

**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	7.30%	-142.32	\$0.87	\$0.87	\$0.87	\$3.77	\$4.07	\$4.40	\$4.73	\$5.36	\$6.03	\$6.73	\$7.46	\$8.19	\$8.94	\$9.68	\$10.40	\$11.11	\$238.78
New Jersey Resources Corporation	8.55%	-47.60	\$0.45	\$0.45	\$0.45	\$1.92	\$2.11	\$2.32	\$2.48	\$2.69	\$2.91	\$3.14	\$3.37	\$3.59	\$3.82	\$4.04	\$4.26	\$4.47	\$77.39
Spire Inc.	8.75%	-68.24	\$0.79	\$0.79	\$0.80	\$3.29	\$3.43	\$3.53	\$3.67	\$3.99	\$4.31	\$4.64	\$4.97	\$5.30	\$5.61	\$5.92	\$6.21	\$6.49	\$108.58
																			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.	7.60%	-36.68	\$1.12	\$1.19	\$1.26	\$1.34	\$1.42	\$1.59	\$1.76	\$1.94	\$2.13	\$2.31	\$2.49	\$2.67	\$2.85	\$3.01	\$3.17	\$60.91	
Northwest Natural Holding Company	8.49%	-40.72	\$1.96	\$1.98	\$2.00	\$2.03	\$2.05	\$2.23	\$2.41	\$2.60	\$2.79	\$2.98	\$3.17	\$3.36	\$3.54	\$3.72	\$3.90	\$65.22	
ONE Gas, Inc.	7.01%	-71.95	\$2.68	\$2.72	\$2.76	\$2.80	\$2.84	\$3.04	\$3.26	\$3.47	\$3.70	\$3.93	\$4.16	\$4.41	\$4.66	\$4.91	\$5.16	\$110.57	
Southwest Gas Holdings, Inc.	8.36%	-73.61	\$2.50	\$2.57	\$2.79	\$2.93	\$3.02	\$3.45	\$3.91	\$4.38	\$4.87	\$5.36	\$5.84	\$6.31	\$6.76	\$7.16	\$7.56	\$128.32	
Average of All Companies But SWX	7.95%																		
Average of Mostly Pure Play	7.83%																		
Average of All Companies	8.01%																		

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

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	\$10.33	\$10.99	\$11.63	\$12.24	\$12.82	\$13.35	\$13.84	\$14.26	\$14.63	\$14.92	\$15.22	\$15.52
New Jersey Resources Corporation	\$3.11	\$3.13	\$3.46	\$3.84	\$4.09	\$4.32	\$4.54	\$4.75	\$4.96	\$5.15	\$5.34	\$5.51	\$5.66	\$5.79	\$5.91	\$6.03	\$6.15
NiSource Inc.	\$1.87	\$2.01	\$2.17	\$2.34	\$2.54	\$2.73	\$2.91	\$3.09	\$3.27	\$3.43	\$3.58	\$3.71	\$3.83	\$3.93	\$4.01	\$4.09	\$4.17
Northwest Natural Holding Company	\$2.88	\$3.04	\$3.22	\$3.26	\$3.48	\$3.65	\$3.83	\$4.00	\$4.16	\$4.32	\$4.47	\$4.60	\$4.73	\$4.84	\$4.94	\$5.03	\$5.13
ONE Gas, Inc.	\$4.26	\$4.47	\$4.67	\$4.99	\$5.22	\$5.36	\$5.49	\$5.63	\$5.76	\$5.89	\$6.03	\$6.16	\$6.29	\$6.42	\$6.55	\$6.68	\$6.81
Southwest Gas Holdings, Inc.	\$3.45	\$4.00	\$4.15	\$4.90	\$5.42	\$5.94	\$6.47	\$6.98	\$7.48	\$7.95	\$8.38	\$8.77	\$9.09	\$9.35	\$9.54	\$9.73	\$9.92
Spire Inc.	\$4.50	\$4.95	\$5.18	\$5.52	\$5.68	\$6.04	\$6.39	\$6.74	\$7.07	\$7.38	\$7.67	\$7.93	\$8.17	\$8.37	\$8.54	\$8.71	\$8.88

