

THE EMPIRE DISTRICT GAS COMPANY
CASE NO. GR-2021-0320

Discounted Cash Flow (DCF) Costs of Common Equity (COE) Estimates
Based on Dividend per Share, Earning per Share, Stock Price, and Growth Rate
for the Comparable Natural Gas Utility Companies

<u>2021 Q4 DCF COE estimate</u>		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	
Gas Utility Companies	Ticker	Dividend per Share	Stock Price	Dividend Yield	Expected Dividend Yield	Projected Weighted Growth	Projected GDP Growth	Growth Rate	COE	
1	Atmos Energy Corporation	ATO	2.30	91.08	2.53%	2.60%	7.50%	3.80%	6.27%	8.87%
2	New Jersey Resources Corporation	NJR	1.27	38.05	3.34%	3.42%	5.50%	3.80%	4.93%	8.35%
3	Northwest Natural Holding Company	NWN	1.91	47.21	4.05%	4.08%	0.50%	3.80%	1.60%	5.68%
4	ONE Gas, Inc.	OGS	2.16	72.34	2.99%	3.07%	7.00%	3.80%	5.93%	9.01%
5	South Jersey Industries, Inc.	SJI	1.20	23.98	5.00%	5.10%	4.00%	3.80%	3.93%	9.04%
6	Southwest Gas Holdings, Inc.	SWX	2.26	62.83	3.60%	3.67%	4.00%	3.80%	3.93%	7.60%
7	Spire Inc.	SR	2.49	65.88	3.78%	3.86%	4.50%	3.80%	4.27%	8.13%
Average			1.94	57.34	3.61%	3.69%	4.71%	3.80%	4.41%	8.10%
									DCF Lower Bound	8.24%
									DCF Upper Bound	8.61%
									Average	8.43%

<u>2021 Q1 DCF COE estimate</u>		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	
Gas Utility Companies	Ticker	Dividend per Share	Stock Price	Dividend Yield	Expected Dividend Yield	Projected Weighted Growth	Projected GDP Growth	Growth Rate	COE	
1	Atmos Energy Corporation	ATO	1.80	81.74	2.20%	2.26%	6.50%	4.00%	5.67%	7.93%
2	New Jersey Resources Corporation	NJR	1.02	40.98	2.49%	2.53%	3.50%	4.00%	3.67%	6.20%
3	Northwest Natural Holding Company	NWN	1.88	60.21	3.12%	3.16%	2.00%	4.00%	2.67%	5.83%
4	ONE Gas, Inc.	OGS	1.68	69.66	2.41%	2.56%	17.00%	4.00%	12.67%	15.23%
5	South Jersey Industries, Inc.	SJI	1.10	36.20	3.04%	3.12%	6.50%	4.00%	5.67%	8.79%
6	Southwest Gas Holdings, Inc.	SWX	1.98	80.65	2.46%	2.54%	8.50%	4.00%	7.00%	9.54%
7	Spire Inc.	SR	2.10	68.88	3.05%	3.10%	3.50%	4.00%	3.67%	6.77%
Average			1.65	62.62	2.68%	2.76%	6.79%	4.00%	5.86%	8.61%
									DCF Lower Bound	7.35%
									DCF Upper Bound	8.36%
									Average	7.86%

Comparison DCF Estimates

2021 Q1 DCF COE estimate	7.86%
2021 Q4 DCF COE estimate	8.43%
Difference of Averages between Q1 2021 and Q4 2021	<u>0.57%</u>

Note:

- [1] Source: Case No. GR-2021-0108, Schedule SJW-13
 [2] Source: Case No. GR-2021-0108, Schedule SJW-13
 [3] Source: Case No. GR-2021-0108, Schedule SJW-13
 [4] Source: Case No. GR-2021-0108, Schedule SJW-13
 [5] Source: Case No. GR-2021-0108, Schedule SJW-13
 [6] Source: Case No. GR-2021-0108, Schedule SJW-13
 [7] Source: Case No. GR-2021-0108, Schedule SJW-13
 [8] Source: Case No. GR-2021-0108, Schedule SJW-13