

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

FY 9/30		<u>Estimated Cash Flows</u>																	
FY 12/31																			Terminal Value
Company Name	Cost of Equity	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	7.53%	-146.86	\$0.87	\$0.87	\$3.77	\$4.07	\$4.40	\$4.73	\$5.23	\$5.76	\$6.31	\$6.89	\$7.47	\$8.07	\$8.67	\$9.28	\$9.88	\$267.02	
New Jersey Resources Corporation	8.93%	-47.51	\$0.45	\$0.45	\$1.92	\$2.10	\$2.28	\$2.44	\$2.63	\$2.83	\$3.03	\$3.23	\$3.43	\$3.63	\$3.82	\$4.01	\$4.19	\$84.41	
Spire Inc.	8.71%	-73.44	\$0.79	\$0.79	\$3.29	\$3.43	\$3.53	\$3.67	\$3.95	\$4.24	\$4.53	\$4.81	\$5.09	\$5.36	\$5.62	\$5.86	\$6.09	\$126.64	
																		Terminal Value	
		3/31/2025	6/30/2025	9/30/2025	12/31/2025	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.	7.68%	-38.58	\$0.29	\$0.29	\$0.29	\$1.21	\$1.28	\$1.34	\$1.42	\$1.55	\$1.69	\$1.83	\$1.97	\$2.11	\$2.26	\$2.40	\$2.54	\$2.67	\$69.04
Northwest Natural Holding Company	8.80%	-40.89	\$0.49	\$0.49	\$0.49	\$1.98	\$1.99	\$2.03	\$2.05	\$2.20	\$2.35	\$2.51	\$2.67	\$2.83	\$2.99	\$3.15	\$3.31	\$3.46	\$71.54
ONE Gas, Inc.	7.51%	-72.30	\$0.67	\$0.67	\$0.67	\$2.72	\$2.76	\$2.80	\$2.84	\$3.01	\$3.18	\$3.36	\$3.55	\$3.74	\$3.94	\$4.15	\$4.37	\$4.60	\$123.64
Southwest Gas Holdings, Inc.	8.95%	-73.88	\$0.62	\$0.62	\$0.62	\$2.57	\$2.79	\$2.93	\$3.08	\$3.49	\$3.93	\$4.39	\$4.86	\$5.33	\$5.79	\$6.24	\$6.66	\$7.05	\$142.74
Average of All Companies But SWX		8.19%																	
Average of Mostly Pure Play		8.05%																	
Average of All Companies		8.30%																	

Multiple-Stage Dividend Discount Model
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Annual Earnings Per Share Estimates																		
	FY 9/30	Consensus Analysts' Discreet EPS Estimates								2029 - 2039 Transitionay Period to Perpetual Growth								
	FY 12/31	(2025- 2029)																
Company Name		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Atmos Energy Corporation		\$7.18	\$7.77	\$8.37	\$9.02	\$9.67	\$10.35	\$11.04	\$11.74	\$12.42	\$13.09	\$13.75	\$14.37	\$14.97	\$15.53	\$16.04	\$16.57	\$17.11
New Jersey Resources Corporation		\$3.10	\$3.12	\$3.44	\$3.74	\$4.01	\$4.30	\$4.59	\$4.88	\$5.16	\$5.44	\$5.72	\$5.98	\$6.23	\$6.46	\$6.67	\$6.90	\$7.12
NiSource Inc.		\$1.87	\$2.01	\$2.18	\$2.33	\$2.54	\$2.73	\$2.93	\$3.12	\$3.31	\$3.49	\$3.67	\$3.85	\$4.01	\$4.16	\$4.30	\$4.44	\$4.58
Northwest Natural Holding Company		\$2.90	\$3.04	\$3.27	\$3.34	\$3.49	\$3.70	\$3.92	\$4.13	\$4.35	\$4.56	\$4.77	\$4.98	\$5.17	\$5.36	\$5.54	\$5.72	\$5.91
ONE Gas, Inc.		\$4.26	\$4.47	\$4.66	\$4.99	\$5.23	\$5.42	\$5.63	\$5.83	\$6.04	\$6.26	\$6.48	\$6.70	\$6.93	\$7.16	\$7.40	\$7.64	\$7.90
Southwest Gas Holdings, Inc.		\$3.73	\$4.06	\$4.15	\$4.90	\$5.52	\$6.16	\$6.82	\$7.49	\$8.16	\$8.81	\$9.42	\$10.00	\$10.51	\$10.96	\$11.32	\$11.69	\$12.08
Spire Inc.		\$4.49	\$5.04	\$5.31	\$5.82	\$5.68	\$6.11	\$6.55	\$6.98	\$7.41	\$7.83	\$8.24	\$8.63	\$9.00	\$9.34	\$9.65	\$9.97	\$10.30

