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, 2021
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
Preferred Stock Purchase Rights	N/A	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. ☐

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.
$3,911,021,151 as of June 30, 2021

The number of shares outstanding of Southwest Gas Holdings, Inc. common stock:
Common Stock, $1 Par Value, 60,452,351 shares as of February 15, 2022

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, 2022.

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, 2021	Parts I, II, and IV
2022 Proxy Statement	Part III

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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 MountainWest Pipelines Holding Company, the newly formed holding company owning all of the membership interests in Dominion Energy Questar Pipeline, LLC and related entities (herein referred to as “Questar Pipelines,” “MountainWest,” or the “pipeline and storage” segment). The Company has historically operated two business segments: natural gas distribution (previously referred to as natural gas operations) and utility infrastructure services. With the consummation of the Questar Pipelines acquisition on December 31, 2021, a third segment now exists, the pipeline and storage segment.

Southwest, incorporated in March 1931 (in California), and its subsidiaries provides 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.

As described above, on December 31, 2021, the Company completed the acquisition of Questar Pipelines from Dominion Energy Questar Corporation (“Dominion”), a wholly owned subsidiary of Dominion Energy, Inc. Questar Pipelines 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. This acquisition further diversifies the Company’s business with an expansion of operations regulated, by the Federal Energy Regulatory Commission (the “FERC”), including regulated plant, tariff rates, and services performed. Questar Pipelines’ revenues are primarily derived from reservation charges for firm transportation and storage services as provided for in their FERC-approved tariffs. The profitability of these businesses is dependent on their ability, through the rates they are permitted to charge, to recover costs and earn a reasonable return on their 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. Pursuant to a transition services agreement (the “TSA”) entered into between the Company and Dominion, Dominion will continue to provide certain services with respect to the operations of Questar Pipelines for up to 12 months. The Company will develop an operating model during the period of the TSA in which Questar Pipelines will be leveraging Dominion Energy, Inc.’s personnel and systems. During the development of the operating model, the Company will be reviewing current processes for the development of future processes in association with the integration and administrative stand up of Questar Pipelines.

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. Centuri completed the acquisition of Drum Parent LLC, formerly Drum Parent, Inc. (“Drum”), including Drum’s most significant operating

subsidiary, Riggs Distler, in August 2021, thereby expanding Centuri's electric footprint in the northeast and mid-Atlantic regions of the U.S.

On March 1, 2022, the Company announced that its Board of Directors (the "Board") determined to separate Centuri from Southwest Gas Holdings, Inc. and has authorized management to complete the separation within the next nine to twelve months.

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 2021 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 www.swgasholdings.com website as soon as reasonably practicable after such material is electronically filed with, or furnished to, the Securities and Exchange Commission (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 Arizona Corporation Commission (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. As discussed above, the pipeline and storage segment of the Company is also subject to the regulation of 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, 2021, Southwest purchased and distributed or transported natural gas to 2,159,000 residential, commercial, and industrial customers in geographically diverse portions of Arizona, Nevada, and California. Southwest added 37,000 new customers during 2021. Southwest expects similar customer growth in 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**
2021	85 %	4 %	11 %
2020	85 %	3 %	12 %
2019	84 %	3 %	13 %

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 44% of total system throughput in 2021, but represents only 11% of operating margin as shown in the table above. Customers who utilized this service transported 95 million dekatherms in 2021, 98 million dekatherms in 2020, and 101 million dekatherms in 2019.

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 territory, 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"), formerly Paiute Pipeline Company, 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 2021 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	Pending
California:			
Northern, Southern, and South Lake Tahoe	General rate case	August 2019	January 2021
Nevada:			
Northern and Southern	General rate case	August 2021	Pending
FERC*:			
Great Basin	General rate case	May 2019	February 2020

*Separate from the natural gas distribution operations, and acquired by the Company as part of the Questar acquisition, Questar Pipeline, LLC, Overthrust Pipeline, LLC, and White River Hub, LLC (the latter, a 50% owned company accounted for under the equity method) are FERC regulated, each having filed their last general rate case in July 1995, March 2018, and October 2018, respectively. Other filings take place more frequently as necessary. Current rate structures are sufficient to cover cost of service and provide a return; each of these entities would file a rate case in the future to update their revenue requirement as necessary or required.

