

C.A. TURNER UTILITY REPORTS
155 Gaither Drive · P.O. Box 1050
Moorestown, NJ 08057-1050



MAY 2004

C.A. TURNER UTILITY REPORTS
THE INVESTOR'S EDGE

ELECTRIC COMPANIES

NATURAL GAS COMPANIES

TELEPHONE COMPANIES

WATER COMPANIES

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Schedule 1-1

NATURAL GAS DISTRIBUTION

COMPANY	OPER REV \$ MILL (1)	% GAS REV (2)	NET PLANT \$ MILL (3)	NET PLANT PER \$ REV (4)
AGL Resources Inc. (NYSE-ATG)	982.6	95	2,352	2.39
Atmos Energy Corporation (NYSE-ATO)	1,231.0	52	638	0.49
Cascade Natural Gas Corporation (NYSE-CGC)	1,017.1	100	118	1.04
Chesapeake Utilities Corporation (NYSE-CPK)	711.4	64	67	0.98
Delta Natural Gas Company (NDQ-DGAS)	727.7	64	111	1.57
El Paso Corporation (NYSE-EP)	1,012.0	26	2,054.0	2.30
Energren Corporation (NYSE-EGN)	1,223.0	62	1,531	1.70
Energy West Incorporated (NDQ-EWST)	1,063.3	51	1,335	0.50
EnergySouth, Inc. (NDQ-ENSI)	1,062.6	98	1,242	1.82
Equitable Resources, Inc. (NYSE-EQT)	1,141.7	38	1,765	1.69
KeySpan Corp. (NYSE-KSE)	1,315.2	60	1,324	1.29
Kinder Morgan, Inc. (NYSE-KMI)	1,027.9	32	1,062	5.52
Laclede Group, Inc. (NYSE-LG)	1,102.3	74	376	0.57
National Fuel Gas Company (NYSE-NFG)	1,081.1	57	1,020	1.45
New Jersey Resources Corp. (NYSE-NJR)	1,218.9	31	967	0.38
NICOR Inc. (NYSE-GAS)	1,621.7	88	1,484	0.93
Northwest Natural Gas Co. (NYSE-NWN)	1,021.7	98	1,052	1.98
NUI Corporation (NYSE-NUI)	1,092.2	86	1,353	0.95
ONEOK, Inc. (NYSE-OKE)	1,121.0	56	1,554	1.25
Peoples Energy Corporation (NYSE-PGL)	1,114.7	70	1,333	0.86
Piedmont Natural Gas Co., Inc. (NYSE-PNY)	1,163.1	77	1,413	1.35
Questar Corporation (NYSE-STR)	1,022.2	46	1,353	1.89
RGC Resources, Inc. (NDQ-RGCO)	1,022.7	72	1,010	0.54
SEMCO Energy, Inc. (NYSE-SEN)	1,131.0	83	1,322	1.04
South Jersey Industries, Inc. (NYSE-SJI)	1,166.3	70	1,433	1.07
Southern Union Company (NYSE-SUG)	1,112.2	67	1,353	2.15
Southwest Gas Corporation (NYSE-SWX)	1,111.0	84	1,353	1.77
Southwestern Energy Company (NYSE-SWN)	1,277.3	80	1,621	2.33
UGI Corporation (NYSE-UGI)	1,100.9	18	1,306	0.43
WGL Holdings, Inc. (NYSE-WGL)	1,064.2	63	1,376	0.91
Williams Companies, Inc. (NYSE-WMB)	1,748.6	7	12,079	0.69
AVERAGE				

& INTEGRATED NAT. GAS COMPANIES

S&P BOND RATING	MOODY'S BOND RATING	COMMON EQUITY RATIO (3)	% RETURN ON BOOK VALUE		REGULATION	
			COMMON EQUITY (4)	TOTAL CAPITAL	ALLOWED ROE	ORDER DATE
A-	A3	31	16.4	9.6	10.99	
A-	A3	33	9.8	7.8	12.10	
BBB-	Baa1	31	8.7	7.9	11.75	
NR	NR	32	14.4	10.3	-	
NR	NR	33	9.4	7.3	-	12/99
B+	B1	32	NM	NM		
A-	A1	33	17.2	12.2	13.40	06/02
NR	NR	33	3.4	3.3	12.63	
NR	NR	33	14.2	11.1	13.60	10/01
A-	A2	33	19.9	12.7	11.00	
A-	A2	33	12.7	7.4	10.20	
BBB-	Baa2	33	15.2	7.5	-	
A-	A3	37	11.9	7.7	-	10/02
BBB-	A3	33	17.2	11.0	11.50	
A-	Aa3	33	16.1	8.5	11.50	01/94
A-	Aa3	33	14.8	8.7	-	11/99
A-	A2	30	9.2	10.7	10.20	
BB	Ba3	33	7.2	9.2	10.60	
A-	Baa1	33	14.7	9.1	-	
A-	Aa3	33	12.4	10	11.20	
A-	A3	33	12.0	9.2	11.30	
A-	A2	33	14.9	10.7	11.20	07/02
NR	NR	33	14.0	10.2	9.85	
BB	Ba2	33	NM	10.1	11.98	
A-	Baa1	33	12.9	7.8	11.25	01/97
BBB-	Baa3	33	6.9	6.1	11.09	
BBB-	Baa2	33	6.3	6.2	10.69	
BBB-	Ba2	33	19.2	11.7	11.30	11/96
BBB-	A3	33	18.1	10.0	-	07/96
A-	A2	33	12.2	8.8	10.95	
B+	B1	33	NM	6.9		
A-	A3	30	12.9	8.4	11.38	

Murray, David

From: CUSTOMER SERVICE [VLCR@VALUELINE.COM]
Sent: Friday, May 21, 2004 4:05 PM
To: david.murray@psc.mo.gov
Subject: RE: Account #160270

Dear Subscriber,

April CD was mailed April 20, 2004 May CD was mailed May 17, 2004.

Sincerely,
Zohara Persaud
Client Relations Department

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-----Original Message-----

From: david.murray@psc.mo.gov [mailto:david.murray@psc.mo.gov]
Sent: Friday, May 21, 2004 12:02 PM
To: vlcr@valueline.com
Subject: Account #160270

I had asked a customer service representative to send me an email indicating the dates that the April and May 2004 Value Line Investment Analyzer CDs were sent to us. I believe she indicated that the dates that Value Line sent these were April 9 for the April CD and May 7 for the May CD. Can you please confirm this? Thank you in advance for your response.

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RECENT PRICE	28.80	P/E RATIO	14.2 (Trailing: 13.8 Median: 14.0)	RELATIVE P/E RATIO	0.77	DIV'D YLD	3.9%	VALUE LINE
-----------------	-------	--------------	---------------------------------------	-----------------------	------	--------------	------	---------------

TIMELINESS	4	Lowered 12/19/03
SAFETY	2	New 7/27/90
TECHNICAL	3	Lowered 4/4/03

High:	19.5	21.3
Low:	15.1	17.0

LEGENDS

—— 1.15 x Dividends p sh
divided by Interest Rate

.... Relative Price Strength

2-for-1 split 12/95

Options: Yes

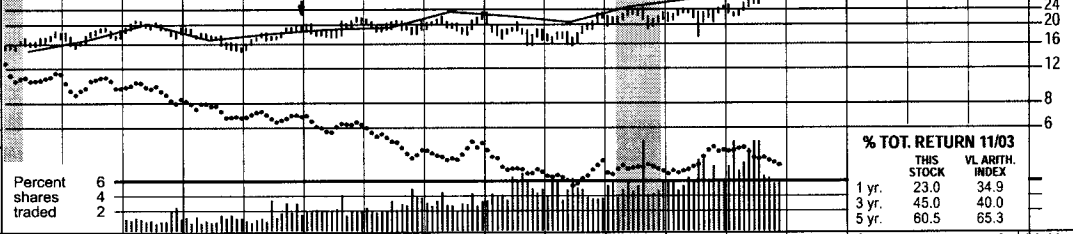
Shaded areas indicate recession

2006-08 PROJECTIONS

	Price	Gain	Return
High	40	(+40%)	11%
Low	30	(+5%)	5%

	J	F	M	A	M	J	J	A
to Buy	0	0	0	0	0	0	0	0
Options	0	0	0	0	2	0	0	0
to Sell	0	1	0	0	0	0	0	0

Institutional Decisions			
	1Q2003	2Q2003	3Q2003
to Buy	103	95	7
to Sell	50	77	9
Hld's(000)	34881	35689	3474



1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	© VALUE LINE PUB., INC.	06-08
26.24	22.97	21.63	22.58	20.26	20.43	22.73	23.59	19.32	21.91	22.75	23.36	18.71	11.25	19.04	15.32	15.10	15.90	Revenues per sh ^A	18.45
1.84	1.90	1.93	2.04	2.07	2.31	2.25	2.24	2.33	2.49	2.42	2.65	2.29	2.86	3.31	3.39	3.45	3.65	"Cash Flow" per sh	4.05
1.02	1.13	.95	1.01	1.04	1.13	1.08	1.17	1.33	1.37	1.37	1.41	.91	1.29	1.50	1.82	2.00	2.10	Earnings per sh ^{A,B}	2.25
.80	.88	.94	.98	1.02	1.03	1.04	1.04	1.04	1.06	1.08	1.08	1.08	1.08	1.08	1.08	1.11	1.12	Div'ds Decl'd per sh ^C	1.12
3.59	2.86	2.65	2.73	2.95	2.74	2.49	2.37	2.17	2.37	2.59	2.05	2.51	2.92	2.83	3.00	2.65	2.65	Cap'l Spending per sh	2.60
7.89	8.72	8.83	8.97	9.42	9.70	9.90	10.19	10.12	10.56	10.99	11.42	11.59	11.50	12.19	12.52	14.35	15.65	Book Value per sh	19.50
37.48	42.47	43.40	44.32	47.57	48.69	49.72	50.86	55.02	55.70	56.60	57.30	57.10	54.00	55.10	56.70	64.50	64.50	Common Shs Outst'g ^D	65.00
11.5	11.1	13.7	14.2	15.3	15.5	17.9	15.1	12.6	13.8	14.7	13.9	21.4	13.6	14.6	12.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
.77	.92	1.04	1.05	.98	.94	1.06	.99	.84	.86	.85	.72	1.22	.88	.75	.68			Relative P/E Ratio	1.00
6.8%	7.1%	7.2%	6.8%	6.4%	5.9%	5.4%	5.9%	6.2%	5.6%	5.4%	5.5%	5.5%	6.2%	4.9%	4.7%			Avg Ann'l Div'd Yield	3.3%

