

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Eastern Shore Natural Gas Company

Docket No. RP07-____-000

Financial Exhibit
to Accompany
the Direct Testimony
of

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

Eastern Shore Natural Gas Company
Index of Schedules

	<u>Schedule</u>
Summary Cost of Capital	1
Eastern Shore Natural Gas Company Historical Capitalization and Financial Statistics	2
Corporate Pipeline Group Historical Capitalization and Financial Statistics	3
Standard & Poor's Public Utilities Historical Capitalization and Financial Statistics	4
Eastern Shore Natural Gas Company Capitalization and Capital Structure Ratios	5
Eastern Shore Natural Gas Company Embedded Cost of Long-Term Debt	6
Cash Yields	7
Historical Growth Rates	8
Projected Growth Rates	9
Analysis of Public Offerings of Common Stock	10
Two-Step DCF Model	11
Interest Rates for Investment Grade Public Utility Bonds	12
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	13
Component Inputs for the Capital Market Pricing Model	14
Comparable Earnings Approach	15

Eastern Shore Natural Gas Company

Summary Cost of Capital
Estimated at March 31, 2007

<u>Type of Capital</u>	<u>Ratios</u>	<u>Cost Rate</u>	<u>Weighted Cost Rate</u>
Long-term Debt	39%	6.73%	2.62%
Common Equity	<u>61%</u>	14.875%	<u>9.07%</u>
Total	<u>100%</u>		<u>11.69%</u>

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

Pre-tax coverage of interest expense based upon a
35.0000% composite federal and state income tax rate
(16.57% ÷ 2.62%) 6.32 x

Post-tax coverage of interest expense
(11.69% ÷ 2.62%) 4.46 x

Eastern Shore Natural Gas Company
Capitalization and Financial Statistics
2001-2005, Inclusive

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	
			(Millions of Dollars)			
Amount of Capital Employed						
Permanent Capital	\$ 37.8	\$ 34.2	\$ 30.8	\$ 27.9	\$ 24.5	
Short-Term Debt	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Capital	<u>\$ 37.8</u>	<u>\$ 34.2</u>	<u>\$ 30.8</u>	<u>\$ 27.9</u>	<u>\$ 24.5</u>	
Capital Structure Ratios						
Based on Permanent Capital:						<u>Average</u>
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minority Interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Common Equity	<u>100.0%</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>	<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	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minority Interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Common Equity	<u>100.0%</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>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity	10.1%	10.3%	10.0%	13.0%	13.8%	11.4%
Operating Ratio ⁽¹⁾	57.9%	63.2%	63.7%	57.6%	56.1%	59.7%
Coverage incl. AFUDC ⁽²⁾						
Pre-tax: All Interest Charges	5.52 x	4.87 x	3.95 x	4.94 x	4.99 x	4.85 x
Post-tax: All Interest Charges	3.68 x	3.30 x	2.79 x	3.35 x	3.41 x	3.31 x
Overall Coverage: All Int. & Pfd. Div.	3.68 x	3.30 x	2.79 x	3.35 x	3.41 x	3.31 x
Coverage excl. AFUDC ⁽²⁾						
Pre-tax: All Interest Charges	5.52 x	4.87 x	3.95 x	4.94 x	4.88 x	4.83 x
Post-tax: All Interest Charges	3.68 x	3.30 x	2.79 x	3.35 x	3.30 x	3.28 x
Overall Coverage: All Int. & Pfd. Div.	3.68 x	3.30 x	2.79 x	3.35 x	3.30 x	3.28 x
Quality of Earnings & Cash Flow						
AFC/Income Avail. for Common Equity	0.0%	0.0%	0.0%	0.1%	4.5%	0.9%
Effective Income Tax Rate	40.7%	40.5%	39.5%	40.4%	39.6%	40.1%
Internal Cash Generation/Construction ⁽³⁾	44.7%	137.7%	353.2%	175.1%	27.0%	147.5%
Gross Cash Flow/ Avg. Total Debt ⁽⁴⁾						
Gross Cash Flow Interest Coverage ⁽⁵⁾	4.98 x	4.88 x	3.73 x	4.60 x	3.30 x	4.30 x
Common Dividend Coverage ⁽⁶⁾	x	x	x	x	x	x

See Page 2 for Notes.

Eastern Shore Natural Gas Company
Capitalization and Financial Statistics
2001-2005, Inclusive

Notes:

- (1) Total operating expenses, maintenance, depreciation and taxes other than income as a percentage of operating revenues.
- (2) Excluding Accumulated Other Comprehensive Income ("OCI") from the equity account.
- (3) Coverage calculations represent the number of times available earnings excluding AFUDC (allowance for funds used during construction), as reported in its entirety, cover fixed charges.
- (3) 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.
- (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: FERC Form No. 2A

Corporate Pipeline Group
Capitalization and Financial Statistics ⁽¹⁾
2001-2005, Inclusive

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	
			(Millions of Dollars)			
Amount of Capital Employed						
Permanent Capital	\$ 9,199.7	\$ 8,328.7	\$ 9,388.4	\$ 10,151.8	\$ 9,585.0	
Short-Term Debt	\$ 178.4	\$ 87.9	\$ 101.8	\$ 507.4	\$ 776.4	
Total Capital	<u>\$ 9,378.1</u>	<u>\$ 8,416.6</u>	<u>\$ 9,490.2</u>	<u>\$ 10,659.2</u>	<u>\$ 10,361.4</u>	
Market-Based Financial Ratios						<u>Average</u>
Price-Earnings Multiple	21 x	25 x	14 x	14 x	21 x	19 x
Market/Book Ratio	345.8%	231.3%	175.9%	186.9%	268.5%	241.7%
Cash Yield	2.2%	2.5%	2.5%	2.9%	2.0%	2.4%
Payout Ratio	38.9%	33.9%	38.0%	36.0%	46.4%	38.6%
Capital Structure Ratios						
Based on Permanent Capital:						
Long-Term Debt	52.9%	51.5%	56.4%	54.7%	50.4%	53.2%
Preferred Stock/Minority Interest	2.6%	3.2%	3.1%	5.1%	5.6%	3.9%
Common Equity ⁽²⁾	<u>44.6%</u>	<u>45.3%</u>	<u>40.5%</u>	<u>40.3%</u>	<u>44.1%</u>	<u>42.9%</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term	55.2%	53.9%	58.5%	56.9%	57.0%	56.3%
Preferred Stock/Minority Interest	2.5%	3.2%	3.0%	5.0%	5.2%	3.8%
Common Equity ⁽²⁾	<u>42.3%</u>	<u>42.9%</u>	<u>38.5%</u>	<u>38.2%</u>	<u>37.8%</u>	<u>39.9%</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity ⁽²⁾	9.0%	9.7%	9.4%	5.6%	11.8%	9.1%
Operating Ratio ⁽³⁾	83.0%	79.6%	80.1%	82.3%	82.9%	81.6%
Coverage incl. AFUDC ⁽⁴⁾						
Pre-tax: All Interest Charges	5.04 x	4.54 x	3.67 x	2.93 x	3.42 x	3.92 x
Post-tax: All Interest Charges	3.51 x	3.31 x	2.71 x	2.26 x	2.49 x	2.86 x
Overall Coverage: All Int. & Pfd. Div.	3.51 x	3.31 x	2.71 x	2.25 x	2.49 x	2.85 x
Coverage excl. AFUDC ⁽⁴⁾						
Pre-tax: All Interest Charges	5.03 x	4.54 x	3.66 x	2.92 x	3.40 x	3.91 x
Post-tax: All Interest Charges	3.50 x	3.30 x	2.71 x	2.25 x	2.47 x	2.85 x
Overall Coverage: All Int. & Pfd. Div.	3.50 x	3.30 x	2.70 x	2.24 x	2.47 x	2.84 x
Quality of Earnings & Cash Flow						
AFUDC/Income Avail. for Common Equity	-1.7%	-1.2%	-1.3%	0.5%	0.9%	-0.6%
Effective Income Tax Rate	36.8%	31.8%	44.9%	32.1%	44.3%	38.0%
Internal Cash Generation/Construction ⁽⁵⁾	106.1%	177.6%	161.2%	115.4%	134.5%	139.0%
Gross Cash Flow/ Avg. Total Debt ⁽⁶⁾	26.4%	31.7%	24.1%	19.7%	22.6%	24.9%
Gross Cash Flow Interest Coverage ⁽⁷⁾	5.44 x	6.22 x	4.95 x	4.25 x	4.65 x	5.10 x
Common Dividend Coverage ⁽⁸⁾	5.70 x	11.47 x	8.23 x	6.51 x	8.61 x	8.10 x

See Page 2 for Notes.

Corporate Pipeline Group
Capitalization and Financial Statistics
2001-2005, 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 the surviving companies used by the Commission in its rate case decision in Docket No. RP00-107-000 (104 FERC ¶ 61,036) that have traded stock and are currently paying a dividend.

Ticker	Company	Corporate Credit Ratings		Stock Traded	S&P Stock Ranking	Value Line Beta
		Moody's	S&P			
EP	El Paso Corp.	B1	B	NYSE	NR	2.25
EQT	Equitable Resources	A2	A-	NYSE	A-	0.85
KMI	Kinder Morgan Inc.	Baa2	BBB	NYSE	B	0.95
NFG	National Fuel Gas	Baa1	BBB+	NYSE	B+	0.95
STR	Questar Corp.	A2	A-	NYSE	A-	0.95
WMB	Williams Companies	Ba2	BB-	NYSE	B	2.85
	Average	<u>Baa2</u>	<u>BBB</u>		<u>B+</u>	<u>1.47</u>

Note: Ratings are those of pipeline subsidiaries

Source of Information: Utility COMPUSTAT

Standard & Poor's Public Utilities
Capitalization and Financial Statistics ⁽¹⁾
2001-2005, Inclusive