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 2021, Southwest acquired natural gas from 35 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 2021 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 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 2021/2022 heating season, firm fixed-price physical commodity purchases ranged from approximately \$3.90 to approximately \$4.23 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, Southwest will begin receiving, in 2022, supply area storage services 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 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.

As referenced above, beginning in 2022, Southwest has contracted for supply area storage services from Spire Storage West. This storage 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.

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. 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. Forecasts show that an ample and diverse natural gas supply continues to be available to Southwest's customers at a competitive price when compared with competing forms of energy.

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 2021, 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. Alternative energy 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, 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 and low cost 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. Additionally, the Company instituted a Board of Directors strategic review process to help facilitate and ensure success as the energy transition advances.

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 5% of total U.S. GHG emissions.

Southwest remains committed to providing customers with clean, efficient, 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 greenhouse gas 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 have been 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.

There are ongoing three-year compliance periods established. One ended in 2017, another ended in 2020, and the current compliance period ends in 2023. Southwest successfully met the 2017 and 2020 compliance obligations by surrendering a sufficient number of allowances prior to November 1, 2018 and November 1, 2021, respectively. Southwest will meet the 2023 compliance obligation by surrendering a sufficient number of allowances prior to November 1, 2024, or will purchase carbon offsets in order to meet those obligations. During the first quarter of 2022, Southwest successfully bid on offsets at auction to partially meet these requirements. While carbon offsets can be only be used to satisfy a portion of the compliance obligation per year, the recent auction in 2022 supports compliance years through 2025. 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 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 electric service lines and natural gas distribution pipelines, as well as new infrastructure installations. With the recent expansion of its electric services business and its geographic footprint through the acquisition of Riggs Distler, Centuri has grown its emergency restoration services, where necessary, to bring its customers' above-ground utility infrastructure back on line following regional storms. 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 electric and gas 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. Likewise, there has been significant attention placed on electric grid modernization through national infrastructure legislation and related initiatives. 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 particularly in light of 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.

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 2021, approximately 88% 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, 2021, backlog of approximately $106 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 68 primary locations across 45 states and provinces in the U.S. and Canada, with its corporate headquarters located in Phoenix, Arizona. During 2021, Centuri served over 300 customers, with Southwest accounting for approximately 5% of total revenue. Another individual customer accounted for approximately 11% of total revenue, while five 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, such reviews would not bring Centuri under the regulatory jurisdiction of any of the commissions noted above.

Centuri, through its subsidiaries, holds a 50% interest in W.S. Nicholls Western Construction Ltd. ("Western"), a Canadian infrastructure services company that specializes in construction of underground aviation fueling systems and storage tanks. Western is a variable interest entity of which Centuri is not the primary beneficiary; therefore, Western is not consolidated with Centuri and is, instead, accounted for under the equity method of accounting. To date, Western, has not been a significant component of Centuri's financial results.

PIPELINE AND STORAGE

Questar Pipelines was acquired by Southwest Gas Holdings, Inc. on December 31, 2021. The 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. The operations specifically include two wholly owned, FERC-regulated businesses (referred to herein as Questar Pipeline and 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 Questar Pipelines is not the primary beneficiary; therefore, WRH is not consolidated with MountainWest and is, instead, accounted for under the equity method of accounting.

Collectively, Questar Pipelines has fewer that two hundred customers, which include storage customers, marketers, end-users, power generators, or utilities. The two largest customers comprise nearly half of their expected revenues, including an entity that was affiliated prior to the acquisition by the Company.

Its 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.

