



American Gas Association

# Energy Analysis

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## 2002-2004 PERFORMANCE BENCHMARKS FOR NATURAL GAS UTILITIES

### I. INTRODUCTION

Summary data of gas utility financial profiles and performance appear in this Energy Analysis. The intent is to provide industry participants and observers with relative measures of financial returns and operational efficiencies of natural gas distribution companies. For this study, the American Gas Association (AGA) collected data from its members. The data source for these benchmarking metrics is the Uniform Statistical Report (USR), which is administered annually by AGA on behalf of its member companies. Results are presented for the years 2002 through 2004. Additional information, including company specific information, is included in an attachment to this analysis and available only to AGA member companies.

For study purposes, the gas utility industry is segmented into distinct groups: investor-owned gas-only utilities, investor-owned combination gas and electric utilities, and municipally owned gas utilities. Summary results are segmented in this sample accordingly. Comprehensive details are provided in the appendices.

### II. BACKGROUND

**THE NATURAL GAS DISTRIBUTION INDUSTRY.** Approximately 1,400 utilities distribute natural gas to end-use consumers in the U.S. For this analysis, a total of 77 companies were studied for 2004, 78 firms were included in the 2003 sample and the 2002 sample comprised 77 firms.<sup>1</sup> They are located across the continental U.S., and each company has a unique combination of scale, load profile, and climatic attributes. In aggregate, the firms included in this study accounted for 35 percent of natural gas consumed in 2004, 31 percent in 2003 and 33 percent of natural gas consumed in 2002.<sup>2</sup> *Given this sample size, any inferences about the sample's depiction of the entire industry are accordingly limited.*

Many AGA member companies are gas-only investor-owned utilities, as are the majority of the companies in this analysis. These companies earn returns that accrue to their investors. State-level public utility commissions regulate much of their operations, finance, and capital investment activities.

<sup>1</sup> This set number was determined after eliminating member companies for whom data was either incomplete or not provided at all. Firms with zero net income are excluded from the analysis. This is not a scientific sample in that sample stratification by segment type does not reflect population stratification. See Appendix 9 for list of companies included.

<sup>2</sup> Natural gas distributed for end-use consumption totaled 20.6 Tcf in 2004, 20.2 Tcf in 2003, and 21.2 Tcf in 2002. U.S. Department of Energy / Energy Information Administration, *Natural Gas Monthly*.

Combination utilities have the franchise rights to transport and sell both gas and electric power commodities. These are also investor-owned firms with financial obligations to shareholders. Like the gas-only investor-owned firms, these companies are subject to various state and federal regulations.

Municipal utilities are publicly owned by the citizens of the jurisdictions that the utilities serve. Local governments enjoy tax-free bond-issuing capabilities, usually at interest rates lower than can be obtained by investor-owned utilities. Ultimately, such debt is usually collateralized by these utilities' abilities to secure tax revenue to back up debt commitments. What an investor-owned utility would pay out in dividends accrues instead to the municipal company's citizen-shareholders in the form of lower rates. Municipal utility regulation is performed primarily by local governments as opposed to state-level commissions.<sup>3</sup>

*DESCRIPTION OF DATA SOURCES.* Financial data about AGA member companies are drawn from the Uniform Statistical Report (USR). Member company staff prepares these standardized forms annually for collection by AGA, but companies may choose to withhold any or all of the requested data. Some of the USR duplicates the information found in audited end-of-year financial statements, but the USR requests additional information, such as heating degree-day profiles, type of sales by customer class, number of customers served, and various employment profile statistics. Data for miles of mains came from the US Department of Transportation, Office of Pipeline Safety.

*DATA LIMITATIONS.* Since the data used for this analysis are annual figures only, a few inferential limitations should be noted. First, a single year's data for gas distribution operations are influenced by weather patterns for that year. For the U.S. as a whole, 2004 was 6.3 percent warmer than normal, 2003 was 2.5 percent warmer than normal, and 2002 was 2.1 percent warmer than normal.<sup>4</sup> The deviation between actual heating degree days (HDDs) vs. historic normals will vary by location. This in turn suggests that utility benchmarks may slightly overstate or understate overall utility financial performance or efficiency of operations when impacted by weather.

Another limitation is that the ability to perform trend analysis is somewhat limited. While three years worth of data are presented here, comparison of actual values (total revenues for example) from year to year can be distorted by changes in sample size. Also, variances in weather can affect these trends. Finally, the data set is only three years and this limits the ability to compare longer-term trends.

Sample size and composition must also be considered as a potential limitation. The industry segment sample sizes used in this study are not consistently proportional to their respective populations. Additionally, the sample size—measured both in number of companies, and more importantly as percentage of total gas deliveries—has declined over time. Finally, specific company participation in the data collection varies significantly from year to year. **This makes annual comparisons of absolute values, such as total number of therms sold, difficult and any resulting conclusions suspect.** However, the purpose of ratio analysis is to address this problem and facilitates annual comparisons.

One final consideration is the increased prevalence of transportation services to gas utilities. Transportation customers represent about five percent of total customers, yet these

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<sup>3</sup> Note that relatively few financial profiles were available for the municipal segment. The operations data used here considers only gas activities. The financial profiles of gas-only and combination municipal utilities are blended together for summary purposes.

<sup>4</sup> Source: A.G.A. *Gas Facts*, Table 6-16.

customers account for more than one-third of total gas delivered. A growing percentage of transportation volumes impacts metrics based on total gas revenue.

### III. BENCHMARKING METRICS

Benchmarking metrics created for this study take several forms. Typical accounting ratios based on income statements and balance sheets serve as financial performance indicators. Financial statements are also recast in “same-size” formats, which present line items in percentage terms. Other benchmarks describe numbers of employees, meters, and volumes of gas throughput. All AGA data are summarized so that no individual company statistics are revealed. Additionally, summaries are created which divide the industry into type-of-company segments. These include gas utilities, combination gas & electric utilities, and municipally owned gas utilities.<sup>5</sup> Appendix 2 is a series of charts that display the range of observations for selected benchmarking metrics. Appendix 9 shows the list of companies that were included in this analysis.

- *Utility Operating Profiles - Absolute Values (Section IV-A and Appendix 3a).* System profiles are summarized here by type of company. This data includes information on gas volumes delivered as well as the number of customers by class.
- *Financial Statements - Absolute Values (Section IV-B and Appendix 3b).* Income statement and balance sheet data are summarized here by type of company.<sup>6</sup> Income statement amounts are expressed in absolute dollars in Appendix 3b. Note that these items represent gas operations only.
- *Financial Statements - Same-Size Analysis (Appendix 3c).* The financial statement data shown in absolute values are re-cast in percentage terms for a same-size analysis. Income statement line items are in percentages relative to operating revenue while balance sheet items are expressed as a percentage of total assets. This shows the disposition of a firm’s revenue and composition of its asset base without respect to the size of an individual firm.
- *Financial Statements - Per Cost Driver (Section IV-B and Appendix 3d).* Income statements are shown in several formats: per therm delivered, per customer served, per dollar value of gas plant in service, and per mile of main and service pipe in operation.
- *Financial Ratios (Section IV-D and Appendix 3e).* These are conventional financial analysis tools, and they compare a company’s financial status to other firms or types of firms. Ratios are calculated from group totals or weighted averages (explanations are provided in the Glossary, Appendix 1).
- *O&M Detail Analysis (Section IV-C and Appendix 4).* These cost elements represent major gas delivery activities, starting with purchase or production and continuing sequentially through transmission, distribution, customer service, sales activities, and administrative and general (A&G) accounting. These results are also arrayed by type of company. Benchmarks for these data are created by expressing each line item on a basis of annual costs per therm delivered. See Table 3 for more detail.

<sup>5</sup> See Glossary in Appendix 1 for a definition of these categories.

<sup>6</sup> Appendix 3a financial statements are in thousands of dollars.

- *Debt Analysis - Ratios (Section IV-E).* Data are presented to highlight various measures of debt. These include debt as a percent of capitalization and interest coverage ratios. The data in this section necessarily include both gas and electric operations.
- *Wages and benefits: Ratios and Same-Size Analysis (Section IV-G and Appendix 5).* Data about utility employment and benefits profiles are included. These measures are intended to illustrate the norms for staffing levels and expenses as they vary by type of firm. Benchmark measures include:
  - » Total salaries and wages per employee
  - » Total benefits and pensions per employee
  - » Ratio of total benefits to total compensation
  - » Annual therm throughput per employee
  - » Average annual customers served per employee
- *Profitability (Section IV-F and Appendix 6).* Profitability is expressed here in terms of return on assets as well as return on common equity. Since ROA measures the returns attributable to operations (prior to finance costs), ROA is used to describe the relative economic efficiency of natural gas distribution by industry segment. This section will examine selected cost drivers-- numbers of therms sold, of customers served, dollars of gas plant utilized, and miles of pipe in service-- to evaluate each in terms of its impact on ROA. Additionally, return on equity indicates the rate of return that a firm earns on its equity base. This section will present ROE for each of the various segments, as well as decompose this measure to gain a better understanding as to what is driving changes in ROE. See Table 6 for more detail.

## **IV. BENCHMARK DISCUSSION**

### **IV-A. OVERVIEW**

Benchmark summaries are presented here in order of accounting process: revenues are discussed first, followed by O&M costs, operating income, debt management, capitalized income values, and profitability. Finally, wage and benefit profiles are discussed. Table 1 summarizes the scope and scale of the companies studied. It is important to emphasize that the following data are meant to illustrate the typical company studied in this sample and absolute values should not be extrapolated to the industry as whole. This is especially true of the average number of customers.

<b>TABLE 1</b> <b>UTILITY PROFILES</b> <b>STATISTICAL SUMMARY, BY INDUSTRY SEGMENT</b> <b>DATA BASED ON SEGMENT AVERAGES</b>			
	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b>All Companies</b>	<b>77 Firms</b>	<b>78 Firms</b>	<b>77 Firms</b>
No. of gas customers	446,491	430,290	532,112
Annual therms delivered ('000)	902,301	815,478	928,140
Annual therms delivered per account	2,299	2,058	1,972
Therms delivered per \$1000 of gas plant	1,103	1,045	1,000
Density of system <sup>2</sup>	N/A	N/A	61.4
Firm sales <sup>3</sup>	90.0%	88.8%	91.0%
<b>Gas utilities</b>	<b>50 Firms</b>	<b>54 Firms</b>	<b>52 Firms</b>
No. of gas customers	474,707	481,136	507,736
Annual therms delivered ('000)	980,257	925,143	951,949
Annual therms delivered per account	2,494	2,185	2,093
Therms delivered per \$1000 of gas plant	1,142	1,075	1,028
Density of system <sup>2</sup>	N/A	N/A	59.9
Firm sales <sup>3</sup>	90.2%	88.7%	90.2%
<b>Comb. Gas &amp; Electric Utilities<sup>1</sup></b>	<b>18 Firms</b>	<b>14 Firms</b>	<b>17 Firms</b>
No. of gas customers	539,183	403,687	773,343
Annual therms delivered ('000)	1,040,800	810,969	1,174,895
Annual therms delivered per account	1,927	2,130	1,961
Therms delivered per \$1000 of gas plant	1,084	1,030	982
Density of system <sup>2</sup>	N/A	N/A	61.8
Firm sales <sup>3</sup>	94.8%	95.6%	97.7%
<b>Municipal Utilities</b>	<b>9 Firms</b>	<b>10 Firms</b>	<b>8 Firms</b>
No. of gas customers	104,356	192,963	177,946
Annual therms delivered ('000)	192,212	229,600	249,028
Annual therms delivered per account	1,954	1,594	1,577
Therms delivered per \$1000 of gas plant	1,082	906	860
Density of system <sup>2</sup>	N/A	N/A	70.0
Firm sales <sup>3</sup>	79.3%	79.8%	82.1%

Source: AGA, USR and US Department of Transportation, Office of Pipeline Safety.

<sup>1</sup> Figures for gas operations only.

<sup>2</sup> "Density" refers to the number of customers per mile of pipe (mains and services combined) in service. 2003 & 2002 data not comparable due to change in data source

<sup>3</sup> Expressed as a percentage of total annual therm volume delivered.

#### IV-B. REVENUE PERFORMANCE

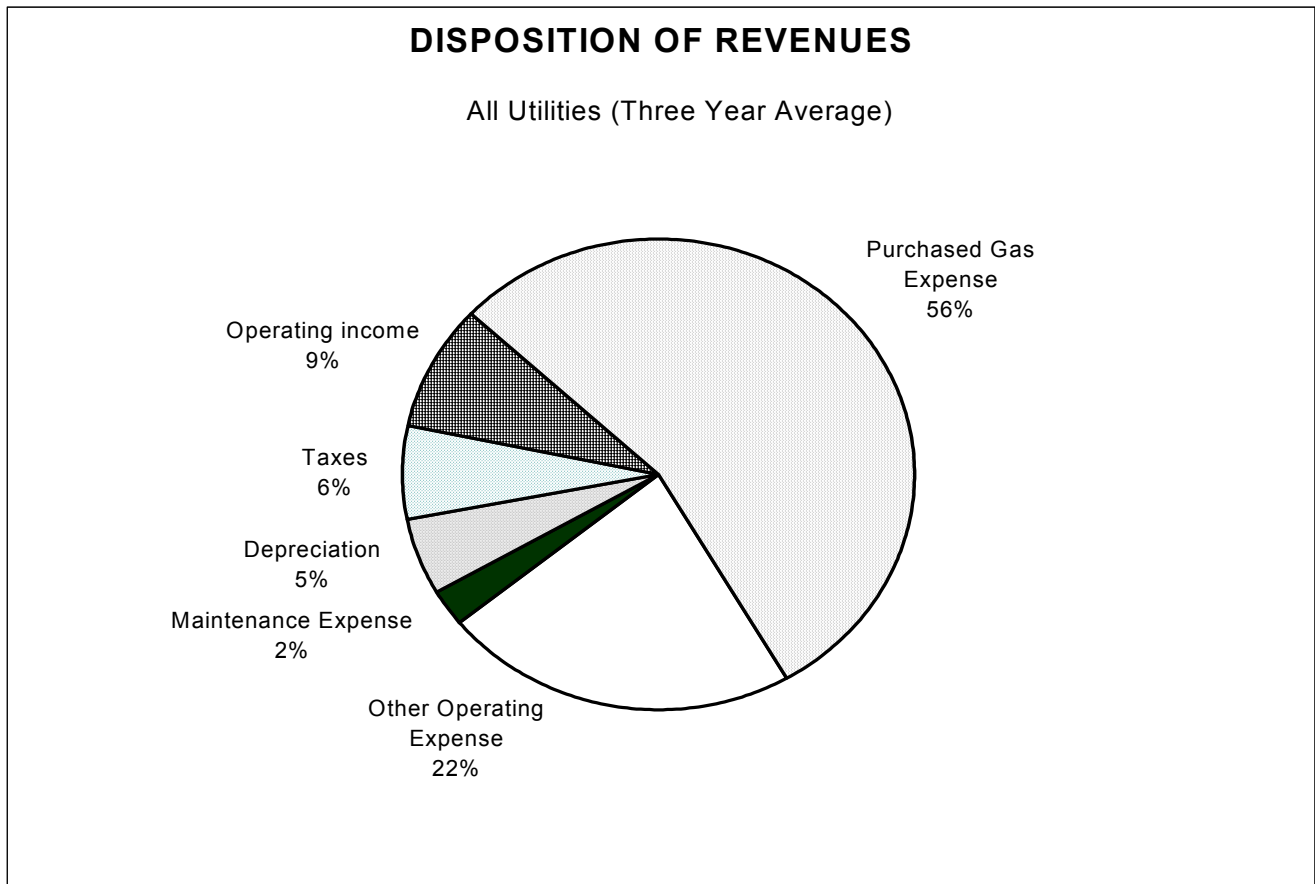
Figure 1 shows the allocation of average revenue for the three years studied. Table 2 summarizes average industry revenue performance by segment. Weather patterns impacted revenues per customer, while changing gas costs impacted both revenues per customer and per therm.

<b>TABLE 2</b> <b>UTILITY REVENUE PERFORMANCE</b> <b>Annual Average Values per Group</b> <b>Data Based on Segment Averages</b>			
	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b>All Companies</b>			
Operating revenue ('000)	\$452,923	\$498,770	\$638,983
Per customer	\$1,145	\$1,284	\$1,359
Per therm	\$0.5569	\$0.7045	\$0.7773
Gross sales margin (Rev. – Pur. Gas, '000)	\$208,909	\$229,408	\$227,205
Per customer	\$545	\$588	\$471
Per therm	\$0.251	\$0.319	\$0.285
Collection period (days)	40.6	39.2	35.5
<b>Gas Utilities</b>			
Operating revenue ('000)	\$485,782	\$561,704	\$621,463
Per customer	\$1,170	\$1,282	\$1,394
Per therm	\$0.5303	\$0.6672	\$0.7709
Gross sales margin (Rev. – Pur. Gas, '000)	\$231,848	\$276,019	\$221,664
Per customer	\$573	\$650	\$498
Per therm	\$0.251	\$0.334	\$0.295
Collection period (days)	43.4	40.8	37.1
<b>Comb. Gas &amp; Electric Utilities<sup>1</sup></b>			
Operating revenue ('000)	\$538,082	\$474,331	\$876,997
Per customer	\$1,074	\$1,014	\$1,218
Per therm	\$0.5935	\$0.7453	\$0.7254
Gross sales margin (Rev. – Pur. Gas, '000)	\$230,583	\$166,810	\$311,107
Per customer	\$451	\$451	\$418
Per therm	\$0.245	\$0.258	\$0.259
Collection period (days)	28.9	26.8	28.6
<b>Municipal Utilities</b>			
Operating revenue ('000)	\$100,057	\$193,138	\$247,085
Per customer	\$1,147	\$1,279	\$1,430
Per therm	\$0.6312	\$0.8488	\$0.9290
Gross sales margin (Rev. – Pur. Gas, '000)	\$38,123	\$65,346	\$84,926
Per customer	\$573	\$439	\$411
Per therm	\$0.242	\$0.325	\$0.276
Collection period (days)	47.8	48.2	40.4

Source: A.G.A.

<sup>1</sup> Figures for gas operations only.

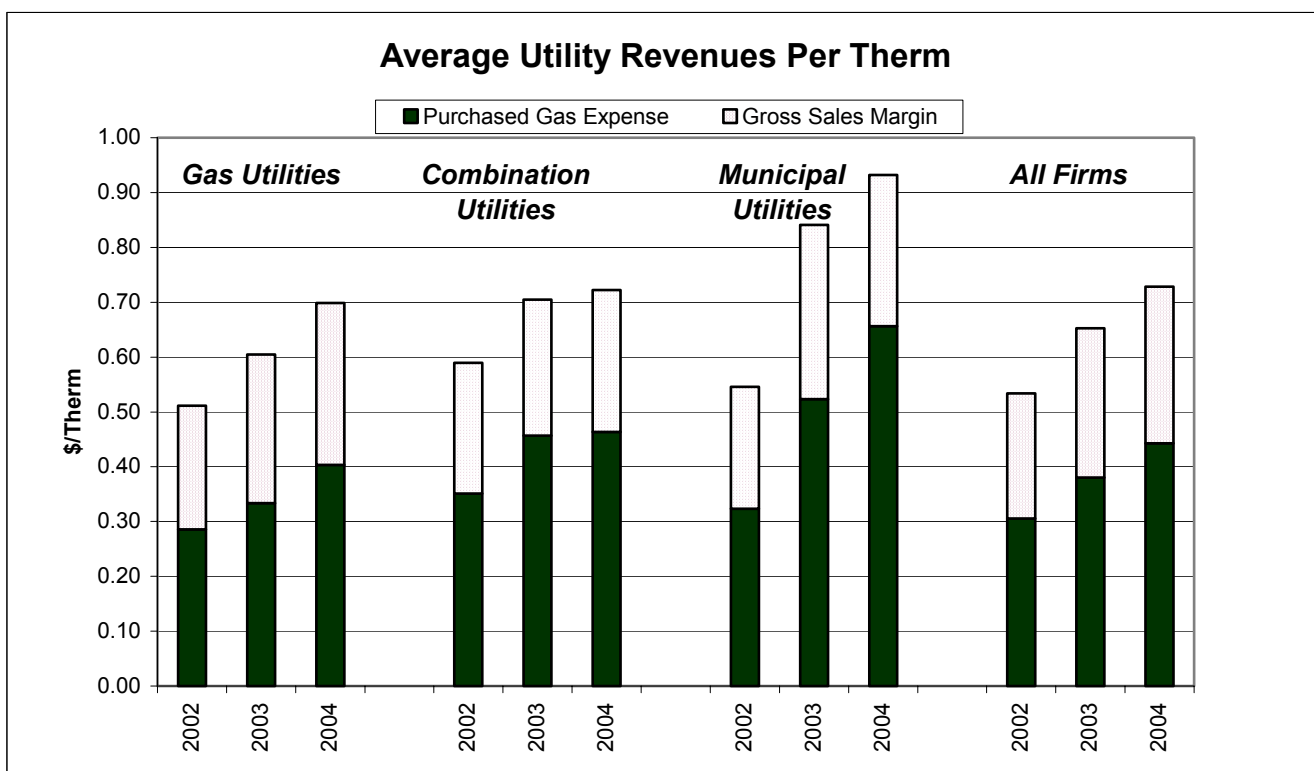
**FIGURE 1**



#### IV-C. O&M ANALYSIS

Operations and maintenance (O&M) expenses are those costs specifically attributable to current-year gas distribution activity. These are cost items that are incurred within an annual time period (as opposed to costs amortized over a period of years as is the case with finance costs and depreciation). A presentation of O&M costs on a per-therm basis will facilitate a comparison of cost efficiencies attained by the various industry segments. Table 3 shows average O&M expense detail for the years studied for the combination and gas utility segments.

**FIGURE 2**



Source: AGA, USR.



TABLE 3						
UTILITY O&M DETAIL ANALYSIS						
	GAS UTILITIES			COMBO UTILITIES <sup>1</sup>		
	2002	2003	2004	2002	2003	2004
<b>VALUES PER THERM</b>						
Gas-only revenues	\$0.5303	\$0.6672	\$0.7709	\$0.5935	\$0.6976	\$0.7254
<u>Purchased-gas expense</u>	<u>0.2857</u>	<u>0.3336</u>	<u>0.4032</u>	<u>0.3513</u>	<u>0.4569</u>	<u>0.4636</u>
Gross sales margin	0.2258	0.2709	0.2953	0.2379	0.2475	0.2587
Total production costs <sup>2</sup>						
Storage & LNG	\$0.3044	\$0.3963	\$0.4755	\$0.3556	\$0.4501	\$0.4667
Transmission	0.0042	0.0040	0.0044	0.0016	0.0011	0.0014
Distribution	0.0050	0.0071	0.0054	0.0046	0.0025	0.0077
Customer accounts	0.0309	0.0371	0.0417	0.0321	0.0340	0.0341
Customer svc. & info.	0.0191	0.0247	0.0271	0.0211	0.0205	0.0248
Sales	0.0020	0.0022	0.0017	0.0047	0.0058	0.0074
<u>Admin. &amp; general</u>	<u>0.0023</u>	<u>0.0024</u>	<u>0.0030</u>	<u>0.0020</u>	<u>0.0030</u>	<u>0.0025</u>
Total O&M	<u>0.0458</u>	<u>0.0533</u>	<u>0.0582</u>	<u>0.0401</u>	<u>0.0436</u>	<u>0.0435</u>
<b>SAME-SIZE ANALYSIS</b>						
Gas-only revenues						
<u>Purchased-gas expense</u>						
Gross sales margin	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total production costs <sup>2</sup>	<u>53.9%</u>	<u>50.0%</u>	<u>52.3%</u>	<u>59.2%</u>	<u>65.5%</u>	<u>63.9%</u>
Storage & LNG	42.6%	40.6%	38.3%	40.8%	35.5%	35.7%
Transmission						
Distribution	57.4%	59.4%	61.7%	59.9%	64.5%	64.3%
Customer accounts	0.8%	0.6%	0.6%	0.3%	0.2%	0.2%
Customer svc. & info.	0.9%	1.1%	0.7%	0.8%	0.4%	1.1%
Sales	5.8%	5.6%	5.4%	5.4%	4.9%	4.7%
<u>Admin. &amp; general</u>	<u>3.6%</u>	<u>3.7%</u>	<u>3.5%</u>	<u>3.6%</u>	<u>2.9%</u>	<u>3.4%</u>
Total O&M	0.4%	0.3%	0.2%	0.8%	0.8%	1.0%

Source: AGA, USR.

<sup>1</sup> Figures for gas operations only.

