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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 1996

OR

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

For the transition period from ___________ to ___________

COMMISSION FILE NUMBER 1-7850

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

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

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

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 26,451,061 shares as of August 5, 1996

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The condensed consolidated financial statements included herein have been prepared by Southwest Gas Corporation (the Company), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. 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. 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. It is suggested that these condensed consolidated financial statements be read in conjunction with the financial statements and the notes thereto included in the Company's 1995 Annual Report on Form 10-K, and the 1996 first quarter report on Form 10-Q.

SOUTHWEST GAS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Thousands of dollars)
(Unaudited)

	JUNE 30, 1996	DECEMBER 31, 1995
ASSETS		
Utility plant		
Gas plant	$ 1,636,618	$ 1,579,665
Less: accumulated depreciation	(480,512)	(474,891)
Acquisition adjustments	6,081	6,298
Construction work in progress	27,287	26,678
Net utility plant	1,189,474	1,137,750
Other property and investments	66,209	35,128
Current assets		
Cash and cash equivalents	11,570	11,168
Accounts receivable, net of allowances	40,267	38,186
Accrued utility revenue	19,964	43,900
Deferred tax benefit	22,282	17,089
Prepaids and other current assets	28,401	31,386
Net assets of discontinued operations	175,118	175,493
Total current assets	297,602	317,222
Deferred charges and other assets	52,641	42,427
Total assets	$ 1,605,926	$ 1,532,527
CAPITALIZATION AND LIABILITIES		
Capitalization		
Common stock, $1 par (authorized - 30,000,000 shares; issued and outstanding - 26,403,084 and 24,467,499 shares)	$ 28,018	$ 26,097
Additional paid-in capital	342,680	312,631
Retained earnings	9,411	17,322
Total common equity	380,109	356,050
Redeemable preferred securities of Southwest Gas Capital I	60,000	60,000
Long-term debt, less current maturities	624,634	607,945
Total capitalization	1,064,743	1,023,995
Current liabilities		
Current maturities of long-term debt	125,727	120,000
Short-term debt	45,000	37,000
Accounts payable	32,701	41,864
Accrued taxes	32,161	29,116
Deferred purchased gas costs	46,398	32,776
Other current liabilities	69,930	69,455
Total current liabilities	351,917	330,211
Deferred income taxes and other credits		
Deferred income taxes and investment tax credits	146,973	138,893
Other deferred credits	42,293	39,428
Total deferred income taxes and other credits	189,266	178,321
Total capitalization and liabilities	$ 1,605,926	$ 1,532,527

The accompanying notes are an integral part of these statements.

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

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,		TWELVE MONTHS ENDED JUNE 30,	
	1996	1995	1996	1995	1996	1995
Operating revenues:						
Gas operating revenues	$ 102,713	$ 122,189	$ 291,065	$ 325,710	$ 528,857	$ 609,345
Construction revenues	20,898	--	20,898	--	20,898	--
Total revenues	123,611	122,189	311,963	325,710	549,755	609,345
Operating expenses:						
Net cost of gas	36,688	54,760	115,157	153,666	188,947	258,154
Operations and maintenance	48,260	47,855	95,471	93,722	189,718	185,839
Depreciation and amortization	18,052	15,741	34,591	30,878	66,205	59,711
Taxes other than income taxes	7,269	6,706	14,863	13,488	28,548	26,288
Construction expenses	18,089	--	18,089	--	18,089	--
	128,358	125,062	278,171	291,754	491,507	529,992
Operating income (loss)	(4,747)	(2,873)	33,792	33,956	58,248	79,353
Other income and (expenses):						
Net interest deductions	(13,476)	(13,038)	(26,429)	(26,360)	(53,423)	(52,348)
Preferred securities distributions	(1,369)	--	(2,738)	--	(3,651)	--
Other income (deductions), net	(282)	(199)	(203)	9	(864)	182
Total other income and (expenses)	(15,127)	(13,237)	(29,370)	(26,351)	(57,938)	(52,166)
Income (loss) from continuing operations before income taxes	(19,874)	(16,110)	4,422	7,605	310	27,187
Income tax expense (benefit)	(7,931)	(6,159)	1,506	3,107	(762)	10,163
Income (loss) from continuing operations	(11,943)	(9,951)	2,916	4,498	1,072	17,024
Net income (loss) from discontinued operations	--	610	--	806	(18,342)	1,653
Net income (loss)	(11,943)	(9,341)	2,916	5,304	(17,270)	18,677
Preferred/preference stock dividend requirements	--	95	--	190	117	423
Net income (loss) applicable to common stock	$ (11,943)	$ (9,436)	$ 2,916	$ 5,114	$ (17,387)	$ 18,254
Earnings (loss) per share from continuing operations	$ (0.46)	$ (0.44)	$ 0.12	$ 0.19	$ 0.04	$ 0.77
Earnings (loss) per share from discontinued operations	--	0.03	--	0.04	(0.74)	0.07
Earnings (loss) per share of common stock	$ (0.46)	$ (0.41)	$ 0.12	$ 0.23	$ (0.70)	$ 0.84
Dividends paid per share of common stock	$ 0.205	$ 0.205	$ 0.41	$ 0.41	$ 0.82	$ 0.82
Average number of common shares outstanding	25,817	22,816	25,211	22,110	24,773	21,615

The accompanying notes are an integral part of these statements.

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

	SIX MONTHS ENDED JUNE 30,		TWELVE MONTHS ENDED JUNE 30,	
	1996	1995	1996	1995
CASH FLOW FROM OPERATING ACTIVITIES:				
Net income	$ 2,916	$ 5,304	$ (17,270)	$ 18,677
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	34,591	30,878	66,205	59,711
Deferred income taxes	(1,850)	9,670	(26,834)	6,120
Changes in current assets and liabilities				
Accounts receivable	10,847	31,345	(778)	(1,004)
Accrued utility revenue	23,936	28,909	(1,340)	(975)
Unrecovered purchased gas costs	13,622	45,363	16,253	46,292
Accounts payable	(12,286)	(25,037)	5,651	1,138
Accrued taxes	3,045	(24,917)	14,142	(21,486)
Other current assets and liabilities	(2,238)	6,561	(5,138)	2,068
Other	2,543	1,175	1,163	(1,650)
Undistributed (income) loss from discontinued operations	--	(3,780)	5,356	(7,088)
Net cash provided by operating activities	75,126	105,471	67,410	101,803
CASH FLOW FROM INVESTING ACTIVITIES:				
Construction expenditures	(87,178)	(74,045)	(179,316)	(153,554)
Other	(2,802)	(2,297)	1,960	1,057
Net cash used in investing activities	(89,980)	(76,342)	(177,356)	152,497)
CASH FLOW FROM FINANCING ACTIVITIES:				
Issuance of common stock	11,412	35,680	20,576	39,941
Issuance of trust originated preferred securities	--	--	57,713	--
Reacquisition of preferred/preference stocks	--	--	(4,000)	(4,058)
Dividends paid	(10,427)	(9,974)	(20,029)	(18,691)
Issuance of long-term debt	9,286	24,800	33,893	45,800
Retirement of long-term debt	(1,519)	(2,255)	(1,549)	(2,440)
Issuance (repayment) of short-term debt	5,234	(76,000)	26,234	(5,000)
Other	1,270	538	684	823
Net cash provided by (used in) financing activities	15,256	(27,211)	113,522	56,375
Change in cash and temporary cash investments	402	1,918	3,576	5,681
Cash at beginning of period	11,168	6,076	7,994	2,313
Cash at end of period	$ 11,570	$ 7,994	$ 11,570	$ 7,994
Supplemental information:				
Interest paid, net of amounts capitalized	$ 30,142	$ 31,019	$ 61,500	$ 59,480
Income taxes paid, net of refunds	$ 4,428	$ 17,419	$ 7,422	$ 18,568

The accompanying notes are an integral part of these statements.

