

**MGE GAS CASE**  
**CASE NO. GR-2009-0355**  
**COMPARABLE GROUP**  
**PRICES, DIVIDENDS AND YIELDS**

LINE			A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
NO	COMPANY	SYMBOL	WEEK OF	WEEK OF	WEEK OF	WEEK OF	WEEK OF	WEEK OF	WEEK OF	WEEK OF	WEEK OF	WEEK OF	WEEK OF	WEEK OF	12 WEEK	8 WEEK	6 WEEK	52 WEEK	52 WEEK	52 WEEK	4-Aug-09	VALUE LINE
			11-May	18-May	26-May	1-Jun	8-Jun	15-Jun	22-Jun	29-Jun	6-Jul	13-Jul	20-Jul	27-Jul	AVERAGE	AVERAGE	AVERAGE	HIGH	LOW	AVERAGE	SPOT	PRICE
1	AGL RESOURCES INC.	AGL	29.02	\$28.46	\$28.92	\$30.57	\$31.31	\$31.59	\$31.55	\$31.61	\$30.87	\$32.07	\$34.13	\$33.62	\$31.14	\$32.09	\$32.31	\$35.01	\$24.02	\$29.52	\$33.95	\$30.34
2	ATMOS ENERGY CORP	ATO	24.13	\$23.91	\$24.00	\$24.61	\$25.34	\$25.15	\$25.10	\$25.00	\$24.65	\$25.79	\$26.99	\$27.16	\$25.15	\$25.65	\$25.78	\$28.66	\$19.68	\$24.17	\$27.69	\$24.76
3	LACLEDE GROUP	LG	31.37	\$29.80	\$31.08	\$33.53	\$34.33	\$33.48	\$33.26	\$32.55	\$31.54	\$32.67	\$34.61	\$33.57	\$32.65	\$33.25	\$33.03	\$55.81	\$29.26	\$42.54	\$31.74	\$33.05
4	NEW JERSEY RESOURCES CORP	NJR	31.24	\$32.33	\$33.27	\$35.11	\$35.78	\$36.69	\$37.23	\$36.68	\$36.40	\$38.05	\$39.68	\$38.60	\$35.92	\$37.39	\$37.77	\$42.37	\$21.90	\$32.14	\$38.22	\$35.24
5	NICOR, INC.	GAS	32.01	\$30.90	\$31.45	\$34.06	\$35.22	\$34.79	\$34.68	\$34.07	\$33.40	\$34.54	\$36.81	\$36.44	\$34.03	\$34.99	\$34.99	\$51.99	\$27.50	\$39.75	\$36.25	\$32.83
6	NISOURCE INC.	NI	10.64	\$10.47	\$10.69	\$10.94	\$11.55	\$11.37	\$11.46	\$11.74	\$11.56	\$12.28	\$13.30	\$12.89	\$11.57	\$12.02	\$12.21	\$17.21	\$7.79	\$12.50	\$13.35	\$11.10
7	NORTHWEST NATURAL GAS CO.	NWN	41.3	\$39.90	\$42.44	\$45.34	\$45.36	\$44.81	\$43.96	\$43.53	\$42.94	\$43.32	\$45.31	\$44.64	\$43.57	\$44.23	\$43.95	\$55.44	\$36.61	\$46.03	\$43.09	\$44.60
8	PIEDMONT NATURAL Gas Co.	PNY	22.34	\$21.81	\$22.66	\$23.73	\$25.44	\$24.50	\$24.11	\$23.92	\$22.89	\$23.60	\$24.99	\$24.62	\$23.72	\$24.26	\$24.02	\$35.29	\$20.52	\$27.91	\$24.49	\$23.20
9	SOUTH JERSEY INDUSTRIES INC.	SJI	34.45	\$33.20	\$33.38	\$34.37	\$34.84	\$34.26	\$34.69	\$35.60	\$34.24	\$35.42	\$36.92	\$36.88	\$34.85	\$35.36	\$35.63	\$40.78	\$25.19	\$32.99	\$37.01	\$34.15
10	SOUTHWEST GAS	SWX	19.03	\$19.68	\$20.78	\$21.81	\$22.06	\$21.61	\$21.84	\$22.07	\$21.71	\$22.80	\$23.85	\$24.22	\$21.79	\$22.52	\$22.75	\$33.29	\$17.08	\$25.19	\$24.39	\$21.92
11	UGI CORP	UGI	22.11	\$23.24	\$24.11	\$25.20	\$25.45	\$25.31	\$25.63	\$25.24	\$25.00	\$25.74	\$26.88	\$26.44	\$25.03	\$25.71	\$25.82	\$27.94	\$18.69	\$23.32	\$26.33	\$24.93
12	WGL HOLDINGS, INC.	WGL	28.82	\$28.83	\$29.72	\$31.25	\$32.03	\$31.86	\$32.23	\$31.76	\$30.74	\$31.62	\$33.36	\$33.12	\$31.28	\$32.09	\$32.14	\$37.08	\$22.40	\$29.74	\$33.62	\$31.01
13	AVERAGE	AVERAGE	27.205	\$26.88	\$27.71	\$29.21	\$29.89	\$29.62	\$29.65	\$29.48	\$28.83	\$29.83	\$31.40	\$31.02	\$29.23	\$29.96	\$30.03	\$38.41	\$22.55	\$30.48	\$30.84	\$28.93
14	MEDIAN	MEDIAN	\$28.92	\$28.65	\$29.32	\$30.91	\$31.67	\$31.73	\$31.89	\$31.69	\$30.81	\$31.85	\$33.75	\$33.35	\$31.21	\$32.09	\$32.22	\$36.19	\$22.15	\$29.63	\$32.68	\$30.68