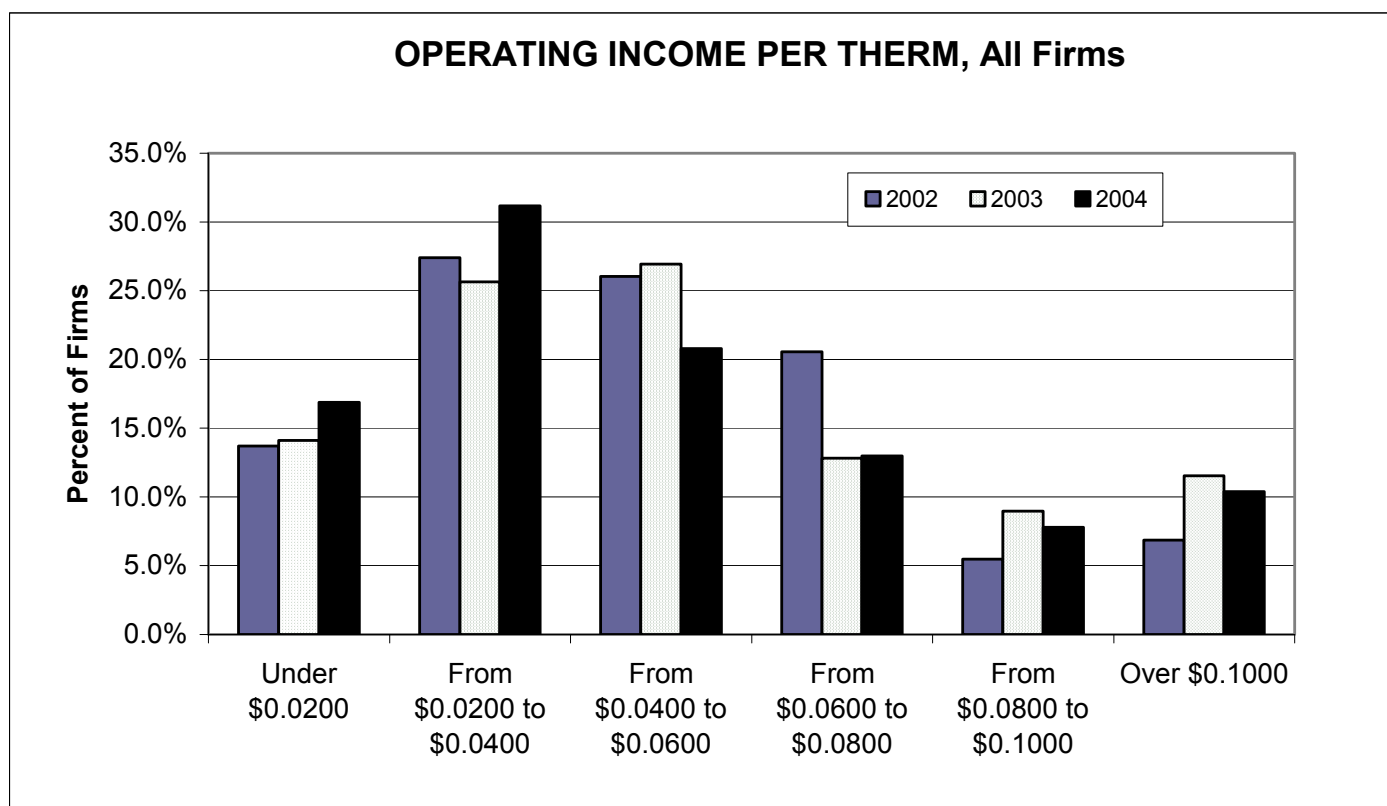
<sup>2</sup> Purchased-gas expense is subsumed within total production costs.

NOTE: Figures do not sum precisely due to independent rounding.

#### IV-D. INCOME ANALYSIS

Operating income, by accounting definition, represents revenues net of operations expenses. Operating income does not net out capital cost-related expenses such as interest and amortization. A summary of operating income, then, allows a comparison of efficiency in gas distribution. Figure 3 shows the dispersion of individual companies' operating income per-therm. Table 4 shows average operating income results by type of firm.

**FIGURE 3**



Source: AGA, USR.

TABLE 4						
UTILITY INCOME STATEMENT HIGHLIGHTS						
AVERAGE VALUES PER GROUP, GAS OPERATIONS ONLY						
	GAS UTILITIES			COMBO UTILITIES <sup>1</sup>		
	2002	2003	2004	2002	2003	2004
Operating revenue, \$000	\$485,782	\$561,704	\$621,463	\$535,082	\$474,331	\$876,997
Total O&M, \$000	367,001	\$442,872	\$500,199	412,640	\$370,023	\$712,188
Operating income, \$000	44,830	\$45,676	\$44,728	53,524	\$42,474	\$77,443
<b>Percent of Revenue</b>						
Total O&M	78.0%	79.0%	80.4%	77.8%	80.0%	81.2%
Operating income	8.7%	8.3%	7.2%	9.2%	8.7%	8.8%
<b>Per Therm</b>						
Revenue	\$0.530	\$0.667	\$0.771	\$0.594	\$0.745	\$0.725
Total O&M	0.500	0.527	0.617	0.462	0.596	0.588
Operating income	0.046	0.056	0.062	0.055	0.065	0.058
<b>Per Customer</b>						
Revenue	\$1,170	\$1,282	\$1,394	\$1,074	\$1,292	\$1,218
Total O&M	921	1,029	1,135	823	1,027	995
Operating income	91	100	102	106	116	112
<b>Per Dollar of Gas Plant</b>						
Revenue	\$0.537	\$0.628	\$0.665	\$0.541	\$0.652	\$0.635
Total O&M	0.425	0.510	0.550	0.421	0.530	0.524
Operating income	0.042	0.045	0.043	0.049	0.051	0.043
<b>Per Mile of Main<sup>2</sup></b>						
Revenue	N/A	N/A	\$85,099	N/A	N/A	\$76,882
Total O&M	N/A	N/A	68,051	N/A	N/A	62,464
Operating income	N/A	N/A	6,590	N/A	N/A	6,084

Source: AGA, USR.

<sup>1</sup> Figures for gas operations only.

<sup>2</sup> Miles of main only. Change of data source does not allow comparison to years prior to 2004

#### IV-E. DEBT ANALYSIS

Debt instruments and their management are prominent items on the utilities' financial agendas. Debt has traditionally represented a large share of utility capitalization. This is due to the historically regulated environment in which utilities have operated. The presence of regulatory oversight, from an investor's perspective, suggests less risk, more stable cash flow, and generally better debt ratings and interest coverage from cash flow. Historically, this made the utility industries attractive to bond investors. As for utilities, the containment of interest and other debt-related carrying costs can have a decisive impact on the overall profitability of operations.

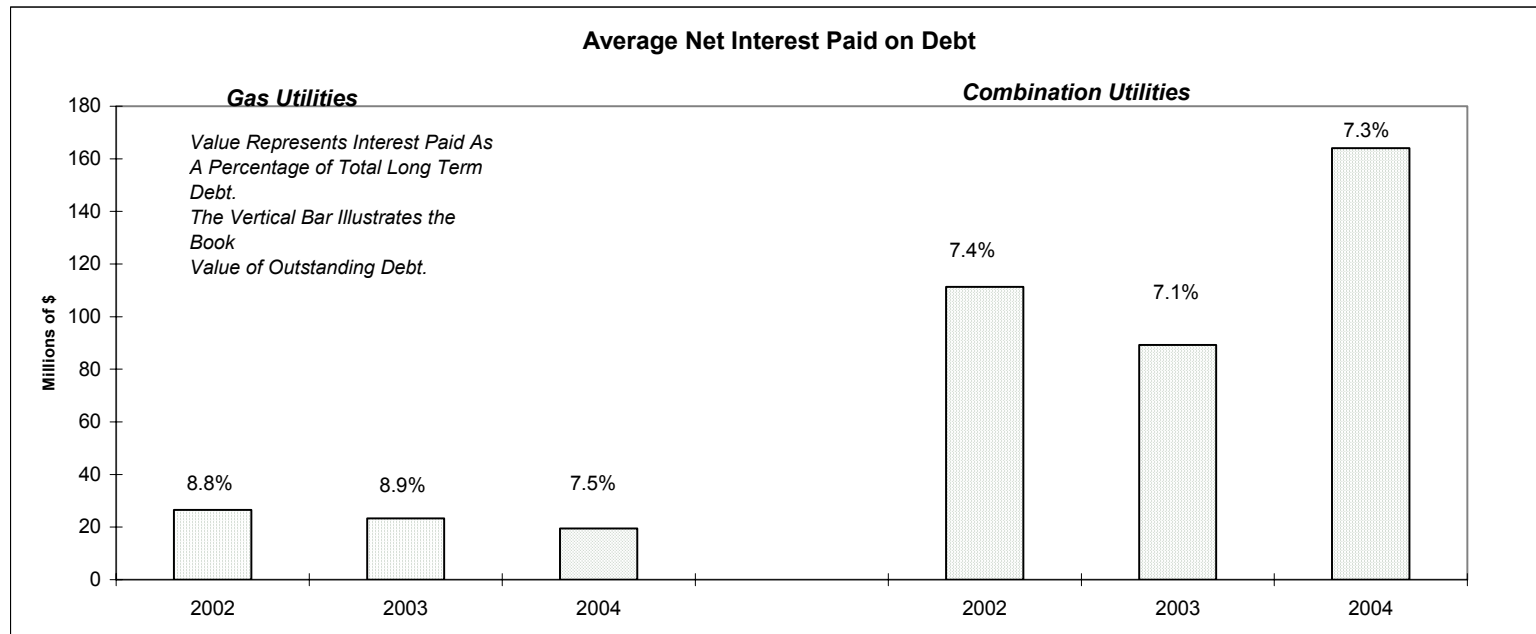
The total cost of capital for a utility reflects the cost of both debt and equity financing.<sup>7</sup> Table 5 shows summary descriptors of capital costs for utilities by industry segment.

TABLE 5			
UTILITY DEBT AND DEBT COVERAGE			
AVERAGE VALUES			
	2002	2003	2004
<b>Gas utilities</b>			
Total LT Debt to Total Assets	23.4%	22.1%	22.2%
LT Debt to Total Capitalization	37.7%	37.2%	37.0%
EBITDA Interest Coverage	7.2x	9.7x	8.6x
<b>Combination Utilities<sup>1</sup></b>			
Total LT Debt to Total Assets	32.8%	32.8%	38.0%
LT Debt to Total Capitalization	53.0%	51.1%	54.5%
EBITDA Interest Coverage	5.3x	5.6x	7.3x

Source: AGA, USR.

<sup>1</sup> Figures represent combined gas and electric operations.

**FIGURE 4**



Note: Combination utility figures represent combined gas and electric operations.

Note again that the discussion of combination utility debt and capital structure cannot be limited to gas operations. Therefore, this portion of the analysis necessarily considers

<sup>7</sup> For combination utilities, such measures necessarily reflect combined gas and electric financials. Some municipal utilities in this study have similar combined activity financing.

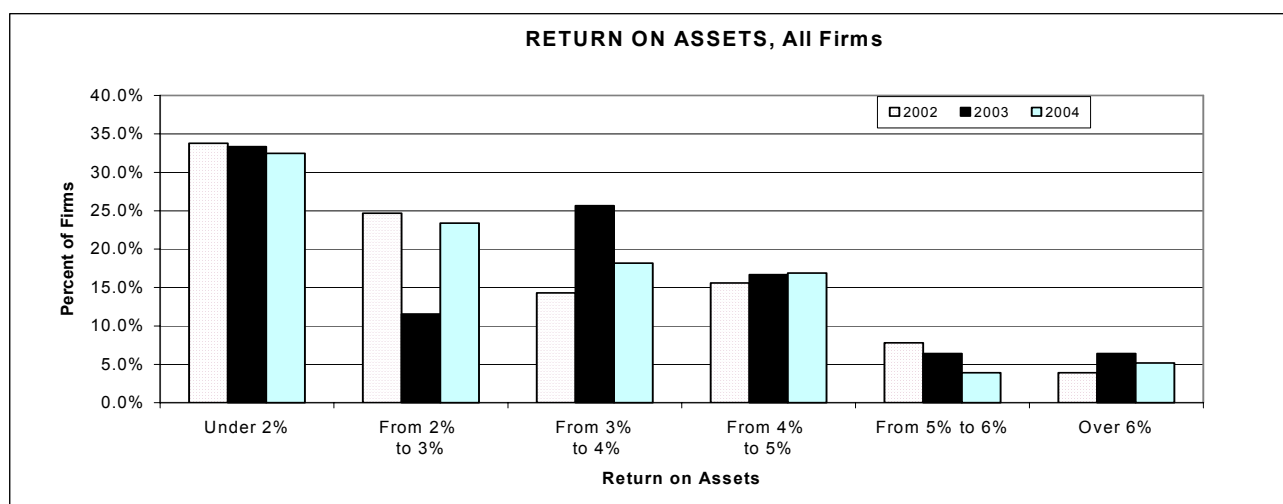
combined-commodity financial performance. The combination utilities feature a diversity of commodity sales and stabilized electric base-load operations attributable to base-load (i.e., not weather-driven) sales.

#### IV-F. PROFITABILITY ANALYSIS

For this study, profitability is expressed in terms of return on assets (ROA), which relates net income to the value of the asset base that generated that income. Stated differently, ROA measures how well a company's assets "work" to generate income from operations. As such, ROA is convenient for comparing the operating results across companies within an industry.

Figure 5 shows the dispersion of individual company ROA results. Table 6 shows profitability measures for both gas and combination utilities for the years studied.

**FIGURE 5**



When referring to combined gas and electric operations, the balance sheet items (i.e. total end-of-year assets) refer to the total firm, which could include non-utility assets, gas transmission assets and "other" utility assets (e.g. water), while income statement items (i.e. total revenues) refer to only gas and electric utility distribution operations combined. As a result, these ratios may differ from other reports that consolidate income statement items for the total firm.

While ROA is typically measured as the ratio of net income to assets, it can also be expressed as asset turnover multiplied by profit margin. Asset turnover measures a firm's ability to generate sales from its fixed asset base. The second component of ROA is profit margin, or return on sales. This measures the operating profit per dollar of sales.

TABLE 6			
UTILITY PROFITABILITY INDICATORS			
AVERAGE VALUES			
	2002	2003	2004
<b>Gas Utilities</b>			
Asset Turnover	0.57X	0.66X	0.71X
Financial Leverage	62.2%	63.1%	61.5%
Equity Multiplier	3.00x	3.09x	3.01x
Profit Margin	5.0%	5.6%	6.2%
ROA <sup>2</sup>	2.0%	2.8%	3.1%
ROE <sup>2</sup>	6.6%	7.6%	8.3%
Current Ratio	0.94	0.92	1.06
Current Assets/Total Assets	19.5	21.0%	23.2%
<b>Combination Utilities<sup>1</sup></b>			
Asset Turnover	0.48X	0.47X	0.42X
Financial Leverage	69.7%	68.4%	69.1%
Equity Multiplier	4.34x	3.81x	3.71x
Profit Margin	5.6%	7.1%	8.3%
ROA <sup>2</sup>	2.7%	3.4%	3.3%
ROE <sup>2</sup>	12.8%	13.7%	9.0%
Current Ratio	1.24	1.48	1.34
Current Assets/Total Assets	13.6%	13.5%	12.9%

Source: AGA, USR.

<sup>1</sup> Figures represent combined gas and electric operations.

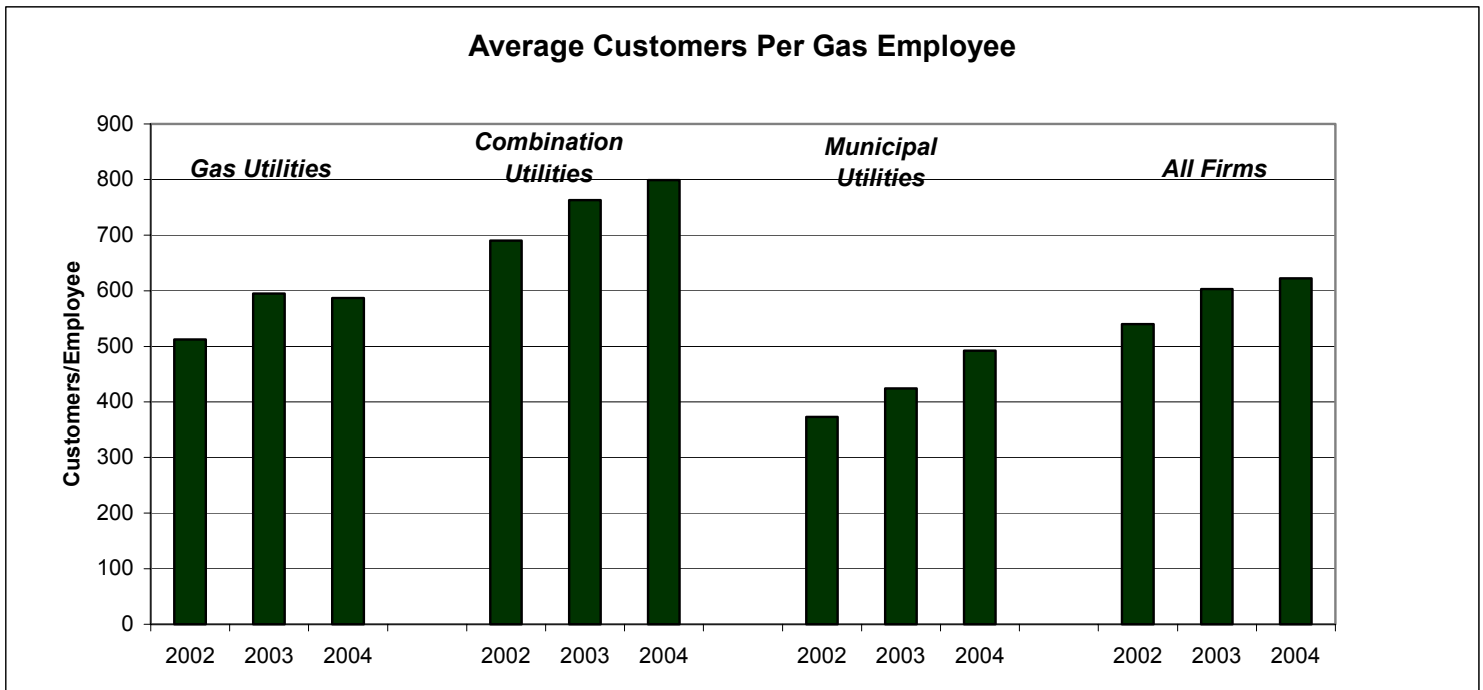
<sup>2</sup> When referring to combined gas and electric operations, the balance sheet items (i.e. total end-of-year assets) refer to the total firm, which could include non-utility assets, gas transmission assets and "other" utility assets (e.g. water), while income statement items (i.e. total revenues) refer to only gas and electric utility distribution operations combined. As a result, these ratios may differ from other reports that consolidate income statement items for the total firm.

Another measure of profitability is return on common equity (ROE). This differs from ROA in that it takes into account the impact of a firm's capital structure on its profitability. The capital structure of a firm can be examined in many different ways. ROE can be expressed as ROA multiplied by the equity multiplier. The equity multiplier (shown in Table 6) measures a firm's assets relative to its common stock equity. An increase in a firm's level debt financing (an increase in liabilities) will cause a reduction in stockholders equity. This will cause the equity multiplier to rise and thereby increase total ROE. The rise in ROE compensates equity holders for the increased risk they must bear as the firm increases its level of debt.

#### IV-G. LABOR PRODUCTIVITY AND WAGE ANALYSIS

Current industry interest in restructuring, efficiency, and cost effectiveness often calls attention to staffing and wage profiles. Figure 6 and Table 7 summarize wage and benefit values by industry segment.

**FIGURE 6**



Source: AGA, USR.

<b>TABLE 7</b> <b>UTILITY WAGES AND BENEFITS</b> <b>AVERAGE VALUES PER EMPLOYEE AT YEAR-END</b>				
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>3 Year Average</b>
<b>All Firms</b>				
Number of employees at year-end	808	672	797	759
Total salaries and wages	\$54,074	\$58,289	\$60,892	\$57,751
Total benefits and pensions	\$9,103	\$14,445	\$15,969	\$13,172
Total salaries, benefits, and pensions	\$63,177	\$72,734	\$76,861	\$70,924
Ratio of total benefits to total compensation	12.7%	19.9%	21.1%	17.9%
Therms sold per employee	1,166,682	1,226,357	1,222,241	1,205,093
Customers per employee	540	603	622	588
<b>Gas Utilities</b>				
Number of employees at year-end	888	766	785	813
Total salaries and wages	\$54,541	\$58,184	\$60,774	\$57,833
Total benefits and pensions	\$9,334	\$14,257	\$15,560	\$13,050
Total salaries, benefits, and pensions	\$63,875	\$72,441	\$76,334	\$70,883
Ratio of total benefits to total compensation	11.4%	18.6%	20.0%	16.7%
Therms sold per employee	1,182,241	1,239,068	1,215,866	1,212,392
Customers per employee	512	595	587	565
<b>Combination Utilities<sup>1</sup></b>				
Number of employees at year-end	840	472	995	769
Total salaries and wages	\$59,021	\$67,692	\$64,524	\$63,745
Total benefits and pensions	\$7,817	\$16,131	\$17,849	\$13,932
Total salaries, benefits, and pensions	\$66,838	\$83,823	\$82,372	\$77,677
Ratio of total benefits to total compensation	11.1%	18.9%	22.5%	21.9%
Therms sold per employee	1,329,237	1,554,590	1,463,508	1,449,112
Customers per employee	690	763	799	751
<b>Municipal Utilities</b>				
Number of employees at year-end	250	408	459	372
Total salaries and wages	\$40,084	\$45,323	\$54,362	\$46,589
Total benefits and pensions	\$10,583	\$13,120	\$14,767	\$12,823
Total salaries, benefits, and pensions	\$50,667	\$58,443	\$69,129	\$59,413
Ratio of total benefits to total compensation	25.5%	29.6%	25.8%	27.0%
Therms sold per employee	705,632	677,386	779,549	720,856
Customers per employee	373	424	492	430

Source: AGA, USR.

<sup>1</sup> Figures for gas operations only.



## APPENDIX1: GLOSSARY

**NOTE:** Immediately below some glossary items are references to the USR data field(s) which are the source for that item. The specific field reference is in the format (x,y) where x is the schedule and y is the line item on that schedule. For example, [ (6,21) divided by (2,1 / 365) ] refers to Schedule VI, 21 divided by the result of Schedule II, line 1 divided by 365.

### **Absolute values; absolute dollars**

These numbers show the sum of the actual reported data of those companies responding to the survey.

### **Admin. & gen. expense (4,12)**

The overhead cost associated with office activities. Examples of such expenses include stationary, telephone service, office cleaning, heat and power, etc.

### **Asset turnover (2,1)/(6,36)**

A ratio which expresses sales revenue as a percentage of assets on-hand over corresponding accounting periods (usually one year). This ratio can be interpreted as the relative degree to which a company's assets "work" to generate sales revenue.

### **Assets (6,36)**

The total accounting value of a company's productive resources at a point in time (as on a balance sheet).

### **Average salaries, benefits, & pensions per employee [(13,6)+(13,10)]/(13,2)**

Total compensation to employees (wages, benefits, etc.) divided by number of employees.

### **Capitalization (6,51)**

The structure of a firm's long-term financing. "Capitalization" refers to the combination of debt and equity, which (in addition to retained earnings) is the monetary equivalent of the firm's assets.

### **Collection period (days) (6,21) / [(2,1)/365]**

An accounting measure that indicates the efficiency of revenue collections. This measure expresses an accounts receivable total in terms of the number of days of normal revenue collections that would be accumulated to make a sum equivalent to the accounts receivable balance.

### **Combination gas & electric company**

A business entity that distributes both gas and electricity to customers within a franchise territory.

### **Common equity (6,42)**

The total value of wealth given by investors to a company in return for ownership of shares (common stock) of that company's assets and retained earnings.

### **Current ratio (6,29)/(6,61)**

Current assets divided by current liabilities. An indication of a company's ability to meet short-term debt obligations; the higher the ratio, the more liquid the company is.

### **Customer**

An entity which enters into an account with a utility in order to receive natural gas for heating, power, feedstock, and other uses. For current purposes, an individual gas meter functionally represents each customer account. As such the terms "customer," "meter," and "account" are used interchangeably in this study.

### **Customers per employee [20,15)+(20,18)]/(8,2)**

Total customers (including both sales and transportation) divided by total employees.

### **Customer accounts expense (4,9)**

The expense attributable to serving a customer. For utility operations, this includes metering, billing, and fixed charges incurred by customer hook-ups. Includes FERC System of Accounts 901 (Supervision),

902 (Meter reading expenses), 903 (Customer records and collection expenses), 904 (Uncollectable accounts), and 905 (Misc. customer accounts expenses).

**Customer accounts expense per therm**  $(4,9)/[(20,15+20,18)]$

Customer accounts expense divided by total therms (including both sales and transportation volumes)

**Customer service & information** (4,10)

The expense attributable to all customer assistance and information operations. Bill remediation, bill inserts, and other communication with existing customers is included in this category. Includes FERC System of Accounts 907 (Supervision), 908 (Customer assistance expenses), 909 (Informational and instructional advertising expenses), and 910 (Misc. customer and informational expense).

**Customer service & information expense per therm**  $(4,10)/[(20,15+20,18)]$

Customer service & information expense divided by total therms (including both sales and transportation volumes)

**Debt** 6,50 + 6,54 + 6,61

The summed monetary value of a company's short- and long-term obligations to repay money that it has borrowed from lenders.

**Depreciation** (2,4)

The operating expense which, as an accounting mechanism,. represents the predetermined annual write-down of a durable capital asset. Depreciation, as an accounting item, impacts net income and taxes. It is not a cash expenditure, but is an annual recognition of long-lived asset costs which are spread over the years that these assets are expected to be in operation.

