

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Portland Natural Gas Transmission System) Docket No. RP08-____-000

Financial Exhibit
to Accompany
the Direct Testimony
of

Paul R. Moul, Managing Consultant
P. Moul & Associates

Portland Natural Gas Transmission System
Index of Schedules

	<u>Schedule</u>
Summary Cost of Capital	1
Portland Natural Transmission System Historical Capitalization and Financial Statistics	2
Pipeline Group Historical Capitalization and Financial Statistics	3
Standard & Poor's Public Utilities Historical Capitalization and Financial Statistics	4
Cash Yields	5
Historical Growth Rates	6
Projected Growth Rates	7
Analysis of Public Offerings of Common Stock	8
Two-Stage DCF Model	9
Interest Rates for Investment Grade Public Utility Bonds	10
Long-Term, Year-by-Year Total Returns for the S&P Composite Index, S&P Public Utility Index, and Long-Term Corporate Bonds and Public Utility Bonds	11
Component Inputs for the Capital Market Pricing Model	12
Comparable Earnings Approach	13

Schedule 1 [1 of 1]

Portland Natural Gas Transmission System

Summary Cost of Capital
Actual at September 30, 2008

<u>Type of Capital</u>	<u>Ratios</u>	<u>Cost Rate</u>	<u>Weighted Cost Rate</u>
Long-term Debt	52.24%	6.046%	3.16%
Common Equity	<u>47.76%</u>	14.75%	<u>7.04%</u>
Total	<u>100.00%</u>		<u>10.20%</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 40.6471% federal and state income tax rate (15.02% ÷ 3.16%)	4.75 x
Post-tax coverage of interest expense (10.20% ÷ 3.16%)	3.23 x

Schedule 2 [1 of 2]

Portland Natural Gas Transmission System
Capitalization and Financial Statistics
2001-2005, Inclusive

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	
	(Millions of Dollars)					
Amount of Capital Employed						
Permanent Capital	\$ 416.0	\$ 424.9	\$ 434.0	\$ 452.3	\$ 439.2	
Short-Term Debt	\$ -	\$ -	\$ 1.5	\$ 4.5	\$ -	
Total Capital	<u>\$ 416.0</u>	<u>\$ 424.9</u>	<u>\$ 435.5</u>	<u>\$ 456.8</u>	<u>\$ 439.2</u>	
Capital Structure Ratios						<u>Average</u>
Based on Permanent Capital:						
Long-Term Debt	54.4%	56.8%	59.0%	59.9%	58.3%	57.7%
Common Equity ⁽¹⁾	<u>45.6%</u>	<u>43.2%</u>	<u>41.0%</u>	<u>40.1%</u>	<u>41.7%</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	54.4%	56.8%	59.2%	60.3%	58.3%	57.8%
Common Equity ⁽¹⁾	<u>45.6%</u>	<u>43.2%</u>	<u>40.8%</u>	<u>39.7%</u>	<u>41.7%</u>	<u>42.2%</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 ⁽¹⁾	16.4%	13.4%	11.3%	12.0%	8.2%	12.3%
Operating Ratio ⁽²⁾	45.6%	37.1%	43.8%	38.4%	44.5%	41.9%
Coverage incl. AFUDC ⁽³⁾						
Pre-tax: All Interest Charges	3.02 x	2.56 x	2.14 x	2.40 x	2.00 x	2.42 x
Post-tax: All Interest Charges	2.98 x	2.46 x	2.14 x	2.25 x	1.89 x	2.34 x
Coverage excl. AFUDC ⁽³⁾						
Pre-tax: All Interest Charges	3.02 x	2.56 x	2.14 x	2.40 x	2.00 x	2.42 x
Post-tax: All Interest Charges	2.98 x	2.46 x	2.14 x	2.25 x	1.89 x	2.34 x
Quality of Earnings & Cash Flow						
AFC/Income Avail. for Common Equity	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Effective Income Tax Rate	1.9%	6.6%	-0.4%	10.3%	10.4%	5.8%
Gross Cash Flow/ Avg. Total Debt ⁽⁴⁾	16.8%	14.0%	11.2%	12.5%	20.1%	14.9%
Gross Cash Flow Interest Coverage ⁽⁵⁾	3.75 x	3.31 x	2.86 x	3.20 x	2.73 x	3.17 x
Common Dividend Coverage ⁽⁶⁾	1.78 x	2.19 x	1.35 x	1.58 x	x	1.73 x

See Page 2 for Notes.

Portland Natural Gas Transmission System
Capitalization and Financial Statistics
2002-2006, Inclusive

Notes:

- (1) Excluding Accumulated Other Comprehensive Income ("OCI") from the equity account.
- (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, both including and excluding AFUDC (allowance for funds used during construction) as reported in its entirety, cover fixed charges.
- (4) 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.
- (5) Gross Cash Flow plus interest charges divided by interest charges.
- (6) 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: Company's Audited Financial Statements

Schedule 3 [1 of 2]

Pipeline Group
Capitalization and Financial Statistics ⁽¹⁾
2002-2006, Inclusive

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	
	(Millions of Dollars)					
Amount of Capital Employed						
Permanent Capital	\$ 7,739.8	\$ 6,552.3	\$ 6,258.1	\$ 6,550.1	\$ 8,228.4	
Short-Term Debt	\$ 37.9	\$ 42.0	\$ 2.5	\$ 31.1	\$ 344.5	
Total Capital	<u>\$ 7,777.7</u>	<u>\$ 6,594.3</u>	<u>\$ 6,260.6</u>	<u>\$ 6,581.2</u>	<u>\$ 8,572.9</u>	
Market-Based Financial Ratios						<u>Average</u>
Price-Earnings Multiple	19 x	30 x	24 x	23 x	24 x	24 x
Market/Book Ratio	243.8%	222.9%	190.4%	179.5%	185.8%	204.5%
Cash Yield	5.0%	4.0%	5.1%	5.4%	5.8%	5.1%
Payout Ratio	81.4%	102.8%	96.1%	94.4%	117.9%	98.5%
Capital Structure Ratios						
Based on Permanent Capital:						
Long-Term Debt	58.7%	46.6%	48.5%	55.4%	53.4%	52.5%
Minority Interest	1.8%	2.2%	2.0%	1.5%	3.4%	2.2%
Common Equity ⁽²⁾	<u>39.6%</u>	<u>51.3%</u>	<u>49.5%</u>	<u>43.1%</u>	<u>43.2%</u>	<u>45.3%</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	58.8%	47.0%	48.5%	55.7%	54.1%	52.8%
Minority Interest	1.8%	2.2%	2.0%	1.5%	3.3%	2.2%
Common Equity ⁽²⁾	<u>39.4%</u>	<u>50.8%</u>	<u>49.5%</u>	<u>42.9%</u>	<u>42.5%</u>	<u>45.0%</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 ⁽²⁾	16.7%	7.9%	9.4%	7.7%	5.4%	9.4%
Operating Ratio ⁽³⁾	82.1%	86.6%	82.7%	83.7%	85.5%	84.1%
Coverage incl. AFUDC ⁽⁴⁾						
Pre-tax: All Interest Charges	3.48 x	2.49 x	2.79 x	2.41 x	1.82 x	2.60 x
Post-tax: All Interest Charges	3.30 x	2.28 x	2.56 x	2.20 x	1.86 x	2.44 x
Overall Coverage: All Int. & Pfd. Div.	3.24 x	2.24 x	2.49 x	2.16 x	1.81 x	2.39 x
Coverage excl. AFUDC ⁽⁴⁾						
Pre-tax: All Interest Charges	3.46 x	2.48 x	2.78 x	2.40 x	1.82 x	2.59 x
Post-tax: All Interest Charges	3.28 x	2.27 x	2.55 x	2.19 x	1.86 x	2.43 x
Overall Coverage: All Int. & Pfd. Div.	3.22 x	2.23 x	2.48 x	2.16 x	1.81 x	2.38 x
Quality of Earnings & Cash Flow						
AFUDC/Income Avail. for Common Equity	2.0%	-0.7%	-0.5%	-0.8%	0.1%	0.0%
Effective Income Tax Rate	10.5%	19.6%	14.4%	22.9%	14.7%	16.4%
Internal Cash Generation/Construction ⁽⁵⁾	50.2%	75.1%	95.5%	158.1%	61.8%	88.1%
Gross Cash Flow/ Avg. Total Debt ⁽⁶⁾	24.0%	17.4%	16.3%	15.3%	12.8%	17.2%
Gross Cash Flow Interest Coverage ⁽⁷⁾	4.35 x	3.87 x	4.09 x	3.73 x	3.04 x	3.82 x
Common Dividend Coverage ⁽⁸⁾	3.80 x	2.87 x	6.55 x	5.71 x	1.59 x	4.10 x

See Page 2 for Notes.

Pipeline Group
Capitalization and Financial Statistics
2002-2006, 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) Excluding Accumulated Other Comprehensive Income ("OCI") from the equity account.
- (3) Total operating expenses, maintenance, depreciation and taxes other than income as a percentage of operating revenues.
- (4) 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.
- (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 corporations and master limited partnerships (MLPs) that have publicly-traded stock/units, are currently paying dividends/distributions, and have FERC regulated jurisdictional natural gas pipeline operations.

Ticker	Company	Percent Gas Pipeline Assets	Credit Ratings		Stock Traded	S&P Stock Ranking	Value Line Beta
			Moody's	S&P			
BWP	Boardwalk Pipeline Partners, L.P.	90.33%	Baa2	BBB+	NYSE	NR	NMF
EP	El Paso Corp.	56.66%	Baa3	BB	NYSE	B-	1.80
EEP	Enbridge Energy Partners LP	53.55%	Baa2	BBB	NYSE	NR	0.60
ETP	Energy Transfer Partners, L.P.	55.53%	Baa3	BBB-	NYSE	NR	NMF
EPD	Enterprise Products Partners, LP	44.21%	Baa3	BBB-	NYSE	B+	0.55
KMP	Kinder Morgan Energy Partners L	32.70%	Baa2	BBB	NYSE	NR	0.65
OKS	ONEOK Partners, L.P.	42.92%	Baa2	BBB	NYSE	NR	0.65
SUG	Southern Union Co.	57.12%	Baa3	BBB-	NYSE	B	1.00
SE	Spectra Energy Corp.	93.38%	Baa1	BBB+	NYSE	NR	NMF
TCLP	TC PipeLines, LP	100.00%	-	-	NNM	NR	0.55
WMB	Williams Companies	45.65%	Baa3	BBB-	NYSE	B	1.35
WPZ	Williams Partners L.P.		Ba2	BBB-	NYSE	NR	0.60
	Average	61.10%	Baa3	BBB-		B-	0.86

Source of Information: Annual Reports
SEC filings
Utility COMPUSTAT

Schedule 4 [1 of 3]

Standard & Poor's Public Utilities
Capitalization and Financial Statistics ⁽¹⁾
2002-2006, Inclusive

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	
	(Millions of Dollars)					
Amount of Capital Employed						
Permanent Capital	\$ 15,146.0	\$ 14,261.2	\$ 14,164.3	\$ 14,259.5	\$ 13,850.0	
Short-Term Debt	\$ 516.4	\$ 480.8	\$ 279.5	\$ 266.9	\$ 913.6	
Total Capital	<u>\$ 15,662.4</u>	<u>\$ 14,742.0</u>	<u>\$ 14,443.8</u>	<u>\$ 14,526.4</u>	<u>\$ 14,763.6</u>	
Market-Based Financial Ratios						<u>Average</u>
Price-Earnings Multiple	16 x	16 x	15 x	13 x	14 x	15 x
Market/Book Ratio	206.6%	201.8%	182.4%	150.6%	152.2%	178.7%
Dividend Yield	3.5%	3.5%	3.8%	4.2%	5.0%	4.0%
Dividend Payout Ratio	56.3%	57.2%	70.3%	58.8%	72.8%	63.1%
Capital Structure Ratios						
Based on Permanent Capital:						
Long-Term Debt	54.1%	55.6%	57.4%	59.3%	60.4%	57.4%
Preferred Stock	1.1%	1.3%	1.5%	1.6%	1.8%	1.5%
Common Equity ⁽²⁾	44.7%	43.2%	41.0%	39.1%	37.8%	41.2%
	<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	56.1%	57.7%	59.0%	60.7%	63.1%	59.3%
Preferred Stock	1.1%	1.2%	1.5%	1.6%	1.7%	1.4%
Common Equity ⁽²⁾	42.8%	41.1%	39.5%	37.7%	35.2%	39.3%
	<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 ⁽²⁾	12.3%	11.4%	11.5%	10.0%	8.1%	10.7%
Operating Ratio ⁽³⁾	81.2%	85.2%	84.4%	84.8%	84.5%	84.0%
Coverage incl. AFUDC ⁽⁴⁾						
Pre-tax: All Interest Charges	3.42 x	3.20 x	3.02 x	2.57 x	2.41 x	2.92 x
Post-tax: All Interest Charges	2.64 x	2.54 x	2.42 x	2.12 x	1.99 x	2.34 x
Overall Coverage: All Int. & Pfd. Div.	2.61 x	2.50 x	2.38 x	2.07 x	1.95 x	2.30 x
Coverage excl. AFUDC ⁽⁴⁾						
Pre-tax: All Interest Charges	3.38 x	3.17 x	2.99 x	2.53 x	2.37 x	2.89 x
Post-tax: All Interest Charges	2.60 x	2.51 x	2.39 x	2.08 x	1.95 x	2.31 x
Overall Coverage: All Int. & Pfd. Div.	2.56 x	2.47 x	2.35 x	2.03 x	1.90 x	2.26 x
Quality of Earnings & Cash Flow						
AFC/Income Avail. for Common Equity	2.4%	0.9%	3.0%	1.7%	2.6%	2.1%
Effective Income Tax Rate *	32.4%	31.3%	26.2%	40.3%	29.0%	31.8%
Internal Cash Generation/Construction ⁽⁵⁾	95.6%	108.3%	127.0%	127.8%	91.8%	110.1%
Gross Cash Flow/ Avg. Total Debt ⁽⁶⁾	23.8%	21.3%	21.1%	20.8%	19.0%	21.2%
Gross Cash Flow Interest Coverage ⁽⁷⁾	4.57 x	4.42 x	4.42 x	4.42 x	4.07 x	4.38 x
Common Dividend Coverage ⁽⁸⁾	4.41 x	4.41 x	5.00 x	5.27 x	4.23 x	4.66 x

See Page 2 for Notes.

