

QUALIFICATIONS OF ADRIEN M. MCKENZIE

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Adrien M. McKenzie. My business address is 3907 Red River Street, Austin, Texas 78751.

Q. PLEASE STATE YOUR OCCUPATION.

A. I am a principal in FINCAP, Inc., a firm engaged primarily in financial, economic, and policy consulting in the field of public utility regulation.

Q. PLEASE DESCRIBE YOUR QUALIFICATIONS AND EXPERIENCE.

A. I received B.A. and M.B.A. degrees with a major in finance from The University of Texas at Austin and hold the Chartered Financial Analyst (CFA[®]) designation. Since joining FINCAP in 1984, I have participated in consulting assignments involving a broad range of economic and financial issues, including cost of capital, cost of service, rate design, economic damages, and business valuation. I have extensive experience in economic and financial analysis for regulated industries, and in preparing and supporting expert witness testimony before courts, regulatory agencies, and legislative committees throughout the U.S. and Canada. I have personally sponsored direct and rebuttal testimony in more than 200 proceedings filed with the Federal Energy Regulatory Commission (“FERC”) and regulatory agencies in Alaska, Arkansas, Colorado, District of Columbia, Florida, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Michigan, Montana, Nebraska, New Mexico, Ohio, Oklahoma, Oregon, South Dakota, Texas, Virginia, Washington, West Virginia, and Wyoming. My testimony has addressed the establishment of risk-comparable proxy groups, the application of alternative quantitative methods, and the consideration of regulatory standards and policy objectives in

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establishing a fair rate of return on common equity for regulated electric, gas, and water utility operations. In connection with these assignments, my responsibilities have included critically evaluating the positions of other parties and preparation of rebuttal testimony, representing clients in settlement negotiations and hearings, and assisting in the preparation of legal briefs.

FINCAP was formed in 1979 as an economic and financial consulting firm serving clients in both the regulated and competitive sectors. FINCAP conducts assignments ranging from broad qualitative analyses and policy consulting to technical analyses and research. The firm's experience is in the areas of public utilities, valuation of closely-held businesses, and economic evaluations (e.g., damage and cost/benefit analyses). Prior to joining FINCAP, I was employed by an oil and gas firm and was responsible for operations and accounting. I am a member of the CFA Institute. A resume containing the details of my qualifications and experience is attached below.

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ADRIEN M. McKENZIE

FINCAP, INC.
Financial Concepts and Applications
Economic and Financial Counsel

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Austin, Texas 78751
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Summary of Qualifications

Adrien McKenzie has over 35 years of experience in economic and financial analysis for regulated industries, and in preparing and supporting expert witness testimony before regulatory agencies, courts, and legislative committees throughout the U.S. and Canada. Assignments have included a broad range of economic and financial issues, including cost of capital, cost of service, rate design, economic damages, and business valuation. Mr. McKenzie holds the Chartered Financial Analyst (CFA[®]) designation and earned an MBA in finance from the University of Texas at Austin.

Employment

President
FINCAP, Inc.
(June 1984 to June 1987)
(April 1988 to present)

Economic consulting firm specializing in regulated industries and valuation of closely-held businesses. Assignments have involved electric, gas, telecommunication, and water/sewer utilities, with clients including utilities, consumer groups, municipalities, regulatory agencies, and cogenerators. Areas of participation have included rate of return, revenue requirements, rate design, tariff analysis, avoided cost, forecasting, and negotiations. Develop cost of capital analyses using alternative market models for electric, gas, and telephone utilities. Prepare pre-filed direct and rebuttal testimony, participate in settlement negotiations, respond to interrogatories, evaluate opposition testimony, and assist in the areas of cross-examination and the preparations of legal briefs. Other assignments have involved preparation of technical reports, valuations, estimation of damages, industry studies, and various economic analyses in support of litigation.

Manager,
McKenzie Energy Company
(Jan. 1981 to May. 1984)

Responsible for operations and accounting for firm engaged in the management of working interests in oil and gas properties.

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Education

M.B.A., Finance,
University of Texas at Austin
(Sep. 1982 to May. 1984)

Program included coursework in corporate finance, accounting, financial modeling, and statistics. Received Dean's Award for Academic Excellence and Good Neighbor Scholarship.

Professional Report: *The Impact of Construction Expenditures on Investor-Owned Electric Utilities*

B.B.A., Finance,
University of Texas at Austin
(Jan. 1981 to May 1982)

Electives included capital market theory, portfolio management, and international economics and finance. Elected to Beta Gamma Sigma business honor society. Dean's List 1981-1982.

Simon Fraser University,
Vancouver, Canada and University
of Hawaii at Manoa, Honolulu,
Hawaii
(Jan. 1979 to Dec 1980)

Coursework in accounting, finance, economics, and liberal arts.

Professional Associations

Received Chartered Financial Analyst (CFA[®]) designation in 1990.

Member – CFA Institute.

Bibliography

“A Profile of State Regulatory Commissions,” A Special Report by the Electricity Consumers Resource Council (ELCON), Summer 1991.

“The Impact of Regulatory Climate on Utility Capital Costs: An Alternative Test,” with Bruce H. Fairchild, *Public Utilities Fortnightly* (May 25, 1989).

Presentations

“ROE at FERC: Issues and Methods,” *Expert Briefing on Parallels in ROE Issues between AER, ERA, and FERC*, Jones Day (Sydney, Melbourne, and Perth, Australia) (April 15, 2014).

Cost of Capital Working Group eforum, Edison Electric Institute (April 24, 2012).

“Cost-of-Service Studies and Rate Design,” General Management of Electric Utilities (A Training Program for Electric Utility Managers from Developing Countries), Austin, Texas (October 1989 and November 1990 and 1991).

QUALIFICATIONS OF ADRIEN M. MCKENZIE

Representative Assignments

- Mr. McKenzie has prepared and sponsored prefiled testimony submitted in over 200 regulatory proceedings.
- In addition to filings before regulatory agencies in Alaska, Arkansas, Colorado, District of Columbia, Florida, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Michigan, Montana, Nebraska, New Mexico, Ohio, Oklahoma, Oregon, South Dakota, Texas, Virginia, Washington, West Virginia, and Wyoming, Mr. McKenzie has considerable expertise in preparing expert analyses and testimony before the Federal Energy Regulatory Commission.
- Evaluation of fair rate of return on equity for electric, gas, water, sewer, and telephone utilities, as well as natural gas pipelines.
- Analysis of capital structure issues for regulated utilities.
- Developing cost of service, cost allocation, and rate design studies.
- Design and development of explanatory models for nuclear plant capital costs in connection with prudence reviews.
- Analysis of avoided cost pricing for cogenerated power.
- Application of econometric models to analyze the impact of anti-competitive behavior, theft of trade secrets, and estimate lost profits.
- Valuation of closely-held businesses.