**Distribution expense** (4,8)

The operating expense which represents the cost of moving natural gas from a utility's city gate to all the meters along the franchise's system of gas mains. Includes FERC System of Accounts 871 (Distribution load dispatching), 872 Compressor station labor and expenses), 873 (Compressor station fuel and power (Major only), 874 (Mains and service expenses), 875 (Measuring and regulating station expenses 0 General), 876 (Measuring and regulating station expenses – Industrial), 877 (Measuring and regulating station expenses – City Gate Check Stations), 878 (Meter and house regulator expenses), 879 (Customer Installation expenses), 880 (Other expenses), 881 ((Rents), 885 (Maintenance supervision and engineering), 886 (Maintenance of structure and improvements), 887 (Maintenance of mains), 888 (Maintenance of mains), 888 (Maintenance of compressor station equipment), 889 (Maintenance of measuring and regulating stations equipment – General 890 (Maintenance of measuring and regulating station equipment – Industrial), 891 (Maintenance of measuring and regulating station equipment – City Gate Check Stations), 892 (Maintenance of services), 893 (Maintenance of meters and house regulators), and 894 (Maintenance of other equipment).

**EBIT**  $(2,18)+(2,8)$

An measure which describes, for an accounting period, the total company income net of operations expense, but not yet net of interest and tax expenses. This measure facilitates comparisons of companies' economic output after operations, capital depletion, and depreciation conventions.

**EBITDA**  $(2,18)+(2,6)+(2,8)$

An measure which describes, for an accounting period, the total company income net of operations expense, but not yet net of interest, tax, depreciation, and amortization expenses. This measure facilitates comparisons of companies' economic output from operations.

**Equity multiplier**  $(4,36)/(4,42)$

Total assets divided by total common stock equity. Used as a measure of corporate profitability.

**Fuel** (4,1)

Includes FERC System of Accounts 501, 518 and 547.

**Field**

An element of database structure which holds the recorded values for a specific attribute of interest common to all observations. See also *Uniform Statistical Report (USR)*

**Financial leverage**  $[(6,50)+(6,54) + (6,61) + (6,67)]/(6,36)$

Total debt divided by total assets. Measures the employment of funds obtained at a fixed cost.

**Firm, percent**  $((20,1+20,2+20,3+20,5+20,7+20,9)/20,15)$

Total sales volumes of gas sold under the firm tariff divided by total sales volumes.

**Gas plant** (6,2)

The undepreciated capital facilities directly related to gas distribution. See also "total plant in service."

**Gas plant per customer**  $(6,2)/[(20,15)+(20,18)]$

Gas plant divided by total customers (including both sales and transportation).

**Gas plant per mile of main**  $(6,2)/(26,10)$

Gas plant divided by total miles of mains (from US Dept. of Transportation).

**Gas utility**

A franchised gas distribution company, the equity value of which is held by shareholders in the form of stock. The earnings of such a company are distributed wholly or in part to shareholders in the form of dividends. Any earnings not distributed are retained by the company on its balance sheet.

**General & administrative costs per therm**  $(4,12)/[(20,15)+(20,18)]$

Expenses incurred by the utility not specifically assignable to operations or sales, such as overhead, general office, personnel, etc., divided by total customers (both sales and transportation).

**General & administrative costs per therm**  $(4,12)/[(20,15)+(20,18)]$

Expenses incurred by the utility not specifically assignable to operations or sales, such as overhead, general office, personnel, etc., divided by total therms (both sales and transportation volumes).

**Gross sales margin per customer or Gross margin per customer**  $[(2,1) - (4,2)]/[(20,15)+(20,18)]$

Defined as revenue, less purchased gas costs, divided by total customers, both sales and transportation. An accounting measure that describes the per-unit dollar value that remains after the acquisition cost of the unit is subtracted from the retail revenue received for that unit.

**Gross sales margin per therm or Gross margin per therm**  $[(2,1) - (4,2)]/[(20,15)+(20,18)]$

Defined as revenue, less purchased gas costs, divided by total delivered therms. An accounting measure that describes the per-unit dollar value that remains after the acquisition cost of the unit is subtracted from the retail revenue received for that unit. Includes both sales and transportation volumes.

**Heating Degree Days (HDD)**

A measure of the coldness of the weather experienced, based on the extent to which the daily mean temperature falls below a reference temperature, usually 65 degrees F.

**Implied long-term (LT) debt cost**  $(2,24)/(6,50)$

A proxy measure of the interest rate paid by utilities for long-term borrowing (obligations over one year). Data as collected on the USR did not request a breakout of short- vs. long-term interest obligations. Therefore, a strict calculation of cost of long term debt (annual interest paid on long-term obligations divided by total long-term debt) was not possible. The implied cost relates net interest costs (interest of all types) to long-term debt. The result permits some distortion of true long-term debt costs,

**Interest coverage**  $[(2,18 + 2,4 + 2,6 + 2,8) \text{ divided by } (2,24)]$

The comparison of a company's financial returns to its interest payment obligations, for a specific accounting period. "EBITDA" is an income statement result; specifically, it means "earnings before interest, taxes, depreciation, and amortization." This ratio indicates the company's relative ability to generate the cash flow necessary to meet its interest payment obligations.

**Long-term debt (6,50)**

Financial instruments which become due on a date at least on year beyond the current accounting period. These include the mortgages and bonds, which represents a company's capital borrowings. By issuing debt, the company has an obligation to repay its lenders the amount borrowed plus regular increments of interest.

**Lower quartile (LQ)**

A statistical measure that describes a data value that is halfway between the median and the lowest value in the data set. Technically defined as the "first quartile." See "quartile" and "median."

**Mean (Arithmetic – See Weighted Average)**

An average value; i.e. a single calculated value which is representative of a set of values. The mean is calculated by summing a set of observation values, then dividing that total by the number of observations that were used.

**Median (MED)**

A statistical measure describing the "middle position" for a sequence of observations, or the 50-percent position in a sequence of ordered observations (2<sup>nd</sup> quartile). See "quartile."

**Meter**

(See "customer")

**Miles of Main**

Length of utility system's distribution mains (excludes transmission and service lines) as reported by utilities to the US Department of Transportation, Office of Pipeline Safety.

**Municipal utility**

A type of gas distribution company which is owned by a local government entity and run on behalf of that entity's citizenry. Whereas investor-owned utilities usually pay out dividends to shareholders, the municipal utility's dividends accrue to the citizens in the form of a lower cost for energy.

**Net margin per customer  $[(2,1)-(4,13)]/[(20,15)+(20,18)]$** 

Operating revenues less total O&M, with the result divided by total customers (includes both sales and transportation).

**Net margin per therm  $[(2,1)-(4,13)]/[(20,15)+(20,18)]$** 

Operating revenues less total O&M, with the result divided by total therms (includes both sales and transportation volumes).

**Net worth**

The residual value of a company's assets after deducting liabilities.

**Operations and maintenance (O&M) (20,13)**

These are accounting summaries of expenditures attributable to company operations. Most importantly, these are expenses over which management has direction. These are distinct from (i.e. do not include) expenses imposed from outside of operations such as interest payments and amortization.

**Observation**

A single event for which an activity is recorded or measured. For a measurable event the unique record for any observation is that observation's value. For example, if the variable of interest is annual therms sold, then "1,000,000" may be the value of this variable for the single observation "ABC Company."

**Operating income (2,11)**

The financial outcome of a company that represents revenues earned less the expenses attributable to operations, including depreciation, amortization, and taxes (but not expenses such as interest payments, amortization, etc.).

**Operating revenue**

See revenue.

**Other production expenses (4,4)**

Includes FERC System of Accounts 805 (Other gas purchases and purchase gas adjustments), 806 (Exchange gas), 812 (Gas used for the utility operations), and 813 (Other gas supply expense).

**Profit margin (2,29)/(2,1)**

Net income available for common stockholders divided by total operating revenues (including electric for combination companies, since net income is not segmented by operational division).

**Purchased gas expense (4,3)**

The utility expenditure for the gas it buys on the market from producers, transmission companies, marketers, and other sources. Includes FERC System of Accounts 800 (wellhead purchases), 801 (field line purchases), 802 (plant outlet purchases), 803 (transmission line purchases), 804 (city gate purchases) LESS 804.1 (LNG), and 807 (Purchased or expense).

**Purchased gas cost per therm (4,3)/(20,15)**

Purchased gas expense divided by total sales volumes

**Quartile**

A statistical tool which analyzes a set of values that are sequenced by order of magnitude. Any set of ordered values can be divided into four quartiles. The observation reached after counting off the first 25 percent of the sequenced values (counting from the lowest value), is the first quartile. The second quartile is the observation at the 50 percent position in the sequence; the third quartile is at the 75 percent position; and the fourth quartile is at the 100 percent position, which is also the highest value for the entire data set.

**Return On Assets (ROA) (2,29)/(6,36)**

A financial ratio that expresses net income as a percentage of assets. This ratio measures how well a company uses its assets to generate operating income.

**Return On Equity (ROE) (2,29)/(6,42)**

A financial ratio that expresses net income as a percentage of total common stock equity. This ratio measures how well investors in a firm are doing relative to other investments.

**Revenue (2,1)**

The receipts from utility operations and sales of gas, excluding non-utility and other income, before expenses are considered.

**Revenue per customer (2,1)/[(20,15)+(20,18)]**

Operating revenues divided by total meters, including transportation customers.

**Revenue per therm (2,1)/[(20,15)+(20,18)]**

Operating revenues divided by total therms, including transportation volumes.

**Sales expense (4,11)**

The cost of sales administration, including commissions overhead, materials, etc. Includes FERC System of Accounts 911 (Supervision), 912 (Demonstrating and selling expenses), 913 (Advertising expenses), and 916 (Misc. sales expenses).

**Same-size financial statement**

This is an alternative method of displaying income statement and balance sheet summaries. It is intended to facilitate comparisons across company types. As opposed to displaying absolute dollar values, the same-size statement presents each line item as a percentage of its aggregate total. The same-size income statement sets revenues at 100.0 and all other items are a percent of that total. The same-size balance sheet similarly sets total assets (as well as total liabilities and owners' equity) to 100.0.

**System density**  $[(20,15)+(20,18)]/\text{Miles of Main}$ 

Total customers (both sales and transportation) divided by total miles of mains (from US Dept. of Transportation). A ratio that describes the degree to which meters are "packed" onto a distribution system.

**Tax expense** (2,8)

The amount representing the utility's obligation to pay taxes, including sale, gross receipts, income, and property taxes. This total includes pass-through taxes collected by the utility on behalf of local government jurisdictions.

**Therm**

A unit of measurement for energy, equivalent to 100,000 British thermal units.

**Therms per customer**  $[(20,15)+(20,18)]/[(20,15)+(20,18)]$ 

Total therms (both sales and transportation) divided by total customers (both sales and transportation).

**Therms delivered per employee**  $[(20,15)+(20,18)]/(8,2)$ 

Total therms (both sales and transportation) divided by total employees

**Total benefits** (13,10)

The annual compensation accruing to utility employees in the form of pensions, health care, insurance, and other non-payroll items.

**Total compensation** (13,6 + 13,10)

The total annual compensation accruing to utility employees, both as payroll and non-payroll compensation as well as benefits.

**Total production expense** (4,5)

Combination of fuel (4,1), purchased gas (4,3), and other production expenses (4,4)

**Total O&M per customer**  $(4,13)/[(20,15)+(20,18)]$ 

All operations and maintenance expenses divided by total customers (includes both sales and transportation).

**Total O&M per therm**  $(4,13)/[(20,15)+(20,18)]$ 

All operations and maintenance expenses divided by total therms (includes both sales and transportation volumes).

**Total plant in service** (6,5)

The total value of utility plant as shown on the balance sheet. In the case of combination utilities, this will include gas and electric plant used for the purpose of power distribution.

**Transmission** (4,7)

The cost to a utility for moving natural gas purchases from its source to its city gate. Includes FERC System of Accounts 850 (Operations, supervision and engineering), 851 (System control and load dispatching), 852 (Communication system expenses), 853 (Compressor station labor and expenses), 854 (Gas for compressor station fuel), 855 (Other fuel and power for compressor stations), 856 (Main expenses), 857 (Measuring and regulating station expenses), 858 (Transmission and compression of gas by others), 859 (Other expenses), 860 (Rents), 861 (Maintenance supervision and engineering), 862 (Maintenance of structures and improvements), 863 (Maintenance of mains), 864 (Maintenance of compressor station equipment), 865 (Maintenance of measuring and regulating station equipment), 866 (Maintenance of communication equipment), 867 (Maintenance of other equipment), and 870 (Operation supervision and engineering).

**Transmission and distribution costs per customer**  $[(4,7)+(4,8)]/[(20,15)+(20,18)]$ 

Cost of transporting gas to the customer, divided by total customers (both sales and transportation).

**Transmission and distribution costs per therm**  $[(4,7)+(4,8)]/[(20,15)+(20,18)]$ 

Cost of transporting gas to the customer, divided by total therms (both sales and transportation).

**Uniform Statistical Report (USR)**

The standardized reporting form used by the American Gas Association to collect financial and operating information from its individual member companies. The USR data is the source for information presented in this study.

**Upper quartile (UQ)**

A statistical measure, which describes a data value that, is halfway between the median and the highest value in the data set. Technically defined as the "third quartile." See "Quartile" and "meridian."

**Value**

In statistics, a "value" is the recorded measurement for an individual observation. For example, if the variable of interest is "annual therms sold," then "1,000,000" may be the value of this variable for the single observation "ABC Company."

**Variable**

An attribute, more or less common to a set of observations, which is subject to measurement. For example, if the variable of interest is "annual therms sold," then "1,000,000" may be the value of this variable for the single observation "ABC Company."

**Weighted average**

A statistical measure for describing the mean or "central tendency" of a set of numeric observations. Weighted averages are used in this study to provide benchmark ratios per group or per industry segment. For these benchmark ratios and arithmetic (simple) average would be the mean value of the ratios calculated individually for each company. Instead, the weighted average ratio has as its numerator the sum of observations for that variable divided by the sum of observations for the denominator variable. For example, the density of distribution system metric for gas utilities relates the sum of all gas utility meters divided by the sum of all gas utility miles of pipe.

## APPENDIX 2: MULTI-YEAR CHARTS FOR ALL COMPANIES

Explanation of factors influencing results:

REVENUE: Impacted by weather, rate design, customer growth, the economy, allowed rates of return, taxes, depreciation expense, total O&M expense, and subsidiary operations.

REVENUE PER CUSTOMER: Determined by revenue and customer base (predominately higher-consuming customer population yields larger results).

REVENUE PER THERM: Determined by revenue and customer base (predominately smaller-consuming customer base yields larger results).

THERMS DELIVERED PER CUSTOMER: Influenced by weather and customer base (predominately higher-consuming customer population yields larger results).

SYSTEM DENSITY: Higher population density (urban areas) leads to higher system densities.

GAS PLANT PER MILE OF MAIN: Higher system densities usually translate into higher values for this. Also impacted by gas plant characteristics (e.g., utility-owned storage, age of system, etc.)

PERCENT FIRM SALES: Determined by customer base. Utilities with predominantly residential and small commercial customers tend to have higher values here. Large customers switching from sales to transportation tariffs also influence results.

PURCHASED GAS COST PER SALES THERM: Impacted by proximity to supplies (closer leads to lower transportation costs), interstate pipeline access (more competition leads to lower costs), volumes purchased (economies of scale), and purchasing strategies (spot vs. contracts, storage refill, hedging, etc.).

GROSS SALES MARGIN: Influenced by revenue, O&M, and company size (economies of scale).

TRANSMISSION AND DISTRIBUTION COST PER THERM/CUSTOMER: Determined by age of system, throughput, customer base, system density, and size of company (economies of scale).

CUSTOMER ACCOUNT EXPENSE PER THERM: Impacted by customer base (concentration of smaller customers leads to higher costs per therm), types of administrative (e.g. billing) systems, and throughput.

CUSTOMER SERVICE AND INFORMATION EXPENSE PER THERM: Influenced by types of administrative systems (e.g. database software and hardware), customer base, and throughput.

SALES EXPENSE PER THERM: Determined by level of marketing effort put forth by company and throughput.

GENERAL AND ADMINISTRATIVE EXPENSE PER THERM/CUSTOMER: Impacted by employee base/compensation, overhead expenses, customer base, and throughput.

TOTAL OPERATION AND MAINTENANCE EXPENSE PER THERM/CUSTOMER: Combination of purchased gas expense, other production costs, T&D, customer accounts, service, & information expenses, sales, and G&A. See those factors for explanation.

NET MARGIN PER THERM/CUSTOMER: Influenced by allowed rates of return, taxes, depreciation, weather, customer base, and throughput.

AVERAGE SALARIES, BENEFITS, AND PENSIONS PER EMPLOYEE: Impacted by union contracts, experience/tenure of average employee, age of employees and retirees, local economic competition for employees, proportion of upper management relative to employee base (higher for companies



outsourcing significant workload), and special offers to employees (early retirement, severance packages due to downsizing, etc.).

**CUSTOMERS PER EMPLOYEE:** Determined by the customer base (companies with predominately small-use customers tend to have a higher value) as well as the employee base (more efficient companies as well as companies outsourcing significant workload tend to have a higher value).

**THERMS DELIVERED PER EMPLOYEE:** Primarily determined by the customer base (companies with predominately large-use customers tend to have a higher value).

**GAS PLANT PER CUSTOMER:** Influenced by the customer base (companies with predominately large-use customers tend to have a higher value).

**RETURN ON ASSETS:** Impacted by allowed rate of return, weather, sales growth, subsidiary performance, and one-time charges (e.g. asset reevaluation, merger expense, etc.).

**RETURN ON EQUITY:** Impacted by allowed rate of return, weather, sales growth, subsidiary performance, and one-time charges (e.g. asset reevaluation, merger expense, etc.).

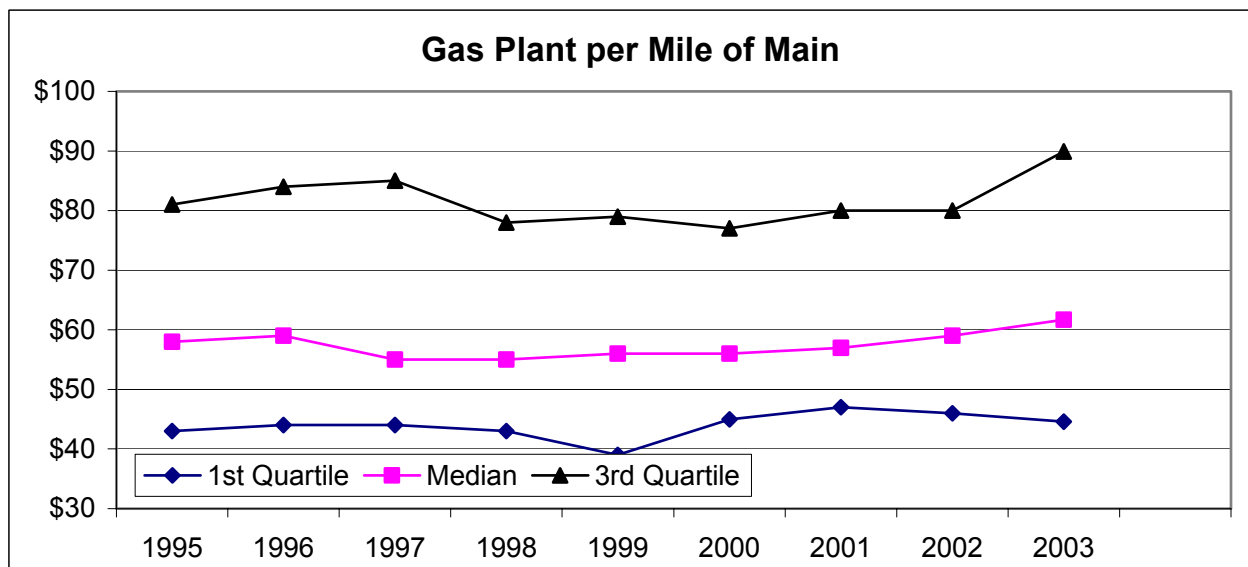
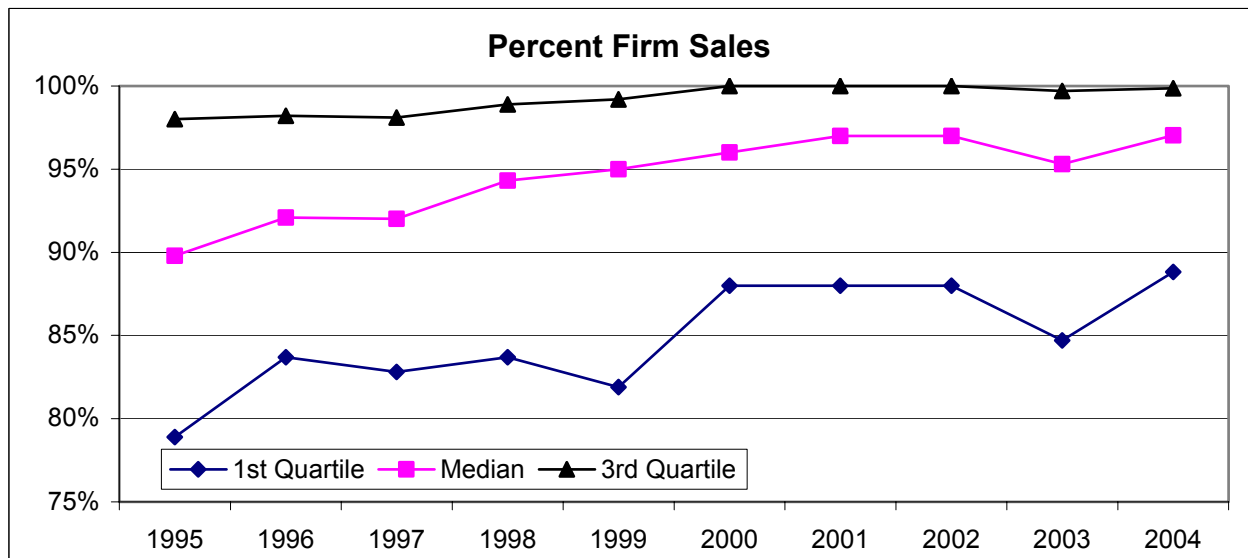
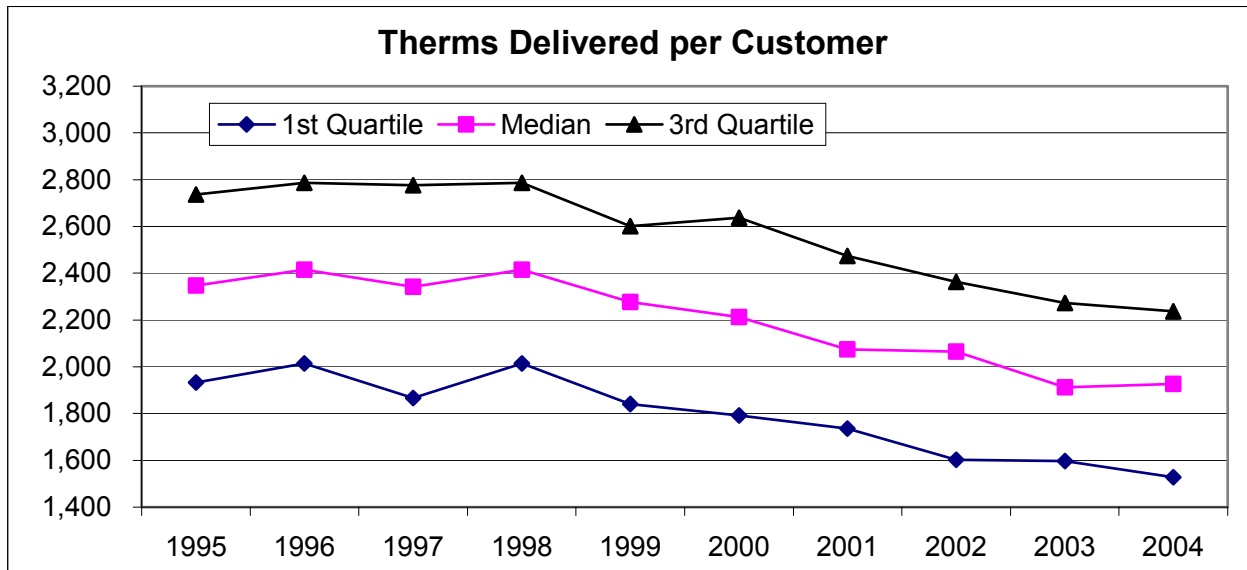
**ASSET TURNOVER:** Influenced by revenue and composition/age of gas plant.

