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 March 31, 1998

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, 27,542,320 shares as of April 16, 1998

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

ASSETS	MARCH 31, 1998 (Unaudited)	DECEMBER 31, 1997
Utility plant:		
Gas plant	$ 1,903,485	$ 1,867,824
Less: accumulated depreciation	(567,607)	(551,083)
Acquisition adjustments	4,165	4,259
Construction work in progress	37,325	39,294
Net utility plant	1,377,368	1,360,294
Other property and investments	67,585	64,928
Current assets:		
Cash and cash equivalents	17,850	17,567
Accounts receivable, net of allowances	78,873	78,016
Accrued utility revenue	33,500	54,373
Income tax benefit	--	19,425
Deferred purchased gas costs	86,351	86,952
Prepaids and other current assets	28,968	32,211
Total current assets	245,542	288,544
Deferred charges and other assets	54,842	55,293
Total assets	$ 1,745,337	$ 1,769,059
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Common stock, $1 par (authorized - 45,000,000 shares; issued and outstanding - 27,521,170 and 27,387,016 shares)	$ 29,151	$ 29,017
Additional paid-in capital	362,891	360,683
Retained earnings (accumulated deficit)	26,581	(3,721)
Total common equity	418,623	385,979
Redeemable preferred securities of Southwest Gas Capital I	60,000	60,000
Long-term debt, less current maturities	778,485	778,693
Total capitalization	1,257,108	1,224,672
Current liabilities:		
Current maturities of long-term debt	5,215	5,621
Short-term debt	78,000	142,000
Accounts payable	57,503	62,324
Customer deposits	22,496	21,945
Accrued taxes	31,233	21,125
Accrued interest	13,676	13,007
Deferred taxes	25,715	24,163
Other current liabilities	31,809	34,222
Total current liabilities	265,647	324,407
Deferred income taxes and other credits:		
Deferred income taxes and investment tax credits	170,156	168,282
Other deferred credits	52,426	51,698
Total deferred income taxes and other credits	222,582	219,980
Total capitalization and liabilities	$ 1,745,337	$ 1,769,059

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 MARCH 31,		TWELVE MONTHS ENDED MARCH 31,	
	1998	1997	1998	1997
Operating revenues:				
Gas operating revenues	$ 274,363	$ 211,564	$ 677,464	$ 569,573
Construction revenues	18,238	23,667	111,916	121,367
Total operating revenues	292,601	235,231	789,380	690,940
Operating expenses:				
Net cost of gas sold	120,987	84,599	245,726	193,710
Operations and maintenance	50,850	48,448	203,561	199,601
Depreciation and amortization	21,384	20,631	85,414	77,791
Taxes other than income taxes	7,972	7,654	29,711	28,216
Construction expenses	15,906	22,384	98,720	107,073
Total operating expenses	217,099	183,716	663,132	606,391
Operating income	75,502	51,515	126,248	84,549
Other income and (expenses):				
Net interest deductions	(16,280)	(14,632)	(64,866)	(56,592)
Preferred securities distributions	(1,369)	(1,369)	(5,475)	(5,475)
Other income (deductions), net	602	(371)	(11,267)	(1,187)
Total other income and (expenses)	(17,047)	(16,372)	(81,608)	(63,254)
Income before income taxes	58,455	35,143	44,640	21,295
Income tax expense	22,502	13,575	13,786	8,012
Net income	$ 35,953	$ 21,568	$ 30,854	$ 13,283
Basic earnings per share	$ 1.31	$ 0.80	$ 1.13	$ 0.50
Diluted earnings per share	$ 1.30	$ 0.80	$ 1.13	$ 0.50
Dividends paid per share	$ 0.205	$ 0.205	$ 0.82	$ 0.82
Average number of common shares outstanding	27,447	26,816	27,225	26,437
Average shares outstanding (assuming dilution)	27,605	26,939	27,358	26,527

The accompanying notes are an integral part of these statements.