* Reflects State income taxes

Standard & Poor's Public Utilities
Capitalization and Financial Statistics
2002-2006, 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) Excluding Accumulated Other Comprehensive Income ("OCI") from the equity account
- (3) Total operating expenses, maintenance, depreciation and taxes other than income taxes as a percent of operating revenues.
- (4) 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.
- (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 divided by gross construction expenditures.
- (6) 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.
- (7) 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.
- (8) 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

Schedule 4 [3 of 3]

Standard & Poor's Public Utilities

Company Identities ⁽¹⁾

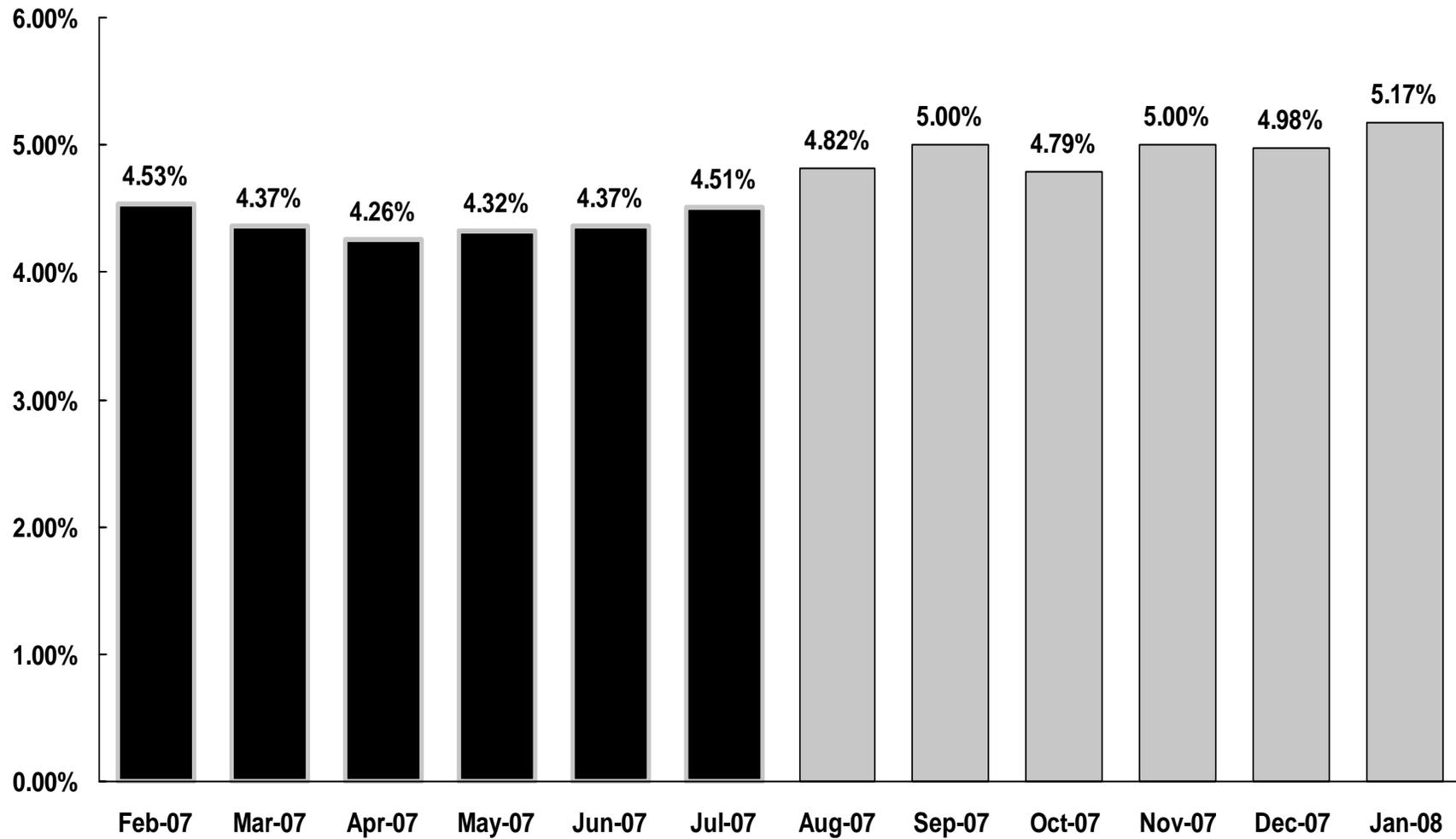
	Ticker	Credit Rating ⁽²⁾		Common Stock Traded	S&P Stock Ranking	Value Line Beta
		Moody's	S&P			
Allegheny Energy	AYE	Baa3	BB+	NYSE	B-	1.85
Ameren Corporation	AEE	A2	BBB+	NYSE	A-	0.75
American Electric Power	AEP	Baa2	BBB	NYSE	B	1.20
CMS Energy	CMS	Ba1	BB	NYSE	C	1.45
CenterPoint Energy	CNP	Baa3	BBB	NYSE	B	0.65
Consolidated Edison	ED	A1	A	NYSE	B+	0.65
Constellation Energy Group	CEG	A3	BBB+	NYSE	B	0.95
DTE Energy Co.	DTE	Baa1	BBB	NYSE	B+	0.70
Dominion Resources	D	Baa1	BBB	NYSE	B+	0.95
Duke Energy	DUK	Baa2	BBB	NYSE	B+	1.20
Edison Int'l	EIX	Baa1	BBB+	NYSE	B	1.05
Entergy Corp.	ETR	Baa2	BBB	NYSE	B+	0.85
Exelon Corp.	EXC	A3	BBB+	NYSE	B+	0.80
FPL Group	FPL	A1	A	NYSE	A-	0.80
FirstEnergy Corp.	FE	Baa2	BBB	NYSE	B+	0.75
Integrus Energy Group	TEG	A1	A-	NYSE	B	0.85
Keyspan Energy	KSE	A3	A	NYSE	B	0.85
NICOR Inc.	GAS	A1	AA	NYSE	B	1.15
NiSource Inc.	NI	Baa2	BBB	NYSE	B	0.80
PG&E Corp.	PCG	Baa1	BBB	NYSE	B	1.10
PPL Corp.	PPL	Baa1	A-	NYSE	B	1.00
Pinnacle West Capital	PNW	Baa2	BBB-	NYSE	A-	0.90
Progress Energy, Inc.	PGN	Baa1	BBB	NYSE	B+	0.80
Public Serv. Enterprise Inc.	PEG	Baa1	BBB	NYSE	B+	0.90
Questar Corp.	STR	A2	A-	NYSE	A-	0.90
Sempra Energy	SRE	A2	A	NYSE	B	1.00
Southern Co.	SO	A2	A	NYSE	A-	0.65
TECO Energy	TE	Baa2	BBB-	NYSE	B-	1.00
TXU CORP	TXU	Baa3	BBB-	NYSE	B	1.05
Xcel Energy Inc	XEL	A3	BBB+	NYSE	B	0.80
Average for S&P Utilities		<u>Baa1</u>	<u>BBB+</u>		<u>B</u>	<u>0.95</u>

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

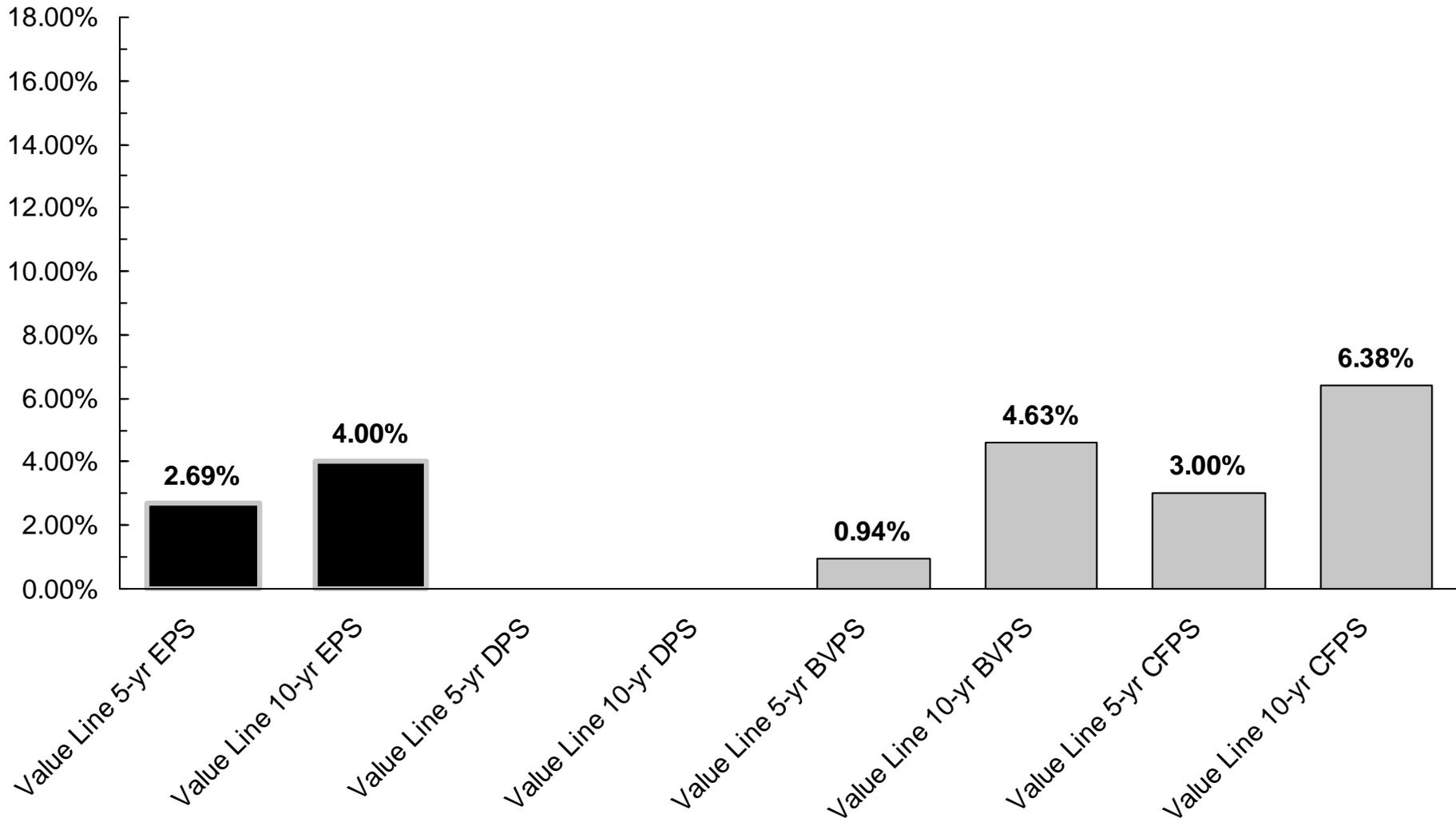
⁽²⁾ Ratings are those of utility subsidiaries

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

Pipeline Group Monthly Cash Yields



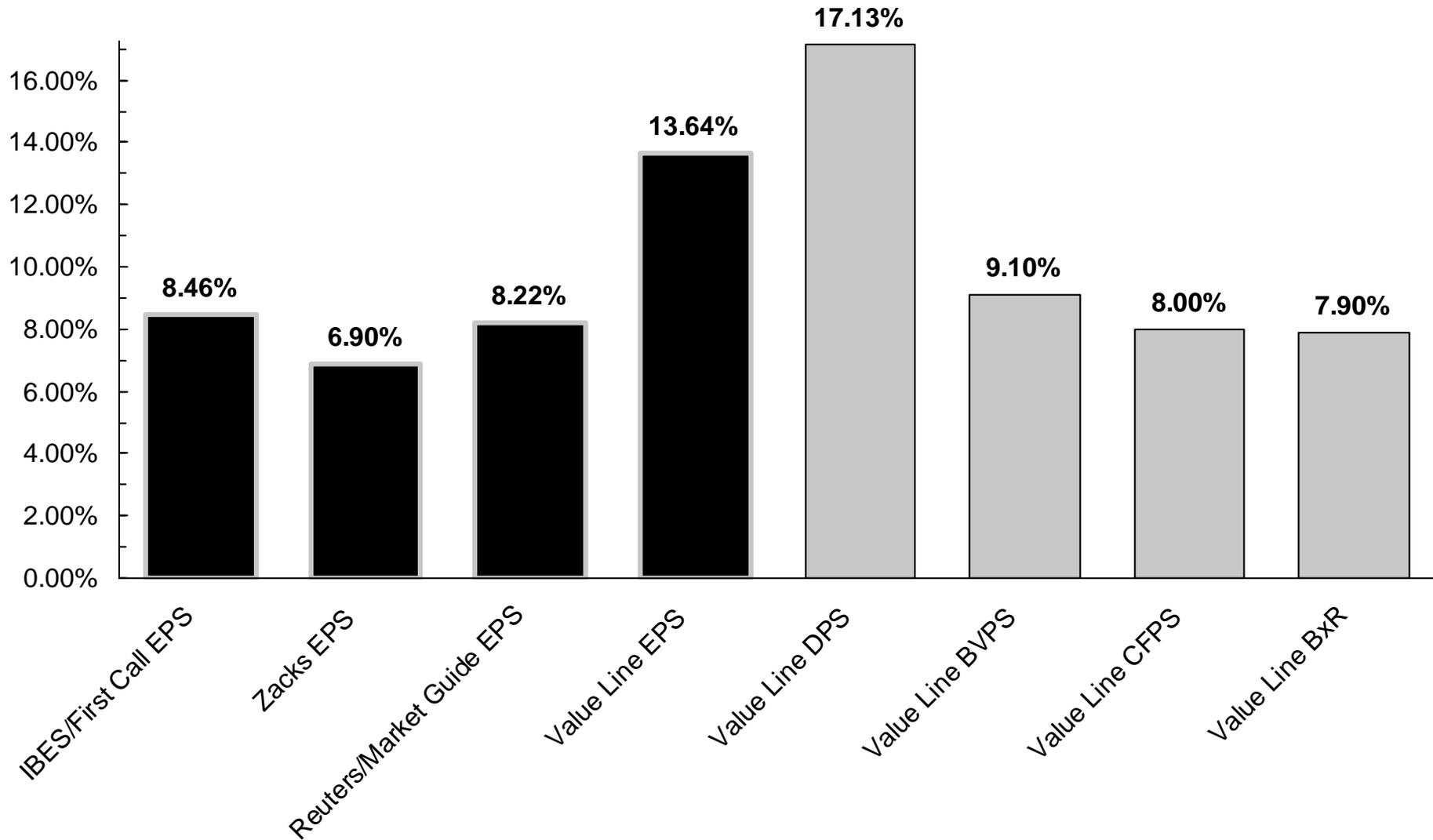
Pipeline Group Historical Growth Rates



Earnings per Share=EPS
Distribution per Share=DPS

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

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

Schedule 8 [1 of 1]

