

Cost of Capital Study
2008 Assessment Year

Industry: Natural Gas Distribution Industry

		Reference
Equity:		
Yield Capitalization		Page
CAPM (Ex Post) Ibbotson Rm	8.92%	5
CAPM (Ex Ante)	8.75%	6
Dividend Growth Models		
Value Line, based on Dividends Growth	7.50%	8
Value Line, based on Earnings Growth	8.50%	9
Standard & Poor's based on Earnings Growth	8.50%	10
Yield Equity Component	8.80%	
Debt:		
Debt Rate	6.50%	11
Industry Market Capital Structure		
Equity	65% x 8.80%	3
Debt	35% x 6.50% x (1-.38)	3
Marginal Tax Rate	38%	
Weighted Average Cost of Capital:	<u>7.13%</u>	

Support for Guideline Companies
Natural Gas Distribution Industry
2008 Assessment Year

Industry Overall							
Company Name	Ticker	Beta	P/E Ratio	Div'd Yield	Long Term Debt	Pref Stock	Com Stock
AGL Resources	atg	0.85	13.9	4.4%	48.5%		51.5%
Atmos Energy Corp	ato	0.85	13.2	4.9%	52.0%		48.0%
Laclede Group	lg	0.95	15.0	4.4%	45.0%		55.0%
New Jersey Resources	njr	0.85	15.2	3.2%	33.0%		67.0%
Nicor Inc	gas	1.00	15.0	4.4%	30.0%		70.0%
NW Natural Gas	nwn	0.90	18.2	3.2%	47.0%		53.0%
Piedmont Natural Gas	pnny	0.85	17.7	3.8%	49.0%		51.0%
South Jersey Industries	sjj	0.85	18.5	3.0%	43.0%		57.0%
Southern Union Co	sug	1.00	16.8	2.0%	53.5%		46.5%
Southwest Gas	swx	0.90	13.9	2.9%	58.0%		42.0%
UGI Corp	ugi	0.85	13.7	2.7%	60.7%		39.3%
WGL Holdings	wgl	0.85	16.2	4.1%	37.9%		62.1%
Mean		0.89	15.6	3.58%	46%		54%

source: Value Line December 14, 2007

Support for Capital Structure
(based on Market Value)
Natural Gas Distribution Industry
2008 Assessment Year

Industry Overall										
Company Name	Ticker	\$Stock\$ Average	Common Shares	Common \$ Stock \$	%	Preferred \$ Stock \$	%	Long Term \$ Debt \$	%	\$ Total \$ Debt & Equity
AGL Resources	atg	37.823	76,576,917	2,896,394,257	65.2%		0.0%	1,548,000,000	34.8%	4,444,394,257
Atmos Energy Corp	ato	27.715	89,160,099	2,471,072,144	53.7%		0.0%	2,126,500,000	46.3%	4,597,572,144
Laclede Group	lg	33.790	21,633,811	731,006,474	67.2%	600,000	0.1%	355,500,000	32.7%	1,087,106,474
New Jersey Resources	njr	49.330	28,063,442	1,384,369,594	80.5%		0.0%	334,500,000	19.5%	1,718,869,594
Nicor Inc	gas	42.595	45,124,624	1,922,083,359	81.9%	600,000	0.0%	423,300,000	18.0%	2,345,983,359
NW Natural Gas	nwn	47.528	26,452,275	1,257,232,544	71.1%		0.0%	512,000,000	28.9%	1,769,232,544
Piedmont Natural Gas	pnv	25.900	74,068,474	1,918,373,477	69.9%		0.0%	825,000,000	30.1%	2,743,373,477
South Jersey Industries	sjj	36.360	29,572,416	1,075,253,046	75.0%		0.0%	357,900,000	25.0%	1,433,153,046
Southern Union Co	sug	30.582	120,032,605	3,670,797,115	56.7%	230,000,000	3.6%	2,571,500,000	39.7%	6,472,297,115
Southwest Gas	swx	28.832	42,633,508	1,229,195,091	48.1%		0.0%	1,327,600,000	51.9%	2,556,795,091
UGI Corp	ugi	26.475	106,684,035	2,824,459,827	58.1%		0.0%	2,038,800,000	41.9%	4,863,259,827
WGL Holdings	wgl	33.330	49,449,357	1,648,147,069	71.9%	28,200,000	1.2%	616,400,000	26.9%	2,292,747,069
Mean:					66.6%		0.4%		33.0%	
Weighted Mean:				23,028,383,996	63.4%	259,400,000	0.7%	13,037,000,000	35.9%	36,324,783,996
Median:					68.6%		0.0%		31.4%	
Estimated:					65%		0%		35%	100%

