

**NORTHERN BORDER PIPELINE COMPANY**

Financial Exhibits

to Accompany

the Direct Testimony

of

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Northern Border Pipeline Company  
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**Northern Border Pipeline Company**

Summary Cost of Capital  
at July 31, 2005

<u>Type of Capital</u>	<u>Ratios</u>	<u>Cost Rate</u>		<u>Weighted Cost Rate</u>	
		<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>
Long-Term Debt	50.73%	7.01%	7.01%	3.556%	3.556%
Common Equity	<u>49.27%</u>	13.00%	14.50%	<u>6.405%</u>	<u>7.144%</u>
Total	<u>100.00%</u>			<u>9.961%</u>	<u>10.700%</u>

Indicated levels of fixed charge coverage assuming that the Company could actually achieve its overall cost of capital:

Pre-tax coverage of interest expense based upon a 35.0000% federal income tax rate

( 13.410% ÷ 3.556% )  
( 14.547% ÷ 3.556% )

3.77 x  
4.09 x

Post-tax coverage of interest expense

( 9.961% ÷ 3.556% )  
( 10.700% ÷ 3.556% )

2.80 x  
3.01 x

Northern Border Pipeline Company  
Capitalization and Financial Statistics  
2000-2004, Inclusive

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	
	(Millions of Dollars)					
Amount of Capital Employed						
Permanent Capital	\$ 1,209.9	\$ 1,271.1	\$ 1,315.3	\$ 1,359.0	\$ 1,359.3	
Short-Term Debt	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Capital	<u>\$ 1,209.9</u>	<u>\$ 1,271.1</u>	<u>\$ 1,315.3</u>	<u>\$ 1,359.0</u>	<u>\$ 1,359.3</u>	
Capital Structure Ratios						
Based on Permanent Capital:						<u>Average</u>
Long-Term Debt	49.9%	64.6%	64.5%	63.5%	62.7%	61.0%
Minority Interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Common Equity	50.1%	35.4%	35.5%	36.5%	37.3%	39.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term	49.9%	64.6%	64.5%	63.5%	62.7%	61.0%
Minority Interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Common Equity	50.1%	35.4%	35.5%	36.5%	37.3%	39.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity	19.5%	20.0%	18.3%	17.4%	15.3%	18.1%
Operating Ratio (1)	38.2%	39.2%	37.6%	37.2%	40.9%	38.6%
Coverage incl. AFUDC (2)						
Pre-tax: All Interest Charges	5.03 x	4.30 x	3.77 x	3.50 x	2.90 x	3.90 x
Post-tax: All Interest Charges	3.49 x	3.04 x	2.71 x	2.55 x	2.18 x	2.79 x
Overall Coverage: All Int. & Pfd. Div.	3.49 x	3.04 x	2.71 x	2.55 x	2.18 x	2.79 x
Coverage excl. AFUDC (3)						
Pre-tax: All Interest Charges	5.03 x	4.30 x	3.77 x	3.46 x	2.89 x	3.89 x
Post-tax: All Interest Charges	3.49 x	3.03 x	2.71 x	2.51 x	2.17 x	2.78 x
Overall Coverage: All Int. & Pfd. Div.	3.49 x	3.03 x	2.71 x	2.51 x	2.17 x	2.78 x
Quality of Earnings & Cash Flow						
AFC/Income Avail. for Common Equity	0.0%	0.1%	0.1%	2.1%	0.8%	0.6%
Effective Income Tax Rate	38.3%	38.3%	38.3%	38.0%	38.2%	38.2%
Internal Cash Generation/Construction (4)	97.7%	432.6%	539.5%	51.3%	3397.0%	903.6%
Gross Cash Flow/ Avg. Total Debt(5)	22.7%	19.2%	17.6%	16.7%	17.4%	18.7%
Gross Cash Flow Interest Coverage(6)	4.91 x	4.63 x	3.99 x	3.50 x	3.28 x	4.06 x
Common Dividend Coverage (7)	1.08 x	1.50 x	1.31 x	1.32 x	1.67 x	1.38 x

See Page 2 for Notes.

Northern Border Pipeline Company  
Capitalization and Financial Statistics  
2000-2004, Inclusive

Notes:

- (1) Total operating expenses, maintenance, depreciation and taxes other than income as a percentage of operating revenues.
- (2) Coverage calculations represent the number of times available earnings including AFUDC (allowance for funds used during construction), as reported in its entirety, cover fixed charges.
- (3) Coverage calculations represent the number of times available earnings excluding AFUDC (allowance for funds used during construction), as reported in its entirety, cover fixed charges.
- (4) Internal cash generation/gross construction is the percentage of gross construction expenditures provided by internally generated funds from operations after payment of all cash dividends.
- (5) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less AFUDC) as a percentage of average total debt.
- (6) Gross Cash Flow plus interest charges divided by interest charges.
- (7) Common dividend coverage is the relationship of internally generated funds from operations after payment of preferred stock dividends to common dividends paid.

Source of Information: FERC Form No. 2

Corporate Pipeline Group  
Capitalization and Financial Statistics (1)  
2000-2004, Inclusive

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	
	(Millions of Dollars)					
Amount of Capital Employed						
Permanent Capital	\$ 8,238.6	\$ 9,350.5	\$ 10,041.4	\$ 9,686.4	\$ 7,191.2	
Short-Term Debt	\$ 87.9	\$ 101.8	\$ 507.4	\$ 776.4	\$ 788.8	
Total Capital	<u>\$ 8,326.5</u>	<u>\$ 9,452.3</u>	<u>\$ 10,548.8</u>	<u>\$ 10,462.8</u>	<u>\$ 7,980.0</u>	
Market-Based Financial Ratios						<u>Average</u>
Price-Earnings Multiple	25 x	14 x	14 x	21 x	18 x	20 x
Market/Book Ratio	231.3%	175.9%	186.8%	268.5%	261.7%	224.8%
Cash Yield	2.5%	2.5%	2.9%	2.0%	2.1%	2.4%
Payout Ratio	33.9%	38.0%	36.0%	46.4%	34.4%	37.7%
Capital Structure Ratios						
Based on Permanent Capital:						
Long-Term Debt	52.8%	56.9%	55.3%	49.7%	52.4%	53.4%
Preferred Stock/Minority Interest	3.3%	3.1%	5.2%	5.5%	4.5%	4.3%
Common Equity	<u>44.0%</u>	<u>40.1%</u>	<u>39.5%</u>	<u>44.8%</u>	<u>43.1%</u>	<u>42.3%</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term	55.3%	58.9%	57.6%	56.3%	59.1%	57.4%
Preferred Stock/Minority Interest	3.2%	3.0%	5.0%	5.1%	4.1%	4.1%
Common Equity	<u>41.6%</u>	<u>38.1%</u>	<u>37.4%</u>	<u>38.6%</u>	<u>36.9%</u>	<u>38.5%</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity	10.4%	9.6%	5.6%	11.5%	14.8%	10.4%
Operating Ratio (2)	79.6%	80.1%	82.3%	82.9%	84.8%	81.9%
Coverage incl. AFUDC (3)						
Pre-tax: All Interest Charges	4.54 x	3.67 x	2.93 x	3.42 x	3.02 x	3.51 x
Post-tax: All Interest Charges	3.31 x	2.71 x	2.26 x	2.49 x	2.29 x	2.61 x
Overall Coverage: All Int. & Pfd. Div.	3.31 x	2.71 x	2.25 x	2.49 x	2.28 x	2.61 x
Coverage excl. AFUDC (4)						
Pre-tax: All Interest Charges	4.54 x	3.66 x	2.92 x	3.40 x	3.02 x	3.51 x
Post-tax: All Interest Charges	3.30 x	2.71 x	2.25 x	2.47 x	2.29 x	2.60 x
Overall Coverage: All Int. & Pfd. Div.	3.30 x	2.70 x	2.24 x	2.47 x	2.28 x	2.60 x
Quality of Earnings & Cash Flow						
AFUDC/Income Avail. for Common Equity	-1.2%	-1.3%	0.5%	0.9%	0.2%	-0.2%
Effective Income Tax Rate	31.8%	44.9%	32.1%	44.3%	36.3%	37.9%
Internal Cash Generation/Construction (5)	177.6%	161.2%	115.4%	134.5%	121.5%	142.0%
Gross Cash Flow/ Avg. Total Debt(6)	31.7%	24.1%	19.7%	22.6%	23.0%	24.2%
Gross Cash Flow Interest Coverage(7)	6.22 x	4.95 x	4.25 x	4.65 x	3.96 x	4.80 x
Common Dividend Coverage (8)	11.47 x	8.23 x	6.51 x	8.61 x	8.03 x	8.57 x

See Page 2 for Notes.

Corporate Pipeline Group  
Capitalization and Financial Statistics  
2000-2004, Inclusive

Notes:

- (1) All capitalization and financial statistics for the group are the arithmetic average of the achieved results for each individual company in the group.
- (2) Total operating expenses, maintenance, depreciation and taxes other than income as a percentage of operating revenues.
- (3) Coverage calculations represent the number of times available earnings including AFUDC (allowance for funds used during construction), as reported in its entirety, cover fixed charges.
- (4) Coverage calculations represent the number of times available earnings excluding AFC (allowance for funds used during construction), as reported in its entirety, cover fixed charges.
- (5) Internal cash generation/gross construction is the percentage of gross construction expenditures provided by internally-generated funds from operations after payment of all cash dividends.
- (6) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income tax and investment tax credits, less total AFUDC ) as a percentage of average total debt.
- (7) Gross Cash Flow plus interest charges divided by interest charges.
- (8) Common dividend coverage is the relationship of internally-generated funds from operations after payment of preferred stock dividends to common dividends paid.

Basis of Selection

The group consists of the surviving companies used by the Commission in its rate case decision in Docket No. RP00-107-000 (104 FERC ¶ 61,036) that have traded stock and are currently paying a dividend.

Ticker	Company	Corporate Credit Ratings		Stock Traded	S&P Stock Ranking	Value Line Beta
		Moody's	S&P			
EP	El Paso Corp.	B1	B	NYSE	NR	1.95
EQT	Equitable Resources	A2	A-	NYSE	A-	0.80
KMI	Kinder Morgan Inc.	Baa2	BBB	NYSE	B	0.90
NFG	National Fuel Gas	Baa1	BBB+	NYSE	B+	0.80
STR	Questar Corp.	A2	A-	NYSE	A-	0.85
WMB	Williams Companies	Ba2	B+	NYSE	B	2.60
	Average	<u>Baa2</u>	<u>BBB-</u>		<u>B+</u>	<u>1.32</u>

Note: Ratings are those of pipeline subsidiaries

Source of Information: Utility COMPUSTAT

MLP Pipeline Group  
Capitalization and Financial Statistics (1)  
2000-2004, Inclusive

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	
			(Millions of Dollars)			
Amount of Capital Employed						
Permanent Capital	\$ 4,856.7	\$ 3,503.2	\$ 3,231.1	\$ 2,460.1	\$ 1,807.3	
Short-Term Debt	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Capital	<u>\$ 4,856.7</u>	<u>\$ 3,503.2</u>	<u>\$ 3,231.1</u>	<u>\$ 2,460.1</u>	<u>\$ 1,807.3</u>	
Market-Based Financial Ratios						<u>Average</u>
Price-Earnings Multiple	19 x	18 x	20 x	21 x	11 x	18 x
Market/Book Ratio	215.9%	222.9%	214.1%	229.0%	166.8%	209.7%
Cash Yield	7.1%	7.3%	8.0%	7.6%	9.0%	7.8%
Payout Ratio	104.0%	73.8%	126.0%	120.8%	91.9%	103.3%
Capital Structure Ratios						
Based on Permanent Capital:						
Long-Term Debt	44.2%	44.7%	46.9%	41.0%	40.6%	43.5%
Minority Interest	2.5%	2.5%	2.4%	2.3%	3.0%	2.5%
Common Equity	<u>53.2%</u>	<u>52.8%</u>	<u>50.7%</u>	<u>56.7%</u>	<u>56.4%</u>	<u>54.0%</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term	44.2%	44.7%	46.9%	41.0%	40.6%	43.5%
Minority Interest	2.5%	2.5%	2.4%	2.3%	3.0%	2.5%
Common Equity	<u>53.2%</u>	<u>52.8%</u>	<u>50.7%</u>	<u>56.7%</u>	<u>56.4%</u>	<u>54.0%</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity	15.4%	8.7%	13.0%	15.1%	15.9%	13.6%
Operating Ratio (2)	83.7%	83.8%	80.4%	74.1%	65.2%	77.4%
Coverage incl. AFUDC (3)						
Pre-tax: All Interest Charges	3.41 x	2.25 x	2.82 x	3.26 x	3.96 x	3.14 x
Post-tax: All Interest Charges	3.36 x	2.20 x	2.79 x	3.24 x	3.92 x	3.10 x
Overall Coverage: All Int. & Pfd. Div.	3.27 x	2.13 x	2.72 x	3.12 x	3.72 x	2.99 x
Coverage excl. AFUDC (3)						
Pre-tax: All Interest Charges	3.41 x	2.25 x	2.82 x	3.25 x	3.96 x	3.14 x
Post-tax: All Interest Charges	3.36 x	2.20 x	2.79 x	3.23 x	3.92 x	3.10 x
Overall Coverage: All Int. & Pfd. Div.	3.27 x	2.13 x	2.72 x	3.11 x	3.72 x	2.99 x
Quality of Earnings & Cash Flow						
AFUDC/Income Avail. for Common Equity	0.1%	-0.1%	0.1%	0.6%	0.2%	0.2%
Effective Income Tax Rate	1.4%	0.2%	0.8%	0.7%	0.9%	0.8%
Internal Cash Generation/Construction (4)	88.3%	90.0%	52.9%	47.1%	154.5%	86.6%
Gross Cash Flow/ Avg. Total Debt(5)	67.4%	129.9%	76.4%	61.4%	98.7%	86.8%
Gross Cash Flow Interest Coverage(6)	25.84 x	102.47 x	23.92 x	12.08 x	20.03 x	36.87 x
Common Dividend Coverage (7)	1.37 x	1.28 x	1.27 x	1.42 x	1.54 x	1.38 x

See Page 2 for Notes.



MLP Pipeline Group  
Capitalization and Financial Statistics  
2000-2004, Inclusive

Notes:

- (1) All capitalization and financial statistics for the group are the arithmetic average of the achieved results for each individual company in the group.
- (2) Total operating expenses, maintenance, depreciation and taxes other than income as a percentage of operating revenues.
- (3) Coverage calculations represent the number of times available earnings including AFUDC (allowance for funds used during construction), as reported in its entirety, cover fixed charges.
- (4) Coverage calculations represent the number of times available earnings excluding AFC (allowance for funds used during construction), as reported in its entirety, cover fixed charges.
- (5) Internal cash generation/gross construction is the percentage of gross construction expenditures provided by internally-generated funds from operations after payment of all cash dividends.
- (6) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income tax and investment tax credits, less total AFUDC ) as a percentage of average total debt.
- (7) Gross Cash Flow plus interest charges divided by interest charges.
- (8) Common dividend coverage is the relationship of internally-generated funds from operations after payment of preferred stock dividends to common dividends paid.

Basis of Selection

The group consists of master limited partnerships (MLPs) that have publicly-traded units and have FERC jurisdictional natural gas pipeline operations.