Natural Gas Industry
Analysis of Public Offerings of Common Stock
Years 2002-2006

	<u>UTILICORP</u>	<u>MDU Resources</u>	<u>AGL RESOURCES</u>	<u>SOUTHERN UNION CO.</u>	<u>ATMOS ENERGY</u>	<u>VECTREN CORP.</u>	<u>SEMPRA ENERGY</u>	<u>PIEDMONT NATURAL</u>	<u>UGI CORP.</u>	
Date of Offering	1/25/2002	11/29/2002	2/11/2003	6/5/2003	6/18/2003	8/7/2003	10/8/2003	1/20/2004	3/18/2004	
No. of shares offered (000)	11,000	2,100	5,600	9,500	4,000	6,500	15,000	4,250	7,500	
Dollar amt. of offering (\$000)	\$ 253,000	\$ 50,400	\$ 123,200	\$ 152,000	\$ 101,240	\$ 148,265	\$ 420,000	\$ 180,625	\$ 240,750	
Price to public	\$ 23.000	\$ 24.200	\$ 22.000	\$ 16.000	\$ 25.310	\$ 22.810	\$ 28.000	\$ 42.500	\$ 32.100	
Underwriter's discounts and commission	\$ 0.748	\$ 0.720	\$ 0.770	\$ 0.560	\$ 1.013	\$ 0.798	\$ 0.840	\$ 1.490	\$ 1.404	
Gross Proceeds	\$ 22.252	\$ 23.480	\$ 21.230	\$ 15.440	\$ 24.297	\$ 22.012	\$ 27.160	\$ 41.010	\$ 30.696	
Estimated company issuance expenses	NA	\$ 0.092	\$ 0.045	\$ 0.089	\$ 0.095	\$ 0.046	\$ 0.033	NA	\$ 0.020	
Net proceeds to company per share	\$ 22.252	\$ 23.388	\$ 21.185	\$ 15.351	\$ 24.202	\$ 21.966	\$ 27.127	\$ 41.010	\$ 30.676	
Underwriter's discount as a percent of offering price	3.3%	3.0%	3.5%	3.5%	4.0%	3.5%	3.0%	3.5%	4.4%	
Issuance expense as a percent of offering price	NA	0.4%	0.2%	0.6%	0.4%	0.2%	0.1%	NA	0.1%	
Total Issuance and selling expense as a percent of offering price	3.3%	3.4%	3.7%	4.1%	4.4%	3.7%	3.1%	3.5%	4.5%	
	<u>NORTHWEST NATURAL</u>	<u>LACLEDE GROUP</u>	<u>SOUTHERN UNION CO.</u>	<u>AQUILA</u>	<u>ATMOS ENERGY</u>	<u>AGL RESOURCES</u>	<u>SOUTHERN UNION CO.</u>	<u>SEMCO Energy</u>	<u>Chesapeake Utilities</u>	
Date of Offering	3/30/2004	5/6/2004	7/26/2004	8/18/2004	10/21/2004	11/19/2004	2/7/2005	8/9/2005	11/15/2006	
No. of shares offered (000)	1,200	1,500	11,000	40,000	14,000	9,600	14,913	4,300	600.3	
Dollar amt. of offering (\$000)	\$ 37,200	\$ 40,200	\$ 206,250	\$ 102,000	\$ 346,500	\$ 297,696	\$ 342,999	\$ 27,176	\$ 18,069	
Price to public	\$ 31.000	\$ 26.800	\$ 18.750	\$ 2.550	\$ 24.750	\$ 31.010	\$ 23.000	\$ 6.320	\$ 30.100	
Underwriter's discounts and commission	\$ 1.010	\$ 0.871	\$ 0.656	\$ 0.099	\$ 0.990	\$ 0.930	\$ 0.700	\$ 0.253	\$ 1.125	
Gross Proceeds	\$ 29.990	\$ 25.929	\$ 18.094	\$ 2.451	\$ 23.760	\$ 30.080	\$ 22.300	\$ 6.067	\$ 28.975	
Estimated company issuance expenses	\$ 0.146	\$ 0.067	\$ 0.091	NA	NA	\$ 0.042	\$ 0.067	\$ 0.070	\$ 0.375	
Net proceeds to company per share	\$ 29.844	\$ 25.862	\$ 18.003	\$ 2.451	\$ 23.760	\$ 30.038	\$ 22.233	\$ 5.997	\$ 28.600	
									Average	
Underwriter's discount as a percent of offering price	3.3%	3.3%	3.5%	3.9%	4.0%	3.0%	3.0%	4.0%	3.7%	3.5%
Issuance expense as a percent of offering price	0.5%	0.3%	0.5%	NA	NA	0.1%	0.3%	1.1%	1.2%	0.4%
Total Issuance and selling expense as a percent of offering price	3.8%	3.6%	4.0%	3.9%	4.0%	3.1%	3.3%	5.1%	4.9%	3.9%

Source of Information: Public Utility Financial Tracker

PNGTS Return on Equity Calculation

Six-months ended January 2008

<u>Pipeline Group</u>	<u>Six Month Div. Yield</u>	<u>IBES Growth Rate</u>	<u>GDP Growth Rate</u>	<u>IBES 90% Weighted</u>	<u>GDP 10% Weighted</u>	<u>Combined Growth Rate</u>	<u>Adjusted Dividend Yield</u>	<u>DCF Return</u>
Boardwalk Pipeline Partners, L.P.	5.67%	9.50%	4.58%	8.55%	0.46%	9.01%	5.93%	14.94%
El Paso Corporation	0.96%	10.60%	4.58%	9.54%	0.46%	10.00%	1.01%	11.01%
El Paso Pipeline Partners, L.P.		12.00%	4.58%	10.80%	0.46%	11.26%		
Enbridge Energy Partners, L.P.	7.38%	5.00%	4.58%	4.50%	0.46%	4.96%	7.56%	12.52%
Energy Transfer Partners, L.P.	6.92%	7.00%	4.58%	6.30%	0.46%	6.76%	7.15%	13.91%
Enterprise Products Partners, L.	6.39%	7.58%	4.58%	6.82%	0.46%	7.28%	6.62%	13.90%
Kinder Morgan Energy Partners, ONEOK Partners, L.P.	6.79%	7.60%	4.58%	6.84%	0.46%	7.30%	7.04%	14.34%
ONEOK Partners, L.P.	6.54%	6.00%	4.58%	5.40%	0.46%	5.86%	6.73%	12.59%
Southern Union Co.	1.57%	8.53%	4.58%	7.68%	0.46%	8.14%	1.63%	9.77%
Spectra Energy Corp.	3.60%	6.03%	4.58%	5.43%	0.46%	5.89%	3.71%	9.60%
Spectra Energy Partners	4.76%	10.67%	4.58%	9.60%	0.46%	10.06%	5.00%	15.06%
TC Pipelines, L.P.	7.23%	5.00%	4.58%	4.50%	0.46%	4.96%	7.41%	12.37%
Williams (The) Companies	1.19%	17.00%	4.58%	15.30%	0.46%	15.76%	1.28%	17.04%
Williams Partners L.P.	5.38%	11.67%	4.58%	10.50%	0.46%	10.96%	5.67%	16.63%

	<u>Amount Distribution</u>	<u>Weights for Average</u>	<u>Weighted Average</u>	<u>Weights for Median</u>	<u>Weighted Median</u>
Boardwalk Pipeline Partners, L.P.	\$ 209,250,000	4.59%	0.69%	3	14.94%
El Paso Corporation	\$ 112,077,760	2.46%	0.27%	2	11.01%
El Paso Pipeline Partners, L.P.					
Enbridge Energy Partners, L.P.	\$ 342,832,200	7.52%	0.94%	5	12.52%
Energy Transfer Partners, L.P.	\$ 642,690,000	14.10%	1.96%	9	13.91%
Enterprise Products Partners, L.P.	\$ 869,474,000	19.07%	2.65%	12	13.90%
Kinder Morgan Energy Partners, L.P.	\$ 881,647,040	19.34%	2.77%	12	14.34%
ONEOK Partners, L.P.	\$ 339,853,100	7.46%	0.94%	5	12.59%
Southern Union Co.	\$ 72,019,800	1.58%	0.15%	1	9.77%
Spectra Energy Corp.	\$ 581,714,160	12.76%	1.22%	8	9.60%
Spectra Energy Partners	\$ 86,563,840	1.90%	0.29%	1	15.06%
TC Pipelines, L.P.	\$ 92,716,960	2.03%	0.25%	1	12.37%
Williams (The) Companies	\$ 237,410,800	5.21%	0.89%	3	17.04%
Williams Partners L.P.	\$ 90,525,700	1.99%	0.33%	1	16.63%
Weighted Average		100.00%	13.35%		
Weighted Median				63	13.90%

Energy Information Administration ("EIA") Table A19

Real Gross Domestic Product

<u>Year</u>	<u>EIA</u>	
2011	\$13,175	
2030	\$22,494	2.86%

GDP Chain-Type Price Index

<u>Year</u>	<u>EIA</u>	
2011	1.276	
2030	1.815	1.87%

GDP Growth

4.78%

Global Insight

<u>Year</u>	<u>GI</u>	
2011	\$16,886.6	
2036	\$50,589.7	4.49%

Social Security Administration("SSA") Table VI.F.4

<u>Year</u>	<u>SSA</u>	
2011	\$16,937	
2056	\$120,841	4.46%

Average

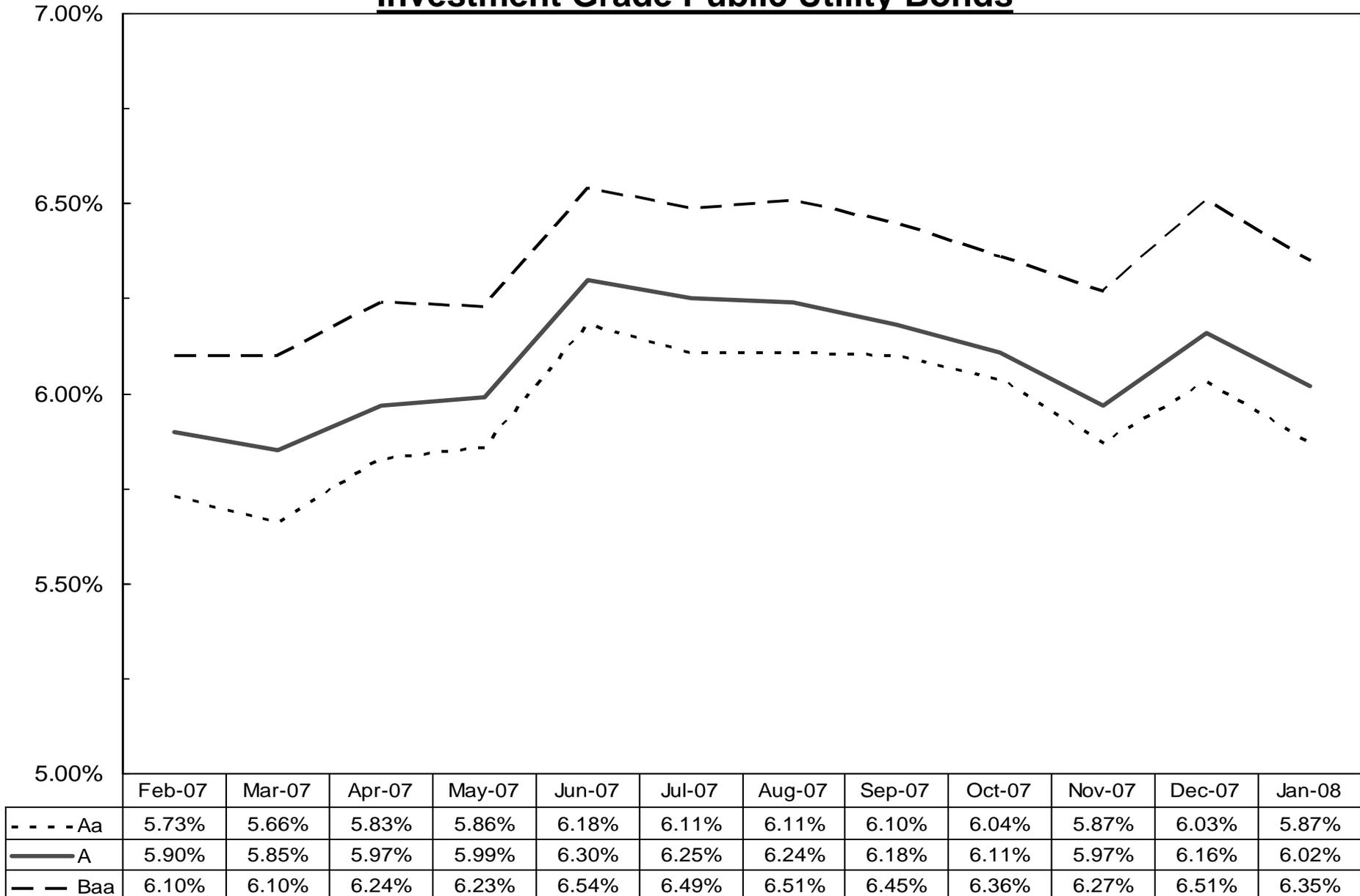
4.58%

Yield Calculations

Schedule 9 [2 of 2]