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

	THREE MONTHS ENDED MARCH 31,		TWELVE MONTHS ENDED MARCH 31,	
	1998	1997	1998	1997
CASH FLOW FROM OPERATING ACTIVITIES:				
Net income	$ 35,953	$ 21,568	$ 30,854	$ 13,283
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Depreciation and amortization	21,384	20,631	85,414	77,791
Deferred income taxes	3,426	26,919	23,983	43,154
Changes in current assets and liabilities:				
Accounts receivable, net of allowances	(857)	(2,576)	(6,194)	(15,202)
Accrued utility revenue	20,873	18,230	(5,230)	(199)
Deferred purchased gas costs	601	(69,548)	(26,235)	(95,016)
Accounts payable	(4,821)	(6,422)	13,974	(8,888)
Accrued taxes	29,533	1,860	19,396	(34,029)
Other current assets and liabilities	2,438	1,523	2,919	11,144
Other	32	379	13,542	7,609
Net cash provided by (used in) operating activities	108,562	12,564	152,423	(353)
CASH FLOW FROM INVESTING ACTIVITIES:				
Construction expenditures and property additions	(37,212)	(39,746)	(167,080)	(219,807)
Proceeds from bank sale	--	--	--	191,662
Other	(3,310)	(1,314)	(3,304)	(23,321)
Net cash used in investing activities	(40,522)	(41,060)	(170,384)	(51,466)
CASH FLOW FROM FINANCING ACTIVITIES:				
Issuance of common stock	2,342	3,150	11,397	16,906
Dividends paid	(5,623)	(5,491)	(22,309)	(21,758)
Issuance of long-term debt, net	1,300	67,059	54,562	226,949
Retirement of long-term debt, net	(1,776)	(1,915)	(7,426)	(250,319)
Issuance (repayment) of short-term debt	(64,000)	(35,000)	(8,000)	83,058
Other	--	--	--	(1,362)
Net cash provided by (used in) financing activities	(67,757)	27,803	28,224	53,474
Change in cash and temporary cash investments	283	(693)	10,263	1,655
Cash at beginning of period	17,567	8,280	7,587	5,932
Cash at end of period	$ 17,850	$ 7,587	$ 17,850	$ 7,587
Supplemental information:				
Interest paid, net of amounts capitalized	$ 15,291	$ 15,466	$ 58,596	$ 59,185
Income taxes, net of refunds	$ (599)	$ 86	$ (34,640)	$ 18,768

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. Southwest's public utility rates, practices, facilities, and service territories are subject to regulatory oversight. The timing and amount of rate relief can materially impact results of operations. 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.

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 1997 Annual Report to Shareholders, which is incorporated by reference into the Form 10-K.

Intercompany Transactions. The construction services segment recognizes revenues generated from contracts with Southwest (see Note 2 below). Accounts receivable for these services were $4 million at March 31, 1998 and $3.6 million at December 31, 1997. 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.

Note 2 - Segment Information

The following tables list revenues from external customers, intersegment revenues, and segment income/loss (thousands of dollars):

	Natural Gas Operations	Construction Services	Total
Quarter ended March 31, 1998			
Revenues from external customers	$ 274,363	$ 9,131	$ 283,494
Intersegment revenues	--	9,107	9,107
Total	$ 274,363	$ 18,238	$ 292,601
Segment income	$ 35,657	$ 296	$ 35,953
Quarter ended March 31, 1997			
Revenues from external customers	$ 211,564	$ 14,316	$ 225,880
Intersegment revenues	--	9,351	9,351
Total	$ 211,564	$ 23,667	$ 235,231
Segment income (loss)	$ 22,536	$ (968)	$ 21,568

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 1,165,000 residential, commercial, industrial and other customers, of which 57 percent are located in Arizona, 33 percent are in Nevada, and 10 percent are in California. During the twelve months ended March 31, 1998, Southwest earned 56 percent of operating margin in Arizona, 34 percent in Nevada, and 10 percent in California. During this same period, Southwest earned 84 percent of operating margin from residential and small commercial customers, 4 percent from other sales customers, and 12 percent from transportation 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. For the twelve months ended March 31, 1998, natural gas construction expenditures totaled $164 million. Approximately 77 percent of these current-period expenditures represented new construction and the balance represented costs associated with routine replacement of existing transmission, distribution, and general plant. Cash flows from operating activities (net of dividends) provided $115 million of the required capital resources pertaining to these construction expenditures. The remainder was provided from net external financing activities.

