

Cost of Capital Study
2007 Assessment Year

Appendix C

Industry: Natural Gas Diversified Industry

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| Yield Equity Component | 10.50% | |
| Debt: | | |
| Debt Rate | 6.50% | 11 |
| Industry Market Capital Structure | | |
| Equity | 75% x 10.50% = 7.88% | 3 |
| Debt | 25% x 6.50% x (1-.035) = 1.06% | 3 |
| Marginal Tax Rate | 35% | |
| Weighted Average Cost of Capital: | <u>8.94%</u> | |

Support for Guideline Companies

Natural Gas Diversified Industry

2007 Assessment Year

| Industry Overall | | | | | | | |
|---------------------------|--------|-------------|-------------|--------------|----------------|------------|------------|
| Company Name | Ticker | Beta | P/E Ratio | Div'd Yield | Long Term Debt | Pref Stock | Com Stock |
| Cabot Oil & Gas | cog | 1.00 | 16.9 | 0.3% | 29.0% | | 71.0% |
| Devon Energy | dvn | 1.05 | 10.8 | 0.6% | 28.0% | 1.0% | 71.0% |
| Dynegy Inc | dyn | 2.85 | nmf | nil | 53.0% | | 47.0% |
| El Paso Corp | ep | 2.35 | 13.7 | 1.1% | 75.0% | | 25.0% |
| Energen Corp | egn | 0.85 | 13.0 | 1.0% | 37.0% | | 63.0% |
| Enterprise Prod | epd | 0.65 | 21.6 | 6.8% | 43.0% | | 57.0% |
| EOG resources | eog | 1.05 | 13.1 | 0.4% | 11.0% | 2.0% | 87.0% |
| Equitable Resources | eqt | 0.80 | 20.8 | 2.0% | 53.0% | | 47.0% |
| Kinder Morgan Energy Ptns | kmp | 0.70 | 23.2 | 7.0% | 53.0% | | 47.0% |
| National Fuel Gas | nfg | 0.95 | 17.1 | 3.0% | 45.0% | | 55.0% |
| Newfield Exploration Co | nfx | 1.00 | 10.9 | nil | 28.0% | | 72.0% |
| ONEOK Inc | oke | 1.00 | 18.1 | 2.9% | 65.0% | | 35.0% |
| Questar Corp | str | 0.90 | 18.2 | 1.1% | 33.0% | | 67.0% |
| Southwestern Energy | swn | 1.00 | 32.6 | nil | 9.0% | | 91.0% |
| TEPPCO Partners | tpp | 0.70 | 21.4 | 7.0% | 52.0% | | 48.0% |
| Williams Companies | wmb | 3.00 | 33.6 | 1.3% | 55.0% | | 45.0% |
| XTO Energy Inc | xto | 0.90 | 11.3 | 0.7% | 38.0% | | 62.0% |
| Mean | | 1.22 | 18.5 | 2.51% | 42% | | 58% |

source: Value Line December 15, 2006

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

| Industry Overall | | | | | | | | | | |
|----------------------------|--------|----------------------|------------------|-----------------------|--------------|--------------------------|-------------|-------------------------|--------------|------------------------------|
| Company Name | Ticker | \$Stock\$ Average | Common Shares | Common \$ Stock \$ | % | Preferred \$ Stock \$ | % | Long Term \$ Debt \$ | % | \$ Total \$ Debt & Equity |
| Cabot Oil & Gas | cog | 56.175 | 47,914,159 | 2,691,577,882 | 87.6% | - | 0.0% | 380,000,000 | 12.4% | 3,071,577,882 |
| Devon Energy | dvn | 68.167 | 442,001,000 | 30,129,882,167 | 81.3% | 150,000,000 | 0.4% | 6,800,000,000 | 18.3% | 37,079,882,167 |
| Dynegy Inc | dyn | 6.368 | 337,195,778 | 2,147,262,714 | 48.1% | | 0.0% | 2,320,000,000 | 51.9% | 4,467,262,714 |
| El Paso Corp | ep | 14.232 | 695,988,041 | 9,905,301,800 | 40.9% | | 0.0% | 14,290,000,000 | 59.1% | 24,195,301,800 |
| Energen Corp | egn | 43.627 | 72,355,003 | 3,156,631,716 | 82.2% | | 0.0% | 682,900,000 | 17.8% | 3,839,531,716 |
| Enterprise Prod | epd | 28.065 | 431,828,217 | 12,119,258,910 | 71.3% | | 0.0% | 4,884,300,000 | 28.7% | 17,003,558,910 |
| EOG resources | eog | 66.732 | 243,471,673 | 16,247,351,683 | 95.3% | 99,200,000 | 0.6% | 705,400,000 | 4.1% | 17,051,951,683 |
| Equitable Resources | eqt | 41.233 | 120,722,379 | 4,977,745,853 | 86.9% | | 0.0% | 753,400,000 | 13.1% | 5,731,145,853 |
| Kinder Morgan Energy P kmp | | 46.405 | 229,234,232 | 10,637,614,536 | 70.6% | | 0.0% | 4,431,500,000 | 29.4% | 15,069,114,536 |
| National Fuel Gas | nfg | 37.743 | 83,400,866 | 3,147,798,885 | 73.9% | | 0.0% | 1,111,700,000 | 26.1% | 4,259,498,885 |
| Newfield Exploration Co | nfx | 43.885 | 128,976,619 | 5,660,138,925 | 82.9% | | 0.0% | 1,171,000,000 | 17.1% | 6,831,138,925 |
| ONEOK Inc | oke | 41.557 | 110,214,774 | 4,580,195,363 | 53.2% | | 0.0% | 4,036,100,000 | 46.8% | 8,616,295,363 |
| Questar Corp | str | 83.908 | 85,865,721 | 7,204,820,918 | 87.5% | | 0.0% | 1,032,400,000 | 12.5% | 8,237,220,918 |
| Southwestern Energy | swn | 36.763 | 168,269,755 | 6,186,101,003 | 97.8% | | 0.0% | 137,200,000 | 2.2% | 6,323,301,003 |
| TEPPCO Partners | tpp | 39.338 | 75,713,554 | 2,978,419,787 | 66.9% | | 0.0% | 1,472,100,000 | 33.1% | 4,450,519,787 |
| Williams Companies | wmb | 25.705 | 596,338,450 | 15,328,879,857 | 67.8% | | 0.0% | 7,275,200,000 | 32.2% | 22,604,079,857 |
| XTO Energy Inc | xto | 46.730 | 365,926,172 | 17,099,730,018 | 83.4% | | 0.0% | 3,400,000,000 | 16.6% | 20,499,730,018 |
| Mean: | | | | | 75.1% | | 0.1% | | 24.8% | |
| Weighted Mean: | | | | 154,198,712,017 | 73.7% | 249,200,000 | 0.1% | 54,883,200,000 | 26.2% | 209,331,112,017 |
| Median: | | | | | 81.3% | | 0.0% | | 18.3% | |
| Estimated: | | | | | 75% | 0% | 25% | 100% | | |

source: Value Line December 15, 2006

Support for Market Multiples
Natural Gas Diversified Industry
2007 Assessment Year