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	
			(Millions of Dollars)			
Amount of Capital Employed						
Permanent Capital	\$ 14,644.5	\$ 14,562.2	\$ 14,658.8	\$ 14,236.2	\$ 13,783.4	
Short-Term Debt	\$ 485.3	\$ 278.7	\$ 276.6	\$ 952.3	\$ 1,204.1	
Total Capital	<u>\$ 15,129.8</u>	<u>\$ 14,840.9</u>	<u>\$ 14,935.4</u>	<u>\$ 15,188.5</u>	<u>\$ 14,987.5</u>	
Market-Based Financial Ratios						<u>Average</u>
Price-Earnings Multiple	18 x	15 x	13 x	15 x	17 x	16 x
Market/Book Ratio	195.5%	180.1%	149.0%	151.3%	183.6%	171.9%
Dividend Yield	3.7%	3.8%	4.2%	5.0%	4.1%	4.2%
Dividend Payout Ratio	58.9%	73.3%	59.9%	75.3%	64.1%	66.3%
Capital Structure Ratios						
Based on Permanent Capital:						
Long-Term Debt	56.6%	58.3%	59.8%	60.4%	58.9%	58.8%
Preferred Stock	1.2%	1.5%	1.6%	1.8%	2.3%	1.7%
Common Equity ⁽²⁾	<u>42.2%</u>	<u>40.2%</u>	<u>38.6%</u>	<u>37.8%</u>	<u>38.9%</u>	<u>39.5%</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term	58.5%	59.7%	61.3%	63.5%	62.9%	61.2%
Preferred Stock	1.2%	1.5%	1.6%	1.6%	2.1%	1.6%
Common Equity ⁽²⁾	<u>40.3%</u>	<u>38.8%</u>	<u>37.2%</u>	<u>34.9%</u>	<u>35.0%</u>	<u>37.2%</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 ⁽²⁾	10.9%	11.1%	9.8%	7.7%	14.5%	10.8%
Operating Ratio ⁽³⁾	83.0%	84.5%	84.9%	84.5%	85.9%	84.6%
Coverage incl. AFUDC ⁽⁴⁾						
Pre-tax: All Interest Charges	3.01 x	2.88 x	2.51 x	2.36 x	2.84 x	2.72 x
Post-tax: All Interest Charges	2.41 x	2.32 x	2.07 x	1.95 x	2.22 x	2.19 x
Overall Coverage: All Int. & Pfd. Div.	2.37 x	2.28 x	2.03 x	1.90 x	2.17 x	2.15 x
Coverage excl. AFUDC ⁽⁴⁾						
Pre-tax: All Interest Charges	2.97 x	2.85 x	2.47 x	2.31 x	2.80 x	2.68 x
Post-tax: All Interest Charges	2.37 x	2.29 x	2.03 x	1.90 x	2.18 x	2.15 x
Overall Coverage: All Int. & Pfd. Div.	2.34 x	2.25 x	1.99 x	1.86 x	2.13 x	2.11 x
Quality of Earnings & Cash Flow						
AFC/Income Avail. for Common Equity	0.9%	3.1%	1.7%	2.6%	2.0%	2.1%
Effective Income Tax Rate	31.6%	26.3%	40.9%	29.4%	28.1%	31.3%
Internal Cash Generation/Construction ⁽⁵⁾	110.4%	127.2%	128.0%	90.6%	88.6%	109.0%
Gross Cash Flow/ Avg. Total Debt ⁽⁶⁾	19.7%	19.7%	20.3%	18.2%	17.7%	19.1%
Gross Cash Flow Interest Coverage ⁽⁷⁾	4.20 x	4.21 x	4.34 x	3.98 x	3.57 x	4.06 x
Common Dividend Coverage ⁽⁸⁾	4.12 x	4.83 x	5.20 x	4.07 x	3.83 x	4.41 x

See Page 2 for Notes.

Standard & Poor's Public Utilities
Capitalization and Financial Statistics
2001-2005, 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

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
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
Peoples Energy	PGL	A1	A-	NYSE	B	0.85
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
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

Eastern Shore Natural Gas Company
Capitalization and Related Capital Structure Ratios
Actual at June 30, 2006 and Estimated at March 31, 2007

	<u>Actual at June 30, 2006</u>		<u>Estimated at March 31, 2007</u>
	<u>Amount Outstanding</u>	<u>Ratios</u>	<u>Ratios</u>
Long-Term Debt ⁽¹⁾	<u>\$ 57,728,364</u>	38.74%	39%
Common Equity			
Common stock	2,899,530		
Additional paid-in capital	41,728,962		
Retained earnings ⁽²⁾	46,666,024		
Deferred compensation obl.	1,090,962		
Treasury stock	<u>(1,093,423)</u>		
Total Common Equity	<u>91,292,055</u>	<u>61.26%</u>	<u>61%</u>
Total Permanent Capital	<u><u>\$ 149,020,419</u></u>	<u><u>100.00%</u></u>	<u><u>100%</u></u>

Notes:

⁽¹⁾Excludes current portion of long-term debt.

⁽²⁾Excluding Accumulated Other Comprehensive Income

Source of Information: Company provided data

Eastern Shore Natural Gas Company
Calculation of the Embedded Cost of Long-Term Debt
Actual at June 30, 2006

<u>Series</u>	<u>Principal Amount Outstanding</u>	<u>Percent to Total</u>	<u>Effective Cost Rate</u> ⁽¹⁾	<u>Weighted Cost Rate</u>
Chesapeake Senior Note	\$ 1,000,000	1.73%	8.66%	0.15%
Chesapeake Senior Note 2	\$ 3,636,364	6.30%	7.32%	0.46%
Chesapeake Senior Note 3	\$ 5,000,000	8.66%	6.99%	0.61%
Chesapeake Senior Note 4	\$ 16,000,000	27.72%	7.91%	2.19%
Chesapeake Senior Note 5	\$ 30,000,000	51.97%	6.71%	3.49%
Convertible Debentures	<u>2,092,000</u>	<u>3.62%</u>	9.51%	<u>0.35%</u>
	<u><u>\$ 57,728,364</u></u>	<u><u>100.00%</u></u>		<u><u>7.24%</u></u>

Note:

⁽¹⁾As calculated on page 3 of this schedule.

Source of Information: Company provided data

Eastern Shore Natural Gas Company
Calculation of the Embedded Cost of Long-Term Debt
Estimated at March 31, 2007

Series	Principal Amount Outstanding	Percent to Total	Effective Cost Rate ⁽¹⁾	Weighted Cost Rate
Chesapeake Senior Note	\$ -	0.00%	8.66%	0.00%
Chesapeake Senior Note 2	\$ 2,727,273	3.91%	7.32%	0.29%
Chesapeake Senior Note 3	\$ 4,000,000	5.74%	6.99%	0.40%
Chesapeake Senior Note 4	\$ 14,000,000	20.07%	7.91%	1.59%
Chesapeake Senior Note 5	\$ 27,272,727	39.11%	6.71%	2.62%
Convertible Debentures	\$ 20,000,000	28.68%	5.55%	1.59%
Convertible Debentures	<u>1,741,999</u>	<u>2.50%</u>	9.51%	<u>0.24%</u>
	<u>\$ 69,741,999</u>	<u>100.00%</u>		<u>6.73%</u>

Note:

⁽¹⁾As calculated on page 3 of this schedule.

Source of Information: Company provided data

Eastern Shore Natural Gas Company
Calculation of the Effective Cost of Long-Term Debt by Series

<u>Series</u>	<u>Coupon Rate</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Average Term in Years</u> ⁽¹⁾	<u>Principal Amount Issued</u>	<u>Discount and Expense</u>	<u>Net Proceeds</u>	<u>Net Proceeds Ratio</u>	<u>Effective Cost Rate</u> ⁽²⁾
Chesapeake Senior Note	7.97%	01/15/93	02/01/08	10.5	\$10,000,000	\$451,547	\$ 9,548,453	95.48%	8.66%
Chesapeake Senior Note 2	6.91%	10/01/95	10/01/10	10.0	\$10,000,000	\$278,379	\$ 9,721,621	97.22%	7.32%
Chesapeake Senior Note 3	6.85%	12/15/97	01/01/12	10.5	\$10,000,000	\$97,686	\$ 9,902,314	99.02%	6.99%
Chesapeake Senior Note 4	7.83%	12/29/00	01/01/15	10.5	\$20,000,000	\$114,044	\$19,885,956	99.43%	7.91%
Chesapeake Senior Note 5	6.64%	10/31/02	10/31/17	10.0	\$30,000,000	\$141,831	\$29,858,169	99.53%	6.71%
Chesapeake Senior Note 6	5.50%	10/12/06	10/12/20	10.0	\$20,000,000	\$75,000	\$19,925,000	99.63%	5.55%
Convertible Debentures	8.25%	02/15/89	03/01/14	16.92	\$5,000,000	\$471,322	\$ 4,528,678	90.57%	9.51%

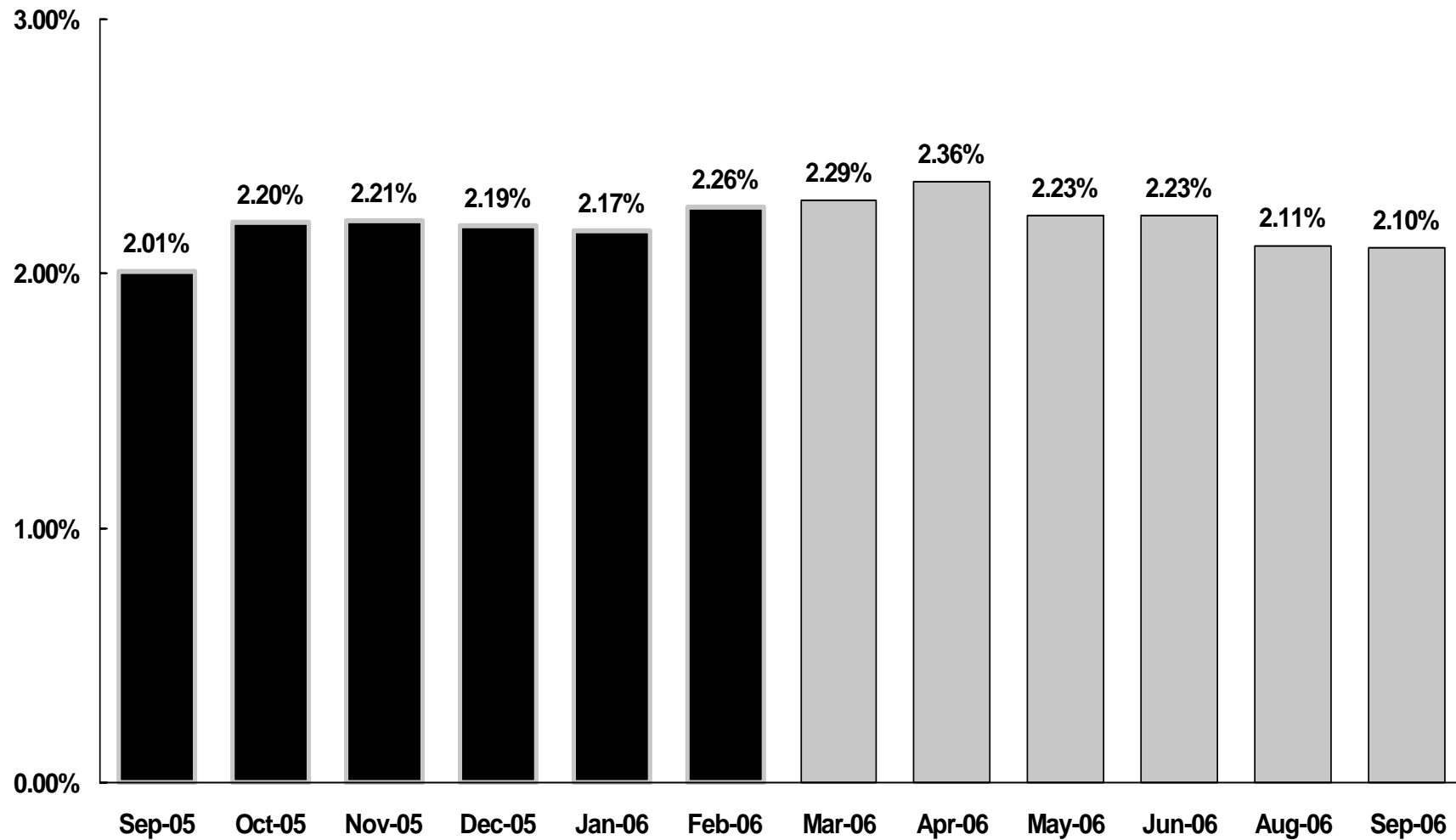
Notes: ⁽¹⁾ Determined by taking into account the effect the annual sinking fund requirements, which are met by the payment of principal that reduces the term of each issue.

