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SWX.N - Q1 2026 Southwest Gas Holdings Inc Earnings Call

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CORPORATE PARTICIPANTS

Tyler Franek *Southwest Gas Holdings Inc - Investor Relations*

Karen Haller *Southwest Gas Holdings Inc - President, Chief Executive Officer, Director*

Justin L. Brown *Southwest Gas Holdings Inc - Senior VP & General Counsel - Southwest Gas Corporation*

Justin Forsberg *Southwest Gas Holdings Inc - Chief Financial Officer, Senior Vice President*

CONFERENCE CALL PARTICIPANTS

Julien Dumoulin-Smith *Jefferies LLC - Equity Analyst*

Dan Dolev *Mizuho Securities USA LLC - Analyst*

Ryan Levine *Citi Infrastructure Investments LLC - Analyst*

Vedula Murti *Hudson Capital - Analyst*

PRESENTATION

Operator

Welcome to the Southwest Gas Holdings first-quarter 2026 earnings conference call. Today's call is being recorded, and our webcast is live. A replay will be available later today and for the next 12 months on the Southwest Gas Holdings website. (Operator Instructions)

I will now turn the call over to Tyler Franek, Manager of Investor Relations of Southwest Gas Holdings. Please go ahead.

Tyler Franek - Southwest Gas Holdings Inc - Investor Relations

Thank you, Sheen, and hello, everyone. We appreciate you joining the call today. This morning, we issued and posted to Southwest Gas Holdings website our first quarter 2026 earnings release and filed the associated Form 10-Q. The slides accompanying today's call are also available on Southwest Gas Holdings' website. We'll refer to those slides by number throughout the call today.

Please note that on today's call, we will address certain factors that may impact 2026 earnings and discuss longer-term guidance. Information that will be discussed today contains forward-looking statements. These statements are based on management's assumptions on what the future holds, but are subject to several risks and uncertainties, including uncertainties surrounding the impacts of future economic conditions, regulatory approvals and significant capital projects. This cautionary note and the note regarding non-GAAP measures are included on slides 2 and 3 of this presentation in today's press release and in our filings with the Securities and Exchange Commission. We encourage you to review each of these disclosures.

These risks and uncertainties may cause actual results to differ materially from statements made today. We caution against placing undue reliance on any forward-looking statements, and we assume no obligation to update any such statement.

As shown on slide 4, on today's call, we have Karen Haller, President and CEO of Southwest Gas Holdings; Justin Brown, President of Southwest Gas Corporation and incoming President and CEO of Southwest Gas Holdings; and Justin Forsberg, Chief Financial Officer and Treasurer of Southwest Gas Holdings. Other members of the management team are also available to answer your questions during the Q&A portion of the call today, if necessary. I'll now turn the call over to Karen.

Karen Haller - *Southwest Gas Holdings Inc - President, Chief Executive Officer, Director*

Good morning, everyone, and thank you for joining us today. Beginning on slide 5, we had a solid start to the year, reporting first quarter earnings per share from continuing operations of \$1.91, driven by continued growth, the positive impacts of certain regulatory outcomes and significantly lower interest expense following last summer's payoff of all of the debt that had been outstanding at Holdco. As we await the final decision on our California general rate case, we remain optimistic about the company's outlook and are affirming our 2026 and long-term guidance ranges. While the pending California decision impacted the first quarter, a CPUC decision is expected sometime this year and is not expected to affect our full year 2026 guidance.

We expect our approved recovery tracking mechanism will allow us to recognize the final amount of revenue determined in the case dating back to January 1 of this year. We remain focused on near-term performance and longer-term outlook, anchored by our commitment to delivering safe, reliable, and affordable natural gas service to our customers and guided by our partnership-driven approach with regulators and other stakeholders as well as our approach to disciplined capital investment and cost management supporting the growth of the communities we serve.

