

Cost of Capital Study
2007 Assessment Year

Industry: Natural Gas Distribution Industry

		Reference
Equity:		
Yield Capitalization		Page
CAPM (Ex Post) Ibbotson Rm	9.56%	5
CAPM (Ex Ante)	9.05%	6
Dividend Growth Models		
Value Line, based on Dividends Growth	7.00%	8
Value Line, based on Earnings Growth	9.50%	9
Standard & Poor's based on Earnings Growth	9.00%	10
Yield Equity Component	9.30%	
Debt:		
Debt Rate	5.80%	11
Industry Market Capital Structure		
Equity	65% x 9.30%	3
Debt	35% x 5.80% x (1-.35)	3
Marginal Tax Rate	35%	
Weighted Average Cost of Capital:	<u>7.37%</u>	

Support for Guideline Companies

Natural Gas Distribution Industry

2007 Assessment Year

Industry Overall							
Company Name	Ticker	Beta	P/E Ratio	Div'd Yield	Long Term Debt	Pref Stock	Com Stock
AGL Resources	atg	0.95	14.8	4.0%	51.0%		49.0%
Atmos Energy Corp	ato	0.80	14.1	3.9%	57.0%		43.0%
Cascade Natural Gas	cgc	0.80	24.7	3.7%	56.0%		44.0%
KeySpan Corp	kse	0.90	16.8	4.5%	47.0%		53.0%
Laclede Group	lg	0.90	15.2	4.0%	49.5%		50.5%
New Jersey Resources	njr	0.80	18.9	2.9%	34.8%		65.2%
Nicor Inc	gas	1.30	18.1	3.8%	34.0%		66.0%
NW Natural Gas	nwn	0.75	17.9	3.4%	47.0%		53.0%
Peoples Energy	pgl	0.90	35.4	4.9%	51.5%		48.5%
Piedmont Natural Gas	pny	0.80	19.6	3.4%	48.0%		52.0%
SEMCO Energy	sen	0.80	22.7	nil	70.0%		30.0%
South Jersey Industries	sjj	0.70	17.7	2.9%	46.0%		54.0%
Southern Union Co	sug	1.05	15.6	1.4%	45.0%		55.0%
Southwest Gas	swx	0.85	19.0	2.1%	61.3%		38.7%
UGI Corp	ugi	0.90	15.5	2.5%	54.0%		46.0%
WGL Holdings	wgl	0.85	17.4	4.1%	38.0%		62.0%
Mean		0.88	19.0	3.43%	49%		51%

source: Value Line December 15, 2006

**Support for Capital Structure
(based on Market Value)
Natural Gas Distribution Industry
2007 Assessment Year**

Industry Overall										
Company Name	Ticker	\$Stock\$ Average	Common Shares	Common \$ Stock \$	%	Preferred \$ Stock \$	%	Long Term \$ Debt \$	%	\$ Total \$ Debt & Equity
AGL Resources	atg	38.152	77,696,090	2,964,235,327	64.5%		0.0%	1,634,000,000	35.5%	4,598,235,327
Atmos Energy Corp	ato	31.258	81,595,723	2,550,546,308	53.9%		0.0%	2,180,800,000	46.1%	4,731,346,308
Cascade Natural Gas	cgc	25.793	11,505,996	296,777,990	64.2%		0.0%	165,300,000	35.8%	462,077,990
KeySpan Corp	kse	40.942	175,283,247	7,176,388,271	64.7%		0.0%	3,919,000,000	35.3%	11,095,388,271
Laclede Group	lg	35.110	21,357,009	749,844,586	65.4%	800,000	0.1%	395,400,000	34.5%	1,146,044,586
New Jersey Resources	njr	50.882	27,678,310	1,408,318,543	80.9%		0.0%	332,400,000	19.1%	1,740,718,543
Nicor Inc	gas	46.947	44,709,976	2,098,984,340	82.0%	600,000	0.0%	459,400,000	18.0%	2,558,984,340
NW Natural Gas	nwn	40.887	27,504,896	1,124,583,514	69.6%		0.0%	492,000,000	30.4%	1,616,583,514
Peoples Energy	pgl	43.163	38,471,441	1,660,555,632	65.0%		0.0%	893,600,000	35.0%	2,554,155,632
Piedmont Natural Gas	pry	26.920	75,327,139	2,027,806,582	71.1%		0.0%	825,000,000	28.9%	2,852,806,582
SEMCO Energy	sen	5.913	35,426,386	209,488,029	29.9%	47,800,000	6.8%	442,200,000	63.2%	699,488,029
South Jersey Industries	sjj	31.802	29,279,288	931,130,157	72.2%		0.0%	358,100,000	27.8%	1,289,230,157
Southern Union Co	sug	27.855	119,638,350	3,332,526,239	64.2%	230,000,000	4.4%	1,632,000,000	31.4%	5,194,526,239
Southwest Gas	swx	36.433	41,464,506	1,510,690,169	52.5%		0.0%	1,366,100,000	47.5%	2,876,790,169
UGI Corp	ugi	26.855	105,413,596	2,830,882,121	63.3%		0.0%	1,642,700,000	36.7%	4,473,582,121
WGL Holdings	wgl	32.552	48,878,000	1,591,060,363	72.5%	28,200,000	1.3%	576,100,000	26.2%	2,195,360,363
Mean:					64.7%		0.8%		34.5%	
Weighted Mean:				32,463,818,172	64.8%	307,400,000	0.6%	17,314,100,000	34.6%	50,085,318,172
Median:					64.8%		0.0%		34.7%	
Estimated:					65%		0%		35%	100%

