

**DELMARVA POWER & LIGHT COMPANY  
TOTAL COST OF CAPITAL**

Item	Percent 1/	Cost	Weighted Cost
Long-Term Debt	50.78%	4.91% 1/	2.49%
Common Equity	49.22%	9.20% - 9.75%	4.53% - 4.80%
Total	100.00%		7.02% - 7.29% 7.15% Average

1/ Capital structure ratios and cost of long-term debt contained in Company filing.

**DELMARVA POWER & LIGHT COMPANY  
DEBT RATINGS**

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Date	Senior Unsecured Debt			Senior Secured Debt		
	Moody's	S&P	Fitch	Moody's	S&P	Fitch
2007	Baa2	BBB-	A-	Baa1	BBB+	A
2008	Baa2	BBB	A-	Baa1	A-	A
2009	Baa2	BBB	A-	A3	A-	A
2010	Baa2	BBB+	A-	A3	A	A
2011	Baa2	BBB+	A-	A3	A	A
2012	Baa2	BBB+	A-	A3	A	A
2013	Baa2	BBB+	A-	A3	A	A

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Source: Response to Request No. PSC-COC-6

## PEPCO HOLDINGS AND REGULATED SUBSIDIARIES DEBT RATINGS

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Rating Agency	Delmarva Power & Light Co	Potomac Electric Power Co	Atlantic City Electric Co	Pepco Holdings
<b>Senior Unsecured Debt</b>				
Standard & Poor's	BBB+	BBB+	BBB+	BBB
Moody's	Baa2	Baa2	Baa2	Baa3
Fitch	A-	A-	BBB+	BBB
<b>Senior Secured Debt</b>				
Standard & Poor's	A	A	A	
Moody's	A3	A3	A3	
Fitch	A	A	A-	

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Source: Response to Request No. PSC-COC-6

**SELECTION OF PROXY COMPANIES**

Company	Percent Reg Gas Revenues	S&P Bond Rating	Moody's Bond Rating	Common Equity Ratio	Value Line Safety
<b>Value Line Natural Gas Utility Group</b>					
AGL Resources	69%	A-	A1/A2	40.8%	1
Atmos Energy	71%	BBB+	Baa1	46.5%	2
Laclede Group	75%	A	A2	58.1%	2
New Jersey Resources	<b>28%</b>	A+	Aa3	48.1%	1
Northwest Natural Gas	96%	A+	A1	45.4%	1
Piedmont Natural Gas	100%	A	A3	47.6%	2
South Jersey Industries	60%	A	A2	43.3%	2
Southwest Gas	69%	BBB+	Baa1	49.9%	3
UGI	<b>11%</b>	NR	A3	<b>32.0%</b>	2
WGL Holdings	<b>46%</b>	A+	A2	57.1%	1

Note: Figures as of Dec. 31, 2011.

Note: **Bold** figures indicate reasons for exclusion from proxy group.

Sources: AUS Utility Reports, Value Line.

**DELMARVA POWER & LIGHT COMPANY**  
**CAPITAL STRUCTURE RATIOS**  
**2008 - 2012**  
**(\$000)**

YEAR	COMMON EQUITY	LONG-TERM DEBT	SHORT-TERM DEBT
2008	\$752,436 44.8% 49.2%	\$775,513 46.2% 50.8%	\$150,000 8.9%
2009	\$807,496 50.7% 50.7%	\$784,948 49.3% 49.3%	\$0 0.0%
2010	\$840,213 49.3% 49.3%	\$862,947 50.7% 50.7%	\$0 0.0%
2011	\$851,342 48.3% 49.6%	\$864,769 49.0% 50.4%	\$47,000 2.7%
2012	\$984,604 48.4% 49.2%	\$1,015,954 50.0% 50.8%	\$32,000 1.6%

Note: Percentages may not total 100.0% due to rounding.

Sources: Response to PSC-COC-4 and PSC-COC-17.

**PEPCO HOLDINGS, INC.**  
**CAPITAL STRUCTURE RATIOS**  
**2008 - 2012**  
**(\$000)**

YEAR	COMMON EQUITY	PREFERRED STOCK	LONG-TERM DEBT	SHORT-TERM DEBT
2008	\$4,188,842 43.8% 45.3%	\$6,215 0.1% 0.1%	\$5,043,117 52.7% 54.6%	\$325,000 3.4%
2009	\$4,261,039 43.2% 45.0%	\$6,215 0.1% 0.1%	\$5,209,426 52.8% 55.0%	\$384,000 3.9%
2010	\$4,235,089 50.2% 52.7%	\$6,215 0.1% 0.1%	\$3,802,483 45.1% 47.3%	\$388,000 4.6%
2011	\$4,333,932 48.6% 52.0%		\$4,003,211 44.9% 48.0%	\$586,000 6.6%
2012	\$4,446,000 46.3% 50.7%		\$4,316,934 45.0% 49.3%	\$837,000 8.7%

Note: Percentages may not total 100.0% due to rounding.

Sources: Response to PSC-COC-4 and PSC-COC-17.

**PEPCO HOLDINGS, INC. AND SUBSIDIARIES**  
**CAPITAL STRUCTURE RATIOS**  
**December 31, 2012**  
**(\$000)**

COMPANY	COMMON EQUITY	LONG-TERM DEBT	SHORT-TERM DEBT
Delmarva Power & Light Co.	\$984,604,304 49.6% 49.6%	\$1,001,383,906 50.4% 50.4%	\$32,000 0.0%
Potomac Electric Power Co.	\$1,643,194 46.6% 49.8%	\$1,655,194 46.9% 50.2%	\$231,000 6.5%
Atlantic City Electric Co.	\$800,998 45.9% 48.9%	\$835,738 47.8% 51.1%	\$110,000 6.3%
Pepco Holdings, Inc.	\$4,446,000 46.3% 50.7%	\$4,316,934 45.0% 49.3%	\$837,000 8.7%

Note: Percentages may not total 100.0% due to rounding.

Sources: Response to PSC-COC-4 and PSC-COC-17.

**PROXY GROUP OF GAS DISTRIBUTION COMPANIES  
COMMON EQUITY RATIOS**

COMPANY	2008	2009	2010	2011	2012	Average
AGL Resources	49.7%	47.4%	52.0%	48.2%	50.5%	49.6%
Atmos Energy	49.2%	50.1%	54.6%	50.6%	54.7%	51.8%
Laclede Group	55.5%	57.1%	59.5%	61.1%	64.0%	59.4%
Northwest Natural Gas	55.1%	52.3%	53.9%	52.7%	53.0%	53.4%
Piedmont Natural Gas	52.8%	55.9%	59.0%	59.6%	51.3%	55.7%
South Jersey Industries	60.8%	63.5%	62.6%	59.5%	56.0%	60.5%
Southwest Gas	44.7%	46.5%	50.9%	56.8%	50.8%	49.9%
Average	52.5%	53.3%	56.1%	55.5%	54.3%	54.3%

Source: Value Line Investment Survey.

**PROXY GROUP OF GAS DISTRIBUTION COMPANIES  
CAPITAL STRUCTURE RATIOS  
INCLUDING SHORT-TERM DEBT**

Company	2008	2009	2010	2011	2012	Average
AGL Resources	39%	41%	40%	41%	41%	40%
Atmos Energy	46%	51%	49%	47%	47%	48%
Laclede Group	44%	50%	54%	55%	58%	52%
Northwest Natural Gas	45%	47%	45%	46%	45%	46%
Piedmont Natural Gas	43%	48%	49%	50%	43%	47%
South Jersey Industries	47%	50%	45%	46%	43%	46%
Southwest Gas	43%	46%	49%	51%	50%	48%
Average	<b>44%</b>	<b>48%</b>	<b>47%</b>	<b>48%</b>	<b>47%</b>	<b>47%</b>

Source: AUS Utility Reports.

