

**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	7.47%	-142.32	\$0.87	\$0.87	\$0.87	\$3.77	\$4.07	\$4.40	\$4.73	\$5.29	\$5.88	\$6.50	\$7.14	\$7.80	\$8.46	\$9.13	\$9.80	\$10.45	\$250.32	
New Jersey Resources Corporation	8.63%	-47.60	\$0.45	\$0.45	\$0.45	\$1.92	\$2.11	\$2.32	\$2.48	\$2.66	\$2.85	\$3.04	\$3.24	\$3.44	\$3.63	\$3.83	\$4.02	\$4.21	\$80.49	
Spire Inc.	8.83%	-68.24	\$0.79	\$0.79	\$0.80	\$3.29	\$3.43	\$3.53	\$3.67	\$3.95	\$4.23	\$4.51	\$4.79	\$5.07	\$5.35	\$5.62	\$5.87	\$6.11	\$112.76	
																				Terminal Value
		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			
NiSource Inc.	7.74%	-36.68	\$1.12	\$1.19	\$1.26	\$1.34	\$1.42	\$1.57	\$1.72	\$1.88	\$2.04	\$2.21	\$2.37	\$2.53	\$2.69	\$2.84	\$63.74			
Northwest Natural Holding Company	8.57%	-40.72	\$1.96	\$1.98	\$2.00	\$2.03	\$2.05	\$2.20	\$2.36	\$2.52	\$2.68	\$2.85	\$3.01	\$3.18	\$3.35	\$3.51	\$67.88			
ONE Gas, Inc.	7.19%	-71.95	\$2.68	\$2.72	\$2.76	\$2.80	\$2.84	\$3.01	\$3.18	\$3.36	\$3.55	\$3.75	\$3.95	\$4.17	\$4.39	\$4.62	\$116.31			
Southwest Gas Holdings, Inc.	8.46%	-73.61	\$2.50	\$2.57	\$2.79	\$2.93	\$3.02	\$3.41	\$3.82	\$4.24	\$4.68	\$5.11	\$5.55	\$5.97	\$6.37	\$6.74	\$133.54			
Average of All Companies But SWX	8.07%																			
Average of Mostly Pure Play	7.96%																			
Average of All Companies	8.13%																			

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Annual Earnings Per Share Estimates

Company Name	Consensus Analysts' Discreet EPS Estimates (2025 - 2029)					2029 - 2039 Transitionary 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	\$10.34	\$11.01	\$11.67	\$12.32	\$12.94	\$13.54	\$14.10	\$14.61	\$15.08	\$15.48	\$15.90	\$16.33	
New Jersey Resources Corporation	\$3.11	\$3.13	\$3.46	\$3.84	\$4.09	\$4.32	\$4.55	\$4.77	\$4.99	\$5.20	\$5.41	\$5.61	\$5.80	\$5.97	\$6.13	\$6.30	\$6.47	
NiSource Inc.	\$1.87	\$2.01	\$2.17	\$2.34	\$2.54	\$2.73	\$2.92	\$3.11	\$3.29	\$3.46	\$3.63	\$3.78	\$3.92	\$4.05	\$4.16	\$4.27	\$4.39	
Northwest Natural Holding Company	\$2.88	\$3.04	\$3.22	\$3.26	\$3.48	\$3.66	\$3.84	\$4.02	\$4.19	\$4.36	\$4.53	\$4.69	\$4.84	\$4.99	\$5.12	\$5.26	\$5.40	
ONE Gas, Inc.	\$4.26	\$4.47	\$4.67	\$4.99	\$5.22	\$5.36	\$5.50	\$5.65	\$5.80	\$5.95	\$6.11	\$6.28	\$6.45	\$6.62	\$6.80	\$6.98	\$7.17	
Southwest Gas Holdings, Inc.	\$3.45	\$4.00	\$4.15	\$4.90	\$5.42	\$5.95	\$6.48	\$7.01	\$7.53	\$8.03	\$8.50	\$8.93	\$9.31	\$9.63	\$9.89	\$10.16	\$10.44	
Spire Inc.	\$4.50	\$4.95	\$5.18	\$5.52	\$5.68	\$6.04	\$6.41	\$6.76	\$7.11	\$7.45	\$7.78	\$8.08	\$8.37	\$8.63	\$8.86	\$9.10	\$9.34	

