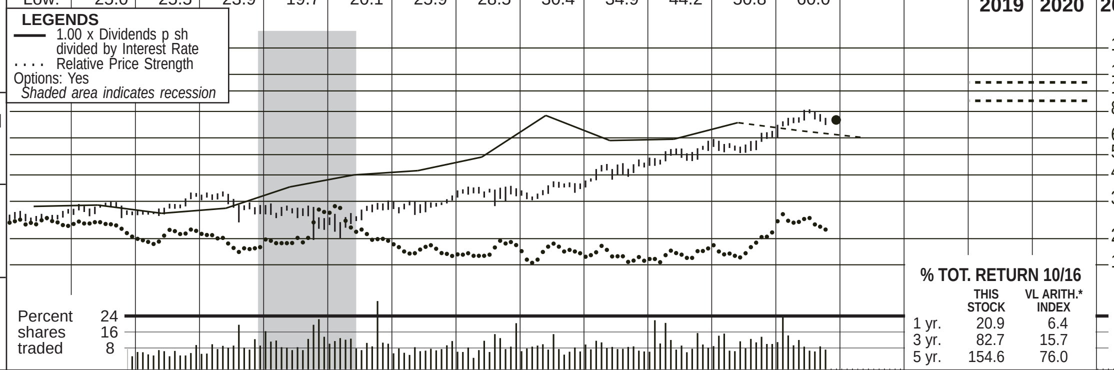
ATMOS ENERGY CORP. NYSE-ATO

RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD	
72.84	20.8 (Trailing: 21.4 / Median: 15.0)	1.09	2.5%	VALUE LINE

TIMELINESS	3	Lowered 9/16/16
SAFETY	1	Raised 6/6/14
TECHNICAL	3	Lowered 9/30/16

BETA .70 (1.00 = Market)

High:	30.0	33.1	33.5	29.3	30.3	32.0	35.6	37.3	47.4	58.2	64.8	82.0
Low:	25.0	25.5	23.9	19.7	20.1	25.9	28.5	30.4	34.9	44.2	50.8	60.0



Target Price Range 2019 | 2020 | 2021

2019-21 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	110	(+50%)	13%
Low	90	(+25%)	8%

Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	0	0	0	0	0	0	0	0
Options	2	0	0	2	6	0	2	0	0
to Sell	0	0	0	0	1	0	0	2	0

Institutional Decisions

	4Q2015	1Q2016	2Q2016
to Buy	159	212	188
to Sell	133	142	148
Hld's(000)	70628	71888	73716

% TOT. RETURN 10/16

	THIS STOCK	VL ARITH.* INDEX
1 yr.	20.9	6.4
3 yr.	82.7	15.7
5 yr.	154.6	76.0

Atmos Energy's history dates back to 1906 in the Texas Panhandle. Over the years, through various mergers, it became part of Pioneer Corporation, and, in 1981, Pioneer named its gas distribution division Energas. In 1983, Pioneer organized Energas as a separate subsidiary and distributed the outstanding shares of Energas to Pioneer shareholders. Energas changed its name to Atmos in 1988. Atmos acquired Trans Louisiana Gas in 1986, Western Kentucky Gas Utility in 1987, Greeley Gas in 1993, United Cities Gas in 1997, and others.

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
75.27	66.03	79.52	53.69	53.12	48.15	38.10	42.88	49.22	40.82	*32.20*	*33.65*	Revenues per sh A	45.85
4.26	4.14	4.19	4.29	4.64	4.72	4.76	5.14	5.42	5.81	*6.20*	*6.50*	"Cash Flow" per sh	7.25
2.00	1.94	2.00	1.97	2.16	2.26	2.10	2.50	2.96	3.09	3.38	*3.55*	Earnings per sh A B	4.20
1.26	1.28	1.30	1.32	1.34	1.36	1.38	1.40	1.48	1.56	1.68	*1.80*	Div'ds Decl'd per sh C■	2.15
5.20	4.39	5.20	5.51	6.02	6.90	8.12	9.32	8.32	9.61	*10.45*	*11.00*	Cap'l Spending per sh	10.60
20.16	22.01	22.60	23.52	24.16	24.98	26.14	28.47	30.74	31.48	*33.30*	*31.25*	Book Value per sh	36.65
81.74	89.33	90.81	92.55	90.16	90.30	90.24	90.64	100.39	101.48	*104.00*	*107.00*	Common Shs Outst'g D	120.00
13.5	15.9	13.6	12.5	13.2	14.4	15.9	15.9	16.1	17.5	20.8		Avg Ann'l P/E Ratio	24.0
.73	.84	.82	.83	.84	.90	1.01	.89	.85	.89	1.11		Relative P/E Ratio	1.50
4.7%	4.2%	4.8%	5.3%	4.7%	4.2%	4.1%	3.5%	3.1%	2.9%	2.4%		Avg Ann'l Div'd Yield	2.1%
6152.4	5898.4	7221.3	4969.1	4789.7	4347.6	3438.5	3886.3	4940.9	4142.1	3349.9	*3600*	Revenues ($mill) A	5500
162.3	170.5	180.3	179.7	201.2	199.3	192.2	230.7	289.8	315.1	350.1	*380*	Net Profit ($mill)	500
37.6%	35.8%	38.4%	34.4%	38.5%	36.4%	33.8%	38.2%	39.2%	38.3%	36.4%	*37.0%*	Income Tax Rate	40.0%
2.6%	2.9%	2.5%	3.6%	4.2%	4.6%	5.6%	5.9%	5.9%	7.6%	10.5%	*10.6%*	Net Profit Margin	9.1%
57.0%	52.0%	50.8%	49.9%	45.4%	49.4%	45.3%	48.8%	44.3%	43.5%	*39.0%*	*42.0%*	Long-Term Debt Ratio	45.0%
43.0%	48.0%	49.2%	50.1%	54.6%	50.6%	54.7%	51.2%	55.7%	56.5%	*61.0%*	*58.0%*	Common Equity Ratio	55.0%
3828.5	4092.1	4172.3	4346.2	3987.9	4461.5	4315.5	5036.1	5542.2	5650.2	*5655*	*5765*	Total Capital ($mill)	8000
3629.2	3836.8	4136.9	4439.1	4793.1	5147.9	5475.6	6030.7	6725.9	7430.6	*8280*	*9060*	Net Plant ($mill)	11500
6.1%	5.9%	5.9%	5.9%	6.9%	6.1%	6.1%	5.9%	6.4%	6.6%	*7.5%*	*8.0%*	Return on Total Cap'l	7.5%
9.8%	8.7%	8.8%	8.3%	9.2%	8.8%	8.1%	8.9%	9.4%	9.9%	*10.0%*	*11.5%*	Return on Shr. Equity	11.5%
9.8%	8.7%	8.8%	8.3%	9.2%	8.8%	8.1%	8.9%	9.4%	9.9%	*10.0%*	*11.5%*	Return on Com Equity	11.5%
3.6%	3.0%	3.1%	2.7%	3.5%	3.3%	2.8%	4.0%	4.7%	4.9%	*5.0%*	*5.5%*	Retained to Com Eq	5.5%
63%	65%	65%	68%	62%	62%	65%	56%	50%	51%	*50%*	*51%*	All Div'ds to Net Prof	52%

CAPITAL STRUCTURE as of 6/30/16
Total Debt $3126.1 mill. **Due in 5 Yrs** $1157.9 mill.
LT Debt $2205.6 mill. **LT Interest** $135.0 mill.
(LT interest earned: 5.4x; total interest coverage: 5.4x)
Leases, Uncapitalized Annual rentals $16.5 mill.
Pfd Stock None
Pension Assets-9/15 $450.9 mill. **Oblig.** $508.6 mill.
Common Stock 103,847,858 shs. **as of 7/29/16**
MARKET CAP: $7.6 billion (Large Cap)

CURRENT POSITION ($MILL.)	2014	2015	6/30/16
Cash Assets	42.3	28.7	66.2
Other	733.5	602.3	582.7
Current Assets	775.8	631.0	648.9
Accts Payable	311.6	238.9	198.9
Debt Due	196.7	457.9	920.5
Other	402.4	458.0	410.4
Current Liab.	910.7	1154.8	1529.8
Fix. Chg. Cov.	637%	743%	750%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '13-'15 to '19-'21
Revenues	-2.0%	-6.5%	.5%
"Cash Flow"	5.0%	4.5%	5.0%
Earnings	5.5%	7.0%	6.5%
Dividends	2.0%	2.5%	6.5%
Book Value	5.0%	5.0%	3.5%

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) A Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2013	1034.2	1309.0	857.9	685.2	3886.3
2014	1255.1	1964.3	942.7	778.8	4940.9
2015	1258.8	1540.1	686.4	656.8	4142.1
2016	906.2	1132.3	632.9	678.5	3349.9
2017	*930*	*1250*	*720*	*700*	*3600*

Fiscal Year Ends	EARNINGS PER SHARE A B E Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2013	.85	1.23	.36	.08	2.50
2014	.95	1.38	.45	.23	2.96
2015	.96	1.35	.55	.23	3.09
2016	1.00	1.38	.69	.33	3.38
2017	*1.05*	*1.41*	*.72*	*.37*	*3.55*

Cal-endar	QUARTERLY DIVIDENDS PAID C■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.345	.345	.345	.35	1.39
2013	.35	.35	.35	.37	1.42
2014	.37	.37	.37	.39	1.50
2015	.39	.39	.39	.42	1.59
2016	.42	.42	.42	.45	

BUSINESS: Atmos Energy Corporation is engaged primarily in the distribution and sale of natural gas to roughly three million customers through six regulated natural gas utility operations: Louisiana Division, West Texas Division, Mid-Tex Division, Mississippi Division, Colorado-Kansas Division, and Kentucky/Mid-States Division. Gas sales breakdown for fiscal 2015: 66%, residential; 29%, commercial; 3%, industrial; and 2% other. The company has around 4,760 employees. Officers and directors own approximately 1.5% of common stock (12/15 Proxy). President and Chief Executive Officer: Kim R. Cocklin. Incorporated: Texas. Address: Three Lincoln Centre, Suite 1800, 5430 LBJ Freeway, Dallas, Texas 75240. Telephone: 972-934-9227. Internet: www.atmosenergy.com.

Atmos Energy may well post respectable results in fiscal 2017 (started October 1st). The natural gas distribution division, accounting for the largest portion of revenues, stands to benefit from a rise in throughput, assuming that both the weather and economic environment are generally favorable (leading to a boost in consumption levels). Also, we look for reasonably decent performances from the other segments, including the regulated pipeline unit. At this juncture, full-year profits might advance around 5%, to $3.55 a share, versus the fiscal 2016 tally of $3.38. Concerning fiscal 2018, we believe the bottom line can grow at a similar percentage rate, to $3.75 a share, if operating margins expand.

There are plans to sell Atmos Energy Marketing (AEM) to a subsidiary of CenterPoint Energy. The transaction involves the transfer of 800 delivered gas customers and AEM's related asset optimization business at an all-cash price of $40 million plus working capital at the closing date (anticipated during the first calendar quarter of 2017). Proceeds are to be utilized for infrastructure investment in the core regulated units. Note that we estimate the pending divestiture's impact on earnings per share would be minimal.

The fiscal 2017 capital expenditures budget is expected to lie between $1.1 billion and $1.25 billion. That would be some 8% higher than the previous year's figure, assuming the midpoint of that range is used. Similar to fiscal 2016, a meaningful portion of the resources will be deployed to enhance the safety and reliability of Atmos' natural gas distribution and transmission systems.

The quarterly common stock dividend was raised a few cents, to $0.45 a share. Moreover, our 2019-2021 projections indicate that additional, steady increases in the distribution will take place. The payout ratio over that period ought to be roughly 50%, which should not place a substantial financial burden on the energy company.

These top-quality shares hold decent, risk-adjusted long-term total return potential. That reflects the healthy dividend and worthwhile capital gains possibilities here.

Frederick L. Harris, III *December 2, 2016*

(A) Fiscal year ends Sept. 30th. (B) Diluted shrs. Excl. nonrec. items: '06, d18¢; '07, d2¢; '09, 12¢; '10, 5¢; '11, (1¢). Excludes discontinued operations: '11, 10¢; '12, 27¢; '13, 14¢. Next egs. rpt. due early Feb.
(C) Dividends historically paid in early March, June, Sept., and Dec. ■ Div. reinvestment plan. Direct stock purchase plan avail.
(D) In millions.
(E) Qtrs may not add due to change in shrs outstanding.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	80
Earnings Predictability	90

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CHESAPEAKE UTIL. NYSE-CPK

RECENT PRICE **65.90** | P/E RATIO **23.9** (Trailing: 24.4 / Median: 15.0) | RELATIVE P/E RATIO **1.25** | DIV'D YLD **1.9%** | VALUE LINE

TIMELINESS 4 Lowered 10/21/16
SAFETY 2 New 6/5/15
TECHNICAL 4 Lowered 11/18/16
BETA .65 (1.00 = Market)

High:	23.9	23.8	24.8	23.2	23.3	28.1	29.7	32.6	40.8	52.7	61.1	67.9
Low:	15.7	18.6	18.7	14.6	14.7	18.7	24.0	26.6	30.6	37.5	44.4	52.3

Target Price Range

2019	2020	2021

% TOT. RETURN 10/16

	THIS STOCK	VL ARITH.* INDEX
1 yr.	25.2	6.4
3 yr.	89.0	15.7
5 yr.	158.3	76.0

2019-21 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	90	(+35%)	10%
Low	70	(+5%)	4%

Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	0	0	0	0	0	0	0	0
Options	0	5	0	0	9	0	0	0	0
to Sell	0	0	1	0	0	1	0	0	1

