

Exhibit No. ___ (DCP-3)
Docket No. UG-060256
Witness: David C. Parcell

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**CASCADE NATURAL GAS
CORPORATION,**

Respondent.

DOCKET NO. UG-060256

**EXHIBIT TO TESTIMONY OF
DAVID C. PARCELL
ON BEHALF OF
STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Schedule 2 through Schedule 15

August 15, 2006

ECONOMIC INDICATORS

YEAR	REAL GDP GROWTH	IND PROD GROWTH	UNEMP RATE	CPI	PPI
1975 - 1982 Cycle					
1975	-1.1%	-8.9%	8.5%	7.0%	6.6%
1976	5.4%	10.8%	7.7%	4.8%	3.7%
1977	5.5%	5.9%	7.0%	6.8%	6.9%
1978	5.0%	5.7%	6.0%	9.0%	9.2%
1979	2.8%	4.4%	5.8%	13.3%	12.8%
1980	-0.2%	-1.9%	7.0%	12.4%	11.8%
1981	1.8%	1.9%	7.5%	8.9%	7.1%
1982	-2.1%	-4.4%	9.5%	3.8%	3.6%
1983 - 1991 Cycle					
1983	4.0%	3.7%	9.5%	3.8%	0.6%
1984	6.8%	9.3%	7.5%	3.9%	1.7%
1985	3.7%	1.7%	7.2%	3.8%	1.8%
1986	3.1%	0.9%	7.0%	1.1%	-2.3%
1987	2.9%	4.9%	6.2%	4.4%	2.2%
1988	3.8%	4.5%	5.5%	4.4%	4.0%
1989	3.5%	1.8%	5.3%	4.6%	4.9%
1990	1.8%	-0.2%	5.6%	6.1%	5.7%
1991	-0.5%	-2.0%	6.8%	3.1%	-0.1%
1992 - 2001 Cycle					
1992	3.0%	3.1%	7.5%	2.9%	1.6%
1993	2.7%	3.3%	6.9%	2.7%	0.2%
1994	4.0%	5.4%	6.1%	2.7%	1.7%
1995	2.5%	4.8%	5.6%	2.5%	2.3%
1996	3.7%	4.2%	5.4%	3.3%	2.8%
1997	4.5%	7.3%	4.9%	1.7%	-1.2%
1998	4.2%	5.9%	4.5%	1.6%	0.0%
1999	4.5%	4.5%	4.2%	2.7%	2.9%
2000	3.7%	4.3%	4.0%	3.4%	3.6%
2001	0.8%	-3.5%	4.7%	1.6%	-1.6%
Current Cycle					
2002	1.6%	0.1%	5.8%	2.4%	1.2%
2003	2.7%	0.6%	6.0%	1.9%	4.0%
2004	4.2%	4.1%	5.5%	3.3%	4.2%
2005	3.5%	3.3%	5.1%	3.4%	5.4%
2004					
1st Qtr.	4.3%	2.8%	5.6%	5.2%	5.2%
2nd Qtr.	3.5%	4.9%	5.6%	4.4%	4.4%
3rd Qtr.	4.0%	4.6%	5.4%	0.8%	0.8%
4th Qtr.	3.3%	4.3%	5.4%	3.6%	7.2%
2005					
1st Qtr.	3.8%	3.8%	5.3%	4.4%	5.6%
2nd Qtr.	3.3%	3.0%	5.1%	1.2%	1.6%
3rd Qtr.	4.1%	2.7%	5.0%	9.6%	10.8%
4th Qtr.	1.7%	3.1%	4.9%	-2.0%	4.0%
2006					
1st Qtr.	5.6%	3.4%	4.7%	4.8%	-0.2%

Source: Council of Economic Advisors, Economic Indicators, various issues.

INTEREST RATES

YEAR	PRIME RATE	US TREAS T BILLS 3 MONTH	US TREAS T BONDS 10 YEAR	UTILITY BONDS Aaa	UTILITY BONDS Aa	UTILITY BONDS A	UTILITY BONDS Baa
1975 - 1982 Cycle							
1975	7.86%	5.84%	7.99%	9.03%	9.44%	10.09%	10.96%
1976	6.84%	4.99%	7.61%	8.63%	8.92%	9.29%	9.92%
1977	6.83%	5.27%	7.42%	8.19%	8.43%	8.61%	9.06%
1978	9.06%	7.22%	8.41%	8.87%	9.10%	9.29%	9.62%
1979	12.67%	10.04%	9.44%	9.86%	10.22%	10.49%	10.96%
1980	15.27%	11.51%	11.46%	12.30%	13.00%	13.34%	13.95%
1981	18.89%	14.03%	13.93%	14.64%	15.30%	15.95%	16.60%
1982	14.86%	10.69%	13.00%	14.22%	14.79%	15.86%	16.45%
1983 - 1991 Cycle							
1983	10.79%	8.63%	11.10%	12.52%	12.83%	13.66%	14.20%
1984	12.04%	9.58%	12.44%	12.72%	13.66%	14.03%	14.53%
1985	9.93%	7.48%	10.62%	11.68%	12.06%	12.47%	12.96%
1986	8.33%	5.98%	7.68%	8.92%	9.30%	9.59%	10.00%
1987	8.21%	5.82%	8.39%	9.52%	9.77%	10.10%	10.53%
1988	9.32%	6.69%	8.85%	10.05%	10.26%	10.49%	11.00%
1989	10.87%	8.12%	8.49%	9.32%	9.56%	9.77%	9.97%
1990	10.01%	7.51%	8.55%	9.45%	9.65%	9.86%	10.06%
1991	8.46%	5.42%	7.86%	8.85%	9.09%	9.36%	9.55%
1992 - 2001 Cycle							
1992	6.25%	3.45%	7.01%	8.19%	8.55%	8.69%	8.86%
1993	6.00%	3.02%	5.87%	7.29%	7.44%	7.59%	7.91%
1994	7.15%	4.29%	7.09%	8.07%	8.21%	8.31%	8.63%
1995	8.83%	5.51%	6.57%	7.68%	7.77%	7.89%	8.29%
1996	8.27%	5.02%	6.44%	7.48%	7.57%	7.75%	8.16%
1997	8.44%	5.07%	6.35%	7.43%	7.54%	7.60%	7.95%
1998	8.35%	4.81%	5.26%	6.77%	6.91%	7.04%	7.26%
1999	8.00%	4.66%	5.65%	7.21%	7.51%	7.62%	7.88%
2000	9.23%	5.85%	6.03%	7.88%	8.06%	8.24%	8.36%
2001	6.91%	3.45%	5.02%	7.47%	7.59%	7.78%	8.02%
Current Cycle							
2002	4.67%	1.62%	4.61%		7.19%	7.37%	8.02%
2003	4.12%	1.02%	4.01%		6.40%	6.58%	6.84%
2004	4.34%	1.38%	4.27%		6.04%	6.16%	6.40%
2005	6.19%	3.16%	4.29%		5.44%	5.65%	5.93%
2004							
Jan	4.00%	0.89%	4.15%		6.06%	6.15%	6.47%
Feb	4.00%	0.92%	4.08%		6.10%	6.15%	6.28%
Mar	4.00%	0.94%	3.83%		5.93%	5.97%	6.12%
Apr	4.00%	0.94%	4.35%		6.33%	6.35%	6.46%
May	4.00%	1.04%	4.72%		6.66%	6.62%	6.75%
June	4.00%	1.27%	4.73%		6.30%	6.46%	6.84%
July	4.25%	1.35%	4.50%		6.09%	6.27%	6.67%
Aug	4.50%	1.48%	4.28%		5.95%	6.14%	6.45%
Sept	4.75%	1.65%	4.13%		5.79%	5.98%	6.27%
Oct	4.75%	1.75%	4.10%		5.74%	5.94%	6.17%
Nov	5.00%	2.06%	4.19%		5.79%	5.97%	6.16%
Dec	5.25%	2.20%	4.23%		5.78%	5.92%	6.10%
2005							
Jan	5.25%	2.32%	4.22%		5.68%	5.78%	5.95%
Feb	5.50%	2.53%	4.17%		5.55%	5.61%	5.76%
Mar	5.75%	2.75%	4.50%		5.76%	5.83%	6.01%
Apr	5.75%	2.79%	4.34%		5.56%	5.64%	5.95%
May	6.00%	2.86%	4.14%		5.39%	5.53%	5.88%
June	6.25%	2.99%	4.00%		5.05%	5.40%	5.70%
July	6.25%	3.22%	4.18%		5.18%	5.51%	5.81%
Aug	6.50%	3.45%	4.26%		5.23%	5.50%	5.80%
Sept	6.75%	3.47%	4.20%		5.27%	5.52%	5.83%
Oct	6.75%	3.70%	4.46%		5.50%	5.79%	6.08%
Nov	7.00%	3.90%	4.54%		5.59%	5.88%	6.19%
Dec	7.25%	3.89%	4.47%		5.55%	5.80%	6.14%
2006							
Jan	7.50%	4.20%	4.42%		5.50%	5.75%	6.06%
Feb	7.50%	4.41%	4.57%		5.55%	5.82%	6.11%
Mar	7.75%	4.51%	4.72%		5.71%	5.98%	6.26%
Apr	7.75%	4.59%	4.99%		6.02%	6.29%	6.54%
May	8.00%	4.72%	5.11%		6.16%	6.42%	6.59%
June	8.25%	4.79%	5.11%		6.16%	6.40%	6.61%

Sources: Council of Economic Advisors, Economic Indicators; Moody's Bond Record; Federal Reserve Bulletin; various issues.

