

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

FY 9/30  
FY 12/31

Estimated Cash Flows

Company Name	Cost of Equity	<u>Estimated Cash Flows</u>															Terminal Value
		6/30/2024	9/30/2024	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	3/31/2036	3/31/2037	
Atmos Energy Corporation	8.11%	-115.59	\$0.81	\$3.49	\$3.79	\$4.09	\$4.42	\$4.85	\$5.30	\$5.77	\$6.25	\$6.74	\$7.24	\$7.75	\$8.26	\$8.76	\$208.59
New Jersey Resources Corporation	8.82%	-42.66	\$0.44	\$1.81	\$1.94	\$2.13	\$2.29	\$2.42	\$2.56	\$2.71	\$2.85	\$2.99	\$3.14	\$3.28	\$3.42	\$3.55	\$72.71
Spire Inc.	9.36%	-60.11	\$0.77	\$3.17	\$3.32	\$3.48	\$3.60	\$3.81	\$4.02	\$4.23	\$4.44	\$4.64	\$4.84	\$5.03	\$5.21	\$5.39	\$100.15
		6/30/2024	9/30/2024	12/31/2024	6/30/2025	6/30/2026	6/30/2027	6/30/2028	6/30/2029	6/30/2030	6/30/2031	6/30/2032	6/30/2033	6/30/2034	6/30/2035	6/30/2036	6/30/2037
NiSource Inc.	8.87%	-27.26	\$0.27	\$0.27	\$1.12	\$1.19	\$1.30	\$1.46	\$1.56	\$1.66	\$1.77	\$1.87	\$1.97	\$2.07	\$2.17	\$2.26	\$46.10
Northwest Natural Holding Company	8.84%	-37.18	\$0.49	\$0.49	\$1.97	\$2.02	\$2.05	\$2.03	\$2.13	\$2.24	\$2.35	\$2.46	\$2.57	\$2.68	\$2.80	\$2.91	\$59.87
ONE Gas, Inc.	7.98%	-62.05	\$0.66	\$0.66	\$2.67	\$2.71	\$2.77	\$2.84	\$2.97	\$3.11	\$3.26	\$3.41	\$3.58	\$3.75	\$3.92	\$4.11	\$100.75
Southwest Gas Holdings, Inc.	8.42%	-69.93	\$0.62	\$0.62	\$2.58	\$2.64	\$2.79	\$2.95	\$3.24	\$3.54	\$3.85	\$4.16	\$4.48	\$4.79	\$5.10	\$5.40	\$122.07
<b>Average of All Companies But SWX</b>	<b>8.67%</b>																
<b>Average of Mostly Pure Play</b>	<b>8.63%</b>																
<b>Average of All Companies</b>	<b>8.63%</b>																

**Multiple-Stage Dividend Discount Model  
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**Annual Earnings Per Share Estimates**

Company Name	Consensus Analysts' Discreet EPS Estimates (2024 - 2028)							2028 - 2038 Transitionary Period to Perpetual Growth							Terminal Year
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Atmos Energy Corporation	\$6.76	\$7.08	\$7.63	\$8.19	\$8.75	\$9.32	\$9.91	\$10.49	\$11.07	\$11.64	\$12.20	\$12.74	\$13.25	\$13.74	\$14.19
New Jersey Resources Corporation	\$2.94	\$2.88	\$3.06	\$3.33	\$3.65	\$3.86	\$4.06	\$4.27	\$4.48	\$4.68	\$4.89	\$5.09	\$5.28	\$5.47	\$5.65
NiSource Inc.	\$1.72	\$1.85	\$1.98	\$2.13	\$2.30	\$2.45	\$2.61	\$2.76	\$2.91	\$3.06	\$3.21	\$3.35	\$3.48	\$3.61	\$3.73
Northwest Natural Holding Company	\$2.37	\$2.86	\$2.95	\$3.13	\$3.28	\$3.43	\$3.58	\$3.73	\$3.89	\$4.04	\$4.20	\$4.36	\$4.51	\$4.67	\$4.82
ONE Gas, Inc.	\$3.84	\$4.15	\$4.53	\$4.76	\$5.06	\$5.21	\$5.37	\$5.54	\$5.71	\$5.89	\$6.08	\$6.27	\$6.48	\$6.69	\$6.91
Southwest Gas Holdings, Inc.	\$3.38	\$3.93	\$4.49	\$4.94	\$5.24	\$5.67	\$6.09	\$6.52	\$6.95	\$7.36	\$7.76	\$8.15	\$8.50	\$8.83	\$9.12
Spire Inc.	\$4.32	\$4.58	\$4.88	\$5.09	\$5.35	\$5.68	\$6.01	\$6.35	\$6.68	\$7.01	\$7.33	\$7.64	\$7.94	\$8.23	\$8.50