**ECONOMIC INDICATORS**

Year	Real GDP* Growth	Industrial Production Growth	Unemployment Rate	Consumer Price Index	Producer Price Index
<b>1975 - 1982 Cycle</b>					
1975	-1.1%	-8.9%	8.5%	7.0%	6.6%
1976	5.4%	10.8%	7.7%	4.8%	3.7%
1977	5.5%	5.9%	7.0%	6.8%	6.9%
1978	5.0%	5.7%	6.0%	9.0%	9.2%
1979	2.8%	4.4%	5.8%	13.3%	12.8%
1980	-0.2%	-1.9%	7.0%	12.4%	11.8%
1981	1.8%	1.9%	7.5%	8.9%	7.1%
1982	-2.1%	-4.4%	9.5%	3.8%	3.6%
<b>1983 - 1991 Cycle</b>					
1983	4.0%	3.7%	9.5%	3.8%	0.6%
1984	6.8%	9.3%	7.5%	3.9%	1.7%
1985	3.7%	1.7%	7.2%	3.8%	1.8%
1986	3.1%	0.9%	7.0%	1.1%	-2.3%
1987	2.9%	4.9%	6.2%	4.4%	2.2%
1988	3.8%	4.5%	5.5%	4.4%	4.0%
1989	3.5%	1.8%	5.3%	4.6%	4.9%
1990	1.8%	-0.2%	5.6%	6.1%	5.7%
1991	-0.5%	-2.0%	6.8%	3.1%	-0.1%
<b>1992 - 2001 Cycle</b>					
1992	3.0%	3.1%	7.5%	2.9%	1.6%
1993	2.7%	3.4%	6.9%	2.7%	0.2%
1994	4.0%	5.5%	6.1%	2.7%	1.7%
1995	3.7%	4.8%	5.6%	2.5%	2.3%
1996	4.5%	4.3%	5.4%	3.3%	2.8%
1997	4.5%	7.3%	4.9%	1.7%	-1.2%
1998	4.2%	5.8%	4.5%	1.6%	0.0%
1999	3.7%	4.5%	4.2%	2.7%	2.9%
2000	4.1%	4.0%	4.0%	3.4%	3.6%
2001	1.1%	-3.4%	4.7%	1.6%	-1.6%
<b>2002 - 2009 Cycle</b>					
2002	1.8%	0.2%	5.8%	2.4%	1.2%
2003	2.5%	1.2%	6.0%	1.9%	4.0%
2004	3.5%	2.3%	5.5%	3.3%	4.2%
2005	3.1%	3.2%	5.1%	3.4%	5.4%
2006	2.7%	2.2%	4.6%	2.5%	1.1%
2007	1.9%	2.5%	4.6%	4.1%	6.2%
2008	-0.3%	-3.4%	5.8%	0.1%	-0.9%
2009	-3.1%	-11.3%	9.3%	2.7%	4.3%
<b>Current Cycle</b>					
2010	2.4%	5.7%	9.6%	1.5%	3.8%
2011	1.8%	3.4%	8.9%	3.0%	4.7%
2012	2.2%	3.6%	8.1%	1.7%	1.3%

\*GDP=Gross Domestic Product

Source: Council of Economic Advisors, Economic Indicators, various issues.

**ECONOMIC INDICATORS**

Year	Real GDP* Growth	Industrial Production Growth	Unemployment Rate	Consumer Price Index	Producer Price Index
<b>2002</b>					
1st Qtr.	2.7%	-3.8%	5.6%	2.8%	4.4%
2nd Qtr.	2.2%	-1.2%	5.9%	0.9%	-2.0%
3rd Qtr.	2.4%	0.8%	5.8%	2.4%	1.2%
4th Qtr.	0.2%	1.4%	5.9%	1.6%	0.4%
<b>2003</b>					
1st Qtr.	1.2%	1.1%	5.8%	4.8%	5.6%
2nd Qtr.	3.5%	-0.9%	6.2%	0.0%	-0.5%
3rd Qtr.	7.5%	-0.9%	6.1%	3.2%	3.2%
4th Qtr.	2.7%	1.5%	5.9%	-0.3%	2.8%
<b>2004</b>					
1st Qtr.	3.0%	2.8%	5.6%	5.2%	5.2%
2nd Qtr.	3.5%	4.9%	5.6%	4.4%	4.4%
3rd Qtr.	3.6%	4.6%	5.4%	0.8%	0.8%
4th Qtr.	2.5%	4.3%	5.4%	3.6%	7.2%
<b>2005</b>					
1st Qtr.	4.1%	3.8%	5.3%	4.4%	5.6%
2nd Qtr.	1.7%	3.0%	5.1%	1.6%	-0.4%
3rd Qtr.	3.1%	2.7%	5.0%	8.8%	14.0%
4th Qtr.	2.1%	2.9%	4.9%	-2.0%	4.0%
<b>2006</b>					
1st Qtr.	5.4%	3.4%	4.7%	4.8%	-0.2%
2nd Qtr.	1.4%	4.5%	4.6%	4.8%	5.6%
3rd Qtr.	0.1%	5.2%	4.7%	0.4%	-4.4%
4th Qtr.	3.0%	3.5%	4.5%	0.0%	3.6%
<b>2007</b>					
1st Qtr.	0.9%	2.5%	4.5%	4.8%	6.4%
2nd Qtr.	3.2%	1.6%	4.5%	5.2%	6.8%
3rd Qtr.	2.3%	1.8%	4.6%	1.2%	1.2%
4th Qtr.	2.9%	1.7%	4.8%	6.4%	10.8%
<b>2008</b>					
1st Qtr.	-1.8%	1.9%	4.9%	2.8%	9.6%
2nd Qtr.	1.3%	0.2%	5.3%	7.6%	14.0%
3rd Qtr.	-3.7%	-3.0%	6.0%	2.8%	-0.4%
4th Qtr.	-8.9%	6.0%	6.9%	-13.2%	-28.4%
<b>2009</b>					
1st Qtr.	-5.3%	-11.6%	8.1%	2.4%	-0.4%
2nd Qtr.	-0.3%	-12.9%	9.3%	3.2%	9.2%
3rd Qtr.	1.4%	-9.3%	9.6%	2.0%	-0.8%
4th Qtr.	4.0%	-4.5%	10.0%	2.5%	8.8%
<b>2010</b>					
1st Qtr.	2.3%	2.7%	9.7%	0.9%	6.5%
2nd Qtr.	2.2%	6.5%	9.7%	-1.2%	-2.4%
3rd Qtr.	2.6%	6.9%	9.6%	2.8%	4.0%
4th Qtr.	2.4%	6.2%	9.6%	2.8%	9.2%
<b>2011</b>					
1st Qtr.	0.1%	5.4%	9.0%	4.8%	9.6%
2nd Qtr.	2.5%	3.6%	9.0%	3.2%	3.6%
3rd Qtr.	1.3%	3.3%	9.1%	2.4%	6.4%
4th Qtr.	4.1%	4.0%	8.7%	0.4%	-1.2%
<b>2012</b>					
1st Qtr.	2.0%	4.5%	8.3%	3.2%	2.0%
2nd Qtr.	1.3%	4.7%	8.2%	0.0%	-2.8%
3rd Qtr.	3.1%	3.4%	8.1%	4.0%	9.6%
4th Qtr.	0.4%	2.8%	7.8%	0.0%	-3.6%
<b>2013</b>					
1st Qtr.	2.5%	2.6%	7.7%	2.0%	1.2%

\*GDP=Gross Domestic Product

Source: Council of Economic Advisors, Economic Indicators, various issues.