Ticker	Company	Mo/Yr	Price			Indicated Dividend Rate	Dividend Yield	Average Dividend Yield
			High	Low	Average			
BWP	Boardwalk Pipeline Partners, L	Aug-07	\$ 36.99	\$ 28.80	\$ 32.895	\$1.76	5.35%	5.67%
		Sep-07	\$ 33.93	\$ 30.50	\$ 32.215	\$1.76	5.46%	
		Oct-07	\$ 33.33	\$ 29.76	\$ 31.545	\$1.80	5.71%	
		Nov-07	\$ 32.53	\$ 30.38	\$ 31.455	\$1.80	5.72%	
		Dec-07	\$ 32.25	\$ 30.00	\$ 31.125	\$1.80	5.78%	
Jan-08	\$ 32.25	\$ 27.96	\$ 30.105	\$1.80	5.98%			
EP	El Paso Corporation	Aug-07	\$ 17.51	\$ 15.00	\$ 16.255	\$0.16	0.98%	0.96%
		Sep-07	\$ 17.58	\$ 15.49	\$ 16.535	\$0.16	0.97%	
		Oct-07	\$ 17.79	\$ 16.45	\$ 17.120	\$0.16	0.93%	
		Nov-07	\$ 18.37	\$ 15.29	\$ 16.830	\$0.16	0.95%	
		Dec-07	\$ 17.72	\$ 15.83	\$ 16.775	\$0.16	0.95%	
Jan-08	\$ 18.27	\$ 15.32	\$ 16.795	\$0.16	0.95%			
EPB	El Paso Pipeline Partners, L.P.	Aug-07						2.22%
		Sep-07						
		Oct-07						
		Nov-07	\$ 23.50	\$ 21.85	\$ 22.675	\$0.51		
Dec-07	\$ 25.65	\$ 21.55	\$ 23.600	\$0.51	2.17%			
Jan-08	\$ 25.00	\$ 20.11	\$ 22.555	\$0.51	2.27%			
EEP	Enbridge Energy Partners, L.P.	Aug-07	\$ 56.08	\$ 48.27	\$ 52.175	\$3.70	7.09%	7.38%
		Sep-07	\$ 52.00	\$ 48.38	\$ 50.190	\$3.70	7.37%	
		Oct-07	\$ 53.59	\$ 48.71	\$ 51.150	\$3.80	7.43%	
		Nov-07	\$ 54.16	\$ 50.50	\$ 52.330	\$3.80	7.26%	
		Dec-07	\$ 52.16	\$ 49.00	\$ 50.580	\$3.80	7.51%	
Jan-08	\$ 52.00	\$ 47.50	\$ 49.750	\$3.80	7.64%			
ETP	Energy Transfer Partners, L.P.	Aug-07	\$ 55.32	\$ 40.50	\$ 47.910	\$3.225	6.73%	6.92%
		Sep-07	\$ 53.94	\$ 47.68	\$ 50.810	\$3.30	6.49%	
		Oct-07	\$ 55.87	\$ 47.62	\$ 51.745	\$3.30	6.38%	
		Nov-07	\$ 55.77	\$ 49.17	\$ 52.470	\$3.30	6.29%	
		Dec-07	\$ 54.18	\$ 48.25	\$ 51.215	\$3.30	6.44%	
Jan-08	\$ 54.56	\$ 43.58	\$ 49.070	\$4.50	9.17%			
EPD	Enterprise Products Partners, L	Aug-07	\$ 31.69	\$ 26.14	\$ 28.915	\$1.93	6.67%	6.39%
		Sep-07	\$ 32.19	\$ 29.45	\$ 30.820	\$1.93	6.26%	
		Oct-07	\$ 32.32	\$ 30.14	\$ 31.230	\$1.96	6.28%	
		Nov-07	\$ 32.45	\$ 30.72	\$ 31.585	\$1.96	6.21%	
		Dec-07	\$ 31.88	\$ 29.92	\$ 30.900	\$1.96	6.34%	
Jan-08	\$ 32.63	\$ 28.35	\$ 30.490	\$2.00	6.56%			
KMP	Kinder Morgan Energy Partners	Aug-07	\$ 53.29	\$ 46.61	\$ 49.950	\$3.40	6.81%	6.79%
		Sep-07	\$ 51.35	\$ 49.40	\$ 50.375	\$3.40	6.75%	
		Oct-07	\$ 54.00	\$ 48.51	\$ 51.255	\$3.52	6.87%	
		Nov-07	\$ 52.47	\$ 49.24	\$ 50.855	\$3.52	6.92%	
		Dec-07	\$ 54.71	\$ 50.02	\$ 52.365	\$3.52	6.72%	
Jan-08	\$ 57.99	\$ 52.76	\$ 55.375	\$3.68	6.65%			
OKS	ONEOK Partners, L.P.	Aug-07	\$ 68.99	\$ 56.00	\$ 62.495	\$4.00	6.40%	6.54%
		Sep-07	\$ 65.00	\$ 59.33	\$ 62.165	\$4.00	6.43%	
		Oct-07	\$ 65.44	\$ 58.72	\$ 62.080	\$4.04	6.51%	
		Nov-07	\$ 65.91	\$ 59.41	\$ 62.660	\$4.04	6.45%	
		Dec-07	\$ 62.78	\$ 58.30	\$ 60.540	\$4.04	6.67%	
Jan-08	\$ 64.44	\$ 57.00	\$ 60.720	\$4.10	6.75%			
SUG	Southern Union Co.	Aug-07	\$ 31.65	\$ 27.20	\$ 29.425	\$0.40	1.36%	1.57%
		Sep-07	\$ 32.13	\$ 29.11	\$ 30.620	\$0.40	1.31%	
		Oct-07	\$ 32.53	\$ 30.13	\$ 31.330	\$0.40	1.28%	
		Nov-07	\$ 33.01	\$ 28.82	\$ 30.915	\$0.40	1.29%	
		Dec-07	\$ 30.54	\$ 28.46	\$ 29.500	\$0.60	2.03%	
Jan-08	\$ 29.77	\$ 25.50	\$ 27.635	\$0.60	2.17%			
SE	Spectra Energy Corp.	Aug-07	\$ 25.78	\$ 21.24	\$ 23.510	\$0.88	3.74%	3.60%
		Sep-07	\$ 26.39	\$ 23.01	\$ 24.700	\$0.88	3.56%	
		Oct-07	\$ 26.22	\$ 24.55	\$ 25.385	\$0.88	3.47%	
		Nov-07	\$ 26.34	\$ 23.98	\$ 25.160	\$0.88	3.50%	
		Dec-07	\$ 26.18	\$ 24.26	\$ 25.220	\$0.88	3.49%	
Jan-08	\$ 26.26	\$ 21.41	\$ 23.835	\$0.92	3.86%			
SEP	Spectra Energy Partners	Aug-07	\$ 29.25	\$ 24.65	\$ 26.950	\$1.20	4.45%	4.76%
		Sep-07	\$ 28.69	\$ 26.02	\$ 27.355	\$1.20	4.39%	
		Oct-07	\$ 26.68	\$ 23.95	\$ 25.315	\$1.20	4.74%	
		Nov-07	\$ 26.73	\$ 24.62	\$ 25.675	\$1.20	4.67%	
		Dec-07	\$ 25.41	\$ 23.70	\$ 24.555	\$1.20	4.89%	
Jan-08	\$ 25.94	\$ 21.17	\$ 23.555	\$1.28	5.43%			
TCLP	TC Pipelines, L.P.	Aug-07	\$ 40.00	\$ 32.71	\$ 36.355	\$2.62	7.21%	7.23%
		Sep-07	\$ 38.99	\$ 35.13	\$ 37.060	\$2.62	7.07%	
		Oct-07	\$ 37.54	\$ 35.15	\$ 36.345	\$2.64	7.26%	
		Nov-07	\$ 37.30	\$ 35.34	\$ 36.320	\$2.64	7.27%	
		Dec-07	\$ 37.55	\$ 35.89	\$ 36.720	\$2.64	7.19%	
Jan-08	\$ 37.65	\$ 34.25	\$ 35.950	\$2.66	7.40%			
WMB	Williams (The) Companies	Aug-07	\$ 34.25	\$ 29.16	\$ 31.705	\$0.40	1.26%	1.19%
		Sep-07	\$ 36.25	\$ 31.00	\$ 33.625	\$0.40	1.19%	
		Oct-07	\$ 36.94	\$ 33.10	\$ 35.020	\$0.40	1.14%	
		Nov-07	\$ 37.74	\$ 33.07	\$ 35.405	\$0.40	1.13%	
		Dec-07	\$ 36.64	\$ 34.00	\$ 35.320	\$0.40	1.13%	
Jan-08	\$ 36.88	\$ 26.82	\$ 31.850	\$0.40	1.26%			
WPZ	Williams Partners L.P.	Aug-07	\$ 49.09	\$ 39.50	\$ 44.295	\$2.10	4.74%	5.38%
		Sep-07	\$ 44.73	\$ 39.86	\$ 42.295	\$2.10	4.97%	
		Oct-07	\$ 45.79	\$ 38.78	\$ 42.285	\$2.20	5.20%	
		Nov-07	\$ 45.55	\$ 37.10	\$ 41.325	\$2.20	5.32%	
		Dec-07	\$ 41.74	\$ 36.60	\$ 39.170	\$2.20	5.62%	
Jan-08	\$ 39.31	\$ 32.09	\$ 35.700	\$2.30	6.44%			

Interest Rates for Investment Grade Public Utility Bonds

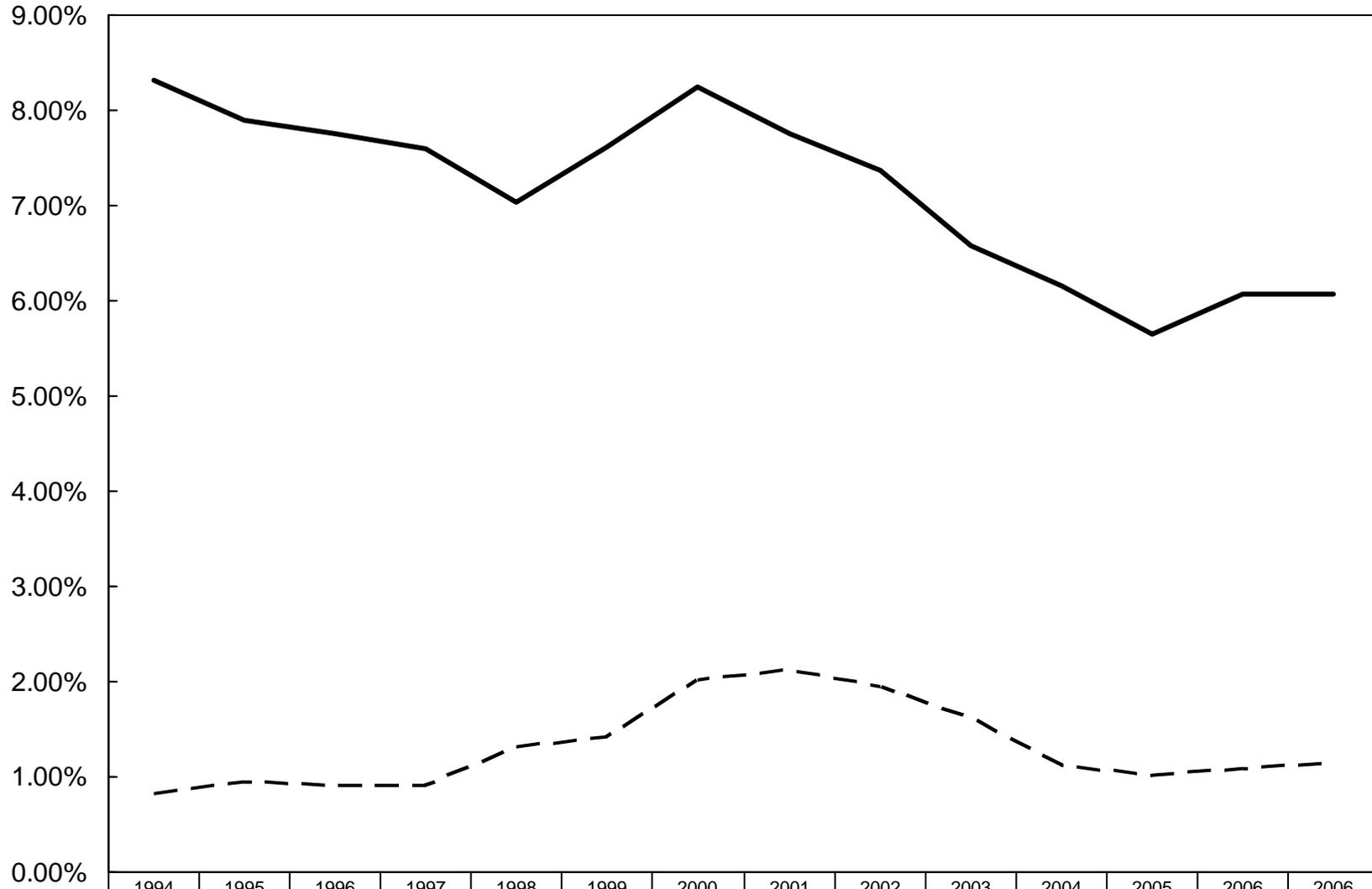


Schedule 10 [2 of 5]