| Industry Overall | | | | | | | | | | | | | | |
|-------------------------|--------|----------------------|--------|-------------|--------------|-------------|----------|--------------|------------------|---------------|----------------|-------------|---------------|-------------|
| Company Name | Ticker | \$Stock\$ Average | Rev's | Multiple | Cash Flow | Multiple | Earnings | Multiple | Div'ds Decl'd | Multiple | Cap'l Spend | Multiple | Book Value | Multiple |
| Cabot Oil & Gas | cog | 56.175 | 14.60 | 3.85 | 6.45 | 8.71 | 3.85 | 14.59 | 0.16 | 351.09 | 7.50 | 7.49 | 15.90 | 3.53 |
| Devon Energy | dvn | 68.167 | 25.00 | 2.73 | 12.15 | 5.61 | 6.70 | 10.17 | 0.45 | 151.48 | 11.00 | 6.20 | 39.10 | 1.74 |
| Dynegy Inc | dyn | 6.368 | 6.50 | 0.98 | 0.40 | nmf | nmf | nmf | nil | nmf | 0.55 | 11.58 | 6.35 | 1.00 |
| El Paso Corp | ep | 14.232 | 7.35 | 1.94 | 2.65 | 5.37 | 0.95 | 14.98 | 0.16 | 88.95 | 2.85 | 4.99 | 6.85 | 2.08 |
| Energen Corp | egn | 43.627 | 19.25 | 2.27 | 5.05 | 8.64 | 3.15 | 13.85 | 0.44 | 99.15 | 4.05 | 10.77 | 16.60 | 2.63 |
| Enterprise Prod | epd | 28.065 | 33.10 | 0.85 | 2.40 | 11.69 | 1.20 | 23.39 | 1.79 | 15.68 | 3.20 | 8.77 | 15.50 | 1.81 |
| EOG resources | eog | 66.732 | 15.35 | 4.35 | 8.85 | 7.54 | 5.35 | 12.47 | 0.24 | 278.05 | 11.50 | 5.80 | 23.15 | 2.88 |
| Equitable Resources | eqt | 41.233 | 11.65 | 3.54 | 2.70 | 15.27 | 1.85 | 22.29 | 0.87 | 47.39 | 3.15 | 13.09 | 7.10 | 5.81 |
| Kinder Morgan Energy Pl | kmmp | 46.405 | 43.05 | 1.08 | 3.70 | 12.54 | 2.00 | 23.20 | 3.25 | 14.28 | 4.35 | 10.67 | 16.80 | 2.76 |
| National Fuel Gas | nfg | 37.743 | 27.50 | 1.37 | 4.60 | 8.21 | 2.40 | 15.73 | 1.18 | 31.99 | 3.00 | 12.58 | 15.90 | 2.37 |
| Newfield Exploration Co | nfx | 43.885 | 14.45 | 3.04 | 8.50 | 5.16 | 3.70 | 11.86 | nil | nmf | 13.10 | 3.35 | 21.50 | 2.04 |
| ONEOK Inc | oke | 41.557 | 111.75 | 0.37 | 4.70 | 8.84 | 2.35 | 17.68 | 1.22 | 34.06 | 2.80 | 14.84 | 19.15 | 2.17 |
| Questar Corp | str | 83.908 | 33.15 | 2.53 | 8.35 | 10.05 | 4.65 | 18.04 | 0.93 | 90.22 | 9.05 | 9.27 | 25.00 | 3.36 |
| Southwestern Energy | swn | 36.763 | 4.90 | 7.50 | 1.90 | 19.35 | 1.05 | 35.01 | nil | nmf | 5.15 | 7.14 | 7.55 | 4.87 |
| TEPPCO Partners | tpp | 39.338 | 124.00 | 0.32 | 4.00 | 9.83 | 1.75 | 22.48 | 2.70 | 14.57 | 3.00 | 13.11 | 16.50 | 2.38 |
| Williams Companies | wmb | 25.705 | 21.25 | 1.21 | 2.25 | 11.42 | 0.80 | 32.13 | 0.35 | 73.44 | 3.80 | 6.76 | 10.50 | 2.45 |
| XTO Energy Inc | xto | 46.730 | 12.45 | 3.75 | 6.35 | 7.36 | 4.20 | 11.13 | 0.30 | 155.77 | 3.85 | 12.14 | 15.60 | 3.00 |
| Mean: | | | | 2.45 | | 9.73 | | 18.69 | | 103.30 | | 9.33 | | 2.76 |
| Weighted Mean: | | 726.63 | 525.30 | 1.38 | 85.00 | 8.55 | 45.95 | 15.81 | 14.04 | 51.75 | 91.90 | 7.91 | 279.05 | 2.60 |
| Median: | | | | 2.27 | | 8.78 | | 16.71 | | 81.20 | | 9.27 | | 2.45 |
| Estimated: | | | | 2.00 | | 9.00 | | 16.00 | | 55.00 | | 9.00 | | 2.60 |

source: Value Line Investment Survey and Finance.Yahoo.com

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

**Support for Yield Capitalization Equity Component
Capital Asset Pricing Model**

Natural Gas Diversified Industry

2007 Assessment Year

EX Post

$$K_e = R_f + B (R_m - R_f)$$

| Where: | Ibbotson Rm |
|----------------------------|--------------|
| Ke = Cost of Equity | 10.4% |
| Rm = rate of return | 10.4% |
| Rf = risk free rate | 4.8% |
| Rp = risk premium | 5.6% |
| B = Beta | 1.00 |

| Rm=Investor's Market Rate of Return | 10.4% |
|---|-------|
| Ibbotson SBBI, December Market Report 2006, Table 7, page 16 Ibbotson, SBBI, Large Company | |

| Rf = Risk Free Rate: | 4.8% |
|----------------------|------|
|----------------------|------|

| Ibbotson's SBBI, Risk Premia Over Time Report 2006 Table C1 Pg 5 | |
|---|----------------------------|
| Long Term (20 yr) US Treasury Bond Yield | 4.9% |
| The Value Line Investment Survey, Selected Yields, pg 4941, January 5, 2007 | |
| U.S. Treasury Securities: | (year end data) |
| 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: | |
| 5-year | 4.56% |
| 10-year | 4.60% |
| 20-year | 4.82% |
| 20-year TIPS | <u>2.33%</u> |
| | 2.49% Inflation Indication |

**Support for Yield Capitalization Equity Component
Capital Asset Pricing Model**

Natural Gas Diversified Industry

2007 Assessment Year

Ex Ante

$$K_e = R_f + B (R_p)$$

| Where: | |
|----------------------------|-------------|
| Ke = Cost of Equity | 9.8% |
| Rf = risk free rate | 4.8% |
| Rp = risk premium | 5.0% |
| B = Beta | 1.00 |

Rp= Risk Premium (Ex Ante) 5.0%

Roger J. Grabowski and David W. King
Equity Risk Premium: What Consultants Need to Know about Recent Research - 2005 Update

Dr. Aswath Damodaran
<http://pages.stern.nyu.edu/~adamodar/>

John Graham and Cambell Harvey
Expectations of Equity Risk Premium, Volatility and Asymmetry, 2003
(The Graham and Harvey is the US Corportate officer survey of 2.9-4.7%)

Rf = Risk Free Rate: 4.8%

**Ibbotson's SBBI, Risk Premia Over Time Report 2006
Table C1 Pg 5**

| | |
|--|------|
| Long Term (20 yr) US Treasury Bond Yield | 4.9% |
|--|------|

The Value Line Investment Survey, Selected Yields, pg 4941, January 5, 2007

| | |
|---------------------------|-----------------|
| U.S. Treasury Securities: | (year end data) |
| 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: | |
| 5-year | 4.56% |
| 10-year | 4.60% |
| 20-year | 4.82% |
| 20-year TIPS | <u>2.33%</u> |
| | 2.49% Inflation Indication |

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

| | | |
|-------------------------|-----|-------------------|
| Beta = | | |
| Industry Overall | | ValueLine |
| Cabot Oil & Gas | cog | 1.00 |
| Devon Energy | dvn | 1.05 |
| Dynegy Inc | dyn | 2.85 |
| El Paso Corp | ep | 2.35 |
| Energen Corp | egn | 0.85 |
| Enterprise Prod | epd | 0.65 |
| EOG resources | eog | 1.05 |
| Equitable Resources | eqt | 0.80 |
| Kinder Morgan Energy P | kmp | 0.70 |
| National Fuel Gas | nfg | 0.95 |
| Newfield Exploration Co | nfx | 1.00 |
| ONEOK Inc | oke | 1.00 |
| Questar Corp | str | 0.90 |
| Southwestern Energy | swn | 1.00 |
| TEPPCO Partners | tpp | 0.70 |
| Williams Companies | wmb | 3.00 |
| XTO Energy Inc | xto | 0.90 |
| Mean: | | 1.22 |
| Median: | | 1.00 |
| Range: | | .65 - 3.00 |
| Estimated: | | 1.00 |