CAPITAL STRUCTURE as of 9/30/03
Total Debt 1257.4 mill. **Due in 5 Yrs** 504.1 mill.
LT Debt \$1130.2 mill. **LT Interest** \$65.0 mill.
 (Inc. \$228.3 million in trust-preferred securities)
 (Total interest coverage: 2.9x)
Leases, Uncapitalized Annual rentals \$29.1 mill.
Pension Assets-12/02 \$207.8 mill. **Oblig.** \$290
 mill.
Pfd Stock None

1130.3	1199.9	1063.0	1220.2	1287.6	1338.6	1068.6	607.4	1049.3	868.9	975	1025	Revenues (\$mill)	^A	1200
57.5	63.2	74.3	75.6	76.6	80.6	52.1	71.1	82.3	103.0	125	135	Net Profit (\$mill)		150
32.9%	35.2%	36.9%	38.6%	37.9%	32.5%	33.1%	34.3%	40.7%	36.0%	36.0%	36.0%	Income Tax Rate		36.0%
5.1%	5.3%	7.0%	6.2%	5.9%	6.0%	4.9%	11.7%	7.8%	11.9%	12.9%	13.1%	Net Profit Margin		12.3%
40.5%	49.0%	47.4%	46.2%	48.7%	47.5%	45.3%	45.9%	61.3%	58.3%	53.0%	51.0%	Long-Term Debt Ratio		51.0%
53.1%	45.8%	47.6%	48.9%	45.9%	47.1%	49.2%	48.3%	38.7%	41.7%	47.0%	49.0%	Common Equity Ratio		49.0%
925.7	1131.5	1170.3	1201.3	1356.4	1388.4	1345.8	1286.2	1736.3	1704.3	1975	1960	Total Capital (\$mill)		2265
1281.3	1297.4	1350.3	1415.4	1496.6	1534.0	1598.9	1637.5	2058.9	2194.2	2400	2600	Net Plant (\$mill)		2900
8.6%	7.5%	8.2%	8.0%	7.3%	7.6%	5.7%	7.4%	6.5%	8.1%	6.5%	6.5%	Return on Total Cap'l		6.0%
10.4%	11.0%	12.1%	11.7%	11.0%	11.1%	7.1%	10.2%	12.3%	14.5%	13.5%	13.5%	Return on Shr. Equity		11.5%
10.8%	11.3%	12.5%	12.1%	11.3%	12.3%	7.9%	11.5%	12.3%	14.5%	13.5%	13.5%	Return on Com Equity		11.5%
4%	3.0%	4.6%	3.8%	3.2%	4.4%	NMF	3.2%	4.2%	7.0%	6.0%	6.0%	Retained to Com Eq		6.0%
96%	75%	66%	71%	74%	64%	101%	72%	65%	52%	57%	54%	All Div's to Net Prof		49%

Common Stock 64,266,376 shs.
MARKET CAP: \$1.9 billion (Mid Cap)

CURRENT POSITION	2001	2002	9/30/03
(\$MILL.)			
Cash Assets	2.8	8.4	1
Other	214.6	578.0	550.2
Current Assets	217.4	586.4	551.2
Accts Payable	82.4	91.1	298.5
Debt Due	348.4	418.6	127.2
Other	155.8	506.1	290.3
Current Liab.	586.6	1015.8	716.0
Fix. Cha. Cov.	241%	242%	245%

BUSINESS: AGL Resources, Inc. is a public utility holding company. Its distribution subsidiaries are Atlanta Gas Light, Chattanooga Gas, and Virginia Natural Gas. The utilities have around 2 million customers in Georgia, primarily Atlanta, Virginia, and in southern Tennessee. Also engaged in nonregulated natural gas marketing.

Nonregulated subsidiaries: Georgia Natural Gas Services markets natural gas at retail. Acquired Virginia Natural Gas, 10/00. Solicitor: Utillpro, 3/01. Officers/directors own 1.5% of outstanding common shares (3/03 Proxy). President & CEO: Paula Rospot. Incorporated: Georgia. Address: 303 Peachtree St., N.E., Atlanta, GA 30308. Telephone: 404-554-6478. Internet: www.gasprocure.com

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '00-'02 to '06-'08
Revenues	-3.0%	-6.5%	3.5%
"Cash Flow"	4.0%	5.5%	4.0%
Earnings	4.0%	2.5%	6.5%
Dividends	.5%	.5%	.5%
Book Value	2.5%	2.5%	8.5%

The share price of AGL Resources continues to edge higher. The stock has advanced a little over 2% since our last report in September, and is trading near record highs on a split-adjusted basis. The gains have been backed by solid earnings and a favorable operating environment. Share net of \$1.54 for the first nine months of 2003 marked an increase of over 20% from the prior year. Meantime, low interest rates and the government's move to lower dividend taxes have added to the appeal of dividend-paying stocks, thus providing added lift to AGL shares.

been more than offset this year, though, by greater EBIT from nonregulated businesses. EBIT from Wholesale Services rose 356% to \$21.9 million, while EBIT from the Energy Investments unit rose 47% to \$26.6 million. In 2004, we expect earnings to continue to improve from non-regulated businesses as AGL further develops these relatively new segments for the company. Also, we anticipate incremental growth from AGL's utility operations, following a full year of absorbing higher overhead costs. The segment should benefit from an expanding customer base

Fiscal Year Ends	QUARTERLY REVENUES (\$ mill.) ^A				Full Fiscal Year
	Dec.31	Mar.31	Jun.30	Sep.30	
2000	182.3	160.1	131.8	133.2	607.4
2001	294.8	350.6	175.7	228.2	1049.3
	Mar.31	Jun.30	Sep.30	Dec.31	
2002	269.3	159.2	190.7	249.7	868.9
2003	351.4	186.6	166.3	270.7	975
2004	330	220	180	295	1025

Fiscal Year Ends	EARNINGS PER SHARE ^{A B}				Full Fiscal Year
	Dec.31	Mar.31	Jun.30	Sep.30	
2000	.30	.41	.26	.32	1.29
2001	.41	.83	.17	.09	1.50
	Mar.31	Jun.30	Sep.30	Dec.31	
2002	.89	.21	.17	.55	1.82
2003	.98	.29	.27	.46	2.00
2004	.95	.35	.25	.55	2.10

Cal-endar	QUARTERLY DIVIDENDS PAID ^{CM}				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
1999	.27	.27	.27	.27	1.08
2000	.27	.27	.27	.27	1.08
2001	.27	.27	.27	.27	1.08
2002	.27	.27	.27	.27	1.08
2003	.27	.28	.28	.28	

The near-term earnings picture looks good for AGL Resources. We are leaving our full-year EPS estimates unchanged at \$2.00 and \$2.10 for 2003 and 2004, respectively. The company should reach our 2003 target with ease, given its earnings strength through the first nine months. Ironically, earnings before interest and taxes (EBIT) from AGL's core gas distribution operations are down slightly this year as a result of greater overhead expenses, including higher leasing costs and increased insurance and benefit costs. Lower earnings from its gas utilities have

and higher gas usage per customer. **AGL Resources is exiting the retail propane business.** It agreed to sell its interest in Heritage Propane Partners for \$29 million in a transaction expected to close at yearend. The move is consistent with the company's goal to shed non-strategic operations and to build its financial position. **This is a good-quality income stock.** It offers a decent yield with excellent share-price stability. Investors should note that further share-price gains appear limited.

Michael P. Maloney, December 19, 2001

2000	.27	.20	.20	.20	
<p>(A) Fiscal year ends December 31st. Ended September 30th prior to 2002. (B) Diluted earnings per share. Next earnings report due late Jan. Eval. reorganizing going forward. '00</p>					

<p>15; '95, d\$0.83; '99, \$0.39; '00, \$0.13; '01, \$0.13. (C) Dividends historically paid early March, June, Sept. and Dec. ■ Div'd reinvest. plan available. (D) In millions, adjusted for stock split.</p>	<p>stock split.</p>
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Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	30
Earnings Predictability	60

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NEW JERSEY RES. NYSE-NJR				RECENT PRICE	37.68	P/E RATIO	15.8	(Trailing: 15.8 Median: 14.0)	RELATIVE P/E RATIO	0.85	DIV'D YLD	3.5%	VALUE LINE			
TIMELINESS 4 Lowered 11/14/03		High: 16.8 19.7 18.3 20.3 19.9 28.0 26.8 27.4 29.8 32.5 33.6 39.3		Low: 12.2 16.0 13.2 14.3 17.8 18.8 21.0 22.4 24.1 24.8 24.3 30.0										Target Price Range 2006 2007 2008		
SAFETY 2 New 7/27/90		LEGENDS														
TECHNICAL 3 Raised 11/7/03		1.18 x Dividends p sh divided by Interest Rate														
BETA .70 (1.00 = Market)		Relative Price Strength														
2006-08 PROJECTIONS		3-for-2 split 3/02														
		Options: No														
		Shaded areas indicate recession														
										</						