NOTE 1- DISCONTINUED OPERATIONS

In January 1996, the Company and its wholly owned subsidiaries: The Southwest Companies and PriMerit Bank, Federal Savings Bank (PriMerit or the Bank), entered into a definitive agreement with Norwest Corporation (Norwest) to sell PriMerit to Norwest for $175 million. In April 1996, Norwest elected, pursuant to an option in the original agreement, to structure the acquisition as a purchase of substantially all of the assets and liabilities of the Bank in exchange for consideration of $191 million. It is estimated that the Company will be required to pay an additional $16 million in income taxes by virtue of consummating the Bank sale as a purchase of assets and assumption of liabilities. The consideration of $191 million therefore provides the economic equivalent to the Company of a sale of stock of the Bank for $175 million.

Shareholders of the Company voted on and approved the principal terms of the sale at the annual shareholder meeting held in July. Various preclosing regulatory approvals were obtained and other customary closing conditions were satisfied. The sale closed in July 1996. Net proceeds of approximately $163 million were initially used to pay down short-term debt and a portion of the term-loan facilities. In August, the Company will retire debt incurred in connection with its investment in the Bank.

NOTE 2 - ACQUISITION OF NORTHERN PIPELINE CONSTRUCTION CO.

On April 29, 1996, the Company acquired all of the outstanding stock of Northern Pipeline Construction Co. (NPL) pursuant to a definitive agreement dated November 1995. The Company issued approximately 1,439,000 shares of common stock valued at $24 million. The acquisition was accounted for as a purchase. In connection with the acquisition, goodwill in the amount of approximately $12 million was recorded by NPL. This goodwill will be amortized over a period of approximately 25 years.

NPL provides local gas distribution companies with installation, replacement, and maintenance services for underground natural gas distribution systems. During the period from the acquisition date through June 30, 1996, NPL recognized revenues generated from contracts with the Company of $9.3 million. This amount is included in the consolidated statements of income of the Company and was not eliminated during consolidation. Statement of Financial Accounting Standards 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 will be met.

The acquisition of NPL had the following initial impact on the Company's consolidated balance sheet (thousands of dollars):

Other property and investments	$ 26,490
Receivables, net	12,928
Prepaids and other current assets	2,545
Deferred charges and other assets	11,340
Total assets acquired	53,303
Long-term debt and capital leases, including current maturities	14,867
Short-term debt	2,766
Accounts payable	3,123
Other current liabilities	6,759
Deferred income taxes	4,737
Other deferred credits	394
Total liabilities assumed	32,646
Net noncash assets acquired	20,657
Cash acquired in acquisition and included in cash flow statement	3,343
Total common equity issued in acquisition	$ 24,000

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 to residential, commercial, and industrial customers in geographically diverse portions of Arizona, Nevada, and California (natural gas operations segment). In April 1996, the Company completed the acquisition of Northern Pipeline Construction Co. (NPL) pursuant to a definitive agreement dated November 1995. The Company issued approximately 1,439,000 shares of common stock, valued at $24 million, in exchange for 100 percent of NPL common stock. NPL provides local gas distribution companies with installation, replacement, and maintenance services for underground natural gas distribution systems (construction services segment).

Previously, the Company engaged in financial services activities through PriMerit, a wholly owned subsidiary. In January 1996, the Company signed a definitive agreement to sell PriMerit to Norwest. The sale closed July 19, 1996, following receipt of shareholder and various governmental approvals and satisfaction of other customary closing conditions. For consolidated financial reporting purposes, the financial services activities are disclosed as discontinued operations.

For the twelve months ended June 30, 1996, continuing operations contributed income of $1 million, while discontinued operations experienced an $18.3 million loss, resulting in a total net loss of $17.3 million.

CAPITAL RESOURCES AND LIQUIDITY

The Company estimates that construction expenditures for its natural gas operations for the three-year period ending December 31, 1998 will be approximately $470 million. It is estimated that cash flow from operating activities (net of dividends) will fund approximately one-half of the gas operation's total construction expenditures during the three-year period ending December 31, 1998. A portion of the construction expenditure funding will be provided by $31 million of funds held in trust, at June 30, 1996, from the issuance of 1993 City of Big Bear Lake, California, Series A 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 the Company's 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.

In early August 1996, the Company completed the sale of $150 million of debt securities. These debt securities are composed of $75 million 7-1/2% debentures due 2006, and $75 million 8% debentures due 2026. Net proceeds of $148 million as well as a portion of the $163 million net proceeds from the Bank sale will be used to refund outstanding callable debentures with the remaining amount to be used for general corporate purposes, including the acquisition of property for the construction, completion, extension, or improvement of the Company's pipeline systems and facilities located in and around the communities it serves. The June 30, 1996 balance of the debt to be refunded was (thousands of dollars):

Series A, 9% due 2011	$ 26,838
Series B, 9% due 2011	31,158
Series C, 8.75% due 2011	18,323
Series D, 9.375% due 2017	120,000
Series E, 10% due 2013	23,069

Securities ratings issued by nationally recognized ratings agencies provide a method for determining the creditworthiness of an issuer. The Company's debt ratings are influential since long-term debt constitutes a significant portion

of the Company's capitalization. These debt ratings are a factor considered by lenders when determining the cost of debt for the Company (i.e., the better the rating, the lower the cost to borrow funds).

In July 1996, Moody's upgraded the Company's unsecured long-term debt rating from Baa3 to Baa2. Moody's debt ratings range from Aaa (best quality) to C (lowest quality). Moody's applies a Baa2 rating to obligations which are considered medium grade obligations, i.e., they are neither highly protected nor poorly secured.

Also in July 1996, Duff & Phelps Credit Rating Co. upgraded the Company's unsecured long-term debt rating to BBB from BBB-. Duff & Phelps debt ratings range from AAA (highest rating possible) to DD (defaulted debt obligation). The Duff & Phelps rating of BBB indicates that the Company's credit quality is considered prudent for investment.