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

Dividend Growth Model

(based on Value Line Dividends 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) | Dividend Growth (G) | Ke | Multi Stage Ke |
| Cabot Oil & Gas | cog | 56.175 | 0.16 | 0.28% | 4.50% | 4.78% | 5.36% |
| Devon Energy | dvn | 68.167 | 0.45 | 0.66% | 14.00% | 14.66% | 12.13% |
| Dynegy Inc | dyn | 6.368 | nil | nfm | nfm | nfm | nfm |
| El Paso Corp | ep | 14.232 | 0.16 | 1.12% | -12.00% | nfm | nfm |
| Energen Corp | egn | 43.627 | 0.48 | 1.10% | 8.00% | 9.10% | 8.72% |
| Enterprise Prod | epd | 28.065 | 1.95 | 6.95% | 7.50% | 14.45% | nfm |
| EOG resources | eog | 66.732 | 0.28 | 0.42% | 20.00% | 20.42% | 15.99% |
| Equitable Resources | eqt | 41.233 | 0.91 | 2.21% | 7.50% | 9.71% | 9.09% |
| Kinder Morgan Energy Ptns | kmp | 46.405 | 3.40 | 7.33% | 5.50% | 12.83% | nfm |
| National Fuel Gas | nfg | 37.743 | 1.20 | 3.18% | 2.50% | 5.68% | 6.79% |
| Newfield Exploration Co | nfx | 43.885 | nil | nfm | nil | nfm | nfm |
| ONEOK Inc | oke | 41.557 | 1.28 | 3.08% | 8.00% | 11.08% | 10.41% |
| Questar Corp | str | 83.908 | 0.94 | 1.12% | 2.00% | 3.12% | 4.37% |
| Southwestern Energy | swn | 36.763 | nil | nfm | nil | nfm | nfm |
| TEPPCO Partners | tpp | 39.338 | 2.80 | 7.12% | 2.50% | 9.62% | nfm |
| Williams Companies | wmb | 25.705 | 0.38 | 1.48% | 29.00% | 30.48% | 23.15% |
| XTO Energy Inc | xto | 46.730 | 0.30 | 0.64% | 22.00% | 22.64% | 17.71% |
| Mean: | | | | | | 12.97% | 11.37% |
| Median: | | | | | | 11.08% | 9.75% |
| Range: | | | | | | 3.12% - 30.48% | 4.37% - 23.15% |
| Estimated: | | | | | | 10.00% | 9.00% |

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 Diversified Industry
2007 Assessment Year**

Dividend Growth Model

(based on Value Line Earnings Growth)

$$K_e = D1 / P_o + G$$

where:

K_e = Cost of Equity
D1 = Expected Dividends
P_o = Current Price
G = Sustainable Growth

| Industry Overall | | | | | | | |
|---------------------------|--------|-------------------------------|------------------------|-------------------------------------|---------------------|-----------------------|----------------------------|
| Company Name | Ticker | Stock Price (P _o) | Expected Dividend (D1) | Dividend Yield (D1/P _o) | Earnings Growth (G) | K _e | Multi Stage K _e |
| Cabot Oil & Gas | cog | 56.175 | 0.16 | 0.28% | 8.00% | 8.28% | 7.76% |
| Devon Energy | dvn | 68.167 | 0.45 | 0.66% | 8.50% | 9.16% | 8.36% |
| Dynegy Inc | dyn | 6.368 | nil | nmf | nmf | nmf | nmf |
| El Paso Corp | ep | 14.232 | 0.16 | 1.12% | 30.50% | 31.62% | 23.82% |
| Energen Corp | egn | 43.627 | 0.48 | 1.10% | 8.00% | 9.10% | 8.72% |
| Enterprise Prod | epd | 28.065 | 1.95 | 6.95% | 12.50% | 19.45% | nmf |
| EOG resources | eog | 66.732 | 0.28 | 0.42% | 11.50% | 11.92% | 10.22% |
| Equitable Resources | eqt | 41.233 | 0.91 | 2.21% | 9.00% | 11.21% | 10.16% |
| Kinder Morgan Energy Ptns | kmp | 46.405 | 3.40 | 7.33% | 6.00% | 13.33% | nmf |
| National Fuel Gas | nfg | 37.743 | 1.20 | 3.18% | 1.50% | 4.68% | 6.05% |
| Newfield Exploration Co | nfx | 43.885 | nil | nmf | 14.50% | nmf | nmf |
| ONEOK Inc | oke | 41.557 | 1.28 | 3.08% | 4.50% | 7.58% | 7.86% |
| Questar Corp | str | 83.908 | 0.94 | 1.12% | 8.00% | 9.12% | 8.59% |
| Southwestern Energy | swn | 36.763 | nil | nmf | 20.50% | nmf | nmf |
| TEPPCO Partners | tpp | 39.338 | 2.80 | 7.12% | 9.00% | 16.12% | nmf |
| Williams Companies | wmb | 25.705 | 0.38 | 1.48% | 26.50% | 27.98% | 21.44% |
| XTO Energy Inc | xto | 46.730 | 0.30 | 0.64% | 11.00% | 11.64% | 10.19% |
| Mean: | | | | | | 13.66% | 11.20% |
| Median: | | | | | | 11.42% | 8.72% |
| Range: | | | | | | 4.68% - 31.62% | 6.05% - 23.82% |
| Estimated: | | | | | | 11.00% | 9.00% |

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 Diversified Industry
2007 Assessment Year**

Dividend Growth Model
(based on S&P Earnings Growth)

$$Ke = D1 / Po + G$$

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 | Multi Stage Ke |
| Cabot Oil & Gas | cog | 56.175 | 0.16 | 0.28% | 14 | 12.00% | 12.28% | 10.50% |
| Devon Energy | dvn | 68.167 | 0.45 | 0.66% | 27 | 10.00% | 10.66% | 9.39% |
| Dynegy Inc | dyn | 6.368 | nil | nmf | 10 | 6.00% | nmf | nmf |
| El Paso Corp | ep | 14.232 | 0.16 | 1.12% | 15 | 11.00% | 12.12% | 10.48% |
| Energen Corp | egn | 43.627 | 0.48 | 1.10% | 9 | 6.00% | 7.10% | 7.31% |
| Enterprise Prod | epd | 28.065 | 1.95 | 6.95% | 15 | 9.00% | 15.95% | nmf |
| EOG resources | eog | 66.732 | 0.28 | 0.42% | 33 | 10.00% | 10.42% | 9.19% |
| Equitable Resources | eqt | 41.233 | 0.91 | 2.21% | 9 | 10.00% | 12.21% | 10.87% |
| Kinder Morgan Energy Ptns | kmp | 46.405 | 3.40 | 7.33% | 13 | 8.00% | 15.33% | nmf |
| National Fuel Gas | nfg | 37.743 | 1.20 | 3.18% | 8 | 5.00% | 8.18% | 8.64% |
| Newfield Exploration Co | nfx | 43.885 | nil | nmf | 29 | 14.00% | nmf | nmf |
| ONEOK Inc | oke | 41.557 | 1.28 | 3.08% | 11 | 8.00% | 11.08% | 10.41% |
| Questar Corp | str | 83.908 | 0.94 | 1.12% | 11 | 12.00% | 13.12% | 11.38% |
| Southwestern Energy | swn | 36.763 | nil | nmf | 20 | 20.00% | nmf | nmf |
| TEPPCO Partners | tpp | 39.338 | 2.80 | 7.12% | 12 | 5.00% | 12.12% | nmf |
| Williams Companies | wmb | 25.705 | 0.38 | 1.48% | 13 | 19.00% | 20.48% | 16.29% |
| XTO Energy Inc | xto | 46.730 | 0.30 | 0.64% | 29 | 17.00% | 17.64% | 14.31% |
| Mean: | | | | | | | 12.76% | 10.80% |
| Median: | | | | | | | 12.17% | 10.48% |
| Range: | | | | | | | 7.10% - 20.48% | 7.31% - 16.29% |
| Estimated: | | | | | | | 12.00% | 10.50% |

source: Standard & Poors January 2007, Earnings Guide and Finance.Yahoo.com
Note: Stock Price = 4th ¼ High / Low average

