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

Estimated Cash Flows

\$4.51

\$4.90

\$5.28

\$5.66

FY 9/30 FY 12/31

Company Name	Cost of Equity	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	
Atmos Energy Corporation	7.61%	-142.32	\$0.87	\$0.87	\$0.87	\$3.77	\$4.07	\$4.40	\$4.73	\$5.23	
New Jersey Resources Corporation	8.70%	-47.60	\$0.45	\$0.45	\$0.45	\$1.92	\$2.11	\$2.32	\$2.48	\$2.64	
Spire Inc.	8.89%	-68.24	\$0.79	\$0.79	\$0.80	\$3.29	\$3.43	\$3.53	\$3.67	\$3.91	

		1/31/2025	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
NiSource Inc.	7.87%	-36.68	\$1.12	\$1.19	\$1.26	\$1.34	\$1.42	\$1.55	\$1.69	\$1.83	
Northwest Natural Holding Company	8.64%	-40.72	\$1.96	\$1.98	\$2.00	\$2.03	\$2.05	\$2.18	\$2.32	\$2.45	
ONE Gas, Inc.	7.36%	-71.95	\$2.68	\$2.72	\$2.76	\$2.80	\$2.84	\$2.98	\$3.12	\$3.27	
Southwest Gas Holdings, Inc.	8.54%	-73.61	\$2.50	\$2.57	\$2.79	\$2.93	\$3.02	\$3.37	\$3.74	\$4.12	
Average of All Companies But SWX	8.18%										
Average of Mostly Pure Play	8.07%										
Average of All Companies	8.23%										

								Value	
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	
\$5.75	\$6.30	\$6.87	\$7.45	\$8.05	\$8.65	\$9.25	\$9.84	\$260.77	
\$2.80	\$2.96	\$3.13	\$3.30	\$3.47	\$3.64	\$3.81	\$3.97	\$83.24	
\$4.15	\$4.40	\$4.64	\$4.88	\$5.12	\$5.34	\$5.56	\$5.77	\$116.46	
						Terminal			
						Value			
6/30/2033	6/30/2034	6/30/2035	6/30/2036	6/30/2037	6/30/2038	6/30/2039			
\$1.97	\$2.11	\$2.26	\$2.40	\$2.54	\$2.67	\$66.29			
\$2.59	\$2.73	\$2.88	\$3.02	\$3.17	\$3.31	\$70.24			
\$3.43	\$3.59	\$3.77	\$3.96	\$4.15	\$4.36	\$121.55			