A securities rating is not a recommendation to buy, sell, or hold a security and is subject to change or withdrawal at any time by the rating agency.

RESULTS OF CONSOLIDATED OPERATIONS

Quarterly Analysis

	Contribution to Net Income Three Months Ended June 30, (Thousands of dollars)	
	1996	1995
Continuing operations:		
Natural gas operations	$ (12,389)	$ (9,951)
Construction services	446	--
Discontinued operations-financial services	--	610
Net loss	$ (11,943)	$ (9,341)

Loss per share for the quarter ended June 30, 1996 was $0.46, a $0.05 decline from a per share loss of $0.41 recorded during the corresponding quarter of the prior year. Loss from continuing operations during the current quarter was $0.46, a decline from the loss recorded during the quarter ended June 30, 1995 of $0.44 per share. See separate discussion at NATURAL GAS OPERATIONS SEGMENT of the changes as they relate to the natural gas operations segment. Construction services earnings per share were $0.02 for the two-month period since acquisition. Prior year loss per share included per share earnings of $0.03 contributed from discontinued operations. Average shares outstanding increased 3 million shares between years primarily resulting from a 2.1 million share public offering in May 1995, a 1.4 million share issuance in April 1996 to acquire NPL, and issuances under the Company's Dividend Reinvestment and Stock Purchase Plan.

Six-Month Analysis

	Contribution to Net Income Six Months Ended June 30, (Thousands of dollars)	
	1996	1995
Continuing operations:		
Natural gas operations	$ 2,470	$ 4,498
Construction services	446	--
Discontinued operations-financial services	--	806
Net income	$ 2,916	$ 5,304

Earnings per share for the six months ended June 30, 1996 were $0.12, an $0.11 decline from per share earnings of $0.23 recorded during the corresponding six months of the previous year. Earnings from continuing operations during the current six-month period were $0.12 per share, a decline from earnings recorded during the corresponding prior period of $0.19 per share. See separate discussion at NATURAL GAS OPERATIONS SEGMENT of the changes as they relate to the natural gas operations segment. Prior period earnings also included $0.04 per share contributed from discontinued operations. Average shares outstanding increased 3.1 million shares between years.

Twelve-Month Analysis

	Contribution to Net Income Twelve Months Ended June 30, (Thousands of dollars) 1996	1995
Continuing operations:		
Natural gas operations	$ 626	$ 17,024
Construction services	446	--
Discontinued operations-financial services	(18,342)	1,653
Net income (loss)	$ (17,270)	$ 18,677

Loss per share for the twelve months ended June 30, 1996 was $0.70, a $1.54 decline from earnings per share recorded during the prior twelve month period of $0.84. Earnings from continuing operations during the current period were $0.04 per share compared to earnings of $0.77 per share for the prior period. See separate discussion at NATURAL GAS OPERATIONS SEGMENT of the changes as they relate to the natural gas operations segment. Loss from discontinued operations for the current period was $0.74 per share compared to earnings of $0.07 per share from the prior year. The current period loss occurred primarily as a result of the disposal of the discontinued segment. Average shares outstanding increased 3.2 million shares between years.

NATURAL GAS OPERATIONS SEGMENT

The Company is engaged in the business of purchasing, transporting, and distributing natural gas in portions of Arizona, Nevada, and California. Its service areas are geographically as well as economically diverse. The Company 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. The Company is also the largest distributor and transporter of natural gas in Nevada, and serves the Las Vegas metropolitan area and northern Nevada. In addition, the Company 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.

The Company purchases, transports, and distributes natural gas to approximately 1,051,000 residential, commercial, and industrial customers within its three-state service territory, of which 59 percent are located in Arizona, 31 percent are in Nevada, and 10 percent are in California. During the twelve months ended June 30, 1996, the Company earned 58 percent of operating margin in Arizona, 31 percent in Nevada, and 11 percent in California. During this same period, the Company earned 59 percent of operating margin from residential customers, 24 percent from commercial customers, and 17 percent from industrial and other customers. These patterns are consistent with prior years and are expected to continue.

For the twelve months ended June 30, 1996, the Company's natural gas construction expenditures totaled $179 million, a 17 percent increase when compared to $153 million of additions for the same period ended a year ago. The increase is attributed to the investment in new transmission and distribution plant in Arizona, Nevada, and California to meet the demand from the Company's growing customer base.

RESULTS OF NATURAL GAS OPERATIONS

Quarterly Analysis

	Three Months Ended June 30, (Thousands of dollars)	
	1996	1995
Gas operating revenues	$ 102,713	$ 122,189
Net cost of gas	36,688	54,760
Operating margin	66,025	67,429
Operations and maintenance expense	48,260	47,855
Depreciation and amortization	16,452	15,741
Taxes other than income taxes	7,269	6,706
Operating income (loss)	(5,956)	(2,873)
Other income (expense), net	(354)	(199)
Income (loss) before interest and income taxes	(6,310)	(3,072)
Net interest deductions	13,271	13,038
Preferred securities distribution	1,369	--
Income tax expense (benefit)	(8,430	(6,159)
Net income (loss) before allocations	(12,520)	(9,951)
Allocation of carrying costs, net of tax	131	--
Contribution to consolidated net income	$ (12,389)	$ (9,951)

Contribution to consolidated net income decreased $2.4 million, compared to the second quarter of 1995. The decrease was principally the result of higher depreciation, general taxes, and financing costs incurred as a result of the expansion and upgrading of the gas system to accommodate continued customer growth.

Operating margin decreased two percent in the second quarter of 1996 when compared to the second quarter of 1995. Temperatures during the second quarter of 1995 were cooler than normal, with the second quarter of 1996 experiencing a return to normal temperatures. Customer growth in 1996 somewhat offset the weather-related margin decrease.

Depreciation expense and general taxes increased $1.3 million, or six percent, as a result of additional plant in service. Average gas plant in service increased $138 million, or nine percent, as compared to the second quarter of 1995. The increase reflects ongoing capital expenditures for the upgrade of existing operating facilities and the expansion of the system to accommodate continued customer growth.

Preferred securities distributions during the second quarter of 1996 were $1.4 million. These distributions were generated from the original issuance of preferred securities in October 1995.

Six-Month Analysis

	Six Months Ended June 30, (Thousands of dollars) 1996	1995
Gas operating revenues	$ 291,065	$ 325,710
Net cost of gas	115,157	153,666
Operating margin	175,908	172,044
Operations and maintenance expense	95,471	93,722
Depreciation and amortization	32,991	30,878
Taxes other than income taxes	14,863	13,488
Operating income	32,583	33,956
Other income (expense), net	(275)	9
Income before interest and income taxes	32,308	33,965
Net interest deductions	26,224	26,360
Preferred securities distribution	2,738	--
Income tax expense	1,007	3,107
Net income before allocations	2,339	4,498
Allocation of carrying costs, net of tax	131	--
Contribution to consolidated net income	$ 2,470	$ 4,498

Contribution to consolidated net income decreased $2 million as compared to the six months ended June 1995. This was the result of increased operating costs and financing expenses incurred as a result of the continued expansion and upgrading of the gas system to accommodate the Company's growth partially offset by increased operating margin.

