



Energy Analysis

EA 2014-03

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2010-2012 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 2010 through 2012. 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 83 utilities were included in the 2012 sample, 85 utilities were examined in 2011, and 89 companies were studied for 2010.¹ 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 72 percent of the residential and commercial natural gas consumed in 2012, 67 percent in 2011, and 76 percent in 2010. *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. For the United States as a whole, 2011 and 2012 were amongst the warmest winters on record, and 2010 was a normal winter in terms of heating degree days. The deviation between actual heating degree days (HDDs) versus historic normals will vary by location. This in turn suggests that utility benchmarks may slightly overstate or understate overall utility financial performance or efficiency of operations when impacted by weather.

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

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

² Note that relatively few financial profiles were available for the municipal segment. The operations data used here considers only gas activities. The financial profiles of gas-only and combination municipal utilities are blended together for summary purposes.

III. BENCHMARKING METRICS

Benchmarking metrics created for this study take several forms. Typical accounting ratios, based on income statements and balance sheets, serve as financial performance indicators. Financial statements are also recast in same-size formats, which present line items in percentage terms. Other benchmarks describe numbers of employees, meters, and volumes of gas throughput. All AGA data are summarized so that no individual company statistics are revealed. Additionally, summaries are created which divide the industry into type-of-company segments. These include gas utilities, combination gas and electric utilities, and municipally owned gas utilities.³ Appendix 2 is a series of charts that display the range of observations for selected benchmarking metrics. Appendix 9 shows the list of companies that were included in this analysis.

- *Utility Operating Profiles - Absolute Values (Section IV-A and Appendix 3a).* System profiles are summarized here by type of company. This data includes information on gas volumes delivered as well as the number of customers by class.
- *Financial Statements - Absolute Values (Section IV-B and Appendix 3b).* Income statement and balance sheet data are summarized here by type of company.⁴ Income statement amounts are expressed in absolute dollars in Appendix 3b. Note that these items represent gas operations only.
- *Financial Statements - Same-Size Analysis (Appendix 3c).* The financial statement data shown in absolute values are re-cast in percentage terms for a same-size analysis. Income statement line items are in percentages relative to operating revenue while balance sheet items are expressed as a percentage of total assets. This shows the disposition of a firm's revenue and composition of its asset base without respect to the size of an individual firm.
- *Financial Statements - Per Cost Driver (Section IV-B and Appendix 3d).* Income statements are shown in several formats: per therm delivered, per customer served, per dollar value of gas plant in service, and per mile of main in operation.
- *Financial Ratios (Section IV-D and Appendix 3e).* These are conventional financial analysis tools, and they compare a company's financial status to other firms or types of firms. Ratios are calculated from group totals or averages (explanations are provided in the Glossary, Appendix 1).
- *O&M Detail Analysis (Section IV-C and Appendix 4).* These cost elements represent major gas delivery activities, starting with purchase or production and continuing sequentially through transmission, distribution, customer service, sales activities, and administrative and general (A&G) accounting. These results are also arrayed by type of company. Benchmarks for these data are created by expressing each line item on a basis of annual costs per therm delivered. See Table 3 for more detail.
- *Debt Analysis - Ratios (Section IV-E).* Data are presented to highlight various measures of debt. These include debt as a percent of capitalization and interest coverage ratios. The data in this section necessarily include both gas and electric operations.
- *Wages and benefits: Ratios and Same-Size Analysis (Section IV-G and Appendix 5).* Data about utility employment and benefits profiles are included. These measures are

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

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

intended to illustrate the norms for staffing levels and expenses as they vary by type of firm. Benchmark measures include:

- ▶▶ Total salaries and wages per employee
 - ▶▶ Total benefits and pensions per employee
 - ▶▶ Ratio of total benefits to total compensation
 - ▶▶ Annual therm throughput per employee
 - ▶▶ Average annual customers served per employee
- *Profitability (Section IV-F and Appendix 6).* Profitability is expressed here in terms of return on assets (ROA) as well as return on common equity. Since ROA measures the returns attributable to operations (prior to finance costs), ROA is used to describe the relative economic efficiency of natural gas distribution by industry segment. This section will examine selected cost drivers-- numbers of therms sold, of customers served, dollars of gas plant utilized, and miles of pipe in service-- to evaluate each in terms of its impact on ROA. Additionally, return on equity indicates the rate of return that a firm earns on its equity base. See Table 6 for more detail.

IV. BENCHMARK DISCUSSION

IV-A. OVERVIEW

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

TABLE 1			
UTILITY PROFILES			
STATISTICAL SUMMARY, BY INDUSTRY SEGMENT			
DATA BASED ON SEGMENT AVERAGES			
	2010	2011	2012
All Companies	89 Firms	85 Firms	83 Firms
Number of gas customers	615,277	570,436	589,126
Annual therms delivered ('000)	1,024,085	1,034,685	1,068,705
Annual therms delivered per account	1,931	2,019	2,353
Therms delivered per \$1,000 of gas plant	780	775	749
Density of system ²	59.0	71.3	59.5
Firm sales ³	92.1%	92.5%	91.7%
Gas utilities	60 Firms	59 Firms	58 Firms
Number of gas customers	630,003	638,609	657,749
Annual therms delivered ('000)	1,070,512	1,133,137	1,175,174
Annual therms delivered per account	2,017	2,098	2,607
Therms delivered per \$1,000 of gas plant	801	788	780
Density of system ²	53.6	73.2	53.9
Firm sales ³	93.5%	93.7%	91.9%
Comb. Gas & Electric Utilities¹	20 Firms	17 Firms	17 Firms
Number of gas customers	771,475	545,580	542,701
Annual therms delivered ('000)	1,248,404	1,111,297	1,094,661
Annual therms delivered per account	1,941	2,085	2,047
Therms delivered per \$1,000 of gas plant	790	817	770
Density of system ²	72.8	67.7	75.3
Firm sales ³	92.1%	93.2%	93.7%
Municipal Utilities	9 Firms	9 Firms	8 Firms
Number of gas customers	169,996	170,476	190,263
Annual therms delivered ('000)	216,081	244,564	241,648
Annual therms delivered per account	1,333	1,376	1,159
Therms delivered per \$1,000 of gas plant	617	618	482
Density of system ²	65.0	65.9	66.3
Firm sales ³	83.3%	83.4%	86.0%

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

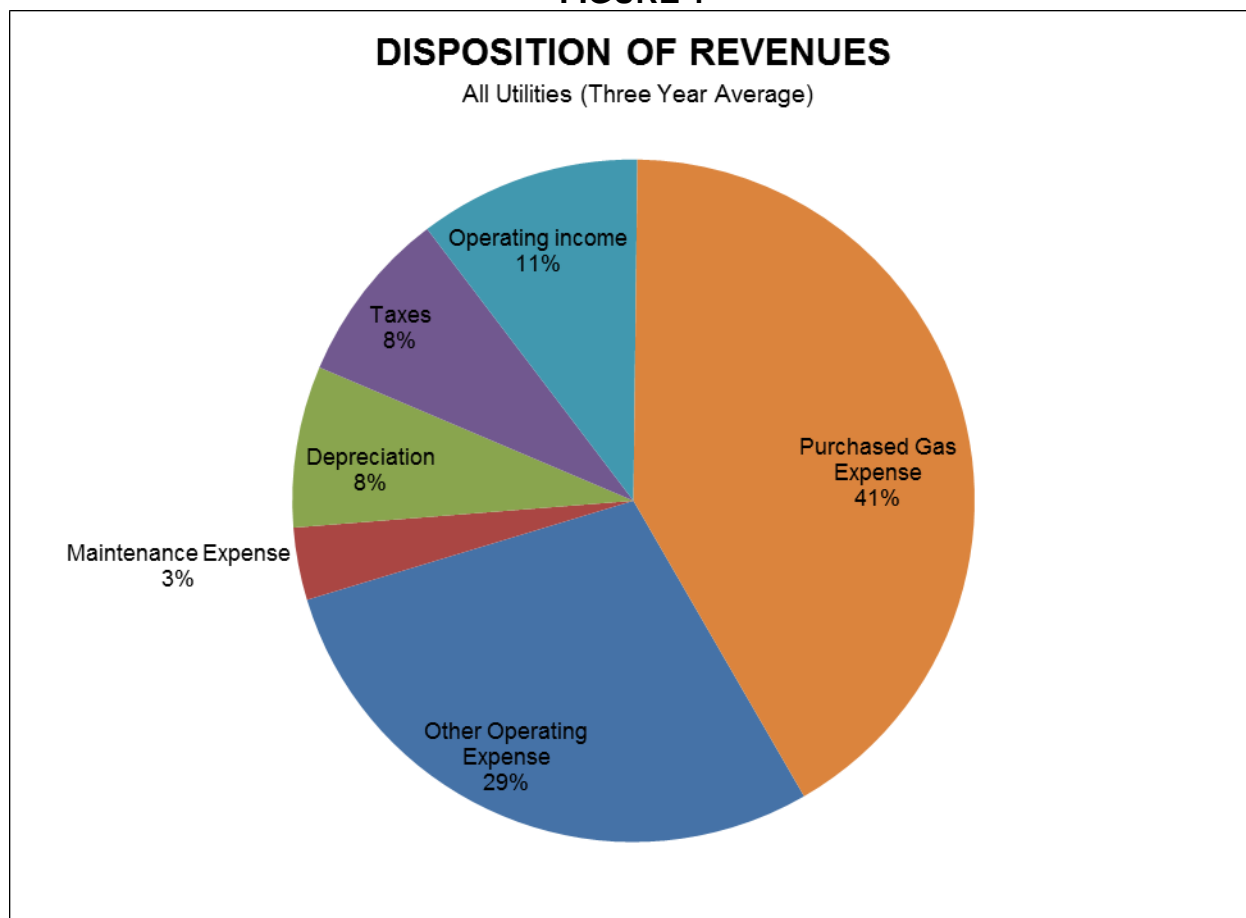
Annual Average Values per Group
Data Based on Segment Averages

	2010	2011	2012
All Companies			
Operating revenue ('000)	\$672,660	\$599,368	\$524,869
Per customer	\$1,273	\$1,220	\$1,037
Per therm	\$0.798	\$0.725	\$0.672
Gross sales margin (Rev. less Pur. Gas, '000)	\$203,995	\$288,864	\$299,027
Per customer	\$350	\$556	\$1,036
Per therm	\$0.216	\$0.337	\$0.369
Collection period (days)	36.1	33.1	33.4
Gas Utilities			
Operating revenue ('000)	\$665,983	\$634,895	\$552,952
Per customer	\$1,257	\$1,207	\$1,025
Per therm	\$0.765	\$0.690	\$0.635
Gross sales margin (Rev. less Pur. Gas, '000)	\$200,630	\$320,680	\$320,743
Per customer	\$348	\$565	\$1,249
Per therm	\$0.210	\$0.330	\$0.375
Collection period (days)	36.9	33.4	33.6
Comb. Gas & Electric Utilities¹			
Operating revenue ('000)	\$896,598	\$683,375	\$584,670
Per customer	\$1,310	\$1,278	\$1,111
Per therm	\$0.792	\$0.760	\$0.709
Gross sales margin (Rev. less Pur. Gas, '000)	\$276,596	\$283,252	\$271,990
Per customer	\$313	\$569	\$556
Per therm	\$0.183	\$0.350	\$0.327
Collection period (days)	34.3	31.0	30.7
Municipal Utilities			
Operating revenue ('000)	\$219,527	\$207,794	\$194,186
Per customer	\$1,299	\$1,198	\$966
Per therm	\$1.035	\$0.894	\$0.862
Gross sales margin (Rev. less Pur. Gas, '000)	\$65,091	\$90,895	\$207,150
Per customer	\$443	\$476	\$515
Per therm	\$0.324	\$0.361	\$0.407
Collection period (days)	35.1	35.1	37.5

Source: AGA

¹ Figures for gas operations only.

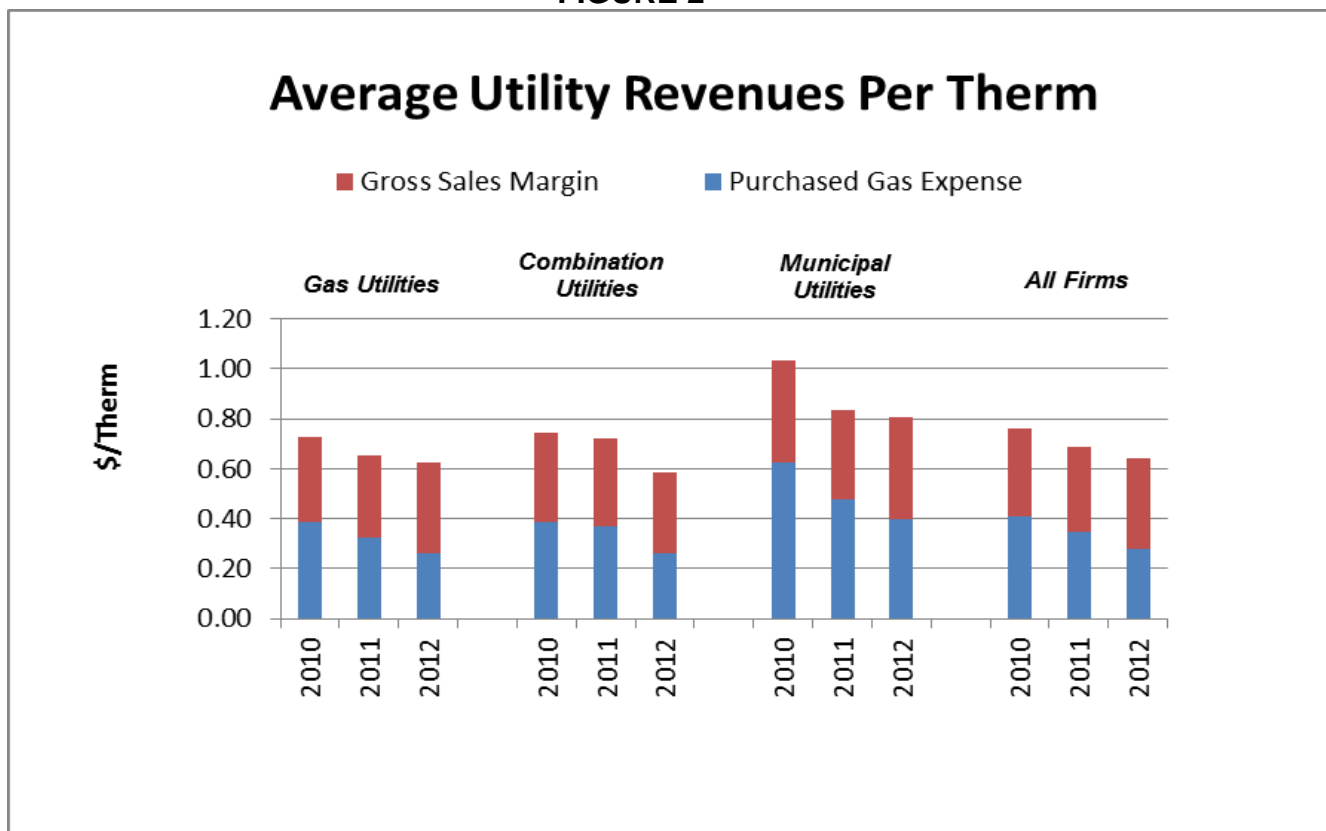
FIGURE 1



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		
	2010	2011	2012	2010	2011	2012
VALUES PER THERM						
Gas-only revenues	\$0.6359	\$0.6898	\$0.6964	\$0.7923	\$0.7599	\$0.7087
Purchased-gas expense	\$0.3855	\$0.3233	\$0.2765	\$0.3884	\$0.3706	\$0.2605
Gross sales margin	\$0.2102	\$0.3299	\$0.3781	\$0.1830	\$0.3496	\$0.3265
Total production costs ²	\$0.4258	\$0.3599	\$0.3182	\$0.4372	\$0.4103	\$0.2790
Storage & LNG	0.0031	0.0043	0.0058	0.00153	0.00167	0.01081
Transmission	0.0087	0.0098	0.0098	0.01000	0.00345	0.00837
Distribution	0.0486	0.0468	0.0563	0.04461	0.04657	0.04698
Customer accounts	0.0325	0.0299	0.0287	0.02964	0.02868	0.02711
Customer svc. & info.	0.0051	0.0044	0.0067	0.01632	0.01577	0.00891
Sales	0.0016	0.0023	0.0023	0.00217	0.00178	0.00205
<u>Admin. & general</u>	0.0711	0.0734	0.0773	0.07096	0.07103	0.06966
Total O&M	0.5952	0.5307	0.5051	\$0.6124	\$0.5793	\$0.4529
SAME-SIZE ANALYSIS						
Gas-only revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Purchased-gas expense	60.6%	46.9%	39.7%	49.0%	48.8%	36.8%
Gross sales margin	33.0%	47.8%	54.3%	23.1%	46.0%	46.1%
Total production costs ²	67.0%	52.2%	45.7%	55.2%	54.0%	39.4%
Storage & LNG	0.5%	0.6%	0.8%	0.2%	0.2%	1.5%
Transmission	1.4%	1.4%	1.4%	1.3%	0.5%	1.2%
Distribution	7.6%	6.8%	8.1%	5.6%	6.1%	6.6%
Customer accounts	5.1%	4.3%	4.1%	3.7%	3.8%	3.8%
Customer svc. & info.	0.8%	0.6%	1.0%	2.1%	2.1%	1.3%
Sales	0.3%	0.3%	0.3%	0.3%	0.2%	0.3%
<u>Admin. & general</u>	11.2%	10.6%	11.1%	9.0%	9.3%	9.8%
Total O&M	93.6%	76.9%	72.5%	77.3%	76.2%	63.9%

Source: AGA, USR.

¹ Figures for gas operations only.