Operationally, it is subject to certain similar influences of the Company's significant subsidiary, Southwest Gas Corporation. It is subject to the operational and pricing requirements under FERC and PHMSA rulemaking. Questar Pipelines is also subject to similar environmental and political influences as Southwest. Federal, state, and local regulations governing the discharge of materials into the environment have a direct impact on Questar Pipelines' operations. For example, in recent years, legislation implemented in Colorado, significantly amended the Oil and Gas Conservation Act and directed the Colorado Department of Public Health & Environment (the "CDPHE") to promulgate new rules to meet the state's GHG emissions goals. In 2021, the CDPHE amended certain regulations, that among other things, established a steering committee to develop recommendations for the reduction of GHG emissions. That steering committee is directed to consider all means of reducing GHGs, with guidelines expected in 2023. While MountainWest will be part of the Company's broader consideration for deployment on renewables undertakings, these and other developments will be monitored for their impact on Questar Pipelines and the Company.

HUMAN CAPITAL

At Southwest, Centuri, MountainWest, and throughout our collective operations, employees are critical to our success. Their talent and dedication are what allow 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 diversity, equity, and inclusion; human and workplace rights; and employee health and safety 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.

Southwest, Centuri, and MountainWest are committed to 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 Southwest, Centuri, and MountainWest. 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 included Damages per 1,000 Tickets and Incident Response Time; at Centuri, they included Total Recordable Incident Rate and Days Away/Restricted/Transferred ("DART"); and at MountainWest such metrics included OSHA Injury Rate, DART, and Preventable Motor Vehicle Incident Rate, among others. In each case, the measures are widely used in the respective industries comprising our businesses. All segments maintain additional programs and extensive employee training initiatives to promote safe work.

At December 31, 2021, Southwest had 2,286 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 12 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 maintains an employee pension plan based on eligibility and vesting, and also provides a 50% company match on the first 7% of employee contributions through its defined contribution plan. Employees hired on or after January 1, 2022 will be eligible for enhanced employer contributions of 3% plus a matching contribution up to 7% (dollar-for-dollar) of eligible compensation through the defined contribution plan instead of participating in the defined benefit pension 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, 2021, Centuri had 10,434 regular full-time equivalent employees, including additional full-time equivalent employees resulting from the Riggs Distler acquisition, 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.

The acquisition of Questar Pipelines increased the number of states in which the Company operates. As of December 31, 2021, MountainWest had 253 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. Pursuant to the Purchase and Sale Agreement, dated as of October 5, 2021, by and between Dominion and the Company, Questar Pipelines employees transferred as part of the acquisition will have certain employment protections for a period of 24 months beginning December 31, 2021. In addition, pursuant to the TSA, Dominion will continue to provide certain services with respect to the operations of MountainWest for up to 12 months, including many administrative processes.

Management believes that a positive onboarding experience is foundational to positive employee engagement and rapid productivity. As part of the acquisition strategy, management has established a robust integration program with the goal of enabling the transferred Questar Pipelines employees to quickly integrate into the Company's culture. The Company will be working to develop an operating model during the TSA period during which MountainWest will be leveraging Dominion Energy, Inc.'s personnel and systems. During the development of the operating model, the Company will be reviewing current state processes for the development of future state processes to facilitate the integration and necessary administrative stand up of MountainWest. This will include building an organizational structure and hiring additional employees where gaps exist, as well as reviewing outsourcing solutions that are financially prudent to support future state processes. Other activities will include policy changes to support new processes, employee engagement and culture, and management changes to support employees and leaders during this transitional period.

Collectively, we embrace a culture of diversity, equity, and inclusion to not only protect employees under laws designed to do so regardless of race, color, religion, gender, sexual orientation, national origin, age, disability, pregnancy, and veteran 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, MountainWest Pipelines Holding Company, 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 competition could adversely impact our business, financial condition, results of operations, and cash flows.

The availability of resources for employees or professional contractors could impact our ability to efficiently and effectively integrate MountainWest and execute on the necessary administrative stand up.

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

During 2021, over half of utility infrastructure services revenues were generated from nine 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.

