainWest, it is subject to certain adjustments, including a post-closing payment related to final working capital balances. The amount of such post-closing payment is not determinable at this time. The Company estimated the working capital balances as of February 14, 2023; however, these amounts are subject to change and could result in additional losses in the second quarter of 2023 when working capital is finalized. The Company recorded an additional loss of approximately $5.8 million, attributable to estimated selling costs, which is also included in Goodwill impairment and cost to sell on the Company's Consolidated Statement of Income for the year ended December 31, 2022.

The carrying amounts of major classes of assets and liabilities relating to MountainWest, all of which are classified as current and reported as held for sale in the Company's Consolidated Balance Sheets, are as follows:

(Thousands of dollars)		
Regulated operations plant, net of accumulated depreciation of $907 million	$	957,729
Other property and investments		49,546
Other current assets (1)		188,629
Goodwill, net of accumulated impairment of $449.6 million		508,395
Deferred charges and other assets (2)		39,050
Total assets		1,743,349
Less: cost to sell		5,819
Total current assets, held for sale	$	1,737,530
Other current liabilities (3)	$	55,188
Long-term debt		448,862
Other deferred credits and liabilities (3)		140,195
Total current liabilities, held for sale	$	644,245

(1) Includes cash and cash equivalents of $23.8 million, regulatory assets of $2.2 million, and "in-kind" system gas imbalance of $116.6 million due to a significant increase in natural gas prices in December 2022.

(2) Includes regulatory assets of $30.1 million.

(3) Includes $18.9 million of regulatory liabilities included in Other current liabilities, and $139 million of regulatory liabilities included in Other deferred credits and liabilities (including $60.2 million related to regulatory excess deferred/other taxes and gross-up and $58.8 million of accumulated removal costs).

The pretax loss for MountainWest for the year ended December 31, 2022 was $373 million, due to the goodwill impairment recognized.

On September 22, 2022, the FERC issued an order initiating an investigation, pursuant to section 5 of the Natural Gas Act, to determine whether rates currently charged by MountainWest Overthrust Pipeline, LLC, a subsidiary of MountainWest, are just and reasonable and setting the matter for hearing (the "Section 5 Rate Case"). Unless earlier settled by the parties, a hearing on the matter is to commence on August 1, 2023 with an initial decision from the presiding administrative law judge due by November 14, 2023. Under the terms of the MountainWest Purchase Agreement, the Company is obligated, for a period of four

years following the closing of the sale of MountainWest, to indemnify Williams and MountainWest for any damages and liabilities resulting from the Section 5 Rate Case, including any reduction to the current applicable rate, up to a cap of $75 million. Williams has agreed that it will not enter into any settlement of the Section 5 Rate Case that will result in any damages being paid by the Company under such indemnity without the prior written consent of the Company (which consent shall not be unreasonably withheld). The range of loss, if any, that could result from this matter cannot currently be estimated.

MANAGEMENT'S REPORTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Southwest Gas Holdings, Inc. is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined by Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Under the supervision and with the participation of Southwest Gas Holdings, Inc. management, including the principal executive officer and principal financial officer, an evaluation was conducted of the effectiveness of internal control over financial reporting based on the *"Internal Control – Integrated Framework"* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based upon management's evaluation under such framework, management concluded that internal control over financial reporting was effective as of December 31, 2022. The effectiveness of internal control over financial reporting as of December 31, 2022 has been audited by PricewaterhouseCoopers, LLP, an independent registered public accounting firm, as stated in their report which is included herein.

Management of Southwest Gas Corporation is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Under the supervision and with the participation of Southwest Gas Corporation management, including the principal executive officer and principal financial officer, an evaluation was conducted of the effectiveness of internal control over financial reporting based on the *"Internal Control – Integrated Framework"* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based upon management's evaluation under such framework, management concluded that Southwest Gas Corporation's internal control over financial reporting was effective as of December 31, 2022. This annual report does not include a report of Southwest Gas Corporation's registered public accounting firm regarding internal control over financial reporting pursuant to rules of the Securities and Exchange Commission that permit Southwest Gas Corporation to provide only this management's report in this annual report.