Support for Market Multiples
Natural Gas Distribution Industry
2007 Assessment Year

Industry Overall														
Company Name	Ticker	\$Stock\$ Average	Rev's	Multiple	Cash Flow	Multiple	Earnings	Multiple	Div'ds Dec'd	Multiple	Cap'l Spnd	Multiple	Book Value	Multiple
AGL Resources	atg	38.152	35.55	1.07	4.40	8.67	2.65	14.40	1.50	25.43	3.20	11.92	20.40	1.87
Atmos Energy Corp	ato	31.258	75.05	0.42	4.25	7.35	2.00	15.63	1.26	24.81	5.20	6.01	20.10	1.56
Cascade Natural Gas	cgc	25.793	39.51	0.65	2.65	9.73	1.09	23.66	0.96	26.87	1.50	17.20	10.60	2.43
KeySpan Corp	kse	40.942	42.85	0.96	4.65	8.80	2.35	17.42	1.86	22.01	3.15	13.00	26.30	1.56
Laclede Group	lg	35.110	92.90	0.38	3.95	8.89	2.37	14.81	1.40	25.08	2.95	11.90	18.85	1.86
New Jersey Resources	njr	50.882	119.44	0.43	4.10	12.41	2.80	18.17	1.44	35.33	1.92	26.50	22.50	2.26
Nicor Inc	gas	46.947	71.90	0.65	5.95	7.89	2.70	17.39	1.86	25.24	4.50	10.43	19.35	2.43
NW Natural Gas	nwn	40.887	36.35	1.12	4.65	8.79	2.25	18.17	1.39	29.41	3.65	11.20	22.10	1.85
Peoples Energy	pgl	43.163	78.40	0.55	4.20	10.28	1.13	38.20	2.18	19.80	9.35	4.62	21.85	1.98
Piedmont Natural Gas	pry	26.920	26.00	1.04	2.50	10.77	1.30	20.71	0.96	28.04	2.65	10.16	11.90	2.26
SEMCO Energy	sen	5.913	17.75	0.33	1.10	5.38	0.22	26.88	nil	nmf	1.15	5.14	5.55	1.07
South Jersey Industries	sjj	31.802	32.25	0.99	2.80	11.36	1.85	17.19	0.92	34.57	3.60	8.83	14.25	2.23
Southern Union Co	sug	27.855	19.90	1.40	3.00	9.29	1.80	15.48	0.40	69.64	3.15	8.84	15.35	1.81
Southwest Gas	swx	36.433	47.15	0.77	6.05	6.02	1.95	18.68	0.82	44.43	7.40	4.92	19.50	1.87
UGI Corp	ugi	26.855	49.50	0.54	2.80	9.59	1.61	16.68	0.69	38.92	1.40	19.18	10.50	2.56
WGL Holdings	wgl	32.552	53.94	0.60	3.68	8.85	1.90	17.13	1.35	24.11	3.40	9.57	18.25	1.78
Mean:				0.74		9.00		19.41		31.58		11.21		1.96
Median:				0.65		8.87		17.40		26.87		10.30		1.87
Weighted Mean:		541.46	838.44	0.65	60.73	8.92	29.97	18.07	18.99	28.51	58.17	9.31	277.35	1.95
Estimated:				0.70		8.90		18.00		27.00		10.00		1.90

source: Value Line Investment Survey and finance.yahoo.com

Note: Average Stock Price = 4th 1/4 High/Low common stock price averages

Note: Units per share comparisons

**Support for Yield Capitalization Equity Component
Capital Asset Pricing Model
Natural Gas Distribution Industry
2007 Assessment Year
Ke = Rf + B (Rm - Rf)**

Where:	
Ke = Cost of Equity	9.6%
Rm = rate of return	10.40%
Rf = risk free rate	4.80%
Rp = risk premium	5.60%
B = Beta	0.85

Rm=Investor's Market Rate of Return (Ex Post)	
Ibbotson SBBI, Market Report Dec 2006, page 16 Table 7	
	<u>Geo. Average</u>
Ibbotson, SBBI, Large Company	10.4%
Rm: 10.4%	

Rf = Risk Free Rate:	
Ibbotson SBBI, Risk Premia Over Time Report 2006, page 5 Table C1	
Long Term (20 yr) US Treasury Bond Yield	4.9%
The ValueLine Investment Survey, Selected Yields, pg 4941, January 5, 2007	
U.S. Treasury Securities:	<u>(year end data)</u>
5-year	4.64%
10-year	4.65%
30-year	4.78%
30-year Zero	4.74%
Federal Reserve Statistical Release (http://www.federalreserve.gov/Releases/H15/Current/)	
Treasury constant Maturities:	<u>Rates</u>
5-year	4.56%
10-year	4.60%
20-year	4.82%
20-year TIPS	<u>2.33%</u>
Inflation indication (c-d)	2.49%
Rf Say: 4.8%	

**Support for Yield Capitalization Equity Component
Capital Asset Pricing Model
Natural Gas Distribution Industry
2007 Assessment Year
 $K_e = R_f + B (R_p)$**

