



American Gas Association

Energy Analysis

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2011-2013 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 2011 through 2013. Additional information, some of which is company specific, 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 United States. For this analysis, a total of 80 utilities were included in the 2013 sample, 83 utilities were examined in 2012, and 85 companies were studied for 2011.¹ They are located across the United States, and each company has a unique combination of scale, load profile, and climatic attributes. In aggregate, the firms included in this study accounted for 73 percent of the residential and commercial natural gas consumed in 2013, 72 percent in 2012, and 67 percent in 2011. *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 most companies in this analysis. These companies earn returns that accrue to their investors. State-level public utility commissions regulate their operations, finance, and capital investment activities.

¹ This set number was determined after eliminating member companies for whom data was either incomplete or not provided. 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.

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.²

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 U.S. 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. The deviation between actual heating degree days (HDDs) versus 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 covers 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 varied over time. Finally, specific company participation in the data collection changes 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 facilitate annual comparisons.

² 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.

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 and electric utilities, and municipally owned gas utilities.³ 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.⁴ 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 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 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.
- *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

³ See Glossary in Appendix 1 for a definition of these categories.

⁴ Appendix 3a financial statements are in thousands of dollars.

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 (ROA) 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. 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 a whole. This is especially true of the average number of customers.

TABLE 1 UTILITY PROFILES STATISTICAL SUMMARY, BY INDUSTRY SEGMENT DATA BASED ON SEGMENT AVERAGES			
	2011	2012	2013
All Companies	85 Firms	83 Firms	80 Firms
Number of gas customers	570,436	589,126	603,273
Annual therms delivered ('000)	1,034,685	1,068,705	1,151,666
Annual therms delivered per account	2,019	2,353	2,139
Therms delivered per \$1,000 of gas plant	775	749	733
Density of system ²	71.3	59.5	61.0
Firm sales ³	92.5%	91.7%	93.7%
Gas utilities	59 Firms	58 Firms	53 Firms
Number of gas customers	638,609	657,749	708,220
Annual therms delivered ('000)	1,133,137	1,175,174	1,335,677
Annual therms delivered per account	2,098	2,607	2,296
Therms delivered per \$1,000 of gas plant	788	780	764
Density of system ²	73.2	53.9	58.0
Firm sales ³	93.7%	91.9%	94.3%
Comb. Gas & Electric Utilities¹	17 Firms	17 Firms	18 Firms
Number of gas customers	545,580	542,701	515,605
Annual therms delivered ('000)	1,111,297	1,094,661	1,060,894
18 Firms Annual therms delivered per account	2,085	2,047	2,002
Therms delivered per \$1,000 of gas plant	817	770	684
Density of system ²	67.7	75.3	68.5
Firm sales ³	93.2%	93.7%	94.3%
Municipal Utilities	9 Firms	8 Firms	9 Firms
Number of gas customers	170,476	190,263	160,588
Annual therms delivered ('000)	244,564	241,648	249,589
Annual therms delivered per account	1,376	1,159	1,488
Therms delivered per \$1,000 of gas plant	618	482	645
Density of system ²	65.9	66.3	64.1
Firm sales ³	83.4%	86.0%	88.9%

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

¹ Data for "Combination Gas & Electric Utilities is from gas operations only.

² "Density" refers to the number of customers per mile of pipe in service.

³ "Firm Sales" is expressed as a percentage of total annual therm volume delivered.

IV-B. REVENUE PERFORMANCE

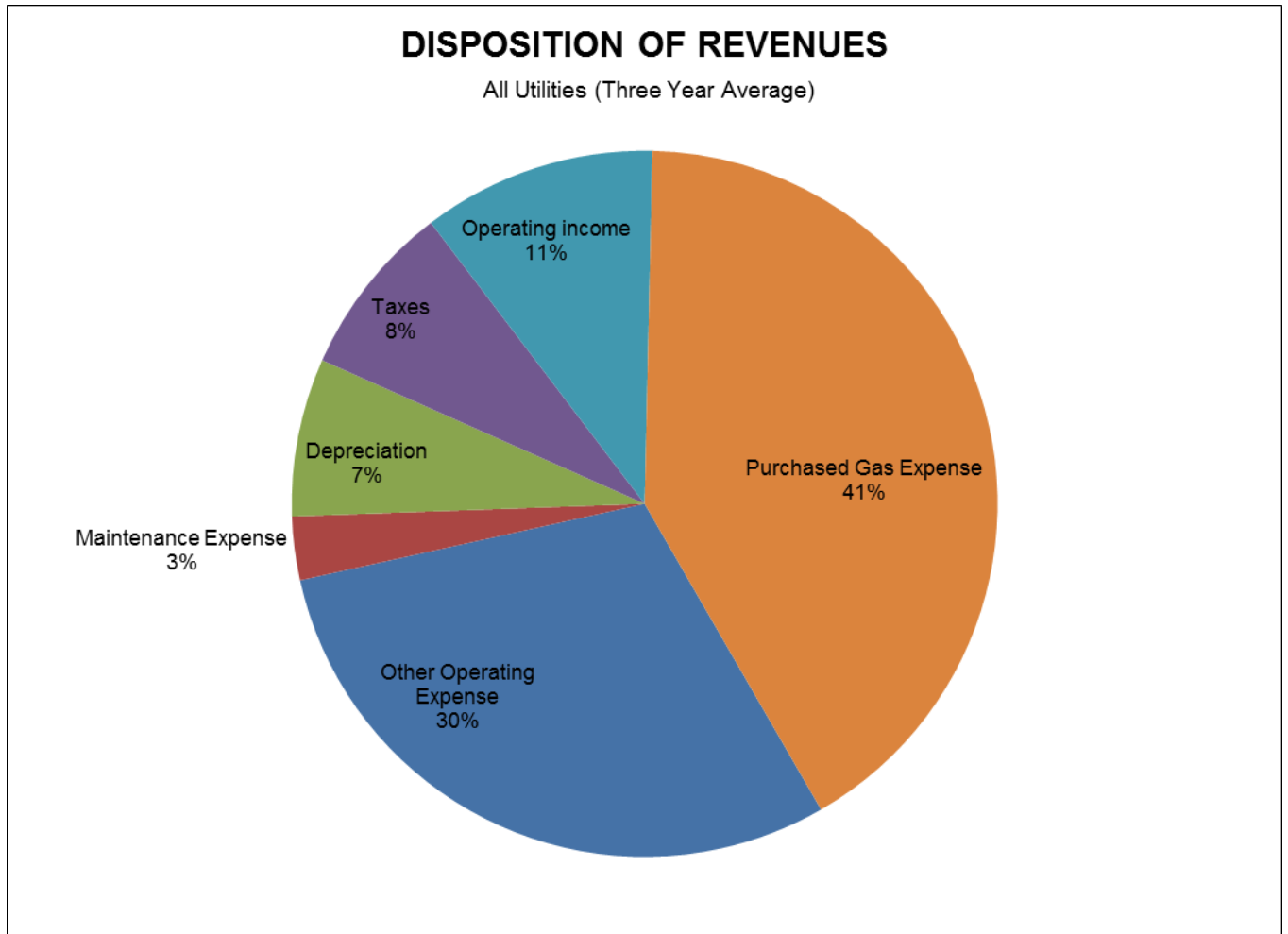
Figure 1 shows the allocation of average revenue for the three years studied. Table 2 summarizes average industry revenue performance by segment. Weather patterns impacted revenues per customer, while changing gas costs impacted both revenues per customer and per therm.

TABLE 2 UTILITY REVENUE PERFORMANCE Annual Average Values per Group Data Based on Segment Averages			
	2011	2012	2013
All Companies			
Operating revenue ('000)	\$599,368	\$524,869	\$594,188
Per customer	\$1,220	\$1,037	\$1,185
Per therm	\$0.725	\$0.672	\$0.745
Gross sales margin (Rev. less Pur. Gas, '000)	\$288,864	\$299,027	\$316,619
Per customer	\$556	\$1,036	\$614
Per therm	\$0.337	\$0.369	\$0.391
Collection period (days)	33.1	33.4	41.6
Gas Utilities			
Operating revenue ('000)	\$634,895	\$552,952	\$655,722
Per customer	\$1,207	\$1,025	\$1,160
Per therm	\$0.690	\$0.635	\$0.688
Gross sales margin (Rev. less Pur. Gas, '000)	\$320,680	\$320,743	\$354,753
Per customer	\$565	\$1,249	\$597
Per therm	\$0.330	\$0.375	\$0.359
Collection period (days)	33.4	33.6	45.6
Comb. Gas & Electric Utilities¹			
Operating revenue ('000)	\$683,375	\$584,670	\$614,843
Per customer	\$1,278	\$1,111	\$1,227
Per therm	\$0.760	\$0.709	\$0.847
Gross sales margin (Rev. less Pur. Gas, '000)	\$283,252	\$271,990	\$312,917
Per customer	\$569	\$556	\$638
Per therm	\$0.350	\$0.327	\$0.442
Collection period (days)	31.0	30.7	32.3
Municipal Utilities			
Operating revenue ('000)	\$207,794	\$194,186	\$190,509
Per customer	\$1,198	\$966	\$1,246
Per therm	\$0.894	\$0.862	\$0.873
Gross sales margin (Rev. less Pur. Gas, '000)	\$90,895	\$207,150	\$99,462
Per customer	\$476	\$515	\$664
Per therm	\$0.361	\$0.407	\$0.475
Collection period (days)	35.1	37.5	35.9

Source: AGA

¹ Figures for gas operations only.

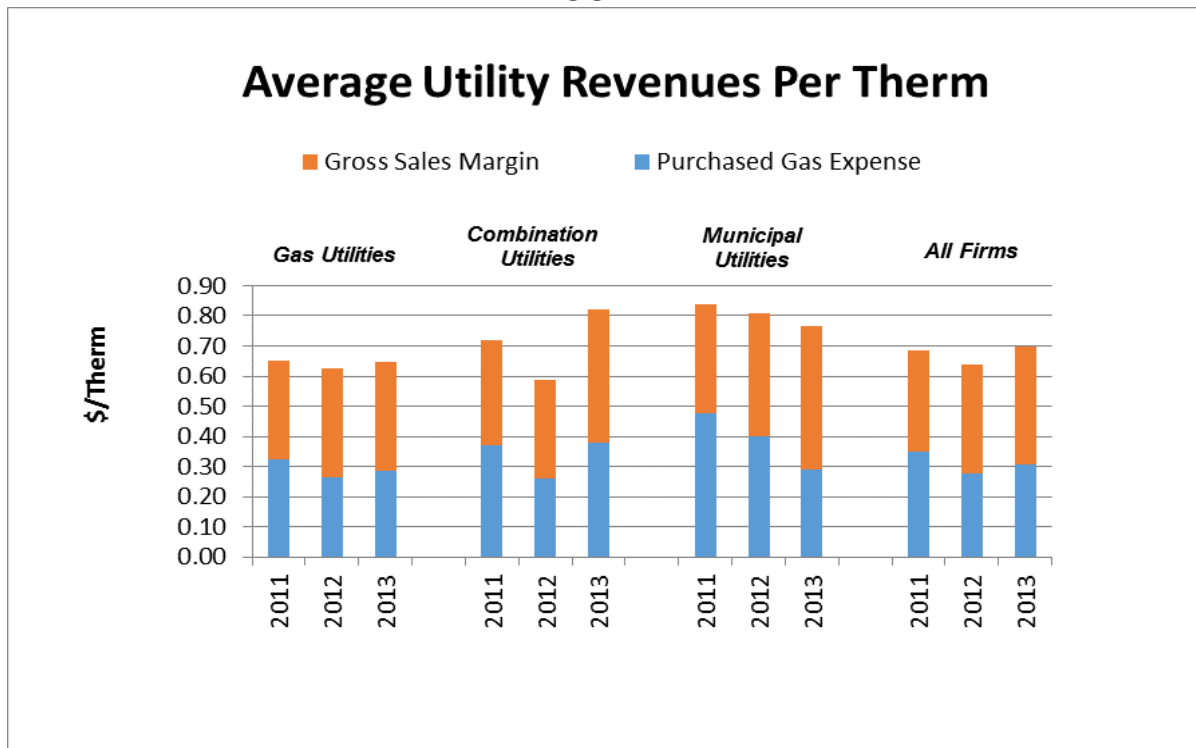
FIGURE 1



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 ¹		
	2011	2012	2013	2011	2012	2013
VALUES PER THERM						
Gas-only revenues	\$0.6898	\$0.6964	\$0.6883	\$0.7599	\$0.7087	\$0.8467
Purchased-gas expense	\$0.3233	\$0.2765	\$0.2862	\$0.3706	\$0.2605	\$0.3786
Gross sales margin	\$0.3299	\$0.3781	\$0.3591	\$0.3496	\$0.3265	\$0.4418
	\$0.3599	\$0.3182	\$0.3291	\$0.4103	\$0.2790	\$0.4048
Total production costs ²						
Storage & LNG	\$0.0043	\$0.0058	\$0.0035	\$0.0016	\$0.0108	\$0.0026
Transmission	\$0.0098	\$0.0098	\$0.0087	\$0.0034	\$0.0083	\$0.0070
Distribution	\$0.0468	\$0.0563	\$0.0462	\$0.0465	\$0.0469	\$0.0625
Customer accounts	\$0.0299	\$0.0287	\$0.0253	\$0.0286	\$0.0271	\$0.0307
Customer svc. & info.	\$0.0044	\$0.0067	\$0.0040	\$0.0157	\$0.0089	\$0.0158
Sales	\$0.0023	\$0.0023	\$0.0011	\$0.0017	\$0.0020	\$0.0041
<u>Admin. & general</u>	\$0.0734	\$0.0773	\$0.0860	\$0.0710	\$0.0696	\$0.0841
Total O&M	\$0.5307	\$0.5051	\$0.5026	\$0.5793	\$0.4529	\$0.6117
SAME-SIZE ANALYSIS						
Gas-only revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Purchased-gas expense	46.9%	39.7%	41.6%	48.8%	36.8%	44.7%
Gross sales margin	47.8%	54.3%	52.2%	46.0%	46.1%	52.2%
	52.2%	45.7%	47.8%	54.0%	39.4%	47.8%
Total production costs ²						
Storage & LNG	0.6%	0.8%	0.5%	0.2%	1.5%	0.3%
Transmission	1.4%	1.4%	1.3%	0.5%	1.2%	0.8%
Distribution	6.8%	8.1%	6.7%	6.1%	6.6%	7.4%
Customer accounts	4.3%	4.1%	3.7%	3.8%	3.8%	3.6%
Customer svc. & info.	0.6%	1.0%	0.6%	2.1%	1.3%	1.9%
Sales	0.3%	0.3%	0.2%	0.2%	0.3%	0.5%
<u>Admin. & general</u>	10.6%	11.1%	12.5%	9.3%	9.8%	9.9%
Total O&M	76.9%	72.5%	73.0%	76.2%	63.9%	72.2%

Source: AGA, USR.

¹ Figures for gas operations only.

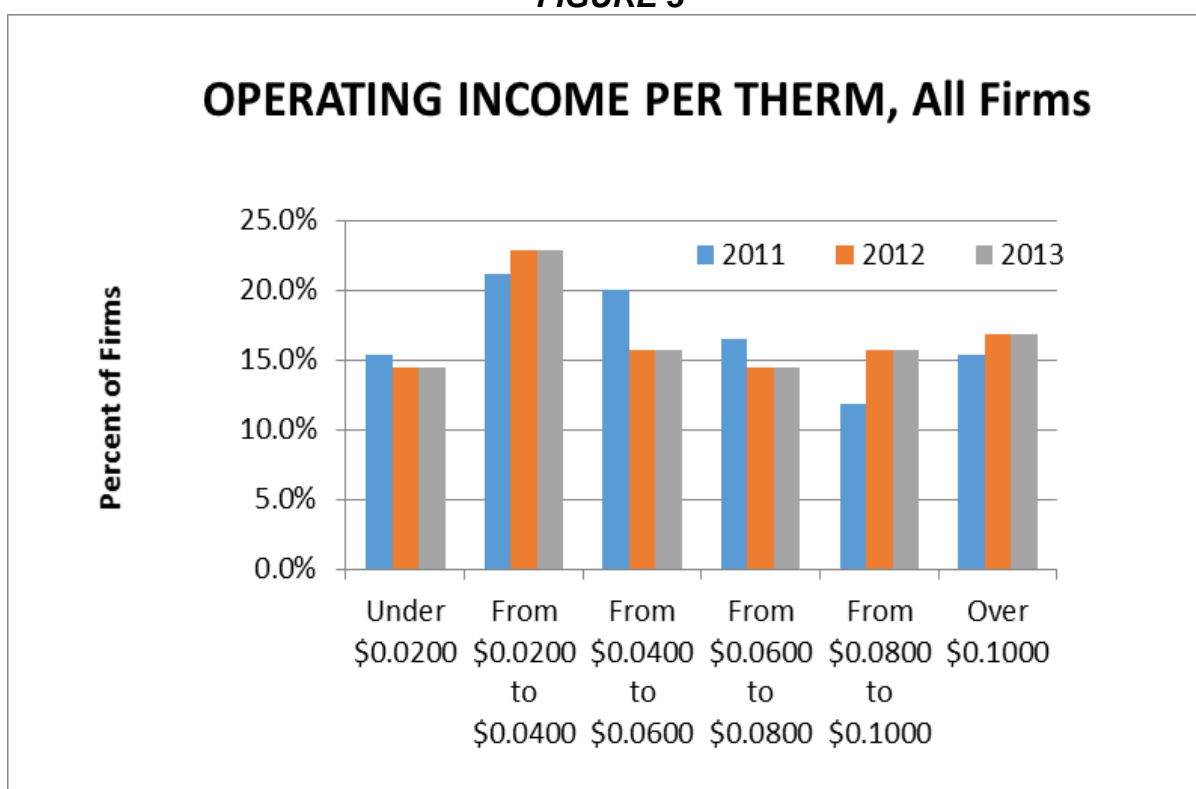
² Purchased-gas expense is subsumed within total production costs.