February 28, 2023

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Southwest Gas Holdings, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Southwest Gas Holdings, Inc. and its subsidiaries (the "Company") as of December 31, 2022 and 2021, and the related consolidated statements of income, of comprehensive income, of equity and of cash flows for each of the three years in the period ended December 31, 2022, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Reports on Internal Control Over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Regulatory Assets and Liabilities

As described in Note 5 to the consolidated financial statements, the Company's net regulatory assets were $195 million as of December 31, 2022. The Company is subject to the regulation of the Arizona Corporation Commission, the Public Utilities Commission of Nevada, the California Public Utilities Commission and the Federal Energy Regulatory Commission. Accounting treatment for rate-regulated entities allows for deferral as regulatory assets, costs that otherwise would be expensed, if it is probable that future recovery from customers will occur. As disclosed by management, they review the regulatory assets to assess their recoverability. If rate recovery is no longer probable, due to competition or the actions of regulators, management is required to write-off the related regulatory asset. Regulatory liabilities are recorded if it is probable that revenues will be reduced for amounts that will be refunded to customers through the ratemaking process.

The principal considerations for our determination that performing procedures relating to regulatory assets and liabilities is a critical audit matter are (i) the significant judgment by management in the ongoing evaluation of regulatory assets and liabilities and in applying guidance contained in regulatory proceedings and other relevant evidence, including the timing of recognition of regulatory assets and liabilities; and (ii) the significant auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence relating to management's judgments about the probability of recovery of regulatory assets and refund of regulatory liabilities.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's assessment of regulatory proceedings, including the probability of recovery of regulatory assets, refund of regulatory liabilities, and disclosure impacts. These procedures also included, among others (i) obtaining the Company's correspondence with regulators; (ii) evaluating the reasonableness of management's assessment regarding the probability of recovery of regulatory assets and refund of regulatory liabilities based on the status of regulatory proceedings; and (iii) evaluating the related accounting and disclosure implications.

/s/PricewaterhouseCoopers LLP
Las Vegas, Nevada
February 28, 2023

We have served as the Company's or its predecessor's auditor since 2002.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholder of Southwest Gas Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Southwest Gas Corporation and its subsidiaries (the "Company") as of December 31, 2022 and 2021, and the related consolidated statements of income, of comprehensive income, of equity and of cash flows for each of the three years in the period ended December 31, 2022, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Regulatory Assets and Liabilities

As described in Note 5 to the consolidated financial statements, the Company's net regulatory assets were $195 million as of December 31, 2022. The Company is subject to the regulation of the Arizona Corporation Commission, the Public Utilities Commission of Nevada, the California Public Utilities Commission and the Federal Energy Regulatory Commission. Accounting treatment for rate-regulated entities allows for deferral as regulatory assets, costs that otherwise would be expensed, if it is probable that future recovery from customers will occur. As disclosed by management, they review the regulatory assets to assess their recoverability. If rate recovery is no longer probable, due to competition or the actions of regulators, management is required to write-off the related regulatory asset. Regulatory liabilities are recorded if it is probable that revenues will be reduced for amounts that will be refunded to customers through the ratemaking process.

The principal considerations for our determination that performing procedures relating to regulatory assets and liabilities is a critical audit matter are (i) the significant judgment by management in the ongoing evaluation of regulatory assets and liabilities and in applying guidance contained in regulatory proceedings and other relevant evidence, including the timing of recognition of regulatory assets and liabilities; and (ii) the significant auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence relating to management's judgments about the probability of recovery of regulatory assets and refund of regulatory liabilities.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to

management’s assessment of regulatory proceedings, including the probability of recovery of regulatory assets, refund of regulatory liabilities, and disclosure impacts. These procedures also included, among others (i) obtaining the Company’s correspondence with regulators; (ii) evaluating the reasonableness of management’s assessment regarding the probability of recovery of regulatory assets and refund of regulatory liabilities based on the status of regulatory proceedings; and (iii) evaluating the related accounting and disclosure implications.

