



Energy Analysis

POLICY ANALYSIS GROUP
400 N. Capitol St., NW
Washington, DC 20001
www.aga.org

EA 2016-01

January 31, 2016

2012-2014 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 2012 through 2014. 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 84 utilities were included in the 2014 sample, 80 utilities were examined in 2013, and 83 companies were studied for 2012.¹ 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 68 percent of the residential and commercial natural gas consumed in 2014, 73 percent in 2013, and 72 percent in 2012. *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.

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

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

- *Wages and benefits: Ratios and Same-Size Analysis (Section IV-G and Appendix 5).* Data about utility employment and benefits profiles are included. These measures are intended to illustrate the norms for staffing levels and expenses as they vary by type of firm. Benchmark measures include:
 - » Total salaries and wages per employee
 - » Total benefits and pensions per employee
 - » Ratio of total benefits to total compensation
 - » Annual therm throughput per employee
 - » Average annual customers served per employee

- *Profitability (Section IV-F and Appendix 6).* Profitability is expressed here in terms of return on assets (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			
	2012	2013	2014
All Companies	83 Firms	80 Firms	84 Firms
Number of gas customers	589,126	603,273	677,004
Annual therms delivered ('000)	1,068,705	1,151,666	1,393,449
Annual therms delivered per account	2,353	2,139	2,244
Therms delivered per \$1,000 of gas plant	749	733	770
Density of system ²	59.5	61.0	63.7
Firm sales ³	91.7%	93.7%	104.5%
Gas utilities	58 Firms	53 Firms	51 Firms
Number of gas customers	657,749	708,220	764,932
Annual therms delivered ('000)	1,175,174	1,335,677	1,448,069
Annual therms delivered per account	2,607	2,296	2,171
Therms delivered per \$1,000 of gas plant	780	764	734
Density of system ²	53.9	58.0	57.6
Firm sales ³	91.9%	94.3%	94.4%
Comb. Gas & Electric Utilities¹	17 Firms	18 Firms	25 Firms
Number of gas customers	542,701	515,605	739,642
Annual therms delivered ('000)	1,094,661	1,060,894	1,669,606
18 Firms Annual therms delivered per account	2,047	2,002	2,103
Therms delivered per \$1,000 of gas plant	770	684	741
Density of system ²	75.3	68.5	70.9
Firm sales ³	93.7%	94.3%	92.0%
Municipal Utilities	8 Firms	9 Firms	8 Firms
Number of gas customers	190,263	160,588	167,966
Annual therms delivered ('000)	241,648	249,589	245,933
Annual therms delivered per account	1,159	1,488	1,510
Therms delivered per \$1,000 of gas plant	482	645	836
Density of system ²	66.3	64.1	87.2
Firm sales ³	86.0%	88.9%	91.2%

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

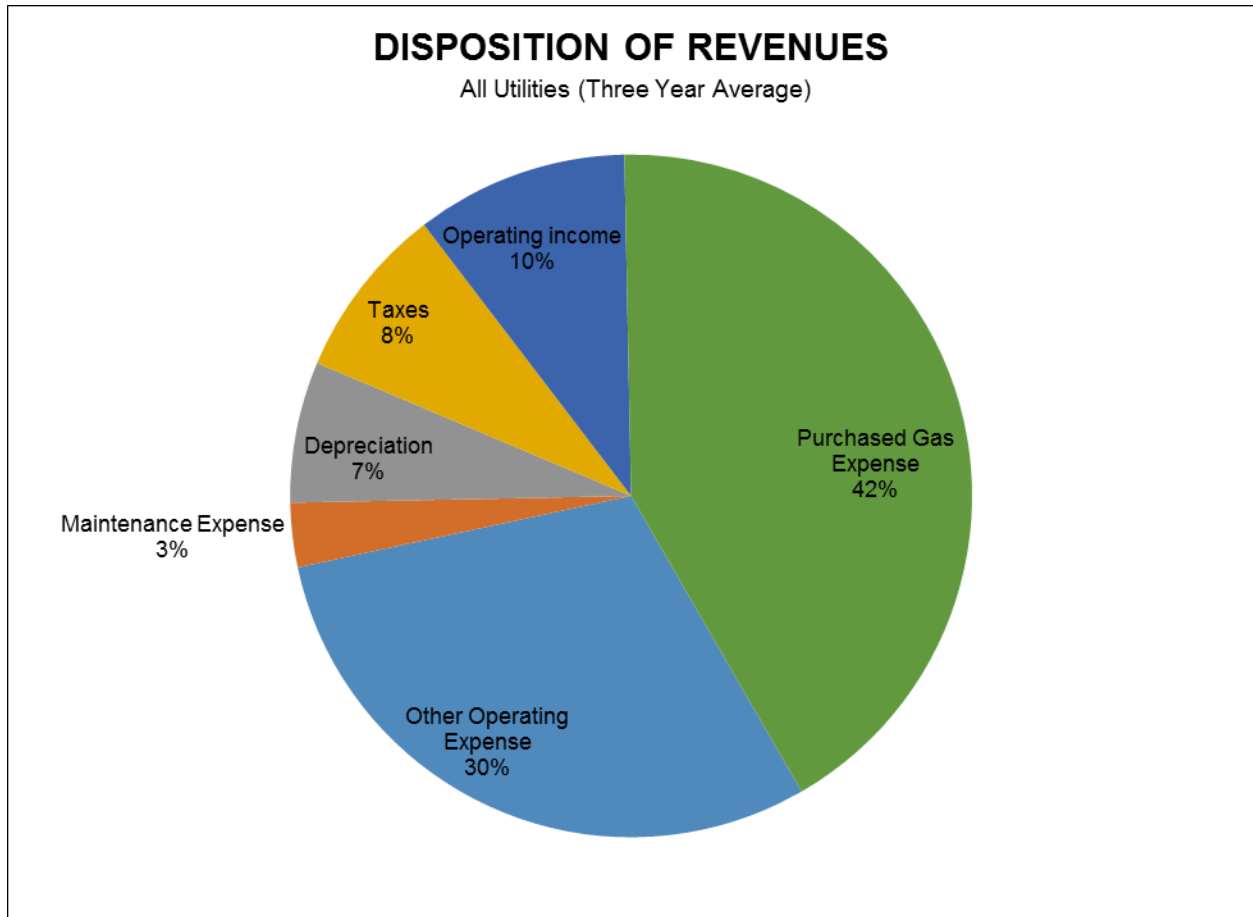
Figure 1 shows the allocation of average revenue for the three years studied. Table 2 summarizes average industry revenue performance by segment. Weather patterns impacted revenues per customer, while changing gas costs impacted both revenues per customer and per therm.

TABLE 2			
UTILITY REVENUE PERFORMANCE			
Annual Average Values per Group Data Based on Segment Averages			
	2012	2013	2014
All Companies			
Operating revenue ('000)	\$524,869	\$594,188	\$724,410
Per customer	\$1,037	\$1,185	\$1,280
Per therm	\$0.672	\$0.745	\$0.756
Gross sales margin (Rev. less Pur. Gas, '000)	\$299,027	\$316,619	\$385,598
Per customer	\$1,036	\$614	\$617
Per therm	\$0.369	\$0.391	\$0.363
Collection period (days)	33.4	41.6	36.1
Gas Utilities			
Operating revenue ('000)	\$552,952	\$655,722	\$772,332
Per customer	\$1,025	\$1,160	\$1,237
Per therm	\$0.635	\$0.688	\$0.707
Gross sales margin (Rev. less Pur. Gas, '000)	\$320,743	\$354,753	\$424,985
Per customer	\$1,249	\$597	\$627
Per therm	\$0.375	\$0.359	\$0.356
Collection period (days)	33.6	45.6	38.1
Comb. Gas & Electric Utilities¹			
Operating revenue ('000)	\$584,670	\$614,843	\$859,042
Per customer	\$1,111	\$1,227	\$1,298
Per therm	\$0.709	\$0.847	\$0.820
Gross sales margin (Rev. less Pur. Gas, '000)	\$271,990	\$312,917	\$441,508
Per customer	\$556	\$638	\$617
Per therm	\$0.327	\$0.442	\$0.393
Collection period (days)	30.7	32.3	29.2
Municipal Utilities			
Operating revenue ('000)	\$194,186	\$190,509	\$218,123
Per customer	\$966	\$1,246	\$1,298
Per therm	\$0.862	\$0.873	\$0.910
Gross sales margin (Rev. less Pur. Gas, '000)	\$207,150	\$99,462	\$106,502
Per customer	\$515	\$664	\$504
Per therm	\$0.407	\$0.475	\$0.359
Collection period (days)	37.5	35.9	48.9

Source: AGA

¹ Figures for gas operations only.

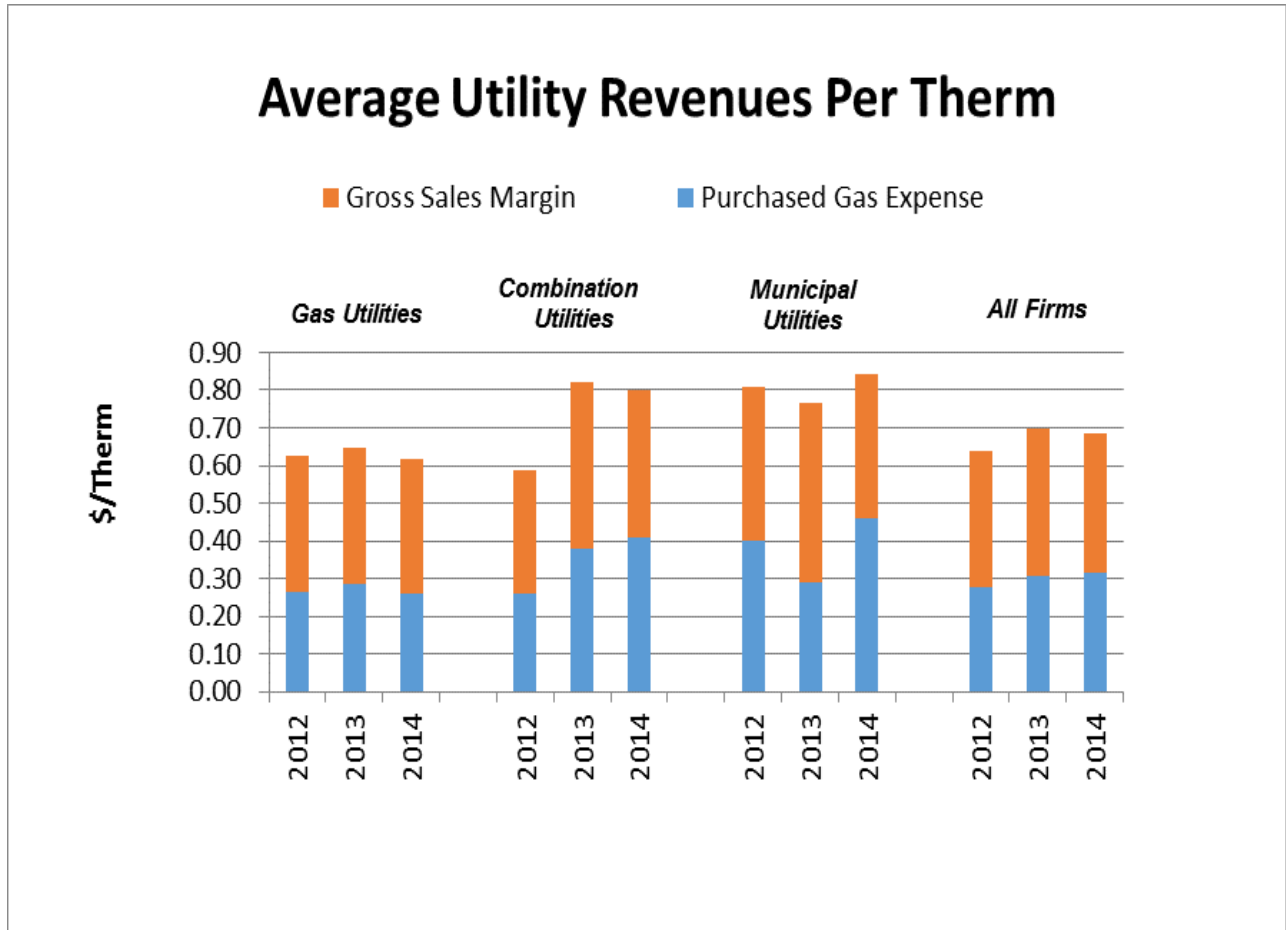
FIGURE 1



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		
	2012	2013	2014	2012	2013	2014
VALUES PER THERM						
Gas-only revenues	\$0.6964	\$0.6883	\$0.7070	\$0.7087	\$0.8467	\$0.8197
Purchased-gas expense	\$0.2765	\$0.2862	\$0.2606	\$0.2605	\$0.3786	\$0.4073
Gross sales margin	\$0.3781	\$0.3591	\$0.3562	\$0.3265	\$0.4418	\$0.3931
Total production costs ²	\$0.3182	\$0.3291	\$0.3507	\$0.2790	\$0.4048	\$0.4266
Storage & LNG	\$0.0058	\$0.0035	\$0.0013	\$0.0108	\$0.0026	(\$0.0022)
Transmission	\$0.0098	\$0.0087	\$0.0104	\$0.0083	\$0.0070	\$0.0104
Distribution	\$0.0563	\$0.0462	\$0.0557	\$0.0469	\$0.0625	\$0.0549
Customer accounts	\$0.0287	\$0.0253	\$0.0252	\$0.0271	\$0.0307	\$0.0284
Customer svc. & info.	\$0.0067	\$0.0040	\$0.0048	\$0.0089	\$0.0158	\$0.0158
Sales	\$0.0023	\$0.0011	\$0.0013	\$0.0020	\$0.0041	\$0.0033
<u>Admin. & general</u>	\$0.0773	\$0.0860	\$0.0647	\$0.0696	\$0.0841	\$0.0762
Total O&M	\$0.5051	\$0.5026	\$0.5155	\$0.4529	\$0.6117	\$0.6112
SAME-SIZE ANALYSIS						
Gas-only revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Purchased-gas expense	39.70%	41.60%	36.87%	36.80%	44.70%	49.69%
Gross sales margin	54.30%	52.20%	50.39%	46.10%	52.20%	47.95%
Total production costs ²	45.70%	47.80%	49.61%	39.40%	47.80%	52.05%
Storage & LNG	0.80%	0.50%	0.18%	1.50%	0.30%	-0.26%
Transmission	1.40%	1.30%	1.48%	1.20%	0.80%	1.27%
Distribution	8.10%	6.70%	7.88%	6.60%	7.40%	6.70%
Customer accounts	4.10%	3.70%	3.56%	3.80%	3.60%	3.46%
Customer svc. & info.	1.00%	0.60%	0.68%	1.30%	1.90%	1.93%
Sales	0.30%	0.20%	0.18%	0.30%	0.50%	0.40%
<u>Admin. & general</u>	11.10%	12.50%	9.15%	9.80%	9.90%	9.30%
Total O&M	72.50%	73.00%	72.91%	63.90%	72.20%	74.57%

Source: AGA, USR.

¹ Figures for gas operations only.

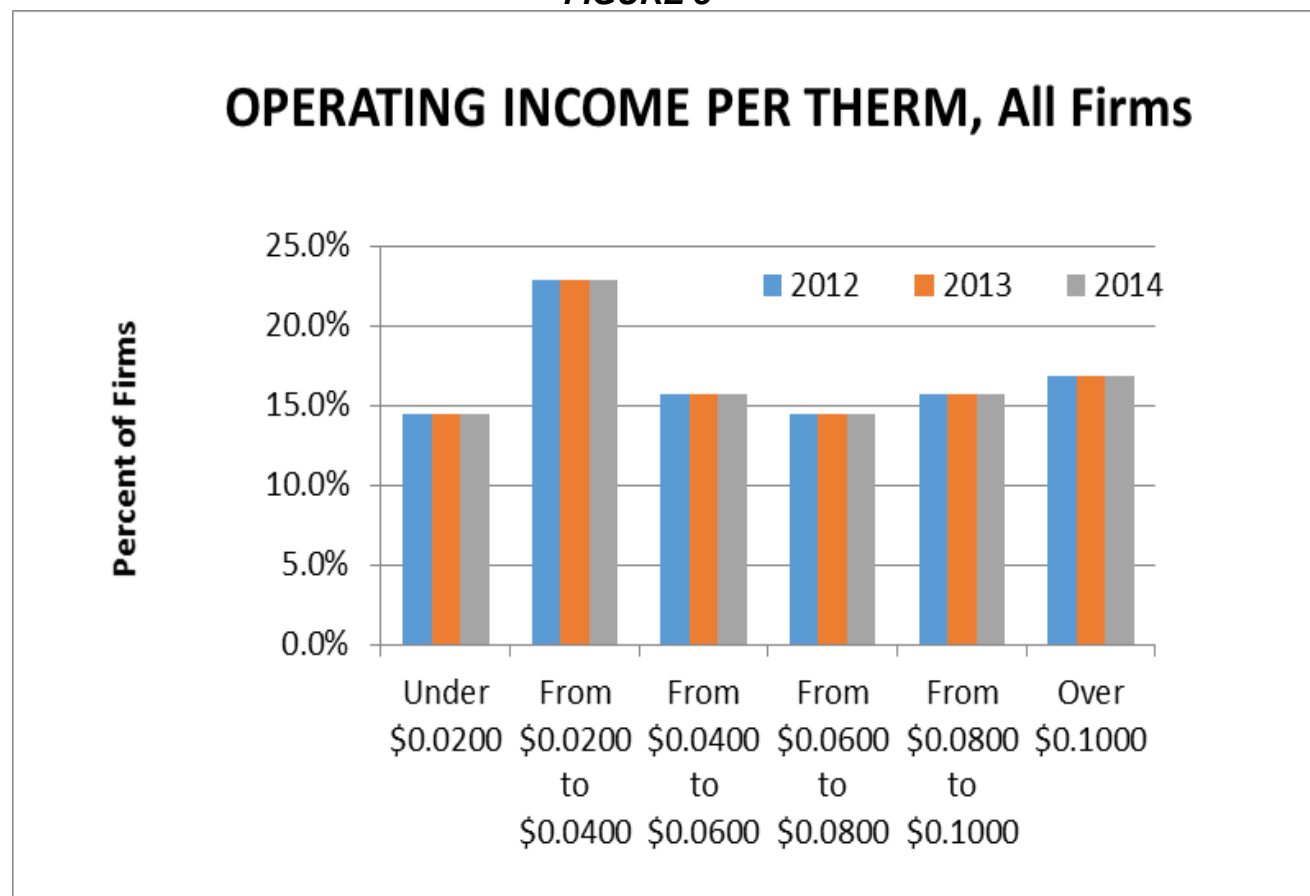
² Purchased-gas expense is subsumed within total production costs.