Support for Market Multiples
Natural Gas Distribution Industry
2008 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						
AGL Resources	atg	37.823	33.85	1.12	4.70	8.05	2.65	14.27	1.64	23.06	3.35	11.29	21.30	1.78
Atmos Energy Corp	ato	27.715	65.90	0.42	4.15	6.68	1.94	14.29	1.28	21.65	4.40	6.30	21.95	1.26
Laclede Group	lg	33.790	94.05	0.36	3.90	8.66	2.31	14.63	1.45	23.30	2.95	11.45	21.00	1.61
New Jersey Resources	njr	49.330	108.56	0.45	4.40	11.21	3.15	15.66	1.52	32.45	1.95	25.30	24.40	2.02
Nicor Inc	gas	42.595	73.35	0.58	7.25	5.88	2.80	15.21	1.86	22.90	4.45	9.57	20.45	2.08
NW Natural Gas	nwn	47.528	39.60	1.20	5.25	9.05	2.65	17.94	1.44	33.01	4.25	11.18	22.45	2.12
Piedmont Natural Gas	pny	25.900	24.40	1.06	2.55	10.16	1.45	17.86	1.00	25.90	1.95	13.28	12.15	2.13
South Jersey Industries	sjj	36.360	32.25	1.13	3.15	11.54	2.00	18.18	1.01	36.00	2.00	18.18	16.15	2.25
Southern Union Co	sug	30.582	20.15	1.52	3.15	9.71	1.70	17.99	0.40	76.45	4.50	6.80	16.80	1.82
Southwest Gas	swx	28.832	50.75	0.57	6.40	4.50	2.08	13.86	0.86	33.53	9.80	2.94	22.45	1.28
UGI Corp	ugi	26.475	51.45	0.51	3.51	7.54	1.79	14.79	0.72	36.77	1.90	13.93	12.42	2.13
WGL Holdings	wgl	33.330	53.81	0.62	3.92	8.50	2.10	15.87	1.36	24.51	3.35	9.95	19.95	1.67
Mean:			0.80		8.46		15.88		32.46		11.68		1.85	
Median:			0.60		8.58		15.44		29.18		11.24		1.92	
Weighted Mean:		420.26	648.12	0.65	52.33	8.03	26.62	15.79	14.54	28.90	44.85	9.37	231.47	1.82
Estimated:			0.70		8.50		15.50		29.00		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

2008 Assessment Year

Ex Post

$$\text{Ke} = \text{Rf} + \text{B} (\text{Rm} - \text{Rf})$$

Ke = Cost of Equity			8.9%
			to page 1
Rf =	risk free rate	4.5%	
Rp =	risk premium	5.2%	
B =	Beta	0.85	page 7

Rp = Risk Premium			5.2%
			to above
Ibbotson SBBI, Market Report Dec 2007, Table 7 page 18			
Ibbotson, SBBI, Large Co.		10.4% Geometric Rm	
	less	5.2% Average Historical Rf Return	

Rf = Risk Free Rate			4.5%
			to above
Ibbotson SBBI, Risk Premia Over Time Report 2008, Table C1 page 5			
Long Term (20 years) US Treasury Bond Yield		4.5%	
Value Line Investment Survey, Selected Yields January 4, 2008, page 4353			
US Treasury Securities year end data			
5 year		3.70%	
10 year		4.28%	
30 year		4.67%	
30 year Zero		4.70%	
Federal Reserve Statistical Release (http://www.federalreserve.gov/Releases/H15/Current/)			
January 7, 2008 as of 12-31-07			
Treasury Constant Maturities			
5 year		3.45%	
10 year		4.04%	
20 year		4.50%	
20 year TIPS		2.00%	
		2.50%	Inflation Indication