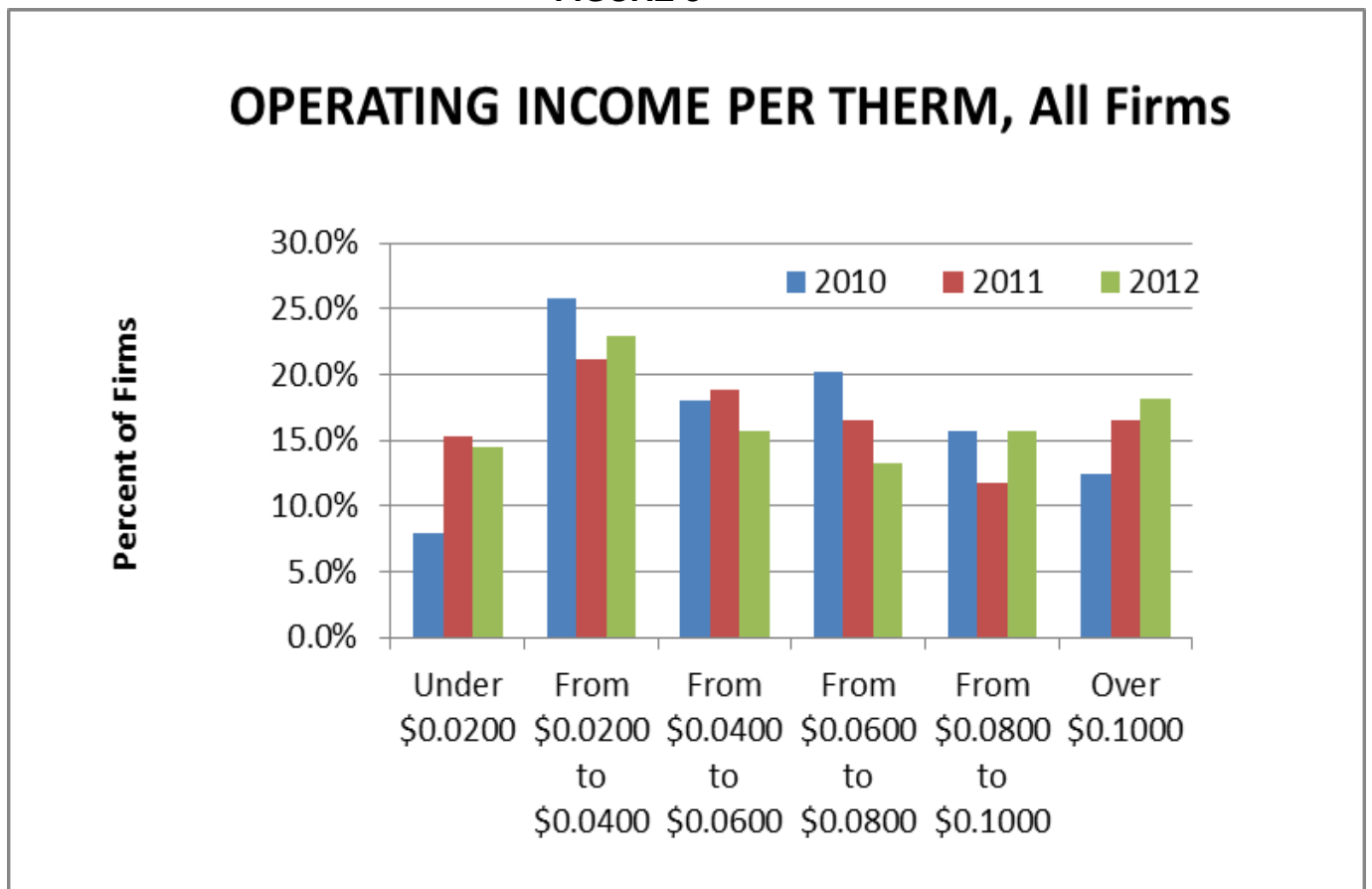
² Purchased-gas expense is subsumed within total production costs.

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		
	2010	2011	2012	2010	2011	2012
Operating revenue, \$000	\$665,983	\$634,895	\$552,952	\$896,598	\$683,375	\$584,670
Total O&M, \$000	\$503,920	\$467,474	\$383,679	\$692,340	\$544,007	\$416,801
Operating income, \$000	\$61,760	\$65,233	\$62,736	\$74,935	\$31,607	\$57,997
Percent of Revenue						
Total O&M	75.7%	73.6%	69.4%	77.2%	79.6%	71.3%
Operating income	9.3%	10.3%	11.3%	8.4%	4.6%	9.9%
Per Therm						
Revenue	\$0.765	\$0.690	\$0.635	\$0.792	\$0.760	\$0.709
Total O&M	\$0.595	\$0.531	\$0.460	\$0.612	\$0.579	\$0.506
Operating income	\$0.066	\$0.063	\$0.069	\$0.072	\$0.062	\$0.075
Per Customer						
Revenue	\$1,257	\$1,207	\$1,025	\$1,310	\$1,278	\$1,111
Total O&M	\$976	\$929	\$750	\$1,018	\$990	\$788
Operating income	\$110	\$105	\$102	\$116	\$93	\$122
Per Dollar of Gas Plant						
Revenue	\$0.501	\$0.462	\$0.376	\$0.490	\$0.465	\$0.384
Total O&M	\$0.402	\$0.365	\$0.284	\$0.384	\$0.364	\$0.278
Operating income	\$0.038	\$0.037	\$0.034	\$0.042	\$0.035	\$0.040
Per Mile of Main²						
Revenue	\$69,335	\$82,106	\$58,472	\$94,929	\$86,801	\$84,155
Total O&M	\$53,170	\$62,271	\$42,182	\$71,444	\$69,527	\$56,681
Operating income	\$6,358	\$7,557	\$6,012	\$8,930	6,909	\$9,301

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.

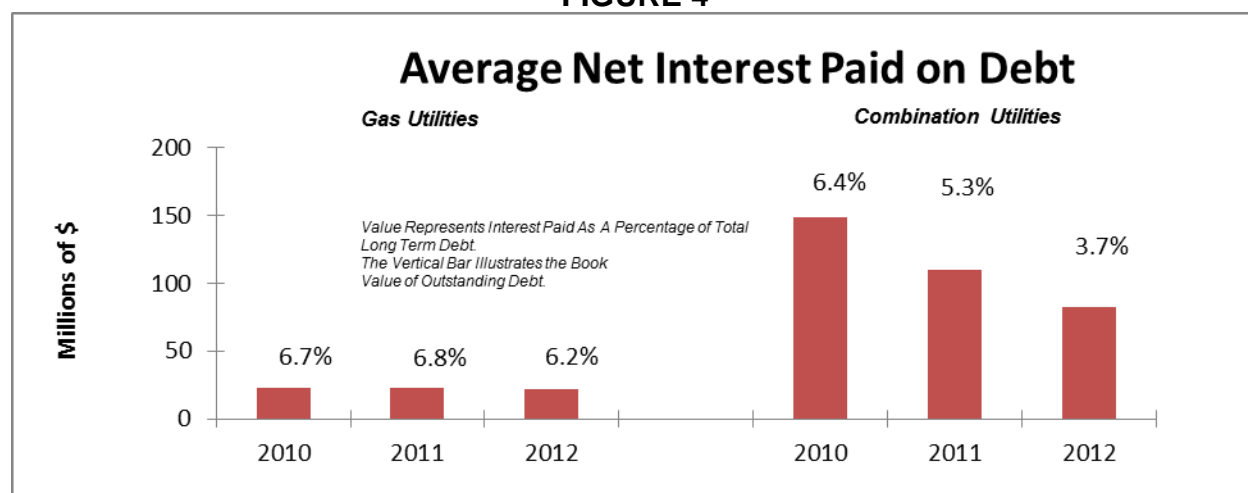
The total cost of capital for a utility reflects that of both debt and equity financing.⁵ Table 5 shows summary descriptors of capital costs for utilities by industry segment.

TABLE 5			
UTILITY DEBT AND DEBT COVERAGE			
AVERAGE VALUES			
	2010	2011	2012
Gas utilities			
Total LT Debt to Total Assets	19.9%	20.4%	20.6%
LT Debt to Total Capitalization	35.4%	37.0%	36.6%
EBITDA Interest Coverage	7.6x	8.2x	8.7x
Combination Utilities¹			
Total LT Debt to Total Assets	27.7%	27.8%	27.8%
LT Debt to Total Capitalization	47.2%	43.9%	43.9%
EBITDA Interest Coverage	7.8x	8.1x	8.1x

Source: AGA, USR.

¹Figures represent combined gas and electric operations.

FIGURE 4



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

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

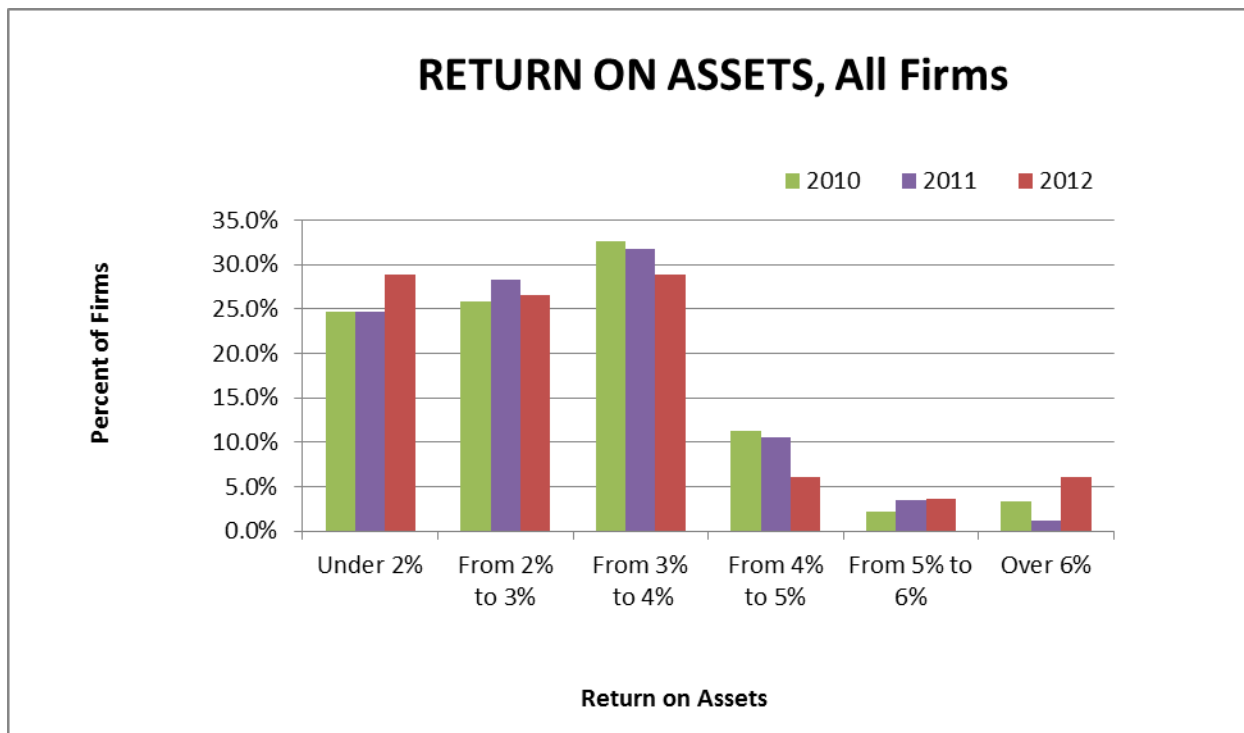
Note again that the discussion of combination utility debt and capital structure cannot be limited to gas operations. Therefore, this portion of the analysis necessarily considers combined-commodity financial performance. The combination utilities feature a diversity of commodity sales and stabilized 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			
	2010	2011	2012
Gas Utilities			
Asset Turnover	0.59X	0.57X	0.39X
Financial Leverage	63.8%	64.1%	67.8%
Equity Multiplier	3.29X	3.68X	3.15X
Profit Margin	5.9%	6.0%	6.8%
ROA ²	3.0%	2.8%	2.8%
ROE ²	10.0%	9.2%	9.6%
Current Ratio	1.05	1.00	0.82
Current Assets/Total Assets	19.6%	17.1%	13.5%
Combination Utilities¹			
Asset Turnover	0.43X	0.39X	0.35X
Financial Leverage	67.8%	65.0%	69.2%
Equity Multiplier	5.96X	3.13X	3.40X
Profit Margin	7.2%	8.9%	9.4%
ROA ²	2.8%	3.2%	3.0%
ROE ²	8.3%	10.0%	9.8%
Current Ratio	1.62	1.39	1.09
Current Assets/Total Assets	13.6%	10.0%	8.5%

Source: AGA, USR.

¹ Figures represent combined gas and electric operations.

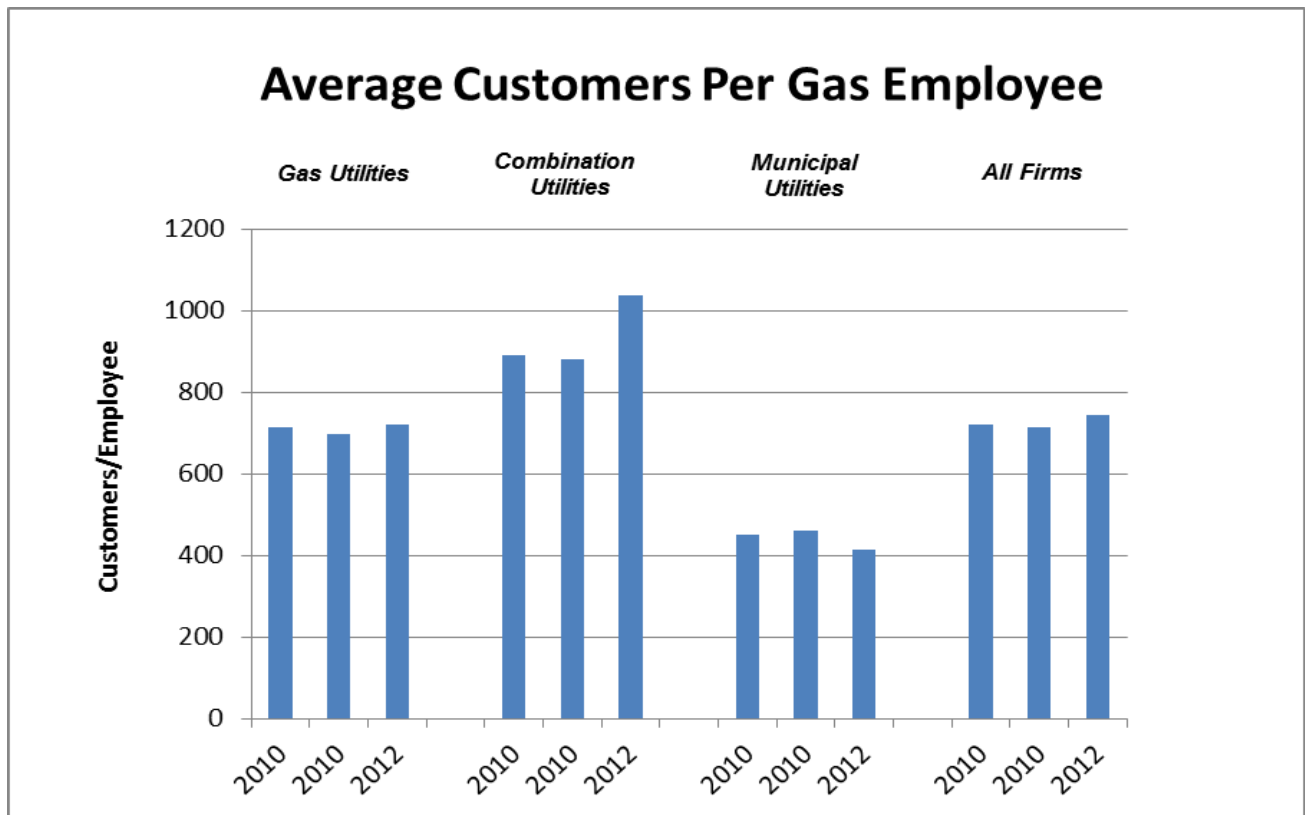
² When referring to combined gas and electric operations, the balance sheet items (i.e., total end-of-year assets) refer to the total firm, which could include non-utility assets, gas transmission assets and "other" utility assets (e.g., water), while income statement items (i.e., total revenues) refer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

	2010	2011	2012	3-Year Average
All Firms				
Number of employees at year-end	754	746	769	756
Total salaries and wages	\$72,843	\$71,881	\$75,043	\$73,256
Total benefits and pensions	\$26,688	\$33,436	\$33,585	\$31,236
Total salaries, benefits, and pensions	\$98,674	\$105,317	\$108,628	\$104,206
Ratio of total benefits to total compensation	28.70%	26.50%	26.5%	27.2%
Therms sold per employee	1,369,284	1,507,113	1,463,625	1,446,674
Customers per employee	713	732	746	730
Gas Utilities				
Number of employees at year-end	726	826	875	809
Total salaries and wages	\$72,761	\$70,895	\$73,287	\$72,314
Total benefits and pensions	\$21,604	\$27,064	\$23,707	\$24,125
Total salaries, benefits, and pensions	\$93,131	\$97,959	\$96,993	\$96,028
Ratio of total benefits to total compensation	24.20%	23.60%	22.8%	23.5%
Therms sold per employee	1,300,044	1,378,522	1,330,630	1,336,399
Customers per employee	696	697	721	705
Combination Utilities¹				
Number of employees at year-end	1,008	667	670	782
Total salaries and wages	\$83,612	\$87,961	\$90,745	\$87,439
Total benefits and pensions	\$45,645	\$62,878	\$70,797	\$59,773
Total salaries, benefits, and pensions	\$129,257	\$150,839	\$161,542	\$147,213
Ratio of total benefits to total compensation	37.10%	33.10%	33.9%	34.7%
Therms sold per employee	1,913,272	2,454,849	2,112,128	2,160,083
Customers per employee	882	1,009	1,038	976
Municipal Utilities				
Number of employees at year-end	382	378	404	388
Total salaries and wages	\$49,206	\$48,878	\$53,832	\$50,639
Total benefits and pensions	\$21,532	\$24,429	\$33,585	\$26,515
Total salaries, benefits, and pensions	\$70,737	\$73,307	\$87,417	\$77,154
Ratio of total benefits to total compensation	43.30%	35.90%	40.3%	39.8%
Therms sold per employee	655,949	662,395	512,669	610,338
Customers per employee	461	465	413	446

Source: AGA, USR.

¹ Figures for gas operations only.

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APPENDIX1: GLOSSARY

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

Absolute values; absolute dollars

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

Admin. and gen. expense (4,12)

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

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

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

Assets (6,36)

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

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

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

Capitalization (6,51)

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

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

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

Combination gas and electric company

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

Common equity (6,42)

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

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

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

Customer

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

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

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

Customer accounts expense (4,9)

The expense attributable to serving a customer. For utility operations, this includes metering, billing, and fixed charges incurred by customer hook-ups. Includes FERC System of Accounts 901 (Supervision), 902 (Meter reading expenses), 903 (Customer records and collection expenses), 904 (Uncollectable accounts), and 905 (Misc. customer accounts expenses).

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

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

Customer service and information (4,10)

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

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

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

Debt (6,50) + (6,54) + (6,61)

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

Depreciation (2,4)

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

Distribution expense (4,8)

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

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

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

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

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

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

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

Fuel (4,1)

Includes FERC System of Accounts 501, 518 and 547.

Field

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

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

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

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

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

Gas plant (6,2)

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

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

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

Gas plant per mile of main $(6,2)/\text{miles of main}$

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

Gas utility

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

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

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

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

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

Gross sales margin per customer or Gross margin per customer $[(2,1) - (4,5)]/[(20,15)+(20,18)]$

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

Gross sales margin per therm or Gross margin per therm $[(2,1) - (4,5)]/[(20,15)+(20,18)]$

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

Heating Degree Days (HDD)

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

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

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

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

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

Long-term debt (6,50)

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

Lower quartile (LQ)

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

Mean (Arithmetic – See Weighted Average.)

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

Median (MED)

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

Meter

(See "customer")

Miles of Main

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

Municipal utility

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

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

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

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

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

Net worth

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

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

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

Observation

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

Operating income (2,11)

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

Operating revenue

See revenue.

Other production expenses (4,4)

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

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

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

Purchased gas expense (4,3)

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

Purchased gas cost per therm (4,5)/(20,15)

Total production gas expense divided by total sales volumes

Quartile

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

Return on Assets (ROA) (2,29)/(6,36)

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

Return on Equity (ROE) (2,29)/(6,42)

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

Revenue (2,1)

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

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

Operating revenues divided by total meters, including transportation customers.

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

Operating revenues divided by total therms, including transportation volumes.