Operating margin increased two percent during the six months ended June 1996 compared to the same period in 1995 due primarily to continued customer growth. However, the impact of record warm temperatures in the Southwest region of the country during the first quarters of 1996 and 1995 reduced operating margin in both periods from expected levels.

Operations and maintenance expenses increased $1.7 million, or two percent, reflecting increases in labor and maintenance costs along with incremental operating expenses associated with meeting the needs of the Company's growing customer base.

Depreciation expense and general taxes increased $3.5 million, or eight percent, resulting from an increase in average gas plant in service of $143 million, or ten percent. This increase reflects capital expenditures for the upgrade of existing operating facilities and the expansion of the system to accommodate continued customer growth within the Company's service area.

Preferred securities distributions during the current period were $2.7 million. These distributions were generated from the original issuance of preferred securities in October 1995.

Twelve-Month Analysis

	Twelve Months Ended June 30, (Thousands of dollars) 1996	1995
Gas operating revenues	$ 528,857	$ 609,345
Net cost of gas	188,947	258,154
Operating margin	339,910	351,191
Operations and maintenance expense	189,718	185,839
Depreciation and amortization	64,605	59,711
Taxes other than income taxes	28,548	26,288
Operating income	57,039	79,353
Other income (expense), net	(936)	182
Income before interest and income taxes	56,103	79,535
Net interest deductions	53,218	52,348
Preferred securities distribution	3,651	--
Income tax expense (benefit)	(1,261)	10,163
Net income before allocations	495	17,024
Allocated carrying costs, net of tax	131	--
Contribution to consolidated net income	$ 626	$ 17,024

Contribution to consolidated net income decreased $16.4 million as compared to the corresponding twelve-month period of the prior year. Operating margin decreased while operations and maintenance expense, depreciation expense, general taxes, and net interest deductions increased.

Despite a five percent increase in the average number of customers billed between the two periods, operating margin decreased $11.3 million due to record warm weather experienced during the 1995/1996 winter heating season. Unseasonably warm weather experienced during much of the fourth quarter of 1995 and the first quarter of 1996 caused operating margin to be approximately $30 million less than expected and $24 million lower than the prior twelve-month period. The addition of 58,000 new customers over the twelve-month period partially mitigated the impact of weather, contributing approximately $13 million to operating margin.

Operations and maintenance expenses increased $3.9 million, or two percent, primarily as a result of general cost increases in labor and materials over the same period a year ago. These increases reflect the incremental cost of providing service to the Company's steadily growing customer base.

Depreciation expense and general taxes increased $7.2 million, or eight percent, as a result of additional plant in service. Average gas plant in service for the current twelve-month period increased $142 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 the number of new customers being added to the system.

Net interest deductions increased $870,000 during the twelve months ended June 1996 over the comparative period of the prior year. Average total debt outstanding during the period increased two percent and consisted of a $57 million increase in average long-term debt, net of funds held in trust, and a $44 million decrease in average short-term debt. The increase in debt is attributed primarily to the drawdown of IDRB funds previously held in trust and the refinancing of the $165 million term-loan facilities with a $200 million term-loan facility in January 1995.

Preferred securities distributions during the current period were $3.7 million. These distributions were generated from the original issuance of preferred securities in October 1995.

RATES AND REGULATORY PROCEEDINGS

NEVADA

In December 1995, the Company filed general rate cases with the Public Service Commission of Nevada (PSCN) seeking approval to increase revenues by $15.8 million, or 12 percent, annually for its southern Nevada rate jurisdiction and $5 million, or 10 percent, annually for its northern Nevada rate jurisdiction. The Company was seeking recovery of increased operating and maintenance costs, construction-related financing, tax, insurance, and depreciation expenses associated with its expanding customer base. In April 1996, the PSCN approved a settlement of the general rate cases which provide the Company with a $10.6 million general rate increase in southern Nevada and a $3.2 million increase in northern Nevada. The settlement achieved a number of rate design and tariff restructuring changes resulting in rates that are more cost-based. Over 86 percent of annual margin will now be recoverable from core customer classes, those most responsible for the increased operating costs. The settlement also adjusts rate design by equalizing margins earned from sales and transportation customers, resulting in consistent margin regardless of the type of service elected by a customer. The settlement also specifies a moratorium on future general rate increase requests until April 1999. The new rates became effective July 1, 1996.

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 recovery of cost increases associated with plant and related items, depreciation rates, operational costs including labor, and an increase in the required rate of return. Interim rates reflecting the increased revenues are expected to become effective in January 1997, subject to refund. The exact amount of rate relief that will ultimately be authorized is not known.

PART II - OTHER INFORMATION

ITEMS 1-3 NONE

ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company's Annual Meeting of Shareholders was held on July 16, 1996. Matters voted upon and the results of the voting were as follows:

(1) The eleven directors nominated were reelected.

(2) The proposal to approve the principal terms of the sale of PriMerit Bank, Federal Savings Bank, to Norwest Corporation was approved. Shareholders voted 18,580,929 shares in favor, 301,381 opposed, and 385,356 abstentions.

(3) The proposal to approve the 1996 Stock Incentive Plan was approved. Shareholders voted 13,942,808 shares in favor, 4,601,390 opposed, and 768,820 abstentions.

(4) The proposal to amend the Restated Articles of Incorporation of the Company to increase the authorized shares of Common Stock from 30,000,000 shares to 45,000,000 shares was approved. Shareholders voted 19,561,462 shares in favor, 3,162,217 opposed, and 521,758 abstentions.

(5) The proposal to amend the Restated Articles of Incorporation of the Company to authorize a new class of Preferred Stock and to eliminate authority to issue shares of Preferred Stock ($50 par value), Cumulative Preferred Stock ($100 par value), Second Preference Stock ($100 par value) and Special Common Stock was approved. Shareholders voted 13,264,972 shares in favor, 5,720,041 opposed, and 735,719 abstentions.

(6) The proposal to ratify the selection of Arthur Andersen LLP as independent public accountants for the Company was approved. Shareholders voted 22,472,397 shares in favor, 396,510 opposed, and 376,531 abstentions.

ITEM 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 10 -- Southwest Gas Corporation Directors Deferral Plan together with first amendment dated March 5, 1996.

Exhibit 27 -- Financial Data Schedule (filed electronically only)

Exhibit 99 -- Financial Analyst Report-Second Quarter 1996

ITEM 6 EXHIBITS AND REPORTS ON FORM 8-K - (CONTINUED)

(b) Reports on Form 8-K

The Company filed a Form 8-K, dated July 19, 1996, reporting the closing of the sale of the Bank to Norwest Corporation.