**PROFIT MARGIN:** Impacted by allowed rate of return, income taxes, interest expense, and weather.

**FINANCIAL LEVERAGE:** Influenced by the proportion of debt and the amount of gas plant for a company.

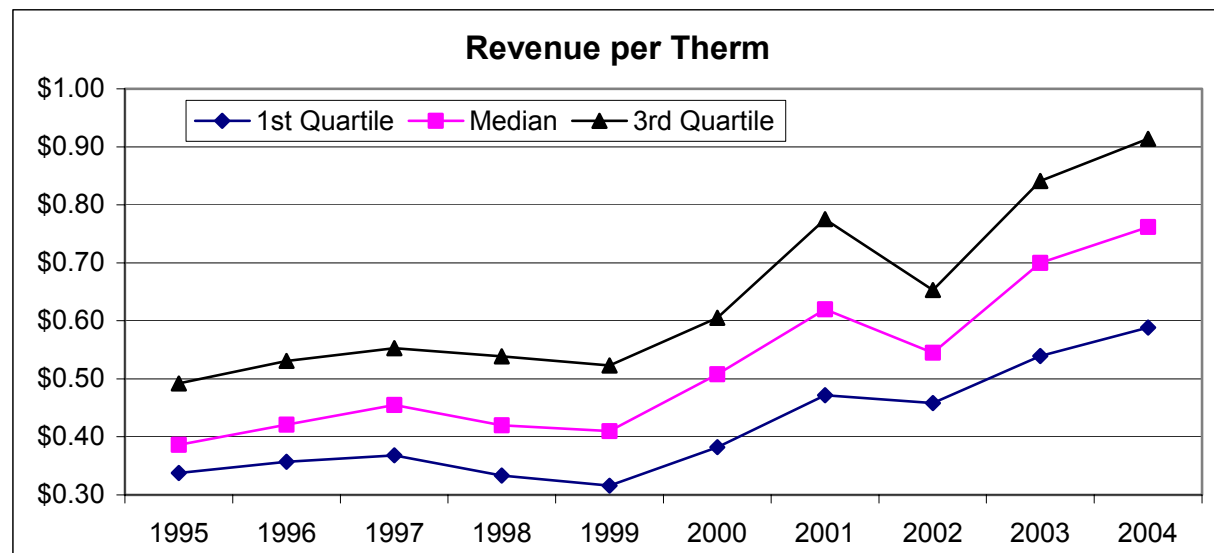
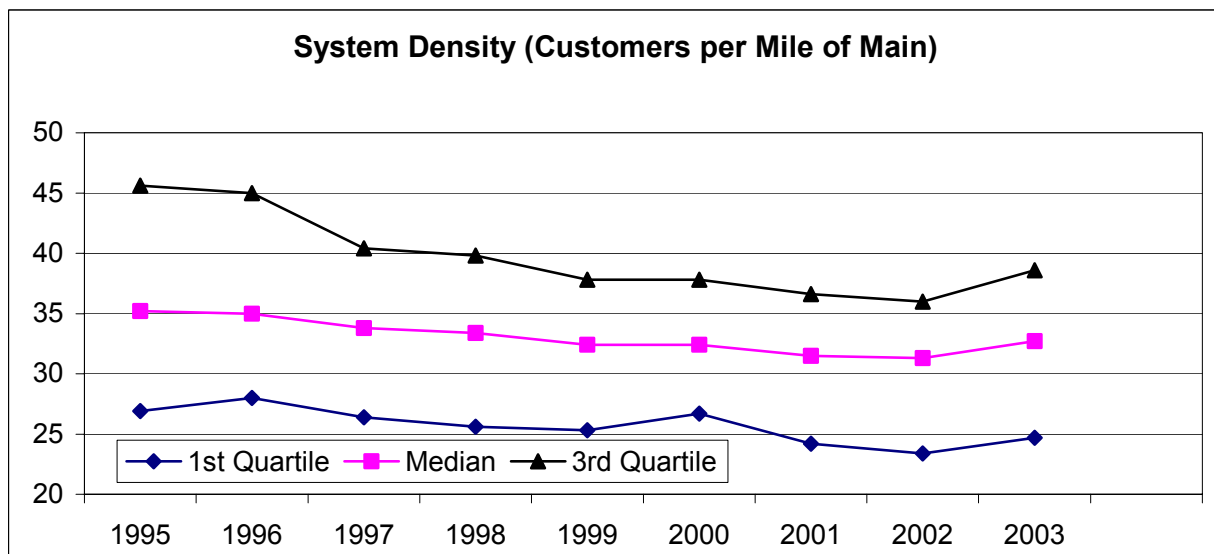
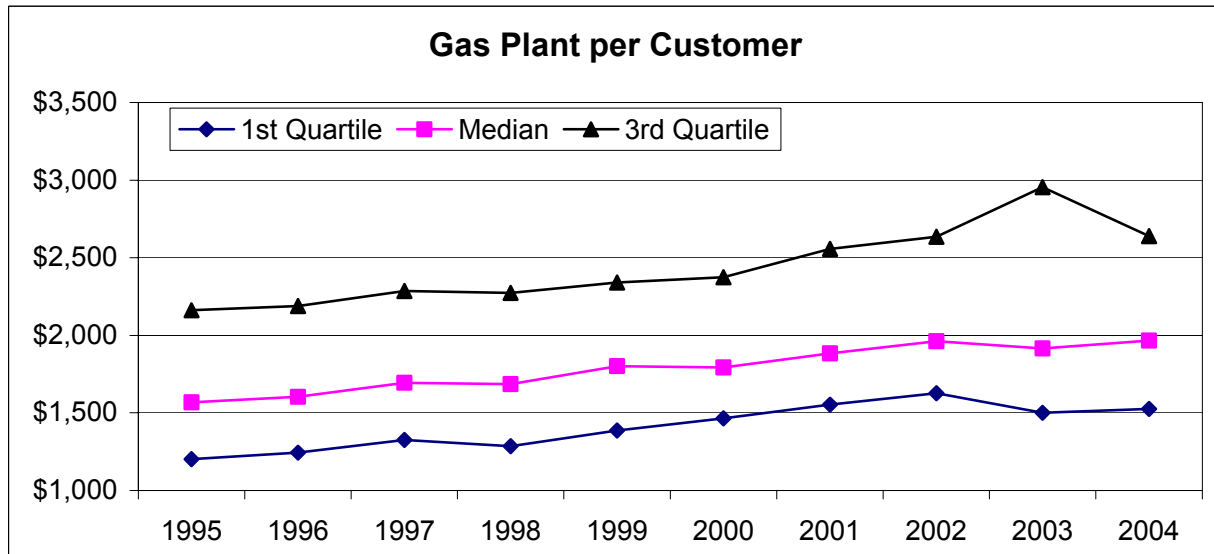
**NOTE:** Recent results of metrics involving miles of main are not comparable for years prior to 2004 because of changes in the definition of miles of main changed (no longer includes services) and in the data source (now derived from the US Department of Transportation, Office of Pipeline Safety database).

## Appendix 2: Multi-year Charts for All Companies



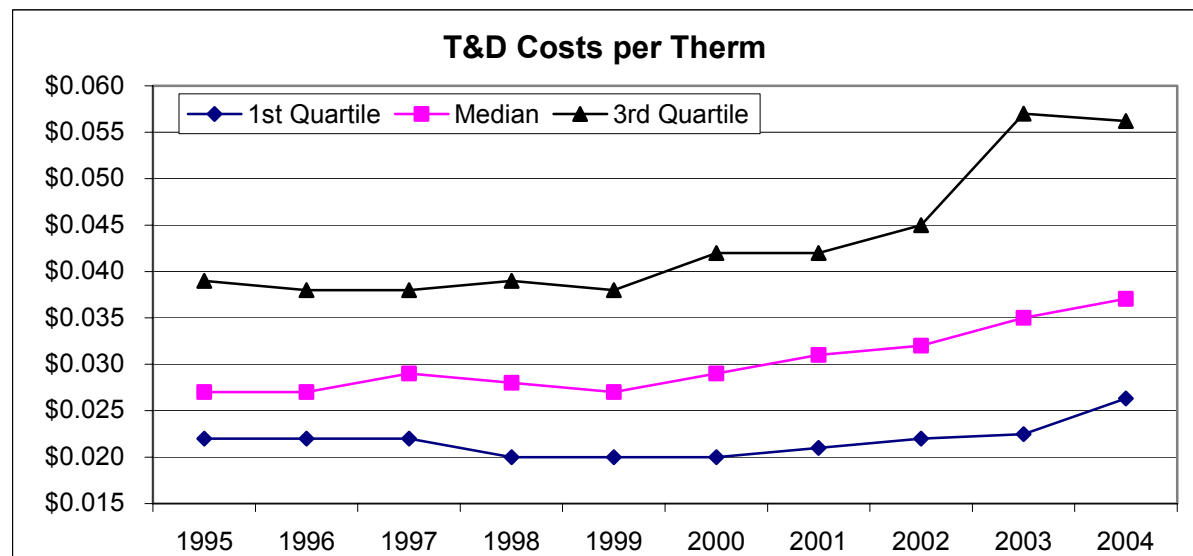
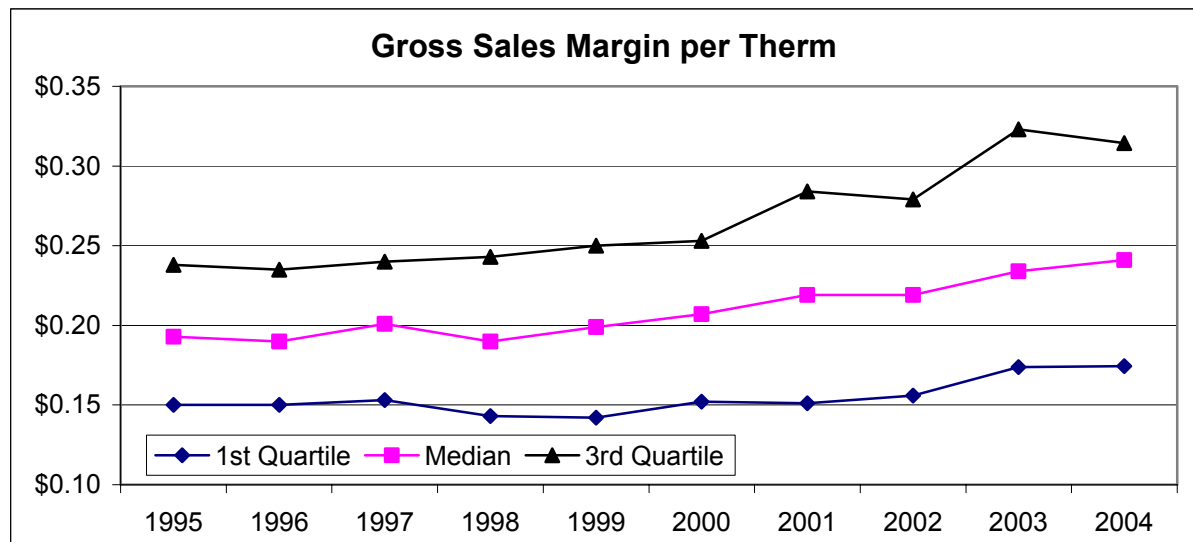
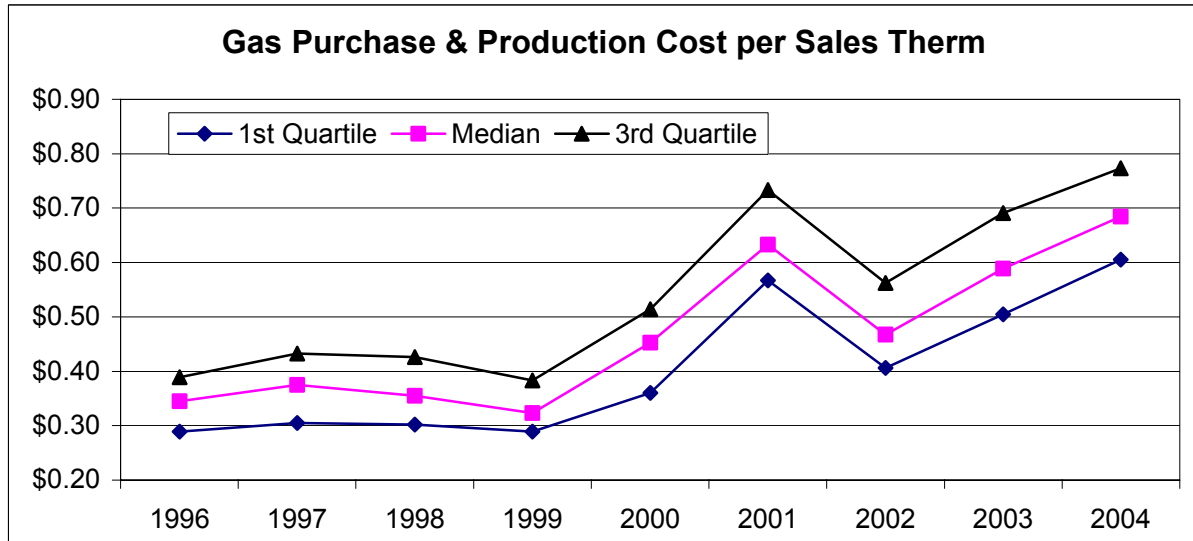
Note: Sample size and individual company participation vary by year, impairing trend analysis

## Appendix 2: Multi-year Charts for All Companies



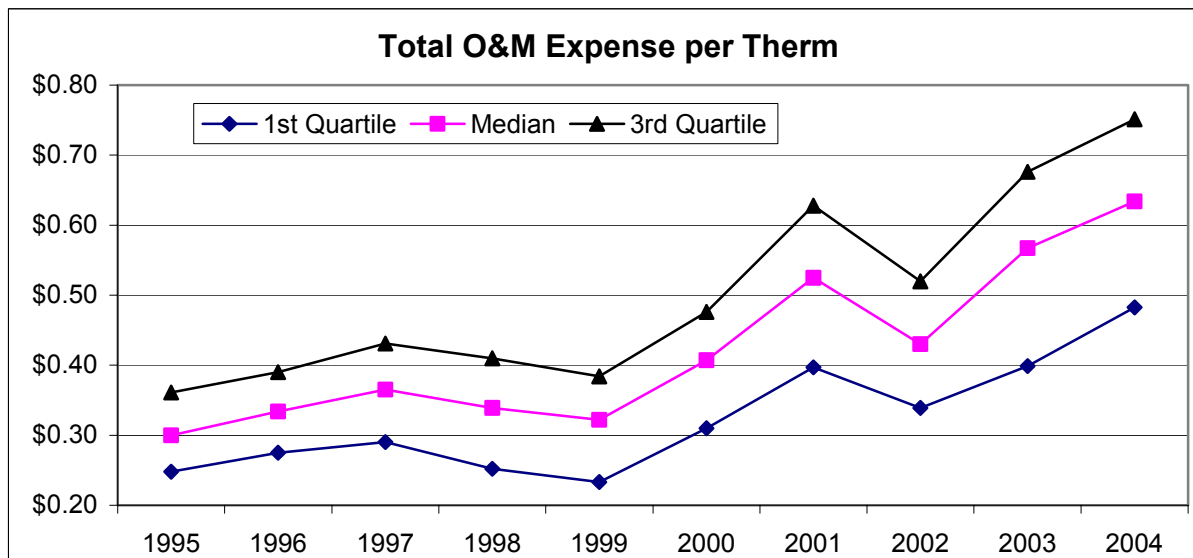
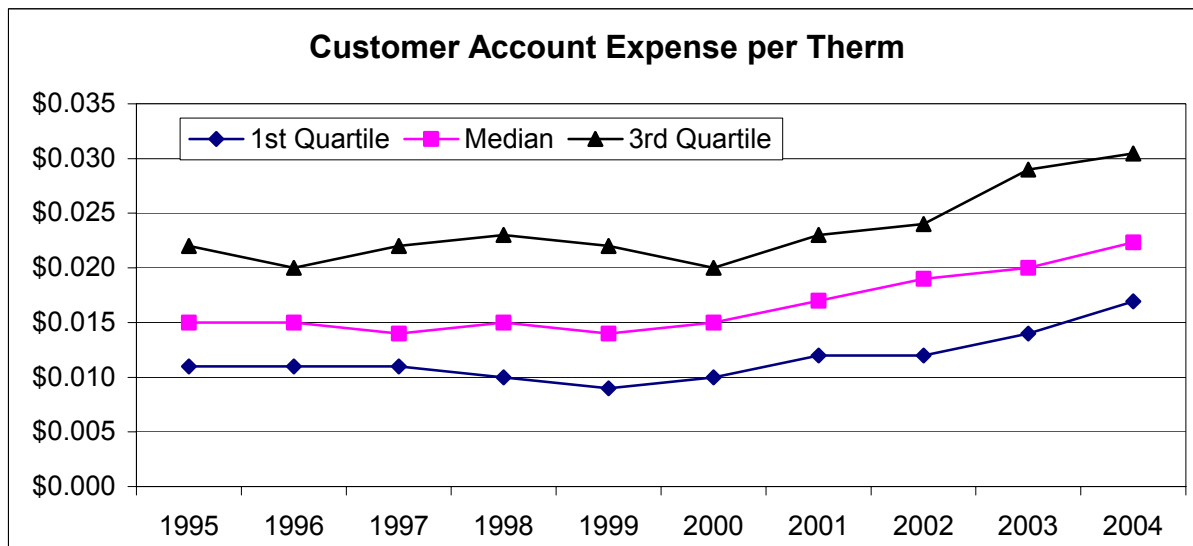
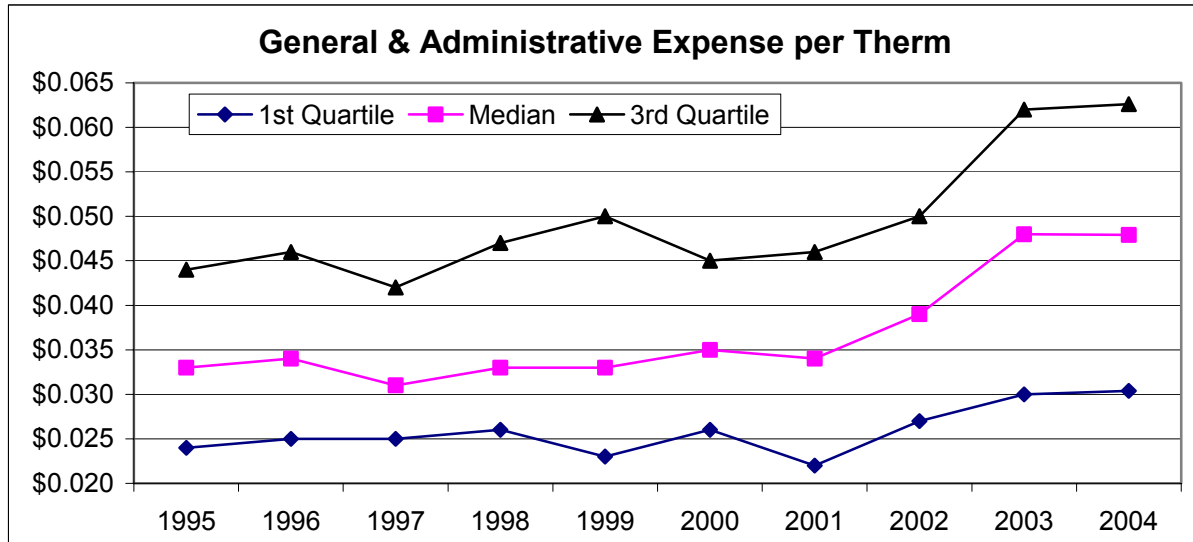
Note: Sample size and individual company participation vary by year, impairing trend analysis

## Appendix 2: Multi-year Charts for All Companies



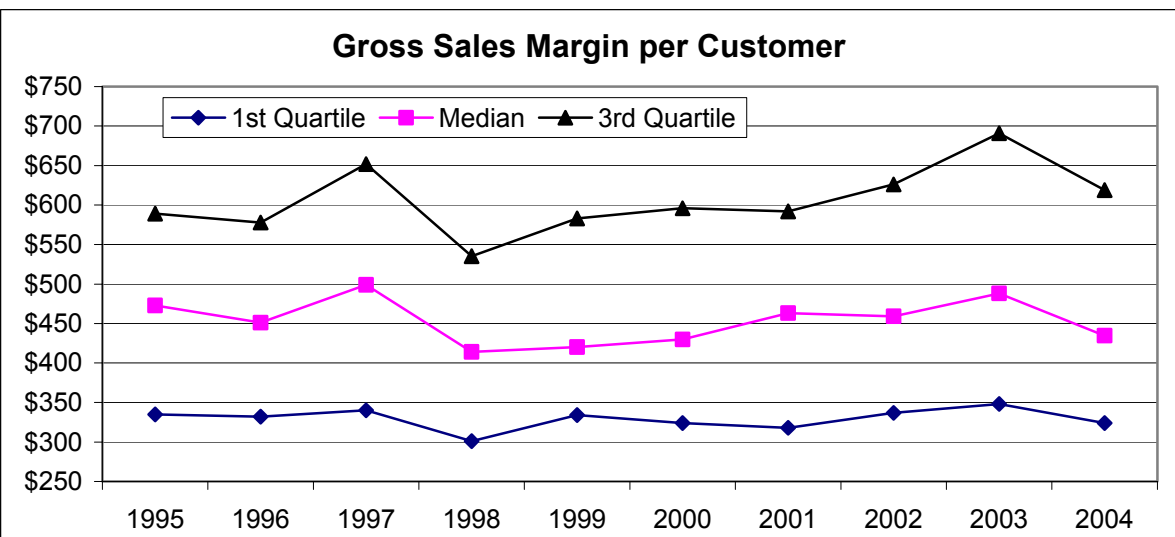
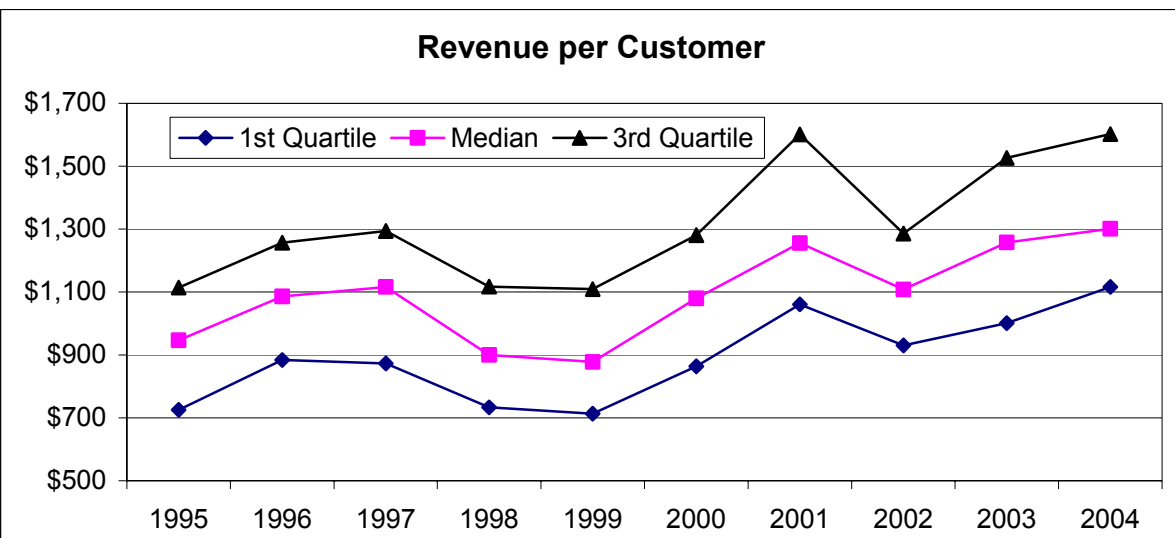
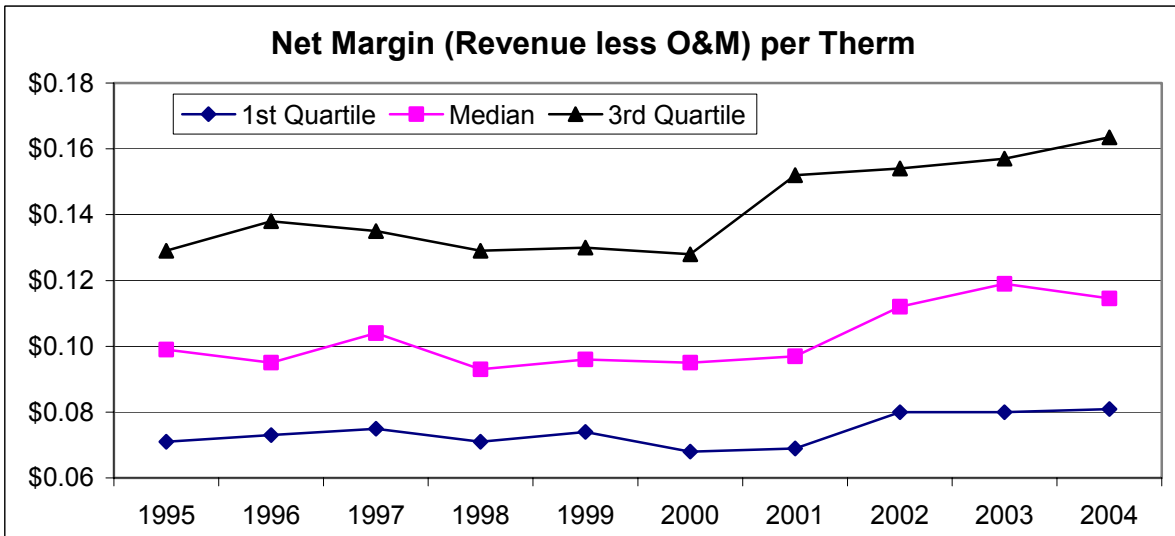
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## Appendix 2: Multi-year Charts for All Companies