PIEDMONT NAT'L. NYSE-PNY				RECENT PRICE	41.26	P/E RATIO	17.8	(Trailing: 20.4 Median: 15.0)	RELATIVE P/E RATIO	0.96	DIV'D YLD	4.0%	VALUE LINE						
TIMELINESS	5	Lowered 9/12/03		High: 20.4	26.4	23.4	24.9	25.8	36.4	36.1	36.6	39.4	38.0	38.0	41.8		Target Price	Range	
SAFETY	2	New 7/27/90		Low: 15.4	18.8	18.0	18.3	20.5	22.0	27.9	28.6	23.7	29.2	27.3	33.2		2006	2007	
TECHNICAL	4	Lowered 12/19/03		LEGENDS															
BETA	.70	(1.00 = Market)		1.40 x Dividends p sh divided by Interest Rate															
2006-08 PROJECTIONS				Relative Price Strength															
Ann'l Total				2-for-1 split 4/93															
Options: No				Shaded areas indicate recession															
Price	60	Gain	Ann'l Total																
High	60	(+45%)	13%																
Low	45	(+10%)	6%																
Insider Decisions																			
J	3	1	0																
F	3	1	0																
M	3	1	0																
A	3	1	0																
M	3	1	0																
J	3	1	0																
A	3	1	0																
S	3	1	0																
Institutional Decisions																			
1Q2003	2Q2003	3Q2003																	
to Buy	62	62	57																
to Sell	52	61	69																
Hld's(000)	9510	9448	8784																
Percent	7.5																		
shares	5																		
traded	2.5																		
1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	© VALUE LINE PUB., INC.	06-08
23.04	19.62	20.25	18.84	16.64	17.83	21.14	21.65	17.52	23.18	25.69	24.90	21.94	26.02	34.13	25.14	35.05	30.40	Revenues per sh ^A	33.40
1.74	1.75	1.92	1.94	1.56	2.15	2.28	2.26	2.51	2.98	3.25	3.44	3.39	3.54	3.62	3.62	3.90	4.10	"Cash Flow" per sh	4.65
1.10	1.19	1.21	1.22	.89	1.40	1.45	1.35	1.45	1.67	1.85	1.96	1.86	2.01	2.02	1.89	2.15	2.30	Earnings per sh ^B	3.05
.65	.72	.79	.83	.87	.91	.95	1.01	1.09	1.15	1.21	1.28	1.36	1.44	1.52	1.60	1.66	1.72	Div'ds Decl'd per sh ^C	1.90
2.85	3.74	3.11	3.24	2.75	2.81	3.16	3.90	3.44	3.27	3.05	2.96	3.15	3.30	2.57	2.42	2.10	2.70	Cap'l Spending per sh	3.15
7.49	8.25	8.73	9.15	9.65	10.27	10.90	11.36	12.31	13.07	13.90	14.91	15.71	16.52	17.26	17.82	19.85	21.30	Book Value per sh ^D	22.40
17.87	20.33	20.78	21.43	24.73	25.80	26.15	26.58	28.84	29.55	30.19	30.74	31.30	31.91	32.46	33.09	33.50	38.00	Common Shs Outst'g ^E	40.00
10.2	9.1	10.3	11.3	16.3	12.3	15.4	15.7	13.8	13.9	13.6	16.3	17.7	14.3	16.7	18.4	17.2		Avg Ann'l P/E Ratio	16.5
.68	.76	.78	.84	1.04	.75	.91	1.03	.92	.87	.78	.85	1.01	.93	.86	.98	1.01		Relative P/E Ratio	1.10
5.8%	6.7%	6.3%	6.0%	5.3%	4.3%	4.3%	4.8%	5.4%	4.9%	4.8%	4.0%	4.1%	5.0%	4.5%	4.6%	4.5%		Avg Ann'l Div'd Yield	3.8%
CAPITAL STRUCTURE as of 7/31/03				552.8	575.4	505.2	685.1	775.5	765.3	686.5	830.4	1107.9	832.0	1175	1155	Revenues (\$mill) ^A	1335		
Total Debt \$507.0 mill. Due in 5 Yrs \$175.0 mill.				37.5	35.5	40.3	48.6	55.2	60.3	58.2	64.0	65.5	62.2	70.0	90.0	Net Profit (\$mill)	105.0		
LT Debt \$460.0 mill. LT Interest \$41.0 mill.				38.4%	37.6%	38.7%	38.9%	39.1%	39.2%	39.7%	34.7%	34.6%	33.1%	35.0%	35.0%	Income Tax Rate	35.0%		
(LT interest earned: 3.3x; total interest coverage: 3.7x)				6.8%	6.2%	8.0%	7.1%	7.1%	7.9%	8.5%	7.7%	5.9%	7.5%	6.1%	7.6%	Net Profit Margin	8.0%		
Pension Assets-10/02 \$125.1 mill.				49.4%	50.9%	50.4%	50.3%	47.6%	44.7%	46.2%	46.1%	47.6%	43.9%	41.0%	46.5%	Long-Term Debt Ratio	33.5%		
Oblig. \$149.7 mill.				50.6%	49.1%	49.6%	49.7%	52.4%	55.3%	53.8%	53.9%	52.4%	56.1%	59.0%	53.5%	Common Equity Ratio	66.5%		
Pfd Stock None				563.0	615.0	716.0	777.1	800.8	829.3	914.7	978.4	1069.4	1051.6	1125	1510	Total Capital (\$mill)	1345		
Common Stock 33,564,851 shs. as of 9/2/03				654.5	734.9	801.3	862.0	941.7	990.6	1047.0	1072.0	1114.7	1158.5	1280	1350	Net Plant (\$mill)	1520		
MARKET CAP: \$1.4 billion (Mid Cap)				8.6%	7.7%	7.5%	8.2%	8.9%	9.2%	8.1%	8.3%	7.9%	7.8%	8.0%	7.0%	Return on Total Cap'l	9.0%		
CURRENT POSITION				13.2%	11.8%	11.4%	12.6%	13.1%	13.2%	11.8%	12.1%	11.7%	10.6%	10.5%	11.0%	Return on Shr. Equity	11.5%		
2001				13.2%	11.8%	11.4%	12.6%	13.1%	13.2%	11.8%	12.1%	11.7%	10.6%	10.5%	11.0%	Return on Com Equity	11.5%		
2002				4.4%	2.8%	2.7%	3.9%	4.6%	4.7%	3.3%	3.5%	3.0%	1.7%	2.0%	3.0%	Retained to Com Eq	3.0%		
2003				67%	76%	76%	69%	65%	65%	72%	71%	75%	83%	79%	73%	All Div'ds to Net Prof	72%		
2004				BUSINESS: Piedmont Natural Gas Company is primarily a regulated natural gas distributor, serving over 740,000 customers in North Carolina, South Carolina, and Tennessee. 2002 revenue mix: residential (30%), commercial (22%), industrial (45%), other (3%). Principal suppliers: Transco and Tennessee Pipeline. Gas costs: 53.3% of revenues. '02 depreciation rate: 3.3%. Estimated plant age: 8.7 years. Non-regulated operations: sale of gas-powered heating equipment; natural gas brokering; propane sales. Has about 1,715 employees, 18,665 shareholders of record. CEO & President: Thomas E. Skains. Incorporated: North Carolina. Address: 1915 Rexford Road, P.O. Box 33068 Charlotte, NC 28233. Telephone: 704-364-3120. Internet: www.piedmontng.com.															
ANNUAL RATES				Piedmont Natural Gas completed its purchase of North Carolina Natural Gas (NCNG). The company financed the \$425 million acquisition with commercial paper, but plans to issue \$250 million in long-term debt and \$200 million in equity to realign its capital structure. The deal adds about 180,000 residential, commercial and industrial natural gas customers in eastern and southern North Carolina, and will likely contribute \$0.10-\$0.15 to share earnings in fiscal 2004 (began November 1st). Piedmont plans to direct about a quarter of its 2004 capital-spending budget, targeted at \$102 million, toward NCNG's operations.															
Past 10 Yrs.				We look for profits to reach \$2.30 a share in fiscal 2004, which is at the lower end of management's projected range of \$2.25-\$2.40, and about 7% higher than the \$2.15 PNY probably earned in fiscal 2003. Recently approved rate cases in Tennessee for \$10.3 million (PNY wanted \$18 million) and \$29.4 million for NCNG (the company sought \$44 million) should support earnings growth going forward. And Piedmont should be able to maintain a customer growth rate of 3.0%-3.5% in 2004. But, high wholesale natural gas costs could hurt net income by as much as \$0.10-\$0.15 a share. Indeed, higher gas prices may lead some customers to switch to lower-cost fuels, as well as increase gas carrying costs and uncollectibles from low-income customers.															
Past 5 Yrs.				Piedmont has sold off some of its non-utility interests. In an effort to focus on its core gas distribution business and other energy ventures in the Southeast, the company divested its stake in Heritage Propane Partners for about \$27 million. Similarly, the company sold its interest in the Greenbrier Pipeline project to Dominion Resources for \$9.2 million. The proceeds from both sales will be used to pay down long-term debt.															
Est'd '00-'02				This equity is presently untimely for the year ahead. Still, income-oriented investors may find favor with PNY for its good, steady dividend growth. Currently, the yield stands at 4%, about par for the LDC group. The stock's above-average Safety rank is testament to the company's stable finances and strong demographic base in the Southeast.															
Revenues				Edward Plank															
"Cash Flow"				December 19, 2003															
Earnings																			
Dividends																			
Book Value																			
Fiscal Year Ends																			
2000																			
2001																			
2002																			
2003																			
2004																			
QUARTERLY REVENUES (\$ mill.) ^A																			
Jan.31																			
Apr.30																			
Jul.31																			
Oct.31																			