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

| Industry Overall | | ---- Ratings ----- | |
|------------------------------------|--------|--------------------|------------|
| Company | Ticker | Mergent's | S&P |
| Cabot Oil & Gas | cog | | |
| Devon Energy | dvn | | BBB |
| Dynegy Inc | dyn | B2 | B |
| El Paso Corp | ep | B2 | B+ |
| Energen Corp | egn | | BBB+ |
| Enterprise Prod | epd | Ba1 | BBB- |
| EOG resources | eog | | BBB+ |
| Equitable Resources | eqt | A2 | A- |
| Kinder Morgan Energy Ptns | kmp | | BBB |
| National Fuel Gas | nfg | | BBB+ |
| Newfield Exploration Co | nfx | Ba1 | BB+ |
| ONEOK Inc | oke | | BBB |
| Questar Corp | str | | NR |
| Southwestern Energy | swn | | BB+ |
| TEPPCO Partners | tpp | | BBB- |
| Williams Companies | wmb | Ba2 | BB- |
| XTO Energy Inc | xto | Baa2 | BBB |
| Overall Average Debt Rating | | Ba | BBB |

Standard & Poor's Bond Guide

January 2007 - Page 3 - US Industrial 20 yr bond yield chart

| Industrials | AAA | AA | A | BBB | BB |
|-------------|-------|-------|-------|-------|-------|
| Year End | 5.30% | 5.50% | 5.70% | 6.50% | 7.80% |

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| 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 |
|-----------------|
| 6.50% |

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

| Industry Overall | | \$Stock\$ Average | Actual | | Projected | | Projected | |
|---------------------------|---------------|------------------------------|-----------------|--------------|------------------|--------------|------------------|---------------|
| Company Name | Ticker | | Earnings | Ratio | Earnings | Ratio | Cash Flow | Ratio |
| Cabot Oil & Gas | cog | 56.175 | 3.85 | 6.85% | 4.00 | 7.12% | 6.75 | 12.02% |
| Devon Energy | dvn | 68.167 | 6.70 | 9.83% | 7.50 | 11.00% | 13.65 | 20.02% |
| Dynegy Inc | dyn | 6.368 | nmf | nmf | 0.05 | 0.79% | 0.75 | 11.78% |
| El Paso Corp | ep | 14.232 | 0.95 | 6.68% | 1.20 | 8.43% | 2.90 | 20.38% |
| Energen Corp | egn | 43.627 | 3.15 | 7.22% | 4.00 | 9.17% | 6.15 | 14.10% |
| Enterprise Prod | epd | 28.065 | 1.20 | 4.28% | 1.35 | 4.81% | 2.65 | 9.44% |
| EOG resources | eog | 66.732 | 5.35 | 8.02% | 5.60 | 8.39% | 9.20 | 13.79% |
| Equitable Resources | eqt | 41.233 | 1.85 | 4.49% | 2.20 | 5.34% | 3.10 | 7.52% |
| Kinder Morgan Energy Ptns | kmp | 46.405 | 2.00 | 4.31% | 2.30 | 4.96% | 4.15 | 8.94% |
| National Fuel Gas | nfg | 37.743 | 2.40 | 6.36% | 2.30 | 6.09% | 4.75 | 12.59% |
| Newfield Exploration Co | nfx | 43.885 | 3.70 | 8.43% | 5.25 | 11.96% | 11.25 | 25.64% |
| ONEOK Inc | oke | 41.557 | 2.35 | 5.65% | 2.55 | 6.14% | 5.00 | 12.03% |
| Questar Corp | str | 83.908 | 4.65 | 5.54% | 5.20 | 6.20% | 9.10 | 10.85% |
| Southwestern Energy | swn | 36.763 | 1.05 | 2.86% | 1.35 | 3.67% | 2.50 | 6.80% |
| TEPPCO Partners | tpp | 39.338 | 1.75 | 4.45% | 1.95 | 4.96% | 4.15 | 10.55% |
| Williams Companies | wmb | 25.705 | 0.80 | 3.11% | 0.95 | 3.70% | 2.55 | 9.92% |
| XTO Energy Inc | xto | 46.730 | 4.20 | 8.99% | 4.65 | 9.95% | 6.70 | 14.34% |
| Mean: | | | | 6.07% | | 6.63% | | 12.98% |
| Median: | | | | 6.01% | | 6.14% | | 12.02% |
| Weighted Mean: | | 726.63 | 45.95 | 6.32% | 52.40 | 7.21% | 95.30 | 13.12% |
| Estimated: | | | | 6.00% | | 6.50% | | 12.00% |

source: Value Line December 15, 2006

Cabot Oil & Gas cog

| Date | Open | High | Low | Close | Volume | Adj. Close* | |
|-----------|--------|--------|--------|--------|--------|-------------|------------------------------|
| 01-Dec-06 | 61.800 | 66.520 | 60.190 | 60.650 | 552865 | 60.650 | Q4 Average 56.175 |
| 01-Nov-06 | 52.910 | 62.770 | 50.690 | 62.130 | 528614 | 62.130 | |
| 02-Oct-06 | 48.080 | 54.310 | 42.570 | 52.910 | 490513 | 52.870 | |
| 01-Sep-06 | 51.060 | 52.300 | 43.610 | 47.930 | 680365 | 47.890 | |
| 01-Aug-06 | 52.760 | 56.250 | 50.700 | 51.060 | 562391 | 51.020 | |
| 03-Jul-06 | 48.750 | 53.190 | 43.850 | 52.750 | 588945 | 52.670 | |
| 01-Jun-06 | 43.000 | 49.000 | 38.260 | 49.000 | 990681 | 48.930 | |
| 01-May-06 | 49.670 | 55.680 | 41.200 | 43.870 | 674022 | 43.810 | |
| 03-Apr-06 | 48.420 | 53.640 | 47.640 | 49.260 | 448326 | 49.150 | |
| 01-Mar-06 | 45.500 | 50.230 | 43.460 | 47.930 | 572034 | 47.820 | |
| 01-Feb-06 | 51.320 | 52.200 | 42.050 | 45.260 | 679910 | 45.160 | |
| 03-Jan-06 | 45.600 | 53.470 | 45.300 | 51.570 | 540850 | 51.410 | |

Devon Energy dvn

| Date | Open | High | Low | Close | Volume | Adj. Close* | |
|-----------|--------|--------|--------|--------|---------|-------------|------------------------------|
| 01-Dec-06 | 72.900 | 74.490 | 66.230 | 67.080 | 4028730 | 67.080 | Q4 Average 68.167 |
| 01-Nov-06 | 66.450 | 73.960 | 65.680 | 73.370 | 4495742 | 73.250 | |
| 02-Oct-06 | 63.100 | 70.090 | 58.550 | 66.840 | 5568927 | 66.730 | |
| 01-Sep-06 | 63.700 | 74.750 | 58.360 | 63.150 | 9204270 | 63.050 | |
| 01-Aug-06 | 64.880 | 67.490 | 59.610 | 62.490 | 3839934 | 62.280 | |
| 03-Jul-06 | 61.940 | 64.810 | 57.190 | 64.640 | 3945365 | 64.430 | |
| 01-Jun-06 | 56.750 | 61.000 | 48.940 | 60.410 | 5227813 | 60.210 | |
| 01-May-06 | 60.840 | 64.070 | 53.570 | 57.360 | 4832081 | 57.040 | |
| 03-Apr-06 | 62.250 | 65.250 | 58.060 | 60.110 | 4100457 | 59.780 | |
| 01-Mar-06 | 59.120 | 63.650 | 55.300 | 61.170 | 4026186 | 60.830 | |
| 01-Feb-06 | 69.000 | 69.300 | 56.600 | 58.630 | 4818647 | 58.190 | |
| 03-Jan-06 | 62.760 | 69.970 | 62.610 | 68.210 | 4064835 | 67.700 | |