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 ¹		
	2011	2012	2013	2011	2012	2013
Operating revenue, \$000	\$634,895	\$552,952	\$655,722	\$683,375	\$584,670	\$614,843
Total O&M, \$000	\$467,474	\$383,679	\$464,818	\$544,007	\$416,801	\$431,885
Operating income, \$000	\$65,233	\$62,736	\$72,836	\$31,607	\$57,997	\$70,501
Percent of Revenue						
Total O&M	73.6%	69.4%	70.9%	79.6%	71.3%	70.2%
Operating income	10.3%	11.3%	11.1%	4.6%	9.9%	11.5%
Per Therm						
Revenue	\$0.690	\$0.635	\$0.688	\$0.760	\$0.709	\$0.847
Total O&M	\$0.531	\$0.460	\$0.503	\$0.579	\$0.506	\$0.612
Operating income	\$0.063	\$0.069	\$0.072	\$0.062	\$0.075	\$0.092
Per Customer						
Revenue	\$1,207	\$1,025	\$1,160	\$1,278	\$1,111	\$1,227
Total O&M	\$929	\$750	\$844	\$990	\$788	\$869
Operating income	\$105	\$102	\$126	\$93	\$122	\$145
Per Dollar of Gas Plant						
Revenue	\$0.462	\$0.376	\$0.389	\$0.465	\$0.384	\$0.382
Total O&M	\$0.365	\$0.284	\$0.293	\$0.364	\$0.278	\$0.278
Operating income	\$0.037	\$0.034	\$0.036	\$0.035	\$0.040	\$0.041
Per Mile of Main²						
Revenue	\$82,106	\$58,472	\$68,837	\$86,801	\$84,155	\$85,549
Total O&M	\$62,271	\$42,182	\$49,059	\$69,527	\$56,681	\$58,145
Operating income	\$7,557	\$6,012	\$7,972	6,909	\$9,301	\$10,178

Source: AGA, USR.

¹ Figures for gas operations only.

² Miles of main only.

IV-E. DEBT ANALYSIS

Historically, utilities have operated in a regulated environment. Therefore, debt instruments and their management have been 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.

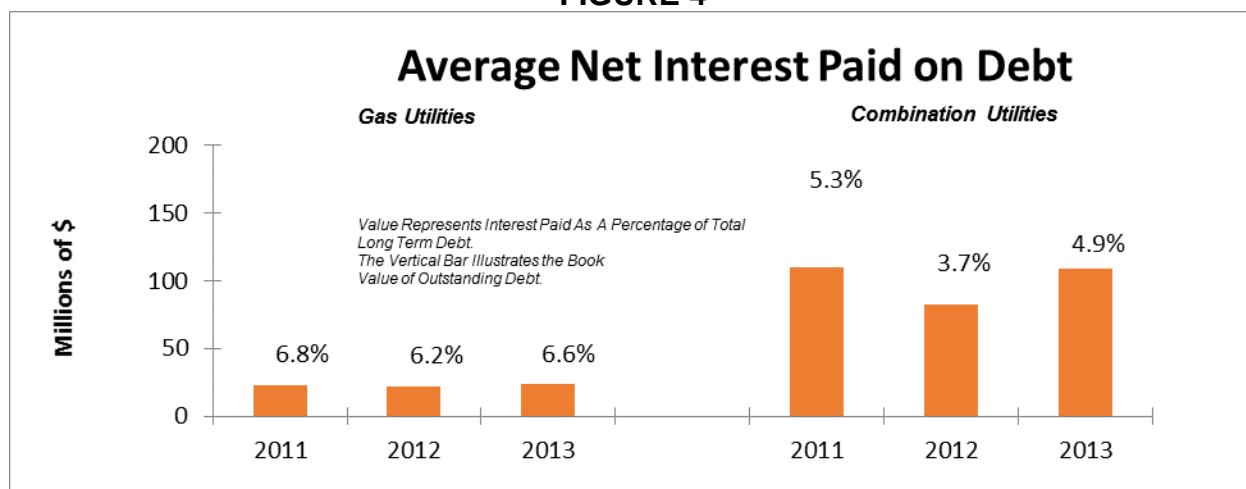
The total cost of capital for a utility reflects that of both debt and equity financing.⁵ Table 5 shows summary descriptors of capital costs for utilities by industry segment.

TABLE 5			
UTILITY DEBT AND DEBT COVERAGE			
AVERAGE VALUES			
	2011	2012	2013
Gas utilities			
Total LT Debt to Total Assets	20.4%	20.6%	21.7%
LT Debt to Total Capitalization	37.0%	36.6%	37.5%
EBITDA Interest Coverage	8.2x	8.7x	9.3x
Combination Utilities¹			
Total LT Debt to Total Assets	27.8%	27.8%	28.6%
LT Debt to Total Capitalization	43.9%	43.9%	44.5%
EBITDA Interest Coverage	8.1x	8.1x	8.1x

Source: AGA, USR.

¹Figures 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 combined-commodity financial performance. The combination utilities feature a diversity of

⁵ For combination utilities, such measures necessarily reflect combined gas and electric financials. Some municipal utilities in this study have similar combined activity financing.

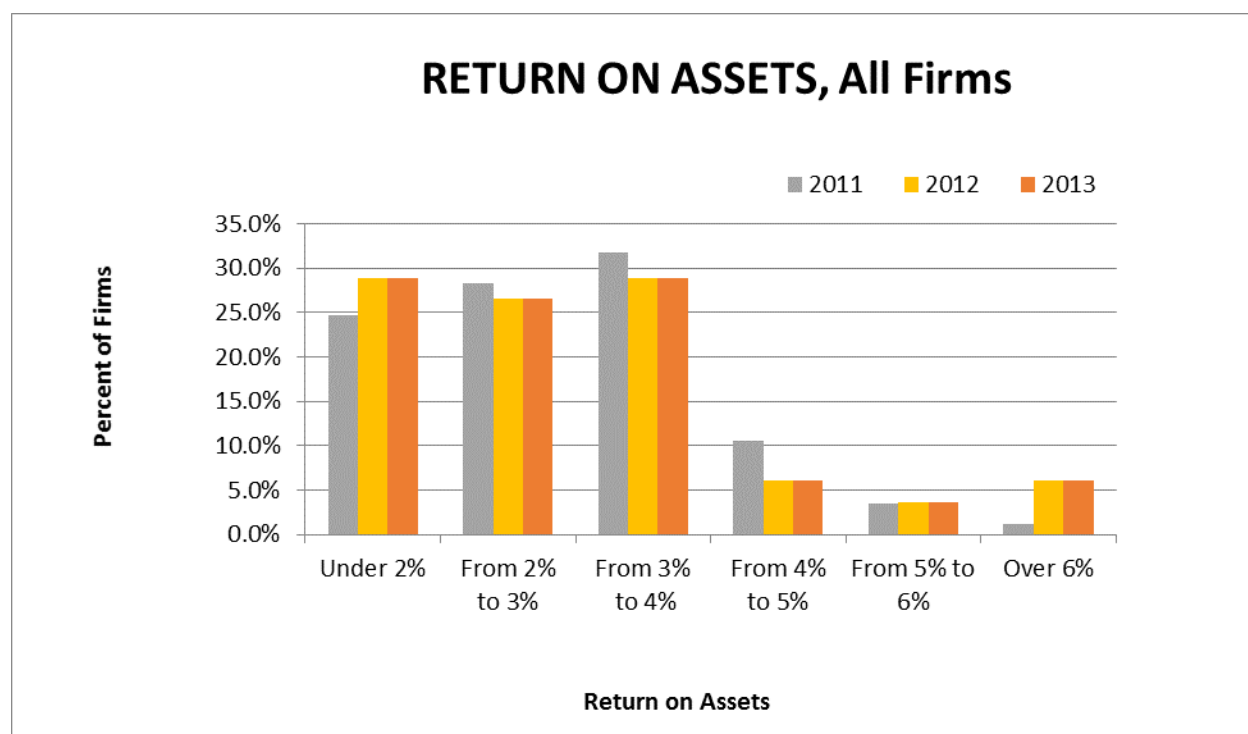
commodity sales and stabilized electric base-load operations attributable to base-load (i.e., not weather-driven) sales.

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



¹ 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			
	2011	2012	2013
Gas Utilities			
Asset Turnover	0.47X	0.39X	0.41X
Financial Leverage	66.5%	67.8%	67.3%
Equity Multiplier	3.17	3.15	3.07
Profit Margin	6.5%	6.8%	7.2%
ROA ²	3.0%	2.8%	3.0%
ROE ²	9.1%	9.6%	10.0%
Current Ratio	0.80	0.82	0.84
Current Assets/Total Assets	14.7%	13.5%	13.3%
Combination Utilities¹			
Asset Turnover	0.40X	0.35X	0.35X
Financial Leverage	67.9%	69.2%	67.4%
Equity Multiplier	3.17	3.40	3.14
Profit Margin	8.4%	9.4%	8.7%
ROA ²	3.0%	3.0%	3.0%
ROE ²	9.7%	9.8%	9.5%
Current Ratio	1.14	1.09	1.18
Current Assets/Total Assets	9.8%	8.5%	8.8%

Source: AGA, USR.

¹ Figures represent combined gas and electric operations.

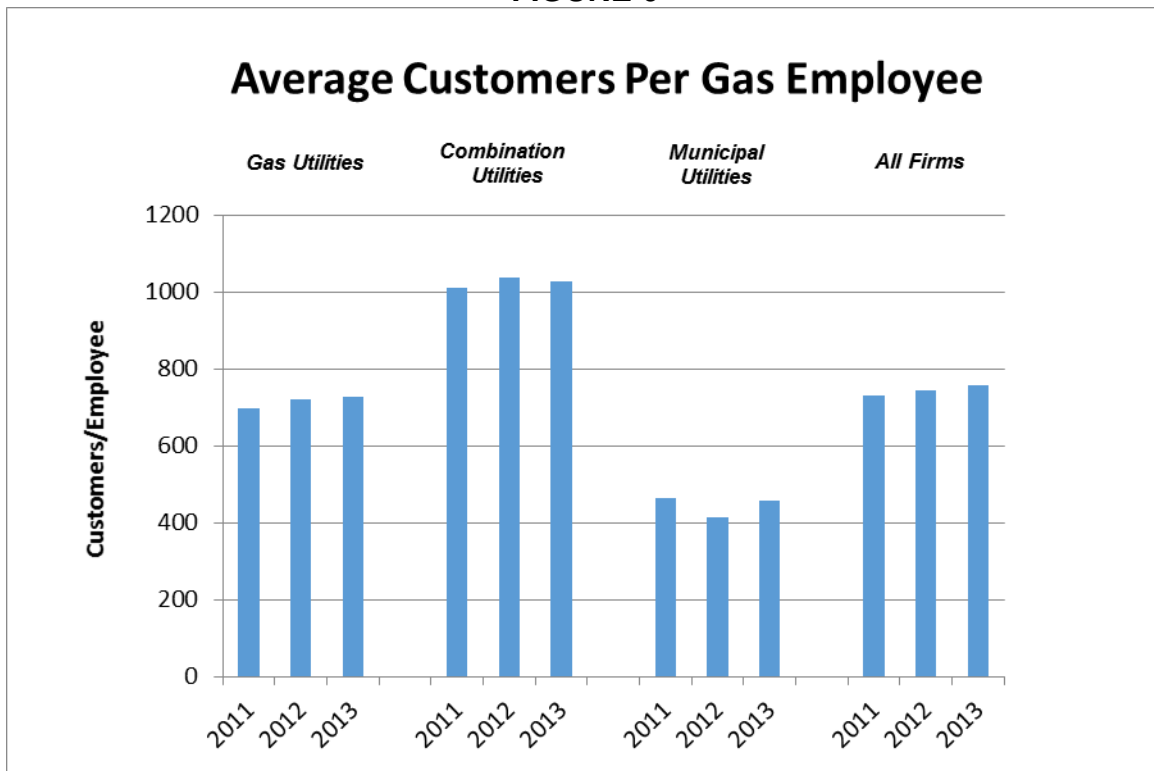
² When referring to combined gas and electric operations, the balance sheet items (i.e., total end-of-year assets) refer to the total firm, which could include non-utility assets, gas transmission assets and "other" utility assets (e.g., water), while income statement items (i.e., total revenues) refer 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.

TABLE 7 UTILITY WAGES AND BENEFITS AVERAGE VALUES PER EMPLOYEE AT YEAR-END				
	2011	2012	2013	3-Year Average
All Firms				
Number of employees at year-end	746	769	821	779
Total salaries and wages	\$71,881	\$75,043	\$77,676	\$74,867
Total benefits and pensions	\$33,436	\$33,585	\$30,636	\$32,552
Total salaries, benefits, and pensions	\$105,317	\$108,628	\$108,312	\$107,419
Ratio of total benefits to total compensation	26.50%	26.5%	25.4%	26.1%
Therms sold per employee	1,507,113	1,485,443	1,548,467	1,513,674
Customers per employee	732	746	756	744
Gas Utilities				
Number of employees at year-end	826	875	952	884
Total salaries and wages	\$70,895	\$73,287	\$72,900	\$72,360
Total benefits and pensions	\$27,064	\$23,707	\$20,508	\$23,759
Total salaries, benefits, and pensions	\$97,959	\$96,993	\$93,407	\$96,120
Ratio of total benefits to total compensation	23.60%	22.8%	21.0%	22.5%
Therms sold per employee	1,378,522	1,339,502	1,471,720	1,396,581
Customers per employee	697	721	727	715
Combination Utilities¹				
Number of employees at year-end	667	670	703	680
Total salaries and wages	\$87,961	\$90,745	\$96,010	\$91,572
Total benefits and pensions	\$62,878	\$70,797	\$57,439	\$63,705
Total salaries, benefits, and pensions	\$150,839	\$161,542	\$153,449	\$155,277
Ratio of total benefits to total compensation	33.10%	33.9%	32.0%	33.0%
Therms sold per employee	2,454,849	2,112,128	1,812,471	2,126,483
Customers per employee	1009	1038	1,026	1024
Municipal Utilities				
Number of employees at year-end	378	404	423	401
Total salaries and wages	\$48,878	\$53,832	\$63,140	\$55,283
Total benefits and pensions	\$24,429	\$33,585	\$37,341	\$31,785
Total salaries, benefits, and pensions	\$73,307	\$87,417	\$100,480	\$87,068
Ratio of total benefits to total compensation	35.90%	40.3%	37.3%	37.8%
Therms sold per employee	662,395	505,228	729,619	632,414
Customers per employee	465	413	458	445

Source: AGA, USR.

¹ Figures for gas operations only.

NOTICE

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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. and gen. expense (4,12)

The overhead cost associated with office activities. Examples of such expenses include stationery, 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 and 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 and 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 and information expense per therm (4,10)/[(20,15+20,18)]

Customer service and 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 that, 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 that 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)

A 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)

A 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 that 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 $(6,2)/\text{miles of main}$

Gas plant divided by total miles of mains (from U.S. 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 customer $(4,12)/[(20,15)+(20,18)]$

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 $[(2,1) - (4,5)]/[(20,15)+(20,18)]$

Defined as revenue, less total production 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 $[(2,1) - (4,5)]/[(20,15)+(20,18)]$

Defined as revenue, less total production 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- versus 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 that become due on a date at least one 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 (2nd 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 that 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 (4,5)/(20,15)

Total production gas expense divided by total sales volumes

Quartile

A statistical tool that analyzes a set of values that are sequenced by order of magnitude. Any set of ordered values can be divided into four quartiles. The first quartile is the observation reached after counting off the first 25 percent of the sequenced values (counting from the lowest value). 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 the U.S. 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 "Median."

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 (predominantly higher-consuming customer population yields larger results).

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

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

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 versus 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 and those 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.).

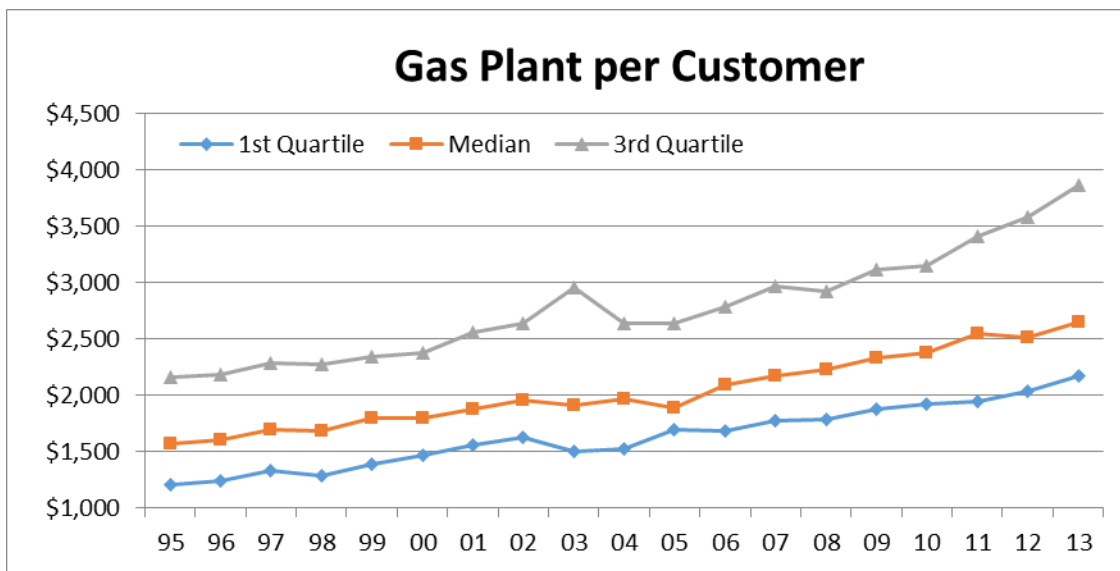
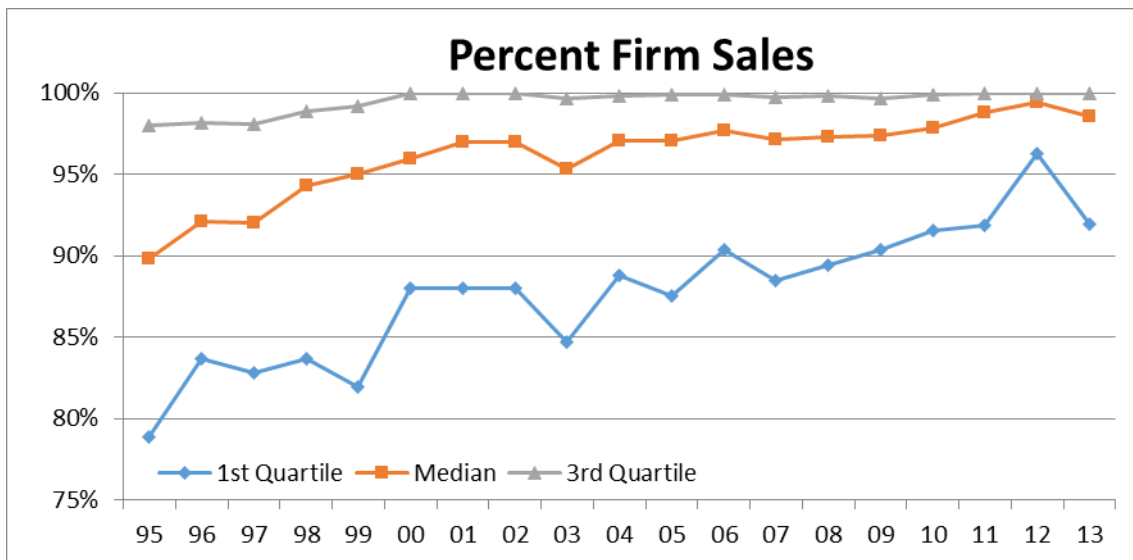
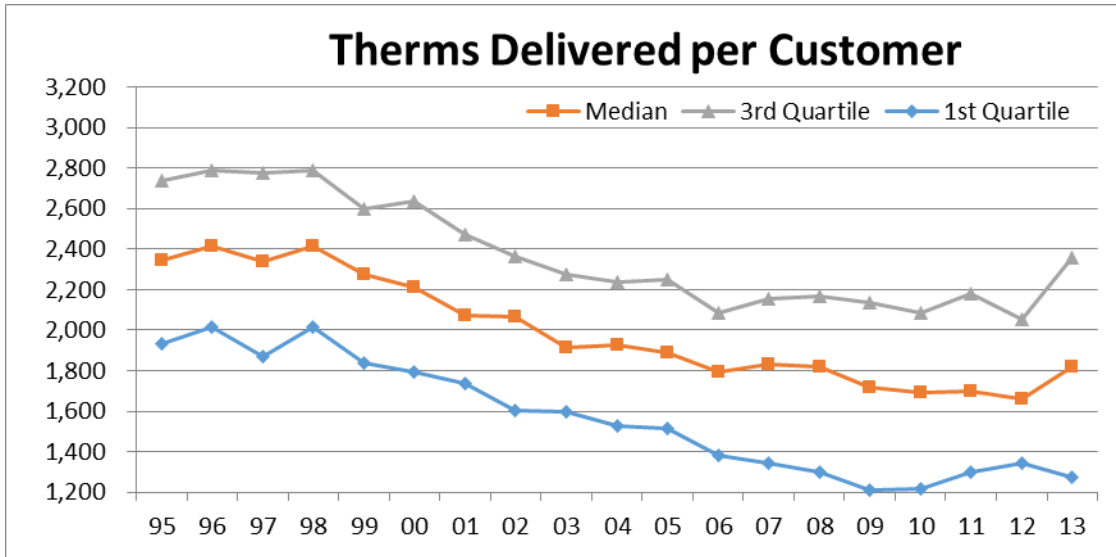
RETURN ON EQUITY: Impacted by allowed rate of return, weather, sales growth, subsidiary performance, and one-time charges (e.g., asset reevaluation, merger expense, etc.).

