Before the

TENNESSEE REGULATORY AUTHORITY

IN RE: PETITION OF ATMOS ENERGY CORPORATION FOR APPROVAL OF A GENERAL RATE INCREASE

DOCKET NO. 07-00105

DIRECT TESTIMONY OF STEVE BROWN ON COST OF CAPITAL ISSUES

August 21, 2007

Before the

TENNESSEE REGULATORY AUTHORITY

IN RE: PETITION OF ATMOS ENERGY CORPORATION FOR APPROVAL OF A GENERAL RATE INCREASE

DOCKET NO. 07-00105

AFFIDAVIT

I, Steve Brown, Economist, for the Consumer Advocate Division of the Attorney

General's Office, hereby certify that the attached Direct Testimony represents my opinion
in the above-referenced case and the opinion of the Consumer Advocate Division.

STEVE BROWN

Sworn to and subscribed before me this Asia day of (august , 2007.

NOTARY PUBLIC

My commission expires:

My Commission Expires SEPT. 22, 2007

Introduction: Cost Of Capital I. 1 2 3 4 Q_1. Please state your name. 5 6 Steve Brown. A 1. 7 8 Where do you work and what is your job Q_2. 9 title? 10 11 A 2. I am an Economist in the Consumer Advocate 12 and Protection Division, Office of the Attorney General. A statement of my 13 credentials appears at the end of this 14 testimony. 15 16 What were you asked to do with respect to 17 Q_3. 18 this case? 19 I was asked to form opinions on: 1) 20 A_3. 21 Atmos's capital structure and the 22 components of the company's capital 23 structure; 2) Atmos's cost-of-capital which includes determining the company's 24 25 appropriate capital structure, the appropriate market-based common equity 26 return, the cost of long-term-debt, and 27 the cost of short-term-debt; and 3) to 28 assist in the evaluation of testimony 29 30 offered by other witnesses in this docket, including Atmos's "decoupling" proposal to 31 recapture from consumers a portion of the 32 savings which Tennessee's consumers have 33

acquired through federal and state

summary follows.

conservation policy in past 10 years. My

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II. Summary

I accept Atmos's estimated long-term debt cost of 6.1 percent displayed in "Exhibit LMS-2" at page 12 of 13 in the testimony of Atmos's Treasurer, Ms. Sherwood. I reject Atmos's estimated short-term debt cost of 7.05 percent displayed in "Exhibit LMS-3" at page 13 of 13 in the testimony of Atmos's Treasurer, Ms. Sherwood. In my opinion the short-term debt cost is 5.97 percent. I reject Dr. Murry's estimated cost of capital of 11.75 percent. In my opinion the cost of capital is 8 percent, which is based on the Discounted Cash Flow model.

I reject Atmos's proposed capital structure of zero percent short-term debt, 51.5 percent long-term debt, and 48.5 percent common equity.

In my opinion the capital structure is composed of the following: Short-term debt - 11.3 percent, long-term debt - 48 percent, common equity - 40.7 percent, preferred - none. The table below provides the detail:

Capital Structure Components:	Ratios	Cost	Weighted Cost
Short-Term Debt: Notes Due	11.3%	5.97%	0.67%
Short-Term Debt: Current Portion of Long-Term Debt	1.7%	6.10%	0.11%
Long-Term Debt	46.3%	6.10%	2.82%
Common Equity	40.7%	8.00%	3.25%
Preferred	0.0%	0.00%	0.00%
Total	100.0%		6.86%

II. A. Summary Of Capital Structure Issues.

The Tennessee Regulatory Authority has always included short-term debt in approved capital structures. My capital structure includes short-term debt. I dispute Atmos's witnesses, Dr. Murry and Ms. Sherwood, on three related issues - the source of the capital structure data, their treatment of short-term debt as if it were equity, and their opinions that Atmos's post-TXU acquisition-capital structure is an aberration for Atmos:

• Dr. Murry relies on data from the publication Value Line to determine capital structure. In my opinion just and reasonable rates for Tennessee's consumers can be set only from a capital structure taken from the Securities and Exchange Commission's financial reports, the 10-K, because they are audited and certified by public accountants.

• Dr. Murry and Ms. Sherwood exclude short-term debt from Atmos's capital structure, which is composed of 51.50% long-term debt and 48.50% common equity. An investor who reviews Atmos's SEC Form 10-K for the fiscal year ending September 30, 2006, may wonder about these percentages because the certified report has these amounts: long-term debt - 51.74%, common equity - 39.11%, short-term debt - 9.15%.

The near-perfect correspondence between his long-term debt ratio of 51.50% and the 10-K's long-term debt ratio of 51.74% reveals the arbitrary nature of Dr. Murry's and Ms. Sherwood's methods: they treat shortterm debt as if it were equity, adding the short-term ratio to the equity ratio, as if there is no difference between equity and debt capital. Dr. Murry testifies that "common equity is the highest cost component" of capital [Murry, Direct P. 20, L. 19]. If there is a "highest cost" component, then there is a "lowest cost" one, and that is short-term debt. His transformation of Atmos's 9.15% short-term debt ratio into equity proves he largely overestimates Atmos's capital costs.

To evaluate Dr. Murry's and Ms. Sherwood's opinions regarding Atmos's post-TXU acquisition capital structure, I studied Atmos's capital structure for the past 10 years and concluded that Atmos's post-TXU capital structure is no different than its pre-acquisition capital structure. To be responsive to their concern about the TXU acquisition affecting capital structure, my capital structure is based on Atmos's historical capital structure, excluding the year in which the acquisition occurred.

II.

A.1 Just And Reasonable Rates In Tennessee Should Flow From Capital Structures Verified By Independent Auditors.

The ties between just and reasonable rates in Tennessee, capital structure, the public trust, the 10-K, and the faithful reporting of financial conditions by independent certified public accountants were made clear by the U.S. Supreme Court in a 1984 case, UNITED STATES v. ARTHUR YOUNG & COMPANY:

"An independent certified public accountant performs a different role from an attorney whose duty, as his client's confidential adviser and advocate, is to present the client's case in the most favorable possible light. In certifying the public reports that depict a corporation's financial status, the accountant performs a public responsibility transcending any employment relationship with the client, and owes allegiance to the corporation's creditors and stockholders, as well as to the investing public... This "public watchdog" function demands that the accountant maintain total independence from the client at all times and requires complete fidelity to the public trust.

The Court recognized that investors rely on audited data:

"In an effort to control the accuracy of the financial data available to investors in the securities markets, various provisions of the federal securities laws require publicly held corporations to file their financial statements with the Securities and Exchange Commission. Commission regulations stipulate that these financial reports must be audited by an independent certified public accountant in accordance with generally accepted auditing standards....The SEC requires the filing of audited financial statements in order to obviate the fear of loss from reliance on inaccurate information, thereby encouraging public investment in the nation's industries."

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A.2 Short-term Debt Is A II. Permanent Part Of A Capital Structure

As I will show later in this testimony, the comparable companies and Atmos itself consider short-term debt a permanent part of capital structure. One of the comparable companies' chosen by Dr. Murry is Piedmont Natural Gas. In an earlier TRA docket Piedmont readily acknowledged that short-term debt can be used for any purpose as a company sees fit, including construction and operating expenses in general. Thus short-term debt is a permanent capital source which reduces the need for long-term debt financing and common equity:

NASHVILLE GAS COMPANY DOCKET NO. 99-00994 CONSUMER ADVOCATE DATA REQUEST # 1

Prevailing interest rates for "A" rated debt from Nov. 1997 through in Jan. 122. 1999, according to the Federal Reserve and other sources, ranged from a low of 6.91% to 7.26%. Explain why the company issued its new debt in Sept. 1999 instead of the time period of Nov. 1997 through Apr. 1999.

Response:

The Company forecasts construction and operating expenditures for the purpose of anticipating both short term and long term capital requirements. During the time period November 1997 through April 1999, capital requirements were met by internally generated funds and short term bank loans with rates more favorable than prevailing long term debt rates.

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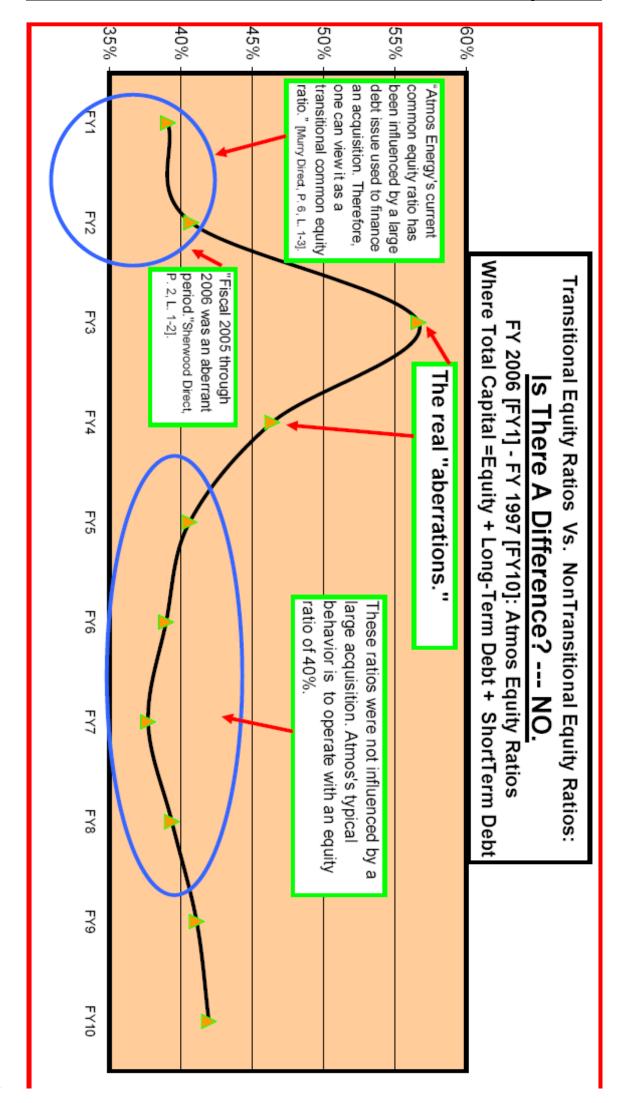
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A.3 With Short-term Debt Included In The Capital Structure, Atmos's Post-TXU Capital Structures Are Not Aberrations From Its Usual Behavior

According to Dr. Murry, "Atmos Energy's current common equity ratio has been influenced by a large debt issue used to finance an acquisition. Therefore, one can view it as a transitional common equity ratio" [Murry Direct, P. 2, L. 1-2].

According to Ms. Sherwood, "Fiscal 2005 through 2006 was an aberrant period" [Sherwood Direct, P. 2, L. 1-2].

However, the chart on the page 8 of this testimony summarizes my research on Atmos's capital structure. Clearly the capital structures in FY 2005 and FY2006 are no different than the structures from FY1997 to FY2003.



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Performance Graph

The graph and table below compares the yearly percentage change in our total return to shareholders for the last five fiscal years with the total return of the Standard and Poor's 500 Stock Index and the cumulative total return of a customized peer company group, the Comparison Company Index, which is comprised of utility companies with similar revenues, market capitalizations and asset bases to that of the Company. The graph and table below assume that \$100.00 was invested on September 30, 2001 in our common stock, the S&P 500 Index and in the common stock of the companies in the Comparison Company Index, as well as a reinvestment of dividends paid on such investments throughout the period.

the benchmark of market returns:

B. Summary Of Issues Regarding

There Is An Appearance Of A

The Capital Attraction Standard.

Double Standard In Evaluating The

Proper And "Fair Rate Of Return."

Dr. Murry says that the cost of equity must be

in a utility's common stock" [Murry Direct, P. 32 lines 14-15]. In its Proxy Statements of

1999 page 23, Atmos tells its stockholders to

compare their returns to the S&P500 index as

December 26, 2006 page 28, and December 22,

high enough "to attract and maintain investment

Comparison of Five-Year Cumulative Total Return* among Atmos Energy Corporation, S&P 500 Index and Comparison Company Index

CADP Note: Atmos 2006 Proxy Statement

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Atmos Energy Corporation S & P 500 Index Comparison Company Index

Cumulative Total Return					
9/30/01	9/30/02	9/30/03	9/30/04	9/30/05	9/30/06
100.00	105.02	123.13	136.09	159.67	169.06
100.00	79.51	98.91	112.63	126.43	140.08
100.00	80.33	95.84	114.93	151.46	152.62

Performance Graph. The following graph compares the yearly percentage change in the Company's total return to shareholders for the last five fiscal years with the total return of the Standard and Poor's 500 Stock Index and the cumulative total return of other natural gas distribution companies comprising the Comparison Company Index.

> COMPARISON OF FIVE YEAR CUMULATIVE TOTAL RETURN* AMONG ATMOS, S&P 500 INDEX AND COMPARISON COMPANY INDEX

> > **CAPD Note: Atmos** 1999 Proxy Statement

[GRAPH APPEARS HERE]

<TABLE> <CAPTION>

1994 1995 1996 1997 1998 1999

<S> <C> <C> <C> <C> <C> <C> <C> Atmos Energy Corporation \$100 \$115 \$144 \$159 \$189 \$167 S&P 500 Composite Index \$100 \$130 \$156 \$219 \$239 \$305

Comparison Company Index \$100 \$110 \$134 \$158 \$169 \$186

The S&P500 index represents about 50 percent of the total market value of all stocks traded on stock exchanges in the United States. The index is widely quoted, and it is the basis for approximately 135 huge mutual funds with assets of over \$454 Billion. Atmos is correct to refer stockholder to the S&P500 index as a popular and common measure of wealth.

Dr. Murry makes no mention of the S&P500 index as a measure to evaluate equity cost. In my opinion this is an omission that leads to an overestimate of equity cost. I reviewed the proxy statements of the comparable companies and discovered that 75% of them tell their stockholders to measure their performance against the S&P500 index. Atmos and most comparable companies employ the S&P500 index as a routine and standard measure of their stocks' performance. If this index is a good enough measure for stockholders, then it is a good enough measure to set just and reasonable rates for Tennessee's consumers.

The Federal Reserve Bank Of Philadelphia annually publishes a "Survey Of Professional Forecasters" which includes an estimate of the return to the S&P500 index. I have copied a portion of that survey into the next page. It shows that the return to the S&P500 is expected to be 7.50%, far less than Dr. Murry's return of 11.75%.

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SURVEY OF PROFESSIONAL FORECASTERS

Release Date: February 13, 2007

RESEARCH DEPARTMENT FEDERAL RESERVE BANK OF PHILADELPHIA

Ten Independence Mall, Philadelphia, PA 19106-1574 • www.philadelphiafed.org

Forecasters Trim Estimates for Long-Run Growth in Output and Productivity

In first-quarter surveys, the forecasters provide their long-run projections for an expanded set of variables, including growth in output and productivity, as well as returns on financial assets. Over the next 10 years, the forecasters now think real GDP will grow at an annual rate of 3.00 percent, down from their previous estimate of 3.20 percent. Labor productivity is seen growing 2.20 percent at an annual rate over the same period, down from 2.44 percent. The forecasters have raised their estimate of the returns to stocks and Treasury bills, to 7.50 percent and 4.50 percent, respectively, but they continue to think 10-year Treasury bonds will return 5.00 percent.

	Long-Term (10-year) Forecasts (%)		
	First Quarter 2006	Current Survey	
Real GDP Growth	3.20	3.00	
Productivity Growth	2.44	2.20	
Stock Returns (S&P 500)	7.00	7.50	
Bond Returns (10-year)	5.00	5.00	
Bill Returns (3-month)	4.25	4.50	

Dr. Murry's estimated cost of equity, 11.75%, is reached via his eclectic method. He relies on earnings projections by Value Line, interest rate projections by Blue Chip, and Value Line's comparable-company-betas derived from the New York Stock Exchange's Composite Index. Value Line is one of many investment adviser companies offering investment advice. However, the NYSE Composite Index is not used as an index of value or an index of performance by any other institution, publication or mutual fund. The NYSE Composite Index is used only by Value Line.

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Dr. Murry's 11.75% return is based on the capital asset pricing model, CAPM where he estimates Atmos's capital cost as 12.22%. The table below is an extract of data in his schedule DAM-28. I have highlighted several items: "Market Total Returns" of 14.85%, a "Beta" of .80, and a "Cost Of Equity" of 12.22%.

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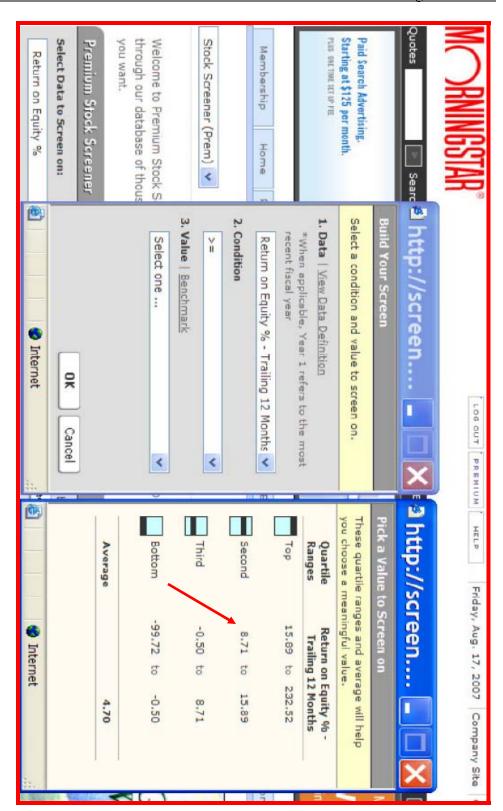
Atmos Energy Corporation Comparable Gas Companies Schedule DAM - 28 Historical Capital Asset Pricing Model Long-Term Aaa Market Corporate Adjusted Corporate Cost Total Bonds Risk Risk Returns Return Premium Beta Premium Return Equity 6.20% 0.80 6.92% 5.30% Atmos Energy Corp. 14.85% 8.65% 12.22%

Dr. Murry explains that his 11.75% equity return was the result of his evaluation of current market conditions:

"Finally, to put the results of these calculations into perspective, I evaluated them in the context of current market conditions." [Murry, Direct P. 26, L. 18-19]

However, if he had consulted Morningstar, an investment adviser firm which has 165,000 online-subscribers and which I use as an alternative source to Value Line, he would have found that as of August 17, 2007, the current market wide median equity return is 8.71%, not 14.85%. Page 14 of this testimony displays Morningstar's information.

1	Dr. Murry's risk premium is 8.65%. He
2	testifies:
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4	"Ibbotson Associatesis the common source of data for the risk
5	premium used in CAPM analyses [P. 47 L. 15-17]
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8	But if he had consulted recent articles by Dr.
9	Ibbotson, Dr. Murry would have found that the
10	risk premium is now 3 percent to 4 percent, not
11	8.65 percent.
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If he had judged Atmos's performance against the S&P500 index, the beta would be .45, a number calculated by the NASDAQ stock exchange and made available to anyone asking for a quote of stock price. The data for Atmos, as of June 29, 2007, is displayed below.

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ATOAtmos Energy Corporation | ATO Portfolio Tracking Ticker Alerts News Price Charts Company Financials Hoovers Profile Jun. 29, 2007 Market Closed Common StockMarket : NYSE Last Sale\$ 30.06 Change Net / %0.11 0.37% 1v Target Est:\$ 32.50 Today's High / Low\$ 30.28 / \$ 29.91 Share Volume268,600 Previous Close\$ 29.95 52 Wk High / Low\$ 33.47 / \$ 27.43 Shares Outstanding88,806,000 Market Value\$ 2,669,508,360 P/E Ratio14.88 Forward P/E (1yr)14.74 Earnings Per Share\$ 2.02 Annualized Dividend\$ 1.28 Ex Dividend DateMay 23, 2007 Dividend Payment DateJun. 11, 2007 Current Yield4.28 % Beta0.45

The NASDAQ Stock Exchange's Website provides betas based on the S&P500 Index

I also reviewed data for nearly 20,000 mutual funds which are tracked by Morningstar. No funds track the NYSE Composite Index. But 135 huge mutual funds with assets of over \$454 Billion track the S&P500 index. The NYSE composite index has no following among investors.

Also, the proxy statements have no mention of Value Line's or the NYSE Composite Index. Thus there is an appearance of Atmos having a double-standard in assessing a fair rate of return: one for the stockholders and one for the current rate case proceeding.

Dr. Murry's recommended equity cost of 11.75% is greatly excessive when contrasted with forecasts for returns to the S&P500 benchmark. When the S&P500 index is brought into the overall picture, Dr. Murry's testimony will be properly seen as not representing the return that investors want from Atmos, but the return that Atmos wants from Tennessee. Atmos is not the risky company he portrays.

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C. Summary Of Issues Regarding Data and Market Assessments Supplied By Third-Parties.

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Dr. Murry relies not at all on primary sources, such as the Form 10-Ks or the companies' proxy statements. His testimony relies wholly on data filtered through third-parties. Of course, just and reasonable rates are set preponderantly but not solely on the basis of audited data. Judgments which cannot be drawn from audited data can be made through assessments of thirdparty data offered by the many investment adviser companies. Although Dr. Murry occasionally uses Yahoo and the Standard & Poor's Earnings Guide as other sources, they are incidental to his use of Value Line.

For example, of the thirty-one "DAM" schedules attached to Dr. Murry's testimony, the following are based in whole or in part on Value Line: 2, 5.1, 5.2, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23, 24, 25, 29, 31. Because Dr. Murry has not used primary sources as a basis for his testimony, to the extent his opinions prevail over the CAPD's in this proceeding, just and reasonable rates in Tennessee would be set largely on the basis of Value Line's view of the market. This raises the issue of whether the publication constitutes a reasonable source of third-party input into the setting of just and reasonable rates in Tennessee.

 I have discovered information showing that Value Line does not have a long-term commitment to the investment-adviser business, that its revenues and assets are in decline, and that the value of mutual and other funds managed by Value Line are dwarfed by other investment adviser companies. These facts make it clear that Value Line's view of the market is not a prevailing view.

Value Line is a publicly traded company. This status means the company files 10-K forms with the SEC. Value Line's 10-K for the fiscal year ended April 30, 2006, shows that the company is in a no-growth situation and faces a limited future.

For example, the company says its "primary businesses are producing investment related periodical publications through its wholly-owned subsidiary, Value Line Publishing, Inc. ("VLP"), and providing investment advisory services to mutual funds, institutions and individual." However, Value Line had a decline in total revenues from \$87.4 million in 2002 to \$85.2 million in 2006, and a 55% decline in asset value from \$268.7 million in 2002 to \$119.2 million in 2006.

The company paid dividends per share of \$1 in 2002-2003, \$18.50 in 2004 (the year after the federal tax cut), and a \$1 per share in 2005-2006. Nearly all dividends are paid to just one person because just one individual owns 86% of all stock. The company is the investment adviser for the Value Line Family of Mutual Funds which on April 30, 2006 included 14 funds with a net asset value of \$3.7 billion. The company had 228 employees. One publication, the Value Line Investment Survey, covers 1700 large stocks, while another publication, The Value Line Investment Survey - Small and Mid-Cap Edition, covers another 1800 stocks. No figures are provided to show the number of subscribers to Value Line's publications and services.

In my opinion the 55% decline in asset value and the special dividend declared in 2004 shows that Value Line's owner was pulling money out of the business and that the company's future is expected to be brief. My opinion is reinforced by the decline in the company's annual revenues.