Dynegy Inc dyn

| Date | Open | High | Low | Close | Volume | Adj. Close* | |
|-----------|-------|-------|-------|-------|---------|-------------|-----------------------------|
| 01-Dec-06 | 6.790 | 7.320 | 6.590 | 7.240 | 4018410 | 7.240 | Q4 Average 6.368 |
| 01-Nov-06 | 6.070 | 6.800 | 5.850 | 6.790 | 4001609 | 6.790 | |
| 02-Oct-06 | 5.550 | 6.300 | 5.350 | 6.080 | 4397740 | 6.080 | |
| 01-Sep-06 | 6.200 | 6.380 | 5.510 | 5.540 | 5077855 | 5.540 | |
| 01-Aug-06 | 5.640 | 6.370 | 5.300 | 6.200 | 4262047 | 6.200 | |
| 03-Jul-06 | 5.470 | 5.750 | 5.010 | 5.630 | 3067100 | 5.630 | |
| 01-Jun-06 | 5.200 | 5.650 | 4.810 | 5.470 | 4243613 | 5.470 | |
| 01-May-06 | 4.940 | 5.400 | 4.500 | 5.280 | 6180340 | 5.280 | |
| 03-Apr-06 | 4.820 | 5.180 | 4.670 | 4.970 | 2540615 | 4.970 | |
| 01-Mar-06 | 5.300 | 5.380 | 4.530 | 4.800 | 4307700 | 4.800 | |
| 01-Feb-06 | 5.450 | 5.720 | 5.120 | 5.410 | 3794694 | 5.410 | |
| 03-Jan-06 | 4.840 | 5.810 | 4.840 | 5.500 | 5579560 | 5.500 | |

EOG Resources eog

| Date | Open | High | Low | Close | Volume | Adj. Close* | |
|-----------|--------|--------|--------|--------|---------|-------------|------------------------------|
| 01-Dec-06 | 69.910 | 70.720 | 61.870 | 62.450 | 2567775 | 62.450 | Q4 Average 66.732 |
| 01-Nov-06 | 66.250 | 72.270 | 64.580 | 70.530 | 3581266 | 70.530 | |
| 02-Oct-06 | 65.300 | 71.070 | 59.880 | 66.530 | 4217431 | 66.530 | |
| 01-Sep-06 | 64.850 | 66.820 | 58.450 | 65.050 | 4380085 | 64.990 | |
| 01-Aug-06 | 72.170 | 73.650 | 64.130 | 64.820 | 3168904 | 64.760 | |
| 03-Jul-06 | 70.210 | 75.560 | 64.300 | 74.150 | 3550495 | 74.080 | |
| 01-Jun-06 | 64.130 | 69.980 | 56.310 | 69.340 | 4340177 | 69.220 | |
| 01-May-06 | 71.230 | 77.290 | 59.600 | 65.660 | 3803018 | 65.540 | |
| 03-Apr-06 | 73.400 | 79.240 | 68.490 | 70.230 | 2795300 | 70.100 | |
| 01-Mar-06 | 67.560 | 75.220 | 64.120 | 72.000 | 3556139 | 71.810 | |
| 01-Feb-06 | 85.150 | 86.910 | 65.610 | 67.400 | 4672157 | 67.220 | |
| 03-Jan-06 | 74.000 | 86.320 | 74.000 | 84.540 | 3343525 | 84.320 | |

El Paso Corp ep

| Date | Open | High | Low | Close | Volume | Adj. Close* | |
|-----------|--------|--------|--------|--------|----------|-------------|------------------------------|
| 01-Dec-06 | 14.600 | 15.840 | 14.400 | 15.280 | 5066170 | 15.280 | Q4 Average 14.232 |
| 01-Nov-06 | 13.820 | 14.710 | 13.350 | 14.600 | 5421595 | 14.600 | |
| 02-Oct-06 | 13.670 | 14.170 | 12.920 | 13.700 | 6111400 | 13.660 | |
| 01-Sep-06 | 14.520 | 14.650 | 12.820 | 13.640 | 4994275 | 13.600 | |
| 01-Aug-06 | 16.000 | 16.390 | 13.960 | 14.520 | 4621656 | 14.480 | |
| 03-Jul-06 | 15.010 | 16.120 | 14.540 | 16.000 | 4028300 | 15.910 | |
| 01-Jun-06 | 15.580 | 15.770 | 13.800 | 15.000 | 6103950 | 14.920 | |
| 01-May-06 | 12.960 | 16.000 | 12.960 | 15.570 | 11199677 | 15.480 | |
| 03-Apr-06 | 12.140 | 13.030 | 11.850 | 12.910 | 3983063 | 12.800 | |
| 01-Mar-06 | 12.970 | 13.150 | 11.800 | 12.050 | 4781421 | 11.950 | |
| 01-Feb-06 | 13.460 | 13.600 | 12.210 | 13.080 | 5371826 | 12.930 | |
| 03-Jan-06 | 12.260 | 13.950 | 12.080 | 13.460 | 6177515 | 13.310 | |

Energen Corp egn

| Date | Open | High | Low | Close | Volume | Adj. Close* | |
|-----------|--------|--------|--------|--------|--------|-------------|------------------------------|
| 01-Dec-06 | 45.420 | 47.600 | 44.990 | 46.940 | 322755 | 46.940 | Q4 Average 43.627 |
| 01-Nov-06 | 42.870 | 45.370 | 42.400 | 45.360 | 364409 | 45.360 | |
| 02-Oct-06 | 41.900 | 42.900 | 38.500 | 42.820 | 436359 | 42.710 | |
| 01-Sep-06 | 43.700 | 44.020 | 39.780 | 41.870 | 481895 | 41.770 | |
| 01-Aug-06 | 42.750 | 44.480 | 41.040 | 43.640 | 531300 | 43.530 | |
| 03-Jul-06 | 38.380 | 43.140 | 36.950 | 42.620 | 560225 | 42.400 | |
| 01-Jun-06 | 33.940 | 38.420 | 32.900 | 38.410 | 641863 | 38.210 | |
| 01-May-06 | 35.270 | 35.760 | 32.160 | 33.880 | 478572 | 33.710 | |
| 03-Apr-06 | 35.080 | 38.250 | 34.400 | 35.270 | 495284 | 34.980 | |
| 01-Mar-06 | 35.900 | 36.250 | 32.710 | 35.000 | 359286 | 34.710 | |
| 01-Feb-06 | 38.850 | 39.430 | 33.760 | 35.730 | 381421 | 35.440 | |
| 03-Jan-06 | 36.520 | 39.490 | 36.350 | 39.020 | 353860 | 38.580 | |

Enterprise Products epd

| Date | Open | High | Low | Close | Volume | Adj. Close* | |
|-----------|-------|-------|-------|-------|---------|-------------|------------------------------|
| 01-Dec-06 | 28.18 | 29.98 | 28.09 | 28.98 | 491765 | 28.98 | Q4 Average 28.065 |
| 01-Nov-06 | 27.31 | 28.55 | 27.18 | 28.28 | 432528 | 28.28 | |
| 02-Oct-06 | 26.75 | 28.54 | 26.05 | 27.48 | 520045 | 27.48 | |
| 01-Sep-06 | 26.95 | 27.05 | 25.3 | 26.75 | 1112625 | 26.31 | |
| 01-Aug-06 | 26.74 | 27.06 | 26.15 | 26.77 | 367482 | 26.33 | |
| 03-Jul-06 | 25.08 | 27.06 | 25 | 26.67 | 507290 | 26.23 | |
| 01-Jun-06 | 25.2 | 25.23 | 23.76 | 24.9 | 567627 | 24.08 | |
| 01-May-06 | 24.75 | 25.71 | 24.12 | 25.2 | 606622 | 24.37 | |
| 03-Apr-06 | 24.74 | 25.44 | 24.4 | 24.74 | 543405 | 23.93 | |
| 01-Mar-06 | 24.25 | 24.8 | 23.69 | 24.69 | 1106060 | 23.45 | |
| 01-Feb-06 | 25.34 | 25.4 | 24.22 | 24.28 | 517510 | 23.07 | |
| 03-Jan-06 | 24.47 | 26 | 24.34 | 25.27 | 503705 | 24.01 | |

