

SOUTHWEST GAS CORP
Form 8-K
February 19, 2002

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

Form 8-K
CURRENT REPORT

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

Date of Report (Date of earliest event reported) February 19, 2002

SOUTHWEST GAS CORPORATION

(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of
incorporation or organization)

1-7850
(Commission
File Number)

88-0085720
(I.R.S. Employer
Identification No.)

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

89193-8510
(Zip Code)

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

Item 9. Regulation FD Disclosure

On February 19, 2002, Southwest Gas Corporation (the Company) released summary financial information to the general public, including the investment community, regarding the Company's operating performance and financial position for the quarter and year ended December 31, 2001. The financial information released is included herein. The following information is summary in nature and should not be considered complete financial statements.

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

	YEAR ENDED DECEMBER 31,		
	2001	2000	1999
Gas operating revenues	\$ 1,193,102	\$ 870,711	\$ 791,000
Net cost of gas sold	677,547	394,711	330,000
Operating margin	515,555	476,000	461,000
Operations and maintenance expenses	253,026	231,175	221,000
Depreciation, amortization, and general taxes	137,278	124,508	115,000
Operating income	125,251	120,317	124,000
Net interest deductions	78,746	68,892	61,000
Preferred securities distribution	5,475	5,475	5,000
Pretax utility income	41,030	45,950	56,000
Utility income taxes	13,011	13,614	20,000
Net utility income	28,019	32,336	36,000
Other income (expense), net	4,607	1,572	(1,000)
Contribution to net income - gas operations	32,626	33,908	35,000
Contribution to net income - construction services	4,530	4,403	3,000
Net income	\$ 37,156	\$ 38,311	\$ 39,000
Earnings per share - gas operations	\$ 1.02	\$ 1.08	\$ 1.00
Earnings per share - construction services	0.14	0.14	0.10
Basic earnings per share	\$ 1.16	\$ 1.22	\$ 1.10
Diluted earnings per share	\$ 1.15	\$ 1.21	\$ 1.09
Average outstanding common shares	32,122	31,371	30,000
Average shares outstanding (assuming dilution)	32,398	31,575	30,000

See Notes to Summary Financial Statements.

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

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	THREE MONTHS ENDED DECEMBER 31,		TWELVE DE
	2001	2000	2001
Gas operating revenues	\$ 330,620	\$ 295,569	\$ 1,193,
Net cost of gas sold	169,265	130,875	677,
Operating margin	161,355	164,694	515,
Operations and maintenance expenses	65,299	60,669	253,
Depreciation, amortization, and general taxes	34,687	31,449	137,
Operating income	61,369	72,576	125,
Net interest deductions	19,493	18,842	78,
Preferred securities distribution	1,369	1,369	5,
Pretax utility income	40,507	52,365	41,
Utility income taxes	12,923	17,914	13,
Net utility income	27,584	34,451	28,
Other income (expense), net	2,320	(2,340)	4,
Contribution to net income - gas operations	29,904	32,111	32,
Contribution to net income - construction services	1,071	411	4,
Net income	\$ 30,975	\$ 32,522	\$ 37,
Earnings per share - gas operations	\$ 0.93	\$ 1.02	\$ 1
Earnings per share - construction services	0.03	0.01	0
Basic earnings per share	\$ 0.96	\$ 1.03	\$ 1
Diluted earnings per share	\$ 0.95	\$ 1.02	\$ 1
Average outstanding common shares	32,427	31,627	32,
Average shares outstanding (assuming dilution)	32,720	31,902	32,

The summary statements of income have been prepared by Southwest Gas Corporation (the Company) using the equity method of accounting for its construction services subsidiary. This presentation is not in accordance with generally accepted accounting principles (GAAP). However, it produces the same net income as the consolidated financial statements and, in management's opinion, is a fair representation of the operations and contributions to net income of the Company's operating segments.

SOUTHWEST GAS CORPORATION
SUMMARY BALANCE SHEET
AT DECEMBER 31, 2001
(In thousands)
(Unaudited)

ASSETS

UTILITY PLANT

Gas plant, net of accumulated depreciation	\$ 1,775,080
Construction work in progress	50,491

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Net utility plant	1,825,571	
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OTHER PROPERTY AND INVESTMENTS		
Investment in construction services subsidiary	35,916	
Other	44,372	
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Total other property and investments	80,288	
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CURRENT AND ACCRUED ASSETS		
Cash and cash equivalents	26,767	
Receivables - less reserve of \$1,871 for uncollectibles	133,041	
Accrued utility revenue	63,773	
Deferred purchased gas costs	83,501	
Other	37,549	
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Total current and accrued assets	344,631	
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DEFERRED DEBITS		
Unamortized debt expense	17,906	
Other deferred debits	29,887	
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Total deferred debits	47,793	
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TOTAL ASSETS	\$ 2,298,283	
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CAPITALIZATION AND LIABILITIES		
CAPITALIZATION		
Common stockholders' equity		
Common stock equity, \$1 par, 32,493 shares outstanding	\$ 504,533	
Retained earnings	56,667	
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Total common stockholders' equity	561,200	33.0 %
Preferred securities of Southwest Gas Capital I, 9.125%	60,000	3.5
Long-term debt including current maturities - NOTE 2	1,081,621	63.5
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Total capitalization	1,702,821	100.0 %
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CURRENT AND ACCRUED LIABILITIES		
Notes payable	93,000	
Accounts payable	103,333	
Customer deposits	30,288	
Taxes accrued (including income taxes)	5,159	
Deferred taxes	26,677	
Other	45,605	
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Total current and accrued liabilities	304,062	
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DEFERRED CREDITS		
Deferred investment tax credits	14,668	
Deferred income taxes	198,506	
Other	78,226	
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Total deferred credits	291,400	
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TOTAL CAPITALIZATION AND LIABILITIES	\$ 2,298,283	
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See Notes to Summary Financial Statements.

