

**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																	Terminal Value
		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	7.19%	-146.86	\$0.87	\$0.87	\$3.77	\$4.07	\$4.40	\$4.73	\$5.37	\$6.04	\$6.75	\$7.47	\$8.22	\$8.96	\$9.71	\$10.44	\$11.15	\$244.27
New Jersey Resources Corporation	8.80%	-47.51	\$0.45	\$0.45	\$1.92	\$2.10	\$2.28	\$2.44	\$2.69	\$2.94	\$3.21	\$3.47	\$3.73	\$3.99	\$4.25	\$4.49	\$4.71	\$78.77
Spire Inc.	8.56%	-73.44	\$0.79	\$0.79	\$3.29	\$3.43	\$3.53	\$3.67	\$4.03	\$4.40	\$4.78	\$5.15	\$5.52	\$5.88	\$6.23	\$6.55	\$6.85	\$117.86

Company Name	Cost of Equity																		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.	7.38%	-38.58	\$0.29	\$0.29	\$0.29	\$1.21	\$1.28	\$1.34	\$1.42	\$1.59	\$1.76	\$1.94	\$2.13	\$2.31	\$2.49	\$2.67	\$2.85	\$3.01	\$63.27
Northwest Natural Holding Company	8.66%	-40.89	\$0.49	\$0.49	\$0.49	\$1.98	\$1.99	\$2.03	\$2.05	\$2.25	\$2.45	\$2.66	\$2.87	\$3.09	\$3.30	\$3.50	\$3.70	\$3.90	\$66.61
ONE Gas, Inc.	7.18%	-72.30	\$0.67	\$0.67	\$0.67	\$2.72	\$2.76	\$2.80	\$2.84	\$3.08	\$3.32	\$3.57	\$3.83	\$4.09	\$4.36	\$4.63	\$4.90	\$5.18	\$112.85
Southwest Gas Holdings, Inc.	8.82%	-73.88	\$0.62	\$0.62	\$0.62	\$2.57	\$2.79	\$2.93	\$3.08	\$3.57	\$4.11	\$4.66	\$5.24	\$5.83	\$6.40	\$6.96	\$7.48	\$7.95	\$133.39
<b>Average of All Companies But SWX</b>	<b>7.96%</b>																		
<b>Average of Mostly Pure Play</b>	<b>7.79%</b>																		
<b>Average of All Companies</b>	<b>8.08%</b>																		

**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	\$7.77	\$8.37	\$9.02	\$9.67	\$10.34	\$11.00	\$11.65	\$12.27	\$12.85	\$13.39	\$13.88	\$14.31	\$14.68	\$14.97	\$15.27	\$15.58
New Jersey Resources Corporation	\$3.10	\$3.12	\$3.44	\$3.74	\$4.01	\$4.29	\$4.57	\$4.84	\$5.10	\$5.35	\$5.57	\$5.78	\$5.96	\$6.11	\$6.23	\$6.36	\$6.48
NiSource Inc.	\$1.87	\$2.01	\$2.18	\$2.33	\$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	\$2.90	\$3.04	\$3.27	\$3.34	\$3.49	\$3.70	\$3.90	\$4.10	\$4.30	\$4.48	\$4.65	\$4.81	\$4.94	\$5.07	\$5.17	\$5.27	\$5.38
ONE Gas, Inc.	\$4.26	\$4.47	\$4.66	\$4.99	\$5.23	\$5.42	\$5.60	\$5.79	\$5.97	\$6.14	\$6.31	\$6.47	\$6.62	\$6.77	\$6.90	\$7.04	\$7.18
Southwest Gas Holdings, Inc.	\$3.73	\$4.06	\$4.15	\$4.90	\$5.52	\$6.15	\$6.80	\$7.44	\$8.06	\$8.65	\$9.19	\$9.67	\$10.06	\$10.37	\$10.58	\$10.79	\$11.01
Spire Inc.	\$4.49	\$5.04	\$5.31	\$5.82	\$5.68	\$6.10	\$6.52	\$6.93	\$7.32	\$7.69	\$8.03	\$8.34	\$8.61	\$8.83	\$9.01	\$9.19	\$9.37