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

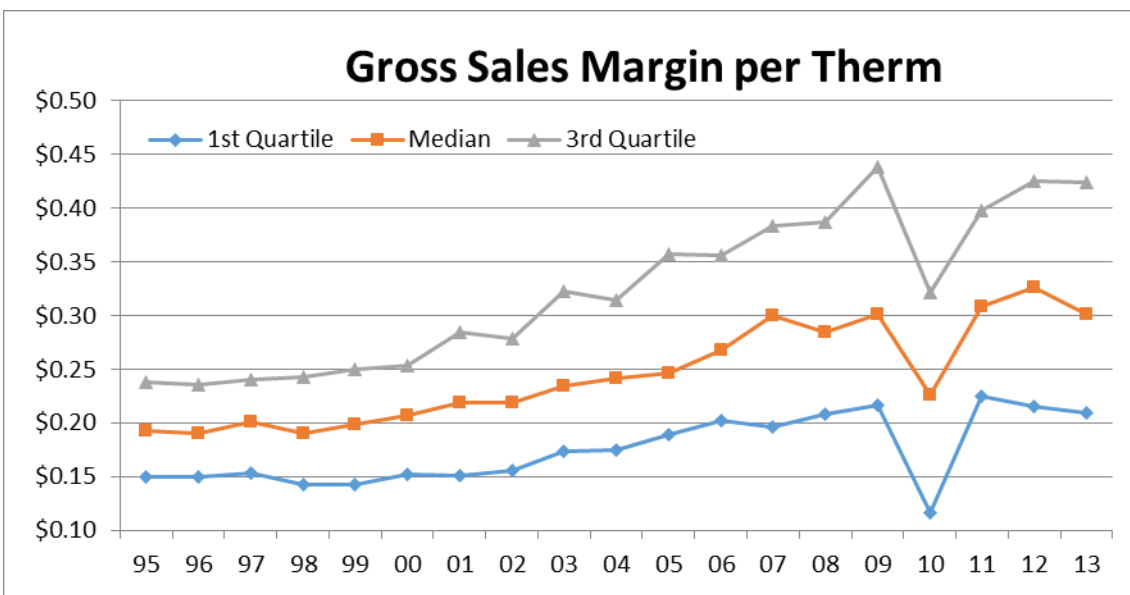
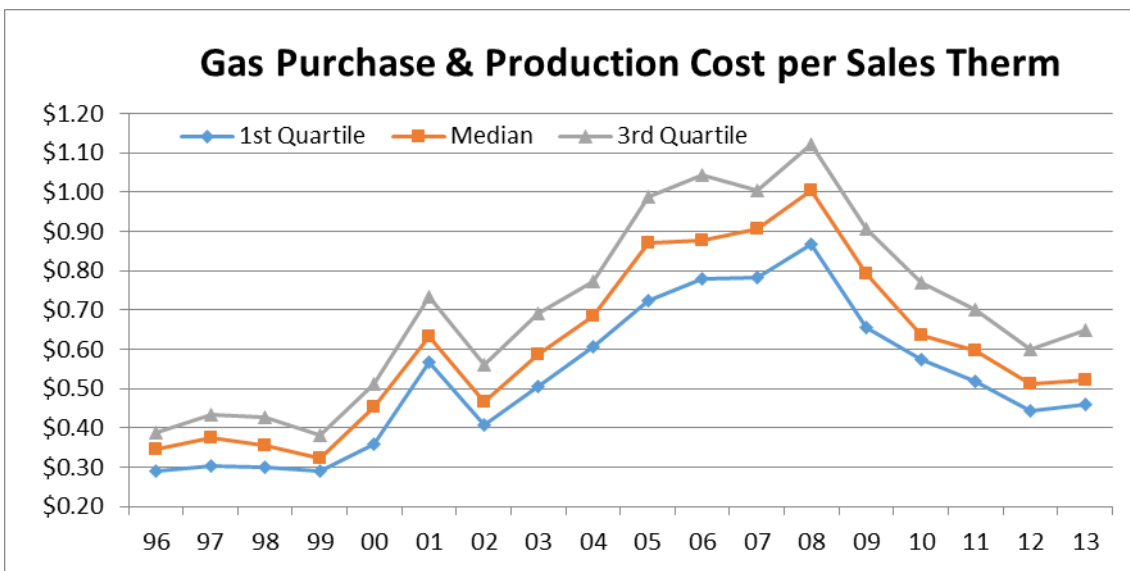
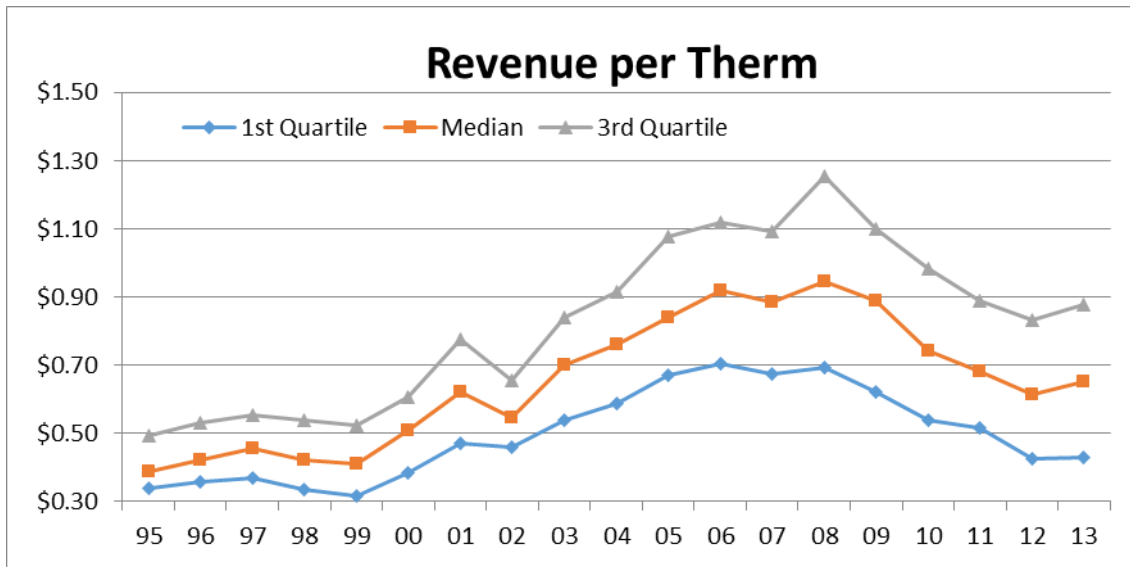
PROFIT MARGIN: Impacted by allowed rate of return, income taxes, interest expense, and weather.

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).

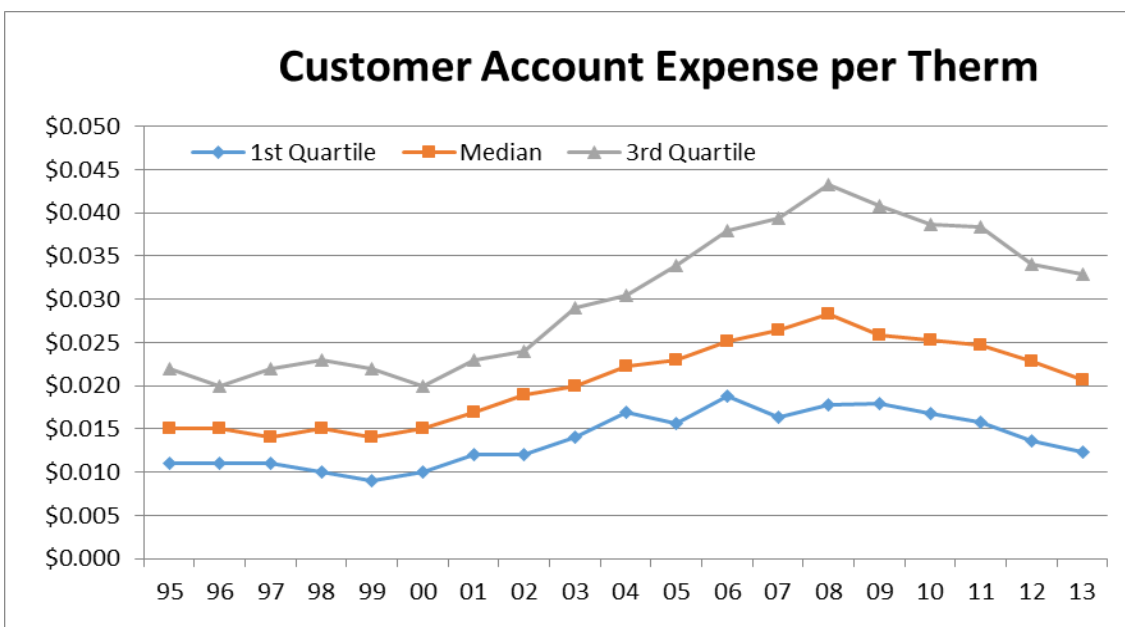
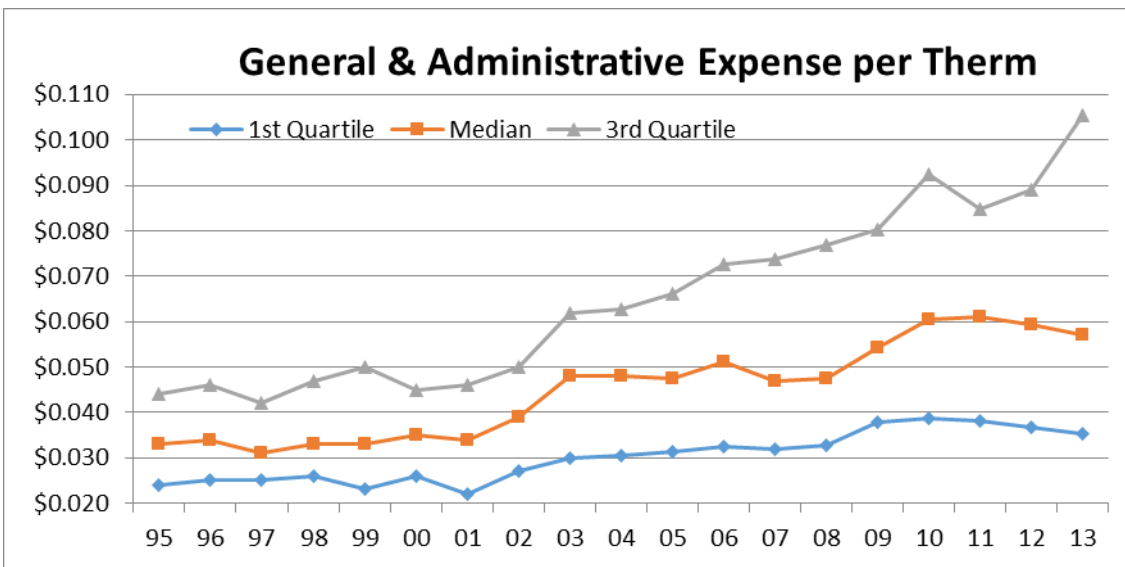
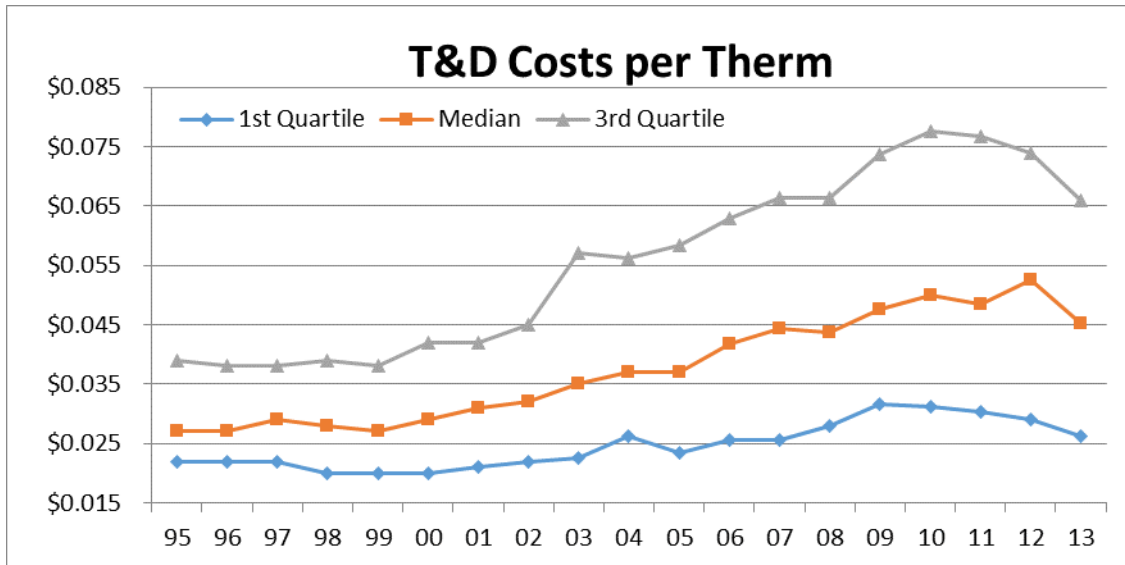