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	\$552,952	\$655,722	\$772,332	\$584,670	\$614,843	\$859,042
Total O&M, \$000	\$383,679	\$464,818	\$552,158	\$416,801	\$431,885	\$622,588
Operating income, \$000	\$62,736	\$72,836	\$81,064	\$57,997	\$70,501	\$94,998
Percent of Revenue						
Total O&M	69.40%	70.90%	71.49%	71.30%	70.20%	72.47%
Operating income	11.30%	11.10%	10.50%	9.90%	11.50%	11.06%
Per Therm						
Revenue	\$0.635	\$0.688	\$0.707	\$0.709	\$0.847	\$0.820
Total O&M	\$0.460	\$0.503	\$0.515	\$0.506	\$0.612	\$0.611
Operating income	\$0.069	\$0.072	\$0.073	\$0.075	\$0.092	\$0.079
Per Customer						
Revenue	\$1,025	\$1,160	\$1,237	\$1,111	\$1,227	\$1,298
Total O&M	\$750	\$844	\$899	\$788	\$869	\$956
Operating income	\$102	\$126	\$134	\$122	\$145	\$134
Per Dollar of Gas Plant						
Revenue	\$0.376	\$0.389	\$0.417	\$0.384	\$0.382	\$0.435
Total O&M	\$0.284	\$0.293	\$0.313	\$0.278	\$0.278	\$0.327
Operating income	\$0.034	\$0.036	\$0.040	\$0.040	\$0.041	\$0.044
Per Mile of Main²						
Revenue	\$58,472	\$68,837	\$70,579	\$84,155	\$85,549	\$93,402
Total O&M	\$42,182	\$49,059	\$51,018	\$56,681	\$58,145	\$66,284
Operating income	\$6,012	\$7,972	\$7,409	9,301	\$10,178	\$11,424

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.

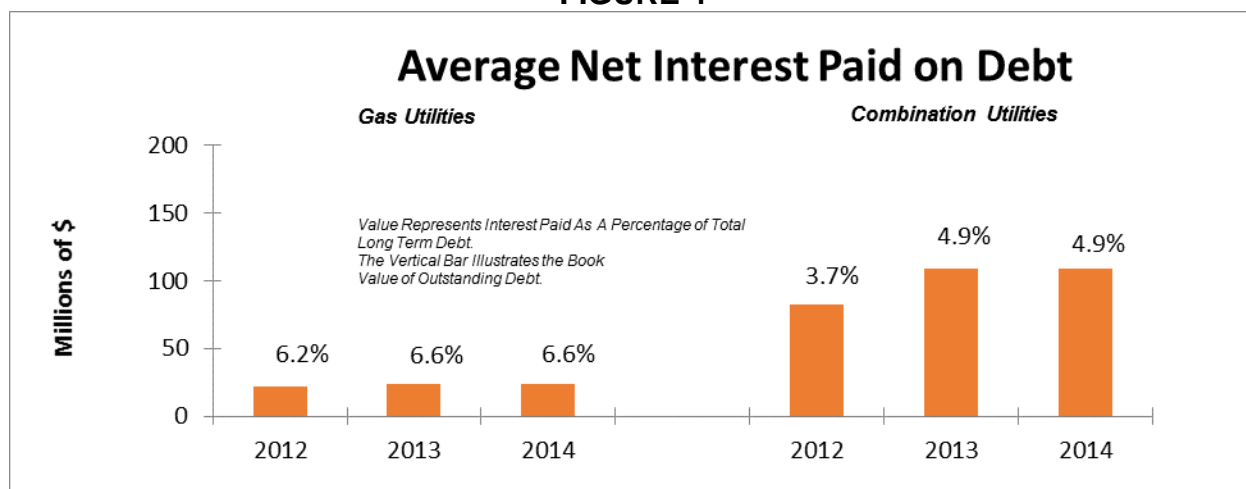
The total cost of capital for a utility reflects that of both debt and equity financing.⁵ Table 5 shows summary descriptors of capital costs for utilities by industry segment.

TABLE 5			
UTILITY DEBT AND DEBT COVERAGE			
AVERAGE VALUES			
	2012	2013	2014
Gas utilities			
Total LT Debt to Total Assets	20.60%	21.70%	23.26%
LT Debt to Total Capitalization	36.60%	37.50%	38.94%
EBITDA Interest Coverage	8.7x	9.3x	9.8x
Combination Utilities¹			
Total LT Debt to Total Assets	27.80%	28.60%	26.49%
LT Debt to Total Capitalization	43.90%	44.50%	42.43%
EBITDA Interest Coverage	8.1x	8.1x	8.6x

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.

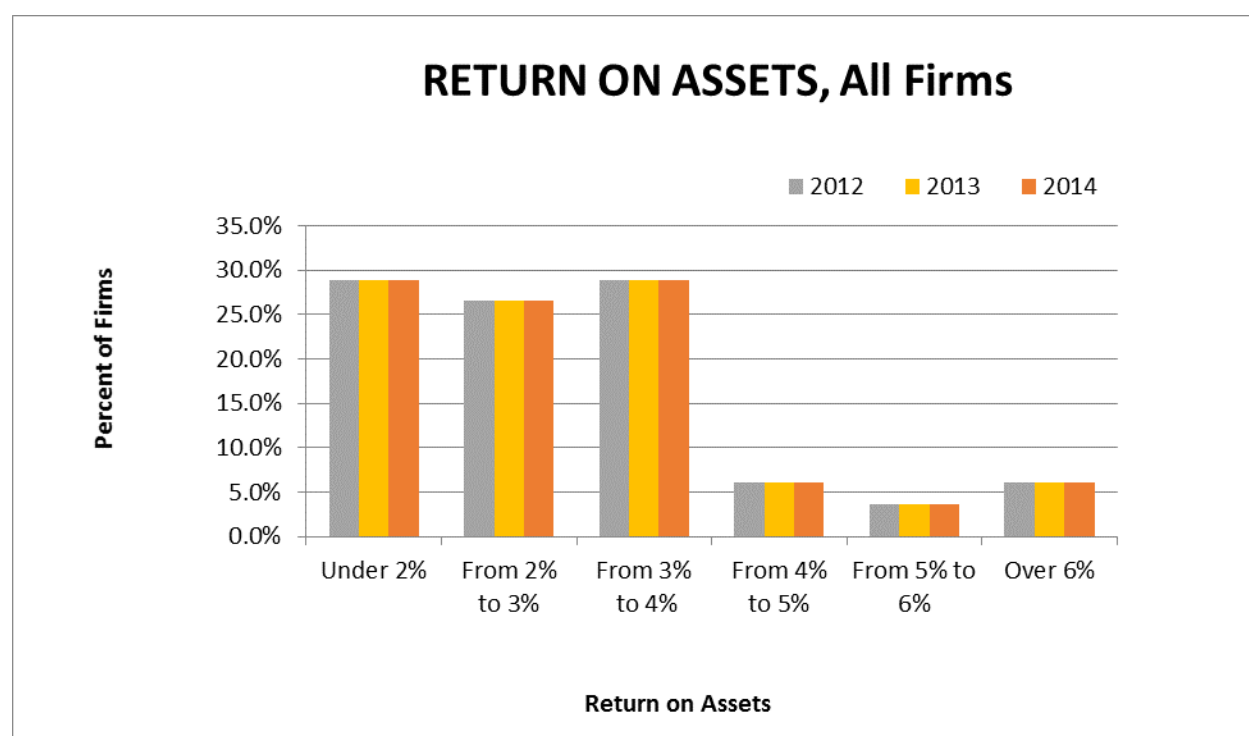
commodity sales and stabilized electric base-load operations attributable to base-load (i.e., not weather-driven) sales.

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			
	2012	2013	2014
Gas Utilities			
Asset Turnover	0.39X	0.41X	0.41X
Financial Leverage	67.85%	67.27%	67.60%
Equity Multiplier	3.15	3.07	3.09
Profit Margin	6.84%	7.24%	7.10%
ROA ²	2.80%	3.01%	3.02%
ROE ²	9.56%	9.96%	9.28%
Current Ratio	0.82	0.84	0.84
Current Assets/Total Assets	13.47%	13.32%	12.17%
Combination Utilities¹			
Asset Turnover	0.35X	0.35X	0.33X
Financial Leverage	69.24%	67.35%	68.53%
Equity Multiplier	3.40	3.14	3.24
Profit Margin	9.44%	8.66%	8.95%
ROA ²	2.98%	2.97%	2.95%
ROE ²	9.77%	9.52%	9.69%
Current Ratio	1.09	1.18	1.03
Current Assets/Total Assets	8.48%	8.81%	8.82%

Source: AGA, USR.

¹ Figures represent combined gas and electric operations.

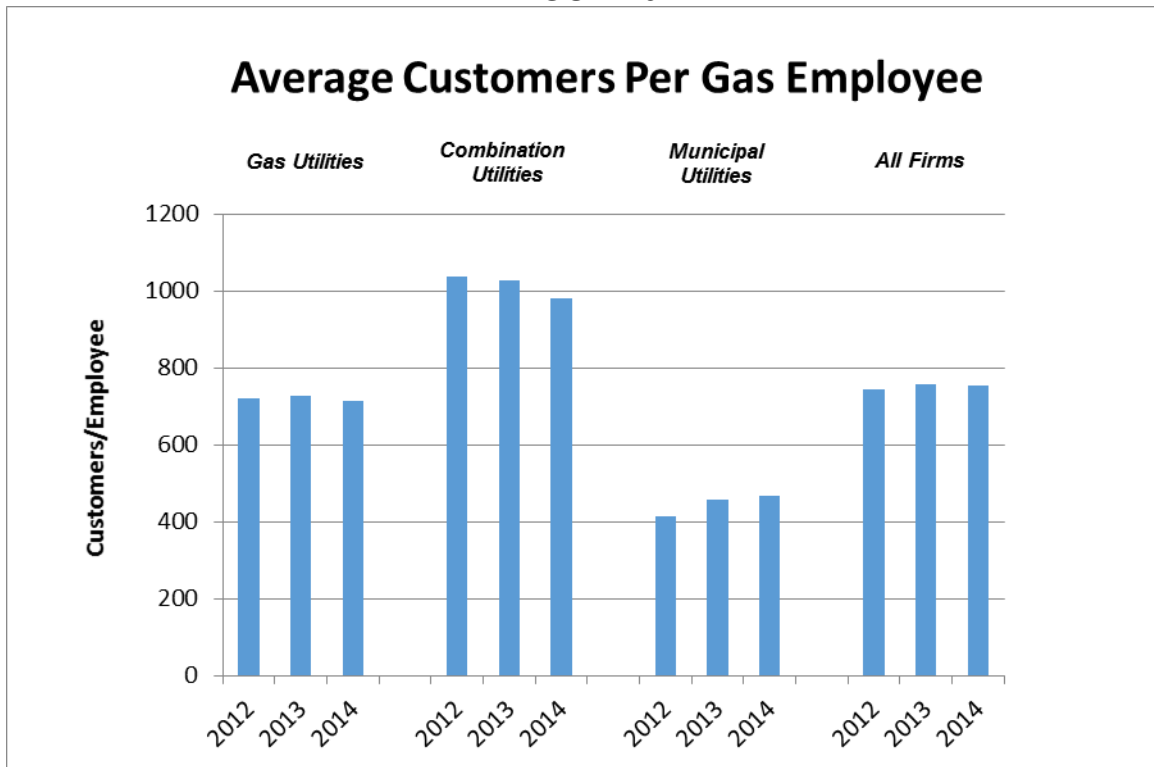
² When referring to combined gas and electric operations, the balance sheet items (i.e., total end-of-year assets) refer to the total firm, which could include non-utility assets, gas transmission assets and "other" utility assets (e.g., water), while income statement items (i.e., total revenues) refer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

	2012	2013	2014	3-Year Average
<i>All Firms</i>				
Number of employees at year-end	769	845	876	830
Total salaries and wages	\$75,043	\$77,676	\$87,724	\$80,148
Total benefits and pensions	\$33,585	\$30,636	\$27,918	\$30,713
Total salaries, benefits, and pensions	\$108,628	\$108,312	\$115,642	\$110,861
Ratio of total benefits to total compensation	26.49%	25.4%	21.8%	24.5%
Therms sold per employee	1,485,443	1,548,467	1,621,802	1,551,904
Customers per employee	745	756	755	752
<i>Gas Utilities</i>				
Number of employees at year-end	875	998	978	950
Total salaries and wages	\$73,287	\$72,900	\$76,870	\$74,352
Total benefits and pensions	\$23,707	\$20,508	\$20,651	\$21,622
Total salaries, benefits, and pensions	\$96,993	\$93,407	\$97,521	\$95,974
Ratio of total benefits to total compensation	22.80%	21.0%	20.0%	21.3%
Therms sold per employee	1,339,502	1,471,720	1,547,725	1,452,982
Customers per employee	720	727	712	720
<i>Combination Utilities¹</i>				
Number of employees at year-end	670	703	912	762
Total salaries and wages	\$90,745	\$96,010	\$118,224	\$101,659
Total benefits and pensions	\$70,797	\$57,439	\$41,572	\$56,603
Total salaries, benefits, and pensions	\$161,542	\$153,449	\$159,796	\$158,262
Ratio of total benefits to total compensation	33.90%	32.0%	19.8%	28.6%
Therms sold per employee	2,112,128	1,812,471	1,845,975	1,923,525
Customers per employee	1037	1026	981	1015
<i>Municipal Utilities</i>				
Number of employees at year-end	403	423	371	399
Total salaries and wages	\$53,832	\$63,140	\$65,616	\$60,862
Total benefits and pensions	\$33,585	\$37,341	\$34,818	\$35,248
Total salaries, benefits, and pensions	\$87,417	\$100,480	\$100,434	\$96,110
Ratio of total benefits to total compensation	40.25%	37.3%	37.0%	38.2%
Therms sold per employee	505,228	729,619	752,207	662,351
Customers per employee	413	458	467	446

Source: AGA, USR.

¹ Figures for gas operations only.

NOTICE

In issuing and making this publication available, AGA is not undertaking to render professional or other services for or on behalf of any person or entity. Nor is AGA undertaking to perform any duty owed by any person or entity to someone else. Anyone using this document should rely on his or her own independent judgment or, as appropriate, seek the advice of a competent professional in determining the exercise of reasonable care in any given circumstances. The statements in this publication are for general information and represent an unaudited compilation of statistical information that could contain coding or processing errors. AGA makes no warranties, express or implied, nor representations about the accuracy of the information in the publication or its appropriateness for any given purpose or situation.

Information on the topics covered by this publication may be available from other sources, which the user may wish to consult for additional views or information not covered by this publication.

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.).

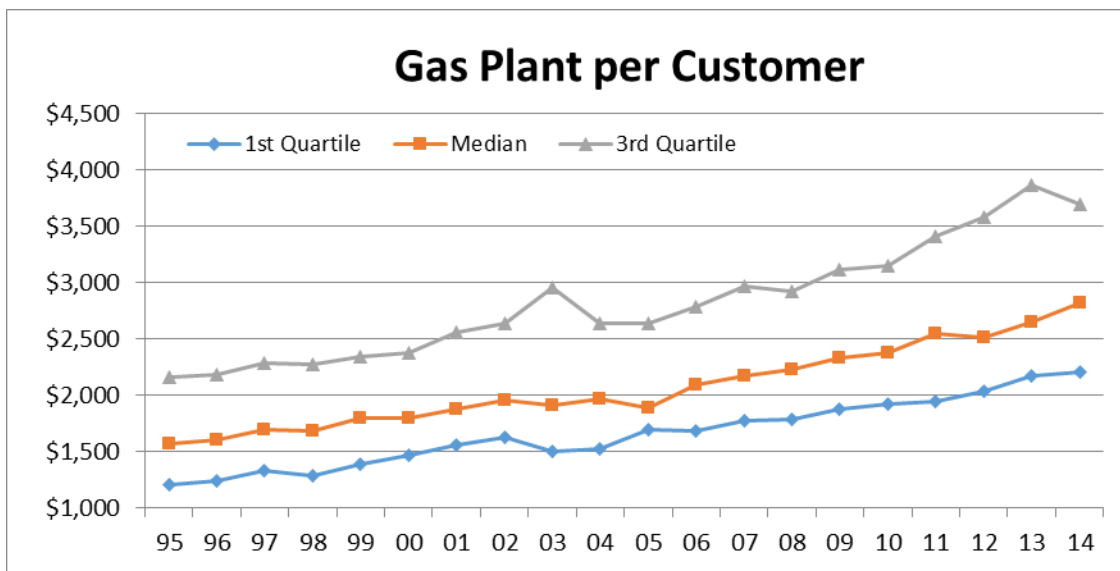
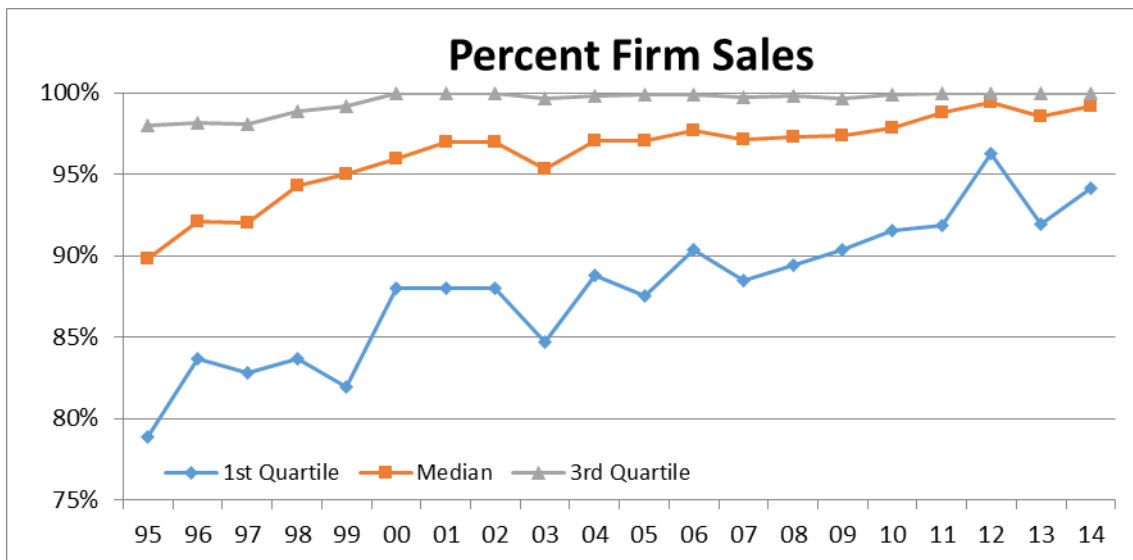
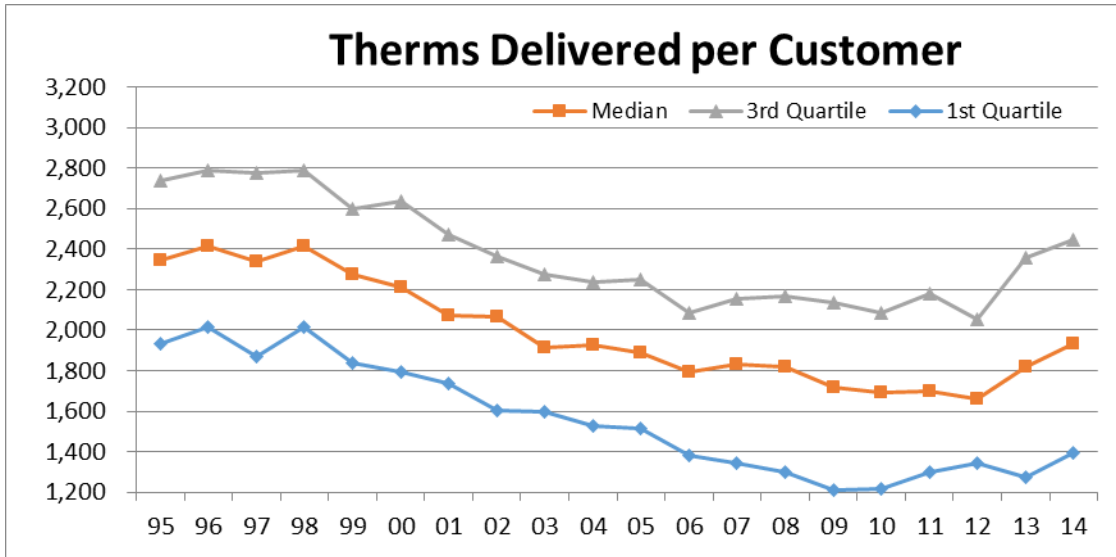
ASSET TURNOVER: Influenced by revenue and composition/age of gas plant.