Institutional Decisions

	4Q2015	1Q2016	2Q2016
to Buy	62	86	83
to Sell	72	66	72
Hld's(000)	8284	8673	8755

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
42.21	40.82	17.12	19.11	20.70	26.02	23.05	25.41	28.46	19.07	29.93	29.13	27.26	30.73	34.19	30.07	*28.80*	*30.30*	Revenues per sh	*37.50*
1.95	1.95	1.93	2.42	2.26	2.35	2.18	2.52	2.50	2.15	3.50	3.69	3.95	4.35	4.73	5.05	*4.95*	*5.40*	"Cash Flow" per sh	*7.00*
.93	.83	.69	1.17	1.09	1.18	1.15	1.29	1.39	1.43	1.82	1.91	1.99	2.26	2.47	2.68	*2.75*	*2.95*	Earnings per sh A	*4.00*
.71	.73	.73	.73	.75	.76	.77	.78	.81	.83	.87	.91	.96	1.01	1.07	1.12	*1.19*	*1.26*	Div'ds Decl'd per sh B■	*1.50*
2.75	3.61	1.77	1.39	2.07	3.74	4.87	3.08	3.00	1.89	3.18	3.28	5.00	6.72	6.66	9.47	*9.70*	*10.00*	Cap'l Spending per sh	*11.60*
8.05	8.26	8.03	8.59	9.07	9.60	11.08	11.76	12.02	14.89	15.84	16.78	17.82	19.28	20.59	23.45	*27.50*	*27.40*	Book Value per sh	*30.45*
7.95	8.09	8.31	8.49	8.60	8.82	10.03	10.17	10.24	14.09	14.29	14.35	14.40	14.46	14.59	15.27	*16.50*	*17.00*	Common Shs Outst'g C	*20.00*
12.6	15.0	18.6	12.7	15.0	16.8	17.9	16.7	14.2	14.2	12.2	14.2	14.8	15.6	17.7	19.1	*Bold figures are*		Avg Ann'l P/E Ratio	*20.0*
.82	.77	1.02	.72	.79	.89	.97	.89	.85	.95	.78	.89	.94	.88	.93	.96	*Value Line*		Relative P/E Ratio	*1.25*
6.1%	5.8%	5.7%	4.9%	4.6%	3.8%	3.8%	3.6%	4.1%	4.1%	3.9%	3.4%	3.3%	2.9%	2.4%	2.2%	*estimates*		Avg Ann'l Div'd Yield	*1.9%*

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		19-21
231.2	258.3	291.4	268.8	427.5	418.0	392.5	444.3	498.8	459.2	*475*	*515*	Revenues ($mill)	*750*
10.5	13.2	14.4	15.9	26.1	27.6	28.9	32.8	36.1	40.2	*43.0*	*48.0*	Net Profit ($mill)	*80.0*
39.4%	39.4%	39.1%	41.8%	39.7%	39.4%	40.1%	40.2%	39.9%	39.5%	*40.0%*	*40.0%*	Income Tax Rate	*41.0%*
4.5%	5.1%	4.9%	5.9%	6.1%	6.6%	7.4%	7.4%	7.2%	8.8%	*9.1%*	*9.3%*	Net Profit Margin	*10.7%*
39.0%	34.6%	41.3%	32.0%	28.4%	31.4%	28.4%	29.7%	34.5%	29.4%	*25.0%*	*30.0%*	Long-Term Debt Ratio	*30.0%*
61.0%	65.4%	58.7%	68.0%	71.6%	68.6%	71.6%	70.3%	65.5%	70.6%	*75.0%*	*70.0%*	Common Equity Ratio	*70.0%*
182.2	182.8	209.5	308.6	315.9	351.1	358.5	396.4	458.8	507.5	*605*	*665*	Total Capital ($mill)	*870*
240.8	260.4	280.7	436.4	462.8	487.7	541.8	631.2	689.8	855.0	*960*	*1060*	Net Plant ($mill)	*1430*
7.1%	8.4%	7.9%	6.1%	9.1%	8.9%	8.8%	8.8%	8.5%	8.9%	*8.0%*	*11.5%*	Return on Total Cap'l	*10.0%*
9.5%	11.1%	11.7%	7.6%	11.5%	11.5%	11.2%	11.8%	12.0%	11.2%	*9.5%*	*10.5%*	Return on Shr. Equity	*13.0%*
9.5%	11.1%	11.7%	7.6%	11.5%	11.5%	11.2%	11.8%	12.0%	11.2%	*9.5%*	*10.5%*	Return on Com Equity	*13.0%*
4.1%	5.2%	5.2%	3.8%	6.6%	6.6%	6.4%	7.1%	7.4%	6.8%	*5.0%*	*5.5%*	Retained to Com Eq	*8.0%*
57%	53%	55%	50%	42%	42%	43%	40%	38%	40%	*46%*	*45%*	All Div'ds to Net Prof	*38%*

CAPITAL STRUCTURE as of 9/30/16
Total Debt $310.1 mill. **Due in 5 Yrs** $230.0 mill.
LT Debt $143.5 mill. **LT Interest** $9.0 mill.
(LT interest earned: 7.7x; total interest coverage: 7.7x) (25% of Cap'l)
Leases, Uncapitalized Annual rentals $1.3 mill.
Pfd Stock None
Pension Assets-12/15 $51.0 mill. **Oblig.** $75.9 mill.
Common Stock 16,301,161 shs. **as of 10/31/16**

MARKET CAP: $1.1 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2014	2015	9/30/16
Cash Assets	4.6	2.9	1.5
Other	117.8	109.6	100.7
Current Assets	122.4	112.5	102.2
Accts Payable	44.6	39.3	41.3
Debt Due	97.3	182.5	166.6
Other	52.3	57.8	55.2
Current Liab.	194.2	279.6	263.1
Fix. Chg. Cov.	865%	898%	885%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '13-'15 to '19-'21
Revenues	3.5%	4.0%	3.0%
"Cash Flow"	7.0%	11.5%	7.0%
Earnings	8.0%	10.0%	8.5%
Dividends	3.5%	5.0%	6.0%
Book Value	9.0%	8.0%	6.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	140.7	94.1	86.6	122.9	444.3
2014	186.3	100.5	91.6	120.4	498.8
2015	170.1	92.7	91.9	104.5	459.2
2016	146.3	102.3	108.3	*118.1*	*475*
2017	*170*	*110*	*110*	*125*	*515*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	1.02	.30	.27	.67	2.26
2014	1.21	.35	.22	.69	2.47
2015	1.44	.35	.33	.56	2.68
2016	1.33	.52	.29	*.61*	*2.75*
2017	*1.41*	*.45*	*.42*	*.67*	*2.95*

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.23	.23	.243	.243	.95
2013	.243	.243	.257	.257	1.00
2014	.257	.257	.27	.27	1.05
2015	.27	.27	.288	.288	1.12
2016	.288	.288	.305	.305	

BUSINESS: Chesapeake Utilities Corporation consists of two units: Regulated Energy and Unregulated Energy. The Regulated Energy segment (65% of 2015 revenues) distributes natural gas in Delaware, Maryland, and Florida; distributes electricity in Florida; and transmits natural gas on the Delmarva Peninsula and in Florida. The Unregulated Energy operation (35% of 2015 revenues) wholesales and distributes propane; markets natural gas; and provides other unregulated energy services, including midstream services in Ohio. Officers and directors own 5.4% of common stock; T. Rowe Price, 8.3; BlackRock, 5.8% (3/16 Proxy). CEO: Michael P. McMasters. Inc.: Delaware. Address: 909 Silver Lake Boulevard, Dover, DE 19904. Tel.: (302) 734-6799. Internet: www.chpk.com.

Chesapeake Utilities appears headed for an unspectacular 2016. That's partly because first-quarter share net (versus the year-ago period's) suffered from the unfavorable impact of substantially warmer temperatures on the natural gas and propane distribution operations. This event occurred during a time when customer consumption levels are normally high. To make matters worse, the company's September-interim performance was squeezed partly by fixed pipeline and storage costs associated with natural gas supply contracts where a significant portion of sales will occur during the winter months, plus lower retail propane margins per gallon on the Delmarva Peninsula. Even though results for the second quarter were extra strong and we believe 2016 will end on a positive note, full-year profits may advance only about 2.5%, to $2.75 a share.

Brighter things might be in store for 2017, nonetheless. That ought to reflect growing benefits from the April, 2015 purchase of Aspire Energy. New projects (see below) are another positive. Generally favorable weather patterns would obviously help, as well. Consequently, Chesapeake's bottom line stands to increase around 7%, to $2.95 a share.

The 2016 capital spending budget is expected to fall between $150 million and $170 million. (That would be 10.6% higher than last year's level, using the midpoint of that range.) Projects have included Eight Flags' CHP plant; new facilities to serve an electric power generator in Kent County, Delaware; Eastern Shore's system reliability project; continued natural gas infrastructure improvement initiatives; and additional expansions of the company's natural gas distribution and transmission systems. Management states that in order to fund these expenditures it might further increase the level of borrowings to supplement cash provided by operating activities.

The dividend yield now rests below the average of all equities in *Value Line's* Natural Gas Utility group. But the payout is well covered by corporate earnings, and future, steady hikes are a good possibility. Meanwhile, the stock is ranked 4 (Below Average) for Timeliness.

Frederick L. Harris, III December 2, 2016

(A) Diluted shrs. Excludes nonrecurring items: '02, d23¢; '08, d7¢; '15, 6¢. Excludes discontinued operations: '03, d9¢; '04, d1¢. Next earnings report due early Feb.

(B) Dividends historically paid in early January, April, July, and October. ■ Dividend reinvestment plan. Direct stock purchase plan available.

(C) In millions, adjusted for split.

Company's Financial Strength	B++
Stock's Price Stability	80
Price Growth Persistence	90
Earnings Predictability	95

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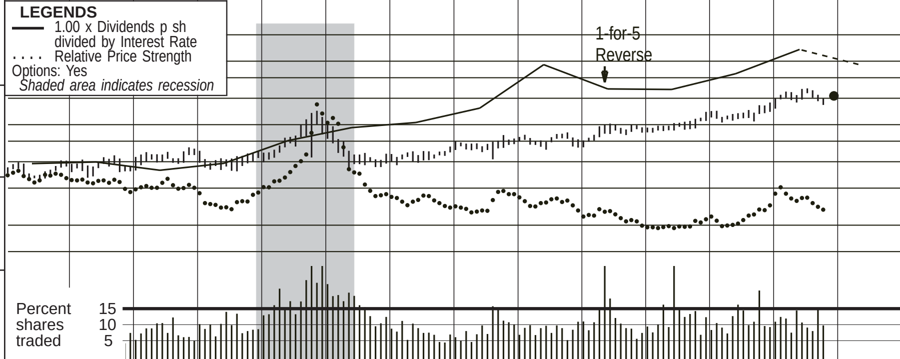
SPIRE INC. NYSE-SR

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
65.60	18.8	(Trailing: 19.8 Median: 15.0)	0.98	3.2%	VALUE LINE

TIMELINESS 3 Lowered 8/12/16
SAFETY 2 Raised 6/20/03
TECHNICAL 3 Lowered 10/7/16
BETA .70 (1.00 = Market)

High:	34.3	37.5	36.0	55.8	48.3	37.8	42.8	44.0	48.5	55.2	61.0	71.2
Low:	26.9	29.1	28.8	31.9	29.3	30.8	32.9	36.5	37.4	44.0	49.1	57.1

LEGENDS
— 1.00 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
Options: Yes
Shaded area indicates recession



Target Price Range

2019	2020	2021

2019-21 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+15%)	6%
Low	55	(-15%)	-1%

Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	4Q2015	1Q2016	2Q2016
to Buy	114	109	142
to Sell	86	104	83
Hld's(000)	34753	35632	36826

% TOT. RETURN 10/16

	THIS STOCK	VL ARITH.* INDEX
1 yr.	10.6	6.4
3 yr.	48.1	15.7
5 yr.	88.5	76.0

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
29.99	53.08	39.84	54.95	59.59	75.43	93.51	93.40	100.44	85.49	77.83	71.48	49.90	31.10	37.68	45.59	33.68	*40.45*	Revenues per sh A	*53.00*
2.68	3.00	2.56	3.15	2.79	2.98	3.81	3.87	4.22	4.56	4.11	4.62	4.58	3.12	3.87	6.15	6.16	*6.55*	"Cash Flow" per sh	*7.40*
1.37	1.61	1.18	1.82	1.82	1.90	2.37	2.31	2.64	2.92	2.43	2.86	2.79	2.02	2.35	3.16	3.24	*3.50*	Earnings per sh A B	*4.20*
1.34	1.34	1.34	1.34	1.35	1.37	1.40	1.45	1.49	1.53	1.57	1.61	1.66	1.70	1.76	1.84	1.96	*2.10*	Div'ds Decl'd per sh C■	*2.30*
2.77	2.51	2.80	2.67	2.45	2.84	2.97	2.72	2.57	2.36	2.56	3.02	4.83	4.00	3.96	6.68	6.42	*6.90*	Cap'l Spending per sh	*7.10*
14.99	15.26	15.07	15.65	16.96	17.31	18.85	19.79	22.12	23.32	24.02	25.56	26.67	32.00	34.93	36.30	38.73	*40.65*	Book Value per sh D	*45.55*
18.88	18.88	18.96	19.11	20.98	21.17	21.36	21.65	21.99	22.17	22.29	22.43	22.55	32.70	43.18	43.36	45.65	*47.00*	Common Shs Outst'g E	*50.00*
14.9	14.5	20.0	13.6	15.7	16.2	13.6	14.2	14.3	13.4	13.7	13.0	14.5	21.3	19.8	16.5	19.6		Avg Ann'l P/E Ratio	*15.5*
.97	.74	1.09	.78	.83	.86	.73	.75	.86	.89	.87	.82	.92	1.20	1.04	.83	1.05		Relative P/E Ratio	*.95*
6.6%	5.7%	5.7%	5.4%	4.7%	4.4%	4.3%	4.4%	3.9%	3.9%	4.7%	4.3%	4.1%	4.0%	3.8%	3.5%	3.1%		Avg Ann'l Div'd Yield	*3.5%*
						1997.6	2021.6	2209.0	1895.2	1735.0	1603.3	1125.5	1017.0	1627.2	1976.4	1537.3	*1900*	Revenues ($mill) A	*2650*
						50.5	49.8	57.6	64.3	54.0	63.8	62.6	52.8	84.6	136.9	144.2	*165*	Net Profit ($mill)	*210*
						32.5%	33.4%	31.3%	33.6%	33.4%	31.4%	29.6%	25.0%	27.6%	31.2%	32.5%	*28.0%*	Income Tax Rate	*30.0%*
						2.5%	2.5%	2.6%	3.4%	3.1%	4.0%	5.6%	5.2%	5.2%	6.9%	9.4%	*8.7%*	Net Profit Margin	*7.9%*
						49.5%	45.3%	44.4%	42.9%	40.5%	38.9%	36.1%	46.6%	55.1%	53.0%	50.9%	*50.0%*	Long-Term Debt Ratio	*50.0%*
						50.4%	54.6%	55.5%	57.1%	59.5%	61.1%	63.9%	53.4%	44.9%	47.0%	49.1%	*50.0%*	Common Equity Ratio	*50.0%*
						798.9	784.5	876.1	906.3	899.9	937.7	941.0	1959.0	3359.4	3345.1	3601.9	*3835*	Total Capital ($mill)	*4505*
						763.8	793.8	823.2	855.9	884.1	928.7	1019.3	1776.6	2759.7	2941.2	3300.9	*3465*	Net Plant ($mill)	*4010*
						8.4%	8.5%	8.1%	8.7%	7.4%	8.1%	7.9%	3.3%	3.1%	5.1%	4.9%	*5.0%*	Return on Total Cap'l	*5.5%*
						12.5%	11.6%	11.8%	12.4%	10.1%	11.1%	10.4%	5.0%	5.6%	8.7%	8.2%	*8.5%*	Return on Shr. Equity	*9.0%*
						12.5%	11.6%	11.8%	12.4%	10.1%	11.1%	10.4%	5.0%	5.6%	8.7%	8.2%	*8.5%*	Return on Com Equity	*9.0%*
						5.1%	4.3%	5.2%	5.9%	3.6%	4.9%	4.3%	1.0%	1.5%	3.7%	3.3%	*3.5%*	Retained to Com Eq	*4.0%*
						59%	63%	56%	53%	64%	56%	59%	81%	73%	58%	59%	*60%*	All Div'ds to Net Prof	*55%*

CAPITAL STRUCTURE as of 9/30/16
Total Debt $2482.4 mill. **Due in 5 Yrs** $400.0 mill.
LT Debt $1833.7 mill. **LT Interest** $70.0 mill.
(Total interest coverage: 3.7x)

Leases, Uncapitalized Annual rentals $11.0 mill.
Pension Assets-9/16 $540.5 mill. **Oblig.** $724.5 mill.

