

**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	Estimated Cash Flows																	Terminal Value	
		1/31/2025	3/31/2025	6/30/2025	9/30/2025	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	7.61%	-142.32	\$0.87	\$0.87	\$0.87	\$3.77	\$4.07	\$4.40	\$4.73	\$5.23	\$5.75	\$6.30	\$6.87	\$7.45	\$8.05	\$8.65	\$9.25	\$9.84	\$260.77	
New Jersey Resources Corporation	8.70%	-47.60	\$0.45	\$0.45	\$0.45	\$1.92	\$2.11	\$2.32	\$2.48	\$2.64	\$2.80	\$2.96	\$3.13	\$3.30	\$3.47	\$3.64	\$3.81	\$3.97	\$83.24	
Spire Inc.	8.89%	-68.24	\$0.79	\$0.79	\$0.80	\$3.29	\$3.43	\$3.53	\$3.67	\$3.91	\$4.15	\$4.40	\$4.64	\$4.88	\$5.12	\$5.34	\$5.56	\$5.77	\$116.46	
																				Terminal Value
NiSource Inc.	7.87%	-36.68	\$1.12	\$1.19	\$1.26	\$1.34	\$1.42	\$1.55	\$1.69	\$1.83	\$1.97	\$2.11	\$2.26	\$2.40	\$2.54	\$2.67	\$2.79	\$2.91	\$66.29	
Northwest Natural Holding Company	8.64%	-40.72	\$1.96	\$1.98	\$2.00	\$2.03	\$2.05	\$2.18	\$2.32	\$2.45	\$2.59	\$2.73	\$2.88	\$3.02	\$3.17	\$3.31	\$3.46	\$3.60	\$70.24	
ONE Gas, Inc.	7.36%	-71.95	\$2.68	\$2.72	\$2.76	\$2.80	\$2.84	\$2.98	\$3.12	\$3.27	\$3.43	\$3.59	\$3.77	\$3.96	\$4.15	\$4.36	\$4.56	\$4.77	\$121.55	
Southwest Gas Holdings, Inc.	8.54%	-73.61	\$2.50	\$2.57	\$2.79	\$2.93	\$3.02	\$3.37	\$3.74	\$4.12	\$4.51	\$4.90	\$5.28	\$5.66	\$6.02	\$6.36	\$6.70	\$7.04	\$138.18	
Average of All Companies But SWX	8.18%																			
Average of Mostly Pure Play	8.07%																			
Average of All Companies	8.23%																			

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Annual Earnings Per Share Estimates

Company Name	Consensus Analysts' Discreet EPS Estimates (2025- 2029)					2029 - 2039 Transitionay Period to Perpetual Growth											
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Atmos Energy Corporation	\$7.18	\$7.76	\$8.35	\$9.02	\$9.67	\$10.35	\$11.03	\$11.71	\$12.39	\$13.06	\$13.70	\$14.32	\$14.92	\$15.47	\$15.98	\$16.51	\$17.05
New Jersey Resources Corporation	\$3.11	\$3.13	\$3.46	\$3.84	\$4.09	\$4.32	\$4.55	\$4.79	\$5.02	\$5.25	\$5.48	\$5.70	\$5.92	\$6.13	\$6.33	\$6.54	\$6.76
NiSource Inc.	\$1.87	\$2.01	\$2.17	\$2.34	\$2.54	\$2.73	\$2.92	\$3.12	\$3.31	\$3.49	\$3.67	\$3.84	\$4.01	\$4.16	\$4.29	\$4.44	\$4.58
Northwest Natural Holding Company	\$2.88	\$3.04	\$3.22	\$3.26	\$3.48	\$3.66	\$3.84	\$4.03	\$4.22	\$4.40	\$4.59	\$4.77	\$4.95	\$5.12	\$5.29	\$5.46	\$5.64
ONE Gas, Inc.	\$4.26	\$4.47	\$4.67	\$4.99	\$5.22	\$5.36	\$5.51	\$5.67	\$5.83	\$6.01	\$6.19	\$6.38	\$6.58	\$6.79	\$7.02	\$7.25	\$7.49
Southwest Gas Holdings, Inc.	\$3.45	\$4.00	\$4.15	\$4.90	\$5.42	\$5.95	\$6.49	\$7.03	\$7.57	\$8.10	\$8.60	\$9.07	\$9.50	\$9.88	\$10.21	\$10.55	\$10.89
Spire Inc.	\$4.50	\$4.95	\$5.18	\$5.52	\$5.68	\$6.05	\$6.42	\$6.79	\$7.15	\$7.52	\$7.87	\$8.21	\$8.54	\$8.85	\$9.14	\$9.45	\$9.76

