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

FORM 10-Q

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

For the quarterly period ended September 30, 1997

Commission File Number 1-7850

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

California	88-0085720
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
5241 Spring Mountain Road Post Office Box 98510 Las Vegas, Nevada	89193-8510
(Address of principal executive offices)	(Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (702) 876-7237

Indicate by check mark whether the 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 X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

Common Stock, $1 Par Value, 27,274,352 shares as of November 4, 1997

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SOUTHWEST GAS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Thousands of dollars, except par value)

	SEPTEMBER 30, 1997	DECEMBER 31, 1996
ASSETS	(Unaudited)	
Utility plant		
Gas plant	$ 1,845,875	$ 1,732,405
Less: accumulated depreciation	(545,807)	(505,984)
Acquisition adjustments	4,354	5,866
Construction work in progress	34,686	46,170
Net utility plant	1,339,108	1,278,457
Other property and investments	70,764	71,245
Current assets		
Cash and cash equivalents	12,910	8,280
Accounts receivable, net of allowances	45,801	69,000
Accrued utility revenue	21,725	46,500
Income tax benefit	35,557	--
Deferred tax benefit	--	8,009
Deferred purchased gas costs	64,805	--
Prepaids and other current assets	34,119	28,029
Total current assets	214,917	159,818
Deferred charges and other assets	54,299	50,749
Total assets	$ 1,679,088	$ 1,560,269
CAPITALIZATION AND LIABILITIES		
Capitalization		
Common stock, $1 par (authorized - 45,000,000 shares; issued and outstanding - 27,222,856 and 26,732,688 shares)	$ 28,853	$ 28,363
Additional paid-in capital	357,404	349,132
Retained earnings (accumulated deficit)	(21,429)	2,121
Total common equity	364,828	379,616
Redeemable preferred securities of Southwest Gas Capital I	60,000	60,000
Long-term debt, less current maturities	778,942	665,221
Total capitalization	1,203,770	1,104,837
Current liabilities		
Current maturities of long-term debt	6,123	6,675
Short-term debt	109,000	121,000
Accounts payable	33,432	49,951
Customer deposits	21,536	21,133
Accrued taxes	25,720	9,977
Accrued interest	11,110	9,800
Deferred taxes	15,071	--
Deferred purchased gas costs	--	9,432
Other current liabilities	48,486	33,369
Total current liabilities	270,478	261,337
Deferred income taxes and other credits		
Deferred income taxes and investment tax credits	157,967	152,063
Other deferred credits	46,873	42,032
Total deferred income taxes and other credits	204,840	194,095
Total capitalization and liabilities	$ 1,679,088	$ 1,560,269

The accompanying notes are an integral part of these statements.

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

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,		TWELVE MONTHS ENDED SEPTEMBER 30,	
	1997	1996	1997	1996	1997	1996
Operating revenues:						
Gas operating revenues	$ 95,009	$ 85,534	$ 414,313	$ 376,599	$ 584,075	$ 522,958
Construction revenues	33,689	39,721	86,554	60,619	123,635	60,619
Total operating revenues	128,698	125,255	500,867	437,218	707,710	583,577
Operating expenses:						
Net cost of gas sold	28,508	24,027	149,830	139,184	198,226	182,001
Operations and maintenance	50,310	49,086	148,165	144,557	201,972	192,239
Depreciation and amortization	21,636	19,455	62,563	54,046	82,216	69,334
Taxes other than income taxes	7,371	7,365	22,482	22,228	28,410	29,129
Construction expenses	28,121	33,726	77,542	51,815	110,416	51,815
Total operating expenses	135,946	133,659	460,582	411,830	621,240	524,518
Operating income (loss)	(7,248)	(8,404)	40,285	25,388	86,470	59,059
Other income and (expenses):						
Net interest deductions	(16,115)	(14,016)	(46,362)	(40,445)	(60,830)	(54,143)
Preferred securities distributions	(1,368)	(1,368)	(4,106)	(4,106)	(5,475)	(5,019)
Other income (deductions), net	(467)	(11)	(609)	(214)	(1,132)	(681)
Total other income and (expenses)	(17,950)	(15,395)	(51,077)	(44,765)	(67,437)	(59,843)
Income (loss) from continuing operations before income taxes	(25,198)	(23,799)	(10,792)	(19,377)	19,033	(784)
Income tax expense (benefit)	(9,512)	(9,161)	(3,926)	(7,655)	7,603	(571)
Income (loss) from continuing operations	(15,686)	(14,638)	(6,866)	(11,722)	11,430	(213)
Net loss from discontinued operations	--	--	--	--	--	(18,864)
Net income (loss)	(15,686)	(14,638)	(6,866)	(11,722)	11,430	(19,077)
Preferred stock dividend requirements	--	--	--	--	--	22
Net income (loss) applicable to common stock	$ (15,686)	$ (14,638)	$ (6,866)	$ (11,722)	$ 11,430	$ (19,099)
Earnings (loss) per share from continuing operations	$ (0.58)	$ (0.55)	$ (0.25)	$ (0.46)	$ 0.42	$ (0.01)
Loss per share from discontinued operations	--	--	--	--	--	(0.74)
Earnings (loss) per share of common stock	$ (0.58)	$ (0.55)	$ (0.25)	$ (0.46)	$ 0.42	$ (0.75)
Dividends paid per share of common stock	$ 0.205	$ 0.205	$ 0.615	$ 0.615	$ 0.82	$ 0.82
Average number of common shares outstanding	27,149	26,477	26,990	25,636	26,902	25,382

The accompanying notes are an integral part of these statements.

SOUTHWEST GAS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Thousands of dollars)
(Unaudited)

	NINE MONTHS ENDED SEPTEMBER 30,		TWELVE MONTHS ENDED SEPTEMBER 30,	
	1997	1996	1997	1996
CASH FLOW FROM OPERATING ACTIVITIES:				
Net income (loss)	$ (6,866)	$ (11,722)	$ 11,430	$ (19,077)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	62,563	54,046	82,216	69,334
Deferred income taxes	28,984	1,282	45,155	2,807
Changes in current assets and liabilities:				
Accounts receivable, net of allowances	23,199	8,453	(3,140)	(9,917)
Accrued utility revenue	24,775	23,613	(1,438)	(1,243)
Deferred purchased gas costs	(74,237)	6,776	(104,357)	3,800
Accounts payable	(16,519)	(15,986)	4,431	5,122
Accrued taxes	(19,814)	(7,653)	(31,300)	(10,025)
Other current assets and liabilities	13,742	480	15,760	1,148
Other	530	911	9,595	(1,049)
Undistributed loss from discontinued operations	--	--	--	17,371
Net cash provided by operating activities	36,357	60,200	28,352	58,271
CASH FLOW FROM INVESTING ACTIVITIES:				
Construction expenditures and property additions	(120,449)	(141,948)	(197,336)	(191,517)
Proceeds from bank sale	--	191,662	--	191,662
Other	(4,974)	(29,163)	2,077	(24,828)
Net cash provided by (used in) investing activities	(125,423)	20,551	(195,259)	(24,683)
CASH FLOW FROM FINANCING ACTIVITIES:				
Issuance of common stock	8,762	14,365	12,507	18,625
Issuance of trust originated preferred securities, net	--	--	--	57,713
Reacquisition of preferred stock	--	--	--	(4,000)
Dividends paid	(16,583)	(15,852)	(22,042)	(20,960)
Issuance of long-term debt, net	118,992	159,486	124,382	176,786
Retirement of long-term debt, net	(5,475)	(247,020)	(6,986)	(247,025)
Issuance (repayment) of short-term debt	(12,000)	1,483	67,575	(17,517)
Other	--	--	--	(48)
Net cash provided by (used in) financing activities	93,696	(87,538)	175,436	(36,426)
Change in cash and temporary cash investments	4,630	(6,787)	8,529	(2,838)
Cash at beginning of period	8,280	11,168	4,381	7,219
Cash at end of period	$ 12,910	$ 4,381	$ 12,910	$ 4,381
Supplemental information:				
Interest paid, net of amounts capitalized	$ 44,126	$ 47,718	$ 56,416	$ 61,720
Income taxes, net of refunds	$ (2,694)	$ 18,610	$ (2,623)	$ 12,880

The accompanying notes are an integral part of these statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS. Southwest Gas Corporation (the Company) is comprised of two segments: Natural gas operations (Southwest or the natural gas operations segment) and construction services. Southwest purchases, transports, and distributes natural gas to customers in portions of Arizona, Nevada, and California. Natural gas sales are seasonal, peaking during the winter months. Variability in weather from normal temperatures can materially impact results of operations. Northern Pipeline Construction Co. (Northern or the construction services segment), a wholly owned subsidiary, is a full-service underground piping contractor which provides utility companies with trenching and installation, replacement, and maintenance services for energy distribution systems.