Appendix 2: Multi-year Charts for All Companies

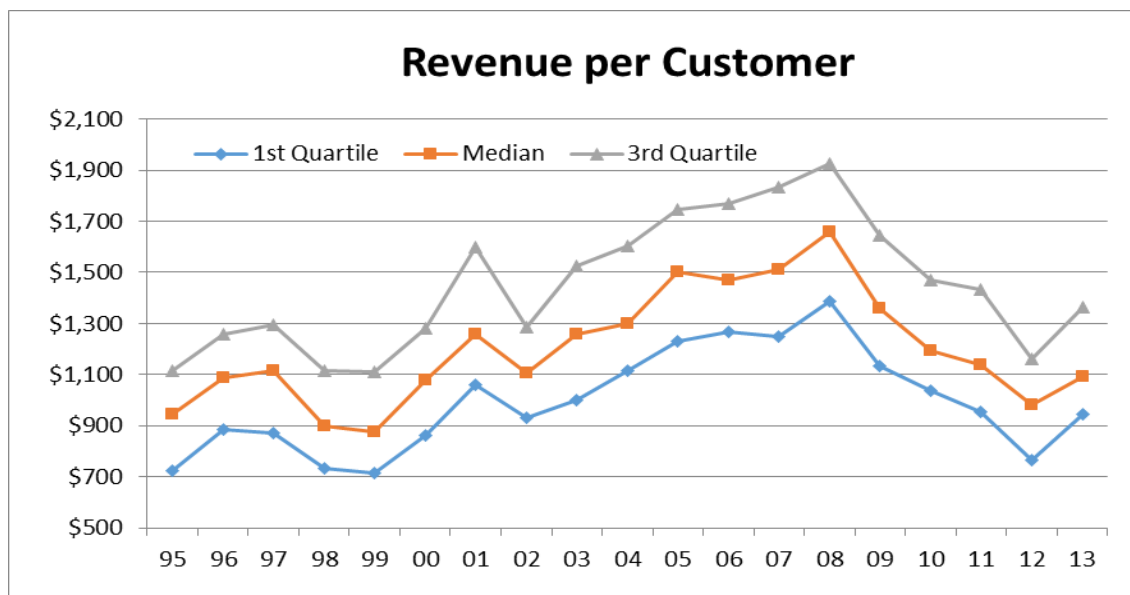
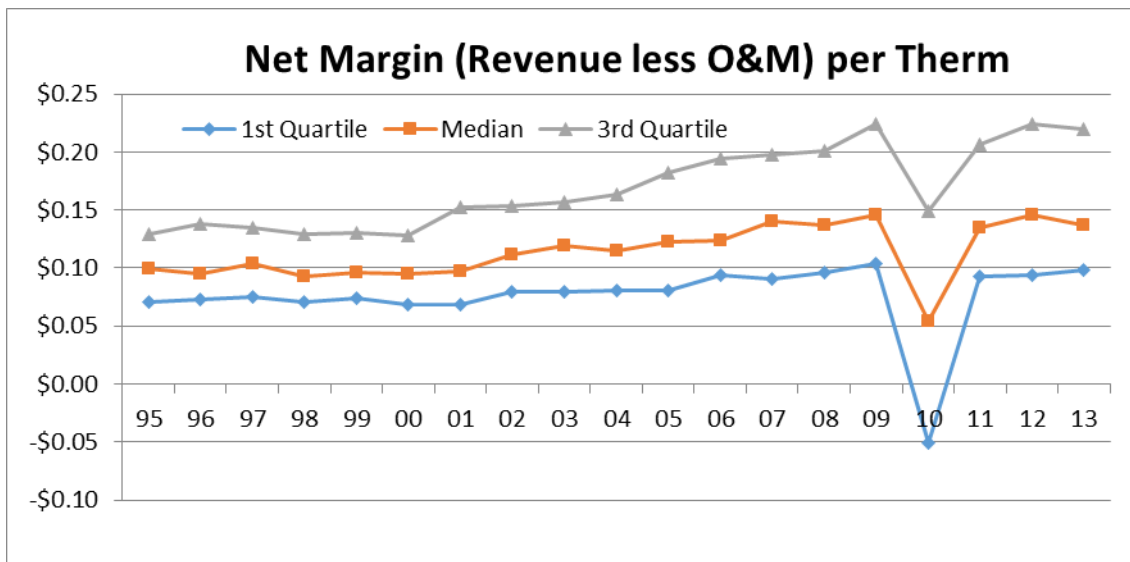
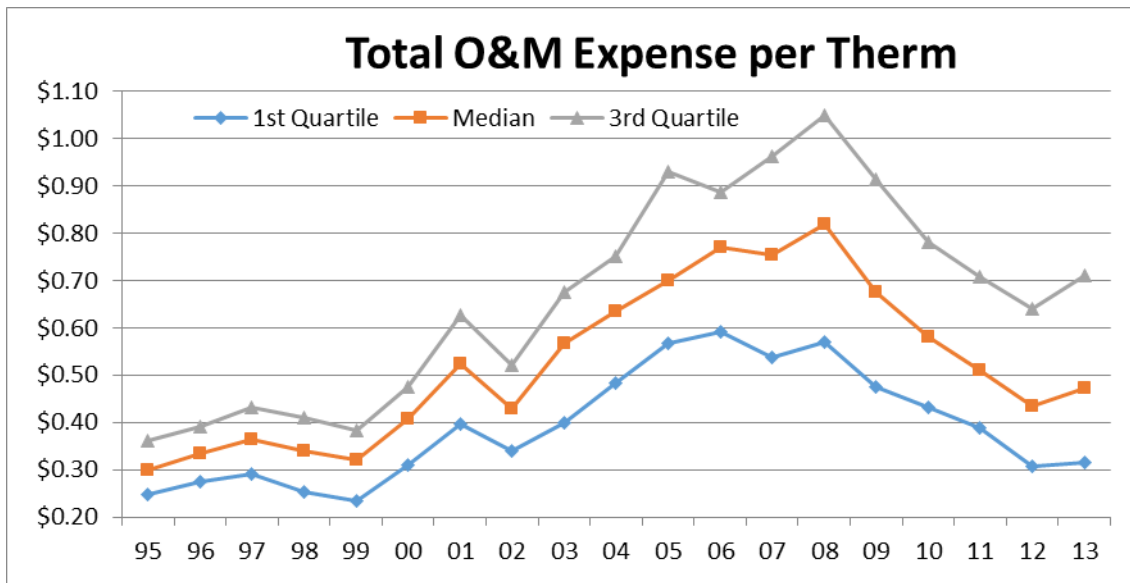


Note: Sample size and individual company participation vary by year, impairing trend analysis

Appendix 2: Multi-year Charts for All Companies

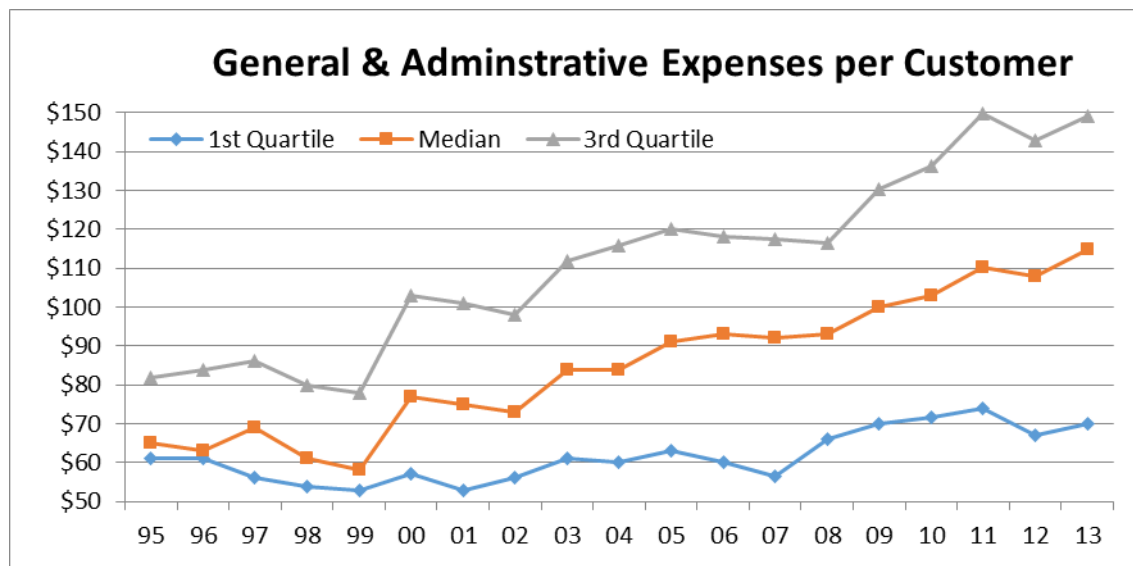
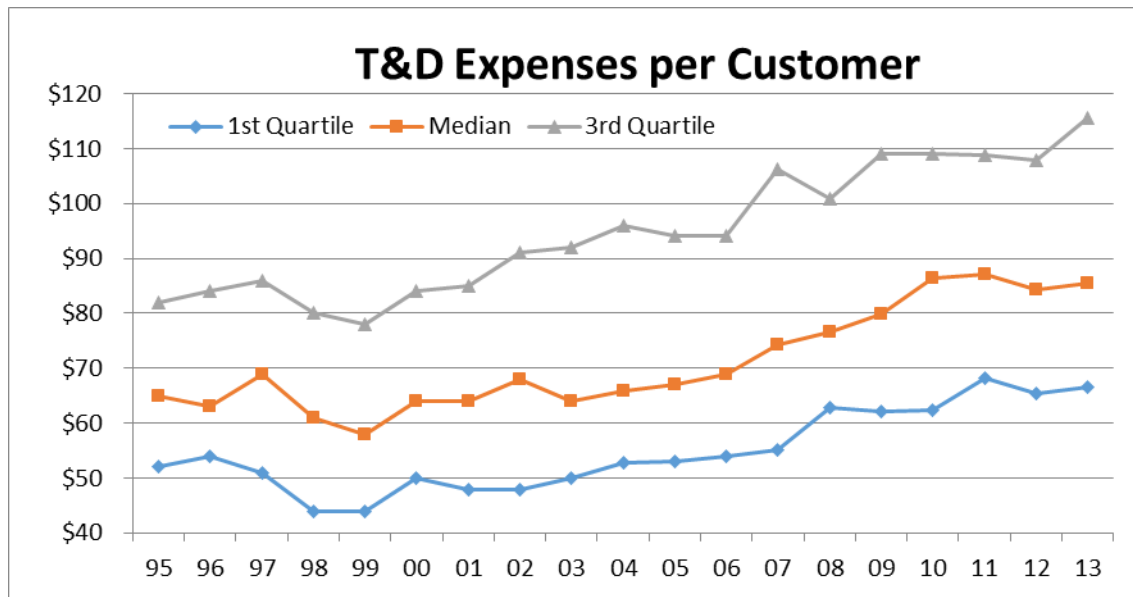
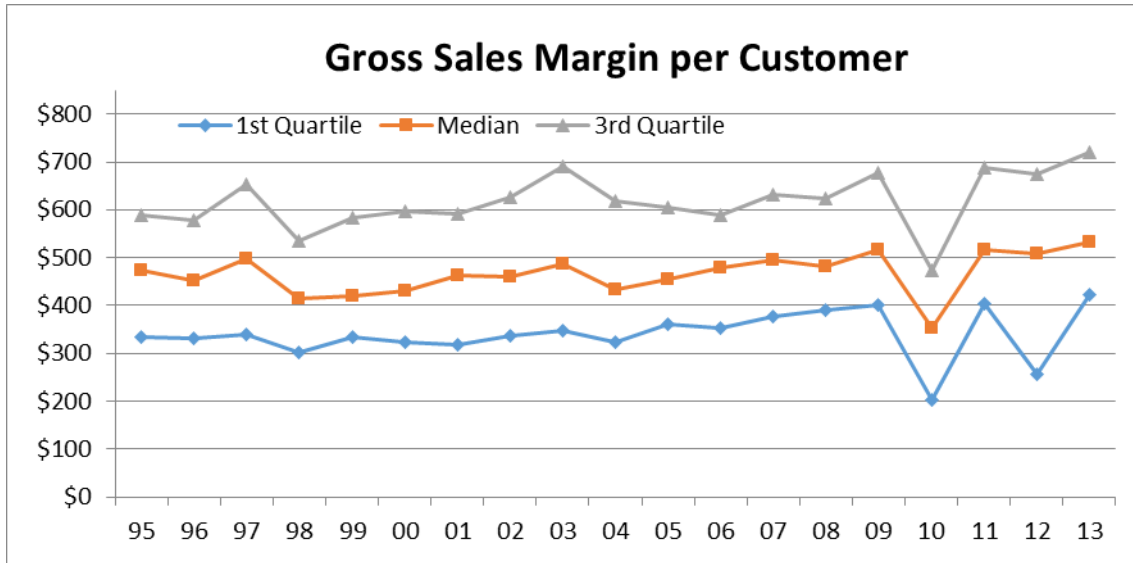


Note: Sample size and individual company participation vary by year, impairing trend analysis



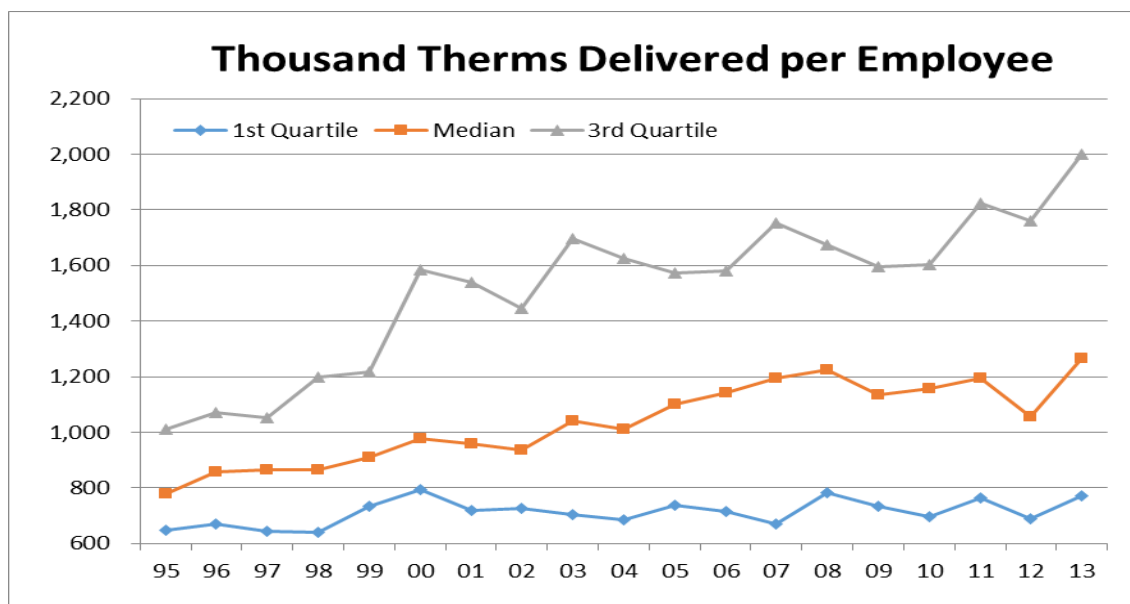
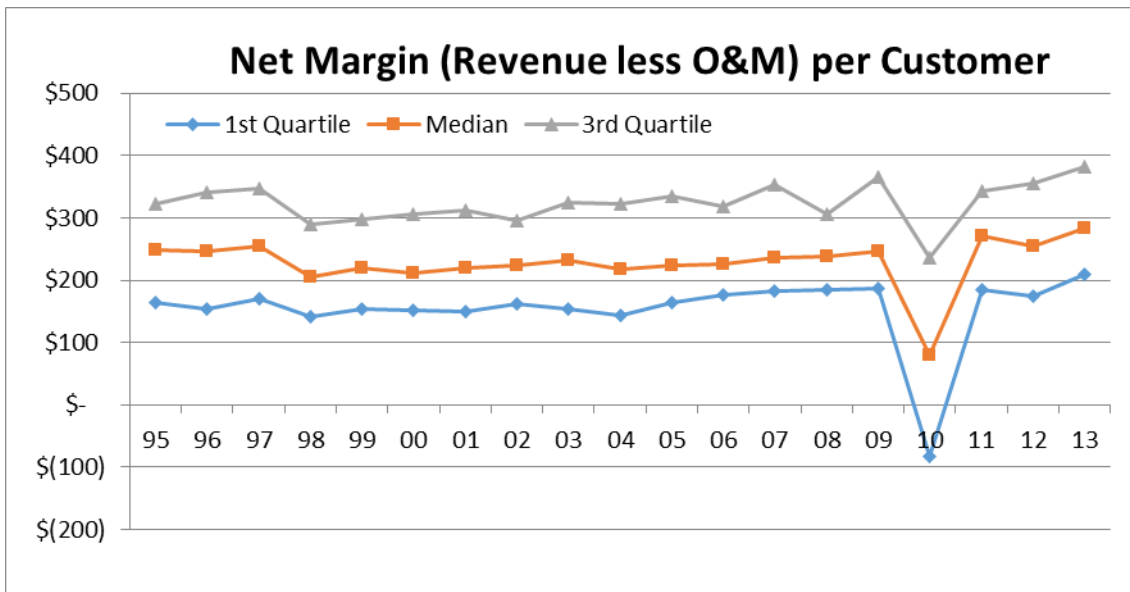
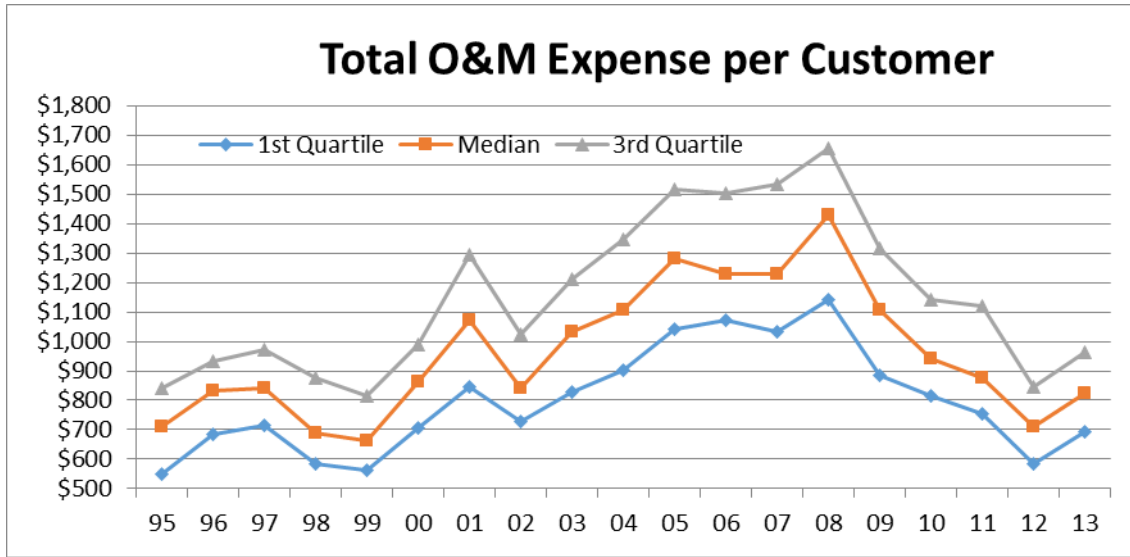
Note: Sample size and individual company participation vary by year, impairing trend analysis