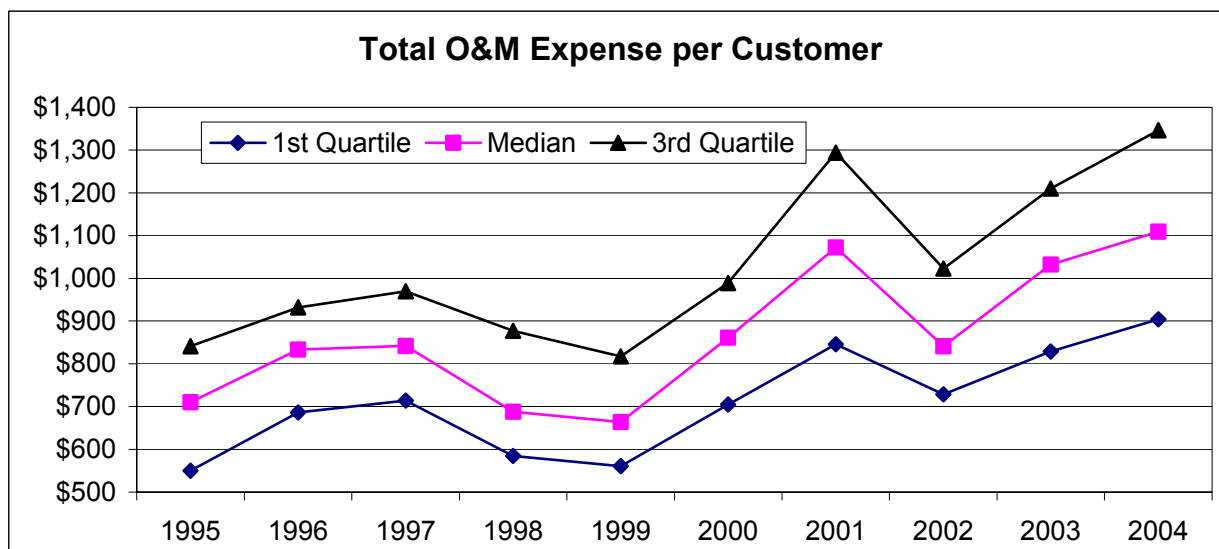
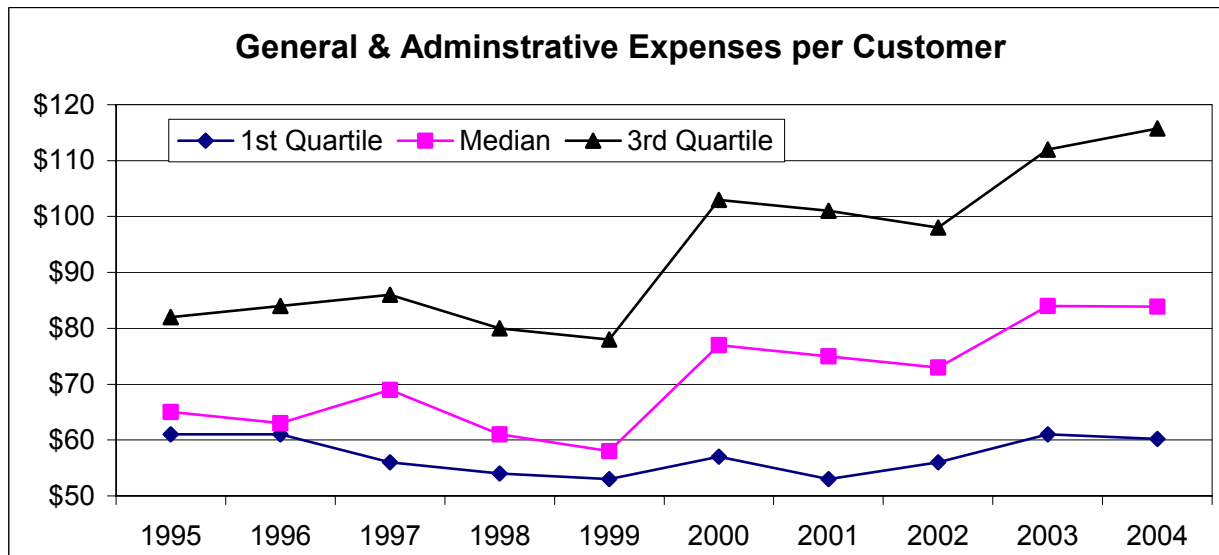
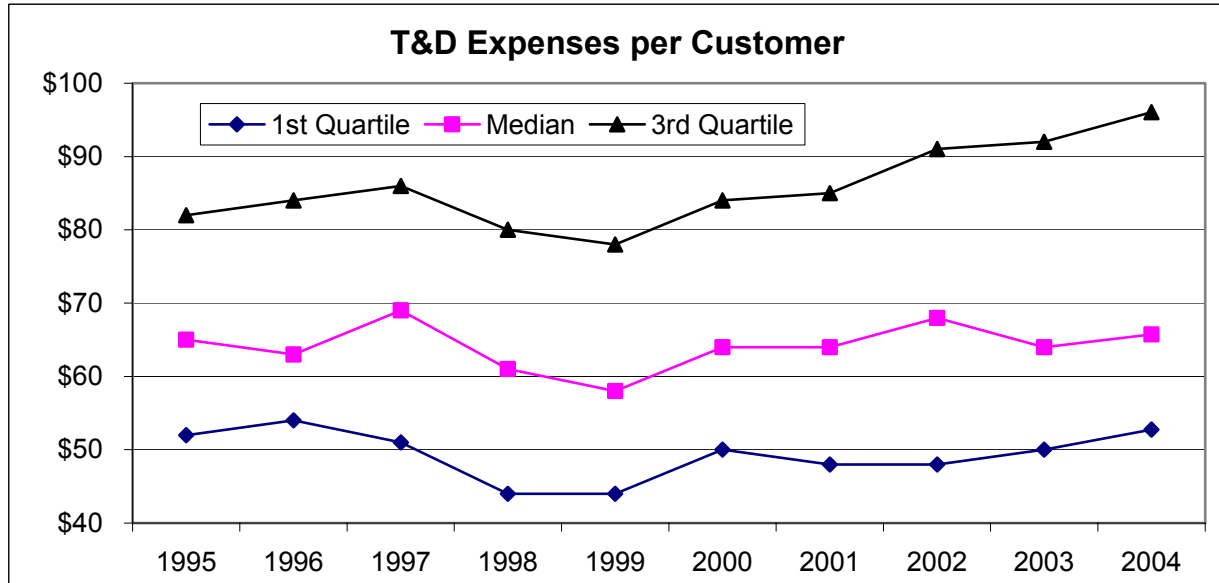
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## Appendix 2: Multi-year Charts for All Companies



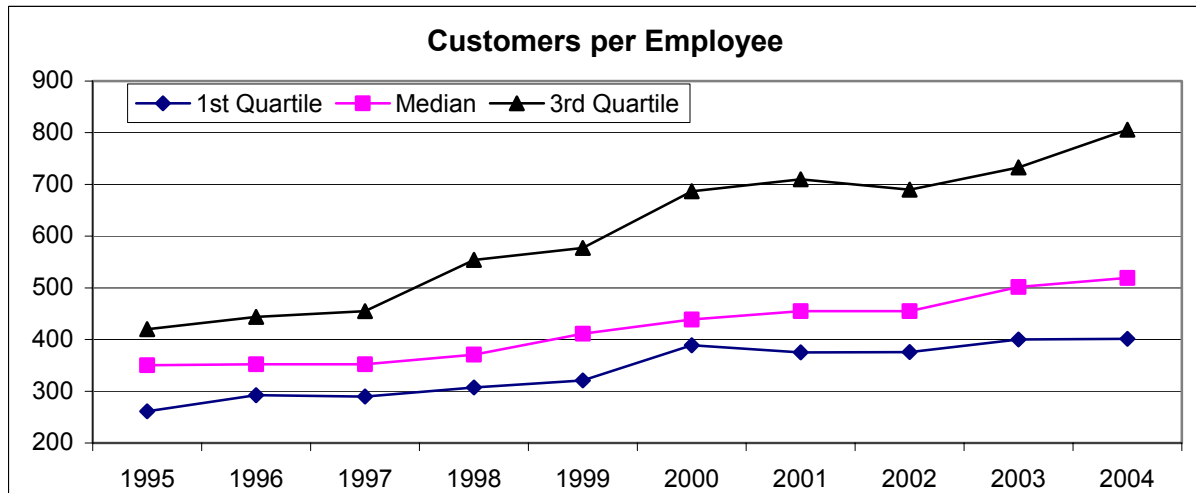
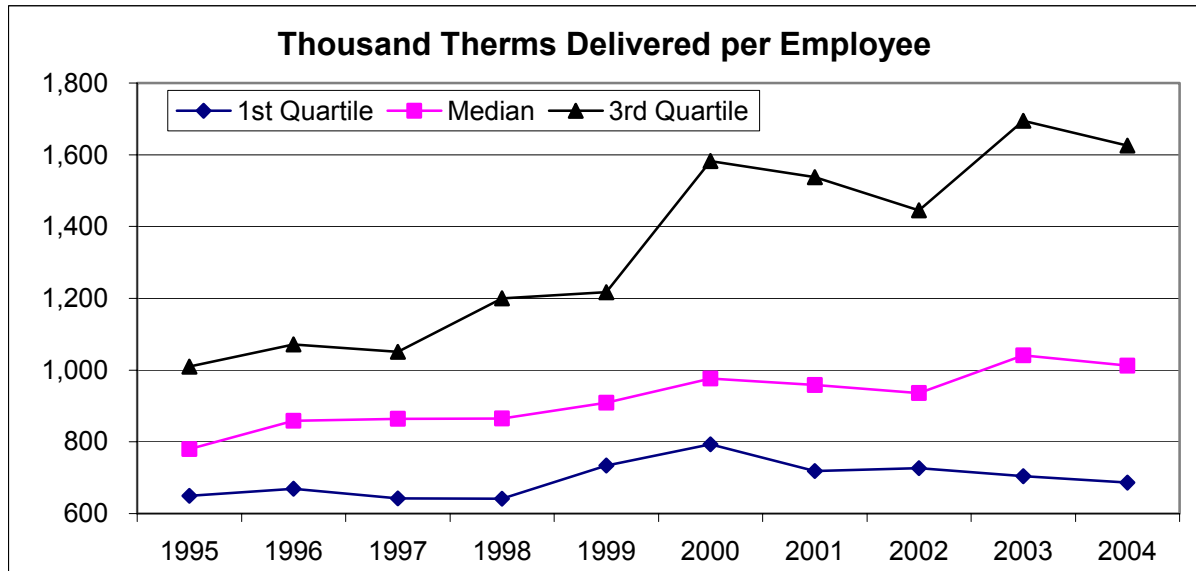
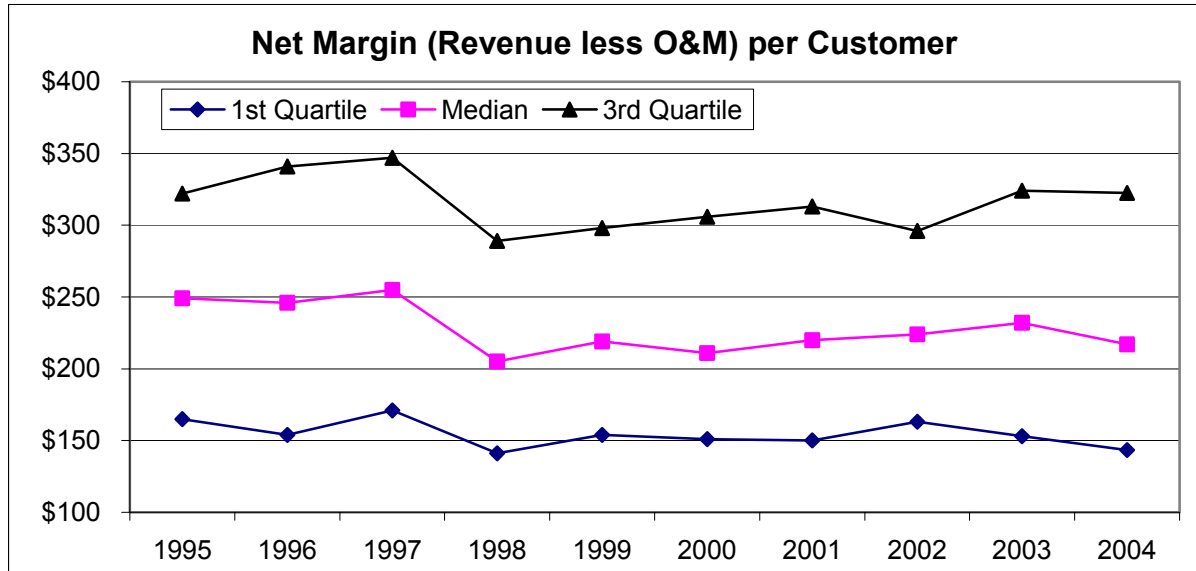
Note: Sample size and individual company participation vary by year, impairing trend analysis

## Appendix 2: Multi-year Charts for All Companies



Note: Sample size and individual company participation vary by year, impairing trend analysis

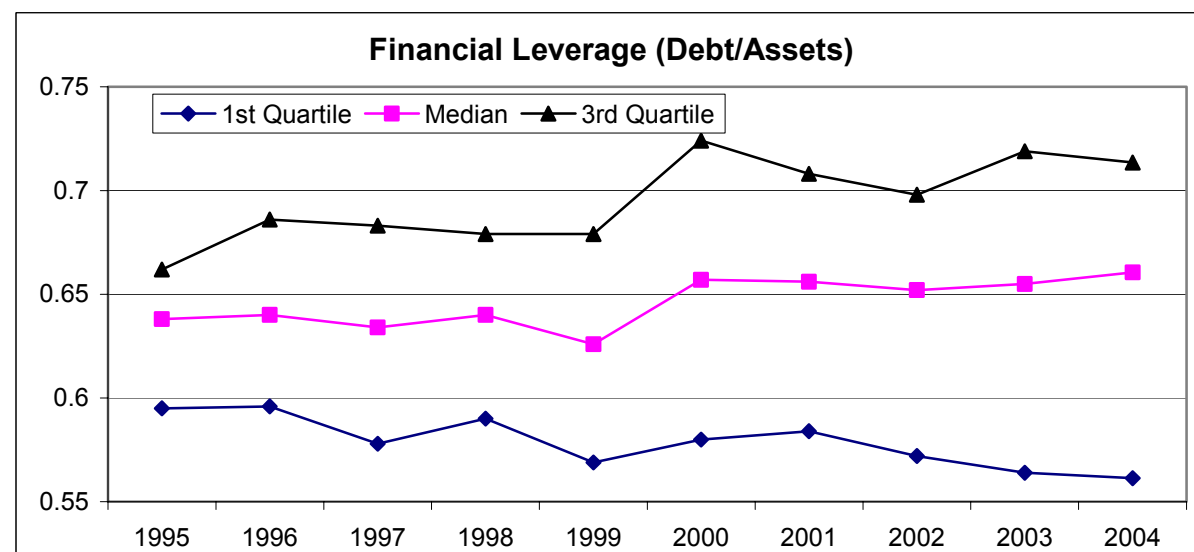
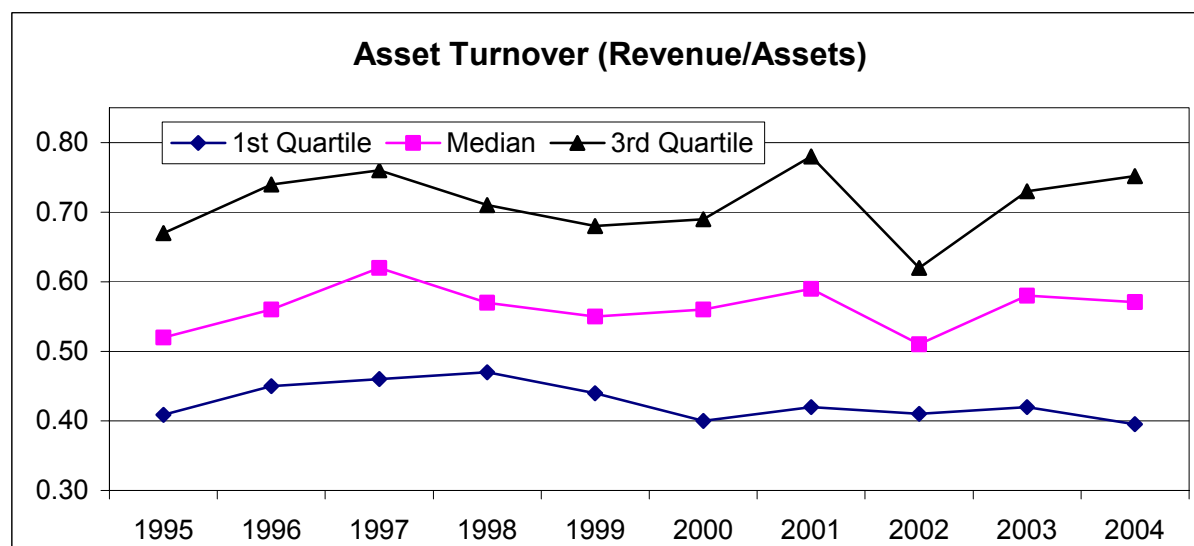
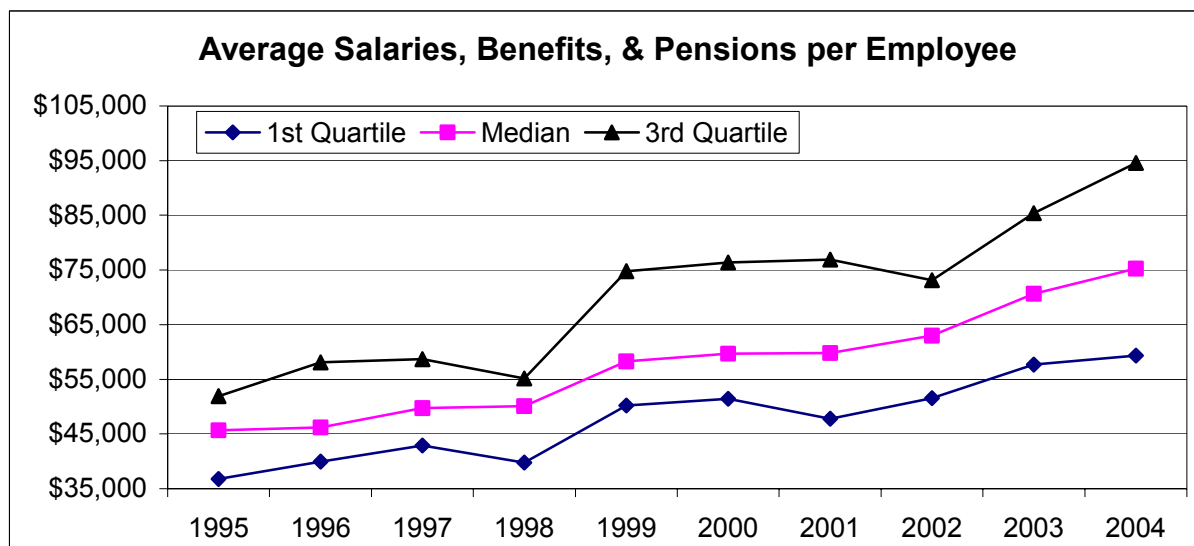
## Appendix 2: Multi-year Charts for All Companies



Note: Sample size and individual company participation vary by year, impairing trend analysis

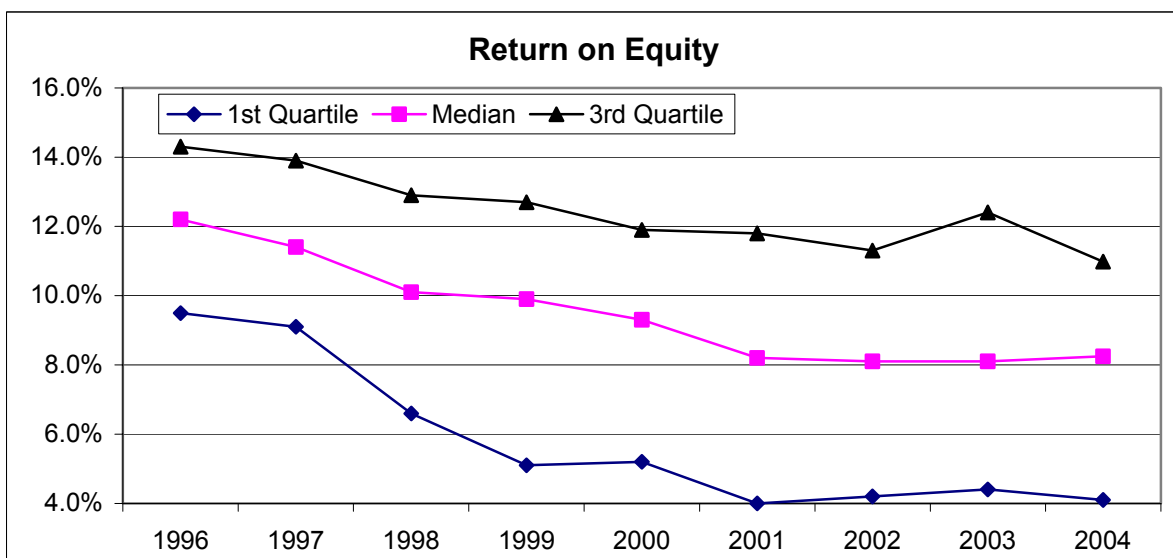
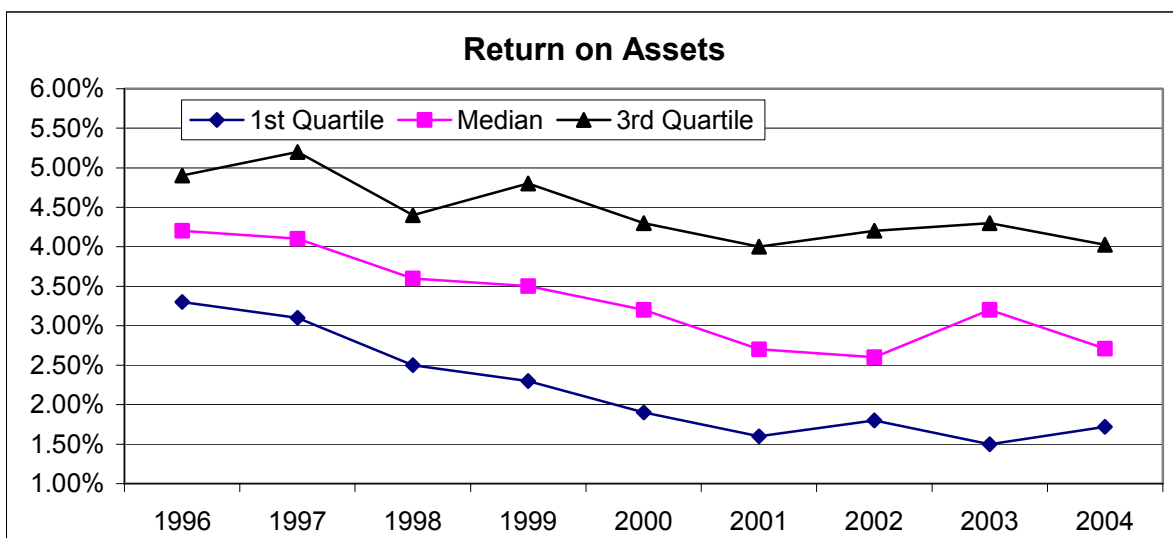
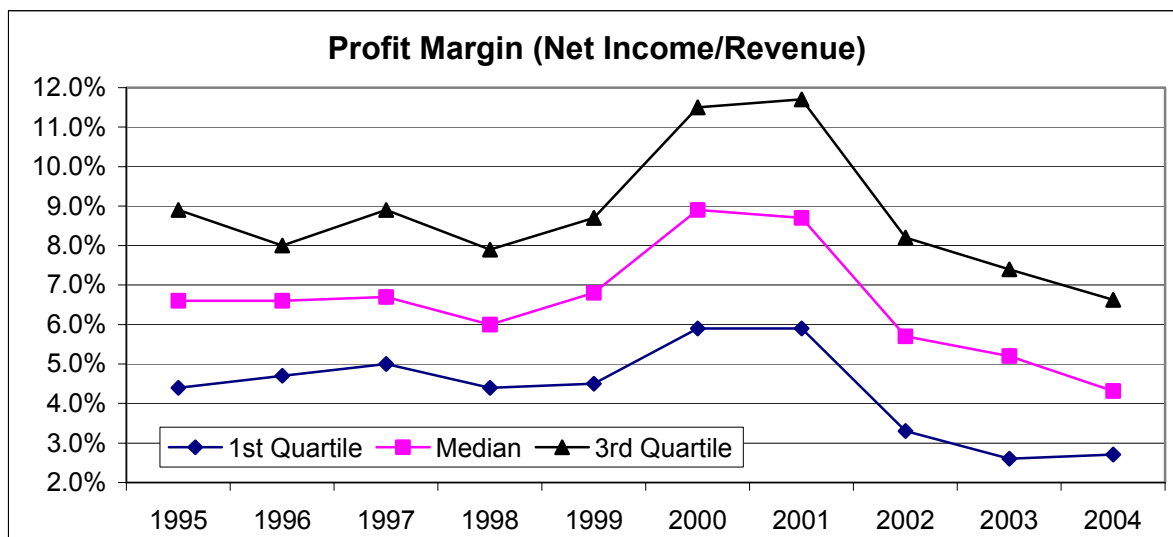