The Company filed a Form 8-K, dated July 26, 1996, updating exhibits in connection with its Registration Statement No. 33-62143.

The Company filed a Form 8-K, dated July 31, 1996, in connection with the issuance of $150 million of debt securities.

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: August 12, 1996

/s/ Edward A. Janov

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

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
10	Southwest Gas Corporation Directors Deferral Plan together with first amendment dated March 5, 1996.
27	Financial Data Schedule (filed electronically only)
99	Financial Analyst Report - Second Quarter 1996

MASTER PLAN DOCUMENT

SOUTHWEST GAS CORPORATION

DIRECTORS DEFERRAL PLAN

TABLE OF CONTENTS

DIRECTORS DEFERRAL PLAN
OF
SOUTHWEST GAS CORPORATION

PURPOSE

The purpose of this Plan is to provide specified benefits to Directors of SOUTHWEST GAS CORPORATION.

ARTICLE 1
DEFINITIONS

For purposes hereof, unless otherwise clearly apparent from the context, the words and phrases listed below shall be defined as follows:

1.1 "Account Balance" means a Participant's individual fund comprised of Deferrals and interest earnings credited thereon up to the time of Benefit Distribution.

1.2 "Beneficiary" means the person or persons, or the estate of a Participant, named to receive any benefits under the Plan upon the death of a Participant.

1.3 "Benefit Account Balance" shall have the meaning set forth in Article 5.3.

1.4 "Benefit Distribution" means the date benefits under the Plan commence or are paid in full to a Participant, or because of his death, to his Beneficiary, which will occur within 90 days of notification to the Company of the event that gives rise to such distribution.

1.5 "Board Fees" means the annual compensation received by a Director for serving on the Board of Directors of Southwest Gas Corporation, its Subsidiaries and any committees of such boards.

1.6 "Board of Directors" means the Board of Directors of Southwest Gas Corporation.

1.7 "Committee" means the administrative committee appointed by the Board of Directors to manage and administer the Plan in accordance with the provisions of the Plan.

1.8 "Company" means Southwest Gas Corporation.

1.9 "Deferral(s)" means the amount of Board Fees transferred to the Plan accounts.

1.10 "Director" means any person on the Board of Directors of Southwest Gas Corporation.

1.11 "Master Plan Document" means this legal instrument containing the provisions of the Plan.

1.12 "Moody's Rate" means Moody's Seasoned Corporate Bond Rate which is an economic indicator consisting of an arithmetic average of yields of representative bonds (industrial and AAA, AA and A rated public utilities) as of January 1 prior to each Plan Year as published by Moody's Investors Service, Inc. (or any successor thereto), or, if such index is no longer published, a substantially similar index selected by the Board of Directors.

1.13 "Moody's Composite Rate" means the average of the Moody's Rate on January 1 for the five years prior to Benefit Distribution.

1.14 "Participant" means any Director who executes a Plan Agreement.

1.15 "Plan" means the Director Deferral Plan of the Company evidenced by this Master Plan Document.

1.16 "Plan Agreement" means the form of written agreement which is entered into from time to time, by and between the Company and a Participant.

1.17 "Plan Year" means the year beginning on March 15 of each year.

1.18 "Retire" or "Retirement" means the cessation of service on the Board of Directors of the Company after completing five (5) Years of Service, other than by death, disability or Termination of Service.

1.19 "Subsidiaries" means any corporation, partnership, or other organization which is at least 50 percent owned by the Company or a Subsidiary of the Company.

1.20 "Terminates Service" or "Termination of Service" means the cessation of service on the Board of Directors of the Company, either voluntarily or involuntarily, excluding Retirement, disability or death.

1.21 "Years of Service" means the length of time, in discrete 12-month periods, a Participant has served on the Board of Directors of the Company.

ARTICLE 2
ELIGIBILITY

2.1 A Director shall become eligible to participate in the Plan as of the effective date of his election as a Director.

2.2 Once eligible to participate in the Plan, a Director has to complete, execute and return to the Committee a Plan Agreement to become a Participant in the Plan. Continued participation in the Plan is subject to compliance with any further conditions as may be established by the Committee.

ARTICLE 3
DEFERRAL COMMITMENT

3.1 A Participant may defer up to 100 percent of his Board Fees received during a Plan Year; provided, that such Deferral exceeds $2,000 per Plan Year.

3.2 Prior to the commencement of each Plan Year, a Participant will advise the Committee, in writing, of his deferral commitment for the upcoming Plan Year. If a Participant fails to so advise the Committee, through no fault of the Company, he will not be permitted to defer any of his Board Fees during upcoming Plan Year.

3.3 A Participant's Deferral commitment will be exercised on a per pay period basis.

3.4 In the event a Director becomes a Participant in the Plan during a Plan Year, such Participant may defer up to 100 percent of the remaining portion of his Board Fees for the Plan Year. Such Participant must make his Deferral commitment by advising the Committee, in writing, at the time he elects to become a Participant in the Plan.

3.5 In the event a Participant defaults on his Deferral commitment, the Participant will not be allowed to make any further Deferrals during the current Plan Year and may not make any Deferrals for the subsequent Plan Year.

3.6 The Committee may waive for good cause the default penalty specified in Article 3.5 upon the request of the Participant.

ARTICLE 4
INTEREST, CREDITING AND VESTING

4.1 A Participant's Account Balance at the start of a Plan Year and any Deferrals made during a Plan Year will earn, except as provided for in Article 4.2, interest annually at 150 percent of the Moody's Rate. Interest will be credited to a Participant's account for rollover contributions, from the date such contributions are accepted by the Plan.

4.2 If a Participant Terminates Service prior to completing five Years of Service with the Company, interest credited for all Deferrals to a Participant's Account Balance will be adjusted based on the Moody's Rate during the period he participated in the Plan.

ARTICLE 5
PLAN BENEFIT PAYMENTS

5.1 A Participant's Account Balance will be paid to the Participant in a lump-sum payment at the time of Benefit Distribution, unless the Participant qualifies to receive benefit payments over a specific benefit payment period.

5.2 A Participant's Account Balance will earn interest under the provisions of Article 4.1 until the time of Benefit Distribution.

5.3 If a Participant is entitled to receive Plan benefit payments over a specific benefit payment period, his Account Balance at the commencement of Benefit Distribution will be credited with an amount equal to the interest such balance would have earned assuming distribution in equal monthly installments over the specific benefit payment period, at a specified interest rate, thereby creating a Benefit Account Balance. The Benefit Account Balance will then be paid to the Participant in equal monthly installments over the specific benefit payment period.

ARTICLE 6
RETIREMENT BENEFIT PAYMENTS

6.1 A Participant who Retires from the Company qualifies to receive his Account Balance over a period of either 120, 180 or 240 months. The Committee will have complete discretion to determine the retirement benefit payment period that will be awarded to an individual Participant.

6.2 The interest rate used to calculate the amount that will be credited to a Participant's Account Balance, to determine his Benefit Account Balance under the provisions of Article 5.3, will be 150 percent of the Moody's Composite Rate.