\$6.02

\$6.36

\$138.18

Terminal

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

Annual Earnings Per Share Estimates

FY 12/31 Consensus Austris Discret EPS Estimates 2029 - 2039 Transitional Period to Perpetual Growth Company Name 2025 2026 2027 2028 2039 2031 2032 2033 2036 2037 2038 2039 2040 Atmos Energy Corporation \$7.18 \$7.76 \$8.35 \$9.02 \$9.67 \$11.03 \$11.71 \$12.39 \$13.06 \$13.70 \$14.32 \$14.92 \$15.47 \$15.88 \$16.51 New Jersey Resources Corporation \$1.11 \$3.13 \$3.46 \$3.64 \$4.09 \$4.55 \$4.79 \$5.02 \$5.55 \$5.48 \$5.70 \$5.92 \$6.13 \$6.33 \$6.54 Northwest Natural Holding Company \$3.17 \$3.13 \$3.46 \$3.22 \$2.54 \$5.67 \$5.83 \$6.19 \$6.38 \$6.59 \$6.54 Northwest Natural Holding Company \$2.48 \$3.04 \$3.22 \$2.52 \$5.63 \$6.61 \$6.58 \$6.67 \$6.54 \$6.54 \$6.56 \$6.54 \$6.56 \$6.56 \$6.56 \$6.56 \$6.56 \$6.56 \$6.56 \$6.56<					Dar nings i ci	Share Estin	naus											
Atms 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\$16.51New Jersey Resources Corporation\$3.11\$3.13\$3.46\$3.84\$4.09\$4.32\$4.55\$4.79\$5.02\$5.48\$5.70\$5.92\$6.13\$6.33\$6.54NiSource 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\$4.44Northwest 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\$5.46ONE 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\$7.25Southwest 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	FY 9/30 FY 12/31	Consensus A	•		• •							th						
New Jersey Resources Corporation \$3.11 \$3.13 \$3.46 \$4.09 \$4.32 \$4.79 \$5.02 \$5.48 \$5.70 \$5.92 \$6.13 \$6.33 \$6.54 NiSource Inc. \$1.87 \$2.01 \$2.17 \$2.34 \$2.54 \$3.12 \$3.31 \$3.49 \$3.67 \$3.84 \$4.01 \$4.16 \$4.29 \$4.44 Northwest Natural Holding Company \$2.88 \$3.04 \$3.22 \$3.26 \$3.48 \$4.03 \$4.22 \$4.40 \$4.59 \$4.77 \$4.95 \$5.12 \$5.29 \$5.48 ONE Gas, Inc. \$4.26 \$4.47 \$4.67 \$4.99 \$5.22 \$5.36 \$5.51 \$5.67 \$5.83 \$6.01 \$6.18 \$6.58 \$6.79 \$7.02 \$7.25 Southwest Gas Holdings, Inc. \$4.00 \$4.15 \$4.90 \$5.42 \$5.95 \$6.49 \$7.03 \$7.07 \$8.10 \$8.60 \$9.07 \$9.88 \$1.021 \$1.05	Company Name	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
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\$4.44Northwest 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\$5.46ONE 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\$7.25Southwest 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\$9.88\$10.21\$10.55	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
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\$5.46ONE 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\$7.25Southwest 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	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
ONE Gas, Inc. \$4.26 \$4.47 \$4.67 \$5.22 \$5.36 \$5.67 \$5.83 \$6.19 \$6.38 \$6.79 \$7.25 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 \$9.88 \$10.21 \$10.55	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
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 \$9.88 \$10.21 \$10.55	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 \$6.42 \$6.79 \$7.15 \$7.52 \$7.87 \$8.21 \$8.85 \$9.14 \$9.45	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

		Discrete Dividend Payout Ratios					2029 - 2039 Transitory Payout Ratio Until Perpetual Growth											
		(202	25 - 2029)															
Company Name	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

	Cost of																		
Company Name	Equity	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
		1/31/2025	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	6/30/2038	6/30/2039	6/30/2040	6/30/2041
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	
Atmos Energy Corporation	7.44%		Discre	te Estimate	es.		7.02%	6.61%	6.20%	5.78%	5.37%	4
New Jersey Resources Corporation	5.90%		Discre	te Estimate	s		5.64%	5.38%	5.12%	4.86%	4.60%	4
NiSource Inc.	7.93%		Discre	te Estimate	s		7.47%	7.01%	6.54%	6.08%	5.62%	5
Northwest Natural Holding Company	5.50%		Discre	te Estimate	s		5.28%	5.06%	4.84%	4.62%	4.40%	4
ONE Gas, Inc.	2.63%		Discre	te Estimate	s		2.70%	2.77%	2.83%	2.90%	2.97%	3
Southwest Gas Holdings, Inc.	10.55%		Discre	te Estimate	s		9.83%	9.10%	8.38%	7.65%	6.93%	6
Spire Inc.	6.82%		Discre	te Estimate	s		6.46%	6.11%	5.76%	5.41%	5.06%	4

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

2035	2036	2037	2038	2039
4.96%	4.54%	4.13%	3.71%	3.30%
4.34%	4.08%	3.82%	3.56%	3.30%
5.15%	4.69%	4.23%	3.76%	3.30%
4.18%	3.96%	3.74%	3.52%	3.30%
3.03%	3.10%	3.17%	3.23%	3.30%
6.20%	5.48%	4.75%	4.03%	3.30%
4.71%	4.35%	4.00%	3.65%	3.30%