

Southwest Gas profits soar in 2012

By Eli Segall, Las Vegas Sun

Southwest Gas Corp. gave shareholders their best year ever with the company in 2012 as rate hikes and new customers pushed up profits.

The Lake Tahoe natural-gas provider said it earned \$62.4 million of net income, or \$1.35 per share, in the three months ending Dec. 31. That's up from \$55.3 million in profit, or \$1.20 per share, in the same period a year earlier.

The company, with almost 1.9 million customers in Arizona, Nevada and California, booked \$133.3 million in profit for all of 2012, up from \$112.3 million in 2011.



Its earnings per share last year, \$2.89, rose 18 percent from \$2.45 in 2011 and was the highest in company history, according to President and CEO Jeffrey W. Shaw.

Operating revenue increased to \$1.93 billion last year from \$1.89 billion in 2011. Its "operating margin," defined as revenue minus the cost of gas sold, rose by \$52 million in 2012. That was largely because of "rate relief" in Arizona (accounting for \$45 million of the increase) and, to a much lesser extent, in Nevada (\$2 million).

Arizona state regulators voted in December 2011 to let the company raise rates by about 8 percent starting Jan. 1, 2012.

The company's 17,000 net new customers last year accounted for the remaining \$5 million bump in operating margin.