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SOUTHWEST GAS CORPORATION
SUMMARY STATEMENT OF CASH FLOWS
TWELVE MONTHS ENDED DECEMBER 31, 2001
(In thousands)
(Unaudited)

CASH FLOWS FROM OPERATIONS:	
Net income	\$ 37,156
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	104,498
Change in receivables and payables	(48,381)
Change in gas cost related balancing items	8,563
Change in accrued taxes	18,349
Change in deferred taxes	(11,419)
Allowance for funds used during construction	(2,546)
Other	(2,482)

Net cash provided by operating activities	103,738

CASH FLOWS FROM INVESTING ACTIVITIES:	
Construction expenditures	(248,352)
Other	3,608

Net cash used in investing activities	(244,744)

CASH FLOWS FROM FINANCING ACTIVITIES:	
Net proceeds from stock issuances	17,061
Dividends paid	(26,323)
Change in notes payable	(38,000)
Long-term debt issuances, net	200,389

Net cash provided by financing activities	153,127

Change in cash and cash equivalents	12,121
Cash at beginning of period	14,646

Cash at end of period	\$ 26,767
	=====
SUPPLEMENTAL INFORMATION:	
Interest paid, net of amounts capitalized	\$ 72,138
Income taxes, net of refunds	\$ 10,372

See Notes to Summary Financial Statements.

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

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NOTE 1 - BASIS OF PRESENTATION:

The summary financial statements have been prepared by Southwest Gas Corporation (the Company) using the equity method of accounting for its construction services subsidiary. This presentation is not in accordance with generally accepted accounting principles (GAAP), and certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been omitted. The summary financial statement presentation in this report produces the same net income as the consolidated financial statements and, in management's opinion, is a fair representation of the operations and contributions to net income of the Company's operating segments.

NOTE 2 - LONG-TERM DEBT:

Revolving credit facility, variable rate	\$	200,000
Debentures:		
9.75% Series F, due 2002		100,000
7.5% due 2006		75,000
8% due 2026		75,000
Notes, 8.375%, due 2011		200,000
Medium-term notes:		
7.59% due 2017		25,000
7.75% due 2005		25,000
7.78% due 2022		25,000
7.92% due 2027		25,000
6.89% due 2007		17,500
6.76% due 2027		7,500
6.27% due 2008		25,000
Industrial development revenue bonds:		
Variable-rate bonds, Series A, due 2028		50,000
7.3% 1992 Series A, due 2027		30,000
7.5% 1992 Series B, due 2032		100,000
6.5% 1993 Series A, due 2033		75,000
6.1% 1999 Series A, due 2038		12,410
5.55% 1999 Series D, due 2038		8,270
5.95% 1999 Series C, due 2038		14,320
Unamortized discount on long-term debt		(8,379)

TOTAL LONG-TERM DEBT	\$	1,081,621
		=====
ESTIMATED CURRENT MATURITIES	\$	300,000
		=====

SOUTHWEST GAS CORPORATION
SELECTED STATISTICAL DATA
DECEMBER 31, 2001

FINANCIAL STATISTICS

Market value to book value per share at year end	129%
Twelve months to date return on equity -- total company	6.8%
-- gas segment	6.2%
Common stock dividend yield at year end	3.7%

GAS OPERATIONS SEGMENT

Authorized

Authorized

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Rate Jurisdiction	Rate Base (In thousands)	Rate of Return
Arizona (1)	\$ 688,202	9.2
Southern Nevada (1)	457,314	8.7
Northern Nevada (1)	91,936	8.9
Southern California	69,486	9.9
Northern California	28,849	10.0
Paiute Pipeline Company (1)	75,059	9.6

(1) Estimated amounts based on rate case settlements.

SYSTEM THROUGHPUT BY CUSTOMER CLASS

(In dekatherms)	YEAR ENDED DECEMBER	
	2001	2000
Residential	58,994,278	57,137,750
Small commercial	27,996,473	27,267,280
Large commercial	10,758,310	6,390,830
Industrial / Other	28,377,223	19,971,470
Transportation	126,820,293	148,270,050
Total system throughput	252,946,577	259,037,400

HEATING DEGREE DAY COMPARISON	YEAR ENDED DECEMBER	
	2001	2000
Actual	1,963	1,931
Ten-year average	1,970	1,985

SIGNATURES

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

SOUTHWEST GAS CORPORATION

Date: February 19,
2002

/s/ ROY R. CENTRELLA

Roy R. Centrella
Controller