Turning to slide 6. We made meaningful progress across our strategic priorities during the quarter. We advanced our regulatory strategy with rate case filings in our 2 largest jurisdictions, requesting a combined revenue increase of approximately \$172 million. In Arizona, we filed a general rate case that included a request for a formula rate mechanism designed to help mitigate regulatory lag. We also filed in Arizona, our first system integrity mechanism capital tracker, which allows for more timely collection of a portion of the safety and reliability-related capital we spent in the state last year.

In Nevada, we filed a general rate case and look forward to the PUCN final order in the rule-making proceeding that will establish the state's alternative ratemaking framework. Nevada regulators approved our triennial resource plan, reducing regulatory risk for the preapproved list of projects. The plan included prudence, predeterminations for approximately \$225 million of capital investment. Additional detail on the Nevada resource plan is included in the appendix on slide 29.

At Great Basin, we completed an open season for the 2028 expansion project. where we received bids totaling 2.5 billion cubic feet per day of incremental capacity with requests for service ranging between 2028 and 2035. We're encouraged by the continued interest for natural gas in the area and are now working with shippers to convert interest into binding precedent agreements. Justin Brown will discuss the expected impact of the open season and the status of the 2028 expansion project in more detail later in the call.

Turning to slide 7. We believe the company is moving into the future in a strong position with significant liquidity and a fortress balance sheet, allowing an increased dividend payout balanced with financial flexibility to execute a \$6.3 billion capital plan over the next five years. Customer growth at Southwest Gas remains strong, supported by S&P's projected population growth in Arizona and Nevada of nearly 5% from 2026 through 2031. While the constructive direction toward formula rate mechanisms in both Arizona and Nevada are expected to improve our ability to deliver returns much closer to those allowed in those jurisdictions for years to come.

Before I pass the call over to Justin Brown to further discuss our regulatory jurisdictions and demand dynamics, which we are experiencing in the Northern Nevada region served by Great Basin, I want to share how excited I am to turn the company's leadership over to him. He is a strong values-driven leader well positioned to guide the company forward. Over to you, Justin.

Justin L. Brown - *Southwest Gas Holdings Inc - Senior VP & General Counsel - Southwest Gas Corporation*

Thank you, Karen, and congratulations again on your retirement and a successful career.

Let me begin with an update on our pending California rate case that Karen mentioned. While the final decision has been delayed, we have an approved memorandum account that preserves the full year benefit to earnings as if new rates were effective January 1 of this year. While the delay of the final decision has created a timing shift in first quarter results, we expect this timing shift to self-correct with the previously approved memorandum account, and we do not expect any impact to full year 2026 results due to the delayed final decision.

We are also seeing progress on the case as we've received a draft decision yesterday that approves the proposed settlement, but defers the final decision on the cost of capital issues, which was the unsettled portion of the case to a separate decision that has not yet been issued.

As a reminder, we reached a settlement with the Public Advocates Office on all issues with the exception of cost of capital, representing approximately \$39 million or nearly 90% of our requested revenue increase before any adjustments to our proposed cost of capital. The draft decision approving the settlement agreement is currently on the commission's May 14 agenda.

Turning to slide 9. We recently filed a general rate case in Arizona requesting a \$101 million revenue increase, supported by a proposed rate base of approximately \$3.9 billion. This reflects the roughly \$900 million of incremental investments we've made for the benefit of our customers since our last rate case.

We also requested an annual rate adjustment mechanism that will transition us to a more constructive cost recovery model, which is consistent with the commission's policy statement on formula rates and better aligns rates with the cost of service we provide. If approved, we expect implementation of the rate adjustment mechanism approximately 12 months following the effective date of new rates from our rate case. Overall, we believe the requests are designed to ensure customers continue to receive safe and reliable service while enabling ongoing investment in infrastructure that supports growth, resiliency and long-term value for the Arizona communities we serve.

On slide 10, we recently filed a general rate case in Nevada requesting a \$71 million revenue increase anchored by our proposed rate base of approximately \$2.4 billion, which includes roughly \$600 million of incremental investments since our last rate case that is representative of our commitment to meeting the needs of our customers and the communities we serve by ensuring our system is operating safely and reliably. Under Nevada's statutory 210-day time line, we expect intervenor testimony in the third quarter, followed by hearings and a final decision in October with new rates effective in the fourth quarter, subject to the commission's final approval.