Where:		
K_e	= Cost of Equity	9.05%
R_f	= risk free rate	4.80%
R_p	= risk premium	5.00%
B	= Beta	0.85

Rp=Risk Premium (Ex Ante)
<p>Roger J. Grabowski and David W. King Equity Risk Premium: What Consultants Need to Know about Recent Research - 2005 Update</p> <p>Dr. Aswath Damodoran http://pages.stern.nyu.edu/~adamodar/</p> <p>John Graham and Cambell Harvey Expectations of Equity Risk Premium, Volatility and Asymmetry, 2003 (The Graham and Harvey is the US Corporate officer survey of 2.9-4.7%)</p>
Rp say: 5.00%

Rf = Risk Free Rate:												
<p>Ibbotson SBBI, Risk Premia Over Time Report 2006, page 5 Table C1</p> <table border="1"> <tr> <td>Long Term (20 yr) US Treasury Bond Yield</td> <td>4.9%</td> </tr> </table>	Long Term (20 yr) US Treasury Bond Yield	4.9%										
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30-year	4.78%											
30-year Zero	4.74%											
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5-year	4.56%											
10-year	4.60%											
20-year	4.82%											
20-year TIPS	2.33%											
Inflation indication (c-d)	2.49%											
RF Say: 4.8%												

**Beta Calculation for CAPM
Natural Gas Distribution Industry
2007 Assessment Year**

Beta =		
Industry Overall		ValueLine
AGL Resources	atg	0.95
Atmos Energy Corp	ato	0.80
Cascade Natural Gas	cgc	0.80
KeySpan Corp	kse	0.90
Laclede Group	lg	0.90
New Jersey Resources	njr	0.80
Nicor Inc	gas	1.30
NW Natural Gas	nwn	0.75
Peoples Energy	pgl	0.90
Piedmont Natural Gas	pny	0.80
SEMCO Energy	sen	0.80
South Jersey Industries	sjj	0.70
Southern Union Co	sug	1.05
Southwest Gas	swx	0.85
UGI Corp	ugi	0.90
WGL Holdings	wgl	0.85
Mean:		0.88
Median:		0.85
		Estimated: 0.85

**Support for Yield Capitalization Equity Component
Natural Gas Distribution Industry
2007 Assessment Year**

Dividend Growth Model

(based on Value Line Dividends Growth)

$$K_e = D_1 / P_0 + G$$

where:

- Ke** = Cost of Equity
- D1** = Expected Dividends
- Po** = Current Price
- G** = Sustainable Growth

Industry Overall						
Company Name	Ticker	Stock Price (Po)	Expected Dividend (D1)	Dividend Yield (D1/P0)	Dividend Growth (G)	Ke
AGL Resources	atg	38.152	1.58	4.14%	6.50%	10.64%
Atmos Energy Corp	ato	31.258	1.28	4.09%	2.00%	6.09%
Cascade Natural Gas	cgc	25.793	0.96	3.72%	0.50%	4.22%
KeySpan Corp	kse	40.942	1.90	4.64%	2.50%	7.14%
Laclede Group	lg	35.110	1.45	4.13%	2.50%	6.63%
New Jersey Resources	njr	50.882	1.52	2.99%	4.50%	7.49%
Nicor Inc	gas	46.947	1.90	4.05%	1.00%	5.05%
NW Natural Gas	nwn	40.887	1.43	3.50%	4.00%	7.50%
Peoples Energy	pgl	43.163	2.18	5.05%	nil	nmf
Piedmont Natural Gas	pny	26.920	1.00	3.71%	5.50%	9.21%
SEMCO Energy	sen	5.913	nil	nmf	nmf	nmf
South Jersey Industries	sji	31.802	0.98	3.08%	6.00%	9.08%
Southern Union Co	sug	27.855	0.42	1.51%	nmf	nmf
Southwest Gas	swx	36.433	0.82	2.25%	nil	nmf
UGI Corp	ugi	26.855	0.70	2.61%	3.00%	5.61%
WGL Holdings	wgl	32.552	1.38	4.24%	2.00%	6.24%
Mean:						7.08%
Median:						6.89%
Range:						4.22% - 10.64%
Estimated:						7.00%

source: Value Line December 15, 2006 and finance.yahoo.com

Note: Stock Price = 4th ¼ High / Low average

**Support for Yield Capitalization Equity Component
Natural Gas Distribution Industry
2007 Assessment Year**

Dividend Growth Model

(based on Value Line Earnings Growth)

$$K_e = D_1 / P_0 + G$$

where:

- Ke** = Cost of Equity
- D1** = Expected Dividends
- Po** = Current Price
- G** = Sustainable Growth