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.

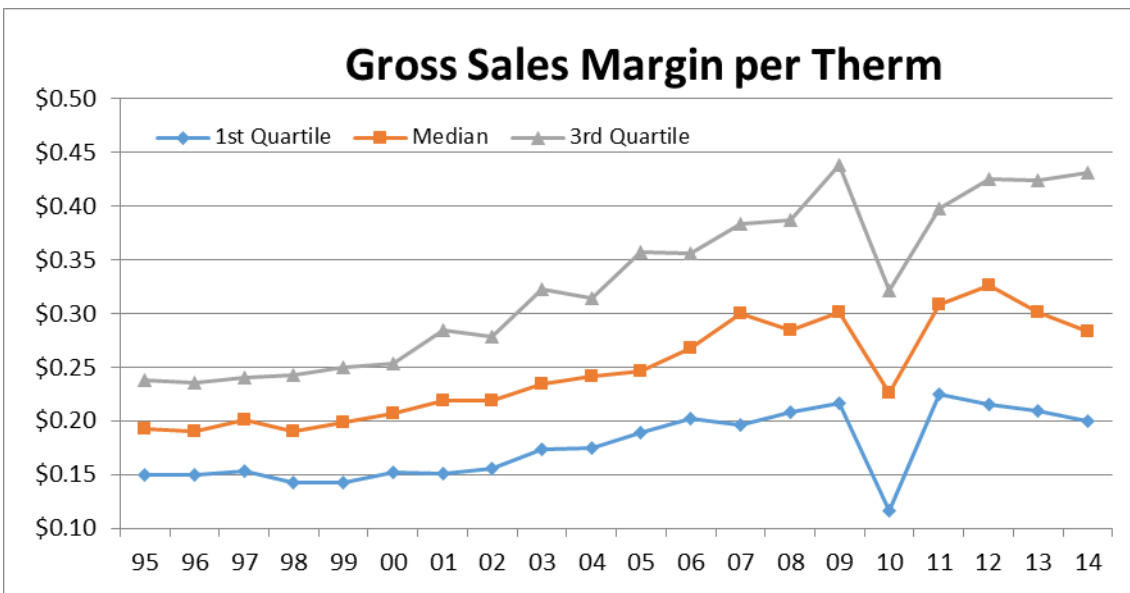
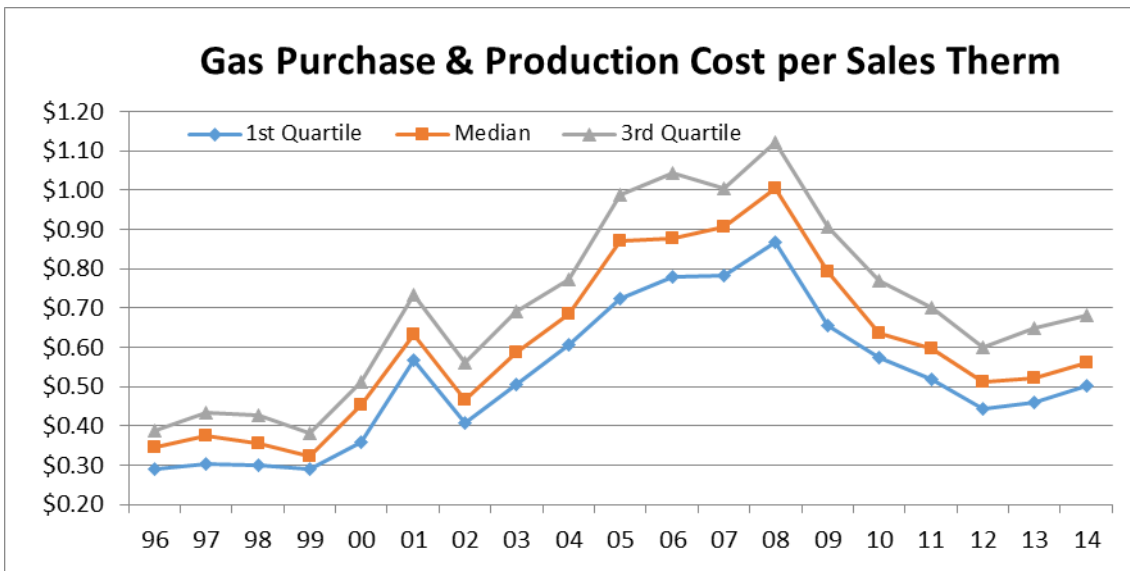
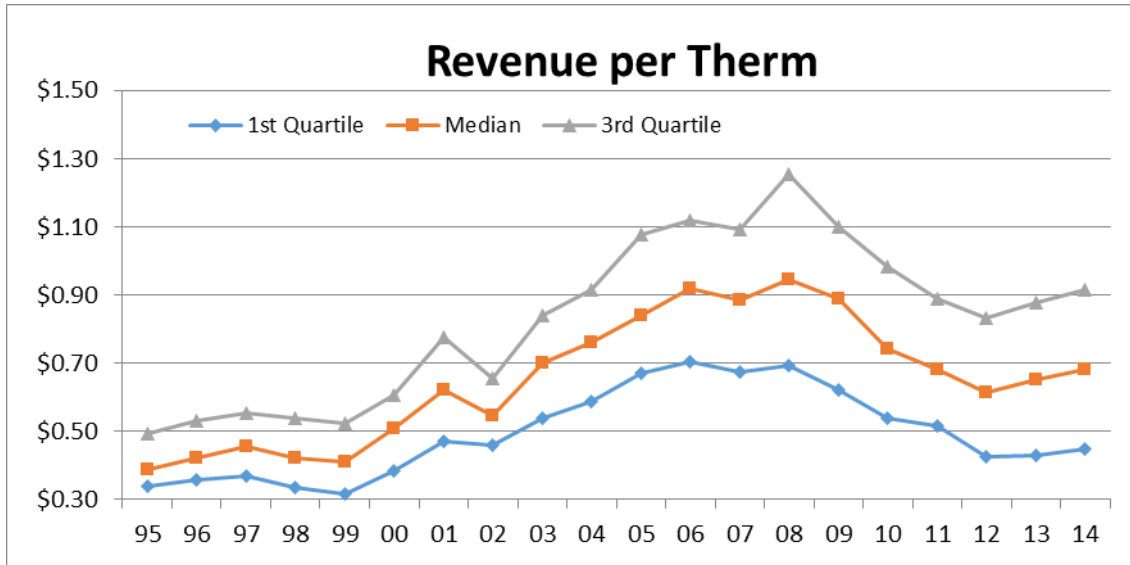
NOTE: Recent results of metrics involving miles of main are not comparable for years prior to 2004 because of changes in the definition of miles of main changed (no longer includes services) and in the data source (now derived from the US Department of Transportation, Office of Pipeline Safety database).

Appendix 2: Multi-year Charts for All Companies



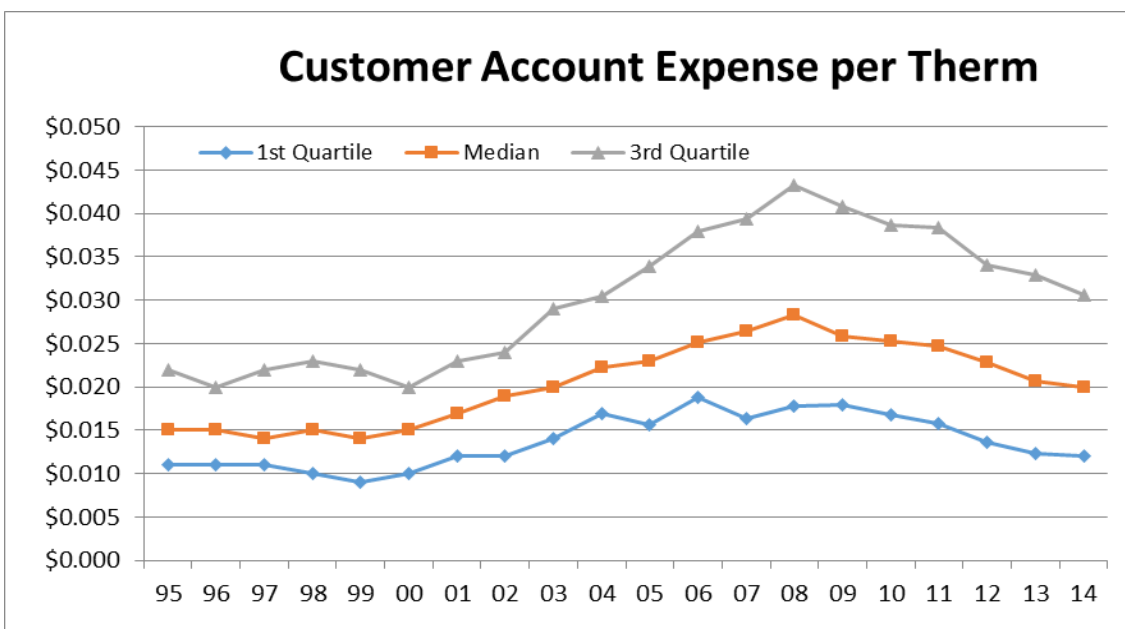
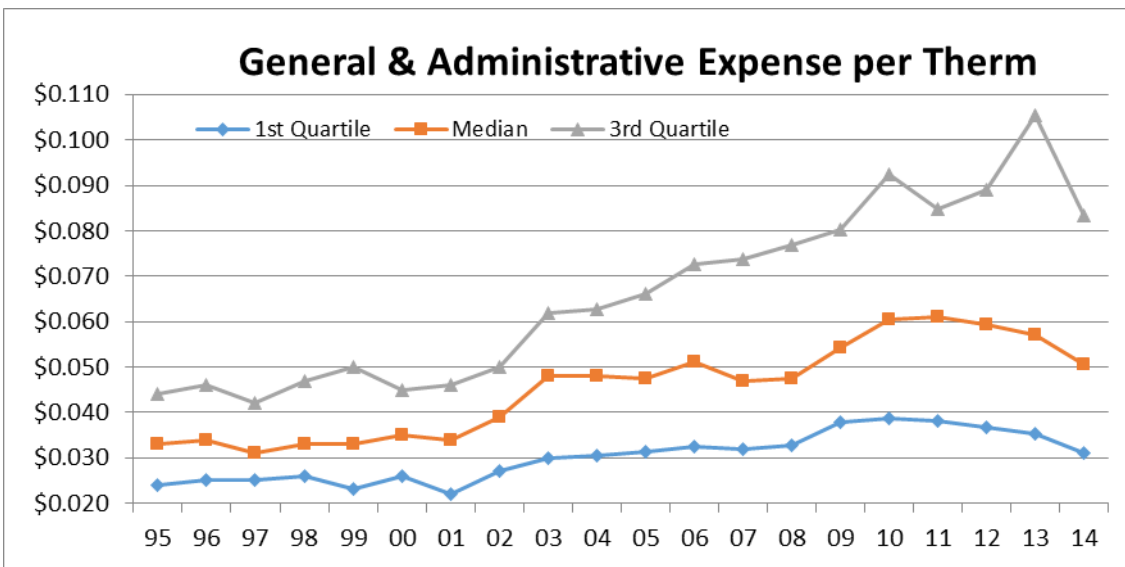
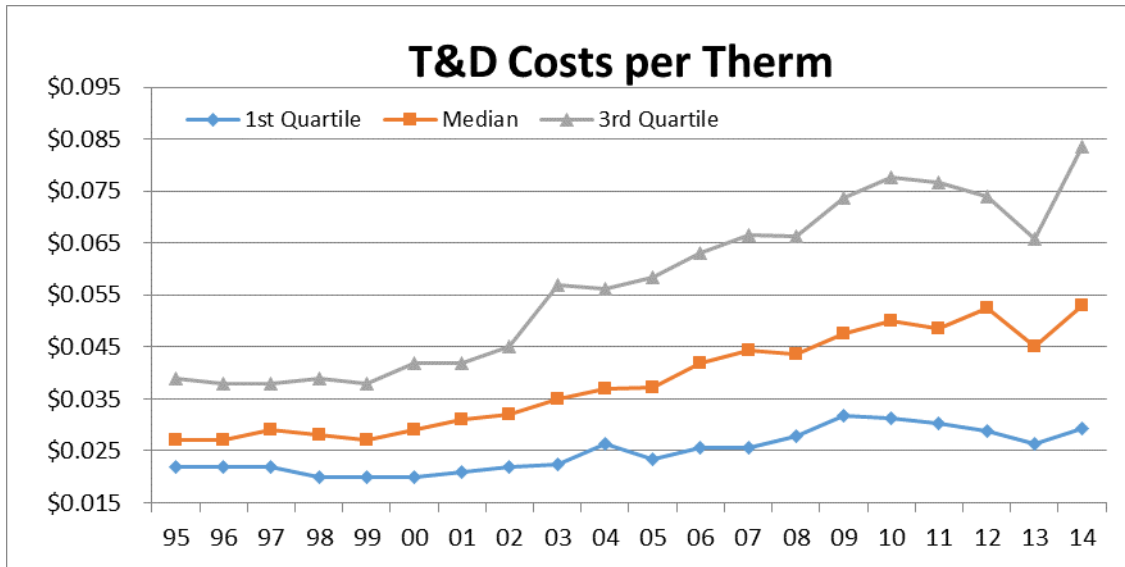
Note: Sample size and individual company participation vary by year, impairing trend analysis