In parallel, the rule-making process for alternative ratemaking under SB 417 continues to advance with constructive stakeholder engagement. The expected outcome has the potential to enhance regulatory mechanisms and reduce lag over time for the benefit of our customers and the company. We anticipate the rule-making will be completed in time for us to begin the regulatory process later this year for making a proposal with the commission to utilize alternative ratemaking. We are optimistic about obtaining constructive outcomes in each of these proceedings that will position us to improve earnings visibility, support continued investment and deliver long-term value for both customers and shareholders.

Turning to slide 11. We continue to advance the 2028 Great Basin expansion project and remain on schedule across engineering, regulatory and commercial milestones. Importantly, our recent open season for available capacity was significantly oversubscribed. We offered just over 0.3 billion cubic feet per day of capacity and received bids totaling approximately 2.5 billion cubic feet per day or nearly 8x the available design capacity. This strong level of interest included not only requests for 2028 and 2029 service dates, but also meaningful demand for phased-in capacity extending through 2035. We are now focused on converting the strong open season interest into binding precedent agreements for the various in-service periods ranging from 2028 to 2035.

As a reminder, following our open season last year, we executed precedent agreements totaling nearly 0.8 billion cubic feet per day, following a shipper's withdrawal from the project, about 0.6 billion cubic feet per day remained under signed and secured contracts. Following the completion of our design work, we determined that the project can efficiently deliver nearly 1 billion cubic feet per day at an estimated cost of \$1.7 billion, leaving the 0.3 billion cubic feet per day of available capacity we recently marketed.

We will continue to evaluate system requirements as commercial milestones are achieved, but we do not expect changes to our current capital assumptions for the project if total 2028 and 2029 contracted demand settles at or below the current 1 billion cubic feet per day design. However, if contracted demand materially exceeds that amount, we will need to reconsider current design assumptions, including pipe sizes and/or compression needs, which would likely result in changes to previously disclosed capital investment and margin estimates.

From a regulatory standpoint, we continue to expect to file our formal certificate application before year-end with FERC and NEPA review during 2027, with construction to commence following FERC approval, and we still plan to meet our expected in-service date in late 2028. Overall, we believe the strong level of demand and scalability of this project positions our Great Basin assets as a significant long-term growth platform for the company. With that, I'll turn the call over to Justin Forsberg, who will review our financial performance for the quarter.

Justin Forsberg - *Southwest Gas Holdings Inc - Chief Financial Officer, Senior Vice President*

Thank you, Justin. slide 13 shows our progression from earnings per share from continuing operations of \$1.86 in the first quarter of 2025 to \$1.91 in the first quarter of 2026. At the utility, we delivered solid underlying performance, driven primarily by rate increases in Arizona and continued customer growth. While our first quarter results do not yet reflect the expected revenue benefit from the pending California rate case, our overall utility performance was strong. We recorded the impacts of higher depreciation associated with ongoing capital investment despite not yet having the corresponding California rate recovery we expect later this year.

Our guidance assumes full retroactive recovery, and we continue to expect a decision during 2026. At the holding company level, results improved meaningfully, driven by lower interest expense following the payoff of all parent level debt as well as higher interest income on elevated cash balances. This improvement was partially offset by higher income taxes resulting from higher pretax earnings and the impact of state net operating loss utilization assumptions that is not expected to recur.

Turning to slide 14. I'll highlight the key drivers of the quarter-over-quarter change in Southwest Gas' net income comparing the first quarter of 2026 to the same period in 2025, unless otherwise noted. Operating margin improved by \$15.1 million, driven primarily by rate relief, particularly in Arizona and continued customer growth, which contributed \$3.1 million. Net customer growth of 1% over the past 12 months reflects strong underlying demand across our service territory and compares with our five-year historical average of approximately 1.5% and the 1.4% growth embedded in our long-term plan.