Southwest estimates construction expenditures during the three-year period ending December 31, 2000 will be approximately $510 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 $26 million of funds held in trust, at December 31, 1997, 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 factors 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. 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.

Forward-Looking Statements

This report contains statements which constitute "forward-looking statements" within the meaning of the Securities Litigation Reform Act of 1995 (Reform Act). All such forward-looking statements are intended to be subject to the safe harbor protection provided by the Reform Act. A number of important factors affecting the business and financial results of the Company could cause actual results to differ materially from those stated in the forward-looking statements. These factors include, but are not limited to, developments in the legislative, regulatory and competitive environment, gas industry restructuring, and weather.

Results of Consolidated Operations

Quarterly Analysis

	Contribution to Net Income Three Months Ended March 31, (Thousands of dollars)	
	1998	1997
Natural gas operations	$ 35,657	$ 22,536
Construction services	296	(968)
Net income	$ 35,953	$ 21,568

Net income for the first quarter of 1998 was a record $36 million or $1.31 per share. This was a $0.51 increase from per share earnings of $0.80 recorded during the corresponding quarter of the prior year. Earnings contributed from natural gas operations increased $0.46 per share. See separate discussion at Results of Natural Gas Operations for changes as they relate to gas operations. Construction services contributed per share earnings of $0.01 during the current quarter, a $0.05 per share improvement over the corresponding quarter of the prior year. The increase primarily resulted from better-than-expected weather conditions in several cold-climate operating areas which allowed construction activities to begin earlier than anticipated.

Twelve-Month Analysis

	Contribution to Net Income Twelve Months Ended March 31, (Thousands of dollars)	
	1998	1997
Natural gas operations	$ 28,946	$ 11,596
Construction services	1,908	1,687
Net income	$ 30,854	$ 13,283

Earnings per share for the twelve months ended March 31, 1998 were $1.13, a $0.63 increase from per share earnings of $0.50 recorded during the prior twelve-month period. Earnings contributed from natural gas operations increased $0.62 per share. See separate discussion at Results of Natural Gas Operations for changes as they relate to gas operations. Construction services activities contributed per share earnings of $0.07, a $0.01 per share improvement over the prior twelve-month period. The improvement is attributed to the commencement of construction activities in several cold-climate operating areas earlier than expected resulting from favorable winter weather conditions during the first quarter of 1998. This increase was partially offset by a decline in revenues resulting from project cancellations and curtailments during the second and third quarters of 1997.

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

	For the Twelve Months Ended	
	March 31, 1998	December 31, 1997
Ratios of earnings to fixed charges	1.57	1.28

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 March 31, (Thousands of dollars) 1998	1997
Gas operating revenues	$ 274,363	$ 211,564
Net cost of gas sold	120,987	84,599
Operating margin	153,376	126,965
Operations and maintenance expense	50,850	48,448
Depreciation and amortization	19,302	17,958
Taxes other than income taxes	7,972	7,654
Operating income	75,252	52,905
Other income (deductions), net	11	(605)
Income before interest and income taxes	75,263	52,300
Net interest deductions	16,025	14,261
Preferred securities distributions	1,369	1,369
Income tax expense	22,212	14,134
Contribution to consolidated net income	$ 35,657	$ 22,536

Contribution to consolidated net income increased $13.1 million compared to the first quarter of 1997. The increase was the result of fundamental improvements in operating margin coupled with favorable weather conditions, offset somewhat by higher operating and financing expenses incurred as a result of the expansion and upgrading of the gas system to accommodate continued customer growth.

Operating margin increased $26.4 million, or 21 percent, in the first quarter of 1998 compared to the same period a year ago. Differences in heating demand caused by weather variations between periods resulted in a $14 million increase. Approximately $7 million was attributed to colder-than-normal temperatures during the current period, and the remainder resulted from the prior period being warmer than normal. Arizona rate relief, resulting from a $32 million annualized general rate case settlement effective September 1997, contributed $9 million in additional operating margin to the current period. The rate relief was significant from both a timing and a rate design perspective. Nearly 70 percent of the annualized increase is nonweather dependent. The remainder of the improvement in operating margin was due to customer growth as Southwest served 59,000, or five percent, more customers than a year ago.

Operations and maintenance expenses increased $2.4 million, or five percent, reflecting general increases in labor and maintenance costs.