STOCK PRICE INDICATORS

YEAR	S&P Composite	Nasdaq Composite	DJIA	S&P D/P	S&P E/P
1975 - 1982 Cycle					
1975			802.49	4.31%	9.15%
1976			974.92	3.77%	8.90%
1977			894.63	4.62%	10.79%
1978			820.23	5.28%	12.03%
1979			844.40	5.47%	13.46%
1980			891.41	5.26%	12.66%
1981			932.92	5.20%	11.96%
1982			884.36	5.81%	11.60%
1983 - 1991 Cycle					
1983			1,190.34	4.40%	8.03%
1984			1,178.48	4.64%	10.02%
1985			1,328.23	4.25%	8.12%
1986			1,792.76	3.49%	6.09%
1987			2,275.99	3.08%	5.48%
1988			2,060.82	3.64%	8.01%
1989	322.84		2,508.91	3.45%	7.41%
1990	334.59		2,678.94	3.61%	6.47%
1991	376.18	491.69	2,929.33	3.24%	4.79%
1992 - 2001 Cycle					
1992	415.74	599.26	3,284.29	2.99%	4.22%
1993	451.21	715.16	3,522.06	2.78%	4.46%
1994	460.42	751.65	3,793.77	2.82%	5.83%
1995	541.72	925.19	4,493.76	2.56%	6.09%
1996	670.50	1,164.96	5,742.89	2.19%	5.24%
1997	873.43	1,469.49	7,441.15	1.77%	4.57%
1998	1,085.50	1,794.91	8,625.52	1.49%	3.46%
1999	1,327.33	2,728.15	10,464.88	1.25%	3.17%
2000	1,427.22	3,783.67	10,734.90	1.15%	3.63%
2001	1,194.18	2,035.00	10,189.13	1.32%	2.95%
Current Cycle					
2002	993.94	1,539.73	9,226.43	1.61%	2.92%
2003	965.23	1,647.17	8,993.59	1.77%	3.84%
2004	1,130.65	1,986.53	10,317.39	1.72%	4.89%
2005	1,207.23	2,099.32	10,547.67	1.83%	5.40%
2002					
1st Qtr.	1,131.56	1,879.85	10,105.27	1.39%	2.15%
2nd Qtr.	1,068.45	1,641.53	9,912.70	1.49%	2.70%
3rd Qtr.	894.65	1,308.17	8,487.59	1.76%	3.68%
4th Qtr.	887.91	1,346.07	8,400.17	1.79%	3.14%
2003					
1st Qtr.	860.03	1,350.44	8,122.83	1.89%	3.57%
2nd Qtr.	938.00	1,521.92	8,684.52	1.75%	3.55%
3rd Qtr.	1,000.50	1,765.96	9,310.57	1.74%	3.87%
4th Qtr.	1,056.42	1,934.71	9,856.44	1.69%	4.38%
2004					
1st Qtr.	1,133.29	2,041.95	10,488.43	1.64%	4.62%
2nd Qtr.	1,122.87	1,984.13	10,289.04	1.71%	4.92%
3rd Qtr.	1,104.15	1,872.90	10,129.85	1.79%	5.18%
4th Qtr.	1,162.07	2,050.22	10,362.25	1.75%	4.83%
2005					
1st Qtr.	1,191.98	2,056.01	10,648.48	1.77%	5.11%
2nd Qtr.	1,181.65	2,012.24	10,382.35	1.85%	5.32%
3rd Qtr.	1,224.14	2,149.20	10,544.06	1.83%	5.42%
4th Qtr.	1,230.47	2,178.67	10,615.78	1.86%	5.60%
2006					
1st Qtr.	1,283.04	2,287.97	10,996.04	1.85%	5.61%
2nd Qtr.	1,281.77	2,240.46	11,188.84	1.90%	

Source: Council of Economic Advisors, Economic Indicators, various issues.

**CASCADE NATURAL GAS CORP.
BOND RATINGS**

Date	Moody's	Standard & Poor's	
	Senior Unsecured	Issuer Rating	Outlook
1997	Baa1	BBB+	Stable
1998	Baa1	BBB+	Stable
1999	Baa1	BBB+	Stable
2000	Baa1	BBB+	Positive
2001	Baa1	BBB+	Negative
2002	Baa1	BBB+	Stable
2003	Baa1	BBB+	Stable
2004	Baa1	BBB+	Positive
2005	Baa1	BBB+	Stable

Source: Response to WUTC Staff Data Request No. 8.

YIELD DIFFERENTIALS BETWEEN Baa AND A RATED SECURITIES

	Bonds			Preferred Stocks		
	Baa	A	Difference	Baa	A	Difference
2001						
Jan	7.99%	7.80%	0.19%	7.53%	7.42%	0.11%
Feb	7.94%	7.74%	0.20%	7.48%	7.38%	0.10%
Mar	7.85%	7.68%	0.17%	7.48%	7.35%	0.13%
Apr	8.06%	7.94%	0.12%	7.59%	7.47%	0.12%
May	8.11%	7.99%	0.12%	7.57%	7.48%	0.09%
June	8.02%	7.85%	0.17%	7.60%	7.36%	0.24%
July	8.05%	7.78%	0.27%	7.42%	7.25%	0.17%
Aug	7.95%	7.59%	0.36%	7.40%	7.07%	0.33%
Sept	8.12%	7.75%	0.37%	7.41%	7.17%	0.24%
Oct	8.02%	7.63%	0.39%	7.40%	7.06%	0.34%
Nov	7.96%	7.57%	0.39%	7.53%	7.17%	0.36%
Dec	8.27%	7.83%	0.44%	7.66%	7.30%	0.36%
2002						
Jan	8.13%	7.66%	0.47%	7.62%	7.30%	0.32%
Feb	8.18%	7.54%	0.64%	7.51%	7.22%	0.29%
Mar	8.32%	7.76%	0.56%	7.83%	7.36%	0.47%
Apr	8.26%	7.57%	0.69%	7.62%	7.27%	0.35%
May	8.33%	7.52%	0.81%	7.62%	7.29%	0.33%
June	8.26%	7.42%	0.84%	7.74%	7.40%	0.34%
July	8.07%	7.31%	0.76%	7.64%	7.33%	0.31%
Aug	7.74%	7.17%	0.57%	7.42%	7.20%	0.22%
Sept	7.62%	7.08%	0.54%	7.48%	7.18%	0.30%
Oct	8.00%	7.23%	0.77%	7.59%	7.37%	0.22%
Nov	7.76%	7.14%	0.62%	7.56%	7.35%	0.18%
Dec	7.61%	7.07%	0.54%	7.57%	7.06%	0.51%
2003						
Jan	7.47%	7.06%	0.41%	7.61%	7.13%	0.48%
Feb	7.17%	6.93%	0.24%	7.62%	7.01%	0.61%
Mar	7.05%	6.79%	0.26%	7.66%	7.05%	0.61%
Apr	6.94%	6.64%	0.30%	7.51%	6.97%	0.54%
May	6.47%	6.36%	0.11%	7.42%	6.83%	0.59%
June	6.30%	6.21%	0.09%	7.41%	6.81%	0.60%
July	6.67%	6.57%	0.10%	7.24%	6.84%	0.40%
Aug	7.08%	6.78%	0.30%	7.29%	6.77%	0.52%
Sept	6.87%	6.56%	0.31%	7.28%	6.73%	0.55%
Oct	6.79%	6.43%	0.36%	7.26%	6.87%	0.39%
Nov	6.69%	6.37%	0.32%	7.29%	6.84%	0.45%
Dec	6.61%	6.27%	0.34%	7.28%	6.70%	0.58%
2004						
Jan	6.47%	6.15%	0.32%	7.20%	6.65%	0.55%
Feb	6.28%	6.15%	0.13%	7.20%	6.71%	0.49%
Mar	6.12%	5.97%	0.15%	7.20%	6.70%	0.50%
Apr	6.46%	6.35%	0.11%	7.27%	7.10%	0.17%
May	6.75%	6.62%	0.13%	7.64%	7.42%	0.22%
June	6.84%	6.46%	0.38%	7.17%	7.00%	0.17%
July	6.67%	6.27%	0.40%	6.89%	6.64%	0.25%
Aug	6.45%	6.14%	0.31%	6.74%	6.38%	0.36%
Sept	6.27%	5.98%	0.29%	6.61%	6.24%	0.37%
Oct	6.17%	5.94%	0.23%	6.53%	6.26%	0.27%
Nov	6.16%	5.97%	0.19%	6.23%	6.19%	0.04%
Dec	6.10%	5.92%	0.18%	6.42%	6.16%	0.26%
2005						
Jan	5.95%	5.78%	0.17%	6.35%	6.15%	0.20%
Feb	5.76%	5.61%	0.15%	6.36%	6.29%	0.07%
Mar	6.01%	5.83%	0.18%	6.42%	6.41%	0.01%
Apr	5.95%	5.64%	0.31%	6.41%	6.17%	0.24%
May	5.88%	5.53%	0.35%	6.39%	6.24%	0.15%
June	5.70%	5.40%	0.30%	6.37%	6.20%	0.17%
July	5.81%	5.51%	0.30%	6.35%	6.22%	0.13%
Aug	5.80%	5.50%	0.30%	6.36%	6.21%	0.15%
Sept	5.83%	5.52%	0.31%	6.38%	6.27%	0.11%
Oct	6.08%	5.79%	0.29%	6.40%	6.41%	-0.01%
Nov	6.19%	5.88%	0.31%	6.45%	6.31%	0.14%
Dec	6.14%	5.80%	0.34%	6.42%	6.19%	0.23%
2006						
Jan	6.06%	5.75%	0.31%	6.41%	6.14%	0.27%
Feb	6.11%	5.82%	0.29%	6.38%	6.10%	0.28%
Mar	6.26%	5.98%	0.28%	6.56%	6.22%	0.34%
Apr	6.54%	6.29%	0.25%	6.64%	6.31%	0.33%
May	6.59%	6.42%	0.17%	6.57%	6.32%	0.25%
June						
Average			0.33%			0.30%

Source: Mergent Bond Record.

**CASCADE NATURAL GAS
 CAPITAL STRUCTURE RATIOS
 2001 - 2005
 (\$000)**

YEAR	COMMON EQUITY	LONG-TERM DEBT	SHORT-TERM DEBT
2001	\$121,391 42.4% 49.3%	\$125,000 43.6% 50.7%	\$40,000 14.0%
2002	\$113,635 40.8% 40.8%	\$164,930 59.2% 59.2%	\$0 0.0%
2003	\$111,630 39.8% 40.4%	\$164,930 58.8% 59.6%	\$3,800 1.4%
2004	\$117,584 40.0% 45.1%	\$142,900 48.6% 54.9%	\$33,500 11.4%
2005	\$118,615 38.9% 40.6%	\$173,840 57.0% 59.4%	\$12,500 4.1%

Note: Percentages may not total 100.0% due to rounding.

Figures as of September 30 of each year.

Source: Cascade Natural Gas Corp., 2005 Form 10-K.