Ticker	Company	Corporate Credit Ratings		Stock Traded	S&P Stock Ranking	Value Line Beta
		Moody's	S&P			
EEP	Enbridge Energy Partners LP	Baa2	BBB	NYSE	NR	0.60
EPD	Enterprise Products Partners, LP	Baa3	BB+	NYSE	NR	0.65
KMP	Kinder Morgan Energy Partners LP	Baa1	BBB+	NYSE	NR	0.70
NBP	Northern Border Partners LP	Baa2	BBB+	NYSE	NR	0.55
TCLP	TC PipeLines, LP	-	-	NNM	NR	0.55
	Average	<u>Baa2</u>	<u>BBB</u>		<u>NR</u>	<u>0.61</u>

Source of Information: Annual Reports  
SEC filings  
Utility COMPUSTAT

Standard & Poor's Public Utilities  
Capitalization and Financial Statistics (1)  
2000-2004, Inclusive

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	
			(Millions of Dollars)			
Amount of Capital Employed						
Permanent Capital	\$ 14,204.1	\$ 14,494.4	\$14,111.6	\$ 13,848.1	\$11,801.3	
Short-Term Debt	\$ 274.2	\$ 259.4	\$ 936.6	\$ 1,195.1	\$ 1,649.0	
Total Capital	<u>\$ 14,478.3</u>	<u>\$ 14,753.8</u>	<u>\$15,048.2</u>	<u>\$ 15,043.2</u>	<u>\$13,450.3</u>	
Market-Based Financial Ratios						<u>Average</u>
Price-Earnings Multiple	17 x	13 x	15 x	17 x	18 x	16 x
Market/Book Ratio	181.7%	147.9%	153.9%	194.3%	188.8%	173.3%
Cash Yield	3.7%	4.0%	4.8%	3.9%	4.7%	4.2%
Payout Ratio	69.5%	59.6%	72.8%	61.6%	82.6%	69.2%
Capital Structure Ratios						
Based on Permanent Capital:						
Long-Term Debt	59.2%	61.1%	61.7%	58.8%	57.5%	59.7%
Preferred Stock	1.9%	1.9%	2.5%	3.0%	2.7%	2.4%
Common Equity	<u>38.9%</u>	<u>36.9%</u>	<u>35.8%</u>	<u>38.2%</u>	<u>39.8%</u>	<u>37.9%</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term	60.6%	62.5%	64.6%	62.8%	63.0%	62.7%
Preferred Stock	1.9%	1.9%	2.4%	2.7%	2.4%	2.3%
Common Equity	<u>37.5%</u>	<u>35.6%</u>	<u>33.1%</u>	<u>34.5%</u>	<u>34.6%</u>	<u>35.1%</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity	10.5%	9.7%	6.9%	14.2%	8.3%	9.9%
Operating Ratio (2)	82.2%	84.6%	85.1%	85.5%	86.8%	84.8%
Coverage incl. AFUDC (3)						
Pre-tax: All Interest Charges	2.86 x	2.49 x	2.28 x	2.81 x	2.55 x	2.60 x
Post-tax: All Interest Charges	2.30 x	2.05 x	1.89 x	2.19 x	2.01 x	2.09 x
Overall Coverage: All Int. & Pfd. Div.	2.27 x	2.02 x	1.85 x	2.14 x	1.95 x	2.05 x
Coverage excl. AFUDC (3)						
Pre-tax: All Interest Charges	2.83 x	2.45 x	2.23 x	2.78 x	2.52 x	2.56 x
Post-tax: All Interest Charges	2.27 x	2.01 x	1.85 x	2.15 x	1.98 x	2.05 x
Overall Coverage: All Int. & Pfd. Div.	2.24 x	1.98 x	1.81 x	2.10 x	1.92 x	2.01 x
Quality of Earnings & Cash Flow						
AFUDC/Income Avail. for Common Equity	2.2%	1.5%	2.6%	2.0%	5.3%	2.7%
Effective Income Tax Rate	26.4%	41.5%	29.3%	30.6%	35.6%	32.7%
Internal Cash Generation/Construction (4)	130.7%	128.7%	93.0%	95.9%	87.0%	107.1%
Gross Cash Flow/ Avg. Total Debt(5)	19.2%	19.3%	17.4%	17.7%	17.7%	18.3%
Gross Cash Flow Interest Coverage(6)	4.16 x	4.19 x	3.86 x	3.58 x	3.58 x	3.87 x
Common Dividend Coverage (7)	5.95 x	5.65 x	4.34 x	4.56 x	4.28 x	4.96 x

See Page 2 for Notes.

Standard & Poor's Public Utilities  
Capitalization and Financial Statistics  
2000-2004, Inclusive

Notes:

- (1) All capitalization and financial statistics for the group are the arithmetic average of the achieved results for each individual company in the group.
- (2) Total operating expenses, maintenance, depreciation and taxes other than income taxes as a percent of operating revenues.
- (3) Coverage calculations represent the number of times available earnings, both including and excluding AFUDC (allowance for funds used during construction) as reported in its entirety, cover fixed charges.
- (4) Internal cash generation/gross construction is the percentage of gross construction expenditures provided by internally-generated funds from operations after payment of all cash dividends divided by gross construction expenditures.
- (5) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) as a percentage of average total debt.
- (6) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) plus interest charges, divided by interest charges.
- (7) Common dividend coverage is the relationship of internally-generated funds from operations after payment of preferred stock dividends to common dividends paid.

Source of Information: Annual Reports to Shareholders  
Utility COMPUSTAT

**Standard & Poor's Public Utilities**

**Company Identities (1)**

	Ticker	Credit Rating (2)		Common Stock Traded	S&P Stock Ranking	Value Line Beta
		Moody's	S&P			
Allegheny Energy	AYE	Ba1	BB-	NYSE	A-	1.60
Ameren Corporation	AEE	A2	A-	NYSE	A-	0.75
American Electric Power	AEP	Baa2	BBB+	NYSE	B+	1.15
CenterPoint Energy	CNP	Baa3	BBB	NYSE	B	0.55
CINergy Corp.	CIN	Baa1	BBB+	NYSE	B	0.80
CMS Energy	CMS	Ba1	BB	NYSE	B	1.30
Consolidated Edison	ED	A1	A+	NYSE	A-	0.60
Constellation Energy Group	CEG	A2	A-	NYSE	A-	0.85
DTE Energy Co.	DTE	Baa1	BBB+	NYSE	B+	0.70
Dominion Resources	D	A3	A-	NYSE	B	0.85
Duke Energy	DUK	A3	A-	NYSE	A-	1.10
Edison Int'l	EIX	Ba3	BB	NYSE	B	1.05
El Paso Corp.	EP	B1	B	NYSE	NR	1.85
Entergy Corp.	ETR	Baa3	BBB	NYSE	B	0.75
Exelon Corp.	EXC	A3	A-	NYSE	B	0.70
FPL Group	FPL	A1	A	NYSE	B+	0.70
FirstEnergy Corp.	FE	Baa2	BBB	NYSE	B+	0.75
Keyspan Energy	KSE	A3	A	NYSE	B+	0.80
Kinder Morgan	KMI	Baa2	BBB	NYSE	B	0.80
NICOR Inc.	GAS	Aa2	AA	NYSE	B+	1.05
NiSource Inc.	NI	Baa2	BBB	NYSE	A	0.75
PG&E Corp.	PCG	Caa2	D	NYSE	B	1.00
PPL Corp.	PPL	Baa1	A-	NYSE	B+	0.95
Peoples Energy	PGL	Aa3	A-	NYSE	B+	0.80
Pinnacle West Capital	PNW	Baa1	BBB	NYSE	A-	0.85
Progress Energy, Inc.	PGN	Baa1	BBB+	NYSE	A-	0.80
Public Serv. Enterprise Inc.	PEG	Baa1	BBB	NYSE	B+	0.85
Sempra Energy	SRE	A2	A+	NYSE	NR	0.90
Southern Co.	SO	A2	A	NYSE	A-	0.65
TECO Energy	TE	A2	BBB	NYSE	A	0.90
TXU CORP	TXU	Baa3	BBB	NYSE	B	1.00
Williams Cos.	WMB	Ba2	B+	NYSE	B	2.40
Xcel Energy Inc	XEL	Baa1	BBB+	NYSE	B+	0.80
Average for S&P Utilities		<u>Baa2</u>	<u>BBB</u>		<u>B+</u>	<u>0.95</u>

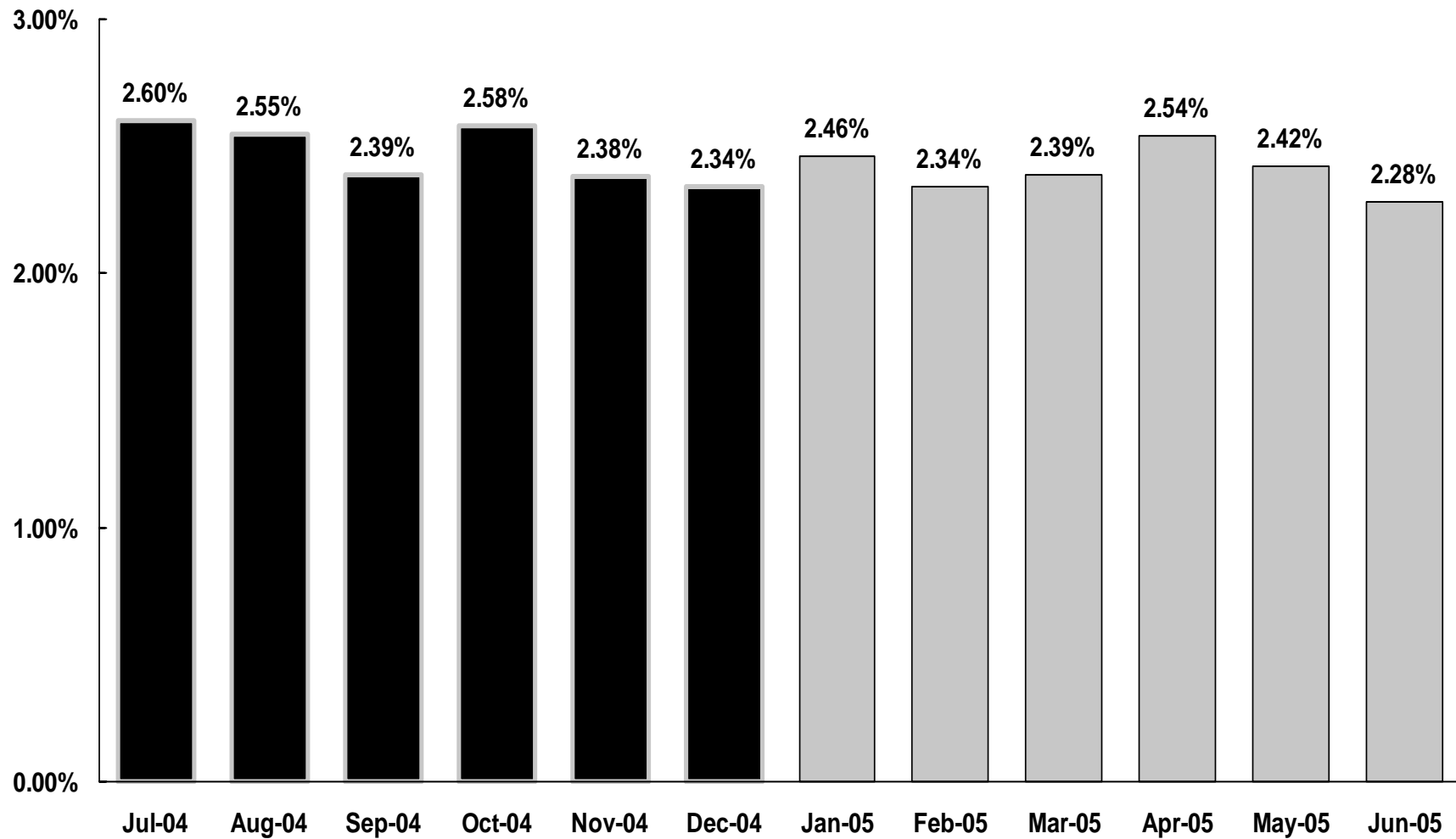
Note: \* (1) Includes companies contained in S&P Utility Compustat. AES Corp., Calpine Corp., and Dynegy, Inc. are not included.

(2) Ratings are those of utility subsidiaries

Source of Information: Moody's Investors Service  
Standard & Poor's Corporation  
Standard & Poor's Stock Guide  
Value Line Investment Survey for Windows