Equitable Resources eqt

| Date | Open | High | Low | Close | Volume | Adj. Close* | |
|-----------|-------|-------|-------|-------|--------|-------------|------------------------------|
| 01-Dec-06 | 43.33 | 44.1 | 41.58 | 41.75 | 583510 | 41.75 | Q4 Average 41.233 |
| 01-Nov-06 | 40.66 | 44.48 | 40.06 | 43.38 | 771957 | 43.38 | |
| 02-Oct-06 | 34.92 | 42.35 | 34.83 | 40.52 | 997990 | 40.3 | |
| 01-Sep-06 | 36.86 | 37.48 | 34.12 | 34.98 | 887040 | 34.79 | |
| 01-Aug-06 | 35.98 | 36.91 | 34.85 | 36.86 | 688630 | 36.66 | |
| 03-Jul-06 | 33.67 | 36.29 | 32.55 | 36.01 | 883650 | 35.59 | |
| 01-Jun-06 | 33.65 | 34.78 | 31.59 | 33.5 | 794113 | 33.11 | |
| 01-May-06 | 35.51 | 35.85 | 32.2 | 33.65 | 733190 | 33.26 | |
| 03-Apr-06 | 36.44 | 37 | 34.92 | 35.51 | 714257 | 34.88 | |
| 01-Mar-06 | 36.52 | 37.87 | 35.22 | 36.51 | 770391 | 35.86 | |
| 01-Feb-06 | 36.85 | 37.19 | 34.05 | 36.36 | 795336 | 35.72 | |
| 03-Jan-06 | 36.82 | 39.02 | 35.82 | 36.9 | 810520 | 36.04 | |

Kinder Morgan kmi

| Date | Open | High | Low | Close | Volume | Adj. Close* | |
|-----------|--------|--------|--------|--------|---------|-------------|-------------------------------|
| 01-Dec-06 | 104.96 | 106.2 | 104.96 | 105.75 | 625910 | 105.75 | Q4 Average 105.328 |
| 01-Nov-06 | 105.12 | 105.88 | 104 | 104.95 | 934823 | 104.95 | |
| 02-Oct-06 | 104.83 | 106.19 | 104.74 | 105.1 | 891168 | 105.1 | |
| 01-Sep-06 | 104.38 | 105 | 104.03 | 104.85 | 733430 | 103.98 | |
| 01-Aug-06 | 101.5 | 104.59 | 100.1 | 104.36 | 1101169 | 103.5 | |
| 03-Jul-06 | 99.9 | 103.19 | 99.5 | 102 | 1259720 | 101.16 | |
| 01-Jun-06 | 100.4 | 101.83 | 97.5 | 99.89 | 1472318 | 98.22 | |
| 01-May-06 | 88.27 | 103 | 81 | 100.48 | 1860945 | 98.8 | |
| 03-Apr-06 | 92.24 | 93.05 | 86.27 | 88.02 | 823189 | 86.55 | |
| 01-Mar-06 | 92.9 | 94.9 | 89.13 | 91.99 | 548660 | 89.56 | |
| 01-Feb-06 | 96.75 | 96.82 | 89.3 | 92.78 | 805326 | 90.33 | |
| 03-Jan-06 | 91.95 | 103.75 | 91.47 | 96.25 | 843430 | 93.71 | |

Kinder Morgan Energy Partners kmp

| Date | Open | High | Low | Close | Volume | Adj. Close* | |
|-----------|-------|-------|-------|-------|--------|-------------|------------------------------|
| 01-Dec-06 | 48.3 | 48.98 | 47.42 | 47.9 | 255520 | 47.9 | Q4 Average 46.405 |
| 01-Nov-06 | 44.61 | 48.93 | 44.01 | 48.49 | 417271 | 48.49 | |
| 02-Oct-06 | 43.8 | 46.08 | 43.01 | 44.6 | 445868 | 44.6 | |
| 01-Sep-06 | 44.9 | 44.9 | 42.8 | 43.88 | 364735 | 43.1 | |
| 01-Aug-06 | 45.9 | 46.53 | 44.45 | 44.77 | 437956 | 43.98 | |
| 03-Jul-06 | 45.99 | 46.49 | 45.05 | 46.06 | 208465 | 45.24 | |
| 01-Jun-06 | 47.15 | 47.33 | 43.62 | 45.96 | 289372 | 44.35 | |
| 01-May-06 | 46.07 | 47.99 | 43.71 | 47.2 | 415877 | 45.55 | |
| 03-Apr-06 | 48.16 | 48.8 | 46.11 | 46.43 | 270794 | 44.81 | |
| 01-Mar-06 | 47.37 | 48.73 | 44.7 | 48.18 | 345339 | 45.7 | |
| 01-Feb-06 | 48.81 | 48.82 | 46.75 | 47.27 | 335615 | 44.84 | |
| 03-Jan-06 | 48 | 56.22 | 47.99 | 48.96 | 398700 | 46.44 | |

National Fuel Gas nfg

| Date | Open | High | Low | Close | Volume | Adj. Close* | |
|-----------|-------|-------|-------|-------|--------|-------------|------------------------------|
| 01-Dec-06 | 37.76 | 40.21 | 37.67 | 38.54 | 543890 | 38.54 | Q4 Average 37.743 |
| 01-Nov-06 | 37.55 | 39.1 | 36.5 | 37.9 | 779842 | 37.61 | |
| 02-Oct-06 | 36.35 | 37.96 | 35.02 | 37.4 | 746536 | 37.12 | |
| 01-Sep-06 | 38.25 | 38.71 | 35.42 | 36.35 | 456780 | 36.07 | |
| 01-Aug-06 | 36.96 | 39.16 | 36.76 | 38.17 | 398821 | 37.57 | |
| 03-Jul-06 | 35.09 | 37.43 | 34.95 | 37.14 | 500165 | 36.55 | |
| 01-Jun-06 | 35.8 | 36.75 | 33.18 | 35.14 | 590327 | 34.59 | |
| 01-May-06 | 33.38 | 35.98 | 33.3 | 35.8 | 549863 | 34.93 | |
| 03-Apr-06 | 32.73 | 33.51 | 31.33 | 33.25 | 429573 | 32.44 | |
| 01-Mar-06 | 32.54 | 33.27 | 31.13 | 32.72 | 379082 | 31.93 | |
| 01-Feb-06 | 33 | 33.42 | 30.6 | 32.38 | 512678 | 31.31 | |
| 03-Jan-06 | 31.44 | 35.43 | 31.09 | 32.9 | 467135 | 31.82 | |

Newfield Exploration nfx

| Date | Open | High | Low | Close | Volume | Adj. Close* | |
|-----------|-------|-------|-------|-------|---------|-------------|------------------------------|
| 01-Dec-06 | 49.7 | 49.71 | 45.74 | 45.95 | 1462215 | 45.95 | Q4 Average 43.885 |
| 01-Nov-06 | 41.04 | 50.16 | 39.65 | 49.77 | 1669342 | 49.77 | |
| 02-Oct-06 | 38.54 | 43.15 | 34.9 | 40.79 | 1699118 | 40.79 | |
| 01-Sep-06 | 43.25 | 44.5 | 34.99 | 38.54 | 1661790 | 38.54 | |
| 01-Aug-06 | 46.25 | 47.15 | 40.3 | 43.24 | 1912147 | 43.24 | |
| 03-Jul-06 | 49.3 | 49.72 | 43.78 | 46.38 | 1286210 | 46.38 | |
| 01-Jun-06 | 42.74 | 49.46 | 38.65 | 48.94 | 1700177 | 48.94 | |
| 01-May-06 | 45.16 | 51.75 | 40.47 | 42.73 | 2044227 | 42.73 | |
| 03-Apr-06 | 42.09 | 47.81 | 41.27 | 44.6 | 1503142 | 44.6 | |
| 01-Mar-06 | 38.86 | 42.33 | 35.07 | 41.9 | 2084765 | 41.9 | |
| 01-Feb-06 | 52.4 | 53.07 | 38.18 | 38.65 | 1880552 | 38.65 | |
| 03-Jan-06 | 51 | 54.5 | 48.42 | 52.4 | 1326065 | 52.4 | |