**VALUE LINE GAS DISTRIBUTION COMPANIES
 COMMON EQUITY RATIOS**

COMPANY	2000	2001	2002	2003	2004	2005	Average	2009-2011
AGL Resources	48.3%	38.7%	41.7%	49.7%	46.0%	48.1%	45.4%	52.0%
Atmos Energy	51.9%	45.7%	46.1%	49.8%	56.8%	42.3%	48.8%	45.0%
Cascade Natural Gas	48.8%	49.3%	40.9%	44.1%	47.9%	40.6%	45.3%	48.0%
Energen	53.1%	46.9%	53.2%	55.8%	56.7%	56.6%	53.7%	56.0%
Keyspan	39.2%	37.7%	35.7%	39.1%	46.7%	53.2%	41.9%	53.0%
Laclede Group	54.5%	50.2%	52.3%	49.4%	48.3%	51.8%	51.1%	52.0%
New Jersey Resources	52.9%	49.9%	49.4%	61.9%	59.7%	58.0%	55.3%	63.0%
NICOR	66.7%	61.7%	64.5%	60.3%	60.1%	62.5%	62.6%	65.5%
Northwest Natural Gas	50.9%	53.2%	51.5%	50.3%	54.0%	53.0%	52.2%	53.0%
Peoples Energy	64.9%	55.6%	59.3%	53.3%	49.2%	47.2%	54.9%	47.4%
Piedmont Natural Gas	53.9%	52.4%	56.1%	57.8%	56.4%	58.6%	55.9%	60.0%
South Jersey Industries	37.6%	35.9%	46.1%	49.0%	51.0%	55.1%	45.8%	60.0%
Southwest Gas	35.8%	39.6%	34.1%	34.0%	35.8%	36.2%	35.9%	41.1%
UGI	19.1%	17.4%	21.7%	33.0%	35.0%	41.7%	28.0%	49.0%
WGL Holdings	54.8%	56.3%	52.4%	54.3%	57.2%	58.6%	55.6%	59.0%
Average	48.8%	46.0%	47.0%	49.5%	50.7%	50.9%	48.8%	53.6%
Value Line LDC Composite	45.2%	42.0%	41.4%	43.7%	45.7%	48.3%	44.4%	46.0%

Source: Value Line Investment Survey.

**COMPARISON COMPANIES
 CAPITAL STRUCTURE RATIOS
 INCLUDING SHORT-TERM DEBT**

Company	2001	2002	2003	2004	2005
AGL Resources	32%	33%	41%	41%	41%
Atmos Energy	40%	39%	45%	41%	38%
Cascade Natural Gas	42%	42%	41%	40%	39%
Energen	45%	47%	55%	51%	56%
Keyspan	33%	32%	35%	42%	47%
Laclede Group	41%	37%	37%	40%	38%
New Jersey Resources	43%	44%	44%	45%	43%
NICOR	50%	51%	41%	43%	42%
Northwest Natural Gas	46%	48%	50%	49%	47%
Peoples Energy	44%	44%	44%	45%	43%
Piedmont Natural Gas	51%	54%	53%	53%	48%
South Jersey Industries	32%	34%	41%	31%	45%
Southwest Gas	31%	33%	33%	34%	36%
UGI	14%	24%	29%	31%	33%
WGL Holdings	48%	48%	49%	52%	58%
Average	39%	41%	43%	43%	44%

Source: AUS Utility Reports.

**COMPARISON COMPANIES
 DIVIDEND YIELD**

COMPANY	DPS	April - June, 2008			YIELD
		HIGH	LOW	AVERAGE	
Value Line Natural Gas Distribution Companies					
AGL Resources	\$1.48	\$38.13	\$34.43	\$36.28	4.1%
Atmos Energy	\$1.26	\$28.03	\$25.55	\$26.79	4.7%
Cascade Natural Gas	\$0.96	\$21.30	\$19.26	\$20.28	4.7%
Energen	\$0.44	\$38.42	\$32.16	\$35.29	1.2%
Keyspan	\$1.86	\$41.10	\$39.68	\$40.39	4.6%
Laclede Group	\$1.42	\$34.75	\$31.70	\$33.23	4.3%
New Jersey Resources	\$1.44	\$47.38	\$42.85	\$45.12	3.2%
NICOR	\$1.86	\$42.29	\$38.72	\$40.51	4.6%
Northwest Natural Gas	\$1.38	\$37.04	\$33.30	\$35.17	3.9%
Peoples Energy	\$2.18	\$38.66	\$35.10	\$36.88	5.9%
Piedmont Natural Gas	\$0.96	\$25.40	\$23.31	\$24.36	3.9%
South Jersey Industries	\$0.90	\$27.89	\$25.63	\$26.76	3.4%
Southwest Gas	\$0.82	\$31.43	\$26.46	\$28.95	2.8%
UGI	\$0.70	\$24.75	\$20.93	\$22.84	3.1%
WGL Holdings	\$1.35	\$30.74	\$27.04	\$28.89	4.7%
Average					3.9%
Morin Electricity Distribution Companies					
American Electric Power	\$1.48	\$35.19	\$32.27	\$33.73	4.4%
Ameren Corp.	\$2.54	\$51.30	\$47.96	\$49.63	5.1%
CenterPoint Energy	\$0.60	\$12.54	\$11.62	\$12.08	5.0%
CH Energy Group	\$2.16	\$48.70	\$44.63	\$46.67	4.6%
Consolidated Edison	\$2.30	\$45.00	\$41.17	\$43.09	5.3%
Constellation Energy	\$1.51	\$55.68	\$50.55	\$53.12	2.8%
Duquesne Light Holdings	\$1.00	\$17.19	\$15.67	\$16.43	6.1%
Energy East Corp.	\$1.16	\$25.39	\$22.18	\$23.79	4.9%
Exelon	\$1.60	\$58.86	\$51.13	\$55.00	2.9%
FirstEnergy Corp.	\$1.80	\$54.57	\$48.23	\$51.40	3.5%
Northeast Utilities	\$0.70	\$21.03	\$19.12	\$20.08	3.5%
NSTAR	\$1.21	\$28.83	\$26.50	\$27.67	4.4%
PEPCO Holdings	\$1.04	\$23.92	\$21.79	\$22.86	4.6%
PPL Corp.	\$1.10	\$32.31	\$27.83	\$30.07	3.7%
Public Service Enter. Group	\$2.28	\$67.63	\$59.00	\$63.32	3.6%
SCANA Corp.	\$1.68	\$40.41	\$36.92	\$38.67	4.3%
Sampira Energy	\$1.20	\$47.29	\$42.90	\$45.10	2.7%
TXU Corp.	\$1.65	\$59.93	\$44.10	\$52.02	3.2%
Vectren Corp.	\$1.22	\$27.52	\$25.24	\$26.38	4.6%
Wisconsin Energy	\$0.92	\$40.91	\$38.16	\$39.54	2.3%
Average					4.1%
Morin Natural Gas Utilities					
AGL Resources	\$1.48	\$38.13	\$34.43	\$36.28	4.1%
Atmos Energy	\$1.26	\$28.03	\$25.55	\$26.79	4.7%
Keyspan Corp.	\$1.86	\$41.10	\$39.68	\$40.39	4.6%
Laclede Group	\$1.42	\$34.75	\$31.70	\$33.23	4.3%
New Jersey Resources	\$1.44	\$47.38	\$42.85	\$45.12	3.2%
Northwest Natural Gas	\$1.38	\$37.04	\$33.30	\$35.17	3.9%
Peoples Energy	\$2.18	\$38.66	\$35.10	\$36.88	5.9%
Piedmont Natural Gas	\$0.96	\$25.40	\$23.31	\$24.36	3.9%
South Jersey Industries	\$0.90	\$27.89	\$25.63	\$26.76	3.4%
Southwest Gas	\$0.82	\$31.43	\$26.46	\$28.95	2.8%
UGI Corp.	\$0.70	\$24.75	\$20.93	\$22.84	3.1%
WGL Corp.	\$1.35	\$30.74	\$27.04	\$28.89	4.7%
Average					4.0%

Source: Yahoo! Finance.