**INTEREST RATES**

Year	Prime Rate	US Treasury T Bills 3 Month	US Treasury T Bonds 10 Year	Utility Bonds Aaa	Utility Bonds Aa	Utility Bonds A	Utility Bonds Baa
<b>1975 - 1982 Cycle</b>							
1975	7.86%	5.84%	7.99%	9.03%	9.44%	10.09%	10.96%
1976	6.84%	4.99%	7.61%	8.63%	8.92%	9.29%	9.82%
1977	6.83%	5.27%	7.42%	8.19%	8.43%	8.61%	9.06%
1978	9.06%	7.22%	8.41%	8.87%	9.10%	9.29%	9.62%
1979	12.67%	10.04%	9.44%	9.86%	10.22%	10.49%	10.96%
1980	15.27%	11.51%	11.46%	12.30%	13.00%	13.34%	13.95%
1981	18.89%	14.03%	13.93%	14.64%	15.30%	15.95%	16.60%
1982	14.86%	10.69%	13.00%	14.22%	14.79%	15.86%	16.45%
<b>1983 - 1991 Cycle</b>							
1983	10.79%	8.63%	11.10%	12.52%	12.83%	13.66%	14.20%
1984	12.04%	9.58%	12.44%	12.72%	13.66%	14.03%	14.53%
1985	9.93%	7.48%	10.62%	11.68%	12.06%	12.47%	12.96%
1986	8.33%	5.98%	7.68%	8.92%	9.30%	9.58%	10.00%
1987	8.21%	5.82%	8.39%	9.52%	9.77%	10.10%	10.53%
1988	9.32%	6.69%	8.85%	10.05%	10.26%	10.49%	11.00%
1989	10.87%	8.12%	8.49%	9.32%	9.56%	9.77%	9.97%
1990	10.01%	7.51%	8.55%	9.45%	9.65%	9.86%	10.06%
1991	8.46%	5.42%	7.86%	8.85%	9.09%	9.36%	9.55%
<b>1992 - 2001 Cycle</b>							
1992	6.25%	3.45%	7.01%	8.19%	8.55%	8.69%	8.86%
1993	6.00%	3.02%	5.87%	7.29%	7.44%	7.59%	7.91%
1994	7.15%	4.29%	7.09%	8.07%	8.21%	8.31%	8.63%
1995	8.83%	5.51%	6.57%	7.68%	7.77%	7.89%	8.29%
1996	8.27%	5.02%	6.44%	7.48%	7.57%	7.75%	8.16%
1997	8.44%	5.07%	6.35%	7.43%	7.54%	7.60%	7.95%
1998	8.35%	4.81%	5.26%	6.77%	6.91%	7.04%	7.26%
1999	8.00%	4.66%	5.65%	7.21%	7.51%	7.62%	7.88%
2000	9.23%	5.85%	6.03%	7.88%	8.06%	8.24%	8.36%
2001	6.91%	3.44%	5.02%	7.47%	7.59%	7.78%	8.02%
<b>2002 - 2009 Cycle</b>							
2002	4.67%	1.62%	4.61%		[1] 7.19%	7.37%	8.02%
2003	4.12%	1.01%	4.01%		6.40%	6.58%	6.84%
2004	4.34%	1.38%	4.27%		6.04%	6.16%	6.40%
2005	6.19%	3.16%	4.29%		5.44%	5.65%	5.93%
2006	7.96%	4.73%	4.80%		5.84%	6.07%	6.32%
2007	8.05%	4.41%	4.63%		5.94%	6.07%	6.33%
2008	5.09%	1.48%	3.66%		6.18%	6.53%	7.25%
2009	3.25%	0.16%	3.26%		5.75%	6.04%	7.06%
<b>Current Cycle</b>							
2010	3.25%	0.14%	3.22%		5.24%	5.46%	5.96%
2011	3.25%	0.06%	2.78%		4.78%	5.04%	5.57%
2012	3.25%	0.09%	1.80%		3.83%	4.13%	4.86%

[1] Note: Moody's has not published Aaa utility bond yields since 2001.

Sources: Council of Economic Advisors, Economic Indicators; Moody's Bond Record; Federal Reserve Bulletin; various issues.

INTEREST RATES

	Prime Rate	US Treasury T Bills 3 Month	US Treasury T Bonds 10 Year	Utility Bonds Aaa [1]	Utility Bonds Aa	Utility Bonds A	Utility Bonds Baa
<b>2007</b>							
Jan	8.25%	4.96%	4.76%		5.78%	5.96%	6.16%
Feb	8.25%	5.02%	4.72%		5.73%	5.90%	6.10%
Mar	8.25%	4.97%	4.56%		5.66%	5.85%	6.10%
Apr	8.25%	4.88%	4.69%		5.83%	5.97%	6.24%
May	8.25%	4.77%	4.75%		5.86%	5.99%	6.23%
June	8.25%	4.63%	5.10%		6.18%	6.30%	6.54%
July	8.25%	4.84%	5.00%		6.11%	6.25%	6.49%
Aug	8.25%	4.34%	4.67%		6.11%	6.24%	6.51%
Sept	7.75%	4.01%	4.52%		6.10%	6.18%	6.45%
Oct	7.50%	3.97%	4.53%		6.04%	6.11%	6.36%
Nov	7.50%	3.49%	4.15%		5.87%	5.97%	6.27%
Dec	7.25%	3.08%	4.10%		6.03%	6.16%	6.51%
<b>2008</b>							
Jan	6.00%	2.86%	3.74%		5.87%	6.02%	6.35%
Feb	6.00%	2.21%	3.74%		6.04%	6.21%	6.60%
Mar	5.25%	1.38%	3.51%		5.99%	6.21%	6.68%
Apr	5.00%	1.32%	3.68%		5.99%	6.29%	6.82%
May	5.00%	1.71%	3.88%		6.07%	6.27%	6.79%
June	5.00%	1.90%	4.10%		6.19%	6.38%	6.93%
July	5.00%	1.72%	4.01%		6.13%	6.40%	6.97%
Aug	5.00%	1.76%	3.89%		6.09%	6.37%	6.98%
Sept	5.00%	1.46%	3.69%		6.13%	6.48%	7.15%
Oct	4.00%	0.84%	3.81%		6.95%	7.58%	8.58%
Nov	4.00%	0.30%	3.53%		8.83%	7.60%	8.98%
Dec	3.25%	0.04%	2.42%		5.93%	6.54%	8.13%
<b>2009</b>							
Jan	3.25%	0.12%	2.52%		6.01%	6.39%	7.90%
Feb	3.25%	0.31%	2.87%		6.11%	6.30%	7.74%
Mar	3.25%	0.25%	2.82%		6.14%	6.42%	8.00%
Apr	3.25%	0.17%	2.93%		6.20%	6.48%	8.03%
May	3.25%	0.15%	3.29%		6.23%	6.49%	7.76%
June	3.25%	0.17%	3.72%		6.13%	6.20%	7.30%
July	3.25%	0.19%	3.56%		5.63%	5.97%	6.87%
Aug	3.25%	0.18%	3.59%		5.33%	5.71%	6.36%
Sept	3.25%	0.13%	3.40%		5.15%	5.53%	6.12%
Oct	3.25%	0.08%	3.39%		5.23%	5.55%	6.14%
Nov	3.25%	0.05%	3.40%		5.33%	5.64%	6.18%
Dec	3.25%	0.07%	3.59%		5.52%	5.79%	6.26%
<b>2010</b>							
Jan	3.25%	0.06%	3.73%		5.55%	5.77%	6.16%
Feb	3.25%	0.10%	3.69%		5.69%	5.87%	6.25%
Mar	3.25%	0.15%	3.73%		5.64%	5.84%	6.22%
Apr	3.25%	0.15%	3.85%		5.62%	5.81%	6.19%
May	3.25%	0.16%	3.42%		5.29%	5.50%	5.97%
June	3.25%	0.12%	3.20%		5.22%	5.48%	6.18%
July	3.25%	0.16%	3.01%		4.99%	5.26%	5.98%
Aug	3.25%	0.15%	2.70%		4.75%	5.01%	5.55%
Sept	3.25%	0.15%	2.65%		4.74%	5.01%	5.53%
Oct	3.25%	0.13%	2.54%		4.89%	5.10%	5.62%
Nov	3.25%	0.13%	2.76%		5.12%	5.37%	5.85%
Dec	3.25%	0.15%	3.29%		5.32%	5.56%	6.04%
<b>2011</b>							
Jan	3.25%	0.15%	3.39%		5.29%	5.57%	6.06%
Feb	3.25%	0.14%	3.58%		5.42%	5.68%	6.10%
Mar	3.25%	0.11%	3.41%		5.33%	5.56%	5.97%
Apr	3.25%	0.06%	3.46%		5.32%	5.55%	5.98%
May	3.25%	0.04%	3.17%		5.08%	5.32%	5.74%
June	3.25%	0.04%	3.00%		5.04%	5.26%	5.67%
July	3.25%	0.03%	3.00%		5.05%	5.27%	5.70%
Aug	3.25%	0.05%	2.30%		4.44%	4.69%	5.22%
Sept	3.25%	0.02%	1.98%		4.24%	4.48%	5.11%
Oct	3.25%	0.02%	2.15%		4.21%	4.52%	5.24%
Nov	3.25%	0.01%	2.01%		3.92%	4.25%	4.93%
Dec	3.25%	0.02%	1.98%		4.00%	4.33%	5.07%
<b>2012</b>							
Jan	3.25%	0.02%	1.97%		4.03%	4.34%	5.06%
Feb	3.25%	0.08%	1.97%		4.02%	4.36%	5.02%
Mar	3.25%	0.09%	2.17%		4.16%	4.46%	5.13%
Apr	3.25%	0.08%	2.05%		4.10%	4.40%	5.11%
May	3.25%	0.09%	1.80%		3.92%	4.20%	4.97%
June	3.25%	0.09%	1.62%		3.78%	4.08%	4.81%
July	3.25%	0.10%	1.53%		3.58%	3.83%	4.85%
Aug	3.25%	0.11%	1.68%		3.65%	4.00%	4.88%
Sept	3.25%	0.10%	1.72%		3.69%	4.02%	4.81%
Oct	3.25%	0.10%	1.75%		3.68%	3.91%	4.54%
Nov	3.25%	0.11%	1.65%		3.60%	3.84%	4.42%
Dec	3.25%	0.08%	1.72%		3.75%	4.00%	4.56%
<b>2013</b>							
Jan	3.25%	0.07%	1.91%		3.90%	4.15%	4.66%
Feb	3.25%	0.10%	1.98%		3.95%	4.18%	4.74%
Mar	3.25%	0.09%	1.96%		3.90%	4.15%	4.66%
Apr	3.25%	0.06%	1.76%		3.74%	4.00%	4.49%

[1] Note: Moody's has not published Aaa utility bond yields since 2001.