ROE ANALYSES

SUMMARY OF RESULTS

Method	Average		
<u>DCF</u>			
Value Line	10.2%		
IBES	10.5%		
Zacks	9.9%		
Internal br + sv	9.5%		
<u>CAPM</u>	11.7%	--	12.4%
<u>ECAPM</u>	11.9%	--	12.6%
<u>Utility Risk Premium</u>	10.5%		
<u>Expected Earnings</u>	9.6%		
ROE Recommendation			
ROE Range	10.0%	--	11.0%
Recommended ROE	10.5%		

REGULATORY MECHANISMS

GAS GROUP

Company	State	Cost Recovery Mechanism (a)							Other Regulatory Mechanisms (a)				
		Purchased	Bad	Pension &	Environ-	Energy Efficiency/	Infra-	Weather	Decoupling/	Performance-	Future		
		Gas	Debt	Retirement	mental	Conservation	Other (b)	structure	Normalization	Margin Stability/	Based	Test	
								Adjustment	Formula Rates	Rate Program	Year		
1													
ATMOS ENERGY													
Mid-Tex/West Texas	TX	✓	✓	✓	--	--	--	✓	✓	✓	--	--	
Kentucky/Mid-States	KY	✓	✓	--	--	--	--	✓	✓	--	✓	✓	
Kentucky/Mid-States	TN	✓	✓	✓	--	--	--	✓	✓	✓	✓	--	
Kentucky/Mid-States	VA	✓	✓	--	--	--	--	✓	✓	--	--	✓	
Louisiana	LA	✓	--	✓	--	--	--	✓	✓	✓	--	--	
Mississippi	MS	✓	✓	--	--	--	--	✓	✓	✓	--	✓	
Colorado-Kansas	CO	✓	--	✓	--	--	--	✓	--	--	--	✓	
Colorado-Kansas	KS	✓	✓	✓	--	--	--	✓	✓	--	✓	--	
2													
CHESAPEAKE UTILITES													
Delmarva Natural Gas	DE	✓	✓	--	✓	--	--	✓	--	--	--	--	
Delmarva Natural Gas	MD	✓	✓	--	✓	--	--	--	✓	✓	--	--	
Florida Nat Gas & Florida City Gas	FL	✓	✓	--	✓	--	--	✓	--	--	--	--	
3													
NEW JERSEY RESOURCES													
New Jersey Natural Gas Co.	NJ	✓	--	--	✓	✓	✓	✓	*	✓	--	--	
4													
NISOURCE INC.													
Northern Indiana Pub. Service Co.	IN	✓	✓	--	--	--	--	✓	✓	--	--	--	
Columbia Gas of Kentucky Inc.	KY	✓	✓	--	--	--	--	✓	✓	--	--	--	
Columbia Gas of Maryland Inc.	MD	✓	✓	--	--	--	--	--	✓	✓	--	--	
Columbia Gas of Ohio Inc.	OH	✓	✓	--	--	--	--	✓	--	✓	--	--	
Columbia Gas of Pennsylvania Inc.	PA	✓	✓	--	--	--	--	✓	✓	--	--	--	
Columbia Gas of Virginia Inc.	VA	✓	✓	--	--	--	--	✓	✓	✓	--	--	
5													
NORTHWEST NATURAL													
Northwest Natural Gas Co.	OR	✓	--	--	✓	--	--	--	✓	✓	✓	✓	
Northwest Natural Gas Co.	WA	✓	--	--	✓	--	--	--	--	--	✓	✓	
6													
ONE GAS, INC.													
Kansas Gas Service Co.	KS	✓	✓	✓	--	--	✓	✓	✓	--	--	--	
Oklahoma Natural Gas Co.	OK	✓	✓	✓	--	✓	--	✓	✓	--	✓	--	
Texas Gas Service Co.	TX	✓	✓	✓	--	✓	--	✓	✓	--	--	--	
7													
SOUTHWEST GAS													
Southwest Gas Corp.	AZ	✓	--	--	--	--	✓	✓	*	✓	--	✓	
Southwest Gas Corp.	CA	✓	--	✓	--	--	✓	✓	*	✓	--	✓	
Southwest Gas Corp.	NV	✓	--	--	--	--	✓	✓	*	✓	--	✓	
8													
SPIRE INC.													
Spire Alabama & Spire Gulf	AL	✓	--	--	--	--	--	--	✓	✓	--	✓	
Spire Mississippi	MS	✓	--	--	--	--	--	--	✓	✓	--	--	
Spire Missouri	MO	✓	--	✓	--	✓	✓	✓	✓	--	--	--	
Total		29	29	18	10	6	4	6	23	20	15	6	10

(a) SEC Form 10-K Reports and Investor Presentations (as provided on each company's website under Investor Relations).

(b) New Jersey Natural Gas (societal benefits); Kansas Gas Service (ad valorem taxes); Southwest Gas-AZ (income taxes, ad valorem taxes); Southwest Gas-CA (damage prevention, annual attrition adjustments); Southwest Gas-VN (variable interest expense); Spire Missouri (ad valorem taxes).

* Accounted for in decoupling mechanism

DCF MODEL - GAS GROUP

DIVIDEND YIELD

		(a)	(b)	
	Company	Price	Dividends	Yield
1	Atmos Energy Corp.	\$ 143.78	\$ 3.58	2.5%
2	Chesapeake Utilities	\$ 122.55	\$ 2.68	2.2%
3	New Jersey Resources	\$ 46.74	\$ 1.80	3.9%
4	NiSource Inc.	\$ 38.07	\$ 1.12	2.9%
5	Northwest Natural	\$ 40.29	\$ 1.96	4.9%
6	ONE Gas, Inc.	\$ 70.99	\$ 2.69	3.8%
7	Southwest Gas	\$ 70.99	\$ 2.48	3.5%
8	Spire Inc.	\$ 71.21	\$ 3.17	4.5%
	Average			3.5%

(a) Average of closing prices for 30 trading days ended Feb. 24, 2025.

(b) The Value Line Investment Survey, *Summary & Index* (Feb. 28, 2025).

DCF MODEL - GAS GROUP

GROWTH RATES

	Company	(a)	(b)	(c)	(d)
		Earnings Growth			br+sv
		V Line	IBES	Zacks	Growth
1	Atmos Energy Corp.	6.0%	7.0%	7.1%	6.6%
2	Chesapeake Utilities	5.0%	n/a	n/a	6.3%
3	New Jersey Resources	5.0%	n/a	n/a	8.0%
4	NiSource Inc.	9.5%	8.2%	8.2%	6.3%
5	Northwest Natural	6.5%	6.0%	n/a	5.8%
6	ONE Gas, Inc.	4.0%	n/a	4.7%	3.6%
7	Southwest Gas	10.0%	n/a	6.6%	3.6%
8	Spire Inc.	4.5%	n/a	5.8%	5.5%

- (a) The Value Line Investment Survey (Feb. 21, 2025).
- (b) IBES growth rates from LSEG, as provided by www.fidelity.com (retrieved Feb. 25, 2025).
- (c) www.zacks.com (retrieved Feb. 25, 2025).
- (d) See Exhibit AMM-5.