Appendix 2: Multi-year Charts for All Companies



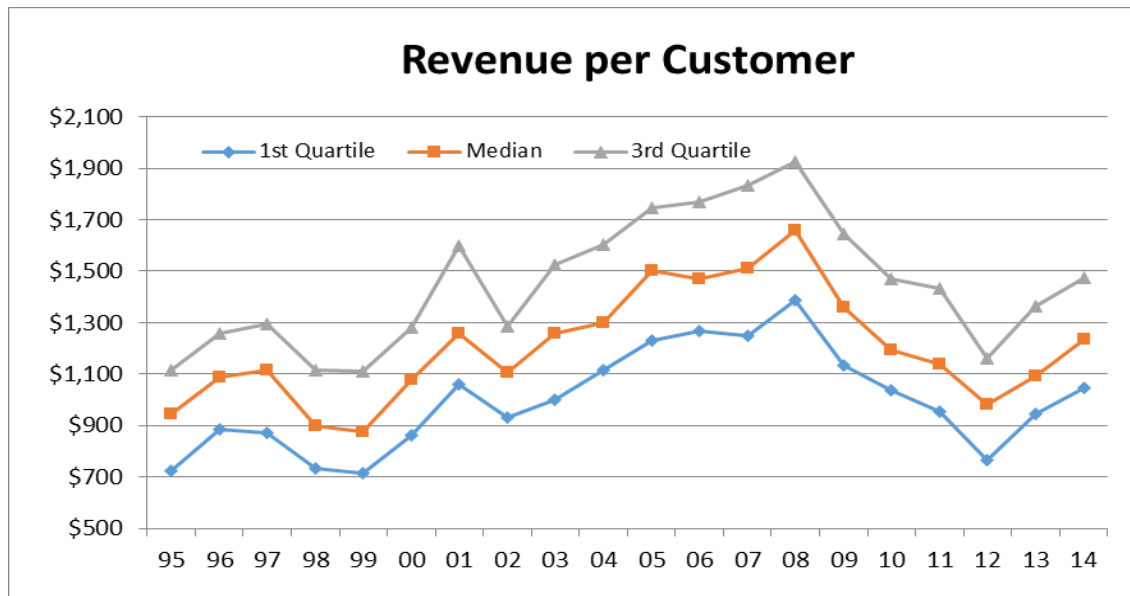
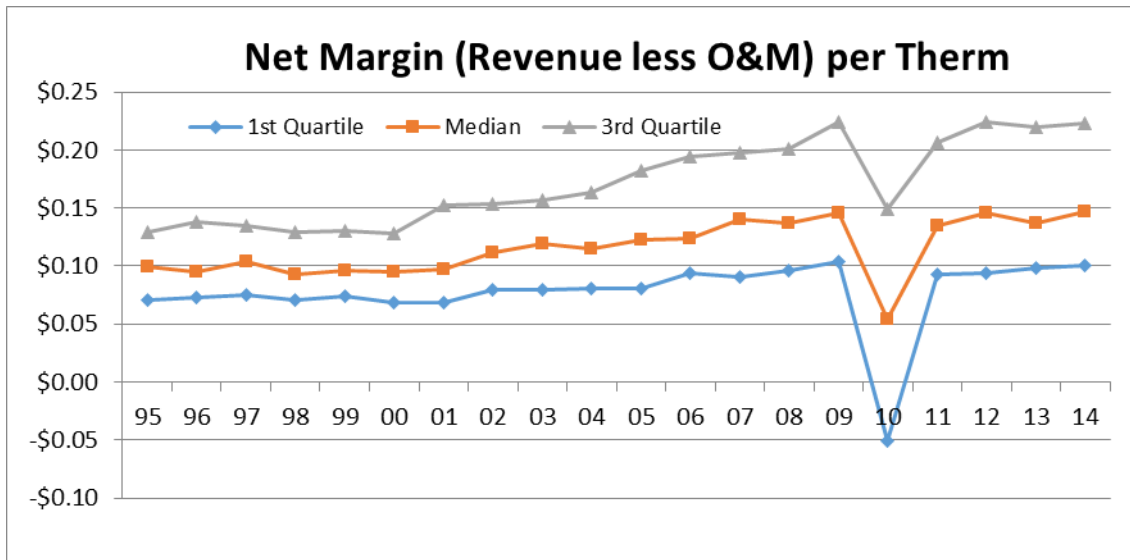
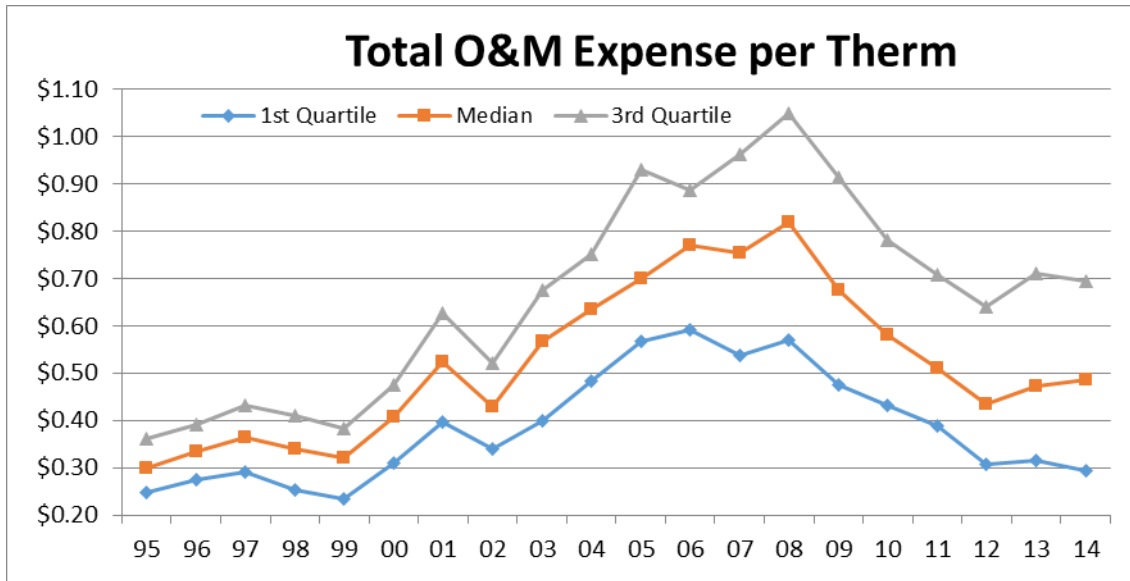
Note: Sample size and individual company participation vary by year, impairing trend analysis

Appendix 2: Multi-year Charts for All Companies



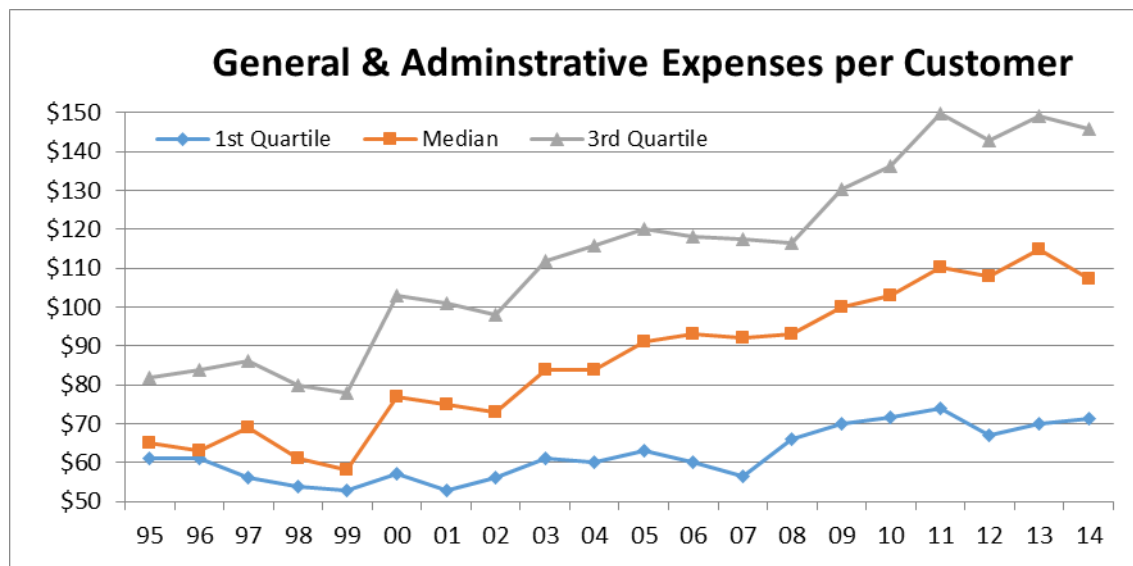
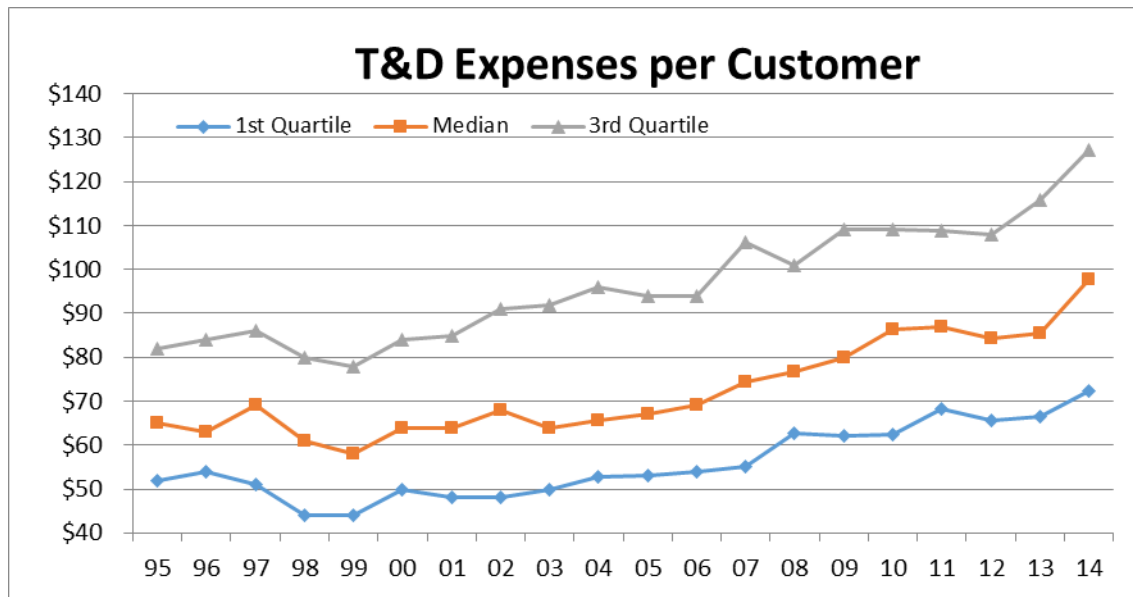
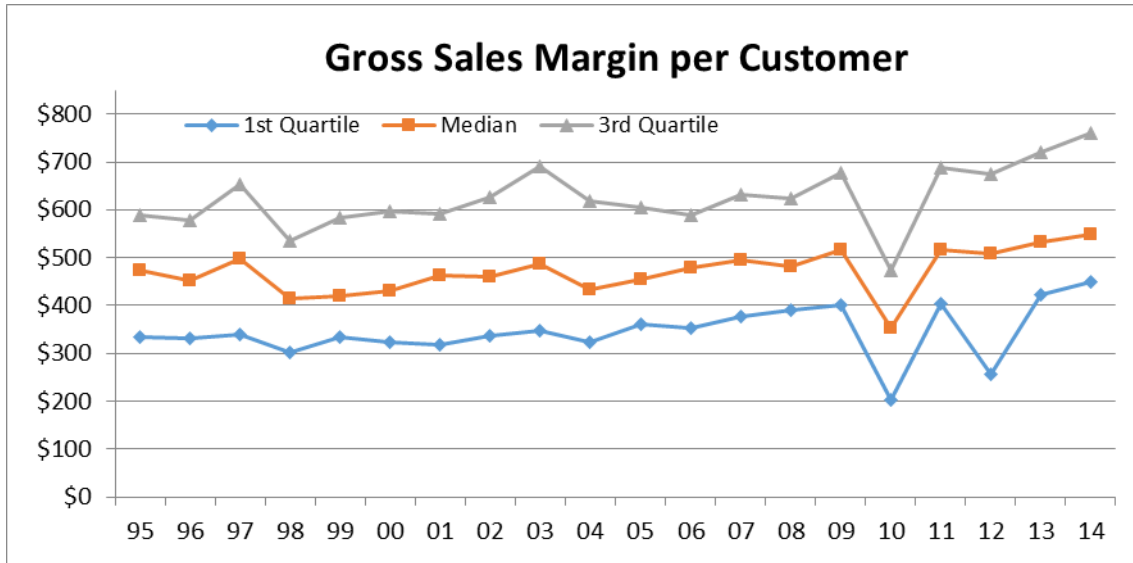
Note: Sample size and individual company participation vary by year, impairing trend analysis

Appendix 2: Multi-year Charts for All Companies

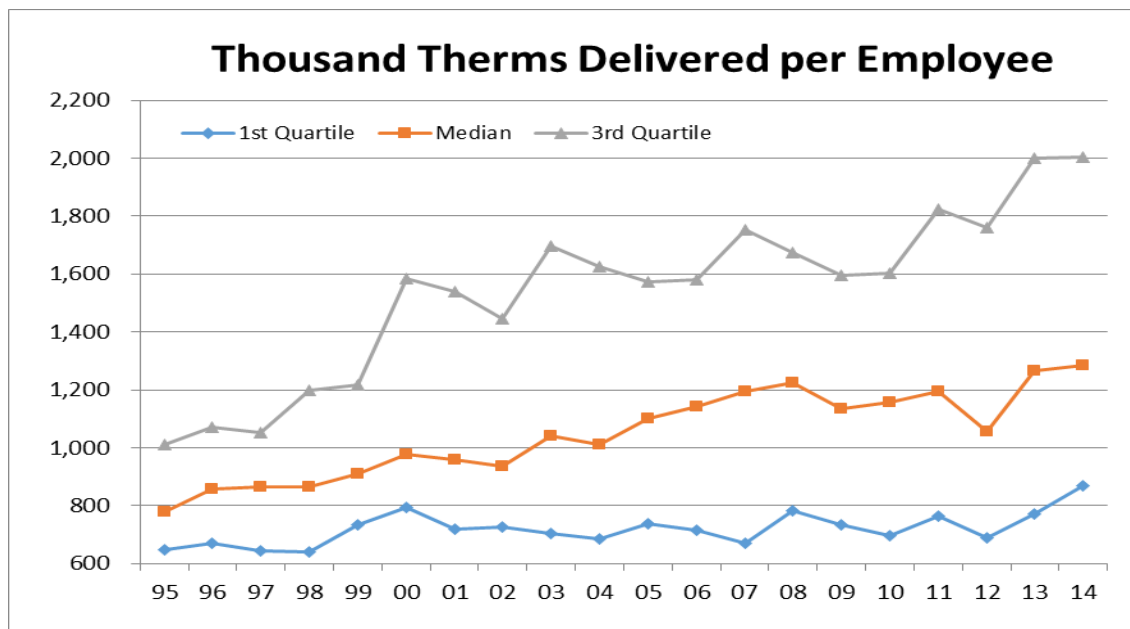
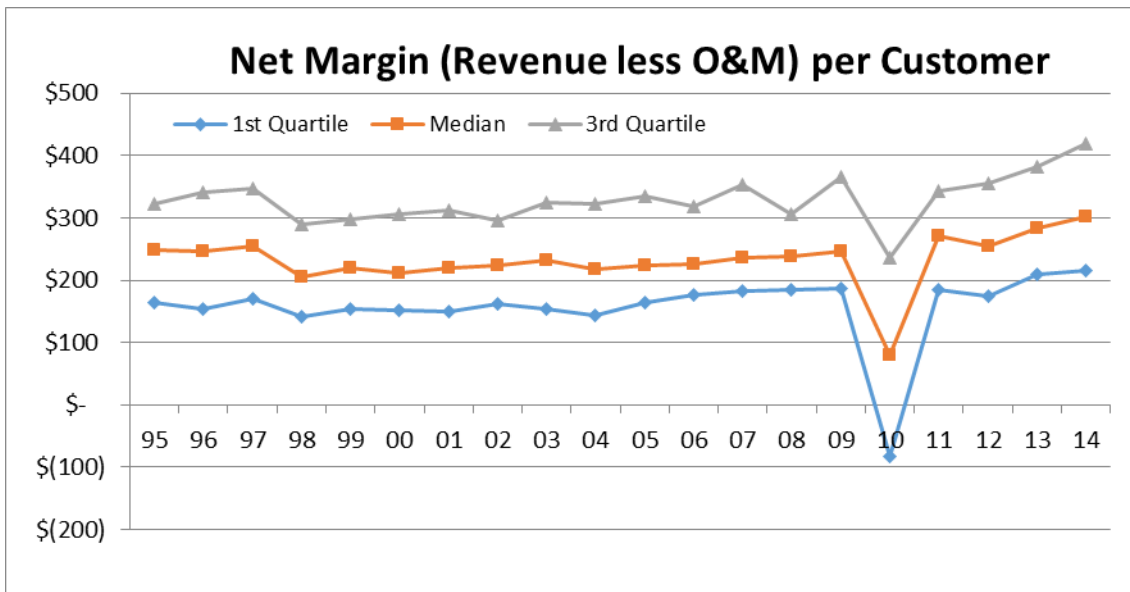
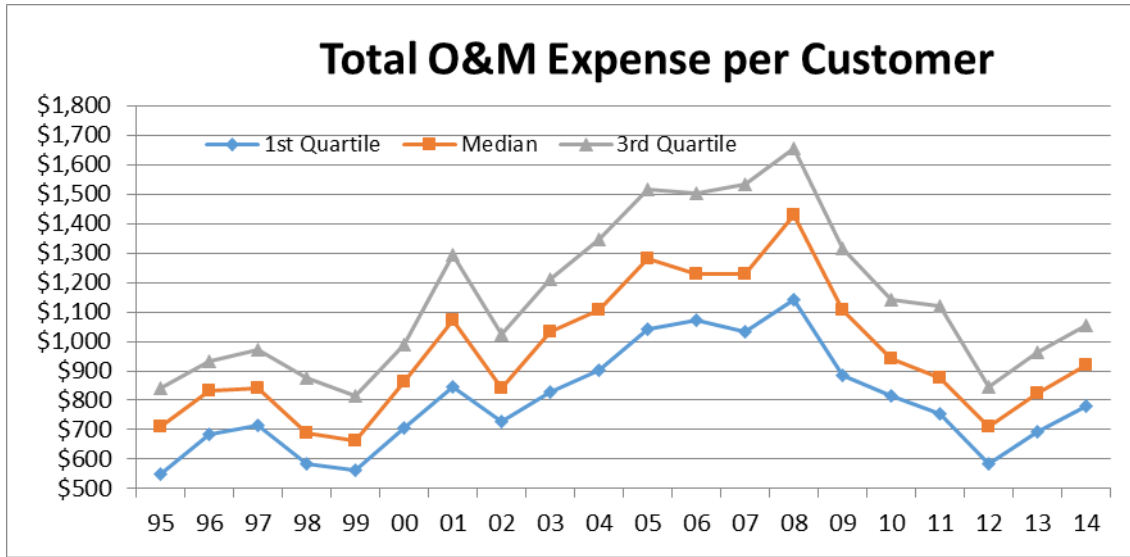


Note: Sample size and individual company participation vary by year, impairing trend analysis