Historically, we have used first-time meter sets that were installed over the trailing 12 months as a leading indicator of growth, particularly during COVID-related moratorium periods. As those distortions have since normalized, we believe net customer growth has become the most relevant and comparable metric across the sector. While growth remains healthy, we have seen a modest slowdown over the past year, particularly in Southern Nevada, which we view as somewhat localized and timing related rather than indicative of a change in long-term demand trends, which, as Karen noted, project population growth rates in both Arizona and Nevada to trend near 5% from 2026 to 2031 according to S&P.

Additional operating margin contributions from non-decoupled and recovery-related items were partially offset by the absence of Vintage Steel Pipeline Program recovery in the current period as this program was concluded during last year's first quarter. These recovery-related items are offset later in the income statement, highlighting the strength of our regulated recovery model. Operations and maintenance expense increased by \$2.1 million or approximately 1.6%, driven largely by higher insurance costs and related claims, but remaining below inflation and reflecting net reductions in bad debt, internal gas usage and leak survey and line locating expenses.

Depreciation and amortization increased \$5.9 million, primarily reflecting a 6% increase in gas plant in service compared to the first quarter of 2025, combined with modestly higher regulatory amortization expenses that are offset by equivalent increases in margin. The increase in plant and service is consistent with our disciplined infrastructure investment strategy focused on safety, reliability and customer growth.

Other income declined by \$3.6 million, driven by lower interest income at the utility level associated with reduced cash balances relative to the prior year. COLI investment performance was comparable over the 2 periods. Interest expense at Southwest Gas increased modestly due to higher variable rate interest associated with Nevada regulatory mechanisms, which is offset by a corresponding increase in margin.

Income taxes increased by \$6.4 million due to higher pretax earnings and increased amortization of excess deferred income taxes. Corporate income taxes also increased because of higher nondeductible executive compensation tied to performance-driven incentive outcomes aligned with stockholder value creation. Overall, had we received the California rate case decision during the first quarter, we would have realized additional margin benefits. Consistent with industry standard accounting practices in California, a final decision in the second quarter

would allow us to recognize the full retroactive year-to-date revenue and margin impact in that period. We are pleased with our start to the year and remain confident in our full year outlook based on our California rate case assumptions.

Turning to slide 15. This slide outlines our expected sources and uses of cash for 2026. Our significant beginning cash balance reflects intentional liquidity preservation following separation. The majority of projected 2026 activity is expected at the utility, and we do not anticipate the need for equity issuances during the year. At Southwest Gas Corp., we expect operating cash flow, cash from holdings and a planned bond issuance to fund our approximately \$1.3 billion capital program and a modest bond maturity.

The timing of this bond issuance will be opportunistic and aligned with market conditions, reflecting our strong liquidity profile and disciplined capital structure management. Looking ahead, we believe our financing plans are designed to align incremental investment and rate base growth with credit supportive funding decisions.

Turning briefly to Slide 16. This slide highlights our balance sheet strength and credit profile. At the consolidated level, we ended the quarter with approximately \$3.2 billion of net debt. Both Holdings and the utility continue to maintain strong investment-grade ratings across all 3 agencies with stable outlooks, most recently reaffirmed by Moody's in April following last year's upgrades by S&P. Our balance sheet actions reflect a deliberate and proactive approach to credit stewardship. We operate comfortably within our targeted credit parameters with a capital structure designed to support regulatory execution, fund long-term growth and preserve access to low-cost capital across market cycles.

Turning to slide 18. We are affirming each of our 2026 and long-term financial guidance metrics, which are, as always, are subject to the risks and uncertainties Tyler mentioned at the top of the call. Based on our strong start to the year and the anticipated resolution of the California rate case, we continue to expect 2026 adjusted EPS of \$4.17 to \$4.32 and long-term growth of 12% to 14%. This outlook reflects continued customer growth, constructive rate recovery and disciplined system investment. As previously discussed, earnings growth is not expected to be linear over the five-year period and is anticipated to be front-end loaded through 2028 and 2029 as the 2028 Great Basin expansion project comes into service and formula rates reduce regulatory lag.

