

**BEFORE THE WASHINGTON  
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Complainant,

v.

CASCADE NATURAL GAS CO.,

Respondent.

---

DOCKET UG-240008

**MICHAEL P. GORMAN  
ON BEHALF OF THE  
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL  
PUBLIC COUNSEL UNIT**

---

**EXHIBIT MPG-10**

Sustainable Growth Rate

September 25, 2024

## Cascade Natural Gas Corporation

### Sustainable Growth Rate

Line	Company	3 to 5 Year Projections										Sustainable Growth Rate (11)
		Dividends Per Share (1)	Earnings Per Share (2)	Book Value Per Share (3)	Book Value Growth (4)	ROE (5)	Adjustment Factor (6)	Adjusted ROE (7)	Payout Ratio (8)	Retention Rate (9)	Internal Growth Rate (10)	
		1	Atmos Energy Corporation	\$4.25	\$8.35	\$83.50	2.22%	10.00%	1.01	10.11%	50.90%	
2	NiSource Inc.	\$1.20	\$2.20	\$20.40	- 1.77%	10.78%	0.99	10.69%	54.55%	45.45%	4.86%	4.90%
3	Northwest Natural Holding Company	\$1.98	\$3.20	\$36.10	0.94%	8.86%	1.00	8.91%	61.88%	38.13%	3.40%	3.68%
4	ONE Gas, Inc.	\$2.85	\$5.00	\$60.20	3.52%	8.31%	1.02	8.45%	57.00%	43.00%	3.63%	3.67%
5	Spire Inc.	\$3.60	\$5.50	\$66.05	4.65%	8.33%	1.02	8.52%	65.45%	34.55%	2.94%	3.55%
6	<b>Average</b>	<b>\$2.78</b>	<b>\$4.85</b>	<b>\$53.25</b>	<b>1.91%</b>	<b>9.26%</b>	<b>1.01</b>	<b>9.33%</b>	<b>57.95%</b>	<b>42.05%</b>	<b>3.96%</b>	<b>4.51%</b>

Sources and Notes:

Cols. (1), (2) and (3): *The Value Line Investment Survey*, May 24, 2024.

Col. (4): [ Col. (3) / Page 2 Col. (2) ] ^ (1/number of years projected) - 1.

Col. (5): Col. (2) / Col. (3).

Col. (6): [ 2 \* (1 + Col. (4)) ] / (2 + Col. (4)).

Col. (7): Col. (6) \* Col. (5).

Col. (8): Col. (1) / Col. (2).

Col. (9): 1 - Col. (8).

Col. (10): Col. (9) \* Col. (7).

Col. (11): Col. (10) + Page 2 Col. (9).

## Cascade Natural Gas Corporation

### Sustainable Growth Rate

<u>Line</u>	<u>Company</u>	<u>13-Week</u>	<u>2022</u>	<u>Market</u>	<u>Common Shares</u>		<u>Growth</u>	<u>S Factor</u> <sup>3</sup>	<u>V Factor</u> <sup>4</sup>	<u>S * V</u>
		<u>Average</u>	<u>Book Value</u>	<u>to Book</u>	<u>Outstanding (in Millions)</u> <sup>2</sup>					
		<u>Stock Price</u> <sup>1</sup>	<u>Per Share</u> <sup>2</sup>	<u>Ratio</u>	<u>2022</u>	<u>3-5 Years</u>	<u>(6)</u>	<u>(7)</u>	<u>(8)</u>	<u>(9)</u>
		(1)	(2)	(3)	(4)	(5)				
1	Atmos Energy Corporation	\$120.12	\$73.20	1.64	148.49	175.00	2.78%	4.55%	39.06%	1.78%
2	NiSource Inc.	\$29.61	\$22.71	1.30	446.38	450.00	0.13%	0.18%	23.31%	0.04%
3	Northwest Natural Holding Company	\$37.37	\$34.12	1.10	37.63	45.00	3.03%	3.31%	8.70%	0.29%
4	ONE Gas, Inc.	\$64.36	\$48.91	1.32	56.55	57.00	0.13%	0.17%	24.00%	0.04%
5	Spire Inc.	\$62.03	\$50.29	1.23	53.20	62.00	2.58%	3.19%	18.93%	0.60%
6	<b>Average</b>	<b>\$62.70</b>	<b>\$45.85</b>	<b>1.32</b>	<b>148.45</b>	<b>157.80</b>	<b>1.73%</b>	<b>2.28%</b>	<b>22.80%</b>	<b>0.55%</b>

Sources and Notes:

<sup>1</sup> S&P Global Intelligence, Downloaded on August 16, 2024.

<sup>2</sup> *The Value Line Investment Survey*, May 24, 2024.

<sup>3</sup> Expected Growth in the Number of Shares, Column (3) \* Column (6).

<sup>4</sup> Expected Profit of Stock Investment, [ 1 - 1 / Column (3) ].