ONEOK Inc oke

| Date | Open | High | Low | Close | Volume | Adj. Close* | |
|-----------|-------|-------|-------|-------|---------|-------------|------------------------------|
| 01-Dec-06 | 43.24 | 44.48 | 42.71 | 43.12 | 507585 | 43.12 | Q4 Average 41.557 |
| 01-Nov-06 | 41.63 | 43.68 | 38.81 | 43.24 | 703342 | 43.24 | |
| 02-Oct-06 | 37.67 | 41.99 | 37.67 | 41.63 | 416822 | 41.63 | |
| 01-Sep-06 | 38.45 | 39.33 | 36.63 | 37.79 | 648950 | 37.5 | |
| 01-Aug-06 | 37.16 | 39.25 | 37.14 | 38.27 | 699430 | 37.98 | |
| 03-Jul-06 | 33.94 | 37.82 | 32.99 | 37.21 | 798920 | 36.93 | |
| 01-Jun-06 | 33.74 | 35.15 | 32.1 | 34.04 | 677672 | 33.49 | |
| 01-May-06 | 33.15 | 33.71 | 30.04 | 33.59 | 924550 | 33.05 | |
| 03-Apr-06 | 32.62 | 33.75 | 32.09 | 33.01 | 604168 | 32.48 | |
| 01-Mar-06 | 30.7 | 32.58 | 28.89 | 32.25 | 741056 | 31.44 | |
| 01-Feb-06 | 28.25 | 31.98 | 26.35 | 30.59 | 1383078 | 29.82 | |
| 03-Jan-06 | 26.87 | 29.76 | 26.77 | 28.26 | 737680 | 27.55 | |

Questar Corp str

| Date | Open | High | Low | Close | Volume | Adj. Close* | |
|-----------|--------|--------|--------|--------|---------|-------------|------------------------------|
| 01-Dec-06 | 85.400 | 89.560 | 82.450 | 83.050 | 651945 | 83.050 | Q4 Average 83.908 |
| 01-Nov-06 | 81.950 | 87.300 | 79.780 | 86.250 | 1540990 | 86.250 | |
| 02-Oct-06 | 81.770 | 86.880 | 77.480 | 81.480 | 728331 | 81.240 | |
| 01-Sep-06 | 86.530 | 87.000 | 78.060 | 81.770 | 599015 | 81.530 | |
| 01-Aug-06 | 87.950 | 91.020 | 84.850 | 86.540 | 679913 | 86.290 | |
| 03-Jul-06 | 80.710 | 89.000 | 75.680 | 88.600 | 940660 | 88.110 | |
| 01-Jun-06 | 73.680 | 81.000 | 67.680 | 80.490 | 1088050 | 80.050 | |
| 01-May-06 | 80.050 | 82.080 | 67.480 | 73.690 | 791913 | 73.280 | |
| 03-Apr-06 | 70.400 | 81.900 | 68.430 | 80.050 | 901152 | 79.350 | |
| 01-Mar-06 | 73.500 | 75.450 | 67.370 | 70.050 | 705669 | 69.440 | |
| 01-Feb-06 | 81.730 | 82.350 | 71.260 | 73.250 | 827426 | 72.610 | |
| 03-Jan-06 | 76.300 | 85.700 | 75.770 | 81.480 | 634340 | 80.530 | |

Southwestern Energy swn

| Date | Open | High | Low | Close | Volume | Adj. Close* | |
|-----------|--------|--------|--------|--------|---------|-------------|------------------------------|
| 01-Dec-06 | 41.980 | 42.960 | 34.550 | 35.050 | 2434050 | 35.050 | Q4 Average 36.763 |
| 01-Nov-06 | 35.570 | 42.650 | 34.440 | 42.130 | 2332219 | 42.130 | |
| 02-Oct-06 | 29.870 | 38.750 | 27.230 | 35.580 | 3165909 | 35.580 | |
| 01-Sep-06 | 35.000 | 39.000 | 27.840 | 29.870 | 2929890 | 29.870 | |
| 01-Aug-06 | 34.800 | 38.390 | 33.070 | 34.350 | 2604256 | 34.350 | |
| 03-Jul-06 | 31.600 | 35.500 | 27.750 | 34.400 | 2484670 | 34.400 | |
| 01-Jun-06 | 31.900 | 33.090 | 23.660 | 31.160 | 3513813 | 31.160 | |
| 01-May-06 | 36.870 | 41.170 | 29.070 | 32.300 | 2935559 | 32.300 | |
| 03-Apr-06 | 32.980 | 40.750 | 31.660 | 36.020 | 2664036 | 36.020 | |
| 01-Mar-06 | 32.560 | 35.560 | 28.870 | 32.190 | 2758656 | 32.190 | |
| 01-Feb-06 | 43.390 | 43.990 | 31.190 | 32.090 | 3075842 | 32.090 | |
| 03-Jan-06 | 36.400 | 44.280 | 36.350 | 43.140 | 2839430 | 43.140 | |

Teppco Partners tpp

| Date | Open | High | Low | Close | Volume | Adj. Close* | |
|-----------|--------|--------|--------|--------|--------|-------------|------------------------------|
| 01-Dec-06 | 39.550 | 41.860 | 39.100 | 40.310 | 151405 | 40.310 | Q4 Average 39.338 |
| 01-Nov-06 | 39.400 | 40.470 | 37.750 | 39.370 | 203761 | 39.370 | |
| 02-Oct-06 | 37.450 | 39.950 | 36.900 | 39.420 | 182254 | 39.420 | |
| 01-Sep-06 | 37.270 | 37.650 | 36.050 | 37.160 | 160705 | 36.520 | |
| 01-Aug-06 | 35.990 | 37.560 | 35.730 | 37.490 | 189265 | 36.850 | |
| 03-Jul-06 | 35.300 | 36.460 | 34.440 | 35.950 | 221005 | 35.330 | |
| 01-Jun-06 | 37.640 | 37.990 | 35.200 | 35.250 | 300559 | 34.000 | |
| 01-May-06 | 37.810 | 38.490 | 36.020 | 37.640 | 147650 | 36.310 | |
| 03-Apr-06 | 36.500 | 38.460 | 36.020 | 38.060 | 135926 | 36.710 | |
| 01-Mar-06 | 36.430 | 37.360 | 35.290 | 36.290 | 139900 | 34.390 | |
| 01-Feb-06 | 37.150 | 37.700 | 35.590 | 36.430 | 149142 | 34.520 | |
| 03-Jan-06 | 36.000 | 39.000 | 35.400 | 37.050 | 201900 | 35.110 | |