DCF MODEL - GAS GROUP

DCF COST OF EQUITY ESTIMATES

	(a)	(a)	(a)	(a)
Company	V Line	IBES	Zacks	br+sv Growth
1 Atmos Energy Corp.	8.5%	9.5%	9.6%	9.1%
2 Chesapeake Utilities	7.2%	n/a	n/a	8.5%
3 New Jersey Resources	8.9%	n/a	n/a	11.8%
4 NiSource Inc.	12.4%	11.1%	11.1%	9.3%
5 Northwest Natural	11.4%	10.9%	n/a	10.6%
6 ONE Gas, Inc.	7.8%	n/a	8.4%	7.4%
7 Southwest Gas	13.5%	n/a	10.1%	7.1%
8 Spire Inc.	9.0%	n/a	10.3%	9.9%
Average (b)	10.2%	10.5%	9.9%	9.5%

(a) Sum of dividend yield (page 1) and respective growth rate (page 2).

(b) Excludes highlighted figures.

DCF MODEL - GAS GROUP**BR + SV GROWTH RATE**

	(a)	(a)	(a)	(b)	(c)	(d)	(e)		(f)	(g)		
	2029			Adjustment			"sv" Factor					
Company	EPS	DPS	BVPS	b	r	Factor	Adjusted r	br	s	v	sv	br + sv
1 Atmos Energy Corp.	\$8.65	\$4.45	\$97.30	48.6%	8.9%	1.0393	9.2%	4.5%	0.0568	0.3723	2.12%	6.6%
2 Chesapeake Utilities	\$6.80	\$3.35	\$72.80	50.7%	9.3%	1.0278	9.6%	4.9%	0.0312	0.4607	1.44%	6.3%
3 New Jersey Resources	\$3.90	\$2.20	\$27.00	43.6%	14.4%	1.0254	14.8%	6.5%	0.0262	0.5846	1.53%	8.0%
4 NiSource Inc.	\$2.55	\$1.44	\$25.70	43.5%	9.9%	1.0252	10.2%	4.4%	0.0414	0.4589	1.90%	6.3%
5 Northwest Natural	\$3.45	\$2.00	\$44.20	42.0%	7.8%	1.0391	8.1%	3.4%	0.0641	0.3686	2.36%	5.8%
6 ONE Gas, Inc.	\$5.25	\$2.90	\$69.45	44.8%	7.6%	1.0358	7.8%	3.5%	0.0024	0.2689	0.06%	3.6%
7 Southwest Gas	\$4.85	\$3.00	\$58.65	38.1%	8.3%	1.0176	8.4%	3.2%	0.0122	0.3297	0.40%	3.6%
8 Spire Inc.	\$5.25	\$3.70	\$57.80	29.5%	9.1%	1.0331	9.4%	2.8%	0.0725	0.3751	2.72%	5.5%

DCF MODEL - GAS GROUP

BR + SV GROWTH RATE

Company	(a)	(a)	(h)	(a)	(a)	(h)	(i)	(a)	(a)	(j)	(a)	(a)	(i)	
	<u>Eq Ratio</u>	<u>Tot Cap</u>	<u>Com Eq</u>	<u>Eq Ratio</u>	<u>Tot Cap</u>	<u>Com Eq</u>	<u>Chg</u>	<u>2029 Price</u>			<u>Common Shares</u>			
1 Atmos Energy Corp.	60.7%	\$20,018	\$12,151	60.0%	\$30,000	\$18,000	8.2%	\$170.00	\$140.00	\$155.00	1.593	155.26	185.00	3.57%
2 Chesapeake Utilities	53.5%	\$2,575	\$1,378	52.0%	\$3,500	\$1,820	5.7%	\$155.00	\$115.00	\$135.00	1.854	23.00	25.00	1.68%
3 New Jersey Resources	43.3%	\$5,080	\$2,200	45.0%	\$6,300	\$2,835	5.2%	\$75.00	\$55.00	\$65.00	2.407	99.46	105.00	1.09%
4 NiSource Inc.	46.0%	\$22,800	\$10,488	45.0%	\$30,000	\$13,500	5.2%	\$55.00	\$40.00	\$47.50	1.848	470.00	525.00	2.24%
5 Northwest Natural	47.5%	\$3,150	\$1,496	45.0%	\$4,915	\$2,212	8.1%	\$80.00	\$60.00	\$70.00	1.584	41.00	50.00	4.05%
6 ONE Gas, Inc.	56.2%	\$4,926	\$2,769	55.0%	\$7,200	\$3,960	7.4%	\$110.00	\$80.00	\$95.00	1.368	56.50	57.00	0.18%
7 Southwest Gas	45.0%	\$8,200	\$3,690	44.0%	\$10,000	\$4,400	3.6%	\$100.00	\$75.00	\$87.50	1.492	72.00	75.00	0.82%
8 Spire Inc.	43.1%	\$6,937	\$2,990	45.0%	\$9,250	\$4,163	6.8%	\$105.00	\$80.00	\$92.50	1.600	57.70	72.00	4.53%

(a) The Value Line Investment Survey (Feb. 21, 2025).

(b) "b" is the retention ratio, computed as (EPS-DPS)/EPS.

(c) "r" is the rate of return on book equity, computed as EPS/BVPS.

(d) Computed using the formula $2 * (1 + 5\text{-Yr. Change in Equity}) / (2 + 5 \text{ Yr. Change in Equity})$.

(e) Product of year-end "r" for 2029 and Adjustment Factor.

(f) Product of change in common shares outstanding and M/B Ratio.

(g) Computed as $1 - B/M$ Ratio.

(h) Product of total capital and equity ratio.

(i) Five-year rate of change.

(j) Average of High and Low expected market prices divided by 2029 BVPS.

CAPM

GAS GROUP

	(a)	(b)	(c)			(d)	(e)	(f)		
	Market Return (R_m)			Risk-Free	Risk		Unadjusted	Market	Size	Adjusted
Company	Div Yield	Proj. Growth	Cost of Equity	Rate	Premium	Beta	CAPM	Cap	Adjustment	CAPM
1 Atmos Energy Corp.	1.6%	10.9%	12.5%	4.4%	8.1%	0.85	11.3%	\$22,600	0.33%	11.6%
2 Chesapeake Utilities	1.6%	10.9%	12.5%	4.4%	8.1%	0.85	11.3%	\$2,800	1.00%	12.3%
3 New Jersey Resources	1.6%	10.9%	12.5%	4.4%	8.1%	0.95	12.1%	\$4,600	0.74%	12.8%
4 NiSource Inc.	1.6%	10.9%	12.5%	4.4%	8.1%	0.95	12.1%	\$17,800	0.49%	12.6%
5 Northwest Natural	1.6%	10.9%	12.5%	4.4%	8.1%	0.90	11.7%	\$1,600	1.19%	12.9%
6 ONE Gas, Inc.	1.6%	10.9%	12.5%	4.4%	8.1%	0.85	11.3%	\$4,000	0.74%	12.0%
7 Southwest Gas	1.6%	10.9%	12.5%	4.4%	8.1%	0.95	12.1%	\$5,500	0.74%	12.8%
8 Spire Inc.	1.6%	10.9%	12.5%	4.4%	8.1%	0.90	11.7%	\$4,200	0.74%	12.4%
Average							11.7%			12.4%

(a) Weighted average for dividend-paying stocks in the S&P 500 based on data from www.valueline.com (retrieved Jan. 31, 2025).