Sales expense (4,11)

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

Same-size financial statement

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

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

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

Tax expense (2,8)

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

Therm

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

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

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

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

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

Total benefits (13,10)

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

Total compensation (13,6 + 13,10)

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

Total production expense (4,5)

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

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

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

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

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

Total plant in service (6,5)

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

Transmission (4,7)

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

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

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

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

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

Uniform Statistical Report (USR)

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

Upper quartile (UQ)

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

Value

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

Variable

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

Weighted average

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

APPENDIX 2: MULTI-YEAR CHARTS FOR ALL COMPANIES

Explanation of factors influencing results:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

AVERAGE SALARIES, BENEFITS, AND PENSIONS PER EMPLOYEE: Impacted by union contracts, experience/tenure of average employee, age of employees and retirees, local economic competition for employees, proportion of upper management relative to employee base (higher for companies outsourcing significant workload), and special offers to employees (early retirement, severance packages due to downsizing, etc.).

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

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

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

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

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

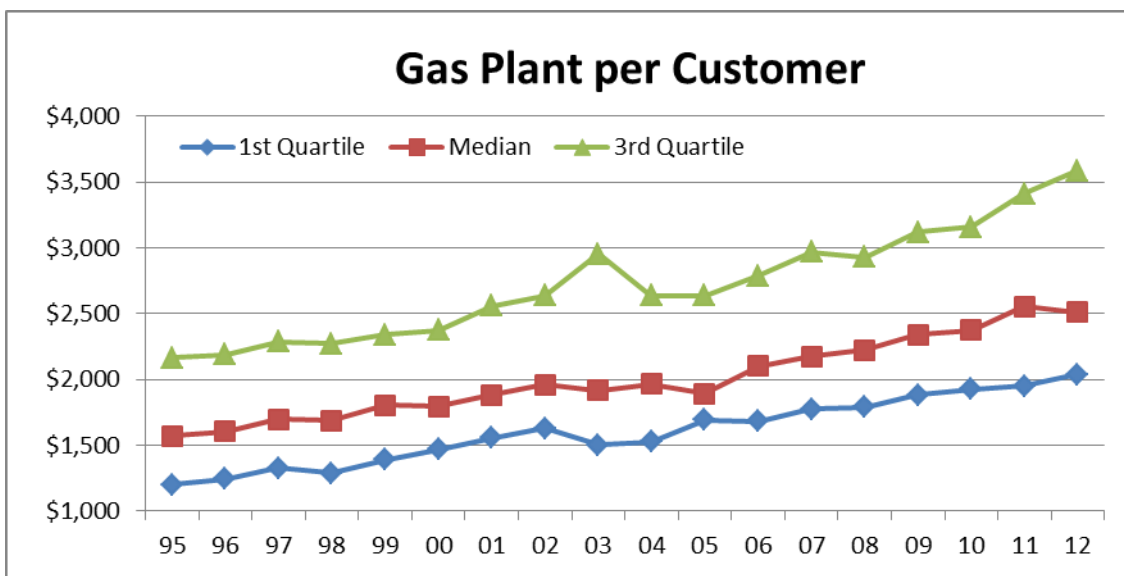
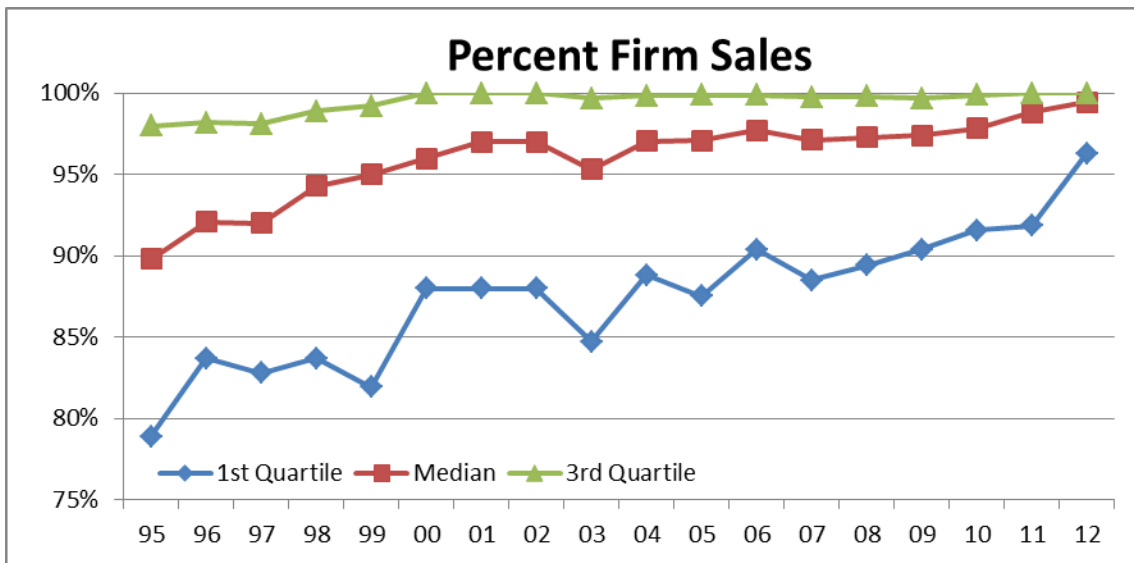
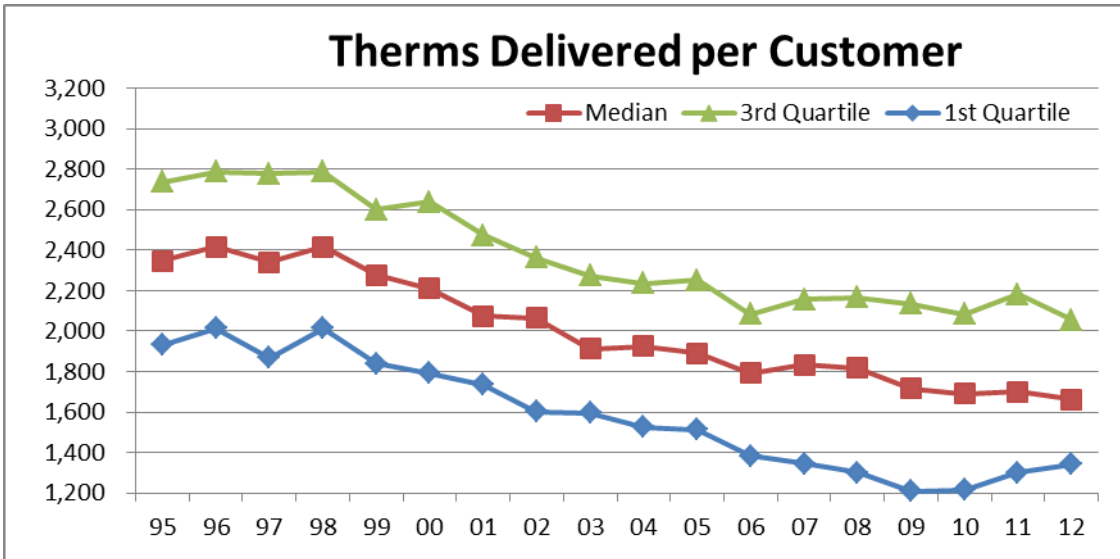
ASSET TURNOVER: Influenced by revenue and composition/age of gas plant.

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

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

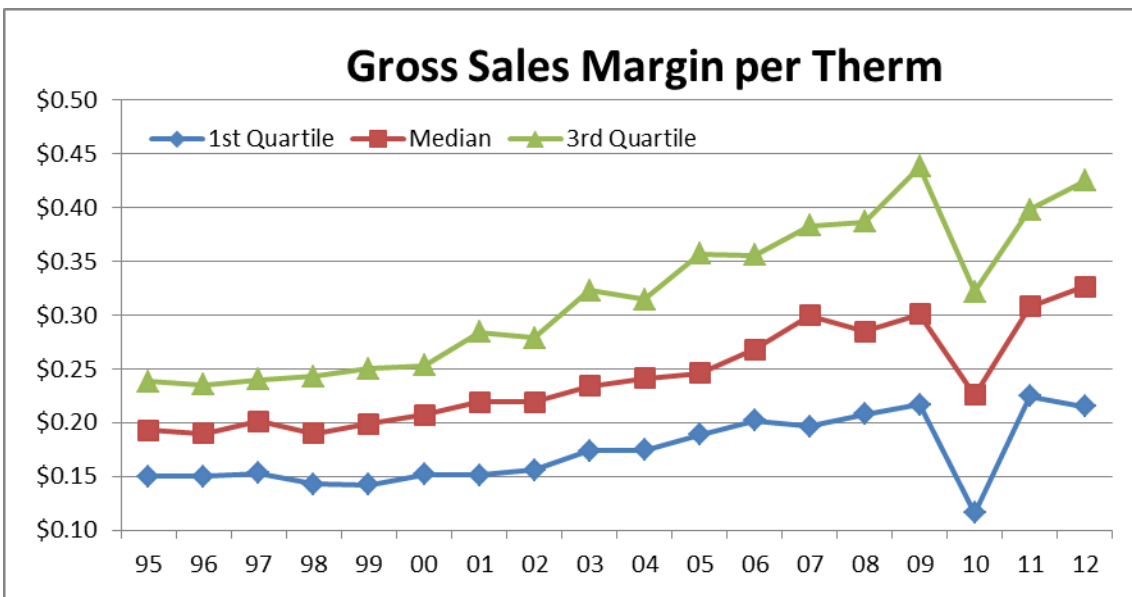
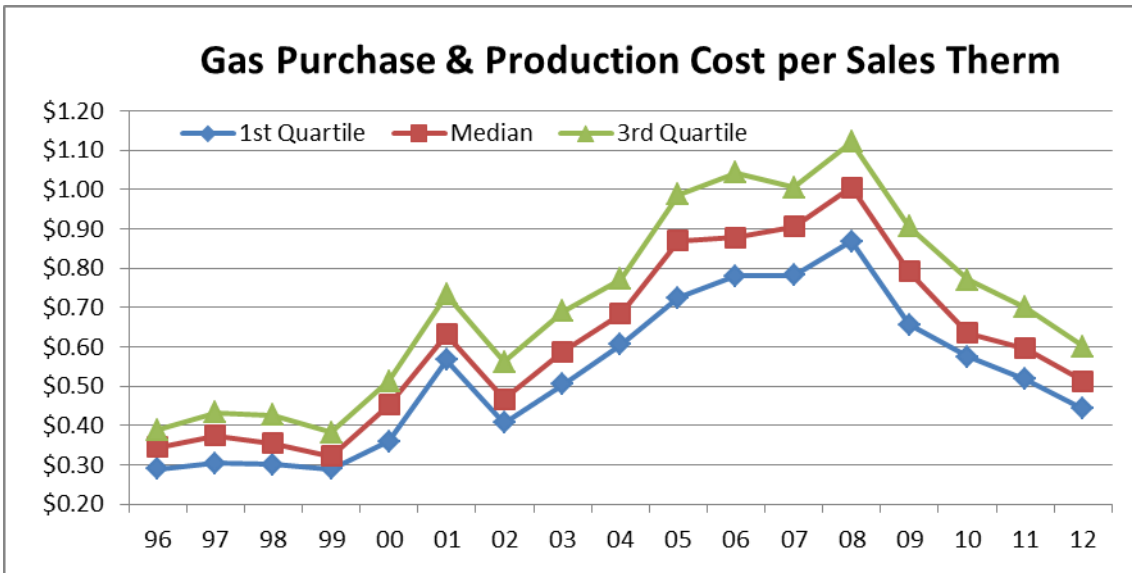
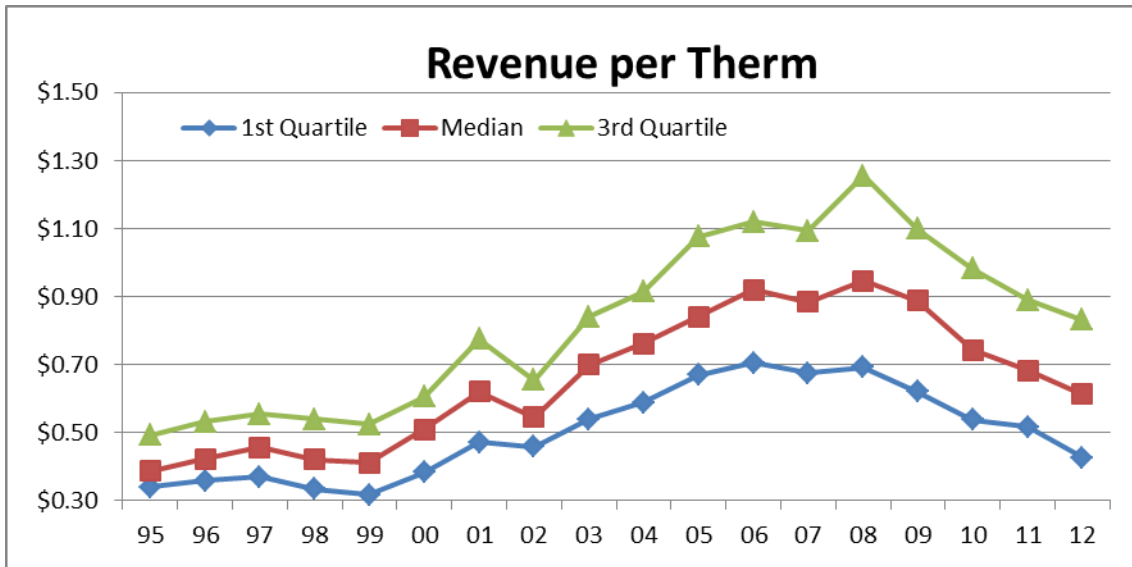
NOTE: Recent results of metrics involving miles of main are not comparable for years prior to 2004 because of changes in the definition of miles of main changed (no longer includes services) and in the data source (now derived from the US Department of Transportation, Office of Pipeline Safety database).

Appendix 2: Multi-year Charts for All Companies



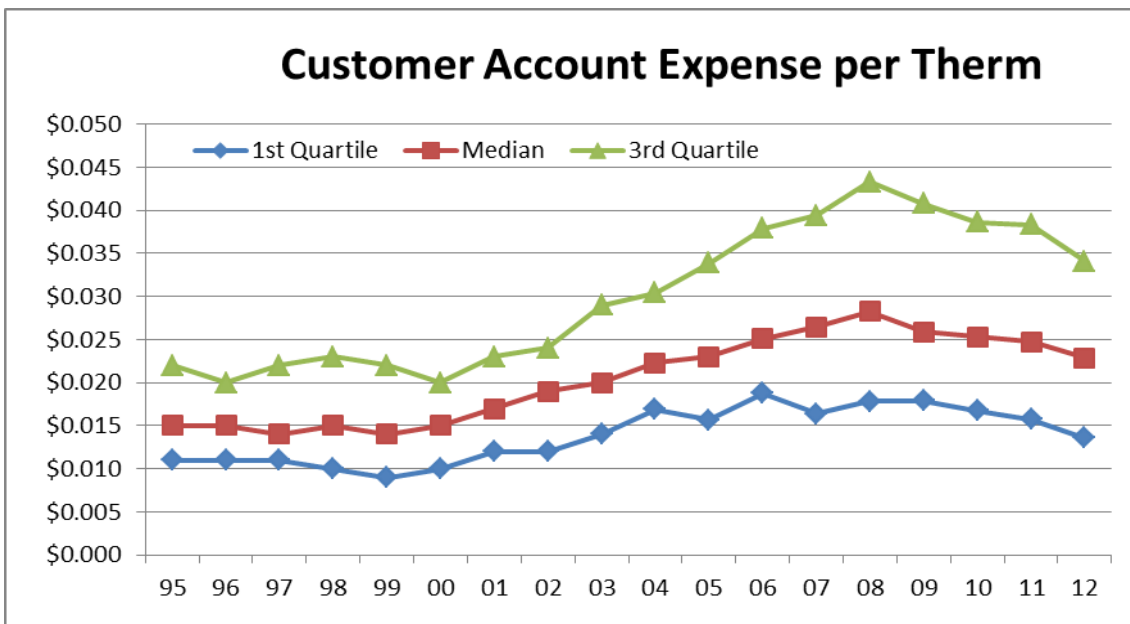
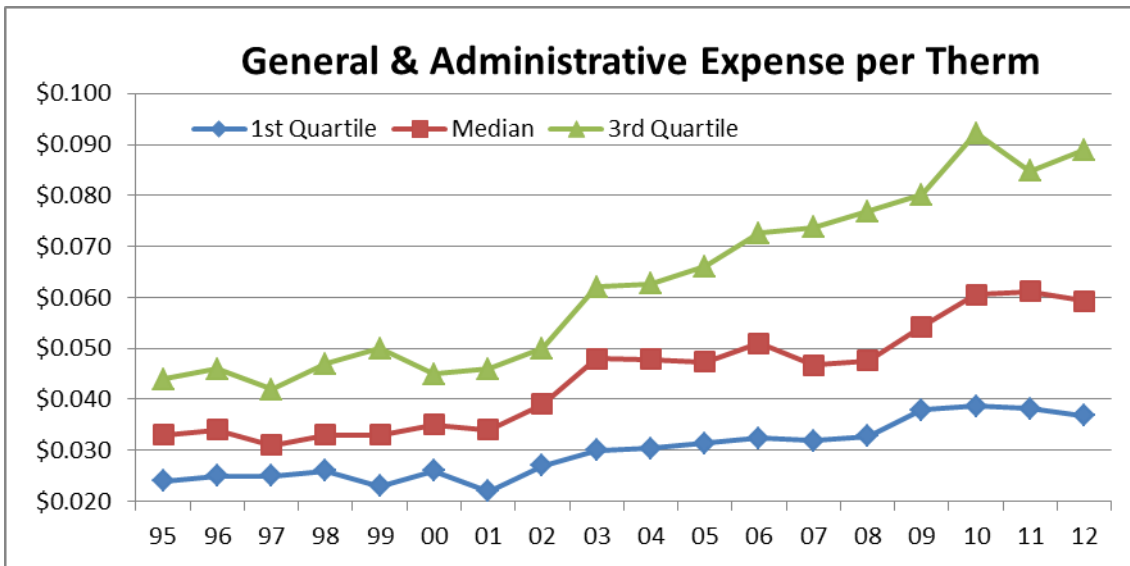
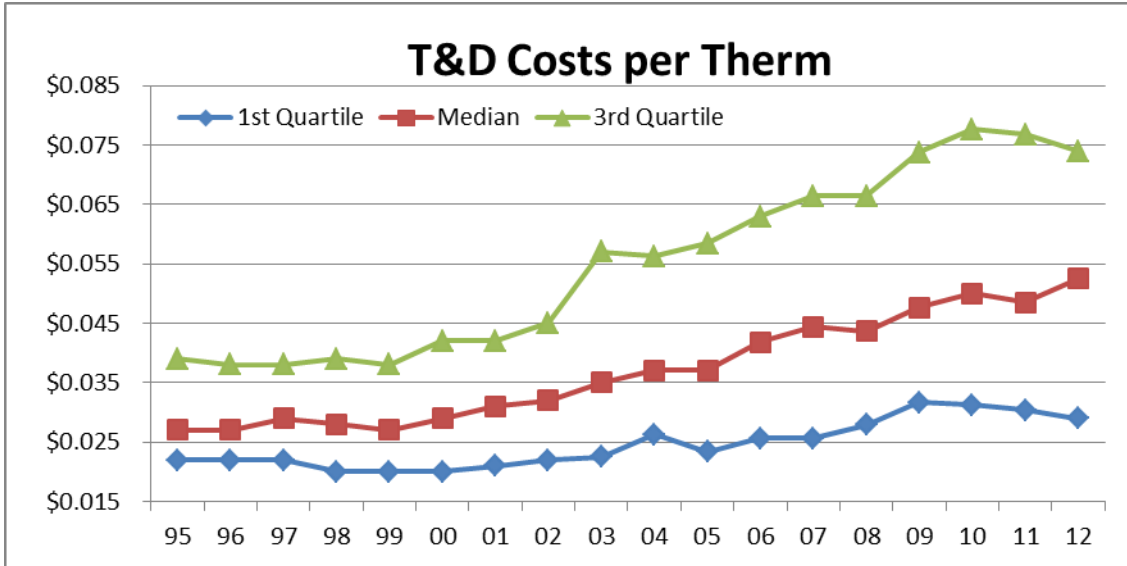
Note: Sample size and individual company participation vary by year, impairing trend analysis