## Appendix 2: Multi-year Charts for All Companies



Note: Sample size and individual company participation vary by year, impairing trend analysis

## Appendix 2: Multi-year Charts for All Companies



Note: Sample size and individual company participation vary by year, impairing trend analysis

**APPENDIX 3a: GAS UTILITY SYSTEM PROFILES AND DELIVERY VOLUMES**

2004 Data, 77 Utilities Reporting

Stratified by Type of Company

2004 Data, 77 Utilities Reporting		Gas Utilities				Combination Utilities				Municipal Utilities				All Companies			
Stratified by Type of Company		52 firms				17 firms				8 firms				77 firms			
	Units	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG
SYSTEM PROFILE 1/																	
Total Therms delivered	THOUS.	90,668	589,326	1,500,090	951,949	104,242	903,240	2,068,080	1,174,895	112,569	206,832	345,353	249,028	92,530	512,696	1,386,950	928,140
Total Sales Volume	THOUS.	60,550	395,270	864,785	593,750	104,242	510,144	1,274,289	836,394	102,322	194,258	312,310	227,648	68,525	361,620	863,760	609,284
Transportation Volume	THOUS.	8,849	159,535	513,361	358,198	18,900	201,642	522,503	338,501	-	4,060	14,505	21,380	3,650	132,170	489,320	318,855
Gas customers	--	43,673	275,583	758,973	507,736	67,900	460,672	1,003,479	773,343	71,498	136,355	224,434	177,946	52,569	274,735	752,789	532,112
Miles of main in use	--	1,383	3,992	12,359	9,197	1,478	6,462	17,122	10,415	2,022	2,255	3,041	2,420	1,478	3,991	12,324	8,762
Density (meters/mile of distrib. system)	--	39.1	48.8	66.9	59.9	48.3	59.5	66.3	61.8	48.7	61.9	80.2	70.0	40.5	55.0	67.9	61.4
THERM VOLUME BY CUSTOMER CLASS 2/																	
Residential heating	THOUS.	30,926	237,629	562,508	356,754	52,889	374,817	798,833	535,482	47,343	96,575	169,923	129,352	31,138	207,530	522,040	372,587
Residential non-heating	THOUS.	-	4	1,673	3,735	-	-	8,260	9,518	-	-	63	2,414	-	-	2,340	4,875
Commercial, firm	THOUS.	22,210	92,802	211,850	144,337	36,100	136,126	366,365	224,711	28,111	56,911	92,822	64,350	24,803	96,367	211,590	153,772
Commercial, interruptible	THOUS.	-	-	771	5,093	-	-	2,237	3,879	-	3,433	10,299	7,268	-	-	2,200	5,051
Industrial, firm	THOUS.	223	5,100	25,178	31,872	210	6,290	36,751	32,093	-	3,511	9,783	7,616	210	5,117	24,350	29,400
Industrial, interruptible	THOUS.	-	-	4,050	9,701	-	-	-	2,363	5,632	12,826	16,983	12,117	-	-	4,450	8,332
Electric utility generation, firm	THOUS.	-	-	-	1,025	-	-	-	23,546	-	-	238	446	-	-	-	5,937
Electric utility generation, interup.	THOUS.	-	-	-	9,902	-	-	-	-	-	-	-	774	-	-	-	6,767
Non-utility generation, firm	THOUS.	-	-	-	1,840	-	-	-	-	-	-	-	-	-	-	-	1,243
Non-utility generation, interup.	THOUS.	-	-	-	266	-	-	-	-	-	-	-	166	-	-	-	197
NGV	THOUS.	-	-	-	119	-	-	-	51	-	-	-	2,244	-	-	-	324
Municipal & public	THOUS.	-	-	-	5,149	-	-	-	73	-	-	74	446	-	-	-	3,540
Interdepartmental	THOUS.	-	-	-	581	-	-	96	4,617	-	-	90	456	-	-	-	1,459
Other	THOUS.	-	-	-	23,378	-	-	-	60	-	-	-	-	-	-	-	15,801
NUMBER OF CUSTOMERS BY CUSTOMER CLASS																	
Residential heating		34,058	243,556	617,880	422,987	58,638	366,114	881,636	693,906	63,491	123,393	205,714	156,354	46,525	238,378	616,779	455,098
Residential non-heating		-	21	6,197	21,889	-	-	23,948	15,978	-	-	477	7,680	-	-	6,554	19,108
Commercial, firm		4,955	21,302	48,899	34,979	8,560	33,932	83,551	55,087	7,818	12,602	17,173	13,080	5,335	21,478	48,457	37,143
Commercial, interruptible		-	-	10	127	-	-	6	40	-	-	14	7	-	-	11	95
Industrial, firm		10	211	1,100	1,034	7	369	1,504	1,451	-	54	151	114	6	173	1,049	1,031
Industrial, interruptible		-	-	11	106	-	-	-	7	5	20	48	29	-	-	21	76
Electric utility generation, firm		-	-	-	1	-	-	-	5	-	-	2	2	-	-	-	2
Electric utility generation, interup.		-	-	-	1	-	-	-	-	-	-	-	0	-	-	-	1
Non-utility generation, firm		-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	0
Non-utility generation, interup.		-	-	-	0	-	-	-	-	-	-	-	0	-	-	-	0
NGV		-	-	-	5	-	-	-	5	-	-	-	636	-	-	-	71
Municipal & public		-	-	-	288	-	-	-	15	-	-	6	29	-	-	-	201
Interdepartmental		-	-	-	0	-	-	1	6	-	-	5	10	-	-	-	3
Other		-	-	-	4	-	-	-	2	-	-	-	-	-	-	-	3

1/ Includes transportation only customers

2/ Quartile figures for each column do not sum. The quartile arrangements do not yield the same sequence of firms for each variable.

For example, the firm which provides the median figure for "total O&amp;M" is not the same as the firm that provides the median figure for "total operating income."

Key: LQ = Lower Quartile, MED = Median, UQ = Upper Quartile, AVG = Average

**APPENDIX 3b: GAS UTILITY FINANCIAL STATEMENTS**

2004 Data, 77 Utilities Reporting  
Stratified by Type of Company

2004 Data, 77 Utilities Reporting Stratified by Type of Company		Gas Utilities 52 firms				Combination Utilities 17 firms				Municipal Utilities 8 firms				All Companies 77 firms			
	Units	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG
GAS-ONLY INCOME STATEMENT																	
Operating revenue	\$THOUS	72,531	418,856	1,130,451	621,463	110,952	747,737	1,081,351	876,997	101,891	177,660	273,532	247,085	74,814	407,812	928,902	638,983
Operating expense	\$THOUS	54,517	327,112	791,583	488,464	90,863	527,438	896,947	695,888	82,727	151,310	252,704	213,305	64,122	317,156	740,800	505,671
Maintenance expense	\$THOUS	992	4,900	16,407	11,735	1,854	10,862	16,597	16,300	1,231	5,371	8,670	8,186	1,026	6,662	16,346	12,374
Total O&M	\$THOUS	55,345	337,976	816,398	500,199	94,289	536,995	908,531	712,188	83,958	157,418	260,673	221,490	65,539	322,293	750,418	518,045
Depreciation	\$THOUS	4,469	18,011	42,307	31,276	5,143	34,000	61,536	43,867	4,404	6,361	10,774	10,014	4,505	15,857	41,886	31,847
Depletion	\$THOUS	-	-	-	328	-	-	8	1,615	-	-	-	-	-	-	-	578
Amortization	\$THOUS	-	-	2,481	2,620	-	4	4,000	2,256	-	-	-	514	-	-	2,264	2,321
Prop. loss charged to operations	\$THOUS	-	-	-	25	-	-	-	998	-	-	-	-	-	-	-	238
Total taxes	\$THOUS	4,056	23,323	66,817	42,287	4,881	35,000	52,734	38,629	-	4,424	6,785	4,681	3,572	16,518	56,667	37,573
Other operating income	\$THOUS	-	-	-	14	-	-	-	987	-	-	1,113	1,116	-	-	-	343
Total operating income	\$THOUS	6,847	29,930	64,862	44,728	5,070	51,994	73,950	77,443	1,177	5,770	10,397	10,385	5,560	21,964	64,591	48,382
BALANCE SHEET																	
Gas plant	\$THOUS	156,342	768,207	1,442,531	1,033,106	175,353	1,086,683	1,748,175	1,468,106	173,294	242,891	345,129	380,383	164,543	597,917	1,443,822	1,061,330
Common plant	\$THOUS	-	-	-	2,131	44,126	104,840	460,784	373,242	-	-	135,650	125,630	-	-	13,703	96,896
Other plant	\$THOUS	-	-	-	478	-	-	5,171	177,015	-	7,226	382,757	281,947	-	-	-	68,697
Total plant in service	1/2/ \$THOUS	156,342	768,207	1,443,803	1,035,716	1,035,048	5,329,592	8,461,707	7,280,223	182,112	858,323	1,593,604	1,066,813	199,007	966,105	2,228,880	2,417,604
Accumulated depreciation	1/ \$THOUS	54,733	293,653	557,574	402,049	403,891	2,053,957	3,615,155	3,221,515	43,749	266,018	620,459	372,452	57,358	373,589	775,864	1,021,453
Construction work-in-progress	1/ \$THOUS	732	6,202	20,540	13,747	30,000	83,114	160,117	145,248	8,237	54,137	81,593	47,875	1,971	10,635	45,578	46,325
Net utility plant	1/ \$THOUS	107,456	512,302	837,611	648,024	710,006	3,358,749	5,449,528	4,236,299	146,600	655,263	1,046,071	744,519	137,822	568,273	1,356,578	1,450,266
Gas storage (non-current)	1/ \$THOUS	-	-	56	3,454	-	-	-	3,329	-	-	-	12,075	-	-	-	4,322
Customer accts. receivable	1/ \$THOUS	3,641	28,555	96,075	68,831	32,923	60,995	334,851	214,344	9,192	35,245	95,413	48,887	7,488	37,550	119,487	98,886
Total current & accrued assets	1/ \$THOUS	26,549	154,456	288,473	203,937	141,420	424,771	1,129,634	867,541	68,588	179,061	425,231	230,753	36,977	166,110	398,863	353,233
Total deferred debits	1/ \$THOUS	3,020	33,147	145,713	127,332	103,251	612,586	2,224,813	1,768,350	1,445	18,665	56,424	194,057	4,491	56,146	236,289	496,567
Total assets	1/ \$THOUS	145,106	724,663	1,399,001	1,054,323	1,077,656	4,854,673	10,133,000	7,217,786	219,357	908,195	1,828,768	1,208,988	188,747	971,939	2,504,908	2,431,157
Common stock	1/ \$THOUS	-	2,437	46,979	56,297	1,952	128,263	859,038	502,000	-	-	-	-	-	2,338	76,162	148,850
Retained earnings	1/ \$THOUS	12,499	66,136	223,935	142,941	121,077	353,579	660,615	750,468	116,981	232,576	766,962	495,815	25,644	121,077	315,061	313,732
Total common stock equity	1/ \$THOUS	59,026	233,454	533,664	342,687	394,198	1,311,000	2,412,008	1,937,306	116,981	287,510	766,962	509,549	86,341	303,875	753,076	712,082
Total long-term (LT) debt	1/ \$THOUS	17,875	129,225	336,264	259,262	374,458	1,500,345	4,628,000	2,236,061	18,791	287,152	1,125,120	533,757	52,500	218,310	590,164	724,217
Total capitalization	1/3/ \$THOUS	101,129	374,229	792,995	602,510	768,768	3,256,421	6,026,000	4,224,203	180,603	759,360	1,559,918	1,046,533	140,374	586,873	1,471,761	1,448,237
Total non-current other liabilities	1/ \$THOUS	-	-	7,386	10,403	4,886	17,957	299,201	326,613	-	-	12,870	14,374	-	290	23,473	80,628
Current & accrued liabilities	1/ \$THOUS	19,777	177,127	332,425	265,815	123,354	423,778	965,086	830,831	41,727	75,614	148,445	118,932	23,987	198,424	423,778	375,298
Total deferred credits	1/ \$THOUS	12,801	78,839	223,771	166,014	190,014	875,273	2,405,188	1,721,418	165	12,231	18,942	16,200	14,227	92,974	383,460	493,850
Total capitalization & liabilities	1/3/ \$THOUS	145,106	724,663	1,399,001	1,054,323	1,077,656	4,854,673	10,133,000	7,217,786	219,357	908,195	1,828,768	1,208,988	188,747	971,939	2,504,908	2,431,157

1/ Figures for combination utilities are necessarily based on combined gas and electric operations. Four Municipal utilities are also combined utilities.

2/ Reflects gas and non-gas assets, also includes regulatory assets.

3/ Total capitalization figure in this display includes preferred stock.

Key: LQ = Lower Quartile, MED = Median, UQ = Upper Quartile, AVG = Average

### APPENDIX 3c: GAS UTILITY SAME-SIZE FINANCIAL STATEMENTS

2004 Data, 77 Utilities Reporting

Stratified by Type of Company

		Gas Utilities 52 firms	Combination Utilities 17 firms	Municipal Utilities 8 firms	All Companies 77 firms
<b>GAS-ONLY INCOME STATEMENT - Based on average values</b>					
Operating revenue		100.0	100.0	100.0	100.0
Operating expense		77.9	79.2	86.5	79.2
Maintenance expense		2.1	1.9	2.8	2.2
Total O&M		80.0	81.1	89.3	81.4
Depreciation		5.1	5.1	4.0	5.0
Depletion		0.0	0.1	-	0.0
Amortization		0.2	0.3	0.1	0.2
Prop. loss charged to operations		0.0	0.0	-	0.0
Total taxes		6.7	5.3	1.8	5.8
Other operating income		0.0	0.1	0.2	0.1
Total operating income		8.0	8.1	4.8	7.6
<b>BALANCE SHEET - Based on average values</b>					
Gas plant		98.0	20.3	31.5	43.7
Common plant		0.2	5.2	10.4	4.0
Other plant		0.0	2.5	23.3	2.8
Total plant in service	1/2/	98.2	100.9	88.2	99.4
Accumulated depreciation	1/	38.1	44.6	30.8	42.0
Construction work-in-progress	1/	1.3	2.0	4.0	1.9
Net utility plant	1/	61.5	58.7	61.6	59.7
Gas storage (non-current)	1/	0.3	0.0	1.0	0.2
Customer accts. receivable	1/	6.5	3.0	4.0	4.1
Total current & accrued assets	1/	19.3	12.0	19.1	14.5
Total deferred debits	1/	12.1	24.5	16.1	20.4
Total assets	1/	100.0	100.0	100.0	100.0
Common stock	1/	5.3	7.0	-	6.1
Retained earnings	1/	13.6	10.4	41.0	12.9
Total common stock equity	1/	32.5	26.8	42.1	29.3
Total long-term (LT) debt	1/	24.6	31.0	44.1	29.8
Total capitalization	1/3/	57.1	58.5	86.6	59.6
Total non-current other liabilities	1/	1.0	4.5	1.2	3.3
Current & accrued liabilities	1/	25.2	11.5	9.8	15.4
Total deferred credits	1/	15.7	23.8	1.3	20.3
Total capitalization & liabilities	1/3/	100.0	100.0	100.0	100.0

1/ Figures for combination utilities are necessarily based on combined gas and electric operations. Four municipal utilities are also combined gas-electric utilities.

2/ Reflects gas and non-gas assets, also includes regulatory assets.

3/ Total capitalization figure in this display includes preferred stock.

**APPENDIX 3d: GAS UTILITY INCOME STATEMENTS - Per Cost Driver**

2004 Data, 77 Utilities Reporting  
Stratified by Type of Company

2004 Data, 77 Utilities Reporting Stratified by Type of Company		Gas Utilities 52 firms				Combination Utilities 17 firms				Municipal Utilities 8 firms				All Companies 77 firms																			
		Units	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG															
			GAS-ONLY INCOME STATEMENT - Per Annual Therms Delivered																														
Operating revenue	\$/THERM	\$	0.5694	\$	0.7607	\$	0.9186	\$	0.7709	\$	0.5882	\$	0.6740	\$	0.8278	\$	0.7254	\$	0.7726	\$	0.8358	\$	1.0346	\$	0.9290	\$	0.5882	\$	0.7615	\$	0.9139	\$	0.7773
Operating expense	\$/THERM	\$	0.4601	\$	0.6044	\$	0.7237	\$	0.6005	\$	0.4672	\$	0.5338	\$	0.6828	\$	0.5745	\$	0.7012	\$	0.7294	\$	0.8356	\$	0.8031	\$	0.4734	\$	0.6227	\$	0.7282	\$	0.6158
Maintenance expense	\$/THERM	\$	0.0065	\$	0.0128	\$	0.0222	\$	0.0164	\$	0.0095	\$	0.0119	\$	0.0156	\$	0.0134	\$	0.0122	\$	0.0197	\$	0.0321	\$	0.0261	\$	0.0072	\$	0.0128	\$	0.0213	\$	0.0168
Total O&M	\$/THERM	\$	0.4653	\$	0.6171	\$	0.7343	\$	0.6170	\$	0.4785	\$	0.5470	\$	0.6924	\$	0.5879	\$	0.7199	\$	0.7513	\$	0.8767	\$	0.8292	\$	0.4825	\$	0.6339	\$	0.7512	\$	0.6326
Depreciation	\$/THERM	\$	0.0252	\$	0.0317	\$	0.0437	\$	0.0393	\$	0.0317	\$	0.0344	\$	0.0403	\$	0.0372	\$	0.0210	\$	0.0402	\$	0.0527	\$	0.0375	\$	0.0254	\$	0.0333	\$	0.0448	\$	0.0386
Depletion	\$/THERM	\$	-	\$	-	\$	-	\$	0.0002	\$	-	\$	-	\$	0.0001	\$	0.0007	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	0.0003
Amortization	\$/THERM	\$	-	\$	-	\$	0.0018	\$	0.0013	\$	-	\$	0.0004	\$	0.0032	\$	0.0022	\$	-	\$	-	\$	-	\$	0.0009	\$	-	\$	-	\$	0.0022	\$	0.0015
Prop. loss charged to operations	\$/THERM	\$	-	\$	-	\$	-	\$	0.0000	\$	-	\$	-	\$	-	\$	0.0003	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	0.0001
Total taxes	\$/THERM	\$	0.0255	\$	0.0386	\$	0.0582	\$	0.0514	\$	0.0220	\$	0.0362	\$	0.0511	\$	0.0387	\$	-	\$	0.0116	\$	0.0335	\$	0.0168	\$	0.0211	\$	0.0380	\$	0.0576	\$	0.0450
Other operating income	\$/THERM	\$	-	\$	-	\$	-	\$	0.0001	\$	-	\$	-	\$	-	\$	0.0007	\$	-	\$	-	\$	0.0022	\$	0.0022	\$	-	\$	-	\$	-	\$	0.0005
Total operating income	\$/THERM	\$	0.0263	\$	0.0397	\$	0.0629	\$	0.0616	\$	0.0342	\$	0.0442	\$	0.0611	\$	0.0584	\$	0.0183	\$	0.0495	\$	0.0767	\$	0.0446	\$	0.0238	\$	0.0439	\$	0.0675	\$	0.0592

	Units	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG
GAS-ONLY INCOME STATEMENT - Per Average Annual Customers Served																	
Operating revenue	\$/CUSTOMER	\$ 1,120	\$ 1,334	\$ 1,581	\$ 1,394	\$ 1,002	\$ 1,170	\$ 1,278	\$ 1,218	\$ 1,226	\$ 1,424	\$ 1,646	\$ 1,430	\$ 1,117	\$ 1,301	\$ 1,602	\$ 1,359
Operating expense	\$/CUSTOMER	\$ 884	\$ 1,092	\$ 1,320	\$ 1,109	\$ 802	\$ 939	\$ 1,042	\$ 973	\$ 1,126	\$ 1,190	\$ 1,356	\$ 1,239	\$ 866	\$ 1,086	\$ 1,318	\$ 1,092
Maintenance expense	\$/CUSTOMER	\$ 17	\$ 22	\$ 39	\$ 27	\$ 17	\$ 20	\$ 25	\$ 22	\$ 18	\$ 34	\$ 54	\$ 41	\$ 17	\$ 22	\$ 36	\$ 27
Total O&M	\$/CUSTOMER	\$ 911	\$ 1,114	\$ 1,365	\$ 1,135	\$ 817	\$ 966	\$ 1,058	\$ 995	\$ 1,147	\$ 1,217	\$ 1,430	\$ 1,279	\$ 904	\$ 1,109	\$ 1,346	\$ 1,119
Depreciation	\$/CUSTOMER	\$ 48	\$ 62	\$ 81	\$ 67	\$ 51	\$ 60	\$ 70	\$ 62	\$ 33	\$ 58	\$ 73	\$ 56	\$ 47	\$ 61	\$ 76	\$ 65
Depletion	\$/CUSTOMER	-	-	\$ -	\$ 0	-	\$ -	\$ 0	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0
Amortization	\$/CUSTOMER	-	\$ -	\$ 3	\$ 4	-	\$ 1	\$ 6	\$ 4	\$ -	\$ -	\$ -	\$ 1	-	\$ -	\$ 3	\$ 3
Prop. loss charged to operations	\$/CUSTOMER	-	\$ -	\$ -	\$ 0	-	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ 0
Total taxes	\$/CUSTOMER	\$ 42	\$ 75	\$ 124	\$ 86	\$ 45	\$ 70	\$ 85	\$ 66	\$ -	\$ 16	\$ 53	\$ 27	\$ 42	\$ 67	\$ 107	\$ 75
Other operating income	\$/CUSTOMER	-	\$ -	\$ -	\$ 0	-	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ 3	\$ 3	-	\$ -	\$ -	\$ 1
Total operating income	\$/CUSTOMER	\$ 52	\$ 88	\$ 146	\$ 102	\$ 70	\$ 85	\$ 112	\$ 91	\$ 28	\$ 79	\$ 119	\$ 66	\$ 50	\$ 86	\$ 134	\$ 96

	Units	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG
GAS-ONLY INCOME STATEMENT - Per Dollar of Gas Plant																	
Operating revenue	per \$GAS PLAN	\$ 0.5493	\$ 0.6556	\$ 0.7485	\$ 0.6645	\$ 0.5840	\$ 0.6426	\$ 0.6967	\$ 0.6352	\$ 0.5663	\$ 0.7106	\$ 0.8665	\$ 0.7371	\$ 0.5573	\$ 0.6537	\$ 0.7557	\$ 0.6656
Operating expense	per \$GAS PLAN	\$ 0.3979	\$ 0.5168	\$ 0.6511	\$ 0.5373	\$ 0.4432	\$ 0.5330	\$ 0.5585	\$ 0.5134	\$ 0.4565	\$ 0.6376	\$ 0.7980	\$ 0.6518	\$ 0.4229	\$ 0.5272	\$ 0.6511	\$ 0.5440
Maintenance expense	per \$GAS PLAN	\$ 0.0076	\$ 0.0118	\$ 0.0158	\$ 0.0124	\$ 0.0091	\$ 0.0112	\$ 0.0132	\$ 0.0109	\$ 0.0135	\$ 0.0215	\$ 0.0276	\$ 0.0196	\$ 0.0079	\$ 0.0120	\$ 0.0158	\$ 0.0128
Total O&M	per \$GAS PLAN	\$ 0.4105	\$ 0.5263	\$ 0.6661	\$ 0.5497	\$ 0.4432	\$ 0.5399	\$ 0.5712	\$ 0.5243	\$ 0.4843	\$ 0.6501	\$ 0.8223	\$ 0.6714	\$ 0.4401	\$ 0.5343	\$ 0.6661	\$ 0.5567
Depreciation	per \$GAS PLAN	\$ 0.0266	\$ 0.0293	\$ 0.0339	\$ 0.0303	\$ 0.0270	\$ 0.0318	\$ 0.0343	\$ 0.0324	\$ 0.0232	\$ 0.0265	\$ 0.0302	\$ 0.0266	\$ 0.0265	\$ 0.0293	\$ 0.0340	\$ 0.0304
Depletion	per \$GAS PLAN	\$ -	\$ -	\$ -	\$ 0.0002	\$ -	\$ -	\$ 0.0000	\$ 0.0005	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.0002
Amortization	per \$GAS PLAN	\$ -	\$ -	\$ 0.0022	\$ 0.0015	\$ -	\$ 0.0005	\$ 0.0028	\$ 0.0017	\$ -	\$ -	\$ -	\$ 0.0003	\$ -	\$ -	\$ 0.0026	\$ 0.0014
Prop. loss charged to operations	per \$GAS PLAN	\$ -	\$ -	\$ -	\$ 0.0000	\$ -	\$ -	\$ -	\$ 0.0003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.0001
Total taxes	per \$GAS PLAN	\$ 0.0248	\$ 0.0382	\$ 0.0499	\$ 0.0398	\$ 0.0244	\$ 0.0337	\$ 0.0452	\$ 0.0328	\$ -	\$ 0.0085	\$ 0.0229	\$ 0.0125	\$ 0.0222	\$ 0.0336	\$ 0.0506	\$ 0.0354
Other operating income	per \$GAS PLAN	\$ -	\$ -	\$ -	\$ 0.0002	\$ -	\$ -	\$ -	\$ 0.0008	\$ -	\$ -	\$ 0.0012	\$ 0.0018	\$ -	\$ -	\$ -	\$ 0.0005
Total operating income	per \$GAS PLAN	\$ 0.0318	\$ 0.0420	\$ 0.0519	\$ 0.0430	\$ 0.0351	\$ 0.0406	\$ 0.0513	\$ 0.0433	\$ 0.0244	\$ 0.0362	\$ 0.0425	\$ 0.0263	\$ 0.0310	\$ 0.0405	\$ 0.0526	\$ 0.0413