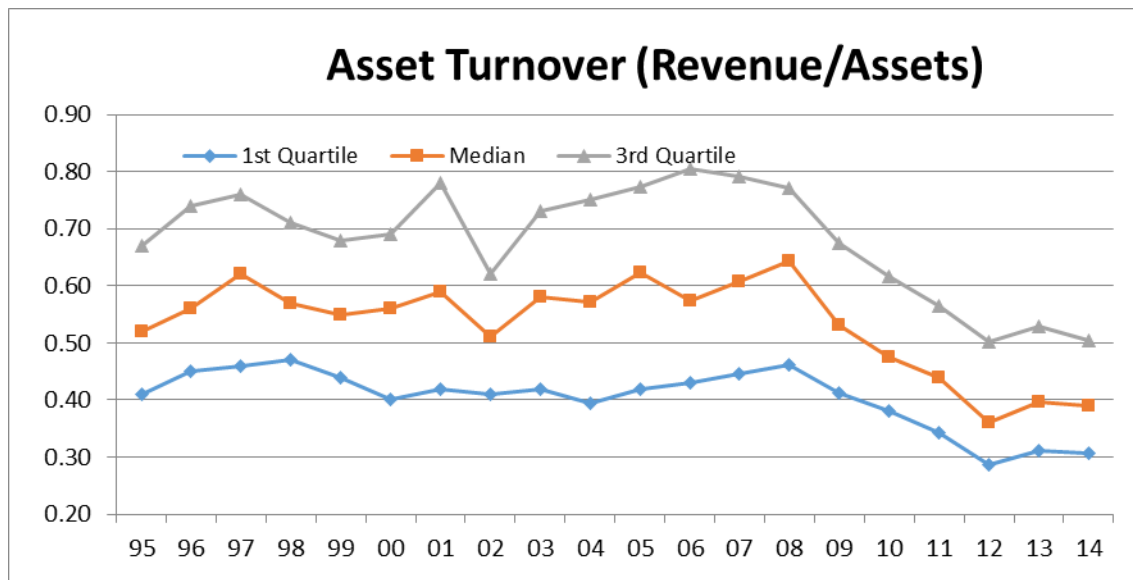
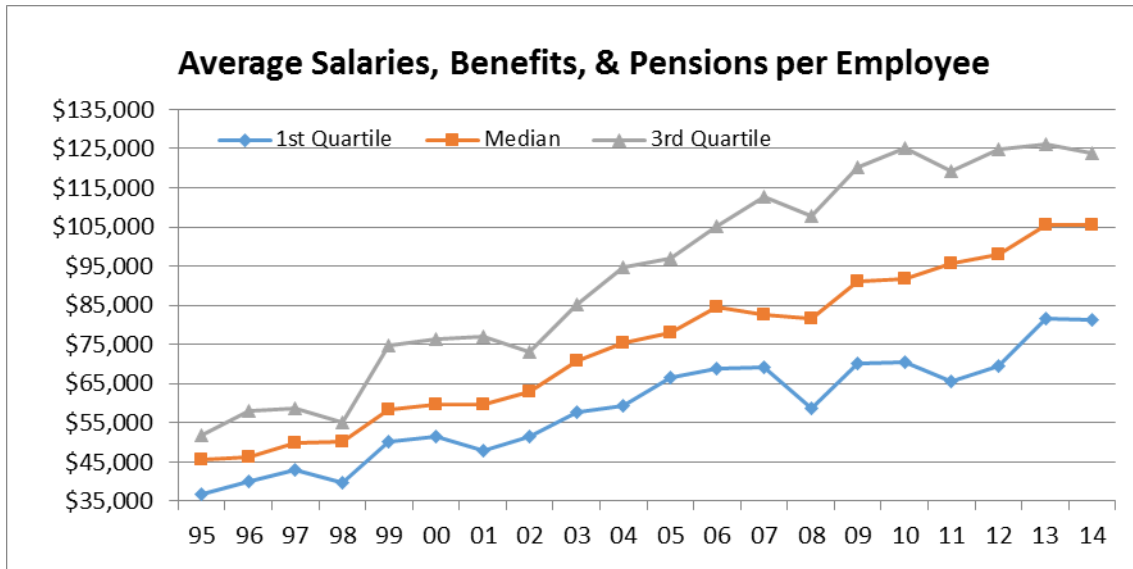
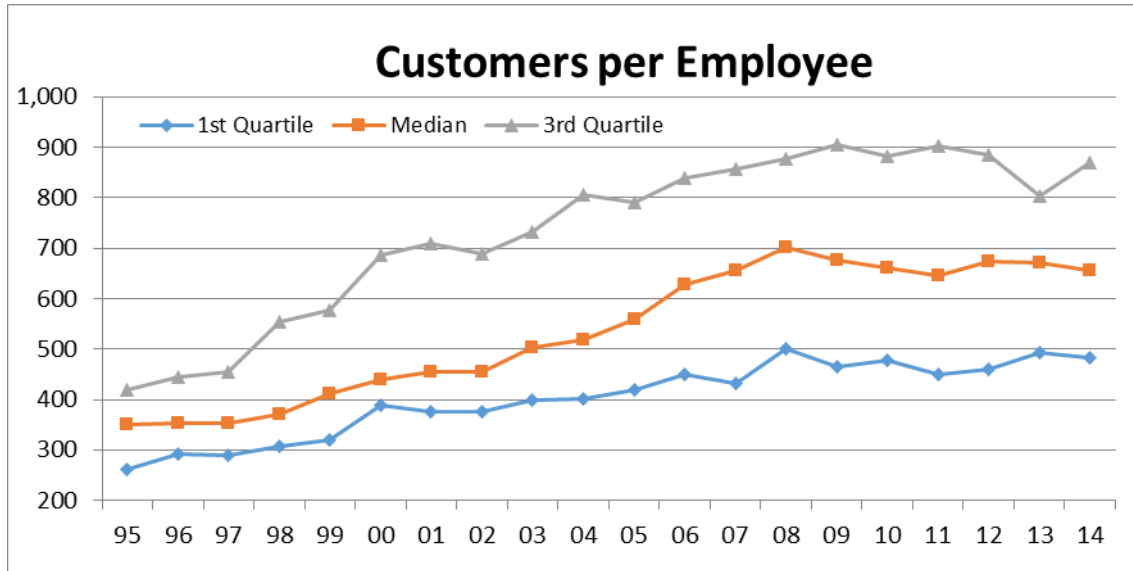
Appendix 2: Multi-year Charts for All Companies



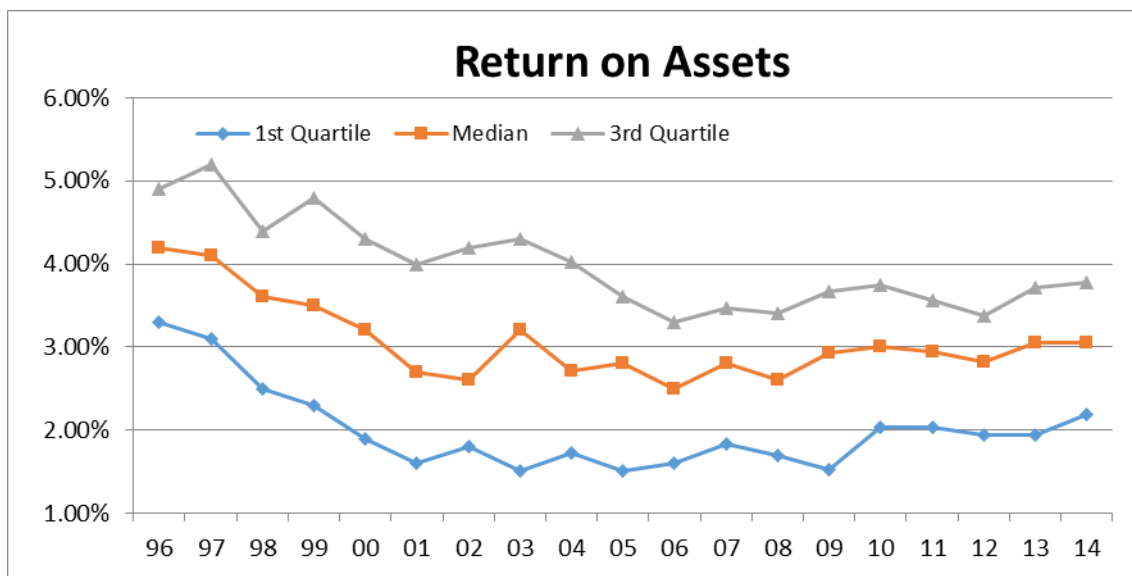
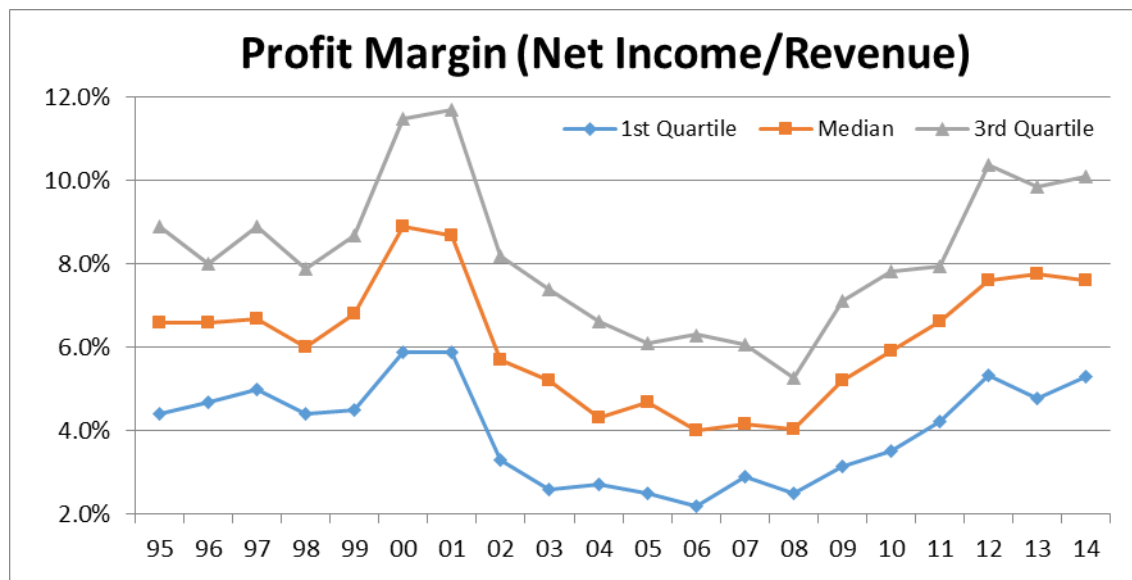
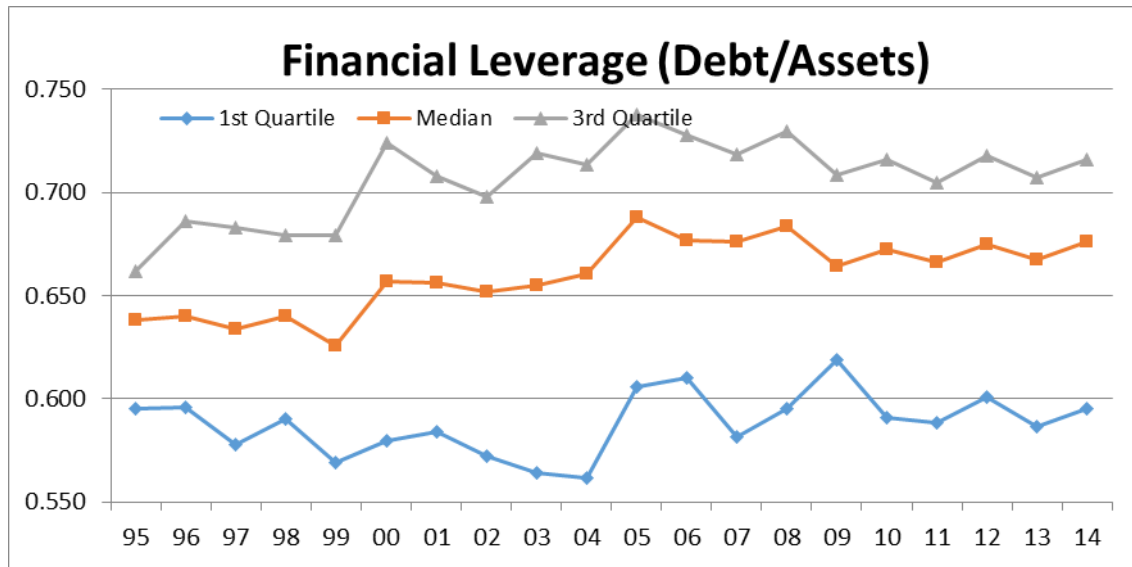
Note: Sample size and individual company participation vary by year, impairing trend analysis



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

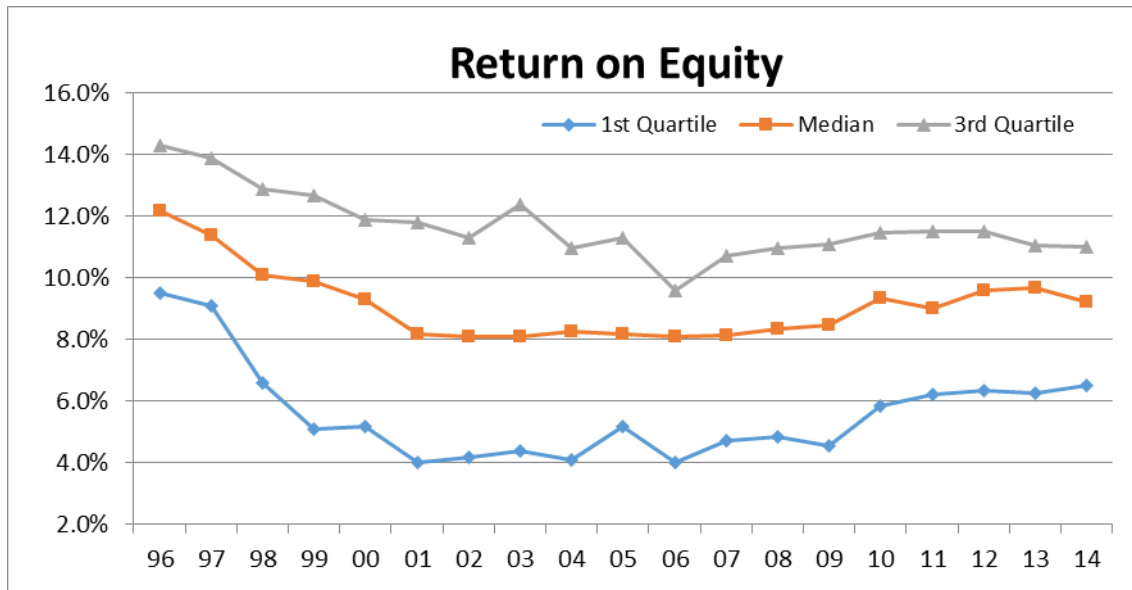


Appendix 2: Multi-year Charts for All Companies



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

Appendix 2: Multi-year Charts for All Companies



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

APPENDIX 3a: GAS UTILITY SYSTEM PROFILES AND DELIVERY VOLUMES

2014 Data, 84 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)	107,665	662,029	1,577,363	1,448,069	295,480	856,586	2,179,540	1,669,606	30,736	213,362	400,593	245,933	109,775	576,296	1,788,005	1,393,449
Total Sales Volume (000)	44,063	291,287	772,736	686,758	248,570	462,738	934,947	756,478	30,736	212,587	357,265	212,509	51,640	353,420	800,801	662,425
Transportation Volume (000)	12,578	250,755	661,911	761,311	30,488	154,521	1,069,232	913,128	-	-	4,310	33,424	1,012	215,656	791,373	731,025
Gas customers	47,731	388,036	938,536	764,932	148,085	537,558	865,899	739,642	32,649	127,005	244,099	167,966	58,184	319,620	822,101	677,004
Miles of main in use	1,222	6,564	12,461	11,427	3,175	7,173	12,250	9,791	1,046	2,622	3,238	2,320	1,807	5,643	12,289	9,846
Density (meters/mile of main)	35.8	48.9	63.3	57.6	43.7	56.9	81.7	70.9	46.8	71.9	101.1	87.2	38.9	51.1	68.5	63.7
THERM VOLUME BY CUSTOMER CLASS (000) 2/																
Residential heating	26,964	194,740	481,932	404,374	110,020	342,646	642,698	466,309	8,517	21,574	152,654	100,581	29,406	197,698	481,293	605,230
Residential non-heating	-	-	656	3,024	-	-	8,030	22,530	-	-	1,290	23,141	-	-	2,484	12,591
Commercial, firm	10,351	76,998	130,848	163,748	69,133	141,952	232,797	177,126	10,690	44,960	101,132	56,745	15,275	92,715	166,033	193,159
Commercial, interruptible	-	-	-	8,644	-	-	2,333	31,285	-	-	1,104	1,817	-	-	69	14,218
Industrial, firm	34	2,706	17,201	84,955	-	2,779	14,580	17,062	1,028	4,397	6,465	5,476	-	2,873	16,950	55,336
Industrial, interruptible	-	-	-	3,381	-	-	2,022	2,917	-	-	509	4,459	-	-	273	3,147
Electric utility generation, firm	-	-	-	505	-	-	-	-	-	-	-	16,791	-	-	-	1,876
Electric utility generation, interup.	-	-	-	7,172	-	-	-	-	-	-	-	-	-	-	-	3,928
Non-utility generation, firm	-	-	-	141	-	-	-	-	-	-	-	886	-	-	-	162
Non-utility generation, interup.	-	-	-	7	-	-	-	2,519	-	-	-	-	-	-	-	753
NGV	-	-	-	3,034	-	-	-	130	-	-	-	-	-	-	-	1,700
Municipal & public	-	-	2	5,680	-	-	-	6,813	-	-	2,104	2,521	-	-	4	5,380
Interdepartmental	-	-	-	-	-	-	673	21,602	-	-	27	94	-	-	-	6,438
Other	-	-	-	2,092	-	-	-	8,185	-	-	-	-	-	-	-	3,498

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)

2014 Data, 84 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	21,761	259,699	595,986	588,164	129,081	425,454	746,247	598,440	30,504	113,430	224,339	155,517	50,587	238,150	584,515	530,871
Residential non-heating	-	-	1,695	24,026	-	-	16,745	40,464	-	-	-	165	-	-	3,426	27,771
Commercial, firm	3,276	19,590	43,873	40,297	12,203	30,250	54,328	43,096	2,097	12,222	20,322	11,583	4,843	21,742	46,208	37,473
Commercial, interruptible	-	-	-	1,373	-	-	32	12,431	-	-	-	2	-	-	1	4,452
Industrial, firm	1	47	423	1,091	-	121	688	860	2	67	153	148	1	60	494	882
Industrial, interruptible	-	-	-	14	-	-	12	73	-	-	1	5	-	-	3	30
Electric utility generation, firm	-	-	-	1	-	-	-	-	-	-	-	1	-	-	-	0
Electric utility generation, interup.	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	0
Non-utility generation, firm	-	-	-	0	-	-	-	-	-	-	-	0	-	-	-	0
Non-utility generation, interup.	-	-	-	0	-	-	-	0	-	-	-	-	-	-	-	0
NGV	-	-	-	7	-	-	-	257	-	-	-	-	-	-	-	80
Municipal & public	-	-	2	412	-	-	-	181	-	-	17	506	-	-	1	328
Interdepartmental	-	-	-	-	-	-	-	8	-	-	2	3	-	-	-	3
Other	-	-	-	11	-	-	-	41	-	-	-	-	-	-	-	18

