



## **SOUTHWEST GAS CORPORATION**

August 13, 2025

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

**RE: System Integrity Mechanism Notice of Intent and 2025 SIM Project Plan,  
Docket No. G-01551A-23-0341, Decision No. 81413.**

Pursuant Decision No. 81413, Southwest Gas Corporation (Southwest Gas or Company) hereby submits its Notice of Intent to file an Application to set the annual System Integrity Mechanism (SIM) Surcharge and the 2025 Project Plan Table, which outlines the Company's SIM Eligible Projects completed or expected to be completed in 2025.

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

Respectfully submitted,

Doran A. Miller  
Manager/Regulation and Government Affairs

BEFORE THE ARIZONA CORPORATION COMMISSION

**COMMISSIONERS**

**KEVIN THOMPSON – CHAIRMAN**  
**NICK MYERS – VICE CHAIRMAN**  
**LEA MÁRQUEZ PETERSON**  
**RENE LOPEZ**  
**RACHEL WALDEN**

In the Matter of the Application of Southwest Gas Corporation for the Establishment of Just and Reasonable Rates and Charges 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 SET THE ANNUAL SYSTEM INTEGRITY MECHANISM SURCHARGE**

Southwest Gas Corporation (Southwest Gas or Company), by and through the undersigned counsel, hereby submits to the Arizona Corporation Commission (Commission) its Notice of Intent to File an Application to Set the Annual System Integrity Mechanism (SIM) Surcharge. Pursuant to Section III(A)(7) as provided in the SIM Plan of Administration (POA) approved in Decision No. 81413, this Notice of Intent is for SIM Eligible Projects completed or expected to be completed in calendar year 2025. The Company intends to file its first SIM Surcharge Application along with all schedules and exhibits identified in Section III(A)(3) of the POA on or before March 1, 2026, establishing the SIM Surcharge effective April 1, 2026, subject to refund.<sup>1</sup> The SIM Surcharge Application will set the SIM Surcharge based upon the relevant SIM Eligible Projects included in Southwest Gas' SIM Project Plan Table, provided as Exhibit A, that were completed and closed to plant in service in 2025.

**I. General Overview**

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

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<sup>1</sup> Rate effective date pursuant to the POA Section III(A)(4).

1 the incremental revenue requirement between rate case proceedings associated with  
2 certain non-revenue producing pipeline replacement activities including necessary pipeline  
3 safety investment in the State of Arizona. The SIM facilitates the timely recovery of the SIM  
4 Revenue Requirement associated with SIM Qualified Investments that: (i) are completed  
5 and placed into service; (ii) are not yet included in rate base; and (iii) are not directly  
6 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 2025 SIM Project Plan Table by Major Project Category is attached hereto  
10 as **Exhibit A**. The 2025 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 2025.

## 14 **III. Stakeholder Engagement Meeting**

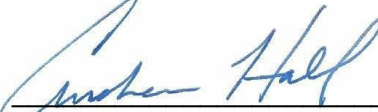
15 To provide transparency on the Company's 2025 SIM Project Plan, the Company  
16 has scheduled a Stakeholder Engagement Meeting (Meeting) on August 15, 2025. The  
17 Company provided notice of the planned Meeting in the docket of this matter on August 8,  
18 2025. Pursuant to Section III(B) of the POA, the Meeting shall include, at minimum, the  
19 Commission's Utilities Division (Staff) and the Residential Utility Consumer Office (RUCO),  
20 to provide information and relevant updates. The Company intends to hold the Meeting in-  
21 person along with providing a remote option.

1 **IV. Conclusion**

2 Southwest Gas intends to file its application to set the SIM Surcharge on or before  
3 March 1, 2026, with the SIM Surcharge effective no later than April 1, 2026.

