



SOUTHWEST GAS CORPORATION

September 1, 2026

Arizona Corporation Commission
Compliance Section, Utilities Division
1200 West Washington Street
Phoenix, AZ 85007-2996

**RE: System Integrity Mechanism Notice of Intent and 2027 SIM Project Plan,
Docket No. G-01551A-23-0341, Decision No. 81413.**

Pursuant Decision No. 81413, Southwest Gas Corporation (Company) hereby submits its Notice of Intent to file an Application to reset the annual System Integrity Mechanism (SIM) Surcharge and the 2027 Project Plan Table, which outlines the Company's SIM Eligible Projects expected to be completed in calendar year 2027.

If you have any questions, please contact me at 725-325-0903.

Respectfully submitted,

Doran A. Miller
Manager/Regulation and Government Affairs

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 **NICK MYERS – CHAIR**
4 **RACHEL WALDEN – VICE CHAIR**
5 **KEVIN THOMPSON**
6 **LEA MÁRQUEZ PETERSON**
7 **RENÉ LOPEZ**

8 In the Matter of the Application of Southwest
9 Gas Corporation for the Establishment of
10 Just and Reasonable Rates and Charges
11 Designed to Realize a Reasonable Rate of
Return on the Fair Value of the Properties of
Southwest Gas Corporation Devoted to its
Arizona Operations

DOCKET NO.: G-01551A-23-0341

**NOTICE OF INTENT TO FILE AN
APPLICATION TO RESET THE
ANNUAL SYSTEM INTEGRITY
MECHANISM SURCHARGE**

12 Southwest Gas Corporation (Southwest Gas or Company), by and through the
13 undersigned counsel, hereby submits to the Arizona Corporation Commission
14 (Commission) its Notice of Intent to File an Application to Reset the Annual System Integrity
15 Mechanism (SIM) Surcharge. Pursuant to Section III(A)(7) as provided in the SIM Plan of
16 Administration (POA) approved in Decision No. 81413, this Notice of Intent is for SIM
17 Eligible Projects expected to be completed in calendar year 2027. The Company intends
18 to file its SIM Surcharge Application along with all schedules and exhibits identified in
19 Section III(A)(3) of the POA on or before March 1, 2028, resetting the SIM Surcharge
20 effective April 1, 2028, subject to refund.¹ The SIM Surcharge Application will reset the SIM
21 Surcharge based upon the relevant SIM Eligible Projects included in Southwest Gas' SIM
22 Project Plan Table, provided as Exhibit A, that were completed and closed to plant in service
23 in 2027.

24 **I. General Overview**

25 Southwest Gas' currently effective base rates became effective March 27, 2025, and
26 were established by the Commission in Decision No. 80326, based on a test year ended
27 October 31, 2023, with a post-test year ended October 31, 2024. The SIM Surcharge is

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¹ Rate effective date pursuant to the POA Section III(A)(4).

1 designed to recover the incremental revenue requirement between rate case proceedings
2 associated with certain non-revenue producing pipeline replacement activities including
3 necessary pipeline safety investments in the State of Arizona. The SIM facilitates the timely
4 recovery of the SIM Revenue Requirement associated with SIM Qualified Investments that:
5 (i) are completed and placed into service; (ii) are not yet included in rate base; and (iii) are
6 not directly associated with extending or expanding facilities to serve new customers.

7 **II. The SIM Project Plan**

8 Pursuant to Section III(A)(7) of the SIM POA incorporated into Decision No. 81413,
9 the Company's 2027 SIM Project Plan Table by Major Project Category is attached hereto
10 as **Exhibit A**. The 2027 SIM Project Plan Table contains SIM Eligible Projects, which
11 consist of any non-revenue producing infrastructure investment, including any planned
12 series of non-revenue producing investments which address the same or similar need, in
13 SIM Eligible Plant scheduled to be completed in 2027.

14 **III. Stakeholder Engagement Meeting**

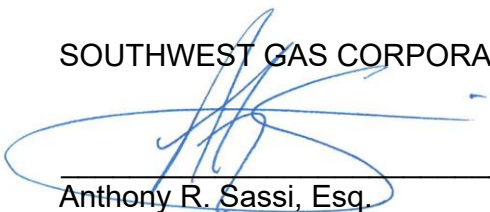
15 To provide transparency on the Company's 2027 SIM Project Plan and pursuant to
16 Section III(B) of the SIM POA, the Company will hold a Stakeholder Engagement Meeting
17 (Meeting) within 45 days of filing this Notice of Intent; the Meeting shall include, at minimum,
18 the Commission's Utilities Division (Staff) and the Residential Utility Consumer Office
19 (RUCO), to provide information and relevant updates. The Company intends to hold the
20 Meeting in-person along with providing a remote option.