SOUTH JERSEY INDS. NYSE-SJI					RECENT PRICE	39.51	P/E RATIO	14.5	(Trailing: 13.8 Median: 14.0)	RELATIVE P/E RATIO	0.78	DIV'D YLD	4.1%	VALUE LINE					
TIMELINESS	3	Raised 9/13/02	High: 23.2	27.5	24.0	23.5	24.6	30.5	30.8	30.8	30.1	34.1	36.7	39.6	Target Price Range 2006 2007 2008				
SAFETY	2	Lowered 1/4/91	Low: 19.1	21.8	16.6	17.9	20.1	21.0	22.0	21.5	24.5	27.6	28.2	30.5	64 48 40 32 24 20 16 12 8 6				
TECHNICAL	4	Lowered 12/19/03	LEGENDS																
BETA	.55	(1.00 = Market)	1.15 x Dividends p sh divided by Interest Rate																
2006-08 PROJECTIONS			Options: No Shaded areas indicate recession																
Price	50	Gain (+25%)	Ann'l Total Return																
High	50	35	9%																
Low	35		1%																
Insider Decisions																			
J	F	M	A	M	J	J	A	S											
to Buy	1	0	0	1	0	0	0	0	0										
Options	0	0	0	0	0	0	0	0	0										
to Sell	0	0	0	0	0	0	0	0	0										
Institutional Decisions																			
1Q2003	2Q2003	3Q2003	Percent shares traded	3															
to Buy	31	40	45	2															
to Sell	27	30	30	1															
Hdr's(000)	4477	4658	4654																
1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	© VALUE LINE PUB., INC.	06-08
32.59	29.66	30.54	28.80	30.19	33.33	34.06	34.90	33.00	33.05	32.36	41.77	35.19	44.86	70.60	41.38	51.90	55.75	Revenues per sh	62.95
2.79	3.03	3.00	2.68	2.75	3.12	3.08	2.70	3.30	3.08	3.19	2.87	3.67	3.90	3.79	4.25	4.45	4.70	"Cash Flow" per sh	5.20
1.57	1.88	1.66	1.33	1.27	1.61	1.55	1.21	1.65	1.70	1.71	1.28	2.01	2.16	2.29	2.43	2.65	2.80	Earnings per sh ^A	3.30
1.26	1.29	1.36	1.40	1.41	1.41	1.43	1.44	1.44	1.44	1.44	1.44	1.44	1.46	1.48	1.51	1.56	1.62	Div'ds Decl'd per sh ^B	1.77
4.25	4.41	4.55	4.21	4.34	3.39	3.74	3.86	4.16	4.02	4.61	6.11	4.37	4.42	5.64	6.94	4.60	5.00	Cap'l Spending per sh	5.20
12.42	13.24	13.49	13.58	13.53	13.90	14.33	14.46	14.67	16.06	12.86	12.45	13.48	14.50	15.62	19.34	20.20	22.40	Book Value per sh	29.35
7.84	8.47	8.48	9.03	9.24	9.50	9.80	10.72	10.72	10.76	10.77	10.78	11.15	11.50	11.86	12.21	13.00	13.00	Common Shs Outst'g ^C	13.50
12.7	9.3	11.9	13.6	14.5	13.2	15.8	16.1	12.2	13.3	13.8	21.2	13.3	13.0	13.6	13.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	13.0
.85	.77	.90	1.01	.93	.80	.93	1.06	.82	.83	.80	1.10	.76	.85	.70	.74			Relative P/E Ratio	.85
6.3%	7.4%	6.9%	7.7%	7.6%	6.6%	5.9%	7.4%	7.2%	6.4%	6.1%	5.3%	5.4%	5.2%	4.7%	4.6%			Avg Ann'l Div'd Yield	4.1%
CAPITAL STRUCTURE as of 9/30/03																			
Total Debt \$433.5 mill. Due in 5 Yrs \$188.6 mill.																			
LT Debt \$328.7 mill. LT Interest \$17.5 mill.																			
(Total interest coverage: 3.4x)																			
Pension Assets-12/02 \$63.1 mill. Oblig. \$81.1 mill.																			
Pfd Stock \$1.7 mill. Pfd Div'd \$1.1 mill.																			
16,904 Series B shs. 8% cum. (\$100 par) callable 106.7																			
Common Stock 13,001,350 common shs. as of 11/3/03																			
MARKET CAP: \$525 million (Small Cap)																			
CURRENT POSITION																			
2001 2002 9/30/03																			
(\$MILL.)																			
Cash Assets 4.0 4.3 5.1																			
Other 218.1 208.4 194.7																			
Current Assets 222.1 212.7 199.8																			
Acc'ts Payable 48.2 76.7 64.3																			
Debt Due 162.1 177.2 104.8																			
Other 99.8 62.7 72.8																			
Current Liab. 310.1 316.6 241.9																			
Fix. Chg. Cov. 260% 335% 360%																			
ANNUAL RATES																			
Past 10 Yrs. Past 5 Yrs. Est'd '00-'02																			
of change (per sh)																			
Revenues 5.5% 10.0% 3.0%																			
"Cash Flow" 3.5% 4.5% 4.5%																			
Earnings 5.0% 6.5% 6.5%																			
Dividends .5% .5% 3.0%																			
Book Value 2.0% 2.5% 10.0%																			
QUARTERLY REVENUES (\$ mill.)																			
Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year																			
2000 167.5 89.4 75.8 183.2 515.9																			
2001 342.6 218.6 107.9 168.2 837.3																			
2002 177.0 84.2 69.1 174.8 505.1																			
2003 279.8 106.2 90.1 198.9 675																			
2004 285 120 105 215 725																			
EARNINGS PER SHARE ^A																			
Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year																			
2000 1.68 -- .d35 .83 2.16																			
2001 1.87 .d02 .d32 .76 2.29																			
2002 1.65 .06 .d27 .99 2.43																			
2003 1.86 .16 .d13 .76 2.65																			
2004 1.90 .20 .d15 .85 2.80																			
QUARTERLY DIVIDENDS PAID ^B																			
Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year																			
1999 .72 .36 .36 -- 1.44																			
2000 .36 .365 .365 .365 1.46																			
2001 .365 .37 .37 .37 1.48																			
2002 .37 .375 .375 .375 1.50																			
2003 .385 .385 .385 .79d																			
BUSINESS: South Jersey Industries, Inc. is a holding company. Its subsidiary, South Jersey Gas Co., distributes natural gas to 298,767 customers in New Jersey's southern counties, which cover 2,500 square miles and include Atlantic City. Principal suppliers include Transcontinental Gas Pipeline and Columbia Gas Pipeline. Gas revenue mix: residential, 31%; commercial and industrial, 11%; transportation, including off-system sales and gas marketing, 54%; off-system, 4%; cogeneration, power generation. Has 638 employees. Directors cntrl. 1.0% of com. shares; Dimensional Fund Advisors, 6.2% (3/03 proxy). Chrmn. & CEO: Charles Bisciglia, Incorp.: NJ. Address: 1 South Jersey Plaza, Rte. 54, Folsom, NJ 08037. Telephone: 609-561-9000. Web: www.sjindustries.com.																			
Borgata Casino in Atlantic City.																			
The company targets a continuation of sound fundamentals. It expects utility customer growth to be near 3% for 2003, and should remain above the industry average for years to come. It also anticipates a rising contribution from non utility areas. In total, South Jersey is aiming for a 6%-7% earnings growth rate over the long term. It also announced a policy of 3%-6% annual increases in the dividend.																			
South Jersey Industries is taking advantage of the low interest rates. It has issued over \$100 million in long-term debt during the second half of this year that carries an average yield of 4.98%, using a good portion to retire debt with significantly higher yields. For instance, the company paid down \$32 million in 6.95% mortgage bonds in mid-October.																			
This issue has proven itself as a good-quality income stock, though it has downside risk should earnings fall short of expectations, given this year's uptick in share price. Note, too, that it is trading within our 2006-2008 Target Price Range.																			
Michael P. Maloney December 19, 2003																			
(A) Based on avg. shs. Excl. nonrecr. gain (loss): '01, \$0.13. Excl. gain (losses) from disc. opns.: '96, \$1.14; '97, (\$0.24); '98, (\$0.26); '99, (\$0.02); '00, (\$0.04); '01, (\$0.02); '02, (\$0.04). Excl. gain due to acct'g change: '93, \$0.04; '01, \$0.14. Next egs. report late Jan. (B) Dividends historically paid early Jan., Apr., Jul., and Oct. = Div. retained, plan above, (2% disc.). (C) In mill. (D) Div. typically paid in January will be paid on December 30, 2003.																			
Company's Financial Strength B++																			
Stock's Price Stability 100																			
Price Growth Persistence 60																			
Earnings Predictability 80																			
To subscribe call 1-800-833-0046																			

WGL HOLDINGS NYSE-WGL

RECENT PRICE	27.00	P/E RATIO	16.5 (Trailing: 11.9) (Median: 15.0)	RELATIVE P/E RATIO	0.89	DIV'D YLD	4.7%	VALUE LINE
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TIMELINESS	5	Lowered 11/14/03
SAFETY	1	Raised 4/2/93
TECHNICAL	4	Lowered 12/5/03
BETA	.70	(1.00 = Market)
2006-08 PROJECTIONS		
Price	Gain	Ann'l Total
High 30	(+10%)	7%
Low 25	(-5%)	3%
Insider Decisions		
J	F	M
A	M	J
J	A	S
to Buy	0	0
Options	0	0
to Sell	0	0
Institutional Decisions		
1Q2003	2Q2003	3Q2003
to Buy	74	78
to Sell	49	64
Hld's(000)	21895	23185
<div>High: 19.6 22.9 21.3 22.4 25.0 31.4 30.8 29.4 31.5 30.5 29.5 28.8</div> <div>Low: 15.6 18.1 16.0 16.1 19.1 20.9 23.1 21.0 21.8 25.3 19.3 23.2</div> <div>LEGENDS</div> <div>- 120 x Dividends p sh divided by Interest Rate</div> <div>.... Relative Price Strength</div> <div>2-for-1 split 5/95</div> <div>Options: No</div> <div>Shaded areas indicate recession</div> <div>Target Price Range</div> <div>2006 2007 2008</div> <div>64 48 40 32 24 20 16 12 8 6</div> <div>Percent shares traded</div> <div>4.5 3 1.5</div> <div>% TOT. RETURN 11/03</div> <div>THIS STOCK VS. ARITH. INDEX</div> <div>1 yr. 21.4 34.9</div> <div>3 yr. 11.4 40.0</div> <div>5 yr. 27.9 65.3</div>		

1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	© VALUE LINE PUB., INC.	06-08
20.17	18.17	19.52	18.75	17.50	18.37	21.55	21.69	19.30	22.19	24.16	23.74	20.92	22.19	29.80	32.63	42.45	35.00	Revenues per sh ^A	40.65
2.03	1.90	2.03	2.17	2.04	2.17	2.25	2.43	2.51	2.93	3.02	2.79	2.74	3.20	3.24	2.63	4.05	3.45	"Cash Flow" per sh	4.70
1.14	1.26	1.22	1.26	1.14	1.27	1.31	1.42	1.45	1.85	1.85	1.54	1.47	1.79	1.88	1.14	2.30	1.70	Earnings per sh ^B	2.05
.90	.94	.97	1.01	1.05	1.07	1.09	1.11	1.12	1.14	1.17	1.20	1.22	1.24	1.26	1.27	1.28	1.29	Div'ds Decl'd per sh ^C	1.33
2.32	2.79	3.00	2.38	2.05	2.17	2.43	2.84	2.63	2.85	3.20	3.62	3.42	2.67	2.68	3.34	2.55	2.55	Cap'l Spending per sh	2.55
9.40	9.96	9.86	10.17	9.63	10.66	11.04	11.51	11.95	12.79	13.48	13.86	14.72	15.31	16.24	15.78	16.25	16.65	Book Value per sh ^D	18.40
33.91	38.42	38.70	39.23	39.89	40.62	41.50	42.19	42.93	43.70	43.70	43.84	46.47	46.47	48.54	48.56	48.60	48.60	Common Shs Outst'g ^E	48.60
11.0	9.6	10.6	11.7	12.8	13.6	15.6	14.0	12.7	11.5	12.7	17.2	17.3	14.6	14.7	23.1	12.4		Avg Ann'l P/E Ratio	13.0
.74	.80	.80	.87	.82	.82	.92	.92	.85	.72	.73	.89	.99	.95	.75	1.22	.69		Relative P/E Ratio	.85
7.2%	7.8%	7.5%	6.9%	7.2%	6.2%	5.3%	5.6%	6.1%	5.4%	5.0%	4.5%	4.8%	4.8%	4.6%	4.8%	4.5%		Avg Ann'l Div'd Yield	4.3%