**Interest Rates for Investment Grade Public Utility Bonds
Yearly for 2001-2006
and the Twelve Months Ended January 2008**

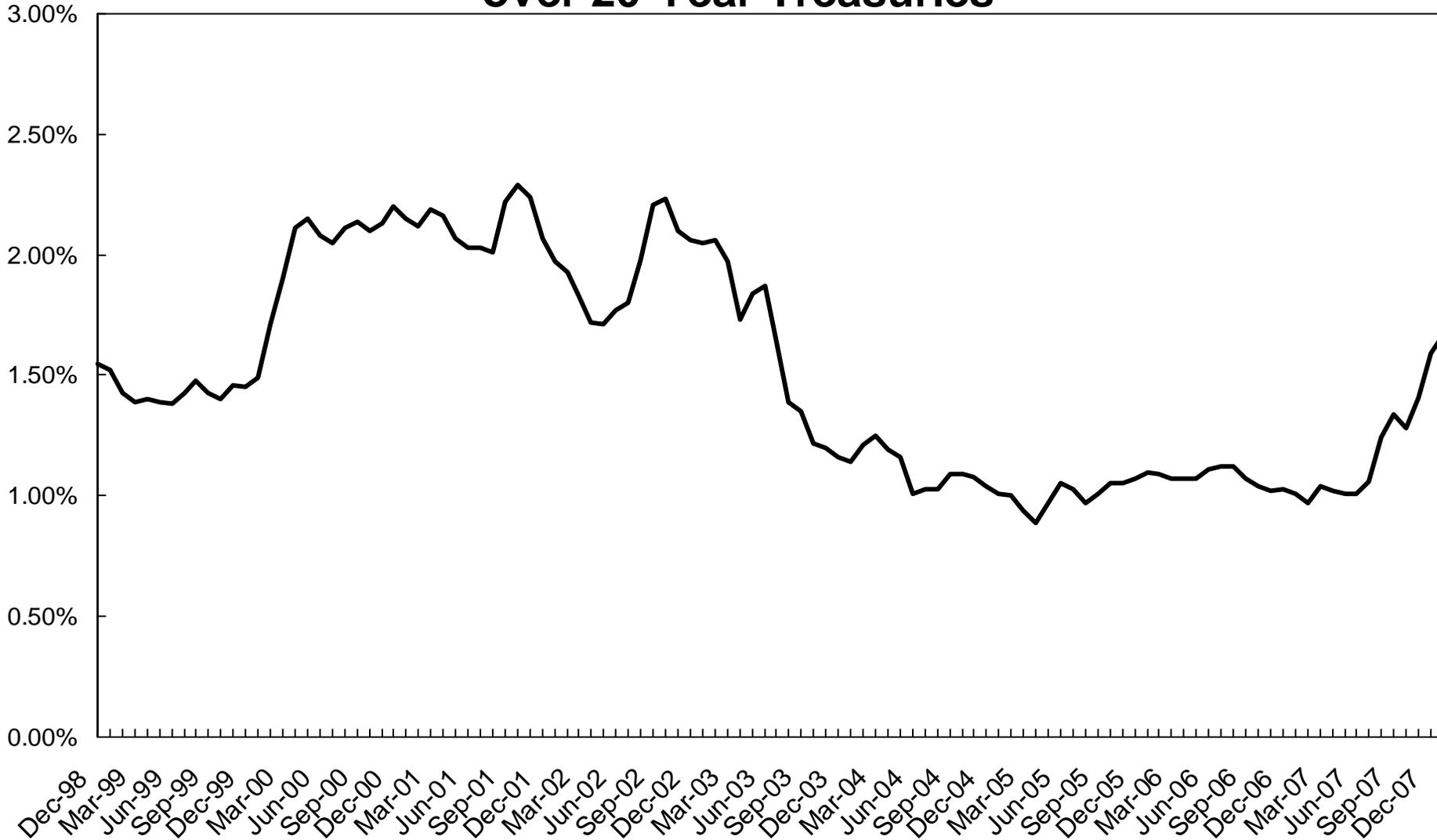
<u>Years</u>	<u>Aa Rated</u>	<u>A Rated</u>	<u>Baa Rated</u>	<u>Average</u>
2002	7.19%	7.37%	8.02%	7.53%
2003	6.40%	6.58%	6.84%	6.61%
2004	6.04%	6.16%	6.40%	6.20%
2005	5.44%	5.65%	5.93%	5.67%
2006	5.84%	6.07%	6.32%	6.08%
Five-Year Average	<u>6.18%</u>	<u>6.37%</u>	<u>6.70%</u>	<u>6.42%</u>
2007	5.94%	6.07%	6.33%	6.11%
<u>Months</u>				
Feb-07	5.73%	5.90%	6.10%	5.91%
Mar-07	5.66%	5.85%	6.10%	5.87%
Apr-07	5.83%	5.97%	6.24%	6.01%
May-07	5.86%	5.99%	6.23%	6.03%
Jun-07	6.18%	6.30%	6.54%	6.34%
Jul-07	6.11%	6.25%	6.49%	6.28%
Aug-07	6.11%	6.24%	6.51%	6.28%
Sep-07	6.10%	6.18%	6.45%	6.24%
Oct-07	6.04%	6.11%	6.36%	6.17%
Nov-07	5.87%	5.97%	6.27%	6.04%
Dec-07	6.03%	6.16%	6.51%	6.23%
Jan-08	5.87%	6.02%	6.35%	6.08%
Twelve-Month Average	<u>5.95%</u>	<u>6.08%</u>	<u>6.35%</u>	<u>6.12%</u>
Six-Month Average	<u>6.00%</u>	<u>6.11%</u>	<u>6.41%</u>	<u>6.17%</u>
Three-Month Average	<u>5.92%</u>	<u>6.05%</u>	<u>6.38%</u>	<u>6.12%</u>

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



— 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%	5.65%	6.07%	6.07%
- - Spread vs. 20-year	0.82%	0.94%	0.92%	0.91%	1.32%	1.42%	2.01%	2.13%	1.94%	1.62%	1.12%	1.01%	1.08%	1.16%

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



A rated Public Utility Bonds
over 20-Year Treasuries

Schedule 10 [5 of 5]

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%
Jul-05	5.51%	4.48%	1.03%
Aug-05	5.50%	4.53%	0.97%
Sep-05	5.52%	4.51%	1.01%
Oct-05	5.79%	4.74%	1.05%
Nov-05	5.88%	4.83%	1.05%
Dec-05	5.80%	4.73%	1.07%
Jan-06	5.75%	4.65%	1.10%
Feb-06	5.82%	4.73%	1.09%
Mar-06	5.98%	4.91%	1.07%
Apr-06	6.29%	5.22%	1.07%
May-06	6.42%	5.35%	1.07%
Jun-06	6.40%	5.29%	1.11%
Jul-06	6.37%	5.25%	1.12%
Aug-06	6.20%	5.08%	1.12%
Sep-06	6.00%	4.93%	1.07%
Oct-06	5.98%	4.94%	1.04%
Nov-06	5.80%	4.78%	1.02%
Dec-06	5.81%	4.78%	1.03%
Jan-07	5.96%	4.95%	1.01%
Feb-07	5.90%	4.93%	0.97%
Mar-07	5.85%	4.81%	1.04%
Apr-07	5.97%	4.95%	1.02%
May-07	5.99%	4.98%	1.01%
Jun-07	6.30%	5.29%	1.01%
Jul-07	6.25%	5.19%	1.06%
Aug-07	6.24%	5.00%	1.24%
Sep-07	6.18%	4.84%	1.34%
Oct-07	6.11%	4.83%	1.28%
Nov-07	5.97%	4.56%	1.41%
Dec-07	6.16%	4.57%	1.59%
Jan-08	6.02%	4.35%	1.67%

Schedule 11 [1 of 2]

S&P Composite Index and S&P Public Utility Index
Long-Term Corporate and Public Utility Bonds
Yearly Total Returns
1928-2006

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%
2005	4.91%	16.79%	5.87%	3.02%
2006	15.80%	20.95%	3.24%	3.94%
Geometric Mean	10.10%	8.80%	5.85%	5.45%
Arithmetic Mean	12.03%	11.14%	6.17%	5.73%
Standard Deviation	20.13%	22.55%	8.57%	7.89%
Median	14.31%	11.74%	4.14%	4.45%

**Tabulation of Risk Rate Differentials for
S&P Public Utility Index and Public Utility Bonds
For the Years 1928-2006, 1952-2006, 1974-2006, and 1979-2006**

<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>1928-2006</u>					
S&P Public Utility Index	8.80%	11.74%		11.14%	
Public Utility Bonds	<u>5.45%</u>	<u>4.45%</u>		<u>5.73%</u>	
Risk Differential	<u>3.35%</u>	<u>7.29%</u>	<u>5.32%</u>	<u>5.41%</u>	<u>5.37%</u>
<u>1952-2006</u>					
S&P Public Utility Index	10.99%	13.58%		12.53%	
Public Utility Bonds	<u>6.17%</u>	<u>4.94%</u>		<u>6.47%</u>	
Risk Differential	<u>4.82%</u>	<u>8.64%</u>	<u>6.73%</u>	<u>6.06%</u>	<u>6.40%</u>
<u>1974-2006</u>					
S&P Public Utility Index	12.79%	15.08%		14.77%	
Public Utility Bonds	<u>8.55%</u>	<u>8.65%</u>		<u>8.90%</u>	
Risk Differential	<u>4.24%</u>	<u>6.43%</u>	<u>5.34%</u>	<u>5.87%</u>	<u>5.61%</u>
<u>1979-2006</u>					
S&P Public Utility Index	13.42%	15.94%		15.27%	
Public Utility Bonds	<u>8.96%</u>	<u>9.05%</u>		<u>9.29%</u>	
Risk Differential	<u>4.46%</u>	<u>6.89%</u>	<u>5.68%</u>	<u>5.98%</u>	<u>5.83%</u>

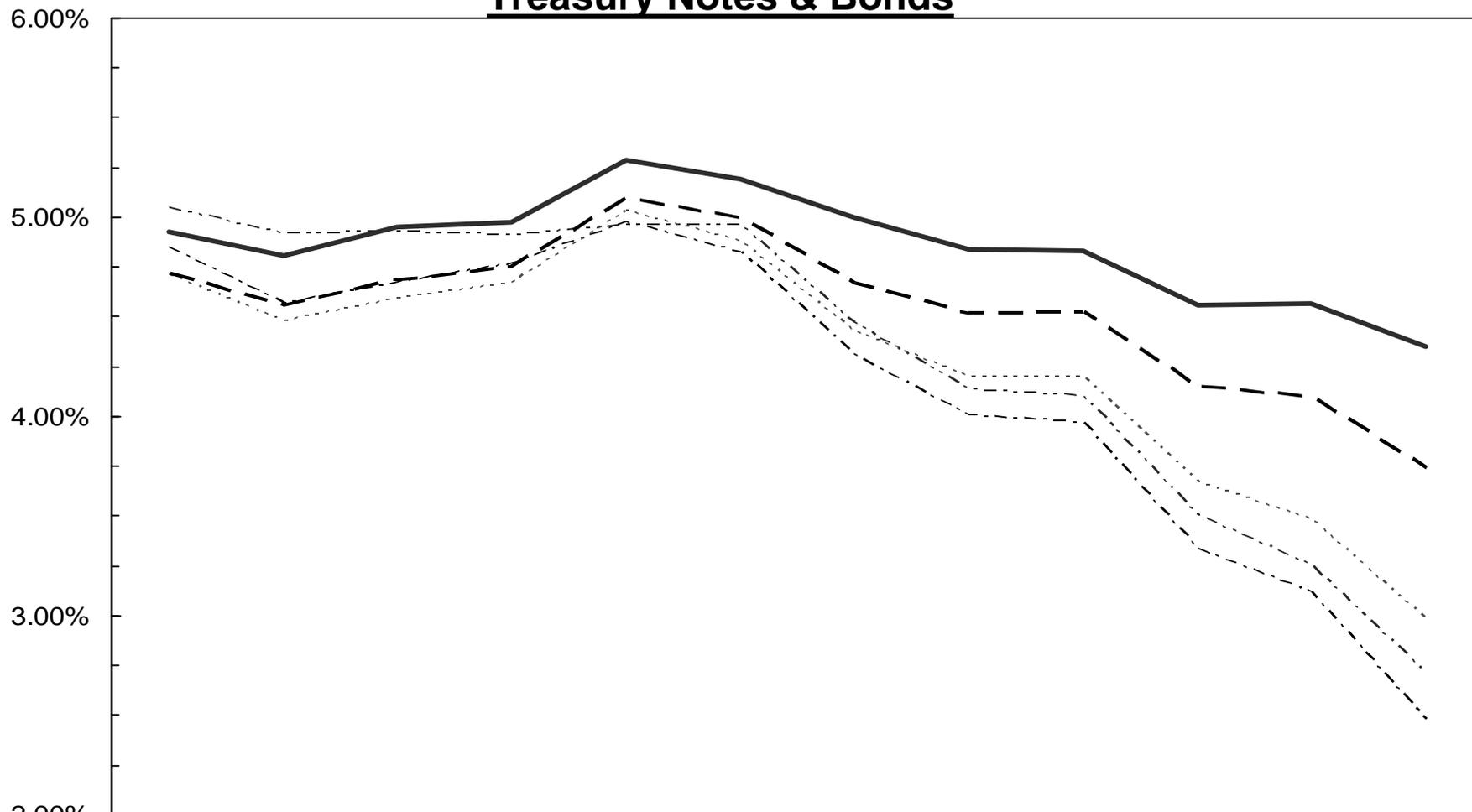
Schedule 12 [1 of 6]