Appendix 2: Multi-year Charts for All Companies



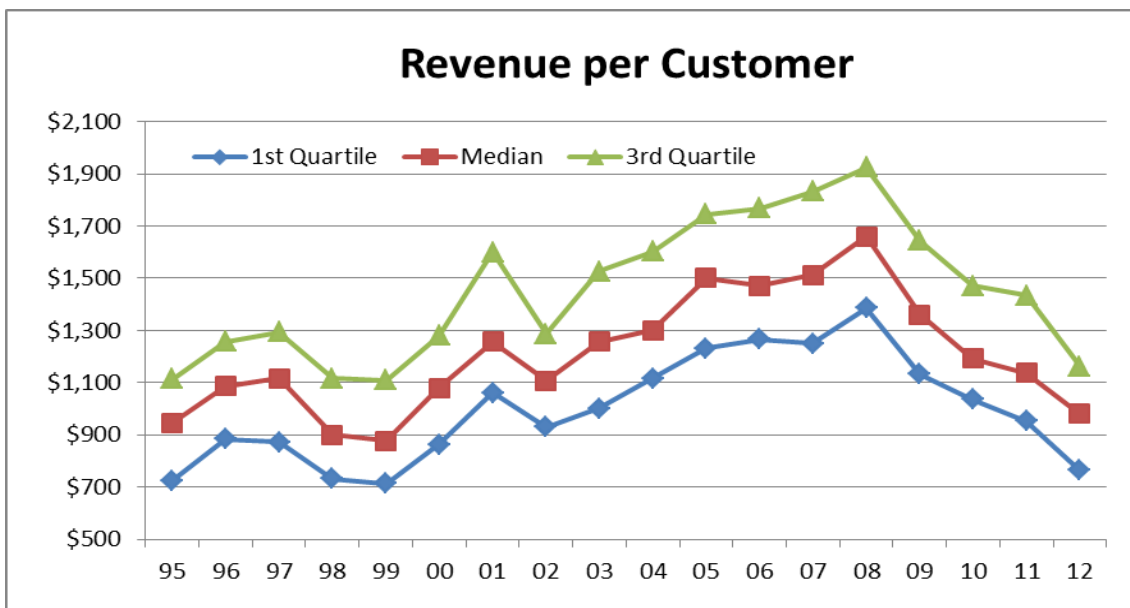
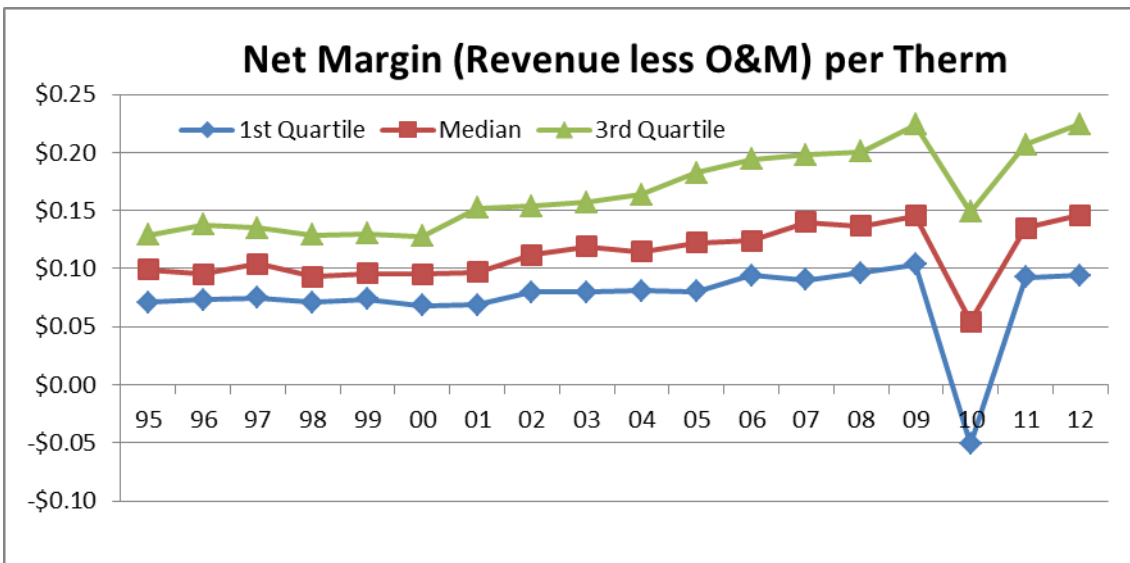
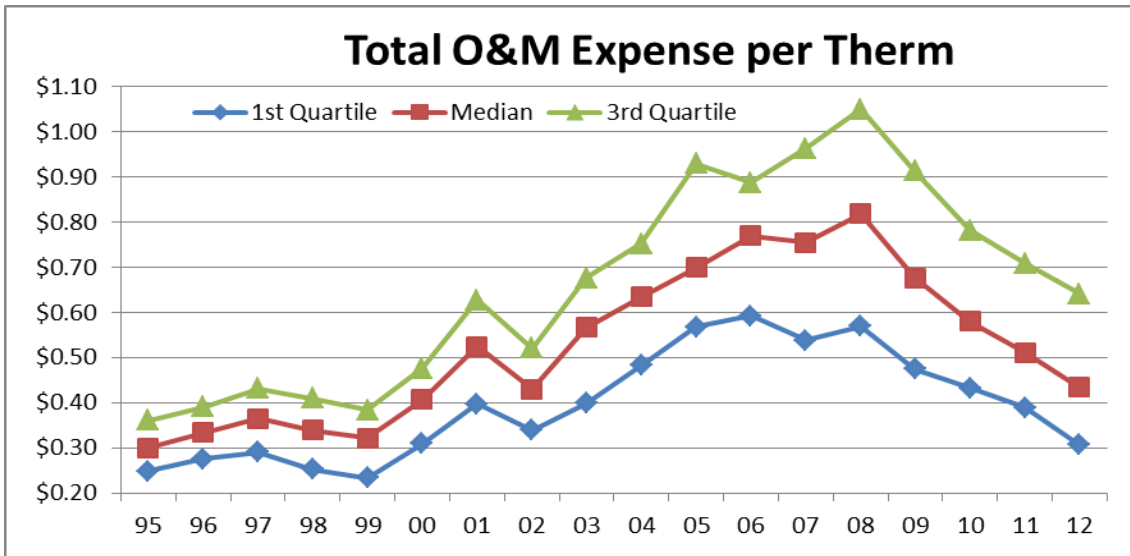
Note: Sample size and individual company participation vary by year, impairing trend analysis

Appendix 2: Multi-year Charts for All Companies

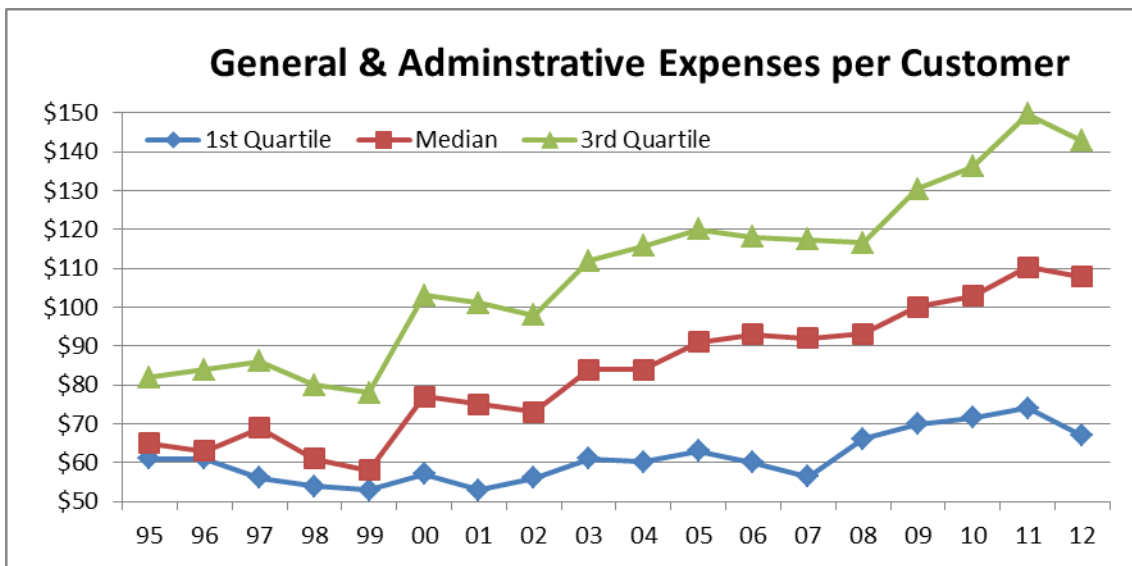
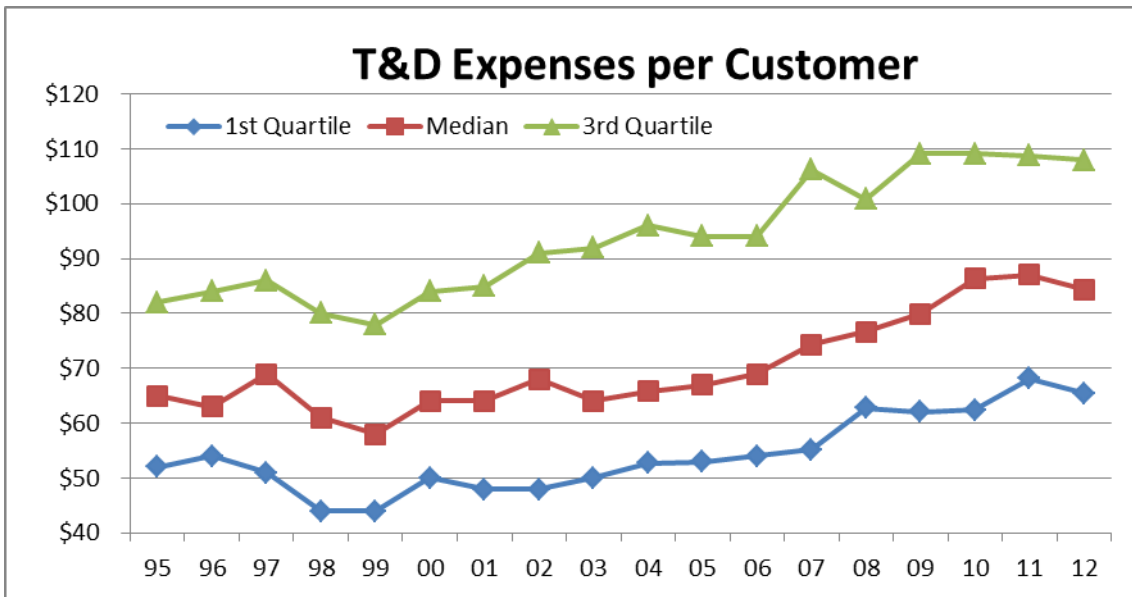
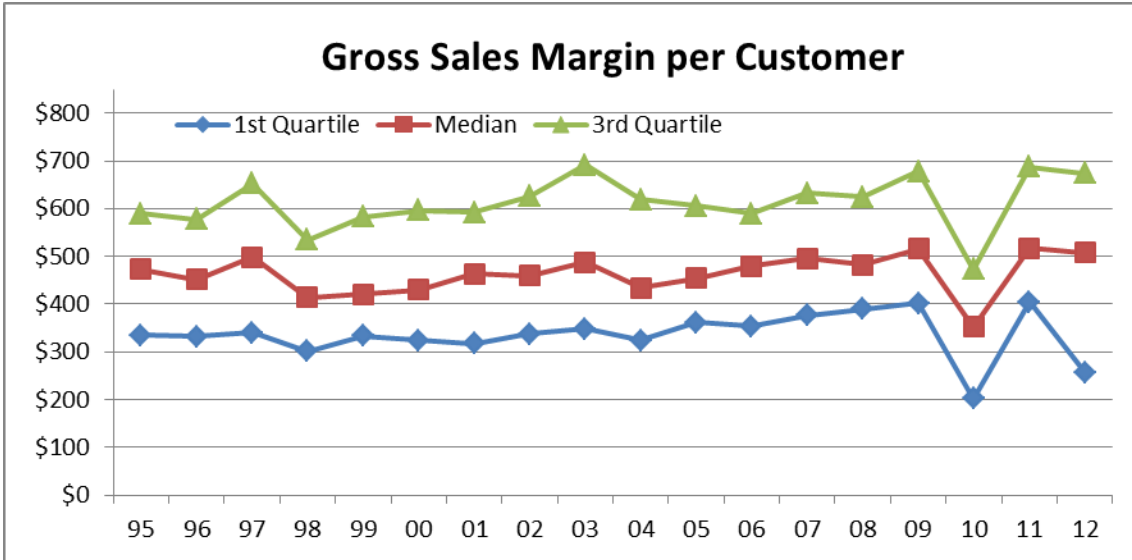


Note: Sample size and individual company participation vary by year, impairing trend analysis

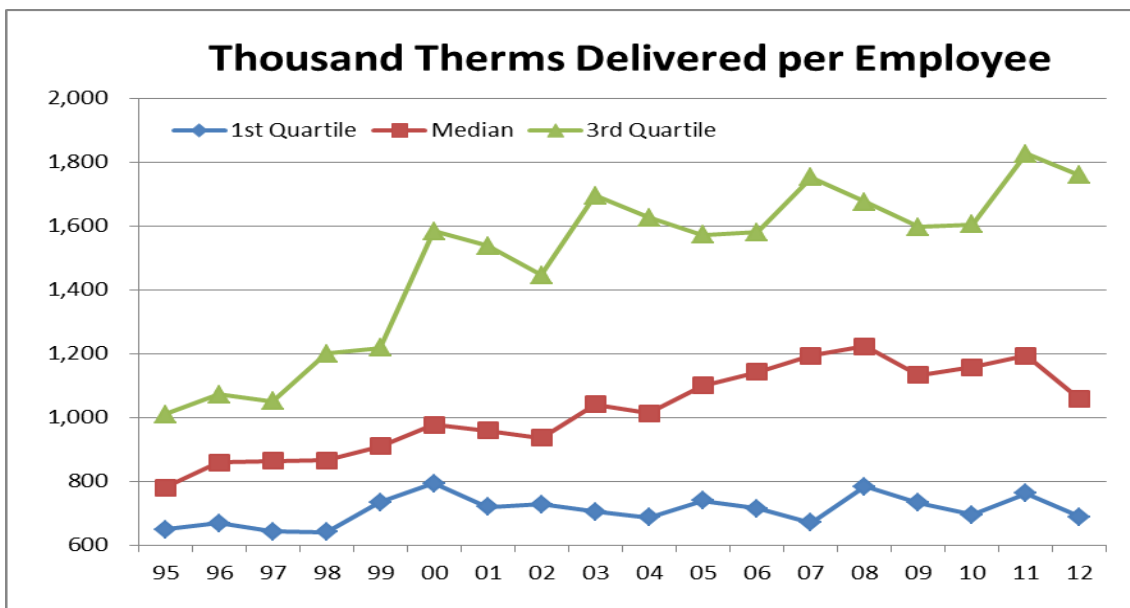
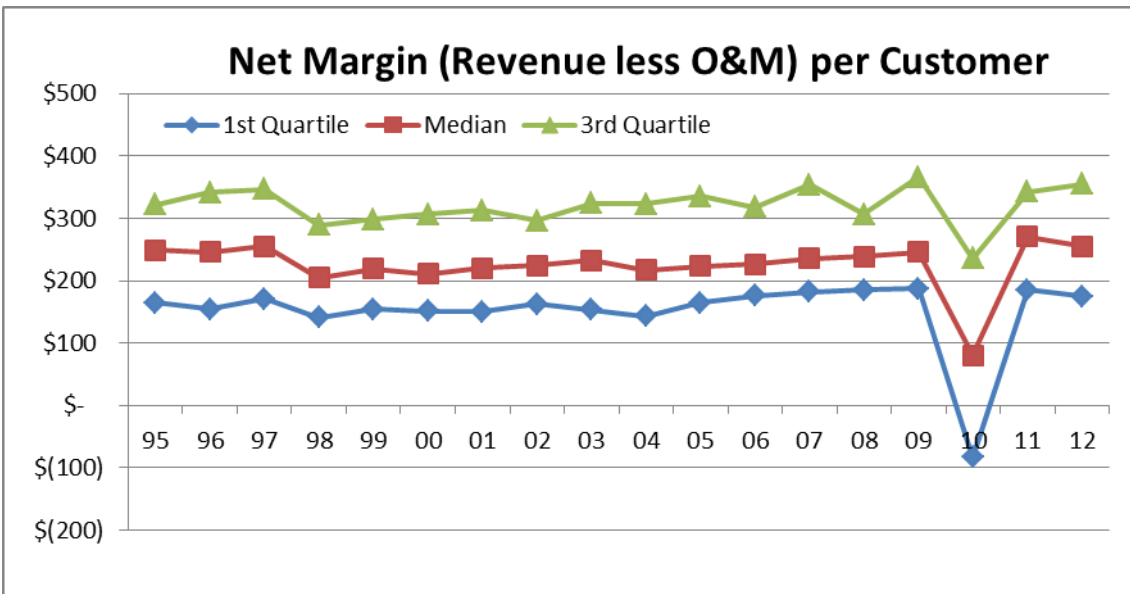
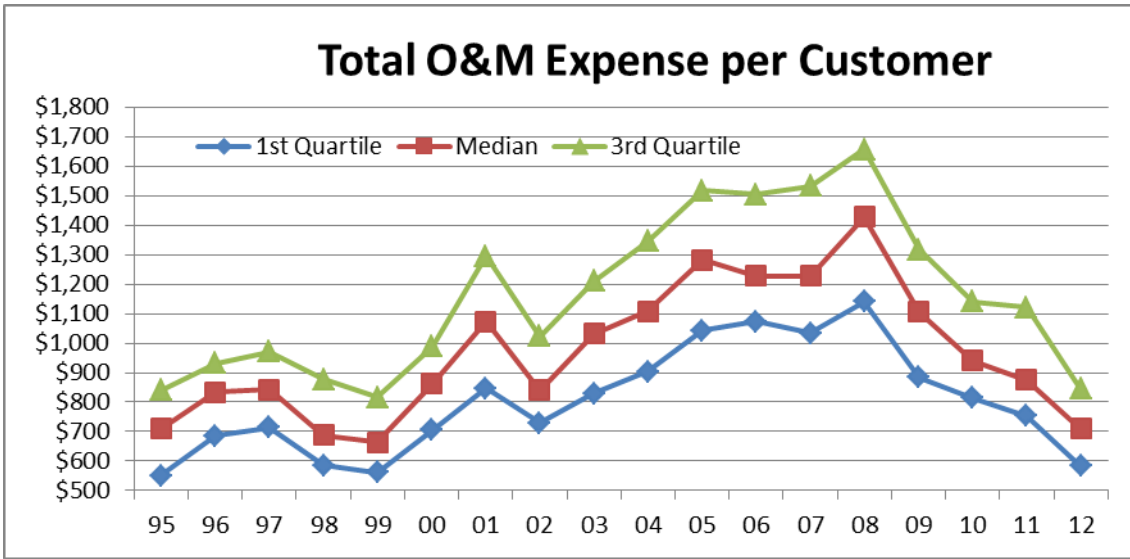
Appendix 2: Multi-year Charts for All Companies