Pfd Stock None
Common Stock 45,656,218 shs. **as of 11/11/16**

MARKET CAP: $3.0 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2014	2015	9/30/16
Cash Assets	16.1	13.8	5.2
Other	588.8	516.3	564.4
Current Assets	604.9	530.1	569.6
Accts Payable	176.7	146.5	210.9
Debt Due	287.1	418.0	648.7
Other	319.0	289.3	301.7
Current Liab.	782.8	853.8	1161.3
Fix. Chg. Cov.	360%	365%	366%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '19-'21
Revenues	-6.5%	-13.0%	6.5%
"Cash Flow"	5.5%	4.0%	9.5%
Earnings	3.5%	1.5%	9.0%
Dividends	3.0%	3.5%	3.5%
Book Value	7.5%	8.5%	4.5%

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.)A Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2013	307.0	397.6	165.3	147.1	1017.0
2014	468.6	694.5	241.8	222.3	1627.2
2015	619.6	877.4	275.2	204.2	1976.4
2016	399.4	609.3	249.3	279.3	1537.3
2017	*475*	*775*	*250*	*400*	*1900*

Fiscal Year Ends	EARNINGS PER SHARE A B F Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2013	1.14	1.34	.25	d.30	2.02
2014	1.09	1.59	.33	d.35	2.35
2015	1.09	2.18	.32	d.43	3.16
2016	1.08	2.31	.24	d.31	3.24
2017	*1.20*	*2.30*	*.30*	*d.30*	*3.50*

Cal-endar	QUARTERLY DIVIDENDS PAID C ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	.425	.425	.425	.425	1.70
2014	.44	.44	.44	.44	1.76
2015	.46	.46	.46	.46	1.84
2016	.49	.49	.49	.49	
2017	.525				

BUSINESS: Spire Inc., formerly known as the Laclede Group, Inc., is a holding company for natural gas utilities, which distributes natural gas across Missouri, including the cities of St. Louis and Kansas City. Has roughly 1.6 million customers. Acquired Missouri Gas 9/13, Alabama Gas Co 9/14. Utility therms sold and transported in fiscal 2016: 2.6 bill. Revenue mix for regulated operations: residential, 67%; commercial and industrial, 23%; transportation, 2%; other, 8%. Has around 3,078 employees. Officers and directors own 3.2% of common shares (1/16 proxy). Chairman: Edward Glotzbach; CEO: Suzanne Sitherwood. Inc.: Missouri. Address: 700 Market Street, St. Louis, Missouri 63101. Telephone: 314-342-0500. Internet: www.thelacledegroup.com.

Spire Inc. reported mixed fiscal fourth-quarter results (ended September 30th). Revenues were kept in check by lower commodity prices, and 20% warmer-than-usual weather during the period. But the total was supported by better gas marketing revenues and additional contributions from the MobileGas and Willmut Gas acquisitions. Overall, the company had better operational performance across the board, including strong results in its gas marketing division, which allowed for losses of $0.31 a share.

Near-term results will be driven by regulatory outcomes. Spire has filed for infrastructure replacement surcharges on its Laclede and Missouri Gas subsidiaries, which would boost results if approved. Too, changes in the utility regulatory environment in Missouri may change rate-making mechanisms. The company will file its next general rates cases in April, which could allow for better profitability. Those outcomes are uncertain, but we think the company will earn $3.50 a share in fiscal 2017.

The integrations of Willmut Gas and MobileGas are occurring. Completion of the purchases boosted utility incomes in Alabama and Mississippi. This deal could be earnings accretive sooner than fiscal 2018 thanks to the early accord completion, and cost synergies are expected to emerge shortly.

The build out of the STL pipeline remains on track. An environmental assessment and route refinements are being nailed down in anticipation of the January filing with FERC. This project should cost between $190 million and $210 million, and be put into service during fiscal 2019. As pipelines generally have higher allowable returns, we expect this would provide an ample boost to long-term results.

The company has raised the dividend 7% to $0.525 quarterly. This represents a decent bump in the payout, and should appeal to investors. This marks the 14th year in a row of dividend increases.

Shares of Spire Inc. do not stand out for Timeliness. Though they offer a decent yield and steady dividend growth, the shares offer little total return potential. Most investors would be best served waiting for a price dip.

John E. Seibert III *December 2, 2016*

(A) Fiscal year ends Sept. 30th. (B) Based on diluted shares outstanding. Excludes nonrecurring loss: '06, 7¢. Excludes gain from discontinued operations: '08, 94¢. Next earnings report due late January. (C) Dividends historically paid in early January, April, July, and October. ■ Dividend reinvestment plan available. (D) Incl. deferred charges. In '14: $383.8 mill., $8.85/sh. (E) In millions. (F) Qtly. egs. may not sum due to rounding or change in shares outstanding in 2013, 2014, 2016.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	40
Earnings Predictability	80

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NISOURCE INC. NYSE-NI

RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD	VALUE LINE
21.89	20.8 (Trailing: 23.8; Median: 19.0)	1.09	3.0%	

TIMELINESS – F Suspended 6/5/15

SAFETY 3 New 9/4/15

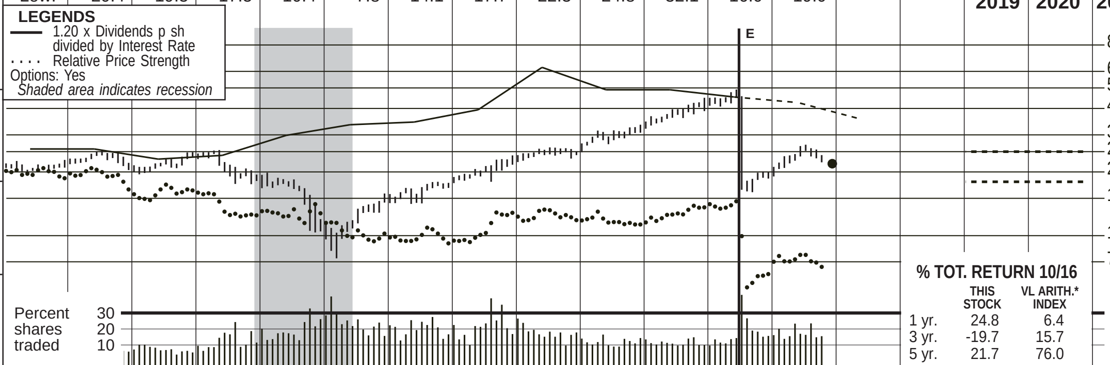
TECHNICAL – F Suspended 6/5/15

BETA NMF (1.00 = Market)

High:	25.5	24.8	25.4	19.8	15.8	18.0	24.0	26.2	33.5	44.9	49.2	26.9
Low:	20.4	19.5	17.5	10.4	7.8	14.1	17.7	22.3	24.8	32.1	16.0	19.0

Target Price Range
2019 | 2020 | 2021

LEGENDS
—— 1.20 x Dividends p sh divided by Interest Rate
. . . . Relative Price Strength
Options: Yes
Shaded area indicates recession



2019-21 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	25	(+15%)	*6%*
Low	18	(-20%)	*-1%*

Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	0	0	0	0	0	0	0	0
Options	0	8	1	0	9	0	0	0	0
to Sell	0	0	2	0	0	0	0	0	1

Institutional Decisions

	4Q2015	1Q2016	2Q2016
to Buy	192	219	226
to Sell	171	165	181
Hld's(000)	263849	264916	265637

% TOT. RETURN 10/16

	THIS STOCK	VL ARITH.* INDEX
1 yr.	24.8	6.4
3 yr.	-19.7	15.7
5 yr.	21.7	76.0

NiSource acquired Columbia Energy on November 1, 2000, paying approximately $6 billion in cash and stock. Columbia shareholders who chose cash received $70 a share, plus a security with a face value of $2.60. Those who chose stock received $74 a share in NiSource common stock. Shareholders' selections were prorated to reflect a 30% stock portion of the transaction. In 2003, NiSource sold Columbia's exploration and production business.

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
27.37	28.96	32.36	24.02	22.99	21.33	16.31	18.04	20.47	14.58	*13.95*	*16.15*	Revenues per sh	*18.20*
3.18	3.20	3.32	2.96	3.19	2.98	3.13	3.41	3.60	2.27	*2.60*	*2.95*	"Cash Flow" per sh	*3.25*
1.14	1.14	1.34	.84	1.06	1.05	1.37	1.57	1.67	.63	*1.05*	*1.15*	Earnings per sh A	*1.40*
.92	.92	.92	.92	.92	.92	.94	.98	1.02	.83	*.64*	*.68*	Div'd Decl'd per sh B ■	*.80*
2.33	2.88	3.54	2.81	2.88	3.99	4.83	5.99	6.42	4.26	*4.35*	*4.60*	Cap'l Spending per sh	*5.45*
18.32	18.52	17.24	17.54	17.63	17.71	17.90	18.77	19.54	12.04	*11.70*	*12.40*	Book Value per sh C	*12.90*
273.65	274.18	274.26	276.79	279.30	282.18	310.28	313.68	316.04	319.11	*323.00*	*325.00*	Common Shs Outst'g D	*330.00*
19.2	18.8	12.1	14.3	15.3	19.4	17.9	18.9	22.7	37.3	*Bold figures are*		Avg Ann'l P/E Ratio	*16.0*
1.04	1.00	.73	.95	.97	1.22	1.14	1.06	1.19	1.89	*Value Line*		Relative P/E Ratio	*1.00*
4.2%	4.3%	5.7%	7.6%	5.7%	4.5%	3.8%	3.3%	2.7%	3.5%	*estimates*		Avg Ann'l Div'd Yield	*3.6%*
7490.0	7939.8	8874.2	6649.4	6422.0	6019.1	5061.2	5657.3	6470.6	4651.8	*4500*	*5250*	Revenues ($mill)	*6000*
314.6	312.0	369.8	231.2	294.6	303.8	410.6	490.9	530.7	198.6	*340*	*360*	Net Profit ($mill)	*460*
35.2%	35.6%	33.4%	41.8%	32.4%	35.0%	34.4%	34.8%	36.9%	41.6%	*33.5%*	*35.5%*	Income Tax Rate	*37.5%*
4.2%	6.6%	- -	- -	- -	- -	- -	- -	2.9%	2.9%	*2.0%*	*2.0%*	AFUDC % to Net Profit	*2.0%*
50.7%	52.4%	55.7%	55.1%	54.7%	55.6%	55.1%	56.3%	56.9%	60.7%	*63.5%*	*63.5%*	Long-Term Debt Ratio	*64.5%*
49.3%	47.6%	44.3%	44.9%	45.3%	44.4%	44.9%	43.7%	43.1%	39.3%	*36.5%*	*36.5%*	Common Equity Ratio	*35.5%*
10160	10671	10673	10819	10859	11264	12373	13480	14331	9792.0	*10225*	*10775*	Total Capital ($mill)	*12060*
9694.5	10032	10276	10592	11097	11800	12916	14365	16017	12112	*12595*	*13100*	Net Plant ($mill)	*14595*
4.8%	4.6%	5.2%	4.0%	4.5%	4.4%	5.0%	5.2%	5.3%	4.0%	*5.0%*	*5.5%*	Return on Total Cap'l	*5.5%*
6.3%	6.1%	7.8%	4.8%	6.0%	6.1%	7.4%	8.3%	8.6%	5.2%	*9.0%*	*9.5%*	Return on Shr. Equity	*11.0%*
6.3%	6.1%	7.8%	4.8%	6.0%	6.1%	7.4%	8.3%	8.6%	5.2%	*9.0%*	*9.5%*	Return on Com Equity	*11.0%*
1.2%	1.2%	2.5%	NMF	.8%	.9%	2.5%	3.1%	3.4%	NMF	*3.5%*	*4.0%*	Retained to Com Eq	*4.5%*
80%	81%	68%	110%	87%	85%	67%	62%	61%	NMF	*60%*	*58%*	All Div'ds to Net Prof	*57%*

CAPITAL STRUCTURE as of 9/30/16
Total Debt $7737.8 mill. **Due in 5 Yrs** $2598.8 mill.
LT Debt $6096.2 mill. **LT Interest** $450 mill.
(Interest cov. earned: 2.4x) (67% of Cap'l)

Leases, Uncapitalized Annual rentals $18.4 mill.
Pension Assets-12/15 $1.75 bill. **Oblig.** $2.21 bill.