Depreciation expense and general taxes increased $1.7 million, or six percent, as a result of construction activities. Average gas plant in service increased $136 million, or eight percent, as compared to the first quarter of 1997. The increase reflects ongoing capital expenditures for the upgrade of existing operating facilities and the expansion of the system to accommodate continued customer growth.

Net interest deductions increased $1.8 million, or 12 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 medium-term note issuances during 1997 and the drawdown of IDRB funds held in trust. The increase in short-term debt reflects the need for short-term financing to cover increased working capital requirements.

Twelve-Month Analysis

	Twelve Months Ended March 31, (Thousands of dollars) 1998	1997
Gas operating revenues	$ 677,464	$ 569,573
Net cost of gas sold	245,726	193,710
Operating margin	431,738	375,863
Operations and maintenance expense	203,561	199,601
Depreciation and amortization	75,872	68,862
Taxes other than income taxes	29,711	28,216
Operating income	122,594	79,184
Other income (deductions), net	(12,363)	(1,444)
Income before interest and income taxes	110,231	77,740
Net interest deductions	63,515	54,311
Preferred securities distributions	5,475	5,475
Income tax expense	12,295	6,358
Contribution to consolidated net income	$ 28,946	$ 11,596

Contribution to consolidated net income increased $17.4 million compared to the corresponding twelve-month period ended March 1997. The increase was the result of improvements in operating margin, offset somewhat by higher operating and financing expenses.

Operating margin increased $55.9 million, or 15 percent, due to improved weather conditions, rate relief, and customer growth. Weather-related variances between periods resulted in a $22 million increase. Approximately $8 million was attributed to colder-than-normal temperatures during the current twelve-month period, and the remainder resulted from the prior period being warmer than normal. Rate relief contributed $24 million towards the increase, and customer growth accounted for the remaining $10 million.

Operations and maintenance expenses increased $4 million, or two percent, reflecting increases in labor and maintenance costs along with incremental operating expenses associated with providing service to a steadily growing customer base.

Depreciation expense and general taxes increased $8.5 million, or nine percent, as a result of additional plant in service. Average gas plant in service for the current twelve-month period increased $154 million, or ten percent, compared to the corresponding period a year ago. This was attributable to the upgrade of existing operating facilities and the expansion of the system to accommodate new customers being added to the system.

Net interest deductions increased $9.2 million, or 17 percent, during the twelve months ended March 1998 over the comparative prior period. The increase is attributed primarily to an increase in average total debt outstanding during the period due to the financing of construction expenditures and increased working capital needs.

During the fourth quarter of 1997, Southwest recognized nonrecurring charges to income related to cost overruns on two separate construction projects. These charges are reflected in Other income (deductions), net. An $8 million nonrecurring pretax charge resulted from cost overruns experienced during expansion of the northern California service territory. A second pretax charge, for $5 million, related to cost overruns on a nonutility construction project. See Note 11 of the Notes to Consolidated Financial Statements in the 1997 Annual Report to Shareholders for additional disclosures related to these projects. Partially offsetting these charges was the recognition of a $3.4 million income tax benefit related to the successful settlement in November 1997 of open tax issues dating back as far as 1988. The combined impact of these three nonrecurring events was a $4.1 million, or $0.15 per share, after-tax reduction to earnings.

Rates and Regulatory Proceedings

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. In July 1997, following construction of the first two phases of the project, 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 August 1997, the Office of Ratepayer Advocates (ORA) filed a protest to the Southwest application indicating that the terms of the original agreement should be adhered to.

In January 1998, Southwest and the ORA executed a settlement agreement that, if approved by the CPUC, will allow Southwest to commence the final phase of the project. Under the settlement, Southwest agreed, among other things, to absorb $8 million in cost overruns experienced in Phase II of the project. Southwest also agreed to an $11 million cost cap for Phase III of the project. A decision by the CPUC on the settlement agreement is expected during the second quarter of 1998.

Based on the proposed settlement agreement, Southwest recognized an $8 million nonrecurring pretax charge in the fourth quarter of 1997. See the Rates and Regulatory Proceedings section of Management's Discussion and Analysis in the 1997 Annual Report to Shareholders for additional background information.