Sources: Council of Economic Advisors, Economic Indicators; Moody's Bond Record; Federal Reserve Bulletin; various issues.

**STOCK PRICE INDICATORS**

	<b>S&amp;P Composite [1]</b>	<b>NASDAQ Composite [1]</b>	<b>DJIA</b>	<b>S&amp;P D/P</b>	<b>S&amp;P E/P</b>
<b>1975 - 1982 Cycle</b>					
1975			802.49	4.31%	9.15%
1976			974.92	3.77%	8.90%
1977			894.63	4.62%	10.79%
1978			820.23	5.28%	12.03%
1979			844.40	5.47%	13.46%
1980			891.41	5.26%	12.66%
1981			932.92	5.20%	11.96%
1982			884.36	5.81%	11.60%
<b>1983 - 1991 Cycle</b>					
1983			1,190.34	4.40%	8.03%
1984			1,178.48	4.64%	10.02%
1985			1,328.23	4.25%	8.12%
1986			1,792.76	3.49%	6.09%
1987			2,275.99	3.08%	5.48%
1988	[1]	[1]	2,060.82	3.64%	8.01%
1989	322.84		2,508.91	3.45%	7.41%
1990	334.59		2,678.94	3.61%	6.47%
1991	376.18	491.69	2,929.33	3.24%	4.79%
<b>1992 - 2001 Cycle</b>					
1992	415.74	\$599.26	3,284.29	2.99%	4.22%
1993	451.21	715.16	3,522.06	2.78%	4.46%
1994	460.42	751.65	3,793.77	2.82%	5.83%
1995	541.72	925.19	4,493.76	2.56%	6.09%
1996	670.50	1,164.96	5,742.89	2.19%	5.24%
1997	873.43	1,469.49	7,441.15	1.77%	4.57%
1998	1,085.50	1,794.91	8,625.52	1.49%	3.46%
1999	1,327.33	2,728.15	10,464.88	1.25%	3.17%
2000	1,427.22	2,783.67	10,734.90	1.15%	3.63%
2001	1,194.18	2,035.00	10,189.13	1.32%	2.95%
<b>2002 - 2009 Cycle</b>					
2002	993.94	1,539.73	9,226.43	1.61%	2.92%
2003	965.23	1,647.17	8,993.59	1.77%	3.84%
2004	1,130.65	1,986.53	10,317.39	1.72%	4.89%
2005	1,207.23	2,099.32	10,547.67	1.83%	5.36%
2006	1,310.46	2,263.41	11,408.67	1.87%	5.78%
2007	1,477.19	2,578.47	13,169.98	1.86%	5.29%
2008	1,220.04	2,161.65	11,252.62	2.37%	3.54%
2009	948.05	1,845.38	8,876.15	2.40%	1.86%
<b>Current Cycle</b>					
2010	1,139.97	2,349.89	10,662.80	1.98%	6.04%
2011	1,267.64	2,677.44	11,966.36	2.05%	6.77%
2012	1,379.35	2,965.56	12,967.08	2.24%	6.20%

[1] Note: this source did not publish the S&P Composite prior to 1988 and the NASDAQ Composite prior to 1991.

Source: Council of Economic Advisors, Economic Indicators, various issues.

**STOCK PRICE INDICATORS**

	<b>S&amp;P Composite</b>	<b>NASDAQ Composite</b>	<b>DJIA</b>	<b>S&amp;P D/P</b>	<b>S&amp;P E/P</b>
<b>2004</b>					
1st Qtr.	1,133.29	2,041.95	10,488.43	1.64%	4.62%
2nd Qtr.	1,122.87	1,984.13	10,289.04	1.71%	4.92%
3rd Qtr.	1,104.15	1,872.90	10,129.85	1.79%	5.18%
4th Qtr.	1,162.07	2,050.22	10,362.25	1.75%	4.83%
<b>2005</b>					
1st Qtr.	1,191.98	2,056.01	10,648.48	1.77%	5.11%
2nd Qtr.	1,181.65	2,012.24	10,382.35	1.85%	5.32%
3rd Qtr.	1,225.91	2,144.61	10,532.24	1.83%	5.42%
4th Qtr.	1,262.07	2,246.09	10,827.79	1.86%	5.60%
<b>2006</b>					
1st Qtr.	1,283.04	2,287.97	10,996.04	1.85%	5.61%
2nd Qtr.	1,281.77	2,240.46	11,188.84	1.90%	5.86%
3rd Qtr.	1,288.40	2,141.97	11,274.49	1.91%	5.88%
4th Qtr.	1,389.48	2,390.26	12,175.30	1.81%	5.75%
<b>2007</b>					
1st Qtr.	1,425.30	2,444.85	12,470.97	1.84%	5.85%
2nd Qtr.	1,496.43	2,552.37	13,214.26	1.82%	5.65%
3rd Qtr.	1,490.81	2,609.68	13,488.43	1.86%	5.15%
4th Qtr.	1,494.09	2,701.59	13,502.95	1.91%	4.51%
<b>2008</b>					
1st Qtr.	1,350.19	2,332.91	12,383.86	2.11%	4.55%
2nd Qtr.	1,371.65	2,426.26	12,508.59	2.10%	4.05%
3rd Qtr.	1,251.94	2,290.87	11,322.40	2.29%	3.94%
4th Qtr.	909.80	1,599.64	8,795.61	2.98%	1.65%
<b>2009</b>					
1st Qtr.	809.31	1,485.14	7,774.06	3.00%	0.86%
2nd Qtr.	892.23	1,731.41	8,327.83	2.45%	0.82%
3rd Qtr.	996.68	1,985.25	9,229.93	2.16%	1.19%
4th Qtr.	1,088.70	2,162.33	10,172.78	1.99%	4.57%
<b>2010</b>					
1st Qtr.	1,121.60	2,274.88	10,454.42	1.94%	5.21%
2nd Qtr.	1,135.25	2,343.40	10,570.54	1.97%	6.51%
3rd Qtr.	1,096.39	2,237.97	10,390.24	2.09%	6.30%
4th Qtr.	1,204.00	2,534.62	11,236.02	1.95%	6.15%
<b>2011</b>					
1st Qtr.	1,302.74	2,741.01	12,024.62	1.85%	6.13%
2nd Qtr.	1,319.04	2,766.64	12,370.73	1.97%	6.35%
3rd Qtr.	1,237.12	2,613.11	11,671.47	2.15%	7.69%
4th Qtr.	1,225.65	2,600.91	11,798.65	2.25%	6.91%
<b>2012</b>					
1st Qtr.	1,347.44	2,902.90	12,839.80	2.12%	6.29%
2nd Qtr.	1,350.39	2,928.62	12,765.58	2.30%	6.45%
3rd Qtr.	1,402.21	3,029.86	13,118.72	2.27%	6.00%
4th Qtr.	1,418.21	3,001.69	13,142.91	2.28%	6.07%
<b>2013</b>					
1st Qtr.	1,514.41	3,177.10	14,000.30	2.21%	

Source: Council of Economic Advisors, Economic Indicators, various issues.