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

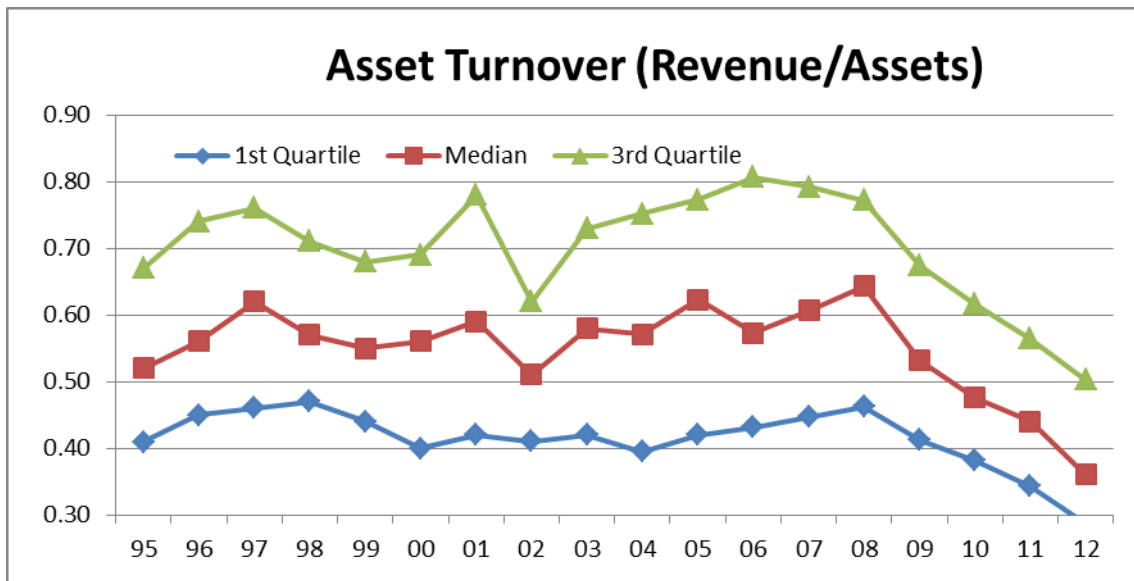
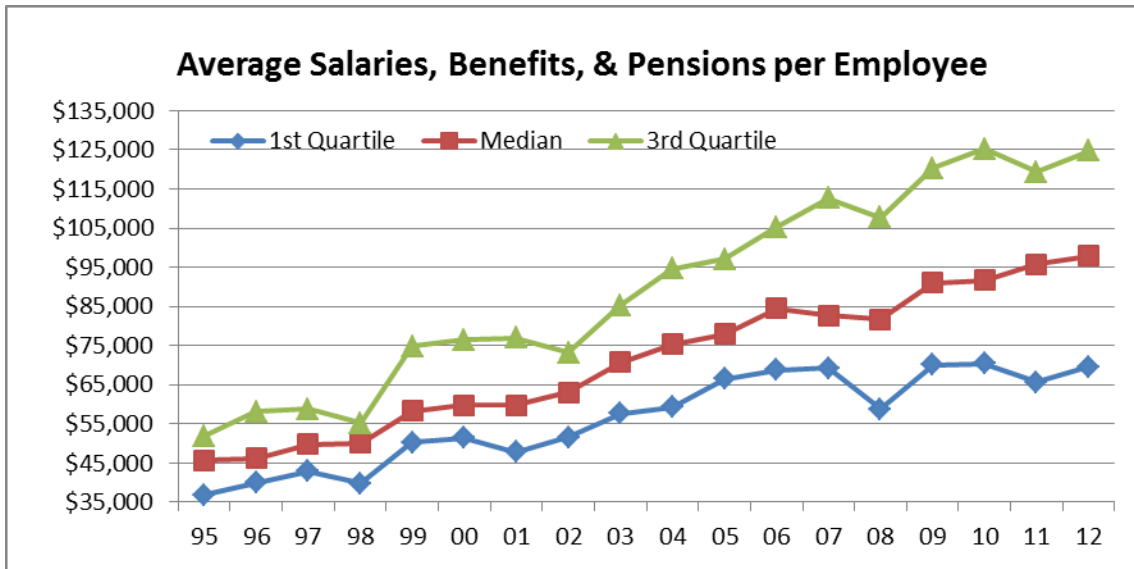
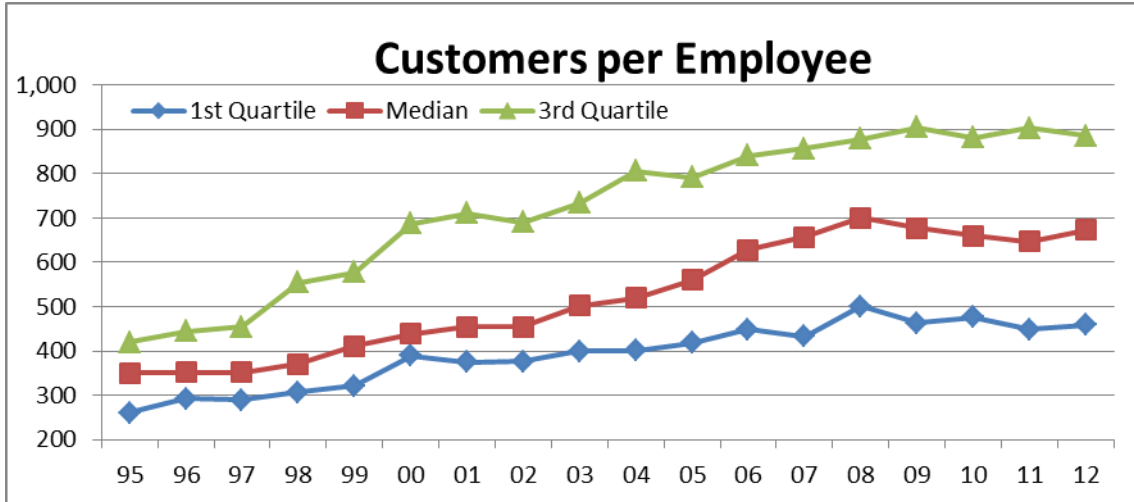


Appendix 2: Multi-year Charts for All Companies



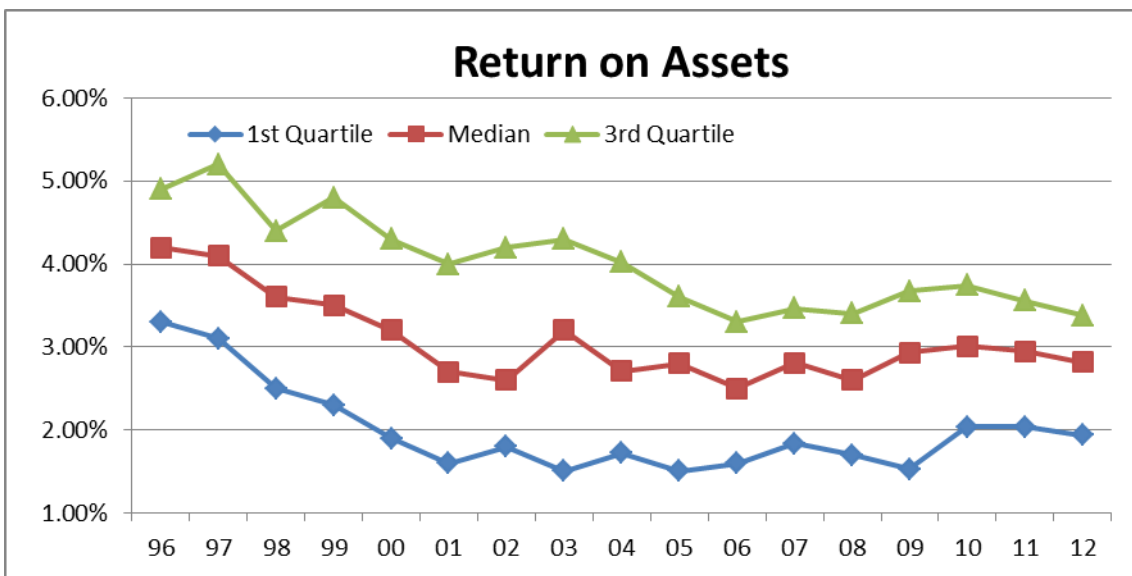
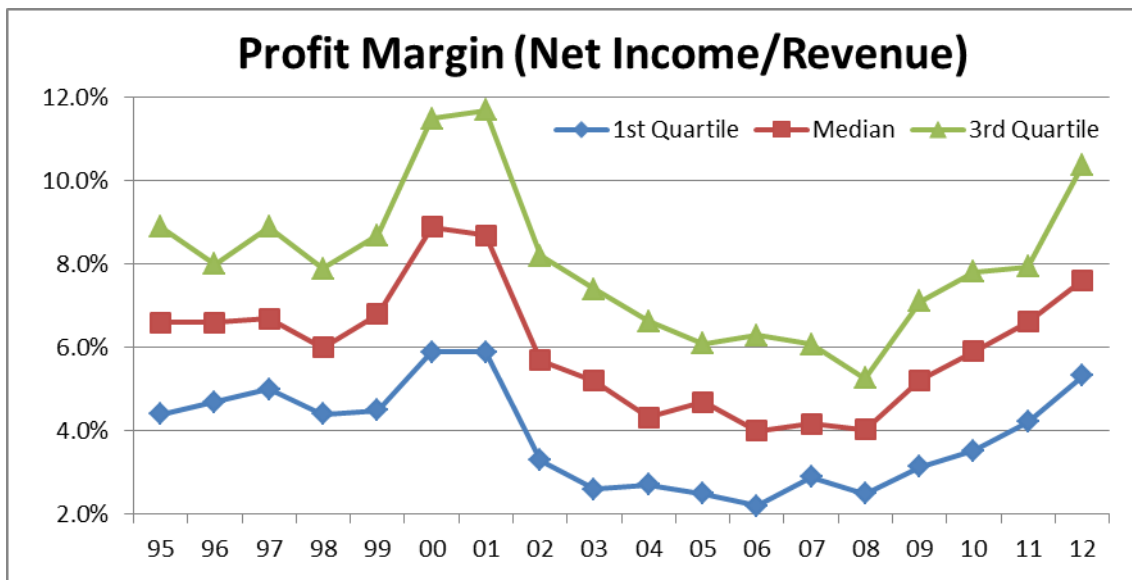
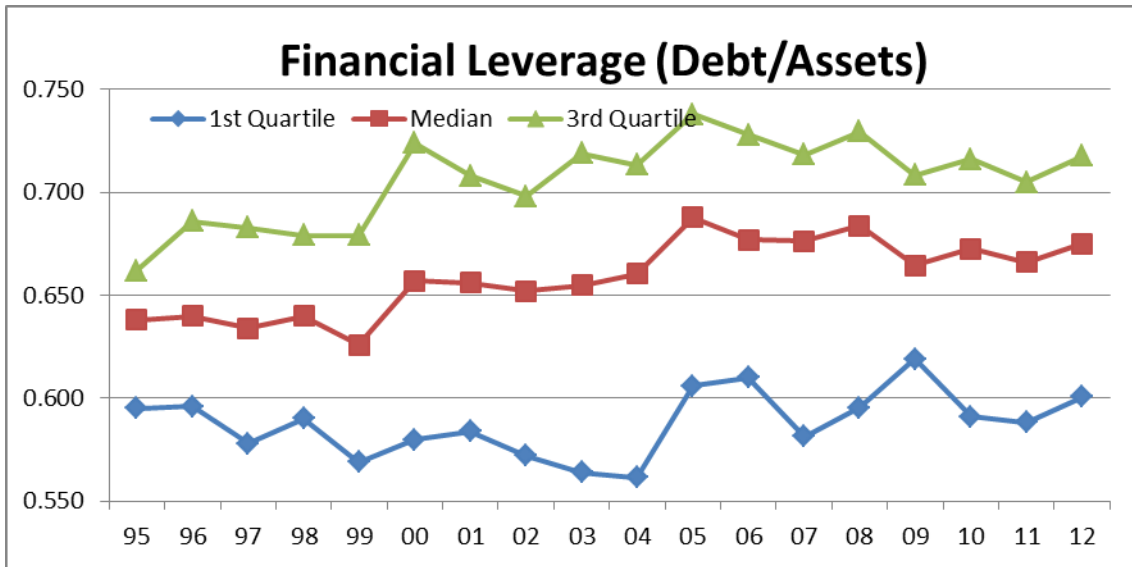
Note: Sample size and individual company participation vary by year, impairing trend analysis

Appendix 2: Multi-year Charts for All Companies

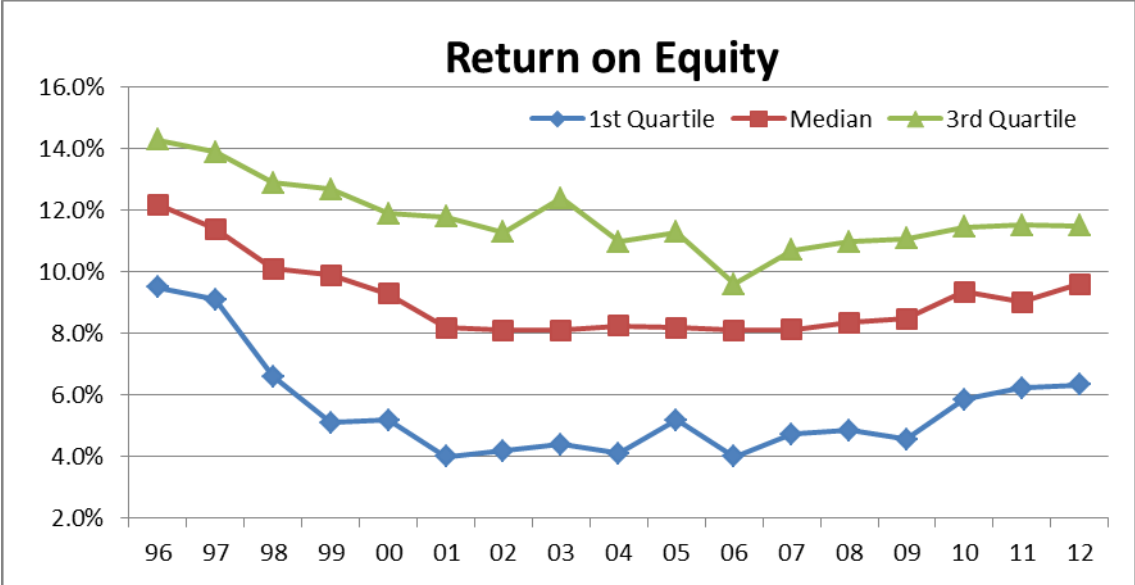


Note: Sample size and individual company participation vary by year, impairing trend analysis

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 3a: GAS UTILITY SYSTEM PROFILES AND DELIVERY VOLUMES

2012 Data, 85 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)	160,495	670,470	1,507,684	1,133,137	231,450	824,690	1,784,640	1,111,297	67,974	165,129	336,310	244,564	67,974	510,843	1,451,540	1,034,685
Total Sales Volume (000)	55,285	323,885	721,985	547,088	94,869	487,520	801,805	619,573	67,389	154,793	318,443	191,180	67,389	323,885	713,620	523,900
Transportation Volume (000)	87,025	249,179	653,286	586,049	34,726	243,350	884,745	491,725	-	585	17,723	53,384	17,723	224,330	623,680	510,784
Gas customers	64,049	338,830	768,671	638,609	109,864	578,453	757,894	545,580	55,552	109,165	216,085	170,476	37,556	272,388	732,040	570,436
Miles of main in use	1,504	5,891	13,364	9,709	2,478	6,995	11,717	8,394	1,866	2,388	3,029	2,484	1,818	4,839	12,041	8,681
Density (meters/mile of main)	37.2	50.6	64.4	71.6	44.8	53.6	64.9	67.7	41.2	58.5	78.3	65.0	39.5	52.9	64.9	70.1
THERM VOLUME BY CUSTOMER CLASS (000) 2/																
Residential heating	24,673	195,161	392,293	316,160	55,530	298,400	361,370	312,927	39,363	79,648	139,100	104,684	27,291	190,265	366,230	295,115
Residential non-heating	-	-	834	3,583	-	-	7,950	20,864	-	-	75	479	-	-	1,445	6,824
Commercial, firm	13,435	72,381	147,583	128,348	28,570	124,519	163,160	161,145	26,995	56,634	73,793	50,366	19,602	74,671	148,533	127,549
Commercial, interruptible	-	-	-	5,402	-	-	1,998	3,558	-	220	2,359	3,789	-	-	23	4,869
Industrial, firm	25	1,999	7,585	15,509	-	1,200	10,180	15,851	462	4,810	7,450	6,165	-	2,180	9,044	14,678
Industrial, interruptible	-	-	-	6,081	-	-	2,252	3,374	-	3,531	9,012	7,226	-	-	1,293	5,637
Electric utility generation, firm	-	-	-	1,078	-	-	-	-	-	-	1,613	1,320	-	-	-	880
Electric utility generation, interup.	-	-	-	7,077	-	-	-	-	-	-	-	1,664	-	-	-	5,106
Non-utility generation, firm	-	-	-	156	-	-	-	-	-	-	-	-	-	-	-	109
Non-utility generation, interup.	-	-	-	146	-	-	-	1,988	-	-	-	1,164	-	-	-	621
NGV	-	-	-	2,082	-	-	-	261	-	-	47	56	-	-	-	1,514
Municipal & public	-	-	2	4,114	-	-	-	8,955	-	-	532	1,002	-	-	-	4,806
Interdepartmental	-	-	-	-	-	11	248	2,367	-	-	73	(298)	-	-	-	456
Other	-	-	-	3,970	-	-	-	6,961	-	-	-	-	-	-	-	4,200

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)