DISCONTINUED OPERATIONS. In July 1996, the Company completed the sale of the assets and liabilities of PriMerit Bank (the Bank) to Norwest Corporation. The results of operations of the Bank are shown as discontinued operations in the accompanying financial statements.

BASIS OF PRESENTATION. The consolidated financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. In the opinion of management, all adjustments, consisting of normal recurring items and estimates necessary for a fair presentation of the results for the interim periods, have been made. It is suggested that these consolidated financial statements be read in conjunction with the financial statements and the notes thereto included in the Company's 1996 Annual Report to Shareholders, which is incorporated by reference into the Form 10-K, and 1997 quarterly reports on Form 10-Q.

INTERCOMPANY TRANSACTIONS. During the nine months ended September 30, 1997, the construction services segment recognized $26 million of revenues generated from contracts with Southwest. At September 30, 1997, accounts receivable for these services was $3.1 million. The accounts receivable balance, revenues, and associated profits are included in the consolidated financial statements of the Company and were not eliminated during consolidation. Statement of Financial Accounting Standards (SFAS) No. 71, "Accounting for the Effects of Certain Types of Regulation," provides that intercompany profits on sales to regulated affiliates should not be eliminated in consolidation if the sales price is reasonable and if future revenues approximately equal to the sales price will result from the rate-making process. Management believes these two criteria are being met.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Company is principally engaged in the business of purchasing, transporting, and distributing natural gas. Southwest is the largest distributor in Arizona, selling and transporting natural gas in most of southern, central, and northwestern Arizona, including the Phoenix and Tucson metropolitan areas. Southwest is also the largest distributor and transporter of natural gas in Nevada, and serves the Las Vegas metropolitan area and northern Nevada. In addition, Southwest distributes and transports natural gas in portions of California, including the Lake Tahoe area in northern California and high desert and mountain areas in San Bernardino County.

Southwest purchases, transports, and distributes natural gas to approximately 1,124,000 residential, commercial, industrial and other customers, of which 58 percent are located in Arizona, 32 percent are in Nevada, and 10 percent are in California. During the twelve months ended September 30, 1997, Southwest earned 55 percent of operating margin in Arizona, 35 percent in Nevada, and 10 percent in California. During this same period, Southwest earned 62 percent of operating margin from residential customers, 23 percent from commercial customers, and 15 percent from industrial and other customers. These patterns are consistent with prior years and are expected to continue.

Northern is a full-service underground piping contractor which provides utility companies with trenching and installation, replacement, and maintenance services for energy distribution systems.

CAPITAL RESOURCES AND LIQUIDITY

The capital requirements and resources of the Company generally are determined independently for the natural gas operations and construction services segments. Each business activity is generally responsible for securing its own financing sources. The capital requirements and resources of the construction services segment are not material to the overall capital requirements and resources of the Company.

Southwest continues to experience significant population growth throughout its service territories. This growth has required large amounts of capital to finance the investment in infrastructure, in the form of new transmission and distribution plant, to satisfy consumer demand. Southwest estimates construction expenditures during the three-year period ending December 31, 1999 will be approximately $468 million. During the three-year period, cash flow from operating activities (net of dividends) is estimated to fund approximately one-half of the gas operations total construction expenditures. A portion of the construction expenditure funding will be provided by $30 million of funds held in trust, at December 31, 1996, from the issuance of industrial development revenue bonds (IDRB). The remaining cash requirements are expected to be provided by external financing sources. The timing, types, and amounts of these additional external financings will be dependent on a number of factors, including conditions in the capital markets, timing and amounts of rate relief, and growth levels in Southwest service areas. These external financings may include the issuance of both debt and equity securities, bank and other short-term borrowings, and other forms of financing. Due to the significant size of the current construction program, differences between estimated and actual results are expected to occur. Actual events, and the timing of those events, frequently do not occur as expected, and can impact, favorably or unfavorably, anticipated cash flows.

For the twelve months ended September 30, 1997, natural gas construction expenditures totaled $184 million. Approximately 78 percent of these expenditures represents new construction and the balance represents costs associated with routine replacement of existing transmission, distribution and general plant. Financing for recent construction expenditures and for other corporate purposes was provided primarily by the issuances of medium-term notes in January, February, June and September 1997 totaling $100 million and a $16 million issuance of commercial paper in February 1997.

Cash flows from operating activities during the nine and twelve months ended September 30, 1997 were negatively affected by increases in the cost of gas during the fourth quarter of 1996 and first quarter of 1997. Higher gas costs coupled with refunds to customers of previously overcollected amounts shifted the deferred purchased gas cost balance from a $39.6 million payable, at September 30, 1996, to a $64.8 million receivable, at September 30, 1997, a $104 million change. Southwest must first obtain regulatory approval before changing the rates it charges for recovery of gas costs.

The increase in the cost of gas resulted from several factors including reduced natural gas storage supplies nationwide following colder-than-normal temperatures in the East and Midwest during the winter heating season of 1995/1996. Domestic storage supplies were not fully replenished during the summer months of 1996 because natural gas prices did not fall as much as expected, and companies were shifting to "just-in-time" delivery practices in lieu of storage. Reduced availability coupled with increased weather-related demand for supplies during the winter heating season of 1996/1997 were the primary reasons for the increased cost of natural gas. These increases not only impacted Southwest, but local gas distribution companies throughout the country.

Southwest intends to file for recovery of the accumulated balances in all applicable rate jurisdictions. In January 1997, Southwest submitted a purchased gas cost adjustment (PGA) filing with the Public Utilities Commission of Nevada (PUCN). In April 1997, the filing was amended. In September 1997, annual increases of $10.1 million, or 9 percent, in the southern Nevada rate jurisdiction and $6 million, or 14 percent, in the northern Nevada rate jurisdiction were granted effective September 1997. In approving the increase, the PUCN indicated the PGA mechanism may need to be replaced with one that includes a price incentive mechanism. The Company had recommended during the hearing process that the PUCN adopt such a mechanism.

In June 1997, Southwest submitted an additional PGA filing with the PUCN. This annual PGA filing addressed the increased costs of natural gas since the beginning of 1997 as well as the recovery of costs previously deferred. In September 1997, the filing was amended to reflect changes necessary as a result of the September 1997 order on the previous PGA filing. If approved as amended, the filing would result in annual increases, above the revenue levels approved in the previous PGA order, of $23.1 million, or 18 percent, in the southern Nevada rate jurisdiction and $8.4 million, or 17 percent, in the northern Nevada rate jurisdiction. Hearings on this filing commenced in October 1997 and are ongoing. A final decision is expected from the PUCN prior to year-end.