**COMPARISON COMPANIES
 RETENTION GROWTH RATES**

COMPANY	2001	2002	2003	2004	2005	Average	2006	2007	'09-'11	Average
Value Line Natural Gas										
AGL Resources	4.2%	7.0%	6.6%	5.6%	6.2%	5.9%	5.5%	5.5%	5.0%	5.3%
Atmos Energy	2.1%	1.9%	2.8%	1.7%	2.3%	2.2%	2.5%	3.0%	5.0%	3.5%
Cascade Natural Gas	4.6%	1.7%	0.0%	2.1%	0.0%	1.7%	1.0%	2.0%	3.5%	2.2%
Energyn	10.0%	7.0%	12.1%	12.4%	16.1%	11.5%	20.5%	23.0%	16.0%	19.8%
Keyspan	0.0%	4.8%	3.9%	2.7%	2.0%	2.7%	1.0%	2.5%	2.5%	2.0%
Laclede Group	1.8%	0.0%	3.1%	2.7%	3.1%	2.1%	5.0%	4.0%	5.5%	4.8%
New Jersey Resources	6.1%	6.9%	7.7%	7.8%	8.5%	7.4%	8.0%	8.0%	7.0%	7.7%
NICOR	7.9%	6.5%	1.5%	2.1%	2.3%	4.1%	3.0%	3.0%	3.5%	3.2%
Northwest Natural Gas	3.5%	1.9%	2.6%	2.7%	3.7%	2.9%	3.7%	3.7%	3.8%	3.7%
Peoples Energy	5.0%	3.3%	3.4%	0.2%	0.5%	2.5%	0.0%	0.0%	2.5%	0.8%
Piedmont Natural Gas	3.0%	1.7%	3.1%	3.7%	3.6%	3.0%	3.0%	3.5%	4.5%	3.7%
South Jersey Industries	3.5%	4.7%	5.0%	5.9%	6.2%	5.1%	6.5%	6.5%	6.5%	6.5%
Southwest Gas	1.9%	1.9%	1.7%	4.3%	2.2%	2.4%	4.5%	5.5%	6.5%	5.5%
UGI	5.8%	9.7%	9.2%	7.3%	11.5%	8.7%	6.5%	9.0%	7.5%	7.7%
WGL Holdings	3.8%	0.0%	6.2%	4.1%	4.6%	3.7%	2.5%	3.0%	4.5%	3.3%
Average	4.2%	3.9%	4.6%	4.4%	4.9%	4.4%	4.9%	5.5%	5.6%	5.3%
Morin Electricity Distribution Companies										
American Electric Power	3.4%	2.4%	4.5%	5.7%	5.2%	4.2%	5.0%	4.5%	4.5%	4.7%
Ameren Corp.	3.6%	0.2%	2.2%	0.9%	1.7%	1.7%	1.5%	2.0%	2.0%	1.8%
CenterPoint Energy	0.2%	4.3%	16.0%	7.5%	7.8%	7.2%	8.5%	8.5%	7.5%	8.2%
CH Energy Group	3.1%	0.0%	2.0%	1.7%	2.0%	1.8%	1.5%	2.0%	3.0%	2.2%
Consolidated Edison	3.8%	4.0%	2.9%	0.8%	2.6%	2.8%	2.0%	2.5%	2.5%	2.3%
Constellation Energy	6.0%	5.7%	7.0%	7.7%	7.7%	6.8%	8.0%	10.5%	12.0%	10.2%
Duquesne Light Holdings	0.0%	1.5%	2.5%	5.4%	4.5%	2.8%	0.0%	2.0%	4.5%	2.2%
Energy East Corp.	7.1%	2.9%	3.1%	3.8%	3.7%	4.1%	2.0%	2.0%	3.0%	2.3%
Exelon	10.1%	12.8%	11.5%	10.7%	11.7%	11.4%	10.0%	10.5%	10.5%	10.3%
FirstEnergy Corp.	4.3%	4.3%	0.0%	4.9%	4.2%	3.5%	7.0%	7.0%	5.5%	6.5%
Northeast Utilities	5.6%	3.2%	3.7%	1.6%	3.0%	3.4%	3.5%	3.5%	5.0%	4.0%
NSTAR	5.0%	5.2%	5.2%	4.9%	4.7%	5.0%	4.5%	5.0%	5.5%	5.0%
PEPCO Holdings	12.6%	5.3%	2.0%	2.5%	2.4%	5.0%	3.0%	3.0%	4.5%	3.5%
PPL Corp.	20.2%	12.4%	11.7%	9.3%	8.8%	12.5%	9.5%	8.5%	9.5%	9.2%
Public Service Enter. Group	7.8%	8.3%	6.5%	3.5%	5.2%	6.3%	5.0%	6.0%	5.5%	5.5%
SCANA Corp.	4.6%	5.5%	5.5%	5.6%	5.3%	5.3%	4.5%	4.5%	4.5%	4.5%
Sempra Energy	11.9%	13.1%	11.3%	14.9%	10.1%	12.3%	9.0%	8.5%	9.0%	8.8%
TXU Corp.	2.6%	0.0%	9.4%	0.0%	0.0%	2.4%	0.0%	0.0%	17.0%	5.7%
Vectren Corp.	0.3%	4.8%	3.0%	1.9%	4.0%	2.8%	4.0%	4.0%	3.5%	3.8%
Wisconsin Energy	6.0%	8.3%	7.4%	4.9%	7.5%	6.8%	7.0%	7.0%	7.0%	7.0%
Average	5.9%	5.2%	5.9%	4.9%	5.1%	5.4%	4.8%	5.1%	6.3%	5.4%
Morin Natural Gas Utilities										
AGL Resources	4.2%	7.0%	6.6%	5.6%	6.2%	5.9%	5.5%	5.5%	5.0%	5.3%
Atmos Energy	2.1%	1.9%	2.8%	1.7%	2.3%	2.2%	2.5%	3.0%	5.0%	3.5%
KeySpan Corp.	0.0%	4.8%	3.9%	2.7%	2.0%	2.7%	1.0%	2.5%	2.5%	2.0%
Laclede Group	1.8%	0.0%	3.1%	2.7%	3.1%	2.1%	5.0%	4.0%	5.5%	4.8%
New Jersey Resources	6.1%	6.9%	7.7%	7.8%	8.5%	7.4%	8.0%	8.0%	7.0%	7.7%
Northwest Natural Gas	3.5%	1.9%	2.6%	2.7%	3.7%	2.9%	3.7%	3.7%	3.8%	3.7%
Peoples Energy	5.0%	3.3%	3.4%	0.2%	0.5%	2.5%	0.0%	0.0%	2.5%	0.8%
Piedmont Natural Gas	3.0%	1.7%	3.1%	3.7%	3.6%	3.0%	3.0%	3.5%	4.5%	3.7%
South Jersey Industries	3.5%	4.7%	5.0%	5.9%	6.2%	5.1%	6.5%	6.5%	6.5%	6.5%
Southwest Gas	1.9%	1.9%	1.7%	4.3%	2.2%	2.4%	4.5%	5.5%	6.5%	5.5%
UGI Corp.	5.8%	9.7%	9.2%	7.3%	11.5%	8.7%	6.5%	9.0%	7.5%	7.7%
WGL Corp.	3.8%	0.0%	6.2%	4.1%	4.6%	3.7%	2.5%	3.0%	4.5%	3.3%
Average	3.4%	3.7%	4.6%	4.1%	4.5%	4.0%	4.1%	4.5%	5.1%	4.5%

Source: Value Line Investment Survey.

**COMPARISON COMPANIES
PER SHARE GROWTH RATES**

COMPANY	5-Year Historic Growth Rates				Est'd '03-'05 to '09-'11 Growth Rates			
	EPS	DPS	BVPS	Average	EPS	DPS	BVPS	Average
Value Line Natural Gas								
AGL Resources	13.5%	2.0%	8.5%	8.0%	4.0%	6.5%	6.0%	5.5%
Atmos Energy	6.5%	2.0%	8.5%	5.7%	7.0%	2.0%	5.0%	4.7%
Cascade Natural Gas	-3.5%	0.0%	0.0%	-1.2%	9.0%	0.5%	10.0%	6.5%
Energen	21.0%	3.0%	12.5%	12.2%	10.0%	8.0%	8.0%	8.7%
Keyspan	25.5%	1.5%	2.5%	9.8%	1.5%	2.5%	4.0%	2.7%
Laclede Group	4.5%	0.5%	2.5%	2.5%	6.0%	2.0%	5.5%	4.5%
New Jersey Resources	8.5%	3.0%	7.0%	6.2%	4.5%	4.5%	6.0%	5.0%
NICOR	-3.5%	3.5%	1.5%	0.5%	4.0%	1.5%	3.0%	2.8%
Northwest Natural Gas	5.0%	1.0%	3.5%	3.2%	7.0%	4.0%	3.5%	4.8%
Peoples Energy	0.0%	2.0%	0.5%	0.8%	1.5%	0.5%		1.0%
Piedmont Natural Gas	5.0%	5.0%	6.5%	5.5%	6.0%	5.5%	4.5%	5.3%
South Jersey Industries	11.5%	2.5%	13.0%	9.0%	7.0%	6.0%	6.0%	6.3%
Southwest Gas	-0.5%	0.0%	3.0%	0.8%	9.5%	0.0%	4.0%	4.5%
UGI	24.0%	4.0%	20.0%	16.0%	5.5%	5.0%	10.0%	6.8%
WGL Holdings	6.0%	1.5%	3.0%	3.5%	2.0%	2.0%	4.0%	2.7%
Average	8.2%	2.1%	6.2%	5.5%	5.6%	3.4%	5.7%	4.8%
Morin Electricity Distribution Companies								
American Electric Power	3.5%	-9.0%	-3.5%	-3.0%	4.0%	4.0%	5.5%	4.5%
Ameren Corp.	1.5%	0.0%	5.0%	2.2%	1.5%	0.0%	3.0%	1.5%
CenterPoint Energy								
CH Energy Group	-1.5%	0.0%	2.0%	0.2%	3.0%	0.5%	2.0%	1.8%
Consolidated Edison	-2.0%	1.0%	2.5%	0.5%	3.0%	1.0%	3.0%	2.3%
Constellation Energy	7.5%	-7.0%	5.5%	2.0%	13.5%	11.0%	6.5%	10.3%
Duquesne Light Holdings	-12.0%	-8.5%	-14.5%	-11.7%	5.0%	0.0%	5.0%	3.3%
Energy East Corp.	-2.5%	5.0%	6.0%	2.8%	4.0%	4.5%	2.5%	3.7%
Exelon	11.5%		4.0%	7.8%	7.0%	8.0%	7.5%	7.5%
FirstEnergy Corp.	0.0%	2.5%	6.0%	2.8%	11.5%	5.0%	6.5%	7.7%
Northeast Utilities		37.5%	2.0%	19.8%	11.0%	9.0%	2.5%	7.5%
NSTAR	4.0%	1.0%	2.0%	2.3%	6.0%	6.5%	5.5%	6.0%
PEPCO Holdings	-1.0%		0.5%	-0.3%	7.5%	3.0%	3.0%	4.5%
PPL Corp.	8.5%	8.5%	12.0%	9.7%	9.5%	11.5%	9.0%	10.0%
Public Service Enter. Group	2.0%	0.5%	3.5%	2.0%	3.5%	1.5%	5.5%	3.5%
SCANA Corp.	7.0%	2.0%	3.0%	4.0%	4.5%	6.0%	5.5%	5.3%
Sempra Energy	16.0%	-5.0%	10.5%	7.2%	5.5%	4.5%	11.0%	7.0%
TXU Corp.	-4.5%	-12.0%	-24.0%	-13.5%	30.0%	32.0%	31.0%	31.0%
Vectren Corp.	4.0%	3.5%	4.5%	4.0%	4.0%	3.0%	4.0%	3.7%
Wisconsin Energy	7.5%	-11.0%	5.0%	0.5%	6.0%	4.5%	6.0%	5.5%
Average	2.8%	0.5%	1.7%	2.1%	7.4%	6.1%	6.6%	6.7%
Morin Natural Gas Utilities								
AGL Resources	13.5%	2.0%	8.5%	8.0%	4.0%	6.5%	6.0%	5.5%
Atmos Energy	6.5%	2.0%	8.5%	5.7%	7.0%	2.0%	5.0%	4.7%
KeySpan Corp.	25.5%	1.5%	2.5%	9.8%	1.5%	2.5%	4.0%	2.7%
Laclede Group	4.5%	0.5%	2.5%	2.5%	6.0%	2.0%	5.5%	4.5%
New Jersey Resources	8.5%	3.0%	7.0%	6.2%	4.5%	4.5%	6.0%	5.0%
Northwest Natural Gas	5.0%	1.0%	3.5%	3.2%	7.0%	4.0%	3.5%	4.8%
Peoples Energy	0.0%	2.0%	0.5%	0.8%	1.5%	0.5%		1.0%
Piedmont Natural Gas	5.0%	5.0%	6.5%	5.5%	6.0%	5.5%	4.5%	5.3%
South Jersey Industries	11.5%	2.5%	13.0%	9.0%	7.0%	6.0%	6.0%	6.3%
Southwest Gas	-0.5%	0.0%	3.0%	0.8%	9.5%	0.0%	4.0%	4.5%
UGI Corp.	24.0%	4.0%	20.0%	16.0%	5.5%	5.0%	10.0%	6.8%
WGL Corp.	6.0%	1.5%	3.0%	3.5%	2.0%	2.0%	4.0%	2.7%
Average	9.1%	2.1%	6.5%	5.9%	5.1%	3.4%	5.3%	4.5%

Source: Value Line Investment Survey.