Industry Overall						
Company Name	Ticker	Stock Price (Po)	Expected Dividend (D1)	Dividend Yield (D1/P0)	Earnings Growth (G)	Ke
AGL Resources	atg	38.152	1.58	4.14%	4.00%	8.14%
Atmos Energy Corp	ato	31.258	1.28	4.09%	6.50%	10.59%
Cascade Natural Gas	cgc	25.793	0.96	3.72%	7.00%	10.72%
KeySpan Corp	kse	40.942	1.90	4.64%	1.50%	6.14%
Laclede Group	lg	35.110	1.45	4.13%	5.00%	9.13%
New Jersey Resources	njr	50.882	1.52	2.99%	4.50%	7.49%
Nicor Inc	gas	46.947	1.90	4.05%	4.00%	8.05%
NW Natural Gas	nwn	40.887	1.43	3.50%	7.00%	10.50%
Peoples Energy	pgl	43.163	2.18	5.05%	nmf	nmf
Piedmont Natural Gas	pnv	26.920	1.00	3.71%	6.00%	9.71%
SEMCO Energy	sen	5.913	nil	nmf	21.00%	nmf
South Jersey Industries	sjj	31.802	0.98	3.08%	7.00%	10.08%
Southern Union Co	sug	27.855	0.42	1.51%	11.00%	12.51%
Southwest Gas	swx	36.433	0.82	2.25%	9.00%	11.25%
UGI Corp	ugi	26.855	0.70	2.61%	6.00%	8.61%
WGL Holdings	wgl	32.552	1.38	4.24%	1.50%	5.74%
Mean:						9.19%
Median:						9.42%
Range:						5.74% - 12.51%
Estimated:						9.50%

source: Value Line December 15, 2006 and Finance.Yahoo.com

Note: Stock Price = 4th ¼ High / Low average

**Support for Yield Capitalization Equity Component
Natural Gas Distribution Industry
2007 Assessment Year**

Dividend Growth Model

(based on S&P Earnings Growth)

$$K_e = D1 / P_o + G$$

where:

- Ke** = Cost of Equity
- D1** = Expected Dividends
- Po** = Current Price
- G** = Sustainable Growth

Industry Overall							
Company Name	Ticker	Stock Price (Po)	Expected Dividend (D1)	Dividend Yield (D1/P0)	# of Ests	Earnings Growth (G)	Ke
AGL Resources	atg	38.152	1.58	4.14%	10	5.00%	9.14%
Atmos Energy Corp	ato	31.258	1.28	4.09%	6	6.00%	10.09%
Cascade Natural Gas	cgc	25.793	0.96	3.72%	1	0.00%	nmf
KeySpan Corp	kse	40.942	1.90	4.64%	6	3.00%	7.64%
Laclede Group	lg	35.110	1.45	4.13%	2	0.00%	nmf
New Jersey Resources	njr	50.882	1.52	2.99%	4	6.00%	8.99%
Nicor Inc	gas	46.947	1.90	4.05%	5	3.00%	7.05%
NW Natural Gas	nwn	40.887	1.43	3.50%	5	5.00%	8.50%
Peoples Energy	pgl	43.163	2.18	5.05%	3	0.00%	nmf
Piedmont Natural Gas	pnv	26.920	1.00	3.71%	3	4.00%	7.71%
SEMCO Energy	sen	5.913	nil	nmf	2	23.00%	nmf
South Jersey Industries	sjj	31.802	0.98	3.08%	3	6.00%	9.08%
Southern Union Co	sug	27.855	0.42	1.51%	9	8.00%	9.51%
Southwest Gas	swx	36.433	0.82	2.25%	5	12.00%	14.25%
UGI Corp	ugi	26.855	0.70	2.61%	1	8.00%	10.61%
WGL Holdings	wgl	32.552	1.38	4.24%	4	3.00%	7.24%
Mean:							9.15%
Median:							9.03%
Range:							7.05% - 14.25%
Estimated:							9.00%

source: Standard & Poors January 2005, Earnings Guide and finance.yahoo.com

Note: Stock Price = 4th ¼ High / Low average

**Support for Debt Rating and Debt Yield Rate
Natural Gas Distribution Industry
2007 Assessment Year**

Industry Overall		---- Ratings -----	
Company	Ticker	Mergent's	S&P
AGL Resources	atg	Baa1	A-
Atmos Energy Corp	ato	Baa3	BBB
Cascade Natural Gas	cgc	Baa1	BBB+
KeySpan Corp	kse	A3	A
Laclede Group	lg	A3	A
New Jersey Resources	njr		A+
Nicor Inc	gas	A1	AA
NW Natural Gas	nwn	A2	AA-
Peoples Energy	pgl	Baa2	A-
Piedmont Natural Gas	pny	Aaa	A
SEMCO Energy	sen	Ba2	BB-
South Jersey Industries	sji	Aaa	BBB+
Southern Union Co	sug	Baa3	BBB-
Southwest Gas	swx	Baa3	BBB-
UGI Corp	ugi	A3	BBB
WGL Holdings	wgl	A2	AA-
Overall Average Debt Rating		A	A-

Standard & Poor's Bond Guide

December 2006 - Page 3 - US Industrial 20 yr bond yield chart

Industrials	AAA	AA	A	BBB
Year End	5.30%	5.50%	5.70%	6.50%

Mergent's Bond Record, Jan 2007, pg 188

Corporate	Aaa	Aa	A	Baa
October	5.51%	5.74%	5.94%	6.42%
November	5.33%	5.57%	5.76%	6.20%
December	5.29%	5.58%	5.78%	6.22%
Average	5.38%	5.63%	5.83%	6.28%

Public Utilities	Aaa	Aa	A	Baa
October		5.80%	5.98%	6.24%
November		5.61%	5.80%	6.04%
December		5.62%	5.81%	6.05%
Average		5.68%	5.86%	6.11%

Industrials	Aaa	Aa	A	Baa
October	5.51%	5.68%	5.90%	6.60%
November	5.33%	5.52%	5.72%	6.36%
December	5.29%	5.53%	5.75%	6.38%
Average	5.38%	5.58%	5.79%	6.45%