Dividend Payout Ratios																		
		Discrete Dividend Payout Ratios (2025 - 2029)								2029 - 2039 Transitory Payout Ratio Until Perpetual Growth								
Company Name		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Atmos Energy Corporation		NM	48.57%	48.68%	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	61.66%	60.96%	60.91%	60.76%	61.21%	61.66%	62.11%	62.56%	63.01%	63.46%	63.91%	64.36%	64.81%	65.26%	65.26%	65.26%
NiSource Inc.		NM	60.01%	58.87%	57.19%	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		NM	65.03%	60.91%	60.78%	58.82%	59.47%	60.11%	60.76%	61.40%	62.04%	62.69%	63.33%	63.98%	64.62%	65.26%	65.26%	65.26%
ONE Gas, Inc.		NM	60.77%	59.25%	56.11%	54.34%	55.43%	56.52%	57.61%	58.71%	59.80%	60.89%	61.99%	63.08%	64.17%	65.26%	65.26%	65.26%
Southwest Gas Holdings, Inc.		NM	63.20%	67.23%	59.69%	55.73%	56.69%	57.64%	58.59%	60.50%	61.45%	62.40%	63.36%	64.31%	65.26%	65.26%	65.26%	65.26%
Spire Inc.		NM	65.17%	64.60%	60.62%	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 Equity	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	3/31/2040
Atmos Energy Corporation	7.51%	-146.86	\$0.87	\$0.87	\$3.77	\$4.07	\$4.40	\$4.73	\$5.23	\$5.76	\$6.31	\$6.89	\$7.47	\$8.07	\$8.67	\$9.28	\$9.88	\$10.47	\$10.81
New Jersey Resources Corporation	8.92%	-47.51	\$0.45	\$0.45	\$1.92	\$2.10	\$2.28	\$2.44	\$2.63	\$2.83	\$3.03	\$3.23	\$3.43	\$3.63	\$3.82	\$4.01	\$4.19	\$4.36	\$4.50
Spire Inc.	8.71%	-73.44	\$0.79	\$0.79	\$3.29	\$3.43	\$3.53	\$3.67	\$3.95	\$4.24	\$4.53	\$4.81	\$5.09	\$5.36	\$5.62	\$5.86	\$6.09	\$6.30	\$6.51
		3/31/2025	6/30/2025	9/30/2025	12/31/2025	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.	7.67%	-38.58	\$0.29	\$0.29	\$0.29	\$1.21	\$1.28	\$1.34	\$1.42	\$1.55	\$1.69	\$1.83	\$1.97	\$2.11	\$2.26	\$2.40	\$2.54	\$2.67	\$2.80
Northwest Natural Holding Company	8.79%	-40.89	\$0.49	\$0.49	\$0.49	\$1.98	\$1.99	\$2.03	\$2.05	\$2.20	\$2.35	\$2.51	\$2.67	\$2.83	\$2.99	\$3.15	\$3.31	\$3.46	\$3.61
ONE Gas, Inc.	7.50%	-72.30	\$0.67	\$0.67	\$0.67	\$2.72	\$2.76	\$2.80	\$2.84	\$3.01	\$3.18	\$3.36	\$3.55	\$3.74	\$3.94	\$4.15	\$4.37	\$4.60	\$4.83
Southwest Gas Holdings, Inc.	8.94%	-73.88	\$0.62	\$0.62	\$0.62	\$2.57	\$2.79	\$2.93	\$3.08	\$3.49	\$3.93	\$4.39	\$4.86	\$5.33	\$5.79	\$6.24	\$6.66	\$7.05	\$7.39
Average of All Companies But SWX	8.18%																		
Average of Mostly Pure Play	8.04%																		
Average of All Companies	8.29%																		

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	7.52%		Discrete Estimates				7.10%	6.68%	6.26%	5.83%	5.41%	4.99%	4.57%	4.14%	3.72%	3.30%
New Jersey Resources Corporation	7.60%		Discrete Estimates				7.17%	6.74%	6.31%	5.88%	5.45%	5.02%	4.59%	4.16%	3.73%	3.30%
NiSource Inc.	7.94%		Discrete Estimates				7.48%	7.02%	6.55%	6.09%	5.62%	5.16%	4.69%	4.23%	3.76%	3.30%
Northwest Natural Holding Company	6.50%		Discrete Estimates				6.18%	5.86%	5.54%	5.22%	4.90%	4.58%	4.26%	3.94%	3.62%	3.30%
ONE Gas, Inc.	3.83%		Discrete Estimates				3.77%	3.72%	3.67%	3.62%	3.56%	3.51%	3.46%	3.41%	3.35%	3.30%
Southwest Gas Holdings, Inc.	12.60%		Discrete Estimates				11.67%	10.74%	9.81%	8.88%	7.95%	7.02%	6.09%	5.16%	4.23%	3.30%
Spire Inc.	8.08%		Discrete Estimates				7.60%	7.12%	6.65%	6.17%	5.69%	5.21%	4.73%	4.26%	3.78%	3.30%

Source: S&P Market Intelligence as of April 7, 2025.