(b) Average of weighted average earnings growth rates from IBES, Value Line, and Zacks for dividend-paying stocks in the S&P 500 based on data from LSEG, as provided by www.fidelity.com (retrieved Jan. 31, 2025), www.valueline.com (retrieved Jan. 31, 2025), and www.zacks.com (retrieved Jan. 31, 2025).

(c) Average yield on 30-year Treasury bonds for six-months ended Jan. 2025 based on data from <https://fred.stlouisfed.org/>.

(d) The Value Line Investment Survey, Summary & Index (Feb. 28, 2025).

(e) The Value Line Investment Survey (Feb. 21, 2025).

(f) Kroll, 2024 CRSP Deciles Size Premium, Cost of Capital Navigator (2025).

EMPIRICAL CAPM

GAS GROUP

	(a)	(b)	(c)			(d)	(e)	(d)		(f)	(g)				
	Market Return (R_m)			Risk-Free	Risk	Unadjusted RP		Beta	Adjusted RP		Total RP	Unadjusted	Market	Size	Adjusted
Company	Div	Proj.	R_m	Rate	Premium	Weight	RP^1	Beta	Weight	RP^2		ECAPM	Cap	Adjustment	ECAPM
1 Atmos Energy Corp.	1.6%	10.9%	12.5%	4.4%	8.1%	25%	2.0%	0.85	75%	5.2%	7.2%	11.6%	\$22,600	0.33%	11.9%
2 Chesapeake Utilities	1.6%	10.9%	12.5%	4.4%	8.1%	25%	2.0%	0.85	75%	5.2%	7.2%	11.6%	\$2,800	1.00%	12.6%
3 New Jersey Resources	1.6%	10.9%	12.5%	4.4%	8.1%	25%	2.0%	0.95	75%	5.8%	7.8%	12.2%	\$4,600	0.74%	12.9%
4 NiSource Inc.	1.6%	10.9%	12.5%	4.4%	8.1%	25%	2.0%	0.95	75%	5.8%	7.8%	12.2%	\$17,800	0.49%	12.7%
5 Northwest Natural	1.6%	10.9%	12.5%	4.4%	8.1%	25%	2.0%	0.90	75%	5.5%	7.5%	11.9%	\$1,600	1.19%	13.1%
6 ONE Gas, Inc.	1.6%	10.9%	12.5%	4.4%	8.1%	25%	2.0%	0.85	75%	5.2%	7.2%	11.6%	\$4,000	0.74%	12.3%
7 Southwest Gas	1.6%	10.9%	12.5%	4.4%	8.1%	25%	2.0%	0.95	75%	5.8%	7.8%	12.2%	\$5,500	0.74%	12.9%
8 Spire Inc.	1.6%	10.9%	12.5%	4.4%	8.1%	25%	2.0%	0.90	75%	5.5%	7.5%	11.9%	\$4,200	0.74%	12.6%
Average												11.9%			12.6%

- (a) Weighted average for dividend-paying stocks in the S&P 500 based on data from www.valueline.com (retrieved Jan. 31, 2025).
- (b) Average of weighted average earnings growth rates from IBES, Value Line, and Zacks for dividend-paying stocks in the S&P 500 based on data from LSEG, as provided by www.fidelity.com (retrieved Jan. 31, 2025), www.valueline.com (retrieved Jan. 31, 2025), and www.zacks.com (retrieved Jan. 31, 2025).
- (c) Average yield on 30-year Treasury bonds for six-months ended Jan. 2025 based on data from <https://fred.stlouisfed.org/>.
- (d) Roger A. Morin, *New Regulatory Finance*, Pub. Util. Reports, Inc. (2006) at 190.
- (e) The Value Line Investment Survey, Summary & Index (Feb. 28, 2025).
- (f) The Value Line Investment Survey (Feb. 21, 2025).
- (g) Kroll, 2024 CRSP Deciles Size Premium, Cost of Capital Navigator (2025).

GAS UTILITY RISK PREMIUM

CURRENT BOND YIELDS

<u>Current Equity Risk Premium</u>	
(a) Average Yield over Study Period	7.52%
(b) Average Single-A Utility Bond Yield	<u>5.50%</u>
Change in Bond Yield	-2.02%
(c) Risk Premium/Interest Rate Relationship	<u>-0.4738</u>
Adjustment to Average Risk Premium	0.96%
(a) Average Risk Premium over Study Period	<u>3.81%</u>
Adjusted Risk Premium	4.77%
<u>Implied Cost of Equity</u>	
(b) Baa Utility Bond Yield	5.71%
Adjusted Equity Risk Premium	<u>4.77%</u>
Risk Premium Cost of Equity	10.48%

- (a) Exhibit AMM-8, page 4.
- (b) Yields on 'A' and 'Baa' utility bonds for six-months ending Jan. 2025 based on data from Moody's Investors Service at www.credittrends.com.
- (c) Exhibit AMM-8, page 5.