MountainWest has fewer than 200 customers with nearly half of expected revenues from two customers. This concentration of risk could impact future operating results if demand for transmission and storage services diminished, if additional competition materialized, or if demand was otherwise reduced.

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 both Southwest and MountainWest 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 and MountainWest 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. Deviations from normal weather conditions and the seasonal nature of these businesses can create fluctuations in short-term cash requirements of both Southwest and Centuri, and earnings, primarily related to Centuri.

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 recently 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 and MountainWest to execute on their objectives for projects undertaken.

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.

<u>Financial, Economic, and Market Risks</u>

We have a substantial amount of indebtedness maturing in the near term, which may expose us to the risk of default, and could adversely affect our financial condition, restrict our operations and our ability to obtain additional capital to fund our operations and limit our ability to react to changes in the economy or our industry.

Southwest Gas Holdings has approximately $2.125 billion of consolidated indebtedness maturing in 2022, consisting of $250 million outstanding under Southwest’s term loan that matures on March 25, 2022, $275 million of notes that mature in 2022, and $1.6 billion outstanding under that certain 364-day term loan credit agreement entered into in connection with the acquisition of Questar Pipelines that matures on December 30, 2022. These near-term maturities increase the risk of a potential default on our indebtedness, which could cause our lenders to accelerate our indebtedness and seek remedies against us, which would have a material impact on our credit ratings, financial condition, and operations. Furthermore, these near-term maturities may limit our ability to quickly react to changing market conditions, distract management's attention from day-to-day operations and limit our ability to obtain financing for our ordinary course capital requirements. For example, in February 2021, Southwest was required to execute a $250 million term loan in reaction to rising gas prices resulting from unexpected weather-related events. If something similar were to happen prior to the refinancing of some of our current indebtedness, we can provide no assurances that we would be able to secure this kind of short-term financing because of our existing 2022 maturities.

We plan to satisfy our 2022 maturities by issuing a combination of equity and equity-linked instruments, entering into new long-term debt agreements, and the issuance of debt securities. While we believe that our plans to refinance this indebtedness are probable, as of the date of this Annual Report on Form 10-K, we can provide no assurances that we will be able to obtain the necessary financing on attractive terms or at all. Our plans to refinance are subject to the conditions in the capital and credit markets, which have been volatile to date in 2022 due to, among other things, expected increases in interest rates. As a result we may be forced to obtain capital on terms that are unattractive or that are dilutive to our stockholders. Furthermore, we may need to pursue other alternatives to satisfy these near-term maturities if we are unable to access the capital markets.

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

The Questar Pipelines and Riggs Distler 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 these acquisitions will be subject to a number of uncertainties, including whether the businesses are integrated efficiently and effectively. We entered into a transition services agreement with the Questar Pipelines' previous owners covering a period of time post-acquisition. Upon the expiration of the transition services agreement, we may not be able to hire or retain sufficient staff to operate the Questar Pipelines businesses efficiently. 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. The acquisitions may also cause us to issue equity securities which would dilute our existing stockholders' percentage of ownership.

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 and MountainWest'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 2022, 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. We frequently use our at-the-market equity offering program to fund certain liquidity requirements, but we may not continue to do so if our stock is not trading at levels that we find attractive. If we were to decide not to use our equity offering program, we would need to find alternative sources of capital.

Some of our debt carries a rate of interest linked to the London Interbank Offered Rate ("LIBOR") and has a maturity date after December 31, 2021. If a change in indices, including a discontinuation of LIBOR, which may occur after 2021, results in interest rate increases on our debt, debt service requirements will correspondingly increase, which could adversely affect our cash flow and financial results.

Our business could be negatively affected as a result of actions of activist shareholders.