	Units	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG
GAS-ONLY INCOME STATEMENT - Per Mile of Distribution Pipe																	
Operating revenue	per mile of pipe	\$ 45,286	\$ 59,382	\$ 106,178	\$ 85,099	\$ 51,985	\$ 69,095	\$ 104,881	\$ 76,882	\$ 71,802	\$ 85,957	\$ 102,966	\$ 100,343	\$ 47,845	\$ 67,571	\$ 104,925	\$ 84,866
Operating expense	per mile of pipe	\$ 35,694	\$ 48,015	\$ 81,815	\$ 66,365	\$ 42,971	\$ 55,480	\$ 81,088	\$ 61,070	\$ 65,053	\$ 77,046	\$ 87,902	\$ 86,733	\$ 36,974	\$ 52,756	\$ 83,511	\$ 67,325
Maintenance expense	per mile of pipe	\$ 688	\$ 1,109	\$ 1,838	\$ 1,686	\$ 647	\$ 1,052	\$ 2,012	\$ 1,395	\$ 1,188	\$ 2,205	\$ 3,790	\$ 3,326	\$ 673	\$ 1,189	\$ 2,237	\$ 1,793
Total O&M	per mile of pipe	\$ 36,980	\$ 48,838	\$ 83,923	\$ 68,051	\$ 43,948	\$ 56,361	\$ 83,364	\$ 62,464	\$ 66,586	\$ 80,323	\$ 90,674	\$ 90,059	\$ 37,805	\$ 54,428	\$ 86,487	\$ 69,118
Depreciation	per mile of pipe	\$ 1,872	\$ 3,056	\$ 5,130	\$ 4,054	\$ 2,605	\$ 3,715	\$ 5,262	\$ 3,845	\$ 2,013	\$ 2,864	\$ 3,708	\$ 3,825	\$ 1,983	\$ 3,251	\$ 5,206	\$ 3,983
Depletion	per mile of pipe	\$ -	\$ -	\$ -	\$ 73	\$ -	\$ -	\$ 8	\$ 75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66
Amortization	per mile of pipe	\$ -	\$ -	\$ 146	\$ 258	\$ -	\$ 21	\$ 308	\$ 229	\$ -	\$ -	\$ -	\$ 171	\$ -	\$ -	\$ 181	\$ 242
Prop. loss charged to operations	per mile of pipe	\$ -	\$ -	\$ -	\$ 5	\$ -	\$ -	\$ -	\$ 58	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16
Total taxes	per mile of pipe	\$ 1,951	\$ 3,572	\$ 6,780	\$ 6,069	\$ 2,416	\$ 3,475	\$ 6,448	\$ 4,125	\$ -	\$ 1,883	\$ 2,690	\$ 1,666	\$ 1,888	\$ 3,339	\$ 6,458	\$ 5,171
Other operating income	per mile of pipe	\$ -	\$ -	\$ -	\$ 12	\$ -	\$ -	\$ -	\$ 60	\$ -	\$ -	\$ 342	\$ 300	\$ -	\$ -	\$ -	\$ 53
Total operating income	per mile of pipe	\$ 1,978	\$ 4,815	\$ 9,167	\$ 6,590	\$ 2,798	\$ 4,651	\$ 8,603	\$ 6,084	\$ 1,485	\$ 2,770	\$ 5,234	\$ 4,622	\$ 1,974	\$ 4,546	\$ 8,772	\$ 6,270

Key: LQ = Lower Quartile, MED = Median, UQ = Upper Quartile, AVG = Average

NOTE: Quartile figures for each column do not sum. The quartile arrangements do not yield the same sequence of firms for each variable. For example, the firm which provides the median figure for "total O&M" is not the same as the firm that provides the median figure for "total operating income."

**APPENDIX 3e: GAS UTILITY FINANCIAL RATIOS**

2004 Data, 77 Utilities Reporting  
Stratified by Type of Company

	Units	Gas IOUs 52 firms				Combination IOUs 17 firms				Municipal LDCs 8 firms				All Companies 77 firms			
		LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG
Therms delivered (avg.) per acct.	--	1,558	2,002	2,340	2,093	1,535	1,899	1,961	1,791	1,348	1,530	1,671	1,577	1,527	1,927	2,237	1,972
Therms per \$1,000 of gas plant	--	732	954	1,215	1,028	636	1,034	1,183	982	559	851	1,123	860	698	956	1,212	1,000
Value of gas plant per customer	--	\$ 1,532	\$ 1,993	\$ 2,646	\$ 2,241	\$ 1,584	\$ 1,742	\$ 2,204	\$ 1,971	\$ 1,447	\$ 2,101	\$ 2,649	\$ 2,093	\$ 1,525	\$ 1,965	\$ 2,639	\$ 2,166
%Sales firm (not interruptible)	--	88.8%	96.5%	99.7%	90.2%	97.0%	99.8%	100.0%	97.7%	74.9%	83.3%	93.9%	82.1%	88.8%	97.0%	99.9%	91.0%
Collection period (days)	1/ --	21.9	30.6	46.6	37.1	25.4	28.9	34.5	28.6	33.4	37.8	47.2	40.4	23.9	32.2	44.1	35.5
Gas O&M expense as pct. of revenue	--	74.8%	82.4%	87.3%	81.0%	79.5%	82.7%	84.5%	81.8%	86.2%	90.7%	95.3%	89.9%	78.5%	82.9%	87.6%	82.1%
Gas operating income as pct. of revenue	--	4.1%	6.6%	10.3%	7.4%	5.4%	7.3%	8.2%	7.2%	2.4%	5.4%	7.4%	4.3%	4.1%	6.8%	8.8%	7.0%
Gas operating revenue per customer	--	\$ 1,127	\$ 1,334	\$ 1,581	\$ 1,394	\$ 1,002	\$ 1,170	\$ 1,278	\$ 1,218	\$ 1,226	\$ 1,424	\$ 1,646	\$ 1,430	\$ 1,117	\$ 1,301	\$ 1,602	\$ 1,359
Gas O&M expense per customer	--	\$ 897	\$ 1,114	\$ 1,365	\$ 1,135	\$ 817	\$ 966	\$ 1,058	\$ 995	\$ 1,147	\$ 1,217	\$ 1,430	\$ 1,279	\$ 904	\$ 1,109	\$ 1,346	\$ 1,119
Gas operating income per customer	--	\$ 52	\$ 88	\$ 146	\$ 102	\$ 70	\$ 85	\$ 112	\$ 91	\$ 28	\$ 79	\$ 119	\$ 66	\$ 50	\$ 86	\$ 134	\$ 96
Gas revenue per dollar of gas plant	--	\$ 0.549	\$ 0.656	\$ 0.780	\$ 0.665	\$ 0.584	\$ 0.643	\$ 0.697	\$ 0.635	\$ 0.566	\$ 0.711	\$ 0.867	\$ 0.737	\$ 0.557	\$ 0.654	\$ 0.756	\$ 0.666
Gas O&M expense per dollar of gas plant	--	\$ 0.410	\$ 0.526	\$ 0.670	\$ 0.550	\$ 0.443	\$ 0.540	\$ 0.571	\$ 0.524	\$ 0.484	\$ 0.650	\$ 0.822	\$ 0.671	\$ 0.440	\$ 0.534	\$ 0.666	\$ 0.557
Gas operating income per \$ of gas plant	--	\$ 0.032	\$ 0.042	\$ 0.055	\$ 0.043	\$ 0.035	\$ 0.041	\$ 0.051	\$ 0.043	\$ 0.024	\$ 0.036	\$ 0.042	\$ 0.026	\$ 0.031	\$ 0.040	\$ 0.053	\$ 0.041
Gas revenue per mile of pipe	2/ --	\$ 45,286	\$ 59,382	\$ 106,178	\$ 85,099	\$ 51,985	\$ 69,095	\$ 104,881	\$ 76,882	\$ 71,802	\$ 85,957	\$ 102,966	\$ 100,343	\$ 47,845	\$ 67,571	\$ 104,925	\$ 84,866
Gas O&M expense per mile of pipe	2/ --	\$ 36,980	\$ 48,838	\$ 83,923	\$ 68,051	\$ 43,948	\$ 56,361	\$ 83,364	\$ 62,464	\$ 66,586	\$ 80,323	\$ 90,674	\$ 90,059	\$ 37,805	\$ 54,428	\$ 86,487	\$ 69,118
Gas operating income per mile of pipe	2/ --	\$ 1,978	\$ 4,815	\$ 9,167	\$ 6,590	\$ 2,798	\$ 4,651	\$ 8,603	\$ 6,084	\$ 1,485	\$ 2,770	\$ 5,234	\$ 4,622	\$ 1,974	\$ 4,546	\$ 8,772	\$ 6,270
Long-term debt - total assets ratio	1/ --	16.0%	22.6%	28.9%	22.2%	29.8%	30.9%	38.0%	33.1%	15.6%	35.6%	48.0%	33.2%	18.9%	25.2%	31.2%	25.8%
Long-term debt - total capitalization ratio	1/3/ --	28.7%	40.2%	48.1%	37.0%	46.1%	50.6%	54.5%	52.5%	17.0%	42.8%	54.6%	39.1%	31.6%	44.4%	50.6%	40.7%
Net interest - long-term debt ratio	1/ --	6.7%	7.8%	9.5%	8.1%	6.4%	6.6%	7.9%	6.9%	4.6%	5.2%	5.6%	5.3%	5.7%	7.4%	8.3%	7.5%
EBITDA interest coverage	1/ --	4.6x	6.4x	10.5x	8.6x	3.9x	5.8x	7.3x	5.9x	2.7x	3.8x	6.6x	5.0x	4.2x	6.2x	9.1x	7.6x
Return on assets	--	1.8%	2.8%	4.3%	3.1%	2.1%	2.9%	3.5%	3.3%	0.9%	1.3%	2.5%	1.7%	1.7%	2.7%	4.0%	3.0%
Gross sales margin per therm	4/	\$ 0.181	\$ 0.246	\$ 0.329	\$ 0.295	\$ 0.182	\$ 0.224	\$ 0.313	\$ 0.259	\$ 0.162	\$ 0.218	\$ 0.300	\$ 0.276	\$ 0.175	\$ 0.241	\$ 0.314	\$ 0.285
Gross sales margin per customer	4/	\$ 348	\$ 510	\$ 593	\$ 498	\$ 333	\$ 423	\$ 483	\$ 418	\$ 252	\$ 327	\$ 501	\$ 411	\$ 332	\$ 426	\$ 589	\$ 471

Key: LQ = Lower Quartile, MED = Median, UQ = Upper Quartile, AVG = Average

1/ Figures for combination utilities are necessarily based on combined gas and electric operations. Four municipal utilities are also combined gas-electric utilities.

2/ Miles of distribution pipes from US Department of Transportation.

3/ Total capitalization figure in this display includes preferred stock.

4/ Gross sales margin = operating revenues less purchased gas expense

NOTE: Some ratios are not always normally distributed. Therefore, average ratio values may be subject to distortion by a few observations that are outliers.

**APPENDIX 4: GAS UTILITY O&M Detail**

Based on Segment Averages

VALUES PER THERM	Gas Utilites			Combination Utilites			Municipal Utilities			All Companies		
	2002	2003	2004	2002	2003	2004	2002	2003	2004	2002	2003	2004
Gas-only revenues	\$0.5303	\$0.6672	\$0.7709	\$0.5935	\$0.6976	\$0.7254	\$0.6312	\$0.8488	\$0.9290	\$0.5569	\$0.6959	\$0.7773
Purchased-gas expense	<u>0.2857</u>	<u>0.3336</u>	<u>0.4032</u>	<u>0.3513</u>	<u>0.4569</u>	<u>0.4636</u>	<u>0.3230</u>	<u>0.5234</u>	<u>0.6559</u>	<u>0.3054</u>	<u>0.3801</u>	<u>0.4428</u>
Gross sales margin	0.2258	0.2709	0.2953	0.2379	0.2475	0.2587	0.2226	0.3179	0.2762	0.2283	0.2727	0.2853
Total production costs <sup>1</sup>	\$0.3044	\$0.3963	\$0.4755	\$0.3556	\$0.4501	\$0.4667	\$0.4086	\$0.5310	\$0.6527	\$0.3286	\$0.4232	\$0.4920
Storage & LNG	0.0042	0.0040	0.0044	0.0016	0.0011	0.0014	0.0108	0.0086	0.0123	0.0044	0.0041	0.0045
Transmission	0.0050	0.0071	0.0054	0.0046	0.0025	0.0077	0.0015	0.0010	0.0041	0.0045	0.0055	0.0058
Distribution	0.0309	0.0371	0.0417	0.0321	0.0340	0.0341	0.0503	0.0504	0.0482	0.0334	0.0382	0.0407
Customer accounts	0.0191	0.0247	0.0271	0.0211	0.0205	0.0248	0.0147	0.0291	0.0364	0.0190	0.0245	0.0276
Customer svc. & info.	0.0020	0.0022	0.0017	0.0047	0.0058	0.0074	0.0128	0.0114	0.0133	0.0039	0.0040	0.0042
Sales	0.0023	0.0024	0.0030	0.0020	0.0030	0.0025	0.0019	0.0030	0.0009	0.0022	0.0026	0.0026
Admin. & general	<u>0.0458</u>	<u>0.0533</u>	<u>0.0582</u>	<u>0.0401</u>	<u>0.0436</u>	<u>0.0435</u>	<u>0.0380</u>	<u>0.0352</u>	<u>0.0613</u>	<u>0.0436</u>	<u>0.0493</u>	<u>0.0553</u>
Total O&M	0.4136	0.5271	0.6005	0.4618	0.5607	0.5879	0.5387	0.6697	0.8292	0.4395	0.5514	0.6217
PERCENT OF REVENUE												
Gas-only revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Purchased-gas expense	<u>53.9%</u>	<u>50.0%</u>	<u>52.3%</u>	<u>59.2%</u>	<u>65.5%</u>	<u>63.9%</u>	<u>51.2%</u>	<u>61.7%</u>	<u>70.6%</u>	<u>54.8%</u>	<u>54.6%</u>	<u>57.0%</u>
Gross sales margin	42.6%	40.6%	38.3%	40.8%	35.5%	35.7%	48.8%	38.3%	29.7%	45.2%	45.4%	36.7%
Total production costs <sup>1</sup>	57.4%	59.4%	61.7%	59.9%	64.5%	64.3%	64.7%	62.6%	70.3%	59.0%	60.8%	63.3%
Storage & LNG	0.8%	0.6%	0.6%	0.3%	0.2%	0.2%	1.7%	1.0%	1.3%	0.8%	0.6%	0.6%
Transmission	0.9%	1.1%	0.7%	0.8%	0.4%	1.1%	0.2%	0.1%	0.4%	0.8%	0.8%	0.7%
Distribution	5.8%	5.6%	5.4%	5.4%	4.9%	4.7%	8.0%	5.9%	5.2%	6.0%	5.5%	5.2%
Customer accounts	3.6%	3.7%	3.5%	3.6%	2.9%	3.4%	2.3%	3.4%	3.9%	3.4%	3.5%	3.6%
Customer svc. & info.	0.4%	0.3%	0.2%	0.8%	0.8%	1.0%	2.0%	1.3%	1.4%	0.7%	0.6%	0.5%
Sales	0.4%	0.4%	0.4%	0.3%	0.4%	0.3%	0.3%	0.4%	0.1%	0.4%	0.4%	0.3%
Admin. & general	<u>8.6%</u>	<u>8.0%</u>	<u>7.5%</u>	<u>6.8%</u>	<u>6.3%</u>	<u>6.0%</u>	<u>6.0%</u>	<u>4.1%</u>	<u>6.6%</u>	<u>7.8%</u>	<u>7.1%</u>	<u>7.1%</u>
Total O&M	78.0%	79.0%	77.9%	77.8%	80.4%	81.1%	85.3%	78.9%	89.3%	78.9%	79.2%	80.0%
VALUES PER CUSTOMER												
Gas-only revenues	\$ 1,170	\$ 1,282	\$ 1,394	\$ 1,074	\$ 1,279	\$ 1,218	\$ 1,147	\$ 1,279	\$ 1,430	\$ 1,145	\$ 1,281	\$ 1,359
Purchased-gas expense	<u>\$ 597</u>	<u>\$ 632</u>	<u>\$ 742</u>	<u>\$ 623</u>	<u>\$ 833</u>	<u>\$ 794</u>	<u>\$ 574</u>	<u>\$ 840</u>	<u>\$ 1,021</u>	<u>\$ 600</u>	<u>\$ 695</u>	<u>\$ 783</u>
Gross sales margin	\$ 500	\$ 488	\$ 498	\$ 442	\$ 463	\$ 418	\$ 393	\$ 425	\$ 411	\$ 474	\$ 476	\$ 471
Total production costs <sup>1</sup>	\$ 670	\$ 794	\$ 896	\$ 632	\$ 816	\$ 800	\$ 754	\$ 854	\$ 1,019	\$ 671	\$ 806	\$ 888
Storage & LNG	\$ 9	\$ 8	\$ 9	\$ 3	\$ 2	\$ 2	\$ 18	\$ 16	\$ 21	\$ 9	\$ 8	\$ 9
Transmission	\$ 12	\$ 11	\$ 9	\$ 7	\$ 5	\$ 7	\$ 3	\$ 1	\$ 5	\$ 10	\$ 9	\$ 8
Distribution	\$ 64	\$ 65	\$ 67	\$ 58	\$ 60	\$ 56	\$ 89	\$ 77	\$ 76	\$ 66	\$ 65	\$ 66
Customer accounts	\$ 40	\$ 43	\$ 46	\$ 37	\$ 38	\$ 41	\$ 28	\$ 32	\$ 50	\$ 38	\$ 41	\$ 45
Customer svc. & info.	\$ 6	\$ 5	\$ 4	\$ 8	\$ 9	\$ 11	\$ 20	\$ 18	\$ 21	\$ 8	\$ 7	\$ 7
Sales	\$ 5	\$ 5	\$ 5	\$ 3	\$ 4	\$ 3	\$ 5	\$ 7	\$ 1	\$ 5	\$ 5	\$ 4
Admin. & general	<u>\$ 115</u>	<u>\$ 99</u>	<u>\$ 100</u>	<u>\$ 75</u>	<u>\$ 82</u>	<u>\$ 73</u>	<u>\$ 68</u>	<u>\$ 50</u>	<u>\$ 86</u>	<u>\$ 100</u>	<u>\$ 90</u>	<u>\$ 93</u>
Total O&M	\$ 921	\$ 1,029	\$ 1,135	\$ 823	\$ 1,017	\$ 995	\$ 986	\$ 1,057	\$ 1,279	\$ 906	\$ 1,031	\$ 1,119

1/ Purchased cost expense is subsumed within total production costs. NOTE: Figures may not add precisely due to independent rounding



## APPENDIX 5: WAGES & BENEFITS

### 2004 Data, 77 Utilities Reporting

Stratified by Type of Company

	Gas Utilities 52 firms				Combination Utilities 17 firms				Municipal Utilities 8 firms				All Companies 77 firms			
	LQ	MED	UQ	AVG.	LQ	MED	UQ	AVG.	LQ	MED	UQ	AVG.	LQ	MED	UQ	AVG.
Average number of employees	120	453	1,242	759	86	556	1,065	973	113	171	528	435	115	423	1,151	773
Number of Employees at year-end	154	490	1,219	785	86	557	1,443	995	158	191	525	459	142	446	1,196	797
O&M wages ('000)	6,452	22,714	59,570	36,226	3,911	18,190	49,327	48,164	1,710	14,042	23,692	23,262	4,142	21,450	51,562	37,515
Construction wages ('000)	280	3,754	10,438	8,478	400	6,489	16,188	15,815	-	-	2,306	1,303	207	2,494	10,514	9,352
Total pensions ('000)	80	4,620	22,619	12,053	432	2,367	19,000	14,759	1,459	3,673	10,539	8,185	121	4,497	22,313	12,249
PER YEAR END EMPLOYEE:																
Total salary & wages	49,187	57,350	64,759	60,774	53,904	77,988	80,821	64,524	39,738	52,115	62,581	54,362	48,848	57,461	74,940	60,892
Tot. benefits & pension	6,742	15,761	22,604	15,560	4,999	14,845	27,885	17,849	8,736	16,364	19,837	14,767	6,431	15,761	23,480	15,969
Total salary, benefits, and pension	59,347	74,068	86,642	76,334	69,422	94,095	108,209	82,372	50,641	72,478	77,443	69,129	59,347	75,253	94,574	76,861
Ratio: avg. benefits to avg. compensation	16%	23%	27%	20%	18%	22%	27%	22%	19%	23%	29%	26%	16%	23%	27%	21%
Therms delivered per year-end employee	714,613	1,005,867	1,756,500	1,215,866	966,952	1,460,358	1,638,333	1,463,508	581,195	731,669	964,996	779,549	686,175	1,012,676	1,625,452	1,222,241
Customers per year-end employee	388	503	789	587	573	775	908	799	399	458	501	492	402	519	806	622

NOTE: Some ratios are not always normally distributed. Therefore, average ratio values may be subject to distortion by a few observations that are outliers.