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

2014 Data, 84 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	54,976	392,135	985,669	772,332	221,720	587,381	1,012,860	859,042	33,162	164,399	285,955	218,123	83,741	392,135	964,319	724,410
Operating expense	40,919	292,295	647,269	527,969	179,961	450,555	712,074	586,659	26,086	120,856	229,572	165,627	55,171	295,263	596,824	498,299
Maintenance expense	1,277	11,845	34,619	24,188	4,838	16,712	32,887	35,929	1,048	3,082	13,520	9,646	2,445	10,930	29,445	25,358
Total O&M	42,299	306,420	681,344	552,158	183,501	460,563	744,961	622,588	27,614	123,617	244,690	175,273	56,669	306,603	615,366	523,657
Depreciation	4,766	32,476	66,483	59,964	9,552	26,117	59,603	58,880	2,412	5,340	12,606	10,233	5,896	23,723	60,236	52,876
Depletion	-	-	-	196	-	-	463	4,347	-	-	-	-	-	-	-	1,401
Amortization	-	18	1,763	2,398	-	-	3,784	2,709	-	-	24	38	-	-	1,906	2,139
Prop. loss charged to operations	-	-	-	-	-	-	-	704	-	-	-	132	-	-	-	222
Total taxes	4,577	26,720	107,817	76,551	13,758	39,344	100,121	74,817	-	1,266	5,396	4,254	4,604	26,720	92,416	66,520
Other operating income	-	-	-	(59)	-	-	-	(1,007)	(54)	-	3	(5,347)	-	-	-	(821)
Total operating income	6,937	39,278	118,103	81,064	17,538	51,785	126,534	94,998	1,306	9,724	32,569	28,195	7,657	39,076	107,826	77,595
BALANCE SHEET																
Gas plant	169,638	1,173,920	2,996,864	2,153,446	431,439	1,481,057	2,813,135	2,262,075	79,343	260,233	464,785	455,243	247,643	931,557	2,452,456	1,956,529
Common plant	-	-	-	-	11,898	143,180	363,265	671,091	-	-	26,796	57,257	-	-	2,975	205,183
Other plant	-	-	-	866	-	-	14,028	132,200	-	10,294	167,745	347,090	-	-	-	72,892
Total plant in service 1/2/	169,638	1,173,920	2,996,864	2,155,037	1,806,978	5,091,284	14,492,326	10,638,694	96,472	356,320	2,175,343	1,297,059	309,150	1,792,140	4,454,771	4,530,631
Accumulated depreciation 1/	63,407	449,997	990,974	782,326	781,151	1,943,958	5,153,277	3,916,505	47,568	121,887	959,840	514,860	120,708	655,977	1,602,801	1,665,845
Construction work-in-progress 1/	762	13,354	51,237	60,947	41,219	204,282	436,097	482,733	337	12,740	92,720	122,011	3,378	24,718	145,356	189,378
Net utility plant 1/	129,787	747,088	2,126,043	1,433,283	1,277,969	3,360,457	9,868,654	7,246,459	57,849	240,253	1,312,179	906,449	227,629	1,188,462	3,055,396	3,068,152
Gas storage (non-current) 1/	-	-	490	4,645	-	-	4,777	6,800	-	-	-	7,293	-	-	630	5,262
Customer accts. Receivable 1/	3,002	27,011	111,943	91,303	45,937	158,267	229,766	260,000	4,241	26,095	103,919	52,326	7,336	47,162	146,888	135,332
Total current & accrued assets 1/	14,168	109,046	276,165	271,111	197,745	544,247	1,242,269	870,736	31,098	97,566	398,549	226,511	41,550	192,386	546,326	438,847
Total deferred debits 1/	7,063	102,845	472,119	339,306	301,484	850,045	2,199,301	1,724,307	600	7,347	115,192	76,262	14,482	153,577	703,514	710,440
Total assets 1/	164,148	1,009,235	3,127,205	2,167,771	2,515,248	4,788,955	12,866,356	10,381,052	89,206	344,688	2,003,939	1,233,864	348,980	1,742,112	4,411,504	4,449,606
Common stock 1/	3	1,514	47,563	104,273	10,300	187,365	510,619	325,419	-	-	-	213	-	7,290	166,271	154,868
Retained earnings 1/	14,125	97,751	479,154	280,046	276,662	610,523	1,762,827	1,510,189	72,029	245,047	706,231	565,833	31,961	265,207	629,016	662,428
Total common stock equity 1/	55,450	437,343	957,535	663,224	810,733	1,999,044	3,971,807	3,200,005	72,029	266,196	706,231	571,332	130,086	566,454	1,497,668	1,389,437
Total long-term (LT) debt 1/	25,644	252,543	706,452	493,607	550,000	1,662,098	3,601,259	2,816,236	6,551	40,875	583,120	497,211	54,626	420,195	1,155,162	1,169,638
Total capitalization 1/2/	123,989	636,250	1,609,003	1,163,769	1,442,656	3,432,315	6,879,988	5,990,099	79,829	297,482	1,678,788	1,073,587	183,595	1,081,171	2,741,170	2,555,576
Total non-current other liabilities 1/	-	-	18,151	44,266	22,218	77,505	306,253	771,366	1,688	2,714	5,325	4,041	-	3,176	64,449	255,555
Current & accrued liabilities 1/	18,224	134,371	476,451	348,767	238,612	530,759	986,040	836,113	5,962	38,382	197,346	109,527	61,601	175,393	581,710	457,491
Total deferred credits 1/	11,130	120,751	750,229	564,169	531,849	1,002,703	3,654,078	2,673,534	-	2,846	15,064	32,332	35,288	204,680	1,005,100	1,121,285
Total capitalization & liabilities 1/2/	164,148	1,009,235	3,127,205	2,167,771	2,515,248	4,788,955	12,866,356	10,381,052	89,206	344,688	2,003,939	1,233,864	348,980	1,742,112	4,411,504	4,449,606

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

2014 Data, 84 Utilities Reporting						
Stratified by Type of Company	Gas Utilities	Combination Utilities	Municipal Utilities	All Companies		
	51 firms	25 firms	8 firms	84 firms		
GAS-ONLY INCOME STATEMENT - Based on average values						
Operating revenue	100.0	100.0	100.0	100.0		
Operating expense	70.2	71.0	79.9	71.5		
Maintenance expense	2.7	3.6	3.6	3.0		
Total O&M	72.9	74.6	83.5	74.6		
Depreciation	7.2	6.3	4.7	6.7		
Depletion	0.0	0.3	-	0.1		
Amortization	0.2	0.4	0.4	0.3		
Prop. loss charged to operations	-	0.0	0.0	0.0		
Total taxes	9.2	8.8	2.1	8.2		
Other operating income	0.0	(0.2)	(1.6)	(0.3)		
Total operating income	10.3	9.7	9.4	10.1		
BALANCE SHEET - Based on average values						
Gas plant	99.3	21.8	36.9	44.0		
Common plant	-	6.5	4.6	4.6		
Other plant	0.0	1.3	28.1	1.6		
Total plant in service	99.4	102.5	105.1	101.8		
Accumulated depreciation	36.1	37.7	41.7	37.4		
Construction work-in-progress	2.8	4.7	9.9	4.3		
Net utility plant	66.1	69.8	73.5	69.0		
Gas storage (non-current)	0.2	0.1	0.6	0.1		
Customer accts. receivable	4.2	2.5	4.2	3.0		
Total current & accrued assets	12.5	8.4	18.4	9.9		
Total deferred debits	15.7	16.6	6.2	16.0		
Total assets	100.0	100.0	100.0	100.0		
Common stock	4.8	3.1	0.0	3.5		
Retained earnings	12.9	14.5	45.9	14.9		
Total common stock equity	30.6	30.8	46.3	31.2		
Total long-term (LT) debt	22.8	27.1	40.3	26.3		
Total capitalization	53.7	57.7	87.0	57.4		
Total non-current other liabilities	2.0	7.4	0.3	5.7		
Current & accrued liabilities	16.1	8.1	8.9	10.3		
Total deferred credits	26.0	25.8	2.6	25.2		
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

2014 Data, 84 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	\$0.5053	\$0.6440	\$0.8254	\$0.7070	\$0.3854	\$0.7137	\$0.9961	\$0.8197	\$0.7695	\$0.8195	\$1.0231	\$0.9102	\$0.4482	\$0.6791	\$0.9144	\$0.7557
Operating expense	\$0.3657	\$0.4361	\$0.6284	\$0.4960	\$0.2436	\$0.5253	\$0.6511	\$0.5819	\$0.5950	\$0.7038	\$0.8534	\$0.7269	\$0.3081	\$0.4687	\$0.6547	\$0.5406
Maintenance expense	\$0.0082	\$0.0137	\$0.0246	\$0.0194	\$0.0106	\$0.0158	\$0.0355	\$0.0293	\$0.0131	\$0.0271	\$0.0483	\$0.0326	\$0.0085	\$0.0139	\$0.0261	\$0.0230
Total O&M	\$0.3749	\$0.4614	\$0.6377	\$0.5155	\$0.2742	\$0.5481	\$0.6719	\$0.6112	\$0.6257	\$0.7154	\$0.9016	\$0.7595	\$0.3173	\$0.4869	\$0.6932	\$0.5636
Depreciation	\$0.0290	\$0.0402	\$0.0582	\$0.0512	\$0.0232	\$0.0426	\$0.0624	\$0.0513	\$0.0223	\$0.0325	\$0.0506	\$0.0429	\$0.0244	\$0.0375	\$0.0604	\$0.0505
Depletion	\$0.0000	\$0.0000	\$0.0000	\$0.0002	\$0.0000	\$0.0000	\$0.0010	\$0.0027	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0009
Amortization	\$0.0000	\$0.0001	\$0.0040	\$0.0018	\$0.0000	\$0.0000	\$0.0045	\$0.0030	\$0.0000	\$0.0000	\$0.0007	\$0.0033	\$0.0000	\$0.0000	\$0.0036	\$0.0022
Prop. loss charged to operations	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0001	\$0.0000	\$0.0000	\$0.0000	\$0.0004	\$0.0000	\$0.0000	\$0.0000	\$0.0001
Total taxes	\$0.0328	\$0.0485	\$0.0716	\$0.0652	\$0.0259	\$0.0466	\$0.1090	\$0.0722	\$0.0000	\$0.0147	\$0.0238	\$0.0189	\$0.0256	\$0.0442	\$0.0745	\$0.0623
Other operating income	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	-\$0.0018	-\$0.0001	\$0.0000	\$0.0002	-\$0.0142	\$0.0000	\$0.0000	\$0.0000	-\$0.0019
Total operating income	\$0.0411	\$0.0632	\$0.0858	\$0.0731	\$0.0343	\$0.0614	\$0.0974	\$0.0792	\$0.0360	\$0.0549	\$0.1235	\$0.0851	\$0.0357	\$0.0579	\$0.0945	\$0.0761

GAS-ONLY INCOME STATEMENT - Per Average Annual Customer Served

2014 Data, 84 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	\$1,008	\$1,203	\$1,438	\$1,237	\$1,092	\$1,291	\$1,441	\$1,298	\$1,079	\$1,208	\$1,367	\$1,298	\$1,045	\$1,234	\$1,474	\$1,280
Operating expense	\$685	\$870	\$1,008	\$866	\$761	\$863	\$1,009	\$912	\$935	\$960	\$1,013	\$1,051	\$752	\$876	\$1,014	\$914
Maintenance expense	\$18	\$31	\$42	\$33	\$21	\$31	\$48	\$45	\$22	\$43	\$70	\$44	\$20	\$31	\$45	\$37
Total O&M	\$694	\$912	\$1,018	\$899	\$795	\$893	\$1,039	\$956	\$962	\$984	\$1,067	\$1,095	\$779	\$920	\$1,054	\$951
Depreciation	\$59	\$83	\$103	\$88	\$56	\$75	\$90	\$77	\$41	\$51	\$63	\$55	\$56	\$75	\$99	\$83
Depletion	\$0	\$0	\$0	\$0	\$0	\$0	\$3	\$4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2
Amortization	\$0	\$0	\$8	\$3	\$0	\$0	\$8	\$4	\$0	\$0	\$1	\$4	\$0	\$0	\$8	\$3
Prop. loss charged to operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$0	\$0	\$0	\$0
Total taxes	\$67	\$107	\$151	\$113	\$55	\$98	\$162	\$122	\$0	\$18	\$36	\$23	\$56	\$92	\$149	\$108
Other operating income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$3	\$0	\$0	\$0	-\$28	\$0	\$0	\$0	-\$3
Total operating income	\$84	\$128	\$154	\$134	\$79	\$121	\$144	\$134	\$35	\$96	\$180	\$121	\$79	\$121	\$154	\$133

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

GAS-ONLY INCOME STATEMENT - Per Dollar of Gas Plant

2014 Data, 84 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	\$0.3353	\$0.3783	\$0.4678	\$0.4170	\$0.3570	\$0.4007	\$0.4774	\$0.4355	\$0.3720	\$0.6174	\$0.8796	\$0.6858	\$0.3458	\$0.3881	\$0.5085	\$0.4462
Operating expense	\$0.2257	\$0.2749	\$0.3572	\$0.3019	\$0.2388	\$0.2675	\$0.3509	\$0.3129	\$0.2844	\$0.5016	\$0.6825	\$0.5691	\$0.2313	\$0.2825	\$0.3747	\$0.3299
Maintenance expense	\$0.0070	\$0.0101	\$0.0143	\$0.0109	\$0.0081	\$0.0113	\$0.0140	\$0.0145	\$0.0116	\$0.0191	\$0.0268	\$0.0193	\$0.0069	\$0.0109	\$0.0147	\$0.0125
Total O&M	\$0.2343	\$0.2843	\$0.3652	\$0.3128	\$0.2484	\$0.2842	\$0.3603	\$0.3274	\$0.2995	\$0.5315	\$0.7019	\$0.5884	\$0.2416	\$0.2939	\$0.3887	\$0.3425
Depreciation	\$0.0227	\$0.0268	\$0.0323	\$0.0275	\$0.0217	\$0.0250	\$0.0285	\$0.0251	\$0.0221	\$0.0250	\$0.0287	\$0.0265	\$0.0224	\$0.0254	\$0.0311	\$0.0266
Depletion	\$0.0000	\$0.0000	\$0.0000	\$0.0001	\$0.0000	\$0.0000	\$0.0009	\$0.0013	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0005
Amortization	\$0.0000	\$0.0001	\$0.0025	\$0.0017	\$0.0000	\$0.0000	\$0.0030	\$0.0014	\$0.0000	\$0.0000	\$0.0002	\$0.0046	\$0.0000	\$0.0000	\$0.0024	\$0.0018
Prop. loss charged to operations	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0001	\$0.0000	\$0.0000	\$0.0000	\$0.0003	\$0.0000	\$0.0000	\$0.0000	\$0.0001
Total taxes	\$0.0235	\$0.0312	\$0.0470	\$0.0346	\$0.0297	\$0.0361	\$0.0456	\$0.0362	\$0.0000	\$0.0071	\$0.0257	\$0.0132	\$0.0221	\$0.0317	\$0.0452	\$0.0328
Other operating income	\$0.0000	\$0.0000	\$0.0000	\$0.0001	\$0.0000	\$0.0000	\$0.0000	-\$0.0008	-\$0.0001	\$0.0000	\$0.0003	-\$0.0169	\$0.0000	\$0.0000	\$0.0000	-\$0.0018
Total operating income	\$0.0317	\$0.0378	\$0.0463	\$0.0401	\$0.0306	\$0.0407	\$0.0545	\$0.0438	\$0.0177	\$0.0475	\$0.0537	\$0.0528	\$0.0305	\$0.0398	\$0.0501	\$0.0420

GAS-ONLY INCOME STATEMENT - Per Mile of Distribution Pipe

2014 Data, 84 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	\$38,997	\$54,532	\$77,537	\$70,579	\$51,010	\$73,463	\$98,370	\$93,402	\$58,534	\$101,210	\$138,833	\$112,744	\$42,629	\$58,427	\$97,174	\$81,324
Operating expense	\$26,774	\$37,254	\$52,096	\$48,868	\$38,947	\$49,974	\$69,136	\$62,857	\$48,368	\$76,120	\$117,891	\$91,377	\$29,501	\$46,376	\$72,534	\$57,299
Maintenance expense	\$985	\$1,518	\$2,221	\$2,150	\$1,360	\$1,962	\$3,311	\$3,427	\$1,090	\$2,199	\$4,150	\$3,597	\$945	\$1,651	\$2,578	\$2,614
Total O&M	\$28,713	\$38,516	\$55,101	\$51,018	\$39,688	\$53,284	\$70,496	\$66,284	\$50,671	\$79,862	\$123,963	\$94,975	\$30,614	\$47,573	\$76,154	\$59,912
Depreciation	\$2,655	\$3,592	\$5,653	\$4,847	\$2,650	\$4,295	\$6,744	\$5,779	\$2,412	\$2,864	\$5,311	\$4,690	\$2,638	\$3,592	\$6,018	\$5,102
Depletion	\$0	\$0	\$0	\$29	\$0	\$0	\$297	\$249	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$90
Amortization	\$0	\$10	\$376	\$230	\$0	\$0	\$578	\$335	\$0	\$0	\$18	\$837	\$0	\$0	\$389	\$310
Prop. loss charged to operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39	\$0	\$0	\$0	\$47	\$0	\$0	\$0	\$16
Total taxes	\$2,978	\$4,616	\$6,591	\$7,045	\$2,439	\$6,054	\$9,417	\$9,292	\$0	\$1,697	\$2,951	\$1,983	\$2,606	\$4,693	\$7,489	\$7,173
Other operating income	\$0	\$0	\$0	-\$13	\$0	\$0	\$0	-\$288	-\$11	\$0	\$56	-\$2,182	\$0	\$0	\$0	-\$301
Total operating income	\$3,839	\$6,347	\$8,205	\$7,409	\$3,756	\$5,523	\$9,258	\$11,424	\$1,829	\$3,518	\$12,429	\$10,211	\$3,747	\$5,922	\$8,457	\$8,720