In October 2021, Carl Icahn and certain affiliated entities initiated a tender offer to purchase shares of our common stock and threatened a proxy contest with respect to the election of directors at our 2022 Annual Meeting of Stockholders. Responding to actions such as these and other actions by activist shareholders can be costly and time-consuming, disrupt our operations, and divert the attention of management and our employees. Perceived uncertainties among current and potential customers, employees, and other parties as to our future direction may result in the loss of potential business opportunities and may make it more difficult to attract and retain qualified personnel and business partners. These actions could also cause our stock price to experience periods of volatility, which could disrupt out plans to access the capital markets for financing purposes.

COVID-19 and the impacts to our business, results of operations, cash flows, and financial condition remains uncertain.

The novel coronavirus ("COVID-19") pandemic has been ongoing since the first quarter of 2020 and management has remained focused on the impacts to local and U.S. economies.

Our utility and pipeline and storage operations and, to a large extent, our utility infrastructure services segment have been deemed "essential services." Our businesses, consistent with federal and state guidelines and protocols, have been ongoing during this time providing services to meet the demand of customers in all operating territories. Demand at Southwest and Centuri has not significantly decreased. The COVID-19 pandemic has impacted some of our customers' ability to timely pay their bills. Southwest has implemented flexible payment plan options and continues to coordinate with certain governmental and nonprofit entities for customer payment assistance. To date, there has not been a material impact on our financial position overall. Although we may be able to seek recovery of some losses through the regulatory process, we can provide no assurances that we will be able to recover such losses in full or at all. In addition, there has not been a significant disruption in the Company's supply chains, transportation network, or ability to serve customers.

Furthermore, at the onset of the COVID-19 pandemic, a limited number of construction projects in our utility infrastructure services segment were delayed. Crews were temporarily reduced; however, most work continued, while following governmental protocols. We can provide no assurances as to whether future delays will occur or as to the impact of such delays. Our ability to perform work for which we are contracted could also be impacted by the pandemic if our workforce experiences significant infection.

The extent of the COVID-19 pandemic's effect on our operational and financial performance will depend on future developments. We are not able at this time to estimate the effect of these factors on our business, but the adverse impact on our business, results of operations, financial condition and cash flows could be material.

Additionally, any future pandemics could result in similar conditions to those described above.

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 shareholder litigation stemming from the acquisition of Questar Pipelines and are subject to a risk of additional shareholder 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 2021 Annual Report to Stockholders.

Governmental policies and regulatory actions can reduce Southwest's and/or MountainWest'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 MountainWest 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 and MountainWest record 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 and MountainWest 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

We may not be able to complete a separation of Centuri from Southwest Gas Holdings on the expected timeline or at all.

On March 1, 2022, the Company announced that its Board of Directors determined to separate Centuri from Southwest Gas Holdings, Inc. and has authorized management to complete the separation within the next nine to twelve months. Management intends to evaluate various alternatives to determine the optimal structure to maximize stockholder value. Depending on the form the separation takes, it will likely be subject to a number of conditions. There can be no assurances that the Company will be able to successfully separate Centuri on the anticipated timeline or at all. Furthermore, there can be no assurances that any separation of Centuri would lead to the benefits to stockholders that management currently anticipates.

The Company may pursue acquisitions and other strategic transactions, the success of which may impact our results of operations, cash flows, and financial condition.

The integration of acquisitions, including the integration of MountainWest, requires significant time and resources. Investment of resources would be required to support any acquisition, which could result in significant ongoing operating expenses and may divert resources and management attention from other areas of our business. If we fail to successfully integrate companies we acquire, we may not realize the benefits expected from the transaction and goodwill recorded as a result of the acquisition could be impaired. We assess existing goodwill for impairment annually or more frequently if events or circumstances occur that would more likely than not reduce the fair value of an operating segment below its carrying value. We also 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 the value of goodwill or long-lived assets becomes impaired, the impairment charges could have a material impact on our results of operations.

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. We cannot predict the timing, strength, or duration of any future economic slowdown. 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.

The Company's operating results may be adversely impacted by prolonged inflationary periods.