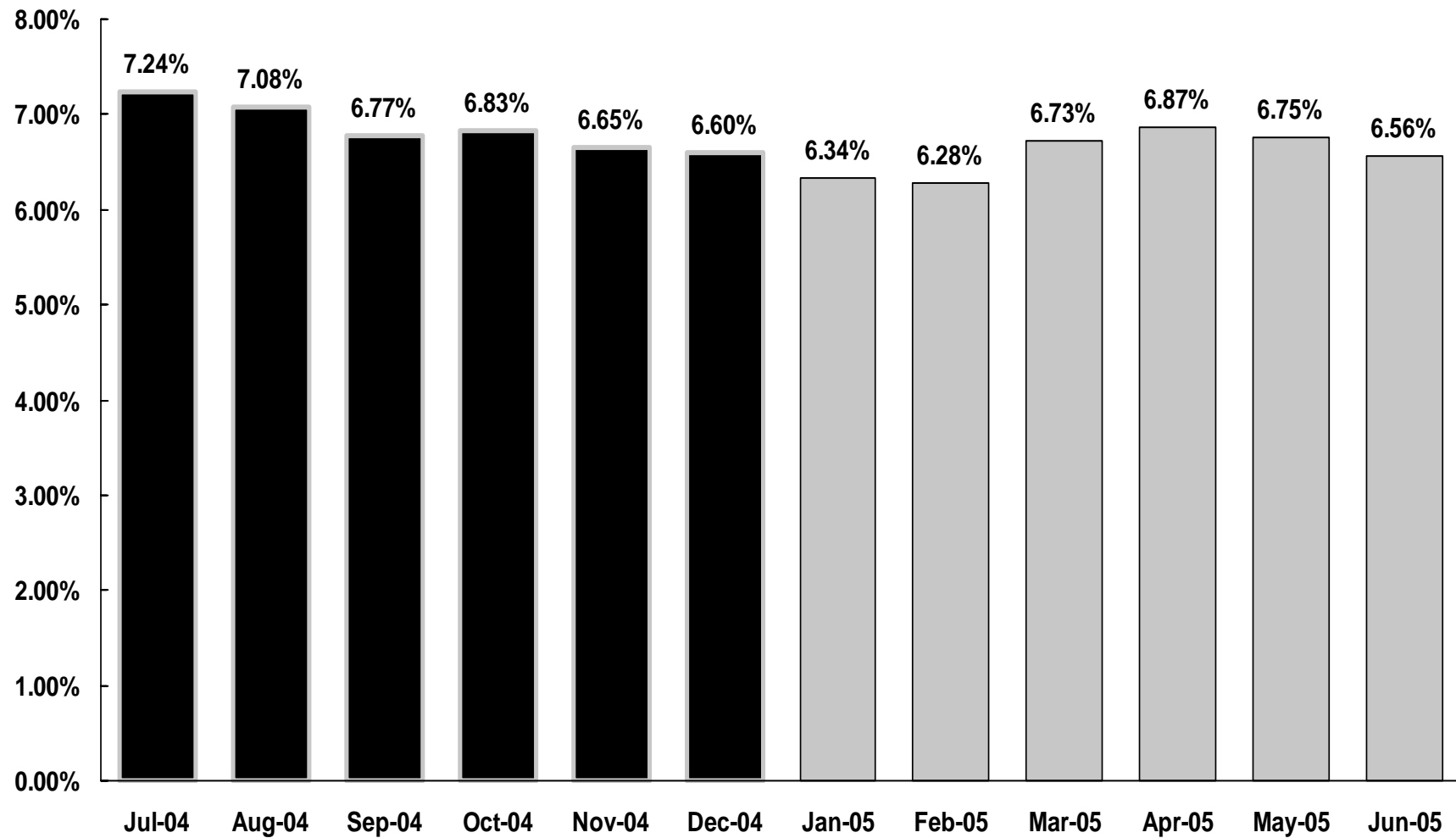
# Corporate Pipeline Group

## Monthly Cash Yields



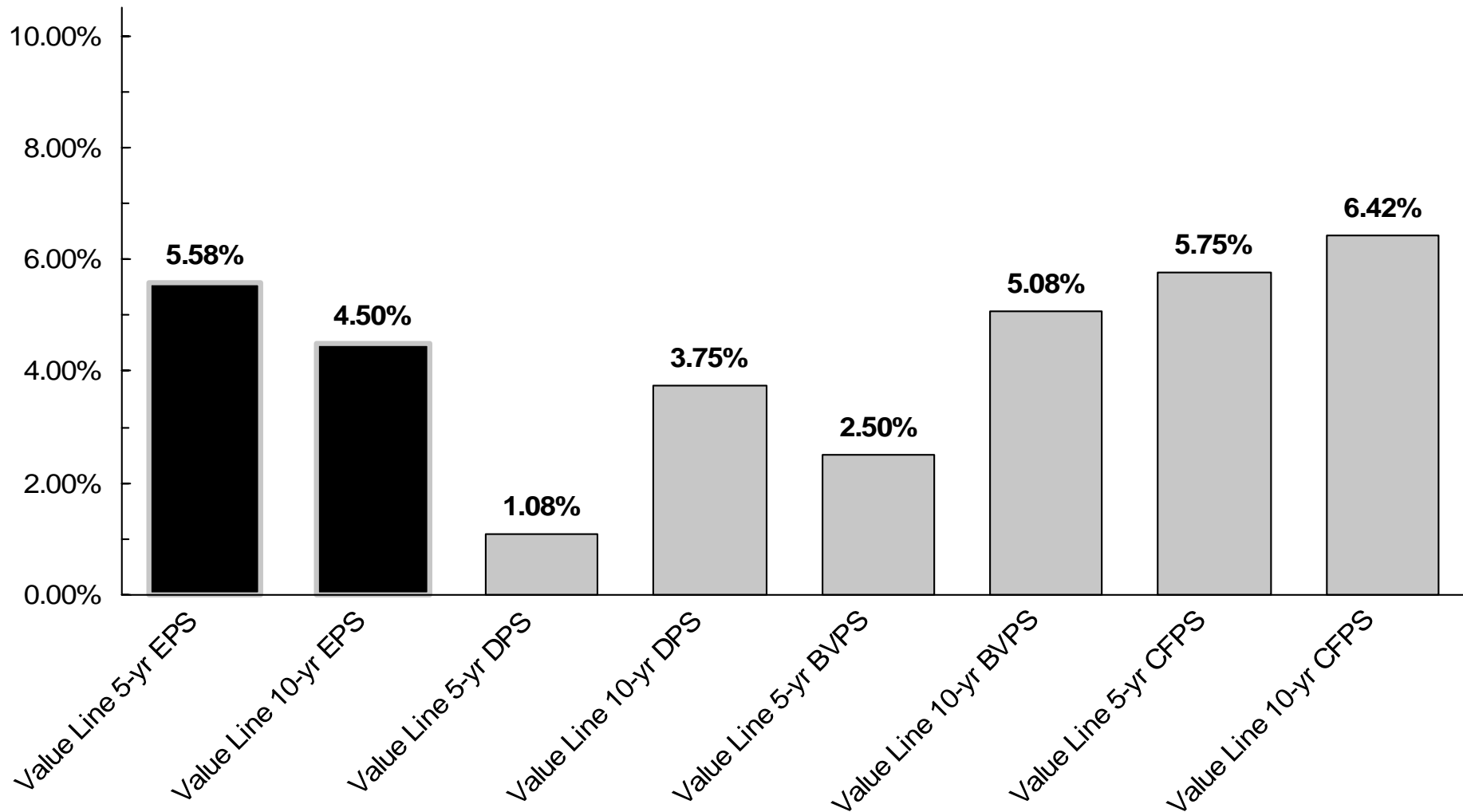
# MLP Pipeline Group

## Monthly Cash Yields



# Corporate Pipeline Group

## Historical Growth Rates

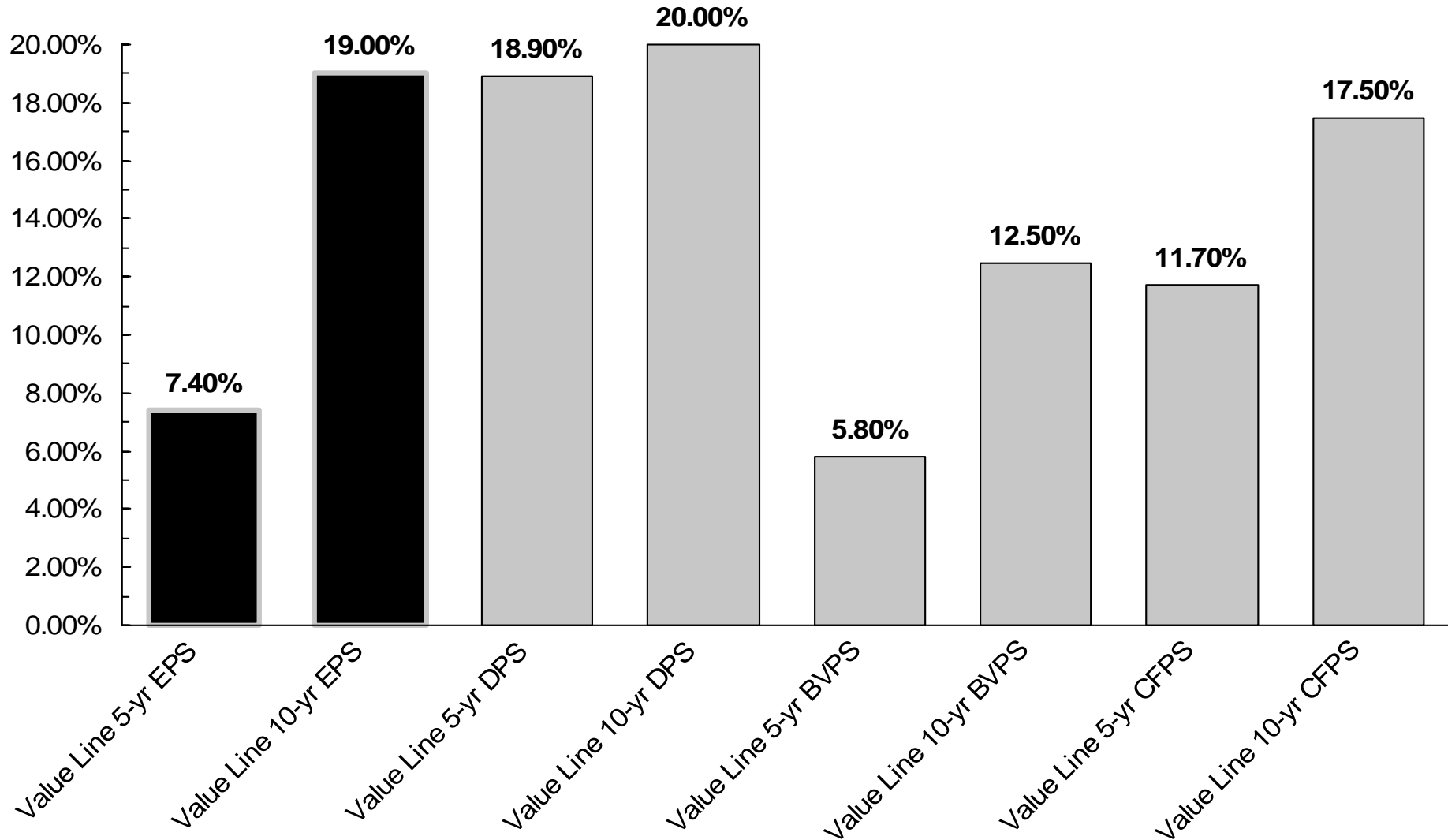


Earnings per Share=EPS  
Dividends per Share=DPS

Book Values per Share=BVPS  
Cash Flow per Share=CFPS

# MLP Pipeline Group

## Historical Growth Rates



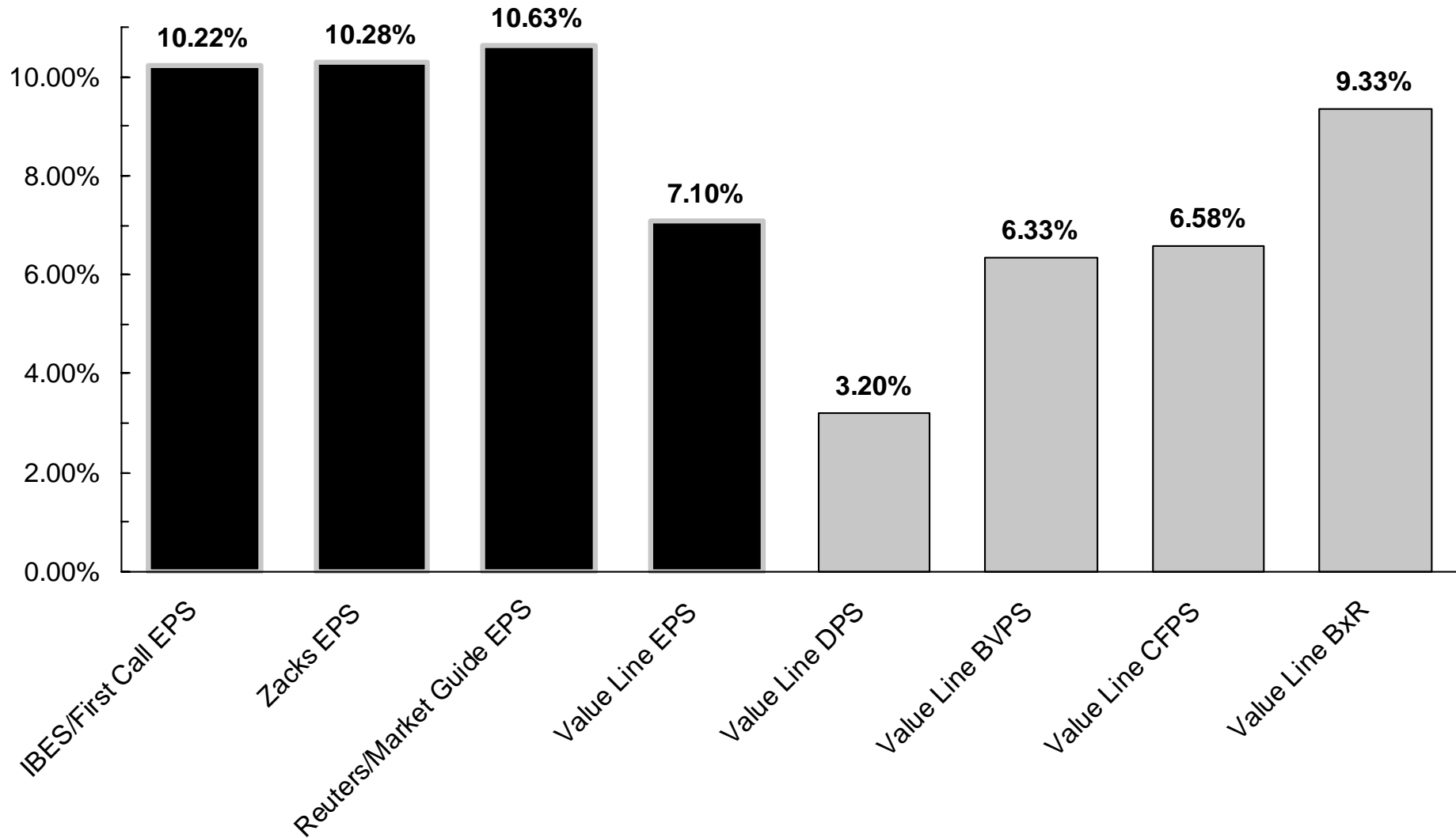
Earnings per Share=EPS  
Distribution per Share=DPS

Book Values per Share=BVPS  
Cash Flow per Share=CFPS



# Corporate Pipeline Group

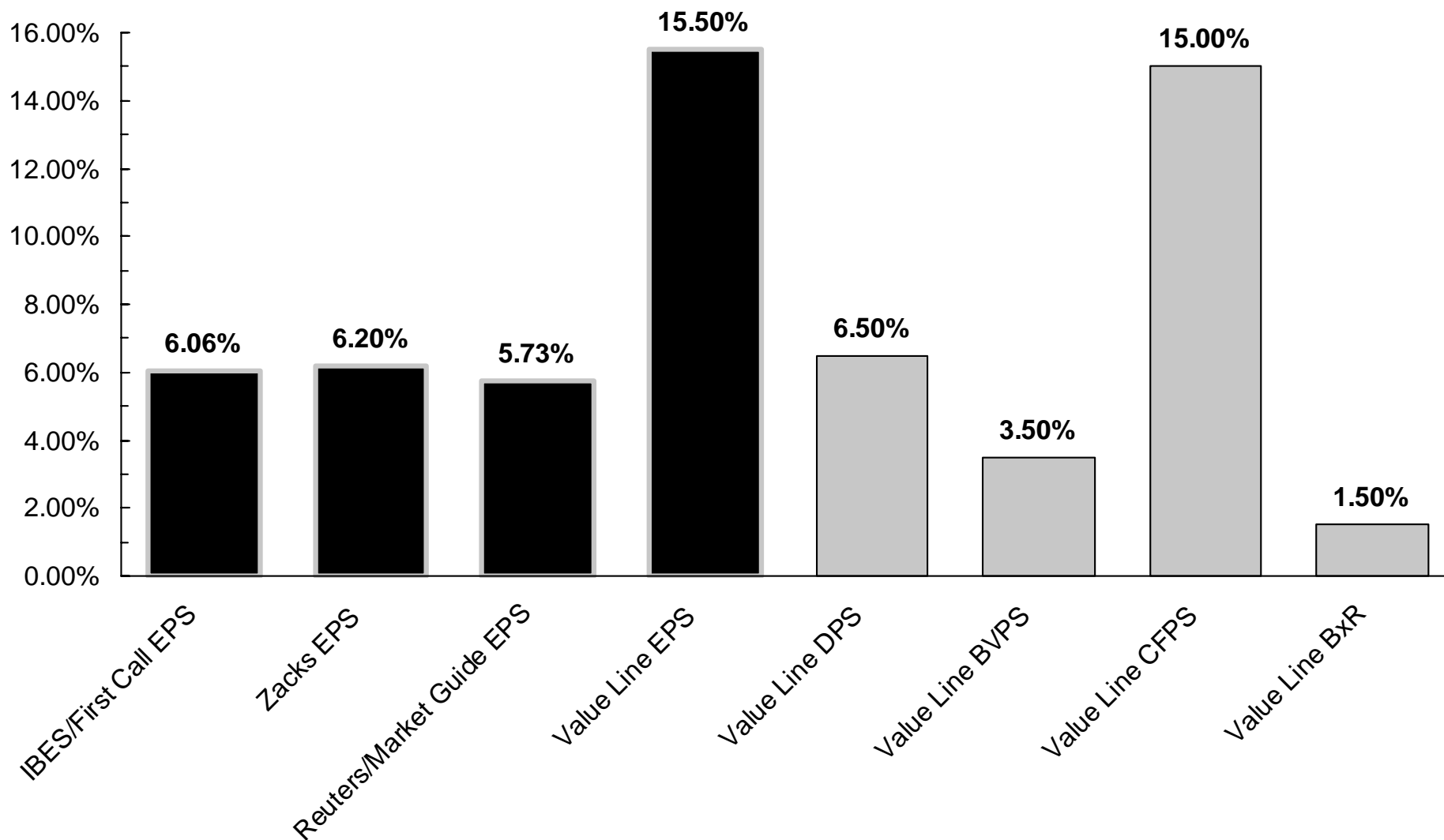
## Five-Year Projected Growth Rates



Earnings per Share=EPS      Book Values per Share=BVPS  
 Dividends per Share=DPS      Cash Flow per Share=CFPS  
 Percent Retained to Common Equity=BxR