4 Respectfully submitted this 13th day of August 2025.

5 SOUTHWEST GAS CORPORATION

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7 \_\_\_\_\_  
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13 andrew.hall@swgas.com  
14 *Attorney for Southwest Gas Corporation*

E-filed this 13<sup>th</sup> day of August, 2025 with:  
<https://efiling.azcc.gov>

Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007

Caused the foregoing to be served electronically on this 13<sup>th</sup> day of August, 2025 to:

Jane Rodda Chief Administrative Law Judge, Hearing Division Arizona Corporation Commission 1200 West Washington Street Phoenix, AZ 85007 <a href="mailto:jrodda@azcc.gov">jrodda@azcc.gov</a>	Tom Van Flein Chief Counsel, Office of General Counsel Arizona Corporation Commission 1200 West Washington Street Phoenix, AZ 85007 <a href="mailto:tvanflein@azcc.gov">tvanflein@azcc.gov</a>
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By: /s/ Tashia King  
An employee of Southwest Gas Corporaiton

## **EXHIBIT A**

**Southwest Gas Corporation**  
**Arizona**  
**System Integrity Mechanism**  
**2025 Major Projects - Summary**

Major Project Name	Estimated Cost
High Pres Distribution >60psig	\$ 53,040,565
NCDP	\$ 46,251,588
Franchise	\$ 26,755,878
DIMP	\$ 18,270,447
UOC	\$ 9,084,100
Low Pres Distribution <60psig	\$ 5,421,127
Regulator Stations	\$ 4,436,632
Cathodic Protection	\$ 3,082,324
<b>Total</b>	<b>\$ 166,342,661</b>