Value Line Betas

<u>Pipeline Group</u>	<u>Beta</u>
Boardwalk Pipeline Partners, L.P.	NMF
El Paso Corp.	1.80
Enbridge Energy Partners LP	0.60
Energy Transfer Partners, L.P.	NMF
Enterprise Products Partners, LP	0.55
Kinder Morgan Energy Partners LP	0.65
Southern Union Co.	1.00
Spectra Energy Corp.	NMF
ONEOK Partners, L.P.	0.65
TC PipeLines, LP	0.55
Williams Companies	1.35
Williams Partners L.P.	0.60
Average	<u><u>0.86</u></u>

Source of Information:
Value Line Investment Survey
December 14, 2007
February 15, 2008

Yields on Treasury Notes & Bonds



	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08
----- 1-Year	5.05%	4.92%	4.93%	4.91%	4.96%	4.96%	4.47%	4.14%	4.10%	3.50%	3.26%	2.71%
----- 2-Year	4.85%	4.57%	4.67%	4.77%	4.98%	4.82%	4.31%	4.01%	3.97%	3.34%	3.12%	2.48%
----- 5-Year	4.71%	4.48%	4.59%	4.67%	5.03%	4.88%	4.43%	4.20%	4.20%	3.67%	3.49%	2.98%
- - - - 10-Year	4.72%	4.56%	4.69%	4.75%	5.10%	5.00%	4.67%	4.52%	4.53%	4.15%	4.10%	3.74%
———— 20-Year	4.93%	4.81%	4.95%	4.98%	5.29%	5.19%	5.00%	4.84%	4.83%	4.56%	4.57%	4.35%

**Yields for Treasury Constant Maturities
Yearly for 2002-2006 and 2007
and the Twelve Months Ended January 2008**

<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>
2002	2.00%	2.64%	3.10%	3.82%	4.30%	4.61%	5.43%
2003	1.24%	1.65%	2.10%	2.97%	3.52%	4.02%	4.96%
2004	1.89%	2.38%	2.78%	3.43%	3.87%	4.27%	5.04%
2005	3.62%	3.85%	3.93%	4.05%	4.15%	4.29%	4.64%
2006	4.93%	4.82%	4.77%	4.75%	4.76%	4.79%	4.99%
Five-Year Average	<u>2.74%</u>	<u>3.07%</u>	<u>3.34%</u>	<u>3.80%</u>	<u>4.12%</u>	<u>4.40%</u>	<u>5.01%</u>
2007	4.52%	4.36%	4.34%	4.43%	4.50%	4.63%	4.91%
<u>Months</u>							
Feb-07	5.05%	4.85%	4.75%	4.71%	4.71%	4.72%	4.93%
Mar-07	4.92%	4.57%	4.51%	4.48%	4.50%	4.56%	4.81%
Apr-07	4.93%	4.67%	4.60%	4.59%	4.62%	4.69%	4.95%
May-07	4.91%	4.77%	4.69%	4.67%	4.69%	4.75%	4.98%
Jun-07	4.96%	4.98%	5.00%	5.03%	5.05%	5.10%	5.29%
Jul-07	4.96%	4.82%	4.82%	4.88%	4.93%	5.00%	5.19%
Aug-07	4.47%	4.31%	4.34%	4.43%	4.53%	4.67%	5.00%
Sep-07	4.14%	4.01%	4.06%	4.20%	4.33%	4.52%	4.84%
Oct-07	4.10%	3.97%	4.01%	4.20%	4.33%	4.53%	4.83%
Nov-07	3.50%	3.34%	3.35%	3.67%	3.87%	4.15%	4.56%
Dec-07	3.26%	3.12%	3.13%	3.49%	3.74%	4.10%	4.57%
Jan-08	2.71%	2.48%	2.51%	2.98%	3.31%	3.74%	4.35%
Twelve-Month Average	<u>4.33%</u>	<u>4.16%</u>	<u>4.15%</u>	<u>4.28%</u>	<u>4.38%</u>	<u>4.54%</u>	<u>4.86%</u>
Six-Month Average	<u>3.70%</u>	<u>3.54%</u>	<u>3.57%</u>	<u>3.83%</u>	<u>4.02%</u>	<u>4.29%</u>	<u>4.69%</u>
Three-Month Average	<u>3.16%</u>	<u>2.98%</u>	<u>3.00%</u>	<u>3.38%</u>	<u>3.64%</u>	<u>4.00%</u>	<u>4.49%</u>

Source: Federal Reserve statistical release H.15

Schedule 12 [4 of 6]

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 February 1, 2008

<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>30-Year Treasury Bond</u>
2008	First	2.5%	2.4%	2.9%	3.6%	4.2%
2008	Second	2.3%	2.3%	2.8%	3.5%	4.1%
2008	Third	2.4%	2.4%	2.9%	3.6%	4.2%
2008	Fourth	2.5%	2.6%	3.1%	3.8%	4.3%
2009	First	2.8%	2.9%	3.3%	4.0%	4.5%
2009	Second	3.2%	3.2%	3.6%	4.1%	4.6%

February 8, 2008

TABLE OF SUMMARY & INDEX CONTENTS

**Summary & Index
Page Number**

Industries, in alphabetical order	1
Stocks, in alphabetical order	2-23
Noteworthy Rank Changes	24-25

SCREENS

Industries, in order of Timeliness Rank	24	Stocks with Lowest P/Es	35
Timely Stocks in Timely Industries	26	Stocks with Highest P/Es	35
Timely Stocks (1 & 2 for Performance)	27-29	Stocks with Highest Annual Total Returns	36
Conservative Stocks (1 & 2 for Safety)	30-31	Stocks with Highest 3- to 5-year Dividend Yield	36
Highest Dividend Yielding Stocks	32	High Returns Earned on Total Capital	37
Stocks with Highest 3- to 5-year Price Potential	32	Bargain Basement Stocks	37
Biggest "Free Flow" Cash Generators	33	Untimely Stocks (5 for Performance)	38
Best Performing Stocks last 13 Weeks	33	Highest Dividend Yielding Non-utility Stocks	38
Worst Performing Stocks last 13 Weeks	33	Highest Growth Stocks	39
Widest Discounts from Book Value	34		

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

16.0

26 Weeks	Market Low	Market High
Ago	10-9-02	7-13-07
18.5	14.1	19.7

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

2.1%

26 Weeks	Market Low	Market High
Ago	10-9-02	7-13-07
1.7%	2.4%	1.6%

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

65%

26 Weeks	Market Low	Market High
Ago	10-9-02	7-13-07
45%	115%	35%

ANALYSES OF INDUSTRIES IN ALPHABETICAL ORDER WITH PAGE NUMBER

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

PAGE		PAGE		PAGE		PAGE	
Advertising (62)	1914	Electric Util. (Central) (64)	695	Investment Co. (24)	947	Railroad (40)	281
Aerospace/Defense (3)	543	Electric Utility (East) (67)	154	Investment Co. (Foreign) (53)	359	R.E.I.T. (85)	1172
Air Transport (63)	253	*Electric Utility (West) (71)	1776	Machinery (25)	1331	Recreation (84)	1841
*Apparel (80)	1651	Electronics (30)	1020	Manuf. Housing/RV (78)	1548	Reinsurance (13)	1606
Auto & Truck (59)	101	Entertainment (76)	1859	Maritime (77)	275	Restaurant (82)	290
Auto Parts (61)	782	Entertainment Tech (44)	1588	Medical Services (9)	623	*Retail Automotive (79)	1668
Bank (89)	1615, 2101	Environmental (5)	347	Medical Supplies (14)	176	Retail Building Supply (91)	875
Bank (Canadian) (75)	1564	Financial Svcs. (Div.) (73)	2127	Metal Fabricating (26)	564	*Retail (Special Lines) (86)	1708
Bank (Midwest) (87)	606	Food Processing (57)	1481	Metals & Mining (Div.) (41)	1222	*Retail Store (94)	1678
Beverage (17)	1531	Food Wholesalers (10)	1525	Natural Gas Utility (74)	445	Securities Brokerage (23)	1429
Biotechnology (29)	658	Foreign Electronics (36)	1556	Natural Gas (Div.) (51)	429	Semiconductor (19)	1047
Building Materials (90)	845	Furn/Home Furnishings (81)	883	Newspaper (92)	1901	Semiconductor Equip (54)	1084
Cable TV (70)	812	Grocery (37)	1516	Office Equip/Supplies (60)	1127	*Shoe (83)	1696
Canadian Energy (20)	416	Healthcare Information (22)	650	Oil/Gas Distribution (66)	520	Steel (General) (72)	574
Chemical (Basic) (2)	1232	Heavy Construction (6)	979	Oilfield Svcs/Equip. (4)	1934	Steel (Integrated) (96)	1419
Chemical (Diversified) (35)	1959	Home Appliance (-)	114	Packaging & Container (48)	912	Telecom. Equipment (16)	747
Chemical (Specialty) (42)	458	Homebuilding (97)	861	Paper/Forest Products (65)	900	Telecom. Services (55)	717
Coal (18)	510	Hotel/Gaming (69)	1875	Petroleum (Integrated) (47)	397	Thrift (95)	1161
Computers/Peripherals (7)	1100	Household Products (50)	930	Petroleum (Producing) (21)	1924	Tobacco (49)	1571
Computer Software/Svcs (11)	2176	Human Resources (58)	1292	Pharmacy Services (39)	773	Toiletries/Cosmetics (52)	802
Diversified Co. (33)	1381	Industrial Services (43)	322	Power (46)	960	Trucking (93)	266
Drug (12)	1243	Information Services (38)	373	Precious Metals (28)	1212	Water Utility (88)	1424
E-Commerce (32)	1445	Insurance (Life) (45)	1197	Precision Instrument (31)	120	Wireless Networking (34)	490
Educational Services (1)	1577	Insurance (Prop/Cas.) (56)	583	Property Management (68)	820		
Electrical Equipment (15)	1001	Internet (8)	2228	Publishing (27)	1889		

*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 LXIII, No. 24.
Published weekly by VALUE LINE PUBLISHING, INC. 220 East 42nd Street, New York, N.Y. 10017-5891

Table 7

Schedule 12 [6 of 6]

Basic Series and Portfolios: Summary Statistics of Annual Total Returns in Percent

Asset Class	1/1/26 to 12/31/07		
	Geometric Mean	Arithmetic Mean	Standard Deviation
Large Company Stocks	10.4	12.3	20.0
Small Company Stocks	12.5	17.1	32.6
Long-Term Corporate Bonds	5.9	6.2	8.4
Long-Term Government Bonds	5.5	5.8	9.2
Intermediate-Term Government Bonds	5.3	5.5	5.7
U.S. Treasury Bills	3.7	3.8	3.1
Inflation	3.0	3.1	4.2
90% Stocks/10% Bonds	10.1	11.6	18.0
70% Stocks/30% Bonds	9.3	10.3	14.5
50% Stocks/50% Bonds	8.4	9.0	11.4
30% Stocks/70% Bonds	7.3	7.7	9.3
10% Stocks/90% Bonds	6.1	6.5	8.7