Support for Yield Capitalization Equity Component Capital Asset Pricing Model

Natural Gas Distribution Industry

2008 Assessment Year

Ex Ante

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

Ke = Cost of Equity	8.8%
Rm =	rate of return 9.5%
Rf =	risk free rate 4.5%
Rp =	risk premium 5.0%
B =	Beta 0.85
	to page 1
	page 7

Rp = Risk Premium	5.0%
	to above
Shannon Pratt and Roger Grabowski	3.5 - 6%
Cost of Capital, Applications and Examples, Third Edition, 2008, Page 113.	
Dr. Aswath Damodaran	4.37%
http://pages.stern.nyu.edu/~adamodar/ 2007 Implied Premium	
John Graham and Campbell Harvey	3.21%
The Equity Risk Premium in January 2007:	3.47%
Evidence from the Global CEO Outlook Survey	2.39 - 4.65%
	November 2006 10 year average 10 year average range

Rf = Risk Free Rate	4.5%
	to above
Ibbotson SBBI, Risk Premia Over Time Report 2008, Table C1 page 5	
Long Term (20 years) US Treasury Bond Yield	4.5%
Value Line Investment Survey, Selected Yields January 4, 2008, page 4353	
US Treasury Securities year end data	
5 year	3.70%
10 year	4.28%
30 year	4.67%
30 year Zero	4.70%
Federal Reserve Statistical Release (http://www.federalreserve.gov/Releases/H15/Current/) January 7, 2008 for 12-31-07	
Treasury Constant Maturities	
5 year	3.45%
10 year	4.04%
20 year	4.50%
20 year TIPS	<u>2.00%</u>
	2.50% Inflation Indication

**Beta Calculation for CAPM
Natural Gas Distribution Industry
2008 Assessment Year**

Beta =		
Industry Overall		ValueLine
AGL Resources	atg	0.85
Atmos Energy Corp	ato	0.85
Laclede Group	lg	0.95
New Jersey Resources	njr	0.85
Nicor Inc	gas	1.00
NW Natural Gas	nwn	0.90
Piedmont Natural Gas	pnv	0.85
South Jersey Industries	sjj	0.85
Southern Union Co	sug	1.00
Southwest Gas	swx	0.90
UGI Corp	ugi	0.85
WGL Holdings	wgl	0.85
Mean:		0.89
Median:		0.85
		Estimated: 0.85

**Support for Yield Capitalization Equity Component
Natural Gas Distribution Industry
2008 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
AGL Resources	atg	37.823	1.64	4.34%	5.50%	9.84%
Atmos Energy Corp	ato	27.715	1.30	4.69%	1.50%	6.19%
Laclede Group	lg	33.790	1.49	4.41%	2.50%	6.91%
New Jersey Resources	njr	49.330	1.60	3.24%	5.00%	8.24%
Nicor Inc	gas	42.595	1.86	4.37%	nil	nmf
NW Natural Gas	nwn	47.528	1.52	3.20%	5.50%	8.70%
Piedmont Natural Gas	pny	25.900	1.04	4.02%	4.50%	8.52%
South Jersey Industries	sjj	36.360	1.10	3.03%	5.50%	8.53%
Southern Union Co	sug	30.582	0.44	1.44%	33.50%	34.94%
Southwest Gas	swx	28.832	0.86	2.98%	1.50%	4.48%
UGI Corp	ugi	26.475	0.76	2.87%	2.50%	5.37%
WGL Holdings	wgl	33.330	1.40	4.20%	2.50%	6.70%
Mean:						9.86%
Median:						8.24%
Range:						4.48% - 34.94%
					Estimated:	7.50%

source: Value Line December 14, 2007 and finance.yahoo.com

Note: Stock Price = 4th 1/4 High / Low average

**Support for Yield Capitalization Equity Component
Natural Gas Distribution Industry
2008 Assessment Year**

Dividend Growth Model

(based on Value Line Earnings Growth)

$$K_e = D_1 / P_0 + G$$

where:

- K_e** = Cost of Equity
- D₁** = Expected Dividends
- P₀** = Current Price
- G** = Sustainable Growth

