

**Multiple-Stage Dividend Discount Model  
for the Local Natural Gas Distribution Companies (LDCs)**

**Annual Earnings Per Share Estimates**

Company Name	Consensus Analysts' Discreet EPS Estimates (through yellow highlighted cell)				2025 - 2035 Transitionay Period to Perpetual Growth										Terminal Year
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Atmos Energy Corporation	\$5.05	\$5.39	\$5.78	\$6.32	\$6.80	\$7.25	\$7.70	\$8.16	\$8.61	\$9.05	\$9.48	\$9.90	\$10.30	\$10.68	\$11.03
New Jersey Resources Corporation	\$1.90	\$2.27	\$2.40	\$2.94	\$3.01	\$3.21	\$3.42	\$3.62	\$3.82	\$4.02	\$4.21	\$4.40	\$4.58	\$4.75	\$4.90
NiSource Inc.	\$1.34	\$1.41	\$1.51	\$1.68	\$1.76	\$1.85	\$1.94	\$2.02	\$2.11	\$2.20	\$2.28	\$2.37	\$2.46	\$2.54	\$2.63
Northwest Natural Holding Company	\$2.51	\$2.61	\$2.78	\$2.90	\$3.12	\$3.24	\$3.36	\$3.49	\$3.62	\$3.75	\$3.88	\$4.02	\$4.15	\$4.29	\$4.43
ONE Gas, Inc.	\$3.80	\$4.11	\$4.36	\$4.64	\$4.82	\$5.07	\$5.33	\$5.59	\$5.85	\$6.10	\$6.36	\$6.61	\$6.86	\$7.10	\$7.33
South Jersey Industries, Inc.	\$1.67	\$1.69	\$1.79	\$1.92	\$1.90	\$1.98	\$2.07	\$2.16	\$2.24	\$2.33	\$2.42	\$2.51	\$2.60	\$2.69	\$2.78
Southwest Gas Holdings, Inc.	\$4.13	\$4.22	\$4.63	\$4.60	\$5.00	\$5.24	\$5.49	\$5.73	\$5.98	\$6.23	\$6.48	\$6.72	\$6.97	\$7.21	\$7.45
Spire Inc.	\$4.16	\$4.38	\$4.61	\$4.79	\$4.90	\$5.14	\$5.38	\$5.63	\$5.88	\$6.12	\$6.37	\$6.61	\$6.86	\$7.10	\$7.33

**Dividend Payout Ratios**

Company Name	Discrete Dividend Payout Ratio (through yellow highlighted cell)				2025 - 2035 Transitory Payout Ratio Until Perpetual Growth										
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Atmos Energy Corporation	NM	49.54%	49.31%	49.84%	49.56%	51.04%	52.51%	53.99%	55.47%	56.94%	58.42%	59.89%	61.37%	62.85%	64.32%
New Jersey Resources Corporation	NM	62.47%	63.53%	55.38%	57.81%	58.46%	59.11%	59.76%	60.41%	61.07%	61.72%	62.37%	63.02%	63.67%	64.32%
NiSource Inc.	NM	65.92%	65.42%	63.10%	63.21%	63.32%	63.43%	63.54%	63.65%	63.77%	63.88%	63.99%	64.10%	64.21%	64.32%
Northwest Natural Holding Company	NM	74.10%	69.96%	69.49%	69.02%	68.55%	68.08%	67.61%	67.14%	66.67%	66.20%	65.73%	65.26%	64.79%	64.32%
ONE Gas, Inc.	NM	60.47%	61.04%	61.70%	61.94%	62.18%	62.42%	62.66%	62.90%	63.13%	63.37%	63.61%	63.85%	64.09%	64.32%
South Jersey Industries, Inc.	NM	73.82%	71.77%	68.49%	68.11%	67.73%	67.35%	66.97%	66.60%	66.22%	65.84%	65.46%	65.08%	64.70%	64.32%
Southwest Gas Holdings, Inc.	NM	58.64%	55.60%	56.33%	57.06%	57.78%	58.51%	59.24%	59.96%	60.69%	61.42%	62.14%	62.87%	63.60%	64.32%
Spire Inc.	NM	63.37%	64.01%	64.04%	64.06%	64.09%	64.11%	64.14%	64.17%	64.19%	64.22%	64.25%	64.27%	64.30%	64.32%

**Estimated Dividends**

Company Name	Cost of Equity	3/31/2021	6/30/2021	3/31/2022	3/31/2023	3/31/2024	3/31/2025	3/31/2026	3/31/2027	3/31/2028	3/31/2029	3/31/2030	3/31/2031	3/31/2032	3/31/2033	3/31/2034	3/31/2035
		Atmos Energy Corporation	7.86%	-92.33	\$1.26	\$2.67	\$2.85	\$3.15	\$3.37	\$3.70	\$4.05	\$4.40	\$4.77	\$5.15	\$5.54	\$5.93	\$6.32
New Jersey Resources Corporation	8.34%	-38.53	\$0.68	\$1.42	\$1.52	\$1.63	\$1.74	\$1.88	\$2.02	\$2.16	\$2.31	\$2.45	\$2.60	\$2.74	\$2.89	\$3.02	\$3.16
Spire Inc.	7.83%	-68.06	\$1.31	\$2.78	\$2.95	\$3.06	\$3.14	\$3.29	\$3.45	\$3.61	\$3.77	\$3.93	\$4.09	\$4.25	\$4.41	\$4.56	\$4.71
NiSource Inc.	8.04%	-22.89	\$0.67	\$0.93	\$0.99	\$1.06	\$1.11	\$1.17	\$1.23	\$1.28	\$1.34	\$1.40	\$1.46	\$1.52	\$1.58	\$1.63	\$1.69
Northwest Natural Holding Company	7.20%	-48.90	\$1.44	\$1.94	\$1.94	\$2.02	\$2.15	\$2.22	\$2.29	\$2.36	\$2.43	\$2.50	\$2.57	\$2.64	\$2.71	\$2.78	\$2.85
ONE Gas, Inc.	7.36%	-73.80	\$1.74	\$2.48	\$2.66	\$2.86	\$2.99	\$3.16	\$3.33	\$3.50	\$3.68	\$3.85	\$4.03	\$4.21	\$4.38	\$4.55	\$4.72
South Jersey Industries, Inc.	8.38%	-23.70	\$0.91	\$1.25	\$1.28	\$1.32	\$1.29	\$1.34	\$1.39	\$1.44	\$1.49	\$1.54	\$1.59	\$1.64	\$1.69	\$1.74	\$1.79
Southwest Gas Holdings, Inc.	7.94%	-64.32	\$1.79	\$2.47	\$2.58	\$2.59	\$2.85	\$3.03	\$3.21	\$3.40	\$3.59	\$3.78	\$3.98	\$4.18	\$4.38	\$4.58	\$4.79
<b>Average of All Companies</b>	<b>7.87%</b>																
<b>Average of Mostly Pure Play</b>	<b>7.66%</b>																

Notes:  
1. NM - Not Meaningful  
2. NA - Not Available