



Southwest Gas HOLDINGS

Southwest Gas-ONEOK Combination Receives Nevada Regulatory Approval Two Months Ahead of Deadline; Decision Should Set Tone for Other States' Reviews

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LAS VEGAS, JUNE 22 /PRNewswire/ -- The combination of Southwest Gas Corporation (NYSE: SWX) and ONEOK, Inc. (NYSE: OKE) cleared a significant regulatory hurdle today when the Public Utilities Commission of Nevada (PUCN) unanimously approved the combination of the two natural gas utilities.

In approving the decision, presiding Commissioner Donald Soderberg said, "I want to congratulate the proposing parties on the stipulation." Public Service Commission Chairman Judy Sheldrew stated, "The parties are to be congratulated on a very comprehensive settlement. This is really a terrific settlement and clearly appears to be something that is very definitely in the public interest." Fred Schmidt, the State Consumer Advocate in the Nevada Attorney's General's Office also commented, "I frankly have been surprised and pleased with the level of cooperation that the joint applicants have provided in this proceeding."

"Nevada's utility regulators have carefully scrutinized our merger proposal and determined that it serves the public interest," said Michael O. Maffie, President and Chief Executive Officer of Southwest Gas. "This is the first of three state utility regulatory approvals that we must obtain before we can complete the combination of our two companies. We expect that Nevada's endorsement of our merger will set the tone for regulatory consideration by the Arizona Corporations Commission and California Public Utilities Commission."

The PUCN decision was rendered two months ahead of the August 19 deadline imposed under Nevada state law. Approval by Arizona and California regulators is expected to be obtained in time to allow consummation of the merger during the fourth quarter of 1999. Shareholders of Southwest Gas also must approve the proposed transaction, at a shareholder meeting to be scheduled in coming months.

"The swift and favorable decision by the PUCN supports our expectation that this combination will receive rapid review and approval by other utility regulators," Maffie said. "Obtaining timely regulatory clearance is essential in delivering value to our stockholders. Because this merger creates benefits for consumers, Southwest Gas employees, and the communities we serve, it also creates value for shareholders."

At the evidentiary hearing held on June 21 as part of the approval process of the Southwest Gas/ONEOK combination, the Commission listened to testimony from Larry W. Brummett, Chairman of the Board and Chief Executive Officer of ONEOK, Inc., Eugene N. Dubay, President and Chief Operating Officer, Kansas Gas Service and others detailing the merger proposal and a settlement agreed to by all major parties to the proceeding. The Commission unanimously approved the merger, finding the ONEOK/Southwest Gas combination to clearly be in the public interest and determining ONEOK to be readily capable to serve Nevadans as a public utility.

Southwest Gas and ONEOK previously agreed to a Stipulation with the Regulatory Operations Staff of the PUCN and the Attorney General's Bureau of Consumer Protection - Utility Consumer's Advocate (UCA) on terms that provide protection to customers of Southwest Gas from adverse effects due to the merger. This stipulation was accepted without change by the commission.

For more information: Shareholder: Laura Hobbs of Southwest Gas Corporation, 702-876-7237; or Lew Phelps, 310-788-2850, and Mike Geczi, 212-573-6100, both of Sitrick And Company, for Southwest Gas Corporation.

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