SOURCES: COLS. A-I YAHOO FINANCE  
COLS M-O 12,8 AND 6 WEEK AVERAGES  
COLS P-Q ZACKS  
COL R AVERAGE OF P-Q  
COL T VALUE LINE JUNE 12, 2009 AVERAGE OF P-Q

**MGE GAS CASE**  
**CASE NO. GR-2009-0355**  
**HISTORICAL AND FORECASTED GROWTH RATES**

			A	B	C	D	E	F	G	H	I	J	K	L	M	N	
			HISTORICAL GROWTH RATES						FORECASTED GROWTH RATES								
			VALUE LINE														
LINE			EPS	DPS	BVPS	EPS	DPS	BVPS	VALUE LINE			ZACKS		THOMSON	AVERAGE	RETENTION	FORECASTED
NO	COMPANY	SYMBOL	10 YEAR	10 YEAR	10 YEAR	5 YEAR	5 YEAR	5 YEAR	EPS	DPS	BVPS	EPS	EPS		EPS	GROWTH	GROWTH
1	AGL RESOURCES INC.	AGL	7.00%	4.00%	7.00%	8.50%	8.00%	10.00%	3.50%	2.50%	1.50%	5.30%	4.25%	4.35%	5.03%		4.69%
2	ATMOS ENERGY CORP	ATO	2.50%	2.50%	6.50%	5.00%	1.50%	7.50%	4.00%	1.50%	4.00%	5.00%	5.00%	4.67%	5.20%		4.93%
3	LACLEDE GROUP	LG	3.50%	1.00%	3.50%	9.50%	1.50%	5.50%	3.50%	2.50%	5.50%	3.00%	3.50%	3.33%	6.52%		4.93%
4	NEW JERSEY RESOURCES CORP	NJR	7.50%	4.00%	8.50%	7.50%	5.00%	11.50%	6.00%	5.50%	9.50%	7.00%	6.50%	6.50%	7.81%		7.16%
5	NICOR, INC.	GAS	1.50%	3.00%	3.00%	1.00%	0.50%	4.00%	0.50%		4.50%	4.20%	4.33%	3.01%	4.42%		3.72%
6	NISOURCE INC.	NI			6.50%			1.50%	1.00%		0.50%	2.80%	3.25%	2.35%	1.38%		1.87%
7	NORTHWEST NATURAL GAS CO.	NWN	5.00%	2.00%	3.50%	8.00%	3.00%	3.50%	5.00%	5.50%	5.00%	6.80%	5.17%	5.66%	3.85%		4.76%
8	PIEDMONT NATURAL Gas Co.	PNY	4.50%	5.00%	5.50%	6.50%	4.50%	6.00%	6.00%	3.50%	4.00%	6.60%	6.20%	6.27%	3.39%		4.83%
9	SOUTH JERSEY INDUSTRIES INC.	SJI	11.50%	3.50%	9.00%	13.00%	6.00%	11.00%	5.50%	7.00%	6.00%	9.50%	9.50%	8.17%	8.07%		8.12%
10	SOUTHWEST GAS	SWX	7.00%	0.50%	4.50%	9.00%	1.00%	5.00%	5.00%	5.00%	3.50%	6.00%	6.00%	5.67%	4.75%		5.21%
11	UGI CORP	UGI	16.00%	4.00%	12.50%	14.50%	6.00%	21.50%	7.50%	5.50%	10.50%	7.00%	6.50%	7.00%	11.36%		9.18%
12	WGL HOLDINGS, INC.	WGL	2.00%	1.50%	4.00%	4.00%	1.50%	4.50%	4.00%	2.50%	5.00%	6.70%	4.50%	5.07%	5.34%		5.20%
13	AVERAGE	AVERAGE	6.18%	2.82%	6.17%	7.86%	3.50%	7.63%	4.29%	4.10%	4.96%	5.83%	5.39%	5.17%	5.59%		5.38%
14	MEDIAN	MEDIAN	5.00%	3.00%	6.00%	8.00%	3.00%	5.75%	4.50%	4.25%	4.75%	6.30%	5.09%	5.36%	5.11%		4.93%

**SOURCES:**

COLUMN A-I VALUE LINE JUNE 12, 2009  
COLUMN J-K ZACKS AND YAHOO FINANCE  
COLUMN L AVERAGE COLS G,J AND K  
COLUMN M PAGES 2-4 THIS SCHEDULE  
COLUMN N AVERAGE OF COLUMNS L&M