# MLP Pipeline Group

## Five-Year Projected Growth Rates



Earnings per Share=EPS      Book Values per Share=BVPS  
 Distribution per Share=DPS      Cash Flow per Share=CFPS  
 Percent Retained to Common Equity=BxR

**Natural Gas Industry**  
Analysis of Public Offerings of Common Stock  
Years 2000-2004

	SEMCO	WGL Holdings	UTILICORP	MDU Resources	AGL RESOURCES	SOUTHERN UNION CO.	ATMOS ENERGY	VECTREN CORP.	SEMPRA ENERGY
Date of Offering	6/12/2000	6/26/2001	1/25/2002	11/29/2002	2/11/2003	6/5/2003	6/18/2003	8/7/2003	10/8/2003
No. of shares offered (000)	9,000	1,790	11,000	2,100	5,600	9,500	4,000	6,500	15,000
Dollar amt. of offering (\$000)	\$ 90,000	\$ 47,847	\$ 253,000	\$ 50,400	\$ 123,200	\$ 152,000	\$ 101,240	\$ 148,265	\$ 420,000
Price to public	\$ 10.000	\$ 26.730	\$ 23.000	\$ 24.200	\$ 22.000	\$ 16.000	\$ 25.310	\$ 22.810	\$ 28.000
Underwriter's discounts and commission	\$ 0.400	\$ 0.895	\$ 0.748	\$ 0.720	\$ 0.770	\$ 0.560	\$ 1.013	\$ 0.798	\$ 0.840
Gross Proceeds	\$ 9.600	\$ 25.835	\$ 22.252	\$ 23.480	\$ 21.230	\$ 15.440	\$ 24.297	\$ 22.012	\$ 27.160
Estimated company issuance expenses	NA	\$ 0.031	NA	\$ 0.092	\$ 0.045	\$ 0.089	\$ 0.095	\$ 0.046	\$ 0.033
Net proceeds to company per share	\$ 9.600	\$ 25.804	\$ 22.252	\$ 23.388	\$ 21.185	\$ 15.351	\$ 24.202	\$ 21.966	\$ 27.127
Underwriter's discount as a percent of offering price	4.0%	3.3%	3.3%	3.0%	3.5%	3.5%	4.0%	3.5%	3.0%
Issuance expense as a percent of offering price	NA	0.1%	NA	0.4%	0.2%	0.6%	0.4%	0.2%	0.1%
Total Issuance and selling expense as as a percent of offering price	4.0%	3.4%	3.3%	3.4%	3.7%	4.1%	4.4%	3.7%	3.1%
	PIEDMONT NATURAL	UGI CORP.	NORTHWEST NATURAL	LACLEDE GROUP	SOUTHERN UNION CO.	AQUILA	ATMOS ENERGY	AGL RESOURCES	
Date of Offering	1/20/2004	3/18/2004	3/30/2004	5/6/2004	7/26/2004	8/18/2004	10/21/2004	11/19/2004	
No. of shares offered (000)	4,250	7,500	1,200	1,500	11,000	40,000	14,000	9,600	
Dollar amt. of offering (\$000)	\$ 180,625	\$ 240,750	\$ 37,200	\$ 40,200	\$ 206,250	\$ 102,000	\$ 346,500	\$ 297,696	
Price to public	\$ 42.500	\$ 32.100	\$ 31.000	\$ 26.800	\$ 18.750	\$ 2.550	\$ 24.750	\$ 31.010	
Underwriter's discounts and commission	\$ 1.490	\$ 1.404	\$ 1.010	\$ 0.871	\$ 0.656	\$ 0.099	\$ 0.990	\$ 0.930	
Gross Proceeds	\$ 41.010	\$ 30.696	\$ 29.990	\$ 25.929	\$ 18.094	\$ 2.451	\$ 23.760	\$ 30.080	
Estimated company issuance expenses	NA	\$ 0.020	\$ 0.146	\$ 0.067	\$ 0.091	NA	NA	\$ 0.042	
Net proceeds to company per share	\$ 41.010	\$ 30.676	\$ 29.844	\$ 25.862	\$ 18.003	\$ 2.451	\$ 23.760	\$ 30.038	
									<b>Average</b>
Underwriter's discount as a percent of offering price	3.5%	4.4%	3.3%	3.3%	3.5%	3.9%	4.0%	3.0%	3.5%
Issuance expense as a percent of offering price	NA	0.1%	0.5%	0.3%	0.5%	NA	NA	0.1%	0.3%
Total Issuance and selling expense as as a percent of offering price	3.5%	4.5%	3.8%	3.6%	4.0%	3.9%	4.0%	3.1%	3.8%

Source of Information: Public Utility Financial Tracker

**Return on Equity Calculation**  
per Commission's Two-Stage DCF  
Six-months ended June 2005

Corporate Pipeline Group	Six Month Div. Yield	IBES First Call	GDP Growth Rate	IBES 2/3 Weighted	GDP 1/3 Weighted	Combined Growth Rate	Adjusted Dividend Yield	DCF Return
El Paso Energy Corporation	1.49%	6.50%	6.22%	4.33%	2.07%	6.40%	1.54%	(1)
Equitable Resources, Inc.	2.67%	10.25%	6.22%	6.83%	2.07%	8.90%	2.79%	11.69%
Kinder Morgan, Inc.	3.66%	12.00%	6.22%	8.00%	2.07%	10.07%	3.84%	13.91%
National Fuel Gas Company	4.01%	5.00%	6.22%	3.33%	2.07%	5.40%	4.12%	9.52%
Questar Corporation	1.55%	9.00%	6.22%	6.00%	2.07%	8.07%	1.61%	9.68%
Williams (The) Companies	1.13%	18.57%	6.22%	12.38%	2.07%	14.45%	1.21%	15.66%
				Percent Pipeline Assets	Weights for Average	Weighted Average	Weights for Median	Weighted Median
Equitable Resources, Inc.				8.35%	5.40%	0.63%	1	11.69%
Kinder Morgan, Inc.				73.18%	47.28%	6.58%	9	13.91%
National Fuel Gas Company				20.95%	13.54%	1.29%	3	9.52%
Questar Corporation				20.40%	13.18%	1.28%	2	9.68%
Williams (The) Companies				31.89%	20.60%	3.23%	4	15.66%
<b>Weighted Average</b>					<u>100.00%</u>	<u>13.01%</u>		
<b>Weighted Median</b>							<u>19</u>	<u>13.91%</u>

**Energy Information Administration ("EIA") Table A19**

Real Gross Domestic Product

Year	EIA	
2010	\$13,084	
2025	\$20,292	2.97%

GDP Chain-Type Price Index

Year	EIA	
2010	1.218	
2025	1.814	2.69%
		5.74%

GDP Growth

**Global Insight**

Year	GI	
2010	\$15,985.7	
2030	\$46,321.9	5.46%

GDP Growth

**Social Security Administration ("SSA") Table VI.F.5**

Year	SSA	
2010	\$15,926	
2055	\$113,245	4.46%

GDP Growth

Average 5.22%

Growth attributed to Corporate Profits 1.00%

Long-Term Growth Rate 6.22%

Note: (1) Removed values less than 8.00%, based on FERC's reasoning that "[b]ecause investors generally cannot be expected to purchase stock if debt, which has less risk than stock, yields essentially the same return, this low end-return cannot be considered reliable."

Dividend Yield Calculations

Ticker	Company	Mo/Yr	Price			Indicated Dividend Rate	Dividend Yield	Average Dividend Yield
			High	Low	Average			
EP	El Paso Energy Corporation	Jan-05	\$ 11.08	\$ 10.01	\$ 10.545	\$0.16	1.52%	1.49%
		Feb-05	\$ 13.15	\$ 10.90	\$ 12.025	\$0.16	1.33%	
		Mar-05	\$ 12.42	\$ 10.11	\$ 11.265	\$0.16	1.42%	
		Apr-05	\$ 10.79	\$ 9.30	\$ 10.045	\$0.16	1.59%	
		May-05	\$ 10.56	\$ 9.35	\$ 9.955	\$0.16	1.61%	
		Jun-05	\$ 11.87	\$ 10.18	\$ 11.025	\$0.16	1.45%	
EQT	Equitable Resources, Inc.	Jan-05	\$ 60.51	\$ 55.78	\$ 58.145	\$1.52	2.61%	2.67%
		Feb-05	\$ 60.06	\$ 56.96	\$ 58.510	\$1.52	2.60%	
		Mar-05	\$ 61.24	\$ 56.01	\$ 58.625	\$1.52	2.59%	
		Apr-05	\$ 59.04	\$ 56.32	\$ 57.680	\$1.68	2.91%	
		May-05	\$ 63.73	\$ 57.54	\$ 60.635	\$1.68	2.77%	
		Jun-05	\$ 68.83	\$ 63.56	\$ 66.195	\$1.68	2.54%	
KMI	Kinder Morgan, Inc.	Jan-05	\$ 75.89	\$ 69.27	\$ 72.580	\$2.80	3.86%	3.66%
		Feb-05	\$ 80.71	\$ 74.58	\$ 77.645	\$2.80	3.61%	
		Mar-05	\$ 81.57	\$ 73.60	\$ 77.585	\$2.80	3.61%	
		Apr-05	\$ 78.14	\$ 72.47	\$ 75.305	\$2.80	3.72%	
		May-05	\$ 78.24	\$ 74.15	\$ 76.195	\$2.80	3.67%	
		Jun-05	\$ 83.97	\$ 77.80	\$ 80.885	\$2.80	3.46%	
NFG	National Fuel Gas Company	Jan-05	\$ 28.90	\$ 26.66	\$ 27.780	\$1.12	4.03%	4.01%
		Feb-05	\$ 29.15	\$ 27.64	\$ 28.395	\$1.12	3.94%	
		Mar-05	\$ 29.75	\$ 27.72	\$ 28.735	\$1.12	3.90%	
		Apr-05	\$ 29.33	\$ 26.80	\$ 28.065	\$1.12	3.99%	
		May-05	\$ 28.20	\$ 26.19	\$ 27.195	\$1.12	4.12%	
		Jun-05	\$ 29.49	\$ 27.72	\$ 28.605	\$1.16	4.06%	
STR	Questar Corporation	Jan-05	\$ 51.52	\$ 46.73	\$ 49.125	\$0.86	1.75%	1.55%
		Feb-05	\$ 53.57	\$ 49.38	\$ 51.475	\$0.86	1.67%	
		Mar-05	\$ 62.75	\$ 52.19	\$ 57.470	\$0.86	1.50%	
		Apr-05	\$ 61.50	\$ 54.49	\$ 57.995	\$0.86	1.48%	
		May-05	\$ 63.19	\$ 54.85	\$ 59.020	\$0.90	1.52%	
		Jun-05	\$ 67.19	\$ 62.16	\$ 64.675	\$0.90	1.39%	
WMB	Williams (The) Companies	Jan-05	\$ 17.00	\$ 15.18	\$ 16.090	\$0.20	1.24%	1.13%
		Feb-05	\$ 19.38	\$ 16.80	\$ 18.090	\$0.20	1.11%	
		Mar-05	\$ 19.48	\$ 17.52	\$ 18.500	\$0.20	1.08%	
		Apr-05	\$ 19.31	\$ 16.28	\$ 17.795	\$0.20	1.12%	
		May-05	\$ 18.58	\$ 15.62	\$ 17.100	\$0.20	1.17%	
		Jun-05	\$ 19.40	\$ 18.27	\$ 18.835	\$0.20	1.06%	

**Return on Equity Calculation**  
per Commission's Two-Stage DCF  
Six-months ended June 2005

MLP Pipeline Group	Six Month Distr. Yield	IBES First Call	GDP Growth Rate	IBES 2/3 Weighted	GDP 1/3 Weighted	Combined Growth Rate	Adjusted Distribution Yield	DCF Return
Enbridge Energy Partners LP	7.09%	5.00%	6.22%	3.33%	2.07%	5.40%	7.28%	12.68%
Enterprise Products Parts, LP	6.21%	8.60%	6.22%	5.73%	2.07%	7.80%	6.45%	14.25%
Kinder Morgan Energy Partne	6.41%	7.17%	6.22%	4.78%	2.07%	6.85%	6.63%	13.48%
Northern Border Partners LP	6.58%	5.52%	6.22%	3.68%	2.07%	5.75%	6.77%	12.52%
TC PipeLines, LP	6.46%	4.00%	6.22%	2.67%	2.07%	4.74%	6.61%	11.35%
				Percent Natural Gas Assets	Weights for Average	Weighted Average	Weights for Median	Weighted Median
Enbridge Energy Partners LP				45.63%	15.56%	1.97%	1	12.68%
Enterprise Products Parts, LP				58.03%	19.79%	2.82%	2	14.25%
Kinder Morgan Energy Partners LP				35.33%	12.05%	1.62%	1	13.48%
Northern Border Partners LP				75.70%	25.81%	3.23%	2	12.52%
TC PipeLines, LP				78.61%	26.80%	3.04%	2	11.35%
<b>Weighted Average</b>					100.00%	12.68%		
<b>Weighted Median</b>							8	12.60%