Pfd Stock None

Common Stock 322,737,775 shs.
as of 10/25/16

MARKET CAP: $7.1 billion (Large Cap)

CURRENT POSITION ($MILL.)	2014	2015	9/30/16
Cash Assets	25.4	15.5	29.9
Other	2441.1	1561.7	1348.6
Current Assets	2466.5	1577.2	1378.5
Accts Payable	670.6	433.4	352.2
Debt Due	1843.5	1001.1	1641.6
Other	1440.8	1223.0	917.8
Current Liab.	3954.9	2657.5	2911.6
Fix. Chg. Cov.	274%	210%	240%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '13-'15 to '19-'21
Revenues	-3.5%	-7.5%	*.5%*
"Cash Flow"	-1.0%	-.5%	*1.0%*
Earnings	-1.0%	3.5%	*1.5%*
Dividends	-.5%	.5%	*-2.5%*
Book Value	-.5%	-1.0%	*-4.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	1782.2	1201.5	1076.8	1596.8	5657.3
2014	2320.5	1335.1	1123.9	1691.1	6470.6
2015	1852.2	884.6	817.2	1097.8	4651.8
2016	1436.6	897.6	861.3	*1304.5*	*4500*
2017	*1750*	*950*	*950*	*1600*	*5250*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	.69	.23	.16	.49	1.57
2014	.85	.25	.10	.49	1.67
2015	.61	d.23	.05	.20	.63
2016	.56	.09	.07	*.33*	*1.05*
2017	*.55*	*.10*	*.10*	*.40*	*1.15*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.23	.23	.24	.24	.94
2013	.24	.24	.25	.25	.98
2014	.25	.25	.26	.26	1.02
2015	.26	.26	.155	.155	.83
2016	.155	.155	.165	.165	

BUSINESS: NiSource Inc. is a holding company for Northern Indiana Public Service Company (NIPSCO), which supplies electricity and gas to the northern third of Indiana. Customers: 461,000 electric in Indiana, 3.4 million gas in Indiana, Ohio, Pennsylvania, Kentucky, Virginia, Maryland, Massachusetts through its Columbia subsidiaries. Revenue breakdown, 2015: electrical, 34%; gas, 66%; other, less than 1%. Generating sources, 2015: coal, 77.3%; purchased & other, 22.7%. 2015 reported depreciation rates: 3.0% electric, 1.8% gas. Has 7,596 employees. Chairman: Ian M. Rolland. President & Chief Executive Officer: Robert C. Skaggs, Jr. Incorporated: Indiana. Address: 801 East 86th Ave., Merrillville, Indiana 46410. Telephone: 877-647-5990. Internet: www.nisource.com.

NiSource reported solid third-quarter results. Revenues increased to $861.3 million, boosted by higher base rates and better electric operations. Though elevated maintenance expense and depreciation were incurred, the company achieved improved operating income, which allowed earnings to rise to $0.07 a share. The company should benefit from cooler weather and better rates in the fourth quarter, with spending of around $1.5 billion on infrastructure, which should drive revenues higher. Altogether, we expect NiSource will earn $0.33 a share in the fourth quarter.

Rate cases should allow for better results in the years ahead. New base rates in Massachusetts and Maryland were enacted, and the approvals received in Pennsylvania will drive revenues higher by around $35 million. Too, NiSource will receive an additional $3.7 million in Maryland. Regulatory relief should allow for much-better infrastructure replacement-related revenues in the coming years. Moreover, decisions are pending in Virginia, Kentucky and elsewhere over the next six months, which would allow for an additional $110 million in infrastructure replacement revenues. These factors should boost earnings in 2017, which we now think will be $1.15 a share. The company has NIPSCO Gas approval for $800 million in projects over several years, too, which should provide for better revenues over the long haul. NiSource also launched pilot programs in Pennsylvania and Indiana to increase natural gas conversions. All told, earnings per share may reach $1.40 by decade's end.

Financial leverage has continued to increase. Debt has risen to around 67% of total capital recently, which has driven interest expense higher. Still, the company may be able to refinance some older, higher-cost debt at lower rates over the coming years.

Shares of NiSource are not attractive at the recent quotation. They are trading within our long-term Target Price Range, and the yield does not stand out. The increasing debt load likely raises financial risk, as well. Long-term investors would be best served waiting for a further dip in price.

John E. Seibert III *December 2, 2016*

(A) Dil. EPS. Excl. nonrec. gains (losses): '05, (4¢); gains (losses) on disc. ops.: '05, 10¢; '06, (11¢); '07, 3¢; '08, ($1.14); '15, (30¢). Next egs. report due late January. Qtl'y egs. may not sum to total due to rounding.
(B) Div'ds historically paid in mid-Feb., May, Aug., Nov. ■ Div'd reinv. avail.
(C) Incl. intang in '15: $1944.4 million, $6.08/sh.
(D) In mill.
(E) Spun off Columbia Pipeline Group (7/15)
(F) Suspended due to spinoff of CPGX

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

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NEW JERSEY RES. NYSE-NJR

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
33.50	19.7	(Trailing: 20.9 Median: 16.0)	1.03	3.0%	VALUE LINE

TIMELINESS **3** Lowered 10/28/16

SAFETY **1** Raised 9/15/06

TECHNICAL **3** Lowered 10/28/16

BETA .80 (1.00 = Market)

High:	16.4	17.7	18.8	20.6	21.2	22.0	25.2	25.1	23.8	32.1	34.1	38.9
Low:	13.6	13.8	15.2	12.3	15.0	16.7	19.8	19.3	19.5	21.9	26.8	30.5

Target Price Range 2019 | 2020 | 2021

2019-21 PROJECTIONS

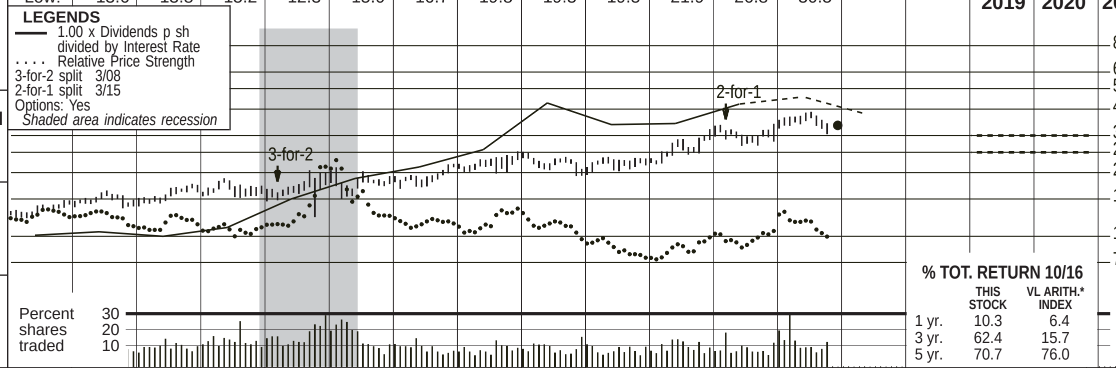
	Price	Gain	Ann'l Total Return
High	30	(-10%)	Nil
Low	25	(-25%)	-4%

Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	0	0	0	0	0	0	0	0
Options	6	0	0	0	0	0	0	0	0
to Sell	0	0	4	0	1	0	0	0	0

Institutional Decisions

	4Q2015	1Q2016	2Q2016
to Buy	117	114	103
to Sell	94	114	107
Hld's(000)	49713	51216	52551



% TOT. RETURN 10/16

	THIS STOCK	VL ARITH.* INDEX
1 yr.	10.3	6.4
3 yr.	62.4	15.7
5 yr.	70.7	76.0

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
14.71	25.61	22.06	31.14	30.44	38.10	39.81	36.31	45.37	31.17	32.05	36.30	27.08	38.38	44.40	32.09	21.90	*27.35*	Revenues per sh A	*29.85*
1.00	1.06	1.07	1.19	1.25	1.31	1.37	1.22	1.81	1.58	1.63	1.70	1.86	1.93	2.73	2.52	*2.45*	*2.50*	"Cash Flow" per sh	*2.85*
.60	.65	.70	.79	.85	.88	.93	.78	1.35	1.20	1.23	1.29	1.36	1.37	2.08	1.78	1.61	*1.75*	Earnings per sh B	*2.10*
.38	.39	.40	.41	.43	.45	.48	.51	.56	.62	.68	.72	.77	.81	.86	.93	.98	*1.02*	Div'ds Decl'd per sh C■	*1.05*
.62	.55	.51	.57	.72	.64	.64	.73	.86	.90	1.05	1.13	1.26	1.33	1.52	3.76	*1.70*	*1.75*	Cap'l Spending per sh	*1.80*
4.14	4.40	4.35	5.13	5.62	5.30	7.50	7.75	8.64	8.29	8.81	9.36	9.80	10.65	11.48	12.99	*13.80*	*14.55*	Book Value per sh D	*17.40*
79.17	79.99	83.00	81.70	83.22	82.64	82.88	83.22	84.12	83.17	82.35	82.89	83.05	83.32	84.20	85.19	85.88	*86.00*	Common Shs Outst'g E	*86.00*
14.7	14.2	14.7	14.0	15.3	16.8	16.1	21.6	12.3	14.9	15.0	16.8	16.8	16.0	11.7	16.6	21.3		Avg Ann'l P/E Ratio	*14.0*
.96	.73	.80	.80	.81	.89	.87	1.15	.74	.99	.95	1.05	1.07	.90	.62	.84	1.17		Relative P/E Ratio	*.90*
4.4%	4.2%	3.9%	3.7%	3.3%	3.1%	3.2%	3.0%	3.3%	3.5%	3.7%	3.3%	3.4%	3.7%	3.5%	3.1%	2.9%		Avg Ann'l Div'd Yield	*3.6%*

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		19-21
3299.6	3021.8	3816.2	2592.5	2639.3	3009.2	2248.9	3198.1	3738.1	2734.0	1880.9	*2350*	Revenues ($mill) A	*2565*
78.5	65.3	113.9	101.0	101.8	106.5	112.4	113.7	176.9	153.7	138.1	*150*	Net Profit ($mill)	*180*
38.9%	38.8%	37.8%	27.1%	41.4%	30.2%	7.1%	25.4%	30.2%	26.3%	*32.0%*	*32.0%*	Income Tax Rate	*32.0%*
2.4%	2.2%	3.0%	3.9%	3.9%	3.5%	5.0%	3.6%	4.7%	5.6%	7.3%	*6.4%*	Net Profit Margin	*7.0%*
34.8%	37.3%	38.5%	39.8%	37.2%	35.5%	39.2%	36.6%	38.2%	43.2%	*43.0%*	*43.0%*	Long-Term Debt Ratio	*40.5%*
65.2%	62.7%	61.5%	60.2%	62.8%	64.5%	60.8%	63.4%	61.8%	56.8%	*57.0%*	*57.0%*	Common Equity Ratio	*59.5%*
954.0	1028.0	1182.1	1144.8	1154.4	1203.1	1339.0	1400.3	1564.4	1950.6	*2085*	*2200*	Total Capital ($mill)	*2495*
934.9	970.9	1017.3	1064.4	1135.7	1295.9	1484.9	1643.1	1884.1	2128.3	*2170*	*2215*	Net Plant ($mill)	*2350*
9.6%	7.7%	10.7%	9.7%	9.7%	9.7%	9.2%	9.0%	12.1%	8.6%	*7.5%*	*8.0%*	Return on Total Cap'l	*8.0%*
12.6%	10.1%	15.7%	14.6%	14.0%	13.7%	13.8%	12.8%	18.3%	13.9%	11.6%	*12.0%*	Return on Shr. Equity	*12.0%*
12.6%	10.1%	15.7%	14.6%	14.0%	13.7%	13.8%	12.8%	18.3%	13.9%	11.6%	*12.0%*	Return on Com Equity	*12.0%*
6.3%	3.6%	9.5%	7.2%	6.7%	6.2%	6.2%	5.2%	11.0%	6.8%	4.6%	*5.0%*	Retained to Com Eq	*6.0%*
50%	64%	40%	50%	52%	55%	55%	59%	40%	50%	61%	*58%*	All Div'ds to Net Prof	*50%*

CAPITAL STRUCTURE as of 6/30/16
Total Debt $1223.8 mill. **Due in 5 Yrs** $321.9 mill.
LT Debt $967.8 mill. **LT Interest** $25.4 mill.
Incl. $53.2 mill. capitalized leases.
(LT interest earned: 7.5x; total interest coverage: 7.5x)
Pension Assets-9/15 $256.4 mill. **Oblig.** $394.4 mill.

Pfd Stock None

Common Stock 86,150,280 shs.
as of 8/1/16
MARKET CAP: $2.9 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2014	2015	6/30/16
Cash Assets	2.2	4.9	94.8
Other	680.5	539.6	509.9
Current Assets	682.7	544.5	604.7
Accts Payable	330.3	273.2	216.0
Debt Due	335.5	77.5	256.0
Other	125.3	85.4	129.5
Current Liab.	791.1	436.1	601.5
Fix. Chg. Cov.	1007%	750%	750%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '13-'15 to '19-'21
Revenues	1.5%	1.0%	*-4.0%*
"Cash Flow"	6.5%	7.5%	*3.0%*
Earnings	7.5%	6.5%	*3.0%*
Dividends	7.0%	7.0%	*3.5%*
Book Value	8.0%	6.5%	*7.0%*

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) A Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2013	736.0	960.9	767.5	733.7	3198.1
2014	878.4	1579.6	688.3	591.9	3738.1
2015	824.1	1013.1	458.5	438.3	2734.0
2016	444.3	574.2	393.2	469.2	1880.9
2017	*560*	*690*	*510*	*590*	*2350*

Fiscal Year Ends	EARNINGS PER SHARE A B Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2013	.43	.82	.12	d.01	1.37
2014	.47	1.79	.05	d.23	2.08
2015	.65	1.16	.03	d.06	1.78
2016	.58	.91	.13	d.02	1.61
2017	*.60*	*.95*	*.17*	*.03*	*1.75*

Cal-endar	QUARTERLY DIVIDENDS PAID C ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.19	.19	.19	.40	.97
2013	- -	.20	.20	.20	.60
2014	.21	.21	.21	.23	.86
2015	.23	.23	.23	.24	.93
2016	.24	.24	.24	.255	

BUSINESS: New Jersey Resources Corp. is a holding company providing retail/wholesale energy svcs. to customers in New Jersey, and in states from the Gulf Coast to New England, and Canada. New Jersey Natural Gas had about 512,300 customers at 9/30/15 in Monmouth and Ocean counties, and other N.J. counties. Fiscal 2015 volume: 341 bill. cu. ft. (14% interruptible, 21% residential and commercial and electric utility, 65% incentive programs). N.J. Natural Energy subsidiary provides unregulated retail/wholesale natural gas and related energy svcs. 2015 dep. rate: 2.5%. Has 991 empls. Off./dir. own about 1.4% of common (12/15 Proxy). Chrmn., CEO & Pres.: Laurence M. Downes. Inc.: NJ Addr.: 1415 Wyckoff Road, Wall, NJ 07719. Tel.: 732-938-1480. Web: www.njresources.com.