Comparable Earnings Approach						
Using Non-Utility Companies with						
Timeliness of 3 & 4, Safety Rank of 1 & 2, Financial Strength of B+, B++ & A, Technical Rank						
Price Stability of 90 to 100; Betas of .85 to .90, and Technical Rank of 3 & 4						
Company	Industry	Timeliness Rank	Safety Rank	Financial Strength	Price Stability	Beta
Alfas Inc.	INSLIFE	1	1	A	95	0.80
Air Products & Chem.	CHEM/DW	3	2	B++	90	1.00
Alliaghany Corp.	INSRPPTY	3	1	A	100	0.65
Alliant Techsystems	DEFENSE	2	3	B+	80	1.00
Allied Capital Corp.	FINANCL	4	3	B++	80	0.75
Allstate Corp.	INSRPPTY	3	1	A	95	0.95
Amer. Financial Group	INSRPPTY	3	3	B+	90	1.00
Amer. Greetings	PACKAGE	3	3	B+	80	0.70
AmerisourceBergen	MEDSUPPL	4	3	B++	70	0.90
Anadarko Petroleum	CRUPRO	3	2	A	95	0.95
Applied Biosystems	INSTRMNT	2	3	A	70	0.80
AptarGroup	PACKAGE	2	3	B+	85	1.00
Asenc. Banc Corp.	BANKMID	4	2	B++	100	0.90
AutoZone Inc.	RETAULTO	3	3	B	75	0.90
Avery Dennison	CHEMSPEC	3	2	A	90	0.90
BB&T Corp.	BANK	3	1	A	95	0.95
BOK Financial	BANKMID	3	2	B++	100	0.75
Ball Corp.	PACKAGE	3	2	B++	85	0.95
Bank of Hawaii	BANK	3	2	B++	100	0.85
Bank (C.R.)	MEDSUPPL	2	1	A	95	0.70
Beckman Coulter	MEDSUPPL	3	3	B++	80	0.70
Berkley (W.R.)	INSRPPTY	3	3	B+	80	1.00
Bob Evans Farms	RESTRNT	3	3	B++	75	1.00
Brinker Int'l	RESTRNT	4	3	A	70	0.90
Brian Myers Squibb	DRUG	3	2	A	80	1.00
Brown & Broom	FINANCL	3	2	A	80	0.90
CVS Caremark Corp.	DRUGSTOR	2	2	A	80	0.80
Campbell Soup	FOODPROC	3	2	B++	100	0.85
Capital Fed. Finl	THRIFT	4	2	B++	90	0.80
Carlisle Cos.	DIVERSIF	4	2	A	80	1.00
ChicoPoint Inc.	INFOSER	3	3	B+	85	0.80
Church & Dwight	HOUSEPRD	2	1	A	95	0.65
Cincinnati Financial	INSRPPTY	3	2	B++	100	0.85
City National Corp.	BANK	4	2	B++	95	0.85
Clorox Co.	HOUSEPRD	3	2	B++	100	0.60
Coca-Cola Enterprises	BEVERAGE	2	3	B	80	0.80
Cometech Inc.	BANKMID	4	2	A	85	1.00
Commerce Bancshs.	BANKMID	3	1	A	100	0.85
Compass Minerals Intl	CHEMICAL	3	3	B	75	1.00
ConAgra Foods	FOODPROC	3	2	B++	95	0.80
Constellation Brands	BEVERAGE	4	3	B	70	0.85
Cooper Inds.	ELECTR	3	2	A	95	1.00
Corrections Corp. Amer.	PROPRMGMT	2	3	B+	75	0.85
Coston Wholesale	RETAIL	3	2	A	75	0.90
Cullen/Frost Bankers	BANK	3	2	B++	100	0.95
CurtisVright	MACHINE	3	3	B++	75	1.00
DIRECTV Group (The)	CABLETV	3	3	B+	75	1.00
Dalva Inc.	MEDSERV	2	3	B	75	0.85
Danaher Int'l A	INSLIFE	3	3	B+	80	1.00
Danaher Int'l	MEDSUPPL	2	2	B++	90	0.75
Dioxac Corp.	INSTRMNT	3	3	B+	75	0.95
Dun & Bradstreet	INFOSER	3	3	B	85	0.85
Ecolab Inc.	CHEMSPEC	2	1	A	95	0.90
Edwards Lifesciences	MEDSUPPL	4	2	B++	85	0.80
Edwards Inc.	OLGAS	4	2	B+	100	0.60
Engelizer Holdings	HOUSEPRD	3	3	B+	75	0.70
Equifax Inc.	INFOSER	3	2	B++	85	0.95
Erie Indemity Co.	INSRPPTY	3	2	B++	100	0.65
Everest Re Group Ltd.	REINSUR	3	2	A	85	1.00
Federated Investors	FINANCL	2	2	A	85	1.00
Fifth Third Bancorp	BANKMID	4	2	A	85	1.00
First Midwest Bancorp	BANKMID	4	2	B++	95	0.95
FirstMerit Corp.	BANKMID	3	3	B+	85	0.95
Fiserv Inc.	SOFTWARE	3	3	B++	80	1.00
Gallagher (Arthur J.)	FINANCL	3	3	A	90	0.85
Gentl Mills	FOODPROC	3	1	A	100	0.65
Genworth Finl	INSLIFE	4	2	B++	85	1.00
GlaxoSmithKline	FINANCL	3	3	B+	80	0.70
Global Payments	FINANCL	2	3	A	70	0.95
HCC Insurance Hdq.	INSRPPTY	3	3	B+	80	0.85
HNI Corp.	FURNITUR	4	2	A	75	0.85
Harte-Hanks	ADVERT	4	2	B++	90	0.80
Hilbertbrand Inds.	DIVERSIF	4	2	A	85	0.85
Hormel Foods	FOODPROC	3	1	A	95	0.75
Huntington Bancshs.	BANKMID	4	3	B+	95	0.95
IMS Health	H. CHEM	3	2	A	80	1.00
Intl Flavors & Frag.	CHEMSPEC	3	2	B++	95	0.85
Intl Speedway A	RECREATE	3	3	B+	90	0.80
Interactive Data	INFOSER	2	2	B++	95	0.90
Journal Communications	NWSPAPER	4	3	B+	85	0.85
K-Tron Intl	INSTRMNT	2	3	B+	80	0.60
Kellogg	FOODPROC	4	2	B++	100	0.70
Laboratory Corp.	MEDSERV	3	3	B++	80	0.80
Lauder (Estee)	COSMETIC	3	2	A	75	0.80
Lincare Holdings	MEDSERV	2	2	A	70	0.70
Loews Corp.	FINANCL	3	2	A	95	0.95
Librizo Corp.	CHEMSPEC	3	3	B+	90	0.95
Macquarie Infrastructure	INDUSRV	4	3	B+	85	0.65
Magna Intl A	AUTO/OEM	3	2	B++	80	1.00
Market Corp.	INSRPPTY	3	1	A	95	0.80
Marriott Intl	HOTELGAM	3	2	B++	85	1.00
Mattel Inc.	RECREATE	3	3	B++	80	0.90
Max Capital Group	REINSUR	2	3	B+	75	0.85
McCormick & Co.	FOODPROC	3	2	B++	95	0.70
Media General A	NWSPAPER	4	3	B+	75	0.90
Mercury General	INSRPPTY	3	2	B++	95	0.85
Meredith Corp.	PUBLISH	2	1	A	100	0.75
Mettler-Toledo Intl	INSTRMNT	2	3	B+	90	0.90
Milipore Corp.	CHEM/DW	3	2	A	80	0.80
Minerals Techn.	CHEMSPEC	3	2	B++	85	0.95
Molson Coors Brewing	BEVERAGE	2	3	B+	70	0.75
New York Community	THRIFT	3	3	B	80	0.90
New York Times	NWSPAPER	3	2	B+	90	0.80
Northrop Grumman	DEFENSE	3	1	A	95	0.85
Ochsley Re Hdq.	REINSUR	3	3	B+	75	0.90
Old Nat'l Bancorp	BANKMID	3	2	B++	90	0.90
Ole Republic	INSRPPTY	4	2	B+	85	0.85
Omnicom Group	ADVERT	2	3	B++	85	1.00
Owens & Minor	MEDSUPPL	3	3	B+	70	0.95
PNC Financial Serv.	BANK	4	2	B++	95	0.90
Packaging Corp.	PACKAGE	2	3	B+	85	0.95
Papa John's Intl	RESTRNT	3	3	B++	70	0.95
Paychex Inc.	SOFTWARE	2	2	A	75	0.95
People's United Finl	THRIFT	3	3	B+	75	0.90
Pepsi Bottling Group	BEVERAGE	2	3	B	80	0.80
Pitney Bowes	OFFICE	3	2	A	100	0.85
Popular Inc.	BANK	4	3	B	85	1.00
Progressive (Ohio)	INSRPPTY	4	2	A	95	0.80
Protective Life	INSLIFE	3	2	B++	90	1.00
Quest Diagnostics	MEDSERV	3	3	B	80	0.70
RLI Corp.	INSRPPTY	3	2	B++	90	0.80
RPM Intl	CHEMSPEC	3	3	B	70	1.00
Raytheon Co.	DEFENSE	2	1	A	95	0.95
Regions Financial	BANK	4	1	A	95	0.90
Reinsurance Group	INSLIFE	3	1	A	95	0.85
Renaissance Hdq.	REINSUR	3	3	B+	75	0.85
Republic Services	ENVIRONM	3	2	B+	95	0.80
Rusick Corp.	GROCERY	3	3	B+	70	1.00
STERIS Corp.	MEDSUPPL	3	3	B+	70	0.85
SUPERVALU INC.	FOODWHOL	3	3	B+	75	0.90
Salesco Corp.	INSRPPTY	4	3	B+	85	0.80
Schein (Henry)	MEDSUPPL	2	3	B+	70	0.80
Scripter (E.W.) A	NWSPAPER	3	2	B+	95	0.85
Selective Ins. Group	INSRPPTY	3	3	B+	80	0.95
Sensient Techn.	FOODPROC	3	3	B+	80	0.95
Sigma-Aldrich	CHEMSPEC	3	1	A	95	0.90
Smithfield Foods	FOODPROC	4	3	B	70	0.90
Snap-on Inc.	MACHINE	3	2	A	85	0.95
Sonic Corp.	RESTRNT	2	3	B+	75	0.90
Sonoco Products	PACKAGE	4	1	A	90	0.95
Southwest Airlines	ARTRANS	3	3	B+	75	0.95
Speedway Motorsports	RECREATE	3	3	B	80	0.85
Slack Corp.	RESTRNT	3	2	A	70	0.90
Stryker Corp.	MEDSUPPL	2	2	A	80	0.85
SunTrust Banks	BANK	4	1	A	95	0.95
Superior Inds. Intl	AUTO/OEM	3	3	B++	70	0.90
Sylase Inc.	SOFTWARE	2	3	B+	70	0.95
TCF Financial	BANKMID	4	3	B	85	1.00
Thomson Corp.	INFOSER	2	2	B+	100	0.65
Transitmatic Hdq.	REINSUR	2	2	B++	95	0.80
Travelers Cos.	INSRPPTY	3	2	B++	90	1.00
U.S. Bancorp	BANKMID	4	2	B++	95	0.95
UST Inc.	TOBACCO	3	3	B+	90	0.70
Union Pacific	RAILROAD	3	2	A	85	1.00
United Parcel Serv. B	ARTRANS	2	1	A	100	0.80
Universal Health Sv. B	MEDSERV	3	3	B+	70	0.70
Valpar Corp.	CHEMSPEC	4	3	B+	85	0.90
Wachovia Corp.	BANK	4	2	B++	95	1.00
Waste Connections	ENVIRONM	3	3	B+	90	0.90
Waste Management	ENVIRONM	3	2	B++	90	0.95
Wests Markets	GROCERY	3	1	A	90	0.85
Whitney Holding	BANK	4	2	B+	90	0.80
Wiley (John) & Sons	PUBLISH	3	3	B+	95	0.65
Wilmington Trust	BANK	4	1	A	95	0.95
World Wrestling Ent.	ENTRTAIN	3	3	B+	80	0.80
Xerox Corp.	OFFICE	2	3	B+	75	1.00
Yum! Brands	RESTRNT	3	3	B++	80	0.95
Average		3	2	B++	85	0.87
Pipeline Group	Average	3	3	B	78	0.86

Source of Information: Value Line Investment Survey for Windows, February 2008

Comparable Earnings Approach
Five-Year Average Historical Earnings Returns
for Years 2002-2006 and
Projected 3-5 Year Returns

Schedule 13 [2 of 2]