Appendix 2: Multi-year Charts for All Companies

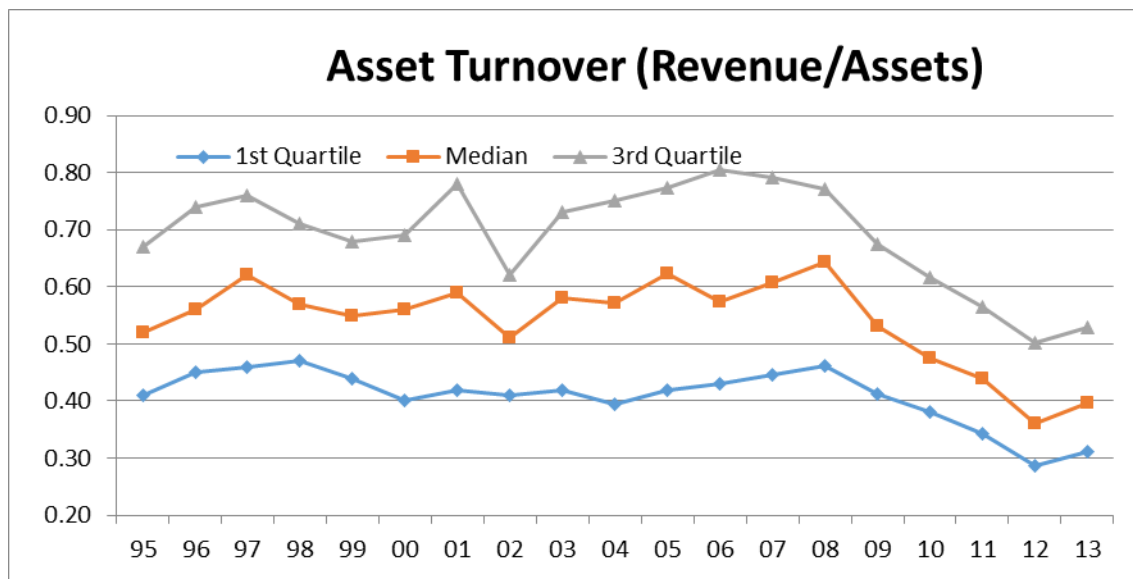
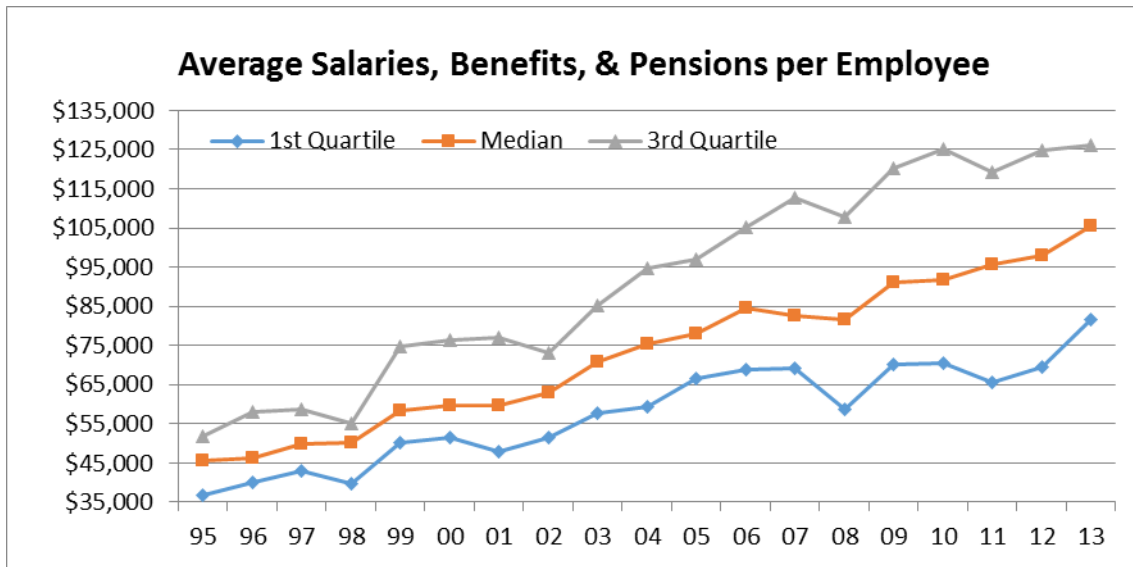
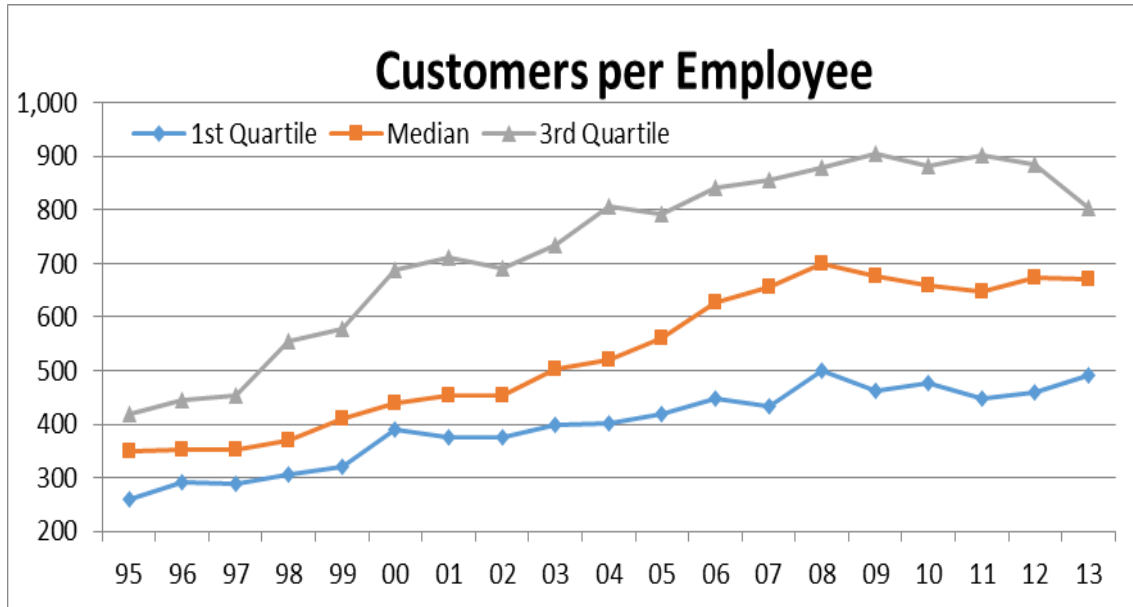


Note: Sample size and individual company participation vary by year, impairing trend analysis

Appendix 2: Multi-year Charts for All Companies

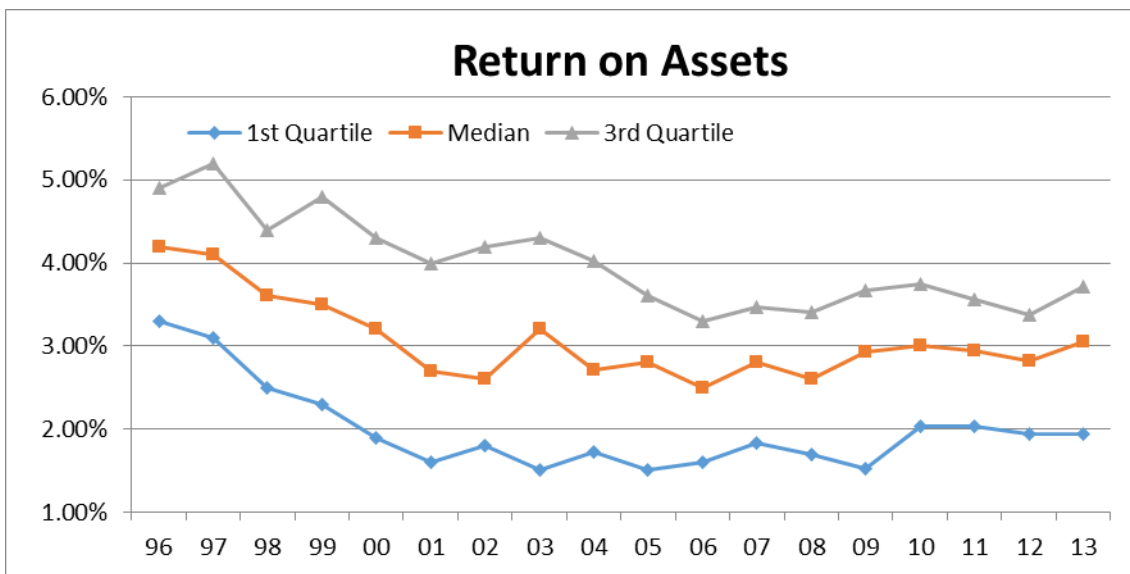
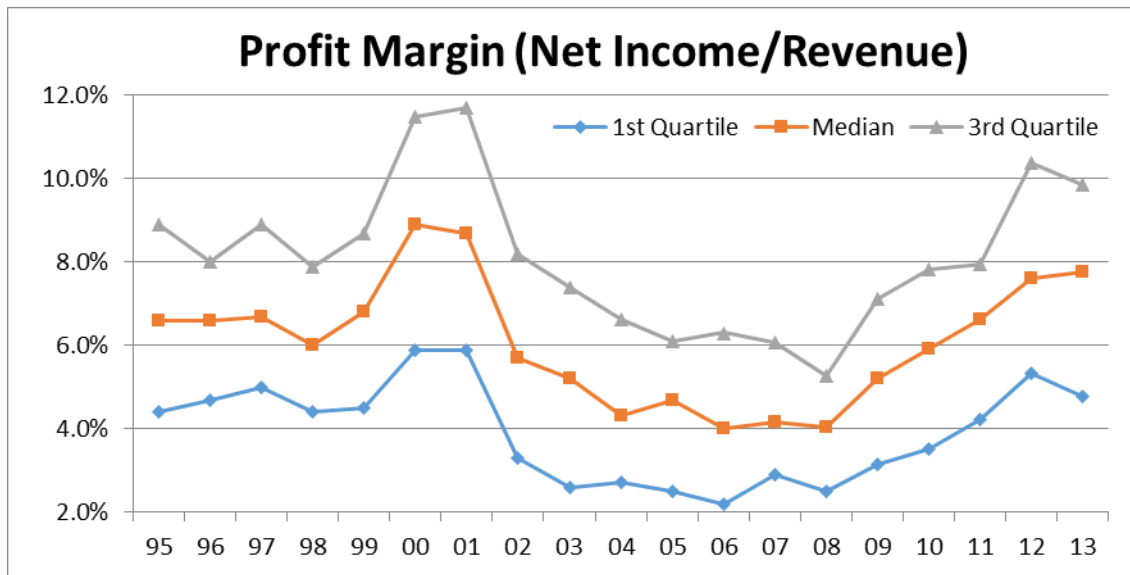
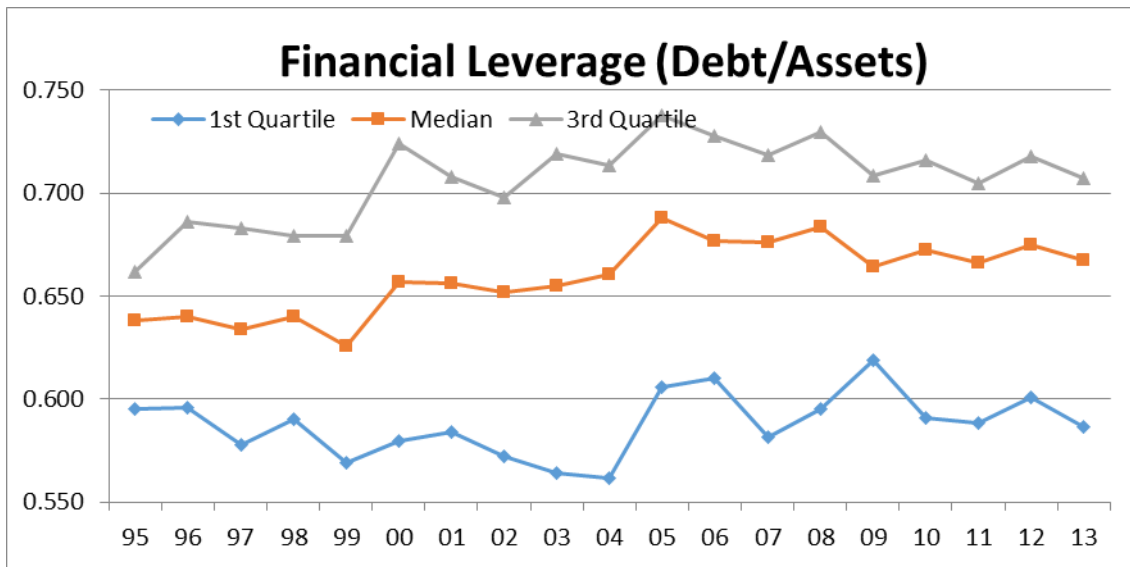


Note: Sample size and individual company participation vary by year, impairing trend analysis

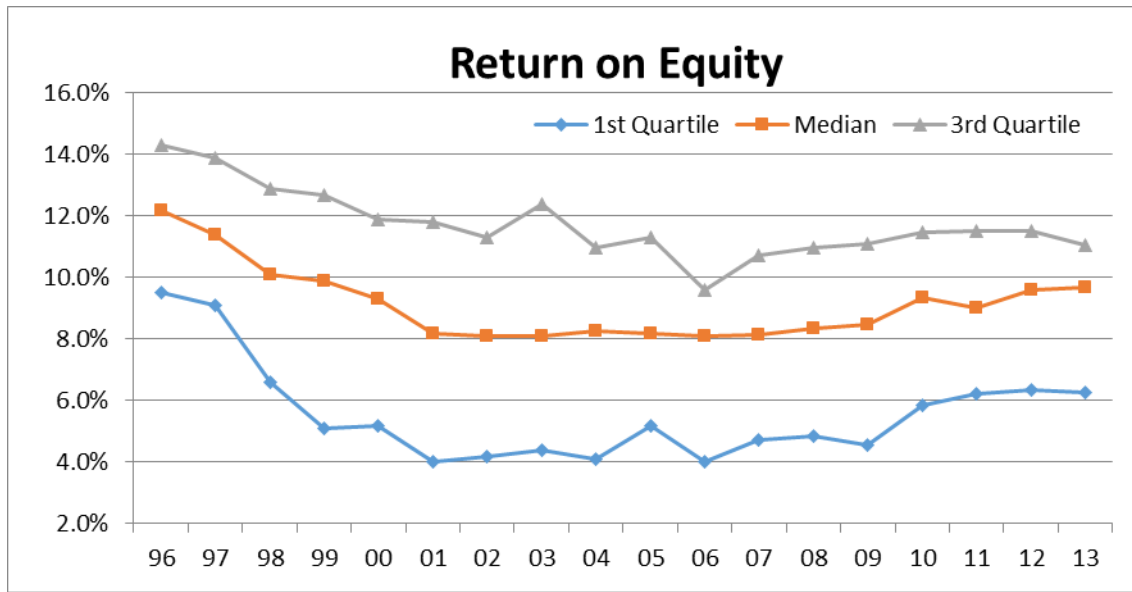


Note: Sample size and individual company participation vary by year, impairing trend analysis

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

2013 Data, 81 Utilities Reporting	Gas Utilities				Combination Utilities				Municipal Utilities				All Companies			
Stratified by Type of Company	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG
SYSTEM PROFILE 1/																
Total Therms delivered (000)	108,470	600,455	1,423,390	1,335,677	181,048	637,997	1,618,837	1,060,894	29,636	102,768	359,725	249,589	88,410	536,641	1,410,985	1,151,666
Total Sales Volume (000)	47,200	323,665	729,330	622,976	117,526	445,968	799,417	588,279	29,636	102,768	345,110	191,025	47,357	324,047	652,032	566,575
Transportation Volume (000)	1,380	213,348	755,104	712,701	29,395	106,619	687,365	472,615	-	-	11,325	58,564	134	175,752	651,798	585,092
Gas customers	48,030	347,353	852,155	708,220	122,603	408,769	793,763	515,605	39,248	98,750	222,651	160,588	55,691	296,395	745,089	603,273
Miles of main in use	1,213	4,908	12,529	11,052	1,988	6,232	10,829	7,599	1,322	2,428	3,024	2,318	1,243	4,370	11,819	9,292
Density (meters/mile of main)	35.8	50.6	63.4	58.0	44.4	50.5	64.8	68.5	41.5	52.3	79.5	64.1	38.8	50.6	64.5	61.0
THERM VOLUME BY CUSTOMER CLASS (000) 2/																
Residential heating	27,760	194,851	456,602	374,878	57,213	260,065	417,845	344,735	8,625	52,197	188,370	107,405	27,643	189,353	435,860	338,005
Residential non-heating	-	-	1,066	4,677	-	190	7,169	22,260	-	-	320	1,273	-	-	2,193	8,250
Commercial, firm	13,293	77,150	145,745	146,584	35,765	104,924	200,457	175,817	11,983	35,819	87,140	48,437	14,086	84,814	145,801	142,120
Commercial, interruptible	-	-	-	7,220	-	-	2,139	4,033	-	-	4,679	4,018	-	-	163	6,143
Industrial, firm	-	1,910	7,409	65,845	15	2,776	24,884	19,658	1,012	3,275	5,739	4,957	-	2,108	7,578	48,603
Industrial, interruptible	-	-	-	3,838	-	-	1,533	1,562	-	-	4,057	5,776	-	-	275	3,544
Electric utility generation, firm	-	-	-	865	-	-	-	-	-	-	-	13,452	-	-	-	2,086
Electric utility generation, interup.	-	-	-	7,704	-	-	-	-	-	-	-	918	-	-	-	5,207
Non-utility generation, firm	-	-	-	351	-	-	-	-	-	-	-	-	-	-	-	232
Non-utility generation, interup.	-	-	-	78	-	-	-	2,206	-	-	-	1,134	-	-	-	676
NGV	-	-	-	2,420	-	-	-	93	-	-	-	54	-	-	-	1,630
Municipal & public	-	-	3	5,065	-	-	-	9,584	-	-	322	2,015	-	-	4	5,739
Interdepartmental	-	-	-	-	-	-	599	1,456	-	-	76	1,585	-	-	-	506
Other	-	-	-	3,451	-	-	-	6,875	-	-	-	-	-	-	-	3,833

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.