If inflation occurs and/or persists for extended periods, our financial condition, results of operations, and cash flows could be adversely affected. These fluctuations and uncertainties make it difficult for us to plan and may limit our ability to timely incorporate increases in costs in our customer rates and pricing. These conditions may adversely impact our results and cash flows.

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.

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, 2021 was $9.1 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, and Elko. 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 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 strategically 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. Clay Basin is the largest underground storage reservoir in the Rocky Mountain Region. Through wholly-owned subsidiaries, MountainWest owns and operates Dominion Energy 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 Southwest natural gas pipe 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. Claims are expected to be filed against Southwest. As of December 31, 2021, Southwest recorded a total liability related to this incident equal to its maximum self-insured retention level for the policy year August 2021 to July 2022 of $5 million. An estimate of actual loss greater than this exposure (to be covered by insurance) 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, 2022, there were 11,159 holders of record of common stock, and the market price of the common stock was $65.22. The dividends on, and information relating to, the Company's common stock required by this item are included in the 2021 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 and has increased that dividend each year since 2007. In February 2022, the Board elected to increase the quarterly dividend from $0.595 to $0.62 per share, representing a 4.2% increase, effective with the June 2022 payment.

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 2021 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 2022 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 in an attempt to further reduce price volatility for its California rate jurisdiction customers. During 2021, 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.

MountainWest's regulated rate design, under the jurisdiction of the FERC, 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 supported 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, 2021 and 2020 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)	2021 (1)	Increase/Decrease in Interest Expense from 1% Rate Change	2020 (1)	Increase/Decrease in Interest Expense from 1% Rate Change
Variable Rate Debt:				
Southwest	$ 430.0	$ 4.30	$ 257.0	$ 2.57
Centuri	1,220.5	12.21	253.3	2.53
Corporate	1,659.0	16.59	50.0	0.50
Total Southwest Gas Holdings, Inc.	$ 3,309.5	$ 33.10	$ 560.3	$ 5.60

(1) Excludes the IDRBs noted above.

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 2021, 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 2021 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, 2021, 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, 2021, 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 2021 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 2021 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.

In August 2021, the Company, through its utility infrastructure services subsidiary, completed the acquisition of Drum Parent LLC, formerly Drum Parent, Inc. ("Drum") and its U.S. operations consisting principally of the utility infrastructure services operations of Drum's primary subsidiary, Riggs Distler, a privately held infrastructure services business. Existing assets of the acquired business represent 2% of consolidated total assets of the Company and 4% of its consolidated revenues for the period ended December 31, 2021 and is not significant to the Company's consolidated financial statements. As permitted by SEC guidance for newly acquired businesses, the Company's management elected to exclude Riggs Distler from its evaluation of disclosure controls and procedures and management's report on internal control over financial reporting from the date of the acquisition through December 31, 2021. The Company's management is in the process of reviewing the operations of Riggs Distler and implementing the Company's internal control structure over the acquired operations. This review will be completed in 2022.

In December 2021, the Company completed the acquisition of Questar Pipelines. Existing assets of the acquired business represent 9% of consolidated total assets of the Company and none of its revenues for the period ended December 31, 2021 and is not significant to the Company's consolidated financial statements. As permitted by SEC guidance for newly acquired businesses, the Company's management elected to exclude Questar Pipelines from its evaluation of disclosure controls and procedures and management's report on internal control over financial reporting for the period ended December 31, 2021. The Company's management is in the process of reviewing the operations of Questar Pipelines and implementing the Company's internal control structure over the acquired operations. This review will be completed in 2022.

Changes in Internal Control Over Financial Reporting

There have been no other 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 2021 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 2021 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 2022 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2021 and by this reference is incorporated herein.

(b) *Identification of Executive Officers.* The following sets forth the name, age, position, and period the position was held during the last five years for each of the Executive Officers as of December 31, 2021.