In September 1997, Southwest submitted a PGA filing with the California Public Utilities Commission (CPUC) to increase rates annually by $10 million, or 19 percent, in the southern California rate jurisdiction. The rates are expected to become effective by December 1997.

RESULTS OF CONSOLIDATED OPERATIONS

Quarterly Analysis

	Contribution to Net Loss Three Months Ended September 30, (Thousands of dollars) 1997	1996
Natural gas operations	$ (16,771)	$ (16,256)
Construction services	1,085	1,618
Net loss	$ (15,686)	$ (14,638)

Loss per share for the quarter ended September 30, 1997 was $0.58, compared to a $0.55 loss per share recorded during the corresponding quarter of the prior year. Natural gas operations results declined $0.01 per share. See separate discussion at RESULTS OF NATURAL GAS OPERATIONS for changes as they relate to gas operations. Construction services results declined $0.02 per share from the previous period primarily resulting from lower-than-anticipated revenues. Revenues declined 15 percent due to project cancellations and curtailments in portions of California, Washington, Missouri, and Kansas. Northern has reorganized and closed offices in some of these areas and is pursuing new contracts in other areas to improve profitability. Average shares outstanding increased 672,000 shares between years primarily resulting from continuing issuances under the Company Dividend Reinvestment and Stock Purchase Plan.

Nine-Month Analysis

	Contribution to Net Loss Nine Months Ended September 30, (Thousands of dollars) 1997	1996
Natural gas operations	$ (6,982)	$ (13,786)
Construction services	116	2,064
Net loss	$ (6,866)	$ (11,722)

Loss per share for the nine months ended September 30, 1997 was $0.25, a $0.21 improvement from a per share loss of $0.46 recorded during the corresponding nine months of the previous year. Loss from natural gas operations improved $0.28 per share. See separate discussion at RESULTS OF NATURAL GAS OPERATIONS for changes as they relate to gas operations. Construction services earnings per share were $0.01 during the current period. In the prior period, construction services contributed $0.08 per share, however, those results excluded the months of January through April 1996 which are typically loss months. In addition, the decline was a result of various project cancellations and curtailments. To improve profitability, Northern is pursuing new contracts and has reorganized and closed some offices. Average shares outstanding increased 1.4 million shares between years primarily due to a 1.4 million share issuance in April 1996 to acquire Northern and issuances under the Company Dividend Reinvestment and Stock Purchase Plan.

Twelve-Month Analysis

	Contribution to Net Income (Loss) Twelve Months Ended September 30, (Thousands of dollars) 1997	1996
Continuing operations		
Natural gas operations	$ 10,723	$ (2,277)
Construction services	707	2,064
	11,430	(213)
Discontinued operations--financial services	--	(18,864)
Net income (loss)	$ 11,430	$ (19,077)

Earnings per share for the twelve months ended September 30, 1997 were $0.42, a $0.43 increase from the $0.01 per share loss from continuing operations recorded during the prior twelve-month period. Earnings contributed from natural gas operations increased $0.49 per share. See separate discussion at RESULTS OF NATURAL GAS OPERATIONS for changes as they relate to gas operations. Construction services results declined $0.06 per share from the previous period. The decline was primarily the result of project cancellations and curtailments. Northern has closed some offices and is pursuing new contracts to improve profitability. Discontinued operations posted a $0.74 per share loss during the prior year. Average shares outstanding increased 1.5 million shares between periods primarily due to a 1.4 million share issuance in April 1996 to acquire Northern and issuances under the Company Dividend Reinvestment and Stock Purchase Plan.

The following table sets forth the ratios of earnings to fixed charges for the Company:

	For the Twelve Months Ended September 30, 1997	December 31, 1996
Ratios of earnings to fixed charges	1.25	1.15

For the purposes of computing the ratios of earnings to fixed charges, earnings are defined as the sum of pretax income from continuing operations plus fixed charges. Fixed charges consist of all interest expense including capitalized interest, one-third of rent expense (which approximates the interest component of such expense), preferred securities distributions and amortized debt costs.

RESULTS OF NATURAL GAS OPERATIONS

Quarterly Analysis

	Three Months Ended September 30, (Thousands of dollars) 1997	1996
Gas operating revenues	$ 95,009	$ 85,534
Net cost of gas sold	28,508	24,027
Operating margin	66,501	61,507
Operations and maintenance expense	50,310	49,086
Depreciation and amortization	18,873	17,012
Taxes other than income taxes	7,371	7,365
Operating loss	(10,053)	(11,956)
Other income (expense), net	(2)	(23)
Loss before interest and income taxes	(10,055)	(11,979)
Net interest deductions	15,736	13,318
Preferred securities distributions	1,368	1,368
Income tax expense (benefit)	(10,388)	(10,409)
Contribution to consolidated net loss	$ (16,771)	$ (16,256)

Contribution from natural gas operations declined $515,000 compared to the third quarter of 1996. The decline was principally the result of higher operating and financing expenses incurred as a result of the expansion and upgrading of the gas system to accommodate continued customer growth, partially offset by an improvement in margin.

Operating margin increased $5 million, or eight percent, in the third quarter of 1997 when compared to the third quarter of 1996. The operating margin improvement was primarily the result of customer growth and general rate relief granted in Arizona jurisdictions effective September 1997. Southwest added approximately 60,000 customers during the past twelve months, a six percent increase.

Operations and maintenance expenses increased $1.2 million, or two percent, reflecting general increases in labor, purchased goods and services.

Depreciation expense and general taxes increased $1.9 million, or eight percent, as a result of construction activities. Average gas plant in service increased $178 million, or 11 percent, as compared to the third quarter of 1996. The increase reflects ongoing capital expenditures for the upgrade of existing operating facilities and the expansion of the system to accommodate continued customer growth.

Financing costs increased $2.4 million, or 16 percent, over the prior period. This increase is primarily attributed to higher short-term borrowings outstanding during the current quarter and an increase in long-term debt reflecting $100 million of medium-term note issuances during 1997. The increase in short-term debt reflects the need for short-term financing to cover higher gas costs experienced during the fourth quarter of 1996 and first quarter of 1997.

Nine-Month Analysis

	Nine Months Ended September 30, (Thousands of dollars) 1997	1996
Gas operating revenues	$ 414,313	$ 376,599
Net cost of gas sold	149,830	139,184
Operating margin	264,483	237,415
Operations and maintenance expense	148,165	144,557
Depreciation and amortization	55,188	50,003
Taxes other than income taxes	22,482	22,228
Operating income	38,648	20,627
Other income (expense), net	(650)	(298)
Income before interest and income taxes	37,998	20,329
Net interest deductions	45,192	39,324
Preferred securities distributions	4,106	4,106
Income tax expense (benefit)	(4,318)	(9,315)
Contribution to consolidated net loss	$ (6,982)	$ (13,786)

Contribution to consolidated net loss improved $6.8 million compared to the nine months ended September 1996. The improvement was the result of an increase in operating margin, offset somewhat by higher operating and financing expenses.

Operating margin increased $27.1 million, or 11 percent, during the nine months ended September 1997 compared to the same period in 1996 due primarily to continued customer growth throughout the Southwest service areas, general rate relief granted in Nevada jurisdictions effective July 1996, and more favorable weather conditions during the first quarter of 1997 relative to the first quarter of 1996.

Operations and maintenance expenses increased $3.6 million, or two percent, reflecting increases in labor and maintenance costs along with incremental operating expenses associated with providing service to the growing Southwest customer base.

Depreciation expense and general taxes increased $5.4 million, or eight percent, resulting from an increase in average gas plant in service of $167 million, or ten percent. This increase reflects capital expenditures for the upgrade of existing operating facilities and the expansion of the system to accommodate new customers being added to the system.