**Energy Information Administration ("EIA") Table A19**

Real Gross Domestic Product

Year	EIA
2010	\$13,084
2025	\$20,292

2.97%

GDP Chain-Type Price Index

Year	EIA
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2.69%

GDP Growth

5.74%

**Global Insight**

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GDP Growth

5.46%

**Social Security Administration ("SSA") Table VI.F.5**

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GDP Growth

4.46%

Average

5.22%

Growth attributed to Corporate Profits

1.00%

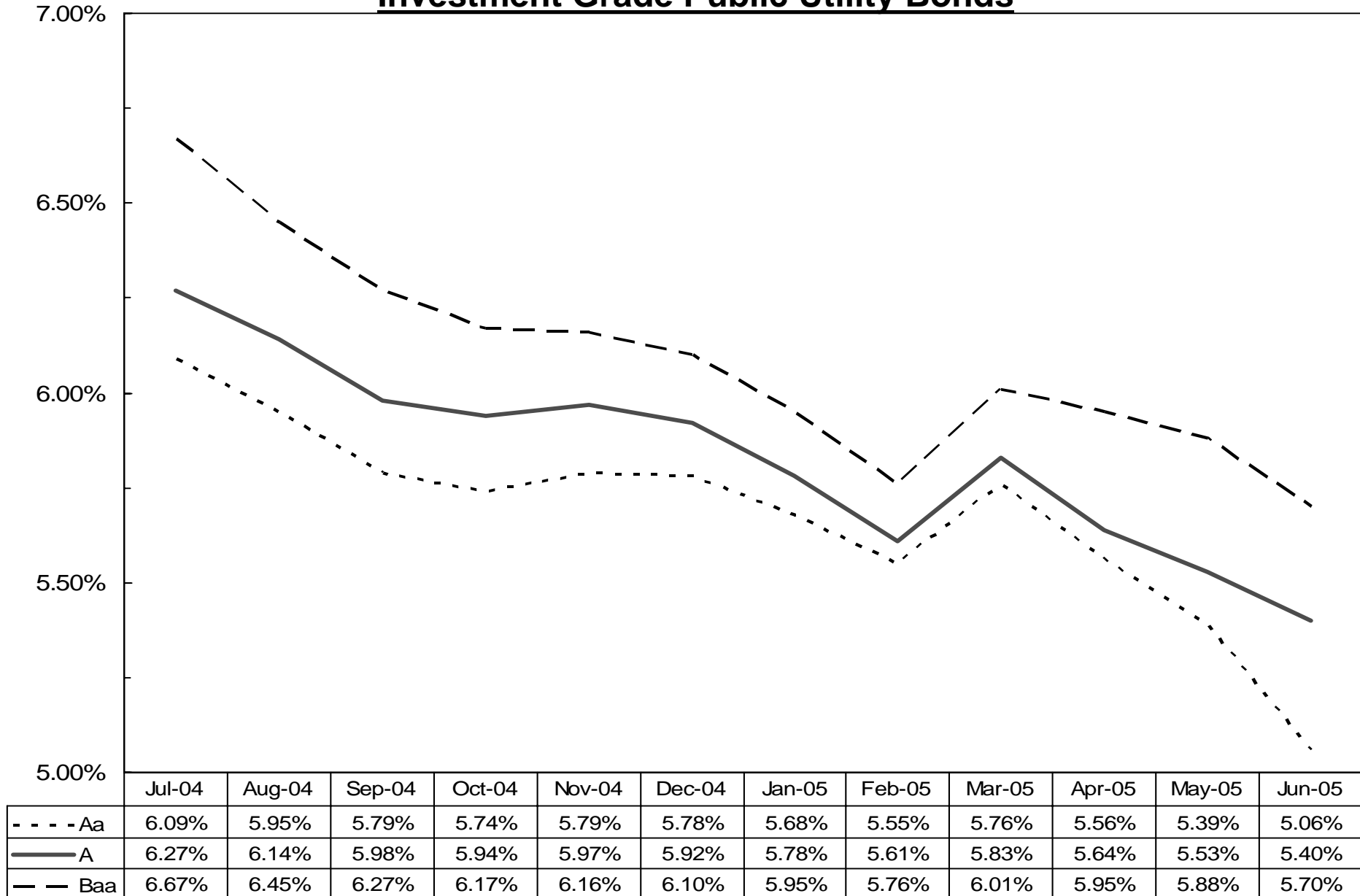
Long-Term Growth Rate

6.22%

Distribution Yield Calculations

Ticker	Company	Mo/Yr	Price			Annualized Distribution	Distribution Yield	Average Distribution Yield
			High	Low	Average			
EEP	Enbridge Energy Partners LP	Jan-05	\$ 55.19	\$ 49.61	\$ 52.400	\$3.70	7.06%	7.09%
		Feb-05	\$ 55.47	\$ 52.70	\$ 54.085	\$3.70	6.84%	
		Mar-05	\$ 55.66	\$ 47.90	\$ 51.780	\$3.70	7.15%	
		Apr-05	\$ 54.00	\$ 49.85	\$ 51.925	\$3.70	7.13%	
		May-05	\$ 51.87	\$ 48.75	\$ 50.310	\$3.70	7.35%	
		Jun-05	\$ 54.32	\$ 51.45	\$ 52.885	\$3.70	7.00%	
EPD	Enterprise Products Parts, LP	Jan-05	\$ 27.69	\$ 24.85	\$ 26.270	\$1.60	6.09%	6.21%
		Feb-05	\$ 28.35	\$ 25.60	\$ 26.975	\$1.60	5.93%	
		Mar-05	\$ 27.17	\$ 23.15	\$ 25.160	\$1.60	6.36%	
		Apr-05	\$ 27.00	\$ 24.77	\$ 25.885	\$1.64	6.34%	
		May-05	\$ 26.70	\$ 25.29	\$ 25.995	\$1.64	6.31%	
		Jun-05	\$ 27.09	\$ 25.75	\$ 26.420	\$1.64	6.21%	
KMP	Kinder Morgan Energy Partners LP	Jan-05	\$ 47.28	\$ 42.77	\$ 45.025	\$2.96	6.57%	6.41%
		Feb-05	\$ 47.17	\$ 45.01	\$ 46.090	\$2.96	6.42%	
		Mar-05	\$ 47.55	\$ 43.54	\$ 45.545	\$2.96	6.50%	
		Apr-05	\$ 49.13	\$ 45.22	\$ 47.175	\$3.04	6.44%	
		May-05	\$ 48.38	\$ 46.65	\$ 47.515	\$3.04	6.40%	
		Jun-05	\$ 51.49	\$ 47.91	\$ 49.700	\$3.04	6.12%	
NBP	Northern Border Partners LP	Jan-05	\$ 50.30	\$ 46.70	\$ 48.500	\$3.20	6.60%	6.58%
		Feb-05	\$ 52.99	\$ 49.25	\$ 51.120	\$3.20	6.26%	
		Mar-05	\$ 52.48	\$ 45.00	\$ 48.740	\$3.20	6.57%	
		Apr-05	\$ 51.13	\$ 45.62	\$ 48.375	\$3.20	6.61%	
		May-05	\$ 48.25	\$ 45.21	\$ 46.730	\$3.20	6.85%	
		Jun-05	\$ 49.40	\$ 47.60	\$ 48.500	\$3.20	6.60%	
TCLP	TC PipeLines, LP	Jan-05	\$ 39.00	\$ 37.03	\$ 38.015	\$2.30	6.05%	6.46%
		Feb-05	\$ 40.99	\$ 37.61	\$ 39.300	\$2.30	5.85%	
		Mar-05	\$ 41.28	\$ 35.10	\$ 38.190	\$2.30	6.02%	
		Apr-05	\$ 36.40	\$ 30.11	\$ 33.255	\$2.30	6.92%	
		May-05	\$ 34.55	\$ 30.95	\$ 32.750	\$2.30	7.02%	
		Jun-05	\$ 34.49	\$ 32.47	\$ 33.480	\$2.30	6.87%	

## Interest Rates for Investment Grade Public Utility Bonds



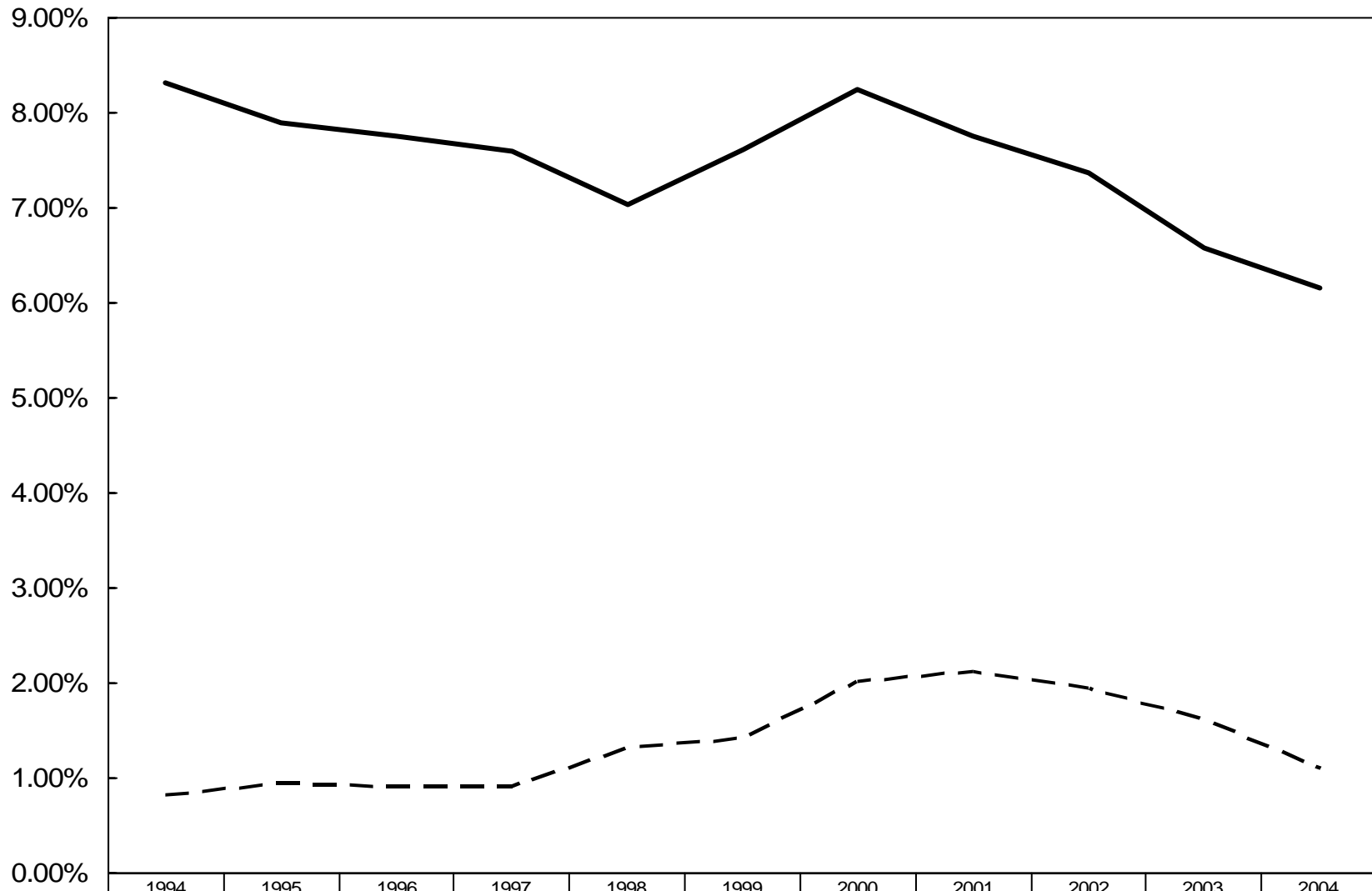


**Interest Rates for Investment Grade Public Utility Bonds  
Yearly for 2000-2004  
and the Twelve Months Ended June 2005**

<u>Years</u>	<u>Aa Rated</u>	<u>A Rated</u>	<u>Baa Rated</u>	<u>Average</u>
2000	8.06%	8.24%	8.36%	8.14%
2001	7.58%	7.76%	8.03%	7.72%
2002	7.19%	7.37%	8.02%	7.53%
2003	6.40%	6.58%	6.84%	6.61%
2004	6.04%	6.16%	6.40%	6.20%
<b>Five-Year Average</b>	<u>7.05%</u>	<u>7.22%</u>	<u>7.53%</u>	<u>7.24%</u>
<b><u>Months</u></b>				
Jul-04	6.09%	6.27%	6.67%	6.34%
Aug-04	5.95%	6.14%	6.45%	6.18%
Sep-04	5.79%	5.98%	6.27%	6.01%
Oct-04	5.74%	5.94%	6.17%	5.95%
Nov-04	5.79%	5.97%	6.16%	5.97%
Dec-04	5.78%	5.92%	6.10%	5.93%
Jan-05	5.68%	5.78%	5.95%	5.80%
Feb-05	5.55%	5.61%	5.76%	5.64%
Mar-05	5.76%	5.83%	6.01%	5.86%
Apr-05	5.56%	5.64%	5.95%	5.72%
May-05	5.39%	5.53%	5.88%	5.60%
Jun-05	5.06%	5.40%	5.70%	5.39%
<b>Twelve-Month Average</b>	<u>5.68%</u>	<u>5.83%</u>	<u>6.09%</u>	<u>5.87%</u>
<b>Six-Month Average</b>	<u>5.50%</u>	<u>5.63%</u>	<u>5.88%</u>	<u>5.67%</u>
<b>Three-Month Average</b>	<u>5.34%</u>	<u>5.52%</u>	<u>5.84%</u>	<u>5.57%</u>

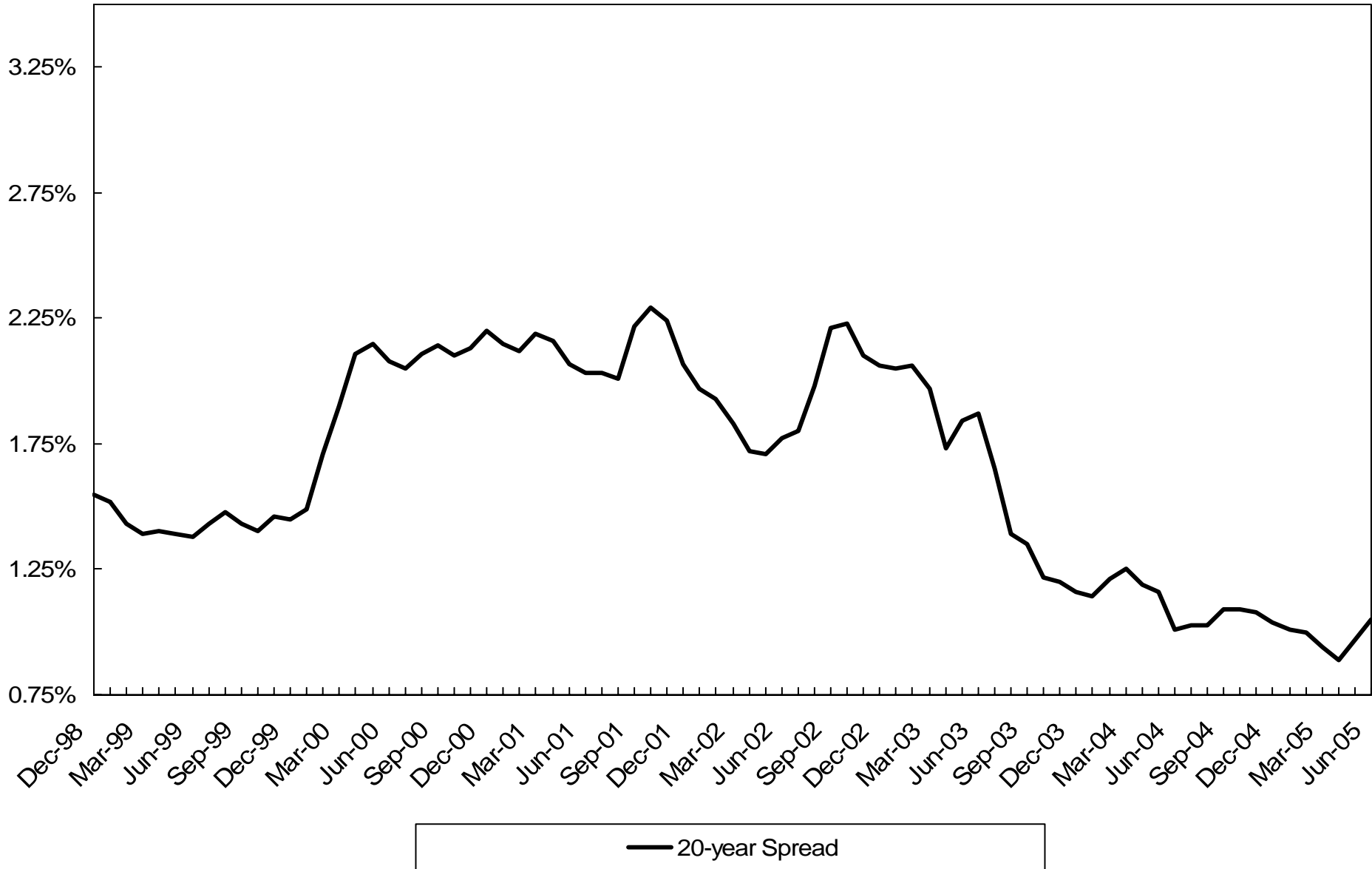
Source: Mergent Bond Record

# Yields on A-rated Public Utility Bonds and Spreads over 20-Year Treasuries



<span style="display: inline-block; width: 20px; height: 2px; background-color: black; margin-right: 5px;"></span> A-rated Public Utility	8.31%	7.89%	7.75%	7.60%	7.04%	7.62%	8.24%	7.76%	7.37%	6.58%	6.16%
<span style="display: inline-block; width: 20px; border-top: 1px dashed black; margin-right: 5px;"></span> Spread vs. 20-year	0.82%	0.94%	0.92%	0.91%	1.32%	1.42%	2.01%	2.13%	1.94%	1.62%	1.11%