/s/PricewaterhouseCoopers LLP
Las Vegas, Nevada
February 28, 2023

We have served as the Company’s auditor since 2002.

EXHIBIT 21.01

SOUTHWEST GAS HOLDINGS, INC.
LIST OF SUBSIDIARIES OF THE REGISTRANT
AT DECEMBER 31, 2022

SUBSIDIARY NAME	STATE OF INCORPORATION OR ORGANIZATION TYPE
Southwest Gas Holdings, Inc.	Delaware
Southwest Gas Utility Group, Inc.	California
Southwest Gas Corporation	California
Utility Financial Corp.	Nevada
The Southwest Companies	Nevada
Southwest Gas Transmission Company	Limited partnership between Southwest Gas Corporation and Utility Financial Corp.
Great Basin Gas Transmission Company	Nevada
MountainWest Pipelines Holding Company	Delaware
MountainWest Pipeline, LLC	Utah
MountainWest Energy Holding Company, LLC	Utah
MountainWest Southern Trails Pipeline Company	Utah
MountainWest Energy Services, Inc.	Utah
MountainWest Overthrust Pipeline, LLC	Utah
MountainWest Pipeline Services, Inc.	Utah
MountainWest Field Services, LLC	Utah
MountainWest White River Hub, LLC	Utah
White River Hub, LLC	Delaware
Carson Water Company	Nevada
Centuri Group, Inc.	Nevada
Centuri U.S. Division, Inc.	Nevada
Centuri Oil & Gas Group LLC	Delaware
Oil & Gas Division LLC	Delaware
NPL Construction Co.	Nevada
Southwest Administrators, Inc.	Nevada
NPL East LLC	Delaware
NPL Great Lakes LLC	Delaware
NPL Mid-America LLC	Delaware
NPL West LLC	Delaware
National Barricade LLC	Nevada
Intellichoice Energy, LLC	Delaware
Intellichoice Energy of California, LLC	Delaware
Meritus Oil & Gas Division LLC	Delaware
Canyon Pipeline Construction, Inc.	Nevada
Canyon Traffic Control LLC	Nevada
Canyon Special Projects LLC	Nevada

New England Utility Constructors, Inc.	Massachusetts
Neuco Equipment LLC	Nevada
Centuri Power Group LLC	Delaware
Meritus Electric T&D Division LLC	Delaware
Linetec Services, LLC	Delaware
Electric T&D Division LLC	Delaware
National Powerline LLC	Delaware
Electric T&D Holdings LLC	Delaware
Drum Parent LLC	Delaware
NAPEC Inc.	Delaware
CVTech Holding Inc.	Delaware
Riggs Distler & Company, Inc.	Maryland
VRO Construction Partners 1, LLC	New Jersey
Shelby Mechanical LLC	Delaware
Shelby Plumbing, LLC	New Jersey
Centuri Services Group LLC	Delaware
Services Division LLC	Delaware
Meritus Services Division LLC	Delaware
Centuri Canada Division Inc.	Ontario, Canada
NPL Canada Ltd.	Ontario, Canada
W.S. Nicholls Construction Inc.	Ontario, Canada
W.S. Nicholls Western Construction Ltd.	Federal, Canada

Exhibit 23.01

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-251074) and Form S-8 (Nos. 333-215145-01, 333-155581-01, 333-215150-01, 333-185354-01, 333-222048) of Southwest Gas Holdings, Inc. of our report dated February 28, 2023 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in the 2022 Annual Report to Stockholders, which is incorporated by reference in this Annual Report on Form 10-K.