New Jersey Resources faced a difficult operating environment in fiscal 2016 (ended September 30th). Indeed, the company posted a downturn in both revenues and earnings this past year. What's more, since our September review, the stock has registered a modest 5% pullback, likely as a reflection of the slowdown in the retail/wholesale energy business. Revenues declined more than 30% on a year-over-year basis, to $1.88 billion. This largely stemmed from the warmer-than-normal weather patterns that existed across NJR's service territory. This trend was further exacerbated by the falloff of natural gas and commodity prices when compared to 2015's levels. Despite these challenges, the New Jersey Natural Gas (NJNG), regulated utility business added 8,170 new customer accounts in 2016. A bit more than 55% of those came from new construction. Still, on the profitability front, the sharp downturn in volumes weighed on both fixed- and variable-cost absorption. In fact, operating expenses ticked 20 basis points higher, when viewed as a percentage of the top line. Combined, these factors equated to an earnings reduction of almost 10%, to $1.61 per share. This was in line with our expectation.

That said, we have adjusted our outlook for this year. The company appears poised to log a rebound in revenues of about 25%, to $2.35 billion, due primarily to new NJNG customer accounts. Management estimates roughly 24,000-27,000 accounts will be added between fiscal 2017 and 2019. Elsewhere, the regulated utility division received approval of a rate reduction as well as a bill credit, that will have a net impact on the typical residential heating customer lowering a bill about 2% annually. This helps to put rates more in line with the current natural gas pricing environment. Finally, we have trimmed a nickel off our 2017 share-net estimate, to $1.75, placing it near the top end of management's recently issued guidance range of $1.65-$1.75. This would represent an annual increase of almost 9%.

We think most investors' funds could be better utilized elsewhere. Neutrally ranked NJR is lacking upside potential based on our projections. And the dividend yield is a bit light for a utility.

Bryan J. Fong *December 2, 2016*

(A) Fiscal year ends Sept. 30th.
(B) Diluted earnings. Qtly egs may not sum to total due to change in shares outstanding. Next earnings report due late Jan.
(C) Dividends historically paid in early Jan., April, July, and October. 1Q '13 div'd paid in 4Q '12. ■ Dividend reinvestment plan available.
(D) Includes regulatory assets in 2015: $410.2 million, $4.82/share.
(E) In millions, adjusted for splits.

Company's Financial Strength	A+
Stock's Price Stability	85
Price Growth Persistence	55
Earnings Predictability	55

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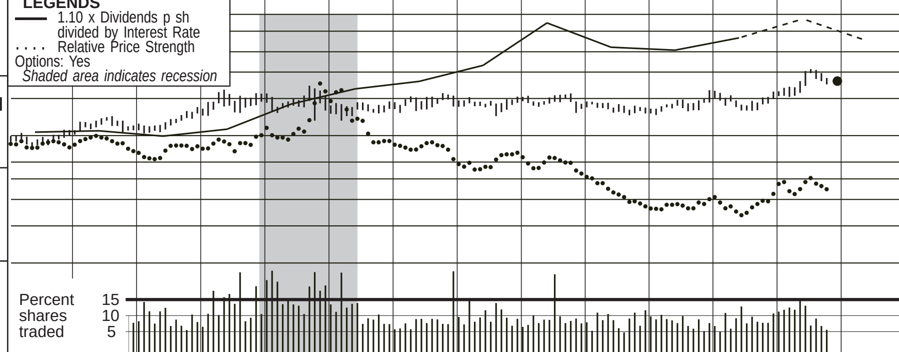
N.W. NAT'L GAS NYSE-NWN

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
57.95	26.3	(Trailing: 26.5; Median: 18.0)	1.38	3.2%	VALUE LINE

TIMELINESS 3 Lowered 8/12/16
SAFETY 1 Raised 3/18/05
TECHNICAL 2 Raised 12/2/16
BETA .65 (1.00 = Market)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
High:	39.6	43.7	52.8	55.2	46.5	50.9	49.0	50.8	46.6	52.6	52.3	66.2
Low:	32.4	32.8	39.8	37.7	37.7	41.1	39.6	41.0	40.0	40.1	42.0	48.9

LEGENDS
— 1.10 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
Options: Yes
Shaded area indicates recession



Target Price Range

2019	2020	2021

Scale: 120, 100, 80, 64, 48, 32, 24, 20, 16, 12, 8

2019-21 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+5%)	4%
Low	50	(-15%)	Nil

Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	0	0	0	0	0	0	0	0
Options	4	12	3	0	4	6	1	0	0
to Sell	0	0	4	0	2	7	1	0	0

Institutional Decisions

	4Q2015	1Q2016	2Q2016
to Buy	81	98	118
to Sell	65	65	80
Hld's(000)	16813	15946	16937

% TOT. RETURN 10/16

	THIS STOCK	VL ARITH.* INDEX
1 yr.	27.3	6.4
3 yr.	51.8	15.7
5 yr.	51.2	76.0

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
21.09	25.78	25.07	23.57	25.69	33.01	37.20	39.13	39.16	38.17	30.56	31.72	27.14	28.02	27.64	26.39	*23.45*	*25.15*	Revenues per sh	*28.90*
3.68	3.86	3.65	3.85	3.92	4.34	4.76	5.41	5.31	5.20	5.18	5.00	4.94	5.04	5.05	4.91	*4.50*	*4.85*	"Cash Flow" per sh	*6.05*
1.79	1.88	1.62	1.76	1.86	2.11	2.35	2.76	2.57	2.83	2.73	2.39	2.22	2.24	2.16	1.96	*2.15*	*2.35*	Earnings per sh A	*3.15*
1.24	1.25	1.26	1.27	1.30	1.32	1.39	1.44	1.52	1.60	1.68	1.75	1.79	1.83	1.85	1.86	*1.87*	*1.88*	Div'ds Decl'd per sh B■	*2.05*
3.46	3.23	3.11	4.90	5.52	3.48	3.56	4.48	3.92	5.09	9.35	3.76	4.91	5.13	4.40	4.37	*4.50*	*6.20*	Cap'l Spending per sh	*6.35*
17.93	18.56	18.88	19.52	20.64	21.28	22.01	22.52	23.71	24.88	26.08	26.70	27.23	27.77	28.12	28.47	*27.40*	*28.40*	Book Value per sh D	*30.55*
25.23	25.23	25.59	25.94	27.55	27.58	27.24	26.41	26.50	26.53	26.58	26.76	26.92	27.08	27.28	27.43	*29.00*	*29.00*	Common Shs Outst'g C	*28.00*
12.4	12.9	17.2	15.8	16.7	17.0	15.9	16.7	18.1	15.2	17.0	19.0	21.1	19.4	20.7	23.7	*Bold figures are*		Avg Ann'l P/E Ratio	*17.0*
.81	.66	.94	.90	.88	.91	.86	.89	1.09	1.01	1.08	1.19	1.34	1.09	1.09	1.19	*Value Line*		Relative P/E Ratio	*1.05*
5.6%	5.1%	4.5%	4.6%	4.2%	3.7%	3.7%	3.1%	3.3%	3.7%	3.6%	3.9%	3.8%	4.2%	4.1%	4.0%	*estimates*		Avg Ann'l Div'd Yield	*3.7%*

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		19-21
1013.2	1033.2	1037.9	1012.7	812.1	848.8	730.6	758.5	754.0	723.8	*680*	*730*	Revenues ($mill)	*865*
65.2	74.5	68.5	75.1	72.7	63.9	59.9	60.5	58.7	53.7	*62.0*	*68.0*	Net Profit ($mill)	*86.0*
36.3%	37.2%	36.9%	38.3%	40.5%	40.4%	42.4%	40.8%	41.5%	40.0%	*35.0%*	*35.0%*	Income Tax Rate	*35.0%*
6.4%	7.2%	6.6%	7.4%	8.9%	7.5%	8.2%	8.0%	7.8%	7.4%	*9.2%*	*9.3%*	Net Profit Margin	*10.9%*
46.3%	46.3%	44.9%	47.7%	46.1%	47.3%	48.5%	47.6%	44.8%	42.5%	*43.0%*	*43.0%*	Long-Term Debt Ratio	*43.0%*
53.7%	53.7%	55.1%	52.3%	53.9%	52.7%	51.5%	52.4%	55.2%	57.5%	*57.0%*	*57.0%*	Common Equity Ratio	*57.0%*
1116.5	1106.8	1140.4	1261.8	1284.8	1356.2	1424.7	1433.6	1389.0	1357.7	*1390*	*1445*	Total Capital ($mill)	*1605*
1425.1	1495.9	1549.1	1670.1	1854.2	1893.9	1973.6	2062.9	2121.6	2182.7	*2270*	*2360*	Net Plant ($mill)	*2655*
7.1%	8.5%	7.7%	7.3%	7.0%	6.2%	5.7%	5.8%	5.8%	5.5%	*5.5%*	*6.0%*	Return on Total Cap'l	*7.5%*
10.9%	12.5%	10.9%	11.4%	10.5%	8.9%	8.2%	8.1%	7.6%	6.9%	*8.0%*	*8.0%*	Return on Shr. Equity	*10.5%*
10.9%	12.5%	10.9%	11.4%	10.5%	8.9%	8.2%	8.1%	7.6%	6.9%	*8.0%*	*8.0%*	Return on Com Equity	*10.5%*
4.5%	6.0%	4.5%	5.0%	4.0%	2.4%	1.6%	1.5%	1.1%	.6%	*1.0%*	*1.5%*	Retained to Com Eq	*3.5%*
59%	52%	59%	56%	61%	73%	80%	81%	85%	92%	*87%*	*80%*	All Div'ds to Net Prof	*65%*

CAPITAL STRUCTURE as of 9/30/16
Total Debt $790.1 mill. **Due in 5 Yrs** $360.0 mill.
LT Debt $530.2 mill. **LT Interest** $45.0 mill.

(Total interest coverage: 3.5x)

Pension Assets-12/15 $249.4 mill. **Oblig.** $445.6 mill.

Pfd Stock None

Common Stock 27,557,756 shares **as of 10/21/16**

MARKET CAP $1.6 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2014	2015	9/30/16
Cash Assets	9.5	4.2	6.2
Other	353.1	327.9	204.4
Current Assets	362.6	332.1	210.6
Accts Payable	91.4	73.2	55.9
Debt Due	274.7	295.0	259.9
Other	103.3	109.5	86.9
Current Liab.	469.4	477.7	402.7
Fix. Chg. Cov.	321%	300%	350%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '13-'15 to '19-'21
Revenues	- -	-5.5%	*1.0%*
"Cash Flow"	2.0%	-1.0%	*3.0%*
Earnings	1.0%	-5.0%	*7.0%*
Dividends	3.5%	3.0%	*2.0%*
Book Value	3.0%	2.5%	*1.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	277.9	131.7	88.2	260.7	758.5
2014	293.4	133.1	87.2	240.3	754.0
2015	261.7	138.3	93.1	230.7	723.8
2016	255.5	99.2	87.7	*237.6*	*680*
2017	*255*	*130*	*95.0*	*250*	*730*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	1.40	.08	d.31	1.07	2.24
2014	1.40	.04	d.32	1.04	2.16
2015	1.04	.08	d.24	1.08	1.96
2016	1.33	.07	d.29	*1.04*	*2.15*
2017	*1.35*	*.10*	*d.25*	*1.15*	*2.35*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.445	.445	.445	.455	1.79
2013	.455	.455	.455	.460	1.83
2014	.460	.460	.460	.465	1.85
2015	.465	.465	.465	.4675	1.86
2016	.4675	.4675	.4675	.470	

BUSINESS: Northwest Natural Gas Co. distributes natural gas to 90 communities, 704,000 customers, in Oregon (89% of customers) and in southwest Washington state. Principal cities served: Portland and Eugene, OR; Vancouver, WA. Service area population: 2.5 mill. (77% in OR). Company buys gas supply from Canadian and U.S. producers; has transportation rights on Northwest Pipeline system. Owns local underground storage. Rev. breakdown: residential, 35%; commercial, 22%; industrial, gas transportation, and other, 43%. Employs 1,092. BlackRock Inc. owns 10.0% of shares; officers and directors, 2.1% (4/16 proxy). CEO: Gregg S. Kantor. Inc.: Oregon. Address: 220 NW 2nd Ave., Portland, OR 97209. Telephone: 503-226-4211. Internet: www.nwnatural.com.

Northwest Natural Gas reported lackluster third-quarter results. Revenues fell 6% year over year, hurt by lower commodity prices. Still, the company had better gross profits, aided by stronger gas storage results. Operating expenses increased during the quarter, while bottom-line results were hurt by a $1.2 million environmental remediation charge. This caused losses to expand to $0.29 a share. Still, cooler weather is expected in the fourth quarter, which should help drive revenues higher. We have lowered our 2016 full-year estimate by a nickel to $2.15 a share.

Near-term results should benefit from improvements in the Portland market. Unemployment there has continued to drop, and construction in the area continues to be strong, as building permits were up 20% year over year. Too, the company should continue to benefit from decent conversion efforts, which ought to drive usage growth. These efforts will likely allow for better earnings in 2017.

Meanwhile, the Mist expansion plant has received its notice to proceed from Portland General Electric. This project will provide up to 120 million cubic feet of gas per day through a 13-mile pipeline, and will cost around $128 million. The company has already started to raise the funds required through equity sales, as it will sell up to 1.01 million shares, largely paying for the early buildout of the system. The facility is on track to be in service by the winter of 2018-2019, and will allow for a sizable bump in earnings.

The company raised its quarterly dividend to $0.47 a share (up 1%). This marks the 61st annual increase for the dividend aristocrat. The yield remains average for a utility, and will likely grow at modest rates until the Mist facility comes on line. Too, higher market interest rates are expected, which should decrease the appeal of the slow-growing dividend.

Shares of Northwest Natural Gas do not hold much appeal at the recent quotation. They are trading within our long-term Target Price Range, and the yield does not stand out among utilities. Long-term accounts would be best served waiting for a dip in price.