PGA Filings

Arizona PGA Filing. In March 1998, the Arizona Corporation Commission approved a purchased gas adjustment (PGA) filing submitted by Southwest in January 1998 to recover deferred purchased gas costs in Arizona. This filing, which became effective in April 1998, will result in an annual increase of $46.9 million, or 14 percent. The increase in rates is designed to recover the accumulated PGA balance related to Arizona customers, and to eliminate the refunds currently built into the rate structure. PGA changes impact cash flows but have no direct impact on profit margin.

Nevada PGA Filing. In January 1997, Southwest submitted an out-of-period PGA filing in Nevada, in response to a substantial run-up in the commodity cost of natural gas during November and December of 1996. In September 1997, the Public Utilities Commission of Nevada (PUCN) approved the filing providing 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.

In June 1997, Southwest submitted its annual PGA filing in compliance with the Nevada Gas Tariff. The filing covered the period from April 1996 through March 1997. Southwest requested annual increases 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.

In an order issued in December 1997, the PUCN found that "Southwest failed to mitigate the risk inherent in a portfolio of all indexed-priced contracts and failed to reasonably quantify the costs of any risk mitigation." As a result, Southwest was ordered to reduce its cost of gas by $3.8 million in southern Nevada and $1.8 million in northern Nevada. The approved increase, after consideration of the amounts disallowed, was $17.3 million, or 14 percent in southern Nevada, and $5.2 million, or 11 percent in northern Nevada.

In December 1997, Southwest filed a Petition for Reconsideration (Petition) of the decision with the PUCN on the grounds that the findings of fact and conclusions of law are contrary to binding legislative enactments and judicial decisions. Specifically, the Petition asserted, among other things, that the PUCN violated its settled obligation in the previous PGA docket, which included the same winter period, in finding Southwest to be imprudent. Effectively, the PUCN allowed a previously settled claim to be relitigated. In addition, management also believes that the PUCN failed to follow its previous rules and

practices surrounding a PGA proceeding, or changed those rules effective with the disallowance order and sought to retroactively apply them, which would have required compliance with formal rulemaking procedures mandated by Nevada Statutes. In February 1998, the PUCN reaffirmed the original order.

In March 1998, Southwest filed a petition for judicial review (appeal) of the final order of the PUCN with the Nevada District Court. The appeal alleges the same procedural irregularities as were included in the Petition. It is anticipated that judicial review will take no less than six months from the date of the filing and could take as long as two years depending on the civil trial calendar of the Nevada District Court.

See Note 8 of the Notes to Consolidated Financial Statements in the 1997 Annual Report to Shareholders for additional background information.

Management believes it is probable that the action taken to dispute the findings of fact and conclusions of law in the order will result in the successful outcome desired, specifically, that the order to exclude $5.6 million in gas costs from the PGA balance will be reversed. As a result, the financial statements do not reflect any charges to effect the disallowance.

Recently Issued Accounting Pronouncements

In February 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 132 "Employers' Disclosures about Pensions and Other Postretirement Benefits." SFAS No. 132 standardizes the disclosure requirements for pensions and other postretirement benefits, requires additional information to facilitate financial analysis, and eliminates certain previously required disclosures. It does not change measurement or recognition of amounts related to those plans. This statement is effective for 1998 reporting. 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 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

The Company filed a Form 8-K, dated April 15, 1998, indicating that earnings for the quarter ended March 31, 1998 would exceed analysts' estimates.

The Company filed a Form 8-K, dated April 29, 1998, reporting summary financial information for the quarter ended March 31, 1998.

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: April 30, 1998

/s/ Edward A. Janov

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

EXHIBIT 12

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

	For the Twelve Months Ended					
	March 31,	December 31,				
	1998	1997	1996	1995	1994	1993
Continuing operations						
1. Fixed charges:						
A) Interest expense	$ 64,789	$ 63,247	$ 54,674	$ 52,844	$ 48,688	$ 40,883
B) Amortization	1,176	1,164	1,494	1,569	1,426	1,330
C) Interest portion of rentals	6,842	6,973	6,629	4,435	4,743	4,556
D) Preferred securities distributions	5,475	5,475	5,475	913	-	-
Total fixed charges	$ 78,282	$ 76,859	$ 68,272	$ 59,761	$ 54,857	$ 46,769
2. Earnings (as defined):						
E) Pretax income from continuing operations	$ 44,640	$ 21,328	$ 10,448	$ 3,493	$ 38,119	$ 21,959
Fixed Charges (1. above)	78,282	76,859	68,272	59,761	54,857	46,769
Total earnings as defined	$ 122,922	$ 98,187	$ 78,720	$ 63,254	$ 92,976	$ 68,728
3. Ratio of earnings to fixed charges	1.57	1.28	1.15	1.06	1.69	1.47