**Dividend Payout Ratios**

Company Name	Discrete Dividend Payout Ratios (2025 - 2028)							2028 - 2038 Transitory Payout Ratio Until Perpetual Growth							
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Atmos Energy Corporation	NM	49.37%	49.67%	49.97%	50.54%	52.02%	53.49%	54.96%	56.43%	57.90%	59.38%	60.85%	62.32%	63.79%	65.26%
New Jersey Resources Corporation	NM	62.84%	63.32%	63.75%	62.55%	62.82%	63.09%	63.36%	63.63%	63.90%	64.18%	64.45%	64.72%	64.99%	65.26%
NiSource Inc.	NM	60.75%	60.24%	61.26%	63.48%	63.66%	63.84%	64.01%	64.19%	64.37%	64.55%	64.73%	64.91%	65.08%	65.26%
Northwest Natural Holding Company	NM	68.99%	68.40%	65.50%	61.89%	62.23%	62.56%	62.90%	63.24%	63.58%	63.91%	64.25%	64.59%	64.93%	65.26%
ONE Gas, Inc.	NM	64.47%	59.77%	58.25%	56.13%	57.04%	57.95%	58.87%	59.78%	60.69%	61.61%	62.52%	63.44%	64.35%	65.26%
Southwest Gas Holdings, Inc.	NM	65.59%	58.82%	56.48%	56.30%	57.19%	58.09%	58.99%	59.88%	60.78%	61.68%	62.57%	63.47%	64.37%	65.26%
Spire Inc.	NM	69.24%	68.05%	68.27%	67.29%	67.09%	66.88%	66.68%	66.48%	66.28%	66.07%	65.87%	65.67%	65.47%	65.26%

**Estimated Dividends**

Company Name	Cost of Equity	6/30/2024	9/30/2024	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	3/31/2036	3/31/2037	3/31/2038
		Atmos Energy Corporation	8.10%	-115.59	\$0.81	\$3.49	\$3.79	\$4.09	\$4.42	\$4.85	\$5.30	\$5.77	\$6.25	\$6.74	\$7.24	\$7.75	\$8.26
New Jersey Resources Corporation	8.82%	-42.66	\$0.44	\$1.81	\$1.94	\$2.13	\$2.29	\$2.42	\$2.56	\$2.71	\$2.85	\$2.99	\$3.14	\$3.28	\$3.42	\$3.55	\$3.69
Spire Inc.	9.36%	-60.11	\$0.77	\$3.17	\$3.32	\$3.48	\$3.60	\$3.81	\$4.02	\$4.23	\$4.44	\$4.64	\$4.84	\$5.03	\$5.21	\$5.39	\$5.55
NiSource Inc.	8.87%	-27.26	\$0.27	\$0.27	\$1.12	\$1.19	\$1.30	\$1.46	\$1.56	\$1.66	\$1.77	\$1.87	\$1.97	\$2.07	\$2.17	\$2.26	\$2.35
Northwest Natural Holding Company	8.84%	-37.18	\$0.49	\$0.49	\$1.97	\$2.02	\$2.05	\$2.03	\$2.13	\$2.24	\$2.35	\$2.46	\$2.57	\$2.68	\$2.80	\$2.91	\$3.03
ONE Gas, Inc.	7.98%	-62.05	\$0.66	\$0.66	\$2.67	\$2.71	\$2.77	\$2.84	\$2.97	\$3.11	\$3.26	\$3.41	\$3.58	\$3.75	\$3.92	\$4.11	\$4.30
Southwest Gas Holdings, Inc.	8.41%	-69.93	\$0.62	\$0.62	\$2.58	\$2.64	\$2.79	\$2.95	\$3.24	\$3.54	\$3.85	\$4.16	\$4.48	\$4.79	\$5.10	\$5.40	\$5.68
<b>Average of All Companies But SWX</b>	<b>8.66%</b>																
<b>Average of Mostly Pure Play</b>	<b>8.63%</b>																
<b>Average of All Companies</b>	<b>8.62%</b>																

Notes:

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

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

**Annual Growth Rate Estimates Until Terminal Stage**

<b>Company Name</b>	<b>5-YR CAGR</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>	<b>2037</b>	<b>2038</b>
Atmos Energy Corporation	7.00%		Discrete Estimates				6.63%	6.26%	5.89%	5.52%	5.15%	4.78%	4.41%	4.04%	3.67%	3.30%
New Jersey Resources Corporation	5.87%		Discrete Estimates				5.61%	5.35%	5.10%	4.84%	4.58%	4.33%	4.07%	3.81%	3.56%	3.30%
NiSource Inc.	7.00%		Discrete Estimates				6.63%	6.26%	5.89%	5.52%	5.15%	4.78%	4.41%	4.04%	3.67%	3.30%
Northwest Natural Holding Company	4.70%		Discrete Estimates				4.56%	4.42%	4.28%	4.14%	4.00%	3.86%	3.72%	3.58%	3.44%	3.30%
ONE Gas, Inc.	3.00%		Discrete Estimates				3.03%	3.06%	3.09%	3.12%	3.15%	3.18%	3.21%	3.24%	3.27%	3.30%
Southwest Gas Holdings, Inc.	8.65%		Discrete Estimates				8.12%	7.58%	7.05%	6.51%	5.98%	5.44%	4.91%	4.37%	3.84%	3.30%
Spire Inc.	6.50%		Discrete Estimates				6.18%	5.86%	5.54%	5.22%	4.90%	4.58%	4.26%	3.94%	3.62%	3.30%

Source: S&P Market intelligence as of July 8, 2024.