**MGE GAS CASE**  
**CASE NO. GR-2009-0355**  
**COMPARABLE GROUP**  
**RETENTION "b\*r" GROWTH**

LINE			2006 DATA			2008 DATA			2006-2008 DATA			2006-2008 DATA			RETENTION
				(MM) NO.	COMMON		NO.	COMMON	CHANGE IN	ADJ.	ADJUSTED				GROWTH
NO	COMPANY	SYMBOL	BVPS	SHARES	EQUITY	BVPS	SHARES	EQUITY	EQUITY	FACTOR	"r"	"b"	"br"	"sv"	"br"+"sv"
1	AGL RESOURCES INC.	AGL	\$ 20.71	77.70	\$ 1,609.17	\$ 21.48	76.90	\$ 1,651.81	1.32%	1.0065	12.84%	41.10%	5.28%	-0.36%	4.91%
2	ATMOS ENERGY CORP	ATO	\$ 20.16	81.74	\$ 1,647.88	\$ 22.60	90.81	\$ 2,052.31	11.60%	1.0548	9.70%	35.34%	3.43%	1.48%	4.91%
3	LACLEDE GROUP	LG	\$ 18.85	21.36	\$ 402.64	\$ 22.12	21.99	\$ 486.42	9.91%	1.0472	12.63%	40.57%	5.12%	1.18%	6.30%
4	NEW JERSEY RESOURCES CORP	NJR	\$ 15.00	41.44	\$ 621.60	\$ 17.28	42.06	\$ 726.80	8.13%	1.0391	13.19%	47.46%	6.26%	0.79%	7.05%
5	NICOR, INC.	GAS	\$ 19.43	44.90	\$ 872.41	\$ 21.55	45.13	\$ 972.55	5.58%	1.0272	14.21%	34.09%	4.84%	0.29%	5.14%
6	NISOURCE INC.	NI	\$ 18.32	273.65	\$ 5,013.27	\$ 17.24	274.26	\$ 4,728.24	-2.88%	0.9854	6.62%	23.31%	1.54%	0.01%	1.55%
7	NORTHWEST NATURAL GAS CO.	NWN	\$ 22.01	27.24	\$ 599.55	\$ 23.71	26.50	\$ 628.32	2.37%	1.0117	11.39%	43.18%	4.92%	-1.26%	3.66%
8	PIEDMONT NATURAL Gas Co.	PNY	\$ 11.83	74.61	\$ 882.64	\$ 12.11	73.26	\$ 887.18	0.26%	1.0013	11.59%	28.45%	3.30%	-1.10%	2.20%
9	SOUTH JERSEY INDUSTRIES INC.	SJI	\$ 15.11	29.33	\$ 443.18	\$ 17.33	29.73	\$ 515.22	7.82%	1.0376	14.61%	55.13%	8.05%	0.70%	8.76%
10	SOUTHWEST GAS	SWX	\$ 21.58	41.77	\$ 901.40	\$ 23.49	44.19	\$ 1,038.02	7.31%	1.0353	8.14%	49.91%	4.06%	1.05%	5.11%
11	UGI CORP	UGI	\$ 10.43	105.45	\$ 1,099.84	\$ 13.20	107.40	\$ 1,417.68	13.53%	1.0634	15.93%	59.78%	9.52%	0.99%	10.51%
12	WGL HOLDINGS, INC.	WGL	\$ 18.86	48.89	\$ 922.07	\$ 20.99	49.92	\$ 1,047.82	6.60%	1.0320	11.18%	35.80%	4.00%	0.58%	4.59%
13	AVERAGE	AVERAGE	\$ 17.69	72.34	\$ 1,251.30	\$ 19.43	73.51	\$ 1,346.03	3.72%		11.84%	41.18%	5.03%	0.36%	5.39%
14	MEDIAN	MEDIAN									12.11%	40.84%	4.88%	0.64%	5.01%