Industry Overall						
Company Name	Ticker	Stock Price (P ₀)	Expected Dividend (D ₁)	Dividend Yield (D ₁ /P ₀)	Earnings Growth (G)	K _e
AGL Resources	atg	37.823	1.64	4.34%	3.50%	7.84%
Atmos Energy Corp	ato	27.715	1.30	4.69%	5.00%	9.69%
Laclede Group	lg	33.790	1.49	4.41%	4.00%	8.41%
New Jersey Resources	njr	49.330	1.60	3.24%	4.00%	7.24%
Nicor Inc	gas	42.595	1.86	4.37%	3.00%	7.37%
NW Natural Gas	nwn	47.528	1.52	3.20%	7.00%	10.20%
Piedmont Natural Gas	pnv	25.900	1.04	4.02%	4.00%	8.02%
South Jersey Industries	sjj	36.360	1.10	3.03%	nmf	nmf
Southern Union Co	sug	30.582	0.44	1.44%	9.00%	10.44%
Southwest Gas	swx	28.832	0.86	2.98%	8.00%	10.98%
UGI Corp	ugi	26.475	0.76	2.87%	7.00%	9.87%
WGL Holdings	wgl	33.330	1.40	4.20%	2.00%	6.20%
Mean:						8.75%
Median:						8.41%
Range:						6.20% - 10.98%
Estimated:						8.50%

source: Value Line December 14, 2007 and finance.yahoo.com

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

**Support for Yield Capitalization Equity Component
Natural Gas Distribution Industry
2008 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	37.823	1.64	4.34%	9	5.00%	9.34%
Atmos Energy Corp	ato	27.715	1.30	4.69%	5	6.00%	10.69%
Laclede Group	lg	33.790	1.49	4.41%	1	n/a	nmf
New Jersey Resources	njr	49.330	1.60	3.24%	2	5.00%	8.24%
Nicor Inc	gas	42.595	1.86	4.37%	5	3.00%	7.37%
NW Natural Gas	nwn	47.528	1.52	3.20%	6	5.00%	8.20%
Piedmont Natural Gas	pny	25.900	1.04	4.02%	1	n/a	nmf
South Jersey Industries	sjj	36.360	1.10	3.03%	4	7.00%	10.03%
Southern Union Co	sug	30.582	0.44	1.44%	11	8.00%	9.44%
Southwest Gas	swx	28.832	0.86	2.98%	4	5.00%	7.98%
UGI Corp	ugi	26.475	0.76	2.87%	2	n/a	nmf
WGL Holdings	wgl	33.330	1.40	4.20%	4	4.00%	8.20%
Mean:							8.83%
Median:							8.24%
Range:							7.37% - 10.69%
Estimated:							8.50%

source: Standard & Poors January 2008, Earnings Guide and finance.yahoo.com

Note: Stock Price = 4th 1/4 High / Low average

**Support for Debt Rating and Debt Yield Rate
Natural Gas Distribution Industry
2008 Assessment Year**

Industry Overall		---- Ratings -----	
Company	Ticker	Mergent's	S&P
AGL Resources	atg		A-
Atmos Energy Corp	ato	Baa3	BBB
Laclede Group	lg		A
New Jersey Resources	njr		A+
Nicor Inc	gas		AA
NW Natural Gas	nwn		AA-
Piedmont Natural Gas	pnv		A
South Jersey Industries	sjj		BBB+
Southern Union Co	sug		BBB-
Southwest Gas	swx		BBB-
UGI Corp	ugi		
WGL Holdings	wgl		AA-
Overall Average Debt Rating		Baa	A

Mergent's Bond Record, Jan 2008, pg 210

Corporate	Aaa	Aa	A	Baa
October	5.66%	5.94%	6.13%	6.48%
November	5.44%	5.78%	5.97%	6.40%
December	5.49%	5.91%	6.19%	6.65%
Average	5.53%	5.88%	6.10%	6.51%

Public Utilities	Aaa	Aa	A	Baa
October		6.04%	6.11%	6.36%
November		5.87%	5.97%	6.27%
December		6.03%	6.16%	6.51%
Average		5.98%	6.08%	6.38%