⁽²⁾ The effective cost for each issue is the internal rate of return ("irr") using as inputs the term of the issue, the coupon rate, the annual sinking fund payments, and the net proceeds.

Source of Information: Company provided data

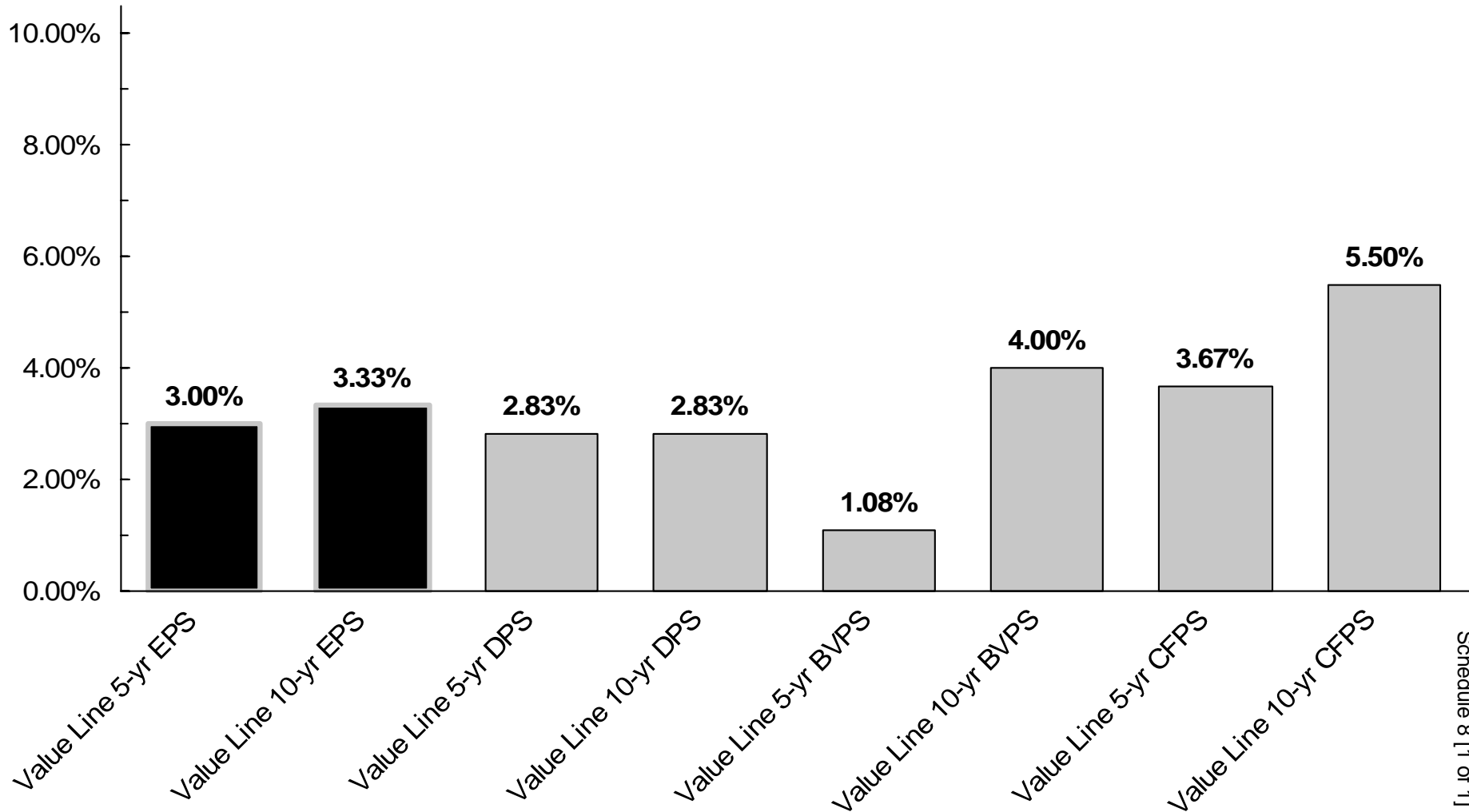
Corporate Pipeline Group

Monthly Cash Yields



Corporate Pipeline Group

Historical Growth Rates

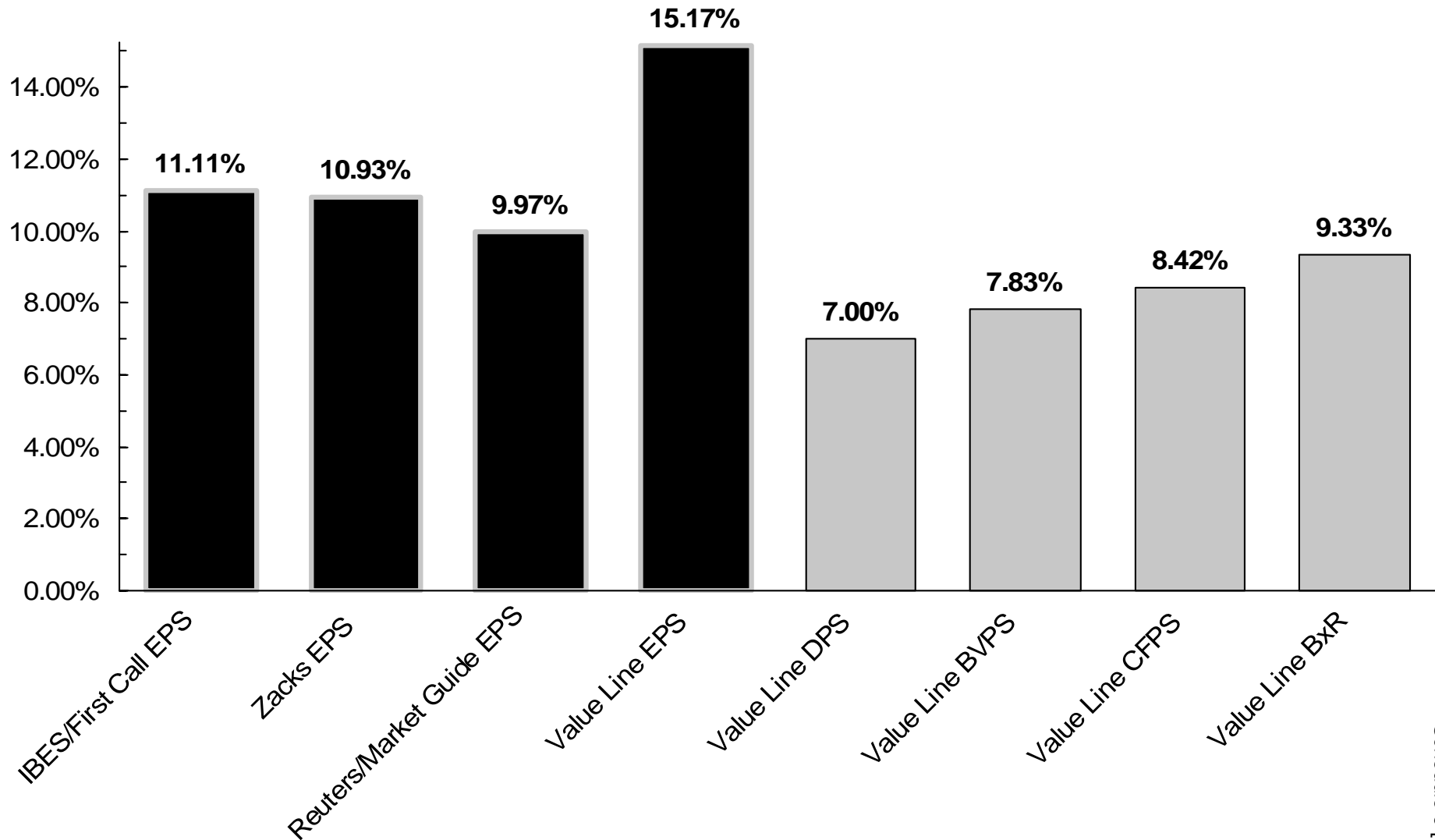


Earnings per Share=EPS
Dividends per Share=DPS

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

Corporate Pipeline Group

Five-Year Projected Growth Rates



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

Natural Gas Industry
Analysis of Public Offerings of Common Stock
Years 2001-2005

	WGL Holdings	UTILICORP	MDU Resources	AGL RESOURCES	SOUTHERN UNION CO.	ATMOS ENERGY	VECTREN CORP.	SEMPRA ENERGY	PIEDMONT NATURAL
Date of Offering	6/26/2001	1/25/2002	11/29/2002	2/11/2003	6/5/2003	6/18/2003	8/7/2003	10/8/2003	1/20/2004
No. of shares offered (000)	1,790	11,000	2,100	5,600	9,500	4,000	6,500	15,000	4,250
Dollar amt. of offering (\$000)	\$ 47,847	\$ 253,000	\$ 50,400	\$ 123,200	\$ 152,000	\$ 101,240	\$ 148,265	\$ 420,000	\$ 180,625
Price to public	\$ 26.730	\$ 23.000	\$ 24.200	\$ 22.000	\$ 16.000	\$ 25.310	\$ 22.810	\$ 28.000	\$ 42.500
Underwriter's discounts and commission	\$ 0.895	\$ 0.748	\$ 0.720	\$ 0.770	\$ 0.560	\$ 1.013	\$ 0.798	\$ 0.840	\$ 1.490
Gross Proceeds	\$ 25.835	\$ 22.252	\$ 23.480	\$ 21.230	\$ 15.440	\$ 24.297	\$ 22.012	\$ 27.160	\$ 41.010
Estimated company issuance expenses	\$ 0.031	NA	\$ 0.092	\$ 0.045	\$ 0.089	\$ 0.095	\$ 0.046	\$ 0.033	NA
Net proceeds to company per share	\$ 25.804	\$ 22.252	\$ 23.388	\$ 21.185	\$ 15.351	\$ 24.202	\$ 21.966	\$ 27.127	\$ 41.010
Underwriter's discount as a percent of offering price	3.3%	3.3%	3.0%	3.5%	3.5%	4.0%	3.5%	3.0%	3.5%
Issuance expense as a percent of offering price	0.1%	NA	0.4%	0.2%	0.6%	0.4%	0.2%	0.1%	NA
Total Issuance and selling expense as as a percent of offering price	3.4%	3.3%	3.4%	3.7%	4.1%	4.4%	3.7%	3.1%	3.5%
	UGI CORP.	NORTHWEST NATURAL	LACLEDE GROUP	SOUTHERN UNION CO.	AQUILA	ATMOS ENERGY	AGL RESOURCES	SOUTHERN UNION CO.	SEMCO Energy
Date of Offering	3/18/2004	3/30/2004	5/6/2004	7/26/2004	8/18/2004	10/21/2004	11/19/2004	2/7/2006	8/9/2006
No. of shares offered (000)	7,500	1,200	1,500	11,000	40,000	14,000	9,600	14,913	4,300
Dollar amt. of offering (\$000)	\$ 240,750	\$ 37,200	\$ 40,200	\$ 206,250	\$ 102,000	\$ 346,500	\$ 297,696	\$ 342,999	\$ 27,176
Price to public	\$ 32.100	\$ 31.000	\$ 26.800	\$ 18.750	\$ 2.550	\$ 24.750	\$ 31.010	\$ 23.000	\$ 6.320
Underwriter's discounts and commission	\$ 1.404	\$ 1.010	\$ 0.871	\$ 0.656	\$ 0.099	\$ 0.990	\$ 0.930	\$ 0.700	\$ 0.253
Gross Proceeds	\$ 30.696	\$ 29.990	\$ 25.929	\$ 18.094	\$ 2.451	\$ 23.760	\$ 30.080	\$ 22.300	\$ 6.067
Estimated company issuance expenses	\$ 0.020	\$ 0.146	\$ 0.067	\$ 0.091	NA	NA	\$ 0.042	\$ 0.067	\$ 0.070
Net proceeds to company per share	\$ 30.676	\$ 29.844	\$ 25.862	\$ 18.003	\$ 2.451	\$ 23.760	\$ 30.038	\$ 22.233	\$ 5.997
Underwriter's discount as a percent of offering price	4.4%	3.3%	3.3%	3.5%	3.9%	4.0%	3.0%	3.0%	4.0%
Issuance expense as a percent of offering price	0.1%	0.5%	0.3%	0.5%	NA	NA	0.1%	0.3%	1.1%
Total Issuance and selling expense as as a percent of offering price	4.5%	3.8%	3.6%	4.0%	3.9%	4.0%	3.1%	3.3%	5.1%
									Average
									3.5%
									0.4%
									3.9%