LINE	RETENTION GROWTH														
NO	COMPANY	SYMBOL	2009 DATA			2012-2014 DATA			2012-2014 DATA			2012-2014 DATA			
			BVPS	(MM) NO. SHARES	COMMON EQUITY	BVPS	NO. SHARES	COMMON EQUITY	CHANGE IN EQUITY	ADJ. FACTOR	ADJUSTED "r"	"b"	"br"	"sv"	"br"+"sv"
1	AGL RESOURCES INC.	AGL	\$ 23.10	78.00	\$ 1,801.80	\$ 23.55	85.00	\$ 2,001.75	5.40%	1.0263	13.25%	40.65%	5.39%	-0.36%	5.03%
2	ATMOS ENERGY CORP	ATO	\$ 24.10	92.00	\$ 2,217.20	\$ 26.90	110.00	\$ 2,959.00	15.52%	1.0720	9.51%	39.09%	3.72%	1.48%	5.20%
3	LACLEDE GROUP	LG	\$ 23.60	22.50	\$ 531.00	\$ 28.05	26.00	\$ 729.30	17.19%	1.0792	12.15%	43.98%	5.34%	1.18%	6.52%
4	NEW JERSEY RESOURCES CORP	NJR	\$ 18.80	42.50	\$ 799.00	\$ 27.50	45.00	\$ 1,237.50	24.45%	1.1089	13.62%	51.57%	7.03%	0.79%	7.81%
5	NICOR, INC.	GAS	\$ 22.40	45.00	\$ 1,008.00	\$ 26.45	45.00	\$ 1,190.25	8.66%	1.0415	12.21%	33.83%	4.13%	0.29%	4.42%
6	NISOURCE INC.	NI	\$ 17.35	275.50	\$ 4,779.93	\$ 18.35	279.00	\$ 5,119.65	3.49%	1.0172	6.68%	20.54%	1.37%	0.01%	1.38%
7	NORTHWEST NATURAL GAS CO.	NWN	\$ 24.90	26.50	\$ 659.85	\$ 30.50	28.00	\$ 854.00	13.76%	1.0644	11.95%	42.78%	5.11%	-1.26%	3.85%
8	PIEDMONT NATURAL Gas Co.	PNY	\$ 12.70	73.50	\$ 933.45	\$ 15.05	73.00	\$ 1,098.65	8.49%	1.0407	13.16%	34.07%	4.48%	-1.10%	3.39%
9	SOUTH JERSEY INDUSTRIES INC.	SJI	\$ 18.85	30.50	\$ 574.93	\$ 22.75	33.00	\$ 750.75	14.27%	1.0666	14.24%	51.77%	7.37%	0.70%	8.07%
10	SOUTHWEST GAS	SWX	\$ 25.25	45.50	\$ 1,148.88	\$ 28.00	50.00	\$ 1,400.00	10.39%	1.0494	7.78%	47.52%	3.70%	1.05%	4.75%
11	UGI CORP	UGI	\$ 14.80	108.50	\$ 1,605.80	\$ 21.90	111.00	\$ 2,430.90	23.04%	1.1033	15.95%	65.02%	10.37%	0.99%	11.36%
12	WGL HOLDINGS, INC.	WGL	\$ 22.05	50.00	\$ 1,102.50	\$ 26.50	50.00	\$ 1,325.00	9.63%	1.0459	11.42%	41.66%	4.76%	0.58%	5.34%
13	AVERAGE	AVERAGE	\$ 20.66	74.17	\$ 1,430.19	\$ 24.63	77.92	\$ 1,758.06	10.87%		11.83%	42.71%	5.23%	0.36%	5.59%
14	MEDIAN	MEDIAN									12.18%	42.22%	4.93%	0.64%	5.11%
15															
16															
17															



**MGE GAS CASE  
DOCKET NO.GR 2009-0355  
COMPARABLE GROUP  
RETENTION "b\*r" GROWTH**

NO	COMPANY	SYMBOL	b 2006	b 2007	b 2008	AVERAGE 2006-08	b 2009	b 2010	b 2012-14	AVERAGE 2009-14	r 2006	r 2007	r 2008	AVERAGE 2006-08	r 2009	r 2010	r 2012-14	AVERAGE 2009-14
1	AGL RESOURCES INC.	AGL	45.59%	39.71%	38.01%	41.10%	38.57%	40.34%	43.03%	40.65%	13.13%	12.51%	12.62%	12.75%	12.12%	12.61%	14.01%	12.91%
2	ATMOS ENERGY CORP	ATO	37.00%	34.02%	35.00%	35.34%	35.61%	37.67%	44.00%	39.09%	9.92%	8.81%	8.85%	9.19%	8.51%	8.81%	9.29%	8.87%
3	LACLEDE GROUP	LG	40.93%	37.23%	43.56%	40.57%	49.00%	39.62%	43.33%	43.98%	12.57%	11.67%	11.93%	12.06%	12.71%	10.36%	10.70%	11.26%
4	NEW JERSEY RESOURCES CORP	NJR	48.66%	34.84%	58.89%	47.46%	50.40%	52.59%	51.72%	51.57%	12.47%	10.00%	15.63%	12.70%	13.30%	13.01%	10.55%	12.29%
5	NICOR, INC.	GAS	35.19%	37.79%	29.28%	34.09%	29.81%	34.74%	36.95%	33.83%	14.77%	14.53%	12.20%	13.83%	11.83%	12.18%	11.15%	11.72%
6	NISOURCE INC.	NI	19.30%	19.30%	31.34%	23.31%	12.38%	20.00%	29.23%	20.54%	6.22%	6.16%	7.77%	6.72%	6.05%	6.55%	7.08%	6.56%
7	NORTHWEST NATURAL GAS CO.	NWN	40.85%	47.83%	40.86%	43.18%	44.56%	41.75%	42.03%	42.78%	10.68%	12.26%	10.84%	11.26%	11.45%	10.92%	11.31%	11.23%
8	PIEDMONT NATURAL Gas Co.	PNY	25.20%	29.29%	30.87%	28.45%	30.97%	32.73%	38.50%	34.07%	10.74%	11.68%	12.30%	11.57%	12.20%	12.45%	13.29%	12.65%
9	SOUTH JERSEY INDUSTRIES INC.	SJI	62.60%	51.67%	51.10%	55.13%	52.00%	51.70%	51.61%	51.77%	16.28%	12.86%	13.10%	14.08%	13.26%	13.15%	13.63%	13.35%
10	SOUTHWEST GAS	SWX	58.59%	55.90%	35.25%	49.91%	44.12%	47.37%	51.06%	47.52%	9.18%	8.49%	5.92%	7.86%	6.73%	7.13%	8.39%	7.42%
11	UGI CORP	UGI	57.76%	59.78%	61.81%	59.78%	66.67%	63.40%	65.00%	65.02%	15.44%	14.44%	15.08%	14.98%	16.22%	14.37%	12.79%	14.46%
12	WGL HOLDINGS, INC.	WGL	30.41%	34.76%	42.21%	35.80%	42.00%	41.18%	41.82%	41.66%	10.29%	10.59%	11.62%	10.83%	11.34%	11.04%	10.38%	10.92%
13	AVERAGE	AVERAGE	41.84%	40.18%	41.52%	41.18%	41.34%	41.92%	44.86%	42.71%	11.81%	11.17%	11.49%	11.49%	11.31%	11.05%	11.05%	11.14%
14	MEDIAN	MEDIAN				40.84%				42.22%				11.82%				11.49%

