
**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) December 18, 2002

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

California
(State or other jurisdiction of
incorporation or organization)

1-7850
(Commission
File Number)

88-0085720
(I.R.S. Employer
Identification No.)

**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 and Regulation FD Disclosure.

Southwest Gas Corporation negotiated a \$16.25 million settlement on December 18 with its insurance provider related to the now terminated acquisition of the Company by ONEOK, Inc. and the rejection of competing offers from Southern Union Company. Income from the settlement will be recognized in the fourth quarter of 2002 and will amount to \$9.0 million after-tax, or \$0.27 per share.

A copy of the press release, dated December 20, 2002, is attached as Exhibit 99.

Item 7. Financial Statements and Exhibits.

(c) Exhibits

99 Press release dated December 20, 2002 regarding \$16.5 million insurance settlement.

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: December 20, 2002

/s/ ROY R. CENTRELLA

Roy R. Centrella
Vice President/Controller and
Chief Accounting Officer

EXHIBIT INDEX

Exhibit No.	Description
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99	Press release dated December 20, 2002 regarding \$16.5 million insurance settlement.
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**SOUTHWEST GAS TO RECEIVE \$16.25 MILLION FROM
INSURANCE PROVIDER TO SETTLE MERGER-LITIGATION CLAIM**

Las Vegas – Southwest Gas Corporation (Company) negotiated a \$16.25 million settlement on December 18 with an insurance provider related to the now terminated acquisition of the Company by ONEOK, Inc. (ONEOK) and the rejection of competing offers from Southern Union Company (Southern Union). The settlement favorably resolves issues with the insurance provider over the recovery of certain costs incurred earlier this year to defend and settle merger-related litigation. Income from the settlement will be recognized in the fourth quarter of 2002 and will amount to \$9.0 million after-tax, or \$0.27 per share.

In a separate matter, Southern Union was awarded \$60 million in punitive damages by a federal jury on December 18 against Arizona Corporation Commissioner Jim Irvin for claims brought against him related to the now terminated acquisition of the Company.

Southern Union also was awarded \$975,000 in compensatory damages. Southwest, its chief executive officer, Michael Maffie, and its chairman of the board, Thomas Hartley, were allocated a percentage of responsibility for the compensatory damage award. However, this award has no impact on the Company, Mr. Maffie, or Mr. Hartley due to an August 2002 settlement of all claims with Southern Union. The Company and its officers and directors did not participate in, nor were they parties to this trial.