Industrials	Aaa	Aa	A	Baa
October	5.66%	5.84%	6.14%	6.60%
November	5.44%	5.67%	5.97%	6.51%
December	5.49%	5.78%	6.22%	6.78%
Average	5.53%	5.76%	6.11%	6.63%

DEBT YIELD RATE
6.50%

**Support for Equity Component of Direct Capitalization Rates
Natural Gas Distribution Industry
2008 Assessment Year**

Industry Overall											
Company Name	Ticker	\$Stock\$ Average	Actual		Projected		Actual		Projected		
			Earnings	Ratio	Earnings	Ratio	Cash Flow	Ratio	Cash Flow	Ratio	
AGL Resources	atg	37.823	2.65	7.0%	2.85	7.5%	4.70	12.4%	5.00	13.2%	
Atmos Energy Corp	ato	27.715	1.94	7.0%	2.00	7.2%	4.15	15.0%	4.25	15.3%	
Laclede Group	lg	33.790	2.31	6.8%	2.20	6.5%	3.90	11.5%	3.90	11.5%	
New Jersey Resources	njr	49.330	3.15	6.4%	3.20	6.5%	4.40	8.9%	4.50	9.1%	
Nicor Inc	gas	42.595	2.80	6.6%	2.90	6.8%	7.25	17.0%	7.35	17.3%	
NW Natural Gas	nwn	47.528	2.65	5.6%	2.75	5.8%	5.25	11.0%	5.40	11.4%	
Piedmont Natural Gas	pnv	25.900	1.45	5.6%	1.50	5.8%	2.55	9.8%	2.65	10.2%	
South Jersey Industries	sjj	36.360	2.00	5.5%	2.20	6.1%	3.15	8.7%	3.30	9.1%	
Southern Union Co	sug	30.582	1.70	5.6%	1.85	6.0%	3.15	10.3%	3.50	11.4%	
Southwest Gas	swx	28.832	2.08	7.2%	2.25	7.8%	6.40	22.2%	6.70	23.2%	
UGI Corp	ugi	26.475	1.79	6.8%	1.95	7.4%	3.51	13.3%	3.75	14.2%	
WGL Holdings	wgl	33.330	2.10	6.3%	2.20	6.6%	3.92	11.8%	4.10	12.3%	
	Mean:			6.4%		6.7%		12.7%		13.2%	
	Median:			6.5%		6.6%		11.7%		11.9%	
	Estimated:			6.5%		6.5%		12.0%		12.5%	

source: Value Line December 14, 2007 and finance.yahoo.com

Washington State Department of Revenue

AGL Resources atg

Date	Open	High	Low	Close	Volume	Adj Close	
03-Dec-07	37.090	38.650	35.420	37.640	650400	37.640	Q4 Average 37.823
01-Nov-07	38.530	39.210	35.850	37.080	728300	37.080	
01-Oct-07	39.730	41.160	36.650	39.530	499900	39.100	
04-Sep-07	39.670	40.350	38.530	39.620	446400	39.190	
01-Aug-07	37.700	40.250	35.240	39.710	729500	39.280	
02-Jul-07	40.690	41.510	37.660	37.700	405200	36.880	
01-Jun-07	42.780	42.800	39.520	40.480	596800	39.600	
01-May-07	43.540	44.010	41.500	42.660	471500	41.740	
02-Apr-07	42.890	44.670	42.670	43.540	351600	42.190	
01-Mar-07	40.250	42.990	39.620	42.720	459700	41.390	
01-Feb-07	39.530	42.900	39.530	40.760	559000	39.500	
03-Jan-07	39.130	40.210	38.200	39.300	314800	37.710	