1 **IV. Conclusion**

2 Southwest Gas intends to file its application to reset the SIM Surcharge on or before
3 March 1, 2028, with the SIM Surcharge effective no later than April 1, 2028.

4 Respectfully submitted this 1st day of September 2026.

5 SOUTHWEST GAS CORPORATION

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7 
8 Anthony R. Sassi, Esq.

9 Arizona Bar No. 040500

10 Associate General Counsel

11 Southwest Gas Corporation

12 P.O. Box 98510

13 Las Vegas, Nevada 89193-8510

14 Telephone: (702) 364-3357

15 Email: anthony.sassi@swgas.com

16 *Attorney for Southwest Gas Corporation*

E-filed this 1st day of September 2026 with:

<https://efiling.azcc.gov>

Arizona Corporation Commission

1200 W. Washington St.

Phoenix, AZ 85007

Caused the foregoing to be served electronically on this 1st day of September 2026 to:

Jane Rodda Chief Administrative Law Judge Hearing Division Arizona Corporation Commission 1200 West Washington Street Phoenix, AZ 85007 jrodda@azcc.gov	Tom Van Flein Chief Counsel, Office of General Counsel Arizona Corporation Commission 1200 West Washington Street Phoenix, AZ 85007 tvanflein@azcc.gov
Douglas Clark Executive Director Arizona Corporation Commission 1200 West Washington Street Phoenix, AZ 85007 dclark@azcc.gov	Briton Baxter Director, Utilities Division Arizona Corporation Commission 1200 West Washington Street Phoenix, Arizona 85007 bbaxter@azcc.gov
Ranelle Paladino Director, Utilities Division Arizona Corporation Commission 1200 West Washington Street Phoenix, Arizona 85007 rpaladino@azcc.gov	Cynthia Zwick Director Residential Utility Consumer Office 1110 West Washington Street, Ste. 220 Phoenix, Arizona 85007 czwick@azruco.gov
Chanele N. Reyes Arizona Center for Law in the Public Interest 352 E. Camelback Road, Suite 200 Phoenix, Arizona 85012 chanele@aclpi.org	James Corbin 617 N. Loquat Ave. Tucson, Arizona 85710 Jamescorbin13@msn.com
<i>Attorney for Wildfire & SWEEP</i>	
Charles Hains Administrative Law Judge, Hearing Division Arizona Corporation Commission 1200 West Washington Street Phoenix, AZ 85007 chains@azcc.gov	

By: _____



EXHIBIT A

**Southwest Gas Corporation
Arizona
System Integrity Mechanism
2027 Major Projects - Summary**

Major Project Name	Total Estimate
High Pressure Distribution >60psig	\$ 49,144,982
NCDP	\$ 44,123,875
DIMP	\$ 42,876,132
Franchise	\$ 20,583,811
Regulator Stations	\$ 4,920,000
Cathodic Protection	\$ 3,755,603
Low Pressure Distribution <60psig	\$ 1,217,000
UOC	\$ 780,000
Grand Total	\$ 167,401,403