ARTICLE 7
PRE-RETIREMENT SURVIVOR BENEFIT PAYMENTS

7.1 If a Participant dies while he is on the Board of Directors, his Account Balance will be paid to his Beneficiary in a lump sum distribution at the time of Benefit Distribution or in equal monthly installments over the 180 month survivor benefit payment period. The Committee will, in its sole discretion, determine whether the Participant's Beneficiary will qualify for payment over the survivor benefit payment period.

7.2 If the Committee determines to pay the Beneficiary over the survivor benefit payment period, the interest rate used to determine the amount that will be credited to a Participant's Account Balance, to determine his Benefit Account Balance under the provisions of Article 5.3, will be the Moody's Composite Rate.

ARTICLE 8
POST-RETIREMENT SURVIVOR BENEFIT PAYMENTS

8.1 If a Participant dies after the commencement of retirement or disability benefit payments under Articles 6 or 10 but prior to such benefits having been paid in full, the Participant's benefit payments will continue to be paid to the Participant's Beneficiary through the end of the originally awarded benefit payment period, except as provided for in Article 11.7.

ARTICLE 9
TERMINATION BENEFIT PAYMENTS

9.1 A Participant who Terminates Service with the Company prior to Retirement will receive his Account Balance in a lump sum payment at Benefit Distribution.

ARTICLE 10
DISABILITY BENEFIT PAYMENTS

10.1 The Committee will, in its sole discretion, determine whether a Participant is disabled under the provisions of the Plan.

10.2 If a Participant is disabled within the first 5 Years of Service with the Company, he will receive his Account Balance in a lump sum payment at Benefit Distribution.

10.3 If a Participant is disabled after 5 Years of Service with the Company, his Account Balance will be paid to him in equal monthly installments over the 180 month disability benefit payment period.

10.4 If a Participant qualifies to receive his Account Balance over the disability benefit payment period, the interest rate used to calculate the amount that will be credited to a Participant's Account Balance, to determine his Benefit Account Balance under the provisions of Article 5.3, will be 150 percent of the Moody's Composite Rate.

ARTICLE 11
BENEFICIARIES

11.1 A Participant shall have the right to designate any person as his Beneficiary to whom benefits under this Plan shall be paid in the event of the Participant's death prior to the total distribution of his Benefit Account Balance under the Plan. If greater than 50 percent of the Benefit Account Balance is designated to a Beneficiary other than the Participant's spouse, such Beneficiary designation must be consented to by the Participant's spouse. Each Beneficiary designation must be in written form prescribed by the Committee and will be effective only when filed with the Committee during the Participant's lifetime.

11.2 A Participant shall have the right to change the Beneficiary designation, subject to spousal consent under the provisions of Article 11.1, without the consent of any designated Beneficiary by filing a new Beneficiary designation with the Committee. The filing of a new Beneficiary designation form will cancel all Beneficiary designations previously filed.

11.3 The Committee shall acknowledge, in writing, receipt of each Beneficiary designation form.

11.4 The Committee shall be entitled to rely on the Beneficiary designation last filed by the Participant prior to his death. Any payment made in accordance with such designation shall fully discharge the Company from all further obligations with respect to the amount of such payments.

11.5 If a Beneficiary entitled to receive benefits under the Plan is a minor or a person declared incompetent, the Committee may direct payment of such benefits to the guardian or legal representative of such minor or incompetent person. The Committee may require proof of incompetency, minority or guardianship as it may deem appropriate prior to distribution of any Plan benefits. Such distribution shall completely discharge the Committee and the Company from all liability with respect to such payments.

11.6 If no Beneficiary designation is in effect at the time of the Participant's death, or if the named Beneficiary predeceased the Participant, then the Beneficiary shall be: (1) the surviving spouse; (2) if there is no surviving spouse, then his issue per stirpes; or (3) if no surviving spouse or issue, then his estate.

11.7 If a Beneficiary receiving benefit payments under the provisions of Articles 7 or 8 of the Plan dies prior to the completion of the benefit payment period, the total of the remaining benefit payments will be paid, in a lump sum amount, to the contingent Beneficiary designated by the Participant under the provisions of Article 11.1. If the Participant has failed to designate a contingent Beneficiary, the total of the remaining benefit payments will be paid, in lump sum amount, to the Beneficiary's estate.

ARTICLE 12
COMPANY LIABILITY

12.1 Amounts payable to a Participant shall be paid exclusively from the general assets of the Company.

12.2 The Company shall have no obligation under the Plan to a Participant or a Participant's Beneficiary, except as provided in this Master Plan Document.

12.3 The Participant shall cooperate with the Committee in furnishing all information requested by the Company to facilitate the payment of his Benefit Account Balance. Such information may include the results of a physical examination if any is required for participation in the Plan.

ARTICLE 13
NO GUARANTEE OF CONTINUING DIRECTORSHIP

13.1 The Company is without power to lawfully assure a Participant continued tenure as a Director, and nothing herein constitutes a contract of continuing directorship between the Company and the Participant.

ARTICLE 14
TERMINATION, AMENDMENT OR MODIFICATION OF THE PLAN

14.1 The Board of Directors may at any time, without notice, amend the Plan in whole or in part provided, however, that no amendment shall be effective to decrease or restrict the amount of interest to be credited under the provisions of Article 4.1 on an Account Balance as of the date of such amendment.

14.2 The Board of Directors reserves the right to partially or completely terminate the Plan at any time and for any reason.

14.3 The Board of Directors may partially terminate the Plan by instructing the Committee not to accept any additional Deferral commitments. In the event of a partial termination, the remaining provisions of the Plan shall continue to operate and be effective for all Participants in the Plan, as of the date of such partial termination.

14.4 In the event that the Board of Directors completely terminates the Plan, the Plan shall cease to operate and the Committee shall pay out to each Participant his Account Balance, plus interest to be credited to the Account Balance, as of the date of the Plan's termination. The Committee, in its sole discretion, may either make a lump sum distribution at the time of Benefit Distribution or in equal monthly installments over the 60 month Plan termination benefit payment period. If the Committee determines to pay a Participant over the Plan termination benefit payment period, the interest rate used to calculate the amount that will be credited to a Participant's Account Balance, to determine his Benefit Account Balance under the provisions of Article 5.3, will be 150 percent of the Moody's Composite Rate.

14.5 Once benefits payments have commenced, termination of the Plan shall not terminate the rights of a Participant or his Beneficiary to continue to receive such payments. For all other Participants, the termination of the Plan will limit benefits under the Plan to those provided for in Article 14.4 herein.

ARTICLE 15
RESTRICTIONS ON ALIENATION OF BENEFITS

15.1 To the maximum extent permitted by law, no interest or benefit under the Plan shall be assignable or subject in any manner to alienation, sale, transfer, claims of creditors, pledge, attachment or encumbrances of any kind.