Atmos Energy Corp ato

Date	Open	High	Low	Close	Volume	Adj Close	
03-Dec-07	26.300	28.830	26.100	28.040	494500	28.040	Q4 Average 27.715
01-Nov-07	27.950	28.180	26.010	26.190	615400	26.190	
01-Oct-07	28.480	29.630	27.540	28.050	367300	27.710	
04-Sep-07	28.290	28.730	27.280	28.320	440800	27.980	
01-Aug-07	28.070	28.900	23.870	28.110	809200	27.770	
02-Jul-07	30.100	30.840	28.010	28.070	483900	27.410	
01-Jun-07	32.360	32.600	29.110	30.060	422600	29.350	
01-May-07	31.680	33.470	31.590	32.390	447100	31.630	
02-Apr-07	31.100	32.710	30.660	31.720	423000	30.670	
01-Mar-07	31.300	32.380	30.460	31.280	480000	30.250	
01-Feb-07	31.300	33.070	31.230	31.460	364600	30.420	
03-Jan-07	31.810	32.300	30.360	31.240	317400	29.910	

Laclede Group Inc lg

Date	Open	High	Low	Close	Volume	Adj Close	
03-Dec-07	34.360	35.720	33.310	34.240	105200	34.240	Q4 Average 33.790
01-Nov-07	34.300	35.090	32.150	34.410	98200	34.050	
01-Oct-07	32.330	34.990	31.480	34.790	85100	34.420	
04-Sep-07	32.430	34.170	30.600	32.280	91600	31.940	
01-Aug-07	29.950	34.050	28.840	32.640	130500	31.920	
02-Jul-07	32.030	33.140	29.000	29.550	115900	28.900	
01-Jun-07	31.930	32.840	30.400	31.880	156800	31.180	
01-May-07	31.350	33.240	29.290	31.160	111300	30.120	
02-Apr-07	31.190	32.580	30.590	31.390	82500	30.340	
01-Mar-07	30.950	31.680	29.320	31.080	106800	30.040	
01-Feb-07	32.510	32.970	30.070	31.150	112200	29.740	
03-Jan-07	35.060	36.030	31.670	32.480	123000	31.010	

Washington State Department of Revenue

New Jersey Resources njr

Date	Open	High	Low	Close	Volume	Adj Close	
03-Dec-07	47.650	52.070	47.650	50.020	164600	50.020	Q4 Average 49.330
01-Nov-07	48.700	51.290	46.500	50.450	204500	50.050	
01-Oct-07	49.760	51.970	46.500	49.250	164300	48.860	
04-Sep-07	48.680	50.500	46.260	49.590	201000	49.190	
01-Aug-07	48.680	52.700	45.500	48.980	322900	48.190	
02-Jul-07	51.220	51.820	45.910	47.000	206200	46.250	
01-Jun-07	54.920	55.240	49.800	51.020	224400	50.200	
01-May-07	53.850	56.450	53.690	54.780	215400	53.510	
02-Apr-07	50.240	54.830	50.050	53.700	174100	52.450	
01-Mar-07	49.300	50.600	48.190	50.050	228900	48.890	
01-Feb-07	46.750	51.100	46.730	49.390	227300	47.880	
03-Jan-07	48.550	48.700	46.300	46.600	192600	45.170	

Nicor Inc gas

Date	Open	High	Low	Close	Volume	Adj Close	
03-Dec-07	42.140	45.140	42.000	42.350	739400	42.350	Q4 Average 42.595
01-Nov-07	42.210	42.780	39.180	42.140	1048300	41.700	
01-Oct-07	43.000	45.160	41.310	43.270	546200	42.820	
04-Sep-07	41.670	43.860	40.510	42.900	549600	42.450	
01-Aug-07	40.980	48.200	37.800	41.560	950200	40.670	
02-Jul-07	43.010	44.100	39.280	39.410	839200	38.570	
01-Jun-07	47.270	47.470	42.170	42.920	703900	42.010	
01-May-07	51.170	51.740	46.800	46.950	560100	45.450	
02-Apr-07	48.640	53.660	48.470	51.240	556400	49.610	
01-Mar-07	45.150	49.760	44.760	48.420	581500	46.880	
01-Feb-07	45.500	48.330	45.350	46.460	397500	44.560	
03-Jan-07	46.880	47.380	44.460	45.500	365200	43.640	