**COMPARISON COMPANIES
 DCF COST RATES**

COMPANY	ADJUSTED YIELD	HISTORIC RETENTION GROWTH	PROSPECTIVE RETENTION GROWTH	HISTORIC PER SHARE GROWTH	PROSPECTIVE PER SHARE GROWTH	FIRST CALL EPS GROWTH	AVERAGE GROWTH	DCF RATES
Value Line Natural Gas								
AGL Resources	4.2%	5.9%	5.3%	8.0%	5.5%	4.3%	5.6%	10.0%
Atmos Energy	4.8%	2.2%	3.5%	5.7%	4.7%	5.0%	4.4%	8.2%
Cascade Natural Gas	4.8%	1.7%	2.2%	-1.2%	5.5%	4.0%	2.9%	7.4%
Enbridge	1.3%	11.5%	19.9%	12.2%	8.7%	8.0%	12.0%	13.4%
Keyspan	4.7%	2.7%	2.0%	9.8%	2.7%	4.0%	4.2%	8.9%
Laclede Group	4.4%	2.1%	4.8%	2.5%	4.5%	4.5%	3.7%	8.0%
New Jersey Resources	3.3%	7.4%	7.7%	6.2%	5.0%	6.0%	6.4%	9.7%
NICOR	4.7%	4.1%	3.2%	0.5%	2.8%	3.0%	2.7%	7.4%
Northwest Natural Gas	4.0%	2.9%	3.7%	3.2%	4.8%	6.0%	4.1%	8.1%
Peoples Energy	6.0%	2.5%	0.8%	0.8%	1.0%	4.9%	2.0%	8.0%
Piedmont Natural Gas	4.0%	3.0%	3.7%	5.5%	5.3%	4.2%	4.3%	8.4%
South Jersey Industries	3.5%	5.1%	6.5%	9.0%	6.3%	6.0%	6.6%	10.1%
Southwest Gas	2.9%	2.4%	5.5%	0.8%	4.5%	3.0%	3.2%	6.1%
UGI	3.2%	8.7%	7.7%	16.0%	6.8%	8.0%	9.4%	12.7%
WGL Holdings	4.8%	3.7%	3.3%	3.5%	2.7%	3.5%	3.3%	8.1%
Mean	4.0%	4.4%	5.3%	5.5%	4.8%	5.0%	5.0%	9.0%
Median								8.4%
Composite		8.4%	9.3%	9.6%	8.8%	9.1%	9.0%	
Morin Electricity Distribution Companies								
American Electric Power	4.4%	4.2%	4.7%	-3.0%	4.5%	3.0%	2.7%	7.1%
Ameren Corp.	5.2%	1.7%	1.8%	2.2%	1.5%	4.0%	2.2%	7.4%
CenterPoint Energy	5.1%	7.2%	8.2%			6.0%	7.1%	12.3%
CH Energy Group	4.7%	1.8%	2.2%	0.2%	1.8%		1.5%	8.1%
Consolidated Edison	5.4%	2.8%	2.3%	0.5%	2.3%	4.0%	2.4%	7.8%
Constellation Energy	3.0%	6.8%	10.2%	2.0%	10.3%	13.0%	8.6%	11.4%
Duquesne Light Holdings	6.1%	2.8%	2.2%	-11.7%	3.3%	2.2%	-0.2%	5.8%
Energy East Corp.	5.0%	4.1%	2.3%	2.8%	3.7%	4.0%	3.4%	8.4%
Exelon	3.0%	11.4%	10.3%	7.8%	7.5%	10.0%	9.4%	12.4%
FirstEnergy Corp.	3.6%	3.5%	6.5%	2.8%	7.7%	5.0%	5.1%	8.7%
Northeast Utilities	3.8%	3.4%	4.0%	19.8%	7.5%	7.0%	8.3%	12.0%
NSTAR	4.5%	5.0%	5.0%	2.3%	6.0%	5.0%	4.7%	9.1%
PEPCO Holdings	4.6%	5.0%	3.5%	-0.3%	4.5%	4.0%	3.3%	8.0%
PPL Corp.	3.8%	12.5%	9.2%	9.7%	10.6%	10.0%	10.3%	14.1%
Public Service Enter. Group	3.7%	6.3%	5.5%	2.0%	3.5%	5.0%	4.5%	8.1%
SCANA Corp.	4.4%	5.3%	4.5%	4.0%	5.3%	5.0%	4.8%	9.3%
Sempra Energy	2.8%	12.3%	8.8%	7.2%	7.0%	4.8%	8.0%	10.8%
TXU Corp.	3.3%	2.4%	5.7%	-13.5%	31.0%	11.5%	7.4%	10.7%
Vectren Corp.	4.7%	2.8%	3.8%	4.0%	3.7%	3.5%	3.6%	8.3%
Wisconsin Energy	2.4%	6.9%	7.0%	0.5%	5.5%	8.0%	5.6%	8.0%
Mean	4.2%	5.4%	5.4%	2.1%	6.7%	6.1%	5.1%	9.3%
Median								8.5%
Composite		9.6%	9.6%	6.2%	10.8%	10.2%	9.3%	
Morin Natural Gas Utilities								
AGL Resources	4.2%	5.9%	5.3%	8.0%	5.5%	4.3%	5.6%	10.0%
Atmos Energy	4.8%	2.2%	3.5%	5.7%	4.7%	5.0%	4.4%	8.2%
Keyspan Corp.	4.7%	2.7%	2.0%	9.8%	2.7%	4.0%	4.2%	8.9%
Laclede Group	4.4%	2.1%	4.8%	2.5%	4.5%	4.5%	3.7%	8.0%
New Jersey Resources	3.3%	7.4%	7.7%	6.2%	5.0%	6.0%	6.4%	9.7%
Northwest Natural Gas	4.0%	2.9%	3.7%	3.2%	4.8%	6.0%	4.1%	8.1%
Peoples Energy	6.0%	2.5%	0.8%	0.8%	1.0%	4.9%	2.0%	8.0%
Piedmont Natural Gas	4.0%	3.0%	3.7%	5.5%	5.3%	4.2%	4.3%	8.4%
South Jersey Industries	3.5%	5.1%	6.5%	9.0%	6.3%	6.0%	6.6%	10.1%
Southwest Gas	2.9%	2.4%	5.5%	0.8%	4.5%	3.0%	3.2%	6.1%
UGI Corp.	3.2%	8.7%	7.7%	16.0%	6.8%	8.0%	9.4%	12.7%
WGL Corp.	4.8%	3.7%	3.3%	3.5%	2.7%	3.5%	3.3%	8.1%
Mean	4.1%	4.0%	4.5%	5.9%	4.5%	5.0%	4.8%	8.9%
Median								8.7%
Composite		8.2%	8.7%	10.1%	8.6%	9.2%	8.6%	

Sources: Prior pages of this schedule.

**STANDARD & POOR'S 500 COMPOSITE
 20-YEAR U.S. TREASURY BOND YIELDS
 RISK PREMIUMS**

Year	EPS	BVPS	ROE	20-YEAR T-BOND	RISK PREMIUM
1977		\$79.07			
1978	\$12.33	\$85.35	15.00%	7.90%	7.10%
1979	\$14.86	\$94.27	16.55%	8.86%	7.69%
1980	\$14.82	\$102.48	15.06%	9.97%	5.09%
1981	\$15.36	\$109.43	14.50%	11.55%	2.95%
1982	\$12.64	\$112.46	11.39%	13.50%	-2.11%
1983	\$14.03	\$116.93	12.23%	10.38%	1.85%
1984	\$16.64	\$122.47	13.90%	11.74%	2.16%
1985	\$14.61	\$125.20	11.80%	11.25%	0.55%
1986	\$14.48	\$126.82	11.49%	8.98%	2.51%
1987	\$17.50	\$134.04	13.42%	7.92%	5.50%
1988	\$23.75	\$141.32	17.25%	8.97%	8.28%
1989	\$22.87	\$147.26	15.85%	8.81%	7.04%
1990	\$21.73	\$153.01	14.47%	8.19%	6.28%
1991	\$16.29	\$158.85	10.45%	8.22%	2.23%
1992	\$19.09	\$149.74	12.37%	7.29%	5.08%
1993	\$21.89	\$180.88	13.24%	7.17%	6.07%
1994	\$30.60	\$193.06	16.37%	6.59%	9.78%
1995	\$33.96	\$215.51	16.62%	7.60%	9.02%
1996	\$38.73	\$237.08	17.11%	6.18%	10.93%
1997	\$39.72	\$249.52	16.33%	6.64%	9.69%
1998	\$37.71	\$266.40	14.62%	5.83%	8.79%
1999	\$48.17	\$290.68	17.29%	5.57%	11.72%
2000	\$50.00	\$325.80	16.22%	6.50%	9.72%
2001	\$24.69	\$338.37	7.43%	5.53%	1.90%
2002	\$27.59	\$321.72	8.36%	5.59%	2.77%
2003	\$48.73	\$367.17	14.15%	4.80%	9.35%
2004	\$58.55	\$414.75	14.98%	5.02%	9.96%
Average			14.02%	8.02%	6.00%

Sources: Standard & Poor's Analysts' Handbook, Ibbotson Associates 2006 Yearbook.