GAS UTILITY RISK PREMIUM

AUTHORIZED RETURNS

		(a)	(b)				(a)	(b)	
		Allowed	Single-A				Allowed	Single-A	
Year	Qtr.	ROE	Utility Bond	Risk	Year	Qtr.	ROE	Utility Bond	Risk
			Yield	Premium				Yield	Premium
1980	1	13.45%	13.49%	-0.04%	1990	1	12.60%	9.72%	2.88%
	2	14.38%	12.87%	1.51%		2	12.81%	9.91%	2.90%
	3	13.87%	12.88%	0.99%		3	12.34%	9.93%	2.41%
	4	14.35%	14.11%	0.24%		4	12.77%	9.89%	2.88%
1981	1	14.69%	14.77%	-0.08%	1991	1	12.69%	9.58%	3.11%
	2	14.61%	15.82%	-1.21%		2	12.53%	9.50%	3.03%
	3	14.86%	16.65%	-1.79%		3	12.43%	9.33%	3.10%
	4	15.70%	16.57%	-0.87%		4	12.38%	9.02%	3.36%
1982	1	15.55%	16.72%	-1.17%	1992	1	12.42%	8.91%	3.51%
	2	15.62%	16.26%	-0.64%		2	11.98%	8.86%	3.12%
	3	15.72%	15.88%	-0.16%		3	11.87%	8.47%	3.40%
	4	15.62%	14.56%	1.06%		4	11.94%	8.53%	3.41%
1983	1	15.41%	14.15%	1.26%	1993	1	11.75%	8.07%	3.68%
	2	14.84%	13.58%	1.26%		2	11.71%	7.81%	3.90%
	3	15.24%	13.52%	1.72%		3	11.39%	7.28%	4.11%
	4	15.41%	13.38%	2.03%		4	11.15%	7.22%	3.93%
1984	1	15.39%	13.56%	1.83%	1994	1	11.12%	7.55%	3.57%
	2	15.07%	14.72%	0.35%		2	10.81%	8.29%	2.52%
	3	15.37%	14.47%	0.90%		3	10.95%	8.51%	2.44%
	4	15.33%	13.38%	1.95%		4	11.64%	8.87%	2.77%
1985	1	15.03%	13.31%	1.72%	1995	1	(c)	--	--
	2	15.44%	12.95%	2.49%		2	11.00%	7.93%	3.07%
	3	14.64%	12.11%	2.53%		3	11.07%	7.72%	3.35%
	4	14.44%	11.49%	2.95%		4	11.56%	7.37%	4.19%
1986	1	14.05%	10.18%	3.87%	1996	1	11.45%	7.44%	4.01%
	2	13.28%	9.41%	3.87%		2	10.88%	7.98%	2.90%
	3	13.09%	9.39%	3.70%		3	11.25%	7.96%	3.29%
	4	13.62%	9.31%	4.31%		4	11.32%	7.62%	3.70%
1987	1	12.61%	8.96%	3.65%	1997	1	11.31%	7.76%	3.55%
	2	13.13%	9.77%	3.36%		2	11.70%	7.88%	3.82%
	3	12.56%	10.61%	1.95%		3	12.00%	7.49%	4.51%
	4	12.73%	11.05%	1.68%		4	11.01%	7.25%	3.76%
1988	1	12.94%	10.32%	2.62%	1998	1	(c)	--	--
	2	12.48%	10.71%	1.77%		2	11.37%	7.12%	4.25%
	3	12.79%	10.94%	1.85%		3	11.41%	6.99%	4.42%
	4	12.98%	9.98%	3.00%		4	11.69%	6.97%	4.72%
1989	1	12.99%	10.13%	2.86%	1999	1	10.82%	7.11%	3.71%
	2	13.25%	9.94%	3.31%		2	10.82%	7.48%	3.34%
	3	12.56%	9.53%	3.03%		3	(c)	--	--
	4	12.94%	9.50%	3.44%		4	10.33%	8.05%	2.28%

GAS UTILITY RISK PREMIUM

AUTHORIZED RETURNS

Year	Qtr.	(a)	(b)	Risk Premium	Year	Qtr.	(a)	(b)	Risk Premium
		Allowed ROE	Single-A Utility Bond Yield				Single-A Utility Bond Yield		
2000	1	10.71%	8.29%	2.42%	2010	1	10.24%	5.83%	4.41%
	2	11.08%	8.45%	2.63%		2	9.99%	5.61%	4.38%
	3	11.33%	8.25%	3.08%		3	9.93%	5.09%	4.84%
	4	12.50%	8.03%	4.47%		4	10.09%	5.34%	4.75%
2001	1	11.16%	7.74%	3.42%	2011	1	10.10%	5.60%	4.50%
	2	10.75%	7.93%	2.82%		2	9.88%	5.38%	4.50%
	3	(c)	--	--		3	9.65%	4.81%	4.84%
	4	10.65%	7.68%	2.97%		4	9.88%	4.37%	5.51%
2002	1	10.67%	7.65%	3.02%	2012	1	9.63%	4.39%	5.24%
	2	11.64%	7.50%	4.14%		2	9.83%	4.23%	5.60%
	3	11.50%	7.19%	4.31%		3	9.75%	3.98%	5.77%
	4	10.78%	7.15%	3.63%		4	10.07%	3.93%	6.14%
2003	1	11.38%	6.93%	4.45%	2013	1	9.57%	4.18%	5.39%
	2	11.36%	6.40%	4.96%		2	9.47%	4.23%	5.24%
	3	10.61%	6.64%	3.97%		3	9.60%	4.74%	4.86%
	4	10.84%	6.35%	4.49%		4	9.83%	4.76%	5.07%
2004	1	11.10%	6.09%	5.01%	2014	1	9.54%	4.56%	4.98%
	2	10.25%	6.48%	3.77%		2	9.84%	4.32%	5.52%
	3	10.37%	6.13%	4.24%		3	9.45%	4.20%	5.25%
	4	10.66%	5.94%	4.72%		4	10.28%	4.03%	6.25%
2005	1	10.65%	5.74%	4.91%	2015	1	9.47%	3.66%	5.81%
	2	10.54%	5.52%	5.02%		2	9.43%	4.10%	5.33%
	3	10.47%	5.51%	4.96%		3	9.75%	4.35%	5.40%
	4	10.40%	5.82%	4.58%		4	9.68%	4.35%	5.33%
2006	1	10.63%	5.85%	4.78%	2016	1	9.48%	4.18%	5.30%
	2	10.50%	6.37%	4.13%		2	9.42%	3.90%	5.52%
	3	10.45%	6.19%	4.26%		3	9.47%	3.61%	5.86%
	4	10.14%	5.86%	4.28%		4	9.68%	4.04%	5.64%
2007	1	10.44%	5.90%	4.54%	2017	1	9.60%	4.18%	5.42%
	2	10.12%	6.09%	4.03%		2	9.47%	4.06%	5.41%
	3	10.03%	6.22%	3.81%		3	10.14%	3.91%	6.23%
	4	10.27%	6.08%	4.19%		4	9.68%	3.84%	5.84%
2008	1	10.38%	6.15%	4.23%	2018	1	9.68%	4.03%	5.65%
	2	10.17%	6.32%	3.85%		2	9.43%	4.24%	5.19%
	3	10.49%	6.42%	4.07%		3	9.69%	4.28%	5.41%
	4	10.34%	7.23%	3.11%		4	9.53%	4.45%	5.08%
2009	1	10.24%	6.37%	3.87%	2019	1	9.55%	4.25%	5.30%
	2	10.11%	6.39%	3.72%		2	9.73%	3.96%	5.77%
	3	9.88%	5.74%	4.14%		3	9.80%	3.45%	6.35%
	4	10.27%	5.66%	4.61%		4	9.74%	3.41%	6.33%

GAS UTILITY RISK PREMIUM

AUTHORIZED RETURNS

Year	Qtr.	(a)	(b)	Risk Premium
		Allowed ROE	Single-A Utility Bond Yield	
2020	1	9.35%	3.30%	6.05%
	2	9.55%	3.13%	6.42%
	3	9.52%	2.77%	6.75%
	4	9.50%	2.86%	6.64%
2021	1	9.71%	3.15%	6.56%
	2	9.48%	3.26%	6.22%
	3	9.43%	2.95%	6.48%
	4	9.59%	3.05%	6.54%
2022	1	9.38%	3.66%	5.72%
	2	9.23%	4.64%	4.59%
	3	9.52%	4.94%	4.58%
	4	9.65%	5.63%	4.02%
2023	1	9.75%	5.29%	4.46%
	2	9.45%	5.29%	4.16%
	3	9.66%	5.66%	4.00%
	4	9.63%	5.94%	3.69%
2024	1	9.62%	5.53%	4.09%
	2	9.93%	5.71%	4.22%
	3	9.64%	5.41%	4.23%
	4	9.70%	5.52%	4.18%
Average		11.33%	7.52%	3.81%