DEBT YIELD RATE
5.80%

**Support for Equity Component of Direct Capitalization Rates
Natural Gas Distribution Industry
2007 Assessment Year**

Industry Overall		\$Stock\$ Average	Actual		Projected		Projected	
Company Name	Ticker		Earnings	Ratio	Earnings	Ratio	Cash Flow	Ratio
AGL Resources	atg	38.152	2.65	6.9%	2.70	7.1%	4.50	11.8%
Atmos Energy Corp	ato	31.258	2.00	6.4%	1.95	6.2%	4.30	13.8%
Cascade Natural Gas	cgc	25.793	1.09	4.2%	1.15	4.5%	2.90	11.2%
KeySpan Corp	kse	40.942	2.35	5.7%	2.40	5.9%	4.75	11.6%
Laclede Group	lg	35.110	2.37	6.8%	2.15	6.1%	4.00	11.4%
New Jersey Resources	njr	50.882	2.80	5.5%	2.90	5.7%	4.20	8.3%
Nicor Inc	gas	46.947	2.70	5.8%	2.72	5.8%	6.10	13.0%
NW Natural Gas	nwn	40.887	2.25	5.5%	2.40	5.9%	4.75	11.6%
Peoples Energy	pgl	43.163	1.13	2.6%	1.40	3.2%	4.50	10.4%
Piedmont Natural Gas	pnv	26.920	1.30	4.8%	1.40	5.2%	2.65	9.8%
SEMCO Energy	sen	5.913	0.22	3.7%	0.35	5.9%	1.00	16.9%
South Jersey Industries	sjj	31.802	1.85	5.8%	1.95	6.1%	2.95	9.3%
Southern Union Co	sug	27.855	1.80	6.5%	1.90	6.8%	3.15	11.3%
Southwest Gas	swx	36.433	1.95	5.4%	2.00	5.5%	6.05	16.6%
UGI Corp	ugi	26.855	1.61	6.0%	1.75	6.5%	3.05	11.4%
WGL Holdings	wgl	32.552	1.90	5.8%	1.90	5.8%	3.85	11.8%
	Mean:			5.5%		5.8%		11.9%
	Median:			5.7%		5.9%		11.5%
	Estimated:			5.7%		5.9%		12.0%

source: Value Line December 15, 2006

Washington State Department of Revenue

AGL Resources atg

Date	Open	High	Low	Close	Volume	Adj Close	
01-Dec-06	38.500	40.090	38.110	38.910	363000	38.910	Q4 Average 38.152
01-Nov-06	37.550	38.830	37.180	38.410	393200	38.410	
02-Oct-06	36.400	38.660	36.040	37.500	384900	37.140	
01-Sep-06	36.470	36.850	34.760	36.500	374300	36.150	
01-Aug-06	38.900	40.000	34.970	36.390	512400	36.040	
03-Jul-06	38.020	39.400	37.160	39.020	368500	38.250	
01-Jun-06	36.800	38.130	35.360	38.120	378500	37.360	
01-May-06	35.330	36.670	34.630	36.570	444200	35.850	
03-Apr-06	35.920	36.370	34.430	35.380	309400	34.320	
01-Mar-06	36.000	36.280	34.750	36.050	290100	34.970	
01-Feb-06	35.880	36.480	34.400	35.900	490400	34.820	
03-Jan-06	35.060	36.280	34.830	35.780	344400	34.340	

Atmos Energy Corp ato

Date	Open	High	Low	Close	Volume	Adj Close	
01-Dec-06	32.700	32.870	31.500	31.910	474400	31.910	Q4 Average 31.258
01-Nov-06	30.920	33.090	30.730	32.770	300000	32.770	
02-Oct-06	28.520	30.960	28.400	30.730	241300	30.430	
01-Sep-06	28.870	28.970	27.800	28.550	261100	28.270	
01-Aug-06	28.810	29.150	27.630	28.800	308900	28.520	
03-Jul-06	28.000	29.250	27.750	28.770	244800	28.180	
01-Jun-06	26.890	28.030	26.010	27.910	323200	27.340	
01-May-06	26.520	27.730	25.550	26.840	342200	26.290	
03-Apr-06	26.300	26.800	26.090	26.540	272900	25.690	
01-Mar-06	26.490	26.950	25.980	26.330	250200	25.490	
01-Feb-06	26.220	27.010	25.970	26.400	341600	25.550	
03-Jan-06	26.300	27.080	26.020	26.280	320100	25.140	

Cascade Natural Gas cgc

Date	Open	High	Low	Close	Volume	Adj Close	
01-Dec-06	25.810	26.030	25.650	25.920	32500	25.920	Q4 Average 25.793
01-Nov-06	25.770	26.000	25.400	25.820	32500	25.820	
02-Oct-06	26.000	26.170	25.510	25.740	42800	25.740	
01-Sep-06	25.550	26.250	25.450	26.090	61500	25.850	
01-Aug-06	25.900	26.300	25.260	25.650	43500	25.410	
03-Jul-06	21.000	26.100	20.840	25.920	141700	25.680	
01-Jun-06	20.970	21.300	20.150	21.090	73200	20.700	
01-May-06	20.460	21.120	20.200	21.000	77100	20.610	
03-Apr-06	19.680	20.560	19.260	20.470	53200	20.090	
01-Mar-06	19.600	19.870	18.950	19.700	39200	19.100	
01-Feb-06	20.100	20.220	19.410	19.600	50000	19.000	
03-Jan-06	19.560	20.300	19.230	20.140	49600	19.520	

