



Southwest Gas[™]

HOLDINGS

Southwest Gas Corporation Announces First Quarter Earnings

April 27, 2000

LAS VEGAS, April 27 /PRNewswire/ -- Southwest Gas Corporation (NYSE: SWX) announced consolidated earnings of \$0.81 per share for the first three months of 2000, \$0.12 less than the \$0.93 earned during the first quarter of 1999. Consolidated net income was \$25.2 million, compared to \$28.3 million in the prior period.

According to Michael O. Maffie, President and Chief Executive Officer, "February 2000 was the warmest February in the past ten years for our three largest operating areas: Phoenix, Las Vegas, and Tucson. However, continued strong customer growth and attention to operating efficiencies and cost controls offset a significant portion of the effects of warm weather."

First quarter 2000 gas operating margin was \$144 million on revenues of \$267 million. Differences in heating demand caused by weather variations between periods resulted in a \$6 million margin decrease, as both periods experienced warmer-than-normal temperatures. Offsetting the weather-related impacts was an increase of \$6 million in operating margin due to customer growth, as the Company served 65,000, or five percent, more customers than a year ago. As a result, operating margin was unchanged between periods.

Operating expenses increased \$5.7 million due to continued expansion and upgrading of the gas system to accommodate customer growth. Net financing costs increased \$1.8 million, resulting primarily from additional borrowings to finance construction expenditures, and higher interest rates on variable-rate debt.

For the twelve months ended March 31, 2000, net income was \$36.2 million, or \$1.17 per share, compared to \$39.9 million, or \$1.36 per share, during the twelve-month period ended March 31, 1999.

Operating margin increased \$1.9 million between periods. Customer growth contributed \$17 million in incremental margin. However, weather in the current period was nine percent warmer than the prior period, resulting in a \$15 million offsetting decrease in operating margin from weather-sensitive customers.

Operating expenses increased \$17.2 million, or five percent, as a result of servicing additional customers. Net financing costs increased \$2.5 million, or four percent.

Utility income tax expense, exclusive of changes in pretax income, decreased \$4 million between periods. The decrease was attributed to the favorable resolution of certain federal and state income tax issues during the current period, and the recognition of income tax liabilities for unrelated tax issues in the prior period.

Southwest Gas Corporation provides natural gas service to approximately 1,290,000 customers in Arizona, Nevada and California. Its service territory is centered in the fastest-growing region of the country.

This press release may contain statements which constitute "forward-looking statements" within the meaning of the Securities Litigation Reform Act of 1995 (Reform Act). All such forward-looking statements are intended to be subject to the safe harbor protection provided by the Reform Act. A number of important factors affecting the business and financial results of the Company could cause actual results to differ materially from those stated in the forward-looking statements. These factors include, but are not limited to, the impact of weather variations on customer usage, natural gas prices, the effects of regulation/deregulation, the timing and amount of rate relief, changes in capital requirements and funding, acquisitions, and competition.

SOUTHWEST GAS CONSOLIDATED EARNINGS DIGEST

QUARTER ENDED MARCH 31,	2000	1999
Consolidated Operating Revenues	\$296,815,000	\$308,025,000
Net Income	\$25,198,000	\$28,266,000
Average Number of Common Shares Outstanding	31,140,000	30,497,000
Basic Earnings Per Share	\$0.81	\$0.93
Diluted Earnings Per Share	\$0.80	\$0.92

TWELVE MONTHS ENDED MARCH 31,	2000	1999
Consolidated Operating Revenues	\$925,656,000	\$932,733,000
Net Income	\$36,242,000	\$39,850,000
Average Number of Common Shares Outstanding	30,934,000	29,363,000
Basic Earnings Per Share	\$1.17	\$1.36
Diluted Earnings Per Share	\$1.16	\$1.35

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CONTACT: Lew Phelps of Sitrick and Co., 310-788-2850; or shareholders, Laura Hobbs of Southwest Gas Corporation, 702-876-7237