**COMPARISON COMPANIES
 CAPM COST RATES
 USING IBBOTSON RISK PREMIUM**

COMPANY	RISK-FREE RATE	BETA	RISK PREMIUM	CAPM RATES
Value Line Natural Gas				
AGL Resources	5.29%	0.95	5.80%	10.8%
Atmos Energy	5.29%	0.75	5.80%	9.6%
Cascade Natural Gas	5.29%	0.85	5.80%	10.2%
Energen	5.29%	0.85	5.80%	10.2%
Keyspan	5.29%	0.90	5.80%	10.5%
Laclede Group	5.29%	0.85	5.80%	10.2%
New Jersey Resources	5.29%	0.80	5.80%	9.9%
NICOR	5.29%	1.20	5.80%	12.3%
Northwest Natural Gas	5.29%	0.75	5.80%	9.6%
Peoples Energy	5.29%	0.90	5.80%	10.5%
Piedmont Natural Gas	5.29%	0.85	5.80%	10.2%
South Jersey Industries	5.29%	0.70	5.80%	9.4%
Southwest Gas	5.29%	0.85	5.80%	10.2%
UGI	5.29%	0.90	5.80%	10.5%
WGL Holdings	5.29%	0.80	5.80%	9.9%
Mean	5.29%	0.86	5.80%	10.3%
Median				10.2%
Morin Electricity Distribution Companies				
American Electric Power	5.29%	1.25	5.80%	12.5%
Ameren Corp.	5.29%	0.75	5.80%	9.6%
CenterPoint Energy	5.29%	0.65	5.80%	9.1%
CH Energy Group	5.29%	0.85	5.80%	10.2%
Consolidated Edison	5.29%	0.70	5.80%	9.4%
Constellation Energy	5.29%	1.05	5.80%	11.4%
Duquesne Light Holdings	5.29%	0.90	5.80%	10.5%
Energy East Corp.	5.29%	0.90	5.80%	10.5%
Exelon	5.29%	0.85	5.80%	10.2%
FirstEnergy Corp.	5.29%	0.80	5.80%	9.9%
Northeast Utilities	5.29%	0.85	5.80%	10.2%
NSTAR	5.29%	0.80	5.80%	9.9%
PEPCO Holdings	5.29%	0.90	5.80%	10.5%
PPL Corp.	5.29%	1.05	5.80%	11.4%
Public Service Enter. Group	5.29%	0.95	5.80%	10.8%
SCANA Corp.	5.29%	0.80	5.80%	9.9%
Sempra Energy	5.29%	1.05	5.80%	11.4%
TXU Corp.	5.29%	1.10	5.80%	11.7%
Vectren Corp.	5.29%	0.85	5.80%	10.2%
Wisconsin Energy	5.29%	0.80	5.80%	9.9%
Mean	5.29%	0.89	5.80%	10.5%
Median				10.2%
Morin Natural Gas Utilities				
AGL Resources	5.29%	0.95	5.80%	10.8%
Atmos Energy	5.29%	0.75	5.80%	9.6%
KeySpan Corp.	5.29%	0.90	5.80%	10.5%
Laclede Group	5.29%	0.85	5.80%	10.2%
New Jersey Resources	5.29%	0.80	5.80%	9.9%
Northwest Natural Gas	5.29%	0.75	5.80%	9.6%
Peoples Energy	5.29%	0.90	5.80%	10.5%
Piedmont Natural Gas	5.29%	0.85	5.80%	10.2%
South Jersey Industries	5.29%	0.70	5.80%	9.4%
Southwest Gas	5.29%	0.85	5.80%	10.2%
UGI Corp.	5.29%	0.90	5.80%	10.5%
WGL Corp.	5.29%	0.80	5.80%	9.9%
Mean	5.29%	0.83	5.80%	10.1%
Median				10.2%

Sources: Value Line Investment Survey, Standard & Poor's Analysts' Handbook, Federal Reserve.

**COMPARISON COMPANIES
 RATES OF RETURN ON AVERAGE COMMON EQUITY**

COMPANY	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	1992-2001 Average	2001-2005 Average	2006	2007	2009-2011
Value Line Natural Gas																			
AGL Resources	11.8%	11.0%	11.6%	13.1%	13.2%	12.7%	12.6%	7.9%	11.2%	12.7%	14.7%	15.3%	13.9%	13.3%	11.8%	14.0%	13.0%	12.5%	12.0%
Atmos Energy	10.7%	12.7%	10.0%	12.2%	14.4%	12.3%	15.8%	6.7%	8.5%	11.1%	10.3%	11.2%	9.1%	9.1%	11.4%	10.2%	8.5%	9.0%	10.5%
Cascade Natural Gas	7.1%	11.0%	6.1%	8.2%	9.6%	9.2%	8.3%	12.1%	13.1%	13.5%	10.6%	8.5%	11.5%	7.8%	9.8%	10.4%	9.0%	9.0%	9.0%
Energen	12.6%	13.4%	13.9%	11.3%	11.9%	12.3%	11.4%	11.3%	14.3%	15.6%	12.4%	17.2%	17.0%	21.0%	12.8%	15.6%	23.5%	26.0%	19.5%
Keyspan	8.3%	11.5%	11.6%	11.4%	11.2%	11.4%	-5.3%	7.4%	10.3%	8.3%	13.3%	12.0%	10.3%	8.3%	8.8%	10.6%	8.0%	9.5%	9.5%
Laclede Group	9.9%	13.4%	11.5%	10.0%	14.0%	13.2%	11.0%	10.0%	9.1%	10.6%	7.8%	11.8%	11.2%	11.1%	11.3%	10.5%	12.0%	11.0%	12.0%
New Jersey Resources	12.1%	11.9%	13.0%	13.3%	13.8%	14.5%	14.6%	14.9%	15.1%	15.2%	15.9%	16.7%	15.8%	16.2%	13.8%	15.0%	15.0%	15.5%	14.5%
NICOR	15.3%	15.3%	15.7%	14.6%	17.0%	16.9%	14.7%	15.7%	18.2%	18.8%	17.3%	12.4%	13.0%	12.8%	16.2%	14.9%	13.0%	12.5%	13.5%
Northwest Natural Gas	6.0%	13.7%	12.2%	11.4%	13.2%	11.2%	8.3%	10.1%	10.2%	10.3%	8.7%	9.2%	9.3%	10.1%	10.5%	9.5%	10.0%	10.5%	10.5%
Peoples Energy	11.9%	11.8%	11.7%	9.7%	15.9%	14.1%	10.9%	11.2%	12.4%	14.1%	12.3%	12.5%	9.4%	10.3%	12.3%	11.7%	9.0%	9.5%	14.5%
Piedmont Natural Gas	14.1%	13.8%	12.2%	12.3%	13.2%	13.8%	13.8%	13.8%	12.1%	12.5%	12.0%	10.8%	12.2%	12.4%	11.8%	13.0%	11.8%	11.0%	11.5%
South Jersey Industries	11.8%	11.0%	8.5%	11.4%	11.1%	11.9%	10.1%	15.6%	15.4%	15.3%	14.0%	13.1%	13.4%	13.2%	12.2%	13.8%	13.0%	13.0%	12.5%
Southwest Gas	5.1%	3.9%	7.5%	0.8%	1.7%	5.4%	10.4%	7.5%	7.3%	8.7%	6.6%	6.2%	8.8%	6.8%	5.6%	7.0%	8.5%	9.5%	8.5%
UGI	9.1%	3.2%	9.0%	4.8%	9.2%	12.9%	10.9%	13.4%	17.4%	22.7%	25.9%	21.9%	18.5%	19.5%	11.3%	21.3%	15.0%	15.5%	13.0%
WGL Holdings	12.5%	12.1%	12.6%	12.4%	15.0%	14.1%	11.3%	10.3%	11.9%	11.9%	7.1%	14.4%	11.9%	12.1%	12.4%	11.5%	10.0%	10.0%	11.0%
Average	10.6%	11.3%	11.1%	10.5%	12.3%	12.4%	10.4%	11.1%	12.5%	13.3%	12.5%	13.0%	12.2%	12.3%	11.5%	12.6%	12.0%	12.3%	12.3%
Composite															11.5%	12.6%			
Morin Electricity Distribution Companies																			
American Electric Power	11.1%	11.8%	12.0%	12.4%	13.2%	13.5%	11.3%	10.5%	4.1%	12.9%	12.3%	12.4%	12.7%	11.7%	11.3%	12.4%	11.0%	11.0%	11.0%
Ameren Corp.	12.7%	12.8%	13.7%	13.1%	12.5%	10.8%	12.7%	12.5%	14.5%	14.3%	10.8%	12.2%	10.0%	10.3%	13.0%	11.5%	9.5%	10.0%	9.5%
CenterPoint Energy	11.8%	12.7%	12.7%	10.6%	11.6%	10.2%	11.0%	10.3%	15.4%	7.5%	9.6%	26.1%	13.1%	17.2%	11.4%	14.7%	21.5%	21.0%	20.0%
CH Energy Group	11.0%	11.1%	10.7%	10.7%	11.3%	10.9%	10.4%	10.2%	10.5%	10.4%	7.0%	9.1%	8.7%	8.9%	10.7%	8.8%	8.0%	8.5%	9.0%
Consolidated Edison	12.0%	12.5%	13.5%	12.7%	12.2%	11.9%	11.9%	12.2%	10.7%	12.2%	11.5%	10.0%	8.0%	10.2%	12.2%	10.4%	9.5%	9.5%	9.5%
Constellation Energy	9.4%	10.4%	10.8%	10.8%	9.6%	10.2%	10.5%	10.9%	11.2%	9.8%	9.8%	11.4%	12.4%	12.4%	10.4%	11.2%	13.5%	16.0%	17.5%
Duquesne Light Holdings	12.4%	12.0%	12.5%	13.2%	13.2%	12.9%	13.1%	14.0%	8.0%	2.7%	16.2%	15.0%	15.8%	14.1%	11.4%	12.7%	10.0%	13.0%	14.0%
Energy East Corp.	10.7%	9.1%	10.3%	10.5%	10.1%	9.9%	11.2%	14.4%	15.1%	13.4%	9.3%	8.3%	9.1%	9.3%	11.5%	9.9%	8.5%	8.5%	9.5%
Exelon									12.3%	18.2%	19.4%	19.7%	20.3%	22.9%		20.1%	21.5%	21.5%	20.0%
FirstEnergy Corp.	10.9%	11.9%	13.2%	13.2%	13.0%	11.3%	10.8%	13.0%	13.3%	12.5%	10.4%	6.0%	10.8%	10.5%	12.3%	10.0%	13.0%	13.0%	11.8%
Northeast Utilities	12.6%	9.4%	12.8%	11.9%	0.1%	-6.2%	-2.3%	-7.3%	-1.3%	8.6%	8.4%	7.1%	5.1%	8.8%	3.8%	6.8%	7.5%	8.0%	10.0%
NSTAR	11.4%	11.9%	12.2%	10.2%	12.6%	12.6%	12.5%	11.4%	12.3%	13.4%	14.0%	13.9%	13.4%	13.1%	12.1%	13.6%	12.5%	13.0%	13.5%
PEPCO Holdings	10.6%	12.0%	10.8%	10.5%	11.7%	10.5%	11.3%	11.7%	8.8%	11.9%	9.8%	7.6%	8.3%	8.1%	11.0%	9.1%	8.5%	11.0%	10.0%
PPL Corp.	13.1%	13.2%	10.6%	12.1%	12.4%	11.7%	15.8%	17.6%	26.1%	27.0%	23.6%	23.1%	16.3%	16.8%	16.0%	21.8%	18.0%	17.0%	18.5%
Public Service Enter. Group	9.5%	13.1%	13.0%	12.3%	11.0%	10.8%	12.6%	15.4%	18.8%	18.8%	19.6%	18.2%	12.8%	14.9%	13.5%	16.9%	14.0%	14.5%	13.0%
SCANA Corp.	11.0%	13.5%	11.0%	11.5%	13.3%	11.7%	12.6%	7.8%	10.7%	10.7%	11.7%	12.4%	12.6%	12.4%	11.4%	12.0%	11.5%	11.5%	11.5%
Sempra Energy	14.3%	14.1%	13.6%	15.1%	14.9%	16.1%	9.5%	13.3%	16.5%	20.0%	20.7%	19.4%	20.7%	15.7%	14.7%	19.3%	13.5%	13.0%	12.5%
TXU Corp.	9.6%	10.7%	8.3%	10.9%	12.9%	10.4%	10.5%	10.8%	10.7%	10.4%	9.7%	12.0%	1.9%	NM	10.5%	8.5%	38.0%	31.0%	
Vectren Corp.	13.9%	13.8%	13.8%	13.6%	13.4%	13.6%	13.2%	10.9%	10.0%	8.8%	13.3%	11.8%	9.9%	12.3%	12.5%	11.2%	12.0%	12.0%	11.0%
Wisconsin Energy	11.4%	11.8%	10.5%	12.9%	11.5%	3.2%	10.0%	11.3%	6.4%	10.6%	12.8%	11.8%	9.0%	11.8%	10.0%	11.2%	10.5%	10.5%	11.0%
Average	11.5%	12.0%	11.9%	12.0%	11.6%	10.3%	11.0%	11.1%	11.7%	12.7%	12.9%	13.4%	11.6%	12.6%	11.6%	12.6%	12.3%	14.0%	13.7%
Composite															11.8%	12.8%			
Morin Natural Gas Utilities																			
AGL Resources	11.8%	11.0%	11.6%	13.1%	13.2%	12.7%	12.6%	7.9%	11.2%	12.7%	14.7%	15.3%	13.9%	13.3%	11.8%	14.0%	13.0%	12.5%	12.0%
Atmos Energy	10.7%	12.7%	10.0%	12.2%	14.4%	12.3%	15.8%	6.7%	8.5%	11.1%	10.3%	11.2%	9.1%	9.1%	11.4%	10.2%	8.5%	9.0%	10.5%
KeySpan Corp.	12.6%	13.4%	13.9%	11.3%	11.2%	11.4%	-6.3%	7.4%	10.3%	8.3%	13.3%	12.0%	10.3%	9.3%	9.4%	10.6%	8.0%	9.5%	8.5%
Laclede Group	9.3%	11.5%	11.6%	11.4%	14.0%	13.2%	11.0%	10.0%	9.1%	10.6%	7.8%	11.8%	11.2%	11.1%	11.2%	10.5%	12.0%	11.0%	12.0%
New Jersey Resources	9.9%	13.4%	11.5%	10.0%	13.8%	14.6%	14.6%	14.9%	15.1%	15.2%	15.9%	16.7%	15.8%	16.2%	13.3%	16.0%	16.0%	15.5%	14.5%
Northwest Natural Gas	12.1%	11.9%	13.0%	13.3%	13.2%	11.2%	8.3%	10.1%	10.2%	10.3%	8.7%	9.2%	9.3%	10.1%	11.2%	9.5%	10.0%	10.5%	10.5%
Peoples Energy	15.3%	15.3%	15.7%	14.6%	15.6%	14.1%	10.9%	11.2%	12.4%	14.1%	12.3%	12.5%	9.4%	10.3%	13.9%	11.7%	8.0%	9.5%	14.5%
Piedmont Natural Gas	6.0%	13.7%	12.2%	11.4%	13.2%	13.8%	13.6%	12.1%	12.5%	12.0%	10.8%	12.2%	12.4%	11.6%	12.1%	11.8%	11.0%	11.5%	12.5%
South Jersey Industries	11.9%	11.8%	11.7%	9.7%	11.1%	11.9%	10.1%	15.6%	15.4%	15.3%	14.0%	13.1%	13.4%	13.2%	12.5%	13.8%	13.0%	13.0%	13.0%
Southwest Gas	14.1%	13.8%	12.2%	12.3%	1.7%	5.4%	10.4%	7.5%	7.3%	8.6%	6.2%	8.8%	6.8%	6.8%	9.1%	7.0%	8.5%	9.5%	9.5%
UGI Corp.	11.8%	11.0%	8.5%	11.4%	8.2%	12.8%	10.9%	13.4%	17.4%	22.7%	25.9%	21.9%	16.5%	19.5%	12.9%	21.3%	15.0%	15.5%	13.0%
WGL Corp.	5.1%	3.9%	7.5%	0.6%	15.0%	14.1%	11.3%	10.3%	11.9%	11.9%	7.1%	14.4%	11.9%	12.1%	9.2%	11.5%	10.0%	10.0%	11.0%
Mean	10.9%	12.0%	11.6%	10.9%	12.1%	12.3%	10.1%	10.6%	11.8%	12.6%	12.3%	13.0%	11.8%	11.9%	11.5%	12.3%	11.2%	11.4%	11.9%
Composite															11.5%	12.3%			