Financing costs increased $5.9 million, or 14 percent, during the nine months ended September 1997, over the comparative prior period. Average total debt outstanding during the period increased due to the financing of construction expenditures and working capital needs and included higher short-term debt, the issuance of medium-term notes during 1997, and the drawdown of IDRB funds held in trust.

Twelve-Month Analysis

	Twelve Months Ended September 30, (Thousands of dollars) 1997	1996
Gas operating revenues	$ 584,075	$ 522,958
Net cost of gas sold	198,226	182,001
Operating margin	385,849	340,957
Operations and maintenance expense	201,972	192,239
Depreciation and amortization	72,628	65,291
Taxes other than income taxes	28,410	29,129
Operating income	82,839	54,298
Other income (expense), net	(1,112)	(765)
Income before interest and income taxes	81,727	53,533
Net interest deductions	58,871	53,022
Preferred securities distributions	5,475	5,019
Income tax expense (benefit)	6,658	(2,231)
Contribution to consolidated net income (loss)	$ 10,723	$ (2,277)

Contribution to consolidated net income increased $13 million compared to the corresponding twelve-month period ended September 1996. The increase was the result of an improvement in operating margin, offset somewhat by higher operating and financing expenses.

Operating margin increased $44.9 million due to customer growth, rate relief, and improved, but warmer-than-normal, weather conditions. Southwest billed an average of 61,000 more customers per month than during the previous twelve-month period which contributed approximately $10 million of additional margin. General rate relief, primarily related to Nevada jurisdictions, contributed $15 million incrementally to operating margin. Weather-related variances between periods resulted in a $20 million increase in operating margin from weather-sensitive customers. On a weather-normalized basis, operating margin would have been approximately $12 million greater than actually reported for the twelve months ended September 30, 1997 and $32 million higher in the previous period.

Operations and maintenance expenses increased $9.7 million, or five percent, reflecting increases in labor and maintenance costs along with incremental operating expenses associated with providing service to the steadily growing Southwest customer base.

Depreciation expense and general taxes increased $6.6 million, or seven percent, as a result of construction activities. Average gas plant in service for the current twelve-month period increased $162 million, or ten percent, compared to the corresponding period a year ago. This was attributed to the upgrade of existing operating facilities and the expansion of the system to accommodate customer growth.

Financing costs increased $6.3 million, or 11 percent, during the twelve months ended September 30, 1997 over the comparative prior period. Average total debt outstanding during the period increased due to the financing of construction expenditures and working capital needs and included higher short-term debt, the issuance of medium-term notes during 1997, and the drawdown of IDRB funds held in trust. Additionally, the current year reflects the full annual cost of the $60 million preferred securities issued in October 1995.

RATES AND REGULATORY PROCEEDINGS

ARIZONA

In November 1996, Southwest filed a general rate application with the Arizona Corporation Commission (ACC) seeking approval to increase revenues by $49.3 million annually for both of its Arizona rate jurisdictions. Southwest was seeking rate relief for increased operating costs, changes in financing costs, and improvements and additions to the distribution system. In August 1997, the ACC approved a settlement of the general rate case providing the Company with a $32 million general rate increase effective September 1, 1997. The settlement achieved a number of favorable rate design improvements and tariff restructuring changes including consolidation of the southern and central Arizona rate jurisdictions for ratemaking purposes and better matching of rates with the costs of serving various customer classes. The timing of the increase is important to the Company because it provides the benefit of having new rates in place before the start of the 1997/1998 winter heating season.

FERC

In July 1996, Paiute Pipeline Company, a wholly owned subsidiary of the Company, filed a general rate case with the Federal Energy Regulatory Commission (FERC) seeking approval to increase revenues by $6.9 million annually. Paiute is seeking rate relief for increased costs associated with transmission system additions and improvements, higher depreciation rates, operating cost increases including labor, and an increase in the allowed rate of return. Interim rates reflecting the increased revenues became effective in January 1997, subject to refund until a final order is issued. In June 1997, a settlement agreement was filed with the FERC which, if approved, would authorize a $3.2 million general rate increase effectve January 1997. An order approving the settlement agreement was issued in October 1997 and is expected to become final in November 1997. Paiute has accrued a liability to customers for the difference between the rates collected since January 1997 and the estimated amount of rate relief to ultimately be granted. Refunds for this difference will be made to customers within 60 days of the effective date.

CALIFORNIA

NORTHERN CALIFORNIA EXPANSION PROJECT. In 1995, Southwest initiated a multi-year, three-phase construction project to expand its northern California service territory and extend service into Truckee, California. (See Note 8 of the Notes to Consolidated Financial Statements of the 1996 Annual Report to Shareholders, incorporated by reference into the Form 10-K, for additional background information.) In July 1997, Southwest filed an application requesting authorization from the California Public Utilities Commission (CPUC) to modify the terms and conditions of the certificate of public convenience and necessity granted by the CPUC in 1995.

In the new application, Southwest is requesting that the cost cap of $29.1 million, originally approved by the CPUC, be increased to $46.8 million; that the scope of Phase III construction be revised to include 2,900 of the initially proposed 4,200 customers; and that Southwest be permitted to collect contributions or advances from customer applicants desiring service in the expansion area who were not identified to receive service during the expansion phases as modified within the new application. Southwest has proposed to recover the incremental costs above the original cost cap on a dollar-for-dollar basis through a surcharge mechanism. In August 1997, the Office of Ratepayer Advocates filed a protest to the Southwest application indicating that the terms of the original agreement should be adhered to. In September, a hearing was held to discuss the filing and related protest. Southwest has until December 1997, to file additional comments related to the protest. Management expects the CPUC to issue a final decision during the first quarter of 1998.

For 1997, construction work on this project has been limited to the installation of services and meters off existing mains for approximately 900 additional customers at a cost of approximately $1 million. Phase III, if approved as modified in the July 1997 application, would be completed during the 1998 and 1999 construction seasons with construction expenditures estimated at $11 million.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In February 1997, the Financial Accounting Standards Board issued two new accounting pronouncements. Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings per Share," establishes standards for computing and presenting earnings per share (EPS). This statement replaces the presentation of primary EPS with basic EPS and fully diluted EPS with diluted EPS. It also requires the presentation of basic and diluted EPS on the face of the income statement for all entities with complex capital structures and requires a reconciliation of the numerator and denominator of the basic EPS computation to the numerator and denominator of the diluted EPS computation. This statement becomes effective December 31, 1997. The Company has reviewed the requirements of SFAS No. 128 and does not anticipate any material changes in EPS amounts previously reported.

The second pronouncement issued was SFAS No. 129, "Disclosure of Information about Capital Structure." SFAS No. 129 reaffirms standards for disclosing information about an entity's capital structure. The statement becomes effective December 31, 1997. The disclosure requirements of this standard are not anticipated to significantly change current reporting practices of the Company.

In June 1997, the Financial Accounting Standards Board issued two new accounting pronouncements. SFAS No. 130, "Reporting Comprehensive Income," establishes standards for reporting and displaying comprehensive income and its components in a full set of general-purpose financial statements. The components are required to be reported in a financial statement that is displayed with the same prominence as other financial statements. This statement becomes effective January 1, 1998. The Company has reviewed the requirements of SFAS No. 130 and does not expect any material change to its current financial statement presentation format.

The second pronouncement issued was SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." SFAS No. 131 establishes standards for the way that public business enterprises report information about operating segments in annual financial statements and requires that those enterprises report selected information about operating segments in interim financial reports issued to shareholders. The statement becomes effective for 1998 annual financial statements. The disclosure requirements of this statement are not expected to significantly change current reporting practices of the Company.

