
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) January 21, 2000

SOUTHWEST GAS CORPORATION
(Exact name of registrant as specified in its charter)

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| California (State or other jurisdiction of incorporation or organization) | 1-7850 (Commission File Number) | 88-0085720 (I.R.S. Employer Identification No.) |
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|---|--------------------------|
| 5241 Spring Mountain Road Post Office Box 98510 Las Vegas, Nevada (Address of principal executive offices) | 89193-8510 (Zip Code) |
|---|--------------------------|

Registrant's telephone number, including area code: (702) 876-7237

Item 5. Other Events

On January 4, 2000, the staff of the Arizona Corporation Commission (ACC) issued a report that stated it was unable to recommend approval of the merger of Southwest Gas Corporation (the Company) and ONEOK, Inc. (ONEOK) due to concerns about ONEOK's actions and fitness to serve in Arizona. On January 10, 2000, ONEOK requested a 10-day delay in filing its rebuttal testimony in response to the ACC staff report and recommendations. On January 14, 2000 the ACC granted ONEOK's request for a 10-day delay and extended the hearing on the proposed merger to February 22, 2000. On January 18, 2000, the Company sent ONEOK a letter demanding that ONEOK cure the deficiencies identified in the ACC staff report. A copy of this letter is attached.

On January 21, 2000 ONEOK responded to the Company's January 18th letter and stated that it was terminating the merger agreement with the Company. In addition, ONEOK filed a complaint against the Company in the United States District Court for the Northern District of Oklahoma (Case No. 00CV063 K) seeking a declaratory judgment that ONEOK has properly terminated the merger agreement with the Company. ONEOK also informed the Company that it has filed a withdrawal of its Application for an Order Authorizing Implementation of the Agreement and Plan of Merger with the ACC. A copy of ONEOK's January 21st letter and press release is attached.

On January 24, 2000 the Company filed a complaint against ONEOK and Southern Union Company in the United States District Court for the District of Arizona (Case No. CIV'00, 0119 PHX VAM) seeking unspecified damages against both companies. Additional information about this complaint is provided in the attached press release.

On June 9, 1999, the Company signed a Memorandum of Understanding (MOU) to settle a purported shareholder class action filed on December 16, 1998 against the Company and its directors arising out of the proposed merger with ONEOK. The MOU was subject to several conditions, including the consummation of the acquisition of the Company by ONEOK, a condition that will not be satisfied. The MOU was not an admission of any of the shareholder plaintiffs' allegations. The Company and its directors have denied and continue to deny any liability based

on the allegations in the purported shareholder class action.

Item 7. Exhibits

- 99.1 Letter from Southwest Gas Corporation to ONEOK dated January 18, 2000
- 99.2 Letter from ONEOK to Southwest Gas Corporation dated January 21, 2000
- 99.3 ONEOK press release dated January 21, 2000
- 99.4 Southwest Gas Corporation press release dated January 24, 2000

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SOUTHWEST GAS CORPORATION

Date: January 26, 2000

/s/ EDWARD A. JANOV

Edward A. Janov
Vice President/Controller and
Chief Accounting Officer

[Southwest Gas Corporation letterhead]

CONFIDENTIAL

January 18, 2000

ONEOK, Inc.
100 West Fifth Street
Tulsa, OK 74103

ATTN: John A. Gaberino, Jr.

Re: Agreement and Plan of Merger, dated December 14, 1998, Among
ONEOK, Inc., Oasis Acquisition Corporation, and Southwest Gas
Corporation, as amended (the "Agreement")

Gentlemen:

As we are all now aware, Deborah R. Scott, the Director, Utilities Division of the Arizona Corporation Commission (the "ACC") has given direct testimony to the effect that the Staff of the ACC believes that approval of the merger of Oasis Acquisition Corporation and Southwest Gas Corporation, as contemplated by the Agreement, at this stage would be premature because ONEOK "has not provided sufficient evidence to make an affirmative showing that the proposed merger is in the public interest." In her direct testimony, Ms. Scott stated that the Staff was unable to recommend approval of the merger at this time because of:

... the concerns addressed in Ms. Jaress' [Manager, Financial Analysis, Utilities Division of the ACC] testimony regarding ONEOK's poor safety record as compared to that of Southwest Gas; numerous consumer service complaints; the potential financial liabilities, depending on the outcome of the civil litigation matters; compounded by the allegations set forth in the civil litigation; and the questionable conduct of ONEOK representatives discussed above [in her direct testimony]....