Source of Information: Public Utility Financial Tracker

Return on Equity Calculation
per Commission's Two-Stage DCF
Six-months ended August 2006

<u>Corporate Pipeline Group</u>	<u>Six Month Div. Yield</u>	<u>IBES First Call</u>	<u>GDP Growth Rate</u>	<u>IBES 2/3 Weighted</u>	<u>GDP 1/3 Weighted</u>	<u>Combined Growth Rate</u>	<u>Adjusted Dividend Yield</u>	<u>DCF Return</u>
El Paso Energy Corporation	1.14%	10.92%	5.46%	7.28%	1.82%	9.10%	1.19%	10.29%
Equitable Resources, Inc.	2.50%	9.75%	5.46%	6.50%	1.82%	8.32%	2.60%	10.92%
Kinder Morgan, Inc.	3.65%	13.00%	5.46%	8.67%	1.82%	10.49%	3.84%	14.33%
National Fuel Gas Company	3.41%	5.00%	5.46%	3.33%	1.82%	5.15%	3.50%	8.65%
Questar Corporation	1.20%	13.26%	5.46%	8.84%	1.82%	10.66%	1.26%	11.92%
Williams (The) Companies	1.52%	14.75%	5.46%	9.83%	1.82%	11.65%	1.61%	13.26%
				<u>Percent Pipeline Assets</u>	<u>Weights for Average</u>	<u>Weighted Average</u>	<u>Weights for Median</u>	<u>Weighted Median</u>
El Paso Energy Corporation				51.72%	27.04%	2.78%	6	10.29%
Equitable Resources, Inc.				7.99%	4.18%	0.46%	1	10.92%
Kinder Morgan, Inc.				45.31%	23.69%	3.39%	6	14.33%
National Fuel Gas Company				21.21%	11.09%	0.96%	3	8.65%
Questar Corporation				17.39%	9.09%	1.08%	2	11.92%
Williams (The) Companies				47.64%	24.91%	3.30%	6	13.26%
Weighted Average					<u>100.00%</u>	<u>11.97%</u>		
Weighted Median							<u>24</u>	<u>12.59%</u>

Energy Information Administration ("EIA") Table A19

Real Gross Domestic Product

<u>Year</u>	<u>EIA</u>
2011	\$13,417
2030	\$23,112

2.90%

GDP Chain-Type Price Index

<u>Year</u>	<u>EIA</u>
2011	1.264
2030	2.048

2.57%

GDP Growth

5.54%

Global Insight

<u>Year</u>	<u>GI</u>
2011	\$16,844.2
2036	\$55,626.3

GDP Growth

4.89%

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

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

GDP Growth

4.46%

Average

4.96%

Growth attributed to Corporate Profits

0.50%

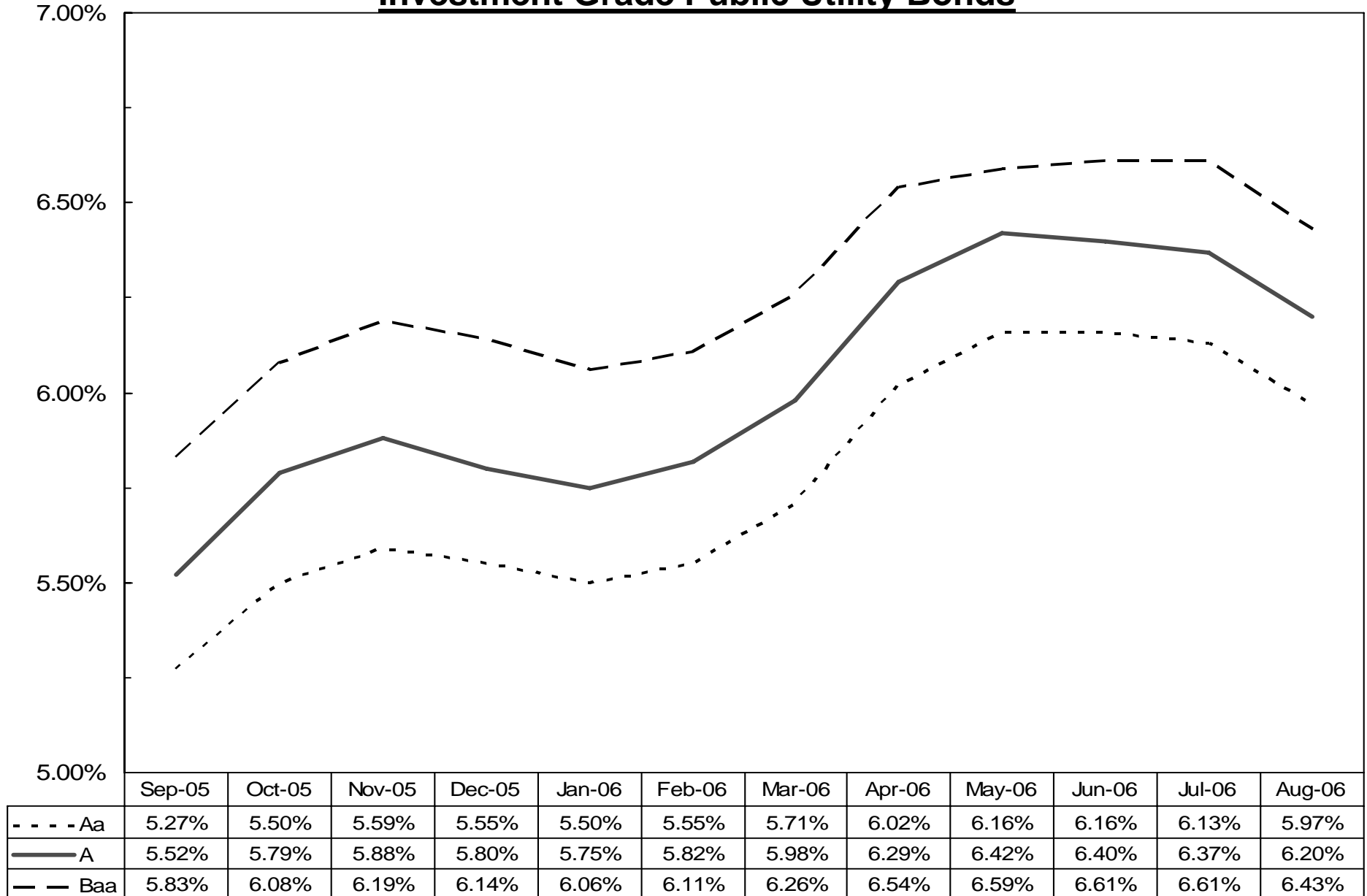
Long-Term Growth Rate

5.46%

Dividend Yield Calculations

			Price			Indicated		Average
Ticker	Company	Mo/Yr	High	Low	Average	Dividend Rate	Dividend Yield	Dividend Yield
EP	El Paso Energy Corporation	Mar-06	\$ 13.15	\$ 11.80	\$ 12.475	\$0.16	1.28%	1.14%
		Apr-06	\$ 13.03	\$ 11.85	\$ 12.440	\$0.16	1.29%	
		May-06	\$ 16.00	\$ 12.96	\$ 14.480	\$0.16	1.10%	
		Jun-06	\$ 15.77	\$ 13.80	\$ 14.785	\$0.16	1.08%	
		Jul-06	\$ 16.12	\$ 14.54	\$ 15.330	\$0.16	1.04%	
		Aug-06	\$ 16.39	\$ 13.96	\$ 15.175	\$0.16	1.05%	
EQT	Equitable Resources, Inc.	Mar-06	\$ 37.87	\$ 35.22	\$ 36.545	\$0.84	2.30%	2.50%
		Apr-06	\$ 37.00	\$ 34.92	\$ 35.960	\$0.88	2.45%	
		May-06	\$ 35.85	\$ 32.20	\$ 34.025	\$0.88	2.59%	
		Jun-06	\$ 34.78	\$ 31.59	\$ 33.185	\$0.88	2.65%	
		Jul-06	\$ 36.29	\$ 32.55	\$ 34.420	\$0.88	2.56%	
		Aug-06	\$ 36.91	\$ 34.85	\$ 35.880	\$0.88	2.45%	
KMI	Kinder Morgan, Inc.	Mar-06	\$ 94.90	\$ 89.13	\$ 92.015	\$3.50	3.80%	3.65%
		Apr-06	\$ 93.05	\$ 86.27	\$ 89.660	\$3.50	3.90%	
		May-06	\$ 103.00	\$ 81.00	\$ 92.000	\$3.50	3.80%	
		Jun-06	\$ 101.83	\$ 97.50	\$ 99.665	\$3.50	3.51%	
		Jul-06	\$ 103.19	\$ 99.50	\$101.345	\$3.50	3.45%	
		Aug-06	\$ 104.59	\$ 100.10	\$102.345	\$3.50	3.42%	
NFG	National Fuel Gas Company	Mar-06	\$ 33.27	\$ 31.13	\$ 32.200	\$1.16	3.60%	3.41%
		Apr-06	\$ 33.51	\$ 31.33	\$ 32.420	\$1.16	3.58%	
		May-06	\$ 35.98	\$ 33.30	\$ 34.640	\$1.16	3.35%	
		Jun-06	\$ 36.75	\$ 33.18	\$ 34.965	\$1.20	3.43%	
		Jul-06	\$ 37.43	\$ 34.95	\$ 36.190	\$1.20	3.32%	
		Aug-06	\$ 39.16	\$ 36.76	\$ 37.960	\$1.20	3.16%	
STR	Questar Corporation	Mar-06	\$ 75.45	\$ 67.37	\$ 71.410	\$0.90	1.26%	1.20%
		Apr-06	\$ 81.90	\$ 68.43	\$ 75.165	\$0.90	1.20%	
		May-06	\$ 82.08	\$ 67.48	\$ 74.780	\$0.94	1.26%	
		Jun-06	\$ 81.00	\$ 67.68	\$ 74.340	\$0.94	1.26%	
		Jul-06	\$ 89.00	\$ 75.68	\$ 82.340	\$0.94	1.14%	
		Aug-06	\$ 91.02	\$ 84.85	\$ 87.935	\$0.94	1.07%	
WMB	Williams (The) Companies	Mar-06	\$ 22.33	\$ 19.35	\$ 20.840	\$0.30	1.44%	1.52%
		Apr-06	\$ 23.34	\$ 21.20	\$ 22.270	\$0.30	1.35%	
		May-06	\$ 23.47	\$ 20.01	\$ 21.740	\$0.36	1.66%	
		Jun-06	\$ 23.59	\$ 20.06	\$ 21.825	\$0.36	1.65%	
		Jul-06	\$ 24.56	\$ 22.40	\$ 23.480	\$0.36	1.53%	
		Aug-06	\$ 25.40	\$ 23.99	\$ 24.695	\$0.36	1.46%	