Company	2002	2003	2004	2005	2006	Average	Projected 2009-12
Alfac Inc.	12.9%	14.8%	15.7%	16.3%	17.2%	15.4%	21.0%
Air Products & Chem.	15.0%	13.1%	13.6%	15.6%	16.1%	14.7%	23.0%
Allegheny Corp.	4.0%	10.4%	3.5%	NMF	9.6%	6.9%	8.5%
Alliant Techsystems	27.0%	28.8%	27.0%	22.4%	24.5%	31.9%	26.9%
Allied Capital Corp.	14.7%	10.0%	12.6%	33.3%	8.6%	15.8%	21.5%
Alstare Corp.	11.9%	12.9%	14.2%	8.7%	22.9%	14.1%	17.5%
Amer. Financial Group	7.9%	7.9%	8.9%	8.0%	13.3%	9.1%	13.0%
Amer. Greetings	11.2%	8.3%	7.8%	7.4%	2.5%	7.4%	10.0%
AmerisourceBergen	10.8%	11.2%	10.8%	8.3%	11.6%	10.5%	12.0%
Anadarko Petroleum	11.8%	14.4%	17.2%	22.3%	18.7%	16.9%	14.5%
Applied Biosystems	15.0%	13.0%	13.9%	15.6%	18.6%	15.2%	19.0%
AptarGroup	11.8%	10.2%	10.7%	12.3%	10.9%	11.2%	12.0%
Assoc. Banc-Corp	16.8%	17.0%	12.8%	13.9%	14.1%	14.9%	14.0%
AutoZone Inc.	NMF	NMF	NMF	NMF	NMF	-	NMF
Avery Dennison	26.5%	20.1%	19.8%	22.3%	22.6%	22.3%	17.5%
BBAT Corp.	17.9%	10.7%	14.3%	14.9%	13.0%	14.2%	15.0%
BOK Financial	13.8%	12.9%	12.8%	13.1%	12.4%	13.6%	12.0%
Ball Corp.	32.3%	29.4%	27.7%	34.4%	28.1%	30.0%	18.5%
Bank of Hawaii	11.9%	17.0%	21.3%	26.2%	26.3%	20.5%	19.5%
Bank (C.R.)	20.1%	19.5%	19.3%	21.3%	20.7%	20.2%	20.0%
Beckman Coulter	26.9%	20.3%	19.3%	15.8%	13.5%	19.2%	13.0%
Berkey (W.R.)	10.4%	17.0%	19.5%	20.7%	20.8%	17.7%	12.0%
Bok Evans Farms	13.4%	11.4%	6.7%	6.8%	8.2%	9.1%	13.5%
Brinker Int'l	17.0%	16.1%	20.7%	18.0%	18.0%	18.0%	41.0%
Bristol-Myers Squibb	22.7%	31.7%	23.4%	28.8%	13.6%	23.6%	35.5%
Brown & Bion	21.2%	22.2%	20.6%	19.7%	18.5%	20.4%	20.0%
CVS Caremark Corp.	13.8%	14.1%	13.1%	14.1%	13.5%	13.7%	11.5%
Campbell Soup	16.1%	16.1%	14.7%	15.7%	18.5%	16.7%	13.0%
Capitol Fed. Fin'l	9.1%	5.3%	4.8%	7.5%	5.6%	6.5%	8.0%
Carlisle Cos.	13.1%	14.1%	16.9%	18.3%	18.8%	16.2%	14.5%
ChoicePoint Inc.	19.1%	16.1%	15.0%	16.0%	20.9%	17.4%	19.5%
Church & Dwight	19.4%	17.9%	17.9%	17.6%	16.5%	17.5%	13.5%
Cincinnati Financial	5.4%	6.2%	8.4%	9.2%	7.3%	7.3%	7.5%
City National Corp.	16.3%	15.3%	15.3%	16.1%	15.7%	15.7%	15.0%
Clorox Co.	23.0%	42.3%	35.5%	35.5%	NMF	34.3%	NMF
Coca-Cola Enterprises	14.8%	15.5%	11.1%	9.1%	NMF	12.6%	12.0%
Comerica Inc.	12.1%	12.9%	14.8%	17.0%	15.2%	14.4%	11.5%
Commerce Bancash.	14.1%	14.2%	15.4%	16.7%	15.1%	15.1%	12.5%
Compass Minerals Int'l	NMF	NMF	NMF	NMF	NMF	-	NMF
ConAgra Foods	18.2%	18.2%	16.4%	14.5%	12.8%	16.0%	16.5%
Constellation Brands	16.4%	11.2%	11.3%	12.8%	11.8%	11.8%	10.0%
Cooper Inds.	12.2%	12.5%	14.9%	17.7%	19.6%	15.4%	17.0%
Corrections Corp. Amer.	14.5%	19.2%	7.7%	8.0%	10.1%	11.9%	14.0%
Costco Wholesale	12.3%	11.0%	11.8%	11.1%	11.2%	11.6%	17.0%
Cullen/Frost Bankers	17.4%	16.9%	17.2%	18.8%	14.1%	16.5%	14.0%
Curtiss-Wright	10.1%	10.9%	11.3%	11.8%	10.6%	10.9%	13.5%
DIRECTV Group (The)	NMF	NMF	NMF	4.1%	21.3%	-	19.9%
Dalmin Inc.	NMF	NMF	41.5%	24.4%	21.3%	29.1%	14.5%
Delphi Fin'l 'A'	11.1%	10.6%	11.6%	11.7%	12.3%	11.5%	12.5%
Densiply Int'l	17.5%	15.4%	13.6%	17.4%	17.7%	16.3%	17.5%
Dioxet Corp.	21.0%	19.7%	11.8%	23.9%	24.9%	19.3%	21.5%
Dun & Bradstreet	-	396.5%	401.6%	311.9%	NMF	370.0%	NMF
Ecolab Inc.	21.9%	21.2%	20.0%	19.4%	21.9%	20.9%	24.5%
Edwards Lifesciences	15.4%	15.2%	15.8%	18.1%	17.0%	16.6%	16.0%
Enbridge Inc.	10.8%	13.2%	16.4%	13.2%	13.5%	13.4%	17.0%
Energy Holdings	26.4%	21.0%	45.5%	63.2%	122.5%	55.7%	22.5%
Equifax Inc.	86.6%	54.3%	41.2%	29.1%	21.2%	46.5%	17.5%
Erie Indemnity Co.	17.4%	17.2%	17.9%	18.1%	17.6%	17.6%	19.0%
Everest Re Group Ltd.	10.2%	14.0%	11.4%	NMF	16.0%	12.9%	10.5%
Federated Investors	59.8%	51.7%	43.4%	38.8%	36.1%	45.6%	31.0%
Fifth Third Bancorp	19.3%	20.2%	17.1%	16.4%	11.8%	17.0%	15.5%
First Midwest Bancorp	18.3%	17.8%	18.6%	18.6%	15.5%	17.8%	16.5%
FirstNet Corp.	16.0%	12.3%	10.5%	15.9%	11.2%	12.8%	14.0%
Fiserv Inc.	14.5%	14.3%	15.4%	17.8%	18.4%	16.1%	13.5%
Gallagher (Arthur J.)	26.5%	26.7%	24.8%	39.9%	15.9%	26.8%	21.5%
Gen Mills	16.2%	24.0%	20.8%	19.8%	18.8%	19.3%	24.0%
Genworth Fin'l	-	6.1%	6.7%	9.2%	10.2%	8.6%	11.5%
Gladstone Capital	5.8%	8.6%	8.7%	11.4%	11.2%	9.1%	10.0%
Global Payments	13.1%	14.5%	13.9%	15.5%	15.5%	15.0%	14.5%
HCC Insurance Hldgs.	12.6%	13.7%	11.8%	11.4%	16.8%	13.3%	12.0%
HNI Corp.	14.1%	13.8%	17.1%	22.7%	24.9%	18.5%	20.0%
Harte-Hanks	17.0%	15.7%	17.1%	20.4%	22.7%	18.6%	16.0%
Hillenbrand Inds.	19.8%	21.1%	17.5%	18.8%	19.3%	19.3%	14.0%
Hormel Foods	17.0%	14.8%	15.6%	16.1%	15.9%	15.9%	16.0%
Huntington Bancshs.	14.8%	17.0%	15.7%	16.1%	15.3%	15.8%	11.0%
IMS Health	NMF	NMF	NMF	NMF	NMF	-	NMF
Intl Flavors & Frag.	32.0%	26.9%	21.5%	20.1%	23.6%	24.8%	27.0%
Intl Speedway 'A'	17.1%	15.0%	14.7%	15.3%	15.0%	15.4%	10.5%
Interactive Data	9.2%	9.5%	9.4%	11.0%	10.2%	9.9%	10.5%
Journal Communications	13.6%	14.4%	16.0%	12.6%	11.6%	13.6%	10.5%
K-Tron Int'l	11.6%	10.6%	14.5%	14.7%	19.7%	14.2%	14.0%
Kellogg	79.4%	54.5%	15.8%	45.9%	48.5%	53.0%	32.6%
Laboratory Corp.	15.8%	16.9%	18.2%	20.5%	22.2%	18.7%	20.0%
Lauder (Este)	15.8%	18.7%	21.7%	25.6%	25.7%	21.5%	37.0%
Lincate Holdings	22.2%	27.4%	23.4%	18.8%	19.2%	22.2%	29.0%
Loews Corp.	8.7%	7.3%	10.5%	6.4%	12.6%	9.1%	11.0%
Lubrizol Corp.	14.5%	9.5%	9.1%	11.0%	12.6%	11.3%	15.0%
Macquarie Infrastructure	-	-	-	NMF	2.7%	5.8%	4.3%
Magna Int'l 'A'	10.9%	12.9%	13.2%	11.3%	9.0%	11.5%	11.0%
Manulife Corp.	3.2%	6.1%	9.8%	7.8%	15.2%	8.4%	11.5%
Marrriott Int'l	13.0%	11.6%	14.6%	22.8%	27.4%	17.6%	22.5%
Mattel Inc.	24.6%	24.9%	21.3%	23.1%	21.8%	23.1%	26.0%
Max Capital Group	NMF	15.0%	14.3%	0.5%	15.6%	11.4%	21.5%
McCormick & Co.	30.4%	26.4%	24.0%	27.8%	24.8%	26.7%	22.0%
Meda General 'A'	5.0%	4.9%	6.8%	6.9%	8.4%	6.4%	5.0%
Mercury General	10.2%	14.1%	18.4%	15.1%	11.8%	13.9%	13.5%
Meredith Corp.	11.2%	18.4%	18.8%	19.7%	20.7%	17.8%	16.5%
Mettler-Toledo Int'l	19.5%	14.7%	15.0%	19.3%	23.5%	18.4%	20.0%
Milipore Corp.	28.7%	20.4%	16.5%	16.8%	16.8%	16.5%	19.8%
Minerals Techn.	9.1%	7.3%	7.9%	6.9%	6.9%	7.6%	9.0%
Molson-Coors Brewing	-	-	-	5.9%	6.4%	6.2%	8.0%
New York Community	17.3%	11.3%	11.1%	8.8%	6.3%	11.0%	11.5%
New York Times	24.1%	21.5%	20.9%	15.4%	20.5%	20.5%	21.0%
Northrop Grumman	4.8%	4.8%	6.4%	7.4%	9.2%	6.6%	12.0%
Odyssey Re Hldgs.	7.9%	8.4%	7.1%	NMF	12.9%	9.1%	8.5%
Old Nat'l Bancorp	14.8%	9.8%	9.6%	11.1%	12.4%	11.7%	13.5%
Old Republic	12.2%	12.6%	10.5%	11.0%	10.2%	11.4%	9.0%
Omnicorn Group	25.0%	19.5%	17.7%	20.0%	22.3%	20.9%	24.5%
Owens & Minor	18.1%	13.1%	13.1%	13.0%	10.2%	13.5%	13.0%
PNC Financial Serv.	17.5%	15.5%	16.0%	15.5%	14.0%	15.3%	14.0%
Packaging Corp.	6.1%	5.3%	8.4%	7.7%	18.1%	9.1%	24.5%
Papa John's Int'l	38.4%	23.0%	28.0%	25.7%	32.0%	29.4%	20.0%
Paychex Inc.	29.7%	27.2%	25.2%	26.6%	28.1%	27.4%	41.0%
People's United Fin'l	5.9%	6.4%	7.8%	9.7%	9.3%	7.8%	6.5%
Pepper Bottling Group	23.5%	22.4%	23.4%	22.8%	25.0%	23.4%	18.0%
Pitney Bowes	67.0%	52.3%	48.0%	48.1%	67.0%	60.1%	62.5%
Popular Inc.	14.6%	17.1%	15.8%	15.6%	9.9%	14.6%	9.5%
Progressive (Ohio)	19.1%	24.8%	31.0%	22.8%	24.1%	24.4%	23.5%
Protective Life	10.0%	9.8%	10.9%	12.1%	10.5%	10.7%	11.0%
Quest Diagnostics	18.1%	18.2%	22.2%	19.8%	21.2%	19.9%	16.5%
RLI Corp.	8.4%	10.6%	10.3%	14.0%	14.5%	11.6%	12.5%
RPM Int'l	11.8%	14.1%	14.5%	14.7%	18.2%	14.7%	17.5%
Raytheon Co.	8.0%	5.3%	6.0%	8.8%	10.6%	7.9%	14.0%
Regions Financial	14.8%	14.6%	8.1%	9.4%	6.5%	10.7%	10.5%
Reinsurance Group	10.5%	8.5%	9.9%	8.9%	10.4%	9.6%	11.5%
Renaissance Hldgs.	23.5%	26.7%	6.2%	NMF	23.5%	20.2%	12.0%
Republic Services	12.6%	11.3%	12.7%	15.8%	19.7%	14.4%	20.0%
Ruddick Corp.	12.3%	12.1%	11.8%	11.3%	10.8%	11.7%	11.0%
STERIS Corp.	13.9%	13.8%	11.4%	8.8%	11.4%	11.9%	13.5%
SUPERVALU INC.	12.8%	13.1%	13.3%	12.3%	8.5%	12.0%	11.5%
Safeco Corp.	6.1%	8.1%	14.5%	15.8%	19.9%	12.9%	12.0%
Schlenk (Henry)	13.1%	13.9%	12.3%	13.2%	12.4%	13.1%	16.0%
Scrpps (E.W.) 'A'	15.2%	13.6%	13.8%	13.6%	15.4%	14.3%	12.5%
Selective Ins. Group	6.1%	7.7%	12.8%	14.0%	13.0%	10.7%	12.0%
Sensient Techn.	16.2%	13.4%	11.5%	9.1%	9.4%	11.9%	11.6%
Sigma-Aldrich	14.8%	19.3%	19.2%	20.9%	19.6%	18.8%	19.0%
Smithfield Foods	2.0%	10.1%	15.7%	9.4%	8.4%	9.1%	9.8%
Snap-on Inc.	12.7%	7.8%	7.4%	9.9%	11.2%	9.8%	16.0%
Sonic Corp.	20.7%	19.7%	18.8%	19.6%	20.1%	19.8%	29.0%
Sonoco Products	16.5%	12.5%	13.8%	15.2%	17.7%	15.1%	18.0%
Southwest Airlines	4.4%	5.9%	5.7%	7.0%	8.2%	6.4%	10.0%
Speedway Motorsports	12.5%	12.4%	12.7%	14.1%	13.6%	13.1%	11.5%
Starbucks Corp.	23.8%	12.9%	15.8%	23.7%	28.1%	18.2%	25.0%
Stryker Corp.	23.8%	21.0%	21.3%	22.1%	19.8%	21.6%	24.0%
SunTrust Banks	15.2%	13.7%	8.8%	11.7%	11.5%	12.4%	10.5%
Superior Inds. Int'l	14.8%	12.4%	7.4%	3.5%	NMF	9.5%	13.0%
Sybase Inc.	13.7%	10.5%	6.7%	12.2%	11.3%	11.3%	13.5%
TCF Financial	23.8%	23.4%	23.4%	26.6%	23.7%	24.8%	20.0%
Thomson Corp.	6.8%	8.5%	8.1%	9.3%	8.4%	8.2%	11.5%
Transatlantic Hldgs.	8.3%	12.8%	9.8%	1.5%	14.5%	9.4%	10.0%
Travelers Cos.	4.4%	10.0%	5.8%	9.2%	16.7%	9.2%	11.0%
U.S. Bancorp	19.5%	19.3%	21.3%	22.3%	22.4%	21.0%	20.0%
UST Inc.	-	-	-	NMF	NMF	-	NMF
Union Pacific	9.3%	8.5%	11.6%	8.6%	10.5%	8.2%	11.0%
United Parcel Serv.	19.4%	18.9%	19.8%	22.9%	27.1%	21.6%	24.0%
Universal Health Sv. 'B'	19.0%	17.7%	13.2%	13.2%	10.9%	14.8%	10.5%
Valpar Corp.	16.3%	12.9%	14.3%	13.9%	14.1%	14.3%	12.5%
Wachovia Corp.	11.9%	13.1%	11.0%	13.5%	11.1%	12.1%	12.5%
Waste Connections	12.8%	12.2%	10.9%	11.9%	11.0%	11.8%	13.5%
Waste Management	15.2%	13.2%	13.7%	14.3%	16.0%	14.5%	20.5%
Weis Markets	10.4%	9.5%	10.0%	10.5%	8.9%	9.9%	9.5%
Whitney Holding	11.9%	11.7%	10.7%	10.6%	13.0%	11.6%	10.0