PART II - OTHER INFORMATION

ITEMS 1-5 None

ITEM 6 EXHIBITS AND REPORTS ON FORM 8-K

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

Exhibit 3 (ii)	Amended Bylaws of Southwest Gas Corporation.
Exhibit 12	Computation of Ratios of Earnings to Fixed Charges and Ratios of Earnings to Combined Fixed Charges and Preferred Stock Dividends.
Exhibit 27	Financial Data Schedule (filed electronically only)

(b) Reports on Form 8-K

On September 17, 1997, the Company filed a Form 8-K which announced the retirement of Kenny C. Guinn as director and chairman of the Southwest Gas Corporation Board of Directors and the appointment of Thomas Y. Hartley as chairman.

The Company filed a Form 8-K, dated November 4, 1997, reporting summary financial information for the quarter ended September 30, 1997.

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

Southwest Gas Corporation

(Registrant)

Date: November 10, 1997

/s/ Edward A. Janov

Edward A. Janov

Vice President/Controller and Chief Accounting Officer

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT
3(ii)	Amended Bylaws of Southwest Gas Corporation.
12	Computation of Ratios of Earnings to Fixed Charges and Ratios of Earnings to Combined Fixed Charges and Preferred Stock Dividends
27	Financial Data Schedule (filed electronically only)

Exhibit 3(ii)

BYLAWS

OF

SOUTHWEST GAS CORPORATION

ARTICLE I

SECTION 1. PRINCIPAL OFFICE

The principal office for the transaction of the business of the corporation is hereby fixed and located at 5241 Spring Mountain Road, in the City of Las Vegas, County of Clark, State of Nevada.

SECTION 2. OTHER OFFICES

Branch or subordinate offices may at any time be established by the Board of Directors at any place or places where the corporation is qualified to do business.

SECTION 3. TERMINOLOGY

All personal pronouns used herein are employed in a generic sense and are intended and deemed to be neutral in gender.

ARTICLE II

MEETING OF SHAREHOLDERS

SECTION 1. REGULAR MEETING

Commencing in May, 1988, the regular annual meeting of the shareholders shall be held at the principal office of the corporation, or at such other place within or without the State of California as the officers of the corporation may deem convenient and appropriate, at 10 a.m. on the second Thursday of May of each year, if not a legal holiday, and if a legal holiday, then at 10 a.m. on the next succeeding business day, for the purpose of electing a Board of Directors and transacting such other business as properly may come before the meeting; provided, however, that the Board of Directors may, by resolution, establish a different date not more than 120 days thereafter if, in its sole discretion, it deems such postponement appropriate.

SECTION 2. SPECIAL MEETINGS

Except in those instances where a particular manner of calling a meeting of the shareholders is prescribed by law or elsewhere in these Bylaws, a special meeting of the shareholders may be called at any time by the Chief Executive Officer or other officers acting for him or by the Board of Directors, or by the holders of not less than one-third of the voting shares then issued and outstanding. Each call for a special meeting of the shareholders shall state the time, place, and the purpose of such meeting; if made by the Board of Directors, it shall be by resolution duly adopted by a majority vote and entered in the minutes; if made by an authorized officer or by the shareholders, it shall be in writing and signed by the person or persons making the same, and unless the office of Secretary be vacant, delivered to the Secretary. No business shall be transacted at a special meeting other than as is stated in the call and the notice based thereon.

SECTION 3. NOTICE OF REGULAR AND SPECIAL MEETINGS OF THE SHAREHOLDERS

Notice of each regular and special meeting of the shareholders of the corporation shall be given by mailing to each shareholder a notice of the time, place and purpose of such meeting addressed to him at his address as it appears upon the books of the corporation. Each such notice shall be deposited in the United States Mail with the postage thereon prepaid at least ten days prior to the time fixed for such meeting. If the address of any such shareholder does not appear on the books of the corporation and his post office address is unknown to the person mailing such notices, the notice shall be addressed to him at the principal office of the corporation.

SECTION 4. QUORUM

At any meeting of the shareholders, the presence in person or by proxy of the holders of a majority of the shares entitled to vote at any meeting shall constitute a quorum for the transaction of business, except when it is otherwise provided by law. Any regular or special meeting of the shareholders may adjourn from day to day or from time to time if, for any reason, there are not present in person or by proxy the holders of a majority of the shares entitled to vote at said meeting. Such adjournment and the reasons therefor shall be recorded in the minutes of the proceedings.

SECTION 5. WAIVER OF NOTICE

When all the shareholders of the corporation are present at any meeting, or when the shareholders not represented thereat give their written consent to the holding thereof at the time and place the meeting is held, and such written consent is made a part of the records of such meeting, the proceedings had at such meeting are valid, irrespective of the manner in which the meeting is called or the place where it is held.

ARTICLE III

BOARD OF DIRECTORS

SECTION 1. NUMBER--QUORUM

The business of the corporation shall be managed by a Board of Directors, whose number shall be not fewer than eleven (11) nor greater than fourteen (14), as the Board of Directors or the shareholders by amendment of these Bylaws may establish, provided, however, that a reduction in the authorized number of directors shall not remove any director prior to the expiration of his term of office, and provided further that the shareholders may, pursuant to law, establish a different and definite number of directors or different maximum and minimum numbers of directors by amendment of the Articles of Incorporation or by a duly adopted amendment to these Bylaws. A majority of the prescribed number of directors shall be necessary to constitute a quorum for the trans- action of business. At a meeting at which a quorum is present, every decision or act of a majority of the directors present made or done when duly assembled shall be valid as the act of the Board of Directors, provided that a minority of the directors, in the absence of a quorum, may adjourn from day to day but may transact no business.

SECTION 2. EXACT NUMBER OF DIRECTORS

The number of directors of the corporation is hereby established, pursuant to the provisions of Section 1 of this Article III, as twelve (12).

SECTION 3. ELECTION AND TERM OF OFFICE

The directors shall be elected at each annual meeting of shareholders, but if any such annual meeting is not held, or the directors are not elected thereat, the directors may be elected at any special meeting of shareholders held for that purpose. All directors shall hold office until their respective successors are elected and qualified.

SECTION 4. VACANCIES

Vacancies in the Board of Directors may be filled by a majority of the remaining directors, though they be less than a quorum, and each director so elected shall hold office until his successor is qualified following the election at the next annual meeting of the shareholders or at any special meeting of shareholders duly called for that purpose prior to such annual meeting. A vacancy shall be deemed to exist in case the shareholders (or the Board of Directors, within the provisions of Section 1 of this Article III) shall increase the authorized number of directors, but shall fail, for a period of thirty days from the effective date of such increase, to elect the additional directors so provided for, or in case the shareholders fail at any time to elect the full number of authorized directors. When one or more of the

directors shall give notice to the Board of Directors of his or their resignation from said Board, effective at a future date, the Board of Directors shall have the power to fill such vacancy or vacancies to take effect when such resignation or resignations become effective. Each director so appointed shall hold office during the remainder of the term of office of the resigning director or directors or until their successors are appointed and qualify.

SECTION 5. FIRST MEETING OF DIRECTORS

Immediately following each annual meeting of shareholders, the Board of Directors shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business. Notice of such meeting is hereby dispensed with.

SECTION 6. REGULAR MEETINGS

Commencing in 1991, the time for other regular meetings of the Board of Directors, when held, shall be 8 a.m. on the third Tuesday of January, July, September and November, the first Tuesday of March and the second Wednesday of May, unless a different schedule is established by a resolution of the Board. If any regular meeting date shall fall on a legal holiday, then the regular meeting date shall be the business day next following.

SECTION 7. SPECIAL MEETINGS

A special meeting of the Board of Directors shall be held whenever called by the Chief Executive Officer or other officer acting for him, or by three directors. Any and all business may be transacted at a special meeting. Each call for a special meeting shall be in writing, signed by the person or persons making the same, addressed and delivered to the Secretary, and shall state the time and place of such meeting.