Washington State Department of Revenue

Keyspan Corp kse

Date	Open	High	Low	Close	Volume	Adj Close	
01-Dec-06	41.030	41.360	40.790	41.180	438600	40.710	Q4 Average 40.942
01-Nov-06	40.580	41.270	40.530	41.030	496000	40.560	
02-Oct-06	41.170	41.300	40.400	40.580	645400	40.110	
01-Sep-06	41.020	41.420	40.960	41.140	694600	40.210	
01-Aug-06	40.270	41.110	40.250	41.000	615000	40.070	
03-Jul-06	40.600	40.700	39.950	40.270	771100	39.350	
01-Jun-06	40.030	40.500	39.870	40.400	613000	39.030	
01-May-06	40.410	40.500	39.680	40.030	841700	38.670	
03-Apr-06	40.860	41.100	40.010	40.380	1227100	39.010	
01-Mar-06	40.700	41.000	40.660	40.870	1864000	39.030	
01-Feb-06	36.000	41.520	35.400	40.750	2418600	38.920	
03-Jan-06	36.050	36.920	35.380	35.920	937600	34.310	

Laclede Group Inc lg

Date	Open	High	Low	Close	Volume	Adj Close	
01-Dec-06	36.450	36.880	34.460	35.030	64500	35.030	Q4 Average 35.110
01-Nov-06	35.430	37.510	34.390	36.580	75300	36.210	
02-Oct-06	32.000	35.820	31.600	35.630	72200	35.270	
01-Sep-06	32.720	33.200	31.290	32.080	83900	31.760	
01-Aug-06	32.500	33.270	31.600	32.590	120700	31.910	
03-Jul-06	34.400	35.650	33.100	33.230	95400	32.530	
01-Jun-06	33.580	34.660	32.010	34.360	109800	33.640	
01-May-06	33.700	34.710	31.700	33.650	113400	32.600	
03-Apr-06	34.560	34.750	32.800	34.100	108500	33.030	
01-Mar-06	33.740	35.550	31.900	34.420	91000	33.340	
01-Feb-06	32.720	34.650	30.810	33.690	101300	32.280	
03-Jan-06	29.400	33.730	29.090	32.620	67600	31.250	

New Jersey Resources njr

Date	Open	High	Low	Close	Volume	Adj Close	
01-Dec-06	51.650	52.540	48.460	48.580	162900	48.580	Q4 Average 50.882
01-Nov-06	52.600	53.160	50.530	51.750	125300	51.370	
02-Oct-06	49.300	52.110	48.490	51.860	135800	51.480	
01-Sep-06	49.660	50.400	48.660	49.300	182700	48.940	
01-Aug-06	49.870	51.390	47.410	49.660	170200	48.940	
03-Jul-06	46.650	50.900	46.340	49.930	152200	49.200	
01-Jun-06	44.950	47.380	43.950	46.780	212600	46.100	
01-May-06	44.450	45.720	42.850	44.920	164100	43.910	
03-Apr-06	45.400	46.430	43.700	44.270	165000	43.270	
01-Mar-06	45.100	45.320	42.700	45.250	139400	44.230	
01-Feb-06	45.490	45.960	42.990	45.000	169000	43.620	
03-Jan-06	42.010	45.550	41.490	45.450	130000	44.060	

Washington State Department of Revenue

Nicor Inc gas

Date	Open	High	Low	Close	Volume	Adj Close	
01-Dec-06	49.410	49.860	46.460	46.800	320500	46.800	Q4 Average 46.947
01-Nov-06	47.900	49.920	46.520	49.550	366300	49.060	
02-Oct-06	42.760	46.540	42.380	45.960	305600	45.510	
01-Sep-06	43.700	43.890	42.150	42.760	312900	42.340	
01-Aug-06	43.520	44.390	42.290	43.660	323100	42.770	
03-Jul-06	41.480	44.400	41.010	43.820	365400	42.920	
01-Jun-06	41.100	41.870	39.580	41.500	458300	40.650	
01-May-06	39.790	42.290	39.260	40.980	463700	39.680	
03-Apr-06	39.660	40.690	38.720	39.610	485200	38.360	
01-Mar-06	42.930	42.930	39.250	39.560	562100	38.310	
01-Feb-06	40.960	43.120	39.330	42.930	528000	41.090	
03-Jan-06	39.560	42.830	39.250	40.900	488600	39.140	

NW Natural Gas nwn

Date	Open	High	Low	Close	Volume	Adj Close	
01-Dec-06	41.250	43.690	40.800	42.440	119800	42.440	Q4 Average 40.887
01-Nov-06	41.480	41.510	38.530	41.240	151100	41.240	
02-Oct-06	39.140	41.940	38.850	41.370	82900	41.370	
01-Sep-06	38.390	40.080	37.670	39.280	111600	38.950	
01-Aug-06	37.900	38.530	36.700	38.250	116600	37.930	
03-Jul-06	36.940	38.430	35.810	37.970	108600	37.650	
01-Jun-06	34.770	37.040	34.230	37.030	172000	36.380	
01-May-06	34.450	36.000	33.300	34.880	155700	34.270	
03-Apr-06	35.540	35.790	33.790	34.540	124300	33.940	
01-Mar-06	34.400	35.490	33.080	35.490	145500	34.520	
01-Feb-06	35.620	35.830	32.830	34.240	218200	33.310	
03-Jan-06	34.550	36.570	34.540	35.590	123900	34.620	