NW Natural Gas nwn

Date	Open	High	Low	Close	Volume	Adj Close	
03-Dec-07	48.180	50.580	46.350	48.660	150400	48.660	Q4 Average 47.528
01-Nov-07	47.340	50.890	44.620	47.970	246000	47.970	
01-Oct-07	45.600	48.450	44.280	48.170	119500	48.170	
04-Sep-07	46.060	48.490	43.450	45.700	124800	45.330	
01-Aug-07	41.540	49.370	40.980	46.460	265600	46.080	
02-Jul-07	46.410	46.830	41.230	41.670	185600	41.330	
01-Jun-07	50.070	50.490	44.350	46.190	220700	45.440	
01-May-07	50.810	52.850	44.050	49.830	199800	49.020	
02-Apr-07	45.850	51.500	45.570	50.810	161100	49.980	
01-Mar-07	43.700	46.340	42.470	45.670	223300	44.590	
01-Feb-07	39.850	46.300	39.790	44.270	173900	43.230	
03-Jan-07	41.900	42.980	39.890	40.690	108300	39.730	

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Piedmont Natural Gas pny

Date	Open	High	Low	Close	Volume	Adj Close	
03-Dec-07	26.420	27.980	25.740	26.160	320000	26.160	Q4 Average 25.900
01-Nov-07	25.160	26.560	24.370	26.040	364000	25.800	
01-Oct-07	25.050	26.720	24.030	25.530	295100	25.290	
04-Sep-07	26.270	26.790	24.480	25.090	311400	24.850	
01-Aug-07	23.170	27.500	23.090	26.400	508900	25.900	
02-Jul-07	24.810	25.770	22.000	23.190	478900	22.750	
01-Jun-07	26.670	27.470	24.370	24.650	460400	24.190	
01-May-07	26.360	27.500	25.740	26.540	263700	25.790	
02-Apr-07	26.390	27.500	26.220	26.390	202700	25.650	
01-Mar-07	24.950	27.310	24.330	26.380	350800	25.640	
01-Feb-07	25.850	26.960	24.550	25.130	225200	24.190	
03-Jan-07	26.900	27.250	25.780	25.810	269400	24.850	

South Jersey Industries sji

Date	Open	High	Low	Close	Volume	Adj Close	
03-Dec-07	37.090	38.030	34.730	36.090	141100	36.090	Q4 Average 36.360
01-Nov-07	37.000	38.500	35.320	36.900	182900	36.630	
01-Oct-07	34.920	37.780	33.800	37.560	155700	37.290	
04-Sep-07	33.830	36.410	31.830	34.800	134100	34.550	
01-Aug-07	32.720	35.980	31.200	33.910	197600	33.410	
02-Jul-07	35.610	36.480	32.370	32.770	183500	32.290	
01-Jun-07	39.000	39.280	34.530	35.380	283100	34.860	
01-May-07	39.240	41.270	37.930	38.870	193900	38.050	
02-Apr-07	38.410	40.280	37.060	39.270	227300	38.440	
01-Mar-07	34.000	38.560	33.020	38.050	253000	37.250	
01-Feb-07	33.110	35.300	33.050	34.600	153400	33.630	
03-Jan-07	33.590	33.950	31.810	33.040	143000	32.110	

Southern Union sug

Date	Open	High	Low	Close	Volume	Adj Close	
03-Dec-07	30.040	30.540	28.460	29.360	586700	29.360	Q4 Average 30.582
01-Nov-07	31.330	33.010	28.820	29.850	697500	29.700	
01-Oct-07	31.120	32.530	30.130	31.500	453500	31.340	
04-Sep-07	29.850	32.130	29.110	31.110	464800	30.950	
01-Aug-07	30.680	31.650	27.200	29.850	1136800	29.610	
02-Jul-07	32.690	35.050	30.650	30.880	635800	30.630	
01-Jun-07	34.800	34.980	31.810	32.590	606200	32.320	
01-May-07	30.460	35.500	30.460	34.800	723300	34.410	
02-Apr-07	30.360	31.440	30.350	30.460	447900	30.120	
01-Mar-07	29.200	30.500	28.180	30.390	684300	30.050	
01-Feb-07	27.810	30.330	27.770	29.240	414200	28.810	
03-Jan-07	27.950	28.080	26.810	27.810	525100	27.410	

