

**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																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	3/31/2038
Atmos Energy Corporation	7.99%	-115.59	\$0.81	\$3.49	\$3.79	\$4.09	\$4.42	\$4.91	\$5.42	\$5.94	\$6.49	\$7.05	\$7.61	\$8.18	\$8.74	\$9.30	\$201.01
New Jersey Resources Corporation	8.76%	-42.66	\$0.44	\$1.81	\$1.94	\$2.13	\$2.29	\$2.45	\$2.61	\$2.78	\$2.95	\$3.11	\$3.28	\$3.45	\$3.61	\$3.77	\$70.38
Spire Inc.	9.33%	-60.11	\$0.77	\$3.17	\$3.32	\$3.48	\$3.60	\$3.84	\$4.09	\$4.34	\$4.58	\$4.82	\$5.06	\$5.28	\$5.50	\$5.70	\$97.27
		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.	8.81%	-27.26	\$0.27	\$0.27	\$1.12	\$1.19	\$1.30	\$1.46	\$1.58	\$1.69	\$1.81	\$1.93	\$2.05	\$2.17	\$2.28	\$2.39	\$44.88
Northwest Natural Holding Company	8.78%	-37.18	\$0.49	\$0.49	\$1.97	\$2.02	\$2.05	\$2.03	\$2.15	\$2.28	\$2.41	\$2.54	\$2.68	\$2.81	\$2.94	\$3.08	\$58.25
ONE Gas, Inc.	7.86%	-62.05	\$0.66	\$0.66	\$2.67	\$2.71	\$2.77	\$2.84	\$3.00	\$3.18	\$3.35	\$3.54	\$3.73	\$3.93	\$4.13	\$4.34	\$97.45
Southwest Gas Holdings, Inc.	8.33%	-69.93	\$0.62	\$0.62	\$2.58	\$2.64	\$2.79	\$2.95	\$3.27	\$3.61	\$3.96	\$4.31	\$4.67	\$5.02	\$5.37	\$5.71	\$118.51
Average of All Companies But SWX	8.59%																
Average of Mostly Pure Play	8.56%																
Average of All Companies	8.55%																

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Annual Earnings Per Share Estimates

Company Name	Consensus Analysts' Discreet EPS Estimates (2024 - 2028)							2028 - 2038 Transitionay Period to Perpetual Growth								
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Atmos Energy Corporation	\$6.76	\$7.08	\$7.63	\$8.19	\$8.75	\$9.32	\$9.89	\$10.46	\$11.01	\$11.54	\$12.05	\$12.53	\$12.98	\$13.39	\$13.75	\$14.12
New Jersey Resources Corporation	\$2.94	\$2.88	\$3.06	\$3.33	\$3.65	\$3.86	\$4.06	\$4.26	\$4.45	\$4.64	\$4.83	\$5.00	\$5.17	\$5.33	\$5.47	\$5.62
NiSource Inc.	\$1.72	\$1.85	\$1.98	\$2.13	\$2.30	\$2.45	\$2.60	\$2.75	\$2.90	\$3.04	\$3.17	\$3.30	\$3.41	\$3.52	\$3.62	\$3.71
Northwest Natural Holding Company	\$2.37	\$2.86	\$2.95	\$3.13	\$3.28	\$3.43	\$3.57	\$3.72	\$3.87	\$4.01	\$4.15	\$4.29	\$4.42	\$4.55	\$4.67	\$4.80
ONE Gas, Inc.	\$3.84	\$4.15	\$4.53	\$4.76	\$5.06	\$5.21	\$5.36	\$5.52	\$5.68	\$5.84	\$6.01	\$6.17	\$6.34	\$6.52	\$6.69	\$6.87
Southwest Gas Holdings, Inc.	\$3.38	\$3.93	\$4.49	\$4.94	\$5.24	\$5.66	\$6.08	\$6.50	\$6.91	\$7.30	\$7.67	\$8.02	\$8.33	\$8.60	\$8.84	\$9.07
Spire Inc.	\$4.32	\$4.58	\$4.88	\$5.09	\$5.35	\$5.68	\$6.00	\$6.33	\$6.64	\$6.95	\$7.24	\$7.52	\$7.78	\$8.02	\$8.23	\$8.45