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I turned to another investment-adviser company, Morningstar, as a source of credible third-party information. Morningstar is a publicly traded company. This status means the company files 10-K forms with the SEC. Morningstar's 10-K for the fiscal year ended December 31, 2006, shows that the company is growing rapidly and has an expansive future.

Morningstar's total revenues increased from \$109.6 million in 2002 to \$315.2 million in 2006. Assets increased from \$152.7 million in 2002 to \$447.8 million in 2006.

Morningstar's status and progress dwarfs Value Line's. In its 10-K Morningstar provides ample detail:

"Morningstar is a leading provider of independent investment research to investors around the world. Since our founding in 1984, our mission has been to create great products that help investors reach their financial goals. We offer an extensive line of Internet, software, and print-based products for individual investors, financial advisors, and institutional clients. Our company also provides asset management services for advisors, institutions, and retirement plan participants. In addition to our U.S.-based products and services, we offer local versions of our products designed for investors in Asia, Australia, Canada, and Europe. Morningstar serves more than 5.2 million individual investors, 210,000 financial advisors, and 1,700 institutional clients. We have operations in 15 countries and hold minority ownership positions in companies located in three other countries.

"As of December 31, 2006, we provided extensive data on more than 18,000 mutual fund share classes in the United States; 78,000 mutual funds and similar vehicles in international markets; 11,000 stocks; 6,000 hedge funds; 6,000 separate accounts and collective investment trusts; 62,000 variable annuity/life subaccounts and policies; 4,000 pension and life funds; 700 exchange-traded funds; 700 closed-end funds; 80 state-sponsored college savings plans (commonly known as Section 529 College Savings Plans); and 80 years of capital markets data capturing performance of 18 market indexes."

"We had approximately 1,440 employees as of December 31, 2006, including approximately 220 investment analysts, 180 data analysts, 340 programmers and technology staff, 30 designers, and 200 sales and marketing professionals."

II.

 "We also reach individuals who want to learn more about investing and investors who seek out third-party sources to validate the advice they receive from brokers or financial planners. Our client base in this segment consists of more than 260,000 paying customers, including 165,957 Premium members of Morningstar.com and 95,000 subscribers who purchase our investment newsletters designed for individual investors."

"In addition to the assets we manage directly, we had a total of \$55.5 billion in assets under advisement in our Investment Consulting business as of December 31, 2006."

These facts make it clear that Morningstar's advice is the preferred advice, not Value Line's. To the extent there is a choice between Value Line and Morningstar as a source of third-party data determining just and reasonable rates in Tennessee, Morningstar is the credible source.

As I will show later in my testimony, Atmos and the comparable companies emerge as low risk companies with comfortable profits when seen through the third-party data I use.

D. The Decoupling Proposal Takes
Away From Tennessee Consumers The
Benefits Conferred On Them From
Long-Standing Federal And State
Policy.

Regarding Mr. Smith's concern about sales, many factors contribute to the decline in use per customer:

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 Federal appliance efficiency standards.

More efficient building codes.

turnover of housing stock.

Economic conditions.

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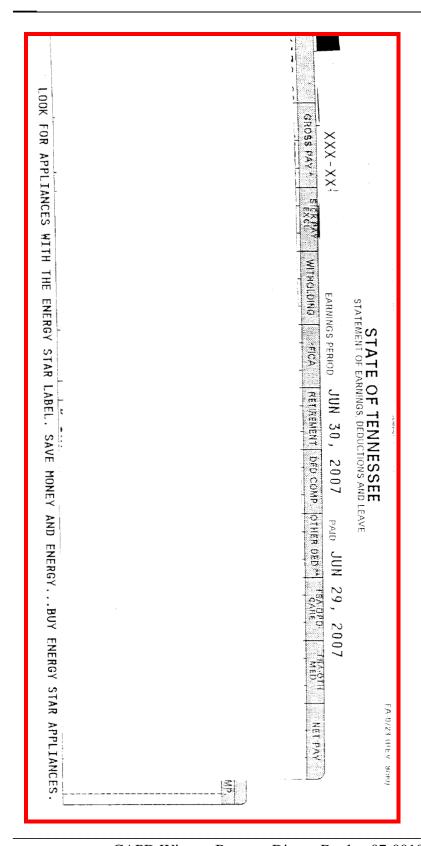
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For example, page 23 of this testimony displays a redacted copy of a paycheck issued in June by the State Of Tennessee. The saying at the bottom of the pay stub is "Look For Appliances With The Energy Star Label. Save Money And Energy." That statement appeared on more than 38,000 paychecks issued by the State in June and was suggested to the State's payroll department by the Tennessee Department of Environment And Conservation. Consumers have no say in appliance-efficiency, and they could not "not conserve" with a new appliance, even if they wanted to. This shows the tension between federal and state policy that have long encouraged conservation and the policy that Atmos is asking the Authority to adopt. Atmos wants one state agency to undo at least some of the effects of long-settled federal and state policy. Furthermore, Mr. Smith concerns himself with "public policy" in much of his testimony, never acknowledging that Atmos is a monopoly.



The decoupling proposal guarantees Atmos's recovery of its fixed cost and is equivalent to a revenue-stabilization plan for Atmos. Despite its desire for a CUA, Atmos wants an 11.75% return to equity. The decoupling proposal would amend the Tennessee Department of Environment And Conservation saying to: "Look For Appliances With The Energy Star Label. Save Money (After You Pay the CUA) And Energy."

II. E. Summary Of Issues Regarding Comparable Companies.

I accept the 8 comparable companies chosen by Dr. Murry.

II. F. Summary Of Issues Regarding Increases In Long-Term Interest Rates.

Dr. Murry's 11.75 percent return on equity is predicated in part on his anticipation of increases in long-term interest rates. There is no good reason to assume that Dr. Murry's expectations are correct. However, Atmos is not "locked in" to a cost-of-capital if the interest rate environment changes because a regulated utility has the discretion to file its rate case as needed.

II. G. Summary Of Rate-Case Timing Issues.

Until the Tennessee Regulatory Authority's rate order of October 26, 2006, where the Authority ordered a \$6 million rate reduction in Atmos's rates to Tennessee's consumers, Atmos had not had its rates reviewed since its last case in September 1995. By May 4, 2007, Atmos filed a rate case requesting an increase of \$11 million, potentially not only erasing the benefits that have flowed to Tennessee, but adding another \$5 million of increased rates.

Perhaps sensitive that such a short time span has the appearance of Atmos being unwilling to accept an adverse order, its witness Mr. Paris testified:

"We would also respectfully note that in that recent proceeding, Atmos was awarded a return on equity (ROE) of 10.48%, which not only was much lower than the 12% proposed by the Company, but which also was lower than the TRA Staffs recommendation of 10.75%" [Paris Direct, P.5 L. 11-14.]

"Atmos wants to emphasize that the timing of this filing so soon after the resolution of Phase I of Docket No. 05-00258 is not meant in any way to show disrespect to the TRA or to its decision in that case. As I stated above, the urgency behind the timing of this filing is driven by the fact that the Company believes that it has an obligation to its shareholders to begin receiving a reasonable return on its investment in Tennessee as soon as it possibly can. We have detailed above the components that make up this requested increase" [Paris Direct, P.5 L. 17-23.]

Regarding the "reasonable return" mentioned by Mr. Paris, Dr. Murry says in his testimony:

"The term 'fair rate of return' as I use it, is consistent with the return that meets the standards set by the United States Supreme Court decision in Bluefield Water Works and Improvement Company vs. Public Service Commission, 262 US. 679 (1923) ('Bluefield')" [Murry, Direct P. 9, L. 4-7]

But it is worthwhile to contrast Dr. Murry's interpretation of Bluefield with that of the American Gas Association's, "Gas Rate Fundamentals, 3rd. Edition," P. 109:

Rate of Return—Bluefield Water Works, 1923

In the Bluefield Water Works and Improvement Company vs. Public Service Commission of West Virginia (262 U.S. 679), the Supreme Court in 1923 indicated that state commissions must consider similar economic factors in determining the rate of return as in the rate base determination prescribed in Smyth vs. Ames. In this case, the Supreme Court said:

"A public utility is entitled to such rates as will permit it to earn a return on the value of the property which it employs for the convenience of the public equal to that generally being made at the same time and in the same general part of the country on investments in other business undertakings which are attended by corresponding risks and uncertainties: but it has no constitutional right to profits such as are realized or anticipated in highly profitable enterprises or speculative ventures. The return should be reasonably sufficient to assure confidence in the financial soundness of the utility and should be adequate, under efficient and economic management, to maintain and support its credit and enable it to raise the money necessary for the proper discharge of its public duties."

Dr. Murry does not mention that Atmos has "no constitutional right to profits such as are realized or anticipated in highly profitable enterprises or speculative ventures." Nor does he address the question of whether Atmos's management is efficient and economic. The AGA manual says further:

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Under the existing regulatory standards, a gas company has the legal right to charge rates which should earn a fair return but there is no guarantee of that fair return. It is up to management to earn that return by revenues collected at the rates established. This being so, no rate or price can be set and let alone. Political and economic forces change rapidly, including the value of the dollar. Public utility rates require careful planning and watchful administration to see that they are reasonable and adequate and thus meet the ever-changing needs of customers and the utility company.

Of course no rate or price can be set and then let alone, but Atmos's regulatory behavior in Tennessee alternates between extremes: 11 years with no rate cases, then seven months to the next one. Atmos has made little effort "to earn the return [granted by the Authority] by revenues collected at the rates established [by the Authority]." The current rates were in effect for less than 7 months before Atmos filed its new case On May 4, 2007. Atmos's management has dismissed the idea that it is possible to earn a reasonable return in Tennessee based on the Authority's most recent decision, apparently believing there is no opportunity to earn a fair rate of return. Not a single witness offers any reasoning to justify Atmos's decision, other than Mr. Paris's raw assertion:

"Atmos' testimony and the information requested in the filing requirements in Docket No. 05-00258 demonstrated that the Company would experience a significant revenue deficiency during the attrition period, and we continue to believe [CAPD emphasis] this to be the case." [Paris Direct, P.5 L. 7-10.]

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Dr. Murry's current testimony gives the impression that Atmos is willing to live with results of this case: "utility rates set in this proceeding will be in effect for a number of years." [Murry, Direct P. 36, L. 21-22]

But he said the same thing in the last case: "recognizing that rates set from this proceeding will be in effect for a number of years" [Docket 05-00258, Murry, Direct P. 26, L. 1-21

Atmos filed its case less than seven months after the Authority made its finding in Docket 05-00258 and without having presented a year's worth of audited financial results in Tennessee as a backdrop to assess the effects of the Authority's finding. This is a kind of doublejeopardy for Tennessee's consumers and businesses, where Atmos, having failed to convict them on the administrative charge of "revenue deficiency" last October, has brought the same charge against them in May.

Perhaps if Atmos is given what it wants, the company will not file another rate case for another 10 years, as Dr. Murry suggests. But as my testimony proved in the show-cause proceeding, Atmos was making 15% and 16% equity returns in Tennessee. In my opinion there is no need for Tennessee to return to that era.

Later in my testimony, I will prove that Mr. Paris and Atmos are demanding far more from Tennessee than what the company's stockholders are demanding from Atmos.

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III. Short-Term Debt Is A Permanent Part Of Capital Structure.

III. A. Comparable Companies'
Treatment Of Short-Term Debt.

- Q_4. In your opinion is short-term debt a part of a utility's permanent capital structure?
 - Yes. The Authority has always included shortterm in the capital structure. Furthermore, short-term debt is a permanent part of the capital structure, as shown by the financial behavior of the comparable companies. Consider the short-term debt ratios investors will see when they review recent SEC 10Ks to find out what four of the companies say about themselves. New Jersey Resources, a 23% ratio:

New Jersey Resources

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Liquidity and Capital Resources

Consolidated

NJR's objective is to maintain a consolidated capital structure that reflects the different characteristics of each business segment and provides adequate financial flexibility for accessing capital markets as required.

NJR's consolidated capital structure at September 30 was as follows:

	2006	2005	2004
Common stock equity	50%	47%	44%
Long-term debt	27	34	29
Short-term debt	23	19	27
Total	100%	100%	100%

South Jersey Industries Form 10-K for Fiscal Year Ended December 31. 2006

Page 1 of 1

SЛ's capital structure was as follows:

As of December 31.

	2006	2005
Common Equity	44.4%	45.6%
Long-Term Debt	36.1%	37.3%
Short-Term Debt	19.5%	17.1%
Total	100.0%	100.0%

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Northwest Natural Gas, a 10.4% ratio where the company has a "target capital structure" which includes short-term debt:

Financial Condition

Capital Structure

Our goal is to maintain a target capital structure comprised of 45 to 50 percent common stock equity and 50 to 55 percent long-term and short-term debt. When additional capital is required, debt or equity securities are issued depending upon both the target capital structure and market conditions. These sources also are used to meet longterm debt redemption requirements and short-term commercial paper maturities (see "Liquidity and Capital Resources," below, and Notes 3, 5 and 6). Our consolidated capital structure was as follows:

December 31,	2006	2005
Common stock equity	48.1%	47.2%
Long-term debt	41.5%	42.0%
Short-term debt, including current maturities of long-term debt	10.4%	10.8%
Total	100.0%	100.0%

AGL Resources, a 14% ratio:

Form 10-K Page 1 of 1

We believe that accomplishing these capitalization objectives and maintaining sufficient cash flow are necessary to maintain our investment-grade credit ratings and to allow us access to capital at reasonable costs. The components of our capital structure, as of the dates indicated, are summarized in the following tables.

In millions		Dec. 31	, 2006
Short-term debt	\$	539	14%
Long-term debt (1)	_	1,622	43
Total debt		2,161	57
Common shareholders' equity	_	1,609	43
Total capitalization	S	3,770	100%

In millions	Dec. 31, 2005		
Short-term debt	\$	522	14%
Long-term debt (1)		1,615	45
Total debt		2,137	59
Common shareholders' equity		1,499	41
Total capitalization	s	3,636	100%

(1) Net of interest rate swaps.

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The other four comparable companies do not have such explicit statements in their 10-Ks. However, at page 6 of this testimony I have already pointed out Piedmont's opinion on short-term debt, which leaves NICOR, WGL Holdings, and Southwest Gas.

Dr. Murry's schedule DAM-7, taken from Value Line, shows NICOR's 2006 equity ratio being near 65% in 2006 and with a ratio of 71% in the future. These are enormous ratios. I cannot imagine a state regulatory agency making consumers pay rates on the basis of a 71% equity ratio. NICOR's equity ratio becomes normal only when short-term debt is in the structure, as I show:

Data Source: SEC 10-K

NICOR's Capital Structure Ratios With Short-term Debt

Capital Structure Components (Millions) As Of:	2006: Dec 31	2006: Dec 31
	\$ Balance	Ratio
Short-Term Debt: Notes Due	<i>\$350</i>	20%
Short-Term Debt: Current Portion of Long-Term Debt	0	0%
Long-Term Debt Net Of Current Portion	<i>\$498</i>	29%
Common Equity	\$873	51%
Preferred	\$1	0%
Total	\$1,721	100%

Dr. Murry's Method Of Using NICOR's Capital Structure Ratios W/O Short-term Debt

Capital Structure Components (Millions) As Of:	2006: Dec 31 \$ Balance	2006: Dec 31 Ratio
Short-Term Debt: Notes Due	<i>\$0</i>	0%
Short-Term Debt: Current Portion of Long-Term Debt	0	0%
Long-Term Debt Net Of Current Portion	<i>\$498</i>	36%
Common Equity	\$873	64%
Preferred	\$1	0%
Total	\$1,371	100%

Dr. Murry's schedule DAM-7 shows WGL Holdings with a 61.5% ratio in 2006 and a ratio of 64% in the future. These too are enormous ratios. WGL's equity ratio is becomes normal only when short-term debt is in the structure:

Data Source: SEC 10-K

WGL's Capital Structure Ratios With Short-term Debt

Capital Structure Components (Millions) As Of:	2006: Dec 31	2006: Dec 31
	\$ Balance	Ratio
Short-Term Debt: Notes Due	\$177,376	10%
Short-Term Debt: Current Portion of Long-Term Debt	60994	3%
Long-Term Debt Net Of Current Portion	<i>\$576,139</i>	33%
Common Equity	\$921,807	52%
Preferred	\$28,173	2%
Total	\$1,764,489	100%

Dr. Murry's Method Of Using WGL's Capital Structure Ratios W/O Short-term Debt

Capital Structure Components (Millions) As Of:	2006: Dec 31	2006: Dec 31
	\$ Balance	Ratio
Short-Term Debt: Notes Due	<i>\$0</i>	0%
Short-Term Debt: Current Portion of Long-Term Debt	60994	4%
Long-Term Debt Net Of Current Portion	<i>\$576,139</i>	36%
Common Equity	\$921,807	58%
Preferred	\$28,173	2%
Total	\$1,587,113	100%

This realistic approach to capital structure is exactly what WGL Holding adopted in its Form U-1/A filed March 31, 2004 with the SEC. WGL holdings said in part:

"This Application/Declaration seeks authorization and approval of the Commission with respect to ongoing financing activities of WGL Holdings and the Subsidiaries, intrasystem extensions of credit, interest rate hedging measures, the creation of specified types of new subsidiaries, the payment of dividends out of capital and unearned surplus by non-utility subsidiaries, and other related matters pertaining to WGL Holdings and the Subsidiaries."

WGL filed the following capital structure, which included a short-term debt ratio of 11.6%, to support its request for approval:

Set forth in the table below is a summary of WGL Holdings' consolidated capital structure (including short-term debt) as of December 31, 2003:

Capital Structure As of December 31, 2003

	WGL Hold	WGL Holdings		Washington Gas	
	\$000s	Percent	\$000s	Percent	
Common stock equity	\$ 842,740	49.4%	\$ 798,996	51.1%	
Preferred stock equity	28,173	1.6	28,173	1.8%	
Long-term debt	637,610	37.4	637,591	40.8%	
Short-term debt */	198,244	11.6	99,069	6.3%	
Total	\$1,706,967	100.0%	\$1,563,829	100.0%	

As for Southwest Gas, in 2006 its equity ratio reached 38.9%, the highest level in 10 years. However, the short-term debt balance was zero in that year. From 1997 to 2005 the equity ratios ranged from a low of 29% to a high of 35%, when short-term debt is included in the capital structure. Other than 2006, Southwest's history shows short-term debt comprising between 4% and 10% of the capital structure.

III. B. Atmos's Own Treatment Of Its Short-Term Debt.

Q_5. What has been Atmos's recent behavior regarding short-term debt?

A_5.

According to Atmos's Treasurer, Ms. Sherwood, the company's short-term debt rose to "elevated levels" in September 2006, but was reduced in December according to her testimony:

"The company's debt ratio as of September 30, 2006 was slightly higher, at 60.9% of total capitalization, due to elevated levels of short-term debt caused by continuing high natural gas prices and the extremely warm winter weather that Atmos continued to experience across its service territory during fiscal year 2006 (particularly in Texas, where over half of the Company's utility customers are located). However, in December 2006, the Company used the net proceeds of a 6.325 million share offering of common stock to reduce short-term debt outstanding." [Sherwood Direct, P. 6 L. 22-30]

Atmos described the stock or share offering activity in a form 424B-2. Atmos filed the form with the SEC on December 8, and said the company expected \$167 million in proceeds. Of the 6.325 million shares, 825,000 were granted on option to the underwriters at a price of \$30.3975 per share. If total sales exceeded 5.5 million shares, the underwriters had 30 days, from December 13 to January 12, to exercise the option. Assuming the underwriters sold more than 5.5 million shares and the conditions in the grant agreement between Atmos and the underwriters were met, Atmos may have acquired more than \$167, perhaps another \$25 million. Atmos' maximum total equity infusion could not have exceeded \$192 million.

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Page 37 of this testimony displays the "Table Of Contents" from a supplement to the prospectus.

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Total

Table of Contents

PROSPECTUS SUPPLEMENT (To Prospectus dated December 4, 2006)

5,500,000 Shares



Common Stock

This is an offering of 5,500,000 shares of the common stock of Atmos Energy Corporation.

Our common stock is listed on the New York Stock Exchange under the symbol "ATO." The last reported sales price of our common stock on December 7, 2006 was \$32.07.

Investing in our common stock involves risks. See "Risk Factors" beginning on page 1 of the accompanying prospectus.

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Price to the public	\$31.5000 \$173,250,000
Underwriting discounts and commissions	\$ 1.1025 \$ 6,063,750
Proceeds to Atmos Energy Corporation (before expenses)	\$30.3975 \$167,186,250

We have granted to the underwriters the option to purchase up to 825,000 additional shares of common stock on the same terms and conditions set forth above if the underwriters sell more than 5,500,000 shares of common stock in this offering.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus supplement. Any representation to the contrary is a criminal offense.

Lehman Brothers and Goldman, Sachs & Co., on behalf of the underwriters, expect to deliver the shares on or about December 13, 2006.

What was the amount of the "elevated" level of Q 6. short-term debt which Ms. Sherwood referred to?

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A_6.

The amount was \$383.4 million in September. Dr. Murry's Schedule DAM-9 lists Atmos's short-term debt balances, and I display a portion of his schedule below:

October, 2005	\$292,500,000
November, 2005	\$346,255,000
December, 2005	\$399,450,000
January, 2006	\$407,275,000
February, 2006	\$346,900,000
March, 2006	\$262,475,000
April, 2006	\$238,875,000
May, 2006	\$222,350,000
June, 2006	\$297,550,000
July, 2006	\$298,225,000
August, 2006	\$292,086,000
September, 2006	\$383,386,000
October, 2006	\$406,125,000
November, 2006	\$393,475,000
December, 2006	\$154,650,000

In Docket 05-00258, Ms. Sherwood testified:

"So you'd first have to back out short-term debt. And in some of those years, short-term debt had gone up. In some years, it's a relatively small percentage, but, again, that's a function of seasonality and natural gas prices, and there's a myriad of things that affect that, but it floats up and down. It tends to be highest in the September and the December quarters."[Docket No.05-00258 TRANSCRIPT OF PROCEEDINGS THURSDAY, AUGUST 31, 2006 VOLUME VIII P. 13 L. 1-8.]

Thus, there is something wrong with this picture: the December balance is unusually low and there is a \$254 million difference between the December balances of 2005 and 2006. According to Dr. Murry, "It is obvious that Atmos Energy uses its short-term debt to support such variable operating expenses as the cost of purchased gas." This begs questions: Does the December 2006 balance show a drastic decline in gas purchases? Does the monthly pattern of short-term balances break the tie between seasonality and short-term debt? Did Atmos support \$254 million of operating expenses with equity capital which Atmos prices at 11.75% rather than short-term debt which costs Atmos less than 6%? Was the \$254 million carried by Atmos at 11.75% and embedded into that month's gas cost and passed through to consumers? In my opinion the answers are yes to the last three questions. This is a juncture where Atmos's capital-structure argument breaks down. By eliminating short-term debt from the capital structure, the way is open for every capital cost activity supporting Tennessee's ratepayers to be priced at the equity cost, not at the debt cost or at the short-term cost.

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Yes. On December 16, 2006 Atmos filed an 8-K pertaining to a short-term credit agreement enabling Atmos to borrow up to \$600 million on a short-term basis:

December 12, 2006, did Atmos make an additional

Subsequent to its common stock offering of

filing with the SEC?

REVOLVING CREDIT AGREEMENT

THIS REVOLVING CREDIT AGREEMENT (this "Agreement") is made and entered into as of December 15, 2006, by and among ATMOS ENERGY CORPORATION, a Texas and Virginia corporation (the "Borrower"), the several banks and other financial institutions and lenders from time to time party hereto (the "Lenders"), and SUNTRUST BANK, in its capacity as administrative agent for the Lenders (the "Administrative Agent").