Dividend Payout Ratios

Company Name	Discrete Dividend Payout Ratios (2025 - 2029)					2029 - 2039 Transitory Payout Ratio Until Perpetual Growth											
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Atmos Energy Corporation	NM	48.63%	48.78%	48.75%	48.90%	50.53%	52.17%	53.81%	55.44%	57.08%	58.72%	60.35%	61.99%	63.63%	65.26%	65.26%	65.26%
New Jersey Resources Corporation	NM	61.39%	60.78%	60.29%	60.51%	60.99%	61.46%	61.94%	62.41%	62.89%	63.36%	63.84%	64.31%	64.79%	65.26%	65.26%	65.26%
NiSource Inc.	60.12%	59.29%	58.14%	57.17%	55.83%	56.78%	57.72%	58.66%	59.60%	60.55%	61.49%	62.43%	63.38%	64.32%	65.26%	65.26%	65.26%
Northwest Natural Holding Company	68.13%	64.96%	61.89%	62.27%	58.99%	59.62%	60.25%	60.87%	61.50%	62.13%	62.76%	63.38%	64.01%	64.64%	65.26%	65.26%	65.26%
ONE Gas, Inc.	62.96%	60.79%	59.10%	56.11%	54.37%	55.46%	56.55%	57.64%	58.73%	59.82%	60.91%	62.00%	63.08%	64.17%	65.26%	65.26%	65.26%
Southwest Gas Holdings, Inc.	72.44%	64.27%	67.23%	59.69%	55.75%	56.70%	57.65%	58.60%	59.56%	60.51%	61.46%	62.41%	63.36%	64.31%	65.26%	65.26%	65.26%
Spire Inc.	NM	66.42%	66.23%	64.01%	64.61%	64.68%	64.74%	64.81%	64.87%	64.94%	65.00%	65.07%	65.13%	65.20%	65.26%	65.26%	65.26%

Estimated Dividends

Company Name	Cost of Equity	Estimated Dividends																	
		1/31/2025	3/31/2025	6/30/2025	9/30/2025	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	7.60%	-142.32	\$0.87	\$0.87	\$0.87	\$3.77	\$4.07	\$4.40	\$4.73	\$5.23	\$5.75	\$6.30	\$6.87	\$7.45	\$8.05	\$8.65	\$9.25	\$9.84	\$10.43
New Jersey Resources Corporation	8.70%	-47.60	\$0.45	\$0.45	\$0.45	\$1.92	\$2.11	\$2.32	\$2.48	\$2.64	\$2.80	\$2.96	\$3.13	\$3.30	\$3.47	\$3.64	\$3.81	\$3.97	\$4.13
Spire Inc.	8.88%	-68.24	\$0.79	\$0.79	\$0.80	\$3.29	\$3.43	\$3.53	\$3.67	\$3.91	\$4.15	\$4.40	\$4.64	\$4.88	\$5.12	\$5.34	\$5.56	\$5.77	\$5.97
NiSource Inc.	7.86%	-36.68	\$1.12	\$1.19	\$1.26	\$1.34	\$1.42	\$1.55	\$1.69	\$1.83	\$1.97	\$2.11	\$2.26	\$2.40	\$2.54	\$2.67	\$2.80	\$2.89	\$2.99
Northwest Natural Holding Company	8.64%	-40.72	\$1.96	\$1.98	\$2.00	\$2.03	\$2.05	\$2.18	\$2.32	\$2.45	\$2.59	\$2.73	\$2.88	\$3.02	\$3.17	\$3.31	\$3.45	\$3.57	\$3.68
ONE Gas, Inc.	7.35%	-71.95	\$2.68	\$2.72	\$2.76	\$2.80	\$2.84	\$2.98	\$3.12	\$3.27	\$3.43	\$3.59	\$3.77	\$3.96	\$4.15	\$4.36	\$4.58	\$4.73	\$4.89
Southwest Gas Holdings, Inc.	8.53%	-73.61	\$2.50	\$2.57	\$2.79	\$2.93	\$3.02	\$3.37	\$3.74	\$4.12	\$4.51	\$4.90	\$5.28	\$5.66	\$6.02	\$6.36	\$6.66	\$6.88	\$7.11
Average of All Companies But SWX	8.17%																		
Average of Mostly Pure Play	8.07%																		
Average of All Companies	8.22%																		

Notes:

1. NM - Not Meaningful

**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	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Atmos Energy Corporation	7.44%		Discrete Estimates				7.02%	6.61%	6.20%	5.78%	5.37%	4.96%	4.54%	4.13%	3.71%	3.30%
New Jersey Resources Corporation	5.90%		Discrete Estimates				5.64%	5.38%	5.12%	4.86%	4.60%	4.34%	4.08%	3.82%	3.56%	3.30%
NiSource Inc.	7.93%		Discrete Estimates				7.47%	7.01%	6.54%	6.08%	5.62%	5.15%	4.69%	4.23%	3.76%	3.30%
Northwest Natural Holding Company	5.50%		Discrete Estimates				5.28%	5.06%	4.84%	4.62%	4.40%	4.18%	3.96%	3.74%	3.52%	3.30%
ONE Gas, Inc.	2.63%		Discrete Estimates				2.70%	2.77%	2.83%	2.90%	2.97%	3.03%	3.10%	3.17%	3.23%	3.30%
Southwest Gas Holdings, Inc.	10.55%		Discrete Estimates				9.83%	9.10%	8.38%	7.65%	6.93%	6.20%	5.48%	4.75%	4.03%	3.30%
Spire Inc.	6.82%		Discrete Estimates				6.46%	6.11%	5.76%	5.41%	5.06%	4.71%	4.35%	4.00%	3.65%	3.30%

Source: S&P Market Intelligence as of February 19, 2025.