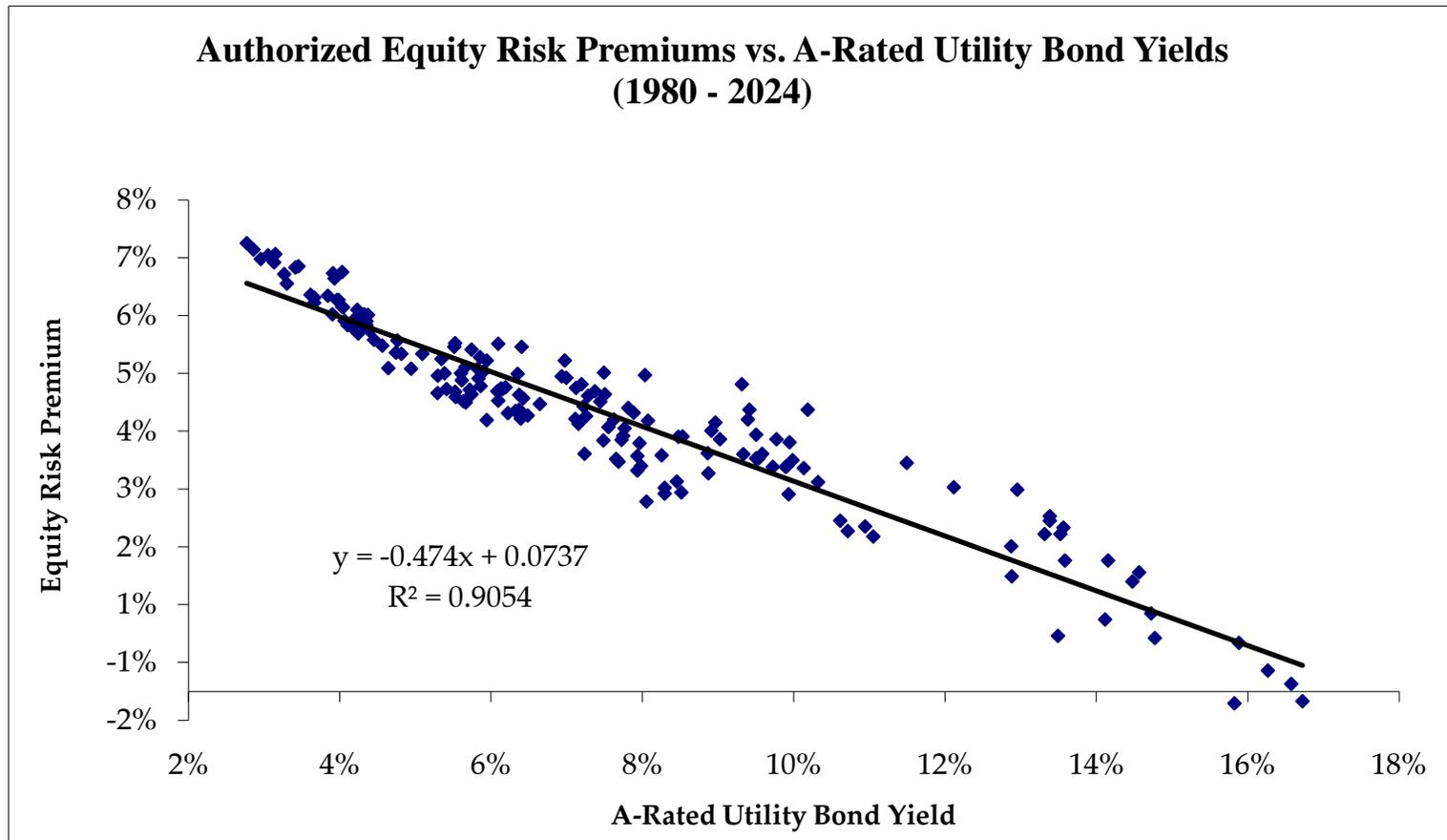
(a) S&P Global Market Intelligence, *Major Rate Case Decisions*, (Feb. 4, 2025; Jan. 31, 2020; Jan. 14, 2016; Jan. 7, 2011; Apr. 5, 2004; Jan. 21, 1998; July 12, 1991; and Jan. 16, 1990).

(b) Moody's Investors Service.

(c) No decisions reported.

GAS UTILITY RISK PREMIUM

REGRESSION RESULTS



EXPECTED EARNINGS APPROACH

GAS GROUP

	(a)	(b)	(c)
Company	Expected Return on Common Equity	Adjustment Factor	Adjusted Return on Common Equity
1 Atmos Energy Corp.	9.5%	1.0393	9.9%
2 Chesapeake Utilities	10.0%	1.0278	10.3%
3 New Jersey Resources	12.5%	1.0254	12.8%
4 NiSource Inc.	8.0%	1.0252	8.2%
5 Northwest Natural	8.0%	1.0391	8.3%
6 ONE Gas, Inc.	8.5%	1.0358	8.8%
7 Southwest Gas	7.0%	1.0176	7.1%
8 Spire Inc.	8.5%	1.0331	8.8%
Average (d)			9.6%

(a) The Value Line Investment Survey (Feb. 21, 2025).

(b) Adjustment to convert year-end return to an average rate of return from Exhibit AMM-5.

(c) (a) x (b).

(d) Excludes highlighted values.