# Interest Rate Spreads A-rated Public Utility Bonds over 20-Year Treasuries



A rated Public Utility Bonds  
over 20-Year Treasuries

Year	A-rated Public Utility	20-Year Treasuries	
		Yield	Spread
Dec-98	6.91%	5.36%	1.55%
Jan-99	6.97%	5.45%	1.52%
Feb-99	7.09%	5.66%	1.43%
Mar-99	7.26%	5.87%	1.39%
Apr-99	7.22%	5.82%	1.40%
May-99	7.47%	6.08%	1.39%
Jun-99	7.74%	6.36%	1.38%
Jul-99	7.71%	6.28%	1.43%
Aug-99	7.91%	6.43%	1.48%
Sep-99	7.93%	6.50%	1.43%
Oct-99	8.06%	6.66%	1.40%
Nov-99	7.94%	6.48%	1.46%
Dec-99	8.14%	6.69%	1.45%
Jan-00	8.35%	6.86%	1.49%
Feb-00	8.25%	6.54%	1.71%
Mar-00	8.28%	6.38%	1.90%
Apr-00	8.29%	6.18%	2.11%
May-00	8.70%	6.55%	2.15%
Jun-00	8.36%	6.28%	2.08%
Jul-00	8.25%	6.20%	2.05%
Aug-00	8.13%	6.02%	2.11%
Sep-00	8.23%	6.09%	2.14%
Oct-00	8.14%	6.04%	2.10%
Nov-00	8.11%	5.98%	2.13%
Dec-00	7.84%	5.64%	2.20%
Jan-01	7.80%	5.65%	2.15%
Feb-01	7.74%	5.62%	2.12%
Mar-01	7.68%	5.49%	2.19%
Apr-01	7.94%	5.78%	2.16%
May-01	7.99%	5.92%	2.07%
Jun-01	7.85%	5.82%	2.03%
Jul-01	7.78%	5.75%	2.03%
Aug-01	7.59%	5.58%	2.01%
Sep-01	7.75%	5.53%	2.22%
Oct-01	7.63%	5.34%	2.29%
Nov-01	7.57%	5.33%	2.24%
Dec-01	7.83%	5.76%	2.07%
Jan-02	7.66%	5.69%	1.97%
Feb-02	7.54%	5.61%	1.93%
Mar-02	7.76%	5.93%	1.83%
Apr-02	7.57%	5.85%	1.72%
May-02	7.52%	5.81%	1.71%
Jun-02	7.42%	5.65%	1.77%
Jul-02	7.31%	5.51%	1.80%
Aug-02	7.17%	5.19%	1.98%
Sep-02	7.08%	4.87%	2.21%
Oct-02	7.23%	5.00%	2.23%
Nov-02	7.14%	5.04%	2.10%
Dec-02	7.07%	5.01%	2.06%
Jan-03	7.07%	5.02%	2.05%
Feb-03	6.93%	4.87%	2.06%
Mar-03	6.79%	4.82%	1.97%
Apr-03	6.64%	4.91%	1.73%
May-03	6.36%	4.52%	1.84%
Jun-03	6.21%	4.34%	1.87%
Jul-03	6.57%	4.92%	1.65%
Aug-03	6.78%	5.39%	1.39%
Sep-03	6.56%	5.21%	1.35%
Oct-03	6.43%	5.21%	1.22%
Nov-03	6.37%	5.17%	1.20%
Dec-03	6.27%	5.11%	1.16%
Jan-04	6.15%	5.01%	1.14%
Feb-04	6.15%	4.94%	1.21%
Mar-04	5.97%	4.72%	1.25%
Apr-04	6.35%	5.16%	1.19%
May-04	6.62%	5.46%	1.16%
Jun-04	6.46%	5.45%	1.01%
Jul-04	6.27%	5.24%	1.03%
Aug-04	6.14%	5.07%	1.07%
Sep-04	5.98%	4.89%	1.09%
Oct-04	5.94%	4.85%	1.09%
Nov-04	5.97%	4.89%	1.08%
Dec-04	5.92%	4.88%	1.04%
Jan-05	5.78%	4.77%	1.01%
Feb-05	5.61%	4.61%	1.00%
Mar-05	5.83%	4.89%	0.94%
Apr-05	5.64%	4.75%	0.89%
May-05	5.53%	4.56%	0.97%
Jun-05	5.40%	4.35%	1.05%

S&P Composite Index and S&P Public Utility Index  
Long-Term Corporate and Public Utility Bonds  
Yearly Total Returns  
1928-2004

Year	S & P Composite Index	S & P Public Utility Index	Long Term Corporate Bonds	Public Utility Bonds
1928	43.61%	57.47%	2.84%	3.08%
1929	-8.42%	11.02%	3.27%	2.34%
1930	-24.90%	-21.96%	7.98%	4.74%
1931	-43.34%	-35.90%	-1.85%	-11.11%
1932	-8.19%	-0.54%	10.82%	7.25%
1933	53.99%	-21.87%	10.38%	-3.82%
1934	-1.44%	-20.41%	13.84%	22.61%
1935	47.67%	76.63%	9.61%	16.03%
1936	33.92%	20.69%	6.74%	8.30%
1937	-35.03%	-37.04%	2.75%	-4.05%
1938	31.12%	22.45%	6.13%	8.11%
1939	-0.41%	11.26%	3.97%	6.76%
1940	-9.78%	-17.15%	3.39%	4.45%
1941	-11.59%	-31.57%	2.73%	2.15%
1942	20.34%	15.39%	2.60%	3.81%
1943	25.90%	46.07%	2.83%	7.04%
1944	19.75%	18.03%	4.73%	3.29%
1945	36.44%	53.33%	4.08%	5.92%
1946	-8.07%	1.26%	1.72%	2.98%
1947	5.71%	-13.16%	-2.34%	-2.19%
1948	5.50%	4.01%	4.14%	2.65%
1949	18.79%	31.39%	3.31%	7.16%
1950	31.71%	3.25%	2.12%	2.01%
1951	24.02%	18.63%	-2.69%	-2.77%
1952	18.37%	19.25%	3.52%	2.99%
1953	-0.99%	7.85%	3.41%	2.08%
1954	52.62%	24.72%	5.39%	7.57%
1955	31.56%	11.26%	0.48%	0.12%
1956	6.56%	5.06%	-6.81%	-6.25%
1957	-10.78%	6.36%	8.71%	3.58%
1958	43.36%	40.70%	-2.22%	0.18%
1959	11.96%	7.49%	-0.97%	-2.29%
1960	0.47%	20.26%	9.07%	9.01%
1961	26.89%	29.33%	4.82%	4.65%
1962	-8.73%	-2.44%	7.95%	6.55%
1963	22.80%	12.36%	2.19%	3.44%
1964	16.48%	15.91%	4.77%	4.94%
1965	12.45%	4.67%	-0.46%	0.50%
1966	-10.06%	-4.48%	0.20%	-3.45%
1967	23.98%	-0.63%	-4.95%	-3.63%
1968	11.06%	10.32%	2.57%	1.87%
1969	-8.50%	-15.42%	-8.09%	-6.66%
1970	4.01%	16.56%	18.37%	15.90%
1971	14.31%	2.41%	11.01%	11.59%
1972	18.98%	8.15%	7.26%	7.19%
1973	-14.66%	-18.07%	1.14%	2.42%
1974	-26.47%	-21.55%	-3.06%	-5.28%
1975	37.20%	44.49%	14.64%	15.50%
1976	23.84%	31.81%	18.65%	19.04%
1977	-7.18%	8.64%	1.71%	5.22%
1978	6.56%	-3.71%	-0.07%	-0.98%
1979	18.44%	13.58%	-4.18%	-2.75%
1980	32.42%	15.08%	-2.76%	-0.23%
1981	-4.91%	11.74%	-1.24%	4.27%
1982	21.41%	26.52%	42.56%	33.52%
1983	22.51%	20.01%	6.26%	10.33%
1984	6.27%	26.04%	16.86%	14.82%
1985	32.16%	33.05%	30.09%	26.48%
1986	18.47%	28.53%	19.85%	18.16%
1987	5.23%	-2.92%	-0.27%	3.02%
1988	16.81%	18.27%	10.70%	10.19%
1989	31.49%	47.80%	16.23%	15.61%
1990	-3.17%	-2.57%	6.78%	8.13%
1991	30.55%	14.61%	19.89%	19.25%
1992	7.67%	8.10%	9.39%	8.65%
1993	9.99%	14.41%	13.19%	10.59%
1994	1.31%	-7.94%	-5.76%	-4.72%
1995	37.43%	42.15%	27.20%	22.81%
1996	23.07%	3.14%	1.40%	3.04%
1997	33.36%	24.69%	12.95%	11.39%
1998	28.58%	14.82%	10.76%	9.44%
1999	21.04%	-8.85%	-7.45%	-1.69%
2000	-9.11%	59.70%	12.87%	9.45%
2001	-11.88%	-30.41%	10.65%	5.85%
2002	-22.10%	-30.04%	16.33%	1.63%
2003	28.70%	26.11%	5.27%	10.01%
2004	10.87%	24.22%	8.72%	6.03%
Geometric Mean	10.10%	8.55%	5.89%	5.50%
Arithmetic Mean	12.08%	10.94%	6.22%	5.79%
Standard Deviation	20.37%	22.81%	8.67%	7.98%
Median	14.31%	11.26%	4.14%	4.65%

**Tabulation of Risk Rate Differentials for  
S&P Public Utility Index and Public Utility Bonds  
For the Years 1928-2004, 1952-2004, 1974-2004, and 1979-2004**

<u>Total Returns</u>	<u>Range</u>		<u>Midpoint</u>	<u>Point Estimate</u>	<u>Average of the Midpoint of Range and Point Estimate</u>
	<u>Geometric Mean</u>	<u>Median</u>		<u>Arithmetic Mean</u>	
<u>1928-2004</u>					
S&P Public Utility Index	8.55%	11.26%		10.94%	
Public Utility Bonds	<u>5.50%</u>	<u>4.65%</u>		<u>5.79%</u>	
Risk Differential	<u>3.05%</u>	<u>6.61%</u>	<u>4.83%</u>	<u>5.15%</u>	<u>4.99%</u>
<u>1952-2004</u>					
S&P Public Utility Index	10.71%	12.36%		12.29%	
Public Utility Bonds	<u>6.27%</u>	<u>5.22%</u>		<u>6.59%</u>	
Risk Differential	<u>4.44%</u>	<u>7.14%</u>	<u>5.79%</u>	<u>5.70%</u>	<u>5.75%</u>
<u>1974-2004</u>					
S&P Public Utility Index	12.41%	14.82%		14.50%	
Public Utility Bonds	<u>8.89%</u>	<u>9.44%</u>		<u>9.25%</u>	
Risk Differential	<u>3.52%</u>	<u>5.38%</u>	<u>4.45%</u>	<u>5.25%</u>	<u>4.85%</u>
<u>1979-2004</u>					
S&P Public Utility Index	13.01%	14.95%		14.99%	
Public Utility Bonds	<u>9.39%</u>	<u>9.45%</u>		<u>9.74%</u>	
Risk Differential	<u>3.62%</u>	<u>5.50%</u>	<u>4.56%</u>	<u>5.25%</u>	<u>4.91%</u>

**Value Line Betas for  
Corporate Pipeline Group**

<b>Company</b>	<b>Beta</b>
El Paso Corp.	1.95
Equitable Resources	0.80
Kinder Morgan Inc.	0.90
National Fuel Gas	0.80
Questar Corp.	0.85
Williams Companies	2.60
Average	1.32

Source of Information:  
Value Line Investment Survey  
issues dated April 1, and June 3, 2005

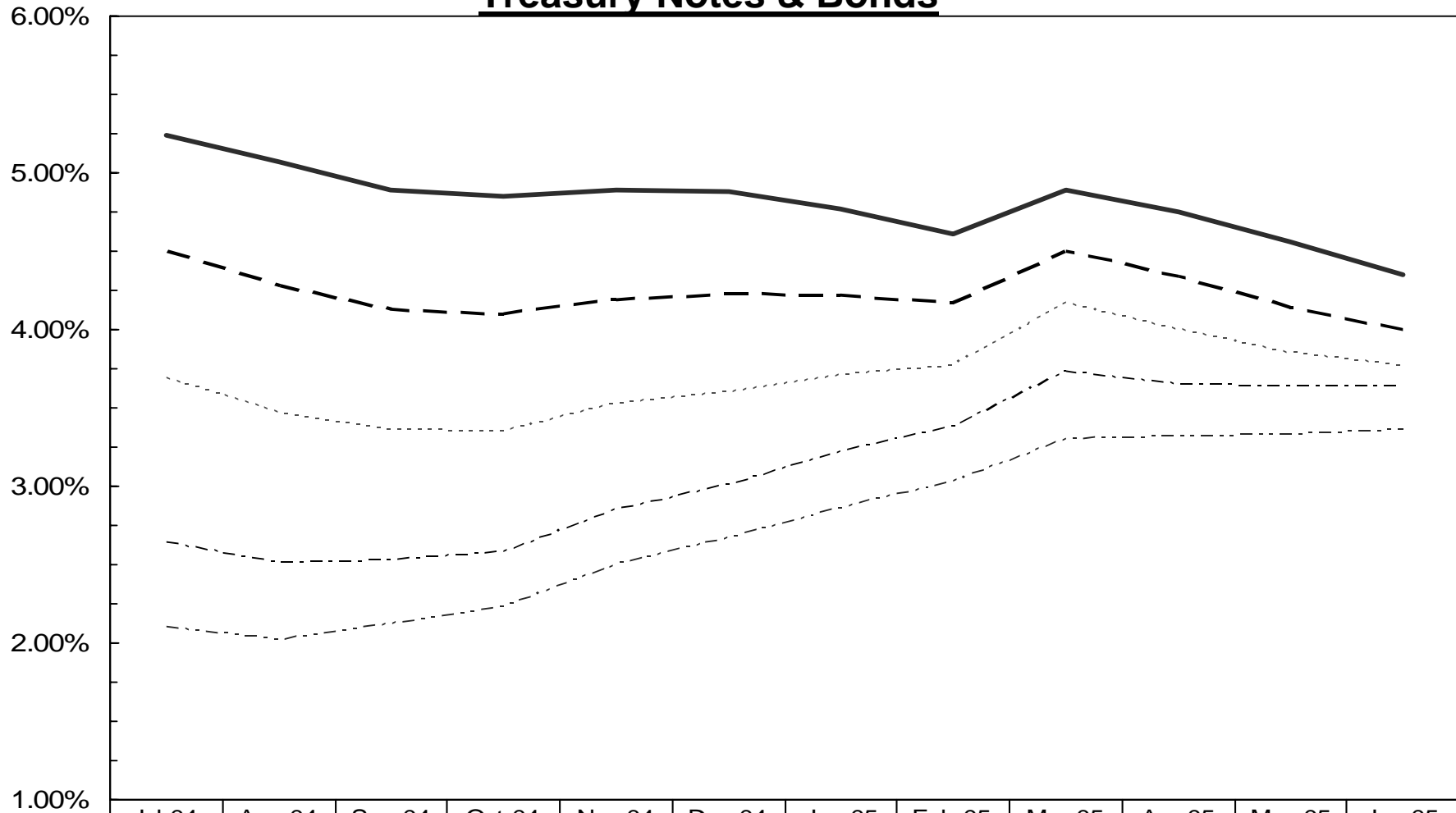
**Value Line Betas for  
MLP Pipeline Group**