APPENDIX 3e: GAS UTILITY FINANCIAL RATIOS

2014 Data, 84 Utilities Reporting Stratified by Type of Company	Gas Utilities 51 firms				Combination Utilities 25 firms				Municipal Utilities 8 firms				All Companies 84 firms			
	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG
Therms delivered (avg.) per acct.	1,462	1,944	2,370	2,171	1,343	1,923	2,834	2,103	1,229	1,508	1,903	1,510	1,397	1,936	2,447	2,244
Therms per \$1,000 of gas plant	0.531	0.722	0.974	0.734	0.407	0.759	0.914	0.741	0.412	0.945	1.141	0.836	0.440	0.741	1.014	0.770
Value of gas plant per customer	\$2,173	\$2,874	\$3,740	\$3,378	\$2,605	\$2,874	\$3,458	\$3,101	\$1,699	\$1,927	\$2,706	\$2,251	\$2,206	\$2,826	\$3,695	\$3,249
%Sales firm (not interruptible)	94.0%	99.4%	100.0%	94.4%	90.5%	97.8%	99.8%	92.0%	91.1%	97.9%	100.0%	91.2%	94.2%	99.2%	100.0%	104.5%
Collection period (days) 1/	23.8	30.8	46.0	38.1	23.4	28.2	36.4	29.2	29.8	38.2	57.7	48.9	23.9	30.1	41.8	36.1
Gas O&M expense as pct. of revenue	66.1%	74.4%	78.4%	72.0%	68.6%	73.4%	80.8%	73.8%	80.3%	83.3%	88.4%	83.9%	68.5%	75.8%	80.5%	73.9%
Gas operating income as pct. of revenue	8.0%	10.1%	12.7%	10.8%	7.4%	9.6%	11.0%	10.5%	3.7%	6.4%	14.1%	9.0%	7.3%	9.8%	12.7%	10.4%
Gas operating revenue per customer	\$1,008	\$1,203	\$1,438	\$1,237	\$1,092	\$1,291	\$1,441	\$1,298	\$1,079	\$1,208	\$1,367	\$1,298	\$1,045	\$1,234	\$1,474	\$1,280
Gas O&M expense per customer	\$694	\$912	\$1,018	\$899	\$795	\$893	\$1,039	\$956	\$962	\$984	\$1,067	\$1,095	\$779	\$920	\$1,054	\$951
Gas operating income per customer	\$84	\$128	\$154	\$134	\$79	\$121	\$144	\$134	\$35	\$96	\$180	\$121	\$79	\$121	\$154	\$133
Gas revenue per dollar of gas plant	\$0.335	\$0.378	\$0.468	\$0.417	\$0.357	\$0.401	\$0.477	\$0.435	\$0.372	\$0.617	\$0.880	\$0.686	\$0.346	\$0.388	\$0.509	\$0.446
Gas O&M expense per dollar of gas plant	\$0.234	\$0.284	\$0.365	\$0.313	\$0.248	\$0.284	\$0.360	\$0.327	\$0.299	\$0.531	\$0.702	\$0.588	\$0.242	\$0.294	\$0.389	\$0.342
Gas operating income per \$ of gas plant	\$0.032	\$0.038	\$0.046	\$0.040	\$0.031	\$0.041	\$0.055	\$0.044	\$0.018	\$0.048	\$0.054	\$0.053	\$0.031	\$0.040	\$0.050	\$0.042
Gas revenue per mile of pipe 2/	\$38,997	\$54,532	\$77,537	\$70,579	\$51,010	\$73,463	\$98,370	\$93,402	\$58,534	\$101,210	\$138,833	\$112,744	\$42,629	\$58,427	\$97,174	\$81,324
Gas O&M expense per mile of pipe 2/	\$28,713	\$38,516	\$55,101	\$51,018	\$39,688	\$53,284	\$70,496	\$66,284	\$50,671	\$79,862	\$123,963	\$94,975	\$30,614	\$47,573	\$76,154	\$59,912
Gas operating income per mile of pipe 2/	\$3,839	\$6,347	\$8,205	\$7,409	\$3,756	\$5,523	\$9,258	\$11,424	\$1,829	\$3,518	\$12,429	\$10,211	\$3,747	\$5,922	\$8,457	\$8,720
Long-term debt - total assets ratio 1/	17.6%	24.2%	28.5%	23.3%	23.5%	26.5%	29.6%	26.5%	3.8%	13.1%	43.7%	23.1%	18.4%	25.9%	28.8%	24.4%
Long-term debt - total capitalization ratio 1/3/	35.1%	43.1%	47.7%	38.9%	39.2%	46.7%	48.7%	42.4%	4.0%	15.4%	48.9%	26.7%	36.5%	43.8%	48.3%	39.1%
Net interest - long-term debt ratio 1/	4.8%	5.5%	5.9%	5.5%	4.7%	4.9%	5.3%	4.9%	4.3%	4.6%	5.2%	4.2%	4.6%	5.1%	5.9%	5.2%
EBITDA interest coverage 1/	6.5x	8.0x	10.4x	9.8x	7.5x	8.0x	9.0x	8.6x	1.5x	3.1x	8.4x	9.5x	6.7x	8.0x	9.7x	9.3x
Return on assets	1.9%	3.0%	3.6%	2.9%	2.5%	3.0%	3.4%	3.2%	2.1%	3.4%	4.1%	3.1%	2.2%	3.0%	3.8%	3.0%
Gross sales margin per therm 4/	\$0.225	\$0.306	\$0.400	\$0.356	\$0.196	\$0.285	\$0.511	\$0.393	\$0.233	\$0.280	\$0.382	\$0.359	\$0.199	\$0.283	\$0.432	\$0.363
Gross sales margin per customer 4/	\$6	\$571	\$764	\$627	\$421	\$574	\$735	\$617	\$411	\$436	\$533	\$504	\$449	\$550	\$761	\$617

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	2012	2013	2014		2012	2013	2014		2012	2013	2014		2012	2013	2014
Gas-only revenues	\$0.6691	\$0.6883	\$0.7070		\$0.7087	\$0.8467	\$0.8197		\$0.8621	\$0.8734	\$0.9102		\$0.6723	\$0.7448	\$0.7557
Purchased-gas expense	\$0.2649	\$0.2862	\$0.2606		\$0.2605	\$0.3786	\$0.4073		\$0.4001	\$0.2920	\$0.4579		\$0.2787	\$0.3077	\$0.3173
Gross sales margin	\$0.3625	\$0.3591	\$0.3562		\$0.3265	\$0.4418	\$0.3931		\$0.4073	\$0.4755	\$0.3854		\$0.3604	\$0.3908	\$0.3672
Total production costs ¹	\$0.3066	\$0.3291	\$0.3507		\$0.2790	\$0.4048	\$0.4266		\$0.4043	\$0.3979	\$0.5248		\$0.3119	\$0.3539	\$0.3885
Storage & LNG	\$0.0042	\$0.0035	\$0.0013		\$0.0108	\$0.0026	-\$0.0022		\$0.0027	\$0.0019	\$0.0006		\$0.0053	\$0.0031	\$0.0003
Transmission	\$0.0098	\$0.0087	\$0.0104		\$0.0084	\$0.0071	\$0.0104		\$0.0045	\$0.0023	\$0.0066		\$0.0090	\$0.0076	\$0.0097
Distribution	\$0.0521	\$0.0462	\$0.0557		\$0.0470	\$0.0626	\$0.0549		\$0.0537	\$0.0580	\$0.0958		\$0.0513	\$0.0512	\$0.0584
Customer accounts	\$0.0273	\$0.0253	\$0.0252		\$0.0271	\$0.0307	\$0.0284		\$0.0260	\$0.0257	\$0.0305		\$0.0271	\$0.0265	\$0.0260
Customer svc. & info.	\$0.0067	\$0.0040	\$0.0048		\$0.0089	\$0.0158	\$0.0158		\$0.0119	\$0.0114	\$0.0153		\$0.0077	\$0.0075	\$0.0089
Sales	\$0.0020	\$0.0011	\$0.0013		\$0.0021	\$0.0041	\$0.0033		\$0.0057	\$0.0045	\$0.0059		\$0.0024	\$0.0022	\$0.0023
Admin. & general	\$0.0750	\$0.0860	\$0.0647		\$0.0697	\$0.0841	\$0.0762		\$0.0919	\$0.0692	\$0.0800		\$0.0758	\$0.0837	\$0.0695
Total O&M	\$0.4837	\$0.5026	\$0.5155		\$0.4529	\$0.6117	\$0.6112		\$0.6009	\$0.6925	\$0.7595		\$0.4905	\$0.5485	\$0.5636
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	39.6%	41.6%	36.9%		36.8%	44.7%	49.7%		46.4%	33.4%	50.3%		41.5%	41.3%	42.0%
Gross sales margin	54.2%	52.2%	50.4%		46.1%	52.2%	48.0%		47.2%	54.4%	42.3%		53.6%	52.5%	48.6%
Total production costs ¹	45.8%	47.8%	49.6%		39.4%	47.8%	52.0%		46.9%	45.6%	57.7%		46.4%	47.5%	51.4%
Storage & LNG	0.6%	0.5%	0.2%		1.5%	0.3%	-0.3%		0.3%	0.2%	0.1%		0.8%	0.4%	0.0%
Transmission	1.5%	1.3%	1.5%		1.2%	0.8%	1.3%		0.5%	0.3%	0.7%		1.3%	1.0%	1.3%
Distribution	7.8%	6.7%	7.9%		6.6%	7.4%	6.7%		6.2%	6.6%	10.5%		7.6%	6.9%	7.7%
Customer accounts	4.1%	3.7%	3.6%		3.8%	3.6%	3.5%		3.0%	2.9%	3.4%		4.0%	3.6%	3.4%
Customer svc. & info.	1.0%	0.6%	0.7%		1.3%	1.9%	1.9%		1.4%	1.3%	1.7%		1.1%	1.0%	1.2%
Sales	0.3%	0.2%	0.2%		0.3%	0.5%	0.4%		0.7%	0.5%	0.7%		0.4%	0.3%	0.3%
Admin. & general	11.2%	12.5%	9.1%		9.8%	9.9%	9.3%		10.7%	7.9%	8.8%		11.3%	11.2%	9.2%
Total O&M	72.3%	73.0%	72.9%		63.9%	72.2%	74.6%		69.7%	79.3%	83.5%		72.9%	73.6%	74.6%
VALUES PER CUSTOMER															
Gas-only revenues	\$976	\$1,058	\$1,203		\$1,017	\$1,219	\$1,291		\$963	\$1,171	\$1,208		\$981	\$1,093	\$1,234
Purchased-gas expense	\$405	\$519	\$427		\$466	\$578	\$643		\$539	\$522	\$697		\$451	\$528	\$569
Gross sales margin	\$508	\$536	\$571		\$539	\$564	\$574		\$423	\$444	\$436		\$514	\$531	\$550
Total production costs ¹	\$454	\$528	\$600		\$461	\$570	\$648		\$540	\$642	\$750		\$462	\$541	\$643
Storage & LNG	\$-	\$-	\$-		\$-	\$0	\$0		\$3	\$-	\$-		\$-	\$-	\$-
Transmission	\$1	\$7	\$5		\$6	\$0	\$3		\$2	\$-	\$-		\$2	\$3	\$4
Distribution	\$70	\$70	\$84		\$72	\$75	\$79		\$73	\$83	\$108		\$72	\$74	\$84
Customer accounts	\$37	\$35	\$37		\$43	\$40	\$43		\$31	\$31	\$30		\$37	\$35	\$38
Customer svc. & info.	\$3	\$2	\$2		\$5	\$24	\$23		\$6	\$4	\$12		\$5	\$4	\$5
Sales	\$1	\$1	\$1		\$-	\$1	\$1		\$2	\$-	\$1		\$1	\$1	\$1
Admin. & general	\$98	\$117	\$106		\$113	\$112	\$103		\$101	\$71	\$100		\$108	\$115	\$107
Total O&M	\$698	\$813	\$912		\$788	\$869	\$956		\$761	\$875	\$984		\$710	\$825	\$920

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

APPENDIX 5: WAGES & BENEFITS
2014 Data, 84 Utilities Reporting

	Gas Utilities				Combination Utilities				Municipal Utilities				All Companies			
	51 firms				25 firms				8 firms				84 firms			
	LQ	MED	UQ	AVG.	LQ	MED	UQ	AVG.	LQ	MED	UQ	AVG.	LQ	MED	UQ	AVG.
Average number of employees	114	565	1,062	962	190	426	1,023	894	11	134	476	368	129	436	1,051	860
Number of Employees at year-end	114	562	1,032	978	234	412	1,041	912	11	134	452	371	139	421	1,040	876
O&M wages ('000)	\$4,186	\$30,297	\$61,655	\$58,651	\$14,545	\$42,472	\$74,582	\$74,701	\$1,824	\$12,537	\$25,350	\$23,976	\$6,420	\$28,146	\$61,479	\$57,812
Construction wages ('000)	\$501	\$5,682	\$24,609	\$21,499	\$4,263	\$16,932	\$33,526	\$39,753	\$0	\$2,114	\$5,085	\$3,485	\$1,332	\$5,851	\$23,896	\$23,699
Total pensions ('000)	\$373	\$9,798	\$31,909	\$23,400	\$2,692	\$13,297	\$28,187	\$20,988	\$1,943	\$4,812	\$19,736	\$16,745	\$1,263	\$8,169	\$28,714	\$21,737
PER YEAR END EMPLOYEE:																
Total salary & wages	\$64,335	\$74,953	\$84,330	\$76,870	\$89,167	\$105,115	\$126,669	\$118,224	\$50,853	\$71,597	\$78,741	\$65,616	\$65,501	\$82,521	\$94,696	\$87,724
Tot. benefits & pension	\$8,992	\$22,247	\$29,401	\$20,651	\$13,037	\$15,531	\$40,827	\$41,572	\$26,779	\$35,579	\$44,965	\$34,818	\$11,374	\$23,181	\$34,503	\$27,918
Total salary, benefits, and pension	\$75,460	\$93,710	\$111,011	\$97,521	\$111,519	\$123,425	\$151,400	\$159,796	\$77,712	\$112,629	\$117,174	\$100,434	\$81,393	\$105,412	\$123,742	\$115,642
Ratio: avg. benefits to avg. compensation	11%	23%	32%	20%	12%	17%	26%	20%	30%	33%	42%	37%	12%	23%	32%	22%
Therms delivered per year-end employee	805,398	1,245,424	1,975,868	1,547,725	1,048,847	1,430,522	1,976,173	1,845,975	185,036	476,837	890,063	752,207	867,674	1,285,283	2,004,976	1,621,802
Customers per year-end employee	484	653	859	712	646	798	1,237	981	334	488	542	467	484	657	870	755

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		
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
Asset Turnover	0.39X	0.41X	0.41X	0.35X	0.35X	0.33X	0.34X	0.48X	0.53X	0.36X	0.40X	0.39X
Financial Leverage	67.8%	67.3%	67.6%	69.2%	67.4%	68.5%	51.0%	48.9%	39.6%	67.5%	66.7%	67.6%
Debt/Equity Ratio	72.2%	73.8%	75.8%	93.3%	87.6%	87.5%	74.8%	24.6%	18.6%	79.2%	77.6%	78.7%
Equity Multiplier	3.15	3.07	3.09	3.40	3.14	3.24	1.93	2.16	1.74	3.15	3.06	3.10
Profit Margin	6.8%	7.2%	7.1%	9.4%	8.7%	9.0%	9.7%	8.2%	7.8%	7.6%	7.8%	7.6%
ROA	2.8%	3.0%	3.0%	3.0%	3.0%	3.0%	2.4%	3.2%	3.4%	2.8%	3.0%	3.0%
ROE	9.6%	10.0%	9.3%	9.8%	9.5%	9.7%	5.5%	7.6%	5.9%	9.6%	9.7%	9.2%
Current Ratio	0.82	0.84	0.84	1.09	1.18	1.03	2.36	3.34	2.56	0.95	0.92	0.94
Current Assets/Total Assets	13.5%	13.3%	12.2%	8.5%	8.8%	8.8%	20.3%	24.6%	25.1%	12.5%	13.1%	11.9%

<i>Based on Segment Averages</i>	Gas Utilities			Combination Utilities			Municipal Utilities			All Companies		
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
Asset Turnover	0.49X	0.45X	0.46X	0.33X	0.35X	0.33X	0.33X	0.46X	0.51X	0.44X	0.43X	0.43X
Financial Leverage	65.7%	62.3%	64.2%	65.8%	66.7%	66.5%	48.4%	42.2%	40.7%	64.1%	61.1%	62.7%
Debt/Equity Ratio	69.9%	73.2%	75.2%	90.4%	89.6%	90.4%	110.4%	220.0%	65.8%	78.0%	93.4%	79.0%
Equity Multiplier	3.44	3.12	3.10	3.34	3.10	3.22	2.37	5.83	2.08	3.31	3.42	3.03
Profit Margin	6.7%	7.7%	7.1%	10.4%	8.9%	10.7%	14.6%	7.6%	7.1%	8.3%	8.0%	8.2%
ROA	2.3%	2.6%	2.9%	3.2%	3.0%	3.2%	4.2%	3.5%	3.1%	2.7%	2.8%	3.0%
ROE	9.7%	7.8%	8.9%	10.7%	9.2%	9.9%	7.3%	17.4%	6.0%	9.7%	9.2%	9.0%
Current Ratio	0.98	0.87	0.87	1.48	1.54	1.17	3.12	3.67	3.35	1.29	1.34	1.24
Current Assets/Total Assets	15.8%	14.8%	13.9%	10.2%	11.3%	10.3%	20.7%	27.7%	25.4%	15.2%	15.4%	14.1%