CAPITAL STRUCTURE as of 9/30/03	894.3	914.9	828.7	969.8	1055.8	1040.6	972.1	1031.1	1446.5	1584.8	2062.8	1700	Revenues (\$mill) ^	1975
Total Debt 815.5 mill. Due in 5 Yrs 368.9 mill.	55.1	60.5	62.9	81.6	82.0	68.6	68.8	84.6	89.9	55.7	112.1	85.0	Net Profit (\$mill)	100
LT Debt \$620.7 mill. LT Interest \$40.0 mill.														
(Total interest coverage: 2.8x)	38.6%	38.1%	37.4%	37.7%	36.9%	35.6%	36.0%	36.1%	39.6%	34.0%	43.1%	37.0%	Income Tax Rate	37.0%
	6.2%	6.6%	7.6%	8.4%	7.8%	6.6%	7.1%	8.2%	6.2%	3.5%	534%	4.9%	Net Profit Margin	5.1%
Pension Assets-9/02 \$611.2 mill. Oblig. \$567.1 mill.	41.7%	40.0%	37.8%	37.6%	41.1%	40.3%	41.5%	43.1%	41.7%	45.7%	42.3%	41.0%	Long-Term Debt Ratio	40.0%
	54.9%	56.7%	58.9%	59.4%	56.2%	57.1%	56.1%	54.8%	56.3%	52.4%	55.8%	57.0%	Common Equity Ratio	58.0%
Preferred Stock \$28.2 mill. Pfd Div'd \$1.3 mill.														
	834.3	856.3	870.6	941.1	1049.0	1064.8	1218.5	1299.2	1400.8	1462.5	1466.2	1465	Total Capital (\$mill)	1575
	921.1	995.0	1056.1	1130.6	1217.1	1319.5	1402.5	1460.3	1519.7	1606.8	1700	1750	Net Plant (\$mill)	1950
Common Stock 48,600,881 shs. as of 7/31/03	8.1%	8.7%	8.7%	10.1%	9.3%	8.0%	7.1%	7.9%	7.9%	5.3%	7.6%	6.0%	Return on Total Cap'l	6.5%
MARKET CAP: \$1.3 billion (Mid Cap)	11.3%	11.8%	11.6%	13.9%	13.3%	10.8%	9.7%	11.4%	11.0%	7.0%	13.3%	9.5%	Return on Shr. Equity	10.5%
	11.7%	12.2%	12.0%	14.4%	13.7%	11.1%	9.9%	11.7%	11.2%	7.2%	13.7%	10.0%	Return on Com Equity	11.0%
	2.2%	2.6%	2.8%	5.6%	5.1%	2.5%	1.8%	3.7%	3.8%	NMF	6.0%	2.5%	Retained to Com Eq	3.5%

CURRENT POSITION (\$MILL.)	2001	2002	9/30/03	81%	79%	77%	62%	63%	78%	82%	69%	67%	112%	57%	75%	All Div's to Net Prof	65%
Cash Assets	12.1	2.5	4.5	BUSINESS: WGL Holdings, Inc. is the parent of Washington Gas Light, a natural gas distributor in Washington, D.C. and adjacent areas of VA. and MD. to resident'l and comm'l users (939,291 meters). Hampshire Gas, a federally regulated sub., operates an underground gas-storage facility in WV. Non-regulated subs.: Wash. Gas Energy Svcs. sells and delivers natural gas and pro-										vides energy related products in the D.C. metro area; Wash. Gas Energy Sys. designs/installs comm'l heating, ventilating, and air cond. systems. Has 2,205 employees. Off/dir. own less than 1% of the common stock (1/03 proxy). Chairman & CEO: J.H. DeGraffenreid. Inc.: D.C. and VA. Address: 1100 H St., N.W., Washington, D.C. 20080. Tel.: 202-624-6410. Internet: www.wglholdings.com .			
Other	380.4	338.3	399.9														
Current Assets	392.5	340.8	404.4														
Accts Payable	116.8	138.5	158.4														
Debt Due	182.2	133.3	194.8														
Other	61.9	65.7	48.9														
Current Liab	360.9	337.5	402.1														

Fix. Chg. Cov.	381%	337%	325%
ANNUAL RATES	Past	Past	Est'd
of change (per sh)	10 Yrs.	5 Yrs.	to 06-'02
Revenue	3.5%	5.0%	6.5%
"Cash Flow"	3.5%	1.5%	5.0%
Earnings	3.0%	-1.5%	4.0%
Dividends	2.0%	2.0%	1.0%
Book Value	4.5%	4.5%	2.5%

Earnings for WGL Holdings were strong in 2003 (fiscal year ended September 30th). Share net more than doubled to \$2.30, from \$1.14 in 2002. The bottom line benefited from extremely cold weather in WGL's service areas last winter, prompting high customer gas usage.

looks to continue with the development of its nonregulated businesses, which contributed less than 3% to earnings in 2003. Meanwhile, it is reviewing ways to trim operating expenses, which have increased amid rising benefit and pension costs. Too, WGL intends to hold a tight lid on capital

Fiscal Year Ends	QUARTERLY REVENUES (\$ mil.) ^A					Full Fiscal Year
	Dec.31	Mar.31	Jun.30	Sep.30		
2000	310.5	392.3	171.6	156.7		1031.1
2001	540.3	605.2	182.4	118.6		1446.5
2002	417.1	564.8	314.2	288.7		1584.8
2003	558.7	851.1	373.2	279.8		2062.8
2004	395	640	375	290		1700

Fiscal Year Ends	EARNINGS PER SHARE ^{A B}					Full Fiscal Year
	Dec.31	Mar.31	Jun.30	Sep.30		
2000	.85	1.39	d.12	d.33	1.79	
2001	1.08	1.33	d.15	d.38	1.88	
2002	.66	1.09	d.14	d.47	1.14	
2003	1.10	1.61	d.05	d.36	2.30	
2004	.80	1.25	d.05	d.30	1.70	

Calendar Year	QUARTERLY DIVIDENDS PAID ^(c)					Full Year
	Mar.31	Jun.30	Sep.30	Dec.31		
1999	.30	.305	.305	.305	1.22	
2000	.305	.31	.31	.31	1.24	
2001	.31	.315	.315	.315	1.26	
2002	.315	.318	.318	.318	1.27	
2003	.318	.32	.32	.32		

WGL Holdings has laid out its five-year objectives. It is aiming for average annual earnings growth of 5% out to 2008. The company intends to achieve this with the expectation of at least 3% yearly growth in its utility customer base, which it has sustained since 1998. WGL also

competitive among WGL's gas utility peers. Moreover, these shares hold our highest ratings for Safety (I) and Stock Price Stability (100). Investors should note that the prospects for share-price appreciation are quite narrow, though.