/s/ PricewaterhouseCoopers LLP
Las Vegas, Nevada
February 28, 2023

Exhibit 23.02

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-251074-01) of Southwest Gas Corporation of our report dated February 28, 2023 relating to the financial statements, which appears in the 2022 Annual Report to Stockholders, which is incorporated by reference in this Annual Report on Form 10-K.

/s/ PricewaterhouseCoopers LLP
Las Vegas, Nevada
February 28, 2023

Exhibit 31.01

Certification of Southwest Gas Holdings, Inc.

I, Karen S. Haller, certify that:

1. I have reviewed this annual report on Form 10-K of Southwest Gas Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2023

/s/ KAREN S. HALLER
Karen S. Haller
President and Chief Executive Officer
Southwest Gas Holdings, Inc.

Certification of Southwest Gas Holdings, Inc.

I, Robert J. Stefani, certify that:

1. I have reviewed this annual report on Form 10-K of Southwest Gas Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2023

/s/ ROBERT J. STEFANI

Robert J. Stefani
Senior Vice President/Chief Financial Officer
Southwest Gas Holdings, Inc.

Exhibit 31.02

Certification of Southwest Gas Corporation

I, Karen S. Haller, certify that:

1. I have reviewed this annual report on Form 10-K of Southwest Gas Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2023

/s/ KAREN S. HALLER
Karen S. Haller
Chief Executive Officer
Southwest Gas Corporation

Certification of Southwest Gas Corporation

I, Robert J. Stefani, certify that:

1. I have reviewed this annual report on Form 10-K of Southwest Gas Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2023

/s/ ROBERT J. STEFANI
Robert J. Stefani
Senior Vice President/Chief Financial Officer
Southwest Gas Corporation

Exhibit 32.01

SOUTHWEST GAS HOLDINGS, INC.

CERTIFICATION

In connection with the periodic report of Southwest Gas Holdings, Inc. (the "Company") on Form 10-K for the period ended December 31, 2022 as filed with the Securities and Exchange Commission (the "Report"), I, Karen S. Haller, the President and Chief Executive Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

(1) the Report fully complies with the requirements of section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Dated: February 28, 2023

/s/ KAREN S. HALLER

Karen S. Haller
President and Chief Executive Officer
Southwest Gas Holdings, Inc.

SOUTHWEST GAS HOLDINGS, INC.

CERTIFICATION

In connection with the periodic report of Southwest Gas Holdings, Inc. (the "Company") on Form 10-K for the period ended December 31, 2022 as filed with the Securities and Exchange Commission (the "Report"), I, Robert J. Stefani, Senior Vice President/Chief Financial Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

(1) the Report fully complies with the requirements of section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Dated: February 28, 2023

/s/ ROBERT J. STEFANI

Robert J. Stefani
Senior Vice President/Chief Financial Officer
Southwest Gas Holdings, Inc.

Exhibit 32.02

SOUTHWEST GAS CORPORATION

CERTIFICATION

In connection with the periodic report of Southwest Gas Corporation on Form 10-K for the period ended December 31, 2022 as filed with the Securities and Exchange Commission (the "Report"), I, Karen S. Haller, the Chief Executive Officer of Southwest Gas Corporation, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

(1) the Report fully complies with the requirements of section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Southwest Gas Corporation at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Dated: February 28, 2023

/s/ KAREN S. HALLER
Karen S. Haller
Chief Executive Officer
Southwest Gas Corporation

SOUTHWEST GAS CORPORATION

CERTIFICATION

In connection with the periodic report of Southwest Gas Corporation on Form 10-K for the period ended December 31, 2022 as filed with the Securities and Exchange Commission (the "Report"), I, Robert J. Stefani, Senior Vice President/Chief Financial Officer of Southwest Gas Corporation, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

(1) the Report fully complies with the requirements of section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Southwest Gas Corporation at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Dated: February 28, 2023

/s/ ROBERT J. STEFANI
Robert J. Stefani
Senior Vice President/Chief Financial Officer
Southwest Gas Corporation