Interest Rates for Investment Grade Public Utility Bonds

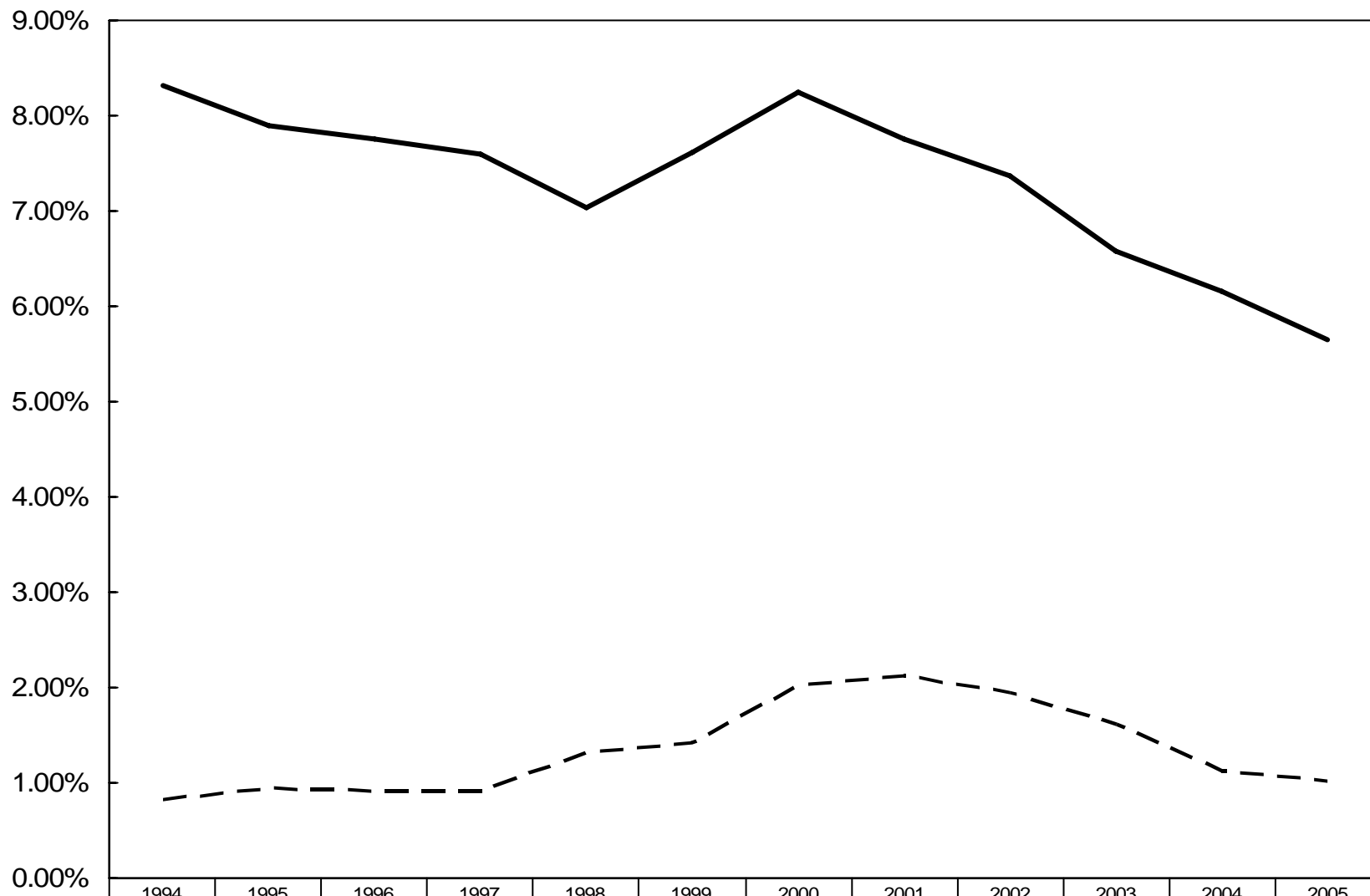


**Interest Rates for Investment Grade Public Utility Bonds
Yearly for 2001-2005
and the Twelve Months Ended August 2006**

<u>Years</u>	<u>Aa Rated</u>	<u>A Rated</u>	<u>Baa Rated</u>	<u>Average</u>
2001	7.58%	7.76%	8.03%	7.72%
2002	7.19%	7.37%	8.02%	7.53%
2003	6.40%	6.58%	6.84%	6.61%
2004	6.04%	6.16%	6.40%	6.20%
2005	5.44%	5.65%	5.93%	5.67%
Five-Year Average	<u>6.53%</u>	<u>6.70%</u>	<u>7.04%</u>	<u>6.75%</u>
 <u>Months</u>				
Sep-05	5.27%	5.52%	5.83%	5.54%
Oct-05	5.50%	5.79%	6.08%	5.79%
Nov-05	5.59%	5.88%	6.19%	5.88%
Dec-05	5.55%	5.80%	6.14%	5.83%
Jan-06	5.50%	5.75%	6.06%	5.77%
Feb-06	5.55%	5.82%	6.11%	5.83%
Mar-06	5.71%	5.98%	6.26%	5.98%
Apr-06	6.02%	6.29%	6.54%	6.28%
May-06	6.16%	6.42%	6.59%	6.39%
Jun-06	6.16%	6.40%	6.61%	6.39%
Jul-06	6.13%	6.37%	6.61%	6.37%
Aug-06	5.97%	6.20%	6.43%	6.20%
Twelve-Month Average	<u>5.76%</u>	<u>6.02%</u>	<u>6.29%</u>	<u>6.02%</u>
Six-Month Average	<u>6.03%</u>	<u>6.28%</u>	<u>6.51%</u>	<u>6.27%</u>
Three-Month Average	<u>6.09%</u>	<u>6.32%</u>	<u>6.55%</u>	<u>6.32%</u>

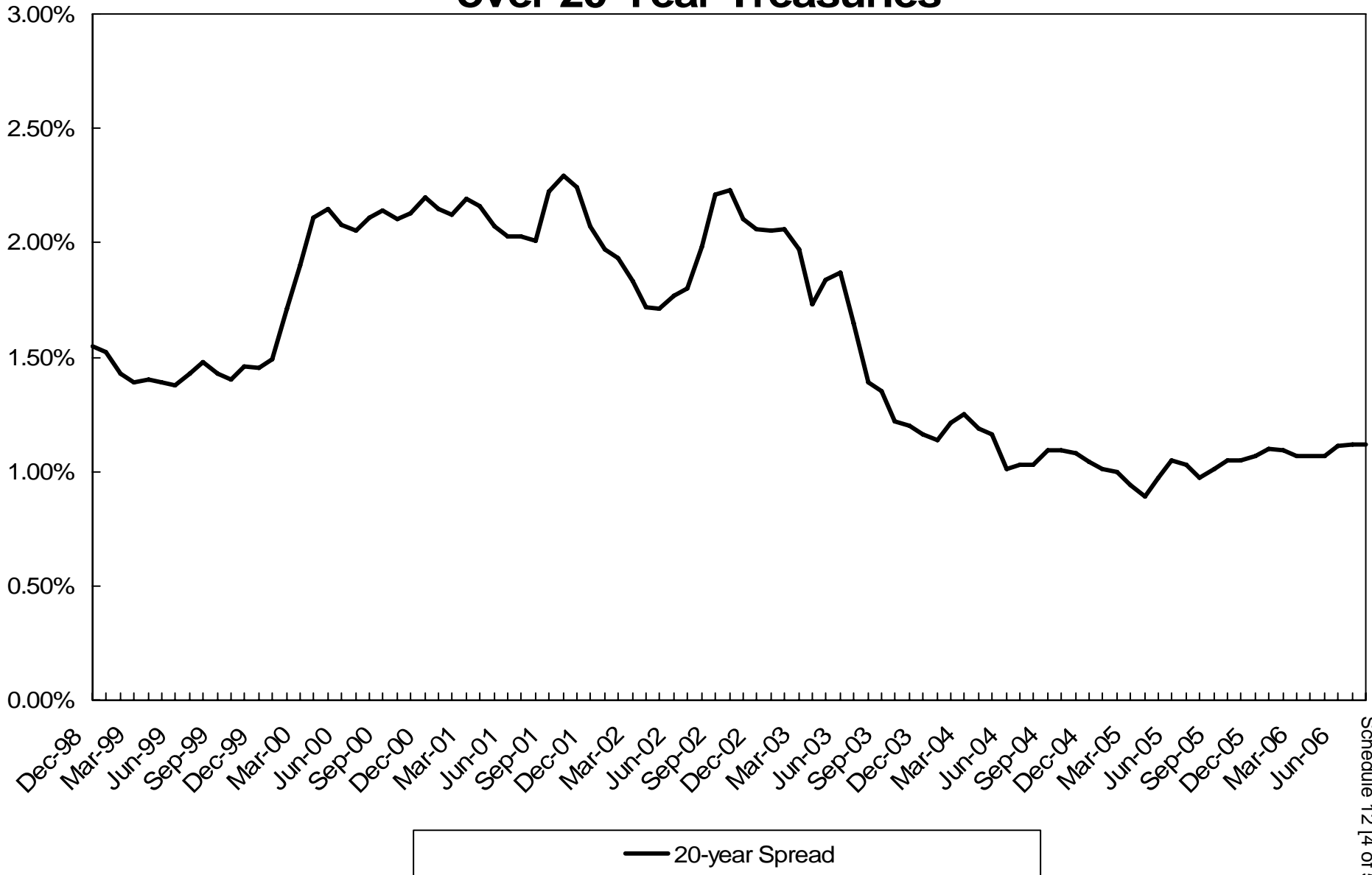
Source: Mergent Bond Record

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%
 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%