**PROXY COMPANIES  
DIVIDEND YIELD**

COMPANY	Qtr. DPS	February - April, 2013			YIELD	
		DPS	HIGH	LOW		AVERAGE
<b>Proxy Group of Natural Gas Distribution Companies</b>						
AGL Resources	\$0.470	\$1.88	\$44.14	\$38.86	\$41.50	4.5%
Atmos Energy	\$0.350	\$1.40	\$44.55	\$37.22	\$40.89	3.4%
Laclede Group	\$0.425	\$1.70	\$47.11	\$39.82	\$43.47	3.9%
Northwest Natural Gas	\$0.455	\$1.82	\$46.37	\$43.30	\$44.84	4.1%
Piedmont Natural Gas	\$0.310	\$1.24	\$34.92	\$31.73	\$33.33	3.7%
South Jersey Industries	\$0.443	\$1.77	\$61.71	\$53.46	\$57.59	3.1%
Southwest Gas	\$0.295	\$1.18	\$50.71	\$44.20	\$47.46	2.5%
<b>Average</b>						<b>3.6%</b>
<b>Hevert Proxy Group</b>						
AGL Resources	\$0.470	\$1.88	\$44.14	\$38.86	\$41.50	4.5%
Atmos Energy	\$0.350	\$1.40	\$44.55	\$37.22	\$40.89	3.4%
Laclede Group	\$0.425	\$1.70	\$47.11	\$39.82	\$43.47	3.9%
New Jersey Resources	\$0.400	\$1.60	\$47.24	\$39.97	\$43.61	3.7%
Northwest Natural Gas	\$0.455	\$1.82	\$46.37	\$43.30	\$44.84	4.1%
Piedmont Natural Gas	\$0.310	\$1.24	\$34.92	\$31.73	\$33.33	3.7%
South Jersey Industries	\$0.443	\$1.77	\$61.71	\$53.46	\$57.59	3.1%
Southwest Gas	\$0.295	\$1.18	\$50.71	\$44.20	\$47.46	2.5%
WGL Holdings	\$0.420	\$1.68	\$46.22	\$41.19	\$43.71	3.8%
<b>Average</b>						<b>3.6%</b>

Source: Yahoo! Finance.

**PROXY COMPANIES  
RETENTION GROWTH RATES**

COMPANY	2008	2009	2010	2011	2012	Average	2013	2014	2016-18	Average
<b>Proxy Group of Natural Gas Distribution Companies</b>										
AGL Resources	5.1%	5.3%	5.6%	0.7%	2.0%	3.7%	2.0%	2.0%	6.0%	3.3%
Atmos Energy	3.1%	2.7%	3.5%	3.3%	2.8%	3.1%	3.5%	3.5%	4.5%	3.8%
Laclede Group	5.2%	5.9%	3.6%	4.9%	4.3%	4.8%	3.9%	4.0%	3.5%	3.8%
Northwest Natural Gas	4.5%	5.0%	4.0%	2.4%	2.5%	3.7%	2.5%	4.0%	4.5%	3.7%
Piedmont Natural Gas	3.9%	4.8%	3.3%	3.1%	3.3%	3.7%	3.0%	3.0%	2.5%	2.8%
South Jersey Industries	6.7%	6.4%	7.1%	6.7%	5.7%	6.5%	5.5%	6.5%	7.5%	6.5%
Southwest Gas	2.1%	4.1%	5.1%	5.3%	6.0%	4.5%	5.5%	5.5%	6.0%	5.7%
Average						<b>4.3%</b>				<b>4.2%</b>
<b>Hevert Proxy Group</b>										
AGL Resources	5.1%	5.3%	5.6%	0.7%	2.0%	3.7%	2.0%	2.0%	6.0%	3.3%
Atmos Energy	3.1%	2.7%	3.5%	3.3%	2.8%	3.1%	3.5%	3.5%	4.5%	3.8%
Laclede Group	5.2%	5.9%	3.6%	4.9%	4.3%	4.8%	3.9%	4.0%	3.5%	3.8%
New Jersey Resources	9.5%	7.2%	6.7%	6.2%	6.2%	7.2%	5.5%	5.5%	5.5%	5.5%
Northwest Natural Gas	4.5%	5.0%	4.0%	2.4%	2.5%	3.7%	2.5%	4.0%	4.5%	3.7%
Piedmont Natural Gas	3.9%	4.8%	3.3%	3.1%	3.3%	3.7%	3.0%	3.0%	2.5%	2.8%
South Jersey Industries	6.7%	6.4%	7.1%	6.7%	5.7%	6.5%	5.5%	6.5%	7.5%	6.5%
Southwest Gas	2.1%	4.1%	5.1%	5.3%	6.0%	4.5%	5.5%	5.5%	6.0%	5.7%
WGL Holdings	5.0%	5.0%	3.3%	3.4%	4.3%	4.2%	3.0%	3.5%	3.0%	3.2%
Average						<b>4.6%</b>				<b>4.3%</b>

Source: Value Line Investment Survey.

**PROXY COMPANIES  
PER SHARE GROWTH RATES**

COMPANY	5-Year Historic Growth Rates				Est'd '10-'12 to '16-'18 Growth Rates			
	EPS	DPS	BVPS	Average	EPS	DPS	BVPS	Average
<b>Proxy Group of Natural Gas Distribution Companies</b>								
AGL Resources	1.5%	6.5%	5.0%	4.3%	9.0%	2.0%	5.0%	5.3%
Atmos Energy	3.0%	1.5%	4.0%	2.8%	5.5%	1.5%	5.5%	4.2%
Laclede Group	4.0%	3.0%	6.5%	4.5%	5.5%	2.0%	5.5%	4.3%
Northwest Natural Gas	4.5%	4.5%	4.0%	4.3%	3.0%	2.5%	1.0%	2.2%
Piedmont Natural Gas	3.5%	5.5%	3.0%	4.0%	3.0%	3.0%	4.0%	3.3%
South Jersey Industries	7.0%	9.5%	7.0%	7.8%	9.0%	9.0%	7.0%	8.3%
Southwest Gas	6.5%	4.0%	5.0%	5.2%	8.0%	7.0%	5.0%	6.7%
Average				<b>4.7%</b>				<b>4.9%</b>
<b>Hevert Proxy Group</b>								
AGL Resources	1.5%	6.5%	5.0%	4.3%	9.0%	2.0%	5.0%	5.3%
Atmos Energy	3.0%	1.5%	4.0%	2.8%	5.5%	1.5%	5.5%	4.2%
Laclede Group	4.0%	3.0%	6.5%	4.5%	5.5%	2.0%	5.5%	4.3%
New Jersey Resources	8.5%	8.5%	6.5%	7.8%	2.0%	3.0%	4.0%	3.0%
Northwest Natural Gas	4.5%	4.5%	4.0%	4.3%	3.0%	2.5%	1.0%	2.2%
Piedmont Natural Gas	3.5%	5.5%	3.0%	4.0%	3.0%	3.0%	4.0%	3.3%
South Jersey Industries	7.0%	9.5%	7.0%	7.8%	9.0%	9.0%	7.0%	8.3%
Southwest Gas	6.5%	4.0%	5.0%	5.2%	8.0%	7.0%	5.0%	6.7%
WGL Holdings	3.0%	3.0%	4.5%	3.5%	2.0%	3.0%	3.5%	2.8%
Average				<b>4.9%</b>				<b>4.5%</b>

Source: Value Line Investment Survey.

**PROXY COMPANIES  
DCF COST RATES**

COMPANY	ADJUSTED YIELD	HISTORIC RETENTION GROWTH	PROSPECTIVE RETENTION GROWTH	HISTORIC PER SHARE GROWTH	PROSPECTIVE PER SHARE GROWTH	FIRST CALL EPS GROWTH	AVERAGE GROWTH	DCF RATES
<b>Proxy Group of Natural Gas Distribution Companies</b>								
AGL Resources	4.6%	3.7%	3.3%	4.3%	5.3%	neg	4.2%	8.8%
Atmos Energy	3.5%	3.1%	3.8%	2.8%	4.2%	6.0%	4.0%	7.5%
Laclede Group	4.0%	4.8%	3.8%	4.5%	4.3%	5.3%	4.5%	8.5%
Northwest Natural Gas	4.1%	3.7%	3.7%	4.3%	2.2%	4.5%	3.7%	7.8%
Piedmont Natural Gas	3.8%	3.7%	2.8%	4.0%	3.3%	5.0%	3.8%	7.6%
South Jersey Industries	3.2%	6.5%	6.5%	7.8%	8.3%	6.0%	7.0%	10.2%
Southwest Gas	2.6%	4.5%	5.7%	5.2%	6.7%	6.0%	5.6%	8.2%
Mean	3.7%	4.3%	4.2%	4.7%	4.9%	5.5%	4.7%	8.4%
Median	3.8%	3.7%	3.8%	4.3%	4.3%	5.7%	4.2%	8.2%
Composite - Mean		8.0%	7.9%	8.4%	8.6%	9.2%	8.4%	
Composite - Median		7.5%	7.6%	8.1%	8.1%	9.4%	8.0%	
<b>Hevert Proxy Group</b>								
AGL Resources	4.6%	3.7%	3.3%	4.3%	5.3%	neg	4.2%	8.8%
Atmos Energy	3.5%	3.1%	3.8%	2.8%	4.2%	6.0%	4.0%	7.5%
Laclede Group	4.0%	4.8%	3.8%	4.5%	4.3%	5.3%	4.5%	8.5%
New Jersey Resources	3.8%	7.2%	5.5%	7.8%	3.0%	4.0%	5.5%	9.3%
Northwest Natural Gas	4.1%	3.7%	3.7%	4.3%	2.2%	4.5%	3.7%	7.8%
Piedmont Natural Gas	3.8%	3.7%	2.8%	4.0%	3.3%	5.0%	3.8%	7.6%
South Jersey Industries	3.2%	6.5%	6.5%	7.8%	8.3%	6.0%	7.0%	10.2%
Southwest Gas	2.6%	4.5%	5.7%	5.2%	6.7%	6.0%	5.6%	8.2%
WGL Holdings	3.9%	4.2%	3.2%	3.5%	2.8%	5.3%	3.8%	7.7%
Mean	3.7%	4.6%	4.3%	4.9%	4.5%	5.3%	4.7%	8.4%
Median	3.8%	4.2%	3.8%	4.3%	4.2%	5.3%	4.2%	8.2%
Composite - Mean		8.3%	8.0%	8.6%	8.2%	9.0%	8.4%	
Composite - Median		8.0%	7.6%	8.1%	8.0%	9.1%	8.0%	

