

**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											
	FY 9/30	FY 12/31	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	\$7.24	\$7.68	\$8.10	\$8.50	\$8.89	\$9.24	\$9.57	\$9.85	\$10.10	\$10.30
New Jersey Resources Corporation			\$1.90	\$2.27	\$2.40	\$2.94	\$3.01	\$3.21	\$3.40	\$3.59	\$3.77	\$3.95	\$4.11	\$4.25	\$4.38	\$4.49	\$4.58
NiSource Inc.			\$1.34	\$1.41	\$1.51	\$1.68	\$1.76	\$1.85	\$1.93	\$2.01	\$2.08	\$2.16	\$2.23	\$2.29	\$2.35	\$2.40	\$2.45
Northwest Natural Holding Company			\$2.51	\$2.61	\$2.78	\$2.90	\$3.12	\$3.24	\$3.35	\$3.46	\$3.57	\$3.68	\$3.78	\$3.88	\$3.97	\$4.06	\$4.14
ONE Gas, Inc.			\$3.80	\$4.11	\$4.36	\$4.64	\$4.82	\$5.07	\$5.31	\$5.55	\$5.78	\$5.99	\$6.20	\$6.38	\$6.56	\$6.71	\$6.85
South Jersey Industries, Inc.			\$1.67	\$1.69	\$1.79	\$1.92	\$1.90	\$1.98	\$2.06	\$2.14	\$2.22	\$2.29	\$2.36	\$2.42	\$2.48	\$2.54	\$2.59
Southwest Gas Holdings, Inc.			\$4.13	\$4.22	\$4.63	\$4.60	\$5.00	\$5.24	\$5.47	\$5.69	\$5.91	\$6.11	\$6.31	\$6.49	\$6.66	\$6.81	\$6.95
Spire Inc.			\$4.16	\$4.38	\$4.61	\$4.79	\$4.90	\$5.13	\$5.36	\$5.59	\$5.80	\$6.01	\$6.20	\$6.39	\$6.55	\$6.71	\$6.84

Dividend Payout Ratios

Company Name		Discrete Dividend Payout Ratio (through yellow highlighted cell)					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%	49.84%	49.56%	52.44%	55.32%	58.20%	61.09%	63.97%	66.85%	69.73%	72.61%	75.50%	78.38%
New Jersey Resources Corporation	NM	62.47%	63.53%	55.38%	57.81%	59.86%	61.92%	63.98%	66.04%	68.09%	70.15%	72.21%	74.26%	76.32%	78.38%	
NiSource Inc.	NM	65.92%	65.42%	63.10%	64.48%	65.87%	67.26%	68.65%	70.04%	71.43%	72.82%	74.21%	75.60%	76.99%	78.38%	
Northwest Natural Holding Company	NM	74.10%	69.96%	70.66%	71.36%	72.06%	72.77%	73.47%	74.17%	74.87%	75.57%	76.27%	76.98%	77.68%	78.38%	
ONE Gas, Inc.	NM	60.47%	61.04%	61.70%	63.22%	64.74%	66.25%	67.77%	69.28%	70.80%	72.32%	73.83%	75.35%	76.86%	78.38%	
South Jersey Industries, Inc.	NM	73.82%	71.77%	68.49%	69.39%	70.29%	71.19%	72.09%	72.98%	73.88%	74.78%	75.68%	76.58%	77.48%	78.38%	
Southwest Gas Holdings, Inc.	NM	58.64%	55.60%	57.50%	59.40%	61.30%	63.19%	65.09%	66.99%	68.89%	70.79%	72.68%	74.58%	76.48%	78.38%	
Spire Inc.	NM	63.37%	64.01%	65.21%	66.40%	67.60%	68.80%	70.00%	71.19%	72.39%	73.59%	74.79%	75.98%	77.18%	78.38%	

Estimated Dividends

Company Name	Cost of Equity	Estimated Dividends															
		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	7.62%	-92.33	\$1.26	\$2.67	\$2.85	\$3.15	\$3.37	\$3.80	\$4.25	\$4.71	\$5.19	\$5.68	\$6.18	\$6.67	\$7.15	\$7.62	\$8.07
New Jersey Resources Corporation	8.16%	-38.53	\$0.68	\$1.42	\$1.52	\$1.63	\$1.74	\$1.92	\$2.11	\$2.30	\$2.49	\$2.69	\$2.88	\$3.07	\$3.25	\$3.43	\$3.59
Spire Inc.	7.62%	-68.06	\$1.31	\$2.78	\$2.95	\$3.12	\$3.25	\$3.47	\$3.69	\$3.91	\$4.13	\$4.35	\$4.57	\$4.78	\$4.98	\$5.18	\$5.36
NiSource Inc.	7.84%	-22.89	\$0.67	\$0.93	\$0.99	\$1.06	\$1.14	\$1.22	\$1.30	\$1.38	\$1.46	\$1.54	\$1.62	\$1.70	\$1.78	\$1.85	\$1.92
Northwest Natural Holding Company	6.89%	-48.90	\$1.44	\$1.94	\$1.94	\$2.05	\$2.23	\$2.33	\$2.44	\$2.54	\$2.65	\$2.75	\$2.86	\$2.96	\$3.06	\$3.15	\$3.24
ONE Gas, Inc.	7.06%	-73.80	\$1.74	\$2.48	\$2.66	\$2.86	\$3.05	\$3.28	\$3.52	\$3.76	\$4.00	\$4.24	\$4.48	\$4.71	\$4.94	\$5.16	\$5.37
South Jersey Industries, Inc.	8.24%	-23.70	\$0.91	\$1.25	\$1.28	\$1.32	\$1.32	\$1.39	\$1.47	\$1.54	\$1.62	\$1.69	\$1.76	\$1.83	\$1.90	\$1.97	\$2.03
Southwest Gas Holdings, Inc.	7.75%	-64.32	\$1.79	\$2.47	\$2.58	\$2.65	\$2.97	\$3.21	\$3.45	\$3.70	\$3.96	\$4.21	\$4.47	\$4.72	\$4.97	\$5.21	\$5.45
Average of All Companies	7.65%																
Average of Mostly Pure Play	7.40%																