



Southwest Gas[™]

HOLDINGS

Southwest Gas Corporation Announces 2000 Earnings

February 26, 2001

LAS VEGAS, Feb. 26 /PRNewswire/ -- Southwest Gas Corporation (NYSE: SWX) announced consolidated earnings of \$1.22 per share for 2000, \$0.06 less than the \$1.28 per share earned in 1999. Consolidated net income for 2000 was \$38.3 million, compared to \$39.3 million during 1999. Average shares outstanding increased 681,000 between periods.

According to Michael O. Maffie, President and Chief Executive Officer, "Cooler temperatures in November allowed us to make up some of the operating margin we lost following the record and near record warm temperatures experienced during the first half of the year. In addition, we continued to benefit from the significant population influx to the southwest as evidenced by our seventh consecutive year in which customer growth was at least five percent."

Operating margin increased \$14.9 million, or three percent, in 2000. The increase was primarily due to customer growth as the Company added nearly 63,000, or five percent, more customers during the last 12 months. Differences in heating demand partially offset the impact of customer growth as both periods were moderately warmer than normal.

Operating expenses increased \$18.6 million, or six percent, as a result of continued expansion and upgrading of the gas system to accommodate customer growth. During 2000, the Company invested \$205 million in its gas system.

Net financing costs were \$7.3 million, or 11 percent, over last year as the Company financed the new construction necessary to keep up with customer growth, and interest costs on variable-rate debt instruments rose.

During 2000, the Company recognized \$6 million, or \$0.19 per share, of income tax benefits associated with the favorable resolution of certain federal income tax issues, and the statutory closure of open federal tax years.

During the fourth quarter of 2000, consolidated net income was \$32.5 million, or \$1.03 per share, versus \$28.8 million, or \$0.93 per share, for the fourth quarter of 1999. Operating margin was \$20 million greater than the prior year as a result of weather variations between periods (\$15 million) and customer growth (\$5 million). Operating expenses increased \$5.6 million, or seven percent and net financing costs rose \$2 million, or 11 percent.

Southwest Gas Corporation provides natural gas to approximately 1,337,000 customers in Arizona, Nevada, and California. Its service territories are 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

YEAR ENDED DECEMBER 31,	2000	1999
Consolidated Operating Revenues	\$ 1,034,087,000	\$936,866,000
Net Income	\$38,311,000	\$39,310,000
Average Number of Common Shares Outstanding	31,371,000	30,690,000
Basic Earnings Per Share of Common Stock	\$1.22	\$1.28
Diluted Earnings Per Share of Common Stock	\$1.21	\$1.27
QUARTER ENDED DECEMBER 31,		
Consolidated Operating Revenues	\$340,676,000	\$262,260,000
Net Income	\$32,522,000	\$28,828,000
Average Number of Common Shares Outstanding	31,627,000	30,894,000
Basic Earnings Per Share of Common Stock	\$1.03	\$0.93
Diluted Earnings Per Share of Common Stock	\$1.02	\$0.93

SOURCE Southwest Gas Corporation

Web site: <http://www.southwestgas.com>

Company News On-Call: <http://www.prnewswire.com/comp/804969.html> or fax, 800-758-5804, ext. 804969

CONTACT: media, Roger Buehrer, 702-876-7132, or shareholders, Laura Hobbs, 702-876-7237, both for Southwest Gas Corporation