Sources: Prior pages of this schedule.

**STANDARD & POOR'S 500 COMPOSITE  
20-YEAR U.S. TREASURY BOND YIELDS  
RISK PREMIUMS**

Year	EPS	BVPS	ROE	20-YEAR T-BOND YIELD	RISK PREMIUM
1977		\$79.07			
1978	\$12.33	\$85.35	15.00%	7.90%	7.10%
1979	\$14.86	\$94.27	16.55%	8.86%	7.69%
1980	\$14.82	\$102.48	15.06%	9.97%	5.09%
1981	\$15.36	\$109.43	14.50%	11.55%	2.95%
1982	\$12.64	\$112.46	11.39%	13.50%	-2.11%
1983	\$14.03	\$116.93	12.23%	10.38%	1.85%
1984	\$16.64	\$122.47	13.90%	11.74%	2.16%
1985	\$14.61	\$125.20	11.80%	11.25%	0.55%
1986	\$14.48	\$126.82	11.49%	8.98%	2.51%
1987	\$17.50	\$134.04	13.42%	7.92%	5.50%
1988	\$23.75	\$141.32	17.25%	8.97%	8.28%
1989	\$22.87	\$147.26	15.85%	8.81%	7.04%
1990	\$21.73	\$153.01	14.47%	8.19%	6.28%
1991	\$16.29	\$158.85	10.45%	8.22%	2.23%
1992	\$19.09	\$149.74	12.37%	7.29%	5.08%
1993	\$21.89	\$180.88	13.24%	7.17%	6.07%
1994	\$30.60	\$193.06	16.37%	6.59%	9.78%
1995	\$33.96	\$215.51	16.62%	7.60%	9.02%
1996	\$38.73	\$237.08	17.11%	6.18%	10.93%
1997	\$39.72	\$249.52	16.33%	6.64%	9.69%
1998	\$37.71	\$266.40	14.62%	5.83%	8.79%
1999	\$48.17	\$290.68	17.29%	5.57%	11.72%
2000	\$50.00	\$325.80	16.22%	6.50%	9.72%
2001	\$24.69	\$338.37	7.43%	5.53%	1.90%
2002	\$27.59	\$321.72	8.36%	5.59%	2.77%
2003	\$48.73	\$367.17	14.15%	4.80%	9.35%
2004	\$58.55	\$414.75	14.98%	5.02%	9.96%
2005	\$69.93	\$453.06	16.12%	4.69%	11.43%
2006	\$81.51	\$504.39	17.03%	4.68%	12.35%
2007	\$66.17	\$529.59	12.80%	4.86%	7.94%
2008	\$14.88	\$451.37	3.03%	4.45%	-1.42%
2009	\$50.97	\$513.58	10.56%	3.47%	7.09%
2010	\$77.35	\$579.14	14.16%	4.25%	9.91%
2011	\$86.58	\$613.14	14.52%	3.81%	10.71%
Average					<b>6.47%</b>

Source: Standard & Poor's Analysts' Handbook, Morningstar Yearbook.

**PROXY COMPANIES  
CAPM COST RATES**

COMPANY	RISK-FREE RATE	BETA	RISK PREMIUM	CAPM RATES
<b>Proxy Group of Natural Gas Distribution Companies</b>				
AGL Resources	2.70%	0.75	5.42%	6.8%
Atmos Energy	2.70%	0.70	5.42%	6.5%
Laclede Group	2.70%	0.55	5.42%	5.7%
Northwest Natural Gas	2.70%	0.60	5.42%	6.0%
Piedmont Natural Gas	2.70%	0.65	5.42%	6.2%
South Jersey Industries	2.70%	0.65	5.42%	6.2%
Southwest Gas	2.70%	0.75	5.42%	6.8%
Mean				<b>6.3%</b>
Median				<b>6.2%</b>
<b>Hevert Proxy Group</b>				
AGL Resources	2.70%	0.75	5.42%	6.8%
Atmos Energy	2.70%	0.70	5.42%	6.5%
Laclede Group	2.70%	0.55	5.42%	5.7%
New Jersey Resources	2.70%	0.65	5.42%	6.2%
Northwest Natural Gas	2.70%	0.60	5.42%	6.0%
Piedmont Natural Gas	2.70%	0.65	5.42%	6.2%
South Jersey Industries	2.70%	0.65	5.42%	6.2%
Southwest Gas	2.70%	0.75	5.42%	6.8%
WGL Holdings	2.70%	0.65	5.42%	6.2%
Mean				<b>6.3%</b>
Median				<b>6.2%</b>

Sources: Value Line Investment Survey, Standard & Poor's Analysts' Handbook, Federal Reserve.

Yields on 20-Year U.S. Treasury Bonds:

Feb. 2013	2.78%
Mar. 2013	2.78%
Apr. 2013	2.55%
Average	<b>2.70%</b>

PROXY COMPANIES  
RATES OF RETURN ON AVERAGE COMMON EQUITY

COMPANY	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	1992-2001 Average	2002-2008 Average	2009-2012 Average	2013	2014	2016-18	
<b>Proxy Group of Natural Gas Distribution Companies</b>																												
AGL Resources	11.8%	11.0%	11.6%	13.1%	13.2%	12.7%	12.6%	7.9%	11.2%	12.7%	14.7%	15.3%	13.9%	13.3%	13.6%	12.8%	12.5%	13.0%	13.0%	8.2%	8.1%	11.8%	13.7%	10.6%	8.0%	8.5%	6.0%	
Atmos Energy	10.7%	12.7%	10.0%	12.2%	14.4%	12.3%	15.8%	6.7%	8.5%	11.1%	10.3%	11.2%	9.1%	9.1%	10.0%	9.2%	9.0%	8.5%	9.1%	9.2%	8.2%	11.4%	9.7%	8.8%	8.5%	8.5%	8.5%	
Laclede Group	9.9%	13.4%	11.5%	10.0%	14.0%	13.2%	11.0%	10.0%	9.1%	10.6%	7.8%	11.8%	11.2%	11.1%	13.1%	12.0%	12.6%	12.9%	10.3%	11.5%	10.7%	11.3%	11.4%	11.4%	11.4%	10.0%	10.0%	10.5%
Northwest Natural Gas	6.0%	13.7%	12.2%	11.4%	13.2%	11.2%	6.3%	10.1%	10.2%	10.3%	8.7%	9.2%	9.3%	10.1%	10.9%	12.4%	11.1%	11.6%	10.7%	9.1%	8.4%	10.5%	10.2%	10.0%	9.0%	10.5%	11.5%	
Piedmont Natural Gas	14.1%	13.8%	12.2%	12.3%	13.2%	13.8%	13.6%	12.1%	12.5%	12.0%	10.8%	12.2%	12.4%	11.6%	11.0%	11.8%	12.4%	13.5%	11.9%	11.6%	11.9%	13.0%	11.7%	12.2%	11.0%	11.0%	11.0%	
South Jersey Industries	11.8%	11.0%	8.5%	11.4%	11.1%	11.9%	10.1%	15.6%	15.4%	15.3%	14.0%	13.1%	13.4%	13.2%	17.2%	13.3%	13.5%	13.4%	14.5%	14.5%	13.9%	12.2%	14.0%	14.1%	13.0%	14.5%	15.5%	
Southwest Gas	5.1%	3.9%	7.5%	0.6%	1.7%	5.4%	10.4%	7.5%	7.3%	6.7%	6.6%	6.2%	8.8%	6.5%	9.7%	8.8%	6.0%	8.1%	9.1%	9.3%	10.4%	5.6%	7.5%	9.2%	9.5%	9.5%	10.5%	
<b>Average</b>	<b>9.9%</b>	<b>11.4%</b>	<b>10.5%</b>	<b>10.1%</b>	<b>11.5%</b>	<b>11.5%</b>	<b>11.4%</b>	<b>10.0%</b>	<b>10.6%</b>	<b>11.2%</b>	<b>10.4%</b>	<b>11.3%</b>	<b>11.2%</b>	<b>10.7%</b>	<b>12.2%</b>	<b>11.5%</b>	<b>11.0%</b>	<b>11.6%</b>	<b>11.2%</b>	<b>10.5%</b>	<b>10.2%</b>	<b>10.8%</b>	<b>11.2%</b>	<b>10.9%</b>	<b>9.9%</b>	<b>10.4%</b>	<b>10.5%</b>	
<b>Median</b>	<b>10.7%</b>	<b>12.7%</b>	<b>11.5%</b>	<b>11.4%</b>	<b>13.2%</b>	<b>12.3%</b>	<b>11.0%</b>	<b>10.0%</b>	<b>10.2%</b>	<b>11.1%</b>	<b>10.3%</b>	<b>11.8%</b>	<b>11.2%</b>	<b>11.1%</b>	<b>11.0%</b>	<b>12.0%</b>	<b>12.4%</b>	<b>12.9%</b>	<b>10.7%</b>	<b>9.3%</b>	<b>10.4%</b>	<b>11.4%</b>	<b>11.4%</b>	<b>10.8%</b>	<b>9.5%</b>	<b>10.0%</b>	<b>10.5%</b>	
<b>Hevert Proxy Group</b>																												
AGL Resources	11.8%	11.0%	11.6%	13.1%	13.2%	12.7%	12.6%	7.9%	11.2%	12.7%	14.7%	15.3%	13.9%	13.3%	13.6%	12.8%	12.5%	13.0%	13.0%	8.2%	8.1%	11.8%	13.7%	10.6%	8.0%	8.5%	6.0%	
Atmos Energy	10.7%	12.7%	10.0%	12.2%	14.4%	12.3%	15.8%	6.7%	8.5%	11.1%	10.3%	11.2%	9.1%	9.1%	10.0%	9.2%	9.0%	8.5%	9.1%	9.2%	8.2%	11.4%	9.7%	8.8%	8.5%	8.5%	8.5%	
Laclede Group	9.9%	13.4%	11.5%	10.0%	14.0%	13.2%	11.0%	10.0%	9.1%	10.6%	7.8%	11.8%	11.2%	11.1%	13.1%	12.0%	12.6%	12.9%	10.3%	11.5%	10.7%	11.3%	11.4%	11.4%	11.4%	10.0%	10.0%	10.5%
New Jersey Resources	12.2%	11.8%	13.0%	13.3%	13.9%	14.5%	14.7%	15.0%	15.1%	15.2%	15.9%	16.8%	15.8%	16.2%	14.6%	10.2%	16.5%	14.2%	14.4%	14.2%	14.7%	13.9%	15.1%	14.4%	14.0%	14.0%	12.5%	
Northwest Natural Gas	6.0%	13.7%	12.2%	11.4%	13.2%	11.2%	6.3%	10.1%	10.2%	10.3%	8.7%	9.2%	9.3%	10.1%	10.9%	12.4%	11.1%	11.6%	10.7%	9.1%	8.4%	10.5%	10.2%	10.0%	9.0%	10.5%	11.5%	
Piedmont Natural Gas	14.1%	13.8%	12.2%	12.3%	13.2%	13.8%	13.6%	12.1%	12.5%	12.0%	10.8%	12.2%	12.4%	11.6%	11.0%	11.8%	12.4%	13.5%	11.9%	11.6%	11.9%	13.0%	11.7%	12.2%	11.0%	11.0%	11.0%	
South Jersey Industries	11.8%	11.0%	8.5%	11.4%	11.1%	11.9%	10.1%	15.6%	15.4%	15.3%	14.0%	13.1%	13.4%	13.2%	17.2%	13.3%	13.5%	13.4%	14.5%	14.5%	13.9%	12.2%	14.0%	14.1%	13.0%	14.5%	15.5%	
Southwest Gas	5.1%	3.9%	7.5%	0.6%	1.7%	5.4%	10.4%	7.5%	7.3%	6.7%	6.6%	6.2%	8.8%	6.5%	9.7%	8.8%	6.0%	8.1%	9.1%	9.3%	10.4%	5.6%	7.5%	9.2%	9.5%	9.5%	10.5%	
WGL Holdings	12.5%	12.1%	12.6%	12.4%	15.0%	14.1%	11.3%	10.3%	11.9%	11.9%	7.1%	14.4%	11.9%	12.1%	10.8%	11.0%	12.0%	11.8%	10.2%	9.7%	11.1%	12.4%	11.3%	10.7%	9.5%	10.0%	9.5%	
<b>Average</b>	<b>10.5%</b>	<b>11.5%</b>	<b>11.0%</b>	<b>10.7%</b>	<b>12.2%</b>	<b>12.1%</b>	<b>11.8%</b>	<b>10.6%</b>	<b>11.2%</b>	<b>11.8%</b>	<b>10.7%</b>	<b>12.2%</b>	<b>11.8%</b>	<b>11.5%</b>	<b>12.3%</b>	<b>11.3%</b>	<b>11.7%</b>	<b>11.9%</b>	<b>11.5%</b>	<b>10.8%</b>	<b>10.8%</b>	<b>11.3%</b>	<b>11.6%</b>	<b>11.2%</b>	<b>10.3%</b>	<b>10.7%</b>	<b>10.6%</b>	
<b>Median</b>	<b>11.8%</b>	<b>12.1%</b>	<b>11.6%</b>	<b>12.2%</b>	<b>13.2%</b>	<b>12.7%</b>	<b>11.3%</b>	<b>10.1%</b>	<b>11.2%</b>	<b>11.9%</b>	<b>10.3%</b>	<b>12.2%</b>	<b>11.9%</b>	<b>11.6%</b>	<b>11.0%</b>	<b>11.8%</b>	<b>12.4%</b>	<b>12.9%</b>	<b>10.7%</b>	<b>9.7%</b>	<b>10.7%</b>	<b>11.8%</b>	<b>11.6%</b>	<b>11.0%</b>	<b>9.6%</b>	<b>10.0%</b>	<b>10.5%</b>	

Source: Calculations made from data contained in Value Line Investment Survey.