Michael P. Maloney December 19, 2003

<p>(A) Beginning 1989, fiscal years end Sept. 30th. (B) Based on diluted shares. Excludes nonrecurring losses: '01, (13¢); '02, (34¢). Next earnings report due late Jan.</p>	<p>(C) Dividends historically paid early February, May, August, and November. ■ Dividend reinvestment plan available. (D) Includes deferred charges and intangibles.</p>	<p>'02: \$152.2 million, \$3.13/sh. (E) In millions, adjusted for stock split.</p>	<p>Company's Financial Strength Stock's Price Stability Price Growth Persistence Earnings Predictability</p>	<p>A 100 55 60</p>
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AGL RESOURCES NYSE-ATG				RECENT PRICE	28.49	P/E RATIO	13.6	(Trailing: 13.7 Median: 14.0)	RELATIVE P/E RATIO	0.72	DIV'D YLD	3.9%	VALUE LINE						
TIMELINESS	4	Lowered 3/5/04	High: 21.3 Low: 17.0	19.4 14.6	20.0 14.9	22.0 17.1	21.6 17.8	23.4 17.7	23.4 15.6	23.2 15.5	24.5 19.0	25.0 17.3	29.3 21.9	30.6 27.9	Target Price 2007 2008 2009				
SAFETY	2	New 7/27/90	LEGENDS 1.5 x Dividends p sh divided by Interest Rate Relative Price Strength 2-for-1 split 12/95 Options: Yes Shaded area indicates recession																
TECHNICAL	3	Lowered 4/4/03																	
BETA	.75	(1.00 = Market)																	
2007-09 PROJECTIONS																			
		Ann'l Total																	
High	40	(+40%)	12%																
Low	30	(+5%)	6%																
Insider Decisions																			
		A M J J A S O N D																	
to Buy	0	0	0	0	0	0	0	1	0										
Options	0	2	0	0	0	1	0	0	2										
to Sell	0	0	0	0	0	0	0	0	0										
Institutional Decisions																			
		2Q2003 3Q2003 4Q2003																	
to Buy	95	72	101																
to Sell	77	97	67																
Hld's(000)	35689	34745	34511																
		Percent shares traded	6 4 2																
1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005																			
22.97	21.63	22.58	20.26	20.43	22.73	23.59	19.32	21.91	22.75	23.36	18.71	11.25	19.04	15.32	15.25	15.75	16.55	Revenues per sh ^A	18.85
1.90	1.93	2.04	2.07	2.31	2.25	2.24	2.33	2.49	2.42	2.65	2.29	2.86	3.31	3.39	3.47	3.65	3.75	"Cash Flow" per sh	4.15
1.13	.95	1.01	1.04	1.13	1.08	1.17	1.33	1.37	1.37	1.41	.91	1.29	1.50	1.82	2.08	2.10	2.15	Earnings per sh ^A	2.35
.88	.94	.98	1.02	1.03	1.04	1.04	1.04	1.06	1.08	1.08	1.08	1.08	1.08	1.08	1.11	1.12	1.12	Div'ds Decl'd per sh ^C	1.12
2.86	2.65	2.73	2.95	2.74	2.49	2.37	2.17	2.37	2.59	2.05	2.51	2.92	2.83	3.30	2.45	2.45	2.45	Cap'l Spending per sh	2.55
8.72	8.83	8.97	9.42	9.70	9.90	10.19	10.12	10.56	10.99	11.42	11.59	11.50	12.19	12.52	14.66	15.55	16.60	Book Value per sh	19.85
42.47	43.40	44.32	47.57	48.69	49.72	50.86	55.02	55.70	56.60	57.30	57.10	54.00	55.10	56.70	64.50	65.00	64.00	Common Shs Outst'g ^D	65.00
11.1	13.7	14.2	15.3	15.5	17.9	15.1	12.6	13.8	14.7	13.9	21.4	13.6	14.6	12.5	12.5	Bold figures are Value Line estimates	12.5	Avg Ann'l P/E Ratio	15.0
.92	1.04	1.05	.98	.94	1.06	.99	.84	.86	.85	.72	1.22	.88	.75	.68	.72			Relative P/E Ratio	1.00
7.1%	7.2%	6.8%	6.4%	5.9%	5.4%	5.9%	6.2%	5.6%	5.4%	5.5%	5.5%	6.2%	4.9%	4.7%	4.3%			Avg Ann'l Div'd Yield	3.2%
CAPITAL STRUCTURE as of 12/31/03																			
Total Debt 1033.1 mill. Due in 5 Yrs 77.0 mill.																			
LT Debt \$956.1 mill. LT Interest \$60.0 mill.																			
(Inc. \$225.3 million in trust-preferred securities)																			
(Total interest coverage: 2.9x)																			
Leases, Uncapitalized Annual rentals \$11.8 mill.																			
Pension Assets-12/03 \$258.9 mill. Oblig. \$314.6 mill.																			
Pfd Stock None																			
Common Stock 64,586,932 shs. as of 1/20/04																			
MARKET CAP: \$1.8 billion (Mid Cap)																			
CURRENT POSITION 2001 2002 12/31/03																			
(\$MILL.)																			
Cash Assets 2.8 8.4 16.5																			
Other 214.6 578.0 730.8																			
Current Assets 217.4 586.4 747.3																			
Accts Payable 82.4 91.1 73.7																			
Debt Due 348.4 418.6 77.0																			
Other 155.8 506.1 903.7																			
Current Liab. 586.6 1015.8 1054.4																			
Fix. Chg. Cov. 241% 242% 245%																			
ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '00-'02																			
of change (per sh)																			
Revenues -3.0% -6.5% 3.0%																			
"Cash Flow" 4.0% 5.5% 4.0%																			
Earnings 4.0% 2.5% 6.5%																			
Dividends 0.5% 0.5% .5%																			
Book Value 2.5% 2.5% 7.5%																			
Fiscal Year Ends 2001 2002 2003 2004 2005																			
QUARTERLY REVENUES (\$mill.) ^A																			
Dec.31 Mar.31 Jun.30 Sep.30																			
2001 294.8 350.6 175.7 228.2 1049.3																			
2002 269.3 159.2 190.7 249.7 868.9																			
2003 352.5 186.6 166.3 278.3 983.7																			
2004 330 220 180 295 1025																			
2005 340 235 195 305 1075																			
Fiscal Year Ends 2001 2002 2003 2004 2005																			
EARNINGS PER SHARE ^{A B}																			
Dec.31 Mar.31 Jun.30 Sep.30																			
2001 .41 .83 .17 .09 1.50																			
2002 .89 .21 .17 .55 1.82																			
2003 .98 .29 .27 .54 2.08																			
2004 .95 .35 .25 .55 2.10																			
2005 .96 .36 .27 .56 2.15																			
Cal-endar 2000 2001 2002 2003 2004																			
QUARTERLY DIVIDENDS PAID ^C																			
Mar.31 Jun.30 Sep.30 Dec.31																			
2000 .27 .27 .27 .27 1.08																			
2001 .27 .27 .27 .27 1.08																			
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RECENT PRICE	38.11	P/E RATIO	15.6 (Trailing: 15.9 Median: 14.0)	RELATIVE P/E RATIO	0.82	DIV'D YLD	3.4%	VALUE LINE
--------------	-------	-----------	---------------------------------------	--------------------	------	-----------	------	------------

TIMELINESS 4 Lowered 11/14/03
SAFETY 2 New 7/27/90
TECHNICAL 3 Raised 1/9/04
BETA 70 (1.00 = Market)

High: 19.7 18.3
Low: 16.0 13.2

LEGENDS
— 1.18 x Dividends p sh
divided by Interest Rate
.... Relative Price Strength
3-for-2 split 3/02
Options: No
Shaded area indicates recession

2007-09 PROJECTIONS			
	Price	Gain	Ann'l Total Return
High	55	(+45%)	12%
Low	40	(+5%)	5%

	A	M	J	J	A	S	O	N	D
to Buy	0	0	0	0	0	0	0	0	0
Options	0	1	0	0	1	0	0	2	0
to Sell	0	0	0	0	1	0	0	2	0

Institutional Decisions			
	2Q2003	3Q2003	4Q2003
to Buy	77	55	66
to Sell	40	60	46
Hld's(000)	12408	12148	11937

1988	1989	1990	1991
18.02	16.68	16.01	15.96
1.75	1.64	1.54	1.56
1.06	.97	.65	.55
.85	.91	.96	1.00
5.22	4.37	4.37	2.91
8.27	9.10	8.85	8.57
16.39	19.77	20.28	20.95
11.6	13.0	24.0	22.3
.96	.98	1.78	1.42
6.9%	7.2%	6.2%	8.1%

CAPITAL STRUCTURE as of 12/31/93
Total Debt \$559.9 mill. **Due in 5**
LT Debt \$233.1 mill. **LT Interest** 8.75%
 Incl. \$.7 mill. capitalized leases.
 (LT interest earned: 8.7x;
 total interest coverage: 8.7x)
Pension Assets-9/03 \$6.3 mill.
Pfd Stock None

Common Stock 27,450,758 shs.
outstanding at 2/2/04
MARKET CAP: \$1.0 billion (Mid

CURRENT POSITION	2002
(\$MILL.)	
Cash Assets	1.3
Other	355.7
Current Assets	357.0
Accts Payable	39.7
Debt Due	86.8
Other	240.9
Current Liab.	367.4
Fix. Chg. Cov.	507%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.
Revenues	16.5%	20.0%
"Cash Flow"	6.0%	6.0%
Earnings	8.5%	8.5%
Dividends	2.0%	2.0%
Book Value	4.0%	4.0%

Fiscal Year Ends	QUARTERLY REVENUES		
	Dec.31	Mar.31	Jun.31
2001	667.5	890.0	260.6
2002	395.8	525.8	442.3
2003	668.9	1152.7	369.7
2004	643.5	1175	415
2005	650	1155	380

Fiscal Year Ends	EARNINGS PER SHARE		
	Dec.31	Mar.31	Jun.31
2001	.67	1.23	.16
2002	.73	1.29	.17
2003	.85	1.50	.16
2004	.87	1.47	.17
2005	.89	1.51	.20

Calendar	QUARTERLY DIVIDENDS		
	Mar.31	Jun.30	Sep.30
2000	.287	.287	.287
2001	.293	.293	.293
2002	.30	.30	.30
2003	.31	.31	.31
2004	.325		

1/03	498.7	
	33.9	
rs \$225.0 mill.	30.4%	3
t \$16.0 mill.	6.8%	
	54.3%	5
	42.0%	4
blig. \$27.3 mill.	595.8	
	610.4	

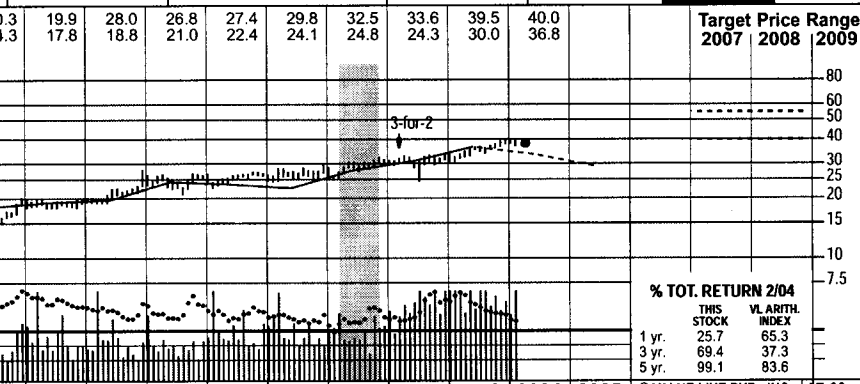
			640.4	
			7.5%	
			12.5%	
(ap)			12.9%	1
2003	12/31/03		2.6%	
			81%	
1.8	5.1			
447.9	684.9			
449.7	690.0			
41.1	25.3			
188.2	326.8			
294.3	426.1			
523.6	778.2			
330%	867%			

Est'd '01-'03	to '07-'09
5%	9.0%
5%	6.5%
0%	8.0%
5%	3.0%
0%	11.0%

mill.) A Sep.30	Full Fiscal Year
230.3	2048.4
466.9	1830.8
353.1	2544.4
366.5	2600
365	2550

ABE Sep.30	Full Fiscal Year
d.10	1.95
d.09	2.09
d.12	2.38
d.06	2.45
d.05	2.55

Full Year	Dec.31
1.15	.287
1.17	.293
1.20	.30
1.24	.31



95	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	© VALUE LINE PUB., INC.	07-09
03	20.22	25.97	26.59	33.98	44.13	76.82	66.17	93.43	92.85	91.05	Revenues per sh ^A	110.00
13	2.22	2.45	2.60	2.79	2.99	3.18	3.21	3.58	3.75	3.85	"Cash Flow" per sh	4.60
29	1.37	1.48	1.55	1.66	1.79	1.95	2.09	2.38	2.45	2.55	Earnings per sh ^B	2.85
01	1.03	1.07	1.09	1.12	1.15	1.17	1.20	1.24	1.28	1.32	Div'ds Decl'd per sh ^C	1.44
77	1.78	1.72	1.60	1.81	1.85	1.66	1.53	1.71	1.60	1.80	Cap'l Spending per sh	2.40
70	10.10	10.38	10.88	11.35	12.43	13.20	13.06	15.38	16.60	18.05	Book Value per sh	25.80
69	27.13	26.82	26.72	26.61	26.39	26.66	27.67	27.23	28.00	28.00	Common Shs Outst'g ^D	25.00
17	13.6	13.5	15.3	15.2	14.7	14.2	14.7	14.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.5
78	.85	.78	.80	.87	.96	.73	.80	.80			Relative P/E Ratio	1.10
5	5.6%	5.3%	4.6%	4.5%	4.4%	4.2%	3.9%	3.7%			Avg Ann'l Div'd Yield	3.1%