**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	48.57%	48.68%	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	61.66%	60.96%	60.91%	60.76%	62.58%	64.40%	66.22%	68.04%	69.86%	71.67%	73.49%	75.31%	77.13%	78.95%	78.95%	78.95%
NiSource Inc.	NM	60.01%	58.87%	57.19%	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	NM	65.03%	60.91%	60.78%	58.82%	60.84%	62.85%	64.86%	66.87%	68.89%	70.90%	72.91%	74.92%	76.93%	78.95%	78.95%	78.95%
ONE Gas, Inc.	NM	60.77%	59.25%	56.11%	54.34%	56.80%	59.26%	61.72%	64.18%	66.64%	69.10%	71.56%	74.03%	76.49%	78.95%	78.95%	78.95%
Southwest Gas Holdings, Inc.	NM	63.20%	67.23%	59.69%	55.73%	58.05%	60.38%	62.70%	65.02%	67.34%	69.66%	71.98%	74.30%	76.63%	78.95%	78.95%	78.95%
Spire Inc.	NM	65.17%	64.60%	60.62%	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	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																	
		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
Atmos Energy Corporation	<b>7.19%</b>	-146.86	\$0.87	\$0.87	\$3.77	\$4.07	\$4.40	\$4.73	\$5.37	\$6.04	\$6.75	\$7.47	\$8.22	\$8.96	\$9.71	\$10.44	\$11.15	\$11.82	\$12.06
New Jersey Resources Corporation	<b>8.80%</b>	-47.51	\$0.45	\$0.45	\$1.92	\$2.10	\$2.28	\$2.44	\$2.69	\$2.94	\$3.21	\$3.47	\$3.73	\$3.99	\$4.25	\$4.49	\$4.71	\$4.92	\$5.02
Spire Inc.	<b>8.55%</b>	-73.44	\$0.79	\$0.79	\$3.29	\$3.43	\$3.53	\$3.67	\$4.03	\$4.40	\$4.78	\$5.15	\$5.52	\$5.88	\$6.23	\$6.55	\$6.85	\$7.11	\$7.26
NiSource Inc.	<b>7.37%</b>	-38.58	\$0.29	\$0.29	\$0.29	\$1.21	\$1.28	\$1.34	\$1.42	\$1.59	\$1.76	\$1.94	\$2.13	\$2.31	\$2.49	\$2.67	\$2.85	\$3.01	\$3.17
Northwest Natural Holding Company	<b>8.65%</b>	-40.89	\$0.49	\$0.49	\$0.49	\$1.98	\$1.99	\$2.03	\$2.05	\$2.25	\$2.45	\$2.66	\$2.87	\$3.09	\$3.30	\$3.50	\$3.70	\$3.90	\$4.08
ONE Gas, Inc.	<b>7.18%</b>	-72.30	\$0.67	\$0.67	\$0.67	\$2.72	\$2.76	\$2.80	\$2.84	\$3.08	\$3.32	\$3.57	\$3.83	\$4.09	\$4.36	\$4.63	\$4.90	\$5.18	\$5.45
Southwest Gas Holdings, Inc.	<b>8.81%</b>	-73.88	\$0.62	\$0.62	\$0.62	\$2.57	\$2.79	\$2.93	\$3.08	\$3.57	\$4.11	\$4.66	\$5.24	\$5.83	\$6.40	\$6.96	\$7.48	\$7.95	\$8.35
<b>Average of All Companies But SWX</b>	<b>7.96%</b>																		
<b>Average of Mostly Pure Play</b>	<b>7.79%</b>																		
<b>Average of All Companies</b>	<b>8.08%</b>																		

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**

<b>Company Name</b>	<b>5-YR CAGR</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>	<b>2037</b>	<b>2038</b>	<b>2039</b>
Atmos Energy Corporation	7.52%		Discrete Estimates				6.97%	6.42%	5.87%	5.31%	4.76%	4.21%	3.66%	3.10%	2.55%	2.00%
New Jersey Resources Corporation	7.60%		Discrete Estimates				7.04%	6.48%	5.92%	5.36%	4.80%	4.24%	3.68%	3.12%	2.56%	2.00%
NiSource Inc.	7.94%		Discrete Estimates				7.35%	6.76%	6.16%	5.57%	4.97%	4.38%	3.78%	3.19%	2.59%	2.00%
Northwest Natural Holding Company	6.50%		Discrete Estimates				6.05%	5.60%	5.15%	4.70%	4.25%	3.80%	3.35%	2.90%	2.45%	2.00%
ONE Gas, Inc.	3.83%		Discrete Estimates				3.64%	3.46%	3.28%	3.10%	2.91%	2.73%	2.55%	2.37%	2.18%	2.00%
Southwest Gas Holdings, Inc.	12.60%		Discrete Estimates				11.54%	10.48%	9.42%	8.36%	7.30%	6.24%	5.18%	4.12%	3.06%	2.00%
Spire Inc.	8.08%		Discrete Estimates				7.47%	6.86%	6.26%	5.65%	5.04%	4.43%	3.82%	3.22%	2.61%	2.00%

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