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%	51.90%	54.91%	57.91%	60.92%	63.92%	66.93%	69.93%	72.94%	75.94%	78.95%	78.95%	78.95%
New Jersey Resources Corporation	NM	61.39%	60.78%	60.29%	60.51%	62.36%	64.20%	66.04%	67.89%	69.73%	71.57%	73.42%	75.26%	77.10%	78.95%	78.95%	78.95%
NiSource Inc.	60.12%	59.29%	58.14%	57.17%	55.83%	58.14%	60.46%	62.77%	65.08%	67.39%	69.70%	72.01%	74.32%	76.64%	78.95%	78.95%	78.95%
Northwest Natural Holding Company	68.13%	64.96%	61.89%	62.27%	58.99%	60.99%	62.98%	64.98%	66.97%	68.97%	70.97%	72.96%	74.96%	76.95%	78.95%	78.95%	78.95%
ONE Gas, Inc.	62.96%	60.79%	59.10%	56.11%	54.37%	56.83%	59.29%	61.74%	64.20%	66.66%	69.12%	71.57%	74.03%	76.49%	78.95%	78.95%	78.95%
Southwest Gas Holdings, Inc.	72.44%	64.27%	67.23%	59.69%	55.75%	58.07%	60.39%	62.71%	65.03%	67.35%	69.67%	71.99%	74.31%	76.63%	78.95%	78.95%	78.95%
Spire Inc.	NM	66.42%	66.23%	64.01%	64.61%	66.05%	67.48%	68.91%	70.35%	71.78%	73.21%	74.65%	76.08%	77.51%	78.95%	78.95%	78.95%

Estimated Dividends

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 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																	
		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	7.29%	-142.32	\$0.87	\$0.87	\$0.87	\$3.77	\$4.07	\$4.40	\$4.73	\$5.36	\$6.03	\$6.73	\$7.46	\$8.19	\$8.94	\$9.68	\$10.40	\$11.11	\$11.78
New Jersey Resources Corporation	8.54%	-47.60	\$0.45	\$0.45	\$0.45	\$1.92	\$2.11	\$2.32	\$2.48	\$2.69	\$2.91	\$3.14	\$3.37	\$3.59	\$3.82	\$4.04	\$4.26	\$4.47	\$4.67
Spire Inc.	8.75%	-68.24	\$0.79	\$0.79	\$0.80	\$3.29	\$3.43	\$3.53	\$3.67	\$3.99	\$4.31	\$4.64	\$4.97	\$5.30	\$5.61	\$5.92	\$6.21	\$6.49	\$6.74
NiSource Inc.	7.59%	-36.68	\$1.12	\$1.19	\$1.26	\$1.34	\$1.42	\$1.59	\$1.76	\$1.94	\$2.13	\$2.31	\$2.49	\$2.67	\$2.85	\$3.01	\$3.16	\$3.23	\$3.29
Northwest Natural Holding Company	8.48%	-40.72	\$1.96	\$1.98	\$2.00	\$2.03	\$2.05	\$2.23	\$2.41	\$2.60	\$2.79	\$2.98	\$3.17	\$3.36	\$3.54	\$3.72	\$3.90	\$3.97	\$4.05
ONE Gas, Inc.	7.00%	-71.95	\$2.68	\$2.72	\$2.76	\$2.80	\$2.84	\$3.04	\$3.26	\$3.47	\$3.70	\$3.93	\$4.16	\$4.41	\$4.66	\$4.91	\$5.17	\$5.27	\$5.38
Southwest Gas Holdings, Inc.	8.36%	-73.61	\$2.50	\$2.57	\$2.79	\$2.93	\$3.02	\$3.45	\$3.91	\$4.38	\$4.87	\$5.36	\$5.84	\$6.31	\$6.76	\$7.16	\$7.53	\$7.68	\$7.83
Average of All Companies But SWX	7.94%																		
Average of Mostly Pure Play	7.82%																		
Average of All Companies	8.00%																		

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				6.89%	6.35%	5.81%	5.26%	4.72%	4.18%	3.63%	3.09%	2.54%	2.00%
New Jersey Resources Corporation	5.90%		Discrete Estimates				5.51%	5.12%	4.73%	4.34%	3.95%	3.56%	3.17%	2.78%	2.39%	2.00%
NiSource Inc.	7.93%		Discrete Estimates				7.34%	6.75%	6.15%	5.56%	4.97%	4.37%	3.78%	3.19%	2.59%	2.00%
Northwest Natural Holding Company	5.50%		Discrete Estimates				5.15%	4.80%	4.45%	4.10%	3.75%	3.40%	3.05%	2.70%	2.35%	2.00%
ONE Gas, Inc.	2.63%		Discrete Estimates				2.57%	2.51%	2.44%	2.38%	2.32%	2.25%	2.19%	2.13%	2.06%	2.00%
Southwest Gas Holdings, Inc.	10.55%		Discrete Estimates				9.70%	8.84%	7.99%	7.13%	6.28%	5.42%	4.57%	3.71%	2.86%	2.00%
Spire Inc.	6.82%		Discrete Estimates				6.33%	5.85%	5.37%	4.89%	4.41%	3.93%	3.44%	2.96%	2.48%	2.00%

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