SECTION 8. NOTICE OF REGULAR AND SPECIAL MEETINGS OF THE DIRECTORS

No notice shall be required to be given of any regular meeting of the Board of Directors, but each director shall take notice thereof. Notice of each special meeting of the Board of Directors shall be given to each of the directors by mailing to each of them a copy of such notice at least five days prior to the time affixed for such meeting to the address of such director as shown on the books of the corporation. If his address does not appear on the books of the corporation, then such notice shall be addressed to him at the principal office of the corporation.

SECTION 9. WAIVER OF NOTICE

When all the directors of the corporation are present at any meeting of the Board of Directors, however called or noticed, and sign a written consent thereto on the record of such meeting, or if the majority of the directors are present, and if those not present sign in writing a waiver of notice of such

meeting, whether prior to or after the holding of such meeting, which waiver shall be filed with the Secretary of the corporation, the transactions of such meeting are as valid as if had at a meeting regularly called and noticed.

SECTION 10. ACTION BY UNANIMOUS CONSENT OF DIRECTORS

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board, and such action by written consent shall have the same force and effect as if approved or taken at a regular meeting duly held. Any certificate or other document which relates to action so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting, and that these Bylaws authorize the directors to so act.

SECTION 11. TELEPHONIC PARTICIPATION IN MEETINGS

Members of the Board may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

ARTICLE IV

POWERS OF DIRECTORS

SECTION 1. The directors shall have power:

1. To call special meetings of the shareholders when they deem it necessary, and they shall call a meeting at any time upon the written request of shareholders holding one-third of all the voting shares:

2. To appoint and remove at pleasure all officers and agents of the corporation, prescribe their duties, fix their compensation, and require from them as necessary security for faithful service;

3. To create and appoint committees, offices, officers and agents of the corporation, and to prescribe and from time to time change their duties and compensation, but no committee shall be created and no member appointed thereto except upon approval of a majority of the whole Board of Directors; and

4. To conduct, manage, and control the affairs and business of the corporation and to make rules and regulations not inconsistent with the laws of the State of California, or the Bylaws of the corporation, for the guidance of the officers and management of the affairs of the corporation.

ARTICLE V

DUTIES OF DIRECTORS

SECTION 1. It shall be the duty of the directors:

1. To cause to be kept a complete record of all their minutes and acts, and of the proceedings of the shareholders, and present a full statement at the regular annual meeting of the shareholders, showing in detail the assets and liabilities of the corporation, and generally the condition of its affairs. A similar statement shall be presented at any other meeting of the shareholders when theretofore required by persons holding at least one-half of the voting shares of the corporation;

2. To declare dividends out of the profits arising from the conduct of the business, whenever such profits shall, in the opinion of the directors, warrant the same;

3. To oversee the actions of all officers and agents of the corporation, see that their duties are properly performed; and

4. To cause to be issued to the shareholders, in proportion to their several interests, certificates of stock.

ARTICLE VI

OFFICERS

SECTION 1. The officers shall include a Chairman of the Board of Directors, a Chief Executive Officer, who may be designated Chairman, a President, a Secretary, a Treasurer, a Controller, and may include one or more Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, Assistant Vice Presidents, Assistant Secretaries, and Assistant Treasurers. All such officers shall be elected by and hold office at the pleasure of the Board of Directors, provided that the Chief Executive Officer shall have authority to dismiss any other officer. Any director shall be eligible to be the Chairman of the Board of Directors and any two or more of such offices may be held by the same person, except that the Chief Executive Officer or President may not also hold the office of Secretary. Any officer may exercise any of the powers of any other officer in the manner specified in these Bylaws, as specified from time to time by the Board of Directors, and/or as specified from time to time by the Chief Executive Officer or senior officer acting in his or her absence or incapacity, and any such acting officer shall perform such duties as may be assigned to him or her.

ARTICLE VII

FEES AND COMPENSATION

SECTION 1. Directors shall be reimbursed for their expenses, and shall be compensated for their services as directors in such amounts as the Board may fix by resolution. Nothing herein con- tained shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation therefor.

ARTICLE VIII

INDEMNIFICATION

SECTION 1. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Each person who was or is a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, formal or informal, whether brought in the name of the corporation or otherwise and whether of a civil, criminal, administrative or investigative nature (hereinafter a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is an alleged action or inaction in an official capacity or in any other capacity while serving as a director or officer, shall, subject to the terms of any agreement between the corporation and such person, be indemnified and held harmless by the corporation to the fullest extent permissible under California law and the corporation's Articles of Incorporation, against all costs, charges, expenses, liabilities and losses (including attorneys' fees, judgments, fines, ERISA excise tax or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that (a) the corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of the corporation, (b) the corporation shall indemnify such person seeking indemnification in connection with a proceeding (or part thereof) other than a proceeding by or in the name of the corporation to procure a judgment in its favor only if any settlement of such a proceeding is approved in writing by the corporation, and (c) that no such person shall be indemnified (i) except to the extent that the aggregate of losses to be indemnified exceeds the amount of such losses for which the director or officer is paid pursuant to any directors' and officers' liability insurance policy maintained by the corporation; (ii) on account of any suit in which judgment is rendered against

such person for an accounting of profits made from the purchase or sale by such person of securities of the corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provisions of any federal, state or local statutory law; (iii) if a court of competent jurisdiction finally determines that any indemnification hereunder is unlawful; (iv) for acts or omissions involving intentional misconduct or knowing and culpable violation of law; (v) for acts or omissions that the director or officer believes to be contrary to the best interests of the corporation or its shareholders or that involve the absence of good faith on the part of the director or officer; (vi) for any transaction for which the director or officer derived an improper personal benefit; (vii) for acts or omissions that show a reckless disregard for the director's or officer's duty to the corporation or its shareholders in circumstances in which the director or officer was aware, or should have been aware, in the ordinary course of performing his or her duties, of a risk of serious injury to the corporation or its shareholders; (viii) for acts or omissions that constitute an unexcused pattern of inattention that amounts to an abdication of the director's or officer's duties to the corporation or its shareholders; (ix) for costs, charges, expenses, liabilities and losses arising under Section 310 or 316 of the General Corporation Law of California (the "Law"); and (x) as to circumstances in which indemnity is expressly prohibited by Section 317 of the Law. The right to indemnification conferred in this Article shall be a contract right and shall include the right to be paid by the corporation expenses incurred in defending any proceeding in advance of its final disposition; provided, however, that if the Law requires the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, such advances shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts to the corporation if it shall be ultimately determined that such person is not entitled to be indemnified.

SECTION 2. INDEMNIFICATION OF EMPLOYEES AND AGENTS

A person who was or is a party or is threatened to be made a party to or is involved in any proceedings by reason of the fact that he or she is or was an employee or agent of the corporation or is or was serving at the request of the corporation as an employee or agent of another enterprise, including service with respect to employee benefit plans, whether the basis of such action is an alleged action or inaction in an official capacity or in any other capacity while serving as an employee or agent, may, subject to the terms of any agreement between the corporation and such person, be indemnified and held harmless by the corporation to the fullest extent permitted by California law and the corporation's Articles of Incorporation, against all costs, charges, expenses, liabilities and losses (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement), reasonably incurred or suffered by such person in connection therewith. The immediately preceding sentence is not intended to be and shall not be considered to confer a contract right on any employee or agent (other than directors and officers) of the corporation.