SOURCES VALUE LINE JUNE 12, 2009

**MGE GAS CASE**  
**CASE NO GR-2009-0355**  
**COPARABLE GROUP**  
**RETENTION "b\*r" GROWTH 'SV' CALCULATION**

LINE NO	COMPANY	SYMBOL	2006 TO	2006 TO	"s"	"v"	"sv"
			2008 SHARE GROWTH	2008 AVG. M/B RATIO			
1	AGL RESOURCES INC.	AGL	-0.52%	1.7011	-0.00878	0.41214	-0.36%
2	ATMOS ENERGY CORP	ATO	5.40%	1.2737	0.06881	0.21491	1.48%
3	LACLEDE GROUP	LG	1.46%	1.8030	0.02640	0.44537	1.18%
4	NEW JERSEY RESOURCES CORP	NJR	0.75%	2.0584	0.01534	0.51418	0.79%
5	NICOR, INC.	GAS	0.26%	2.1475	0.00549	0.53434	0.29%
6	NISOURCE INC.	NI	0.11%	1.0854	0.00121	0.07871	0.01%
7	NORTHWEST NATURAL GAS CO.	NWN	-1.37%	1.9197	-0.02625	0.47908	-1.26%
8	PIEDMONT NATURAL Gas Co.	PNY	-0.91%	2.2071	-0.02006	0.54691	-1.10%
9	SOUTH JERSEY INDUSTRIES INC.	SJI	0.68%	2.0353	0.01383	0.50868	0.70%
10	SOUTHWEST GAS	SWX	2.86%	1.3681	0.03907	0.26907	1.05%
11	UGI CORP	UGI	0.92%	2.0705	0.01906	0.51702	0.99%
12	WGL HOLDINGS, INC.	WGL	1.05%	1.5566	0.01631	0.35759	0.58%
13	AVERAGE	AVERAGE	0.89%	1.76887	0.01254	40.65%	0.36%
14	MEDIAN	MEDIAN	0.71%	1.86135	0.01459	46.22%	0.64%

**MGE GAS CASE  
CASE NO. GR-2009-0355  
CONSTANT GROWTH DCF**

LINE NO	COMPANY	SYMBOL	PRICE	DIVID.	YIELD	GROWTH	ADJ. DIVID.	ADJ. YIELD	ROE
1	AGL RESOURCES INC.	AGL	\$32.31	\$1.72	5.32%	4.69%	\$1.76	5.45%	10.14%
2	ATMOS ENERGY CORP	ATO	\$25.78	\$1.32	5.12%	4.93%	\$1.35	5.25%	10.18%
3	LACLEDE GROUP	LG	\$33.03	\$1.54	4.66%	4.93%	\$1.58	4.78%	9.70%
4	NEW JERSEY RESOURCES CORP	NJR	\$37.77	\$1.24	3.28%	7.16%	\$1.28	3.40%	10.56%
5	NICOR, INC.	GAS	\$34.99	\$1.86	5.32%	3.72%	\$1.89	5.41%	9.13%
6	NISOURCE INC.	NI	\$12.21	\$0.92	7.54%	1.87%	\$0.93	7.61%	9.47%
7	NORTHWEST NATURAL GAS CO.	NWN	\$43.95	\$1.58	3.59%	4.76%	\$1.62	3.68%	8.44%
8	PIEDMONT NATURAL Gas Co.	PNY	\$24.02	\$1.08	4.50%	4.83%	\$1.11	4.60%	9.43%
9	SOUTH JERSEY INDUSTRIES INC.	SJI	\$35.63	\$1.19	3.35%	8.12%	\$1.24	3.48%	11.60%
10	SOUTHWEST GAS	SWX	\$22.75	\$0.95	4.18%	5.21%	\$0.98	4.29%	9.50%
11	UGI CORP	UGI	\$25.82	\$0.80	3.10%	9.18%	\$0.84	3.24%	12.42%
12	WGL HOLDINGS, INC.	WGL	\$32.14	\$1.48	4.61%	5.20%	\$1.52	4.72%	9.93%
13	AVERAGE	AVERAGE	\$30.03	\$1.31	4.55%	5.38%	\$1.34	4.66%	10.04%
14	MEDIAN	MEDIAN	\$32.22	\$1.28	4.55%	4.93%	\$1.32	4.66%	9.82%