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



A rated Public Utility Bonds
over 20-Year Treasuries

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

S&P Composite Index and S&P Public Utility Index
Long-Term Corporate and Public Utility Bonds
Yearly Total Returns
1928-2005

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%
Geometric Mean	10.03%	8.65%	5.89%	5.47%
Arithmetic Mean	11.99%	11.02%	6.21%	5.75%
Standard Deviation	20.26%	22.67%	8.61%	7.93%
Median	13.38%	11.50%	4.44%	4.55%

**Tabulation of Risk Rate Differentials for
S&P Public Utility Index and Public Utility Bonds
For the Years 1928-2005, 1952-2005, 1974-2005, and 1979-2005**

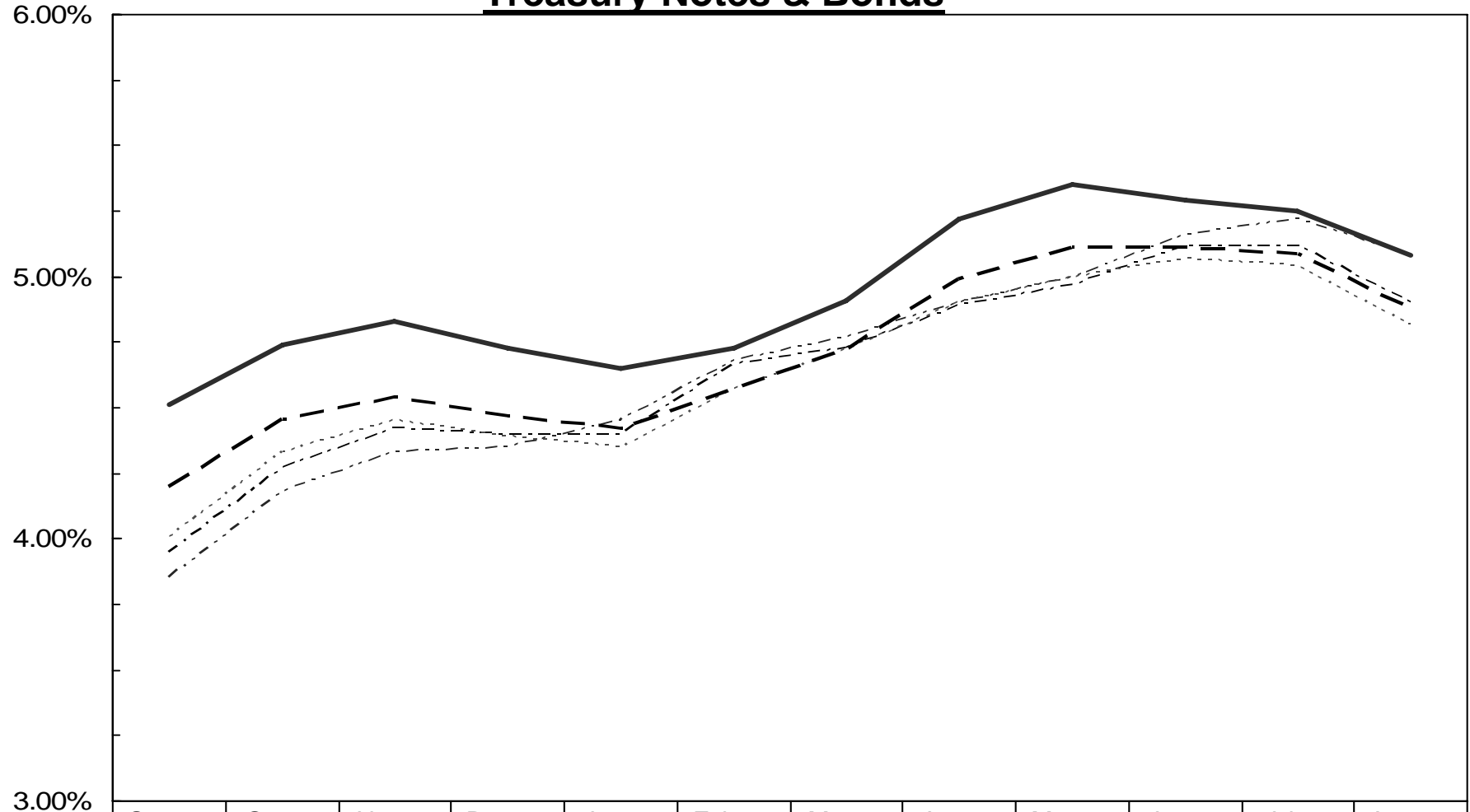
<u>Total Returns</u>	Range		<u>Midpoint</u>	Point Estimate	Average of the Midpoint of Range and Point Estimate
	<u>Geometric Mean</u>	<u>Median</u>		<u>Arithmetic Mean</u>	
<u>1928-2005</u>					
S&P Public Utility Index	8.65%	11.50%		11.02%	
Public Utility Bonds	<u>5.47%</u>	<u>4.55%</u>		<u>5.75%</u>	
Risk Differential	<u>3.18%</u>	<u>6.95%</u>	<u>5.07%</u>	<u>5.27%</u>	<u>5.17%</u>
<u>1952-2005</u>					
S&P Public Utility Index	10.82%	12.97%		12.37%	
Public Utility Bonds	<u>6.21%</u>	<u>5.08%</u>		<u>6.52%</u>	
Risk Differential	<u>4.61%</u>	<u>7.89%</u>	<u>6.25%</u>	<u>5.85%</u>	<u>6.05%</u>
<u>1974-2005</u>					
S&P Public Utility Index	12.54%	14.95%		14.57%	
Public Utility Bonds	<u>8.70%</u>	<u>9.05%</u>		<u>9.06%</u>	
Risk Differential	<u>3.84%</u>	<u>5.90%</u>	<u>4.87%</u>	<u>5.51%</u>	<u>5.19%</u>
<u>1979-2005</u>					
S&P Public Utility Index	13.15%	15.08%		15.06%	
Public Utility Bonds	<u>9.15%</u>	<u>9.44%</u>		<u>9.49%</u>	
Risk Differential	<u>4.00%</u>	<u>5.64%</u>	<u>4.82%</u>	<u>5.57%</u>	<u>5.20%</u>

Value Line Betas

<u>Corporate Pipeline Group</u>	<u>Beta</u>
El Paso Corp.	2.25
Equitable Resources	0.85
Kinder Morgan Inc.	0.95
National Fuel Gas	0.95
Questar Corp.	0.95
Williams Companies	<u>2.85</u>
Average	<u><u>1.47</u></u>

Source of Information:
Value Line Investment Survey
June 16, 2005

Yields on Treasury Notes & Bonds



	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06
1-Year	3.85%	4.18%	4.33%	4.35%	4.45%	4.68%	4.77%	4.90%	5.00%	5.16%	5.22%	5.08%
2-Year	3.95%	4.27%	4.42%	4.40%	4.40%	4.67%	4.73%	4.89%	4.97%	5.12%	5.12%	4.90%
5-Year	4.01%	4.33%	4.45%	4.39%	4.35%	4.57%	4.72%	4.90%	5.00%	5.07%	5.04%	4.82%
10-Year	4.20%	4.46%	4.54%	4.47%	4.42%	4.57%	4.72%	4.99%	5.11%	5.11%	5.09%	4.88%
20-Year	4.51%	4.74%	4.83%	4.73%	4.65%	4.73%	4.91%	5.22%	5.35%	5.29%	5.25%	5.08%

**Yields for Treasury Constant Maturities
Yearly for 2001-2005
and the Twelve Months Ended March 2006**

<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>
2001	3.49%	3.83%	4.09%	4.56%	4.88%	5.02%	5.63%
2002	2.00%	2.64%	3.10%	3.82%	4.30%	4.61%	5.43%
2003	1.24%	1.65%	2.11%	2.97%	3.52%	4.02%	4.96%
2004	1.89%	2.38%	2.78%	3.43%	3.87%	4.27%	5.05%
2005	3.62%	3.85%	3.93%	4.05%	4.15%	4.29%	4.64%
Five-Year Average	<u>2.45%</u>	<u>2.87%</u>	<u>3.20%</u>	<u>3.77%</u>	<u>4.14%</u>	<u>4.44%</u>	<u>5.14%</u>
<u>Months</u>							
Sep-05	3.85%	3.95%	3.96%	4.01%	4.08%	4.20%	4.51%
Oct-05	4.18%	4.27%	4.29%	4.33%	4.38%	4.46%	4.74%
Nov-05	4.33%	4.42%	4.43%	4.45%	4.48%	4.54%	4.83%
Dec-05	4.35%	4.40%	4.39%	4.39%	4.41%	4.47%	4.73%
Jan-06	4.45%	4.40%	4.35%	4.35%	4.37%	4.42%	4.65%
Feb-06	4.68%	4.67%	4.64%	4.57%	4.56%	4.57%	4.73%
Mar-06	4.77%	4.73%	4.74%	4.72%	4.71%	4.72%	4.91%
Apr-06	4.90%	4.89%	4.89%	4.90%	4.94%	4.99%	5.22%
May-06	5.00%	4.97%	4.97%	5.00%	5.03%	5.11%	5.35%
Jun-06	5.16%	5.12%	5.09%	5.07%	5.08%	5.11%	5.29%
Jul-06	5.22%	5.12%	5.07%	5.04%	5.05%	5.09%	5.25%
Aug-06	5.08%	4.90%	4.85%	4.82%	4.83%	4.88%	5.08%
Twelve-Month Average	<u>4.66%</u>	<u>4.65%</u>	<u>4.64%</u>	<u>4.64%</u>	<u>4.66%</u>	<u>4.71%</u>	<u>4.94%</u>
Six-Month Average	<u>5.02%</u>	<u>4.96%</u>	<u>4.94%</u>	<u>4.93%</u>	<u>4.94%</u>	<u>4.98%</u>	<u>5.18%</u>
Three-Month Average	<u>5.15%</u>	<u>5.05%</u>	<u>5.00%</u>	<u>4.98%</u>	<u>4.99%</u>	<u>5.03%</u>	<u>5.21%</u>

Source: Federal Reserve statistical release H.15

Measures of the Risk-Free Rate

The forecast of Treasury yields
per the consensus of nearly 50 economists
reported in the Blue Chip Financial Forecasts dated September 1, 2006

<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>
2006	Third	5.2%	5.1%	5.0%	5.0%	5.1%
2006	Fourth	5.2%	5.1%	5.1%	5.1%	5.2%
2007	First	5.2%	5.1%	5.1%	5.1%	5.2%
2007	Second	5.2%	5.1%	5.1%	5.1%	5.2%
2007	Third	5.1%	5.0%	5.0%	5.1%	5.2%
2007	Fourth	5.0%	4.9%	5.0%	5.1%	5.2%



THE VALUE LINE

Investment Survey®

Part 1 Summary & Index

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

August 4, 2006

TABLE OF SUMMARY & INDEX CONTENTS

Summary & Index Page Number

Industries, in alphabetical order	1
Stocks, in alphabetical order	2-23
Noteworthy Rank Changes	24-26