SECTION 3. RIGHT OF DIRECTORS AND OFFICERS TO BRING SUIT

If a claim under Section 1 of this Article is not paid in full by the corporation within 30 days after a written claim has been received by the corporation, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall also be entitled to be paid the expense of prosecuting such claim. Neither the failure of the corporation (including its Board, independent legal counsel, or its shareholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is permissible in the circumstances because he or she has met the applicable standard of conduct, if any, nor an actual determination by the corporation (including its Board, independent legal counsel, or its shareholders) that the claimant has not met the applicable standard of conduct, shall be a defense to the action or create a presumption for the purpose of an action that the claimant has not met the applicable standard of conduct.

SECTION 4. SUCCESSFUL DEFENSE

Notwithstanding any other provision of this Article, to the extent that a director or officer has been successful on the merits or otherwise (including the dismissal of an action without prejudice or the settlement of a proceeding or action without admission of liability) in defense of any proceeding referred to in Section 1 or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred in connection therewith.

SECTION 5. NON-EXCLUSIVITY OF RIGHTS

The right to indemnification provided by this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, bylaw, agreement, vote of shareholders or disinterested directors or otherwise.

SECTION 6. INSURANCE

The corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the law.

SECTION 7. EXPENSES AS A WITNESS

To the extent that any director, officer, employee or agent of the corporation is by reason of such position, or a position with another entity at the

request of the corporation, a witness in any action, suit or proceeding, he or she shall be indemnified against all costs and expenses actually and reasonably incurred by him or her on his or her behalf in connection therewith.

SECTION 8. INDEMNITY AGREEMENTS

The corporation may enter into agreements with any director, officer, employee or agent of the corporation providing for indemnification to the fullest extent permissible under the law and the corporation's Articles of Incorporation.

SECTION 9. SEPARABILITY

Each and every paragraph, sentence, term and provision of this Article is separate and distinct so that if any paragraph, sentence, term or provision hereof shall be held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect the validity or unenforceability of any other paragraph, sentence, term or provision hereof. To the extent required, any paragraph, sentence, term or provision of this Article may be modified by a court of competent jurisdiction to preserve its validity and to provide the claimant with, subject to the limitations set forth in this Article and any agreement between the corporation and claimant, the broadest possible indemnification permitted under applicable law.

SECTION 10. EFFECT OF REPEAL OR MODIFICATION

Any repeal or modification of this Article shall not adversely affect any right of indemnification of a director or officer existing at the time of such repeal or modification with respect to any action or omission occurring prior to such repeal or modification."

ARTICLE IX

CHAIRMAN OF THE BOARD

SECTION 1. If there shall be a Chairman of the Board of Directors, he shall, when present, preside at all meetings of the stockholders and the Board of Directors, and perform such other duties as the Bylaws or the Board of Directors shall require of him.

ARTICLE X

CHIEF EXECUTIVE OFFICER; OTHER EXECUTIVE OFFICERS

SECTION 1. The Board of Directors shall, at their first regular meeting, elect such officers as are required by Article VI hereof and such additional officers authorized by Article VI hereof as the Board, in its discretion, may choose to elect. If at any time the Chief Executive Officer shall be unable to

act, the President (if there shall be one who is not also the Chief Executive Officer) shall act in his place and perform his duties; if the President or next most senior officer is unable to perform such duties, then the vice presidents, in such sequence as the Board of Directors may specify, shall act. If all the foregoing shall be unable to act, the senior officer among them shall appoint some other person in whom shall be vested, for the time being, all the duties and functions of Chief Executive Officer, to act until the Board of Directors can be convened and elect appropriate officers. The Chief Executive Officer (or person acting as such) shall:

1. Preside (if there shall be no Chairman of the Board of Directors or in his absence) over all meetings of the shareholders and directors;

2. Sign in behalf of the corporation contracts and other instruments in writing within the scope of his authority or if, when, and as directed so to do by the Board of Directors, but nothing herein shall limit the power of the Board of Directors to authorize such contracts and other instruments in writing to be signed by any other officer or person or limit the power of the Chief Executive Officer to delegate his authority in any such matter to another officer or other officers of the corporation. The Chief Executive Officer or any other officer specified by the Board of Directors may sign certificates of stock as provided in Article XIII hereof;

3. Delegate duties and responsibilities to any other officers and/or employees of the corporation in any manner not prohibited by these Bylaws or by the Board of Directors, and change such duties and responsibilities so delegated from time to time at will;

4. Call the directors together when he deems it necessary, and have, subject to the advice of the directors, direction of the affairs of the corporation; and

5. Generally discharge such other duties as may be required of him by the Bylaws of the corporation.

ARTICLE XI

SECRETARY

SECTION 1. The Board of Directors shall elect a Secretary:

1. It shall be the duty of the Secretary to keep a record of proceedings of the Board of Directors and of the shareholders, and to keep the corporate seal of the corporation. He shall be responsible for maintaining proper records showing the number of shares of stock of all classes and series issued and transferred by any shareholder, and the dates of such issuance and transfer;

2. Whenever it is provided in these Bylaws that notice shall be given either of regular or special meetings of the shareholders, regular or special meetings of the directors, or otherwise, such notice shall be given by the Secretary or by the Chief Executive Officer or by any person designated by either of them, or by any authorized person who shall have signed the call for such meeting. Any notice which the Secretary may give or serve, or act required to be done by him, may with like effect be given or served or done by or under the direction of an Assistant Secretary;

3. The Secretary shall discharge such other duties as pertain to his office or which may be prescribed by the Board of Directors.

ARTICLE XII

TREASURER

SECTION 1. The Treasurer shall receive and keep all the funds of the corporation and pay them out only on checks or otherwise, as directed by the Board of Directors; provided, however, that the Board of Directors may provide for a depository of the funds of the corporation, and may by resolution prescribe the manner in which said funds shall be drawn from said depository.

ARTICLE XIII

CERTIFICATES OF STOCK

SECTION 1. Certificates of stock shall be of such form and device as the Board of Directors may direct, and shall be signed by the genuine or facsimile signatures of the Chairman and Chief Executive Officer or the President or any authorized Vice President and the Secretary or an Assistant Secretary. Each certificate shall express on its face its number, date of issuance, the number of shares for which and the person to whom it is issued, the kind of shares represented by said certificate, and such other matters as may be required by law. Certificates of stock may be issued prior to full payment, in harmony with all permits issued by regulatory authorities having jurisdiction in the premises, or as is otherwise allowed by law, but any certificate issued prior to full payment must show on its face what amount has been paid thereon.

ARTICLE XIV

TRANSFER OF STOCK

SECTION 1. Shares of stock of the corporation may be transferred at any time by the holders, or by power of attorney, or by their legal representative, by endorsement on the certificate of stock, but no transfer is valid until the surrender of the endorsed certificate. A surrendered certificate shall be

delivered up for cancellation before a new one is issued in lieu thereof, and the Secretary shall preserve the certificate so canceled or a suitable record thereof. If, however, a certificate is lost or destroyed, the Board of Directors may order a new certificate issued as is by law required or permitted.

ARTICLE XV

VOTING

SECTION 1. At all corporate meetings, each shareholder, either in person or by proxy, shall be entitled to as many votes as he owns shares of stock; however, every shareholder entitled to vote at any election for directors shall have the right to cumulate his votes.

SECTION 2. PROXIES

Every person entitled to vote or execute consents shall have the right to do so either in person or by one or more agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the Secretary of the corporation; provided that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution, unless the person executing it specifies therein the length of time for which such proxy is to continue in force, which in no case shall exceed seven (7) years from the date of its execution.

ARTICLE XVI

INDEBTEDNESS

SECTION 1. The Board of Directors shall have power to incur indebtedness, and the terms and amount thereof shall be entered in the minutes. The Board of Directors shall have the power to secure said indebtedness, or any obligation or obligations of the corporation, by pledge, mortgage, deed of trust, or other security given upon any property owned by it or in which it has any interest.