PROXY COMPANIES  
MARKET TO BOOK RATIOS

COMPANY	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	1992-2001 Average	2002-2008 Average	2009-2012 Average
<b>Proxy Group of Natural Gas Distribution Companies</b>																								
AGL Resources	181%	195%	169%	172%	189%	183%	183%	169%	168%	184%	171%	188%	184%	191%	186%	188%	146%	138%	161%	150%	139%	179%	179%	147%
Atmos Energy	158%	194%	186%	196%	248%	241%	246%	216%	167%	170%	150%	152%	147%	145%	146%	136%	110%	109%	121%	130%	132%	202%	141%	123%
Laclede Group	158%	187%	178%	163%	168%	175%	174%	159%	141%	155%	145%	169%	179%	179%	184%	168%	209%	171%	145%	153%	154%	166%	176%	156%
Northwest Natural Gas	162%	176%	161%	146%	156%	173%	169%	141%	129%	133%	145%	144%	153%	172%	177%	208%	201%	173%	181%	168%	171%	155%	171%	173%
Piedmont Natural Gas	180%	214%	186%	182%	183%	217%	222%	213%	195%	199%	186%	211%	212%	208%	221%	210%	237%	213%	208%	223%	225%	199%	212%	217%
South Jersey Industries	154%	175%	141%	142%	146%	178%	209%	202%	196%	205%	185%	170%	195%	221%	209%	231%	196%	204%	245%	254%	238%	175%	201%	235%
Southwest Gas	81%	100%	103%	103%	121%	129%	139%	147%	120%	127%	123%	118%	127%	135%	161%	149%	117%	97%	127%	144%	155%	117%	133%	131%
<b>Average</b>	<b>153%</b>	<b>177%</b>	<b>161%</b>	<b>158%</b>	<b>173%</b>	<b>185%</b>	<b>192%</b>	<b>178%</b>	<b>159%</b>	<b>168%</b>	<b>158%</b>	<b>165%</b>	<b>171%</b>	<b>179%</b>	<b>183%</b>	<b>184%</b>	<b>174%</b>	<b>158%</b>	<b>170%</b>	<b>175%</b>	<b>173%</b>	<b>170%</b>	<b>173%</b>	<b>169%</b>
<b>Median</b>	<b>158%</b>	<b>187%</b>	<b>169%</b>	<b>163%</b>	<b>168%</b>	<b>178%</b>	<b>183%</b>	<b>169%</b>	<b>167%</b>	<b>170%</b>	<b>150%</b>	<b>169%</b>	<b>179%</b>	<b>179%</b>	<b>184%</b>	<b>188%</b>	<b>196%</b>	<b>171%</b>	<b>161%</b>	<b>153%</b>	<b>155%</b>	<b>171%</b>	<b>178%</b>	<b>160%</b>
<b>Hevert Proxy Group</b>																								
AGL Resources	181%	195%	169%	172%	189%	183%	183%	169%	168%	184%	171%	188%	184%	191%	186%	188%	146%	138%	161%	150%	139%	179%	179%	147%
Atmos Energy	158%	194%	186%	196%	248%	241%	246%	216%	167%	170%	150%	152%	147%	145%	146%	136%	110%	109%	121%	130%	132%	202%	141%	123%
Laclede Group	158%	187%	178%	163%	168%	175%	174%	159%	141%	155%	145%	169%	179%	179%	184%	168%	209%	171%	145%	153%	154%	166%	176%	156%
New Jersey Resources	161%	186%	162%	178%	191%	229%	225%	224%	226%	224%	220%	245%	251%	275%	246%	223%	200%	214%	227%	248%	241%	201%	237%	233%
Northwest Natural Gas	162%	176%	161%	146%	156%	173%	169%	141%	129%	133%	145%	144%	153%	172%	177%	208%	201%	173%	181%	168%	171%	155%	171%	173%
Piedmont Natural Gas	180%	214%	186%	182%	183%	217%	222%	213%	195%	199%	186%	211%	212%	208%	221%	210%	237%	213%	208%	223%	225%	199%	212%	217%
South Jersey Industries	154%	175%	141%	142%	146%	178%	209%	202%	196%	205%	185%	170%	195%	221%	209%	231%	196%	204%	245%	254%	238%	175%	201%	235%
Southwest Gas	81%	100%	103%	103%	121%	129%	139%	147%	120%	127%	123%	118%	127%	135%	161%	149%	117%	97%	127%	144%	155%	117%	133%	131%
WGL Holdings	173%	189%	165%	164%	178%	199%	197%	176%	177%	177%	152%	162%	175%	183%	168%	172%	146%	149%	159%	172%	168%	180%	165%	162%
<b>Average</b>	<b>156%</b>	<b>180%</b>	<b>161%</b>	<b>161%</b>	<b>176%</b>	<b>192%</b>	<b>196%</b>	<b>183%</b>	<b>169%</b>	<b>175%</b>	<b>164%</b>	<b>173%</b>	<b>180%</b>	<b>190%</b>	<b>189%</b>	<b>187%</b>	<b>174%</b>	<b>163%</b>	<b>175%</b>	<b>182%</b>	<b>180%</b>	<b>175%</b>	<b>180%</b>	<b>175%</b>
<b>Median</b>	<b>161%</b>	<b>187%</b>	<b>165%</b>	<b>164%</b>	<b>178%</b>	<b>183%</b>	<b>197%</b>	<b>176%</b>	<b>168%</b>	<b>177%</b>	<b>152%</b>	<b>169%</b>	<b>179%</b>	<b>183%</b>	<b>184%</b>	<b>188%</b>	<b>196%</b>	<b>171%</b>	<b>161%</b>	<b>168%</b>	<b>168%</b>	<b>176%</b>	<b>179%</b>	<b>167%</b>

Source: Calculations made from data contained in Value Line Investment Survey.

**STANDARD & POOR'S 500 COMPOSITE  
RETURNS AND MARKET-TO-BOOK RATIOS  
1992 - 2011**

YEAR	RETURN ON AVERAGE EQUITY	MARKET-TO BOOK RATIO
1992	12.2%	271%
1993	13.2%	272%
1994	16.4%	246%
1995	16.6%	264%
1996	17.1%	299%
1997	16.3%	354%
1998	14.6%	421%
1999	17.3%	481%
2000	16.2%	453%
2001	7.5%	353%
2002	8.4%	296%
2003	14.2%	278%
2004	15.0%	291%
2005	16.1%	278%
2006	17.0%	277%
2007	12.8%	284%
2008	3.0%	224%
2009	10.6%	187%
2010	14.2%	208%
2011	14.6%	208%
Averages:		
1992-2001	14.7%	341%
2002-208	12.4%	275%
2009-2011	13.1%	201%

Source: Standard & Poor's Analyst's Handbook, 2012 edition.

## RISK INDICATORS

COMPANY	VALUE LINE SAFETY	VALUE LINE BETA	VALUE LINE FINANCIAL STRENGTH		S&P STOCK RANKING	
<b>Proxy Group of Natural Gas Distribution Companies</b>						
AGL Resources	1	0.75	A	4.00	A	4.00
Atmos Energy	2	0.70	B++	3.67	A-	3.67
Laclede Group	2	0.55	B++	3.67	B+	3.33
Northwest Natural Gas	1	0.60	A	4.00	A-	3.67
Piedmont Natural Gas	2	0.65	B++	3.67	A	4.00
South Jersey Industries	2	0.65	B++	3.67	A-	3.67
Southwest Gas	3	0.75	B	3.00	B+	3.33
Average	1.9	0.66	B++	3.67	A-	3.67
<b>Hevert Proxy Group</b>						
AGL Resources	1	0.75	A	4.00	A	4.00
Atmos Energy	2	0.70	B++	3.67	A-	3.67
Laclede Group	2	0.55	B++	3.67	B+	3.33
New Jersey Resources	1	0.65	A	4.00	B+	3.33
Northwest Natural Gas	1	0.60	A	4.00	A-	3.67
Piedmont Natural Gas	2	0.65	B++	3.67	A	4.00
South Jersey Industries	2	0.65	B++	3.67	A-	3.67
Southwest Gas	3	0.75	B	3.00	B+	3.33
WGL Holdings	1	0.65	A	4.00	B+	3.33
Average	1.7	0.66	B++	3.74	A-	3.59

## RISK INDICATORS

GROUP	VALUE LINE SAFETY	VALUE LINE BETA	VALUE LINE FIN STR	S & P STK RANK
S & P's 500 Composite	2.7	1.05	B++	B+
Proxy Group	1.9	0.66	B++	A-
Hevert Proxy Group	1.7	0.66	B++	A-

Sources: Value Line Investment Survey, Standard & Poor's Stock Guide.

### Definitions:

Safety rankings are in a range of 1 to 5, with 1 representing the highest safety or lowest risk.

Beta reflects the variability of a particular stock, relative to the market as a whole. A stock with a beta of 1.0 moves in concert with the market, a stock with a beta below 1.0 is less variable than the market, and a stock with a beta above 1.0 is more variable than the market.

Financial strengths range from C to A++, with the latter representing the highest level.

Common stock rankings range from D to A+, with the later representing the highest level.

**DELMARVA POWER & LIGHT COMPANY  
RATING AGENCY RATIOS**

Item	Percent	Cost	Weighted Cost	Pre-Tax Cost	
Long-Term Debt	50.78%	4.91%	2.49%	2.49%	
Common Equity	49.22%	9.475%	4.66%	7.77%	
<b>Total</b>	<b>100.00%</b>		<b>7.15%</b>	<b>10.27%</b>	<b>1/</b>

1/ Post-tax weighted cost divided by .60 (composite tax factor)

Pre-Tax coverage = **4.12** = (10.27% / 2.49%)

Standard & Poor's Utility Benchmark Ratios:  
Business Profile of "3"

	<b>A</b>	<b>BBB</b>
Pre-tax coverage	2.8x - 3.4x	1.8x - 2.8x
Total debt to total capital	50%-55%	55%-65%