Annual results will also likely vary based on the capital deployment timing and assumed AFUDC levels. Overall, we remain confident in our five-year growth outlook and plan to continue to provide transparency as key milestones are achieved. Increased demand from the most recent Great Basin open season represents incremental upside optionality outside our base growth outlook, which remains driven by regulated investment and recovery. We expect this strategy to deliver durable, long-lived rate base expansion.

Our capital plan remains firmly on track. We expect to invest approximately \$1.25 billion in 2026 and \$6.3 billion over the next five years focused on safety, reliability and system growth, including the 2028 Great Basin expansion project. With year-end 2025 rate base of \$6.7 billion, this plan supports an expected rate base CAGR of 9.5% to 11.5% through 2030. Notably, our five-year capital program is nearly equal to our entire current rate base, underscoring the scale of growth embedded in our investment plan. Overall, we believe our guidance reflects a balanced plan to deliver consistent earnings growth while investing in infrastructure and supporting long-term value creation for stockholders.

Back to you, Karen.

Karen Haller - Southwest Gas Holdings Inc - President, Chief Executive Officer, Director

Thank you, Justin. You can also see we have had a strong start to 2026, and we are excited about the momentum across the business. Our results and our affirmed guidance reflect the strength of our fully regulated model, constructive regulatory environments in which we operate and the disciplined focus of our team. Southwest Gas continues to be defined by its commitment to delivering safe, reliable and affordable service, supported by a long-term focus on operational excellence and value creation. That foundation positions the company well as we continue to invest in our system, advance key regulatory initiatives and pursue growth opportunities.

As I step away from my role as CEO and look ahead to retirement after nearly 3 decades with Southwest Gas, I'm proud of the progress we've made, particularly our transformation into a focused fully regulated natural gas business. I have great confidence in the future of

Southwest Gas and in Justin Brown's leadership, knows this business well, and I'm confident he and the team will continue to build on the strong platform that's in place today. I also want to take a moment to thank our employees for their unwavering dedication to our customers and communities, the Southwest Gas Board for partnering with me during a transformational period and to thank our stockholders for their continued trust and support. It has truly been an honor to serve as CEO of this company.

With that, let's open the line for your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

Julien Dumoulin-Smith, Jefferies.

Julien Dumoulin-Smith - Jefferies LLC - Equity Analyst

Nicely done. I got a hand to you guys. Really nice to see it coming together here. Maybe if I could just chime in real quickly here as it pertains to the Great Basin, can you talk a little bit about the potential to ramp beyond that 0.6 bcf a day that you've obviously received surety on already? Obviously, you guys did this April supplemental open season, but what's the process on converting it?

And how do you think about margin versus CapEx here? I heard the comments about not being incremental to the 1 bcf a day for CapEx. But how do you think about margin? You provided a range there, for instance, in your guidance. Just how would that accrue to the financial results? And then also, how do you think about the time line for translating it?

Justin L. Brown - Southwest Gas Holdings Inc - Senior VP & General Counsel - Southwest Gas Corporation

Julien, it's Justin. Yes. So in terms of process, the way I would describe it is, I think to your point in terms of when you think of potential, I think the potential is really reflected in that oversubscription of what the current design capacity is. We have posted and marketed about 0.3 bcf of capacity and received almost 8x that. So I think that's reflective of kind of the potential and demand in that region.

Obviously, the next step similar to last year is we will work with each of those shippers that expressed interest in the project. And we're going to start the negotiation process on precedent agreements similar to what we did last fall.

And as part of that process, we're going to require surety for the pro rata share of their investment. And so we'll kind of -- as those come in, that will help us gauge kind of what the potential sizing will be if there's going to be any changes. If ultimately that settled demand comes in at the 1 bcf level, well, then I think the guidance that we've given around margin and CapEx are going to hold. If for some reason, that additional capacity comes in materially more than that, we're going to need to think about our design, think about pipe sizes, think about compressor assumptions that we've made, and that's ultimately going to have an impact on the capital investment and ultimately the margin. And so I think it's kind of more to come.