ONEOK, Inc.
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January 18, 2000

In her direct testimony, Ms. Scott makes several points that go to actions by ONEOK and its executives. Ms. Scott recounts evidence regarding ONEOK's actions in connection with the drafting of Commissioner Irvin's letter to the Southwest Gas Board and ONEOK's relationship with Mr. Rose. Ms. Scott concludes that "[t]he evidence described above casts doubts on ONEOK's truthfulness and the Company's [ONEOK'S] ability to identify inappropriate conduct and apparent conflicts of interest, or of its disregard for such actions."

These assertions by Ms. Scott, her recommendation to the ACC, and the stated reasons therefor indicate that ONEOK has breached the Agreement because of its failure to use all commercially reasonable efforts to obtain the required regulatory approval from the ACC and to take all action and to do, or cause to be done, all things necessary, proper, or advisable to consummate and make effective the merger, all as required by the Agreement. We hereby demand that you cure these breaches in accordance with the terms and conditions of the Agreement.

We intend to continue to comply with our obligations under the Agreement, reserving all our rights thereunder.

Very truly yours,

/s/ MICHAEL O. MAFFIE

Michael O. Maffie
President and Chief Executive Officer

c Robert A. Yolles, Esq.
Donald A. Kihle, Esq.
Members of the Board of Directors of ONEOK, Inc.

(ONEOK LETTERHEAD)

January 21, 2000

Southwest Gas Corporation
5241 Spring Mountain Road
Las Vegas, Nevada 89102

Attention: George C. Biehl (via fax to 702/364-8597)

Re: Agreement and Plan of Merger, dated as of December 14, 1998,
as amended among ONEOK, Inc., OASIS Acquisition Corporation,
and Southwest Gas Corporation (the "Merger Agreement")

Ladies and Gentlemen:

We received Michael Maffie's letter dated January 18, 2000, asserting that ONEOK is in breach of the Merger Agreement. ONEOK rejects and denies any notion that ONEOK has committed any breach of the Merger Agreement.

As you know, the Initial Termination Date under the Merger Agreement was December 14, 1999. We have not entered into any agreement with you or otherwise acknowledged that the conditions for an extension of this date under Section 8.1(b) of the Merger Agreement were met. Accordingly, this letter constitutes written notice to you that ONEOK has elected to terminate the Merger Agreement and abandon the Mergers contemplated thereby pursuant to Section 8.1(b) of the Merger Agreement. The conditions for an extension of the Initial Termination Date beyond December 14, 1999 under Section 8.1(b) were not met due to the fact that, at that date, several conditions to the Closing under the Merger Agreement had not been fulfilled and were not capable of being fulfilled. Among these failed conditions was and is the pendency of Southern Union's litigation against Southwest and ONEOK seeking billions of dollars in damages, which would render Section 7.2(b) of the Merger Agreement incapable of fulfillment as it applies to a "bringdown" to any date of Closing of Southwest's representations in Sections 3.6 and 3.7 of the Merger Agreement.

Sincerely,

ONEOK, INC.

By: /s/ LARRY W. BRUMMETT

Larry W. Brummett

George C. Biehl
Southwest Gas Corporation
January 21, 2000
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cc: Oasis Acquisition Corporation
Robert A. Yolles (via fax to 312/782-8585)
Donald A. Kihle (hand delivered)
Frances E. Lossing (via fax to 213/430-6407)

ONEOK Financial News

ONEOK, Inc.
 P.O. Box 871
 Tulsa, OK 74102-0871

Contact: Weldon Watson, 918-588-7158
 For Immediate Release, January 21, 2000

ONEOK CALLS OFF MERGER WITH SOUTHWEST GAS

Tulsa, Oklahoma -- ONEOK (NYSE: OKE) today announced that its Board of Directors has voted to terminate its planned merger with Southwest Gas (NYSE: SWX). The termination decision was made pursuant to a provision in the merger agreement that permitted any party to terminate if certain conditions were not fulfilled by December 14, 1999. ONEOK notified Southwest of the termination today.

"We worked very hard to make this deal happen," said ONEOK Chairman and Chief Executive Officer Larry Brummett, "but the bottom line is that even if we assume that all regulatory approvals could be received in a timely manner, there is simply too much financial risk associated with Southwest Gas right now and we have a responsibility to protect our shareholders from excessive risk."

Brummett expressed financial concerns about Southwest, citing pending claims against Southwest in a lawsuit filed by Southern Union, an Austin, Texas, natural gas distributor that made a competing, unsuccessful bid to acquire Southwest. That lawsuit, filed in July 1999, subsequent to the signing of the merger agreement, was recently highlighted by Arizona regulatory staff as a reason not to recommend approval of the merger at this time.