<b>Company</b>	<b>Beta</b>
Enbridge Energy Partners LP	0.60
Enterprise Products Parts, LP	0.65
Kinder Morgan Energy Partners L	0.70
Northern Border Partners LP	0.55
TC PipeLines, LP	0.55
Average	0.61

Source of Information:  
Value Line Investment Survey  
issues dated June 17, and August 19, 2005



## Yields on Treasury Notes & Bonds



	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05
1-Year	2.10%	2.02%	2.12%	2.23%	2.50%	2.67%	2.86%	3.03%	3.30%	3.32%	3.33%	3.36%
2-Year	2.64%	2.51%	2.53%	2.58%	2.85%	3.01%	3.22%	3.38%	3.73%	3.65%	3.64%	3.64%
5-Year	3.69%	3.47%	3.36%	3.35%	3.53%	3.60%	3.71%	3.77%	4.17%	4.00%	3.85%	3.77%
10-Year	4.50%	4.28%	4.13%	4.10%	4.19%	4.23%	4.22%	4.17%	4.50%	4.34%	4.14%	4.00%
20-Year	5.24%	5.07%	4.89%	4.85%	4.89%	4.88%	4.77%	4.61%	4.89%	4.75%	4.56%	4.35%

**Yields for Treasury Constant Maturities  
Yearly for 2000-2004  
and the Twelve Months Ended June 2005**

<u>Years</u>	<u>1-Year</u>	<u>2-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>7-Year</u>	<u>10-Year</u>	<u>20-Year</u>
2000	6.11%	6.26%	6.22%	6.16%	6.20%	6.03%	6.23%
2001	3.49%	3.83%	4.09%	4.56%	4.88%	5.02%	5.63%
2002	2.00%	2.64%	3.10%	3.82%	4.30%	4.61%	5.43%
2003	1.24%	1.65%	2.11%	2.97%	3.52%	4.02%	4.96%
2004	1.89%	2.38%	2.78%	3.43%	3.87%	4.27%	5.05%
<b>Five-Year Average</b>	<u>2.95%</u>	<u>3.35%</u>	<u>3.66%</u>	<u>4.19%</u>	<u>4.55%</u>	<u>4.79%</u>	<u>5.46%</u>
<b><u>Months</u></b>							
Jul-04	2.10%	2.64%	3.05%	3.69%	4.11%	4.50%	5.24%
Aug-04	2.02%	2.51%	2.88%	3.47%	3.90%	4.28%	5.07%
Sep-04	2.12%	2.53%	2.83%	3.36%	3.75%	4.13%	4.89%
Oct-04	2.23%	2.58%	2.85%	3.35%	3.75%	4.10%	4.85%
Nov-04	2.50%	2.85%	3.09%	3.53%	3.88%	4.19%	4.89%
Dec-04	2.67%	3.01%	3.21%	3.60%	3.93%	4.23%	4.88%
Jan-05	2.86%	3.22%	3.39%	3.71%	3.97%	4.22%	4.77%
Feb-05	3.03%	3.38%	3.54%	3.77%	3.97%	4.17%	4.61%
Mar-05	3.30%	3.73%	3.91%	4.17%	4.33%	4.50%	4.89%
Apr-05	3.32%	3.65%	3.79%	4.00%	4.16%	4.34%	4.75%
May-05	3.33%	3.64%	3.72%	3.85%	3.94%	4.14%	4.56%
Jun-05	3.36%	3.64%	3.69%	3.77%	3.86%	4.00%	4.35%
<b>Twelve-Month Average</b>	<u>2.74%</u>	<u>3.12%</u>	<u>3.33%</u>	<u>3.69%</u>	<u>3.96%</u>	<u>4.23%</u>	<u>4.81%</u>
<b>Six-Month Average</b>	<u>3.20%</u>	<u>3.54%</u>	<u>3.67%</u>	<u>3.88%</u>	<u>4.04%</u>	<u>4.23%</u>	<u>4.66%</u>
<b>Three-Month Average</b>	<u>3.34%</u>	<u>3.64%</u>	<u>3.73%</u>	<u>3.87%</u>	<u>3.99%</u>	<u>4.16%</u>	<u>4.55%</u>

Source: Federal Reserve statistical release H.15

### **Measures of the Risk-Free Rate**

The forecast of Treasury yields  
per the consensus of nearly 50 economists  
reported in the Blue Chip Financial Forecasts dated July 1, 2005

<u>Year</u>	<u>Quarter</u>	<u>1-Year Treasury Bill</u>	<u>2-Year Treasury Note</u>	<u>5-Year Treasury Note</u>	<u>10-Year Treasury Note</u>	<u>20-Year Treasury Bond</u>
2005	Third	3.8%	4.0%	4.1%	4.3%	4.7%
2005	Fourth	4.0%	4.2%	4.4%	4.6%	4.9%
2006	First	4.2%	4.4%	4.5%	4.7%	5.1%
2006	Second	4.3%	4.5%	4.7%	4.8%	5.2%
2006	Third	4.4%	4.6%	4.7%	4.9%	5.3%
2006	Fourth	4.5%	4.6%	4.8%	4.9%	5.3%

File at the front of the  
Ratings & Reports  
binder. Last week's  
Summary & Index  
should be removed.

**July 1, 2005**

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The Median of Estimated  
**PRICE-EARNINGS RATIOS**  
of all stocks with earnings

**18.6**

<b>26 Weeks</b>	<b>Market Low</b>	<b>Market High</b>
<b>Ago</b>	<b>10-9-02</b>	<b>3-7-05</b>
<b>19.3</b>	<b>14.1</b>	<b>18.9</b>

The Median of Estimated  
**DIVIDEND YIELDS**  
(next 12 months) of all dividend  
paying stocks under review

**1.6%**

<b>26 Weeks</b>	<b>Market Low</b>	<b>Market High</b>
<b>Ago</b>	<b>10-9-02</b>	<b>3-7-05</b>
<b>1.6%</b>	<b>2.4%</b>	<b>1.6%</b>

The Estimated Median Price  
**APPRECIATION POTENTIAL**  
of all 1700 stocks in the hypothesized  
economic environment 3 to 5 years hence

**50%**

<b>26 Weeks</b>	<b>Market Low</b>	<b>Market High</b>
<b>Ago</b>	<b>10-9-02</b>	<b>3-7-05</b>
<b>35%</b>	<b>115%</b>	<b>40%</b>

## ANALYSES OF INDUSTRIES IN ALPHABETICAL ORDER WITH PAGE NUMBER

Numerals in parenthesis after the industry is rank for probable performance (next 12 months).

PAGE		PAGE		PAGE		PAGE	
Advertising (41) .....	1920	Educational Services (29) .....	1578	Insurance (Prop/Cas.) (38) .....	585	Railroad (9) .....	284
Aerospace/Defense (30) .....	543	Electrical Equipment (42) .....	1001	Internet (13) .....	2224	R.E.I.T. (98) .....	1173
Air Transport (67) .....	253	*Electric Util. (Central) (76) .....	695	Investment Co. (35) .....	959	Recreation (82) .....	1841
Apparel (72) .....	1651	Electric Utility (East) (85) .....	156	Investment Co. (Foreign) (21) .....	362	Restaurant (54) .....	292
Auto & Truck (28) .....	101	Electric Utility (West) (86) .....	1777	Machinery (53) .....	1331	Retail Automotive (15) .....	1666
*Auto Parts (96) .....	789	Electronics (87) .....	1023	Manuf. Housing/RV (95) .....	1548	Retail Building Supply (12) .....	880
Bank (78) .....	2101	Entertainment (26) .....	1860	Maritime (33) .....	275	Retail (Special Lines) (55) .....	1709
Bank (Canadian) (80) .....	1564	Entertainment Tech (83) .....	1591	Medical Services (5) .....	630	Retail Store (61) .....	1675
Bank (Midwest) (94) .....	613	Environmental (74) .....	352	Medical Supplies (22) .....	180	Securities Brokerage (34) .....	1424
Beverage (Alcoholic) (31) .....	1533	Financial Svcs. (Div.) (45) .....	2130	Metal Fabricating (50) .....	564	Semiconductor (40) .....	1051
Beverage (Soft Drink) (75) .....	1539	Food Processing (77) .....	1481	Metals & Mining (Div.) (20) .....	1223	Semiconductor Equip (39) .....	1092
Biotechnology (64) .....	668	Food Wholesalers (73) .....	1528	Natural Gas (Distrib.) (97) .....	460	Shoe (43) .....	1697
Building Materials (92) .....	851	Foreign Electronics (32) .....	1555	Natural Gas (Div.) (17) .....	439	Steel (General) (51) .....	574
*Cable TV (4) .....	821	*Foreign Telecom. (25) .....	764	Newspaper (88) .....	1906	Steel (Integrated) (69) .....	1414
Canadian Energy (27) .....	428	Furn/Home Furnishings (84) .....	894	Office Equip/Supplies (56) .....	1137	*Telecom. Equipment (36) .....	741
Cement & Aggregates (37) .....	887	Grocery (46) .....	1514	Oilfield Svcs/Equip. (16) .....	1939	*Telecom. Services (70) .....	719
Chemical (Basic) (8) .....	1235	Healthcare Information (19) .....	656	Packaging & Container (81) .....	925	Thrift (57) .....	1161
Chemical (Diversified) (44) .....	1961	Home Appliance (47) .....	119	Paper/Forest Products (63) .....	908	Tire & Rubber (52) .....	113
Chemical (Specialty) (66) .....	477	Homebuilding (2) .....	866	Petroleum (Integrated) (10) .....	405	Tobacco (93) .....	1571
Coal (1) .....	523	Hotel/Gaming (48) .....	1876	Petroleum (Producing) (6) .....	1929	*Toiletries/Cosmetics (58) .....	809
Computers/Peripherals (24) .....	1107	Household Products (79) .....	942	*Pharmacy Services (3) .....	779	Trucking (23) .....	265
Computer Software/Svcs (18) .....	2166	Human Resources (59) .....	1286	Power (90) .....	974	Water Utility (89) .....	1420
Diversified Co. (60) .....	1376	Industrial Services (68) .....	323	Precious Metals (91) .....	1215	Wireless Networking (14) .....	511
Drug (62) .....	1243	Information Services (7) .....	377	Precision Instrument (71) .....	126		
E-Commerce (11) .....	1440	Insurance (Life) (49) .....	1200	Publishing (65) .....	1892		

\*Reviewed in this week's issue.

In three parts: This is Part 1, the Summary & Index. Part 2 is Selection & Opinion. Part 3 is Ratings & Reports. Volume LX, No. 44.

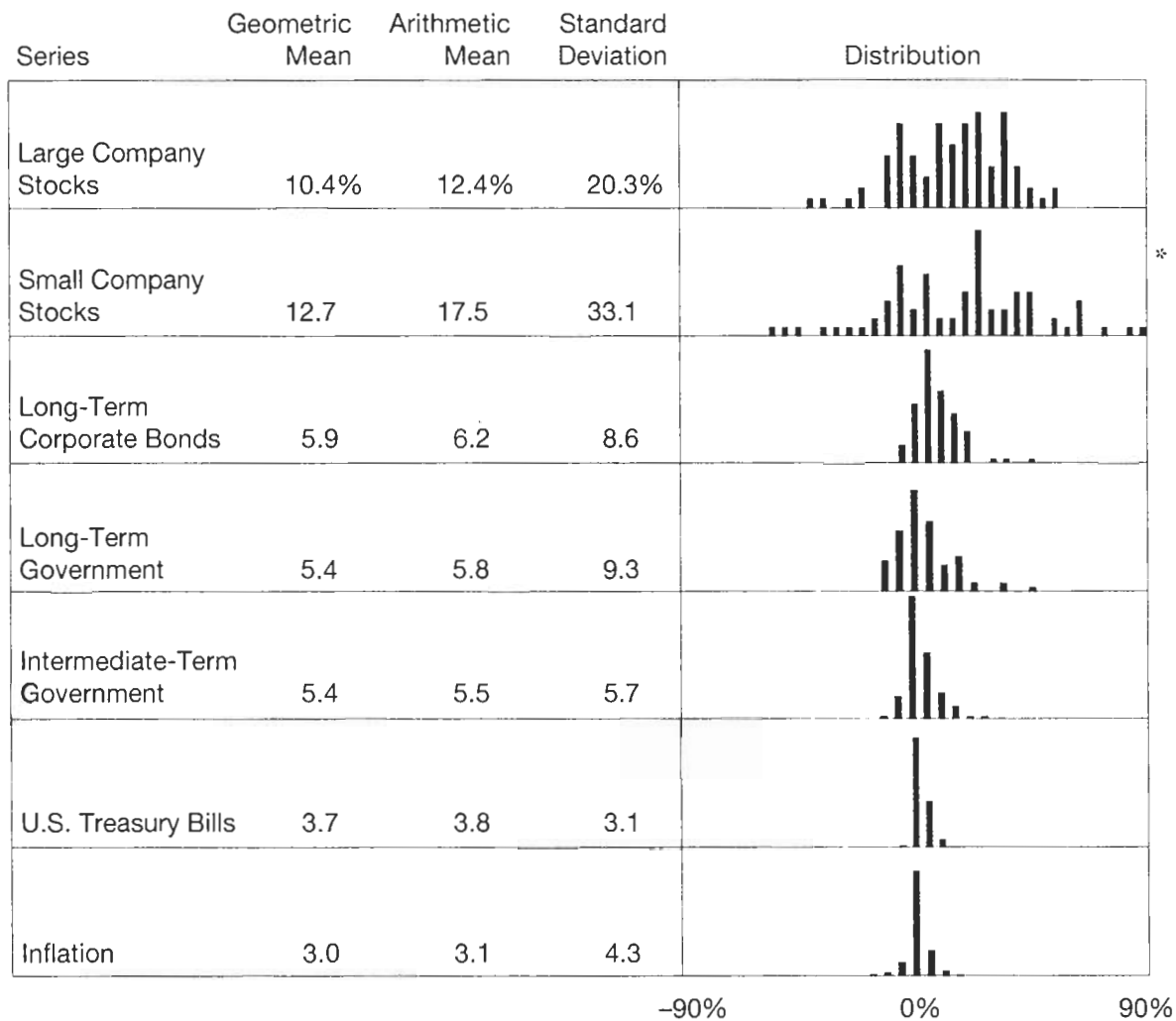
Published weekly by VALUE LINE PUBLISHING, INC. 220 East 42nd Street, New York, N.Y. 10017-5891

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Table 2-1

**Basic Series: Summary Statistics of Annual Total Returns**

from 1926 to 2004



\*The 1933 Small Company Stocks Total Return was 142.9 percent.

