

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,
Complainant,

DOCKET UG-170929

v.

CASCADE NATURAL GAS
CORPORATION,
Respondent.

CASCADE NATURAL GAS CORPORATION

EXHIBIT JSG-5

J. STEPHEN GASKE

Constant Growth DCF Analysis

March 23, 2018

**PROXY COMPANIES
UPDATED DIVIDEND YIELDS**

COMPANY	Qtr DPS	January 2018 - February 2018			YIELD	
		DPS	HIGH	LOW		
Atmos Energy Corp.	\$0.485	\$1.94	\$85.04	\$78.03	\$81.54	2.38%
New Jersey Resources Corp.	\$0.273	\$1.09	\$40.20	\$36.25	\$38.23	2.86%
NiSource Inc.	\$0.195	\$0.78	\$25.36	\$22.51	\$23.94	3.26%
Northwest Natural Gas Co.	\$0.473	\$1.89	\$58.80	\$52.15	\$55.48	3.41%
South Jersey Industries, Inc.	\$0.280	\$1.12	\$31.16	\$26.11	\$28.64	3.91%
Southwest Gas Holdings, Inc.	\$0.495	\$1.98	\$79.74	\$65.88	\$72.81	2.72%
Spire Inc.	\$0.563	\$2.25	\$74.10	\$61.30	\$67.70	3.32%
Average						3.12%

Source: Yahoo! Finance.

**UPDATED DCF COST RATES USING RETENTION GROWTH
AND ANALYSTS' EPS GROWTH FORECASTS**

	[1]	[2]	[3]	[4]	[5]	[6]
		2021-23				
COMPANY	ADJUSTED YIELD	PROSPECTIVE RETENTION GROWTH	VALUE LINE EPS GROWTH	FIRST CALL EPS GROWTH	AVERAGE GROWTH	BLENDED DCF RATES
Atmos Energy Corp.	2.46%	5.5%	7.5%	7.2%	6.72%	9.18%
New Jersey Resources Corp.	2.97%	7.5%	9.5%	6.0%	7.67%	10.63%
NiSource Inc.	3.41%	4.0%	18.0%	5.7%	9.22%	12.63%
Northwest Natural Gas Co.	3.50%	4.0%	7.0%	4.0%	5.00%	8.50%
South Jersey Industries, Inc.	4.02%	4.5%	6.5%	6.0%	5.67%	9.69%
Southwest Gas Holdings, Inc.	2.79%	4.5%	7.5%	4.0%	5.33%	8.13%
Spire Inc.	3.42%	4.5%	9.0%	4.4%	5.98%	9.40%
Mean	3.22%				6.51%	9.74%
Median						9.40%

Sources:

[1]: Schedule 1, page 1.

[2] and [3]: Value Line Investment Survey, March 2, 2018.

[4] Yahoo! Finance

**UPDATED DCF COST RATES
 USING ANALYSTS' EPS GROWTH FORECASTS**

	[1]	[2]	[3]	[4]	[5]
		2021-23			
COMPANY	ADJUSTED YIELD	VALUE LINE EPS GROWTH	FIRST CALL EPS GROWTH	AVERAGE GROWTH	BLENDED DCF RATES
Atmos Energy Corp.	2.47%	7.5%	7.2%	7.33%	9.79%
New Jersey Resources Corp.	2.97%	9.5%	6.0%	7.75%	10.72%
NiSource Inc.	3.45%	18.0%	5.7%	11.84%	15.29%
Northwest Natural Gas Co.	3.50%	7.0%	4.0%	5.50%	9.00%
South Jersey Industries, Inc.	4.03%	6.5%	6.0%	6.25%	10.28%
Southwest Gas Holdings, Inc.	2.80%	7.5%	4.0%	5.75%	8.55%
Spire Inc.	3.44%	9.0%	4.4%	6.72%	10.15%
Mean	3.24%			7.30%	10.54%
Median					10.15%

Sources:

[1]: Schedule 1, page 1.

[2]: Value Line Investment Survey, March 2, 2018.

[3] Yahoo! Finance