It's super I think it's a little premature right now. This just completed the end of last week. And so we're really in the early stages of beginning that negotiation process. And we're going to do our best to make sure we continue to update you guys as we hit different commercial milestones along the way.

Julien Dumoulin-Smith - Jefferies LLC - Equity Analyst

Yes. And just to clarify, obviously, there's a longer data piece here, 2030 to 2035. The time line for when you would see that translate and transpose itself. Sorry to press too much on this, but obviously, it's such a big deal.

Justin L. Brown - Southwest Gas Holdings Inc - Senior VP & General Counsel - Southwest Gas Corporation

Yes. I think that's going to -- we're going to get clarity around that as we go through the negotiation process because, again, when we posted the open season, we indicated that we would be open to kind of step up capacity or phased-in capacity. Clearly, there's demand there. And so as we go through the precedent agreement negotiation process, we'll be able to get some clarity around that as part of the next step in this process. And so I would think that once we complete kind of that contracting phase, we'll be able to give better guidance around kind of the timing of both the '28, '29 kind of in-service period, but then also those expressions of interest that go from 2030 through 2035.

Operator

Gabriel Moreen, Mizuho.

Dan Dolev - Mizuho Securities USA LLC - Analyst

It's Dan Dolev on for Gabe. Nicely done on the quarter. Just kind of going more on to the Great Basin here. If you guys could provide more detail on like the types of customers driving the strong open season interest, specifically how much demand is coming from power gen, data centers or industrial users and how that mix kind of informs the durability in contract of expected commitments.

Justin L. Brown - Southwest Gas Holdings Inc - Senior VP & General Counsel - Southwest Gas Corporation

Yes, Gabe. So I think it's one of those things where similar to the contracting process, these shippers are -- it's really a confidential process as we go through it. And so there's not a lot we can really share. I think what we've disclosed in the past is when you read different information around kind of the Tahoe-Reno Industrial Center, where a lot of this is driven kind of just that region. I think you see a lot of different customers from data center hyperscalers to mining to power gen.

So I think you see a variety. And I think the best we can do is kind of right now kind of point to some of those publicly available articles and things about kind of the growth in that region until we get further in the process and we're able to disclose who the shippers are and things that actually sign contracts.

Operator

Ryan Levine, Citi.

Ryan Levine - Citi Infrastructure Investments LLC - Analyst

Given the potential for Great Basin to scale up to up to 2.5 Bs, how is your strategy around long lead time items evolving? Or how are you thinking about that in the context of some upside potential to the pipeline?

Justin L. Brown - *Southwest Gas Holdings Inc - Senior VP & General Counsel - Southwest Gas Corporation*

Ryan, good question. It's Justin. Yes, we've started that process of working with suppliers around pipe and compression. And so once this most recent open season closed, we immediately reached out to them to kind of think about, hey, depending on what contracts ultimately gets signed, we may need to pivot around some of the design elements of the project. And so we're working very closely with our supply chain folks and with our potential suppliers to make sure that we manage those in terms of those longer lead time items.

Ryan Levine - *Citi Infrastructure Investments LLC - Analyst*

But if you've already procured some of that and some of the equipment may not be needed, would you be able to remarket that? Or do you -- how is it with your supply chain?

Justin L. Brown - *Southwest Gas Holdings Inc - Senior VP & General Counsel - Southwest Gas Corporation*

Yes. And what I would say is I think when you think about procurement, it's more about kind of reserving a position in the queue, which then gives you the ability to kind of transition to maybe more powerful compressors or different compressors or upsizing the pipe diameter. And so I think it's early enough in the process that we feel good about being able to pivot in the queue on those things as opposed to actually having procured something that then is not going to be relevant for the project.

Ryan Levine - *Citi Infrastructure Investments LLC - Analyst*

Okay. And then related to California, given the settlement with the [ALJ] or with the key parties yesterday and the cost of capital remaining outstanding, how does the recent Sempra decision impact your thinking or your outlook for your California gas business?