DCF MODEL - NON-UTILITY GROUP

DIVIDEND YIELD

			(a)	(b)	
	Company	Industry Group	Price	Dividends	Yield
1	Abbott Labs.	Med Supp Non-Invasive	\$125.64	\$ 2.36	1.9%
2	AbbVie Inc.	Drug	\$ 184.36	\$ 6.20	3.4%
3	Air Products & Chem.	Chemical (Diversified)	\$ 318.52	\$ 7.08	2.2%
4	Alphabet Inc.	Internet	\$ 193.49	\$ 0.86	0.4%
5	Amdocs Ltd.	IT Services	\$ 86.40	\$ 1.92	2.2%
6	Amgen	Biotechnology	\$ 285.84	\$ 9.52	3.3%
7	Apple Inc.	Computers/Peripherals	\$ 234.66	\$ 1.00	0.4%
8	AptarGroup	Packaging & Container	\$ 152.50	\$ 1.80	1.2%
9	Becton, Dickinson	Med Supp Invasive	\$ 236.01	\$ 4.18	1.8%
10	Bristol-Myers Squibb	Drug	\$ 57.15	\$ 2.28	4.0%
11	Brown-Forman 'B'	Beverage	\$ 32.51	\$ 1.00	3.1%
12	Church & Dwight	Household Products	\$ 105.72	\$ 1.14	1.1%
13	Cisco Systems	Telecom. Equipment	\$ 61.68	\$ 1.60	2.6%
14	CME Group	Brokers & Exchanges	\$ 239.27	\$ 4.60	1.9%
15	Coca-Cola	Beverage	\$ 64.75	\$ 2.04	3.2%
16	Colgate-Palmolive	Household Products	\$ 87.79	\$ 2.00	2.3%
17	Comcast Corp.	Cable TV	\$ 35.82	\$ 1.24	3.5%
18	Costco Wholesale	Retail Store	\$ 997.00	\$ 4.92	0.5%
19	Danaher Corp.	Med Supp Non-Invasive	\$ 223.09	\$ 1.17	0.5%
20	Electronic Arts	Entertainment Tech	\$ 130.26	\$ 0.84	0.6%
21	Gallagher (Arthur J.)	Financial Svcs. (Div.)	\$ 307.62	\$ 2.50	0.8%
22	Gen'l Mills	Food Processing	\$ 59.43	\$ 2.44	4.1%
23	Gilead Sciences	Drug	\$ 97.89	\$ 3.08	3.1%
24	Hershey Co.	Food Processing	\$ 155.59	\$ 5.80	3.7%
25	Hormel Foods	Food Processing	\$ 29.66	\$ 1.16	3.9%
26	IDEX Corp.	Machinery	\$ 208.46	\$ 2.90	1.4%
27	Int'l Business Mach.	Computer Software	\$ 243.44	\$ 6.72	2.8%
28	Johnson & Johnson	Drug	\$ 152.06	\$ 5.11	3.4%
29	Kimberly-Clark	Household Products	\$ 130.74	\$ 4.88	3.7%
30	Lilly (Eli)	Drug	\$ 819.17	\$ 5.20	0.6%
31	Lockheed Martin	Aerospace/Defense	\$ 462.10	\$ 13.20	2.9%
32	Marsh & McLennan	Financial Svcs. (Div.)	\$ 222.42	\$ 3.26	1.5%
33	McDonald's Corp.	Restaurant	\$ 293.40	\$ 6.40	2.2%
34	McKesson Corp.	Med Supp Non-Invasive	\$ 597.35	\$ 3.02	0.5%
35	Merck & Co.	Drug	\$ 93.10	\$ 3.24	3.5%
36	Microsoft Corp.	Computer Software	\$ 420.60	\$ 3.41	0.8%
37	Mondelez Int'l	Food Processing	\$ 58.77	\$ 1.88	3.2%
38	NewMarket Corp.	Chemical (Specialty)	\$ 514.59	\$ 10.00	1.9%
39	Northrop Grumman	Aerospace/Defense	\$ 472.99	\$ 8.84	1.9%
40	PepsiCo, Inc.	Beverage	\$ 147.38	\$ 5.50	3.7%
41	Procter & Gamble	Household Products	\$ 165.79	\$ 4.03	2.4%
42	Progressive Corp.	Insurance (Prop/Cas.)	\$ 250.40	\$ 0.40	0.2%
43	Republic Services	Environmental	\$ 218.93	\$ 2.32	1.1%
44	Roper Tech.	Computer Software	\$ 554.48	\$ 3.39	0.6%
45	Smucker (J.M.)	Food Processing	\$ 104.21	\$ 4.38	4.2%
46	Texas Instruments	Semiconductor	\$ 188.25	\$ 5.44	2.9%
47	Thermo Fisher Sci.	Med Supp Non-Invasive	\$ 560.90	\$ 1.56	0.3%
48	Travelers Cos.	Insurance (Prop/Cas.)	\$ 242.73	\$ 4.20	1.7%
49	UnitedHealth Group	Medical Services	\$ 525.68	\$ 8.40	1.6%
50	Verizon Communic.	Telecom. Services	\$ 40.03	\$ 2.71	6.8%
51	Walmart Inc.	Retail Store	\$ 97.74	\$ 0.83	0.8%
52	Waste Management	Environmental	\$ 219.19	\$ 3.30	1.5%
	Average				2.2%

(a) Average of closing prices for 30 trading days ended Feb. 24, 2025.

(b) The Value Line Investment Survey, *Summary & Index* (Feb. 28, 2025).

DCF MODEL - NON-UTILITY GROUP

GROWTH RATES

	Company	(a)	(b)	(c)
		Earnings Growth Rates		
	V Line	IBES	Zacks	
1	Abbott Labs.	6.90%	10.30%	10.42%
2	AbbVie Inc.	15.70%	12.20%	10.12%
3	Air Products & Chem.	17.00%	7.40%	7.95%
4	Alphabet Inc.	11.50%	19.90%	15.64%
5	Amdocs Ltd.	6.45%	8.10%	9.78%
6	Amgen	25.75%	5.80%	5.81%
7	Apple Inc.	10.00%	14.50%	13.82%
8	AptarGroup	7.75%	6.80%	6.76%
9	Becton, Dickinson	18.50%	9.20%	9.65%
10	Bristol-Myers Squibb	3.50%	36.30%	4.00%
11	Brown-Forman 'B'	4.00%	-0.29%	3.32%
12	Church & Dwight	4.60%	8.60%	8.49%
13	Cisco Systems	4.60%	4.50%	5.10%
14	CME Group	11.20%	3.90%	3.28%
15	Coca-Cola	3.75%	6.00%	6.25%
16	Colgate-Palmolive	4.75%	5.50%	5.58%
17	Comcast Corp.	5.65%	6.10%	4.72%
18	Costco Wholesale	24.50%	10.50%	9.33%
19	Danaher Corp.	9.50%	6.50%	10.23%
20	Electronic Arts	7.50%	6.00%	7.70%
21	Gallagher (Arthur J.)	11.50%	13.60%	n/a
22	Gen'l Mills	5.25%	2.10%	7.00%
23	Gilead Sciences	5.00%	28.50%	19.47%
24	Hershey Co.	12.00%	-10.70%	4.61%
25	Hormel Foods	2.25%	7.80%	6.41%
26	IDEX Corp.	10.80%	12.00%	12.00%
27	Int'l Business Mach.	13.00%	3.50%	4.23%
28	Johnson & Johnson	11.75%	4.80%	5.89%
29	Kimberly-Clark	9.30%	4.00%	4.16%
30	Lilly (Eli)	34.00%	39.70%	26.56%
31	Lockheed Martin	50.45%	5.30%	7.78%
32	Marsh & McLennan	11.75%	9.40%	8.88%
33	McDonald's Corp.	18.60%	7.60%	7.97%
34	McKesson Corp.	50.00%	15.00%	14.27%
35	Merck & Co.	12.00%	56.80%	12.65%
36	Microsoft Corp.	20.25%	12.70%	14.42%
37	Mondelez Int'l	4.40%	2.20%	4.95%
38	NewMarket Corp.	46.30%	n/a	n/a
39	Northrop Grumman	38.50%	5.70%	4.19%
40	PepsiCo, Inc.	10.50%	4.70%	5.77%
41	Procter & Gamble	7.85%	6.00%	6.41%
42	Progressive Corp.	20.25%	32.10%	10.70%
43	Republic Services	10.45%	8.90%	9.25%
44	Roper Tech.	25.50%	7.60%	10.50%
45	Smucker (J.M.)	10.75%	3.80%	2.90%
46	Texas Instruments	9.75%	12.70%	11.56%
47	Thermo Fisher Sci.	27.15%	6.40%	7.73%
48	Travelers Cos.	28.50%	14.10%	3.05%
49	UnitedHealth Group	45.00%	11.80%	12.40%
50	Verizon Communic.	5.25%	2.20%	2.04%
51	Walmart Inc.	3.75%	9.30%	7.16%
52	Waste Management	9.65%	11.00%	10.96%

(a) www.valueline.com (retrieved Feb. 25, 2025).