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

17.2

26 Weeks	Market Low	Market High
Ago	10-9-02	5-5-06
19.0	14.1	19.6

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

1.7%

26 Weeks	Market Low	Market High
Ago	10-9-02	5-5-06
1.6%	2.4%	1.6%

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

55%

26 Weeks	Market Low	Market High
Ago	10-9-02	5-5-06
40%	115%	40%

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 (48)	1919	*Educational Services (54)	1578	Internet (41)	2222	R.E.I.T. (93)	1172
Aerospace/Defense (21)	543	Electrical Equipment (10)	1001	Investment Co. (34)	956	Recreation (81)	1841
Air Transport (3)	253	Electric Util. (Central) (82)	695	Investment Co. (Foreign) (40)	360	Restaurant (80)	292
Apparel (64)	1651	Electric Utility (East) (76)	156	Machinery (23)	1331	Retail Automotive (28)	1667
Auto & Truck (27)	101	Electric Utility (West) (73)	1774	*Manuf. Housing/RV (89)	1547	Retail Building Supply (22)	876
Auto Parts (84)	781	Electronics (15)	1021	Maritime (74)	275	Retail (Special Lines) (55)	1705
Bank (56)	2101	Entertainment (53)	1860	Medical Services (72)	631	Retail Store (31)	1676
*Bank (Canadian) (66)	1564	*Entertainment Tech (91)	1591	Medical Supplies (67)	180	Securities Brokerage (4)	1422
Bank (Midwest) (77)	614	Environmental (16)	351	Metal Fabricating (69)	564	Semiconductor (14)	1047
*Beverage (Alcoholic) (70)	1531	Financial Svcs. (Div.) (57)	2130	Metals & Mining (Div.) (2)	1221	Semiconductor Equip (13)	1086
*Beverage (Soft Drink) (29)	1537	*Food Processing (63)	1481	Natural Gas (Distrib.) (90)	458	Shoe (58)	1694
Biotechnology (79)	664	*Food Wholesalers (96)	1526	Natural Gas (Div.) (51)	438	Steel (General) (17)	575
Building Materials (19)	845	*Foreign Electronics (11)	1555	Newspaper (83)	1905	Steel (Integrated) (52)	1412
Cable TV (1)	811	Furn/Home Furnishings (36)	890	Office Equip/Supplies (33)	1129	Steel Equipment (24)	746
Canadian Energy (25)	427	*Grocery (60)	1514	Oilfield Svcs/Equip. (6)	1938	Telecom. Services (35)	718
Cement & Aggregates (49)	883	Healthcare Information (39)	655	Packaging & Container (61)	921	Thrift (87)	1161
Chemical (Basic) (59)	1234	Home Appliance (71)	119	Paper/Forest Products (75)	906	Tire & Rubber (86)	114
Chemical (Diversified) (30)	1960	Homebuilding (97)	862	Petroleum (Integrated) (18)	405	*Tobacco (85)	1571
Chemical (Specialty) (45)	475	Hotel/Gaming (50)	1876	Petroleum (Producing) (62)	1928	Toiletries/Cosmetics (95)	799
Coal (8)	525	Household Products (88)	939	Pharmacy Services (38)	771	Trucking (5)	265
Computers/Peripherals (43)	1101	Human Resources (9)	1289	Power (92)	971	Water Utility (94)	1417
Computer Software/Svcs (20)	2167	Industrial Services (37)	324	Precious Metals (12)	1213	Wireless Networking (68)	508
Diversified Co. (46)	1374	Information Services (32)	374	Precision Instrument (44)	125		
Drug (47)	1244	Insurance (Life) (65)	1199	Publishing (78)	1891		
E-Commerce (26)	1439	Insurance (Prop/Cas.) (42)	586	Railroad (7)	283		

*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 LXI, No. 49.

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See back cover for important disclosures.

Table 7
Basic Series and Portfolios

Summary Statistics of
Annual Returns
From 1926 to 2005

Asset Class	1/1/26 to 12/31/05		
	Geometric Mean	Arithmetic Mean	Standard Deviation
Large Company Stocks	10.4%	12.3%	20.2%
Small Company Stocks	12.6%	17.4%	32.9%
Long-Term Corporate Bonds	5.9%	6.2%	8.5%
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% E	3.1% E	4.3% E
90% Stocks/10% Bonds	10.1%	11.6%	18.3%
70% Stocks/30% Bonds	9.3%	10.3%	14.6%
50% Stocks/50% Bonds	8.4%	9.0%	11.5%
30% Stocks/70% Bonds	7.3%	7.7%	9.4%
10% Stocks/90% Bonds	6.1%	6.5%	8.8%

Comparable Earnings Approach

Using All Value Line Non-Utility Companies with
Timeliness of 2, 3 & 4; Safety Rank of 2, 3, 4 & 5; Financial Strength of C++, B, B+ & B++;
Price Stability of 75 to 95; Betas of .85 to 2.85; and Technical Rank of 2 & 3

Company	Industry	Timeliness Rank	Safety Rank	Financial Strength	Price Stability	Beta	Technical Rank
Air Products & Chem.	CHEMDIV	3	2	B++	90	0.95	3
Albemarle Corp.	CHEMDIV	2	3	B+	80	1.05	2
Allied Capital Corp.	FINANCL	3	2	B++	80	0.85	3
Amer. Financial Group	INSRPTY	2	3	B+	90	1.00	3
AptarGroup	PACKAGE	4	3	B+	90	0.95	3
Astoria Financial	THRIFT	4	2	B++	85	0.95	3
Baldor Electric	ELECEQ	3	2	B++	85	1.00	3
Ball Corp.	PACKAGE	3	3	B++	80	0.90	3
Bandag Inc.	TIRE	4	3	B++	80	1.00	3
Bank of Hawaii	BANK	3	3	B+	100	0.85	3
Barnes Group	DIVERSIF	3	3	B+	75	0.90	3
Belo Corp. 'A'	ENTRTAIN	4	3	B+	85	0.95	4
Berkley (W.R.)	INSRPTY	2	3	B+	85	0.90	4
Black & Decker	APPLIANC	4	3	B+	75	1.00	3
Blyth Inc.	HOUSEPRD	3	3	B++	75	0.80	4
Burlington Northern	RAILROAD	3	2	B++	85	0.95	4
ChoicePoint Inc.	INFOSER	4	3	B+	70	0.90	3
Cintas Corp.	INDUSRV	2	3	B++	80	1.05	4
CLARCOR Inc.	PACKAGE	3	2	B++	80	0.95	4
CNA Fin'l	FINANCL	1	2	B++	85	1.05	3
Commerce Bancorp NJ	BANK	4	3	B++	75	0.95	3
Compass Bancshares	BANK	4	2	B++	95	0.90	2
Crane Co.	DIVERSIF	3	3	B+	75	1.05	3
Cullen/Frost Bankers	BANK	3	2	B++	90	0.85	3
Danaher Corp.	DIVERSIF	2	2	B++	90	0.95	3
DaVita Inc.	MEDSERV	3	3	B	75	0.85	4
Delphi Fin'l 'A'	INSLIFE	3	3	B+	90	0.95	3
Dionex Corp.	INSTRMNT	5	3	B+	80	0.90	3
Donaldson Co.	MACHINE	2	2	B++	85	0.95	3
Donnelley (R.R.) & Sons	PUBLISH	2	2	B++	85	0.90	2
Dow Jones & Co.	NWSPAPER	3	3	B++	75	1.10	3
Eastman Chemical	CHEMDIV	3	3	B+	70	1.05	3
FedEx Corp.	AIRTRANS	3	3	B++	75	1.05	3
First Horizon National	BANKMID	4	2	B++	95	0.85	3
FirstMerit Corp.	BANKMID	3	3	B+	90	0.95	3
Graco Inc.	MACHINE	3	2	B++	80	1.00	3
Harley-Davidson	RECREATE	1	3	B++	75	0.95	3
HCC Insurance Hldgs.	INSRPTY	3	3	B+	85	0.95	3
Hudson City Bancorp	THRIFT	2	3	B+	90	0.85	3
Huntington Bancshs.	BANKMID	3	2	B++	100	0.90	3
IDEX Corp.	MACHINE	3	3	B+	80	1.00	3
IHOP Corp.	RESTRNT	4	3	B	75	0.90	3
Interactive Data	INFOSER	4	2	B++	85	0.90	3
Iron Mountain	INDUSRV	3	3	B	75	1.00	4
Journal Communications	NWSPAPER	4	3	B+	95	0.85	3
Kaydon Corp.	MACHINE	3	3	B+	75	1.05	3
Kennametal Inc.	METALFAB	3	3	B	75	1.15	3
KeyCorp	BANK	3	3	B+	90	1.00	3
Lubrizol Corp.	CHEMSPEC	3	3	B+	85	1.00	3
Magna Int'l 'A'	AUTO-OEM	4	2	B++	80	1.00	2
Mariotti Int'l	HOTELGAM	3	3	B++	75	1.05	3
Martin Marietta	CEMENT	3	3	B++	70	1.15	3
Media General 'A'	NWSPAPER	4	3	B+	85	0.85	4
Mercury General	INSRPTY	5	2	B++	95	0.85	3
Mettler-Toledo Int'l	INSTRMNT	3	3	B+	80	0.95	3
Nationwide Fin'l	INSLIFE	3	3	B++	75	1.25	3
Newell Rubbermaid	HOUSEPRD	3	3	B+	75	0.90	3
Old Republic	INSRPTY	4	2	B++	85	1.05	3
Owens & Minor	MEDSUPPL	4	3	B+	80	0.90	3
Pacific Cap. Bancorp	BANK	5	3	B++	80	0.85	4
Packaging Corp.	PACKAGE	3	3	B+	90	0.85	4
Pactiv Corp.	PACKAGE	2	3	B+	80	0.95	3
Parker-Hannifin	DIVERSIF	3	3	B++	75	1.15	4
People's Bank	THRIFT	3	3	B+	85	0.85	2
PMI Group	INSRPTY	3	3	B++	75	1.15	3
PNC Financial Serv.	BANK	3	2	B++	90	1.05	3
Praxair Inc.	CHEMSPEC	3	2	B++	90	1.00	3
Principal Fin'l Group	FINANCL	3	2	B++	90	1.00	3
Protective Life	INSLIFE	4	2	B++	95	0.95	3
Reinsurance Group	INSLIFE	3	2	B++	85	0.95	3
Reynolds & Reynolds	OFFICE		3	B++	75	0.95	3
Rohm and Haas	CHEMSPEC	3	3	B+	75	1.10	3
Ruddick Corp.	GROCERY	4	3	B+	85	0.85	3
SAFECO Corp.	INSRPTY	2	3	B+	95	0.85	2
Scotts Miracle-Gro	HOUSEPRD	3	2	B++	85	0.95	4
Selective Ins. Group	INSRPTY	3	3	B+	80	0.90	3
Sensient Techn.	FOODPROC	2	3	B+	80	0.90	2
ServiceMaster Co.	INDUSRV	3	3	B+	85	0.85	3
Stanley Works	MACHINE	3	3	B++	70	0.95	3
SunTrust Banks	BANK	3	2	B++	95	0.95	3
Synovus Financial	BANK	1	2	B++	85	1.05	3
TCF Financial	BANKMID	4	3	B	85	0.95	2
Toro Co.	APPLIANC	3	2	B++	80	0.95	3
U.S. Bancorp	BANKMID	3	3	B++	80	1.15	3
Unitrin Inc.	FINANCL	3	3	B+	85	1.00	3
UST Inc.	TOBACCO	3	3	B+	85	0.90	1
Valspar Corp.	CHEMSPEC	3	3	B+	95	0.90	4
Wabtec Corp.	MACHINE	3	3	B+	55	0.90	3
Waste Connections	ENVIRONM	4	3	B+	75	0.95	3
Webster Fin'l	BANK	4	3	B+	95	0.85	3
Zions Bancorp.	BANK	3	2	B++	90	0.95	3
Average		3	3	B+	83	0.96	3
Pipeline Group		2 to 4	2 to 5	C++ to B++	5 to 95	.85 to 2.85	2 to 3
Average		3	3	B+	0.61	1.47	3