Name	Age	Position	Period Position Held
John P. Hester	59	President and Chief Executive Officer *	2017-Present
Karen S. Haller	58	Executive Vice President/Chief Legal and Administrative Officer *	2019-Present
		Executive Vice President/Chief Legal and Administrative Officer and Corporate Secretary *	2018-2019
		Senior Vice President/General Counsel and Corporate Secretary *	2017-2018
Gregory J. Peterson	62	Senior Vice President/Chief Financial Officer *	2018-Present
		Vice President/Controller/Chief Accounting Officer *	2017-2018
Eric DeBonis	54	Senior Vice President/Operations **	2017-Present
Justin L. Brown	49	Senior Vice President/General Counsel **	2018-Present
		Vice President/Regulation & Public Affairs **	2017-2018
Paul M. Daily	65	President and Chief Executive Officer - Centuri Group, Inc.	2017-Present

* Position held at Southwest Gas Holdings, Inc. (formed January 2017) and Southwest Gas Corporation

** Position held at Southwest Gas Corporation only

(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 "Election of Directors" in the definitive 2022 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2021 and by this reference is incorporated herein. All executive officers have held responsible positions with the Company for at least five years as described in (b) above.

(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 "Committees of the Board" in the definitive 2022 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2021 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 "Committees of the Board" in the definitive 2022 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2021 and by this reference is incorporated herein.

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

Delinquent Section 16(a) Reports. Information with respect to delinquent Section 16(a) reports will be set forth under the heading "Delinquent Section 16(a) Reports" in the definitive 2022 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2021 and by this reference is incorporated herein.

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. A code of ethics is defined as written standards that are reasonably designed to deter wrongdoing and to promote: 1) honest and ethical conduct; 2) full, fair, accurate, timely, and understandable disclosure in reports and documents that a registrant files; 3) compliance with applicable governmental laws, rules, and regulations; 4) the prompt internal reporting of violations of the code to an appropriate person or persons identified in the code; and 5) accountability for adherence to the code. The Code of Business Conduct and Ethics can be viewed on our website (www.swgasholdings.com). If any substantive amendments to the Code of Business Conduct and Ethics are made or any waivers are granted, including any implicit waiver, from a provision of the Code of Business Conduct and Ethics, to our president and chief executive officer, chief financial officer and chief accounting officer, the nature of such amendment or waiver will be disclosed on www.swgasholdings.com.

Item 11. EXECUTIVE COMPENSATION

Information with respect to executive compensation will be set forth under the heading "Executive Compensation" in the definitive 2022 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2021 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 2022 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2021 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 2022 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2021 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 2022 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2021 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 2022 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2021 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, 2021.

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)	520	$ 61.01	1,686
Equity compensation plans not approved by security holders	—	—	—
Total	520	$ —	1,686

(1) The number of securities to be issued upon vesting of awards includes 236,000 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 2021 Annual Report to Stockholders.

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

Information with respect to certain relationships and related transactions, and director independence is set forth under the heading "Governance of the Company" in the definitive 2022 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2021 and by this reference is incorporated herein.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information with respect to accounting fees and services associated with PricewaterhouseCoopers LLP is set forth under the heading “Selection of Independent Registered Public Accounting Firm” in the definitive 2022 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2021 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 Report of Independent Registered Public Accounting Firm) required to be reported herein are incorporated by reference to the information reported in the 2021 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***	Merger Agreement, dated as of June 28, 2021, by and among Centuri Group, Inc., Electric T&D Holdings LLC, ETDH Merger Sub, Inc., Drum Parent, Inc. and OCM Drum Investors, L.P. Incorporated herein by reference to Exhibit 2.1 to Form 8-K dated June 28, 2021, File No. 001-37976.
2.02***	Purchase and Sale Agreement, dated as of October 5, 2021, by and between Dominion Energy Questar Corporation and Southwest Gas Holdings, Inc.. Incorporated herein by reference to Exhibit 2.1 to Form 8-K October 5, 2021, 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 Designations of the Series A Junior Participating Preferred Stock. Incorporated herein by reference to Exhibit 3.1 to Form 8-K dated October 10, 2021, 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.