**MGE GAS CASE  
CASE NO. GR-2009-0355  
COMPARABLE GROUP  
TWO-STAGE DCF**

LINE NO	COMPANY	SYMBOL	NXT. YEARS DIVID.	2012-2014 DIVID.	ANNUAL CHANGE TO 2013	RECENT PRICE	YEAR 1 DIVID	YEAR 2 DIVID	YEAR 3 DIVID	YEAR 4 DIVID	YEAR 5 DIVID	YR. 5-150 DIVID GROWTH	INTERNAL RATE OF RETURN
1	AGL RESOURCES INC.	AGL	\$1.76	\$1.88	\$0.04	-\$32.31	\$1.76	\$1.80	\$1.84	\$1.88	\$1.93	5.20%	10.14%
2	ATMOS ENERGY CORP	ATO	\$1.35	\$1.40	\$0.02	-\$25.78	\$1.35	\$1.37	\$1.38	\$1.40	\$1.45	5.20%	9.85%
3	LACLEDE GROUP	LG	\$1.58	\$1.70	\$0.04	-\$33.03	\$1.58	\$1.62	\$1.66	\$1.70	\$1.75	5.20%	9.56%
4	NEW JERSEY RESOURCES CORP	NJR	\$1.28	\$1.40	\$0.04	-\$37.77	\$1.28	\$1.32	\$1.36	\$1.40	\$1.45	5.20%	8.32%
5	NICOR, INC.	GAS	\$1.89	\$1.86	-\$0.01	-\$34.99	\$1.89	\$1.88	\$1.87	\$1.86	\$1.91	5.20%	9.74%
6	NISOURCE INC.	NI	\$0.93	\$0.92	\$0.00	-\$12.21	\$0.93	\$0.93	\$0.92	\$0.92	\$0.97	5.20%	11.82%
7	NORTHWEST NATURAL GAS CO.	NWN	\$1.62	\$2.00	\$0.13	-\$43.95	\$1.62	\$1.75	\$1.87	\$2.00	\$2.05	5.20%	8.99%
8	PIEDMONT NATURAL Gas Co.	PNY	\$1.11	\$1.23	\$0.04	-\$24.02	\$1.11	\$1.15	\$1.19	\$1.23	\$1.28	5.20%	9.57%
9	SOUTH JERSEY INDUSTRIES INC.	SJI	\$1.24	\$1.50	\$0.09	-\$35.63	\$1.24	\$1.33	\$1.41	\$1.50	\$1.55	5.20%	8.73%
10	SOUTHWEST GAS	SWX	\$0.98	\$1.15	\$0.06	-\$22.75	\$0.98	\$1.03	\$1.09	\$1.15	\$1.20	5.20%	9.50%
11	UGI CORP	UGI	\$0.84	\$0.98	\$0.05	-\$25.82	\$0.84	\$0.88	\$0.93	\$0.98	\$1.03	5.20%	8.43%
12	WGL HOLDINGS, INC.	WGL	\$1.52	\$1.60	\$0.03	-\$32.14	\$1.52	\$1.55	\$1.57	\$1.60	\$1.65	5.20%	9.43%
13	AVERAGE	AVERAGE	\$1.34	\$1.47		-\$30.03	\$1.34			\$1.47			9.51%
14	MEDIAN	MEDIAN											9.53%

**MGE GAS CASE  
CASE NO. GR-2009-0355  
RISK PREMIUM ANALYSIS**

BASED ON UTILITY AUTHORIZED ROE VERSUS BOND YIELDS

LINE NO.	YEAR	A	B	C
		MOODY'S AVERAGE PUBLIC UTILITY BOND YIELD	AUTHORIZED ELECTRIC RETURNS	INDICATED RISK PREMIUM
1	1980	13.15%	14.23%	1.08%
2	1981	15.62%	15.22%	-0.40%
3	1982	15.33%	15.78%	0.45%
4	1983	13.31%	15.36%	2.05%
5	1984	14.03%	15.32%	1.29%
6	1985	12.29%	15.20%	2.91%
7	1986	9.46%	13.93%	4.47%
8	1987	9.98%	12.99%	3.01%
9	1988	10.45%	12.79%	2.34%
10	1989	9.66%	12.97%	3.31%
11	1990	9.76%	12.70%	2.94%
12	1991	9.21%	12.55%	3.34%
13	1992	8.57%	12.09%	3.52%
14	1993	7.56%	11.41%	3.85%
15	1994	8.30%	11.34%	3.04%
16	1995	7.91%	11.55%	3.64%
17	1996	7.74%	11.39%	3.65%
18	1997	7.63%	11.40%	3.77%
19	1998	7.00%	11.66%	4.66%
20	1999	7.55%	10.77%	3.22%
21	2000	8.14%	11.43%	3.29%
22	2001	7.72%	11.09%	3.37%
23	2002	7.53%	11.16%	3.63%
24	2003	6.61%	10.97%	4.36%
25	2004	6.20%	10.75%	4.55%
26	2005	5.67%	10.54%	4.87%
27	2006	6.08%	10.36%	4.28%
28	2007	6.11%	10.36%	4.25%
29	2008	6.65%	10.46%	3.81%
30	AVERAGE	9.15%	12.34%	3.19%
BASIC RISK PREMIUM				3.19%
INDICATED BBB BOND RATE				6.80%
RISK PREMIUM ROE				9.99%