**Comparable Earnings Approach**

Using All Value Line Non-Utility Companies with  
Timeliness of 2, 3, 4 & 5; Safety Rank of 2, 3, 4 & 5; Financial Strength of C+, C++, B, B+ & B++;  
Price Stability of 80 to 100; Betas of .80 to 2.60; and Technical Rank of 3 & 4

Company	Industry	Timeliness Rank	Safety Rank	Financial Strength	Price Stability	Beta	Technical Rank
ABM Industries Inc.	INDUSRV	4	2	B++	85	0.80	4
Air Products & Chem.	CHEMDIV	3	2	B++	85	0.95	3
Albemarle Corp.	CHEMDIV	3	3	B+	90	0.95	4
Alexander & Baldwin	MARITIME	3	3	B+	90	0.90	3
Allied Capital Corp.	FINANCL	3	2	B++	80	0.85	4
Amer. Financial Group	INSPRPTY	2	3	C++	85	0.95	3
Amer. Standard	DIVERSIF	2	3	B+	90	1.00	3
AmSouth Bancorp.	BANK	3	2	B++	85	0.90	4
AptarGroup	PACKAGE	3	3	B+	90	0.90	4
Assoc. Banc-Corp	BANKMID	4	2	B++	95	0.90	3
Astoria Financial	THRIFT	3	3	B++	80	1.00	4
Baldor Electric	ELECEQ	3	2	B++	90	0.90	3
Ball Corp.	PACKAGE	3	3	B++	80	0.85	4
Barnes Group	DIVERSIF	3	3	B+	80	0.80	3
BCE Inc.	TELEFGN	3	3	B+	85	0.90	3
BOK Financial	BANKMID	3	2	B++	95	0.80	4
Burlington Northern	RAILROAD	3	3	B+	90	0.95	3
Cincinnati Financial	INSPRPTY	3	2	B++	95	0.85	3
City National Corp.	BANK	3	2	B++	95	0.85	3
CLARCOR Inc.	PACKAGE	3	2	B++	85	0.85	3
Compass Bancshares	BANK	4	2	B++	90	0.95	3
Corn Products Int'l	FOODPROC	5	2	B++	80	0.80	3
Crane Co.	DIVERSIF	4	3	B+	80	1.05	3
Danaher Corp.	DIVERSIF	3	2	B++	90	1.00	3
Delphi Fin'l 'A'	INSLIFE	4	3	B+	85	0.95	3
Deluxe Corp.	PUBLISH	4	3	B	90	0.80	3
Dionex Corp.	INSTRMNT	4	3	B+	80	0.85	3
Dofasco	STEELINT	3	3	B+	90	0.80	3
Donaldson Co.	MACHINE	3	2	B++	80	1.00	4
Donnelley (R.R.) & Sons	PUBLISH	3	2	B++	85	0.95	3
Dow Jones & Co.	NWSPAPER	3	2	B++	85	1.05	3
Dun & Bradstreet	INFOSER	3	3	B	90	0.80	3
Ecolab Inc.	CHEMSPEC	3	2	B++	95	0.90	3
Fairmont Hotels	HOTELGAM	3	3	B	90	0.95	3
First Horizon National	BANKMID	4	3	B++	90	0.90	3
First Midwest Bancorp	BANKMID	4	2	B++	95	0.85	3
FirstMerit Corp.	BANKMID	4	3	B+	90	0.95	3
Graco Inc.	MACHINE	3	2	B++	85	0.90	3
Huntington Bancshs.	BANKMID	5	3	B	90	0.95	3
IDEX Corp.	MACHINE	3	3	B+	80	0.95	3
IHOP Corp.	RESTRNT	5	3	B	80	0.90	3
Independence Cmnty	THRIFT	4	3	B+	85	0.95	4
Invacare Corp.	MEDSUPPL	5	3	B+	80	0.85	4
Iron Mountain	INDUSRV	4	3	B	85	0.95	3
Kaydon Corp.	MACHINE	4	3	B+	80	1.00	3
KeyCorp	BANK	4	3	B+	85	1.00	3
Lafarge No. America	CEMENT	3	3	B++	80	1.05	3
Loews Corp.	FINANCL	3	3	B++	80	1.05	3
Lubrizol Corp.	CHEMSPEC	3	3	B+	85	1.00	3
Magna Int'l 'A'	AUTO-OEM	4	2	B++	80	1.00	3
Markel Corp.	INSPRPTY	3	2	B++	95	0.80	3
Martin Marietta	CEMENT	3	2	B++	80	1.05	3
Mercantile Bankshares	BANK	3	2	B++	95	0.95	3
Mercury General	INSPRPTY	3	2	B++	90	0.85	3
Minerals Techn.	CHEMSPEC	4	2	B++	80	0.95	3
Moody's Corp.	INFOSER	2	2	B+	95	0.80	3
North Fork Bancorp	BANK	3	2	B++	90	0.95	3
Old Republic	INSPRPTY	4	3	B++	80	1.05	3
Pactiv Corp.	PACKAGE	4	3	B+	80	0.85	4
People's Bank	THRIFT	3	3	B+	90	0.85	3
PNC Financial Serv.	BANK	4	2	B++	85	1.10	3
Potlatch Corp.	CHEMICAL	2	2	B++	80	0.80	4
Potlatch Corp.	PAPER	3	3	B	85	1.05	3
Praxair Inc.	CHEMSPEC	3	2	B++	85	1.00	3
Principal Fin'l Group	FINANCL	3	2	B++	90	1.00	3
Protective Life	INSLIFE	4	2	B++	95	0.90	3
Ruddick Corp.	GROCERY	3	3	B+	80	0.85	3
Scotts Miracle-Gro	HOUSEPRD	3	3	B++	80	0.95	3
Selective Ins. Group	INSPRPTY	3	3	B+	80	0.85	3
Sensient Techn.	FOODPROC	4	2	B++	85	0.80	3
ServiceMaster Co.	INDUSRV	3	3	B+	80	0.80	3
Standex Int'l	DIVERSIF	3	2	B++	80	0.90	3
SunTrust Banks	BANK	4	2	B++	90	1.00	3
Synovus Financial	BANK	2	2	B++	85	1.10	3
TCF Financial	BANKMID	4	3	B	90	0.95	4
Teleflex Inc.	DIVERSIF	4	2	B++	85	1.05	3
Tennant Co.	MACHINE	4	2	B++	85	0.85	3
Union Pacific	RAILROAD	3	3	B+	90	0.85	3
Unitrin Inc.	FINANCL	3	2	B+	90	0.90	3
V.F. Corp.	APPAREL	3	3	B++	80	0.95	3
Valispar Corp.	CHEMSPEC	4	3	B+	80	0.90	3
Wachovia Corp.	BANK	3	3	B++	80	1.10	3
Waste Management	ENVIRONM	3	3	B	80	0.90	3
Webster Fin'l	BANK	4	3	B+	90	0.90	4
Weyerhaeuser Co.	PAPER	3	3	B++	80	1.15	3
Wiley (John) & Sons	PUBLISH	3	3	B+	85	0.80	3
Average		3	3	B+	86	0.92	3
Pipeline Group	Range	2 to 5	2 to 5	C+ to B++	5 to 100	.80 to 2.60	3 to 4
	Average	3	3	B+	68	1.26	3

**Comparable Earnings Approach**  
Five -Year Average Historical Earned Returns  
for Years 1997-2001 and  
Projected 3-5 Year Returns

Company	2000	2001	2002	2003	2004	Average	Projected 2008-10
ABM Industries Inc.	13.7%	12.5%	12.1%	8.2%	9.5%	11.2%	14.0%
Air Products & Chem.	18.9%	16.7%	15.0%	13.1%	13.6%	15.5%	18.0%
Albemarle Corp.	17.2%	11.7%	12.6%	10.3%	10.8%	12.5%	12.5%
Alexander & Baldwin	11.3%	9.5%	8.0%	10.0%	11.2%	10.0%	12.0%
Allied Capital Corp.	13.8%	14.8%	14.7%	10.0%	12.6%	13.2%	15.0%
Amer. Financial Group	NMF	5.9%	7.9%	7.9%	8.9%	7.7%	13.0%
Amer. Standard	-	-	-	NMF	NMF		49.0%
AmSouth Bancorp.	20.0%	18.1%	19.5%	19.4%	18.9%	19.2%	19.0%
AptarGroup	14.7%	13.8%	11.8%	10.2%	10.7%	12.2%	11.5%
Assoc. Banc-Corp	17.3%	16.8%	16.6%	17.0%	12.8%	16.1%	15.5%
Astoria Financial	13.2%	13.6%	16.0%	14.1%	16.0%	14.6%	23.5%
Baldor Electric	17.7%	8.5%	8.7%	9.5%	12.4%	11.4%	14.5%
Ball Corp.	16.6%	21.0%	32.3%	29.4%	27.7%	25.4%	18.0%
Barnes Group	17.7%	9.6%	13.0%	10.3%	10.8%	12.3%	13.5%
BCE Inc.	5.7%	5.9%	11.0%	13.6%	14.7%	10.2%	13.5%
BOK Financial	14.2%	15.2%	13.8%	12.9%	12.8%	13.8%	11.0%
Burlington Northern	13.6%	10.4%	9.6%	9.1%	11.6%	10.9%	11.0%
Cincinnati Financial	2.0%	3.2%	5.4%	6.2%	8.4%	5.0%	7.5%
City National Corp.	17.7%	16.4%	16.3%	15.3%	15.3%	16.2%	14.0%
CLARCOR Inc.	16.6%	15.3%	14.8%	14.7%	14.9%	15.3%	13.0%
Compass Bancshares	16.3%	15.8%	16.3%	18.3%	18.1%	17.0%	19.0%
Corn Products Int'l	6.4%	6.7%	7.6%	8.3%	8.7%	7.5%	10.0%
Crane Co.	17.8%	15.5%	13.9%	13.3%	17.7%	15.6%	15.5%
Danaher Corp.	16.7%	13.4%	14.4%	14.7%	16.1%	15.1%	14.5%
Delphi Fin'l 'A'	NMF	NMF	11.1%	10.6%	11.6%	11.1%	11.5%
Deluxe Corp.	64.5%	236.5%	333.2%	NMF	NMF	211.4%	NMF
Dionex Corp.	28.7%	24.5%	21.0%	19.7%	22.6%	23.3%	23.0%
Dofasco	10.2%	1.5%	12.4%	7.6%	17.4%	9.8%	11.5%
Donaldson Co.	25.1%	23.7%	22.7%	21.3%	19.4%	22.4%	16.5%
Donnelley (R.R) & Sons	21.0%	19.5%	18.2%	15.1%	8.5%	16.5%	13.0%
Dow Jones & Co.	183.2%	255.8%	202.5%	60.5%	66.1%	153.6%	28.0%
Dun & Bradstreet	-	-	-	NMF	NMF		34.5%
Ecolab Inc.	25.9%	21.4%	21.9%	21.2%	20.0%	22.1%	21.0%
Fairmont Hotels	1.8%	7.1%	6.3%	1.7%	3.1%	4.0%	8.0%
First Horizon National	16.8%	20.7%	22.3%	25.0%	22.3%	21.4%	17.0%
First Midwest Bancorp	16.9%	18.4%	18.3%	17.8%	18.6%	18.0%	19.5%
FirstMerit Corp.	17.5%	18.0%	16.0%	12.3%	10.5%	14.9%	15.0%
Graco Inc.	63.2%	37.6%	30.8%	NMF	47.1%	44.7%	NMF
Huntington Bancshs.	13.9%	12.1%	14.8%	17.0%	15.7%	14.7%	14.0%
IDEX Corp.	16.9%	8.2%	10.7%	10.5%	12.1%	11.7%	12.5%
IHOP Corp.	13.6%	12.9%	11.2%	11.1%	12.0%	12.2%	14.5%
Independence Cmnty	7.6%	7.9%	13.3%	13.8%	9.6%	10.4%	14.0%
Invacare Corp.	15.1%	15.8%	13.5%	11.6%	10.0%	13.2%	12.0%
Iron Mountain	NMF	NMF	7.1%	7.9%	7.7%	7.6%	10.5%
Kaydon Corp.	16.5%	9.4%	10.1%	10.9%	12.4%	11.9%	11.5%
KeyCorp	15.1%	5.2%	14.3%	13.0%	13.4%	12.2%	14.0%
Lafarge No. America	13.6%	11.7%	11.5%	7.8%	9.2%	10.8%	9.5%
Loews Corp.	16.8%	14.4%	8.7%	7.3%	10.5%	11.5%	9.5%
Lubrizol Corp.	13.7%	12.2%	14.5%	9.5%	9.1%	11.8%	14.0%
Magna Int'l 'A'	14.2%	13.0%	10.9%	12.9%	13.2%	12.8%	13.5%
Markel Corp.	NMF	NMF	3.2%	6.1%	9.8%	6.4%	12.0%
Martin Marietta	13.0%	10.3%	9.0%	8.9%	11.0%	10.4%	12.0%
Mercantile Bankshares	14.9%	14.7%	14.4%	10.7%	12.0%	13.3%	13.0%
Mercury General	10.6%	9.8%	10.2%	14.1%	18.4%	12.6%	16.0%
Minerals Techn.	12.6%	10.2%	9.1%	7.3%	7.9%	9.4%	9.5%
Moody's Corp.	-	-	-	-	-		26.0%
North Fork Bancorp	23.6%	23.1%	27.5%	26.8%	6.2%	21.4%	10.0%
Old Republic	12.2%	12.5%	12.2%	12.6%	10.5%	12.0%	10.0%
Pactiv Corp.	9.3%	9.8%	24.5%	21.7%	20.4%	17.1%	15.0%
People's Bank	12.3%	2.6%	5.9%	6.4%	7.8%	7.0%	11.5%
PNC Financial Serv.	18.2%	6.5%	17.5%	15.5%	16.0%	14.7%	15.0%
Potash Corp.	9.9%	5.8%	2.6%	4.0%	11.2%	6.7%	16.5%
Pottlatch Corp.	NMF	NMF	NMF	11.3%	2.3%	6.8%	6.5%
Praxair Inc.	20.2%	19.6%	23.4%	18.8%	19.3%	20.3%	18.5%
Principal Fin'l Group	10.0%	5.6%	9.3%	10.2%	9.8%	9.0%	10.0%
Protective Life	12.3%	10.1%	10.0%	9.8%	10.9%	10.6%	11.5%
Ruddick Corp.	10.8%	10.8%	12.3%	12.1%	11.8%	11.6%	13.5%
Scotts Miracle-Gro	15.3%	3.1%	17.0%	14.3%	11.5%	12.2%	15.0%
Selective Ins. Group	4.6%	4.5%	6.1%	7.7%	12.8%	7.1%	12.5%
Sensient Techn.	16.7%	15.1%	16.2%	13.4%	11.5%	14.6%	11.5%
ServiceMaster Co.	15.9%	9.4%	14.0%	19.4%	17.4%	15.2%	19.0%
Standex Int'l	18.5%	14.5%	11.4%	11.1%	13.5%	13.8%	16.5%
SunTrust Banks	15.7%	16.4%	15.2%	13.7%	9.8%	14.2%	13.5%
Synovus Financial	18.5%	18.4%	17.9%	17.3%	16.5%	17.7%	22.5%
TCF Financial	20.5%	22.6%	23.8%	23.4%	26.6%	23.4%	26.0%
Teleflex Inc.	15.8%	14.4%	13.7%	10.3%	11.1%	13.1%	11.0%
Tennant Co.	18.2%	3.1%	8.0%	8.5%	8.5%	9.3%	12.0%
Union Pacific	9.0%	8.7%	9.3%	8.5%	6.0%	8.3%	9.0%
Unitrin Inc.	6.5%	2.6%	0.0%	5.3%	9.3%	4.7%	8.0%
V.F. Corp.	15.4%	14.3%	22.4%	20.1%	18.7%	18.2%	15.0%
Valspar Corp.	19.8%	7.9%	16.3%	12.9%	14.3%	14.2%	13.5%
Wachovia Corp.	19.1%	8.3%	11.9%	13.1%	11.0%	12.7%	12.5%
Waste Management	15.6%	13.6%	15.2%	13.2%	13.7%	14.3%	19.5%
Webster Fin'l	28.9%	28.5%	35.6%	40.8%	11.9%	29.1%	12.5%
Weyerhaeuser Co.	13.4%	5.9%	4.5%	5.4%	12.8%	8.4%	12.5%
Wiley (John) & Sons	26.8%	23.5%	22.3%	20.7%	19.0%	22.5%	14.0%
Average						17.9%	14.9%
Median						12.8%	13.5%