Williams Cosmpanies wmb

| Date | Open | High | Low | Close | Volume | Adj. Close* | |
|-----------|--------|--------|--------|--------|---------|-------------|------------------------------|
| 01-Dec-06 | 27.770 | 28.050 | 26.050 | 26.120 | 3049355 | 26.120 | Q4 Average 25.705 |
| 01-Nov-06 | 24.590 | 28.320 | 23.970 | 27.760 | 4242790 | 27.670 | |
| 02-Oct-06 | 23.990 | 25.110 | 22.730 | 24.430 | 4485431 | 24.350 | |
| 01-Sep-06 | 24.790 | 25.050 | 22.330 | 23.870 | 4680140 | 23.790 | |
| 01-Aug-06 | 24.250 | 25.400 | 23.990 | 24.630 | 3766908 | 24.550 | |
| 03-Jul-06 | 22.810 | 24.560 | 22.400 | 24.250 | 3798060 | 24.080 | |
| 01-Jun-06 | 22.600 | 23.590 | 20.060 | 23.360 | 5543350 | 23.200 | |
| 01-May-06 | 22.030 | 23.470 | 20.010 | 22.600 | 5230945 | 22.360 | |
| 03-Apr-06 | 21.500 | 23.340 | 21.200 | 21.930 | 4416126 | 21.690 | |
| 01-Mar-06 | 22.060 | 22.330 | 19.350 | 21.390 | 5940600 | 21.160 | |
| 01-Feb-06 | 23.670 | 24.240 | 20.800 | 21.570 | 5158131 | 21.250 | |
| 03-Jan-06 | 23.300 | 25.580 | 22.650 | 23.840 | 4746245 | 23.490 | |

XTO Energy xto

| Date | Open | High | Low | Close | Volume | Adj. Close* | |
|-----------|--------|--------|--------|--------|---------|-------------|------------------------------|
| 01-Dec-06 | 50.220 | 50.940 | 46.450 | 47.050 | 3264900 | 47.050 | Q4 Average 46.730 |
| 01-Nov-06 | 46.480 | 51.240 | 45.090 | 50.600 | 3952795 | 50.500 | |
| 02-Oct-06 | 42.110 | 48.000 | 38.660 | 46.660 | 4750281 | 46.570 | |
| 01-Sep-06 | 45.820 | 47.010 | 38.720 | 42.130 | 4822380 | 42.050 | |
| 01-Aug-06 | 47.720 | 49.230 | 44.800 | 45.770 | 3118347 | 45.600 | |
| 03-Jul-06 | 44.500 | 47.580 | 40.950 | 46.990 | 3448295 | 46.820 | |
| 01-Jun-06 | 40.800 | 44.590 | 36.510 | 44.270 | 4786563 | 44.110 | |
| 01-May-06 | 42.700 | 44.850 | 37.000 | 41.220 | 4016868 | 40.990 | |
| 03-Apr-06 | 43.950 | 48.450 | 41.750 | 42.350 | 3243252 | 42.120 | |
| 01-Mar-06 | 42.050 | 45.220 | 39.320 | 43.570 | 3761121 | 41.660 | |
| 01-Feb-06 | 49.500 | 49.870 | 40.000 | 41.890 | 4584421 | 39.990 | |
| 03-Jan-06 | 44.560 | 50.010 | 43.600 | 49.080 | 4084850 | 46.850 | |

ONEOK Partners oks

| Date | Open | High | Low | Close | Volume | Adj. Close* | |
|-----------|--------|--------|--------|--------|--------|-------------|------------------------------|
| 01-Dec-06 | 60.200 | 66.740 | 60.050 | 63.340 | 65665 | 63.340 | Q4 Average 60.892 |
| 01-Nov-06 | 61.250 | 61.350 | 59.400 | 60.440 | 51014 | 60.440 | |
| 02-Oct-06 | 56.250 | 61.570 | 56.240 | 60.650 | 61100 | 60.650 | |
| 01-Sep-06 | 55.270 | 56.660 | 51.800 | 56.250 | 75020 | 55.360 | |
| 01-Aug-06 | 51.770 | 56.500 | 51.450 | 55.620 | 63530 | 54.740 | |
| 03-Jul-06 | 49.600 | 52.700 | 49.500 | 52.000 | 58540 | 51.180 | |
| 01-Jun-06 | 49.620 | 51.390 | 47.760 | 49.350 | 71927 | 47.690 | |
| 01-May-06 | 48.970 | 51.240 | 47.500 | 49.700 | 70490 | 48.030 | |
| 03-Apr-06 | 47.850 | 49.600 | 47.750 | 49.050 | 64963 | 47.400 | |
| 01-Mar-06 | 48.300 | 48.720 | 46.100 | 47.920 | 99200 | 45.480 | |
| 01-Feb-06 | 44.400 | 49.950 | 42.000 | 48.100 | 182947 | 45.650 | |
| 03-Jan-06 | 42.150 | 46.170 | 42.150 | 44.550 | 93555 | 42.280 | |

Energy Transfer Partners

| Date | Open | High | Low | Close | Volume | Adj. Close* | |
|-----------|--------|--------|--------|--------|------------|-------------|------------------------------|
| 01-Dec-06 | 54.850 | 56.000 | 52.380 | 54.100 | 144100.000 | 53.330 | Q4 Average 51.073 |
| 01-Nov-06 | 49.400 | 54.640 | 48.690 | 54.600 | 200000.000 | 53.820 | |
| 02-Oct-06 | 46.570 | 49.170 | 45.560 | 48.940 | 161100.000 | 48.240 | |
| 01-Sep-06 | 47.670 | 48.990 | 43.600 | 46.330 | 230400.000 | 44.940 | |
| 01-Aug-06 | 43.990 | 48.000 | 43.990 | 47.670 | 95500.000 | 46.240 | |
| 03-Jul-06 | 44.690 | 45.450 | 42.540 | 44.000 | 130100.000 | 42.680 | |
| 01-Jun-06 | 45.240 | 45.740 | 42.020 | 44.650 | 163600.000 | 43.310 | |
| 01-May-06 | 40.610 | 45.850 | 40.250 | 45.240 | 172000.000 | 43.240 | |
| 03-Apr-06 | 39.300 | 41.900 | 38.820 | 40.160 | 161000.000 | 38.390 | |
| 01-Mar-06 | 35.670 | 39.490 | 35.310 | 38.790 | 125700.000 | 37.080 | |
| 01-Feb-06 | 37.980 | 37.980 | 35.050 | 35.720 | 137000.000 | 33.620 | |
| 03-Jan-06 | 34.250 | 37.980 | 33.550 | 37.980 | 207700.000 | 35.750 | |

Washington State Department of Revenue

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

Industry: Natural Gas Diversified 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 | | | | | |
| Cabot Oil & Gas | cog | 56.175 | 14.60 | 6.45 | 3.85 | 0.16 |
| Devon Energy | dvn | 68.167 | 25.00 | 12.15 | 6.70 | 0.45 |
| Dynegy Inc | dyn | 6.368 | 6.50 | 0.40 | nmf | nil |
| El Paso Corp | ep | 14.232 | 7.35 | 2.65 | 0.95 | 0.16 |
| Energen Corp | egn | 43.627 | 19.25 | 5.05 | 3.15 | 0.44 |
| Enterprise Prod | epd | 28.065 | 33.10 | 2.40 | 1.20 | 1.79 |
| EOG resources | eog | 66.732 | 15.35 | 8.85 | 5.35 | 0.24 |
| Equitable Resources | eqt | 41.233 | 11.65 | 2.70 | 1.85 | 0.87 |
| Kinder Morgan Energy Ptns | kmp | 46.405 | 43.05 | 3.70 | 2.00 | 3.25 |
| National Fuel Gas | nfg | 37.743 | 27.50 | 4.60 | 2.40 | 1.18 |
| Newfield Exploration Co | nfx | 43.885 | 14.45 | 8.50 | 3.70 | nil |
| ONEOK Inc | oke | 41.557 | 111.75 | 4.70 | 2.35 | 1.22 |
| Questar Corp | str | 83.908 | 33.15 | 8.35 | 4.65 | 0.93 |
| Southwestern Energy | swn | 36.763 | 4.90 | 1.90 | 1.05 | nil |
| TEPPCO Partners | tpp | 39.338 | 124.00 | 4.00 | 1.75 | 2.70 |
| Williams Companies | wmb | 25.705 | 21.25 | 2.25 | 0.80 | 0.35 |
| XTO Energy Inc | xto | 46.730 | 12.45 | 6.35 | 4.20 | 0.30 |