The merger had already received unanimous regulatory approval in Nevada and had been recommended by the regulatory staff of the Public Utility Commission for approval in California.

Brummett said ONEOK had been focused heavily on the Southwest Gas merger for the past 12 months, but that Southwest's potential multi-million dollar liability was too much risk for ONEOK to assume.

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"ONEOK's strategy of growth through acquisitions has not changed," Brummett said. "We just won't be making this particular acquisition. There are other opportunities in the natural gas market that better meet our business objectives, and we will be actively pursuing such opportunities."

The ONEOK and Southwest merger, under consideration for the past year, would have created the largest stand-alone natural gas distribution network in the U.S. ONEOK currently serves customers in Oklahoma and Kansas, and Southwest serves Arizona and parts of California and Nevada.

ONEOK, Inc., is an integrated natural gas company involved in production, processing, gathering, storage and transmission. The company is also the largest natural gas distributor in Kansas and Oklahoma, operating as Kansas Gas Service Company and Oklahoma Natural Gas Company, serving 1.4 million customers.

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Statements contained in this release that include company expectations or predictions are forward-looking statements intended to be covered by the safe harbor provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934. It is important to note that the actual results could differ materially from those projected in such forward-looking statements. More information about the ONEOK and Southwest Gas transaction can be found under Company News on the ONEOK web site at www.oneok.com. Service area maps and logos are available under Media Kit.

For Immediate Release

For further information contact:
Mike Sitrick or Lew Phelps
Sitrick And Company
310-788-2850 or lew_phelps@sitrick.com

Shareholder Contact: Laura Hobbs, Las Vegas, NV
(702) 876-7237

SOUTHWEST GAS SUES ONEOK FOR BREACH OF CONTRACT AND FRAUD FOLLOWING UNJUSTIFIED ATTEMPT TO CANCEL MERGER AGREEMENT

Southwest Gas Also Sues Southern Union Co.
For Breach of Contract and Interference with Contract

Phoenix, AZ (January 24, 2000) - Southwest Gas Corp. (NYSE:SWX) has sued ONEOK, Inc. (NYSE: OKE) following ONEOK's unjustified attempt to cancel the merger agreement between it and Southwest Gas.

The lawsuit, filed today in the U.S. District Court for the District of Arizona in Phoenix, seeks unspecified damages from ONEOK for breach of contract, breach of the implied covenant of good faith and fair dealing, fraud in the inducement, and fraud related to its actions connected to the merger agreement and its cancellation of the agreement.

The Public Utilities Commission of Nevada, one of three state regulatory agencies required to approve the merger, voted unanimously last June to approve it. Shareholders of Southwest Gas also voted nearly 80% in favor of the proposed transaction. Review of the merger was originally scheduled to take place last fall by the Arizona Corporation Commission, but that decision was delayed by ACC concerns about ONEOK's actions and fitness to serve in Arizona. ONEOK's attempt last Friday to withdraw its application before the ACC has brought the merger effort to a halt, since ACC approval is required before consummation of the transaction, Southwest Gas said.

Southwest Gas also has sued Southern Union Co. (NYSE:SUG) seeking unspecified damages from Southern Union for breach of contract, breach of the implied covenant of good faith and fair dealing, and interference with a contract, all related to Southern Union's attempts to block the proposed Southwest Gas-ONEOK combination after Southern Union's unsolicited offer was rejected by Southwest Gas in favor of ONEOK's offer.

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Southwest Gas Lawsuit, page 2 of 2

"Southwest Gas has been greatly damaged by the improper conduct of both ONEOK and Southern Union in this complex year-long process," said Michael O. Maffie, president and chief executive officer of Southwest Gas. "With this lawsuit, we hope and expect to recover the damages caused by the acts of the two utilities that were competing for our company."

"With the merger plan now repudiated by ONEOK, Southwest Gas will continue to provide outstanding service to its valued customers in Arizona, Nevada and California," Mr. Maffie said.

Southwest Gas Corporation is headquartered in Las Vegas, NV, and is the fastest growing natural gas utility company in the country. It provides natural gas service to more than 1.2 million residential, commercial and industrial customers in Arizona and Nevada, and parts of northeastern and southeastern California. The company's common stock is traded on the New York Stock Exchange under the symbol SWX. More information about the company is available at <http://www.swgas.com>.

ONEOK is headquartered in Tulsa, OK, and has natural gas utility operations in

Kansas and Oklahoma. Southern Union is headquartered in Austin, TX, and has natural gas utility operations in Missouri and Texas. It also is in the process of acquiring utility properties in New England.

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