



Spotlight

Companywide Distribution

October 27, 2008

PAYCHECK REVERSALS - UPDATE

This is a follow up message to our communication this morning regarding paycheck reversals.

It has been determined that Bank of America made a significant processing error and inadvertently reversed a number of employee payroll automatic deposits related to the October 17 paycheck. Bank of America will be replacing funds which were withdrawn in error today via automatic transaction. For those of you who bank with smaller banks, the debit placing funds back into your account may not appear until tomorrow's business day transactions.

In the meantime, it is important to check your bank account to know whether your account was affected by this error. Any bank and/or creditor fees that occurred as of October 25, 2008 will be reimbursed by Bank of America through Southwest Gas.

As bank and/or creditor fees occur, provide a copy of the bank and/or creditor statement(s) showing the fees to the Payroll Department at LVC-390. Reimbursement for these fees will be processed on a daily basis by Payroll; however it may take two to four business days for the reimbursement to reach employees.

In addition, Bank of America has provided a letter of apology below, and has agreed to draft apology letters to employees' banks and/or creditors through Payroll on an as needed basis. If a letter is required please provide your name, the bank or creditor name, and account number to the Payroll Department.

In an effort to complete the reimbursement process as quickly as possible, please submit your request for reimbursement to Payroll by December 1, 2008.

While this bank error was an unfortunate occurrence, direct deposit of payroll funds is by far the safest and most viable method of payment and this event should not in anyway deter you from participating in direct deposit of your payroll funds.

Finally, it is important to understand that this is not an issue regarding the soundness of the company. This was a processing mistake on the part of Bank of America. As discussed extensively over the past two weeks, Southwest Gas is sound financially, offering a stable employment environment. We've worked hard to assure you of our strong position in the midst of the volatile economy, and are optimistic that you will continue to be confident about the stability of Southwest Gas.

Thank you for your patience as we continue to correct matters related to this unfortunate circumstance.



October 27th, 2008
Mr. Jeffrey W. Shaw
Chief Executive Officer
Southwest Gas Corporation
5241 Spring Mountain Road
Las Vegas, Nevada 89150

Dear Mr. Shaw:

On behalf of Bank of America, we apologize for the recent problems regarding your ACH Direct Deposit Reversal. We regret any inconvenience to your employees and will reimburse any overdraft charges or related fees, they may have incurred, because of this error. We will do everything we can to avoid similar problems in the future.

Thanks you for your patience and understanding. We appreciate your business.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa Loerwald". The signature is fluid and cursive.

Lisa Loerwald
AVP/Product Delivery Analyst
Global Treasury Services