ARTICLE XVII

REGISTRAR AND/OR TRANSFER AGENT

SECTION 1. The Board of Directors may designate and appoint one or more registrars and/or transfer agents for the registration of the stock of the corporation, and make such rules and regulations for the registrations of stock at the office of such registrars and/or transfer agents as may to the Board of Directors seem desirable. The corporation may act as its own transfer agent, at the direction of the Board of Directors. The Board of Directors may, in its discretion, fix a transfer fee for transfer of stock certificates.

ARTICLE XVIII

MISCELLANEOUS

SECTION 1. MEETINGS. NOTICE. WHEN CONCLUSIVE.

An entry made in the minutes of the directors or shareholders, pursuant to resolution or recital, to the effect that the notice of such meeting required by these Bylaws to be given has been given, shall be conclusive upon the corporation, its directors, shareholders, and all other persons that such notice has been duly given in proper form and substance to the proper persons and for the requisite length of time.

ARTICLE XIX

SEAL

SECTION 1. The Board of Directors shall provide a suitable seal containing the name of the corporation, the years of its creation, and other appropriate words, and may alter the same at pleasure.

ARTICLE XX

AMENDMENTS TO BYLAWS

SECTION 1. POWER OF SHAREHOLDERS

New Bylaws may be adopted or these Bylaws may be amended or repealed by the vote of shareholders entitled to exercise a majority of the voting power of the corporation or by the written assent of such shareholders, except as otherwise provided by law or by the Articles of Incorporation.

SECTION 2. POWER OF DIRECTORS

Subject to the right of the shareholders as provided in Section 1 of this Article XX to adopt, amend or repeal Bylaws, the Board of Directors may adopt, amend or repeal any of the Bylaws of this corporation, except that the powers of the Board of Directors to change, and/or establish the authorized number of directors of this corporation shall be as set forth in Article III of these Bylaws.

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I hereby certify that the foregoing is a full, true, and correct copy of the Bylaws of Southwest Gas Corporation, a California corporation, as in effect on the date hereof.

WITNESS my hand this 15th day of September, 1997.

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George C. Biehl
Senior Vice President/Chief Financial
Officer and Corporate Secretary

EXHIBIT 12

SOUTHWEST GAS CORPORATION
COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES
(Thousands of dollars)

CONTINUING OPERATIONS	FOR THE TWELVE MONTHS ENDED SEPT. 30, 1997	DECEMBER 31, 1996	1995	1994	1993	1992
1. Fixed charges:						
A) Interest expense	$ 60,987	$ 54,674	$ 52,844	$ 48,688	$ 40,883	$ 35,533
B) Amortization	1,155	1,494	1,569	1,426	1,330	1,183
C) Interest portion of rentals	7,234	6,629	4,435	4,743	4,556	4,468
D) Preferred securities distributions	5,475	5,475	913	--	--	--
Total fixed charges	$ 74,851	$ 68,272	$ 59,761	$ 54,857	$ 46,769	$ 41,184
2. Earnings (as defined):						
E) Pretax income from continuing operations	$ 19,033	$ 10,448	$ 3,493	$ 38,119	$ 21,959	$ 49,752
Fixed Charges (1. above)	74,851	68,272	59,761	54,857	46,769	41,184
Total earnings as defined	$ 93,884	$ 78,720	$ 63,254	$ 92,976	$ 68,728	$ 90,936
3. Ratio of earnings to fixed charges	1.25	1.15	1.06	1.69	1.47	2.21

ADJUSTED FOR INTEREST ALLOCATED TO DISCONTINUED OPERATIONS	FOR THE TWELVE MONTHS ENDED SEPT. 30, 1997	DECEMBER 31, 1996	1995	1994	1993	1992
1. Fixed charges						
A) Interest expense	$ 60,987	$ 54,674	$ 52,844	$ 48,688	$ 40,883	$ 35,533
B) Amortization	1,155	1,494	1,569	1,426	1,330	1,183
C) Interest portion of rentals	7,234	6,629	4,435	4,743	4,556	4,468
D) Preferred securities distributions	5,475	5,475	913	--	--	--
E) Allocated interest [1]	--	--	9,636	7,874	7,874	7,333
Total fixed charges	$ 74,851	$ 68,272	$ 69,397	$ 62,731	$ 54,643	$ 48,517
2. Earnings (as defined):						
F) Pretax income from continuing operations	$ 19,033	$ 10,448	$ 3,493	$ 38,119	$ 21,959	$ 49,752
Fixed Charges (1. above)	74,851	68,272	69,397	62,731	54,643	48,517
Total earnings as defined	$ 93,884	$ 78,720	$ 72,890	$ 100,850	$ 76,602	$ 98,269
3. Ratio of earnings to fixed charges	1.25	1.15	1.05	1.61	1.40	2.03

[1] Represents allocated interest through the period ended December 31, 1995. Carrying costs for the period subsequent to year end through the disposition of the discontinued operations were accrued and recorded as disposal costs.

EXHIBIT 12

SOUTHWEST GAS CORPORATION
COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES AND PREFERRED DIVIDENDS
(Thousands of dollars)

	FOR THE TWELVE MONTHS ENDED					
	SEPT. 30,	DECEMBER 31,				
CONTINUING OPERATIONS	1997	1996	1995	1994	1993	1992
1. Combined fixed charges:						
A) Total fixed charges	$ 74,851	$ 68,272	$ 59,761	$ 54,857	$ 46,769	$ 41,184
B) Preferred dividends [1]	--	--	404	826	1,183	1,623
Total fixed charges and preferred dividends	$ 74,851	$ 68,272	$ 60,165	$ 55,683	$ 47,952	$ 42,807
2. Earnings	$ 93,884	$ 78,720	$ 63,254	$ 92,976	$ 68,728	$ 90,936
3. Ratio of earnings to fixed charges and preferred dividends	1.25	1.15	1.05	1.67	1.43	2.12

	FOR THE TWELVE MONTHS ENDED					
ADJUSTED FOR INTEREST ALLOCATED TO DISCONTINUED OPERATIONS	SEPT. 30,	DECEMBER 31,				
	1997	1996	1995	1994	1993	1992
1. Combined fixed charges						
A) Total fixed charges	$ 74,851	$ 68,272	$ 69,397	$ 62,731	$ 54,643	$ 48,517
B) Preferred dividends [1]	--	--	404	826	1,183	1,623
Total fixed charges and preferred dividends	$ 74,851	$ 68,272	$ 69,801	$ 63,557	$ 55,826	$ 50,140
2. Earnings	$ 93,884	$ 78,720	$ 72,890	$ 100,850	$ 76,602	$ 98,269
3. Ratio of earnings to fixed charges and preferred dividends	1.25	1.15	1.04	1.59	1.37	1.96

[1] Preferred and preference dividends have been adjusted to represent the pretax earnings necessary to cover such dividend requirements.

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This schedule contains summary financial information extracted from Southwest Gas Corporation's Form 10-Q for the quarter ended September 30, 1997 and is qualified in its entirety before reference to such financial statements.

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9-MOS
DEC-31-1997
SEP-30-1997
PER-BOOK
1,339,108
70,764
214,917
54,299
0
1,679,088
28,853
357,404
(21,429)
364,828
0
0
778,942
109,000
0
0
6,123
0
0
0
420,195
1,679,088
500,867
(3,926)
460,582
460,582
40,285
(4,715)
35,570
46,362
(6,866)
0
(6,866)
16,583
0
36,357
(0.25)
(0.25)

Includes: trust originated preferred securities of $60,000, current liabilities, net of current long-term debt, maturities and short-term debt of $155,355, and deferred income taxes and other credits of $204,840.
Includes distributions related to trust originated preferred securities of $4,106.