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

APPENDIX 3a: GAS UTILITY SYSTEM PROFILES AND DELIVERY VOLUMES (Cont'd)

NUMBER OF CUSTOMERS BY CUSTOMER CLASS (000)

2013 Data, 81 Utilities Reporting	Gas Utilities				Combination Utilities				Municipal Utilities				All Companies			
Stratified by Type of Company	<u>LQ</u>	<u>MED</u>	<u>UQ</u>	<u>AVG</u>	<u>LQ</u>	<u>MED</u>	<u>UQ</u>	<u>AVG</u>	<u>LQ</u>	<u>MED</u>	<u>UQ</u>	<u>AVG</u>	<u>LQ</u>	<u>MED</u>	<u>UQ</u>	<u>AVG</u>
Residential heating	40,864	246,837	576,988	551,711	106,701	260,133	599,380	407,771	15,787	89,438	204,629	145,801	49,023	229,739	552,186	473,660
Residential non-heating	-	-	2,635	21,116	-	588	21,467	40,072	-	-	-	2,473	-	-	3,500	23,284
Commercial, firm	3,704	20,255	44,041	37,785	11,327	28,654	48,588	49,118	2,517	9,240	19,934	11,314	4,677	20,918	42,354	37,357
Commercial, interruptible	-	-	-	1,239	-	-	10	50	-	-	3	4	-	-	2	833
Industrial, firm	-	39	288	872	0	66	748	911	10	57	96	126	1	51	327	797
Industrial, interruptible	-	-	-	54	-	-	14	8	-	-	10	7	-	-	4	39
Electric utility generation, firm	-	-	-	1	-	-	-	-	-	-	-	1	-	-	-	1
Electric utility generation, interup.	-	-	-	1	-	-	-	-	-	-	-	0	-	-	-	0
Non-utility generation, firm	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	0
Non-utility generation, interup.	-	-	-	0	-	-	-	0	-	-	-	0	-	-	-	0
NGV	-	-	-	6	-	-	-	253	-	-	-	0	-	-	-	61
Municipal & public	-	-	-	302	-	-	-	169	-	-	13	450	-	-	0	289
Interdepartmental	-	-	-	-	-	-	1	11	-	-	8	12	-	-	-	4
Other	-	-	-	17	-	-	-	113	-	-	-	-	-	-	-	37

APPENDIX 3b: GAS UTILITY FINANCIAL STATEMENTS (000\$)

2013 Data, 81 Utilities Reporting	Gas Utilities				Combination Utilities				Municipal Utilities				All Companies			
Stratified by Type of Company	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG
GAS-ONLY INCOME STATEMENT																
Operating revenue	59,601	375,798	855,871	655,722	147,480	527,381	826,758	614,843	33,145	110,006	262,778	190,509	65,594	336,057	772,663	594,188
Operating expense	45,328	255,296	568,962	444,688	102,960	396,553	564,597	414,288	22,459	78,030	177,077	139,458	47,790	246,845	540,215	403,509
Maintenance expense	1,194	8,457	21,332	20,130	3,599	14,294	27,796	17,597	1,064	3,535	12,244	7,819	1,153	8,910	21,681	18,175
Total O&M	47,548	265,746	579,823	464,818	109,606	419,591	592,393	431,885	23,523	81,565	189,321	147,277	50,048	256,039	560,739	421,685
Depreciation	5,271	25,810	60,017	52,982	8,301	22,167	48,011	38,649	2,916	7,035	11,675	10,313	5,240	20,728	49,892	44,957
Depletion	-	-	-	366	-	-	-	464	-	-	-	-	-	-	-	347
Amortization	-	-	1,488	1,892	-	2,390	7,811	3,234	-	-	-	37	-	-	2,601	1,985
Prop. loss charged to operations	-	-	-	49	-	-	-	11	-	-	-	-	-	-	-	35
Total taxes	3,991	23,902	75,172	62,778	12,892	39,480	81,509	70,098	-	2,073	6,356	4,158	3,573	20,170	74,035	57,830
Other operating income	-	-	-	3,473	-	-	-	(1,974)	(7)	-	-	(6,273)	-	-	-	1,151
Total operating income	8,806	36,028	90,321	72,836	12,689	44,596	99,497	70,501	953	6,718	31,040	28,723	6,714	32,950	92,479	67,348
BALANCE SHEET																
Gas plant	218,847	949,386	2,571,509	1,887,539	326,686	1,528,782	2,587,473	1,722,153	96,464	296,212	488,119	435,489	216,708	853,714	2,402,204	1,686,972
Common plant	-	-	-	4,973	36,159	213,112	482,823	369,865	-	-	-	48,550	-	-	2,711	91,976
Other plant	-	-	-	1,884	-	-	9,369	160,770	-	-	19,747	278,134	-	-	1	68,711
Total plant in service 1/2/	218,847	1,016,145	2,571,774	1,915,750	1,921,925	4,080,596	11,931,370	7,666,879	119,479	296,212	1,955,557	1,146,324	289,050	1,636,599	3,737,798	3,123,194
Accumulated depreciation 1/	71,097	406,904	745,278	629,450	665,455	1,583,101	4,541,018	2,527,838	46,609	100,346	854,632	465,574	97,472	527,313	1,145,010	1,038,151
Construction work-in-progress 1/	1,663	16,016	79,712	58,707	101,469	151,572	295,072	265,546	439	13,044	59,703	96,196	3,504	25,112	130,440	109,463
Net utility plant 1/	143,182	691,355	1,776,630	1,345,284	1,311,968	2,793,234	8,239,248	5,408,787	111,025	214,500	1,160,628	778,704	194,119	1,029,215	2,466,384	2,195,832
Gas storage (non-current) 1/	-	-	177	3,627	-	-	929	2,928	-	-	-	7,620	-	-	189	3,919
Customer accts. Receivable 1/	3,649	29,353	104,853	87,195	47,353	123,182	295,588	234,730	4,844	9,823	104,489	46,516	6,839	46,399	136,013	115,814
Total current & accrued assets 1/	14,103	109,357	243,405	264,199	171,309	387,449	1,074,329	724,444	52,359	60,297	387,282	225,787	43,448	148,942	409,678	363,433
Total deferred debits 1/	9,017	79,975	412,787	286,145	261,801	593,585	1,670,141	1,192,737	522	1,063	116,623	91,031	13,213	123,249	504,613	468,178
Total assets 1/	191,324	821,056	2,992,668	2,003,674	1,791,601	3,882,172	10,652,257	7,583,222	124,241	291,248	1,739,718	1,110,543	284,139	1,574,849	3,876,923	3,158,595
LIABILITIES AND EQUITY																
Common stock 1/	1	4,691	47,986	93,207	4,981	135,838	432,546	276,069	-	-	-	-	-	3,346	70,056	123,865
Retained earnings 1/	17,805	100,096	416,053	265,694	218,702	441,301	851,903	1,039,264	31,854	151,737	364,592	477,934	25,457	194,390	479,616	463,624
Total common stock equity 1/	71,335	380,058	956,560	616,121	576,151	1,456,730	3,269,865	2,402,320	52,798	151,737	364,592	488,767	93,209	466,179	1,254,792	1,003,688
Total long-term (LT) debt 1/	20,000	231,342	600,000	416,418	615,683	1,220,329	2,735,887	2,094,061	11,994	49,666	460,619	457,167	44,762	339,154	972,129	798,472
Total capitalization 1/2/	125,096	496,098	1,613,330	1,032,591	1,407,766	2,677,103	6,450,636	4,508,166	83,174	158,803	1,443,286	950,158	151,444	841,812	2,211,503	1,805,322
Total non-current other liabilities 1/	-	510	21,083	49,293	1,373	27,035	239,510	352,652	-	579	2,722	17,781	-	1,776	32,995	114,004
Current & accrued liabilities 1/	19,004	165,917	422,788	366,486	130,029	385,412	769,118	675,437	7,613	26,202	182,656	110,525	25,582	181,818	448,945	407,204
Total deferred credits 1/	33,476	117,575	569,543	485,092	471,425	836,409	2,753,798	2,023,880	665	1,905	14,990	12,763	18,073	143,281	761,959	778,183
Total capitalization & liabilities 1/2/	191,324	821,056	2,992,668	2,003,674	1,791,601	3,882,172	10,652,257	7,583,222	124,241	291,248	1,739,718	1,110,543	284,139	1,574,849	3,876,923	3,158,595

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

2013 Data,81 Utilities Reporting							
Stratified by Type of Company		Gas Utilities		Combination Utilities		Municipal Utilities	All Companies
		53 firms		18 firms		9 firms	81 firms
GAS-ONLY INCOME STATEMENT - Based on average values							
Operating revenue		100.0		100.0		100.0	100.0
Operating expense		70.4		69.1		75.6	70.7
Maintenance expense		2.6		3.2		3.7	2.9
Total O&M		73.0		72.2		79.3	73.6
Depreciation		7.6		6.8		6.4	7.2
Depletion		0.1		0.2		-	0.1
Amortization		0.2		0.6		0.2	0.3
Prop. loss charged to operations		0.0		0.0		-	0.0
Total taxes		8.6		9.3		2.3	8.0
Other operating income		0.5		(0.5)		(2.0)	(0.1)
Total operating income		10.4		10.9		11.8	10.7
BALANCE SHEET - Based on average values							
Gas plant		94.2		22.7		39.2	53.4
Common plant		0.2		4.9		4.4	2.9
Other plant		0.1		2.1		25.0	2.2
Total plant in service		95.6		101.1		103.2	98.9
Accumulated depreciation		31.4		33.3		41.9	32.9
Construction work-in-progress		2.9		3.5		8.7	3.5
Net utility plant		67.1		71.3		70.1	69.5
Gas storage (non-current)		0.2		0.0		0.7	0.1
Customer accts. receivable		4.4		3.1		4.2	3.7
Total current & accrued assets		13.2		9.6		20.3	11.5
Total deferred debits		14.3		15.7		8.2	14.8
Total assets		100.0		100.0		100.0	100.0
Common stock		4.7		3.6		-	3.9
Retained earnings		13.3		13.7		43.0	14.7
Total common stock equity		30.7		31.7		44.0	31.8
Total long-term (LT) debt		20.8		27.6		41.2	25.3
Total capitalization		51.5		59.4		85.6	57.2
Total non-current other liabilities		2.5		4.7		1.6	3.6
Current & accrued liabilities		18.3		8.9		10.0	12.9
Total deferred credits		24.2		26.7		1.1	24.6
Total capitalization & liabilities		100.0		100.0		100.0	100.0

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

APPENDIX 3d: GAS UTILITY INCOME STATEMENTS – Per Cost Driver

GAS-ONLY INCOME STATEMENT - Per Annual Therm Delivered

2013 Data, 81 Utilities Reporting	Gas Utilities				Combination Utilities				Municipal Utilities				All Companies			
	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG
Operating revenue	\$0.4028	\$0.5625	\$0.7170	\$0.6355	\$0.4195	\$0.6204	\$0.9352	\$0.7087	\$0.8038	\$0.9089	\$0.9902	\$0.8621	\$0.4264	\$0.6123	\$0.8309	\$0.6723
Operating expense	\$0.2602	\$0.4043	\$0.4861	\$0.4384	\$0.2610	\$0.3946	\$0.5777	\$0.4818	\$0.5786	\$0.6717	\$0.7123	\$0.6455	\$0.2954	\$0.4188	\$0.6030	\$0.4672
Maintenance expense	\$0.0094	\$0.0166	\$0.0288	\$0.0212	\$0.0080	\$0.0170	\$0.0238	\$0.0240	\$0.0228	\$0.0360	\$0.0386	\$0.0361	\$0.0096	\$0.0175	\$0.0296	\$0.0233
Total O&M	\$0.2724	\$0.4288	\$0.5077	\$0.4596	\$0.2812	\$0.4125	\$0.5946	\$0.5058	\$0.6486	\$0.7030	\$0.7376	\$0.6816	\$0.3066	\$0.4339	\$0.6414	\$0.4905
Depreciation	\$0.0272	\$0.0389	\$0.0547	\$0.0504	\$0.0249	\$0.0443	\$0.0585	\$0.0487	\$0.0364	\$0.0671	\$0.0924	\$0.0666	\$0.0272	\$0.0406	\$0.0592	\$0.0516
Depletion	\$0.0000	\$0.0000	\$0.0000	\$0.0006	\$0.0000	\$0.0000	\$0.0000	\$0.0030	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0010
Amortization	\$0.0000	\$0.0000	\$0.0026	\$0.0010	\$0.0000	\$0.0010	\$0.0099	\$0.0049	\$0.0000	\$0.0000	\$0.0000	\$0.0014	\$0.0000	\$0.0000	\$0.0036	\$0.0018
Prop. loss charged to operations	\$0.0000	\$0.0000	\$0.0000	\$0.0001	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0001
Total taxes	\$0.0292	\$0.0418	\$0.0667	\$0.0550	\$0.0238	\$0.0531	\$0.1108	\$0.0715	\$0.0075	\$0.0222	\$0.0603	\$0.0314	\$0.0258	\$0.0404	\$0.0695	\$0.0561
Other operating income	\$0.0000	\$0.0000	\$0.0000	\$0.0011	\$0.0000	\$0.0000	\$0.0000	-\$0.0018	\$0.0000	\$0.0000	\$0.0057	\$0.0073	\$0.0000	\$0.0000	\$0.0000	\$0.0011
Total operating income	\$0.0304	\$0.0492	\$0.0848	\$0.0688	\$0.0251	\$0.0629	\$0.1036	\$0.0747	\$0.0575	\$0.0774	\$0.0995	\$0.0811	\$0.0287	\$0.0556	\$0.0911	\$0.0712

GAS-ONLY INCOME STATEMENT - Per Average Annual Customer Served

2013 Data, 81 Utilities Reporting	Gas Utilities				Combination Utilities				Municipal Utilities				All Companies			
	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG
Operating revenue	\$741	\$975	\$1,148	\$1,025	\$901	\$1,048	\$1,331	\$1,111	\$816	\$937	\$1,102	\$966	\$764	\$981	\$1,164	\$1,037
Operating expense	\$536	\$682	\$768	\$718	\$611	\$698	\$877	\$752	\$626	\$692	\$851	\$724	\$552	\$683	\$819	\$725
Maintenance expense	\$19	\$29	\$40	\$32	\$19	\$29	\$47	\$36	\$25	\$34	\$49	\$42	\$19	\$30	\$42	\$34
Total O&M	\$562	\$699	\$814	\$750	\$672	\$719	\$903	\$788	\$661	\$768	\$874	\$766	\$583	\$710	\$845	\$759
Depreciation	\$55	\$68	\$101	\$79	\$60	\$72	\$79	\$76	\$45	\$80	\$89	\$72	\$55	\$71	\$95	\$78
Depletion	\$0	\$0	\$0	\$1	\$0	\$0	\$0	\$3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1
Amortization	\$0	\$0	\$6	\$1	\$0	\$4	\$11	\$8	\$0	\$0	\$0	\$1	\$0	\$0	\$6	\$3
Prop. loss charged to operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total taxes	\$57	\$76	\$114	\$92	\$51	\$84	\$165	\$115	\$9	\$32	\$55	\$33	\$50	\$74	\$113	\$91
Other operating income	\$0	\$0	\$0	\$8	\$0	\$0	\$0	\$3	\$0	\$0	\$7	\$8	\$0	\$0	\$0	\$7
Total operating income	\$57	\$104	\$136	\$102	\$68	\$83	\$200	\$122	\$45	\$90	\$112	\$94	\$59	\$99	\$142	\$105

APPENDIX 3d: GAS UTILITY INCOME STATEMENTS – Per Cost Driver (cont'd)

GAS-ONLY INCOME STATEMENT - Per Dollar of Gas Plant

2013 Data, 81 Utilities Reporting	Gas Utilities				Combination Utilities				Municipal Utilities				All Companies			
	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG
Operating revenue	\$0.3015	\$0.3544	\$0.4262	\$0.3762	\$0.3209	\$0.3565	\$0.4340	\$0.3837	\$0.3099	\$0.3317	\$0.4055	\$0.3855	\$0.3101	\$0.3535	\$0.4288	\$0.3786
Operating expense	\$0.1968	\$0.2433	\$0.3244	\$0.2705	\$0.2213	\$0.2350	\$0.2999	\$0.2666	\$0.2248	\$0.2468	\$0.3156	\$0.2969	\$0.1993	\$0.2431	\$0.3186	\$0.2722
Maintenance expense	\$0.0066	\$0.0108	\$0.0153	\$0.0139	\$0.0078	\$0.0120	\$0.0143	\$0.0115	\$0.0116	\$0.0142	\$0.0211	\$0.0158	\$0.0071	\$0.0109	\$0.0155	\$0.0136
Total O&M	\$0.2039	\$0.2537	\$0.3472	\$0.2844	\$0.2284	\$0.2431	\$0.3069	\$0.2780	\$0.2356	\$0.2553	\$0.3407	\$0.3127	\$0.2102	\$0.2527	\$0.3324	\$0.2858
Depreciation	\$0.0219	\$0.0265	\$0.0315	\$0.0265	\$0.0204	\$0.0246	\$0.0302	\$0.0263	\$0.0230	\$0.0265	\$0.0291	\$0.0265	\$0.0218	\$0.0263	\$0.0312	\$0.0265
Depletion	\$0.0000	\$0.0000	\$0.0000	\$0.0001	\$0.0000	\$0.0000	\$0.0000	\$0.0010	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0003
Amortization	\$0.0000	\$0.0000	\$0.0019	\$0.0009	\$0.0000	\$0.0013	\$0.0041	\$0.0025	\$0.0000	\$0.0000	\$0.0000	\$0.0004	\$0.0000	\$0.0000	\$0.0021	\$0.0012
Prop. loss charged to operations	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
Total taxes	\$0.0223	\$0.0279	\$0.0397	\$0.0302	\$0.0217	\$0.0337	\$0.0529	\$0.0361	\$0.0028	\$0.0119	\$0.0210	\$0.0126	\$0.0209	\$0.0278	\$0.0397	\$0.0297
Other operating income	\$0.0000	\$0.0000	\$0.0000	\$0.0020	\$0.0000	\$0.0000	\$0.0000	-\$0.0021	\$0.0000	\$0.0000	\$0.0036	\$0.0031	\$0.0000	\$0.0000	\$0.0000	\$0.0013
Total operating income	\$0.0289	\$0.0381	\$0.0448	\$0.0339	\$0.0264	\$0.0357	\$0.0473	\$0.0397	\$0.0186	\$0.0306	\$0.0484	\$0.0333	\$0.0275	\$0.0374	\$0.0453	\$0.0350

GAS-ONLY INCOME STATEMENT - Per Mile of Distribution Pipe

2013 Data, 81 Utilities Reporting	Gas Utilities				Combination Utilities				Municipal Utilities				All Companies			
	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG
Operating revenue	\$33,090	\$43,289	\$66,050	\$58,472	\$41,335	\$63,137	\$80,795	\$84,155	\$31,529	\$56,251	\$71,242	\$68,692	\$34,844	\$50,068	\$74,615	\$64,794
Operating expense	\$20,528	\$29,918	\$46,569	\$40,420	\$30,250	\$47,881	\$56,591	\$53,531	\$23,691	\$40,853	\$55,470	\$50,392	\$21,100	\$34,833	\$51,415	\$44,111
Maintenance expense	\$877	\$1,238	\$1,965	\$1,761	\$1,216	\$1,669	\$3,113	\$3,150	\$1,245	\$2,084	\$4,705	\$3,025	\$893	\$1,424	\$2,327	\$2,173
Total O&M	\$21,371	\$30,855	\$48,566	\$42,182	\$30,990	\$49,098	\$58,457	\$56,681	\$24,936	\$44,725	\$59,281	\$53,417	\$22,059	\$35,851	\$54,498	\$46,284
Depreciation	\$2,373	\$3,831	\$4,937	\$4,303	\$2,541	\$4,667	\$6,372	\$6,072	\$2,634	\$3,247	\$4,387	\$4,548	\$2,447	\$3,831	\$5,267	\$4,693
Depletion	\$0	\$0	\$0	\$28	\$0	\$0	\$0	\$146	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49
Amortization	\$0	\$0	\$309	\$217	\$0	\$179	\$958	\$633	\$0	\$0	\$0	\$29	\$0	\$0	\$311	\$285
Prop. loss charged to operations	\$0	\$0	\$0	\$14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10
Total taxes	\$2,174	\$4,242	\$5,585	\$5,717	\$2,719	\$5,085	\$9,049	\$11,323	\$727	\$1,904	\$2,794	\$1,859	\$2,232	\$4,077	\$5,817	\$6,503
Other operating income	\$0	\$0	\$0	\$456	\$0	\$0	\$0	\$2,904	\$0	\$0	\$462	\$431	\$0	\$0	\$0	\$961
Total operating income	\$2,956	\$5,015	\$6,765	\$6,012	\$3,059	\$4,738	\$10,030	\$9,301	\$1,208	\$4,266	\$7,723	\$8,839	\$2,956	\$4,997	\$7,479	\$6,970