2012 Data, 85 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
Residential heating	50,161	253,353	589,915	515,799	99,543	409,382	635,562	428,965	67,922	131,323	223,029	173,057	52,860	248,606	582,617	464,978
Residential non-heating	-	-	2,109	19,832	-	-	6,010	41,230	-	-	357	3,274	-	-	2,607	22,619
Commercial, firm	5,112	21,626	49,609	36,796	9,973	29,899	49,576	50,036	8,557	12,972	17,769	13,303	6,267	21,776	46,576	37,244
Commercial, interruptible	-	-	-	173	-	-	9	37	-	1	14	6	-	-	1	129
Industrial, firm	2	44	306	807	-	49	744	970	22	77	303	179	1	49	346	780
Industrial, interruptible	-	-	-	48	-	-	14	9	-	8	12	10	-	-	7	37
Electric utility generation, firm	-	-	-	1	-	-	-	-	-	-	1	1	-	-	-	1
Electric utility generation, interup.	-	-	-	1	-	-	-	-	-	-	-	0	-	-	-	1
Non-utility generation, firm	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	0
Non-utility generation, interup.	-	-	-	0	-	-	-	0	-	-	-	0	-	-	-	0
NGV	-	-	-	6	-	-	-	235	-	-	1	1	-	-	-	52
Municipal & public	-	-	1	379	-	-	-	170	-	-	2	24	-	-	-	302
Interdepartmental	-	-	-	-	-	-	1	8	-	-	16	13	-	-	-	3
Other	-	-	-	24	-	-	-	24	-	-	-	0	-	-	-	22

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

2012 Data, 85 Utilities Reporting Stratified by Type of Company	Gas Utilities				Combination Utilities				Municipal Utilities				All Companies			
	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG
GAS-ONLY INCOME STATEMENT																
Operating revenue	86,570	369,553	735,505	552,952	132,578	545,000	785,398	584,670	75,661	155,446	210,562	194,186	85,086	362,913	720,839	524,869
Operating expense	52,813	246,623	506,910	366,049	84,749	387,265	521,292	397,530	58,199	110,444	177,323	143,672	60,258	236,561	483,250	351,063
Maintenance expense	2,306	9,195	22,319	17,631	3,780	17,678	27,872	19,271	2,744	7,668	11,112	8,334	2,453	10,105	22,681	17,071
Total O&M	54,894	252,931	526,241	383,679	91,504	398,162	549,164	416,801	60,917	121,937	183,546	152,006	63,818	246,666	494,572	368,133
Depreciation	5,976	24,816	55,595	47,202	7,396	38,000	50,763	39,835	6,419	9,346	12,795	12,453	5,988	21,473	50,003	42,344
Depletion	-	-	-	137	-	-	-	667	-	-	-	-	-	-	-	233
Amortization	-	-	1,806	2,044	-	1,822	10,208	4,401	-	-	-	38	-	-	2,452	2,333
Prop. loss charged to operations	-	-	-	92	-	-	-	-	-	-	-	-	-	-	-	64
Total taxes	5,926	20,964	70,350	57,061	8,784	44,018	72,086	64,968	1,430	4,422	7,344	5,254	5,799	20,073	69,518	53,687
Other operating income	-	-	-	542	-	-	-	14,101	-	-	1,315	1,149	-	-	-	3,377
Total operating income	6,384	33,794	84,920	62,736	8,184	26,121	106,000	57,997	1,972	9,786	19,420	24,436	5,557	30,040	84,009	58,074
BALANCE SHEET																
Gas plant	220,988	944,220	1,935,766	1,655,106	301,379	1,548,272	2,310,951	1,581,620	253,964	369,680	475,832	521,013	255,831	895,023	1,919,698	1,530,745
Common plant	-	-	-	2,707	52,011	295,277	450,527	398,535	-	-	86,523	65,252	-	-	-	89,809
Other plant	-	-	-	710	-	-	15,363	170,966	-	229,756	887,660	544,854	-	-	-	88,030
Total plant in service 1/2/	220,988	975,701	1,935,766	1,676,925	1,732,994	7,767,121	11,789,123	7,809,192	253,975	1,412,150	2,060,280	1,542,774	345,130	1,436,606	2,868,704	2,920,001
Accumulated depreciation 1/	69,941	366,932	751,959	564,001	642,757	2,670,964	4,434,148	2,660,886	86,604	427,027	907,183	569,907	95,660	478,120	1,053,160	994,053
Construction work-in-progress 1/	1,971	10,843	53,662	50,646	51,679	98,502	466,510	297,899	16,943	56,510	125,735	105,664	4,018	26,245	94,776	106,591
Net utility plant 1/	156,989	643,796	1,222,670	1,164,227	1,150,487	3,569,415	8,556,692	5,453,281	184,293	1,126,645	1,235,272	1,080,508	209,979	921,072	1,972,577	2,034,639
Gas storage (non-current) 1/	-	-	222	3,608	-	-	1,239	1,576	-	-	-	8,566	-	-	218	3,670
Customer accts. Receivable 1/	4,018	28,128	61,314	65,746	43,907	155,050	269,185	234,546	5,747	29,599	110,475	53,802	7,305	35,653	102,906	99,168
Total current & accrued assets 1/	23,882	120,683	281,657	241,482	185,491	445,501	1,062,000	713,705	48,719	199,137	448,000	282,979	48,203	171,824	367,934	342,202
Total deferred debits 1/	12,836	95,261	387,785	278,591	397,640	1,041,367	1,885,267	1,564,864	469	35,846	218,535	150,093	17,651	134,452	530,053	529,659
Total assets 1/	216,933	890,434	1,936,384	1,783,951	1,728,471	5,579,290	10,594,277	8,080,223	235,938	1,366,057	2,060,504	1,534,640	341,074	1,277,204	3,652,336	3,049,519
Common stock 1/	-	1,951	47,282	84,075	17,348	291,458	588,720	428,478	-	-	-	-	-	2,000	77,868	146,512
Retained earnings 1/	16,329	75,458	295,987	220,042	266,234	489,944	691,571	1,024,593	190,368	403,193	1,026,365	672,639	29,191	190,169	479,570	428,453
Total common stock equity 1/	67,287	321,432	636,276	529,560	489,944	1,647,387	3,404,146	2,390,860	190,368	411,331	1,026,365	674,673	117,006	433,296	1,098,451	924,777
Total long-term (LT) debt 1/	22,518	204,703	387,421	359,288	489,950	1,303,095	2,774,758	2,210,403	79,153	403,263	933,657	648,169	45,075	310,000	821,574	766,276
Total capitalization 1/2/	124,596	482,155	1,023,123	891,119	1,235,134	2,818,035	6,720,703	4,624,534	264,079	1,252,401	1,696,513	1,327,435	159,557	765,235	1,933,088	1,697,849
Total non-current other liabilities 1/	-	192	31,314	56,148	-	29,497	312,382	567,712	311	2,062	16,399	35,422	-	1,632	37,895	158,928
Current & accrued liabilities 1/	23,895	141,764	415,355	329,868	75,688	482,997	1,034,945	665,881	19,174	90,042	201,638	139,949	55,213	155,521	468,833	380,385
Total deferred credits 1/	33,998	157,466	427,356	444,319	518,974	1,334,728	3,348,000	2,178,447	-	3,828	16,408	16,120	26,905	166,199	662,445	758,230
Total capitalization & liabilities 1/2/	216,933	890,434	1,936,384	1,783,951	1,728,471	5,579,290	10,594,277	8,080,223	235,938	1,366,057	2,060,504	1,534,640	341,074	1,277,204	3,652,336	3,049,519

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

2012 Data, 85 Utilities Reporting						
Stratified by Type of Company	Gas Utilities	Combination Utilities		Municipal Utilities	All Companies	
	59 firms	17 firms		9 firms	85 firms	
GAS-ONLY INCOME STATEMENT - Based on average values						
Operating revenue	100.0	100.0		100.0	100.0	
Operating expense	69.0	68.0		74.9	69.5	
Maintenance expense	3.3	3.4		4.2	3.5	
Total O&M	72.3	71.4		79.1	72.9	
Depreciation	7.9	6.9		7.7	7.7	
Depletion	0.1	0.4		-	0.2	
Amortization	0.2	0.7		0.2	0.3	
Prop. loss charged to operations	0.0	-		-	0.0	
Total taxes	8.7	10.1		3.6	8.3	
Other operating income	0.2	(0.3)		0.8	0.2	
Total operating income	10.8	10.5		9.4	10.6	
BALANCE SHEET - Based on average values						
Gas plant	92.8	19.6		34.0	50.2	
Common plant	0.2	4.9		4.3	2.9	
Other plant	0.0	2.1		35.5	2.9	
Total plant in service	94.0	96.6		100.5	95.8	
Accumulated depreciation	31.6	32.9		37.1	32.6	
Construction work-in-progress	2.8	3.7		6.9	3.5	
Net utility plant	65.3	67.5		70.4	66.7	
Gas storage (non-current)	0.2	0.0		0.6	0.1	
Customer accts. receivable	3.7	2.9		3.5	3.3	
Total current & accrued assets	13.5	8.8		18.4	11.2	
Total deferred debits	15.6	19.4		9.8	17.4	
Total assets	100.0	100.0		100.0	100.0	
Common stock	4.7	5.3		-	4.8	
Retained earnings	12.3	12.7		43.8	14.0	
Total common stock equity	29.7	29.6		44.0	30.3	
Total long-term (LT) debt	20.1	27.4		42.2	25.1	
Total capitalization	50.0	57.2		86.5	55.7	
Total non-current other liabilities	3.1	7.0		2.3	5.2	
Current & accrued liabilities	18.5	8.2		9.1	12.5	
Total deferred credits	24.9	27.0		1.1	24.9	
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

2012 Data, 85 Utilities Reporting	Gas Utilities				Combination Utilities				Municipal Utilities				All Companies			
	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG
Operating revenue	\$0.4028	\$0.5625	\$0.7170	\$0.6355	\$0.4195	\$0.6204	\$0.9352	\$0.7087	\$0.8038	\$0.9089	\$0.9902	\$0.8621	\$0.4264	\$0.6123	\$0.8309	\$0.6723
Operating expense	\$0.2602	\$0.4043	\$0.4861	\$0.4384	\$0.2610	\$0.3946	\$0.5777	\$0.4818	\$0.5786	\$0.6717	\$0.7123	\$0.6455	\$0.2954	\$0.4188	\$0.6030	\$0.4672
Maintenance expense	\$0.0094	\$0.0166	\$0.0288	\$0.0212	\$0.0080	\$0.0170	\$0.0238	\$0.0240	\$0.0228	\$0.0360	\$0.0386	\$0.0361	\$0.0096	\$0.0175	\$0.0296	\$0.0233
Total O&M	\$0.2724	\$0.4288	\$0.5077	\$0.4596	\$0.2812	\$0.4125	\$0.5946	\$0.5058	\$0.6486	\$0.7030	\$0.7376	\$0.6816	\$0.3066	\$0.4339	\$0.6414	\$0.4905
Depreciation	\$0.0272	\$0.0389	\$0.0547	\$0.0504	\$0.0249	\$0.0443	\$0.0585	\$0.0487	\$0.0364	\$0.0671	\$0.0924	\$0.0666	\$0.0272	\$0.0406	\$0.0592	\$0.0516
Depletion	\$0.0000	\$0.0000	\$0.0000	\$0.0006	\$0.0000	\$0.0000	\$0.0000	\$0.0030	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0010
Amortization	\$0.0000	\$0.0000	\$0.0026	\$0.0010	\$0.0000	\$0.0010	\$0.0099	\$0.0049	\$0.0000	\$0.0000	\$0.0000	\$0.0014	\$0.0000	\$0.0000	\$0.0036	\$0.0018
Prop. loss charged to operations	\$0.0000	\$0.0000	\$0.0000	\$0.0001	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0001
Total taxes	\$0.0292	\$0.0418	\$0.0667	\$0.0550	\$0.0238	\$0.0531	\$0.1108	\$0.0715	\$0.0075	\$0.0222	\$0.0603	\$0.0314	\$0.0258	\$0.0404	\$0.0695	\$0.0561
Other operating income	\$0.0000	\$0.0000	\$0.0000	\$0.0011	\$0.0000	\$0.0000	\$0.0000	-\$0.0018	\$0.0000	\$0.0000	\$0.0057	\$0.0073	\$0.0000	\$0.0000	\$0.0000	\$0.0011
Total operating income	\$0.0304	\$0.0492	\$0.0848	\$0.0688	\$0.0251	\$0.0629	\$0.1036	\$0.0747	\$0.0575	\$0.0774	\$0.0995	\$0.0811	\$0.0287	\$0.0556	\$0.0911	\$0.0712

GAS-ONLY INCOME STATEMENT - Per Average Annual Customer Served

2012 Data, 85 Utilities Reporting	Gas Utilities				Combination Utilities				Municipal Utilities				All Companies			
	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG
Operating revenue	\$741	\$975	\$1,148	\$1,025	\$901	\$1,048	\$1,331	\$1,111	\$816	\$937	\$1,102	\$966	\$764	\$981	\$1,164	\$1,037
Operating expense	\$536	\$682	\$768	\$718	\$611	\$698	\$877	\$752	\$626	\$692	\$851	\$724	\$552	\$683	\$819	\$725
Maintenance expense	\$19	\$29	\$40	\$32	\$19	\$29	\$47	\$36	\$25	\$34	\$49	\$42	\$19	\$30	\$42	\$34
Total O&M	\$562	\$699	\$814	\$750	\$672	\$719	\$903	\$788	\$661	\$768	\$874	\$766	\$583	\$710	\$845	\$759
Depreciation	\$55	\$68	\$101	\$79	\$60	\$72	\$79	\$76	\$45	\$80	\$89	\$72	\$55	\$71	\$95	\$78
Depletion	\$0	\$0	\$0	\$1	\$0	\$0	\$0	\$3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1
Amortization	\$0	\$0	\$6	\$1	\$0	\$4	\$11	\$8	\$0	\$0	\$0	\$1	\$0	\$0	\$6	\$3
Prop. loss charged to operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total taxes	\$57	\$76	\$114	\$92	\$51	\$84	\$165	\$115	\$9	\$32	\$55	\$33	\$50	\$74	\$113	\$91
Other operating income	\$0	\$0	\$0	\$8	\$0	\$0	\$0	\$3	\$0	\$0	\$7	\$8	\$0	\$0	\$0	\$7
Total operating income	\$57	\$104	\$136	\$102	\$68	\$83	\$200	\$122	\$45	\$90	\$112	\$94	\$59	\$99	\$142	\$105

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

GAS-ONLY INCOME STATEMENT - Per Dollar of Gas Plant

2012 Data, 85 Utilities Reporting	Gas Utilities				Combination Utilities				Municipal Utilities				All Companies			
	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG
Operating revenue	\$0.3015	\$0.3544	\$0.4262	\$0.3762	\$0.3209	\$0.3565	\$0.4340	\$0.3837	\$0.3099	\$0.3317	\$0.4055	\$0.3855	\$0.3101	\$0.3535	\$0.4288	\$0.3786
Operating expense	\$0.1968	\$0.2433	\$0.3244	\$0.2705	\$0.2213	\$0.2350	\$0.2999	\$0.2666	\$0.2248	\$0.2468	\$0.3156	\$0.2969	\$0.1993	\$0.2431	\$0.3186	\$0.2722
Maintenance expense	\$0.0066	\$0.0108	\$0.0153	\$0.0139	\$0.0078	\$0.0120	\$0.0143	\$0.0115	\$0.0116	\$0.0142	\$0.0211	\$0.0158	\$0.0071	\$0.0109	\$0.0155	\$0.0136
Total O&M	\$0.2039	\$0.2537	\$0.3472	\$0.2844	\$0.2284	\$0.2431	\$0.3069	\$0.2780	\$0.2356	\$0.2553	\$0.3407	\$0.3127	\$0.2102	\$0.2527	\$0.3324	\$0.2858
Depreciation	\$0.0219	\$0.0265	\$0.0315	\$0.0265	\$0.0204	\$0.0246	\$0.0302	\$0.0263	\$0.0230	\$0.0265	\$0.0291	\$0.0265	\$0.0218	\$0.0263	\$0.0312	\$0.0265
Depletion	\$0.0000	\$0.0000	\$0.0000	\$0.0001	\$0.0000	\$0.0000	\$0.0000	\$0.0010	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0003
Amortization	\$0.0000	\$0.0000	\$0.0019	\$0.0009	\$0.0000	\$0.0013	\$0.0041	\$0.0025	\$0.0000	\$0.0000	\$0.0000	\$0.0004	\$0.0000	\$0.0000	\$0.0021	\$0.0012
Prop. loss charged to operations	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
Total taxes	\$0.0223	\$0.0279	\$0.0397	\$0.0302	\$0.0217	\$0.0337	\$0.0529	\$0.0361	\$0.0028	\$0.0119	\$0.0210	\$0.0126	\$0.0209	\$0.0278	\$0.0397	\$0.0297
Other operating income	\$0.0000	\$0.0000	\$0.0000	\$0.0020	\$0.0000	\$0.0000	\$0.0000	-\$0.0021	\$0.0000	\$0.0000	\$0.0036	\$0.0031	\$0.0000	\$0.0000	\$0.0000	\$0.0013
Total operating income	\$0.0289	\$0.0381	\$0.0448	\$0.0339	\$0.0264	\$0.0357	\$0.0473	\$0.0397	\$0.0186	\$0.0306	\$0.0484	\$0.0333	\$0.0275	\$0.0374	\$0.0453	\$0.0350

GAS-ONLY INCOME STATEMENT - Per Mile of Distribution Pipe

2012 Data, 85 Utilities Reporting	Gas Utilities				Combination Utilities				Municipal Utilities				All Companies			
	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG
Operating revenue	\$33,090	\$43,289	\$66,050	\$58,472	\$41,335	\$63,137	\$80,795	\$84,155	\$31,529	\$56,251	\$71,242	\$68,692	\$34,844	\$50,068	\$74,615	\$64,794
Operating expense	\$20,528	\$29,918	\$46,569	\$40,420	\$30,250	\$47,881	\$56,591	\$53,531	\$23,691	\$40,853	\$55,470	\$50,392	\$21,100	\$34,833	\$51,415	\$44,111
Maintenance expense	\$877	\$1,238	\$1,965	\$1,761	\$1,216	\$1,669	\$3,113	\$3,150	\$1,245	\$2,084	\$4,705	\$3,025	\$893	\$1,424	\$2,327	\$2,173
Total O&M	\$21,371	\$30,855	\$48,566	\$42,182	\$30,990	\$49,098	\$58,457	\$56,681	\$24,936	\$44,725	\$59,281	\$53,417	\$22,059	\$35,851	\$54,498	\$46,284
Depreciation	\$2,373	\$3,831	\$4,937	\$4,303	\$2,541	\$4,667	\$6,372	\$6,072	\$2,634	\$3,247	\$4,387	\$4,548	\$2,447	\$3,831	\$5,267	\$4,693
Depletion	\$0	\$0	\$0	\$28	\$0	\$0	\$0	\$146	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49
Amortization	\$0	\$0	\$309	\$217	\$0	\$179	\$958	\$633	\$0	\$0	\$0	\$29	\$0	\$0	\$311	\$285
Prop. loss charged to operations	\$0	\$0	\$0	\$14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10
Total taxes	\$2,174	\$4,242	\$5,585	\$5,717	\$2,719	\$5,085	\$9,049	\$11,323	\$727	\$1,904	\$2,794	\$1,859	\$2,232	\$4,077	\$5,817	\$6,503
Other operating income	\$0	\$0	\$0	\$456	\$0	\$0	\$0	\$2,904	\$0	\$0	\$462	\$431	\$0	\$0	\$0	\$961
Total operating income	\$2,956	\$5,015	\$6,765	\$6,012	\$3,059	\$4,738	\$10,030	\$9,301	\$1,208	\$4,266	\$7,723	\$8,839	\$2,956	\$4,997	\$7,479	\$6,970