WITNESSETH:

WHEREAS, the Borrower has requested that the Lenders establish in favor of the Borrower a \$600,000,000 revolving credit facility having a scheduled term of five years;

WHEREAS, subject to the terms and conditions of this Agreement, the Lenders, to the extent of their respective Commitments as defined herein, are willing severally to establish the requested revolving credit facility in favor of the Borrower.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Borrower, the Lenders and the Administrative Agent agree as follows:

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Q_8. What is the effect of the revolving credit agreement on Atmos's capital structure?

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Atmos will be operating with a capital structure tilted far more to debt than what Dr. Murry and Ms. Sherwood have suggested, despite the equity issue in December.

For example, the amount of \$600 million is about \$200 million more than the short-term debt amount of \$383.4 million which Ms.

Sherwood described as "elevated." Apparently Atmos is expecting a recurrence of even more "elevated levels" of short-term debt. Also, the \$200 million exceeds the equity infusion of December 2006, whether the amount was \$167 million or \$192 million. Thus, Atmos is taking its capital structure into debt territory, not equity, despite what Dr. Murry and Ms. Sherwood have said.

How does the revolving credit agreement treat short-term debt?

The revolving credit agreement treats shortterm debt as a part of Atmos's capitalization. I have included certain portions of the agreement below as evidence:

Section 5.2. Debt to Capitalization Ratio. As of the last day of each fiscal quarter of the Borrower, the Debt to Capitalization Ratio shall be less than or equal to 0.70 to 1.0.

"Consolidated Capitalization" shall mean, without duplication, the sum of (a) all of the shareholders' equity or net worth of the Borrower and its Subsidiaries on a consolidated basis, as determined in accordance with GAAP plus (b) the aggregate principal amount of Preferred Securities plus (c) the aggregate Minority Interests in Subsidiaries plus (d) Consolidated Funded Debt.

"<u>Debt to Capitalization Ratio</u>" shall mean the ratio of
(a) Consolidated Funded Debt to (b) Consolidated Capitalization.

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"Consolidated Funded Debt" shall mean, without duplication, the sum of (a) all indebtedness of the Borrower and its Subsidiaries for borrowed money, (b) all purchase money indebtedness of the Borrower and its Subsidiaries (other than trade accounts payable), (c) the principal portion of all obligations of the Borrower and its Subsidiaries under capital leases, (d) all commercial letters of credit and all performance and standby letters of credit issued or bankers' acceptances created for the account of the Borrower or one of its Subsidiaries, including, without duplication, all unreimbursed draws thereunder, (e) all Guaranty Obligations of the Borrower and its Subsidiaries with respect to funded indebtedness of another Person of the types listed in clauses (a) through (d), (f) all indebtedness of another entity secured by a Lien on any property of the Borrower or any of its Subsidiaries whether or not such indebtedness has been assumed by the Borrower or any of its Subsidiaries, (g) all indebtedness of any partnership or unincorporated joint venture to the extent the Borrower or one of its Subsidiaries is legally obligated with respect thereto, net of any assets of such partnership or joint venture and in the case of the Capital Stock of such partnership or joint venture being held by a Subsidiary, limited to the net worth of such Subsidiary, (h) all obligations of the Borrower and its Subsidiaries to advance or provide funds or other support for the payment or purchase of funded indebtedness (including, without limitation, maintenance agreements, comfort letters or similar agreements or arrangements) (other than as may be given in respect of Atmos Energy Marketing, LLC ("AEM")) and (i) the principal balance outstanding under any synthetic lease, tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing product of the Borrower or one of its Material Subsidiaries where such transaction is considered borrowed money indebtedness for tax purposes but is classified as an operating lease in accordance with GAAP; provided, however, that (x) neither the indebtedness of AEM incurred in connection with the purchase of gas by AEM for resale to the Borrower nor the guaranty by the Borrower or one of its Subsidiaries of such indebtedness shall be included in this definition if such indebtedness has been outstanding for less than two months from the date of its incurrence by AEM and (y) for the purposes of calculating the Debt to Capitalization Ratio, Consolidated Funded Debt will exclude (to the extent otherwise included in Consolidated Funded Debt) (i) any pension and other post-retirement benefits liability adjustments recorded in

1 accordance with GAAP and (ii) an amount of Hybrid Securities not 2 to exceed a total of 15% of Consolidated Capitalization. 3 4 Is \$600 million the maximum short-term credit Q_10. 5 that Atmos can use? 6 7 No. According to its 10-K for the fiscal year A 10. 8 ending September 30, 2006, Atmos stated that it 9 "maintained three short-term committed credit facilities totaling \$918 million," an amount 10 more than double the "elevated levels" Ms. 11 12 Sherwood refers to. 13 In your opinion is it inconsistent for Atmos to 14 0 11. 15 announce that it has \$918 in short-term debt while saying in this case that short-term debt 16 is not a permanent part of capital structure? 17 18 Yes. It is inconsistent. Atmos has let it be 19 A 11. known that it has a large amount short-term 20 21 debt at its fingertips. This begs the question: 22 Why is Atmos poised for large applications of 23 short-term debt while the company's Treasurer 24 says such debt is not a permanent part of the capital structure? Consider what the Treasurer 25 of Piedmont testified to in Docket 03-00313: 26 27 28 " Q. Why don't you just sell common stock and long-term debt 29 and avoid the use of long-term debt on short notice? 30 31 A. We can sell short-term debt on very short notice. We cannot sell common stock and long-term on short notice..." [Docket 03-32 33 00313, Dzuricky Rebuttal Sept. 2, 2003, P. 17 L. 25 – P. 18, L. 5-7 34 Clearly Atmos wants the financial flexibility 35 that comes from short-term debt. Just as 36 37 clearly, Atmos does not want any of those low-38 cost benefits to flow to Tennessee. 39

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Q_12. In your opinion is it reasonable to assume that Atmos will maximize its use its short-term debt?

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Yes. In my opinion it is reasonable. Consider that Atmos wants its prices in Tennessee based on a capital structure where Dr. Murry has treated the short-term debt ratio of 9.15% as equity, as I mentioned in my summary. The revolving credit facility will be based on the London Interbank Offer Rate, LIBOR. Page 46 of this testimony displays my analysis of the likely capital cost of the revolving credit. Based on the terms in the agreement, the cost is likely to be in a range of 5.82% to 6.16%. It is to Atmos's advantage to have its prices in Tennessee flow from the fiction that shortterm debt is equity, where the 9.15% ratio is priced at an equity cost of 11.75%, while at the same time Atmos is in the position to dramatically raise its use of short-term debt, which costs less than 6%.

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Q_13. In your opinion what is the cost of Atmos's short-term debt?

In my opinion the cost is 5.97%, based on my 1 A 13. 2 analysis of the credit agreement. The top 3 portion of the table on page 46 of this 4 testimony displays the ratings assigned to 5 Atmos's long-term debt by Standard and Poor's 6 Moody's and Fitch and is found at page 56 of 7 Atmos's most recent 10-K. The bottom portion of the table is from Schedule I, "APPLICABLE 8 9 MARGINS AND APPLICABLE PERCENTAGES," of the revolving credit agreement. Of the five 10 categories, neither "I" nor "V" applies to 11 12 Atmos. Thus 5.97% is the average of costs in categories "II", "III", and "IV". 13

BBB/Baa2/BBB BBB+/Baa1/BBB-BBB-/Baa3/BBB-S&P/Moody's/Fitch Rating Category (2)S&P: BBB Margin for Applicable Advances 0.60%0.45% 0.35%0.30% LIBOR (3) Margin for Applicable Base Rate Advances 0.00%0.00% 0.00% 0.00% 4 Fee Percentage Commitment Applicable 0.13% 0.11% 0.09% 0.07% 0.06% (5) Moody's :Baa3 Utilization Applicable Percentage 0.10% 0.10%0.05%0.05%0.05%Fee 6 Sum Of Cols (3) - (6)Margin: 0.98%0.81%0.59%0.47% 0.41% Total Aug. 1, 2007 5.35% 5.35% 5.35% 5.35% Rates 5.35% LIBOR Current 8 Fitch: BBB+ Short-Term Debt Cost: 6.16% 5.94% 5.82% Margin LIBOR+ 5.76% 9 Atmos Short-term Debt Cost Will Be A Combination Of

Atmos Long-Term Debt Ratings As Stated In Its10-K for the fiscal year ending September 30, 2006

CAPD Witness Brown - Direct: Docket 07-00105 - Cost Of Capital Testimony

≥A-/A3/A-

Agreement Credit

Interest

Level Cost

 \leq

≤BB+/Ba1/BB+

"The credit ratings to be utilized for purposes of this Schedule are those assigned to the senior, unsecured long-term debt securities of the Borrower

0.75%

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0.00%

Also consider the reasonableness of Atmos's proposal. The company has \$918 million dollars of short-term credit available. Of that \$918, only \$383 was on the books when the auditors certified Atmos's financial results for FY 2006. However, Atmos continues to resist the use of audited results in the setting of its rates in Tennessee, despite what the U.S. Supreme court said in the Arthur Young case:

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"The SEC requires the filing of audited financial statements in order to obviate the fear of loss from reliance on inaccurate information, thereby encouraging public investment in the nation's industries."

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Rational investors rely on audited financial statements as a basis of comparing companies. However, Dr. Murry's argument about excluding short-term does flows solely from Atmos's balance sheet, not from an examination of comparable companies, as indicated in his reply to CAPD discovery request 89:

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Atmos Energy Corporation, Tennessee Docket No. 07-00105 Responses to CAPD First Discovery Request

89. Regarding the comparable companies selected by Dr. Murry, for each comparable company please provide in a working excel file, the endof-month balances of short-term debt from January 1, 2003 through December 31, 2006.

RESPONSE:

Subject to and without waiving its general objections, AEC responds as follows:

Dr. Murry is unaware of any publicly available source that provides end-of-month short-term debt balances for any comparable company.

Witness: Murry

Atmos's own treatment of short-term debt is inconsistent. In its most recent 10-K, at pages 33 and 34, Atmos excludes short-term debt from the "Total Capitalization" amount \$3.82 billion but includes it in the 39.1% "Capitalization Ratio."

	September 30 06 ⁽¹⁾
(In thousands, except page 1)	•
Short-term debt, inclusive of current maturities of long- term debt Capitalization: Shareholders' equity	385,602 1,648,098
Long-term debt (excluding current maturities)	2,180,362
Total capitalization Capital expenditures Financial Ratios	3,828,460 425,324
Return on average shareholders' equity ⁽⁷⁾	39.10% 8.90%
Capital expenditures Financial Ratios Capitalization ratio ⁽⁶⁾ Return on average	425,324 39.10% 8.90%

(6) The capitalization ratio is calculated by dividing shareholders' equity by the sum of total capitalization and short-term debt, inclusive of current maturities of long-term debt.

Also, Ms. Sherwood provides a fall-back position, just in case no one believes Atmos that short-term debt is not a permanent portion of capital structure:

"Although the Company does not believe that it is appropriate to include short-term debt in the Company's capital structure herein, should the TRA find to the contrary, then I recommend that the TRA adopt the Company's projected cost of short-term debt at October 31, 2008. The Company had no short-term debt outstanding as of March 31, 2007. As shown in Exhibit LMS-3 attached to my testimony, the projected weighted average cost of short-term debt capital at October 3 1, 2008 will be 7.05%." [Sherwood Direct, P. 9 L.12-18]

Atmos has credit lines of \$918 million. With a cost of 7.05%, Atmos would never use short-term debt because long-term debt, with a cost of 6.1%, would always be a cheaper source of capital.

III. C. Dr. Murry's Past Treatment Of Short-Term Debt.

Q_14. How long has Dr. Murry been offering cost-of-capital testimony for Atmos or its predecessor, United Cities?

A_14. Based on my review of the records in our office, Dr. Murry has been testifying since 1995. On May 15, 1995, United Cities filed a rate case with the Tennessee Public Service Commission.

Q_15. How did Dr. Murry treat short-term debt then?

A 15.

Dr. Murry included short-term debt in the capital structure. He filed the following capital structure and related costs in his testimony:

Atmos/United Cities Capital Structure And Interest Cost: Filed May 15 1995

	May 13, 133	3	
	Proportion		
Capital Structure	In Capital	Interest	Weighted
Catagories	Structure	Cost	Cost
Common Equity	44.01%	13.25%	5.83%
Long-Term Debt	48.67%	9.67%	4.71%
Short-Term Debt	7.32%	8.50%	0.62%

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Did Dr. Murry provide capital-structure Q_16. testimony in any other docket that you are aware of?

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Yes. Dr. Murry provided such testimony in TRA A 16. Docket 03-00313, where he testified:

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"I identified the common stock equity, long-term debt and shortterm debt components of PNG's capital structure as this represents the source of the Nashville Gas' capital." [Docket 03-00313, *Murry Direct, P.3 – L. 20-22]*

20 21

22 In your opinion can an expert change an Q_17. opinion? 23

A_17. Yes, an expert can change an opinion, but there has to be a reason for the change. Dr. Murry has not acknowledged that he has changed his opinion and he has not offered any reason for the change.

IV. Atmos's Current Equity Ratio Of 39.1% Is A Return To Normal Behavior.

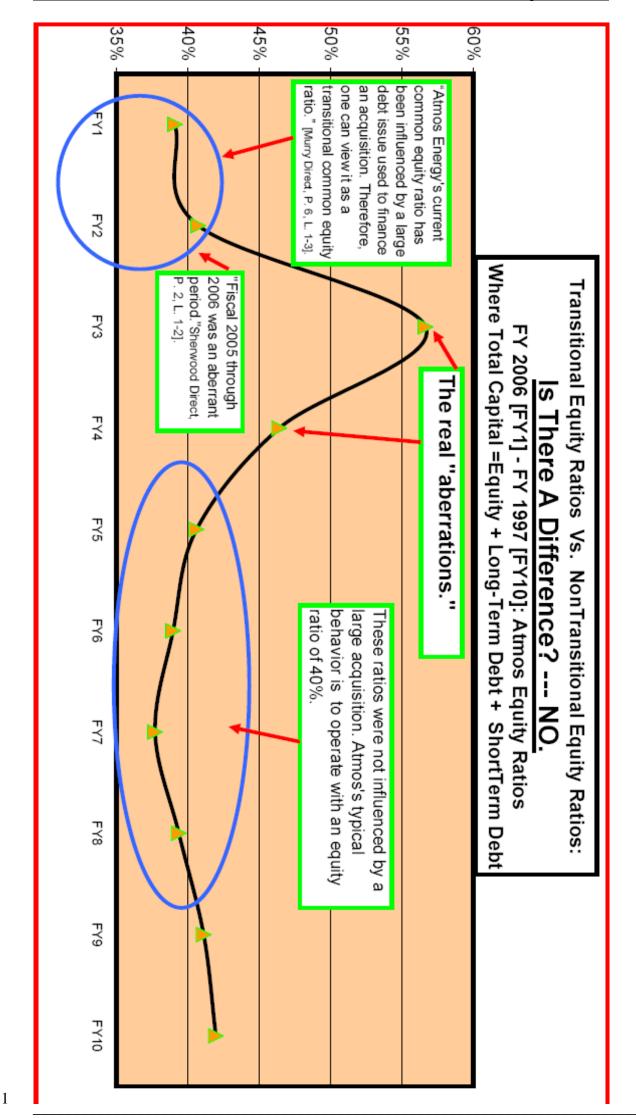
Both Dr. Murry and Ms. Sherwood suggest that Atmos's current equity ratio of 39.1% is no basis for rate setting in Tennessee.

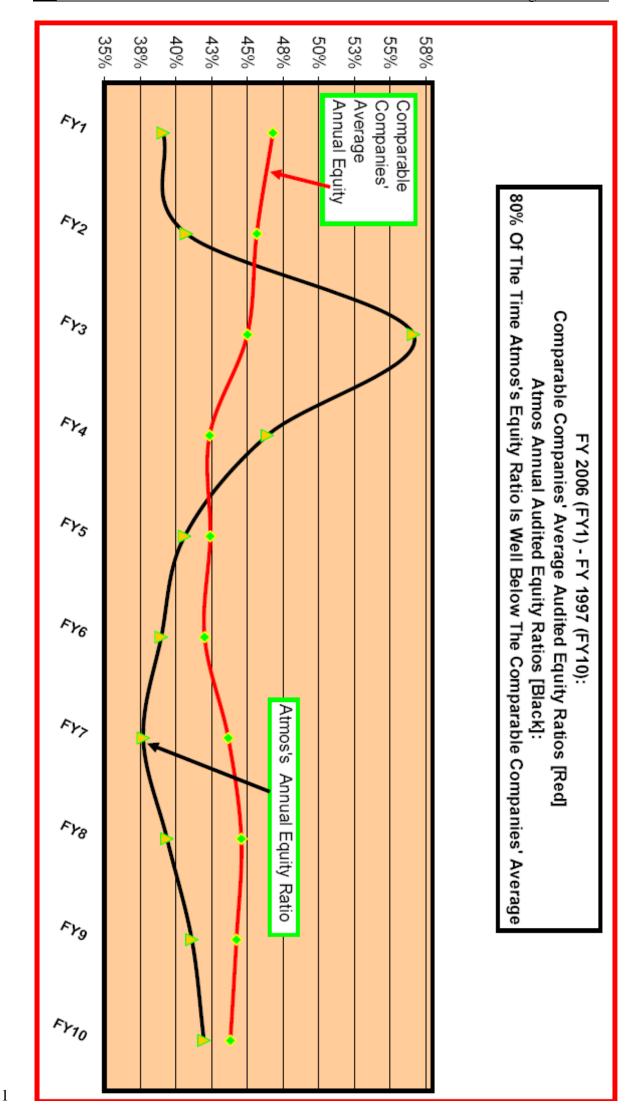
 According to Dr. Murry, "Atmos Energy's current common equity ratio has been influenced by a large debt issue used to finance an acquisition. Therefore, one can view it as a transitional common equity ratio" [Murry Direct, P. 2, L. 1-2].

According to Ms. Sherwood, "Fiscal 2005 through 2006 was an aberrant period" [Sherwood Direct, P. 2, L. 1-2].

Q_18. Do you agree with their opinions?

 No. I disagree. I reviewed Atmos's capital structure for the 10 year period of 1997-2006 and found that the current equity ratio of 39.1% is consistent with Atmos's behavior prior to its acquisition of TXU. My Schedules 1 and 2 respectively list the balances and the percentage components of the capital structures for the comparable companies. My Schedule 3 lists the same items for Atmos. I have summarized my findings in the next two charts displayed on pages 53 and 54 of this testimony. Page 53 displays Atmos's equity ratios from 2006 back to 1997 Page 54 displays Atmos's equity ratios and the comparable companies' average equity ratio from 2006 back to 1997.





Other than the times Atmos is positioning itself to make a large acquisition, the company's normal equity ratio runs to the low side of the comparable companies' average. This fact has to be reconciled to several aspects of Dr. Murry's and Ms. Sherwood's testimonies and Atmos's statements in its 10-K snd its revolving credit agreement:

"Atmos Energy's current common equity ratio has been influenced by a large debt issue used to finance an acquisition. Therefore, one can view it as a transitional common equity ratio" [Murry Direct, P. 2, L. 1-2].

"Although the business risk of Atmos Energy appears to be similar to the business risk faced by a typical natural gas distribution utility in today's markets, Atmos Energy's financial risk is decidedly greater, due to its relatively low common stock equity [Murry Direct, P. 6, L. 16-19].

"I did not include short-term debt because it is not part of Atmos Energy's permanent capital structure." Murry Direct, P. 8, L. 4-5].

"The Company has not historically used short-term debt as a permanent form of capital." Sherwood Direct, P. 18, L. 7-8].

"As of September 30, 2006, we maintained three short-term committed credit facilities totaling \$918 million." [Atmos 10-K for FY 2006, P. 55]

"Consolidated Funded Debt" shall mean, without duplication, the sum of (a) all indebtedness of the Borrower and its Subsidiaries for borrowed money, (b) all purchase money indebtedness of the Borrower and its Subsidiaries (other than trade accounts payable), (c) the principal portion of all obligations of the Borrower and its Subsidiaries under capital leases, (d) all commercial letters of credit and all performance and standby letters of credit issued or bankers' acceptances created for the account of the Borrower or one of its Subsidiaries. [Revolving Credit Agreement]

 The contradictions in Dr. Murry's and Ms. Sherwood's capital structure arguments are now in full view:

- The 39.1% equity ratio is transitory but it also means "Atmos Energy's financial risk is decidedly greater due to its relatively low common stock equity."
- A transitory ratio can not be a permanent part of a capital structure.
- A transitory ratio requires no action by the company or regulators because the ratio is only a short-term problem.
- Atmos maintains \$918 million of short-term credit arrangements, but short-term debt is not a permanent part of capital structure.
- The revolving credit agreement compels Atmos to include short-term debt in the calculation of the "Debt to Capitalization Ratio," but short-term debt is not a permanent part of capital structure.

Their capital structure opinions are not the basis for just and reasonable rates in Tennessee. Nor could their opinions be such a basis because they misunderstand capital structure.

For example, Ms. Sherwood testifies:

"The Company's recent implementation of its universal shelf, and equity issuance thereunder, coupled with the Company's historically-demonstrated ability to improve its capitalization ratio after consummating large acquisitions such as TXU illustrates that the capital structure advocated by the Company for this proceeding, although forecasted, is realistic, achievable and entirely appropriate. The capital structure that I have proposed of 51.5% long-term debt and 48.5% shareholders' equity is therefore appropriate for use in this proceeding." [Sherwood Direct, P. 8, L. 20-29].

Clearly the company has not improved its "capitalization ratio." Ms. Sherwood's claim that the capital structure is "achievable" shows that neither she nor Dr. Murry have studied the implications of Dr. Murry's method, where he treats short-term debt as if it were equity and adds it to the equity ratio. If they did, they would have realized that Atmos has "achieved" or exceeded a 48.5% equity ratio in 8 of the past 10 years. Page 58 of this testimony displays Atmos's audited capital structure and the capital structure ratios each year from 1997 to 2006. Page 59 displays the capital structure ratios which would follow from Dr. Murry's method of adding the shortterm ratio to the equity ratio. Under his method Atmos has often met the "achievable" capital structure.