John E. Seibert III *December 2, 2016*

(A) Diluted earnings per share. Excludes nonrecurring items: '00, $0.11; '06, ($0.06); '08, ($0.03); '09, 6¢; May not sum due to rounding. Next earnings report due in early February.
(B) Dividends historically paid in mid-February, May, August, and November.
■ Dividend reinvestment plan available.
(C) In millions.
(D) Includes intangibles. In 2015: $370.7 million, $13.52/share.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	25
Earnings Predictability	85

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SOUTH JERSEY INDS. NYSE-SJI

RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD
32.95	22.4 (Trailing: 20.7) (Median: 17.0)	1.17	3.3%

VALUE LINE

TIMELINESS	2 Lowered 10/28/16
SAFETY	2 Lowered 1/4/91
TECHNICAL	3 Lowered 11/18/16

BETA .80 (1.00 = Market)

2019-21 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	35	(+5%)	5%
Low	25	(-25%)	-2%

Insider Decisions

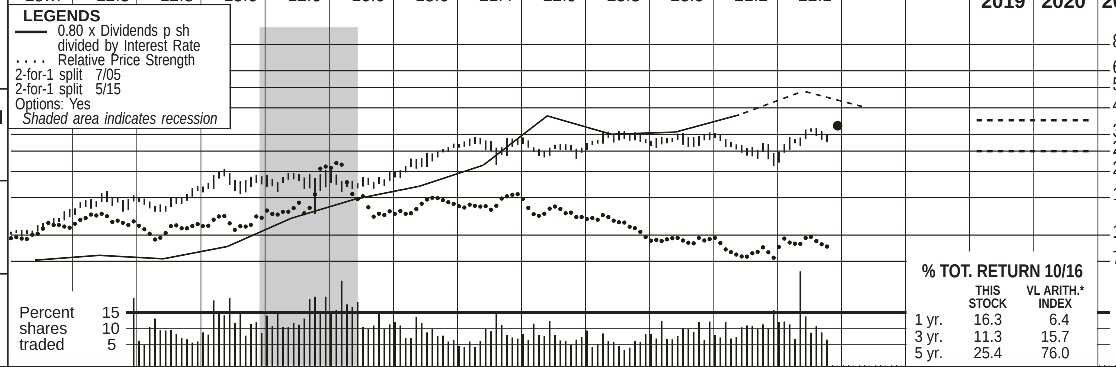
	J	F	M	A	M	J	J	A	S
to Buy	0	0	0	0	0	0	0	0	0
Options	9	0	9	0	0	1	0	0	0
to Sell	0	0	1	1	0	0	0	0	0

Institutional Decisions

	4Q2015	1Q2016	2Q2016
to Buy	105	109	129
to Sell	72	77	61
Hld's(000)	43333	46585	56193

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
High:	16.2	17.1	20.6	20.3	20.4	27.1	29.0	29.0	31.1	30.6	30.4	32.9
Low:	12.5	12.8	15.6	12.6	16.0	18.6	21.4	22.9	25.3	25.9	21.2	22.1

Target Price Range
2019 | 2020 | 2021



% TOT. RETURN 10/16

	THIS STOCK	VL ARITH.* INDEX
1 yr.	16.3	6.4
3 yr.	11.3	15.7
5 yr.	25.4	76.0

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
11.22	17.65	10.35	13.17	14.75	15.89	15.88	16.15	16.18	14.19	15.48	13.71	11.16	11.18	12.98	13.52	***12.40***	***12.80***	Revenues per sh	***15.10***
.97	.95	1.06	1.12	1.22	1.25	1.75	1.60	1.74	1.86	2.10	2.23	2.34	2.48	2.67	2.42	***2.45***	***2.55***	"Cash Flow" per sh	***2.95***
.54	.57	.61	.68	.79	.86	1.23	1.05	1.14	1.19	1.35	1.45	1.52	1.52	1.57	1.44	***1.45***	***1.50***	Earnings per sh A	***1.80***
.37	.37	.38	.39	.41	.43	.46	.51	.56	.61	.68	.75	.83	.90	.96	1.02	***1.06***	***1.10***	Div'ds Decl'd per sh B ■	***1.30***
1.11	1.41	1.74	1.18	1.34	1.60	1.26	.94	1.04	1.83	2.79	3.20	4.01	4.84	5.01	4.87	***3.25***	***3.90***	Cap'l Spending per sh	***5.10***
3.62	3.91	4.84	5.63	6.20	6.75	7.55	8.12	8.67	9.12	9.54	10.33	11.63	12.64	13.65	14.62	***16.90***	***18.30***	Book Value per sh C	***21.50***
46.00	47.44	48.83	52.92	55.52	57.96	58.65	59.22	59.46	59.59	59.75	60.43	63.31	65.43	68.33	70.97	***80.00***	***82.00***	Common Shs Outst'g D	***86.00***
13.0	13.6	13.5	13.3	14.1	16.6	11.9	17.2	15.9	15.0	16.8	18.4	16.9	18.9	18.0	17.9	*Bold figures are*		Avg Ann'l P/E Ratio	***16.0***
.85	.70	.74	.76	.74	.88	.64	.91	.96	1.00	1.07	1.15	1.08	1.06	.95	.90	*Value Line*		Relative P/E Ratio	***1.00***
5.2%	4.7%	4.6%	4.3%	3.7%	3.0%	3.2%	2.8%	3.1%	3.4%	3.0%	2.8%	3.2%	3.1%	3.4%	3.9%	*estimates*		Avg Ann'l Div'd Yield	***4.5%***

CAPITAL STRUCTURE as of 9/30/16
Total Debt $1270.8 mill. **Due in 5 Yrs** $1140 mill.
LT Debt $808.7 mill. **LT Interest** $25.0 mill.
(Total interest coverage: 6.1x)

Leases, Uncapitalized Annual rentals $.8 mill.
Pension Assets-12/15 $184.8 mill. **Oblig.** $254.2 mill.

Pfd Stock None

Common Stock 79,477,822 shs. **as of 11/1/16**

MARKET CAP: $2.6 billion (Mid Cap)

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		19-21
931.4	956.4	962.0	845.4	925.1	828.6	706.3	731.4	887.0	959.6	***990***	***1050***	Revenues ($mill)	***1300***
72.0	61.8	67.7	71.3	81.0	87.0	93.3	97.1	104.0	99.0	***110***	***120***	Net Profit ($mill)	***150***
41.3%	41.9%	47.7%	23.0%	15.2%	22.4%	10.8%	- -	10.8%	5.9%	***25.0%***	***25.0%***	Income Tax Rate	***25.0%***
7.7%	6.5%	7.0%	8.4%	8.8%	10.5%	13.2%	13.3%	11.7%	10.3%	***11.1%***	***11.4%***	Net Profit Margin	***11.5%***
44.7%	42.7%	39.2%	36.5%	37.4%	40.5%	45.0%	45.1%	48.0%	49.2%	***41.5%***	***42.5%***	Long-Term Debt Ratio	***45.0%***
55.3%	57.3%	60.8%	63.5%	62.6%	59.5%	55.0%	54.9%	52.0%	50.8%	***58.5%***	***57.5%***	Common Equity Ratio	***55.0%***
801.1	839.0	848.0	856.4	910.1	1048.3	1337.6	1507.4	1791.9	2043.9	***2300***	***2600***	Total Capital ($mill)	***3350***
920.0	948.9	982.6	1073.1	1193.3	1352.4	1578.0	1859.1	2134.1	2448.1	***2580***	***2700***	Net Plant ($mill)	***3000***
10.1%	8.6%	8.9%	9.0%	9.5%	8.9%	7.4%	6.8%	6.4%	5.4%	***5.5%***	***5.0%***	Return on Total Cap'l	***5.0%***
16.3%	12.8%	13.1%	13.1%	14.2%	13.9%	12.7%	11.7%	11.2%	9.5%	***8.0%***	***8.0%***	Return on Shr. Equity	***8.0%***
16.3%	12.8%	13.1%	13.1%	14.2%	13.9%	12.7%	11.7%	11.2%	9.5%	***8.0%***	***8.0%***	Return on Com Equity	***8.0%***
10.2%	6.7%	6.7%	6.4%	7.1%	6.7%	5.8%	4.8%	4.3%	2.8%	***2.0%***	***2.0%***	Retained to Com Eq	***2.0%***
37%	48%	49%	51%	50%	52%	55%	59%	61%	71%	***77%***	***75%***	All Div'ds to Net Prof	***75%***

CURRENT POSITION ($MILL.)	2014	2015	9/30/16
Cash Assets	4.2	3.9	6.9
Other	562.5	427.4	350.9
Current Assets	566.7	431.3	357.8
Accts Payable	273.0	186.4	141.1
Debt Due	395.6	461.2	462.1
Other	181.6	184.9	209.2
Current Liab.	850.2	832.5	812.4
Fix. Chg. Cov.	432%	496%	572%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '13-'15 to '19-'21
Revenues	-1.5%	-4.0%	*3.0%*
"Cash Flow"	7.5%	6.0%	*2.5%*
Earnings	7.0%	4.0%	*3.0%*
Dividends	9.0%	9.5%	*6.5%*
Book Value	8.0%	8.5%	*8.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	255.6	122.6	128.8	224.4	731.4
2014	350.2	133.3	122.4	281.1	887.0
2015	383.0	177.7	141.1	257.8	959.6
2016	333.0	154.4	219.1	***283.5***	***990***
2017	***350***	***175***	***200***	***325***	***1050***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	.76	.16	d.02	.62	1.52
2014	1.01	.15	d.05	.47	1.57
2015	.86	.03	d.07	.62	1.44
2016	.80	.12	.05	***.48***	***1.45***
2017	***.82***	***.12***	***Nil***	***.56***	***1.50***

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	- -	.202	.202	.423	.83
2013	- -	.222	.222	.458	.90
2014	- -	.237	.237	.488	.96
2015	- -	.251	.251	.515	1.02
2016	- -	.264	.264	.536	

BUSINESS: South Jersey Industries, Inc. is a holding company. Its subsidiary, South Jersey Gas Co., distributes natural gas to 373,100 customers in New Jersey's southern counties. Gas revenue mix '15: residential, 45%; commercial, 22%; cogeneration and electric generation, 12%; industrial, 21%. Non-utility operations include: South Jersey Energy, South Jersey Resources Group, South Jersey Exploration, Marina Energy, South Jersey Energy Service Plus, and SJI Midstream. Has about 720 employees. Off./dir. own less than 1% of common shares; BlackRock, Inc., 10.5%; The Vanguard Group, Inc., 7.7% (3/16 proxy). Pres. & CEO: Michael J. Renna. Inc.: NJ. Address: 1 South Jersey Plaza, Folsom, NJ 08037. Tel.: 609-561-9000. Internet: www.sjindustries.com.

Shares of South Jersey Industries are trading near an all-time high price. The company posted impressive results for the September interim. This was largely due to performance at SJ Energy Services. This line benefited from strong production from its solar fleet and improved SREC (Solar Renewable Energy Credit) prices. A recovery related to the writedown of an energy facility and investment tax credits associated with solar project development also boosted results here. Both SJ Energy Group and utility South Jersey Gas reported lower operating losses for the period. The third quarter is traditionally weak for the utility.

South Jersey Gas has received regulatory approval to continue its Accelerated Infrastructure Replacement Program and to adjust rates to reflect prior investments. This allows the utility to invest up to $302.5 million over the next five years to continue the accelerated replacement of aging bare steel and cast iron mains with plastic pipe, which is more durable. It will recover these investments though annual rate adjustments, the first of which will occur next October. South Jersey Gas is also to recover $74.5 million in safety and reliability investments not previously reflected in rates through a base rate adjustment. In addition, the utility will issue customers a $10 million credit, mainly due to lower-than-expected wholesale gas costs.

We expect healthy operating improvement to late decade. The utility should further benefit from infrastructure investment and customer additions. Natural gas remains the fuel of choice within its service territory, and this business should continue to gain from customer conversions. Meanwhile, growth in the number of fuel management contracts augurs well for volumes and margins at SJ Energy Group. Elsewhere, SJ Energy Services should benefit from the healthy performance of its energy production assets.

This timely stock offers a good dividend yield. Moreover, South Jersey earns favorable marks for Safety, Financial Strength, Price Stability, and Earnings Predictability. But capital gains potential is underwhelming at this juncture, following a run-up in the share price.

Michael Napoli, CFA *December 2, 2016*

(A) Based on GAAP egs. through 2006, economic egs. thereafter. GAAP EPS: '07, $1.05; '08, $1.29; '09, $0.97; '10, $1.11; '11, $1.49; '12, $1.49; '13, $1.28; '14, $1.46; '15, $1.52. Excl. nonrecur. gain (loss): '01, $0.07; '08, $0.16; '09, ($0.22); '10, ($0.24); '11, $0.04; '12, ($0.03); '13, ($0.24); '14, ($0.11); '15, $0.08. Egs. may not sum due to rounding. Next egs. report due late February. (B) Div'ds paid early April, July, Oct., and late Dec. ■ Div. reinvest. plan avail. (C) Incl. reg. assets. In 2015: $521.0 mill., $7.34 per shr. (D) In mill., adj. for split.