SOUTHWEST GAS CORPORATION  
ARIZONA  
SYSTEM INTEGRITY MECHANISM  
PROPOSED PROJECT LIST FOR CALENDAR YEAR 2025

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Major Project Name	Project Work Order Number	Location	Project Description	Risk Value	FERC Acct.	Estimated Cost	New Pipe Type and Size	Retired Pipe Type and Size
Cathodic Protection	Various	Various	SAZ Cathodic Protection Pipe Replacement	IMP-High	376, 380	\$ 1,922,324	Various	Various
Cathodic Protection	Various	Various	SAZ Rectifier & Groundbed Replacements	IMP-High	376, 380	\$ 1,055,000	Rectifier & Groundbed	Rectifier & Groundbed
DIMP	0042W4920464	55th Ave & Greenway Rd	Distribution Projects West DIMP main and service replacement project of 2" and 1-1/4" PVC	IMP-High/High	376, 380	\$ 2,205,124	2" PE, 1" PE	2" PVC, 2" PE, 1-1/4" PVC, 1-1/4" PE, 3/4" MPE, 1/2" MPE, 1/2" PE
DIMP	0042W4911811	91st Ave & Yucca St	Distribution Projects West DIMP main and service replacement project of 2" medium density PE	IMP-High/High	376, 380	\$ 1,735,491	2" PE, 1" PE	2" MPE, 2" PE, 1-1/4" PE, 1" PE, 3/4" MPE, 1/2" MPE, 1/2" PE
DIMP	0042W4821212	SUN LAKES BLVD & LAKEVIEW DR	Distribution Projects East DIMP PVC main replacement	IMP-High/High	376, 380	\$ 6,286,900	2" PE	2" PVC, 2" PE, 1-1/4" PE
DIMP	0034W4634880 0034W4328777 0034W4564690 0034W4677364 0034W4677381 0034W4703142 0034W4564691 0034W4737292 0047W4862168 0047W4995050	Bullhead City, Southern Arizona	PVC Replacement	IMP - High / High	376, 380	\$ 8,042,932	2" PE, 1" PE, 1/2" PE	
Franchise	0042W4865205	Southern Ave - 51st to 37th Ave. Relocate HP & Dist Mains	Franchise West - Relocation Project	Franchise	376, 380	\$ 2,000,000	12" Steel	10" Steel
Franchise	TBD	I-10 Jackrabbit Trail TI Upgrade F0486	Franchise West - Relocation Project	Franchise	376	\$ 1,000,000	12" Steel	8" Steel
Franchise	0042W4562463 0042W4669864 0042W4744995 0042W4745329 0042W4747859 0042W4940388	Various	Franchise West - Relocation Project	Franchise	376, 378, 380	\$ 2,170,000	1" PE, 2" PE, 4" PE, 2" Steel, 4" Steel	2" PE, 4" PE, 6" PE, 1 1/4" Steel, 2" Steel, 3" Steel, 4" Steel, 8" Steel
Franchise	0042W5034528	Jackrabbit Trail Replacement - McDowell to Osborn	Franchise West - Relocation Project	Franchise	376, 380	\$ 10,000,000	8" Steel, 4" PE	8" Steel, 4" PE
Franchise	0042W4762321 0042W4676591 0042W4997311 0042W4997315 0042W4883764 0042W4820702 0042W4964331 0042W4994790 0042W4909475	Various	Franchise East - Relocation Project	Franchise	376	\$ 1,585,000	12" Steel, 10" Steel, 4" Steel, 2" Steel, 6" PE, 4" PE, 2" PE	12" Steel, 10" Steel, 4" Steel, 2" Steel, 4" PE, 2" PE, 2" PVC, 1-1/4" PE
Franchise	0036W3919322 0036W3919320 0036W4979762 0036W4924262 0036W4955413 0036W4928617 0036W5010406 0032W4308643 CB013000 CB023000	SAZ Various Franchise Projects	SAZ Various Franchise Projects	Franchise	376,378,380	\$ 10,000,878	Various	Various
High Pres Distribution >60psig	0042W4888773	32nd St; Acoma Dr. to Cactus Rd. Phx, AZ	Pipeline and Hazardous Materials Safety Administration Safety of Gas Transmission Pipeline Rule - Maximum Allowed Operating Pressure Reconfirmation project	IMP-High	376	\$ 6,215,250	12" Steel	8" Steel
High Pres Distribution >60psig	0042W4888772	32nd St; Bell Rd. to Acoma Dr. Phx, AZ	Pipeline and Hazardous Materials Safety Administration Safety of Gas Transmission Pipeline Rule - Maximum Allowed Operating Pressure Reconfirmation project	IMP-High	376	\$ 4,496,046	12" Steel	8" Steel
High Pres Distribution >60psig	0042W4795408	Western Ave: 4th Ave to Litchfield Rd. Goodyear, AZ	Pipeline and Hazardous Materials Safety Administration Safety of Gas Transmission Pipeline Rule - Maximum Allowed Operating Pressure Reconfirmation project	IMP-High	376, 378	\$ 1,016,000	12" Steel	6" Steel
High Pres Distribution >60psig	0042W4082698	Yuma Rd: Sarival Ave to Litchfield Rd. Goodyear AZ	This project will replace existing pre-1970 main that has been identified as difficult to work on and maintain due to its non-standard pipe size and wall thickness. The replacement pipe will improve the safety, system capacity, reliability, and overall operational flexibility for outage mitigation and winter season low-pressure events.	System Reliability	376, 378, 380	\$ 9,604,000	16" Steel	3" Steel
High Pres Distribution >60psig	0042W4835572 0042W4835586	18th Ave & Van Buren St, Phoenix AZ	This project will replace an existing regulator station that is prone to vehicular accidents, its most recent hit was last year. The new regulator station will be installed in a safer location to increase public safety and system reliability.	System Reliability	376, 378	\$ 1,800,000	6" PE, 6" STL	4" STL, 6" STL



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ARIZONA  
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PROPOSED PROJECT LIST FOR CALENDAR YEAR 2025