APPENDIX 3e: GAS UTILITY FINANCIAL RATIOS

2013 Data, 81 Utilities Reporting Stratified by Type of Company	Gas Utilities 53 firms				Combination Utilities 19 firms				Municipal Utilities 9 firms				All Companies 80 firms			
	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG
Therms delivered (avg.) per acct.	1,271	1,884	2,366	2,296	1,282	1,550	2,776	2,002	1,457	1,499	1,787	1,488	1,273	1,821	2,359	2,139
Therms per \$1,000 of gas plant	0.469	0.720	0.981	0.764	0.338	0.575	0.848	0.684	0.347	0.453	1.059	0.645	0.417	0.692	0.968	0.733
Value of gas plant per customer	\$2,061	\$2,669	\$3,774	\$3,375	\$2,431	\$2,881	\$3,915	\$3,689	\$1,843	\$2,458	\$3,251	\$2,756	\$2,172	\$2,653	\$3,870	\$3,376
%Sales firm (not interruptible)	93.4%	99.3%	100.0%	94.3%	90.2%	98.5%	99.9%	94.3%	85.8%	96.0%	97.9%	88.9%	91.9%	98.6%	100.0%	93.7%
Collection period (days) 1/	24.0	34.3	59.7	45.6	27.0	33.3	40.3	32.3	29.7	32.6	36.1	35.9	26.1	34.0	45.1	41.6
Gas O&M expense as pct. of revenue	64.3%	73.2%	79.5%	72.4%	65.7%	70.7%	79.2%	71.5%	74.1%	80.3%	88.7%	79.6%	64.5%	73.7%	79.9%	73.0%
Gas operating income as pct. of revenue	6.9%	10.5%	13.6%	10.6%	8.6%	11.1%	12.9%	11.4%	6.0%	11.6%	13.2%	11.9%	7.0%	11.0%	13.5%	10.9%
Gas operating revenue per customer	\$891	\$1,058	\$1,327	\$1,160	\$1,012	\$1,219	\$1,421	\$1,227	\$1,059	\$1,171	\$1,369	\$1,246	\$947	\$1,093	\$1,364	\$1,185
Gas O&M expense per customer	\$643	\$813	\$954	\$844	\$718	\$808	\$987	\$869	\$826	\$875	\$1,042	\$1,001	\$692	\$825	\$963	\$868
Gas operating income per customer	\$71	\$101	\$149	\$126	\$106	\$131	\$146	\$145	\$92	\$120	\$139	\$148	\$74	\$117	\$148	\$133
Gas revenue per dollar of gas plant	\$0.309	\$0.382	\$0.436	\$0.389	\$0.335	\$0.355	\$0.419	\$0.382	\$0.360	\$0.378	\$0.540	\$0.502	\$0.325	\$0.378	\$0.462	\$0.400
Gas O&M expense per dollar of gas plant	\$0.204	\$0.284	\$0.338	\$0.293	\$0.210	\$0.276	\$0.318	\$0.278	\$0.275	\$0.335	\$0.481	\$0.400	\$0.212	\$0.283	\$0.352	\$0.302
Gas operating income per \$ of gas plant	\$0.031	\$0.038	\$0.047	\$0.036	\$0.033	\$0.041	\$0.050	\$0.041	\$0.037	\$0.045	\$0.059	\$0.066	\$0.032	\$0.039	\$0.050	\$0.040
Gas revenue per mile of pipe 2/	\$36,812	\$51,302	\$71,681	\$68,230	\$42,171	\$66,179	\$84,534	\$85,549	\$46,182	\$80,255	\$88,957	\$81,996	\$37,504	\$55,539	\$83,689	\$73,593
Gas O&M expense per mile of pipe 2/	\$25,668	\$35,175	\$54,464	\$48,649	\$33,745	\$53,101	\$60,745	\$58,145	\$34,242	\$68,347	\$73,230	\$64,701	\$26,747	\$38,151	\$60,998	\$52,571
Gas operating income per mile of pipe 2/	\$3,425	\$5,361	\$7,829	\$7,887	\$4,150	\$6,306	\$8,677	\$10,178	\$3,089	\$4,824	\$11,206	\$11,495	\$3,354	\$5,404	\$8,373	\$8,803
Long-term debt - total assets ratio 1/	13.3%	23.5%	28.2%	21.7%	25.0%	28.2%	31.1%	28.6%	9.7%	16.1%	43.7%	27.0%	14.5%	24.9%	29.4%	23.9%
Long-term debt - total capitalization ratio 1/3/	31.3%	42.5%	48.2%	37.5%	41.1%	45.3%	49.6%	44.5%	12.5%	19.4%	61.4%	37.2%	32.5%	43.2%	49.2%	39.0%
Net interest - long-term debt ratio 1/	5.0%	5.7%	6.4%	5.7%	4.8%	5.4%	5.9%	5.1%	4.0%	4.2%	5.2%	4.4%	4.5%	5.5%	6.2%	5.4%
EBITDA interest coverage 1/	6.0x	7.7x	11.1x	9.3x	6.3x	8.1x	9.1x	8.1x	0.0x	2.8x	7.3x	7.0x	6.0x	7.8x	10.0x	8.8x
Return on assets	1.9%	3.0%	3.7%	2.6%	2.6%	3.0%	3.5%	3.0%	2.7%	3.2%	4.4%	3.5%	1.9%	3.0%	3.7%	2.8%
Gross sales margin per therm 4/	\$0.183	\$0.281	\$0.406	\$0.359	\$0.222	\$0.339	\$0.582	\$0.442	\$0.269	\$0.357	\$0.604	\$0.475	\$0.210	\$0.301	\$0.424	\$0.391
Gross sales margin per customer 4/	\$327	\$536	\$696	\$597	\$444	\$564	\$737	\$638	\$413	\$444	\$666	\$664	\$422	\$531	\$719	\$614

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 total production costs

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

	Gas Utilities				Combination Utilities				Municipal Utilities				All Companies		
VALUES PER THERM	2011	2012	2013		2011	2012	2013		2011	2012	2013		2011	2012	2013
Gas-only revenues	\$0.7648	\$0.6691	\$0.6883		\$0.7923	\$0.7087	\$0.8467		\$1.0346	\$0.8621	\$0.8734		\$0.7982	\$0.6723	\$0.7448
Purchased-gas expense	\$0.3855	\$0.2649	\$0.2862		\$0.3884	\$0.2605	\$0.3786		\$0.6223	\$0.4001	\$0.2920		\$0.4101	\$0.2787	\$0.3077
Gross sales margin	\$0.3390	\$0.3625	\$0.3591		\$0.3550	\$0.3265	\$0.4418		\$0.4123	\$0.4073	\$0.4755		\$0.3500	\$0.3604	\$0.3908
Total production costs ¹	\$0.4258	\$0.3066	\$0.3291		\$0.4372	\$0.2790	\$0.4048		\$0.6223	\$0.4043	\$0.3979		\$0.4482	\$0.3119	\$0.3539
Storage & LNG	\$0.0031	\$0.0042	\$0.0035		\$0.0015	\$0.0108	\$0.0026		\$0.0171	\$0.0027	\$0.0019		\$0.0042	\$0.0053	\$0.0031
Transmission	\$0.0087	\$0.0098	\$0.0087		\$0.0100	\$0.0084	\$0.0071		\$0.0029	\$0.0045	\$0.0023		\$0.0084	\$0.0090	\$0.0076
Distribution	\$0.0486	\$0.0521	\$0.0462		\$0.0446	\$0.0470	\$0.0626		\$0.0743	\$0.0537	\$0.0580		\$0.0503	\$0.0513	\$0.0512
Customer accounts	\$0.0325	\$0.0273	\$0.0253		\$0.0296	\$0.0271	\$0.0307		\$0.0343	\$0.0260	\$0.0257		\$0.0320	\$0.0271	\$0.0265
Customer svc. & info.	\$0.0051	\$0.0067	\$0.0040		\$0.0163	\$0.0089	\$0.0158		\$0.0158	\$0.0119	\$0.0114		\$0.0087	\$0.0077	\$0.0075
Sales	\$0.0016	\$0.0020	\$0.0011		\$0.0022	\$0.0021	\$0.0041		\$0.0063	\$0.0057	\$0.0045		\$0.0022	\$0.0024	\$0.0022
Admin. & general	\$0.0711	\$0.0750	\$0.0860		\$0.0710	\$0.0697	\$0.0841		\$0.0931	\$0.0919	\$0.0692		\$0.0733	\$0.0758	\$0.0837
Total O&M	\$0.5952	\$0.4837	\$0.5026		\$0.6124	\$0.4529	\$0.6117		\$0.8661	\$0.6009	\$0.6925		\$0.6265	\$0.4905	\$0.5485
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	50.4%	39.6%	41.6%		49.0%	36.8%	44.7%		60.1%	46.4%	33.4%		51.4%	41.5%	41.3%
Gross sales margin	44.3%	54.2%	52.2%		44.8%	46.1%	52.2%		39.9%	47.2%	54.4%		43.9%	53.6%	52.5%
Total production costs ¹	55.7%	45.8%	47.8%		55.2%	39.4%	47.8%		60.1%	46.9%	45.6%		56.1%	46.4%	47.5%
Storage & LNG	0.4%	0.6%	0.5%		0.2%	1.5%	0.3%		1.7%	0.3%	0.2%		0.5%	0.8%	0.4%
Transmission	1.1%	1.5%	1.3%		1.3%	1.2%	0.8%		0.3%	0.5%	0.3%		1.1%	1.3%	1.0%
Distribution	6.4%	7.8%	6.7%		5.6%	6.6%	7.4%		7.2%	6.2%	6.6%		6.3%	7.6%	6.9%
Customer accounts	4.2%	4.1%	3.7%		3.7%	3.8%	3.6%		3.3%	3.0%	2.9%		4.0%	4.0%	3.6%
Customer svc. & info.	0.7%	1.0%	0.6%		2.1%	1.3%	1.9%		1.5%	1.4%	1.3%		1.1%	1.1%	1.0%
Sales	0.2%	0.3%	0.2%		0.3%	0.3%	0.5%		0.6%	0.7%	0.5%		0.3%	0.4%	0.3%
Admin. & general	9.3%	11.2%	12.5%		9.0%	9.8%	9.9%		9.0%	10.7%	7.9%		9.2%	11.3%	11.2%
Total O&M	77.8%	72.3%	73.0%		77.3%	63.9%	72.2%		83.7%	69.7%	79.3%		78.5%	72.9%	73.6%
VALUES PER CUSTOMER															
Gas-only revenues	\$1,176	\$976	\$1,058		\$1,305	\$1,017	\$1,219		\$1,209	\$963	\$1,171		\$1,192	\$981	\$1,093
Purchased-gas expense	\$651	\$405	\$519		\$665	\$466	\$578		\$787	\$539	\$522		\$670	\$451	\$528
Gross sales margin	\$521	\$508	\$536		\$492	\$539	\$564		\$455	\$423	\$444		\$501	\$514	\$531
Total production costs ¹	\$670	\$454	\$528		\$693	\$461	\$570		\$787	\$540	\$642		\$684	\$462	\$541
Storage & LNG	\$-	\$-	\$-		\$-	\$-	\$0		\$6	\$3	\$-		\$-	\$-	\$-
Transmission	\$3	\$1	\$7		\$1	\$6	\$0		\$-	\$2	\$-		\$1	\$2	\$3
Distribution	\$73	\$70	\$70		\$72	\$72	\$75		\$93	\$73	\$83		\$76	\$72	\$74
Customer accounts	\$44	\$37	\$35		\$45	\$43	\$40		\$32	\$31	\$31		\$43	\$37	\$35
Customer svc. & info.	\$2	\$3	\$2		\$26	\$5	\$24		\$6	\$6	\$4		\$4	\$5	\$4
Sales	\$1	\$1	\$1		\$1	\$-	\$1		\$2	\$2	\$-		\$1	\$1	\$1
Admin. & general	\$106	\$98	\$117		\$97	\$113	\$112		\$95	\$101	\$71		\$103	\$108	\$115
Total O&M	\$929	\$698	\$813		\$668	\$1,241	\$1,334		\$1,069	\$761	\$875		\$940	\$710	\$825

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

APPENDIX 5: WAGES & BENEFITS
2013 Data, 81 Utilities Reporting

	Gas Utilities				Combination Utilities				Municipal Utilities				All Companies			
	53 firms				19 firms				9 firms				81 firms			
	LQ	MED	UQ	AVG.	LQ	MED	UQ	AVG.	LQ	MED	UQ	AVG.	LQ	MED	UQ	AVG.
Average number of employees	110	518	1,020	925	225	408	787	688	71	135	530	425	139	439	989	802
Number of Employees at year-end	113	518	1,078	952	226	429	768	703	71	135	526	423	143	435	1,031	821
O&M wages ('000)	\$3,925	\$25,905	\$51,636	\$55,324	\$17,078	\$35,434	\$59,306	\$43,638	\$3,601	\$18,860	\$33,771	\$27,716	\$6,703	\$25,736	\$52,092	\$48,338
Construction wages ('000)	\$173	\$4,066	\$21,733	\$16,214	\$4,956	\$14,930	\$20,194	\$21,967	\$313	\$2,938	\$4,683	\$3,440	\$727	\$4,914	\$19,160	\$15,357
Total pensions ('000)	\$221	\$6,795	\$31,314	\$22,365	\$11,514	\$23,119	\$35,761	\$31,249	\$2,379	\$6,696	\$24,778	\$21,321	\$1,451	\$10,415	\$31,991	\$23,935
PER YEAR END EMPLOYEE:																
Total salary & wages	\$60,886	\$71,242	\$80,291	\$72,900	\$80,783	\$97,903	\$103,760	\$96,010	\$49,381	\$69,548	\$75,471	\$63,140	\$60,524	\$72,865	\$89,192	\$77,676
Tot. benefits & pension	\$9,886	\$21,432	\$29,199	\$20,508	\$29,707	\$34,230	\$41,467	\$57,439	\$24,193	\$33,418	\$48,903	\$37,341	\$12,988	\$26,859	\$34,783	\$30,636
Total salary, benefits, and pension	\$71,956	\$90,471	\$111,183	\$93,407	\$111,485	\$127,169	\$138,236	\$153,449	\$74,801	\$110,938	\$118,812	\$100,480	\$81,706	\$105,424	\$126,180	\$108,312
Ratio: avg. benefits to avg. compensation	14%	23%	35%	21%	24%	28%	31%	32%	28%	31%	46%	37%	19%	26%	34%	25%
Therms delivered per year-end employee	751,071	1,180,585	1,998,919	1,471,720	985,206	1,523,096	1,997,628	1,812,471	334,068	656,294	848,041	729,619	771,477	1,266,798	1,998,919	1,548,467
Customers per year-end employee	558	710	788	727	547	723	1,438	1,026	342	470	514	458	492	671	803	756

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

<i>Based on Segment Medians</i>	Gas Utilities			Combination Utilities			Municipal Utilities			All Companies		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
Asset Turnover	0.47X	0.39X	0.41X	0.40X	0.35X	0.35X	0.36X	0.34X	0.48X	0.44X	0.36X	0.40X
Financial Leverage	66.5%	67.8%	67.3%	67.9%	69.2%	67.4%	42.4%	51.0%	48.9%	66.6%	67.5%	66.7%
Debt/Equity Ratio	72.4%	72.2%	73.8%	85.6%	93.3%	87.6%	56.7%	74.8%	24.6%	73.1%	79.2%	77.6%
Equity Multiplier	3.17	3.15	3.07	3.17	3.40	3.14	1.74	1.93	2.16	3.14	3.15	3.06
Profit Margin	6.5%	6.8%	7.2%	8.4%	9.4%	8.7%	6.8%	9.7%	8.2%	6.6%	7.6%	7.8%
ROA	3.0%	2.8%	3.0%	3.0%	3.0%	3.0%	1.9%	2.4%	3.2%	2.9%	2.8%	3.0%
ROE	9.1%	9.6%	10.0%	9.7%	9.8%	9.5%	3.4%	5.5%	7.6%	9.0%	9.6%	9.7%
Current Ratio	0.80	0.82	0.84	1.14	1.09	1.18	2.73	2.36	3.34	0.97	0.95	0.92
Current Assets/Total Assets	14.7%	13.5%	13.3%	9.8%	8.5%	8.8%	24.5%	20.3%	24.6%	14.2%	12.5%	13.1%

<i>Based on Segment Averages</i>	Gas Utilities			Combination Utilities			Municipal Utilities			All Companies		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
Asset Turnover	0.57X	0.49X	0.45X	0.39X	0.33X	0.35X	0.39X	0.33X	0.46X	0.51X	0.44X	0.43X
Financial Leverage	64.1%	65.7%	62.3%	65.0%	65.8%	66.7%	44.9%	48.4%	42.2%	62.2%	64.1%	61.1%
Debt/Equity Ratio	73.2%	69.9%	73.2%	89.7%	90.4%	89.6%	108.6%	110.4%	220.0%	80.3%	78.0%	93.4%
Equity Multiplier	3.68	3.44	3.12	3.13	3.34	3.10	2.36	2.37	5.83	3.43	3.31	3.42
Profit Margin	6.0%	6.7%	7.7%	8.9%	10.4%	8.9%	5.9%	14.6%	7.6%	6.6%	8.3%	8.0%
ROA	2.8%	2.3%	2.6%	3.2%	3.2%	3.0%	2.1%	4.2%	3.5%	2.8%	2.7%	2.8%
ROE	9.2%	9.7%	7.8%	10.0%	10.7%	9.2%	4.9%	7.3%	17.4%	8.9%	9.7%	9.2%
Current Ratio	1.00	0.98	0.87	1.39	1.48	1.54	3.31	3.12	3.67	1.33	1.29	1.34
Current Assets/Total Assets	17.1%	15.8%	14.8%	10.0%	10.2%	11.3%	22.8%	20.7%	27.7%	16.3%	15.2%	15.4%

