



## **Southwest Gas** HOLDINGS

### **Southwest Gas, ONEOK and ORA Reach Joint Recommendation, Paving Way For Decision in Last of Three Required Regulatory Reviews of Merger**

July 20, 1999

LAS VEGAS, July 20 /PRNewswire/ -- Southwest Gas Corp. (NYSE: SWX), ONEOK Inc. (NYSE: OKE) and the Office of Ratepayer Advocates (ORA), the consumer advocacy arm of the California Public Utilities Commission (CPUC), have submitted a joint recommendation to the CPUC that the proposed merger be approved.

"We are extremely pleased to have reached a joint recommendation with the California ratepayer advocacy staff," said Michael Maffie, president and chief executive officer of Southwest Gas. "We expect that this will translate into a rapid review and favorable decision by the CPUC."

A "joint recommendation" paves the way for a decision by the CPUC itself. The California utility regulatory commission must approve the proposed merger before it can be consummated.

Regulators in Nevada and Arizona also have jurisdiction over the merger proposal. The Public Utilities Commission of Nevada (PUCN) has already unanimously approved the merger, acting two months ahead of its statutory deadline for a decision. In Arizona, the utilities have agreed with the staffs of the Arizona Corporation Commission (ACC) and Residential Utility Consumer Office (RUCO) on terms and conditions governing the merger.

The ACC is expected to act on the merger proposal in August, and the CPUC in September or October, Southwest Gas said.

ORA analyzed the merger proposal and is recommending to the CPUC that the merger be approved with conditions agreed to by the parties. The joint recommendation requires that merger savings be shared on a 50-50 basis between the company and its California customers, and also requires that service standards be maintained at current Southwest Gas levels. If the joint recommendation is adopted by the CPUC, customers will receive \$2 million in merger savings during the first five years following the consummation of the merger.

"The customer benefits of this merger are facilitating rapid regulatory review and approval. Rapid regulatory approval provides added shareholder value, because shareholders will have access to their payment sooner rather than later. With our California agreement, we are now ahead of the demanding timetable that we set for ourselves to achieve consummation of this merger," Maffie said.

The joint recommendation will be the subject of a hearing before the Presiding Administrative Law Judge on July 28. It is reasonable to anticipate that the Presiding Administrative Law Judge will prepare a proposed decision in August, and that a Commission decision on the merger proposal will be issued in mid-September or early October.

The proposed merger also requires approval by shareholders of Southwest Gas, who will vote on the matter on August 10.

If all regulatory approvals are obtained on approximately the expected timetable, the company expects the merger will be consummated about midway through the fourth quarter of 1999.

SOURCE Southwest Gas Corporation

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