	1997	- 200	1997 - 2006: Atmos B	nos E		ce Sh	alance Sheet Entries From Its	ntries	s Froi	n Its
Year Of TXU Acquistion						10-K				
Capital Structure Components As Of: 2006: Sep 30	2006: Sep 30	2005: Sep 30	2004: Sep 30	2003: Sep 30	2002: Sep 30	2001: Sep 30	2000: Sep 30	1999: Sep 30	1998: Sep 30	1997: Sep 30
Short-Term Debt: Notes Die	\$382,416	\$144,809	\$0	\$118,595	\$145,791	\$201,247	\$250,047	\$168,304	\$17,491	\$119,178
Short-Term Debt: Current Portion of Long-Term Debt	\$3,186	\$3,264	\$5,908	\$9,345	\$21,980	\$20,695	\$17,566	\$17,848	\$57,783	\$15,201
Long-Term Debt	\$2,180,362	\$2,183,104	\$861,311	\$862,500	\$670,463	\$692,399	\$380,764	\$395,331	\$456,331	\$318,182
Common Equity	\$1,648,098	\$1,602,422	\$1,133,459	\$857,517	\$573,235	\$583,864	\$392,466	\$377,663	\$371,158	\$327,260
Preferred	\$0	\$0	\$9,345	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$4,214,062	\$3,933,599	\$862,500	\$1,847,957	\$1,411,469	\$1,498,205	\$1,040,843	\$959,146	\$902,763	\$779,821
		1997 -	1997 - 2006: Atmo	: Atm		tios Fı	s Ratios From Its SEC 10-K	s SEC	10-K	
Capital Structure Components As Of:	2006: Sep 30	2005: Sep 30	2004: Sep 30	2003: Sep 30	2002: Sep 30	2001: Sep 30	2000: Sep 30	1999: Sep 30	1998: Sep 30	1997: Sep 30
Short-Term Debt: Notes Due	9.1%	3.7%	0.0%	6.4%	10.3%	13.4%	24.0%	17.5%	1.9%	15.3%
Short-Term Debt: Current Portion of Long-Term Debt	0.1%	0.1%	0.3%	0.5%	1.6%	1.4%	1.7%	1.9%	6.4%	1.9%
Long-Term Debt	51.7%	55.5%	43.1%	46.7%	47.5%	46.2%	36.6%	41.2%	50.5%	40.8%
Common Equity	39.1%	40.7%	56.7%	46.4%	40.6%	39.0%	37.7%	39.4%	41.1%	42.0%
Preferred	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	Dr	: Mur	ry's N	Dr. Murry's Method Eq	<i>u</i> :	od: Add Sho Equity Ratio	ort-Te	erm R	Add Short-Term Ratio To ity Ratio	70
Capital Structure Components As Of:	2006: Sep 30	2005: Sep 30	2004: Sep 30	2003: Sep 30	2002: Sep 30	2001: Sep 30	2000: Sep 30	1999: Sep 30	1998: Sep 30	1997: Sep 30
Short-Term Debt: Notes Due	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Short-Term Debt: Current Portion of Long-Term Debt	0.1%	0.1%	0.3%	0.5%	1.6%	1.4%	1.7%	1.9%	6.4%	1.9%
Long-Term Debt Ms. Sherwood's	51.7%	55.5%	43.1%	46.7%	47.5%	46.2%	36.6%	41.2%	50.5%	40.8%
Common Equity Capital Structure	48.2%	44.4%	56.7%	52.8%	50.9%	52.4%	61.7%	56.9%	43.1%	57.2%
Preferred	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

3

V.

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8 9 10 CAPD's Capital-Structure.

Q_19. In your opinion, what is the appropriate capital structure in this case?

A_19. The appropriate capital is displayed below in the right-hand column.

CAPD's Capital Structure Appears in The Far Right Column: It Combines Pre and Post TXU Acquisition Capital Structures And Represents Atmos's Normal Financial Behavior

Capital Structure Components:	2005-2006 Post TXU Acquistion	1997-2003 Pre TXU Acquistion	1997- 2006, Except TXU Acquistion Year 2004
Short-Term Debt: Notes Due	6.4%	12.7%	11.3%
Short-Term Debt: Current Portion of Long-Term Debt	0.1%	2.2%	1.7%
Long-Term Debt	53.6%	44.2%	46.3%
Common Equity	39.9%	40.9%	40.7%
Preferred	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%

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A_20.

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Q_20. Why is this capital structure appropriate for this proceeding?

In my opinion, this capital structure is appropriate for several reasons:

• It removes the influence of the TXU acquisition from the capital structure, an influence that concerned Dr. Murry.

"Atmos Energy's current common equity ratio has been influenced by a large debt issue used to finance an acquisition." [Murry Direct, P. 6, L. 1-2].

It represents Atmos's financial behavior verified through audits.

• It gives consumers the benefit of paying prices based on Atmos's normal capital structure with an equity ratio that runs well below the average equity ratio comparable companies, who regularly outperform Atmos.

• Its is the best way to reconcile consumers' interests with the company's in the sense that consumers will pay rates based on audited information instead of Atmos's wishful thinking.

Q_21.

A 21.

VI. The Cost of Equity And Dr.

Murry's Forecasts Of Long-Term

Interest Rates.

What is Dr. Murry's opinion on the relationship between long-term interest rates and the cost of equity?

Dr. Murry's opinion is this: if long-term interest rates are expected to increase in the future, then Atmos' equity return today must greatly exceed the interest rates expected in the future:

"forecasted rising interest rates mean that investors will require higher returns from their common stock investments in the nearterm." [Murry Direct, P. 45, L. 10-11].

"Generally, analysts expect long-term bond rates to continue rising. The Blue Chip forecasts for the Baa-corporate rate and the 30-year Treasury rate are for continued increases..." [Murry Direct, P. 13 L. 20-27].

"Consequently, I based my recommended allowed return on equity on the assumption of this capital structure. Other background assumptions for my recommendation are persistent inflationary pressures and forecasted rising interest rates. ..."
[Murry Direct, P. 47 L. 12- 15]

This strategy, where today's cost of equity must be set to cover forecasted interest rates or inflation, has been employed by Dr. Murry in earlier dockets:

"I began my analysis with a study of the current economic environment. I took note of the recent economic expansion and the associated accelerating inflation. In turn, these inflationary pressures have led to Federal Reserve action to raise interest rates. For this case--because of the time period that rates set in this proceeding are likely to be in effect--forecasted further increases in interest rates are even more important. This implies that the capital costs of regulated utilities have recently increased and that they will continue to increase into the foreseeable future." [Docket 05- 00258, Murry, DirectP.4 L. 1-7]

"Most significantly, as shown in Schedule DAM-3, analysts expect long-term bond rates to continue rising." [Docket 05- 00258, Murry, Direct P.10, L. 17-18]

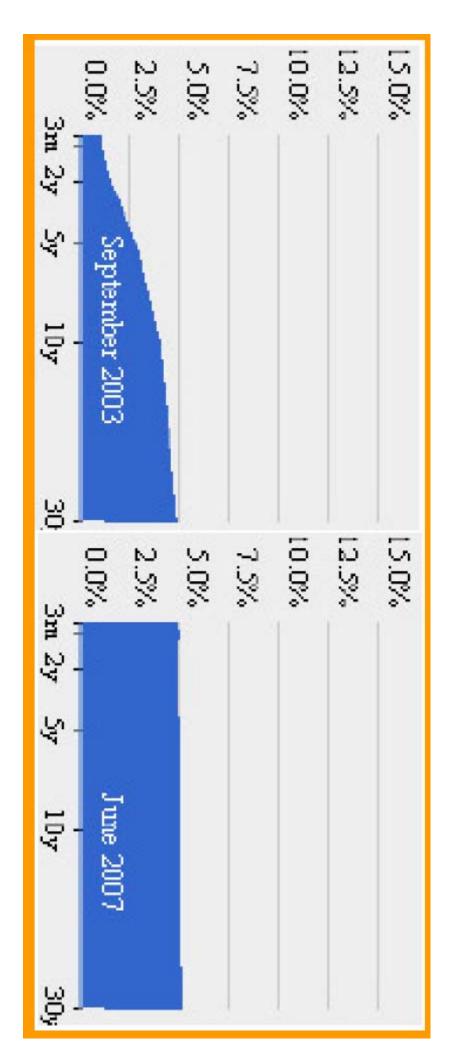
"I compared the pattern of 30-year long-term government bond rates, corporate bond rates and short-term government rates. Although short-term rates declined sharply in the fall of2002, the long-term government and industrial bonds did not." [Docket 03-00313 Murry, Direct P.16, L. 5-7.]

"The consensus is that interest rates and economic activity are expected to increase in the coming year." [Docket 03-00313 Murry, Rebuttal P.7, L. 5-6]

"The Federal Reserve Board's policy tools directly affect shortterm rates while long-term rates are market driven...long-term rates have been increasing due to market pressures" [Docket 03-00313,Murry, Rebuttal P.7, L. 9-12]

However, the chart on page 65 of this testimony proves that long-term interest rates have barely changed in four years. From September 2003 to June 2007 long-term rates have remained at 5%. The chart is available from SmartMoney.com, which carries monthly histories of the yield curve. Dr. Murry's consensusexpectations were not right in the past. There is no good reason to raise rates for Atmos's consumers in anticipation of events that still lie far into the future. However, no utility in Tennessee is "locked in" to a cost-of-capital if the interest rate environment changes because a regulated utility has the discretion to file its rate case at any time, as Atmos has proven by filing the current case.





The Living Yield Curve: www.Smartmoney.com

1	VII.	Atmos's Stockholders Are Not
2		Expecting An 11.75% Return From
3		Atmos.
4		
5		
6	Q_22.	In your opinion are Atmos's stockholders
7		demanding a return of 11.75% from the
8		company?
9		
10	A_22.	No. In my opinion they are accepting a
11		much lower return, far closer to 7%.
12		
13	Q_23.	In your opinion are equity investors making
14		investments in Atmos and the comparable
15		companies where the investment's duration
16		approximates the duration of a long-term
17		investment?
18		No. The man emission consists insert one most
19	A_23.	No. In my opinion equity investors are not
2021		making investments in Atmos and the comparable
22		companies where the investment's duration
23		approximates the duration of a long-term debt investment.
23 24		IIIVeschieffc.
25	Q_24.	What is the basis of your opinion?
26	2	Miles ID one babib of your opinion.
27	A_24.	My opinion is based on the holding time of
28		stock ownership for Atmos and for each
29		comparable company.
30		
31		I gathered daily trading history for each stock
32		going back to 2004. The data is available at
33		Yahoo's web site on internet,
34		http://chart.yahoo.com/d.
35		

Page 74 of this testimony displays a table where column (7) lists the amount of time in months for 100% of each company's stock to be traded. For Atmos, 100 percent of the shares are resold within 14 months of the purchase. For the comparable group, 100 percent of the shares are resold within 11.6 months of the purchase. This does not necessarily mean that 100% of all stockholders sell their stock within that period. On the other hand, it does not mean that 25% of the shares are resold every three months.

0 25.

Do these results reflect the behavior of any single individual or institutional investor?

A_25. No. These results do not reflect the behavior of any single individual or institutional investor. The results reflect the behavior of all investors as a whole. However, mutual funds own about 20 recent of the stock. The table below, on page 68 of this testimony, displays each company's number of shareholders and the percent of shares owned by mutual funds.

	Percent Of	
	Stock Owned	
	By Mutual	#
Symbol	Funds	Shareholders
ATO	20	24,425
ATG	20	7,512
GAS	16	20,900
NJR	19	16,679
NWN	12	8,753
PNY	12	16,191
SJI	14	7,855
SWX	24	23,306
WGL	21	14,951
		,

This data reveals another aspect of the regulatory effort to establish just and reasonable rates in Tennessee: to the extent that mutual funds are stockholders, estimating the cost of equity for stockholders means estimating a return that mutual funds are willing to accept.

The table on page 70 of this testimony displays Morningstar's current data on the year-to-date, YTD, returns which mutual funds have earned. This shows that year-to-date, mutual funds have achieved a median return of only 1.57%, much lower than the market-wide median equity return of 8.71% displayed at page 14 of this testimony.

21 22

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26 27 28

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32 33 34

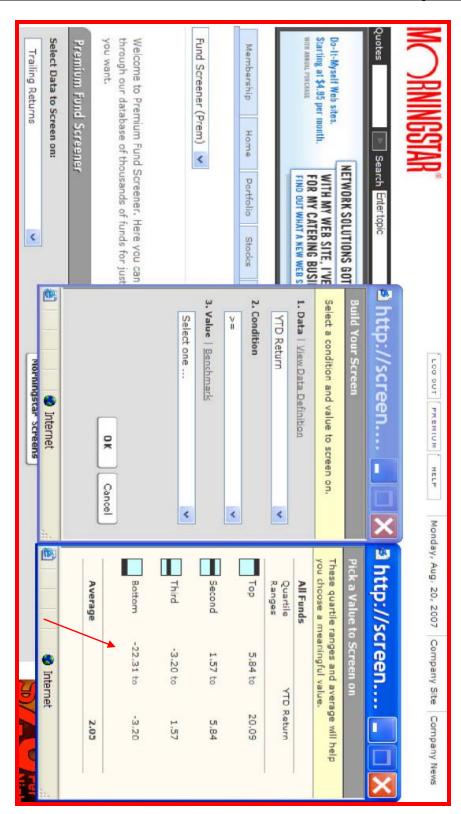
31

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The table on page 70 of this testimony shows the mutual funds's returns separated into 4 quartiles. The top quartile starts at a return of 5.84%, much lower than 7% return which I believe investors are willing to accept from Atmos. On the other hand, if investors in mutual funds are demanding an 11.75% return, then it is clear their demands are not being met. This also establishes that it is reasonable for the mutual funds investing in Atmos and the comparables to be satisfied with a 7% annual return because this return is better than 75% of all mutual funds's returns. Surely a 7% return is better than most of the "alternative investments" in the mutual-fund world. Because mutual funds own one-fifth of Atmos' stock and the stock of the comparable companies, it is reasonable to assume that stockholders are not demanding an 11.75% return.

The current level of returns in the American economy are made clear by comparing the table on page 14 of this testimony with the table on page 70 of this testimony. The mid point of equity returns is currently 8.71%. The mid point of returns to mutual funds is 1.57%. In view of these statistics, Dr. Murry's 11.75% equity return is not representative of typical returns and is far too high to be a just and reasonable return for Tennessee's consumers.



1 2 In your opinion is the average hold-time of Q_26. 11.6 months, which is displayed in the table at 3 4 page 74 of this testimony nusual? 5 No. In my opinion the hold time of 11.6 months 6 A 26. is not unusual. I estimated the hold times for 7 8 the S&P500 companies and found that 9 stockholders resell their stock in about 8 and one-half months. My Schedule 4 displays that 10 data for the S&P500. 11 12 In your opinion do Atmos's stockholders 13 Q_27. 14 and those of the comparable companies reinvest their dividends? 15 16 17 No. They do not reinvest their dividends. A 27. 18 How does dividend reinvestment affect the 19 Q 28. 20 return on equity? 21 22 The more dividends that are reinvested, A_28. 23 the higher the equity return over time. 24 How do Atmos and the comparable companies 25 Q_29. relate dividend reinvestment to the equity 26 return which their stockholders receive? 27 28 The companies refer stockholders to the 29 A 29. 30 S&P500 index. The statements compare the 31 company's stock performance against the index, saying the comparison assumes "all 32 dividends were reinvested." Proxy 33 statements for five of the comparables are 34 provided in my Schedule 5. Atmos's proxy 35 statements have already been displayed. 36 37 Piedmont's recent proxy statement of

January 23 2007 says:

PIEDMONT NATURAL GAS COMPANY, INC.

4720 Piedmont Row Drive Charlotte, North Carolina 28210

Notice of 2007 Annual Meeting Of Shareholders

Time: 8:30 a.m. local time, Wednesday, March 7, 2007

Place: Piedmont Natural Gas Company, Inc.

Corporate Headquarters 4720 Piedmont Row Drive Charlotte, North Carolina 28210

2

COMPARISONS OF CUMULATIVE TOTAL SHAREHOLDER RETURNS

The following performance graph compares the Company's cumulative total shareholder return from October 31, 2001, through October 31, 2006 (a five-year period), with the Standard & Poor's 500 Stock Index, a broad market index (the "S&P 500"), and with the A. G. Edwards Large Natural Gas Distribution Index (the "LDC Peer Group"). The LDC Peer Group index includes large natural gas distribution companies that are representative of the Company's peers in the natural gas distribution industry.

The graph assumes that the value of an investment in Common Stock and in each index was \$100 at October 31, 2001, and that all dividends were reinvested. Stock price performances shown on the graph are not indicative of future price performances.

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10

However, the table displayed at page 75 of this testimony proves that very few stockholders reinvest their dividends. Regarding stockholder behavior for Atmos and the comparable companies, on average stockholders sell the stock in 11 months and reinvest at most 2 percent of dividends.

1		Thus, Dr. Murry's observation that "Value Line
2		predicts that Atmos Energy's common stock
3		outstanding will grow at a rate which is many
4		times faster than any of the comparable
5		LDCs"[Murry Direct P. 17 L. 21-22] is
6		irrelevant because it has no identifiable
7		consequence for setting just and reasonable
8		rates.
9		
10	Q_30.	In your opinion are these stockholders
11		demanding an 11.75 percent equity return from
12		Atmos?
13		
14	A_30.	No. In my opinion they are not demanding an
15		11.75 percent return.
16		
17	Q_31.	In your opinion what return are these
18		stockholders demanding from Atmos or the
19		comparable companies?
20		
21	A_31.	In my opinion they are demanding a year's worth
22		of dividends and a year's worth of capital
23		gains, about 5 percent to 7 percent, depending
24		on the particular company.
25		
26		

On Average Most Investors Hold These Stocks Less than 1 Year. investors Do Not Treat These Stocks As Long Term Investments:

Average Holding Time Comparable Companies Source For Daily Trading Volumes: Yahoo Price History - Files Attached	Atmos AGL Resources Nicor New Jersey Resources Northwest NaturalGas Piedmont Natural Gas South Jersey Industries Southwest Gas WGL Holdings	Company (1)
ole Companies s: Yahoo Pric	ATO ATG GAS NWN PNY SJI SWX WGL	Stock Symbol
s æ History - Files Atta	81.4 77.6 44.9 27.5 27.5 76.2 41.8 48.9	Shares OutStanding (Millions) Per 10K Most Recent Fiscal Yr
ached	2005/12/14 2006/03/23 2006/07/12 2006/05/22 2006/03/06 2005/10/06 2006/03/07 2006/04/18 2006/04/20	Trading Starts
	2007/01/29 2007/01/25 2007/01/30 2007/02/01 2007/02/01 2007/02/01 2007/02/01 2007/02/01 2007/02/02	Date When Cumulative Trades Equal Stock Outstanding
↓ ↓	81.6 77.9 45.1 28.0 27.7 76.3 29.2 41.8 48.9	Shares Traded
11.6	8 11 11 12 6 9 14 8 10 11 17 11 11 11 11 11 11 11 11 11 11 11	Months For 100% Of Shares Sold

		Very Equit	Few Stocy Return Is I	Very Few Stockholders Reinvest Their Dividends: Equity Return Is Not Increased Via Dividend Reinvestment	nvest Their 'ia Dividend R	Dividend ?einvestme	ant is:		
						Divs			
						Reinvested			
		Shares Issued				As %	Number	Average	Average
		Ву		Cash	Value Of Divs	O _f	Ç	Shares	Divs Paid
		Dividend		Cash Payment	Reinvested	Cash Divs	Shareholders	Per	Per
	Stock	Reinvestment	Div Paid	Of Dividends	(Millions)	Paid	O _f	Shareholder	Shareholder
Company	Symbol	(Millions)	\$ Per Shr	(Millions)	(3) * (4)	(6)/(5)	Record	(8)/(ShrsOut)	(9)*(4)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Atmos	ATO	0.39	1.26	102.6	0.49	0.5%	24,425	3,332	\$4,199
AGL Resources	ATG	0.30	1.48	114.8	0.44	0.4%	7,512	10,330	\$15,289
Nicor	GAS	No Information	1.86	83.5			20,900	2,149	\$3,997
New Jersey Resource		No Information	1.44	40.1			16,679	1,670	\$2,405
Northwest NaturalGas	Z	0.75	1.39	38.3	1.05	2.7%	8,753	3,147	\$4,375
Piedmont Natural Gas		0.74	0.95	72.3	0.70	1.0%	16,191	4,704	\$4,468
South Jersey Industric	SJI	2.19	0.92	26.8	2.02	7.5%	7,855	3,714	\$3,417
Southwest Gas	SWX	1.50	0.82	34.3	1.23	3.6%	23,306	1,792	\$1,470
WGL Holdings	WGL	No Information	1.345	65.7			14,951	3,269	\$4,397
Comparable Companies Average % Divs Reinvested	ies Average	% Divs Reinvested	I		<u> </u>	1.9%			
Source For Data In Co	olumns (3),(4	Source For Data In Columns (3),(4),(5),(8) - Most Recent 10K	100						

Third-Party Data On Risk. VIII. 1 2 3 In your opinion are Atmos and the Q_32. 4 comparable companies seen as risky 5 investments? 6 7 No. In my opinion they are not. Dr. Murry A 32. 8 has raised their risk profiles by linking risk to the notion of alternative 9 10 investments: 11 12 " the levels of interest rates are a measure of the return that 13 investors in utility equities might expect from alternative 14 investments. [Murry Direct, P. 45, L. 8-9]. 15 16 17 "O. YOU STATED THAT YOU LOOKED AT ALTERNATIVE RETURNS. WHAT DID THIS REVIEW SHOW? 18 19 20 "A. Notably, the recent economic expansion, which I discussed 21 previously, has resulted in sizable returns to a number of 22 industries in the non-regulated sectors. Of course, industrial firms 23 are alternatives available to potential utility investors, and, in that 24 sense, their earnings are relevant to this analysis. In addition to 25 experiencing returns greater than in the gas distribution sector, 26 many of these nonregulated industries' earnings have also grown 27 during this economic expansion. I show this comparison in 28 Schedule DAM-29. [Murry Direct, P. 46, L. 11-19]. 29 30 Dr. Murry's theme that "alternative" investments should drive up Atmos's cost of 31 equity caused me to gather comprehensive data 32 to assess today's market conditions. This 33 34 allowed me to compare Atmos's financial condition not only with the comparables but 35 also with the larger group of alternatives. 36 37 38 How did you organize the comprehensive data? Q_33. 39

I organized data for about 7300 companies which 1 A 33. 2 I found in the Morningstar online-data-base, 3 which maintains a five-year history of 4 financial data found in annual SEC Form 10-K 5 reports filed with the Securities and Exchange Commission. I divided those companies into 6 groups according to the stock exchange where 7 the stock is traded: AMEX - the American Stock 8 9 Exchange, NNM - the NASDAO National Market, 10 Nasdag Small Cap - the NASDAO National Market for small companies, NYSE - the New York Stock 11 12 Exchange, and OTC - the Over The Counter market. As of April 2007, the S&P500 index was 13 composed of 77 companies from the NNM and about 14 423 from the NYSE. I subdivided the NYSE stocks 15 16 into those that are not part of the S&P500 and those that are. I did the same thing for the 17 18 NNM. I then added two more categories: 19 Morningstar's data on Atmos and Morningstar's 20 data on the comparable companies, providing 21 nine categories: 1. AMEX, 2. NASDAQ National 22 Market500, 3. NASDAO National MarketNot500, 4. 23 Nasdaq SmallCap, 5. NYSE500, 6. NYSENot500, 7. OTC, 8. Comparables, and 9. Atmos. 24

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I constructed tables displaying data. For example, page 78 of this testimony shows Morningstar's risk assessment for the categories I described. Morningstar made a judgment on 1920 companies. Of those, 165, or 9%, were low risk. The low risk categories included Atmos and 5 of the comparable companies. There were no ratings for Northwest Natural Gas and South Jersey Industries. Clearly Atmos and the comparables are among the lowest risk investments in the market.