Justin L. Brown - *Southwest Gas Holdings Inc - Senior VP & General Counsel - Southwest Gas Corporation*

Which decision are you referring to?

Ryan Levine - *Citi Infrastructure Investments LLC - Analyst*

The SoCalGas recent decision.

Justin L. Brown - *Southwest Gas Holdings Inc - Senior VP & General Counsel - Southwest Gas Corporation*

Rate case or there's different cases. Okay. Yes. I mean I would say, Ryan, historically, we're always very much aware of kind of what the commission decisions are with respect to kind of the larger investor-owned utilities. Being a small multi-jurisdictional utility, there's not necessarily a pattern of the decisions, the outcomes that the large investors have versus what we have.

And so typically, we're very focused kind of on our proceedings and how we manage them and our outcomes. And I think historically, there hasn't necessarily been a strong connection to some of the larger investor-owned utility outcomes. But we always are very much aware of kind of what's going on there and monitor them just so that it helps us manage our proceedings as well. But typically, the commission has done a good job of kind of addressing each one on their own merits.

Operator

Vedula Murti, Hudson Capital.

Vedula Murti - *Hudson Capital - Analyst*

When you talk about the ability to scale up to from 1.0 to 2.5 bcf per day, right now, we're at 1.7 for 1.0, can you give a sense as to what the upside capital requirements would be if you were to go, say, hypothetically 2.5. I know it's not asymmetric type of thing where you multiply current 1.7x 2.5. It wouldn't work like that. But can you give me a sense of how that would work?

Justin Forsberg - *Southwest Gas Holdings Inc - Chief Financial Officer, Senior Vice President*

Yes. I really don't -- it's Justin. Good to hear from you. We don't have anything in terms of being able to kind of share around kind of proportionately what that is. We're -- like I said, this really came in at the end of last week.

We're really focused on working with the different shippers on finding out what is actually going to be contracted and secured with surety. And so that's really the focus. On a parallel path, we're going to be looking at kind of what the options might be depending on what ultimately gets put under contract. But it's just too hard to speculate right now in terms of what that could do based on different sizing needs, based on different potential demand.

Vedula Murti - *Hudson Capital - Analyst*

Well, I guess given the interest and where it's obviously very early, can you give a sense as to -- I'm kind of confused about the time line at which we would know for the 2028 to 2035 period that has been discussed here when you'd be able to communicate that to us?

Justin Forsberg - *Southwest Gas Holdings Inc - Chief Financial Officer, Senior Vice President*

Yes. I mean using last year as kind of a proxy, if you will, in terms of the process, I would say normally over the next 60 to 90 days is the process by which we would be finalizing contracts and requesting surety. And so I think our hope is over that time period, most likely by the time we get to the second quarter call, if not earlier. And if we have that information earlier, it's something we would look at issuing a press release around just to make sure we keep everybody updated. Otherwise, we'd look to probably provide an update at our next call in -- after the second quarter.

Vedula Murti - *Hudson Capital - Analyst*

So by the next call, you'll be able to tell us what beyond maybe 1 bcf per day and 1.7, what the new scope of the project would be and its time line in terms of capital?

Justin Forsberg - *Southwest Gas Holdings Inc - Chief Financial Officer, Senior Vice President*

Yes, that would be our hope.

Operator

There are no further questions at this time. This concludes the Q&A portion of today's conference. I would now like to turn the call back over to Tyler Franek for closing remarks. Go ahead.

Tyler Franek - *Southwest Gas Holdings Inc - Investor Relations*

Thanks again, Sheen, and thank you all for joining us today and for your questions. This concludes our conference call. We appreciate your interest in Southwest Gas Holdings and look forward to seeing many of you at the AGA Financial Forum in Scottsdale soon.

Operator

This concludes today's Southwest Gas Holdings First Quarter 2026 Call and Webcast. You may now disconnect your line at this time. Have a wonderful day.

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