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		
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
Operating revenue	\$0.6355	\$0.6883	\$0.7070	\$0.7087	\$0.8467	\$0.8197	\$0.8621	\$0.8734	\$0.9102	\$0.6723	\$0.7448	\$0.7557
Operating expense	\$0.4384	\$0.4844	\$0.4960	\$0.4818	\$0.5849	\$0.5819	\$0.6455	\$0.6605	\$0.7269	\$0.4672	\$0.5268	\$0.5406
Maintenance expense	\$0.0212	\$0.0182	\$0.0194	\$0.0240	\$0.0268	\$0.0293	\$0.0361	\$0.0320	\$0.0326	\$0.0233	\$0.0217	\$0.0230
Total O&M	\$0.4596	\$0.5026	\$0.5155	\$0.5058	\$0.6117	\$0.6112	\$0.6816	\$0.6925	\$0.7595	\$0.4905	\$0.5485	\$0.5636
Depreciation	\$0.0504	\$0.0523	\$0.0512	\$0.0487	\$0.0577	\$0.0513	\$0.0666	\$0.0557	\$0.0429	\$0.0516	\$0.0539	\$0.0505
Depletion	\$0.0006	\$0.0008	\$0.0002	\$0.0030	\$0.0016	\$0.0027	\$ -	\$-	\$-	\$0.0010	\$0.0009	\$0.0009
Amortization	\$0.0010	\$0.0016	\$0.0018	\$0.0049	\$0.0047	\$0.0030	\$0.0014	\$0.0014	\$0.0033	\$0.0018	\$0.0023	\$0.0022
Prop. loss charged to operations	\$0.0001	\$0.0000	\$-	\$ -	\$0.0000	\$0.0001	\$ -	\$-	\$0.0004	\$0.0001	\$0.0000	\$0.0001
Total taxes	\$0.0550	\$0.0594	\$0.0652	\$0.0715	\$0.0791	\$0.0722	\$0.0314	\$0.0205	\$0.0189	\$0.0561	\$0.0595	\$0.0623
Other operating income	\$0.0011	\$0.0033	\$0.0000	\$(0.0018)	\$(0.0041)	\$(0.0018)	\$0.0073	\$(0.0175)	\$(0.0142)	\$0.0011	\$(0.0007)	\$(0.0019)
Total operating income	\$0.0688	\$0.0716	\$0.0731	\$0.0747	\$0.0919	\$0.0792	\$0.0811	\$0.1033	\$0.0851	\$0.0712	\$0.0798	\$0.0761

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		
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
Operating revenue	\$1,025	\$1,160	\$1,237	\$1,111	\$1,227	\$1,298	\$966	\$1,246	\$1,298	\$1,037	\$1,185	\$1,280
Operating expense	\$718	\$816	\$866	\$752	\$834	\$912	\$724	\$955	\$1,051	\$725	\$835	\$914
Maintenance expense	\$32	\$29	\$33	\$36	\$35	\$45	\$42	\$46	\$44	\$34	\$32	\$37
Total O&M	\$750	\$844	\$899	\$788	\$869	\$956	\$766	\$1,001	\$1,095	\$759	\$868	\$951
Depreciation	\$79	\$86	\$88	\$76	\$79	\$77	\$72	\$73	\$55	\$78	\$83	\$83
Depletion	\$1	\$3	\$0	\$3	\$3	\$4	\$ -	\$-	\$-	\$1	\$3	\$2
Amortization	\$1	\$2	\$3	\$8	\$5	\$4	\$1	\$1	\$4	\$3	\$3	\$3
Prop. loss charged to operations	\$-	\$0	\$-	\$ -	\$0	\$0	\$ -	\$-	\$1	\$-	\$0	\$0
Total taxes	\$92	\$99	\$113	\$115	\$126	\$122	\$33	\$23	\$23	\$91	\$96	\$108
Other operating income	\$8	\$3	\$0	\$3	\$(6)	\$(3)	\$8	\$(33)	\$(28)	\$7	\$(3)	\$(3)
Total operating income	\$102	\$126	\$134	\$122	\$145	\$134	\$94	\$148	\$121	\$105	\$133	\$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		
	2012	2013	2014		2012	2013	2014		2012	2013	2014		2012	2013	2014
Operating revenue	\$0.3762	\$0.3889	\$0.4170		\$0.3837	\$0.3822	\$0.4355		\$0.3855	\$0.5024	\$0.6858		\$0.3786	\$0.4001	\$0.4462
Operating expense	\$0.2705	\$0.2829	\$0.3019		\$0.2666	\$0.2677	\$0.3129		\$0.2969	\$0.3823	\$0.5691		\$0.2722	\$0.2907	\$0.3299
Maintenance expense	\$0.0139	\$0.0098	\$0.0109		\$0.0115	\$0.0107	\$0.0145		\$0.0158	\$0.0177	\$0.0193		\$0.0136	\$0.0109	\$0.0125
Total O&M	\$0.2844	\$0.2927	\$0.3128		\$0.2780	\$0.2784	\$0.3274		\$0.3127	\$0.3999	\$0.5884		\$0.2858	\$0.3015	\$0.3425
Depreciation	\$0.0265	\$0.0265	\$0.0275		\$0.0263	\$0.0246	\$0.0251		\$0.0265	\$0.0261	\$0.0265		\$0.0265	\$0.0261	\$0.0266
Depletion	\$0.0001	\$0.0011	\$0.0001		\$0.0010	\$0.0008	\$0.0013		\$ -	\$-	\$-		\$0.0003	\$0.0009	\$0.0005
Amortization	\$0.0009	\$0.0014	\$0.0017		\$0.0025	\$0.0016	\$0.0014		\$0.0004	\$0.0004	\$0.0046		\$0.0012	\$0.0013	\$0.0018
Prop. loss charged to operations	\$-	\$0.0000	\$-		\$ -	\$0.0000	\$0.0001		\$ -	\$-	\$0.0003		\$-	\$0.0000	\$0.0001
Total taxes	\$0.0302	\$0.0312	\$0.0346		\$0.0361	\$0.0360	\$0.0362		\$0.0126	\$0.0098	\$0.0132		\$0.0297	\$0.0299	\$0.0328
Other operating income	\$0.0020	\$0.0006	\$0.0001		\$(0.0021)	\$(0.0005)	\$(0.0008)		\$0.0031	\$(0.0205)	\$(0.0169)		\$0.0013	\$(0.0020)	\$(0.0018)
Total operating income	\$0.0339	\$0.0360	\$0.0401		\$0.0397	\$0.0408	\$0.0438		\$0.0333	\$0.0661	\$0.0528		\$0.0350	\$0.0405	\$0.0420

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		
	2012	2013	2014		2012	2013	2014		2012	2013	2014		2012	2013	2014
Operating revenue	\$58,472	\$68,837	\$70,579		\$84,155	\$85,549	\$93,402		\$68,692	\$81,996	\$112,744		\$64,794	\$74,065	\$81,324
Operating expense	\$40,420	\$47,169	\$48,868		\$53,531	\$55,274	\$62,857		\$50,392	\$61,396	\$91,377		\$44,111	\$50,621	\$57,299
Maintenance expense	\$1,761	\$1,889	\$2,150		\$3,150	\$2,871	\$3,427		\$3,025	\$3,305	\$3,597		\$2,173	\$2,272	\$2,614
Total O&M	\$42,182	\$49,059	\$51,018		\$56,681	\$58,145	\$66,284		\$53,417	\$64,701	\$94,975		\$46,284	\$52,893	\$59,912
Depreciation	\$4,303	\$4,863	\$4,847		\$6,072	\$5,753	\$5,779		\$4,548	\$4,455	\$4,690		\$4,693	\$5,011	\$5,102
Depletion	\$28	\$137	\$29		\$146	\$104	\$249		\$ -	\$-	\$-		\$49	\$114	\$90
Amortization	\$217	\$174	\$230		\$633	\$382	\$335		\$29	\$45	\$837		\$285	\$204	\$310
Prop. loss charged to operations	\$14	\$2	\$-		\$ -	\$1	\$39		\$ -	\$-	\$47		\$10	\$2	\$16
Total taxes	\$5,717	\$6,631	\$7,045		\$11,323	\$10,986	\$9,292		\$1,859	\$1,301	\$1,983		\$6,503	\$6,970	\$7,173
Other operating income	\$456	\$(74)	\$(13)		\$2,904	\$(16)	\$(288)		\$431	\$(2,581)	\$(2,182)		\$961	\$(354)	\$(301)
Total operating income	\$6,012	\$7,972	\$7,409		\$9,301	\$10,178	\$11,424		\$8,839	\$11,495	\$10,211		\$6,970	\$8,871	\$8,720

APPENDIX 7b: GAS UTILITY FINANCIAL RATIOS
Based on Segment Averages

Stratified by Type of Company

		Gas Utilities				Combination Utilities				Municipal Utilities				All Companies		
		2012	2013	2014		2012	2013	2014		2012	2013	2014		2012	2013	2014
Therms delivered (avg.) per acct.		2,126	2,296	2,171		2,047	2,002	2,103		1,159	1,488	1,510		2,017	2,139	2,244
Therms per \$1,000 of gas plant		0.785	0.764	0.734		0.770	0.684	0.741		0.482	0.645	0.836		0.753	0.733	0.770
Value of gas plant per customer		\$3,054	\$3,375	\$3,378		\$2,960	\$3,689	\$3,101		\$2,704	\$2,756	\$2,251		\$3,001	\$3,376	\$3,249
%Sales firm (not interruptible)		94%	94%	94%		94%	94%	92%		86%	89%	91%		93%	94%	105%
Collection period (days)	1/	33.6	45.6	38.1		30.7	32.3	29.2		37.5	35.9	48.9		33.4	41.6	36.1
Gas O&M expense as pct. of revenue		73%	72%	72%		72%	72%	74%		80%	80%	84%		73%	73%	74%
Gas oper. income as pct. of revenue		10%	11%	11%		10%	11%	11%		9%	12%	9%		10%	11%	10%
Gas operating revenue per customer		\$1,025	\$1,160	\$1,237		\$1,111	\$1,227	\$1,298		\$966	\$1,246	\$1,298		\$1,037	\$1,185	\$1,280
Gas O&M expense per customer		\$750	\$844	\$899		\$788	\$869	\$956		\$766	\$1,001	\$1,095		\$759	\$868	\$951
Gas operating income per customer		\$102	\$126	\$134		\$122	\$145	\$134		\$94	\$148	\$121		\$105	\$133	\$133
Gas revenue per dollar of gas plant		\$0.3762	\$0.3889	\$0.4170		\$0.3837	\$0.3822	\$0.4355		\$0.3855	\$0.5024	\$0.6858		\$0.3786	\$0.4001	\$0.4462
Gas O&M expense per \$ of gas plant		\$0.2844	\$0.2927	\$0.3128		\$0.2780	\$0.2784	\$0.3274		\$0.3127	\$0.3999	\$0.5884		\$0.2858	\$0.3015	\$0.3425
Gas oper. income per \$ of gas plant		\$0.0339	\$0.0360	\$0.0401		\$0.0397	\$0.0408	\$0.0438		\$0.0333	\$0.0661	\$0.0528		\$0.0350	\$0.0405	\$0.0420
Gas revenue per mile of pipe	2/	\$57,858	\$68,230	\$70,579		\$84,155	\$85,549	\$93,402		\$68,692	\$81,996	\$112,744		\$64,288	\$73,593	\$81,324
Gas O&M expense per mile of pipe	2/	\$41,827	\$48,649	\$51,018		\$56,681	\$58,145	\$66,284		\$53,417	\$64,701	\$94,975		\$45,987	\$52,571	\$59,912
Gas oper. income per mile of pipe	2/	\$5,869	\$7,887	\$7,409		\$9,301	\$10,178	\$11,424		\$8,839	\$11,495	\$10,211		\$6,858	\$8,803	\$8,720
LT debt - total assets ratio	1/	20.6%	21.7%	23.3%		27.6%	28.6%	26.5%		37.6%	27.0%	23.1%		23.6%	23.9%	24.4%
LT debt - total capitalization ratio	1/3/	36.6%	37.5%	38.9%		44.4%	44.5%	42.4%		41.9%	37.2%	26.7%		38.7%	39.0%	39.1%
Net interest - long-term debt ratio	1/	6.1%	5.7%	5.5%		5.0%	5.1%	4.9%		4.1%	4.4%	4.2%		5.6%	5.4%	5.2%
EBITDA interest coverage	1/	8.7x	9.3x	9.8x		8.0x	8.1x	8.6x		9.0x	7.0x	9.5x		8.6x	8.8x	9.3x
Return on assets		2.3%	2.6%	2.9%		3.2%	3.0%	3.2%		4.2%	3.5%	3.1%		2.7%	2.8%	3.0%

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

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

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

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

APPENDIX 8: GAS UTILITY WAGES AND BENEFITS

Based on Segment Averages

Stratified by Type of Company

		Gas Utilities				Combination Utilities					Municipal Utilities				All Companies		
		2012	2013	2013		2012	2013	2013			2012	2013	2013		2012	2013	2013
Average number of employees		891	969	962		638	688	894			425	425	368		776	826	860
Number of Employees at year-end		875	998	978		670	703	912			404	423	371		769	845	876
O&M wages ('000)		\$50,608	\$57,958	\$58,651		\$41,238	\$43,638	\$74,701			\$23,556	\$27,716	\$23,976		\$44,665	\$49,739	\$57,812
Construction wages ('000)		\$14,405	\$16,986	\$21,499		\$19,257	\$21,967	\$39,753			\$2,945	\$3,440	\$3,485		\$13,590	\$15,802	\$23,699
Total pensions ('000)		\$23,684	\$23,430	\$23,400		\$33,152	\$31,249	\$20,988			\$19,275	\$21,321	\$16,745		\$24,702	\$24,629	\$21,737
PER EMPLOYEE(1/):																	
Total salary & wages		\$73,287	\$72,900	\$76,870		\$90,745	\$96,010	\$118,224			\$53,832	\$63,140	\$65,616		\$75,043	\$77,676	\$87,724
Tot. benefits & pension		\$23,707	\$20,508	\$20,651		\$70,797	\$57,439	\$41,572			\$33,585	\$37,341	\$34,818		\$33,585	\$30,636	\$27,918
Total salary, benefits, and pension		\$96,993	\$93,407	\$97,521		\$161,542	\$153,449	\$159,796			\$87,417	\$100,480	\$100,434		\$108,628	\$108,312	\$115,642
Ratio: avg. benefits to avg. compensation		22.8%	21.0%	20.0%		33.9%	32.0%	19.8%			40.3%	37.3%	37.0%		26.5%	25.4%	21.8%
Therms sold per year-end employee		1,330,630	1,471,720	1,547,725		2,112,128	1,812,471	1,845,975			512,669	729,619	752,207		1,463,625	1,548,467	1,621,802
Customers per year-end employee		721	727	712		1,038	1,026	981			413	458	467		746	756	755

1/ year-end employees

APPENDIX 9: Companies Studied

Consolidations are limited to LDC business units.

GAS IOUs	2012	2013	2014	GAS IOUs (cont.)	2013	2013	2014
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
Centerpointe Energy Corp.			X	Southern California Gas	X	X	X
Centerpointe Energy - Minnesota Gas Co	X	X		Southwest Gas Corporation	X	X	X
Centerpointe Energy - Southern Gas - Arkla	X	X		Southwestern Virginia Gas Co.	X	X	X
Centerpointe Energy - Southern Gas - Entex	X	X		Summit Natural Gas of Missouri, Inc.	X	X	X
Chesapeake Utilities Corp	X	X	X	TECO Peoples Gas			X
Citizens Gas & Coke Utility	X	X	X	Texas Gas Service	X	X	X
Colorado Natural Gas	X	X	X	Union Oil & Gas Co.	X	X	X
Columbia Gas of Kentucky	X	X	X	Vectren Energy Delivery		X	X
Columbia Gas of Massachusetts	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				
Columbia Gas of Pennsylvania	X	X	X				
Columbia Gas of Virginia	X	X	X	COMBINATION IOUs	2013	2013	2014
Coming Natural Gas Corp	X	X		Avista Corp	X	X	X
Delta Natural Gas Company	X	X	X	Ameren Illinois Corp.			X
Dominion Peoples		X		Ameren Missouri			X
Dominion East Ohio Gas Company	X	X	X	Baltimore Gas & Electric Co.	X	X	X
DTE Gas Company			X	Black Hills Corporation	X	X	X
Eastern Natural Gas Company	X	X		Central Hudson Gas & Electric Corp.	X	X	X
Enstar Natural Gas Company	X	X	X	Cheyenne Light, Fuel, & Power		X	X
Equitable Resources, Inc.	X			Consolidated Edison of New York	X	X	X
Hope Gas, Inc.	X	X	X	Consumers Energy	X	X	X
Illinois Gas Company	X	X	X	Florida Public Utilities Company	X	X	X
Indiana Gas Company, Inc.	X			Gainesville Regional Utilities	X	X	X
Kansas Gas Service	X	X	X	Madison Gas & Electric Company	X	X	X
KeySpan Energy Delivery - NYC	X	X	X	National Grid - Niagara Mohawk	X	X	X
KeySpan Energy Delivery New England	X	X	X	Northern Indiana Public Service Co.	X		X
KeySpan Gas East - LILCO	X	X	X	Pacific Gas & Electric			X
Kokomo Gas and Fuel Company				PECO Energy Company (consolidated)	X		
Laclede Gas Company	X	X	X	Public Service Enterprises			X
MDU Resources Corporation	X		X	Puget Sound Energy	X	X	X
Michigan Consolidated Gas Co	X	X		San Diego Gas & Electric	X	X	X
Missouri Gas Utility Inc.				Southern Indiana Gas & Elec Co	X		
Mobile Gas Service Corporation	X	X	X	UGI Utilities, Inc.	X	X	X
Mountaineer Gas	X	X	X	WE Energies	X	X	X
Mt. Carmel Public Utility	X	X	X				
Narragansett Gas Co.	X						
National Fuel Gas Company	X	X	X	MUNICIPALS	2013	2013	2014
National Grid - Rhode Island		X	X	Colorado Springs Utilities	X	X	X
New Jersey Natural Gas Company	X	X	X	Knoxville Utilities Board	X	X	
New Mexico Gas Company	X	X	X	Memphis Light, Gas & Water Div	X	X	X
Northwest Natural Gas Company	X	X	X	Metropolitan Util Dist-Omaha	X	X	X
NSTAR Gas	X	X		Middle Tenn Nat Gas Util Dist	X	X	X
Ohio Gas Company	X	X	X	Okaloosa County Gas District	X	X	X
Oklahoma Natural Gas	X	X		Owatonna Public Utilities		X	X
Peoples Gas System, Inc.	X	X		Philadelphia Gas Works	X	X	X
Peoples Natural Gas	X	X	X	Richmond Dept. of Pub. Util., City of	X		
Piedmont Natural Gas Company	X	X	X				
Pike Natural Gas Company	X	X	X				