Key: LQ = Lower Quartile, MED = Median, UQ = Upper Quartile, AVG = Average

**APPENDIX 6: Gas Utility Financial Performance**

<b><i>Based on Segment Medians</i></b>	<b>Gas Utilities</b>			<b>Combination Utilities</b>			<b>Municipal Utilities</b>			<b>All Companies</b>		
	2002	2003	2004	2002	2003	2004	2002	2003	2004	2002	2003	2004
Asset Turnover	0.55X	0.68X	0.69X	0.46X	0.48X	0.39X	0.44X	0.48X	0.43X	0.51X	0.58X	0.57X
Financial Leverage	63.3%	65.8%	65.8%	67.9%	66.8%	70.1%	49.2%	51.3%	51.7%	65.2%	65.5%	66.1%
Debt/Equity Ratio	74.1%	71.7%	68.2%	107.0%	104.4%	102.3%	28.9%	76.9%	76.4%	85.2%	79.0%	79.7%
Equity Multiplier	2.76	3.00	2.97	3.30	3.30	3.37	1.97	1.99	2.13	3.01	2.97	2.99
Profit Margin	5.4%	4.7%	4.1%	5.5%	7.2%	5.9%	7.1%	5.3%	3.9%	5.7%	5.2%	4.3%
ROA	2.6%	3.1%	2.8%	2.8%	3.5%	2.9%	2.7%	1.6%	1.3%	2.6%	3.2%	2.7%
ROE	8.3%	8.7%	8.8%	10.5%	11.2%	8.7%	5.6%	4.4%	3.2%	8.1%	8.1%	8.2%
Current Ratio	0.85	0.86	0.94	0.99	1.12	1.06	3.99	3.10	2.01	0.91	0.98	1.00
Current Assets/Total Assets	16.8%	19.4%	20.7%	13.9%	12.9%	11.7%	26.8%	24.5%	25.0%	16.0%	17.9%	18.7%

<b><i>Based on Segment Averages</i></b>	<b>Gas Utilities</b>			<b>Combination Utilities</b>			<b>Municipal Utilities</b>			<b>All Companies</b>		
	2002	2003	2004	2002	2003	2004	2002	2003	2004	2002	2003	2004
Asset Turnover	0.57X	0.66X	0.71X	0.48X	0.47X	0.42X	0.42X	0.46X	0.43X	0.53X	0.60X	0.62X
Financial Leverage	62.2%	63.1%	61.5%	69.7%	68.4%	69.1%	41.8%	51.3%	47.1%	62.2%	63.1%	61.5%
Debt/Equity Ratio	74.7%	74.4%	74.3%	153.6%	135.5%	126.2%	68.4%	104.9%	119.1%	92.4%	89.3%	90.4%
Equity Multiplier	3.00	3.09	3.01	4.34	3.81	3.71	1.96	2.46	2.60	3.19	3.15	3.12
Profit Margin	5.0%	5.6%	6.2%	5.6%	7.1%	8.3%	7.9%	4.1%	3.7%	5.5%	5.6%	6.4%
ROA	2.0%	2.8%	3.1%	2.7%	3.4%	3.3%	2.8%	2.0%	1.7%	2.3%	2.8%	3.0%
ROE	6.6%	7.6%	8.3%	12.8%	13.7%	9.0%	5.3%	3.6%	3.0%	7.9%	8.2%	7.9%
Current Ratio	0.94	0.92	1.06	1.24	1.48	1.34	3.97	2.87	2.57	1.36	1.27	1.28
Current Assets/Total Assets	19.5%	21.0%	23.2%	13.6%	13.5%	12.9%	27.3%	24.2%	24.4%	19.0%	20.0%	21.0%

**APPENDIX 7a: GAS UTILITY INCOME STATEMENTS - Per Cost Driver**

Based on Segment Average

	Units	Gas Utilities			Combination Utilities			Municipal Utilities			All Companies		
		2002	2003	2004	2002	2003	2004	2002	2003	2004	2002	2003	2004
GAS-ONLY INCOME STATEMENT - Per Annual Therms Delivered													
Operating revenue	\$/THERM	\$ 0.5303	\$ 0.6672	\$ 0.7709	\$ 0.5935	\$ 0.6976	\$ 0.7254	\$ 0.6312	\$ 0.8488	\$ 0.9290	\$ 0.5569	\$ 0.6959	\$ 0.7773
Operating expense	\$/THERM	\$ 0.4013	\$ 0.5118	\$ 0.6005	\$ 0.4494	\$ 0.5473	\$ 0.5745	\$ 0.5137	\$ 0.6427	\$ 0.8031	\$ 0.4257	\$ 0.5349	\$ 0.6158
Maintenance expense	\$/THERM	\$ 0.0123	\$ 0.0154	\$ 0.0164	\$ 0.0124	\$ 0.0133	\$ 0.0134	\$ 0.0250	\$ 0.0270	\$ 0.0261	\$ 0.0138	\$ 0.0165	\$ 0.0168
Total O&M	\$/THERM	\$ 0.4136	\$ 0.5271	\$ 0.6170	\$ 0.4618	\$ 0.5607	\$ 0.5879	\$ 0.5387	\$ 0.6697	\$ 0.8292	\$ 0.4395	\$ 0.5514	\$ 0.6326
Depreciation	\$/THERM	\$ 0.0323	\$ 0.0364	\$ 0.0393	\$ 0.0313	\$ 0.0310	\$ 0.0372	\$ 0.0314	\$ 0.0362	\$ 0.0375	\$ 0.0319	\$ 0.0354	\$ 0.0386
Depletion	\$/THERM	\$ 0.0003	\$ 0.0002	\$ 0.0002	\$ 0.0008	\$ 0.0012	\$ 0.0007	\$ -	\$ -	\$ -	\$ 0.0004	\$ 0.0004	\$ 0.0003
Amortization	\$/THERM	\$ 0.0011	\$ 0.0006	\$ 0.0013	\$ 0.0028	\$ 0.0033	\$ 0.0022	\$ -	\$ 0.0006	\$ 0.0009	\$ 0.0014	\$ 0.0011	\$ 0.0015
Prop. loss charged to operations	\$/THERM	\$ 0.0000	\$ 0.0000	\$ 0.0000	\$ 0.0002	\$ -	\$ 0.0003	\$ -	\$ -	\$ -	\$ 0.0001	\$ 0.0000	\$ 0.0001
Total taxes	\$/THERM	\$ 0.0371	\$ 0.0471	\$ 0.0514	\$ 0.0421	\$ 0.0418	\$ 0.0387	\$ 0.0122	\$ 0.0122	\$ 0.0168	\$ 0.0353	\$ 0.0417	\$ 0.0450
Other operating income	\$/THERM	\$ (0.0009)	\$ 0.0007	\$ 0.0001	\$ 0.0019	\$ 0.0013	\$ 0.0007	\$ 0.0041	\$ 0.0003	\$ 0.0022	\$ 0.0004	\$ 0.0008	\$ 0.0005
Total operating income	\$/THERM	\$ 0.0459	\$ 0.0557	\$ 0.0616	\$ 0.0546	\$ 0.0597	\$ 0.0584	\$ 0.0489	\$ 0.1302	\$ 0.0446	\$ 0.0483	\$ 0.0659	\$ 0.0592

NOTE: "\$0.0000" indicates a value which, on a per-therm basis, is too small to be expressed within four significant digits.

	Units	2002	2003	2004	2002	2003	2004	2002	2003	2004	2002	2003	2004
GAS-ONLY INCOME STATEMENT - Per Average Annual Customers Served													
Operating revenue	\$/CUSTOMER	\$ 1,170	\$ 1,282	\$ 1,394	\$ 1,074	\$ 1,279	\$ 1,218	\$ 1,147	\$ 1,279	\$ 1,430	\$ 1,145	\$ 1,281	\$ 1,359
Operating expense	\$/CUSTOMER	\$ 895	\$ 1,003	\$ 1,109	\$ 800	\$ 992	\$ 973	\$ 942	\$ 1,014	\$ 1,239	\$ 878	\$ 1,003	\$ 1,092
Maintenance expense	\$/CUSTOMER	\$ 26	\$ 26	\$ 27	\$ 23	\$ 25	\$ 22	\$ 44	\$ 43	\$ 41	\$ 27	\$ 28	\$ 27
Total O&M	\$/CUSTOMER	\$ 921	\$ 1,029	\$ 1,135	\$ 823	\$ 1,017	\$ 995	\$ 986	\$ 1,057	\$ 1,279	\$ 906	\$ 1,031	\$ 1,119
Depreciation	\$/CUSTOMER	\$ 71	\$ 65	\$ 67	\$ 57	\$ 56	\$ 62	\$ 55	\$ 52	\$ 56	\$ 66	\$ 62	\$ 65
Depletion	\$/CUSTOMER	\$ 1	\$ 0	\$ 0	\$ 1	\$ 2	\$ 1	\$ -	\$ -	\$ -	\$ 1	\$ 1	\$ 0
Amortization	\$/CUSTOMER	\$ 2	\$ 2	\$ 4	\$ 6	\$ 8	\$ 4	\$ -	\$ 0	\$ 1	\$ 3	\$ 3	\$ 3
Prop. loss charged to operations	\$/CUSTOMER	\$ 0	\$ 0	\$ 0	\$ 1	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ 0	\$ 0	\$ 0
Total taxes	\$/CUSTOMER	\$ 84	\$ 85	\$ 86	\$ 80	\$ 81	\$ 66	\$ 20	\$ 20	\$ 27	\$ 76	\$ 76	\$ 75
Other operating income	\$/CUSTOMER	\$ (2)	\$ 2	\$ 0	\$ 3	\$ 3	\$ 1	\$ 10	\$ 2	\$ 3	\$ 1	\$ 2	\$ 1
Total operating income	\$/CUSTOMER	\$ 91	\$ 100	\$ 102	\$ 106	\$ 115	\$ 91	\$ 86	\$ 149	\$ 66	\$ 94	\$ 109	\$ 96

	Units	2002	2003	2004	2002	2003	2004	2002	2003	2004	2002	2003	2004
GAS-ONLY INCOME STATEMENT - Per Dollar of Gas Plant													
Operating revenue	per \$GAS PLANT	\$ 0.5365	\$ 0.6275	\$ 0.6645	\$ 0.5407	\$ 0.6522	\$ 0.6352	\$ 0.6016	\$ 0.6842	\$ 0.7371	\$ 0.5451	\$ 0.6392	\$ 0.6656
Operating expense	per \$GAS PLANT	\$ 0.4125	\$ 0.4967	\$ 0.5373	\$ 0.4102	\$ 0.5181	\$ 0.5134	\$ 0.4943	\$ 0.5465	\$ 0.6518	\$ 0.4215	\$ 0.5069	\$ 0.5440
Maintenance expense	per \$GAS PLANT	\$ 0.0121	\$ 0.0131	\$ 0.0124	\$ 0.0112	\$ 0.0123	\$ 0.0109	\$ 0.0222	\$ 0.0207	\$ 0.0196	\$ 0.0131	\$ 0.0139	\$ 0.0128
Total O&M	per \$GAS PLANT	\$ 0.4246	\$ 0.5098	\$ 0.5497	\$ 0.4214	\$ 0.5303	\$ 0.5243	\$ 0.5165	\$ 0.5672	\$ 0.6714	\$ 0.4346	\$ 0.5208	\$ 0.5567
Depreciation	per \$GAS PLANT	\$ 0.0307	\$ 0.0302	\$ 0.0303	\$ 0.0289	\$ 0.0289	\$ 0.0324	\$ 0.0269	\$ 0.0266	\$ 0.0266	\$ 0.0298	\$ 0.0295	\$ 0.0304
Depletion	per \$GAS PLANT	\$ 0.0003	\$ 0.0002	\$ 0.0002	\$ 0.0009	\$ 0.0011	\$ 0.0005	\$ -	\$ -	\$ -	\$ 0.0004	\$ 0.0003	\$ 0.0002
Amortization	per \$GAS PLANT	\$ 0.0010	\$ 0.0011	\$ 0.0015	\$ 0.0025	\$ 0.0023	\$ 0.0017	\$ -	\$ 0.0003	\$ 0.0003	\$ 0.0012	\$ 0.0012	\$ 0.0014
Prop. loss charged to operations	per \$GAS PLANT	\$ 0.0000	\$ 0.0000	\$ 0.0000	\$ 0.0002	\$ -	\$ 0.0003	\$ -	\$ -	\$ -	\$ 0.0001	\$ 0.0000	\$ 0.0001
Total taxes	per \$GAS PLANT	\$ 0.0381	\$ 0.0412	\$ 0.0398	\$ 0.0377	\$ 0.0381	\$ 0.0328	\$ 0.0104	\$ 0.0100	\$ 0.0125	\$ 0.0348	\$ 0.0366	\$ 0.0354
Other operating income	per \$GAS PLANT	\$ (0.0012)	\$ 0.0008	\$ 0.0002	\$ 0.0021	\$ 0.0016	\$ 0.0008	\$ 0.0050	\$ 0.0003	\$ 0.0018	\$ 0.0003	\$ 0.0009	\$ 0.0005
Total operating income	per \$GAS PLANT	\$ 0.0418	\$ 0.0450	\$ 0.0430	\$ 0.0491	\$ 0.0513	\$ 0.0433	\$ 0.0477	\$ 0.0801	\$ 0.0263	\$ 0.0442	\$ 0.0507	\$ 0.0413

NOTE: "\$0.0000" indicates a value which, on a per \$gas plant basis, is too small to be expressed within four significant digits.

**APPENDIX 7a: GAS UTILITY INCOME STATEMENTS - Per Cost Driver (cont'd)**

	Units	Gas Utilities			Combination Utilities			Municipal Utilities			All Companies		
		2002	2003	2004	2002	2003	2004	2002	2003	2004	2002	2003	2004
GAS-ONLY INCOME STATEMENT - Per Mile of Distribution Pipe													
Operating revenue	per mile of pipe	\$ 37,471	\$ 47,272	\$ 85,099	\$ 37,646	\$ 45,741	\$ 76,882	\$ 32,010	\$ 46,094	\$ 100,343	\$ 36,864	\$ 46,846	\$ 84,866
Operating expense	per mile of pipe	\$ 28,095	\$ 36,702	\$ 66,365	\$ 28,271	\$ 35,375	\$ 61,070	\$ 25,757	\$ 39,262	\$ 86,733	\$ 27,858	\$ 36,792	\$ 67,325
Maintenance expense	per mile of pipe	\$ 878	\$ 940	\$ 1,686	\$ 762	\$ 884	\$ 1,395	\$ 1,140	\$ 1,740	\$ 3,326	\$ 883	\$ 1,032	\$ 1,793
Total O&M	per mile of pipe	\$ 28,973	\$ 37,641	\$ 68,051	\$ 29,033	\$ 36,259	\$ 62,464	\$ 26,896	\$ 41,002	\$ 90,059	\$ 28,741	\$ 37,824	\$ 69,118
Depreciation	per mile of pipe	\$ 2,217	\$ 2,299	\$ 4,054	\$ 1,991	\$ 2,017	\$ 3,845	\$ 1,407	\$ 1,763	\$ 3,825	\$ 2,071	\$ 2,180	\$ 3,983
Depletion	per mile of pipe	\$ 34	\$ 28	\$ 73	\$ 50	\$ 86	\$ 75	\$ -	\$ -	\$ -	\$ 34	\$ 35	\$ 66
Amortization	per mile of pipe	\$ 71	\$ 79	\$ 258	\$ 263	\$ 291	\$ 229	\$ 6	\$ 68	\$ 171	\$ 106	\$ 116	\$ 242
Prop. loss charged to operations	per mile of pipe	\$ 5	\$ 3	\$ 5	\$ 26	\$ -	\$ 58	\$ -	\$ -	\$ -	\$ 9	\$ 2	\$ 16
Total taxes	per mile of pipe	\$ 2,989	\$ 3,445	\$ 6,069	\$ 2,689	\$ 2,889	\$ 4,125	\$ 1,017	\$ 711	\$ 1,666	\$ 2,688	\$ 2,995	\$ 5,171
Other operating income	per mile of pipe	\$ (56)	\$ 91	\$ 12	\$ 112	\$ 76	\$ 60	\$ 180	\$ 238	\$ 300	\$ 10	\$ 107	\$ 53
Total operating income	per mile of pipe	\$ 3,182	\$ 3,776	\$ 6,590	\$ 3,594	\$ 4,199	\$ 6,084	\$ 2,684	\$ 2,550	\$ 4,622	\$ 3,215	\$ 3,695	\$ 6,270

NOTE: Starting in 2004, services are excluded from the pipe calculation

**APPENDIX 7b: GAS UTILITY FINANCIAL RATIOS**

Based on Segment Average

Stratified by Type of Company

		Gas Utilities			Combination Utilities			Municipal Utilities			All Companies		
		2002	2003	2004	2002	2003	2004	2002	2003	2004	2002	2003	2004
Therms delivered (avg.) per acct.		2,494	2,185	2,093	1,927	1,953	1,791	1,954	1,594	1,577	2,299	2,068	1,972
Therms per \$1,000 of gas plant		1,142	1,075	1,028	1,008	1,065	982	1,082	906	860	1,103	1,052	1,000
Value of gas plant per customer		\$ 2,374	\$ 2,184	\$ 2,241	\$ 2,019	\$ 2,035	\$ 1,971	\$ 2,008	\$ 1,941	\$ 2,093	\$ 2,249	\$ 2,126	\$ 2,166
%Sales firm (not interruptible)		90%	89%	90%	95%	96%	98%	79%	80%	82%	90%	89%	91%
Collection period (days)	1/	43.4	40.8	37.1	28.9	26.8	28.6	47.8	48.2	40.4	40.6	39.2	35.5
Gas O&M expense as pct. of revenue		77%	79%	81%	77%	81%	82%	86%	89%	90%	78%	81%	82%
Gas oper. income as pct. of revenue		9%	8%	7%	9%	8%	7%	8%	5%	4%	9%	8%	7%
Gas operating revenue per customer		\$ 1,170	\$ 1,282	\$ 1,394	\$ 1,074	\$ 1,279	\$ 1,218	\$ 1,147	\$ 1,279	\$ 1,430	\$ 1,145	\$ 1,281	\$ 1,359
Gas O&M expense per customer		\$ 921	\$ 1,029	\$ 1,135	\$ 823	\$ 1,017	\$ 995	\$ 986	\$ 1,174	\$ 1,279	\$ 906	\$ 1,044	\$ 1,119
Gas operating income per customer		\$ 91	\$ 100	\$ 102	\$ 106	\$ 115	\$ 91	\$ 86	\$ 149	\$ 66	\$ 94	\$ 109	\$ 96
Gas revenue per dollar of gas plant		\$ 0.5365	\$ 0.6275	\$ 0.6645	\$ 0.5407	\$ 0.6522	\$ 0.6352	\$ 0.6016	\$ 0.6842	\$ 0.7371	\$ 0.5451	\$ 0.6392	\$ 0.6656
Gas O&M expense per \$ of gas plant		\$ 0.4246	\$ 0.5098	\$ 0.5497	\$ 0.4214	\$ 0.5303	\$ 0.5243	\$ 0.5165	\$ 0.6302	\$ 0.6714	\$ 0.4346	\$ 0.5276	\$ 0.5567
Gas oper. income per \$ of gas plant		\$ 0.0418	\$ 0.0450	\$ 0.0430	\$ 0.0491	\$ 0.0513	\$ 0.0433	\$ 0.0477	\$ 0.0801	\$ 0.0263	\$ 0.0442	\$ 0.0507	\$ 0.0413
Gas revenue per mile of pipe	2/	\$ 37,471	\$ 47,272	\$ 85,099	\$ 38,158	\$ 45,741	\$ 76,882	\$ 31,140	\$ 46,094	\$ 100,343	\$ 36,892	\$ 46,846	\$ 84,866
Gas O&M expense per mile of pipe	2/	\$ 28,973	\$ 37,641	\$ 68,051	\$ 29,331	\$ 36,259	\$ 62,464	\$ 26,879	\$ 45,557	\$ 90,059	\$ 28,812	\$ 38,315	\$ 69,118
Gas oper. income per mile of pipe	2/	\$ 3,182	\$ 3,776	\$ 6,590	\$ 3,748	\$ 4,199	\$ 6,084	\$ 2,222	\$ 2,550	\$ 4,622	\$ 3,202	\$ 3,695	\$ 6,270
LT debt - total assets ratio	1/	23.4%	22.1%	22.2%	32.8%	32.8%	33.1%	28.3%	34.0%	33.2%	26.1%	25.6%	25.8%
LT debt - total capitalization ratio	1/3/	37.7%	37.2%	37.0%	53.0%	51.1%	52.5%	32.0%	43.3%	39.1%	40.6%	40.5%	40.7%
Net interest - long-term debt ratio	1/	9.3%	9.6%	8.1%	8.1%	8.1%	6.9%	11.1%	4.1%	5.3%	9.2%	8.5%	7.5%
EBITDA interest coverage	1/	7.2x	9.7x	8.6x	5.3x	5.6x	5.9x	14.9x	7.6x	5.0x	7.6x	8.7x	7.6x
Return on assets		2.0%	2.8%	3.1%	2.7%	3.4%	3.3%	2.8%	2.0%	1.7%	2.3%	2.8%	3.0%

1/ Figures for combination utilities are necessarily based on combined gas and electric operations.

2/ Miles of distribution pipes and services combined. Starting in 2004, services are excluded from the pipe calculation

3/ Total capitalization figure in this display includes preferred stock.

NOTE: Some ratios are not always normally distributed. Therefore, average ratio values may be subject to distortion by a few observations that are outliers.

# APPENDIX 8: GAS UTILITY WAGE AND BENEFITS

Based on Segment Average

Stratified by Type of Company	Gas Utilities			Combination Utilities			Municipal Utilities			All Companies		
	2002	2003	2004	2002	2003	2004	2002	2003	2004	2002	2003	2004
Average number of employees	781	672	759	772	435	973	220	386	435	719	597	773
Number of Employees at year-end	888	766	785	840	472	995	250	408	459	808	672	797
O&M wages ('000)	\$ 37,332	\$ 34,824	\$ 36,226	\$ 34,620	\$ 21,730	\$ 48,164	\$ 8,315	\$ 18,392	\$ 23,262	\$ 33,586	\$ 30,583	\$ 37,515
Construction wages ('000)	\$ 8,272	\$ 7,295	\$ 8,478	\$ 12,769	\$ 6,867	\$ 15,815	\$ 896	\$ 836	\$ 1,303	\$ 8,564	\$ 6,445	\$ 9,352
Total pensions ('000)	\$ 7,824	\$ 11,102	\$ 12,053	\$ 6,469	\$ 6,953	\$ 14,759	\$ 2,949	\$ 6,615	\$ 8,185	\$ 6,979	\$ 9,844	\$ 12,249
PER EMPLOYEE(1/):												
Total salary & wages	\$ 54,541	\$ 58,184	\$ 60,774	\$ 59,021	\$ 67,692	\$ 64,524	\$ 40,084	\$ 45,323	\$ 54,362	\$ 54,074	\$ 58,289	\$ 60,892
Tot. benefits & pension	\$ 9,334	\$ 14,257	\$ 15,560	\$ 7,817	\$ 16,131	\$ 17,849	\$ 10,583	\$ 13,120	\$ 14,767	\$ 9,103	\$ 14,445	\$ 15,969
Total salary, benefits, and pension	\$ 63,875	\$ 72,441	\$ 76,334	\$ 66,838	\$ 83,823	\$ 82,372	\$ 50,667	\$ 58,443	\$ 69,129	\$ 63,177	\$ 72,734	\$ 76,861
Ratio: avg. benefits to avg. compensation	11.4%	18.6%	20.0%	11.1%	18.9%	22.5%	25.5%	29.6%	25.8%	12.7%	19.9%	21.1%
Therms sold per year-end employee	1,182,241	1,239,068	1,215,866	1,329,237	1,554,590	1,463,508	705,632	677,386	779,549	1,166,682	1,226,357	1,222,241
Customers per year-end employee	512	595	587	690	763	799	373	424	492	540	603	622

1/ year-end employees

## APPENDIX 9: COMPANIES STUDIED

Consolidations are limited to LDC business units.

GAS IOUs	Years Reported			GAS IOUs (cont.)	Years Reported		
	2002	2003	2004		2002	2003	2004
AGL Resources	X	X		Southwest Gas Corporation	X	X	X
Arkansas Oklahoma Gas Corp	X	X	X	Southwestern Virginia Gas Co.	X	X	X
Arkansas Western Gas Company	X	X	X	Union Oil & Gas Co.		X	X
Atmos Energy Corporation	X	X	X	Vermont Gas			X
Berkshire Gas Company	X	X	X	Washington Gas Light Company	X	X	X
Centerpointe Energy - Minnesota Gas Co	X	X	X	Wisconsin Gas Company	X		
Centerpointe Energy - Southern Gas - Arkla	X	X	X	Yankee Gas Services Company	X	X	X
Centerpointe Energy - Southern Gas - Entex	X	X	X				
Chesapeake Utilities Corp	X	X					
Citizens Gas & Coke Utility	X	X	X	<b>COMBINATION IOUs</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Citizens Gas Fuel Company	X	X	X	Ameren Corp.	X	X	X
City Gas Company - WI		X	X	Avista Corp	X	X	X
City Gas Company of Florida, a Division of NUI		X		Baltimore Gas & Electric Co.	X	X	X
Corning Natural Gas Corp	X	X	X	Central Hudson Gas & Electric Corp.	X	X	X
Delta Natural Gas Company	X	X	X	Consumers Energy	X		X
Dominion Peoples	X	X	X	Florida Public Utilities Company	X	X	X
East Ohio Gas Company	X	X	X	Gainsville Regional Utilities			X
Enstar Natural Gas Company	X	X	X	Madison Gas & Electric Company	X	X	
Equitable Resources, Inc.	X	X	X	Missouri Public Service		X	X
Gasco, Inc (BHP Gas Co)			X	New York State Electric & Gas Co.	X		
Hope Gas, Inc.	X	X	X	Pacific Gas & Electric			X
Illinois Gas Company	X	X	X	PECO Energy Company (consolidated)	X	X	X
Indiana Gas Company, Inc.	X	X	X	PNM Gas Service	X		
Intermountain Gas Company	X	X	X	Public Service Company of Colorado	X	X	X
KeySpan Energy Delivery - NYC	X	X	X	Public Service Enterprises	X		X
KeySpan Energy Delivery New England	X	X	X	Puget Sound Energy	X	X	X
KeySpan Gas East - LILCO	X	X	X	Rochester Gas & Electric Corp	X		
Laclede Gas Company	X	X	X	Sierra Pacific Power Co	X	X	
Michigan Consolidated Gas Co	X	X	X	Southern Indiana Gas & Elec Co	X	X	X
Michigan Gas Utilities		X	X	St. Joseph Light & Power		X	X
Mobile Gas Service Corporation	X	X	X	TXU	X	X	
National Fuel Gas Company (consolidated)	X	X	X	UGI Utilities, Inc.	X	X	X
New Jersey Natural Gas Company	X	X	X	WE Energies			X
Nicor Gas And Sub Companies	X	X	X				
North Carolina Nat Gas Corp	X						
North Shore Gas Company	X	X	X				
Northern Indiana Fuel And Light	X	X	X				
Northwest Natural Gas Company	X	X	X	<b>MUNICIPALS</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
NSTAR Gas	X	X	X	Colorado Springs Utilities	X	X	X
NUI - Elizabethtown Gas Company	X	X		Knoxville Utilities Board	X	X	X
Ohio Gas Company	X	X	X	Memphis Light, Gas & Water Div	X	X	X
Ohio Valley Gas Corporation	X	X	X	Metropolitan Util Dist-Omaha	X	X	X
Ohio Valley Gas Inc.	X	X	X	Middle Tenn Nat Gas Util Dist	X	X	X
ONEOK, Inc.		X	X	Okaloosa County Gas District		X	
Peoples Gas Light & Coke Company	X	X	X	Owatonna Public Utilities	X	X	X
Peoples Gas System, Inc.	X	X	X	Philadelphia Gas Works		X	X
Peoples Natural Gas Company (Omaha)		X	X	Richmond Dept. of Pub. Util., City of	X	X	X
Piedmont Natural Gas Company	X	X	X	Southeast Alabama Gas Dist	X		
Questar Gas Company	X	X	X	Westfield Gas & Electric Light	X	X	
Semco Energy (S.E. Michigan)	X	X	X				
South Jersey Gas Company	X						