		<u>Mo</u>	rnings	<u>starRisk</u>		
	Low	Mid	High	Speculative	None	TOTAL
AMEX	2	8	9	9	562	590
Nasdaq National Market500	6	55	15		1	77
Nasdaq National MarketNot500	19	195	248	49	2020	2531
Nasdaq Small Cap		2	5		497	504
NYSE500	67	276	61	2	17	423
NYSENot500	65	465	320	25	742	1617
OTC		1	5	4	1536	1546
Atmos	1					1
Comparables	5	1			2	8
Total By Grade	165	1003	663	89	5377	7297
	Low	Mid	High	ling Comps Not Speculative	Total	Coverage
AMEX	2	8	9	9	28	5%
Nasdaq National Market500	6	55	15		76	99%
Nasdaq National MarketNot500	19	195	248	49	511	20%
Nasdaq Small Cap		2	5		7	1%
NYSE500	67	276	61	2	406	96%
NYSENot500	65	465	320	25	875	54%
OTC		1	5	4	10	1%
Atmos	1 5				1	100%
Comparables	-	1	000		6	75%
Total By Grade	165	1003	663	89	1920	26%
					,	
				s Percent By Ca		
	Low	Mid	High	Speculative	Total	
AMEX	7%	29%	32%	32%	100%	
Nasdaq National Market500	8%	72%	20%	0%	100%	
Nasdaq National MarketNot500	4%	38%	49%	10%	100%	
Nasdaq Small Cap	0%	29%	71%	0%	100%	
NYSE500	17%	68%	15%	0%	100%	
NYSENot500	7%	53%	37%	3%	100%	
отс	0%	10%	50%	40%	100%	
Atmos	100%	0%	0%	0%	100%	
Comparables	83%	17%	0%	0%	100%	
Takal Du Osasla					4000/	

52%

9%

Total By Grade

35%

5%

100%

IX. Third-Party Data On 1 Management's Stewardship Of 2 Stockholders' Interests. 3 4 5 In your opinion are there other measures Q_34. 6 offered by Morningstar which are relevant to 7 this proceeding? 8 9 Yes. In my opinion there are other measures. A 34. 10 Morningstar's "Stewardship Grade" is especially 11 relevant because it assess how well a company's 12 management treats the company's stockholders. 13 Morningstar explains "Stewardship:" 14 15 "Morningstar Stewardship Grade. Morningstar stock analysts 16 17 assign a Stewardship Grade to each of the companies in 18 Morningstar's coverage universe. We evaluate the demonstrated 19 commitment to shareholders of each company's board and 20 management team. Our assessment is divided into three general 21 areas. 22 23 Transparency. Morningstar analysts evaluate a company's 24 accounting practices and financial disclosure, aiming to identify 25 firms that provide investors with insufficient or potentially 26 misleading information. Analysts review whether a company has 27 instituted major changes in accounting procedures, overused 28 "one-time" charges, or applied aggressive accounting methods, 29 among other practices. 30 31 32 Incentives, Ownership, and Overall Stewardship. This area focuses 33 on whether management's incentives are aligned with 34 shareholders' interests. Morningstar analysts penalize those firms 35 that change management goals midstream, issue too many options, 36 overcompensate executives, or have low levels of equity ownership. 37 38 Morningstar stock analysts base the Stewardship Grades on public 39 filings, previous management actions, conversations with company 40 officials, and their own expertise.

1 2 2

We assign the grades on an absolute scale--not on a curve or on an industry-peer basis. Therefore, if a company engages in practices that the Morningstar analysts think do not reflect good stewardship of investors' capital, it will receive a poor grade regardless of how other firms may have scored.

Our Stewardship Grades can be interpreted as follows: A means Excellent, B means Good, C means Fair, D means Poor, F means Very Poor."

The "Stewardship Grade" table appears at page 81 of this testimony.

AMEX
Nasdaq National Market500
Nasdaq National MarketNot500
Nasdaq Small Cap
NYSE500
NYSENot500
OTC
Atmos
Comparables
Total By Grade

<u>M</u> c	ornings	<u>starSte</u>	wardsl	hipGra	<u>ade</u>	
Α	В	С	D	F	None	TOTAL
2	6	7	4	1	570	590
9	26	29	9	1	3	77
11	140	224	60	10	2086	2531
1	3	2			498	504
32	209	131	30	6	15	423
33	290	270	68	10	946	1617
	1	3	3	1	1538	1546
		1				1
1	4	1			2	8
89	679	668	174	29	5658	7297

AMEX
Nasdaq National Market500
Nasdaq National MarketNot500
Nasdaq Small Cap
NYSE500
NYSENot500
OTC
Atmos
Comparables
Total By Grade

<u>Mornings</u>	<u>tar5tewarc</u>	<u>ishipGrad</u>	e: Excludir	ig Comps	s Not Kated	<u>1</u>
Α	В	С	D	F	Total	Coverage
2	6	7	4	1	20	3%
9	26	29	9	1	74	96%
11	140	224	60	10	445	18%
1	3	2			6	1%
32	209	131	30	6	408	96%
33	290	270	68	10	671	41%
1	1	3	3	1	8	1%
1		1			1	100%
1	4	1			6	75%
89	679	668	174	29	1639	22%

AMEX
Nasdaq National Market500
Nasdaq National MarketNot500
Nasdaq Small Cap
NYSE500
NYSENot500
OTC
Atmos
Comparables
Total By Grade

		wardshipG			
Α	В	С	D	F	Total
10%	30%	35%	20%	5%	100%
12%	35%	39%	12%	1%	100%
2%	31%	50%	13%	2%	100%
17%	50%	33%	0%	0%	100%
8%	51%	32%	7%	1%	100%
5%	43%	40%	10%	1%	100%
0%	13%	38%	38%	13%	100%
0%	0%	100%	0%	0%	100%
17%	67%	17%	0%	0%	100%
5%	41%	41%	11%	2%	100%

Q_35. In your opinion, what is the relevance of the Stewardship grade to this rate case?

1	A_35.	In my opinion, the grade gets to the Bluefield
2		standard relied on by Dr. Murry, where the
3		management is supposed to be "efficient and
4		economic." The stewardship grades show that 5
5		of the comparable companies' management have
6		been judged to be better stewards of
7		stockholders' interests than Atmos's
8		management. However, Dr. Murry testifies:
9		
10		"Although the business risk of Atmos Energy appears to be similar
11		to the business risk faced by a typical natural gas distribution
12		utility in today's markets, Atmos Energy's financial risk is
13		decidedly greater, due to its relatively low common stock equity."
14		[Murry Direct, P.36, L. 16-19].
15		
16	Q_36.	In your opinion are Tennessee consumers
17		responsible for Atmos's low equity ratio?
18		
19	A_36.	No. Tennessee consumers cannot be held
20		responsible for the low equity ratio.
21		

\boldsymbol{X}_{\bullet} The DCF Return.

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In your opinion, what is the DCF return? Q 37.

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The DCF return is the sum of a dividend yield and a dividend growth rate which is assumed to be constant. It is a standard method of estimating the cost of equity. However, I wanted my DCF analysis to cover the "alternative" investments which Dr. Murry alluded to. This coverage allowed me to compare

my DCF results with Dr. Murry's and with DCF results for the nine groups I described at page 77 of this testimony. The table on 88 of this testimony displays several measures relevant to a comparative DCF analysis for the nine groups.

They are listed at the top of the table from left to right. The column on the far left

displays The DCF measures which include the dividend yield, the historical dividend growth rate, the sustainable growth rate, dividend

payout ratios and market to book ratios.

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Each entry in the table displays a median value 26 and to its right there are two numbers in 27 parentheses, the first number indicating how many companies were available to compute the 28 29 median value and second number showing how many companies are in the category.

For example, the data for "Dividend Growth % 5 Year History" shows the comparables having a median growth rate of 4.51% computed on 7 of 8 companies. One company, Southwest Gas, has not had dividend increases for years. Because that company's growth rate was zero, I excluded it from the calculation of the median.

I believe the data speaks for itself to anyone involved in a utility rate case, but I will mention a few patterns in the data.

It shows that the DCF rate of return for the comparables is 7.8%, which is the sum of the Median Dividend Yield, 3.28% and the Median Dividend Growth 4.51%. This DCF return is similar to the DCF returns Dr. Murry displays in his schedules DAM-20 and DAM-21. He dismisses these as not credible, but they are.

All price-to-book ratios are above 1. The highest price-to-book ratios are for the S&P500 groups, the Nasdaq National Market500 group and the NYSE500. These ratios are three to four times Atmos's price to book ratios and twice the size of the comparable group's market to book ratio.

Q_38. What is the significance of these ratios being greater than 1?

The ratios mean that investors are accepting a rate of return that is less than what the company is achieving in the market. To the extent that a utility's return on equity is set on the cost of equity, the return granted will be less than the return achieved. Said another way, a market price more than book value means that if investors expected Atmos to earn an 11.75% return on book value, the investor expects to get a smaller return.

Atmos's achieved equity return has ranged from approximately 8% to 10% in the past five years. All the while Atmos's market price has been 30% to 40% above the book price. As I have already pointed out, most of Atmos's investors and those of the comparables are demanding a year's worth of dividends and a year's worth of capital gains for about a 5 percent to 7 percent return. For example, if Atmos earns 10% equity on its book value of \$100 then Atmos has earned \$10. If the stock price is 140% of book value a stock buyer will pay \$140 to have access to Atmos's \$10 return. In this case stock buyer has paid \$140 for a return of \$10, which is a return of 7%, or 10/140.

Dr. Murry displays very high DCF returns of 11% to 12% in his schedules DAM-22 and DAM-23. His schedules DAM-24 and DAM-25 show similar returns at the high end of his range. However the Morningstar data shows that his high DCF returns are actually like the DCF returns that can be calculated for the NYSE500 category. The NYSE500 DCF is 12.58%, which is the sum of the Median Dividend Yield, 1.52% and the Median Dividend Growth, 11.06%. Although Atmos and the Comparables are traded on the NYSE, Dr. Murry has transformed them from stocks which greatly lag the median performance on the NYSE Exchange into stocks that look like typical performers on the NYSE. Dr. Murry has departed form the Bluefield standard which says that regulated monopolies "have no constitutional right to profits such as are realized or anticipated in highly profitable enterprises..."

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Of course, Atmos and the Comparables are not typical performers on the NYSE. Atmos's stockholders will find it impossible to earn an 11.75% return on equity while retaining the stock.

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For example, returning to the Morningstar data, Atmos's sustainable growth rate is just 2.76%, the lowest of all the categories displayed. Atmos reached this point through its own actions. According to Morningstar:

 "The Sustainable growth rate is the approximate rate at which a company could grow using internally generated cash without issuing additional debt or equity. For example, if a company's sustainable growth rate is 12%, it should be able to boost future earnings at a rate of up to 12% per year without having to raise new cash through financing. Sustainable Growth Rate indicates how fast a company can grow given its current profitability, dividend policy, and debt levels. The sustainable growth rate equation accounts only for growth the company can fund from internally generated resources. It doesn't account for growth the company may fund from increasing debt levels or issuing additional equity."

Clearly Atmos is in a predicament: it can issue new debt and equity, but that strategy keeps the company on the path it chose for this rate case, rate increases via high returns to equity, revenue stabilization and revenue protection via customer utilization adjustments for conservation, and a general increase in all fixed charges applied to customers so the company can, in Mr. Smith's words:

"break the link between, the Company's revenue and the quantity of gas consumed by its customers...and decouple the collection of non-gas revenues from the volumes of gas consumed" through a Customer Utilization Adjustment [CUA]." [Smith Direct P.6 L.20-21, P.8 L.11-16].

								,	S. I				The D	The DCF Cost Of Equity Based On Comparables: 7.8% = Median Dividend Yield (3.28%) + Median Dividend Growth (4.51%	ity Base an Divic lian Divi	r Equity Based On Comparables: Median Dividend Yield (3.28%) + Median Dividend Growth (4.51%)	parable (3.28%) /th (4.51	% + s:
Median Values		AMEX	Maso	Market500	Ma	MarketNot500	Nas	Cap	z	NYSE500	z	NYSENot500		отс	Com	Comparables	Atmos	S
Dividend Yield %	02.63	(115/590)	01.27	(28/77)	02.04	(720/ 2529)	02.25	(104/504)	01.52	(353/423)	02.06	(1032/ 1617)	02.76	(176/ 1546)	03.28	(8/8)	04.28	(1/1)
DividendGrowth % 5 Year History 07.25	y 07.25	(548/590)	16.24	(75/77)	10.27	(2433/ 2529)	10.96	(491/504)	11.06	(358/423)	11.27	(1404/ 1617)	10.76	(1460/ 1546)	04.51	(7/8)	01.65	(1/1)
Sustainable Growth Rate	07.45	(589/ 590)	12.84	(77/77)	08.01	(2515/ 2529)	06.94	(500/504)	13.16	(419/ 423)	09.54	(1600/ 1617)	06.60	(1513/1546)	05.38	(8/8)	02.76	(1/1)
Div Payout RatioYear 1	48.78	(553/590)	28.16	(72/77)	36.45	(2419/ 2529)	38.35	(486/504)	27.42	(403/423)	39.53	(1505/ 1617)	42.55	(1474/1546)	57.56	(8/8)	69.23	(1/1)
Div Payout RatioYear 2	42.81	(537/590)	27.29	(72/77)	35.59	(2378/ 2529)	35.85	(471/504)	28.48	(397/423)	35.93	(1469/ 1617)	39.14	(1451/1546)	62.43	(8/8)	72.09	(1/1)
Div Payout RatioYear 3	45.45	(534/590)	27.45	(69/77)	35.35	(2346/ 2529)	34.53	(470/504)	27.08	(391/423)	38.26	(1438/ 1617)	40.00	(1437/ 1546)	59.37	(8/8)	77.22	(1/1)
Div Payout RatioYear 4	44.51	(536/590)	28.80	(66/77)	33.84	(2311/2529)	28.37	(465/504)	30.22	(384/423)	39.76	(1424/ 1617)	39.93	(1438/ 1546)	66.55	(8/8)	77.92	(1/1)
Div Payout RatioYear 5	43.86	(526/590)	34.29	(64/77)	36.12	(2303/ 2529)	33,94	(466/504)	34.43	(378/423)	43.96	(1400/ 1617)	37.65	(1432/ 1546)	69.04	(8/8)	81.38	(1/1)
Price/Book ratio	02.38	(590/590)	03.73	(77/77)	02.30	(2524/ 2529)	02.04	(504/504)	03.04	(422/423)	02.42	(1613/1617)	02.27	(1521/1546)	02.13	(8/8)	01.40	(1/1)
Price/Book ratio 2006	02.27	(590/590)	03.92	(77/77)	02.21	(2525/ 2529)	02.03	(504/504)	02.85	(422/423)	02.23	(1613/1617)	01.90	(1522/ 1546)	02.08	(8/8)	01.57	(1/1)
Price/Book ratio 2005	02.46	(590/590)	04.27	(77/77)	02.22	(2525/ 2529)	02.10	(504/504)	02.84	(422/ 423)	02.11	(1613/1617)	01.75	(1505/ 1546)	01.96	(8/8)	01.29	(1/1)
Price/Book ratio 2004	02.44	(590/ 590)	04.11	(77/77)	02.39	(2525/ 2529)	02.38	(504/504)	02.83	(422/423)	02.12	(1613/ 1617)	01.95	(1498/ 1546)	01.90	(8/8)	01.32	(1/1)
Price/Book ratio 2003	02.32	(590/ 590)	04.92	(77/77)	02.29	(2524/ 2529)	33	(503/504)	3	(400) (403)	01.99	(1613/ 1617)	01.61	(1507/ 1546)	01.85	(8/8)	01.32	(1/1)

XI. The CAPM Model.

Q_39. What is the Capital Asset Pricing Model, CAPM?

A_39. The Capital Asset Pricing Model is a risk premium method that measures the cost of capital as the sum of a risk free rate and risk premium, which is the difference between the risk free rate the estimated equity return for a stock or group of stocks. The CAPM's general formula is:

$$K_e = R_f + (R_m - R_f) * B_e$$

In words the equation reads as: K_e , the costof-equity, equals R_m , the overall market rate of return, plus the risk premium, (R_m-R_f) , which is multiplied by a beta, B_e , a measure of a given stock's risk relative to the overall market's risk.

Q_40. How do you implement the CAPM model?

A_40. I implement the CAPM model by taking into account the current situation:

• the current market wide equity return is estimated to be 8.7%, the current median value of equity returns, which is displayed in the table at page 14 of this testimony;

1		 the current debt-yield curve is
2		flat at 5%, with little difference
3		between short-term and long-term
4		rates, thus I conclude that the risk
5		free rate, Rf, is 5%.
6		
7		• the risk premium,(Rm-Rf) is about
8		3.5%, the difference between the
9		current market wide equity return of
10		8.7 & and the risk free rate of 5%.
11		
12		• the beta is .36, an average based on
13		the Comparable's stock-performance tracked
14		against the S&P500 index - this is
15		consistent with Atmos and the Comparables
16		telling stock holders to measure stock
17		performance against the S&P500 - these
18		betas are available from the NASDAQ web
19		site.
20		
21	Q_41.	What are the differences between Dr. Murry's
22		CAPM model and yours?
23		
24	A_41.	The differences are displayed in the following
25		table:

Comparison Of CAPM Me	thods: Atmos A	and CAPD
CAPM Component:	Dr. Murry	Dr. Brown
1. Total Market Return	14.85%	8.71%
2. Risk Differential Basis	6.20%	5.00%
3. Source of Risk Differential Rate	Long Term Corporate Bond Returns	Current Yield Curve - Flat at 5%
4. Risk Premium = [Component1 - Component 2]	8.65%	3.71%
5. Risk Free Rate	5.30%	5.00%
6. Source of Risk Free Rate	AAA Corporate Bond Returns	Current Yield Curve - Flat at 5%
7. Beta	0.87	0.36
8. Source of the Beta	Value Line	NASDAQ Web Site
9. Beta Based On	NYSE Composite Index	S&P500 Index
CAPM Calculations:		
10. Multiply Component 4 By Component 7	8.65% X .87 = 7.53%	3.71% X .36 = 1.34%
11. Add Component 5 To Component 10	5.30%+7.53% = 12.87%	5.00%+1.34%=6.34%
12. CAPM Returns	12.87%	6.34%

Q_42. In your opinion are your CAPM components reasonable?

Yes, they are reasonable. For example, the total market return of 8.71% and the risk premium of 3.71% are consistent with the current market conditions, which I have already described. In addition, my CAPM components are supported by articles authored by and about the noted financial expert, Dr. Roger Ibbotson. In June 2002 Ibbotson told the TIAA CREF Investment Forum that the equity risk premium was under 4% and the market's overall return was 9%. In December 2005, he reiterated his opinions. Portions of the articles appear on

the next two pages.

exchange

Building the Future From the Past*



BY ROGER G. IBBOTSON

Professor in the Practice of Finance Yale School of Management

UNTIL THE LAST TWO YEARS, INVESTORS had not seen consecutive negative annual stock market returns since the 1970s. In contrast, during the 1980s and 1990s the market produced its best 20-year performance ever. But neither the last two years nor the last two decades are good predictors of the long run.

A forecast usually begins by comparing the expected return on stocks with that of a low-risk asset, such as U.S. government bonds. This differvolatile. The only way to get a good representation is to look back over a long period of time, so that the ups and downs of the market tend to cancel out and we get a reasonable average.

The compound average annual nominal rate of return (including inflation) for common stocks was 10.7 percent over the period 1926–2001. This return exceeded long-term U.S. Treasury yields by over 5 percent per year. That difference was the historical equity risk premium—the amount of extra return investors got over the last three-quarters of a century for invest-

about 14 over the whole 76 years.
This growth in the P/E ratio is not
expected to repeat in the future. Thus,
to a certain extent, the stock market
has outrun the underlying real earnings power of corporations.

A long-term forecast should not extrapolate the separation of the P/E ratio indefinitely. But today's high P/E ratios are not necessarily going to soon revert to historical levels, because the prices reflect the future outlook of investors — all those people and institutions that hold, buy, or sell stocks. In fact, if today's P/E ratio is higher than in the past, it has to mean one of three things: The price is now unrealistically high, people are willing to accept a much lower expected return for the

Measuring

ence is called the equity (stock) risk premium, because it is likely to be positive and represents the extra payoff that an investor demands (but does not always get) for investing in something risky (stocks) compared with something nearly risk-free (government bonds). Thus, the bond yield is our starting point, and adding the equity risk premium gives us the expected return on stocks.

Generally, the best way to get a sense of what the future may bring is to look at the past. After all, the past is our primary source of data. But, as you already know from recent market results, the stock market is quite ing in stocks rather than bonds.

But looking at historical stock returns relative to bond income is not the whole picture. The bull market of the 1980s and 1990s had so much of an impact on stock prices that

the price of stocks in the S&P 500* Index is almost 30 times the earnings of the same companies. This contrasts with a price/earnings (P/E) ratio closer to 10 back in the 1970s—and only risk of stocks, or the market is optimistic that the earnings per share growth of corporations will be higher than it was in the past. In fact, I believe in the market's optimism. Earnings per share will grow at faster rates for two reasons. First, corporations are paying out lower dividends and retaining

more earnings. These extra retained earnings are reinvested back into firms. If the money is used productively, extra growth can be achieved.

continued on page 12

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Building the Future From the Past continued from page 10

Second, investors are rationally willing to pay high prices for current earnings when they think future earnings will grow. The evidence demonstrates that over time investors who buy when the market's P/E ratios are high do just about as well as those who buy when the market's

P/E ratios are low. Stocks are predicted to outperform bonds in the future, but not by further P/E ratio increases. Instead, stocks will tend to participate with the overall U.S. economy and earnings per share growth. My forecast for stocks is somewhat less than 4 percent in excess of long-term bond yields. Applying this pre-

> mium to recent bond yields gives a long-term forecast of over 9 percent for the stock market. It is high, but lower than the historical stock market return. But, of course, there is no free lunch. The

reason stocks are expected to outperform bonds is that they are riskier than bonds. Although stocks belong in most people's portfolios, the smart investor will still want to diversify across different types of stocks, as well as across bonds and other asset



To learn more about lbbotson's research, go to http://mba.yale.edu/faculty/professors/ ibbotson.htm.

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DECEMBER 14, 2005

Ibbotson Dials It Down, No Longer "Mr. Ten Percent"

Roger Ibbotson was one half of the team to make arguably the most impressive market prediction in history. In 1974, along with fellow U Chicagoan Rex Singuefeld, Ibbotson forecasted that the DJIA, then in the 800s, would reach 9,218 at the end of 1998 and 10,000 by November 1999. These calls were built on the assumption that long-term stock returns would exceed 10% so it's no small news in academic and financial circles that Ibbotson--a devotee of efficient market theory and CAPM--has dialed down this growth rate to 9.27%.

The 9% Prediction [Fortune]



1 2 3	Q_43.	Does Dr. Murry rely on Dr. Ibbotson's expertise?	
4 5 6	A_43.	Yes. Dr. Murry relies on Dr. Ibbotson's expertise. For example:	
7 8 9		"Ibbotson Associates is the common source of data for the risk premium used in CAPM analyses" [Murry Direct P. 42 L. 15-17]	
10 11 12 13 14		"DID YOU APPLY THE ADJUSTMENT RECOMMENDED BY IBBOTSON ASSOCIATES IN YOUR ANALYSIS? Yes. In my CAPM analysis, I followed the method recommended by Ibbotson Associates to compensate for this inherent data bias." [Murry Direct P. 44 L. 8-11]	
15 16 17	Q_44.	In your opinion, did Dr. Ibbotson make accurate estimates of the market return and the risk	
18 19		premium?	
20 21 22 23 24	A_44.	Yes. In my opinion he was correct, and the information I have provided in this testimony supports my opinion.	
25 26 27 28	Q_45.	In your opinion why does Dr. Murry's CAPM implementation lead to a result so much different than yours?	
28 29 30 31 32 33 34	A_45.	In my opinion his results represent two aspects of the company's rate-case petition: 1) - the utility's unwillingness to acknowledge the change in market conditions. Mr. Paris stated the company's belief clearly, and 2) Dr. Murry's overestimation Atmos's capital costs.	
35 36 37		Consider Mr. Paris's testimony:	

"Atmos' testimony and the information requested in the filing requirements in Docket No. 05-00258 demonstrated that the Company would experience a significant revenue deficiency during the attrition period, and we continue to believe [CAPD emphasis] this to be the case." [Paris Direct, P.5 L. 7-10.]