APPENDIX 3e: GAS UTILITY FINANCIAL RATIOS

2012 Data, 85 Utilities Reporting Stratified by Type of Company	Gas Utilities 60 firms				Combination Utilities 20 firms				Municipal Utilities 9 firms				All Companies 89 firms			
	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG	LQ	MED	UQ	AVG
Therms delivered (avg.) per acct.	1,343	1,663	2,056	2,126	1,349	1,518	2,570	2,047	1,052	1,230	1,263	1,159	1,230	1,601	2,083	2,017
Therms per \$1,000 of gas plant	0.491	0.656	0.991	0.785	0.412	0.683	0.810	0.770	0.325	0.363	0.614	0.482	0.461	0.648	0.918	0.753
Value of gas plant per customer	\$1,896	\$2,592	\$3,524	\$3,054	\$2,329	\$2,426	\$3,739	\$2,960	\$1,997	\$2,630	\$3,351	\$2,704	\$2,039	\$2,510	\$3,588	\$3,001
%Sales firm (not interruptible)	96.3%	99.4%	100.0%	93.6%	89.0%	99.3%	99.9%	93.7%	80.6%	87.2%	97.9%	86.0%	91.7%	99.3%	100.0%	92.9%
Collection period (days) 1/	19.6	27.1	43.6	33.6	24.2	27.9	40.5	30.7	21.8	34.9	48.4	37.5	21.3	27.9	43.5	33.4
Gas O&M expense as pct. of revenue	66.2%	73.4%	78.7%	73.1%	67.5%	73.4%	79.8%	71.7%	74.2%	81.3%	83.7%	79.9%	67.8%	73.7%	80.0%	73.4%
Gas operating income as pct. of revenue	6.8%	11.1%	13.0%	9.8%	6.5%	8.8%	13.3%	10.4%	5.9%	9.3%	10.7%	8.7%	6.7%	10.6%	13.0%	9.8%
Gas operating revenue per customer	\$741	\$975	\$1,148	\$1,025	\$901	\$1,048	\$1,331	\$1,111	\$816	\$937	\$1,102	\$966	\$764	\$981	\$1,164	\$1,037
Gas O&M expense per customer	\$562	\$699	\$814	\$750	\$672	\$719	\$903	\$788	\$661	\$768	\$874	\$766	\$583	\$710	\$845	\$759
Gas operating income per customer	\$57	\$104	\$136	\$102	\$68	\$83	\$200	\$122	\$45	\$90	\$112	\$94	\$59	\$99	\$142	\$105
Gas revenue per dollar of gas plant	\$0.302	\$0.354	\$0.426	\$0.376	\$0.321	\$0.357	\$0.434	\$0.384	\$0.310	\$0.332	\$0.406	\$0.385	\$0.310	\$0.353	\$0.429	\$0.379
Gas O&M expense per dollar of gas plant	\$0.204	\$0.254	\$0.347	\$0.284	\$0.228	\$0.243	\$0.307	\$0.278	\$0.236	\$0.255	\$0.341	\$0.313	\$0.210	\$0.253	\$0.332	\$0.286
Gas operating income per \$ of gas plant	\$0.029	\$0.038	\$0.045	\$0.034	\$0.026	\$0.036	\$0.047	\$0.040	\$0.019	\$0.031	\$0.048	\$0.033	\$0.028	\$0.037	\$0.045	\$0.035
Gas revenue per mile of pipe 2/	\$33,090	\$43,289	\$66,050	\$57,858	\$41,335	\$63,137	\$80,795	\$84,155	\$31,529	\$56,251	\$71,242	\$68,692	\$34,535	\$49,627	\$74,063	\$64,288
Gas O&M expense per mile of pipe 2/	\$21,472	\$30,855	\$48,566	\$41,827	\$30,990	\$49,098	\$58,457	\$56,681	\$24,936	\$44,725	\$59,281	\$53,417	\$21,772	\$35,833	\$54,441	\$45,987
Gas operating income per mile of pipe 2/	\$2,956	\$5,015	\$6,765	\$5,869	\$3,059	\$4,738	\$10,030	\$9,301	\$1,208	\$4,266	\$7,723	\$8,839	\$2,887	\$4,943	\$7,456	\$6,858
Long-term debt - total assets ratio 1/	13.3%	21.5%	28.2%	20.6%	21.0%	28.1%	31.4%	27.6%	19.8%	40.9%	53.9%	37.6%	16.2%	23.5%	29.6%	23.6%
Long-term debt - total capitalization ratio 1/3/	29.5%	41.9%	47.5%	36.6%	41.3%	48.3%	50.5%	44.4%	22.5%	41.2%	61.6%	41.9%	32.8%	44.1%	48.5%	38.7%
Net interest - long-term debt ratio 1/	4.9%	6.0%	7.0%	6.1%	4.5%	5.5%	6.0%	5.0%	3.7%	4.8%	5.1%	4.1%	4.8%	5.7%	6.8%	5.6%
EBITDA interest coverage 1/	5.5x	6.5x	9.7x	8.7x	6.4x	7.4x	9.1x	8.0x	3.7x	4.7x	12.1x	9.0x	5.9x	6.6x	9.8x	8.6x
Return on assets	1.9%	2.8%	3.3%	2.3%	2.6%	3.0%	3.8%	3.2%	1.6%	2.4%	3.4%	4.2%	1.9%	2.8%	3.4%	2.7%
Gross sales margin per therm 4/	\$0.215	\$0.326	\$0.425	\$0.375	\$0.153	\$0.319	\$0.396	\$0.327	\$0.229	\$0.281	\$0.369	\$0.407	\$0.204	\$0.322	\$0.424	\$0.369
Gross sales margin per customer 4/	\$257	\$508	\$674	\$1,249	\$415	\$539	\$680	\$556	\$345	\$423	\$569	\$515	\$390	\$514	\$674	\$1,036

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**

VALUES PER THERM	Gas Utilities			Combination Utilities			Municipal Utilities			All Companies		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Gas-only revenues	\$0.8528	\$0.7648	\$0.6691	\$0.8216	\$0.7923	\$0.7087	\$1.1011	\$1.0346	\$0.8621	\$0.8753	\$0.7982	\$0.6723
Purchased-gas expense	\$0.4420	\$0.3855	\$0.2649	\$0.4522	\$0.3884	\$0.2605	\$0.7299	\$0.6223	\$0.4001	\$0.4786	\$0.4101	\$0.2787
Gross sales margin	\$0.3437	\$0.3390	\$0.3625	\$0.3433	\$0.3550	\$0.3265	\$0.3712	\$0.4123	\$0.4073	\$0.3469	\$0.3500	\$0.3604
Total production costs ¹	\$0.5091	\$0.4258	\$0.3066	\$0.4783	\$0.4372	\$0.2790	\$0.7299	\$0.6223	\$0.4043	\$0.5284	\$0.4482	\$0.3119
Storage & LNG	0.0056	0.0031	0.0042	0.0015	0.0015	0.0108	0.0248	0.0171	0.0027	0.0069	0.0042	0.0053
Transmission	0.0100	0.0087	0.0098	0.0104	0.0100	0.0084	0.0023	0.0029	0.0045	0.0092	0.0084	0.0090
Distribution	0.0465	0.0486	0.0521	0.0447	0.0446	0.0470	0.0627	0.0743	0.0537	0.0480	0.0503	0.0513
Customer accounts	0.0333	0.0325	0.0273	0.0302	0.0296	0.0271	0.0415	0.0343	0.0260	0.0336	0.0320	0.0271
Customer svc. & info.	0.0033	0.0051	0.0067	0.0113	0.0163	0.0089	0.0109	0.0158	0.0119	0.0060	0.0087	0.0077
Sales	0.0018	0.0016	0.0020	0.0023	0.0022	0.0021	0.0084	0.0063	0.0057	0.0027	0.0022	0.0024
Admin. & general	0.0651	0.0711	0.0750	0.0634	0.0710	0.0697	0.0845	0.0931	0.0919	0.0670	0.0733	0.0758
Total O&M	0.6747	0.5952	0.4837	0.6420	0.6124	0.4529	0.9650	0.8661	0.6009	0.7019	0.6265	0.4905
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	51.8%	50.4%	39.6%	55.0%	49.0%	36.8%	39.2%	60.1%	46.4%	44.5%	51.4%	41.5%
Gross sales margin	40.3%	44.3%	54.2%	41.8%	44.8%	46.1%	63.7%	39.9%	47.2%	41.7%	43.9%	53.6%
Total production costs ¹	59.7%	55.7%	45.8%	58.2%	55.2%	39.4%	39.2%	60.1%	46.9%	60.4%	56.1%	46.4%
Storage & LNG	0.7%	0.4%	0.6%	0.2%	0.2%	1.5%	1.9%	1.7%	0.3%	0.6%	0.5%	0.8%
Transmission	1.2%	1.1%	1.5%	1.3%	1.3%	1.2%	0.4%	0.3%	0.5%	0.9%	1.1%	1.3%
Distribution	5.4%	6.4%	7.8%	5.4%	5.6%	6.6%	22.0%	7.2%	6.2%	5.2%	6.3%	7.6%
Customer accounts	3.9%	4.2%	4.1%	3.7%	3.7%	3.8%	10.2%	3.3%	3.0%	3.0%	4.0%	4.0%
Customer svc. & info.	0.4%	0.7%	1.0%	1.4%	2.1%	1.3%	1.5%	1.5%	1.4%	1.5%	1.1%	1.1%
Sales	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.6%	0.6%	0.7%	0.1%	0.3%	0.4%
Admin. & general	7.6%	9.3%	11.2%	7.7%	9.0%	9.8%	29.4%	9.0%	10.7%	6.4%	9.2%	11.3%
Total O&M	79.1%	77.8%	72.3%	78.1%	77.3%	63.9%	87.1%	83.7%	69.7%	80.2%	78.5%	72.9%
VALUES PER CUSTOMER												
Gas-only revenues	\$1,446	\$1,176	\$976	\$1,356	\$1,305	\$1,017	\$1,417	\$1,209	\$963	\$1,422	\$1,192	\$981
Purchased-gas expense	\$770	\$651	\$405	\$781	\$665	\$466	\$948	\$787	\$539	\$793	\$670	\$451
Gross sales margin	\$563	\$521	\$508	\$543	\$492	\$539	\$469	\$455	\$423	\$547	\$501	\$514
Total production costs ¹	\$883	\$670	\$454	\$813	\$693	\$461	\$948	\$787	\$540	\$875	\$684	\$462
Storage & LNG	\$9	\$-	\$0	\$2	\$0	\$0	\$38	\$6	\$3	\$11	\$0	\$0
Transmission	\$15	\$3	\$1	\$10	\$1	\$6	\$2	\$-	\$2	\$12	\$1	\$2
Distribution	\$74	\$73	\$70	\$70	\$72	\$72	\$79	\$93	\$73	\$74	\$76	\$72
Customer accounts	\$55	\$44	\$37	\$48	\$45	\$43	\$52	\$32	\$31	\$53	\$43	\$37
Customer svc. & info.	\$6	\$2	\$3	\$17	\$26	\$5	\$11	\$6	\$6	\$9	\$4	\$5
Sales	\$4	\$1	\$1	\$3	\$1	\$0	\$9	\$2	\$2	\$4	\$1	\$1
Admin. & general	\$111	\$106	\$98	\$103	\$97	\$113	\$100	\$95	\$101	\$108	\$103	\$108
Total O&M	\$1,156	\$929	\$698	\$1,065	\$668	\$1,241	\$1,240	\$1,069	\$761	\$1,145	\$940	\$710

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

**APPENDIX 5: WAGES & BENEFITS
2012 Data, 85 Utilities Reporting**

	Gas Utilities				Combination Utilities				Municipal Utilities				All Companies			
	59 firms				17 firms				9 firms				85 firms			
	LQ	MED	UQ	AVG.	LQ	MED	UQ	AVG.	LQ	MED	UQ	AVG.	LQ	MED	UQ	AVG.
Average number of employees	100	503	1,077	891	143	438	772	638	126	204	508	425	126	414	1,025	776
Number of Employees at year-end	122	535	1,080	875	195	443	755	670	94	188	498	404	148	458	1,022	769
O&M wages ('000)	\$5,594	\$27,402	\$58,464	\$50,608	\$6,635	\$34,028	\$57,245	\$41,238	\$3,110	\$12,044	\$29,388	\$23,556	\$5,564	\$26,779	\$55,898	\$44,665
Construction wages ('000)	\$153	\$5,066	\$18,843	\$14,405	\$1,985	\$15,056	\$21,511	\$19,257	\$0	\$2,075	\$4,217	\$2,945	\$462	\$4,592	\$18,485	\$13,590
Total pensions ('000)	\$347	\$10,775	\$36,285	\$23,684	\$6,779	\$20,264	\$32,767	\$33,152	\$2,667	\$5,182	\$22,237	\$19,275	\$1,434	\$11,305	\$33,333	\$24,702
PER YEAR END EMPLOYEE:																
Total salary & wages	\$59,427	\$70,337	\$77,699	\$73,287	\$67,580	\$95,287	\$107,649	\$90,745	\$41,333	\$53,272	\$67,156	\$53,832	\$58,537	\$71,335	\$86,023	\$75,043
Tot. benefits & pension	\$8,855	\$23,681	\$32,020	\$23,707	\$28,808	\$40,794	\$47,376	\$70,797	\$16,365	\$28,305	\$48,828	\$33,585	\$13,112	\$26,671	\$40,167	\$33,585
Total salary, benefits, and pension	\$68,938	\$91,918	\$112,215	\$96,993	\$102,388	\$134,589	\$145,233	\$161,542	\$56,942	\$81,959	\$114,986	\$87,417	\$69,654	\$97,817	\$124,772	\$108,628
Ratio: avg. benefits to avg. compensation	15%	25%	33%	23%	25%	29%	36%	34%	29%	45%	47%	40%	20%	27%	35%	26%
Therms delivered per year-end employee	748,154	1,042,211	1,758,467	1,330,630	1,044,571	1,352,026	2,264,679	2,112,128	158,460	467,714	558,037	512,669	687,783	1,057,143	1,759,330	1,463,625
Customers per year-end employee	492	688	874	721	554	1,076	1,349	1,038	341	442	465	413	459	673	886	746

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		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Asset Turnover	0.52X	0.47X	0.39X	0.41X	0.40X	0.35X	0.40X	0.36X	0.34X	0.48X	0.44X	0.36X
Financial Leverage	66.8%	66.5%	67.8%	69.4%	67.9%	69.2%	49.9%	42.4%	51.0%	67.3%	66.6%	67.5%
Debt/Equity Ratio	75.5%	72.4%	72.2%	94.8%	85.6%	93.3%	59.7%	56.7%	74.8%	82.8%	73.1%	79.2%
Equity Multiplier	3.12	3.17	3.15	3.26	3.17	3.40	1.71	1.74	1.93	3.12	3.14	3.15
Profit Margin	5.9%	6.5%	6.8%	6.5%	8.4%	9.4%	3.5%	6.8%	9.7%	5.9%	6.6%	7.6%
ROA	3.1%	3.0%	2.8%	2.9%	3.0%	3.0%	2.4%	1.9%	2.4%	3.0%	2.9%	2.8%
ROE	9.7%	9.1%	9.6%	8.3%	9.7%	9.8%	4.1%	3.4%	5.5%	9.4%	9.0%	9.6%
Current Ratio	0.85	0.80	0.82	1.34	1.14	1.09	2.96	2.73	2.36	1.04	0.97	0.95
Current Assets/Total Assets	16.6%	14.7%	13.5%	11.2%	9.8%	8.5%	22.9%	24.5%	20.3%	16.5%	14.2%	12.5%

<i>Based on Segment Averages</i>	Gas Utilities			Combination Utilities			Municipal Utilities			All Companies		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Asset Turnover	0.59X	0.57X	0.49X	0.43X	0.39X	0.33X	0.43X	0.39X	0.33X	0.54X	0.51X	0.44X
Financial Leverage	63.8%	64.1%	65.7%	67.8%	65.0%	65.8%	47.0%	44.9%	48.4%	63.0%	62.2%	64.1%
Debt/Equity Ratio	73.1%	73.2%	69.9%	100.9%	89.7%	90.4%	120.1%	108.6%	110.4%	84.2%	80.3%	78.0%
Equity Multiplier	3.29	3.68	3.44	5.96	3.13	3.34	2.47	2.36	2.37	3.81	3.43	3.31
Profit Margin	5.9%	6.0%	6.7%	7.2%	8.9%	10.4%	5.9%	5.9%	14.6%	6.2%	6.6%	8.3%
ROA	3.0%	2.8%	2.3%	2.8%	3.2%	3.2%	2.5%	2.1%	4.2%	2.9%	2.8%	2.7%
ROE	10.0%	9.2%	9.7%	8.3%	10.0%	10.7%	5.8%	4.9%	7.3%	9.2%	8.9%	9.7%
Current Ratio	1.05	1.00	0.98	1.62	1.39	1.48	3.01	3.31	3.12	1.38	1.33	1.29
Current Assets/Total Assets	19.6%	17.1%	15.8%	13.6%	10.0%	10.2%	23.0%	22.8%	20.7%	18.6%	16.3%	15.2%

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		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Operating revenue	\$ 0.7648	\$ 0.6898	\$ 0.6355	\$ 0.7923	\$ 0.7599	\$ 0.7087	\$ 1.0346	\$ 0.8943	\$ 0.8621	\$ 0.7982	\$ 0.7255	\$ 0.6723
Operating expense	\$ 0.5749	\$ 0.5104	\$ 0.4384	\$ 0.5913	\$ 0.5542	\$ 0.4818	\$ 0.8350	\$ 0.7205	\$ 0.6455	\$ 0.6049	\$ 0.5414	\$ 0.4672
Maintenance expense	\$ 0.0203	\$ 0.0203	\$ 0.0212	\$ 0.0211	\$ 0.0251	\$ 0.0240	\$ 0.0311	\$ 0.0337	\$ 0.0361	\$ 0.0216	\$ 0.0227	\$ 0.0233
Total O&M	\$ 0.5952	\$ 0.5307	\$ 0.4596	\$ 0.6124	\$ 0.5793	\$ 0.5058	\$ 0.8661	\$ 0.7541	\$ 0.6816	\$ 0.6265	\$ 0.5641	\$ 0.4905
Depreciation	\$ 0.0458	\$ 0.0450	\$ 0.0504	\$ 0.0448	\$ 0.0421	\$ 0.0487	\$ 0.0536	\$ 0.0528	\$ 0.0666	\$ 0.0463	\$ 0.0453	\$ 0.0516
Depletion	\$ 0.0001	\$ 0.0012	\$ 0.0006	\$ 0.0027	\$ 0.0025	\$ 0.0030	\$ -	\$ -	\$ -	\$ 0.0007	\$ 0.0013	\$ 0.0010
Amortization	\$ 0.0020	\$ 0.0022	\$ 0.0010	\$ 0.0033	\$ 0.0051	\$ 0.0049	\$ 0.0012	\$ 0.0011	\$ 0.0014	\$ 0.0022	\$ 0.0026	\$ 0.0018
Prop. loss charged to operations	\$ (0.0000)	\$ 0.0004	\$ 0.0001	\$ 0.0000	\$ 0.0000	\$ -	\$ -	\$ -	\$ -	\$ (0.0000)	\$ 0.0003	\$ 0.0001
Total taxes	\$ 0.0556	\$ 0.0469	\$ 0.0550	\$ 0.0566	\$ 0.0690	\$ 0.0715	\$ 0.0263	\$ 0.0264	\$ 0.0314	\$ 0.0528	\$ 0.0491	\$ 0.0561
Other operating income	\$ 0.0014	\$ 0.0014	\$ 0.0011	\$ (0.0003)	\$ 0.0000	\$ (0.0018)	\$ (0.0000)	\$ 0.0005	\$ 0.0073	\$ 0.0009	\$ 0.0010	\$ 0.0011
Total operating income	\$ 0.0661	\$ 0.0634	\$ 0.0688	\$ 0.0724	\$ 0.0620	\$ 0.0747	\$ 0.0874	\$ 0.0598	\$ 0.0811	\$ 0.0697	\$ 0.0628	\$ 0.0712