Source of Information: Value Line Investment Survey for Windows, August 4, 2006

Comparable Earnings Approach
Five -Year Average Historical Earned Returns
for Years 2001-2005 and
Projected 3-5 Year Returns

Company	2001	2002	2003	2004	2005	Average	Projected 2009-11
Air Products & Chem.	16.7%	15.0%	13.1%	13.6%	15.6%	14.8%	25.0%
Albemarle Corp.	11.7%	12.6%	10.3%	10.8%	11.8%	11.4%	13.0%
Allied Capital Corp.	14.8%	14.7%	10.0%	12.6%	33.3%	17.1%	21.5%
Amer. Financial Group	5.9%	7.9%	7.9%	8.9%	8.0%	7.7%	12.5%
AptarGroup	13.8%	11.8%	10.2%	10.7%	12.3%	11.8%	12.5%
Astoria Financial	13.6%	16.0%	14.1%	16.7%	17.3%	15.5%	21.0%
Baldor Electric	8.5%	8.7%	9.5%	12.4%	14.4%	10.7%	14.0%
Ball Corp.	21.0%	32.3%	29.4%	27.7%	34.4%	29.0%	20.5%
Bandag Inc.	8.5%	11.1%	12.6%	10.7%	8.8%	10.3%	9.0%
Bank of Hawaii	9.4%	11.9%	17.0%	21.3%	26.2%	17.2%	19.0%
Barnes Group	9.6%	13.0%	10.3%	10.8%	13.5%	11.4%	13.5%
Belo Corp. 'A'	1.6%	8.9%	8.1%	9.7%	8.3%	7.3%	9.5%
Berkley (W.R.)	NMF	10.4%	17.0%	19.5%	20.7%	16.9%	14.0%
Black & Decker	23.8%	43.6%	36.5%	28.3%	35.7%	33.6%	18.0%
Blyth Inc.	16.5%	16.9%	17.0%	19.0%	12.2%	16.3%	12.5%
Burlington Northern	10.4%	9.6%	9.1%	11.6%	16.1%	11.4%	14.5%
ChoicePoint Inc.	16.3%	19.1%	16.1%	15.0%	16.0%	16.5%	13.5%
Cintas Corp.	18.1%	16.5%	15.1%	14.4%	14.3%	15.7%	15.0%
CLARCOR Inc.	15.3%	14.8%	14.7%	14.9%	15.8%	15.1%	13.0%
CNA Finl	NMF	4.2%	NMF	6.5%	2.8%	4.5%	8.0%
Commerce Bancorp NJ	16.2%	15.8%	15.2%	16.4%	12.3%	15.2%	15.0%
Compass Bancshares	15.8%	16.3%	18.3%	18.1%	18.0%	17.3%	19.0%
Crane Co.	15.5%	13.9%	13.3%	17.7%	18.1%	15.7%	14.0%
Cullen/Frost Bankers	13.1%	17.4%	16.9%	17.2%	16.8%	16.3%	20.0%
Danaher Corp.	13.4%	14.4%	14.7%	16.1%	17.7%	15.3%	14.5%
DaVita Inc.	19.5%	210.3%	53.2%	41.5%	24.4%	69.8%	19.5%
Delphi Finl 'A'	NMF	11.1%	10.6%	11.6%	11.7%	11.3%	11.5%
Dionex Corp.	24.5%	21.0%	19.7%	22.6%	24.9%	22.5%	22.0%
Donaldson Co.	23.7%	22.7%	21.3%	19.4%	21.1%	21.6%	16.5%
Donnelley (R.R) & Sons	19.5%	18.2%	15.1%	8.5%	13.3%	14.9%	13.5%
Dow Jones & Co.	255.8%	202.5%	60.5%	66.1%	50.4%	127.1%	72.0%
Eastman Chemical	8.1%	6.7%	7.2%	16.5%	30.1%	13.7%	22.5%
FedEx Corp.	11.2%	11.1%	11.4%	13.3%	15.4%	12.5%	13.5%
First Horizon National	20.7%	22.3%	25.0%	22.3%	19.1%	21.9%	16.0%
FirstMerit Corp.	18.0%	16.0%	12.3%	10.5%	13.9%	14.1%	17.0%
Graco Inc.	37.6%	30.8%	51.1%	47.1%	43.7%	42.1%	34.0%
Harley-Davidson	24.9%	26.0%	25.7%	27.6%	31.1%	27.1%	25.5%
HCC Insurance Hldgs.	7.7%	12.6%	13.7%	11.8%	11.4%	11.4%	12.5%
Hudson City Bancorp	10.4%	14.6%	15.6%	17.1%	5.3%	12.6%	10.0%
Huntington Bancshs.	12.1%	14.8%	17.0%	15.7%	16.1%	15.1%	14.0%
IDEX Corp.	8.2%	10.7%	10.5%	12.1%	13.3%	11.0%	13.0%
IHOP Corp.	12.9%	11.2%	11.1%	12.0%	14.9%	12.4%	16.0%
Interactive Data	0.7%	9.2%	9.5%	9.4%	11.0%	8.0%	11.5%
Iron Mountain	NMF	7.1%	7.9%	7.7%	8.3%	7.8%	10.0%
Journal Communications	-	13.6%	14.4%	16.0%	12.6%	14.2%	11.5%
Kaydon Corp.	9.4%	10.1%	10.9%	12.4%	12.9%	11.1%	14.0%
Kennametal Inc.	6.8%	5.4%	2.5%	8.3%	12.7%	7.1%	12.0%
KeyCorp	5.2%	14.3%	13.0%	13.4%	14.9%	12.2%	13.5%
Lubrizol Corp.	12.2%	14.5%	9.5%	9.1%	11.0%	11.3%	12.5%
Magna Int'l 'A'	13.0%	10.9%	12.9%	13.2%	11.3%	12.3%	11.5%
Marriott Int'l	11.8%	13.0%	11.6%	14.6%	22.8%	14.8%	18.2%
Martin Marietta	10.3%	9.0%	8.9%	10.9%	16.0%	11.0%	14.0%
Media General 'A'	1.5%	5.0%	4.9%	6.8%	6.9%	5.0%	8.0%
Mercury General	9.8%	10.2%	14.1%	18.4%	15.1%	13.5%	15.5%
Mettler-Toledo Int'l	22.5%	19.5%	14.7%	15.0%	19.3%	18.2%	18.5%
Nationwide Finl	12.2%	8.2%	8.2%	9.7%	11.4%	9.9%	11.0%
Newell Rubbermaid	13.1%	20.5%	20.2%	21.6%	25.8%	20.2%	22.5%
Old Republic	12.5%	12.2%	12.6%	10.5%	11.5%	11.9%	10.5%
Owens & Minor	15.8%	18.1%	13.1%	13.1%	13.0%	14.6%	14.0%
Pacific Cap. Bancorp	17.2%	20.2%	19.0%	19.1%	15.5%	18.2%	8.0%
Packaging Corp.	14.0%	6.1%	5.3%	8.4%	7.7%	8.3%	20.0%
Pactiv Corp.	9.8%	24.5%	21.7%	19.7%	17.7%	18.7%	16.5%
Parker-Hannifin	13.5%	5.0%	7.8%	11.6%	16.4%	10.9%	15.0%
People's Bank	2.6%	5.9%	6.4%	7.8%	9.7%	6.5%	13.0%
PMI Group	17.5%	15.8%	10.6%	12.3%	12.7%	13.8%	12.0%
PNC Financial Serv.	6.5%	17.5%	15.5%	16.0%	15.5%	14.2%	16.0%
Praxair Inc.	19.6%	23.4%	18.8%	19.3%	21.1%	20.4%	22.0%
Principal Finl Group	5.6%	9.3%	10.2%	9.8%	10.2%	9.0%	9.5%
Protective Life	10.1%	10.0%	9.8%	10.9%	12.1%	10.6%	11.5%
Reinsurance Group	4.0%	10.5%	8.5%	9.9%	8.9%	8.4%	12.0%
Reynolds & Reynolds	20.9%	25.4%	26.0%	19.7%	23.7%	23.1%	27.5%
Rohm and Haas	5.0%	10.9%	11.1%	13.1%	17.3%	11.5%	15.5%
Ruddick Corp.	10.8%	12.3%	12.1%	11.8%	11.3%	11.7%	12.5%
SAFECO Corp.	NMF	6.1%	8.1%	14.5%	15.8%	11.1%	12.0%
Scotts Miracle-Gro	3.1%	17.0%	14.3%	11.5%	9.8%	11.1%	15.0%
Selective Ins. Group	4.5%	6.1%	7.7%	12.8%	14.0%	9.0%	14.5%
Sensient Techn.	15.1%	16.2%	13.4%	11.5%	9.1%	13.1%	9.5%
ServiceMaster Co.	9.4%	14.0%	19.4%	17.4%	17.1%	15.5%	18.5%
Stanley Works	24.2%	20.7%	18.8%	20.2%	18.9%	20.6%	16.0%
SunTrust Banks	16.4%	15.2%	13.7%	9.8%	11.7%	13.4%	14.0%
Synovus Financial	18.4%	17.9%	17.3%	16.5%	17.5%	17.5%	17.5%
TCF Financial	22.6%	23.8%	23.4%	26.6%	26.6%	24.6%	25.5%
Toro Co.	14.8%	17.4%	18.5%	26.0%	29.2%	21.2%	33.0%
U.S. Bancorp	15.5%	19.5%	19.3%	21.3%	22.3%	19.6%	20.5%
Unitrin Inc.	2.6%	0.0%	5.5%	9.1%	10.0%	5.4%	8.5%
UST Inc.	84.6%	-	-	NMF	NMF	84.6%	NMF
Valspar Corp.	7.9%	16.3%	12.9%	14.3%	13.9%	13.1%	15.5%
Wabtec Corp.	9.1%	8.8%	9.0%	10.3%	15.2%	10.5%	17.0%
Waste Connections	10.3%	12.8%	12.2%	10.9%	12.0%	11.6%	16.0%
Webster Finl	28.5%	35.6%	40.8%	11.9%	11.4%	25.6%	9.0%
Zions Bancorp.	12.7%	13.4%	13.4%	14.6%	11.3%	13.1%	11.0%
Average						17.2%	16.0%
Median						13.7%	14.0%