(b) LSEG Stock Reports Plus, as provided by fidelity.com (retrieved Feb. 25, 2025).

(c) www.zacks.com (retrieved Feb. 25, 2025).

DCF MODEL - NON-UTILITY GROUP

DCF COST OF EQUITY ESTIMATES

	(a)	(a)	(a)
Company	V Line	IBES	Zacks
1 Abbott Labs.	8.8%	12.2%	12.3%
2 AbbVie Inc.	19.1%	15.6%	13.5%
3 Air Products & Chem.	19.2%	9.6%	10.2%
4 Alphabet Inc.	11.9%	20.3%	16.1%
5 Amdocs Ltd.	8.7%	10.3%	12.0%
6 Amgen	29.1%	9.1%	9.1%
7 Apple Inc.	10.4%	14.9%	14.2%
8 AptarGroup	8.9%	8.0%	7.9%
9 Becton, Dickinson	20.3%	11.0%	11.4%
10 Bristol-Myers Squibb	7.5%	40.3%	8.0%
11 Brown-Forman 'B'	7.1%	2.8%	6.4%
12 Church & Dwight	5.7%	9.7%	9.6%
13 Cisco Systems	7.2%	7.1%	7.7%
14 CME Group	13.1%	5.8%	5.2%
15 Coca-Cola	6.9%	9.2%	9.4%
16 Colgate-Palmolive	7.0%	7.8%	7.9%
17 Comcast Corp.	9.1%	9.6%	8.2%
18 Costco Wholesale	25.0%	11.0%	9.8%
19 Danaher Corp.	10.0%	7.0%	10.8%
20 Electronic Arts	8.1%	6.6%	8.3%
21 Gallagher (Arthur J.)	12.3%	14.4%	n/a
22 Gen'l Mills	9.4%	6.2%	11.1%
23 Gilead Sciences	8.1%	31.6%	22.6%
24 Hershey Co.	15.7%	-7.0%	8.3%
25 Hormel Foods	6.2%	11.7%	10.3%
26 IDEX Corp.	12.2%	13.4%	13.4%
27 Int'l Business Mach.	15.8%	6.3%	7.0%
28 Johnson & Johnson	15.1%	8.2%	9.3%
29 Kimberly-Clark	13.0%	7.7%	7.9%
30 Lilly (Eli)	34.6%	40.3%	27.2%
31 Lockheed Martin	53.3%	8.2%	10.6%
32 Marsh & McLennan	13.2%	10.9%	10.3%
33 McDonald's Corp.	20.8%	9.8%	10.2%
34 McKesson Corp.	50.5%	15.5%	14.8%
35 Merck & Co.	15.5%	60.3%	16.1%
36 Microsoft Corp.	21.1%	13.5%	15.2%
37 Mondelez Int'l	7.6%	5.4%	8.1%
38 NewMarket Corp.	48.2%	n/a	n/a
39 Northrop Grumman	40.4%	7.6%	6.1%
40 PepsiCo, Inc.	14.2%	8.4%	9.5%
41 Procter & Gamble	10.3%	8.4%	8.8%
42 Progressive Corp.	20.4%	32.3%	10.9%
43 Republic Services	11.5%	10.0%	10.3%
44 Roper Tech.	26.1%	8.2%	11.1%
45 Smucker (J.M.)	15.0%	8.0%	7.1%
46 Texas Instruments	12.6%	15.6%	14.4%
47 Thermo Fisher Sci.	27.4%	6.7%	8.0%
48 Travelers Cos.	30.2%	15.8%	4.8%
49 UnitedHealth Group	46.6%	13.4%	14.0%
50 Verizon Communic.	12.0%	9.0%	8.8%
51 Walmart Inc.	4.6%	10.1%	8.0%
52 Waste Management	11.2%	12.5%	12.5%
Average (b)	11.5%	10.8%	10.4%

(a) Sum of dividend yield (p. 1) and respective growth rate (p. 2).

(b) Excludes highlighted figures.

CAPITAL STRUCTURE

HISTORICAL

	Company	Average		12/31/2024		9/30/2024		6/30/2024		3/31/2024	
		Long-term Debt	Common Equity								
1	Atmos Energy Corp.	39.2%	60.8%	39.7%	60.3%	39.0%	61.0%	39.0%	61.0%	39.1%	60.9%
2	Chesapeake Utilities	47.9%	52.1%	48.1%	51.9%	46.9%	53.1%	48.0%	52.0%	48.4%	51.6%
3	New Jersey Resources	57.6%	42.4%	57.1%	42.9%	58.2%	41.8%	58.3%	41.7%	56.9%	43.1%
4	NiSource Inc.	55.8%	44.2%	55.6%	44.4%	56.4%	43.6%	56.7%	43.3%	54.5%	45.5%
5	Northwest Natural	54.2%	45.8%	55.2%	44.8%	53.7%	46.3%	53.9%	46.1%	54.0%	46.0%
6	ONE Gas, Inc.	43.3%	56.7%	40.9%	59.1%	45.9%	54.1%	43.2%	56.8%	43.1%	56.9%
7	Southwest Gas	56.4%	43.6%	54.3%	45.7%	54.8%	45.2%	58.1%	41.9%	58.2%	41.8%
8	Spire Inc.	51.2%	45.5%	51.3%	45.4%	51.9%	44.8%	51.1%	45.6%	50.7%	46.1%
	Low	39.2%	42.4%	39.7%	42.9%	39.0%	41.8%	39.0%	41.7%	39.1%	41.8%
	High	57.6%	60.8%	57.1%	60.3%	58.2%	61.0%	58.3%	61.0%	58.2%	60.9%
	Average	50.2%	48.9%	50.3%	49.3%	50.9%	48.7%	51.0%	48.6%	50.6%	49.0%

Source: Company Form 10-K and 10-Q Reports. The capital structures of NiSource and Spire include preferred stock not included here.

CAPITAL STRUCTURE

PROJECTED

	Company	Debt	Preferred	Common Equity
1	Atmos Energy Corp.	40.0%	0.0%	60.0%
2	Chesapeake Utilities	48.0%	0.0%	52.0%
3	New Jersey Resources	55.0%	0.0%	45.0%
4	NiSource Inc.	55.0%	0.0%	45.0%
5	Northwest Natural	55.0%	0.0%	45.0%
6	ONE Gas, Inc.	45.0%	0.0%	55.0%
7	Southwest Gas	56.0%	0.0%	44.0%
8	Spire Inc.	51.0%	4.0%	45.0%
	Low	40.0%	0.0%	44.0%
	High	56.0%	4.0%	60.0%
	Average	50.6%	0.5%	48.9%

Source: The Value Line Investment Survey (Feb. 21, 2025).