ARTICLE 16
ADMINISTRATION OF THE PLAN

16.1 The general administration of the Plan, as well as construction and interpretation thereof, shall be vested in the Committee. The number of members of the Committee shall be established by, and the members shall be appointed from time to time by, and shall serve at the pleasure of, the Board of Directors of the Company.

16.2 Subject to the Plan, the Committee shall from time to time establish rules, forms and procedures for the administration of the Plan. Except

as otherwise expressly provided, the Committee shall have the exclusive right to interpret the Plan and to decide any and all matters arising thereunder. The Committee's decisions shall be conclusive and binding upon all persons having or claiming to have any right or interest under the Plan.

16.3 The Committee may employ such consultants, advisors and managers as it deems necessary or useful in carrying out its duties.

16.4 No member of the Committee shall be liable for any act or omission of any other member of the Committee, nor for any act or omission on his own part, excepting his own willful misconduct. The Company shall indemnify and save harmless each member of the Committee against any and all expenses and liabilities arising out of his membership on the Committee, with the exception of expenses and liabilities arising out of his own willful misconduct.

16.5 To enable the Committee to perform its functions, the Company shall supply full and timely information to the Committee on all matters relating to the compensation of all Participants, their retirement, death or other cause for termination of employment, and such other pertinent facts as the Committee may require.

16.6 The Committee shall have the power, in its sole discretion, to change the manner and time of payments to be made to a Participant or Beneficiary from that set forth herein, if requested to do so by such Participant or Beneficiary.

ARTICLE 17
MISCELLANEOUS

17.1 Any notice given under the Plan shall be in writing and shall be mailed or delivered to:

SOUTHWEST GAS CORPORATION
Directors Deferral Plan
Administrative Committee
5241 Spring Mountain Road
Las Vegas, NV 89102

17.2 The Plan shall be binding upon the Company and its respective successors, and upon a Participant, Participant's Beneficiary, assigns, heirs, executors and administrators.

17.3 The Plan shall be governed by and construed under the laws of the State of Nevada.

17.4 Headings in this Master Plan Document are inserted for convenience of reference only. Any conflict between such headings and the text shall be resolved in favor of the text.

17.5 Masculine pronouns wherever used shall include feminine pronouns and when the context dictates, the singular shall include the plural.

17.6 In case any provision of the Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but the Plan shall be construed and enforced as if such illegal and invalid provisions had never been inserted herein.

IN WITNESS WHEREOF the Company has executed this Master Plan Document this 29th day of October, 1992.

SOUTHWEST GAS CORPORATION

By /s/ Michael O. Maffie

Title President and Chief Operating Officer

FIRST AMENDMENT
TO THE SOUTHWEST GAS CORPORATION
DIRECTORS DEFERRAL PLAN

Effective March 1, 1996, the Southwest Gas Corporation Directors Deferral Plan is hereby amended pursuant to Article 14.1 of Plan, as follows:

1. Article 1.1 is hereby amended to read as follows:

   1.1 "Account Balance" means a Participant's individual fund comprised of Deferrals, rollover contributions from the PriMerit Bank, Federal Saving Bank directors deferral plan and interest earnings credited thereon up to the time of Benefit Distribution.

2. Article 3 is hereby amended to include a new Article 3.7, which reads as follows:

   3.7 The Plan will accept rollover contributions for Participants from the PriMerit Bank, Federal Saving Bank directors deferral plan.

3. Article 4.1 is hereby amended to read as follows:

   4.1 A Participant's Account Balance at the start of a Plan Year, any Deferrals made during the Plan Year and rollover contributions from the PriMerit Bank, Federal Saving Bank directors deferral plan will earn, except as provided for in Article 4.2, interest annually at 150 percent of the Moody's Rate. Interest will be credited to a Participant's account for Deferrals made during the Plan Year, as if all Deferrals were made on the first day of the Plan Year. Interest will be credited to a Participant's account for rollover contributions, from the date such contributions are accepted by the Plan.

IN WITNESS WHEREOF, the Board of Directors has adopted this amendment, effective on the date stated above, on this 5th day of March, 1996.

SOUTHWEST GAS CORPORATION

By: /s/ Michael O. Maffie

Michael O. Maffie
President and
Chief Executive Officer

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This schedule contains summary financial information extracted from Southwest Gas Corporation's Form 10-Q for the quarter ended June 30, 1996, and is qualified in its entirety by reference to such financial statements.

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6-MOS
DEC-31-1996
JUN-30-1996
PER-BOOK
1,189,474
66,209
297,602
52,641
0
1,605,926
28,018
342,680
9,411
380,109
0
0
624,634
45,000
0
0
125,727
0
0
0
430,456
1,605,926
311,963
1,506
278,171
278,171
33,792
(2,941)
30,851
26,429
2,916
0
2,916
10,427
0
75,126
0.12
0.12

Includes: trust originated preferred securities of $60,000, current liabilities, net of current long-term debt maturities and short-term debt, of $181,190 and deferred income taxes and other credits of $189,266.
Includes distributions related to trust originated preferred securities of $2,738.

EXHIBIT 99

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

	SIX MONTHS ENDED JUNE 30, 1996	SIX MONTHS ENDED JUNE 30, 1995	TWELVE MONTHS ENDED JUNE 30, 1996	TWELVE MONTHS ENDED JUNE 30, 1995
Gas operating revenues	$ 291,065	$ 325,710	$ 528,857	$ 609,345
Net cost of gas purchased	115,157	153,666	188,947	258,154
Operating margin	175,908	172,044	339,910	351,191
Operations and maintenance expenses	95,471	93,722	189,718	185,839
Depreciation, amortization, and general taxes	47,854	44,366	93,153	85,999
Operating income	32,583	33,956	57,039	79,353
Net interest deductions	26,008	26,361	53,002	52,348
Preferred securities distribution	2,738	--	3,651	--
Pre-tax utility income	3,837	7,595	386	27,005
Utility income tax expense (benefit)	1,124	2,905	(923)	9,805
Net utility income	2,713	4,690	1,309	17,200
Other income (expense), net	(243)	(192)	(683)	(176)
Contribution to net income - gas operations	2,470	4,498	626	17,024
Equity in earnings of Northern Pipeline	577	--	577	--
Acquisition carrying costs, net of tax	(131)	--	(131)	--
Contribution to net income - Northern Pipeline	446	--	446	--
Discontinued operations - PriMerit Bank - NOTE 2	--	806	(18,342)	1,653
Net income (loss)	2,916	5,304	(17,270)	18,677
Preferred & preference dividends	--	190	117	423
Net income (loss) applicable to common stock	$ 2,916	$ 5,114	$ (17,387)	$ 18,254
Earnings per share from gas segment	$ 0.10	$ 0.19	$ 0.02	$ 0.77
Earnings per share from Northern Pipeline	0.02	--	0.02	--
Earnings (loss) per share from discontinued operations	--	0.04	(0.74)	0.07
Earnings (loss) per share of common stock	$ 0.12	$ 0.23	$ (0.70)	$ 0.84
Average outstanding common shares	25,211	22,110	24,773	21,615

See Notes to Summary Financial Statements.