4.6	548.5	696.5	710.3	904.3	1164.5	2048.4	1830.8	2544.4	2600	2550	Revenues (\$mill) ^ A	2750
5.6	38.7	41.5	43.3	44.9	47.9	52.3	56.8	65.4	70.0	70.0	Net Profit (\$mill)	70.0
3.0%	32.6%	33.3%	30.4%	36.2%	37.8%	38.0%	38.7%	39.4%	38.0%	38.0%	Income Tax Rate	38.0%
3.0%	7.1%	6.0%	6.1%	5.0%	4.1%	2.6%	3.1%	2.6%	2.7%	2.7%	Net Profit Margin	2.5%
3.0%	50.7%	49.3%	51.2%	48.7%	47.0%	50.1%	50.6%	38.1%	37.0%	37.0%	Long-Term Debt Ratio	35.5%
3.0%	45.8%	47.1%	45.6%	51.2%	52.9%	49.9%	49.4%	61.9%	63.0%	63.0%	Common Equity Ratio	64.5%
2.2	598.2	590.6	638.2	590.4	620.1	706.2	732.4	676.8	735	810	Total Capital (\$mill)	995
6.1	655.2	659.4	680.0	705.4	730.6	743.9	756.4	852.6	785	785	Net Plant (\$mill)	830
5.8%	8.1%	8.6%	8.1%	9.0%	9.0%	8.5%	8.7%	10.7%	10.5%	9.5%	Return on Total Cap'l	7.5%
3.0%	13.1%	13.9%	13.9%	14.8%	14.6%	14.8%	15.7%	15.6%	15.0%	14.0%	Return on Shr. Equity	11.0%
3.0%	13.5%	14.3%	14.4%	14.8%	14.6%	14.9%	15.7%	15.6%	15.0%	14.0%	Return on Com Equity	11.0%
3.0%	3.4%	4.0%	4.4%	5.0%	5.4%	6.1%	6.9%	7.7%	7.5%	6.5%	Retained to Com Eq	5.5%
3.0%	76%	73%	71%	67%	63%	59%	56%	51%	51%	53%	All Div'ds to Net Prof	51%

New Jersey Resources Corp. is the holding company for New Jersey Natural Gas Co., a natural gas utility (about 444,000 customers as of 9/30/03) in Monmouth, Ocean, and parts of other N.J. counties. Fiscal 2003 volume: 110.7 bbl. cu. ft. (61% firm, 7% interruptible, 32% off-system and capacity). New Jersey Natural Energy subsid. provides unregulated retail and wholesale natural gas and related energy services to customers in 17 states. '03 deprec. rate: 2.8%. Est'd plant age: 8 years. Has 551 utility employees, 16,300 stockholders. Officers & directors: Chairman and CEO: Laurence M. Downes. Inc. N.J. Addr.: 1415 Wyckoff Road, Wall, NJ 07719. Tel.: 908-938-1480. Web: www.njiving.com.

Customer growth should make other profitable year at New Resources. The company's chief executive, New Jersey Natural Gas, added half a billion cubic feet of new capacity in the first quarter of fiscal 2004 (year end September 30th). We assume utility will continue to add capacity at a rate of 2.5%-3.0% annually, should contribute over \$6 million in incremental gross margin. And although the weather was 2.3% warmer than normal, it was 1% warmer than last year for the first quarter. The robust growth rate, coupled with NJNG's weather-normalization and lower interest expense, significantly offset the weather's negative impact. However, we think the colder temperatures recorded in January will have a positive effect on second-quarter earnings. The company's successful operations and capacity management will continue to bolster the bottom line. All told, we look for New Jersey Natural Gas' bottom line to inch ahead to \$1.10 a share this year.

er unregulated business con- Stability rankings.
to boost profits. Wholesale *Edward Plank* *March 19, 2004*

(A) Fiscal year ends Sept. 30th.
(B) Diluted earnings. Next earnings mid April.
(C) Dividends historically paid in e

report due	April, July, October plan available.
by January	(D) In millions, a

r. ■ Dividend reinvestment
usted for split.

(E) Earnings may not sum due to changes in shares outstanding.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	90
Earnings Predictability	100

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PIEDMONT NAT'L NYSE-PNY

RECENT
PRICE **42.49**

P/E RATIO	17.
-----------	-----

7 (Trailing: 15.9
Median: 16.0)

RELATIVE P/E RATIO 0.93

**DIV'D
YLD 4.0%**

**VALUE
LINE**

10

TIMELINESS 4 Raised 3/5/04
SAFETY 2 New 7/27/90
TECHNICAL 3 Raised 1/16/04
BETA .70 (1.00 = Market)

High:	26.4	23.4
Low:	18.8	18.0

LEGENDS

— 1.40 x Dividends p sh
divided by Interest Rate

.... Relative Price Strength

2-for-1 split 4/93

Options: No

Shaded area indicates recession

2007-09 PROJECTIONS			
	Price	Gain	Ann'l Total Return
High	60	(+40%)	12%
Low	45	(+5%)	6%

	A	M	J	J	A	S	O	N	D
to Buy	0	0	4	1	0	7	1	2	2
Options	0	0	0	0	0	0	0	0	0
to Sell	1	0	3	3	0	0	0	0	2

Institutional Decisions			
	2Q2003	3Q2003	4Q2003
to Buy	62	57	69
to Sell	61	69	56
Hld's(000)	9448	8784	11407

Percent shares traded

1988	1989	1990	1991
19.62	20.25	18.84	16.64
1.75	1.92	1.94	1.56
1.19	1.21	1.22	.89
.72	.79	.83	.87
3.74	3.11	3.24	2.75
8.25	8.73	9.15	9.65
20.33	20.78	21.43	24.73
9.1	10.3	11.3	16.3
.76	.78	.84	1.04
6.7%	6.3%	6.0%	6.0%

1992	1993	1994	1995
17.83	21.14	21.65	19.75
2.15	2.28	2.26	2.15
1.40	1.45	1.35	1.35
.91	.95	1.01	1.01
2.81	3.16	3.90	3.90
10.27	10.90	11.36	11.36
25.80	26.15	26.58	26.58
12.3	15.4	15.7	15.7
.75	.91	1.03	1.03
5.3%	4.3%	4.8%	4.8%

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	© VALUE LINE PUB., INC.	07-09
17.52	23.18	25.69	24.90	21.94	26.02	34.13	25.14	36.27	40.25	42.10	Revenues per sh ^A	33.40
2.51	2.98	3.25	3.44	3.39	3.54	3.62	3.62	4.09	4.60	4.75	"Cash Flow" per sh	4.65
1.45	1.67	1.85	1.96	1.86	2.01	2.02	1.89	2.22	2.40	2.50	Earnings per sh ^B	3.05
1.09	1.15	1.21	1.28	1.36	1.44	1.52	1.60	1.86	1.72	1.78	Div'ds Decl'd per sh ^C	1.90
3.44	3.27	3.05	2.96	3.15	3.30	2.57	2.42	2.32	2.65	2.75	Cap'l Spending per sh	3.15
12.31	13.07	13.90	14.91	15.71	16.52	17.26	17.82	18.73	20.15	21.45	Book Value per sh ^D	22.75
28.84	29.55	30.19	30.74	31.30	31.91	32.46	33.09	33.66	38.50	38.50	Common Shs Outst'g ^E	40.00
13.8	13.9	13.6	16.3	17.7	14.3	16.7	18.4	16.7	<i> Bold figures are Value Line estimates </i>		Relv Ann'l P/E Ratio	16.5
.92	.87	.78	.85	1.01	.93	.86	1.01	.96			Relative P/E Ratio	1.10
5.4%	4.9%	4.8%	4.0%	4.1%	5.0%	4.5%	4.6%	4.4%			Avg Ann'l Div'd Yield	3.8%

CAPITAL STRUCTURE as of 10/31/03
Total Debt \$1017.1 mill. Due in 5 Yrs \$592.1 mill.
LT Debt \$460.0 mill. LT Interest \$41.0 mill.
 (LT interest earned: 4.1x; total interest coverage:
 3.9x)

Pension Assets-10/02 \$125.1 mill.
Obliq. \$149.7 mill.

Pfd Stock None

Common Stock 33,780,260 shs.
as of 1/15/04

MARKET CAP: \$1.4 billion (Mid Cap)			
CURRENT POSITION	2001	2002	10/31/02

CURRENT POSITION	2001	2002	10/31/03
(\$MILL.)			
Cash Assets	5.6	13.1	11.1
Other	169.7	162.7	296.4
Current Assets	175.3	175.8	307.6
Accts Payable	41.1	51.1	90.9
Debt Due	34.0	93.5	557.1
Other	74.1	60.5	77.2
Current Liab.	149.2	205.1	725.2
Fix. Chg. Cov.	290%	288%	356%

[illegible]

9	832.0	1220.8	1550	1620	Revenues (\$'mill) ^A	1335
5	62.1	74.4	95.0	95.0	Net Profit (\$'mill)	105.0
6	33.2%	34.8%	35.0%	35.0%	Income Tax Rate	35.0%
6	7.5%	6.1%	6.0%	5.9%	Net Profit Margin	8.0%
6	43.9%	42.2%	47.5%	35.5%	Long-Term Debt Ratio	33.0%
6	56.1%	57.8%	52.5%	64.5%	Common Equity Ratio	67.0%
4	1051.6	1090.2	1475	1275	Total Capital (\$'mill)	1360
7	1158.5	1812.3	1900	2000	Net Plant (\$'mill)	2250
6	7.8%	8.6%	8.0%	9.0%	Return on Total Cap'l	9.50
6	10.6%	11.8%	12.5%	11.5%	Return on Shr. Equity	11.5%
6	10.6%	11.8%	12.5%	11.5%	Return on Com Equity	11.5%
6	1.7%	3.1%	3.5%	3.0%	Retained to Com Eq	3.0%
6	83%	74%	70%	72%	All Div'ds to Net Prof	72%

age: 8.7 years. Non-regulated operations: sale of gas-powered heating equipment; natural gas brokering; propane sales. Has about 2,155 employees, 16,433 shareholders of record. CEO & President: Thomas E. Skains. Incorporated: North Carolina. Address: 1915 Rexford Road, P.O. Box 33068 Charlotte, NC 28233. Telephone: 704-364-3120. Internet: www.piedmontng.com.