Peoples Energy pgl

Date	Open	High	Low	Close	Volume	Adj Close	
01-Dec-06	43.390	45.130	42.950	44.570	159100	44.570	Q4 Average 43.163
01-Nov-06	43.600	44.410	42.240	43.390	235500	42.860	
02-Oct-06	40.650	44.000	40.250	43.690	248900	43.160	
01-Sep-06	42.510	42.530	39.760	40.650	266000	40.150	
01-Aug-06	42.110	43.870	41.070	42.380	238500	41.310	
03-Jul-06	35.820	42.800	35.710	42.210	680100	41.150	
01-Jun-06	37.520	38.660	35.100	35.910	426900	35.000	
01-May-06	36.330	37.590	35.340	37.520	397200	36.020	
03-Apr-06	35.600	37.160	35.330	36.330	336100	34.880	
01-Mar-06	36.710	37.970	35.350	35.640	367500	34.220	
01-Feb-06	37.180	37.770	35.410	36.710	347600	34.740	
03-Jan-06	35.250	37.560	35.110	37.220	365900	35.220	

Washington State Department of Revenue

Piedmont Natural Gas pny

Date	Open	High	Low	Close	Volume	Adj Close	
01-Dec-06	27.810	28.440	26.550	26.750	251600	26.750	Q4 Average 26.920
01-Nov-06	27.000	28.260	26.050	27.870	210600	27.630	
02-Oct-06	25.250	27.270	24.950	27.000	189900	26.760	
01-Sep-06	26.080	26.460	24.720	25.310	273300	25.090	
01-Aug-06	25.660	26.180	25.040	26.070	209100	25.600	
03-Jul-06	24.480	26.170	24.300	25.740	332500	25.280	
01-Jun-06	24.260	25.400	23.460	24.300	649200	23.860	
01-May-06	24.550	24.880	23.310	24.310	243600	23.630	
03-Apr-06	23.940	25.230	23.500	24.530	222500	23.850	
01-Mar-06	24.660	24.660	23.210	23.990	165600	23.320	
01-Feb-06	24.170	25.000	23.360	24.720	194800	23.790	
03-Jan-06	24.200	24.940	23.830	24.250	192200	23.340	

Semco Energy sen

Date	Open	High	Low	Close	Volume	Adj Close	
01-Dec-06	6.180	6.300	5.870	6.100	104700	6.100	Q4 Average 5.913
01-Nov-06	5.890	6.360	5.750	6.210	80400	6.210	
02-Oct-06	5.600	5.850	5.350	5.700	65500	5.700	
01-Sep-06	5.900	6.050	5.430	5.640	68000	5.640	
01-Aug-06	6.220	6.350	5.600	5.860	89500	5.860	
03-Jul-06	5.530	6.530	5.470	6.150	109100	6.150	
01-Jun-06	5.540	5.890	5.390	5.560	70400	5.560	
01-May-06	5.430	5.590	5.300	5.550	68900	5.550	
03-Apr-06	5.530	5.590	5.040	5.400	179900	5.400	
01-Mar-06	5.600	5.830	5.220	5.540	89300	5.540	
01-Feb-06	5.650	5.880	5.380	5.600	93400	5.600	
03-Jan-06	5.620	6.000	5.300	5.660	96700	5.660	

South Jersey Industries sji

Date	Open	High	Low	Close	Volume	Adj Close	
01-Dec-06	33.400	34.260	32.420	33.410	99800	33.410	Q4 Average 31.802
01-Nov-06	30.980	33.350	30.350	33.350	96500	33.110	
02-Oct-06	29.960	31.330	29.100	30.930	100900	30.710	
01-Sep-06	29.030	30.090	28.020	29.910	122500	29.690	
01-Aug-06	29.570	30.000	28.000	28.990	116900	28.550	
03-Jul-06	27.420	30.000	27.200	29.670	152200	29.220	
01-Jun-06	26.810	27.520	25.800	27.390	139200	26.980	
01-May-06	26.640	27.890	25.630	26.860	140500	26.230	
03-Apr-06	27.270	27.480	25.800	26.580	213700	25.960	
01-Mar-06	28.620	28.840	26.720	27.270	152500	26.630	
01-Feb-06	29.250	29.710	27.820	28.600	95400	27.710	
03-Jan-06	29.250	30.150	28.660	29.400	99300	28.480	

Washington State Department of Revenue

Southern Union sug

Date	Open	High	Low	Close	Volume	Adj Close	
01-Dec-06	28.040	29.760	27.680	27.950	478000	27.950	Q4 Average 27.855
01-Nov-06	27.700	28.450	26.990	28.030	427300	27.930	
02-Oct-06	26.450	28.060	26.190	27.680	378900	27.580	
01-Sep-06	27.560	27.740	25.830	26.410	465400	26.320	
01-Aug-06	27.140	27.750	26.640	27.640	499500	27.440	
03-Jul-06	27.250	27.750	26.000	27.140	550800	26.940	
01-Jun-06	24.560	27.220	23.290	27.060	950500	26.860	
01-May-06	25.980	26.220	22.760	24.550	676300	24.280	
03-Apr-06	24.810	26.000	24.290	25.920	562300	25.630	
01-Mar-06	24.590	25.550	23.420	24.830	752000	24.550	
01-Feb-06	25.150	25.510	23.730	24.620	506800	24.250	
03-Jan-06	23.680	25.340	22.900	25.200	640700	24.820	