	For the Twelve Months Ended					
	March 31,	December 31,				
	1998	1997	1996	1995	1994	1993
Adjusted for interest allocated to discontinued operations						
1. Fixed charges:						
A) Interest expense	$ 64,789	$ 63,247	$ 54,674	$ 52,844	$ 48,688	$ 40,883
B) Amortization	1,176	1,164	1,494	1,569	1,426	1,330
C) Interest portion of rentals	6,842	6,973	6,629	4,435	4,743	4,556
D) Preferred securities distributions	5,475	5,475	5,475	913	-	-
E) Allocated interest [1]	-	-	-	9,636	7,874	7,874
Total fixed charges	$ 78,282	$ 76,859	$ 68,272	$ 69,397	$ 62,731	$ 54,643
2. Earnings (as defined):						
F) Pretax income from continuing operations	$ 44,640	$ 21,328	$ 10,448	$ 3,493	$ 38,119	$ 21,959
Fixed Charges (1. above)	78,282	76,859	68,272	69,397	62,731	54,643
Total earnings as defined	$ 122,922	$ 98,187	$ 78,720	$ 72,890	$ 100,850	$ 76,602
3. Ratio of earnings to fixed charges	1.57	1.28	1.15	1.05	1.61	1.40

[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.
/TABLE

EXHIBIT 12

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

	For the Twelve Months Ended					
	March 31,	December 31,				
	1998	1997	1996	1995	1994	1993
Continuing operations						
1. Combined fixed charges:						
A) Total fixed charges	$ 78,282	$ 76,859	$ 68,272	$ 59,761	$ 54,857	$ 46,769
B) Preferred dividends [1]	-	-	-	404	826	1,183
Total fixed charges and preferred dividends	$ 78,282	$ 76,859	$ 68,272	$ 60,165	$ 55,683	$ 47,952
2. Earnings	$ 122,922	$ 98,187	$ 78,720	$ 63,254	$ 92,976	$ 68,728
3. Ratio of earnings to fixed charges and preferred dividends	1.57	1.28	1.15	1.05	1.67	1.43

	For the Twelve Months Ended					
	March 31,	December 31,				
	1998	1997	1996	1995	1994	1993
Adjusted for interest allocated to discontinued operations						
1. Combined fixed charges:						
A) Total fixed charges	$ 78,282	$ 76,859	$ 68,272	$ 69,397	$ 62,731	$ 54,643
B) Preferred dividends [1]	-	-	-	404	826	1,183
Total fixed charges and preferred dividends	$ 78,282	$ 76,859	$ 68,272	$ 69,801	$ 63,557	$ 55,826
2. Earnings	$ 122,922	$ 98,187	$ 78,720	$ 72,890	$ 100,850	$ 76,602
3. Ratio of earnings to fixed charges and preferred dividends	1.57	1.28	1.15	1.04	1.59	1.37

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

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This schedule contains summary financial information extracted from Southwest Gas Corporation's Form 10-Q for the quarter ended March 31, 1998 and is qualified in its entirety by reference to such financial statements.

1,000

3-MOS
DEC-31-1998
MAR-31-1998
PER-BOOK
1,377,368
67,585
245,542
54,842
0
1,745,337
29,151
362,891
26,581
418,623
0
0
778,485
78,000
0
0
5,215
0
0
0
465,014
1,745,337
292,601
22,502
217,099
217,099
75,502
(767)
74,735
16,280
35,953
0
35,953
5,623
0
108,562
1.31
1.30

Includes: trust originated preferred securities of $60,000, current liabilities, net of current long-term debt maturities and short-term debt, of $182,432, and deferred income taxes and other credits of $222,582.
Includes distributions related to trust originated preferred securities of $1,369.
Primary earnings per share is equal to basic earnings per share.