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Southwest Gas Corp swx

Date	Open	High	Low	Close	Volume	Adj Close	
03-Dec-07	29.020	30.970	28.620	29.770	195900	29.770	Q4 Average 28.832
01-Nov-07	29.400	29.520	26.610	28.920	286100	28.920	
01-Oct-07	28.390	29.980	27.290	29.760	268900	29.530	
04-Sep-07	28.940	30.500	28.010	28.290	359800	28.080	
01-Aug-07	30.990	31.890	26.450	29.010	456700	28.790	
02-Jul-07	33.970	34.220	28.990	31.080	289900	30.630	
01-Jun-07	38.150	38.520	33.100	33.810	299400	33.320	
01-May-07	37.950	39.500	37.360	38.160	248700	37.600	
02-Apr-07	38.990	39.770	37.810	37.890	178500	37.120	
01-Mar-07	36.500	39.400	35.300	38.870	246300	38.080	
01-Feb-07	39.320	39.950	36.450	37.120	183400	36.370	
03-Jan-07	38.370	39.630	37.060	39.250	216600	38.250	

UGI Corp ugi

Date	Open	High	Low	Close	Volume	Adj Close	
03-Dec-07	26.440	28.180	26.140	27.250	338400	27.250	Q4 Average 26.475
01-Nov-07	26.500	27.210	24.790	26.440	397600	26.260	
01-Oct-07	26.000	26.960	25.570	26.620	409200	26.440	
04-Sep-07	25.450	26.720	24.580	25.980	426800	25.800	
01-Aug-07	25.670	26.360	22.750	25.550	622400	25.190	
02-Jul-07	27.410	28.300	24.960	25.810	379000	25.450	
01-Jun-07	29.050	29.630	25.770	27.280	469300	26.900	
01-May-07	28.280	29.310	27.480	28.800	421800	28.200	
02-Apr-07	26.820	29.150	26.350	28.360	344200	27.770	
01-Mar-07	25.950	27.250	24.100	26.710	406800	26.150	
01-Feb-07	27.190	27.630	26.030	26.110	383600	25.390	
03-Jan-07	27.270	27.940	26.470	27.410	432700	26.650	

WGL Holdings wgl

Date	Open	High	Low	Close	Volume	Adj Close	
03-Dec-07	32.950	34.500	31.820	32.760	440400	32.420	Q4 Average 33.330
01-Nov-07	33.830	34.390	32.020	33.040	592200	32.690	
01-Oct-07	34.180	35.080	32.170	33.920	391600	33.560	
04-Sep-07	32.770	34.600	31.550	33.890	388900	33.200	
01-Aug-07	30.160	35.010	29.790	32.890	657200	32.220	
02-Jul-07	32.820	33.440	29.790	29.940	484800	29.330	
01-Jun-07	35.460	35.910	31.820	32.640	474100	31.640	
01-May-07	33.840	35.770	33.820	35.270	402000	34.190	
02-Apr-07	31.990	34.610	31.880	33.840	299200	32.810	
01-Mar-07	31.100	32.520	30.370	31.980	231700	30.670	
01-Feb-07	31.630	33.000	31.230	31.520	296100	30.230	
03-Jan-07	32.720	32.980	30.990	31.630	223000	30.340	

Washington State Department of Revenue

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

Industry: Natural Gas Distribution Industry
 Assessment Year: 2008 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	37.823	33.85	4.70	2.65	1.64
Atmos Energy Corp	ato	27.715	65.90	4.15	1.94	1.28
Laclede Group	lg	33.790	94.05	3.90	2.31	1.45
New Jersey Resources	njr	49.330	108.56	4.40	3.15	1.52
Nicor Inc	gas	42.595	73.35	7.25	2.80	1.86
NW Natural Gas	nwn	47.528	39.60	5.25	2.65	1.44
Piedmont Natural Gas	pnv	25.900	24.40	2.55	1.45	1.00
South Jersey Industries	sjj	36.360	32.25	3.15	2.00	1.01
Southern Union Co	sug	30.582	20.15	3.15	1.70	0.40
Southwest Gas	swx	28.832	50.75	6.40	2.08	0.86
UGI Corp	ugi	26.475	51.45	3.51	1.79	0.72
WGL Holdings	wgl	33.330	53.81	3.92	2.10	1.36