**SOURCES**

COLUMN A: MERCHANTS BOND RECORD

COLUMN B: REGULATORY RESEARCH ASSOCIATES



**MGE CASE**  
**CASE NO. GR-2009-0355**  
**COMPARABLE GROUP**  
**CAPM AND ECAPM CALCULATIONS**

**GEOMETRIC MEAN**

LINE NO.	COMPANY	SYMBOL	BETA	30 YEAR U.S. TREASURY			CAPM ROE	LINE NO.	COMPANY	SYMBOL	BETA	30 YEAR U.S. TREASURY			ECAPM ROE
				RISK PREMIUM	YIELD							RISK PREMIUM	YIELD		
1	AGL RESOURCES INC.	AGL	0.75	3.90%	4.39%		7.31%	1	AGL RESOURCES INC.	AGL	0.75	3.90%	4.39%		7.56%
2	ATMOS ENERGY CORP	ATO	0.65	3.90%	4.39%		6.92%	2	ATMOS ENERGY CORP	ATO	0.65	3.90%	4.39%		7.26%
3	LACLEDE GROUP	LG	0.60	3.90%	4.39%		6.73%	3	LACLEDE GROUP	LG	0.60	3.90%	4.39%		7.12%
4	NEW JERSEY RESOURCES CORP	NJR	0.65	3.90%	4.39%		6.92%	4	NEW JERSEY RESOURCES CORP	NJR	0.65	3.90%	4.39%		7.26%
5	NICOR, INC.	GAS	0.75	3.90%	4.39%		7.31%	5	NICOR, INC.	GAS	0.75	3.90%	4.39%		7.56%
6	NISOURCE INC.	NI	0.85	3.90%	4.39%		7.70%	6	NISOURCE INC.	NI	0.85	3.90%	4.39%		7.85%
7	NORTHWEST NATURAL GAS CO.	NWN	0.60	3.90%	4.39%		6.73%	7	NORTHWEST NATURAL GAS CO.	NWN	0.60	3.90%	4.39%		7.12%
8	PIEDMONT NATURAL Gas Co.	PNY	0.65	3.90%	4.39%		6.92%	8	PIEDMONT NATURAL Gas Co.	PNY	0.65	3.90%	4.39%		7.26%
9	SOUTH JERSEY INDUSTRIES INC.	SJI	0.65	3.90%	4.39%		6.92%	9	SOUTH JERSEY INDUSTRIES INC.	SJI	0.65	3.90%	4.39%		7.26%
10	SOUTHWEST GAS	SWX	0.75	3.90%	4.39%		7.31%	10	SOUTHWEST GAS	SWX	0.75	3.90%	4.39%		7.56%
11	UGI CORP	UGI	0.70	3.90%	4.39%		7.12%	11	UGI CORP	UGI	0.70	3.90%	4.39%		7.41%
12	WGL HOLDINGS, INC.	WGL	0.65	3.90%	4.39%		6.92%	12	WGL HOLDINGS, INC.	WGL	0.65	3.90%	4.39%		7.26%
13	AVERAGE	AVERAGE	0.69				7.07%	13	AVERAGE	AVERAGE	0.69				7.37%
14	MEDIAN	MEDIAN	0.65				6.92%	14	MEDIAN	MEDIAN	0.65				7.26%