Company's Financial Strength	A
Stock's Price Stability	90
Price Growth Persistence	40
Earnings Predictability	80

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SOUTHWEST GAS NYSE-SWX

RECENT PRICE	P/E RATIO	Trailing / Median	RELATIVE P/E RATIO	DIV'D YLD
74.45	22.4	(Trailing: 23.3) (Median: 16.0)	1.17	2.5%

VALUE LINE

TIMELINESS 3 Lowered 9/30/16

SAFETY 3 Lowered 1/4/91

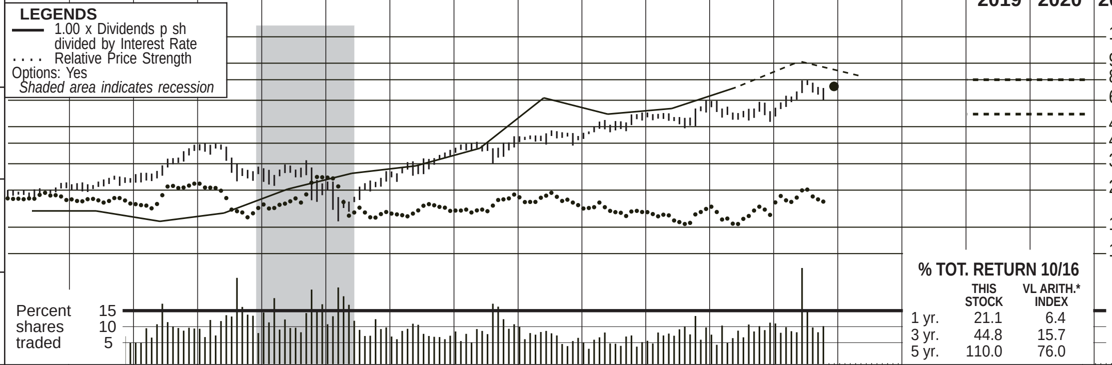
TECHNICAL 4 Lowered 11/18/16

BETA .75 (1.00 = Market)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
High:	28.1	39.4	39.9	33.3	29.5	37.3	43.2	46.1	56.0	64.2	63.7
Low:	23.5	26.0	26.5	21.1	17.1	26.3	32.1	39.0	42.0	47.2	50.5

High:	28.1	39.4	39.9	33.3	29.5	37.3	43.2	46.1	56.0	64.2	63.7	79.6
Low:	23.5	26.0	26.5	21.1	17.1	26.3	32.1	39.0	42.0	47.2	50.5	53.5

Target Price Range
2019 | 2020 | 2021



2019-21 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+5%)	5%
Low	55	(-25%)	-3%

Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	0	0	0	0	0	0	0	0
Options	8	20	10	0	1	1	0	1	1
to Sell	0	0	9	0	3	5	0	1	1

Institutional Decisions

	4Q2015	1Q2016	2Q2016
to Buy	99	108	111
to Sell	87	85	102
Hld's(000)	37256	37942	37855

% TOT. RETURN 10/16

	THIS STOCK	VL ARITH.* INDEX
1 yr.	21.1	6.4
3 yr.	44.8	15.7
5 yr.	110.0	76.0

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
32.61	42.98	39.68	35.96	40.14	43.59	48.47	50.28	48.53	42.00	40.18	41.07	41.77	42.08	45.61	52.00	***52.60***	***53.55***	Revenues per sh	***61.55***
4.57	4.79	5.07	5.11	5.57	5.20	5.97	6.21	5.76	6.16	6.46	6.81	7.73	8.24	8.47	8.62	***9.25***	***10.10***	"Cash Flow" per sh	***12.30***
1.21	1.15	1.16	1.13	1.66	1.25	1.98	1.95	1.39	1.94	2.27	2.43	2.86	3.11	3.01	2.92	***3.20***	***3.50***	Earnings per sh A	***4.50***
.82	.82	.82	.82	.82	.82	.82	.86	.90	.95	1.00	1.06	1.18	1.32	1.46	1.62	***1.76***	***1.90***	Div'ds Decl'd per sh B■†	***2.40***
7.04	8.17	8.50	7.03	8.23	7.49	8.27	7.96	6.79	4.81	4.73	8.29	8.57	7.86	8.53	10.30	***11.25***	***11.75***	Cap'l Spending per sh	***13.10***
16.82	17.27	17.91	18.42	19.18	19.10	21.58	22.98	23.49	24.44	25.62	26.66	28.35	30.47	31.95	33.61	***34.90***	***36.20***	Book Value per sh	***40.40***
31.71	32.49	33.29	34.23	36.79	39.33	41.77	42.81	44.19	45.09	45.56	45.96	46.15	46.36	46.52	47.38	***48.00***	***49.00***	Common Shs Outst'g C	***52.00***
16.0	19.0	19.9	19.2	14.3	20.6	15.9	17.3	20.3	12.2	14.0	15.7	15.0	15.8	17.9	19.4	*Bold figures are*		Avg Ann'l P/E Ratio	***15.0***
1.04	.97	1.09	1.09	.76	1.10	.86	.92	1.22	.81	.89	.98	.95	.89	.94	.98	*Value Line*		Relative P/E Ratio	***.95***
4.2%	3.8%	3.6%	3.8%	3.5%	3.2%	2.6%	2.6%	3.2%	4.0%	3.2%	2.8%	2.8%	2.7%	2.7%	2.9%	*estimates*		Avg Ann'l Div'd Yield	***3.6%***

CAPITAL STRUCTURE as of 9/30/16
Total Debt $1642.4 mill. **Due in 5 Yrs** $525.0 mill.
LT Debt $1592.9 mill. **LT Interest** $72.0 mill.
(Total interest coverage: 4.3x) (49% of Cap'l)
Leases, Uncapitalized Annual rentals $7.0 mill.
Pension Assets-12/15 $780.5 mill. **Oblig.** $1117.4 mill.
Pfd Stock None

Common Stock 47,482,068 shs.
as of 10/28/16

MARKET CAP: $3.5 billion (Mid Cap)

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		19-21
2024.7	2152.1	2144.7	1893.8	1830.4	1887.2	1927.8	1950.8	2121.7	2463.6	***2525***	***2625***	Revenues ($mill)	***3200***
80.5	83.2	61.0	87.5	103.9	112.3	133.3	145.3	141.1	138.3	***155***	***175***	Net Profit ($mill)	***240***
37.3%	36.5%	40.1%	34.0%	34.7%	36.2%	36.2%	35.0%	35.7%	36.4%	***35.0%***	***35.0%***	Income Tax Rate	***35.0%***
4.0%	3.9%	2.8%	4.6%	5.7%	6.0%	6.9%	7.4%	6.7%	5.6%	***6.1%***	***6.7%***	Net Profit Margin	***7.5%***
60.6%	58.1%	55.3%	53.5%	49.1%	43.2%	49.2%	49.4%	52.4%	49.3%	***49.0%***	***49.0%***	Long-Term Debt Ratio	***49.0%***
39.4%	41.9%	44.7%	46.5%	50.9%	56.8%	50.8%	50.6%	47.6%	50.7%	***51.0%***	***51.0%***	Common Equity Ratio	***51.0%***
2287.8	2349.7	2323.3	2371.4	2291.7	2155.9	2576.9	2793.7	3123.9	3143.5	***3275***	***3475***	Total Capital ($mill)	***4100***
2668.1	2845.3	2983.3	3034.5	3072.4	3218.9	3343.8	3486.1	3658.4	3891.1	***4080***	***4275***	Net Plant ($mill)	***4850***
5.5%	5.5%	4.5%	5.4%	6.1%	6.4%	6.4%	6.3%	5.7%	5.5%	***6.0%***	***6.0%***	Return on Total Cap'l	***7.0%***
8.9%	8.5%	5.9%	7.9%	8.9%	9.2%	10.2%	10.3%	9.5%	8.7%	***9.5%***	***10.0%***	Return on Shr. Equity	***11.5%***
8.9%	8.5%	5.9%	7.9%	8.9%	9.2%	10.2%	10.3%	9.5%	8.7%	***9.5%***	***10.0%***	Return on Com Equity	***11.5%***
5.2%	4.8%	2.1%	4.1%	5.1%	5.3%	6.1%	6.1%	5.0%	4.0%	***4.0%***	***4.5%***	Retained to Com Eq	***5.5%***
42%	44%	63%	48%	43%	43%	40%	41%	47%	54%	***55%***	***53%***	All Div'ds to Net Prof	***52%***

CURRENT POSITION ($MILL.)	2014	2015	9/30/16
Cash Assets	39.6	36.0	85.2
Other	567.2	522.2	459.1
Current Assets	606.8	558.2	544.3
Accts Payable	168.0	164.9	138.8
Debt Due	24.2	37.5	49.5
Other	277.9	332.6	424.7
Current Liab.	470.1	535.0	613.0
Fix. Chg. Cov.	395%	401%	411%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '13-'15 to '19-'21
Revenues	1.5%	1.5%	*5.0%*
"Cash Flow"	5.0%	6.5%	*6.5%*
Earnings	8.5%	10.0%	*7.0%*
Dividends	6.0%	9.0%	*8.5%*
Book Value	5.5%	5.5%	*4.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) D Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	613.5	411.6	387.3	538.4	1950.8
2014	608.4	453.2	432.5	627.7	2121.7
2015	734.2	538.6	505.4	685.4	2463.6
2016	731.2	547.7	540.0	***706.1***	***2525***
2017	***765***	***575***	***560***	***725***	***2625***

Cal-endar	EARNINGS PER SHARE A D Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	1.73	.22	d.06	1.22	3.11
2014	1.51	.21	.04	1.25	3.01
2015	1.53	.10	d.10	1.38	2.92
2016	1.58	.19	.05	***1.38***	***3.20***
2017	***1.68***	***.22***	***.10***	***1.50***	***3.50***

Cal-endar	QUARTERLY DIVIDENDS PAID B■† Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.265	.295	.295	.295	1.15
2013	.295	.330	.330	.330	1.29
2014	.330	.365	.365	.365	1.43
2015	.365	.405	.405	.405	1.58
2016	.405	.450	.450	.450	

BUSINESS: Southwest Gas Corporation is a regulated gas distributor serving approximately 2.0 million customers in sections of Arizona, Nevada, and California. Comprised of two business segments: natural gas operations and construction services. 2015 margin mix: residential and small commercial, 85%; large commercial and industrial, 4%; transportation, 11%. Total throughput: 2.1 billion therms. Has 5,876 employees. Officers & directors own 1.3% of common stock; BlackRock Inc., 9.6%; The Vanguard Group, Inc., 7.4%; GAMCO Investors, Inc., 6.4% (3/16 Proxy). Chairman: Michael J. Melarkey. Pres. & CEO: John Hester. Inc.: CA. Address: 5241 Spring Mountain Road, Las Vegas, Nevada 89193. Tel.: 702-876-7237. Internet: www.swgas.com.

Shares of Southwest Gas have come off a high-water mark in recent months. The company reported favorable comparisons for the September quarter. The construction services segment, Centuri, benefited from additional pipe replacement work with existing customers, incremental work from awarded bid contracts, and growth in the customer base. Earnings of $14.9 million here more than offset a net loss of $12.4 million at the natural gas operation due to seasonal factors. Nevertheless, the utility reported a lower deficit, thanks to positive returns on company-owned life insurance policies. Performance here was also supported by rate relief and customer additions. Looking forward, we expect that earnings per share will match the prior-year figure for the December quarter. For the full year, we look for healthy bottom-line improvement for Southwest Gas, on modest topline gains.

Prospects appear favorable for the long term. The company's natural gas business ought to further benefit from customer growth, infrastructure tracker mechanisms, and expansion projects. Elsewhere, Centuri should continue to report solid performance. This business operates in 20 major markets in the United States and two major markets in Canada. Fundamentals appear solid here, considering the need to replace aging infrastructure. Centuri has a strong base of large utility clients to sustain and grow its operation. Many of these are multiyear pipe replacement programs.

The stock does not stand out at this time. The equity is ranked to perform in line with the broader market for the coming six to 12 months. Moreover, appreciation potential is subpar, as the shares are trading well within our Target Price Range. Though we anticipate healthy growth for the company in the coming years, the issue is currently trading at a premium valuation. The dividend yield is nothing special for a utility, either. However, it's worth mentioning that Southwest Gas earns favorable marks for Price Stability, Growth Persistence, and Earnings Predictability. A pullback in the share price may present conservative investors with a better entry point.

Michael Napoli, CFA *December 2, 2016*

(A) Diluted earnings. Excl. nonrec. gains (losses): '02, (10¢); '05, (11¢); '06, 7¢. Next egs. report due late February. (B) Dividends historically paid early March, June, September, and December. ■† Div'd reinvestment and stock purchase plan avail. (C) In millions. (D) Totals may not sum due to rounding.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	90
Earnings Predictability	85

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WGL HOLDINGS NYSE-WGL

RECENT PRICE 66.57 | P/E RATIO 19.8 (Trailing: 20.3; Median: 15.0) | RELATIVE P/E RATIO 1.04 | DIV'D YLD 2.9% | VALUE LINE

TIMELINESS 3 Lowered 11/25/16

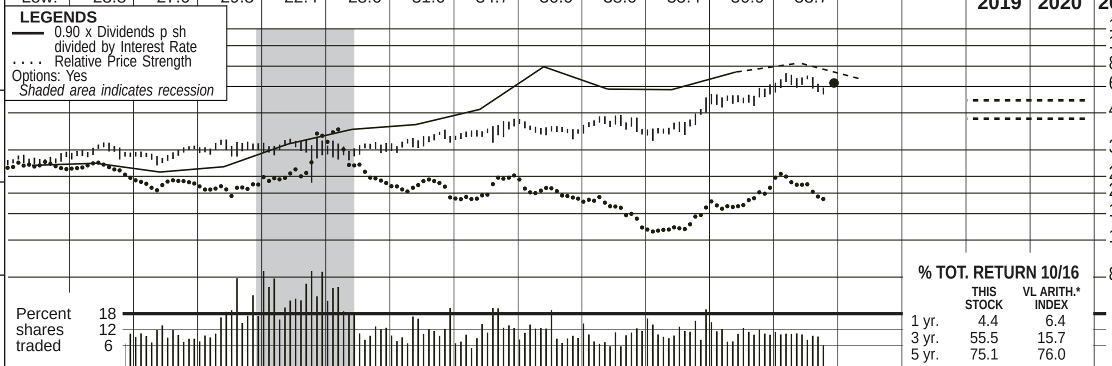
SAFETY 1 Raised 4/2/93

TECHNICAL 3 Lowered 10/28/16

BETA .75 (1.00 = Market)

High:	34.8	33.6	35.9	37.1	35.5	40.0	45.0	45.0	47.0	56.8	65.6	74.1
Low:	28.8	27.0	29.8	22.4	28.6	31.0	34.7	36.0	38.0	35.4	50.9	58.7

Target Price Range
2019 | 2020 | 2021



2019-21 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(-15%)	-1%
Low	45	(-30%)	-5%

Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	0	0	0	0	0	0	0	0
Options	9	0	0	0	0	0	0	0	0
to Sell	0	1	2	0	1	0	0	0	0

Institutional Decisions

	4Q2015	1Q2016	2Q2016
to Buy	123	126	123
to Sell	106	121	106
Hld's(000)	33248	34219	34930