**SOUTHWEST GAS CORPORATION
ARIZONA
SYSTEM INTEGRITY MECHANISM
PROPOSED PROJECT LIST FOR CALENDAR YEAR 2027**

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
No.	Major Project Name	Project Work Order Number	Location	Project Description	Risk Value	FERC Acct.	Estimated Cost	New Pipe Type and Size	Installation Mileage	Retired Pipe Type and Size
1	Cathodic Protection	Various	AZ - All Divisions	New Rectifiers, Groundbeds, Replacements, AC Mitigation, RMU	System Reliability	376, 378, 380	\$ 3,755,603	NA	NA	NA
2	DIMP	0042W5072262, 0042W5072263, 0042W5062792, 0042W5064862	CAZ - Various Locations	2026 SIM Rollover - CAZ Distribution Projects East - Main and Service Replacement	IMP-High/High	376, 380	\$ 6,432,262	4" PE, 2" PE, 1" PE	4.53 mi. main, 5.65 mi. service	2" PVC, 1.25" PVC, and services
3	DIMP	0042W5738496, 0042W5726563, 0042W5738517, 0042W5738503, 0042W5737423, 0042W5727198, 0042W5727248, 0042W5727736, 0042W5727891, 0042W5727928, 0042W5735378, 0042W5739724, 0042W5735999, 0042W5734729, 0042W573534647	CAZ - Various Locations	DIMP Main and Service Replacement	IMP-High/High	376, 380	\$ 10,857,160	4" PE 8400, 2" PE 8400, 1" PE 8400	14.34 miles of main, 5.7 miles of service	2" PVC, 2" PE, 1.25" PVC, 1" PVC, 1/2" PE 1/2" PE
4	DIMP	0034W4737296, 0034W5746268, 0034W4529427, 0034W4487704, 0034W4434315, 0034W4487669, 0034W4737294, 0034W4368456, 0034W4507704, 0034W4368489, 0034W4737293	Bullhead City Az - Various locations	DIMP Main and Service Replacement	IMP-High/High	376, 380	\$ 7,129,525	2" PE 8400 AND 1" PE 8400	12.11 Miles of main and service	2" PVC, 2" PE, 1" PE, 1" PVC, 1/2" PE
5	DIMP	0048W5739417, 0048W5738750, 0048W5739422	Yuma Az - Various Locations	DIMP Main and Service Replacement	IMP-High/High	376/380	\$ 6,684,470	4" PE8400, 2" PE8400, 1" PE8400	10.9 miles of main and service	4" M8000, 2" M8000, 1/2" M8000
6	DIMP	0032W5745203, 0032W5745215, 0032W5745180, 0032W5745190, 0032W5745228, 0032W5745241, 0032W5735861, 0032W5735867, 0032W5735863, 0032W5735864, 0032W5735870, 0032W5735868, 0032W5735865, 0032W5737075, 0032W5744925, 0032W5744937, 0032W4470095, 0032W5745209, 0032W5745202	Valley District - Various Locations	DIMP Main and Service Replacement	IMP-High/High	376, 380	\$ 11,708,915	4" PE8400, 2" PE8400, 1" PE8400	17.63 miles of main and service	2" PVC, 2" Steel, 3/4" PVC, 1/2" PVC, 1/2" PE8000
7	DIMP	0036W5747861, 0036W5747864	Tucson - Various Locations	DIMP Main and Service Replacement	IMP-High/High	376, 380	\$ 63,800	2" PE, 1" PE	.75 mi. main & service	2" PVC, 1" PVC
8	Franchise	CB023000, CB013000 & Various	AZ - All Divisions	Franchise Replacement Services	Franchise	380	\$ 7,500,000	Varous	1 mile main & service	Varous
9	Franchise	0042W5034528, 0042W5090021, 0042W5026402, 0042W4997165	CAZ - Buckeye, Scottsdale, Paradise Valley	2026 SIM Rollover - CAZ Franchise West - Relocation Project	Franchise	376	\$ 6,916,811	12" Steel, 6" PE, 4" PE, 2" PE	2.55 Miles of main	8" Steel, 2" PE, 6" MPE, 4" PE, 2" STL, 2" PE
10	Franchise	0042W5034521, 0042W5027588	CAZ - Phoenix	CAZ Franchise West - Relocation Project	Franchise	376	\$ 3,600,000	12" Steel, 4" Steel	1.27 mile of main	10" Steel, 4" Steel
11	Franchise	0032W4747568, 0032W4308643	Valley District - Florance & Maricopa	Franchise Main Replacement	Franchise	376	\$ 2,567,000	4" Steel	1.58	4" Steel, 2" Steel
12	High Pressure Distribution >60psig	0042W5680140, 0042W5675848	CAZ - Phoenix, Dove Valley Road & I-17 west to 43rd Ave.	2026 SIM Rollover - CAZ HPTE FP 639 "D" Reinforcement Ph1 & PH 2	System Reliability	376	\$ 19,622,378	16" Steel	3.3 Miles of main	None
13	High Pressure Distribution >60psig	0042W5680140, 0042W5675848	CAZ - Sun City, Youngtown: 11th Ave & Olive Ave	HPTW - Replace existing 4-inch 1960 vintage steel main with 6" steel main	IMP-High	376, 378	\$ 6,389,100	6" Steel	1.92 Miles of Main	4" Steel
14	High Pressure Distribution >60psig	0036W4898353, 0036W5704740	CAZ - Mesa, Apache Trl & Signal Butte Rd	CAZ HPTE - "J" System Transmission Replacement Ph1 & 2	IMP-High	376	\$ 8,132,341	10" STEEL	2.14 mile of main	10" steel, 6" steel
15	High Pressure Distribution >60psig	0042W5063895	Cactus Rd Ph1: 31st Street to Escobar Wy.	CAZ HPTE - "D" System Transmission Replacement Ph1	IMP-High	376	\$ 5,766,163	12" STEEL	1.16 miles of main	10" Steel
16	High Pressure Distribution >60psig	0042W5689598	Dove Valley Rd & I-17 East - North Valley Pkwy	CAZ HPTE - FP 639 "D" Reinforcement Ph3	System Reliability	376	\$ 4,480,000	16" Steel	.83 Miles of main	None