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Major Project Name	Project Work Order Number	Location	Project Description	Risk Value	FERC Acct.	Estimated Cost	New Pipe Type and Size	Retired Pipe Type and Size
High Pres Distribution >60psig	0036W4933115 0036W4804978 0036W4961915 0036W4962014 0036W4804719 0036W4910136 0047W4986319 Various	Southern Arizona - Various	Tucson Midtown Feeder Replacements - Improved safe operating conditions and improved system capacity/reliability and operational flexibility for outage mitigation and winter season low-pressure or emergency events in critical corridors (downtown, University of Arizona, and Tucson Electric Power plant), and improved early vintage Maximum Allowable Operating Pressure documentation	System Reliability	376, 378	\$ 8,112,468		
High Pres Distribution >60psig	0032W3875619	Kleck Road	Valley HP: Kleck Ph2 Main Leak Repair - Replacement repairs for 23 known leaks on odd-diameter steel with limited operability	IMP-High	376	\$ 2,520,000	4", 8" Steel	4", 2" Steel
High Pres Distribution >60psig	0042W4850546 0042W4938081 0042W4941797	HPTE Scottsdale Rd; Thunderbird Rd. to Cactus Rd.	Pipeline and Hazardous Materials Safety Administration Safety of Gas Transmission Pipeline Rule - Maximum Allowed Operating Pressure Reconfirmation project	IMP-High	376 378 376	\$ 4,561,566	12", 10" & 4" Steel 4" x 4" Regulator Station 2" & 4" Steel & 4" PE	10", 8", 4" Steel 4"x4" Reg Station & Vault 4" Steel, 4" PE, 2" PE
High Pres Distribution >60psig	0042W4624636 0042W4624634 0042W4498379 0042W4962808	HPTE 12th St & Camelback Rd. to 16th Street & Thomas Rd.	Install new high pressure distribution pipe and two regulator stations to improve system capacity, reliability, and overall operational flexibility for outage mitigation and winter season low-pressure events.	System Reliability	376 378 378 376,380	\$ 11,141,636	8" Steel Replace 4"x4" Reg Station Install New 4"x4" Feeder Reg Station 4" PE	None Regulator Station Vault None 8" & 4" Steel
High Pres Distribution >60psig	0034W4985376	Riverview Drive and Mohave Valley Highway 95	Installation of new high pressure distribution pipe and four regulator stations to improve system capacity, reliability, and overall operational flexibility for outage mitigation and winter season low-pressure events.	System Reliability	376	\$ 3,000,000	16" steel, 10" steel, 4" steel, and 2" steel	4" steel and 2" steel
Low Pres Distribution <60psig	0032W4347440 0045W4986059 0045W4679097 0047W4323037 0045W4857701 0045W4932510	Various - SAZ Southeast/East/Valley Districts	Various low pressure replacements - Pipe degradation with limited operational flexibility, low cathodic protection, undersized main/outage mitigation, shallow main	IMP-High	376,380	\$ 5,421,127	Various	Various
NCDP	CB026000 RB026000	Various	CAZ ISSAP inactive service and stub replacement/abandonment	IMP-High/High	376, 380	\$ 18,628,504	Various	Various
NCDP	0032CB026000 0032RB026000 0033CB026000 0033RB026000 0036CB026000 0036RB026000 0045CB026000 0045RB026000 0046CB026000 0046RB026000 0047CB026000 0047RB026000 0048CB026000 0048RB026000	Valley, Eastern, Mountain, Tucson, Graham County, Southeast, Yuma Districts	SAZ ISSAP Replacement (Valley, Eastern, Mountain, Tucson, Graham County, Southeast, Yuma Districts)	IMP-High/High	376,380	\$ 21,603,389	Various	Various
NCDP	0042W4916801 0042W4953376 0042W5036667	Various street addresses, Central Arizona	NCDP FTIR Replacement	IMP - High/High	376, 380	\$ 3,509,095	Various	Various
NCDP	0042W4936336	UNIVERSITY DR & 80TH ST	Distibution Projects East Split crack replacement Grid 6-76	IMP-High/High	376,380	\$ 2,510,600	2" PE, 4" STL, 2" STL	4" STL, 2" PE, 1-1/4" PE, 1" PE, 3/4" STL, 1/2" PE
Regulator Stations	Various	Various	CAZ Regulator Stations Improvements	IMP-High	376,378	\$ 1,513,000	Regulator Stations	Regulator Stations
Regulator Stations	Various	Various	SAZ Regulator Station Improvements	IMP-High	376, 378	\$ 2,923,632	Regulator Stations	Regulator Stations
UOC	Various	Various	Distribution Projects West - blanket main replacements for UOC's	IMP-High/High	376	\$ 1,500,000	Various	Various
UOC	Various	Various	Distribution Projects West - blanket service replacements for UOC's	IMP-High/High	380	\$ 2,500,000	Various	Various
UOC	0032W4660742 0032W4660727 0032W4874249 Various	Various	SAZ Cathodic Protection Remediation Projects	IMP-High/High	376,380	\$ 1,084,100	4", 2" PE8400 Main	2" Steel
UOC	Various	Various	Distribution Projects East - blanket main replacements for UOC's	IMP-High/High	376	\$ 1,500,000	Various	Various
UOC	Various	Various	Distribution Projects East - blanket service replacements for UOC's	IMP-High/High	380	\$ 2,500,000	Various	Various