% TOT. RETURN 10/16

	THIS STOCK	VL ARITH.* INDEX
1 yr.	4.4	6.4
3 yr.	55.5	15.7
5 yr.	75.1	76.0

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
22.19	29.80	32.63	42.45	42.93	44.94	53.96	53.51	52.65	53.98	53.60	53.75	47.07	47.70	53.73	53.43	*46.55*	*51.90*	Revenues per sh A	*53.65*
3.20	3.24	2.63	4.00	3.87	3.97	3.84	3.89	4.34	4.44	4.11	4.01	4.53	4.29	4.80	5.60	*5.50*	*5.70*	"Cash Flow" per sh	*6.00*
1.79	1.88	1.14	2.30	1.98	2.13	1.94	2.09	2.44	2.53	2.27	2.25	2.68	2.31	2.68	3.16	3.27	*3.40*	Earnings per sh B	*3.30*
1.24	1.26	1.27	1.28	1.30	1.32	1.35	1.37	1.41	1.47	1.50	1.55	1.59	1.66	1.72	1.83	1.93	*1.99*	Div'ds Decl'd per sh C■	*2.05*
2.67	2.68	3.34	2.65	2.33	2.32	3.27	3.33	2.70	2.77	2.57	3.94	4.87	6.04	7.63	9.33	*16.35*	*17.30*	Cap'l Spending per sh	*19.10*
15.31	16.24	15.78	16.25	16.95	17.80	18.86	19.83	20.99	21.89	22.82	23.49	24.64	24.65	24.08	24.97	*27.00*	*29.00*	Book Value per sh D	*34.60*
46.47	48.54	48.56	48.63	48.67	48.65	48.89	49.45	49.92	50.14	50.54	51.20	51.52	51.70	51.76	49.78	*51.00*	*52.00*	Common Shs Outst'g E	*55.00*
14.6	14.7	23.1	11.1	14.2	14.7	15.5	15.6	13.7	12.6	15.1	17.0	15.3	18.2	15.2	17.0	20.0		Avg Ann'l P/E Ratio	*15.0*
.95	.75	1.26	.63	.75	.78	.84	.83	.82	.84	.96	1.07	.97	1.02	.80	.86	1.10		Relative P/E Ratio	*.95*
4.8%	4.6%	4.8%	5.0%	4.6%	4.2%	4.5%	4.2%	4.2%	4.6%	4.4%	4.1%	3.9%	3.9%	4.2%	3.4%	2.9		Avg Ann'l Div'd Yield	*4.1%*

CAPITAL STRUCTURE as of 6/30/16
Total Debt $1552.6 mill. **Due in 5 Yrs** $329.3 mill.
LT Debt $1194.3 mill. **LT Interest** $50.5 mill.
(LT interest earned: 6.2x; total interest coverage: 5.7x) (45% of Total Capital)
Pension Assets-9/15 $1,218.7 mill. **Oblig.** $1,218.7 mill.
Preferred Stock $28.2 mill. **Pfd. Div'd** $1.3 mill.

Common Stock 51,059,773 shs. **as of 7/31/16**

MARKET CAP: $3.4 billion (Mid Cap)

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		19-21
2637.9	2646.0	2628.2	2706.9	2708.9	2751.5	2425.3	2466.1	2780.9	2659.8	2349.6	*2700*	Revenues ($mill) A	*2950*
96.0	102.9	122.9	128.7	115.0	115.5	138.4	119.7	139.0	158.2	*155*	*175*	Net Profit ($mill)	*185*
39.0%	39.1%	37.1%	39.1%	38.7%	42.4%	40.1%	30.2%	29.0%	39.9%	*39.0%*	*39.0%*	Income Tax Rate	*39.0%*
3.6%	3.9%	4.7%	4.8%	4.2%	4.2%	5.7%	4.9%	5.0%	5.9%	*6.6%*	*6.5%*	Net Profit Margin	*6.2%*
37.8%	37.9%	35.9%	33.3%	33.4%	32.3%	31.2%	28.7%	34.8%	42.6%	*41.5%*	*41.5%*	Long-Term Debt Ratio	*43.5%*
60.4%	60.3%	62.4%	65.0%	65.0%	66.2%	67.3%	69.8%	63.8%	56.1%	*57.5%*	*57.0%*	Common Equity Ratio	*55.5%*
1526.1	1625.4	1679.5	1687.7	1774.4	1818.1	1886.9	1826.8	1954.0	2215.6	*2405*	*2635*	Total Capital ($mill)	*3430*
2067.9	2150.4	2208.3	2269.1	2346.2	2489.9	2667.4	2907.5	3314.4	3672.7	*4070*	*4510*	Net Plant ($mill)	*6135*
7.6%	7.6%	8.5%	8.8%	7.6%	7.5%	8.3%	7.5%	8.1%	8.3%	*8.0%*	*7.5%*	Return on Total Cap'l	*7.0%*
10.1%	10.2%	11.4%	11.4%	9.7%	9.4%	10.7%	9.2%	10.9%	12.4%	*11.5%*	*11.0%*	Return on Shr. Equity	*9.5%*
10.3%	10.4%	11.6%	11.6%	9.9%	9.5%	10.8%	9.3%	11.0%	12.6%	*11.5%*	*11.0%*	Return on Com Equity	*9.5%*
3.2%	3.5%	5.0%	5.0%	3.3%	3.4%	4.8%	2.6%	4.3%	5.4%	*4.0%*	*4.5%*	Retained to Com Eq	*3.5%*
69%	66%	57%	57%	67%	64%	56%	72%	62%	58%	*63%*	*61%*	All Div'ds to Net Prof	*62%*

CURRENT POSITION ($MILL.)	2014	2015	6/30/16
Cash Assets	8.8	6.7	16.5
Other	826.7	774.7	804.1
Current Assets	835.5	781.4	820.6
Accts Payable	313.2	325.1	333.2
Debt Due	473.5	357.0	358.3
Other	233.6	300.8	303.4
Current Liab.	1020.3	982.9	994.9
Fix. Chg. Cov.	535%	535%	535%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '13-'15 to '19-'21
Revenues	1.5%	-.5%	*0.5%*
"Cash Flow"	2.0%	2.5%	*3.5%*
Earnings	2.5%	2.5%	*3.5%*
Dividends	3.0%	3.5%	*2.5%*
Book Value	4.0%	2.5%	*6.0%*

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) A Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2013	686.7	891.4	478.1	409.9	2466.1
2014	680.5	1174.0	467.5	458.9	2780.9
2015	749.2	1001.7	441.2	467.7	2659.8
2016	613.4	835.7	440.6	459.9	2349.6
2017	*695*	*915*	*520*	*570*	*2700*

Fiscal Year Ends	EARNINGS PER SHARE A B Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2013	1.14	1.75	d.03	d.55	2.31
2014	.99	1.84	.02	d.17	2.68
2015	1.16	2.02	.22	d.23	3.16
2016	1.18	1.78	.33	d.01	3.27
2017	*1.21*	*1.81*	*.36*	*.02*	*3.40*

Cal-endar	QUARTERLY DIVIDENDS PAID C ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.39	.40	.40	.40	1.59
2013	.40	.42	.42	.42	1.66
2014	.42	.44	.44	.44	1.74
2015	.44	.463	.463	.463	1.83
2016	.463	.488	.488	.488	

BUSINESS: WGL Holdings, Inc. is the parent of Washington Gas Light, a natural gas distributor in Washington, D.C. and adjacent areas of VA and MD to resident'l and comm'l users (1,129,865 meters). Hampshire Gas, a federally regulated sub., operates an underground gas-storage facility in WV. Non-regulated subs.: Wash. Gas Energy Svcs. sells and delivers natural gas and provides energy-related products in the D.C. metro area; Wash. Gas Energy Sys. designs/installs comm'l heating, ventilating, and air cond. systems. BlackRock, Inc. owns 8.7% of common stock; Off./dir. less than 1% (1/16 proxy). Chrmn. & CEO: Terry D. McCallister. Inc.: D.C. and VA. Addr.: 101 Const. Ave., N.W., Washington, D.C. 20080. Tel.: 202-624-6410. Internet: www.wglholdings.com.

Shares of WGL Holdings are trading modestly higher in price since our September review. Indeed, the stock registered a gain of approximately 3%-5% over that time frame. In comparison, the S&P 500 Index was basically unchanged for this same period, logging an advance of roughly 0.5%.

Meanwhile, the company's fourth-quarter and fiscal-year (ended September 30th) financial results lined up with our expectations. On the downside, annual revenues fell 11.7%, to $2.349 billion. This reflected a downturn in utility and nonutility volumes of 19.9% and 3.8%, respectively. However, we view this apparent weakness in the regulated utility business as more of technicality, owing to the year-over-year decline in natural gas prices. On the profitability front, overall expenses declined 300 basis points, as a percentage of the top line. All told, these factors sent the bottom line 3.5% higher, to $3.27 a share. This was modestly above our earlier call of $3.10 for the year.

We have increased our outlook for fiscal 2017 accordingly. In fact, we added a dime to our earnings estimate, to $3.40 a share. This falls broadly in line with management's recently issued guidance range of $3.30-$3.50. WGL Holdings ought to benefit from continued additions of active customer meters. Over the course of fiscal 2016, the company increased its number of meters by 12,500. We look for similar growth to continue in 2017 and beyond. At the same time, management has been quite successful at identifying attractive capital growth projects needed to boost its geographic footprint in the D.C. region, and overall system throughput. On the downside, the Constitution Pipeline continues to be delayed as WGL works through some red tape with the NY State Department of Environmental Conservation.

At the recent quotation, we think most investors' funds could be better utilized elsewhere. The stock is ranked to just mirror the broader market averages in the coming year. And at this price point, it is trading above our Target Price Range, thus suggesting that it lacks appreciation potential for the pull to 2019-2021.

Bryan J. Fong *December 2, 2016*

(A) Fiscal years end Sept. 30th.
(B) Based on diluted shares. Excludes nonrecurring losses: '01, (13¢); '02, (34¢); '07, (4¢); '08, (14¢) discontinued operations: '06, (15¢). Qtly egs. may not sum to total, due to change in shares outstanding. Next earnings report due late Jan. (C) Dividends historically paid early February, May, August, and November. ■ Dividend reinvestment plan available.
(D) Includes deferred charges and intangibles. '15: $705.8 million, $14.18/sh.
(E) In millions.

Company's Financial Strength	A
Stock's Price Stability	90
Price Growth Persistence	55
Earnings Predictability	75

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Stocks in *Value Line's* Natural Gas Utility Industry have performed well, in general, during 2016. (At the time of this writing, a number of them were trading close to their historical highs.) We attribute that relative strength partly to turbulent financial markets, reflecting concern over such factors as the welfare of China's economy (the third largest in the world) and the United Kingdom's decision to exit the European Union. Indeed, during periods of uncertainty, which seem to be more common these days, the equities in this group appear more enticing than those of other industries mainly because they offer well-covered, appealing amounts of dividend income. Of course, no sector (even the most defensive) is completely immune to financial market fluctuations.

Natural Gas Prices

Despite recent strength, natural gas quotations are nowhere near the heights reached late last decade, and the situation might not improve very much for some time. Even though that scenario does not augur well for companies that produce this commodity, regulated utility units generally benefit. That's partially because lower gas pricing tends to lead to diminished prices for customers, which may well bring down bad-debt expense. Furthermore, there is an increased possibility that homeowners will switch from alternative fuel sources, such as oil or propane, to natural gas. (At the present time, it's estimated that more than half of all households within the United States use natural gas.) It is important to mention, however, that companies in our universe also possess nonregulated businesses (including pipelines and energy marketing & trading), which tend to underperform when gas prices are at subdued levels.

How's The Weather?

Weather is a factor that affects the demand for natural gas, particularly from small commercial businesses and consumers. Not surprisingly, profits for utilities are susceptible to seasonal temperature patterns, with consumption normally at its peak during the winter heating months. Unseasonably warm or cold weather can cause significant volatility in quarterly operating results. But some companies strive to counteract this exposure through temperature-adjusted rate mechanisms, which are available in a number of states.

Long-Term Prospects

Overall, we are optimistic about the industry's operating performance over the next three to five years. Natural gas should continue to be abundant in the United States, brought about by new technologies, so a shortage does not appear probable anytime soon. Furthermore, there are limited alternatives for the services the companies in this group offer. Too, it's a challenge for new entrants in the market, given such factors as the size of existing competitors and the considerable initial capital outlays that are required. Finally, the country's population (now numbering more than 320 million) ought to remain on a steady, upward course, which augurs well for future demand for utility services.

INDUSTRY TIMELINESS: 62 (of 97)

Nonetheless, there are some risks to consider. For a start, companies are subject to state and local regulatory authorities. That being the case, there are no guarantees that petitions for rate increases will be accepted or that certain favorable provisions (including temperature-adjusted rate mechanisms) will continue indefinitely. To further complicate matters, a slowdown in the economy may prompt customers to conserve gas and push up bad-debt expense. Lastly, operational difficulties created by leaks and other accidents could result in substantial financial losses (if not adequately covered by insurance).

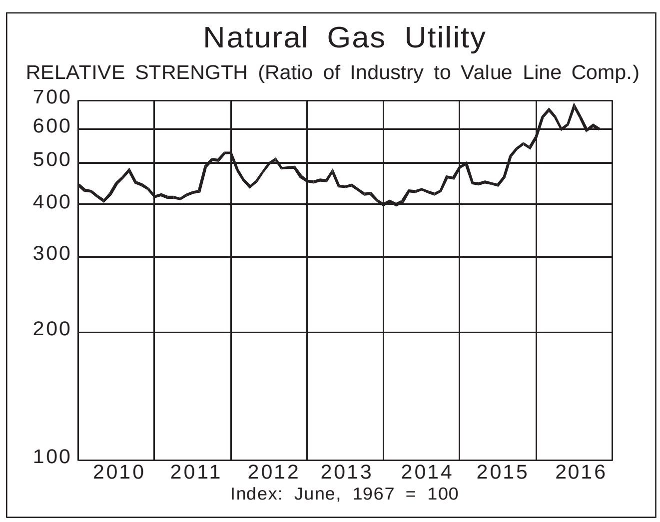
Appealing Dividends

The primary feature of utility equities is their dividend income, which is well covered by corporate profits. (It's important to mention that the Financial Strength ratings for the 10 companies in our universe are no lower than B+.) At the time of this report, the average yield for the group was about 2.8%, significantly above the *Value Line* median of 2.1%. Standouts include *South Jersey Industries*, *Northwest Natural Gas*, *Spire Inc.*, and *NiSource Inc*. When the financial markets experience heightened volatility, which seems to be more often the case these days, solid dividend yields tend to provide a measure of much-needed stability.

Conclusion

Stocks within the Natural Gas Utility Industry ought to draw the interest of income-focused accounts with a conservative bent, given that a number of these issues are ranked favorably for Safety and possess high marks for Price Stability. It is important to keep in mind that companies owning more-established nonregulated operations might offer a higher potential for returns, but profits could be more volatile than for firms with a greater emphasis on the more stable utility segment. As always, our readers are advised to carefully examine the following reports before committing funds.

Frederick L. Harris, III



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