APPENDIX 7a: GAS UTILITY INCOME STATEMENTS

Based on Segment Averages

GAS-ONLY INCOME STATEMENT - Per Annual Therm Delivered

	Gas Utilities			Combination Utilities			Municipal Utilities			All Companies		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
Operating revenue	\$0.6898	\$0.6355	\$0.6883	\$0.7599	\$0.7087	\$0.8467	\$0.8943	\$0.8621	\$0.8734	\$0.7255	\$0.6723	\$0.7448
Operating expense	\$0.5104	\$0.4384	\$0.4844	\$0.5542	\$0.4818	\$0.5849	\$0.7205	\$0.6455	\$0.6605	\$0.5414	\$0.4672	\$0.5268
Maintenance expense	\$0.0203	\$0.0212	\$0.0182	\$0.0251	\$0.0240	\$0.0268	\$0.0337	\$0.0361	\$0.0320	\$0.0227	\$0.0233	\$0.0217
Total O&M	\$0.5307	\$0.4596	\$0.5026	\$0.5793	\$0.5058	\$0.6117	\$0.7541	\$0.6816	\$0.6925	\$0.5641	\$0.4905	\$0.5485
Depreciation	\$0.0450	\$0.0504	\$0.0523	\$0.0421	\$0.0487	\$0.0577	\$0.0528	\$0.0666	\$0.0557	\$0.0453	\$0.0516	\$0.0539
Depletion	\$0.0012	\$0.0006	\$0.0008	\$0.0025	\$0.0030	\$0.0016	\$ -	\$ -	\$-	\$0.0013	\$0.0010	\$0.0009
Amortization	\$0.0022	\$0.0010	\$0.0016	\$0.0051	\$0.0049	\$0.0047	\$0.0011	\$0.0014	\$0.0014	\$0.0026	\$0.0018	\$0.0023
Prop. loss charged to operations	\$0.0004	\$0.0001	\$0.0000	\$-	\$ -	\$0.0000	\$ -	\$ -	\$-	\$0.0003	\$0.0001	\$0.0000
Total taxes	\$0.0469	\$0.0550	\$0.0594	\$0.0690	\$0.0715	\$0.0791	\$0.0264	\$0.0314	\$0.0205	\$0.0491	\$0.0561	\$0.0595
Other operating income	\$0.0014	\$0.0011	\$0.0033	\$-	\$(0.0018)	\$(0.0041)	\$0.0005	\$0.0073	\$(0.0175)	\$0.0010	\$0.0011	\$(0.0007)
Total operating income	\$0.0634	\$0.0688	\$0.0716	\$0.0620	\$0.0747	\$0.0919	\$0.0598	\$0.0811	\$0.1033	\$0.0628	\$0.0712	\$0.0798

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

GAS-ONLY INCOME STATEMENT - Per Average Customer Served

	Gas Utilities			Combination Utilities			Municipal Utilities			All Companies		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
Operating revenue	\$1,207	\$1,025	\$1,160	\$1,278	\$1,111	\$1,227	\$1,198	\$966	\$1,246	\$1,220	\$1,037	\$1,185
Operating expense	\$897	\$718	\$816	\$949	\$752	\$834	\$962	\$724	\$955	\$914	\$725	\$835
Maintenance expense	\$32	\$32	\$29	\$42	\$36	\$35	\$46	\$42	\$46	\$36	\$34	\$32
Total O&M	\$929	\$750	\$844	\$990	\$788	\$869	\$1,008	\$766	\$1,001	\$950	\$759	\$868
Depreciation	\$76	\$79	\$86	\$71	\$76	\$79	\$67	\$72	\$73	\$74	\$78	\$83
Depletion	\$2	\$1	\$3	\$3	\$3	\$3	\$ -	\$ -	\$-	\$2	\$1	\$3
Amortization	\$4	\$1	\$2	\$8	\$8	\$5	\$1	\$1	\$1	\$4	\$3	\$3
Prop. loss charged to operations	\$4	\$-	\$0	\$-	\$ -	\$0	\$ -	\$ -	\$-	\$3	\$-	\$0
Total taxes	\$86	\$92	\$99	\$113	\$115	\$126	\$31	\$33	\$23	\$86	\$91	\$96
Other operating income	\$14	\$8	\$3	\$-	\$3	\$(6)	\$1	\$8	\$(33)	\$10	\$7	\$(3)
Total operating income	\$105	\$102	\$126	\$93	\$122	\$145	\$90	\$94	\$148	\$101	\$105	\$133

APPENDIX 7a: GAS UTILITY INCOME STATEMENTS – Per Cost Driver (cont’d)
Based on Segment Averages

GAS-ONLY INCOME STATEMENT - Per Dollar of Gas Plant

	Gas Utilities			Combination Utilities			Municipal Utilities			All Companies		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
Operating revenue	\$0.4623	\$0.3762	\$0.3889	\$0.4650	\$0.3837	\$0.3822	\$0.5282	\$0.3855	\$0.5024	\$0.4698	\$0.3786	\$0.4001
Operating expense	\$0.3509	\$0.2705	\$0.2829	\$0.3481	\$0.2666	\$0.2677	\$0.4372	\$0.2969	\$0.3823	\$0.3595	\$0.2722	\$0.2907
Maintenance expense	\$0.0142	\$0.0139	\$0.0098	\$0.0155	\$0.0115	\$0.0107	\$0.0187	\$0.0158	\$0.0177	\$0.0149	\$0.0136	\$0.0109
Total O&M	\$0.3651	\$0.2844	\$0.2927	\$0.3635	\$0.2780	\$0.2784	\$0.4559	\$0.3127	\$0.3999	\$0.3744	\$0.2858	\$0.3015
Depreciation	\$0.0268	\$0.0265	\$0.0265	\$0.0257	\$0.0263	\$0.0246	\$0.0261	\$0.0265	\$0.0261	\$0.0265	\$0.0265	\$0.0261
Depletion	\$0.0006	\$0.0001	\$0.0011	\$0.0009	\$0.0010	\$0.0008	\$ -	\$ -	\$-	\$0.0006	\$0.0003	\$0.0009
Amortization	\$0.0012	\$0.0009	\$0.0014	\$0.0025	\$0.0025	\$0.0016	\$0.0004	\$0.0004	\$0.0004	\$0.0013	\$0.0012	\$0.0013
Prop. loss charged to operations	\$0.0007	\$-	\$0.0000	\$-	\$ -	\$0.0000	\$ -	\$ -	\$-	\$0.0005	\$-	\$0.0000
Total taxes	\$0.0309	\$0.0302	\$0.0312	\$0.0370	\$0.0361	\$0.0360	\$0.0125	\$0.0126	\$0.0098	\$0.0301	\$0.0297	\$0.0299
Other operating income	\$0.0026	\$0.0020	\$0.0006	\$-	\$(0.0021)	\$(0.0005)	\$0.0004	\$0.0031	\$(0.0205)	\$0.0019	\$0.0013	\$(0.0020)
Total operating income	\$0.0370	\$0.0339	\$0.0360	\$0.0355	\$0.0397	\$0.0408	\$0.0333	\$0.0333	\$0.0661	\$0.0363	\$0.0350	\$0.0405

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

GAS-ONLY INCOME STATEMENT - Per Mile of Distribution Pipe

	Gas Utilities			Combination Utilities			Municipal Utilities			All Companies		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
Operating revenue	\$82,106	\$58,472	\$68,837	\$86,801	\$84,155	\$85,549	\$82,974	\$68,692	\$81,996	\$83,149	\$64,794	\$74,065
Operating expense	\$60,121	\$40,420	\$47,169	\$66,591	\$53,531	\$55,274	\$66,038	\$50,392	\$61,396	\$62,064	\$44,111	\$50,621
Maintenance expense	\$2,150	\$1,761	\$1,889	\$2,935	\$3,150	\$2,871	\$3,111	\$3,025	\$3,305	\$2,412	\$2,173	\$2,272
Total O&M	\$62,271	\$42,182	\$49,059	\$69,527	\$56,681	\$58,145	\$69,149	\$53,417	\$64,701	\$64,476	\$46,284	\$52,893
Depreciation	\$5,006	\$4,303	\$4,863	\$5,150	\$6,072	\$5,753	\$4,234	\$4,548	\$4,455	\$4,953	\$4,693	\$5,011
Depletion	\$174	\$28	\$137	\$107	\$146	\$104	\$ -	\$ -	\$-	\$142	\$49	\$114
Amortization	\$198	\$217	\$174	\$432	\$633	\$382	\$25	\$29	\$45	\$227	\$285	\$204
Prop. loss charged to operations	\$227	\$14	\$2	\$-	\$ -	\$1	\$ -	\$ -	\$-	\$157	\$10	\$2
Total taxes	\$6,673	\$5,717	\$6,631	\$9,685	\$11,323	\$10,986	\$1,755	\$1,859	\$1,301	\$6,755	\$6,503	\$6,970
Other operating income	\$861	\$456	\$(74)	\$-	\$2,904	\$(16)	\$51	\$431	\$(2,581)	\$600	\$961	\$(354)
Total operating income	\$7,557	\$6,012	\$7,972	\$8,394	\$9,301	\$10,178	\$7,810	\$8,839	\$11,495	\$6,440	\$6,970	\$8,871

APPENDIX 7b: GAS UTILITY FINANCIAL RATIOS

Based on Segment Averages

Stratified by Type of Company													
		Gas Utilities			Combination Utilities			Municipal Utilities			All Companies		
		2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
Therms delivered (avg.) per acct.		2,017	2,098	2,296	1,941	2,085	2,002	1,333	1,376	1,488	1,931	2,019	2,139
Therms per \$1,000 of gas plant		0.801	0.788	0.764	0.790	0.817	0.684	0.617	0.618	0.645	0.780	0.775	0.733
Value of gas plant per customer		\$2,869	\$2,957	\$3,375	\$2,703	\$2,825	\$3,689	\$2,473	\$2,528	\$2,756	\$2,792	\$2,885	\$3,376
%Sales firm (not interruptible)		93%	94%	94%	92%	93%	94%	83%	83%	89%	92%	92%	94%
Collection period (days)	1/	36.9	33.4	45.6	34.3	31.0	32.3	35.1	35.1	35.9	36.1	33.1	41.6
Gas O&M expense as pct. of revenue		78%	77%	72%	78%	78%	72%	85%	84%	80%	78%	78%	73%
Gas oper. income as pct. of revenue		8%	9%	11%	9%	7%	11%	8%	7%	12%	8%	8%	11%
Gas operating revenue per customer		\$1,257	\$1,207	\$1,160	\$1,310	\$1,278	\$1,227	\$1,299	\$1,198	\$1,246	\$1,273	\$1,220	\$1,185
Gas O&M expense per customer		\$976	\$929	\$844	\$1,018	\$990	\$869	\$1,100	\$1,008	\$1,001	\$998	\$950	\$868
Gas operating income per customer		\$110	\$105	\$126	\$116	\$93	\$145	\$102	\$90	\$148	\$110	\$101	\$133
Gas revenue per dollar of gas plant		\$0.5014	\$0.4623	\$0.3889	\$0.4904	\$0.4650	\$0.3822	\$0.5758	\$0.5282	\$0.5024	\$0.5065	\$0.4698	\$0.4001
Gas O&M expense per \$ of gas plant		\$0.4015	\$0.3651	\$0.2927	\$0.3844	\$0.3635	\$0.2784	\$0.4965	\$0.4559	\$0.3999	\$0.4073	\$0.3744	\$0.3015
Gas oper. income per \$ of gas plant		\$0.0380	\$0.0370	\$0.0360	\$0.0416	\$0.0355	\$0.0408	\$0.0403	\$0.0333	\$0.0661	\$0.0391	\$0.0363	\$0.0405
Gas revenue per mile of pipe	2/	\$69,335	\$82,106	\$68,230	\$94,929	\$86,801	\$85,549	\$87,098	\$82,974	\$81,996	\$76,883	\$83,149	\$73,593
Gas O&M expense per mile of pipe	2/	\$53,170	\$62,271	\$48,649	\$71,444	\$69,527	\$58,145	\$74,025	\$69,149	\$64,701	\$59,385	\$64,476	\$52,571
Gas oper. income per mile of pipe	2/	\$6,358	\$7,557	\$7,887	\$8,930	\$1,901	\$10,178	\$7,209	\$7,810	\$11,495	\$7,022	\$6,440	\$8,803
LT debt - total assets ratio	1/	19.9%	20.4%	21.7%	27.7%	27.8%	28.6%	36.7%	34.9%	27.0%	23.3%	23.4%	23.9%
LT debt - total capitalization ratio	1/3/	35.4%	37.0%	37.5%	47.2%	43.9%	44.5%	40.8%	39.2%	37.2%	38.6%	38.7%	39.0%
Net interest - long-term debt ratio	1/	8.0%	6.7%	5.7%	6.4%	5.3%	5.1%	4.2%	4.8%	4.4%	7.2%	6.1%	5.4%
EBITDA interest coverage	1/	7.6x	8.2x	9.3x	7.8x	8.1x	8.1x	7.7x	5.9x	7.0x	7.6x	8.0x	8.8x
Return on assets		2.4%	2.3%	2.6%	2.8%	3.2%	3.0%	2.5%	2.1%	3.5%	2.5%	2.5%	2.8%

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 WAGES AND BENEFITS

Based on Segment Averages

Stratified by Type of Company	Gas Utilities			Combination Utilities			Municipal Utilities			All Companies		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
Average number of employees	842	891	925	659	638	688	378	425	425	756	776	802
Number of Employees at year-end	826	875	952	667	670	703	378	404	423	746	769	821
O&M wages ('000)	\$46,972	\$50,608	\$55,324	\$38,027	\$41,238	\$43,638	\$21,095	\$23,556	\$27,716	\$42,443	\$44,665	\$48,338
Construction wages ('000)	\$11,712	\$14,405	\$16,214	\$15,507	\$19,257	\$21,967	\$2,616	\$2,945	\$3,440	\$11,508	\$13,590	\$15,357
Total pensions ('000)	\$22,224	\$23,684	\$22,365	\$28,892	\$33,152	\$31,249	\$16,774	\$19,275	\$21,321	\$22,980	\$24,702	\$23,935
PER EMPLOYEE(1/):												
Total salary & wages	\$70,895	\$73,287	\$72,900	\$87,961	\$90,745	\$96,010	\$48,878	\$53,832	\$63,140	\$71,881	\$75,043	\$77,676
Tot. benefits & pension	\$27,064	\$23,707	\$20,508	\$62,878	\$70,797	\$57,439	\$24,429	\$33,585	\$37,341	\$33,436	\$33,585	\$30,636
Total salary, benefits, and pension	\$97,959	\$96,993	\$93,407	\$150,839	\$161,542	\$153,449	\$73,307	\$87,417	\$100,480	\$105,317	\$108,628	\$108,312
Ratio: avg. benefits to avg. compensation	23.6%	22.8%	21.0%	33.1%	33.9%	32.0%	35.9%	40.3%	37.3%	26.5%	26.5%	25.4%
Therms sold per year-end employee	1,378,522	1,330,630	1,471,720	2,454,849	2,112,128	1,812,471	662,395	512,669	729,619	1,507,113	1,463,625	1,548,467
Customers per year-end employee	697	721	727	1,009	1,038	1,026	465	413	458	732	746	756

1/ year-end employees

APPENDIX 9: Companies Studied

Consolidations are limited to LDC business units.

GAS IOUs	2011	2012	2013	GAS IOUs (cont.)	2011	2012	2013
AGL Resources	X	X	X	Questar Gas Company	X	X	X
Arkansas Oklahoma Gas Corp	X	X	X	Semco Energy (S.E. Michigan)	X	X	X
Atmos Energy Corporation	X	X	X	Southeastern Natural Gas Co	X	X	X
Columbia Gas of Massachusetts	X	X	X	Southern California Gas	X	X	X
Centerpointe Energy - Minnesota Gas Co	X	X	X	Southwest Gas Corporation	X	X	X
Centerpointe Energy - Southern Gas - Arkla	X	X	X	Southwestern Virginia Gas Co.	X	X	X
Centerpointe Energy - Southern Gas - Entex	X	X	X	Summit Natural Gas of Missouri, Inc.		X	X
Chesapeake Utilities Corp	X	X	X	Texas Gas Service	X	X	X
Citizens Gas & Coke Utility	X	X	X	Union Oil & Gas Co.	X	X	X
Colorado Natural Gas	X	X	X	Vectren Energy Delivery			X
Columbia Gas of Kentucky	X	X	X	Vermont Gas	X	X	X
Columbia Gas of Maryland	X	X	X	Washington Gas Light Company	X	X	X
Columbia Gas of Ohio	X	X	X	Yankee Gas Services Company	X		
Columbia Gas of Pennsylvania	X	X	X				
Columbia Gas of Virginia	X	X	X	COMBINATION IOUs	2011	2012	2013
Corning Natural Gas Corp	X	X	X	Avista Corp	X	X	X
Delta Natural Gas Company	X	X	X	Baltimore Gas & Electric Co.	X	X	X
Dominion Peoples	X		X	Black Hills Corporation	X	X	X
Dominion East Ohio Gas Company	X	X	X	Central Hudson Gas & Electric Corp.	X	X	X
Eastern Natural Gas Company		X	X	Cheyenne Light, Fuel, & Power	X		X
Enstar Natural Gas Company	X	X	X	Consolidated Edison of New York	X	X	X
Equitable Resources, Inc.	X	X		Consumers Energy	X	X	X
Hope Gas, Inc.		X	X	Florida Public Utilities Company	X	X	X
Illinois Gas Company	X	X	X	Gainesville Regional Utilities	X	X	X
Indiana Gas Company, Inc.	X	X		Madison Gas & Electric Company	X	X	X
Kansas Gas Service	X	X	X	National Grid - Niagara Mohawk	X	X	X
KeySpan Energy Delivery - NYC	X	X	X	Northern Indiana Public Service Co.	X	X	
KeySpan Energy Delivery New England		X	X	Pacific Gas & Electric			
KeySpan Gas East - LILCO	X	X	X	PECO Energy Company (consolidated)	X	X	
Kokomo Gas and Fuel Company				Public Service Enterprises			
Laclede Gas Company	X	X	X	Puget Sound Energy	X	X	X
MDU Resources Corporation		X		San Diego Gas & Electric	X	X	X
Michigan Consolidated Gas Co	X	X	X	Southern Indiana Gas & Elec Co	X	X	
Missouri Gas Utility Inc.	X			UGI Utilities, Inc.	X	X	X
Mobile Gas Service Corporation	X	X	X	WE Energies	X	X	X
Mountaineer Gas	X	X	X				
Mt. Carmel Public Utility	X	X	X				
Narragansett Gas Co.		X		MUNICIPALS	2011	2012	2013
National Fuel Gas Company	X	X	X	Colorado Springs Utilities	X	X	X
National Grid - Rhode Island	X		X	Knoxville Utilities Board	X	X	X
New Jersey Natural Gas Company	X	X	X	Memphis Light, Gas & Water Div	X	X	X
New Mexico Gas Company		X	X	Metropolitan Util Dist-Omaha	X	X	X
Nicor Gas And Sub Companies	X			Middle Tenn Nat Gas Util Dist	X	X	X
Northern Indiana Fuel And Light	X			Okaloosa County Gas District	X	X	X
Northwest Natural Gas Company	X	X	X	Owatonna Public Utilities	X		X
NSTAR Gas	X	X	X	Philadelphia Gas Works	X	X	X
Ohio Gas Company	X	X	X	Richmond Dept. of Pub. Util., City of	X	X	
Oklahoma Natural Gas	X	X	X				
Peoples Gas System, Inc.	X	X	X				
Peoples Natural Gas	X	X	X				
Piedmont Natural Gas Company	X	X	X				
Pike Natural Gas Company	X	X	X				