



SOUTHWEST GAS CORPORATION

Christina A. Palacios, Senior Vice President/Central Arizona Division

Dear fellow Southwesters:

It was so nice to see many of you at The Pointe for our annual event. The committee did a terrific job of planning a nice evening for us. I had a great time and hope you did, too.

I've been back in the Central Arizona Division just over a year, with opportunities to talk to many of you one-on-one on a field ride or at your workstation. The three Employee Roundtables have also been great opportunities to hear your ideas and comments. You are an impressive group, and you speak your mind. I'm proud to be working with you again. Your candor encourages me to be candid with you about a topic that could affect all of us, the union.

In March 2005 a majority of you voted to decertify the union and work directly with your management. During the 12 months following the election, unions were legally prohibited from attempting to organize you. Now that the waiting period is over, a few people are talking about trying to bring the union back.

The reality is that the union needs you far more than you need them. If we've learned anything this past year it is that all of you have moved beyond the need to have someone else speak for you, if there ever was such a need.

Here are some very important facts to remember if you're asked to sign a card:

- You have the right to refuse to sign a card.
- You have the right to speak out against a union.
- If you take a card, ***read it carefully***. Cards may commit you to pay dues and/or certify a union without an election.
- The card is essentially a power of attorney, giving a union the right to make decisions on your behalf.

You belong to a good, strong team at Southwest Gas. Your management believes that a key part of its job is to be responsive to your needs and concerns, and help develop you in your career. We are more committed to our mutual goals, and your personal goals, than anyone or force outside Southwest Gas. For these reasons, we are asking you to not sign a union card.



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If you have questions, ask your supervisor, superintendent, or anyone in management—company decision-makers who are able to resolve issues. That's a privilege we have in a union-free workplace. In addition, until the company-wide website for employee feedback is available, we will open a division site soon. As we saw in 2005, some people prefer to ask questions or state their opinions that way.

What I am suggesting is that each of you look in the mirror. Then look into your own heart and ask the question: "Does it really make sense to go back to union representation?" Do we want to move backward? Or, should we move forward, building Southwest Gas' and your tomorrow together?

That's what's at stake as we move through this issue over the next few weeks, together.

We'll talk more. Every Southwest Gas manager and supervisor looks forward to answering your questions, and keeping a candid conversation going.

Sincerely,

Christina A. Palacios
Sr. Vice President