Q 46.

How does Dr. Murry's CAPM implementation lead to an overestimation Atmos's capital costs?

A_46. In my opinion his estimate of 14.85% as the market wide return to equity greatly exceeds the rate in the current market. However, his use of Value Line betas, which are based on the NYSE composite index, is another source of overestimation. I use the NASDAQ web sites betas because they are based the S&P500 index. The table below displays the NASDAQ and Value Line betas.

	Nasdaq Betas	Value Line Betas
Symbol	June 29, 2007	July 7, 2007
ATO	0.45	0.80
ATG	0.34	0.95
GAS	0.89	1.30
NJR	0.06	0.80
NWN	0.17	0.75
PNY	0.34	0.80
SJI	0.35	0.70
SWX	0.28	0.85
WGL	0.33	0.85
Average	0.36	0.87

In my opinion Value Line's betas overestimate the risk for companies that really are low risk companies.

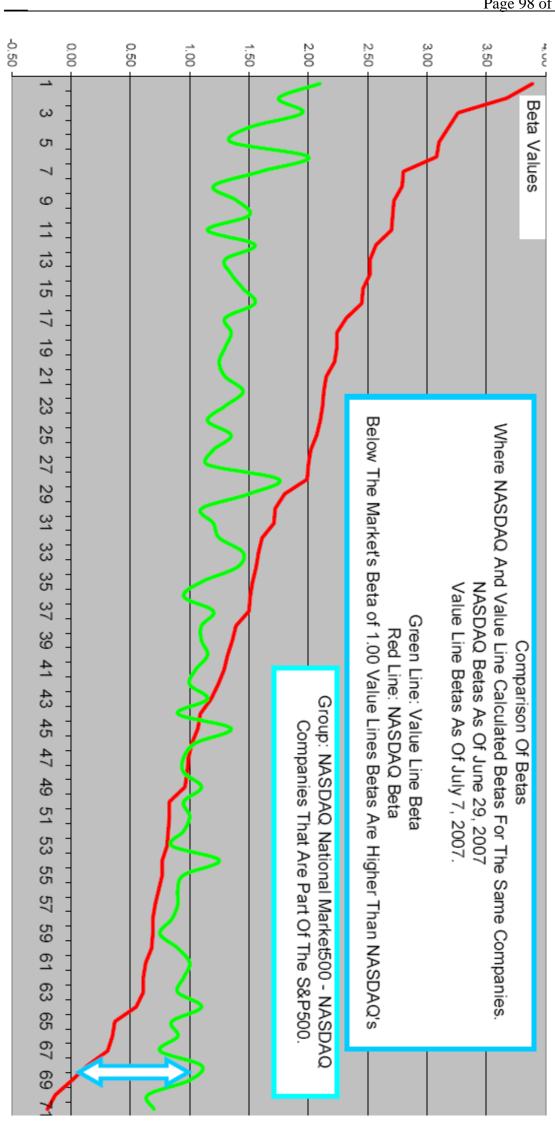
I reached this opinion by comparing NASDAQ's and Value Line's Betas for about 1400 companies that were in common. The data appears in my Schedule 6.

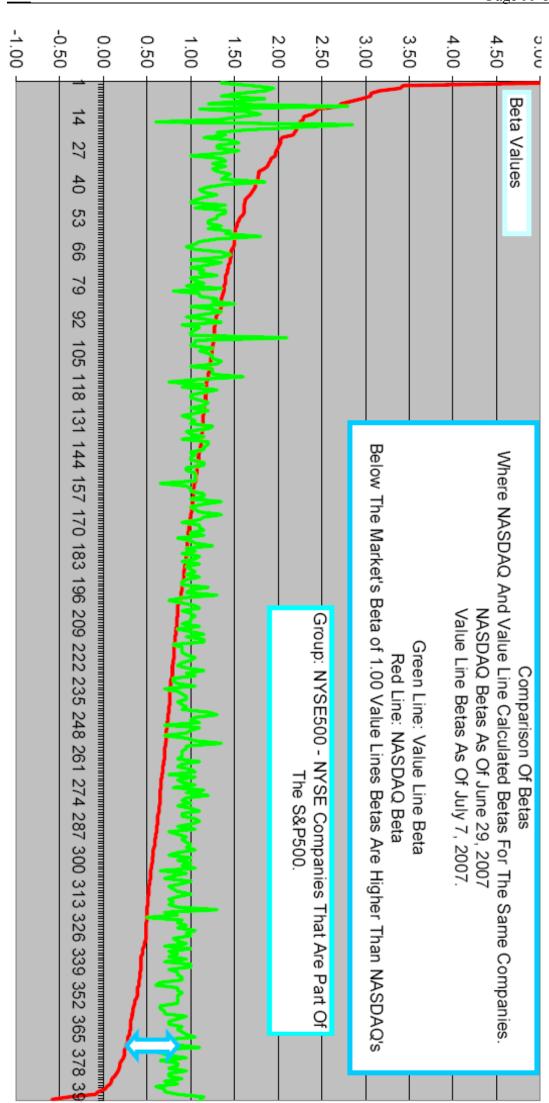
The charts on pages 98 and 99 of this testimony are examples from two groups proving that Value Line's beta is much higher than NASDAQ's for a beta below the value 1, the market's overall beta. Thus Value Line's betas mask the low-risk quality of Atmos and the Comparables. Their risk, as measured by the NASDAQ beta, is one-half of the risk as measured by Value Line.

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Dr. Murry's CAPM is so large that it is not meaningful, which is consistent with recent financial literature showing the CAPM's very limited value. Pages 100 to 104 of this testimony display excerpts from two scholarly articles dealing with the CAPM. The first one has two authors, Eugene Fama and Kenneth French and was published in the summer of 2004. The second article was published in May 2005 in the Ouarterly Journal Of Economics and has three authors and confirms the findings of Fama and French. The essence of each article is that the CAPM approach to equity returns is no longer accepted by the scholarly community that created the theory. The authors have the highest professional rank and extensive experience in the discipline of economics.

In my opinion the DCF model is the reliable method to produce just and reasonable rates.





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The Capital Asset Pricing Model: Theory and Evidence

Eugene F. Fama and Kenneth R. French

he capital asset pricing model (CAPM) of William Sharpe (1964) and John Lintner (1965) marks the birth of asset pricing theory (resulting in a Nobel Prize for Sharpe in 1990). Four decades later, the CAPM is still widely used in applications, such as estimating the cost of capital for firms and evaluating the performance of managed portfolios. It is the centerpiece of MBA investment courses. Indeed, it is often the only asset pricing model taught in these courses.¹

The attraction of the CAPM is that it offers powerful and intuitively pleasing predictions about how to measure risk and the relation between expected return and risk. Unfortunately, the empirical record of the model is poor—poor enough to invalidate the way it is used in applications. The CAPM's empirical problems may reflect theoretical failings, the result of many simplifying assumptions. But they may also be caused by difficulties in implementing valid tests of the model. For example, the CAPM says that the risk of a stock should be measured relative to a comprehensive "market portfolio" that in principle can include not just traded financial assets, but also consumer durables, real estate and human capital. Even if we take a narrow view of the model and limit its purview to traded financial assets, is it

¹ Although every asset pricing model is a capital asset pricing model, the finance profession reserves the acronym CAPM for the specific model of Sharpe (1964), Lintner (1965) and Black (1972) discussed here. Thus, throughout the paper we refer to the Sharpe-Lintner-Black model as the CAPM.

[■] Eugene F. Fama is Robert R. McCormick Distinguished Service Professor of Finance, Graduate School of Business, University of Chicago, Chicago, Illinois. Kenneth R. French is Carl E. and Catherine M. Heidt Professor of Finance, Tuck School of Business, Dartmouth College, Hanover, New Hampshire. Their e-mail addresses are ⟨eugene.fama@gsb.uchicago.edu⟩ and ⟨kfrench@dartmouth.edu⟩, respectively.

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legitimate to limit further the market portfolio to U.S. common stocks (a typical choice), or should the market be expanded to include bonds, and other financial assets, perhaps around the world? In the end, we argue that whether the model's problems reflect weaknesses in the theory or in its empirical implementation, the failure of the CAPM in empirical tests implies that most applications of the model are invalid.

We begin by outlining the logic of the CAPM, focusing on its predictions about risk and expected return. We then review the history of empirical work and what it says about shortcomings of the CAPM that pose challenges to be explained by alternative models.

The Logic of the CAPM

The CAPM builds on the model of portfolio choice developed by Harry Markowitz (1959). In Markowitz's model, an investor selects a portfolio at time t-1 that produces a stochastic return at t. The model assumes investors are risk averse and, when choosing among portfolios, they care only about the mean and variance of their one-period investment return. As a result, investors choose "mean-variance-efficient" portfolios, in the sense that the portfolios 1) minimize the variance of portfolio return, given expected return, and 2) maximize expected return, given variance. Thus, the Markowitz approach is often called a "mean-variance model."

The portfolio model provides an algebraic condition on asset weights in meanvariance-efficient portfolios. The CAPM turns this algebraic statement into a testable prediction about the relation between risk and expected return by identifying a portfolio that must be efficient if asset prices are to clear the market of all assets.

Sharpe (1964) and Lintner (1965) add two key assumptions to the Markowitz model to identify a portfolio that must be mean-variance-efficient. The first assumption is complete agreement: given market clearing asset prices at t-1, investors agree on the joint distribution of asset returns from t-1 to t. And this distribution is the true one—that is, it is the distribution from which the returns we use to test the model are drawn. The second assumption is that there is borrowing and lending at a risk-free rate, which is the same for all investors and does not depend on the amount borrowed or lent.

Figure 1 describes portfolio opportunities and tells the CAPM story. The horizontal axis shows portfolio risk, measured by the standard deviation of portfolio return; the vertical axis shows expected return. The curve *abc*, which is called the minimum variance frontier, traces combinations of expected return and risk for portfolios of risky assets that minimize return variance at different levels of expected return. (These portfolios do not include risk-free borrowing and lending.) The tradeoff between risk and expected return for minimum variance portfolios is apparent. For example, an investor who wants a high expected return, perhaps at point *a*, must accept high volatility. At point *T*, the investor can have an interme-

MONEY ILLUSION IN THE STOCK MARKET: THE MODIGLIANI-COHN HYPOTHESIS*

RANDOLPH B. COHEN CHRISTOPHER POLK Tuomo Vuolteenaho

Modigliani and Cohn hypothesize that the stock market suffers from money illusion, discounting real cash flows at nominal discount rates. While previous research has focused on the pricing of the aggregate stock market relative to Treasury bills, the money-illusion hypothesis also has implications for the pricing of risky stocks relative to safe stocks. Simultaneously examining the pricing of Treasury bills, safe stocks, and risky stocks allows us to distinguish money illusion from any change in the attitudes of investors toward risk. Our empirical results support the hypothesis that the stock market suffers from money illusion.

I. Introduction

Do people suffer from money illusion, confusing nominal dollar values with real purchasing power? When the difference between real and nominal quantities is small and stakes are relatively low, equating the nominal dollar amounts with real values provides a convenient and effective rule of thumb. Therefore, it seems plausible that people often ignore the rate of inflation in processing information for relatively small decisions.¹

Modigliani and Cohn [1979] hypothesize that stock market investors may also suffer from a particular form of money illusion, incorrectly discounting real cash flows with nominal discount rates. An implication of such an error is that time variation in the level of inflation causes the market's subjective expectation of the future equity premium to deviate systematically from the

* An earlier draft of the paper was circulated under the title "How Inflation Illusion Killed the CAPM." We would like to thank Clifford Asness, John Camp-

bell, Edward Glaeser, Jussi Keppo, Stefan Nagel, Andrei Shleifer, Jeremy Stein, and three anonymous referees for helpful comments.

1. The term "money illusion" was coined by John Maynard Keynes early in the twentieth century. In 1928 Irving Fisher gave the subject a thorough treatment in his book. The Manage Illusion. ment in his book The Money Illusion. Since then, numerous papers have described implications of money illusion to test for its existence. The most widely discussed of these implications is stickiness in wages and prices (see Gordon [1983] for a review of the evidence on this topic). Although money illusion can exist even in the absence of inflation, inflation is central to most money illusion stories. Fisher and Modigliani [1978] catalog the ways in which inflation could affect the real economy, with money illusion as one important source of real effects. Shafir, Diamond, and Tversky [1997] examine in detail potential effects of money illusion and present evidence on these effects along with a theory of the psychological underpinnings of the illusion.

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rational expectation. Thus, when inflation is high (low), the rational equity-premium expectation is higher (lower) than the market's subjective expectation, and the stock market is undervalued (overvalued). The claim that stock market investors suffer from money illusion is a particularly intriguing and controversial proposition, as the stakes in the stock market are obviously very high.

Nevertheless, recent time-series evidence suggests that the stock market does suffer from money illusion of Modigliani and Cohn's variety. Sharpe [2002] and Asness [2000] find that stock dividend and earnings yields are highly correlated with nominal bond yields. Since stocks are claims to cash flows from real capital and inflation is the main driver of nominal interest rates, this correlation makes little sense, a point made recently by Ritter and Warr [2002], Asness [2003], and Campbell and Vuolteenaho [2004]. These aggregate studies suffer from one serious weakness, however. Inflation may be correlated with investors' attitudes toward risk, which directly influence stock prices even if investors do not suffer from money illusion. To the extent that these aggregate studies fail to fully control for risk, the results may confound the impact of risk attitudes and money illusion.

Our novel tests explore the cross-sectional asset-pricing implications of the Modigliani-Cohn money-illusion hypothesis. Simultaneously examining the pricing of Treasury bills, safe stocks, and risky stocks allows us to distinguish money illusion from changing attitudes of investors toward risk. The key insight underlying our tests is that money illusion will have a symmetric effect on all stocks' yields, regardless of their exposure to systematic risk. In contrast, the impact of investor risk attitudes on a stock's yield will be proportional to the stock's risk, as risky stocks' yields will be affected much more than safe stocks' yields will be. This insight allows us to cleanly separate the two competing effects.

Specifically, we assume that investors use the logic of the Sharpe-Lintner capital asset pricing model (CAPM) [Sharpe 1964; Lintner 1965] to measure the riskiness of a stock and to determine its required risk premium. According to the CAPM, a stock's beta with the market is its sole relevant risk measure. In the absence of money illusion (and other investor irrationalities), the Sharpe-Lintner CAPM predicts that the risk compensation for one unit of beta among stocks, which is also called the slope of the security market line, is always equal to the rationally ex-

samples. In an influential paper Fama and French [1992] fail to find support for "the central prediction of [the CAPM], that average returns are positively related to market [betas]." Curiously, this negative result is primarily driven by their 1951–1960 and 1981–1990 subsamples, both of which were preceded by high inflation. The cross-sectional implication of the Modigliani-Cohn hypothesis is that the slope of average returns on beta should be much lower than the equity premium in precisely those subsamples. In a sense, money illusion may have killed the Sharpe-Lintner CAPM.

Although we do not explicitly consider money illusion's effect on investor welfare, we believe that our results may nevertheless have some policy implications, however speculative. First, if investors suffer from money illusion, stable and low inflation is likely to result in a less mispriced stock market than volatile and high inflation. To the extent that real investment decisions are influenced by stock market (mis)valuations, one would expect low and stable inflation to be beneficial to society. Second, if government borrowing shifts from nominal bonds to inflation-indexed or real bonds, it is possible that the stock market will value stocks relative to real (instead of nominal) bonds, eliminating the effect of money illusion on stock prices. Third, and most importantly, to the extent that investors perceive a benefit from valuing stocks using nominal quantities, they should pay more attention to expected inflation when forecasting future nominal cash flows.

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Statement of Credentials and Experience

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Q_47. What experience do you have regarding utilities?

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A_47. In 1995 I began work as an economist in the Consumer Advocate and Protection Division (CAPD) of the Attorney General's

Office. I have also appeared as a witness 1 2 for CAPD in several cases before the 3 Tennessee Regulatory Authority (TRA). From 1986 to 1995 I was employed by the Iowa 4 5 Utilities Board as Chief of the Bureau of 6 Energy Efficiency, Auditing and Research, and Utility Specialist and State Liaison 7 Officer to the U.S. Nuclear Regulatory 8 9 Commission. From 1984 to 1986 I worked for 10 Houston Lighting & Power as Supervisor of 11 Rate Design. From 1982 to 1984 I worked for Arizona Electric Power Cooperative as 12 13 a Rate Analyst. From 1979 to 1982 I worked 14 for Tri-State Generation and Transmission Association as Power Requirements 15 16 Supervisor and Rate Specialist. Since 1979 17 my work spanned many issues including cost of service studies, rate design issues, 18 telecommunications issues and matters 19 related to the disposal of nuclear waste. 20

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Q_48. What is your educational background?

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A_48. I have an M.S. in Regulatory Economics from the University of Wyoming, an M.A. and Ph.D. in International Relations with a specialty in International Economics from the University of Denver, and a B.A. from Colorado State University.

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Q_49. Dr. Brown, have you authored any articles relating to your profession?

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A_49. Yes, my articles have appeared in Public Utilities Fortnightly.

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37 Q_50. Are you and have you been a member of any professional organizations?

1 2 Yes, I am a past member of the NARUC Staff A 50. Committee on Management Analysis, a past 3 trustee of and a member of the Board for 4 the Automatic Meter Reading Association, 5 and a current member of the National 6 7 Association of Business Economists. 8 9 Have you studied mathematics and Q_51. statistics as part of your education? 10 11 12 Yes. A 51. 13 Dr. Brown, do you use mathematics and 14 Q 52. statistics in combination with economics 15 as part of your profession? 16 17 18 A_52. Yes. 19 20 This concludes my testimony at this time. 21 22 23 24