/TABLE

SOUTHWEST GAS CORPORATION
SUMMARY BALANCE SHEET
AT JUNE 30, 1996
(In thousands)
(Unaudited)

ASSETS		
UTILITY PLANT		
Gas plant, net of accumulated depreciation	$ 1,162,187	
Construction work in progress	27,287	
Net utility plant	1,189,474	
OTHER PROPERTY AND INVESTMENTS		
Investment in discontinued operations - PriMerit Bank - NOTE 2	175,118	
Investment in Northern Pipeline Construction Co.	24,577	
Other	36,532	
Total other property and investments	236,227	
CURRENT AND ACCRUED ASSETS		
Cash, working funds and temporary cash investments	9,480	
Receivables - less reserve of $1,486 for uncollectibles	23,446	
Accrued utility revenue	19,964	
Other	48,143	
Total current and accrued assets	101,033	
DEFERRED DEBITS		
Unamortized debt expense	13,029	
Other deferred debits	32,920	
Total deferred debits	45,949	
TOTAL ASSETS	$ 1,572,683	
CAPITALIZATION, LIABILITIES AND DEFERRED CREDITS		
CAPITALIZATION		
Common stockholders' equity		
Common stock equity, $1 par, 26,403 shares outstanding	$ 370,698	
Retained earnings	9,411	
Total common stockholders' equity	380,109	32.4%
Preferred securities of Southwest Gas Capital I, 9.125%	60,000	5.1
Long-term debt - NOTE 3	733,576	62.5
Total capitalization	1,173,685	100.0%
CURRENT AND ACCRUED LIABILITIES		
Notes payable	45,000	
Accounts payable	29,631	
Customer deposits	21,020	
Taxes accrued (including income taxes)	31,696	
Deferred purchased gas costs	46,398	
Other	41,317	
Total current and accrued liabilities	215,062	
DEFERRED CREDITS		
Deferred investment tax credits	19,440	
Deferred income taxes	123,622	
Other	40,874	
Total deferred credits	183,936	
TOTAL CAPITALIZATION, LIABILITIES AND DEFERRED CREDITS	$ 1,572,683	

See Notes to Summary Financial Statements.

/TABLE

SOUTHWEST GAS CORPORATION
SUMMARY STATEMENT OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 1996
(In thousands)
(Unaudited)

CASH FLOWS FROM OPERATIONS:	
Net income	$ 2,916
Adjustments to reconcile net income to net cash provided from operating activities:	
Depreciation and amortization	32,991
Change in receivables and payables	25,821
Change in gas cost related balancing items	15,174
Change in accrued taxes	4,095
Change in deferred taxes	(2,882)
Allowance for funds used during construction	(767)
Other	(2,654)
Net cash provided from operating activities	74,694
CASH FLOWS FROM FINANCING ACTIVITIES:	
Net proceeds from stock issuance	8,069
Stock issuance - Northern Pipeline acquisition	24,000
Dividends paid	(10,427)
Change in notes payable	8,000
Long-term debt issuance, net	5,849
Other	1,269
Net cash provided from financing activities	36,760
CASH FLOWS FROM INVESTING ACTIVITIES:	
Construction expenditures	(86,770)
Investment in Northern Pipeline	(24,000)
Other	(2,091)
Net cash used in investing activities	(112,861)
Change in cash and temporary cash investments	(1,407)
Cash at beginning of period	10,887
Cash at end of period	$ 9,480
SUPPLEMENTAL INFORMATION:	
Interest paid, net of amounts capitalized	$ 29,937
Income taxes, net of refunds	$ 4,301

See Notes to Summary Financial Statements.

SOUTHWEST GAS CORPORATION
NOTES TO SUMMARY FINANCIAL STATEMENTS
(In thousands, except par values)
(Unaudited)

NOTE 1 - BASIS OF PRESENTATION:

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

NOTE 2 - DISCONTINUED OPERATIONS:

In January 1996, Southwest Gas Corporation (the Company) reached an agreement to sell PriMerit Bank (PriMerit) to Norwest Corporation. Discontinued operations includes the net income of PriMerit and its subsidiaries on a stand-alone basis as adjusted, reduced by allocated carrying costs associated with the Company's investment in PriMerit (principally interest) net of taxes. The discontinued operations also includes the estimated loss on the disposition. The sale of PriMerit to Norwest was completed in July 1996.

NOTE 3 - LONG-TERM DEBT:

Commercial paper facility	$ 200,000
Debentures:	
Debentures, 9% series A, due 2011	26,838
Debentures, 9% series B, due 2011	31,158
Debentures, 8.75% series C, due 2011	18,323
Debentures, 9.375% series D, due 2017	120,000
Debentures, 10% series E, due 2013	23,069
Debentures, 9.75% series F, due 2002	100,000
Industrial development revenue bonds - net of funds heldin trust	223,840
Unamortized discount on long-term debt	(9,652)
TOTAL LONG-TERM DEBT	$ 733,576
ESTIMATED CURRENT MATURITIES	$ 120,000

/TABLE

SOUTHWEST GAS CORPORATION
SELECTED STATISTICAL DATA
JUNE 30, 1996

FINANCIAL STATISTICS

Market value to book value per share at quarter end		112%
Twelve months to date return on equity	-- total company	(4.7)%
	-- gas segment	0.2%
Common stock dividend yield at quarter end		5.1%

GAS OPERATIONS SEGMENT

Rate Jurisdiction	Authorized Rate Base (In thousands)	Authorized Rate of Return	Authorized Return on Common Equity
Central Arizona	$ 267,348	9.13%	10.75%
Southern Arizona	157,620	9.12	11.00
Southern Nevada	184,673	8.89	11.55
Northern Nevada	47,695	9.16	11.55
Southern California	69,486	9.94	11.35
Northern California	9,521	10.02	11.35
Paiute Pipeline Company	61,057	10.09	12.50

SYSTEM THROUGHPUT BY CUSTOMER CLASS

	SIX MONTHS ENDED JUNE 30,		TWELVE MONTHS ENDED JUNE 30,	
(In dekatherms)	1996	1995	1996	1995
Residential	28,320,580	28,889,283	41,704,732	45,836,876
Small commercial	13,845,218	13,919,969	22,874,442	23,740,156
Large commercial	4,084,374	4,570,048	7,858,394	9,204,993
Industrial / Other	2,900,420	4,092,423	5,829,712	8,599,301
Transportation	42,930,403	46,964,610	97,566,915	98,628,474
Total system throughput	92,080,995	98,436,333	175,834,195	186,009,800

HEATING DEGREE DAY COMPARISON

Actual	1,249	1,538	1,684	2,418
Ten year average	1,414	1,598	2,035	2,350

/TABLE