Exhibit Number	Description of Document
4.12	Indenture, dated March 23, 2012, by and between Southwest Gas Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee. 3.875% Notes due 2022. Incorporated herein by reference to Exhibit 4.1 to Form 8-K dated March 20, 2012, File No. 001-07850.
4.13	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.
4.14	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.
4.15	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.
4.16	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.
4.17	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.
4.18	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.
4.19	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.
4.20	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.
4.21	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.
4.22	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.
4.23	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.
4.24	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.
4.25**	Description of Securities of Southwest Gas Holdings, Inc.
4.26	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.
4.27	Form of 3.18% Senior Note due 2051 (included in Exhibit 4.01). Incorporated herein by reference to Exhibit 4.2 to Form 8-K dated August 18, 2021, File Nos. 001-37976 and 001-07850.
4.28	Southwest Gas Corporation 3.18% Senior Notes due 2051. Incorporated herein by reference to prospectus 424(b)(5) dated August 18, 2021, File No. 333-251074-01.
4.29	Rights Agreement, dated October 10, 2021, between Southwest Gas Holdings, Inc. and Equiniti Trust Company, as Rights Agent. Incorporated herein by reference to Exhibit 4.1 to Form 8-K dated October 10, 2021, File No. 001-37976.
4.30	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 here 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 date 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.
13.01	Portions of Southwest Gas Holdings, Inc. 2021 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.
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, 2021, 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.

Southwest Gas Holdings, Inc.

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: March 1, 2022

By: /s/ JOHN P. HESTER
John P. Hester
President and Chief Executive Officer

Southwest Gas Holdings, Inc.

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/ ROBERT L. BOUGHNER (Robert L. Boughner)	Director	March 1, 2022
/s/ JOSÉ A. CÁRDENAS (José A. Cárdenas)	Director	March 1, 2022
/s/ STEPHEN C. COMER (Stephen C. Comer)	Director	March 1, 2022
/s/ E. RENAE CONLEY (E. Renae Conley)	Director	March 1, 2022
/s/ JOHN P. HESTER (John P. Hester)	Director, President and Chief Executive Officer	March 1, 2022
/s/ JANE LEWIS-RAYMOND (Jane Lewis-Raymond)	Director	March 1, 2022
/s/ ANNE L. MARIUCCI (Anne L. Mariucci)	Director	March 1, 2022
/s/ MICHAEL J. MELARKEY (Michael J. Melarkey)	Chairman of the Board of Directors	March 1, 2022
/s/ CARLOS A. RUISANCHEZ (Carlos A. Ruisanchez)	Director	March 1, 2022
/s/ A. RANDALL THOMAN (A. Randall Thoman)	Director	March 1, 2022
/s/ THOMAS A. THOMAS (Thomas A. Thomas)	Director	March 1, 2022
/s/ LESLIE T. THORNTON (Leslie T. Thornton)	Director	March 1, 2022
/s/ GREGORY J. PETERSON (Gregory J. Peterson)	Senior Vice President/ Chief Financial Officer	March 1, 2022
/s/ LORI L. COLVIN (Lori L. Colvin)	Vice President/Controller/ Chief Accounting Officer	March 1, 2022

Southwest Gas Corporation

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: March 1, 2022

By: /s/ JOHN P. HESTER
John P. Hester
President and 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/ JOHN P. HESTER (John P. Hester)	Director, President and Chief Executive Officer	March 1, 2022
/s/ MICHAEL J. MELARKEY (Michael J. Melarkey)	Director	March 1, 2022
/s/ KAREN S. HALLER (Karen S. Haller)	Director, Executive Vice President/Chief Legal and Administrative Officer	March 1, 2022
/s/ GREGORY J. PETERSON (Gregory J. Peterson)	Director, Senior Vice President/ Chief Financial Officer	March 1, 2022
/s/ LORI L. COLVIN (Lori L. Colvin)	Vice President/Controller/ Chief Accounting Officer	March 1, 2022