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Stk Symbo	Company	Description	FY 1	FY 2	FY 3	FY 4	FY 5	FY 6	FY 7	FY 8	FY 9	FY 10
												-
ATG	AGL	Capital Structure Components As Of:	2006: Dec 31	2005: Dec 31	2004: Dec 31	2003: Dec 31	2002: Dec 31	2001: Dec 31	2000: Sep 30	1999: Sep 30	1998: Sep 30	1997: Sep 30
ATG	AGL	Short-Term Debt: Notes Due	\$528	\$522	\$334	\$306	\$389	\$385	\$141	\$2	\$77	\$30
ATG	AGL	Short-Term Debt: Current Portion of Long-Term Debt	\$11	\$0	\$0	\$77	\$30	\$93	\$20	\$50	\$0	\$0
ATG	AGL	Long-Term Debt Net Of Current Portion	\$1,615	\$1,615	\$1,623	\$731	\$767	\$797	\$590	\$610	\$660	\$660
ATG	AGL	Common Equity	\$1,609	\$1,499	\$1,385	\$945	\$710	\$690	\$621	\$662	\$654	\$622
ATG	AGL	Trust Preferred Securities	\$0	\$0	\$0	\$225	\$227	\$218	\$74	\$74	\$74	\$119
ATG	AGL	Total	\$3,763	\$3,636	\$3,342	\$2,285	\$2,123	\$2,183	\$1,446	\$1,397	\$1,465	\$1,430
GAS	NICOR	Capital Structure Components As Of:	2006: Dec 31	2005: Dec 31	2004: Dec 31	2003: Dec 31	2002: Dec 31	2001: Dec 31	2000: Dec 31	1999: Dec 31	1998: Dec 31	1997: Dec 31
GAS	NICOR	Short-Term Debt: Notes Due	\$350	2005: Dec 31 \$586	2004: Dec 31 \$490	\$575	\$315	\$277	\$442	\$343	\$235	\$279
GAS	NICOR	Short-Term Debt: Notes Due Short-Term Debt: Current Portion of Long-Term Debt	\$0	\$50	\$0	\$0	\$100	\$0	\$125	\$74	\$1	\$25
GAS	NICOR	Long-Term Debt Net Of Current Portion	\$498	\$486	\$495	\$497	\$396	\$446	\$347	\$436	\$557	\$550
GAS	NICOR	Common Equity	\$873	\$811	\$749	\$755	\$728	\$704	\$708	\$788	\$759	\$744
GAS	NICOR	Preferred	\$1	\$1	\$2	\$2	\$4	\$6	\$6	\$6	\$6	\$8
GAS	NICOR	Total	\$1,721	\$1,934	\$1,736	\$1,828	\$1,544	\$1,434	\$1,628	\$1,647	\$1,558	\$1,606
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NJR	New Jersey Resources	Capital Structure Components As Of:	2006: Sep 30	2005: Sep 30	2004: Sep 30	2003: Sep 30	2002: Sep 30	2001: Sep 30	2000: Sep 30	1999: Sep 30	1998: Sep 30	1997: Sep 30
NJR NJR	New Jersey Resources New Jersey Resources	Short-Term Debt: Notes Due	\$281	\$174	\$260	\$185	\$60	\$86	\$43	\$62 \$30	\$0	\$0
NJR NJR	New Jersey Resources New Jersey Resources	Short-Term Debt: Current Portion of Long-Term Debt Long-Term Debt Net Of Current Portion	\$4 \$332	\$3 \$317	\$28 \$316	\$3 \$258	\$27 \$371	\$1 \$354	\$0 \$291	\$20 \$267	\$2 \$325	\$0 \$291
NJR	New Jersey Resources	Common Equity	\$332 \$622	\$317 \$438	\$316 \$468	\$258 \$419	\$371 \$361	\$354 \$352	\$291 \$328	\$267	\$325 \$291	\$291 \$278
NJR	New Jersey Resources	Preferred	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$231	\$21
NJR	New Jersey Resources	Total	\$1,238	\$933	\$1,071	\$865	\$819	\$792	\$663	\$652	\$638	\$591
			, ,			,				,	, , , , ,	
NWN	Northwest Natural Gas	Capital Structure Components As Of:	2006: Dec 31	2005: Dec 31	2004: Dec 31	2003: Dec 31	2002: Dec 31	2001: Dec 31	2000: Dec 31	1999: Dec 31	1998: Dec 31	1997: Dec 31
NWN	Northwest Natural Gas	Short-Term Debt: Notes Due	\$100,100	\$126,700	\$102,500	\$85,200	\$69,802	\$108,291	\$56,263	\$94,149	\$87,264	\$89,317
NWN	Northwest Natural Gas	Short-Term Debt: Current Portion of Long-Term Debt	\$29,500	\$8,000	\$15,000	\$0	\$20,000	\$40,000	\$20,000	\$10,000	\$10,000	\$16,000
NWN	Northwest Natural Gas	Long-Term Debt Net Of Current Portion	\$517,000	\$521,500	\$484,027	\$500,319	\$445,945	\$378,377	\$400,790	\$396,379	\$366,738	\$344,303
NWN	Northwest Natural Gas Northwest Natural Gas	Common Equity	\$599,545	\$586,931	\$568,517	\$506,316	\$483,103	\$468,161	\$452,309	\$429,596	\$412,404	\$366,265
NWN	Northwest Natural Gas	Preferred Total	\$0 \$1,246,145	\$0 \$1,243,131	\$0 \$1,170,044	\$0	\$8,250 \$1,027,100	\$34,000 \$1,028,829	\$34,750 \$964,112	\$35,564 \$965,688	\$36,499 \$912,905	\$37,429 \$853,314
INVVIN	Northwest Natural Gas	lotai	\$1,240,145	\$1,243,131	\$1,170,044	\$1,091,835	\$1,027,100	\$1,028,829	\$904,112	\$905,088	\$912,905	\$853,314
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PNY	Piedmont	Capital Structure Components As Of:	2006: Oct 31	2005: Oct 31	2004: Oct 31	2003: Oct 31	2002: Oct 31	2001: Oct 31	2000: Oct 31	1999: Oct 31	1998: Oct 31	1997: Oct 31
PNY	Piedmont	Short-Term Debt: Notes Due	\$170,000	\$158,500	\$109,500	\$555,059	\$46,500	\$32,000	\$99,500	\$79,500	\$32,000	\$25,000
PNY	Piedmont	Short-Term Debt: Current Portion of Long-Term Debt	\$0	\$35,000	\$0	\$2,000	\$47,000	\$2,000	\$32,000	\$2,000	\$10,000	\$10,000
PNY	Piedmont	Long-Term Debt Net Of Current Portion	\$825,000	\$625,000	\$660,000	\$460,000	\$462,000	\$509,000	\$419,000	\$421,000	\$371,000	\$381,000
PNY	Piedmont	Common Equity	\$882,925	\$884,192	\$854,898	\$630,195	\$589,596	\$560,379	\$527,372	\$491,747	\$458,268	\$419,826
PNY	Piedmont	Preferred	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PNY	Piedmont	Total	\$1,877,925	\$1,702,692	\$1,624,398	\$1,647,254	\$1,145,096	\$1,103,379	\$1,077,872	\$994,247	\$871,268	\$835,826
SJI	South Jersey Industries	Capital Structure Components As Of:	2006: Dec 31	2005: Dec 31	2004: Dec 31	2003: Dec 31	2002: Dec 31	2001: Dec 31	2000: Dec 31	1999: Dec 31	1998: Dec 31	1997: Dec 31
SJI	South Jersey Industries	Short-Term Debt: Notes Due	\$194,600	\$147,300	\$92,300	\$112,800	\$166,500	\$152,360	\$121,200	\$119,950	\$97,000	\$45,900
SJI	South Jersey Industries	Short-Term Debt: Notes Due Short-Term Debt: Current Portion of Long-Term Debt	\$194,600	\$147,300	\$92,300 \$5,348	\$112,800 \$5,273	\$100,500	\$152,360	\$121,200 \$11,876	\$8,876	\$8,876	\$45,900
SJI	South Jersey Industries	Long-Term Debt Net Of Current Portion	\$358,022	\$319,066	\$328,914	\$308,781	\$227,320	\$249,514	\$204,981	\$183,561	\$194,710	\$176,360
SJI	South Jersey Industries	Common Equity	\$443,036	\$393,645	\$343,363	\$296,412	\$237,156	\$220,286	\$201,739	\$185,275	\$169,234	\$173,499
SJI	South Jersey Industries	Preferred	\$0	\$0	\$1,690	\$1,690	\$36,690	\$36,690	\$36,804	\$37,044	\$37,134	\$37,224
SJI	South Jersey Industries	Total	\$998,027	\$862,375	\$771,615	\$724,956	\$678,362	\$668,583	\$576,600	\$534,706	\$506,954	\$441,977
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SWX	Southwest Gas	Capital Structure Components As Of:	2006: Dec 31	2005: Dec 31	2004: Dec 31	2003: Dec 31	2002: Dec 31	2001: Dec 31	2000: Dec 31	1999: Dec 31	1998: Dec 31	1997: Dec 31
SWX	Southwest Gas Southwest Gas	Short-Term Debt: Notes Due	\$0	\$24,000 \$83.215	\$100,000 \$29.821	\$52,000 \$6.435	\$53,000 \$8.705	\$93,000 \$307.641	\$131,000 \$8.139	\$61,000 \$7.931	\$52,000 \$5.270	\$142,000 \$5.621
SWX	Southwest Gas Southwest Gas	Short-Term Debt: Current Portion of Long-Term Debt Long-Term Debt Net Of Current Portion	\$27,545 \$1,386,354	\$83,215 \$1,324,898	\$29,821 \$1,262,936	\$6,435 \$1,221,164	\$8,705 \$1,152,148	\$307,641 \$796,351	\$8,139 \$896,417	\$7,931 \$859,291	\$5,270 \$812,906	\$5,621 \$778,693
SWX	Southwest Gas	Common Equity	\$1,386,354 \$901,425	\$1,324,898 \$751,135	\$1,262,936 \$705,676	\$1,221,164 \$630,467	\$1,152,148 \$596,167	\$796,351 \$561,200	\$533,467	\$505,425	\$476,400	\$385,979
SWX	Southwest Gas	Preferred	\$901,425	\$751,135	\$705,676	\$630,467	\$590,767	\$561,200 \$60	\$533,467 \$60	\$505,425 \$60	\$476,400 \$60	\$385,979 \$60
SWX	Southwest Gas	Total	\$2,315,324	\$2,183,248	\$2,098,433	\$1,910,066	\$1,810,020	\$1,758,252	\$1,569,083	\$1,433,707	\$1,346,636	\$1,312,353
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WGL	WGL Holdings	Capital Structure Components As Of:	2006: Sep 30	2005: Sep 30	2004: Sep 30	2003: Sep 30	2002: Sep 30	2001: Sep 30	2000: Sep 30	1999: Sep 30	1998: Sep 30	1997: Sep 30
WGL	WGL Holdings	Short-Term Debt: Notes Due	\$177,376	\$40,876	\$95,634	\$166,662	\$90,865	\$134,052	\$161,423	\$113,067	\$124,943	\$67,900
WGL	WGL Holdings	Short-Term Debt: Current Portion of Long-Term Debt	\$60,994	\$50,122	\$60,639	\$12,180	\$42,238	\$48,179	\$1,668	\$1,431	\$64,106	\$20,862
WGL	WGL Holdings	Long-Term Debt Net Of Current Portion	\$576,139	\$584,150	\$590,164	\$636,650	\$667,951	\$584,370	\$559,724	\$506,084	\$428,641	\$431,575
WGL	WGL Holdings	Common Equity	\$921,807	\$893,992	\$853,424	\$818,218	\$766,403	\$788,253	\$711,496	\$684,034	\$607,755	\$589,035
WGL	WGL Holdings	Preferred	\$28,173	\$28,173	\$28,173	\$28,173	\$28,173	\$28,173	\$28,173	\$28,420	\$28,424	\$28,430
WGL	WGL Holdings	Total	\$1,764,489	\$1,597,313	\$1,628,034	\$1,661,883	\$1,595,630	\$1,583,027	\$1,462,484	\$1,333,036	\$1,253,869	\$1,137,802

Stk Symbol	Company	Description	FY 1	FY 2	FY 3	FY 4	FY 5	FY 6	FY 7	FY8	FY 9	FY 10
ATG	AGL	Capital Structure Components As Of:	2006: Dec 31	2005: Dec 31	2004: Dec 31	2003: Dec 31	2002: Dec 31	2001: Dec 31	2000: Sep 30		1998: Sep 30	
ATG	AGL	Short-Term Debt: Notes Due	14.03%	14.36%	9.99%	13.41%	18.31%	17.62%	9.76%	0.11%	5.22%	2.06%
ATG	AGL	Short-Term Debt: Current Portion of Long-Term Debt	0.29%	0.00%	0.00%	3.37%	1.41%	4.26%	1.38%	3.58%	0.00%	0.00%
ATG	AGL	Long-Term Debt Net Of Current Portion	42.92%	44.42%	48.56%	31.99%	36.13%	36.51%	40.79%	43.66%	45.05%	46.14%
ATG	AGL AGL	Common Equity	42.76%	41.23%	41.44%	41.37% 9.86%	33.45% 10.70%	31.62% 9.99%	42.93%	47.34%	44.65%	43.49% 8.31%
ATG ATG	AGL	Trust Preferred Securities Total	0.00%	0.00%					5.14%	5.32%	5.07%	
AIG	AGL	Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
												-
GAS	NICOR	Capital Structure Components As Of:	2006: Dec 31	2005: Dec 31	2004: Dec 31	2003: Dec 31	2002: Dec 31	2001: Dec 31	2000: Dec 31	1999: Dec 31	1998: Dec 31	1997: Dec 31
GAS	NICOR	Short-Term Debt: Notes Due	20.34%	30.30%	28.23%	31.45%	20.40%	19.32%	27.15%	20.80%	15.05%	17.37%
GAS	NICOR	Short-Term Debt: Current Portion of Long-Term Debt	0.00%	2.59%	0.00%	0.00%	6.48%	0.00%	7.68%	4.51%	0.08%	1.58%
GAS	NICOR	Long-Term Debt. Gurrent Fortion	28.91%	25.13%	28.53%	27.18%	25.66%	31.14%	21.32%	26.48%	35.76%	34.26%
GAS	NICOR	Common Equity	50.71%	41.95%	43.15%	41.27%	47.18%	49.12%	43.47%	47.83%	48.71%	46.33%
GAS	NICOR	Preferred	0.03%	0.03%	0.09%	0.10%	0.28%	0.43%	0.39%	0.38%	0.40%	0.47%
GAS	NICOR	Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
NJR	New Jersey Resources	Capital Structure Components As Of:	2006: Sep 30	2005: Sep 30	2004: Sep 30	2003: Sep 30	2002: Sep 30	2001: Sep 30	2000: Sep 30	1999: Sep 30	1998: Sep 30	1997: Sep 30
NJR	New Jersey Resources	Short-Term Debt: Notes Due	22.67%	18.67%	24.24%	21.40%	7.31%	10.83%	6.53%	9.46%	0.01%	0.01%
NJR	New Jersey Resources	Short-Term Debt: Current Portion of Long-Term Debt	0.30%	0.35%	2.59%	0.29%	3.28%	0.07%	0.07%	3.12%	0.31%	0.02%
NJR	New Jersey Resources	Long-Term Debt Net Of Current Portion	26.83%	34.01%	29.49%	29.84%	45.24%	44.64%	43.87%	41.01%	50.89%	49.31%
NJR	New Jersey Resources	Common Equity	50.20%	46.97%	43.68%	48.47%	44.13%	44.43%	49.46%	46.34%	45.56%	47.14%
	New Jersey Resources	Preferred	0.00%	0.00%	0.00%	0.00%	0.04%	0.04%	0.06%	0.08%	3.23%	3.51%
NJR	New Jersey Resources	Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	North and Note 1.5											L
NWN	Northwest Natural Gas Northwest Natural Gas	Capital Structure Components As Of:	2006: Dec 31	2005: Dec 31	2004: Dec 31	2003: Dec 31	2002: Dec 31	2001: Dec 31	2000: Dec 31	1999: Dec 31	1998: Dec 31	1997: Dec 31
NWN		Short-Term Debt: Notes Due	8.03%	10.19%	8.76%	7.80%	6.80%	10.53%	5.84%	9.75%	9.56%	10.47%
NWN	Northwest Natural Gas	Short-Term Debt: Current Portion of Long-Term Debt	2.37%	0.64%	1.28%	0.00%	1.95%	3.89%	2.07%	1.04%	1.10%	1.88%
NWN NWN	Northwest Natural Gas Northwest Natural Gas	Long-Term Debt Net Of Current Portion	41.49%	41.95%	41.37%	45.82%	43.42% 47.04%	36.78%	41.57%	41.05%	40.17%	40.35%
NWN	Northwest Natural Gas	Common Equity	48.11% 0.00%	47.21% 0.00%	48.59% 0.00%	46.37% 0.00%	47.04% 0.80%	45.50%	46.91%	44.49%	45.17% 4.00%	42.92% 4.39%
		Preferred						3.30%	3.60%	3.68%		
NWN	Northwest Natural Gas	Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
PNY	Piedmont	Comital Structure Commence to Of	2006: 0-4.24	2005- 0-4 24	2004: 0-4 24	2002: 0-4.24	2002- 0-4 24	2004: 0-4.24	2000: 0-4 24	4000- 0-4 24	4000: 0-4 24	4007- 0-4-24
PNY	Piedmont	Capital Structure Components As Of: Short-Term Debt: Notes Due	2006: Oct 31 9.05%	2005: Oct 31 9.31%	2004: Oct 31 6.74%	2003: Oct 31 33.70%	2002: Oct 31 4.06%	2001: Oct 31 2.90%	2000: Oct 31 9.23%	1999: Oct 31 8.00%	1998: Oct 31 3.67%	1997: Oct 31 2.99%
PNY	Piedmont	Short-Term Debt: Notes Due Short-Term Debt: Current Portion of Long-Term Debt	0.00%	2.06%	0.00%	0.12%	4.06%	0.18%	2.97%	0.20%	1.15%	1.20%
PNY	Piedmont		43.93%	36.71%	40.63%	27.93%	40.35%	46.13%	38.87%	42.34%	42.58%	45.58%
PNY	Piedmont	Long-Term Debt Net Of Current Portion Common Equity	47.02%	51.93%	52.63%	38.26%	51.49%	50.79%	48.93%	42.34%	52.60%	50.23%
PNY	Piedmont	Preferred	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PNY	Piedmont	Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
		7007	100.0070	700.0070	100.0070	700.0070	700.0070	100.0070	700.0070	100.0070	100.0070	700.0070
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SJI	South Jersey Industries	Capital Structure Components As Of:	2006: Dec 31	2005: Dec 31	2004: Dec 31	2003: Dec 31	2002: Dec 31	2001: Dec 31	2000: Dec 31	1999: Dec 31	1998: Dec 31	1997: Dec 31
SJI	South Jersey Industries	Short-Term Debt: Notes Due	19.50%	17.08%	11.96%	15.56%	24.54%	22.79%	21.02%	22.43%	19.13%	10.39%
SJI	South Jersey Industries	Short-Term Debt: Current Portion of Long-Term Debt	0.24%	0.27%	0.69%	0.73%	1.58%	1.46%	2.06%	1.66%	1.75%	2.03%
SJI	South Jersey Industries	Long-Term Debt Net Of Current Portion	35.87%	37.00%	42.63%	42.59%	33.51%	37.32%	35.55%	34.33%	38.41%	39.90%
SJI	South Jersey Industries	Common Equity	44.39%	45.65%	44.50%	40.89%	34.96%	32.95%	34.99%	34.65%	33.38%	39.26%
SJI	South Jersey Industries	Preferred	0.00%	0.00%	0.22%	0.23%	5.41%	5.49%	6.38%	6.93%	7.32%	8.42%
SJI	South Jersey Industries	Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
SWX	Southwest Gas	Capital Structure Components As Of:	2006: Dec 31	2005: Dec 31	2004: Dec 31	2003: Dec 31	2002: Dec 31	2001: Dec 31	2000: Dec 31		1998: Dec 31	1997: Dec 31
SWX	Southwest Gas	Short-Term Debt: Notes Due	0.00%	1.10%	4.77%	2.72%	2.93%	5.29%	8.35%	4.25%	3.86%	10.82%
SWX	Southwest Gas	Short-Term Debt: Current Portion of Long-Term Debt	1.19%	3.81%	1.42%	0.34%	0.48%	17.50%	0.52%	0.55%	0.39%	0.43%
SWX	Southwest Gas	Long-Term Debt Net Of Current Portion	59.88%	60.68%	60.18%	63.93%	63.65%	45.29%	57.13%	59.93%	60.37%	59.34%
SWX	Southwest Gas	Common Equity	38.93%	34.40%	33.63%	33.01%	32.94%	31.92%	34.00%	35.25%	35.38%	29.41%
SWX	Southwest Gas Southwest Gas	Preferred Total	0.00% 100.00%	0.00% 100.00%	0.00% 100.00%	0.00%	0.00% 100.00%	0.00% 100.00%	0.00% 100.00%	0.00%	0.00% 100.00%	0.00% 100.00%
SWY	Southwest Gas	rotai	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
				 	-	-		1			 	
WGL	WGL Holdings	Capital Structure Components As Of:	2006: Sep 30	2005: Sep 30	2004: Sep 30	2003: Sep 30	2002: Sep 30	2001: Sep 30	2000: Sep 30	1999: Sep 30	1998: Sep 30	1997: Sep 30
WGL	WGL Holdings	Short-Term Debt: Notes Due	10.05%	2.56%	5.87%	10.03%	5.69%	8.47%	11.04%	8.48%	9.96%	5.97%
	WGL Holdings	Short-Term Debt: Notes Due Short-Term Debt: Current Portion of Long-Term Debt	3.46%	3.14%	3.72%	0.73%	2.65%	3.04%	0.11%	0.11%	9.96% 5.11%	1.83%
WGL	WGL Holdings	Long-Term Debt. Current Portion Long-Term Debt Net Of Current Portion	32.65%	36.57%	36.25%	38.31%	41.86%	36.91%	38.27%	37.96%	34.19%	37.93%
WGL	WGL Holdings	Common Equity	52.24%	55.97%	52.42%	49.23%	48.03%	49.79%	48.65%	51.31%	48.47%	51.77%
WGL	WGL Holdings	Preferred	1.60%	1.76%	1.73%	1.70%	1.77%	1.78%	1.93%	2.13%	2.27%	2.50%
WGL	WGL Holdings	Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
		Fiscal Year Averages	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
	-	Short-Term Debt: Notes Due	12.96%	12.95%	12.57%	17.01%	11.26%	12.22%	12.36%	10.41%	8.31%	7.51%
	_	Short-Term Debt: Current Portion of Long-Term Debt	0.98%	1.61%	1,21%	0.70%	2.74%	3.80%	2.11%	1.84%	1.24%	1.12%
	-	Long-Term Debt. Gurrent Fortion	39.06%	39.56%	40.96%	38.45%	41.23%	39.34%	39.67%	40.85%	43.43%	44.10%
				00/0								
			46.80%	45.66%	45.00%	42.36%	42.40%	42.01%	43.67%	44.58%	44.24%	43.82%
		Common Equity Preferred	46.80% 0.20%	45.66% 0.22%	45.00% 0.26%	42.36% 1.49%	42.40% 2.37%	42.01% 2.63%	43.67% 2.19%	44.58% 2.32%	44.24% 2.79%	43.82% 3.45%

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Atmos Balance Sheet Entries From Its **SEC 10-K** Year Of Acquistion 2005: Sep 30 2004: Sep 30 Capital Structure Components As Of: 2006: Sep 30 2003: Sep 30 2002: Sep 30 2001: Sep 30 2000: Sep 30 1999: Sep 30 1998: Sep 30 1997: Sep 30 Short-Term Debt: Notes Due \$382,416 \$144,809 \$145,791 \$201,247 \$250,047 \$168,304 \$17,491 \$119,178 \$0 \$118,595 Short-Term Debt: Current Portion of Long-Term Debt \$3,186 \$3,264 \$5,908 \$21,980 \$20,695 \$17,566 \$17,848 \$57,783 \$15,201 \$9,345 \$2,180,362 \$2,183,104 \$862,500 \$670,463 \$692,399 \$380,764 \$395,331 \$456,331 \$318,182 Long-Term Debt \$861,311 Common Equity \$1,648,098 \$1,602,422 \$1,133,459 \$857,517 \$573,235 \$583.864 \$392,466 \$377,663 \$371,158 \$327,260 Preferred \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 Total \$4,214,062 \$3,933,599 \$2,000,678 \$1,847,957 \$1,411,469 \$1,498,205 \$1,040,843 \$959,146 \$902,763 \$779,821 Atmos Ratios From Its SEC 10-K Capital Structure Components As Of: 2006: Sep 30 2005: Sep 30 2004: Sep 30 2003: Sep 30 2002: Sep 30 2001: Sep 30 2000: Sep 30 1999: Sep 30 1998: Sep 30 1997: Sep 30 Short-Term Debt: Notes Due 9.07% 3.68% 0.00% 6.42% 10.33% 13.43% 24.02% 17.55% 1.94% 15.28% 0.08% 0.08% 0.30% 0.51% 1.69% 1.86% 6.40% Short-Term Debt: Current Portion of Long-Term Debt 1.56% 1.38% 1.95% 51.74% 55.50% 43.05% 47.50% 46.22% 36.58% 41.22% 50.55% Long-Term Debt 46.67% 40.80% Common Equity 39.11% 40.74% 56.65% 46.40% 40.61% 38.97% 37.71% 39.37% 41.11% 41.97% Preferred 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% Total 100.00% 100.00% 100.00% 100.00% 100.00% 100.00% 100.00% 100.00% 100.00% 100.00%