Southwest Gas Corp swx

Date	Open	High	Low	Close	Volume	Adj Close	
01-Dec-06	37.450	39.370	36.770	38.370	206200	38.370	Q4 Average 36.433
01-Nov-06	35.980	37.870	35.050	37.540	209300	37.540	
02-Oct-06	33.240	36.740	32.800	35.880	178100	35.680	
01-Sep-06	33.890	34.190	32.300	33.320	215700	33.140	
01-Aug-06	32.780	34.000	31.830	33.700	194400	33.510	
03-Jul-06	31.300	33.800	30.700	32.930	242300	32.540	
01-Jun-06	29.430	31.430	28.100	31.340	328900	30.970	
01-May-06	27.750	29.590	27.310	29.110	227200	28.770	
03-Apr-06	27.900	28.710	26.460	27.720	160400	27.200	
01-Mar-06	28.520	28.970	26.620	27.950	183100	27.420	
01-Feb-06	27.550	29.040	26.090	28.520	128200	27.980	
03-Jan-06	26.510	28.580	26.190	27.650	116600	26.920	

UGI Corp ugi

Date	Open	High	Low	Close	Volume	Adj Close	
01-Dec-06	28.180	29.000	26.910	27.280	406900	27.280	Q4 Average 26.855
01-Nov-06	26.500	28.190	26.250	28.180	412100	28.000	
02-Oct-06	24.400	26.520	24.260	26.500	254900	26.330	
01-Sep-06	24.780	24.900	23.740	24.450	212200	24.300	
01-Aug-06	24.900	25.140	23.780	24.800	275800	24.470	
03-Jul-06	25.200	25.730	24.210	24.850	386800	24.520	
01-Jun-06	23.200	24.750	22.940	24.620	449900	24.290	
01-May-06	22.990	23.900	22.060	23.260	781500	22.770	
03-Apr-06	21.260	22.470	20.930	22.400	412400	21.930	
01-Mar-06	22.450	22.450	20.990	21.070	525500	20.630	
01-Feb-06	21.250	22.660	20.700	22.450	590500	21.810	
03-Jan-06	20.860	22.850	20.600	21.470	663700	20.860	

Washington State Department of Revenue

WGL Holdings wgl

Date	Open	High	Low	Close	Volume	Adj Close	
01-Dec-06	32.960	33.550	32.330	32.580	232900	32.230	Q4 Average 32.552
01-Nov-06	32.630	33.410	31.840	33.050	242600	32.700	
02-Oct-06	31.300	33.020	31.160	32.450	194500	32.100	
01-Sep-06	31.170	31.820	30.050	31.340	273600	30.680	
01-Aug-06	29.900	31.180	29.010	31.070	275400	30.410	
03-Jul-06	28.940	30.320	28.440	30.030	250100	29.390	
01-Jun-06	28.810	29.390	27.820	28.950	324600	28.000	
01-May-06	29.500	29.930	27.040	28.800	292000	27.860	
03-Apr-06	30.490	30.740	28.800	29.420	223400	28.460	
01-Mar-06	30.850	31.080	29.590	30.420	229500	29.100	
01-Feb-06	31.040	31.490	29.610	30.800	308800	29.460	
03-Jan-06	30.030	31.300	29.770	31.180	246200	29.820	

(instructions: any data entered on this page will flow to the applicable worksheets)

Industry: Natural Gas Distribution Industry

Assessment Year: 2007 Assessment Year

Guideline Companies:		Stock Price (4th 1/4 average)	Revenues Per Share	Cash Flow Per Share	Earnings Per Share	Dividends Per Share
Name	Ticker					
AGL Resources	atg	38.152	35.55	4.40	2.65	1.50
Atmos Energy Corp	ato	31.258	75.05	4.25	2.00	1.26
Cascade Natural Gas	cgc	25.793	39.51	2.65	1.09	0.96
KeySpan Corp	kse	40.942	42.85	4.65	2.35	1.86
Laclede Group	lg	35.110	92.90	3.95	2.37	1.40
New Jersey Resources	njr	50.882	119.44	4.10	2.80	1.44
Nicor Inc	gas	46.947	71.90	5.95	2.70	1.86
NW Natural Gas	nwn	40.887	36.35	4.65	2.25	1.39
Peoples Energy	pgl	43.163	78.40	4.20	1.13	2.18
Piedmont Natural Gas	pnv	26.920	26.00	2.50	1.30	0.96
SEMCO Energy	sen	5.913	17.75	1.10	0.22	nil
South Jersey Industries	sjj	31.802	32.25	2.80	1.85	0.92
Southern Union Co	sug	27.855	19.90	3.00	1.80	0.40
Southwest Gas	swx	36.433	47.15	6.05	1.95	0.82
UGI Corp	ugi	26.855	49.50	2.80	1.61	0.69
WGL Holdings	wgl	32.552	53.94	3.68	1.90	1.35