

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Complainant,

v.

CASCADE NATURAL GAS CORPORATION,

Respondent.

DOCKET UG-200568

DR. J. RANDALL WOOLRIDGE ON BEHALF OF PUBLIC COUNSEL

EXHIBIT JRW-3

Summary Financial Statistics for Proxy Groups

November 19, 2020

Exhibit JRW-3

Cascade Natural Gas Corporation

Gas Proxy Group

Company	Operating Revenue (\$mil)	Percent Gas Revenue	Percent Elec Revenue	Net Plant (\$mil)	Market Cap (\$mil)	S&P Issuer Credit Rating	Moody's Issuer Credit Rating	Pre-Tax Interest Coverage	Primary Service Area	Common Equity Ratio	Return on Equity	Market to Book Ratio
Atmos Energy Company (NYSE-ATO)	\$2,901.8	95%	0%	\$11,787.67	\$13,191.3	A	NR	7.26x	TX,LA,MS,CO,KS,KY	59.0%	9.7%	2.29
Chesapeake Utilities (NYSE-CPK)	\$479.6	45%	16%	\$1,475.36	\$1,498.6	NR	NR	4.66x	DE,MD,FL	43.0%	11.3%	2.67
New Jersey Resources Corp. (NYSE-NJR)	\$2,592.0	27%	0%	\$3,041.17	\$3,595.4	NR	NR	3.10x	NJ	49.5%	11.4%	2.32
Nisource Inc (NYSE-NI)	\$5,208.9	68%	33%	\$16,976.40	\$10,917.4	BBB+	Baa2	3.33x	IN,OH,PA,KY,VA,MD,MA	38.0%	6.6%	1.82
Northwest Natural Holdings (NYSE-NWN)	\$746.4	97%	0%	\$2,441.85	\$2,017.0	NR	NR	3.36x	OR,WA	45.6%	8.0%	2.33
ONE Gas, Inc.(NYSE-OGS)	\$1,652.7	100%	0%	\$4,599.43	\$4,569.7	A	A2	4.62x	OK,KS,TX	53.7%	9.0%	2.15
South Jersey Industries, Inc. (NYSE-SJI)	\$1,628.6	55%	5%	\$4,075.44	\$2,653.0	BBB	NR	1.81x	NJ	29.5%	5.7%	1.86
Southwest Gas Company (NYSE-SWX)	\$3,119.92	46%	0%	\$6,337.30	\$3,215.9	BBB+	Baa1	3.47	AZ,NV,CA	46.7%	9.0%	1.50
Spire (NYSE-SR)	\$1,952.4	95%	0%	\$4,829.80	\$4,060.9	A-	Baa2	2.97x	MO	47.0%	7.9%	1.60
Mean	\$2,253.6	70%	6%	\$6,173.8	\$5,079.9	A-/BBB+	Baa1	3.84		45.8%	8.7%	2.06
Median	\$1,952.4	68%	0%	\$4,599.4	\$3,595.4	A-/BBB+	Baa1	3.36		46.7%	9.0%	2.15

Data Source: S&P Capital IQ, 2019 Fiscal Year-end data.

Exhibit JRW-3
Cascade Natural Gas Corporation
Value Line Risk Metrics

Gas Proxy Group

Company	Beta	Financial Strength	Safety	Earnings Predictability	Stock Price Stability
Atmos Energy Company (NYSE-ATO)	0.80	A+	1	100	95
Chesapeake Utilities (NYSE-CPK)	0.75	A	2	95	85
New Jersey Resources Corp. (NYSE-NJR)	0.90	A+	2	45	85
Nisource Inc (NYSE-NI)	0.85	B+	3	40	95
Northwest Natural Gas Co. (NYSE-NWN)	0.80	A	1	5	90
ONE Gas, Inc. (NYSE-OGS)	0.80	A	2	95	95
South Jersey Industries, Inc. (NYSE-SJI)	1.00	A	3	65	70
Southwest Gas Company (NYSE-SWX)	0.90	A	3	95	85
Spire (NYSE-SR)	0.80	B++	2	65	95
Mean	0.84	A	2.1	67	88

Data Source: *Value Line Investment Survey*, 2020.

Value Line Risk Metrics

Beta

A relative measure of the historical sensitivity of a stock's price to overall fluctuations in the New York Stock Exchange Composite Index. A beta of 1.50 indicates a stock tends to rise (or fall) 50% more than the New York Stock Exchange Composite Index. The "coefficient" is derived from a regression analysis of the relationship between weekly percentage changes in the price of a stock and weekly percentage changes in the NYSE Index over a period of five years. In the case of shorter price histories, a smaller time period is used, but two years is the minimum. Betas are adjusted for their long-term tendency to converge toward 1.00.

Financial Strength

A relative measure of the companies reviewed by *Value Line*. The relative ratings range from A++ (strongest) down to C (weakest).

Safety Rank

A measurement of potential risk associated with individual common stocks. The Safety Rank is computed by averaging two other *Value Line* indexes the Price Stability Index and the Financial strength Rating. Safety Ranks range from 1 (Highest) to 5 (Lowest). Conservative investors should try to limit their purchases to equities ranked 1 (Highest) and 2 (Above Average) for Safety.

Earnings Predictability

A measure of the reliability of an earnings forecast. Earnings Predictability is based upon the stability of year-to-year comparisons, with recent years being weighted more heavily than earlier ones. The most reliable forecasts tend to be those with the highest rating (100); the least reliable, the lowest (5). The earnings stability is derived from the standard deviation of percentage changes in quarterly earnings over an eight-year period. Special adjustments are made for comparisons around zero and from plus to minus.

Stock Price Stability

A measure of the stability of a stock's price. It includes sensitivity to the market (see Beta as well as the stock's inherent volatility). *Value Line's* Stability ratings range from 1 (highest) to 5 (lowest).

Source: *Value Line Investment Analyzer*.