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%	51.16%	53.43%	55.70%	57.97%	60.24%	62.51%	64.77%	67.04%	69.31%	71.58%	71.58%	71.58%	
New Jersey Resources Corporation	NM	61.39%	60.78%	60.29%	60.51%	61.62%	62.73%	63.83%	64.94%	66.05%	67.15%	68.26%	69.37%	70.47%	71.58%	71.58%	71.58%	
NiSource Inc.	60.12%	59.29%	58.14%	57.17%	55.83%	57.41%	58.98%	60.56%	62.13%	63.71%	65.28%	66.85%	68.43%	70.00%	71.58%	71.58%	71.58%	
Northwest Natural Holding Company	68.13%	64.96%	61.89%	62.27%	58.99%	60.25%	61.51%	62.77%	64.03%	65.29%	66.54%	67.80%	69.06%	70.32%	71.58%	71.58%	71.58%	
ONE Gas, Inc.	62.96%	60.79%	59.10%	56.11%	54.37%	56.09%	57.81%	59.53%	61.25%	62.98%	64.70%	66.42%	68.14%	69.86%	71.58%	71.58%	71.58%	
Southwest Gas Holdings, Inc.	72.44%	64.27%	67.23%	59.69%	55.75%	57.33%	58.92%	60.50%	62.08%	63.66%	65.25%	66.83%	68.41%	70.00%	71.58%	71.58%	71.58%	
Spire Inc.	NM	66.42%	66.23%	64.01%	64.61%	65.31%	66.01%	66.70%	67.40%	68.10%	68.79%	69.49%	70.19%	70.88%	71.58%	71.58%	71.58%	

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	7.46%	-142.32	\$0.87	\$0.87	\$0.87	\$3.77	\$4.07	\$4.40	\$4.73	\$5.29	\$5.88	\$6.50	\$7.14	\$7.80	\$8.46	\$9.13	\$9.80	\$10.45	\$11.08
New Jersey Resources Corporation	8.63%	-47.60	\$0.45	\$0.45	\$0.45	\$1.92	\$2.11	\$2.32	\$2.48	\$2.66	\$2.85	\$3.04	\$3.24	\$3.44	\$3.63	\$3.83	\$4.02	\$4.21	\$4.39
Spire Inc.	8.82%	-68.24	\$0.79	\$0.79	\$0.80	\$3.29	\$3.43	\$3.53	\$3.67	\$3.95	\$4.23	\$4.51	\$4.79	\$5.07	\$5.35	\$5.62	\$5.87	\$6.11	\$6.34
NiSource Inc.	7.73%	-36.68	\$1.12	\$1.19	\$1.26	\$1.34	\$1.42	\$1.57	\$1.72	\$1.88	\$2.04	\$2.21	\$2.37	\$2.53	\$2.69	\$2.84	\$2.98	\$3.06	\$3.14
Northwest Natural Holding Company	8.56%	-40.72	\$1.96	\$1.98	\$2.00	\$2.03	\$2.05	\$2.20	\$2.36	\$2.52	\$2.68	\$2.85	\$3.01	\$3.18	\$3.35	\$3.51	\$3.67	\$3.77	\$3.87
ONE Gas, Inc.	7.18%	-71.95	\$2.68	\$2.72	\$2.76	\$2.80	\$2.84	\$3.01	\$3.18	\$3.36	\$3.55	\$3.75	\$3.95	\$4.17	\$4.39	\$4.62	\$4.87	\$5.00	\$5.13
Southwest Gas Holdings, Inc.	8.45%	-73.61	\$2.50	\$2.57	\$2.79	\$2.93	\$3.02	\$3.41	\$3.82	\$4.24	\$4.68	\$5.11	\$5.55	\$5.97	\$6.37	\$6.74	\$7.08	\$7.27	\$7.47
Average of All Companies But SJI and SWX	8.06%																		
Average of Mostly Pure Play	7.95%																		
Average of All Companies	8.12%																		

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				6.96%	6.49%	6.02%	5.54%	5.07%	4.60%	4.12%	3.65%	3.17%	2.70%
New Jersey Resources Corporation	5.90%		Discrete Estimates				5.58%	5.26%	4.94%	4.62%	4.30%	3.98%	3.66%	3.34%	3.02%	2.70%
NiSource Inc.	7.93%		Discrete Estimates				7.41%	6.89%	6.36%	5.84%	5.32%	4.79%	4.27%	3.75%	3.22%	2.70%
Northwest Natural Holding Company	5.50%		Discrete Estimates				5.22%	4.94%	4.66%	4.38%	4.10%	3.82%	3.54%	3.26%	2.98%	2.70%
ONE Gas, Inc.	2.63%		Discrete Estimates				2.64%	2.65%	2.65%	2.66%	2.67%	2.67%	2.68%	2.69%	2.69%	2.70%
Southwest Gas Holdings, Inc.	10.55%		Discrete Estimates				9.77%	8.98%	8.20%	7.41%	6.63%	5.84%	5.06%	4.27%	3.49%	2.70%
Spire Inc.	6.82%		Discrete Estimates				6.40%	5.99%	5.58%	5.17%	4.76%	4.35%	3.93%	3.52%	3.11%	2.70%

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