Source: Calculations made from data contained in Value Line Investment Survey.

**COMPARISON COMPANIES
 MARKET TO BOOK RATIOS**

COMPANY	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	1992-2001 Average	2001-2005 Average
Value Line Natural Gas																
AGL Resources	181%	195%	169%	172%	189%	183%	183%	169%	168%	184%	171%	188%	184%	191%	179%	184%
Atmos Energy	158%	194%	186%	196%	248%	241%	246%	216%	187%	170%	150%	152%	147%	145%	202%	153%
Cascade Natural Gas	172%	183%	156%	156%	156%	169%	165%	167%	162%	184%	186%	195%	204%	195%	167%	193%
Energen	136%	171%	160%	145%	161%	186%	174%	147%	189%	215%	160%	194%	242%	319%	168%	226%
KeySpan	146%	167%	157%	155%	164%	170%	149%	124%	156%	172%	158%	158%	160%	148%	156%	159%
Laclede Group	158%	187%	178%	163%	168%	175%	174%	159%	141%	155%	145%	169%	179%	179%	166%	165%
New Jersey Resources	161%	185%	162%	179%	190%	228%	225%	224%	227%	224%	220%	244%	251%	275%	201%	243%
NICOR	179%	216%	195%	187%	220%	242%	260%	226%	227%	239%	199%	185%	210%	222%	219%	211%
Northwest Natural Gas	162%	176%	161%	146%	156%	173%	169%	141%	129%	133%	145%	144%	163%	172%	153%	149%
Peoples Energy	162%	175%	152%	153%	177%	178%	174%	159%	167%	176%	150%	175%	183%	181%	168%	173%
Piedmont Natural Gas	180%	214%	186%	182%	183%	217%	222%	213%	195%	199%	186%	211%	212%	208%	199%	199%
South Jersey Industries	154%	175%	141%	142%	146%	178%	205%	202%	196%	205%	185%	170%	195%	221%	175%	195%
Southwest Gas	81%	100%	103%	103%	121%	129%	139%	147%	120%	127%	123%	118%	127%	137%	117%	126%
UGI	187%	162%	161%	166%	196%	226%	222%	195%	244%	292%	318%	285%	240%	279%	205%	283%
WGL Holdings	173%	189%	165%	164%	178%	199%	197%	176%	177%	177%	152%	162%	175%	183%	180%	170%
Average	159%	178%	161%	161%	177%	193%	194%	178%	178%	190%	177%	183%	191%	204%	177%	189%
Composite															177%	189%
Merin Electricity Distribution Companies																
American Electric Power	143%	159%	143%	156%	176%	187%	191%	154%	147%	179%	138%	124%	155%	161%	164%	151%
Ameren Corp.	169%	182%	160%	170%	175%	174%	180%	167%	163%	173%	163%	162%	161%	171%	172%	168%
CenterPoint Energy	167%	183%	148%	140%	140%	129%	168%	163%	182%	179%	116%	142%	236%	329%	160%	200%
CH Energy Group	123%	133%	107%	112%	114%	135%	155%	133%	125%	141%	152%	147%	149%	146%	128%	147%
Consolidated Edison	141%	160%	125%	125%	127%	138%	186%	170%	129%	142%	144%	146%	143%	154%	144%	146%
Constellation Energy	128%	140%	127%	136%	142%	162%	164%	141%	193%	160%	110%	135%	157%	184%	149%	151%
Duquesne Light Holdings	137%	151%	130%	151%	163%	165%	197%	205%	258%	217%	219%	221%	240%	218%	177%	223%
Energy East Corp.	131%	143%	105%	96%	94%	108%	169%	186%	151%	131%	121%	119%	138%	141%	131%	130%
Exelon									119%	226%	161%	227%	260%	354%		266%
FirstEnergy Corp.	137%	154%	131%	137%	137%	140%	166%	144%	124%	136%	131%	152%	154%	169%	141%	144%
Northeast Utilities	154%	149%	127%	124%	95%	64%	91%	113%	136%	129%	99%	95%	105%	116%	118%	109%
NSTAR	138%	154%	130%	130%	125%	146%	181%	168%	161%	170%	161%	139%	175%	189%	202%	149%
PEPCO Holdings	160%	162%	135%	138%	161%	151%	161%	165%	139%	124%	110%	103%	108%	122%	150%	114%
PPL Corp.	170%	181%	144%	138%	143%	128%	176%	232%	257%	352%	225%	178%	186%	191%	245%	205%
Public Service Enter. Group	139%	160%	131%	129%	128%	122%	164%	184%	145%	134%	135%	137%	158%	171%	179%	160%
SCANA Corp.	161%	168%	157%	165%	175%	194%	195%	145%	201%	145%	158%	172%	178%	186%	179%	174%
Sempra Energy	187%	200%	166%	167%	171%	178%	203%	173%	165%	180%	155%	172%	178%	186%	179%	174%
TXU Corp.	134%	153%	125%	132%	158%	134%	151%	135%	118%	141%	147%	115%	118%	NM	NM	134%
Vectren Corp.	199%	192%	157%	162%	171%	180%	209%	215%	180%	181%	174%	170%	176%	185%	185%	177%
Wisconsin Energy	178%	177%	160%	172%	169%	154%	165%	152%	119%	126%	129%	147%	155%	168%	159%	145%
Average	152%	164%	137%	141%	145%	145%	173%	165%	160%	172%	152%	156%	175%	195%	166%	169%
Composite															166%	170%
Merin Natural Gas Utilities																
AGL Resources	181%	195%	169%	172%	189%	183%	183%	169%	168%	184%	171%	188%	184%	191%	179%	184%
Atmos Energy	158%	194%	186%	196%	248%	241%	246%	216%	187%	170%	150%	152%	147%	145%	202%	153%
KeySpan Corp.	146%	167%	157%	155%	164%	170%	149%	124%	156%	172%	158%	158%	160%	148%	156%	159%
Laclede Group	158%	187%	178%	163%	168%	175%	174%	159%	141%	155%	145%	169%	179%	179%	166%	165%
New Jersey Resources	161%	185%	162%	179%	190%	228%	225%	224%	227%	224%	220%	244%	251%	275%	201%	243%
Northwest Natural Gas	162%	176%	161%	146%	156%	173%	169%	141%	129%	133%	145%	144%	163%	172%	153%	149%
Peoples Energy	162%	175%	152%	153%	177%	178%	174%	159%	167%	176%	150%	175%	183%	181%	168%	173%
Piedmont Natural Gas	180%	214%	186%	182%	183%	217%	222%	213%	195%	199%	186%	211%	212%	208%	199%	199%
South Jersey Industries	154%	175%	141%	142%	146%	178%	209%	202%	196%	205%	185%	170%	195%	221%	175%	195%
Southwest Gas	81%	100%	103%	103%	121%	129%	139%	147%	120%	127%	123%	118%	127%	137%	117%	126%
UGI Corp.	187%	162%	161%	166%	196%	226%	222%	195%	244%	292%	318%	285%	240%	279%	205%	283%
WGL Corp.	173%	189%	165%	164%	178%	199%	197%	176%	177%	177%	152%	162%	175%	183%	180%	170%
Mean	159%	177%	160%	160%	176%	192%	192%	178%	174%	185%	175%	181%	184%	193%	176%	184%
Composite															176%	184%

Source: Calculations made from data contained in Value Line Investment Survey.