**SOUTHWEST GAS CORPORATION
ARIZONA
SYSTEM INTEGRITY MECHANISM
PROPOSED PROJECT LIST FOR CALENDAR YEAR 2027**

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
No.	Major Project Name	Project Work Order Number	Location	Project Description	Risk Value	FERC Acct.	Estimated Cost	New Pipe Type and Size	Installation Mileage	Retired Pipe Type and Size
17	High Pressure Distribution >60psig	0036W5011408	SI HP - INA ROAD TRANS PH1 (LA CHOLLA - LA OESTA)	Transmission Main Replacement	IMP-Med	376, 378	\$ 255,000	12" & 8" Steel and Meas & Reg Equipment	1.45 & 0.19 total = 1.64	0.51 miles 8" Steel
18	High Pressure Distribution >60psig	0036W4898353, 0036W5704740	Green Valley Reinforcement- Abrego Ph 1 & 2	System Reinforcement-2026 SIM Rollover & 2027	IMP-High	376	\$ 2,500,000	12" Steel, 8" steel	1.84	N/A
19	High Pressure Distribution >60psig	0032W5745521	Papago Rd & Green Rd, Maricopa, AZ	New High Pressure Main	System Reliability	376	\$ 2,000,000	6" Steel	0.82	N/A
20	Low Pressure Distribution <60psig	0042W5745994, 0042W3267609, 0042W5678696, 0042W5676605, 0036W5747867, 0032W4470061, 0032W4605183	AZ - Various locations	Main and Service Replacement, PVC, STL, Isolated DR Abandonments, Tie overs	IMP-High	376, 378, 380	\$ 1,217,000	4" PE, 2" PE, 1" PE	5.9 miles of main and service	2" PE, 1-1/4" PVC, 1/2" PE, 2" & 1"Steel
21	NCDP	CB026000, RB026000	AZ - All Divisions	NCDP ISSAP Service Replacement & Abandonments	IMP-HIGH	380	\$ 40,000,000	Varous	17 miles of service	Varous
22	NCDP	0042W5727945, 0042W5739882, 0042W5744434, 0034W5733738, 0034W5746391, 0034W5704556, 0036W5089351	AZ - All Divisions: Phoenix, Chandler, Fort Mohave, Tucson	CAZ NCDP Specific Replacement projects	IMP-HIGH	376	\$ 4,123,875	2" PE	0.25 miles of main, 0.25 miles of service	4", 2", 1" PE, 1/2" M8000 and attached services
23	Regulator Stations	0042W4491225, 0042W5034634, 0032W5088021, 0032W5094776, 0032W5745517, 0032W5745518, 0032W5745519, 0032W5074533, 0032W5745520	AZ- All Divisions: Scottsdale, Eloy, Casa Grande, Ajo, Maracopa, Eloy, Red Rock	Regulator Sation Install and Replacements	System Reliability	378	\$ 4,920,000	Varous 2" - 12" Steel	.11 Miles of main	Various 4" - 10"
24	UOC	0042W5739335, 0042W3534725	CAZ - Phoenix	CAZ Distribution Projects East - UOC Main Relocation	IMP-HIGH	376	\$ 780,000	6" PE	1.5 miles of main	4" PEM8000, 2" PVC, 1-1/4" PVC, 1/2" PE