Carolinas and Tennessee, and normal

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '01-'03 to '07-'09
Revenues	5.5%	5.5%	5.0%
"Cash Flow"	6.5%	3.0%	6.5%
Earnings	5.0%	2.5%	7.5%
Dividends	5.5%	5.5%	4.0%
Book Value	5.5%	5.0%	7.5%

2004 (years start November 1st) on strong footing. The January quarter reflected the first full three months with contributions from the acquisition of North Carolina Natural Gas (NCNG). Earnings topped out at a healthy \$2.05 a share (excluding \$0.13 of non-recurring gains from the sale of PNY's interest in Heritage Propane and the resolution of certain sharing issues between members of the SouthStar Energy venture). That was despite weather that was 3% warmer than normal and 11% warmer than last year. During the quarter, Piedmont completed permanent financing for the NCNG deal, raising about \$400 million through long-term debt issuance and a common equity offering. The proceeds will be used in large part to pay down the outstanding commercial paper issued to temporarily finance the deal.

weather conditions. Too, Piedmont's customer growth rate should remain in the above average 3%-3.5% range, given the proliferation of housing starts in the company's service territories. For fiscal 2005, we estimate share earnings of \$2.50.

Non-utility income continues to support the bottom line, albeit to a lesser extent. Regulated operations make up the lion's share (about 85%) of Piedmont's total income. And management intends to remain focused on being a gas utility. Still, unregulated activities, which include SouthStar Energy and the Pine Needle and Cardinal Pipeline joint ventures, are likely to consistently contribute to the bottom line going forward.

Relatively rapid dividend growth continues to be this equity's primary appeal. The company recently raised its quarterly payment by about 4% to \$0.43 a

Fiscal Year Ends	QUARTERLY REVENUES (\$ mil.) A				Full Fiscal Year
	Jan.31	Apr.30	Jul.31	Oct.31	
2001	467.6	408.0	121.8	110.5	1107.9
2002	288.7	293.9	127.9	121.5	832.0
2003	493.5	407.8	140.1	179.4	1220.8
2004	618.8	540	175	216.2	1550
2005	640	565	190	225	1620

Fiscal Year Ends	EARNINGS PER SHARE ^{A B F}				Full Fiscal Year
	Jan.31	Apr.30	Jul.31	Oct.31	
2001	1.56	1.23	d.37	d.40	2.02
2002	1.26	1.27	d.27	d.36	1.89
2003	1.74	.93	d.29	d.15	2.22
2004	2.05	1.00	d.40	d.25	2.40
2005	2.00	1.00	d.30	d.20	2.50

Calendar	QUARTERLY DIVIDENDS PAID				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2000	.345	.365	.365	.365	1.44
2001	.365	.385	.385	.385	1.52
2002	.40	.40	.40	.40	1.60
2003	.415	.415	.415	.415	1.66
2004	.430				

We look for an earnings advance of roughly 8% this fiscal year. Our projection assumes successful integration of NCNG, which added about 180,000 customers to PNY's base, along with a full year of higher billing rates in both of the

(A) Fiscal year ends October 31st.
(B) Diluted earnings. Excl. extraordinary item: '00, 16¢. Excl. nonrecurring charge: '97, 4¢. Next earnings report due mid May.

Dividends historically paid mid-January, April, July, October.
 Div'd reinvest. plan available; 5% discount.
 Incl. def'd shares. At 10/31/03: \$2.8 mill.

Stock split.	Company's Financial Strength	B++
Total due to change in	Stock's Price Stability	100
	Price Growth Persistence	70
	Earnings Predictability	85

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SOUTHERN UNION COMPANY
CASE NO. GR-2004-0209

Historical Capital Structures for Southern Union Company
Consolidated Basis
(Thousands of Dollars)

Capital Components	1994	1995	1996	1997	1998
Common Equity	\$208,975	\$225,664	\$245,915	\$267,462	\$296,834
Preferred Stock	\$0	\$100,000	\$100,000	\$100,000	\$100,000
Long-Term Debt	\$479,937	\$463,273	\$386,009	\$386,844	\$408,184
Short-Term Debt	\$0	\$0	\$0	\$0	\$1,600
Total	<u>\$688,912</u>	<u>\$788,937</u>	<u>\$731,924</u>	<u>\$754,306</u>	<u>\$806,618</u>

Capital Components	1999	2000	2001	2002	2003
Common Equity	\$301,058	\$735,854	\$721,857	\$685,346	\$920,418
Preferred Stock	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Long-Term Debt	\$392,457	\$735,967	\$1,335,544	\$1,190,413	\$2,346,405
Short-Term Debt	\$21,003	\$3	\$190,600	\$131,800	\$251,500
Total	<u>\$814,518</u>	<u>\$1,571,824</u>	<u>\$2,348,001</u>	<u>\$2,107,559</u>	<u>\$3,618,323</u>

Notes: The amount of Long-Term Debt includes Current Maturities.

Source: Southern Union Company's Stockholders June 30 Annual Reports

SOUTHERN UNION COMPANY
CASE NO. GR-2004-0209

Historical Capital Structures for Southern Union Company
Consolidated Basis

Capital Structure	1994	1995	1996	1997	1998
Common Equity	30.33%	28.60%	33.60%	35.46%	36.80%
Preferred Stock	0.00%	12.68%	13.66%	13.26%	12.40%
Long-Term Debt	69.67%	58.72%	52.74%	51.28%	50.60%
Short-Term Debt	0.00%	0.00%	0.00%	0.00%	0.20%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Total Debt Including TOPrS	69.67%	71.40%	66.40%	64.54%	63.20%

Capital Structure	1999	2000	2001	2002	2003
Common Equity	36.96%	46.82%	30.74%	32.52%	25.44%
Preferred Stock	12.28%	6.36%	4.26%	4.74%	2.76%
Long-Term Debt	48.18%	46.82%	56.88%	56.48%	64.85%
Short-Term Debt	2.58%	0.00%	8.12%	6.25%	6.95%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Total Debt Including TOPrS	63.04%	53.18%	69.26%	67.48%	74.56%

Notes: The amount of Long-Term Debt includes Current Maturities.

Source: Southern Union Company's Stockholders June 30 Annual Reports

Murray, David

From: Waite, Judith [judith_waite@standardandpoors.com]
Sent: Tuesday, June 08, 2004 2:15 PM
To: david.murray@psc.mo.gov
Subject: RE:

David,

We treated them basically as Paul described it. The TOPrs are in some ways subordinated to more senior debt, and provide some cushion. However, they are more like debt than equity and are treated as such.

Judith Waite

Judith Waite, Director
Corporate & Government Ratings
Standard & Poor's
(212) 438-7677
(212) 438-2154 (Fax)
judith_waite@sandp.com

-----Original Message-----

From: david.murray@psc.mo.gov [mailto:david.murray@psc.mo.gov]
Sent: Tuesday, June 08, 2004 2:25 PM
To: judith_waite@sandp.com
Subject: FW:

Judith,

I have been referred to you as to how you have treated Southern Union's TOPrS for purposes of comparing their total debt/total capital ratio when comparing their ratios to your benchmarks. Can you help me out? Thank you in advance for your response.

-----Original Message-----

From: Quinlan, Paul [mailto:Paul_Quinlan@standardandpoors.com]
Sent: Tuesday, June 08, 2004 1:04 PM
To: david.murray@psc.mo.gov
Subject: RE:

You would have to ask the analyst for Southern Union

Judith Waite
212-438-7677
judith_waite@sandp.com

-----Original Message-----

From: david.murray@psc.mo.gov [mailto:david.murray@psc.mo.gov]
Sent: Tuesday, June 08, 2004 10:03 AM
To: Quinlan, Paul

Subject: RE:

Thank you for your response. Can you tell me how Standard & Poor's treated the TOPrS that Southern Union Company had outstanding from around 1995 until the end of last year? Thank you in advance for your response.

-----Original Message-----

From: Quinlan, Paul [mailto:Paul_Quinlan@standardandpoors.com]

Sent: Tuesday, June 08, 2004 8:36 AM

To: david.murray@psc.mo.gov

Subject:

For publishing purposes, the ratios include TOPrS as debt, but in a committee, the analyst will usually present the company's financial measures with two cases, one reflecting TOPrS as debt, the other with TOPrS as equity. Pending the different terms, maturities, and the company's financing track record, the analyst will lead the committee toward one case or the other, or a mix of both. I know this is not the cut and dry answer that you may be looking for, but it gives the analyst with more analytical flexibility.

*Paul Quinlan
Ratings Analyst
U.S. Utilities, Energy & Project Finance Ratings
Standard & Poor's
55 Water Street, 38th Floor
New York, NY 10041
Phone: (212) 438-1563
Fax: (212) 438-2154
Email: paul_quinlan@sandp.com*

Paul,

I don't know if you could answer the question below in Ron's absence.

-----Original Message-----

From: Millhouse, Rik

Sent: Monday, June 07, 2004 5:18 PM

To: Gray, Linda

Cc: Barone, Ronald

Subject: FW: Trust Originated Preferred Securities (TOPrS) and
Utility

Financial Targets

Linda:

Might you be able to pass this query on to someone in the group in

6/8/2004

Schedule 6-2

Mr. Barone's absence?

Regards,

rik millhouse
Technical Support Specialist
Credit Information Services
Standard & Poor's
55 Water Street, 34th Floor
New York, NY 10041
Phone: 212-438-7283
Fax: 212-438-7290
rik_millhouse@standardandpoors.com

-----Original Message-----

From: Millhouse, Rik
Sent: Monday, June 07, 2004 5:09 PM
To: Barone, Ronald
Subject: FW: Trust Originated Preferred Securities (TOPrS) and
Utility
Financial Targets

Pardon the interruption, but might you be able to recommend an
analyst who could address this RatingsDirect client's query?

Thank you in advance.

Regards,

rik millhouse
Technical Support Specialist
Credit Information Services
Standard & Poor's
55 Water Street, 34th Floor
New York, NY 10041
Phone: 212-438-7283
Fax: 212-438-7290
rik_millhouse@standardandpoors.com

-----Original Message-----

From: david.murray@psc.mo.gov [<mailto:david.murray@psc.mo.gov>]
Sent: Monday, June 07, 2004 1:33 PM
To: RatingsDirect
Subject: Trust Originated Preferred Securities (TOPrS) and Utility
Financial Targets

Does S&P include TOPrS in the amount of total debt when calculating a utility company's total debt/total capital ratio for purposes of measuring a company's ratio against the financial targets that S&P published on June 18, 1999. Thanks in advance for your response.

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Thank you,
Standard & Poor's