**STANDARD & POOR'S 500 COMPOSITE
 RETURNS AND MARKET-TO-BOOK RATIOS
 1992 -2004**

YEAR	RETURN ON AVERAGE EQUITY	MARKET-TO BOOK RATIO
1992	12.2%	271%
1993	13.2%	272%
1994	16.4%	246%
1995	16.6%	264%
1996	17.1%	299%
1997	16.3%	354%
1998	14.6%	421%
1999	17.3%	481%
2000	16.2%	453%
2001	7.5%	353%
2002	8.4%	296%
2003	14.2%	278%
2004	15.0%	291%
Averages:		
1992-2001	14.7%	341%
2000-2004	12.3%	334%

Source: Standard & Poor's Analyst's Handbook, 2005 edition, page 1.

RISK INDICATORS

GROUP	VALUE LINE SAFETY	VALUE LINE BETA	VALUE LINE FIN STR	S & P STK RANK
S & P's 500 Composite	2.7	1.05	B++	B+
Value Line Natural Gas	2.1	0.86	B++	B+
Morin Electricity	2.2	0.89	B++	B+
Morin Natural Gas	1.9	0.83	B++	B+
Cascade Natural Gas	3.0	0.85	B+	B+

Sources: Value Line Investment Survey, Standard & Poor's Stock Guide.

Definitions:

Safety rankings are in a range of 1 to 5, with 1 representing the highest safety or lowest risk.

Beta reflects the variability of a particular stock, relative to the market as a whole. A stock with a beta of 1.0 moves in concert with the market, a stock with a beta below 1.0 is less variable than the market, and a stock with a beta above 1.0 is more variable than the market.

Financial strengths range from C to A++, with the latter representing the highest level.

Common stock rankings range from D to A+, with the later representing the highest level.

RISK INDICATORS

COMPANY	VALUE LINE SAFETY	VALUE LINE BETA	VALUE LINE FINANCIAL STRENGTH		S & P STOCK RANKING	
Value Line Natural Gas						
AGL Resources	2	0.95	B++	3.67	A-	3.67
Atmos Energy	2	0.75	B+	3.33	B+	3.33
Cascade Natural Gas	3	0.85	B+	3.33	B+	3.33
Energen	3	0.85	B++	3.67	A	4.00
Keyspan	2	0.90	B++	3.67	B	3.00
Laclede Group	2	0.85	B+	3.33	B+	3.33
New Jersey Resources	2	0.80	B++	3.67	A	4.00
NICOR	3	1.20	A	4.00	B	3.00
Northwest Natural Gas	1	0.75	A	4.00	B+	3.33
Peoples Energy	2	0.90	B++	3.67	B	3.00
Piedmont Natural Gas	2	0.85	B++	3.67	A-	3.67
South Jersey Industries	2	0.70	B++	3.67	B+	3.33
Southwest Gas	3	0.85	B	3.00	B+	3.33
UGI	2	0.90	B+	3.33	A	4.00
WGL Holdings	1	0.80	A	4.00	B+	3.33
Average	2.1	0.86	B++	3.60	B+	3.44
Morin Electricity Distribution Companies						
American Electric Power	3	1.25	B++	3.67	B	3.00
Ameren Corp.	1	0.75	A+	4.33	A-	3.67
CenterPoint Energy	3	0.65	B	3.00	B	3.00
CH Energy Group	1	0.85	A	4.00	A-	3.67
Consolidated Edison	1	0.70	A++	4.67	B+	3.33
Constellation Energy	2	1.05	A	4.00	B	3.00
Duquesne Light Holdings	4	0.90	B	3.00	B	3.00
Energy East Corp.	2	0.90	B++	3.67	B+	3.33
Exelon	1	0.85	A+	4.33	B+	3.33
FirstEnergy Corp.	2	0.80	A	4.00	B+	3.33
Northeast Utilities	3	0.85	B+	3.33	B	3.00
NSTAR	1	0.80	A	4.00	A-	3.67
PEPCO Holdings	3	0.90	B	3.00	B	3.00
PPL Corp	2	1.05	B++	3.67	B	3.00
Public Service Enter. Group	3	0.95	B+	3.33	B+	3.33
SCANA Corp.	2	0.80	A	4.00	B	3.00
Sempra Energy	2	1.05	A	4.00	B	3.00
TXU Corp.	3	1.10	B	3.00	B	3.00
Vectren Corp.	2	0.85	A	4.00	B+	3.33
Wisconsin Energy	2	0.80	B++	3.67	B	3.00
Average	2.2	0.89	B++	3.73	B+	3.20
Morin Natural Gas Utilities						
AGL Resources	2	0.95	B++	3.67	A-	3.67
Atmos Energy	2	0.75	B+	3.33	B+	3.33
KeySpan Corp.	2	0.90	B++	3.67	B	3.00
Laclede Group	2	0.85	B+	3.33	B+	3.33
New Jersey Resources	2	0.80	B++	3.67	A	4.00
Northwest Natural Gas	1	0.75	A	4.00	B+	3.33
Peoples Energy	2	0.90	B++	3.67	B	3.00
Piedmont Natural Gas	2	0.85	B++	3.67	A-	3.67
South Jersey Industries	2	0.70	B++	3.67	B+	3.33
Southwest Gas	3	0.85	B	3.00	B+	3.33
UGI Corp.	2	0.90	B+	3.33	A	4.00
WGL Corp.	1	0.80	A	4.00	B+	3.33
Average	1.9	0.83	B++	3.58	B+	3.44

**CASCADE NATURAL GAS
TOTAL COST OF CAPITAL
AS OF DECEMBER 31, 2005**

Item	Amount	Percent	Cost	Weighted Cost
Long-Term Debt	\$165,726,000	1/ 54.78%	7.58%	3/ 4.15%
Short-Term Debt	\$12,363,095	2/ 4.09%	6.59%	2/ 0.27%
Common Equity	\$124,430,000	1/ 41.13%	9.75%	4.01%
Total	\$302,519,095	100.00%		8.43%

1/ From Cascade Natural Gas Form 10-Q for period ending December 31, 2005.

2/ See Page 2 of this Schedule.

3/ From Company Filing.

**CASCADE NATURAL GAS
MONTHLY AMOUNTS OF SHORT-TERM DEBT
2005**

Month	Amount
Jan	\$33,306,452
Feb	\$11,432,143
Mar	\$9,338,710
Apr	\$6,500,000
May	\$3,806,452
Jun	\$9,480,000
Jul	\$19,183,871
Aug	\$19,832,258
Sep	\$8,231,667
Oct	\$9,858,065
Nov	\$10,113,333
Dec	\$7,274,194
Average	\$12,363,095

Short-Term Debt Cost Rates As of June 30, 2006

Prime	8.00%
1 Month	6.13%
2 Month	6.19%
3 Month	6.25%
6 Month	6.38%
Average	6.59%

Source: Response to WUTC Staff Data Request No. 27 and 177.

**CASCADE NATURAL GAS
 PRE-TAX COVERGE**

Item	Percent	Cost	Weighted Cost	Pre-Tax Cost
Long-Term Debt	54.78%	7.58%	4.15%	4.15%
Short-Term Debt	4.09%	6.59%	0.27%	0.27%
Common Equity	41.13%	9.75%	4.01%	6.7% (1)
Total	100.00%		8.43%	11.11%

(1) Post-tax weighted cost divided by .60 (composite tax factor).

Pre-tax coverage = $11.11\% / (4.15\% + 0.27\%)$
2.51

Standard & Poor's Utility Benchmark Ratios:

	A	BBB
Pre-tax coverage (x)	2.3 - 2.9x	1.3 - 2.3x
Total Debt to Total Capital (%)	52 - 58%	58 - 68%

Note: Standard & Poor's no longer employs the pre-tax coverage ratios as one of its qualitative ratings criteria. The above-cited benchmark ratios reflect the 1999 criteria reported by S&P.

**RISK PREMIUM BY DECADE AS
 DERIVED BY CASCADE WITNESS MORIN**

Year	Risk Premium	Risk Premium By Decade
1954		
1955	12.10%	
1956	9.96%	
1957	-10.08%	
1958	61.21%	
1959	11.28%	16.89%
1960	12.63%	
1961	39.69%	
1962	-11.84%	
1963	10.85%	
1964	5.80%	
1965	-2.81%	
1966	-16.60%	
1967	7.04%	
1968	11.42%	
1969	-9.37%	4.68%
1970	14.91%	
1971	-15.06%	
1972	12.64%	
1973	-5.46%	
1974	-27.69%	
1975	37.43%	
1976	28.07%	
1977	6.70%	
1978	-0.71%	
1979	26.76%	7.76%
1980	18.52%	
1981	0.92%	
1982	-27.89%	
1983	17.91%	
1984	21.43%	
1985	-11.83%	
1986	-0.08%	
1987	-4.39%	
1988	11.08%	
1989	23.34%	4.90%
1990	-6.63%	
1991	0.29%	
1992	9.66%	
1993	1.03%	
1994	-4.94%	
1995	-1.81%	
1996	13.54%	
1997	4.53%	
1998	-16.26%	
1999	8.51%	0.79%
2000	3.56%	
2001	-3.29%	

Source: Calculations made from data contained on (RAM-4).