**COMPARABLE GROUP**  
**CAPM AND ECAPM CALCULATIONS**

**ARITHMETIC MEAN**

LINE NO.	COMPANY	SYMBOL	BETA	30 YEAR U.S. TREASURY			CAPM ROE	LINE NO.	COMPANY	SYMBOL	BETA	30 YEAR U.S. TREASURY			ECAPM ROE
				RISK PREMIUM	YIELD							RISK PREMIUM	YIELD		
1	AGL RESOURCES INC.	AGL	0.75	5.60%	4.39%		8.59%	1	AGL RESOURCES INC.	AGL	0.75	5.60%	4.39%		8.94%
2	ATMOS ENERGY CORP	ATO	0.65	5.60%	4.39%		8.03%	2	ATMOS ENERGY CORP	ATO	0.65	5.60%	4.39%		8.52%
3	LACLEDE GROUP	LG	0.60	5.60%	4.39%		7.75%	3	LACLEDE GROUP	LG	0.60	5.60%	4.39%		8.31%
4	NEW JERSEY RESOURCES CORP	NJR	0.65	5.60%	4.39%		8.03%	4	NEW JERSEY RESOURCES CORP	NJR	0.65	5.60%	4.39%		8.52%
5	NICOR, INC.	GAS	0.75	5.60%	4.39%		8.59%	5	NICOR, INC.	GAS	0.75	5.60%	4.39%		8.94%
6	NISOURCE INC.	NI	0.85	5.60%	4.39%		9.15%	6	NISOURCE INC.	NI	0.85	5.60%	4.39%		9.36%
7	NORTHWEST NATURAL GAS CO.	NWN	0.60	5.60%	4.39%		7.75%	7	NORTHWEST NATURAL GAS CO.	NWN	0.60	5.60%	4.39%		8.31%
8	PIEDMONT NATURAL Gas Co.	PNY	0.65	5.60%	4.39%		8.03%	8	PIEDMONT NATURAL Gas Co.	PNY	0.65	5.60%	4.39%		8.52%
9	SOUTH JERSEY INDUSTRIES INC.	SJI	0.65	5.60%	4.39%		8.03%	9	SOUTH JERSEY INDUSTRIES INC.	SJI	0.65	5.60%	4.39%		8.52%
10	SOUTHWEST GAS	SWX	0.75	5.60%	4.39%		8.59%	10	SOUTHWEST GAS	SWX	0.75	5.60%	4.39%		8.94%
11	UGI CORP	UGI	0.70	5.60%	4.39%		8.31%	11	UGI CORP	UGI	0.70	5.60%	4.39%		8.73%
12	WGL HOLDINGS, INC.	WGL	0.65	5.60%	4.39%		8.03%	12	WGL HOLDINGS, INC.	WGL	0.65	5.60%	4.39%		8.52%
13	AVERAGE	AVERAGE	0.69				8.24%	13	AVERAGE	AVERAGE	0.69				8.67%
14	MEDIAN	MEDIAN	0.65				8.03%	14	MEDIAN	MEDIAN	0.65				8.52%

**MGE GAS CASE  
CASE NO. GR-2009-0355  
REVENUE IMPACT OF HYPOTHETICAL VERSUS  
ACTUAL CAPITAL STRUCTURE**

**HYOTHETICAL CAPITAL STRUCTURE**

DESCRIPTION	RATIO	COST	WEIGHTED		RATE BASE INVESTMENT	RETURN DOLLARS	
			WEIGHTED COST	COST/ W FIT			
LONG TERM DEBT	41.06%	6.08%	2.50%	2.50%	\$604,954,779	\$15,102,381	
SHORT TERM DEBT	10.94%	4.92%	0.54%	0.54%	\$604,954,779	\$3,256,157	
COMMON EQUITY	48.00%	11.25%	5.40%	8.76%	\$604,954,779	\$53,022,060	
TOTAL	100.00%		8.43%	11.80%	\$604,954,779	\$71,380,599	\$0

**ACTUAL CAPITAL STRUCTURE**

DESCRIPTION	RATIO	COST	WEIGHTED		RATE BASE INVESTMENT	RETURN DOLLARS	
			WEIGHTED COST	COST/ W FIT			
LONG TERM DEBT	56.16%	6.26%	3.51%	3.51%	\$604,954,779	\$21,261,092	
SHORT TERM DEBT	3.26%	5.92%	0.19%	0.19%	\$604,954,779	\$1,167,514	
PREFERRED EQUITY	1.92%	7.76%	0.15%	0.24%	\$604,954,779	\$1,462,561	
COMMON EQUITY	38.66%	11.25%	4.35%	7.06%	\$604,954,779	\$42,704,851	
TOTAL	100.00%		8.21%	11.01%	\$604,954,779	\$66,596,018	-\$4,784,581

**MGE GAS CASE**  
**CASE NO. GR-2009-0355**

**FINANCIAL METRICS AT RECOMMENDED 10% ROE**

**LINE  
NO.**

**RECOMMENDED CAPITAL STRUCTURE AND COST RATES**

1 DESCRIPTION	RATIO	COST	WEIGHTED COST	WEIGHTED ROR W/ FIT
2 TOTAL DEBT	56.16%	6.26%	3.51%	3.51%
SHORT TERM DEBT	3.26%	5.92%	0.19%	0.19%
3 PREFERRED EQUITY	1.92%	7.76%	0.15%	0.15%
4 COMMON EQUITY	38.66%	10.00%	3.87%	5.95%
5 TOTAL	100.00%		7.72%	9.80%

6

7 **DESCRIPTION**

**AMOUNT**

8 RATE BASE	\$604,954,779
9 RETURN ON RATE BASE	\$46,717,260
10 TAX	\$12,593,261
11 RETURN ON RATE BASE & TAXES	\$59,310,521
12 DEPRECIATION & AMORTIZATION	\$30,377,019
13 CASH FLOW PRE-TAX	\$89,687,540
14 CAS FLOW AFTER-TAX	\$77,094,279
15	
16	
17 TOTAL INTERST	\$22,428,606
18 TOTAL DEBT PERCENT	56.16%
19 TOTAL DEBT DOLLARS	\$339,742,603.89

	S&P GUIDELINE FINANCIAL METRICS	PRE-TAX MGE FINANCIAL METRICS AT 10% ROE	AFTER TAX MGE FINANCIAL METRICS AT 10% ROE
20			
21 CASH FLOW/DEBT(%)	25 - 45	26.40%	22.69%
22 DEBT %	35-50	56.16%	56.16%
23 DEBT/FFO EBITA (X)	2.0-4.0	3.79	4.41