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	2039
Atmos Energy Corporation	NM	49.37%	49.67%	49.97%	50.54%	52.65%	54.75%	56.85%	58.96%	61.06%	63.16%	65.27%	67.37%	69.48%	71.58%	71.58%
New Jersey Resources Corporation	NM	62.84%	63.32%	63.75%	62.55%	63.45%	64.35%	65.26%	66.16%	67.06%	67.97%	68.87%	69.77%	70.68%	71.58%	71.58%
NiSource Inc.	NM	60.75%	60.24%	61.26%	63.48%	64.29%	65.10%	65.91%	66.72%	67.53%	68.34%	69.15%	69.96%	70.77%	71.58%	71.58%
Northwest Natural Holding Company	NM	68.99%	68.40%	65.50%	61.89%	62.86%	63.83%	64.80%	65.77%	66.73%	67.70%	68.67%	69.64%	70.61%	71.58%	71.58%
ONE Gas, Inc.	NM	64.47%	59.77%	58.25%	56.13%	57.67%	59.22%	60.76%	62.31%	63.85%	65.40%	66.94%	68.49%	70.03%	71.58%	71.58%
Southwest Gas Holdings, Inc.	NM	65.59%	58.82%	56.48%	56.30%	57.83%	59.35%	60.88%	62.41%	63.94%	65.47%	66.99%	68.52%	70.05%	71.58%	71.58%
Spire Inc.	NM	69.24%	68.05%	68.27%	67.29%	67.72%	68.15%	68.58%	69.01%	69.43%	69.86%	70.29%	70.72%	71.15%	71.58%	71.58%

Estimated Dividends

Company Name	Cost of Equity	Estimated Dividends																
		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	3/31/2039
Atmos Energy Corporation	7.99%	-115.59	\$0.81	\$3.49	\$3.79	\$4.09	\$4.42	\$4.91	\$5.42	\$5.94	\$6.49	\$7.05	\$7.61	\$8.18	\$8.74	\$9.30	\$9.84	\$10.11
New Jersey Resources Corporation	8.75%	-42.66	\$0.44	\$1.81	\$1.94	\$2.13	\$2.29	\$2.45	\$2.61	\$2.78	\$2.95	\$3.11	\$3.28	\$3.45	\$3.61	\$3.77	\$3.92	\$4.02
Spire Inc.	9.32%	-60.11	\$0.77	\$3.17	\$3.32	\$3.48	\$3.60	\$3.84	\$4.09	\$4.34	\$4.58	\$4.82	\$5.06	\$5.28	\$5.50	\$5.70	\$5.89	\$6.05
NiSource Inc.	8.81%	-27.26	\$0.27	\$0.27	\$1.12	\$1.19	\$1.30	\$1.46	\$1.58	\$1.69	\$1.81	\$1.93	\$2.05	\$2.17	\$2.28	\$2.39	\$2.49	\$2.59
Northwest Natural Holding Company	8.77%	-37.18	\$0.49	\$0.49	\$1.97	\$2.02	\$2.05	\$2.03	\$2.15	\$2.28	\$2.41	\$2.54	\$2.68	\$2.81	\$2.94	\$3.08	\$3.21	\$3.34
ONE Gas, Inc.	7.86%	-62.05	\$0.66	\$0.66	\$2.67	\$2.71	\$2.77	\$2.84	\$3.00	\$3.18	\$3.35	\$3.54	\$3.73	\$3.93	\$4.13	\$4.34	\$4.56	\$4.79
Southwest Gas Holdings, Inc.	8.32%	-69.93	\$0.62	\$0.62	\$2.58	\$2.64	\$2.79	\$2.95	\$3.27	\$3.61	\$3.96	\$4.31	\$4.67	\$5.02	\$5.37	\$5.71	\$6.03	\$6.32
Average of All Companies But SJI and SWX	8.58%																	
Average of Mostly Pure Play	8.55%																	
Average of All Companies	8.55%																	

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

Company Name	5-YR CAGR (Median)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Atmos Energy Corporation	7.00%		Discrete Estimates				6.57%	6.14%	5.71%	5.28%	4.85%	4.42%	3.99%	3.56%	3.13%	2.70%
New Jersey Resources Corporation	5.87%		Discrete Estimates				5.55%	5.23%	4.92%	4.60%	4.28%	3.97%	3.65%	3.33%	3.02%	2.70%
NiSource Inc.	7.00%		Discrete Estimates				6.57%	6.14%	5.71%	5.28%	4.85%	4.42%	3.99%	3.56%	3.13%	2.70%
Northwest Natural Holding Company	4.70%		Discrete Estimates				4.50%	4.30%	4.10%	3.90%	3.70%	3.50%	3.30%	3.10%	2.90%	2.70%
ONE Gas, Inc.	3.00%		Discrete Estimates				2.97%	2.94%	2.91%	2.88%	2.85%	2.82%	2.79%	2.76%	2.73%	2.70%
Southwest Gas Holdings, Inc.	8.65%		Discrete Estimates				8.06%	7.46%	6.87%	6.27%	5.68%	5.08%	4.49%	3.89%	3.30%	2.70%
Spire Inc.	6.50%		Discrete Estimates				6.12%	5.74%	5.36%	4.98%	4.60%	4.22%	3.84%	3.46%	3.08%	2.70%

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