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		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Operating revenue	\$ 1,257	\$ 1,207	\$ 1,025	\$ 1,310	\$ 1,278	\$ 1,111	\$ 1,299	\$ 1,198	\$ 966	\$ 1,273	\$ 1,220	\$ 1,037
Operating expense	\$ 944	\$ 897	\$ 718	\$ 984	\$ 949	\$ 752	\$ 1,058	\$ 962	\$ 724	\$ 964	\$ 914	\$ 725
Maintenance expense	\$ 32	\$ 32	\$ 32	\$ 34	\$ 42	\$ 36	\$ 43	\$ 46	\$ 42	\$ 34	\$ 36	\$ 34
Total O&M	\$ 976	\$ 929	\$ 750	\$ 1,018	\$ 990	\$ 788	\$ 1,100	\$ 1,008	\$ 766	\$ 998	\$ 950	\$ 759
Depreciation	\$ 74	\$ 76	\$ 79	\$ 73	\$ 71	\$ 76	\$ 65	\$ 67	\$ 72	\$ 73	\$ 74	\$ 78
Depletion	\$ 0	\$ 2	\$ 1	\$ 3	\$ 3	\$ 3	\$ -	\$ -	\$ -	\$ 1	\$ 2	\$ 1
Amortization	\$ 3	\$ 4	\$ 1	\$ 6	\$ 8	\$ 8	\$ 1	\$ 1	\$ 1	\$ 3	\$ 4	\$ 3
Prop. loss charged to operations	\$ (0)	\$ 4	\$ 0	\$ 0	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ 3	\$ 0
Total taxes	\$ 94	\$ 86	\$ 92	\$ 94	\$ 113	\$ 115	\$ 31	\$ 31	\$ 33	\$ 88	\$ 86	\$ 91
Other operating income	\$ 1	\$ 14	\$ 8	\$ (0)	\$ 0	\$ 3	\$ 0	\$ 1	\$ 8	\$ 1	\$ 10	\$ 7
Total operating income	\$ 110	\$ 105	\$ 102	\$ 116	\$ 93	\$ 122	\$ 102	\$ 90	\$ 94	\$ 110	\$ 101	\$ 105

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		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Operating revenue	\$ 0.5014	\$ 0.4623	\$ 0.3762	\$ 0.4904	\$ 0.4650	\$ 0.3837	\$ 0.5758	\$ 0.5282	\$ 0.3855	\$ 0.5065	\$ 0.4698	\$ 0.3786
Operating expense	\$ 0.3868	\$ 0.3509	\$ 0.2705	\$ 0.3726	\$ 0.3481	\$ 0.2666	\$ 0.4791	\$ 0.4372	\$ 0.2969	\$ 0.3929	\$ 0.3595	\$ 0.2722
Maintenance expense	\$ 0.0148	\$ 0.0142	\$ 0.0139	\$ 0.0118	\$ 0.0155	\$ 0.0115	\$ 0.0174	\$ 0.0187	\$ 0.0158	\$ 0.0144	\$ 0.0149	\$ 0.0136
Total O&M	\$ 0.4015	\$ 0.3651	\$ 0.2844	\$ 0.3844	\$ 0.3635	\$ 0.2780	\$ 0.4965	\$ 0.4559	\$ 0.3127	\$ 0.4073	\$ 0.3744	\$ 0.2858
Depreciation	\$ 0.0270	\$ 0.0268	\$ 0.0265	\$ 0.0280	\$ 0.0257	\$ 0.0263	\$ 0.0259	\$ 0.0261	\$ 0.0265	\$ 0.0271	\$ 0.0265	\$ 0.0265
Depletion	\$ 0.0001	\$ 0.0006	\$ 0.0001	\$ 0.0011	\$ 0.0009	\$ 0.0010	\$ -	\$ -	\$ -	\$ 0.0003	\$ 0.0006	\$ 0.0003
Amortization	\$ 0.0010	\$ 0.0012	\$ 0.0009	\$ 0.0020	\$ 0.0025	\$ 0.0025	\$ 0.0004	\$ 0.0004	\$ 0.0004	\$ 0.0012	\$ 0.0013	\$ 0.0012
Prop. loss charged to operations	\$ (0.0000)	\$ 0.0007	\$ 0.0000	\$ 0.0000	\$ 0.0000	\$ -	\$ -	\$ -	\$ -	\$ (0.0000)	\$ 0.0005	\$ 0.0000
Total taxes	\$ 0.0338	\$ 0.0309	\$ 0.0302	\$ 0.0333	\$ 0.0370	\$ 0.0361	\$ 0.0128	\$ 0.0125	\$ 0.0126	\$ 0.0316	\$ 0.0301	\$ 0.0297
Other operating income	\$ 0.0007	\$ 0.0026	\$ 0.0020	\$ (0.0003)	\$ 0.0000	\$ (0.0021)	\$ 0.0002	\$ 0.0004	\$ 0.0031	\$ 0.0004	\$ 0.0019	\$ 0.0013
Total operating income	\$ 0.0380	\$ 0.0370	\$ 0.0339	\$ 0.0416	\$ 0.0355	\$ 0.0397	\$ 0.0403	\$ 0.0333	\$ 0.0333	\$ 0.0391	\$ 0.0363	\$ 0.0350

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		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Operating revenue	\$ 69,335	\$ 82,106	\$ 58,472	\$ 94,929	\$ 86,801	\$ 84,155	\$ 87,098	\$ 82,974	\$ 68,692	\$ 76,883	\$ 83,149	\$ 64,794
Operating expense	\$ 51,418	\$ 60,121	\$ 40,420	\$ 68,734	\$ 66,591	\$ 53,531	\$ 70,989	\$ 66,038	\$ 50,392	\$ 57,289	\$ 62,064	\$ 44,111
Maintenance expense	\$ 1,752	\$ 2,150	\$ 1,761	\$ 2,710	\$ 2,935	\$ 3,150	\$ 3,036	\$ 3,111	\$ 3,025	\$ 2,097	\$ 2,412	\$ 2,173
Total O&M	\$ 53,170	\$ 62,271	\$ 42,182	\$ 71,444	\$ 69,527	\$ 56,681	\$ 74,025	\$ 69,149	\$ 53,417	\$ 59,385	\$ 64,476	\$ 46,284
Depreciation	\$ 3,806	\$ 5,006	\$ 4,303	\$ 5,461	\$ 5,150	\$ 6,072	\$ 4,084	\$ 4,234	\$ 4,548	\$ 4,206	\$ 4,953	\$ 4,693
Depletion	\$ 28	\$ 174	\$ 28	\$ 140	\$ 107	\$ 146	\$ -	\$ -	\$ -	\$ 50	\$ 142	\$ 49
Amortization	\$ 183	\$ 198	\$ 217	\$ 425	\$ 432	\$ 633	\$ 26	\$ 25	\$ 29	\$ 221	\$ 227	\$ 285
Prop. loss charged to operations	\$ (7)	\$ 227	\$ 14	\$ 1	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ (5)	\$ 157	\$ 10
Total taxes	\$ 5,797	\$ 6,673	\$ 5,717	\$ 8,529	\$ 9,685	\$ 11,323	\$ 1,754	\$ 1,755	\$ 1,859	\$ 6,002	\$ 6,755	\$ 6,503
Other operating income	\$ 76	\$ 861	\$ 456	\$ (40)	\$ 0	\$ 2,904	\$ 36	\$ 51	\$ 431	\$ 46	\$ 600	\$ 961
Total operating income	\$ 6,358	\$ 7,557	\$ 6,012	\$ 8,930	\$ 1,901	\$ 9,301	\$ 7,209	\$ 7,810	\$ 8,839	\$ 7,022	\$ 6,440	\$ 6,970

APPENDIX 7b: GAS UTILITY FINANCIAL RATIOS

Based on Segment Averages

Stratified by Type of Company

	Gas Utilities			Combination Utilities			Municipal Utilities			All Companies						
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012				
Therms delivered (avg.) per acct.		2,017	2,098	2,126		1,941	2,085	2,047		1,333	1,376	1,159		1,931	2,019	2,017
Therms per \$1,000 of gas plant		0.801	0.788	0.785		0.790	0.817	0.770		0.617	0.618	0.482		0.780	0.775	0.753
Value of gas plant per customer		\$ 2,869	\$ 2,957	\$ 3,054		\$ 2,703	\$ 2,825	\$ 2,960		\$ 2,473	\$ 2,528	\$ 2,704		\$ 2,792	\$ 2,885	\$ 3,001
%Sales firm (not interruptible)		93%	94%	94%		92%	93%	94%		83%	83%	86%		92%	92%	93%
Collection period (days)	1/	36.9	33.4	33.6		34.3	31.0	30.7		35.1	35.1	37.5		36.1	33.1	33.4
Gas O&M expense as pct. of revenue		78%	77%	73%		78%	78%	72%		85%	84%	80%		78%	78%	73%
Gas oper. income as pct. of revenue		8%	9%	10%		9%	7%	10%		8%	7%	9%		8%	8%	10%
Gas operating revenue per customer		\$ 1,257	\$ 1,207	\$ 1,025		\$ 1,310	\$ 1,278	\$ 1,111		\$ 1,299	\$ 1,198	\$ 966		\$ 1,273	\$ 1,220	\$ 1,037
Gas O&M expense per customer		\$ 976	\$ 929	\$ 750		\$ 1,018	\$ 990	\$ 788		\$ 1,100	\$ 1,008	\$ 766		\$ 998	\$ 950	\$ 759
Gas operating income per customer		\$ 110	\$ 105	\$ 102		\$ 116	\$ 93	\$ 122		\$ 102	\$ 90	\$ 94		\$ 110	\$ 101	\$ 105
Gas revenue per dollar of gas plant		\$ 0.5014	\$ 0.4623	\$ 0.3762		\$ 0.4904	\$ 0.4650	\$ 0.3837		\$ 0.5758	\$ 0.5282	\$ 0.3855		\$ 0.5065	\$ 0.4698	\$ 0.3786
Gas O&M expense per \$ of gas plant		\$ 0.4015	\$ 0.3651	\$ 0.2844		\$ 0.3844	\$ 0.3635	\$ 0.2780		\$ 0.4965	\$ 0.4559	\$ 0.3127		\$ 0.4073	\$ 0.3744	\$ 0.2858
Gas oper. income per \$ of gas plant		\$ 0.0380	\$ 0.0370	\$ 0.0339		\$ 0.0416	\$ 0.0355	\$ 0.0397		\$ 0.0403	\$ 0.0333	\$ 0.0333		\$ 0.0391	\$ 0.0363	\$ 0.0350
Gas revenue per mile of pipe	2/	\$ 69,335	\$ 82,106	\$ 57,858		\$ 94,929	\$ 86,801	\$ 84,155		\$ 87,098	\$ 82,974	\$ 68,692		\$ 76,883	\$ 83,149	\$ 64,288
Gas O&M expense per mile of pipe	2/	\$ 53,170	\$ 62,271	\$ 41,827		\$ 71,444	\$ 69,527	\$ 56,681		\$ 74,025	\$ 69,149	\$ 53,417		\$ 59,385	\$ 64,476	\$ 45,987
Gas oper. income per mile of pipe	2/	\$ 6,358	\$ 7,557	\$ 5,869		\$ 8,930	\$ 1,901	\$ 9,301		\$ 7,209	\$ 7,810	\$ 8,839		\$ 7,022	\$ 6,440	\$ 6,858
LT debt - total assets ratio	1/	19.9%	20.4%	20.6%		27.7%	27.8%	27.6%		36.7%	34.9%	37.6%		23.3%	23.4%	23.6%
LT debt - total capitalization ratio	1/3/	35.4%	37.0%	36.6%		47.2%	43.9%	44.4%		40.8%	39.2%	41.9%		38.6%	38.7%	38.7%
Net interest - long-term debt ratio	1/	8.0%	6.7%	6.1%		6.4%	5.3%	5.0%		4.2%	4.8%	4.1%		7.2%	6.1%	5.6%
EBITDA interest coverage	1/	7.6x	8.2x	8.7x		7.8x	8.1x	8.0x		7.7x	5.9x	9.0x		7.6x	8.0x	8.6x
Return on assets		2.4%	2.3%	2.3%		2.8%	3.2%	3.2%		2.5%	2.1%	4.2%		2.5%	2.5%	2.7%

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		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Average number of employees	745	842	891	987	659	638	382	378	425	763	756	776
Number of Employees at year-end	726	826	875	1,008	667	670	382	378	404	754	746	769
O&M wages ('000)	\$45,840	\$46,972	\$50,608	\$42,394	\$38,027	\$41,238	\$20,470	\$21,095	\$23,556	\$42,500	\$42,443	\$44,665
Construction wages ('000)	\$12,325	\$11,712	\$14,405	\$17,884	\$15,507	\$19,257	\$2,629	\$2,616	\$2,945	\$12,594	\$11,508	\$13,590
Total pensions ('000)	\$19,825	\$22,224	\$23,684	\$36,487	\$28,892	\$33,152	\$14,615	\$16,774	\$19,275	\$23,042	\$22,980	\$24,702
PER EMPLOYEE(1/):												
Total salary & wages	\$72,761	\$70,895	\$73,287	\$83,612	\$87,961	\$90,745	\$49,206	\$48,878	\$53,832	\$72,843	\$71,881	\$75,043
Tot. benefits & pension	\$21,604	\$27,064	\$23,707	\$45,645	\$62,878	\$70,797	\$21,532	\$24,429	\$33,585	\$26,688	\$33,436	\$33,585
Total salary, benefits, and pension	\$93,131	\$97,959	\$96,993	\$129,257	\$150,839	\$161,542	\$70,737	\$73,307	\$87,417	\$98,674	\$105,317	\$108,628
Ratio: avg. benefits to avg. compensation	24.2%	23.6%	22.8%	37.1%	33.1%	33.9%	43.3%	35.9%	40.3%	28.7%	26.5%	26.5%
Therms sold per year-end employee	1,300,044	1,378,522	1,330,630	1,913,272	2,454,849	2,112,128	655,949	662,395	512,669	1,369,284	1,507,113	1,463,625
Customers per year-end employee	696	697	721	882	1,009	1,038	461	465	413	713	732	746

1/ year-end employees

APPENDIX 9: Companies Studied

Consolidations are limited to LDC business units.

GAS IOUs	Years Reported			GAS IOUs (cont.)	Years Reported		
	2010	2011	2012		2011	2012	2012
AGL Resources	X	X	X	Questar Gas Company	X	X	X
Arkansas Oklahoma Gas Corp	X	X	X	Semco Energy (S.E. Michigan)	X	X	X
Atmos Energy Corporation	X	X	X	Southeastern Natural Gas Co	X	X	X
Columbia Gas of Massachusetts	X	X	X	Southern California Gas	X	X	X
Centerpointe Energy - Minnesota Gas Co	X	X	X	Southwest Gas Corporation	X	X	X
Centerpointe Energy - Southern Gas - Arkla	X	X	X	Southwestern Virginia Gas Co.	X	X	X
Centerpointe Energy - Southern Gas - Entex	X	X	X	Summit Natural Gas of Missouri, Inc.			X
Chesapeake Utilities Corp	X	X	X	Texas Gas Service	X	X	X
Citizens Gas & Coke Utility	X	X	X	Union Oil & Gas Co.	X	X	X
Colorado Natural Gas	X	X	X	Vermont Gas	X	X	X
Columbia Gas of Kentucky	X	X	X	Washington Gas Light Company	X	X	X
Columbia Gas of Maryland	X	X	X	Yankee Gas Services Company	X	X	
Columbia Gas of Ohio	X	X	X				
Columbia Gas of Pennsylvania	X	X	X	COMBINATION IOUs	2011	2012	2012
Columbia Gas of Virginia	X	X	X	Avista Corp	X	X	X
Corning Natural Gas Corp	X	X	X	Baltimore Gas & Electric Co.	X	X	X
Delta Natural Gas Company	X	X	X	Black Hills Corporation	X	X	X
Dominion Peoples		X		Central Hudson Gas & Electric Corp.	X	X	X
Dominion East Ohio Gas Company	X	X	X	Cheyenne Light, Fuel, & Power	X	X	
Eastern Natural Gas Company			X	Consolidated Edison of New York	X	X	X
Enstar Natural Gas Company	X	X	X	Consumers Energy	X	X	X
Equitable Resources, Inc.	X	X	X	Florida Public Utilities Company	X	X	X
Hope Gas, Inc.	X		X	Gainesville Regional Utilities	X	X	X
Illinois Gas Company	X	X	X	Madison Gas & Electric Company	X	X	X
Indiana Gas Company, Inc.	X	X	X	National Grid - Niagara Mohawk	X	X	X
Kansas Gas Service	X	X	X	Northern Indiana Public Service Co.	X	X	X
KeySpan Energy Delivery - NYC	X	X	X	Pacific Gas & Electric	X		
KeySpan Energy Delivery New England	X		X	PECO Energy Company (consolidated)	X	X	X
KeySpan Gas East - LILCO	X	X	X	Public Service Enterprises	X		
Kokomo Gas and Fuel Company	X			Puget Sound Energy	X	X	X
Laclede Gas Company	X	X	X	San Diego Gas & Electric	X	X	X
MDU Resources Corporation			X	Southern Indiana Gas & Elec Co	X	X	X
Michigan Consolidated Gas Co	X	X	X	UGI Utilities, Inc.	X	X	X
Missouri Gas Utility Inc.	X	X		WE Energies	X	X	X
Mobile Gas Service Corporation	X	X	X				
Mountaineer Gas	X	X	X	MUNICIPALS	2011	2012	2012
Mt. Carmel Public Utility	X	X	X	Colorado Springs Utilities	X	X	X
Narragansett Gas Co.			X	Knoxville Utilities Board	X	X	X
National Fuel Gas Company	X	X	X	Memphis Light, Gas & Water Div	X	X	X
National Grid - Rhode Island	X	X		Metropolitan Util Dist-Omaha	X	X	X
New Jersey Natural Gas Company	X	X	X	Middle Tenn Nat Gas Util Dist	X	X	X
New Mexico Gas Company			X	Okaloosa County Gas District	X	X	X
Nicor Gas And Sub Companies	X	X		Owatonna Public Utilities	X	X	
Northern Indiana Fuel And Light	X	X		Philadelphia Gas Works	X	X	X
Northwest Natural Gas Company	X	X	X	Richmond Dept. of Pub. Util., City of	X	X	X
NSTAR Gas	X	X	X				
Ohio Gas Company	X	X	X				
Oklahoma Natural Gas	X	X	X				
Peoples Gas System, Inc.	X	X	X				
Peoples Natural Gas	X	X	X				
Piedmont Natural Gas Company	X	X	X				
Pike Natural Gas Company	X	X	X				