			Stock				
			Outstanding		Reaches	Cumulative	1
			June 29 2007		100%	Trading	Days For
			Per NASDAQ	Trading	Turnover On	•	100%
Company	Ticker	Exchange	Website	Starting On:	End Date:	End Date	Turnover
Agilent Technologies	A	NYSE	395,958,000	2006/06/26	2007/01/25	396,102,000	213
Alcoa	AA	NYSE	869,524,000	2006/08/01	2007/01/25	873,626,000	177
	AAPL			2006/06/01	2007/01/25		27
Apple		Nasdaq National Market	864,948,000			891,558,300	202
AmerisourceBergen	ABC	NYSE NYSE	191,082,000	2006/07/07	2007/01/25	192,041,200	232
Applera	ABI		184,950,000	2006/06/07	2007/01/25	185,149,300	209
Ambac Financial Group	ABK	NYSE	101,928,000	2006/06/30	2007/01/25	101,995,100	434
Abbott Laboratories	ABT	NYSE	1,540,360,000	2005/11/17	2007/01/25	1,543,367,400	
ACE	ACE	NYSE	328,602,000	2006/01/11	2007/01/25	329,200,600	379
Affiliated Computer Services	ACS	NYSE	92,567,000	2006/07/27	2007/01/25	92,576,000	182
Adobe Systems	ADBE	Nasdaq National Market	588,006,000	2006/08/10	2007/01/25	589,478,700	168
ADC Telecommunications	ADCT	Nasdaq National Market	117,407,000	2000/01/03	2007/01/25	35,391,700	2579
Analog Devices	ADI	NYSE	327,099,000	2006/09/15	2007/01/25	330,937,400	132
Archer DanielsMidland	ADM	NYSE	652,729,000	2006/08/02	2007/01/25	654,273,600	176
Automatic Data Processing	ADP	NYSE	553,238,000	2006/08/02	2007/01/25	654,273,600	176
Autodesk	ADSK	Nasdaq National Market	231,200,000	2006/09/25	2007/01/25	231,774,800	122
Ameren	AEE	NYSE	207,022,000	2006/09/25	2007/01/25	231,774,800	122
American Electric Power	AEP	NYSE	398,767,000	2006/03/24	2007/01/25	400,307,000	307
AES	AES	NYSE	668,179,000	2006/01/27	2007/01/25	669,366,100	363
Aetna	AET	NYSE	512,300,000	2006/07/27	2007/01/25	522,361,800	182
Aflac	AFL	NYSE	489,141,000	2005/12/14	2007/01/25	490,006,700	407
Allergan	AGN	NYSE	307,512,000	2000/01/03	2007/01/25	109,423,200	2579
American International Group	AIG	NYSE	2,594,237,000	2000/01/03	2007/01/25	109,423,200	2579
Apartment Investment &Managem	AIV	NYSE	97,155,000	2000/01/03	2007/01/25	109,423,200	2579
Assurant	AIZ	NYSE	121,012,000	2006/04/05	2007/01/25	121,137,600	295
Allstate	ALL	NYSE	607,408,000	2006/02/14	2007/01/26	609,085,100	346
Altera	ALTR	Nasdaq National Market	355,065,000	2006/10/27	2007/01/26	356,110,400	91
Applied Materials	AMAT	Nasdaq National Market	1,381,967,000	2006/11/09	2007/01/26	1,396,162,300	78
Advanced MicroDevices	AMD	NYSE	552,676,000	2006/12/29	2007/01/26	563,307,200	28
Amgen	AMGN	Nasdaq National Market	1,159,645,000	2006/07/03	2007/01/26	1,160,883,000	207
Ameriprise Financial	AMP	NYSE	235,248,000	2006/03/13	2007/01/26	235,933,900	319
Amazon.com	AMZN	Nasdaq National Market	409,698,000	2006/10/26	2007/01/26	418,911,900	92
AutoNation	AN	NYSE	209,844,000	2006/05/10	2007/01/26	210,479,900	261
Abercrombie & Fitch A	ANF	NYSE	88,065,000	2006/11/17	2007/01/26	90,431,500	70
Aon	AOC	NYSE	293,611,000	2006/05/17	2007/01/26	295,701,100	254
Apache	APA	NYSE	331,160,000	2006/09/14	2007/01/26	336,202,800	134
AnadarkoPetroleum	APC	NYSE	463,926,000	2006/09/13	2007/01/26	465,610,900	135
Air Products andChemicals	APD	NYSE	216,611,000	2006/04/03	2007/01/26	216,917,200	298
Apollo Group A	APOL	Nasdag National Market	172,710,000	2006/10/24	2007/01/26	177,332,500	94
American Standard Companies	ASD	NYSE	202,132,000	2006/06/21	2007/01/26	202,224,500	219
Ashland	ASH	NYSE	62,775,000	2006/10/31	2007/01/26	64,184,300	87
Archstone-Smith Trust	ASN	NYSE	222,420,000	2006/03/22	2007/01/26	223,493,500	310
Alltel	AT	NYSE	343,853,000	2006/05/22	2007/01/26	345,854,400	220
AlleghenyTechnologies	ATI	NYSE	102,152,000	2006/00/20	2007/01/26	105,086,600	52
Avaya	AV	NYSE	450,953,000	2006/12/05	2007/01/26	474,509,600	184
AvalonBay Communities	AVB	NYSE	79,646,000	2006/07/25	2007/01/25	79,691,100	305
•		NYSE					280
Avon Products	AVP		438,857,000 106,550,000	2006/04/24	2007/01/29	439,705,600	357
Avery Dennison	AVY	NYSE		2006/02/06	2007/01/29	106,569,800	
Allied Waste Industries	AW	NYSE	369,983,000	2006/05/25	2007/01/29	371,350,300	249
American Express	AXP	NYSE	1,187,588,000	2006/02/09	2007/01/29	1,192,486,100	354
Allegheny Energy	AYE	NYSE	165,711,000	2006/04/26	2007/01/29	166,141,300	278
AutoZone	AZO	NYSE	67,288,000	2006/09/12	2007/01/29	67,538,500	139
Boeing	BA	NYSE	787,401,000	2006/04/26	2007/01/25	792,039,600	274
Bank of America	BAC	NYSE	4,437,771,000	2005/09/16	2007/01/29	4,448,592,400	500
Baxter International	BAX	NYSE	651,517,000	2006/02/01	2007/01/29	652,830,900	362
Bed Bath & Beyond	BBBY	Nasdaq National Market	277,125,000	2006/09/14	2007/01/29	282,820,200	137
BB&T	BBT	NYSE	542,564,000	2005/07/13	2007/01/29	545,242,000	565
Best Buy Co.	BBY	NYSE	479,304,000	2006/09/27	2007/01/29	481,632,200	124
Brunswick	BC	NYSE	90,363,000	2006/08/16	2007/01/25	91,323,800	162

Company								
CR Bard	Company	Ticker	Evchange	Outstanding June 29 2007 Per NASDAQ		100% Turnover On	Trading Volume By	Days For 100% Turnover
Black & Becker BoK NYSE 44,986.00 2006/1026 2007/1029 66,119,000 38	. ,		•					
Bechn Dickinson and Company BDX NYSE								
Franklin Resources BEN NYSE Baker Hughes BHI NYSE Baker Hughes BHI NYSE 120,334,000 2006/1017 2007/1012 2007/1012 222,889,200 10 Bayer Hughes BHI NYSE 120,334,000 2006/1017 2007/1012 2007/1012 2007/1012 222,889,200 10 Big Loss Big Big Loss Big Loss Big Loss Big Loss Big Loss Big Loss Big Big Loss Big L								
Bewinst	Becton Dickinson and Company	BDX		244,986,000	2006/01/10	2007/01/29	245,469,100	384
Bake NYSE	Franklin Resources	BEN	NYSE	249,631,000	2006/03/20	2007/01/29	249,968,300	315
Biggen table BIIS NYSE 106,876,000 2006H1071 2007011/26 322,889,200 10	Brown-Forman B	BF.B	NYSE					
Bigen Big Naedea National Market 343,161,000 2006/07/16/2 344,518,800 16 58,5 ervices 8,15 NYSE 293,355,000 2006/17/2 2007/07/12/9 772,299,200 30 58,600 2006/07/16/2 2007/07/12/9 772,299,200 30 58,600 2006/07/16/2 2007/07/12/9 772,299,200 30 30 30 30 30 30 30	Baker Hughes	BHI	NYSE	320,334,000	2006/10/17	2007/01/29	322,889,200	104
Bark of New York Company	Big Lots	BIG	NYSE	106,876,000	2006/10/17	2007/01/29	322,889,200	104
Bank of New York Company BK NYSE 178,522,000 2006/03/30 2077/01/29 772,299.200 30 BMC Software BMC NYSE 102,095,000 2006/03/51 2007/01/29 202,707/01/29 202,707/01/29 202,243,300 16 Bomet BMS NYSE 200,552,000 2006/09/07 2007/01/29 222,243,300 16 Bemis BMS NYSE 1,968,065,000 2006/09/20 2007/01/29 245,619,000 166,244,400 36 Bristoch/Ayers Squibb BMY NYSE 1,968,065,000 2006/09/22 2007/01/29 166,244,400 36 Bristoch/Ayers Squibb BMY NYSE 1,968,065,000 2006/07/24 2007/01/29 166,244,000 36 Burlington Northern Saria Fe BN NYSE 1,968,496,000 2006/07/24 2007/01/29 481,258,400 1 Bar Pharmaceuticals BRL NYSE 1,974,9000 2006/07/26 2007/01/29 141,258,400 1 Sear Stearns Companies BSX NYSE <td< td=""><td>Biogen Idec</td><td>BIIB</td><td>Nasdaq National Market</td><td>343,161,000</td><td>2006/08/14</td><td>2007/01/29</td><td>344,518,800</td><td>168</td></td<>	Biogen Idec	BIIB	Nasdaq National Market	343,161,000	2006/08/14	2007/01/29	344,518,800	168
Bank of New York Company	BJ Services	BJS	NYSE	293,335,000	2006/11/27	2007/01/29	293,353,100	63
Ball	Bank of New York Company	BK	NYSE		2006/03/30	2007/01/29	772.299.200	305
BMCS of the color of the colo		_						263
Bomel		_						
Bernis		_						
Barston Hybers Squibb		_	·					
Burlington Northern Santa Fe		_						
Bausch & Lomb BOL NYSE		_						327
Broadcom	Burlington Northern Santa Fe	_		356,117,000	2006/07/24	2007/01/29		189
Barr Pharmaceuticals	Bausch & Lomb	BOL	NYSE	54,349,000	2006/10/06	2007/01/29	54,426,300	115
Bear StearnsCompanies	Broadcom	BRCM	Nasdaq National Market	468,200,000	2006/12/04	2007/01/29	481,258,400	56
Boston Scientific	Barr Pharmaceuticals	BRL	NYSE	109,749,000	2006/08/16	2007/01/29	111,195,600	166
Beston Scientific	Bear StearnsCompanies	BSC	NYSE	119,034,000	2006/09/21	2007/01/25	119,295,200	126
Peabody Energy								187
Anheuser-Busch Companies		_						73
Boston Properties	, ,,	_						
Citigroup C NYSE 4,946,439,000 2005/10/17 2007/01/25 4,946,942,200 46 CA NYSE 528,591,000 2006/04/25 2007/01/25 4,946,942,200 27 ConAgra Foods CAG NYSE 498,090,000 2006/04/26 2007/01/29 498,041,000 27 Cardinal Health CAH NYSE 640,396,000 2006/09/20 2007/01/29 386,112,300 35 Caterpillar CAT NYSE 640,396,000 2006/09/20 2007/01/29 498,655,300 13 Chubb CB NYSE 401,480,000 2006/09/32 2007/01/29 418,758,00 30 Cooper Industries CBE NYSE 186,500,000 2005/08/22 2007/01/29 186,721,000 52 CB Richard Ellis Group CBG NYSE 128,699,000 2006/08/13 2007/01/29 186,721,000 15 CBS Bancorp NJ CBH NYSE 191,373,000 2006/08/15 2007/01/29 191,952,400 16 CBS B <td>'</td> <td>_</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	'	_						
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ConAgra Foods CAG NYSE 498,090,000 2006/04/26 2007/01/29 499,504,100 27 Cardinal Health CAH NYSE 384,648,000 2006/09/20 2007/01/29 386,112,300 35 Caterpillar CAT NYSE 640,396,000 2006/09/20 2007/01/25 401,637,600 30 Chubb CB NYSE 401,480,000 2006/09/22 2007/01/29 482,265,300 30 Cooper Industries CBE NYSE 186,500,000 2006/08/22 2007/01/29 186,721,000 52 CB Richard Ellis Group CBG NYSE 191,373,000 2006/08/15 2007/01/29 229,780,400 15 CBS B CBS NYSE 671,331,000 2006/08/15 2007/01/29 191,952,400 16 Corport Sancares CBS NYSE 671,331,000 2006/08/15 2007/01/29 191,952,400 16 Corport Sancares CC CNYSE 170,681,000 2006/08/15 2007/01/29 191,952,400 16								
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Caterpillar				498,090,000				278
Chubb CB NYSE 401,480,000 2006/03/23 2007/01/25 401,637,800 30 Cooper Industries CBE NYSE 186,500,000 2005/08/22 2007/01/29 186,721,000 52 CB Richard Ellis Group CBG NYSE 228,659,000 2006/08/30 2007/01/29 292,780,400 15 Commerce Bancorp NJ CBH NYSE 191,373,000 2006/08/15 2007/01/29 191,952,400 16 CBS B CBS NYSE 671,331,000 2006/08/15 2007/01/29 191,952,400 16 Compass Bancshares CBSS Nasdaq National Market 131,710,000 2006/02/03 2007/01/29 191,952,400 16 Cora-Cola Enterprises CCE NYSE 170,681,000 2006/02/13 2007/01/29 191,952,400 41 Carrival CCL NYSE 480,941,000 2005/12/13 2007/01/29 492,280,000 41 Carrival CCL NYSE 623,355,000 2006/09/18 2007/01/29 497,563,600	Cardinal Health	CAH	NYSE	384,648,000	2006/02/10	2007/01/29	386,112,300	353
Cooper Industries CBE NYSE 186,500,000 2005/08/22 2007/01/29 186,721,000 52 CB Richard Ellis Group CBG NYSE 228,659,000 2006/08/30 2007/01/29 229,780,400 15 Commerce Bancorp NJ CBH NYSE 191,373,000 2006/08/15 2007/01/29 191,952,400 16 CBS B CBS NYSE 671,331,000 2006/08/15 2007/01/29 191,952,400 16 Compass Bancshares CBSS Nasdaq National Market 131,710,000 2006/08/15 2007/01/29 121,280,900 41 Coca-Cola Enterprises CCE NYSE 480,941,000 2006/12/19 2007/01/29 422,285,343,00 41 Camival CCL NYSE 480,373,000 2006/05/08 2007/01/29 497,563,600 26 Clear ChannelCommunications CCU NYSE 496,373,000 2006/09/18 2007/01/29 497,563,600 13 Constellation Energy Group CEG NYSE 180,330,000 2006/09/14 2007/01/2	Caterpillar	CAT	NYSE	640,396,000	2006/09/20	2007/01/29	643,265,300	131
CB Richard Ellis Group CBG NYSE 228,659,000 2006/08/30 2007/01/29 229,780,400 15 Commerce Bancorp NJ CBH NYSE 191,373,000 2006/08/15 2007/01/29 191,952,400 16 CBS B CBS NYSE 671,331,000 2006/08/15 2007/01/29 191,952,400 16 Compass Bancshares CBSS Nasdaq National Market 131,710,000 2006/02/03 2007/01/29 121,737,200 36 Circuit City Stores CC NYSE 170,681,000 2006/12/19 2007/01/29 212,280,900 41 Coca-Cola Enterprises CCE NYSE 480,941,000 2005/12/13 2007/01/29 482,534,300 41 Carnival CCL NYSE 623,355,000 2006/05/08 2007/01/29 497,563,600 13 Constellation Energy Group CEG NYSE 180,305,000 2006/07/05 2007/01/29 497,563,600 13 Countrywide Financial CFC NYSE 180,305,000 2006/07/05 2007/01/29	Chubb	CB	NYSE	401,480,000	2006/03/23	2007/01/25	401,637,800	308
Commerce Bancorp NJ CBH NYSE 191,373,000 2006/08/15 2007/01/29 191,952,400 16 CBS B CBS NYSE 671,331,000 2006/08/15 2007/01/29 191,952,400 16 Compass Bancshares CBSS Nasdaq National Market 131,710,000 2006/02/03 2007/01/29 131,737,200 36 Circuit City Stores CC NYSE 170,681,000 2006/12/19 2007/01/29 212,280,900 41 Coca-Cola Enterprises CCE NYSE 480,941,000 2005/12/13 2007/01/29 412,280,900 41 Carnival CCL NYSE 623,355,000 2006/05/08 2007/01/29 482,534,300 41 Carnival CCL NYSE 496,373,000 2006/05/08 2007/01/29 497,563,600 13 Constellation Energy Group CEG NYSE 496,373,000 2006/09/14 2007/01/29 482,543,300 13 Countrywide Financial CFC NYSE 593,392,000 2006/07/25 2007/01/29 38	Cooper Industries	CBE	NYSE	186,500,000	2005/08/22	2007/01/29	186,721,000	525
Commerce Bancorp NJ CBH NYSE 191,373,000 2006/08/15 2007/01/29 191,952,400 16 CBS B CBS NYSE 671,331,000 2006/08/15 2007/01/29 191,952,400 16 Compass Bancshares CBSS Nasdaq National Market 131,710,000 2006/02/13 2007/01/29 212,280,900 41 Coca-Cola Enterprises CCE NYSE 480,941,000 2006/12/13 2007/01/29 212,280,900 41 Cora-Cola Enterprises CCE NYSE 480,941,000 2006/12/13 2007/01/29 412,280,900 41 Carnival CCL NYSE 623,355,000 2006/05/08 2007/01/29 482,534,300 41 Carnival CCL NYSE 6623,355,000 2006/05/08 2007/01/29 482,534,300 41 Carnival CCL NYSE 496,373,000 2006/05/08 2007/01/29 497,563,600 13 Constellation Energy Group CEG NYSE 180,305,000 2006/09/14 2007/01/29 180,330,200	CB Richard Ellis Group	CBG	NYSE	228,659,000	2006/08/30	2007/01/29	229,780,400	152
CBS B CBS NYSE 671,331,000 2006/08/15 2007/01/29 191,952,400 16 Compass Bancshares CBSS Nasdaq National Market 131,710,000 2006/02/03 2007/01/29 131,737,200 36 Circuit City Stores CC NYSE 170,681,000 2006/12/19 2007/01/29 412,280,900 41 Coca-Cola Enterprises CCE NYSE 480,941,000 2005/12/13 2007/01/29 482,534,300 41 Carnival CCL NYSE 623,355,000 2006/05/08 2007/01/29 482,534,300 41 CernamelCommunications CCU NYSE 496,373,000 2006/05/08 2007/01/29 497,563,600 13 Constellation Energy Group CEG NYSE 180,305,000 2006/07/05 2007/01/29 482,243,200 13 Countrywide Financial CFC NYSE 593,382,000 2006/07/25 2007/01/29 382,243,200 18 Chesapeake Energy CHK NYSE 460,736,000 2006/07/25 2007/01/29	Commerce Bancorp NJ	СВН	NYSE	191.373.000	2006/08/15	2007/01/29	191.952.400	167
Compass Bancshares CBSS Nasdaq National Market 131,710,000 2006/02/03 2007/01/29 131,737,200 36 Circuit City Stores CC NYSE 170,681,000 2006/12/19 2007/01/29 212,280,900 41 Coca-Cola Enterprises CCE NYSE 480,941,000 2005/12/13 2007/01/29 482,534,300 41 Carnival CCL NYSE 623,355,000 2006/05/08 2007/01/29 492,676,400 26 Clear ChannelCommunications CCU NYSE 496,373,000 2006/09/18 2007/01/29 497,563,600 13 Constellation Energy Group CEG NYSE 180,305,000 2006/07/05 2007/01/29 180,330,200 20 Celgene CELG Nasdaq National Market 379,896,000 2006/07/25 2007/01/29 382,243,200 13 Countrywide Financial CFC NYSE 593,392,000 2006/07/25 2007/01/29 596,803,200 18 Chesapeake Energy CHK NYSE 460,736,000 2006/11/15	•							167
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Ciena CIEN Nasdaq National Market 85,389,000 2006/12/14 2007/01/29 88,840,900 46 Cincinnati Financial CINF Nasdaq National Market 171,682,000 2005/07/07 2007/01/29 171,814,800 57 CIT Group CIT NYSE 191,785,000 2006/07/20 2007/01/29 192,400,100 19 Colgate-Palmolive CL NYSE 511,492,000 2006/01/23 2007/01/25 513,224,700 36 Clorox CLX NYSE 151,761,000 2006/01/23 2007/01/25 513,224,700 36 Comerica CMA NYSE 155,945,000 2006/06/02 2007/01/29 157,423,400 24 Comcast A CMCSA Nasdaq National Market 2,068,612,000 2006/04/21 2007/01/29 2,070,082,100 28 Chicago Mercantile ExchangeHo CME NYSE 413,000 2007/01/29 2007/01/29 619,400 0 Cummins CMI NYSE 104,273,000 2006/09/05 2007/01/29 105,2	CH RobinsonWorldwide	CHRW	Nasdaq National Market	169,235,000	2006/08/14	2007/01/29	169,728,800	168
Cincinnati Financial CINF Nasdaq National Market 171,682,000 2005/07/07 2007/01/29 171,814,800 57 CIT Group CIT NYSE 191,785,000 2006/07/20 2007/01/29 192,400,100 19 Colgate-Palmolive CL NYSE 511,492,000 2006/01/23 2007/01/25 513,224,700 36 Clorox CLX NYSE 151,761,000 2006/01/23 2007/01/25 513,224,700 36 Comerica CMA NYSE 155,945,000 2006/06/02 2007/01/29 157,423,400 24 Comcast A CMCSA Nasdaq National Market 2,068,612,000 2006/04/21 2007/01/29 2,070,082,100 28 Chicago Mercantile ExchangeHo CME NYSE 413,000 2007/01/29 2007/01/29 619,400 0 Cummins CMI NYSE 104,273,000 2006/09/05 2007/01/29 105,211,700 14 CMS Energy CMS NYSE 224,498,000 2006/07/10 2007/01/29 224,551,500	Cigna	CI	NYSE	287,796,000	2006/03/07	2007/01/29	288,206,300	328
Cincinnati Financial CINF Nasdaq National Market 171,682,000 2005/07/07 2007/01/29 171,814,800 57 CIT Group CIT NYSE 191,785,000 2006/07/20 2007/01/29 192,400,100 19 Colgate-Palmolive CL NYSE 511,492,000 2006/01/23 2007/01/25 513,224,700 36 Clorox CLX NYSE 151,761,000 2006/01/23 2007/01/25 513,224,700 36 Comerica CMA NYSE 155,945,000 2006/06/02 2007/01/29 157,423,400 24 Comcast A CMCSA Nasdaq National Market 2,068,612,000 2006/04/21 2007/01/29 2,070,082,100 28 Chicago Mercantile ExchangeHo CME NYSE 413,000 2007/01/29 2007/01/29 619,400 0 Cummins CMI NYSE 104,273,000 2006/09/05 2007/01/29 105,211,700 14 CMS Energy CMS NYSE 224,498,000 2006/07/10 2007/01/29 224,551,500	•							46
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Colgate-Palmolive CL NYSE 511,492,000 2006/01/23 2007/01/25 513,224,700 36 Clorox CLX NYSE 151,761,000 2006/01/23 2007/01/25 513,224,700 36 Comerica CMA NYSE 155,945,000 2006/06/02 2007/01/29 157,423,400 24 Comcast A CMCSA Nasdaq National Market 2,068,612,000 2006/04/21 2007/01/29 2,070,082,100 28 Chicago Mercantile ExchangeHo CME NYSE 413,000 2007/01/29 2007/01/29 619,400 0 Cummins CMI NYSE 104,273,000 2006/09/05 2007/01/29 105,211,700 14 CMS Energy CMS NYSE 224,498,000 2006/07/10 2007/01/29 224,551,500 20 CenterPoint Energy CNP NYSE 320,788,000 2006/07/14 2007/01/29 321,879,500 19 Consol Energy CNX NYSE 182,092,000 2006/10/05 2007/01/29 183,543,200 11 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>193</td>								193
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Consol Energy CNX NYSE 182,092,000 2006/10/05 2007/01/29 183,543,200 11	CMS Energy	CMS	NYSE	224,498,000	2006/07/10	2007/01/29	224,551,500	203
	CenterPoint Energy	CNP	NYSE	320,788,000	2006/07/14	2007/01/29	321,879,500	199
	Consol Energy	CNX	NYSE	182,092,000	2006/10/05	2007/01/29	183,543,200	116
TCADITAL ONE FINANCIAL COF NYSE 415.593.000 2006/06/09 2007/01/29 416.689.300 23	Capital One Financial	COF	NYSE	415,593,000	2006/06/09	2007/01/29	416,689,300	234

			Stock				
			Outstanding		Reaches	Cumulative	
			June 29 2007		100%	Trading	Days For
			Per NASDAQ	Trading	Turnover On	0	100%
Company	Ticker	Exchange	Website	Starting On:	End Date:	End Date	Turnover
Coach	СОН	NYSE	371,135,000	2006/08/22	2007/01/29	373,588,100	160
RockwellCollins	COL	NYSE	167,344,000	2006/03/28	2007/01/29	167,533,700	307
ConocoPhillips	COP	NYSE	1,634,400,000	2006/06/23	2007/01/29	1,635,581,000	220
Costco Wholesale	COST	Nasdaq National Market	446,645,000	2006/08/24	2007/01/25	449,905,700	154
Campbell Soup	СРВ	NYSE	387,444,000	2006/01/11	2007/01/29	388,385,400	383
Compuware	CPWR	Nasdaq National Market	301,153,000	2006/08/16	2007/01/25	304,207,900	162
Computer Sciences	CSC	NYSE	173,993,000	2006/07/18	2007/01/29	174,226,000	195
Cisco Systems	CSCO	Nasdaq National Market	6,071,255,000	2006/08/09	2007/01/29	6,196,869,400	173
CSX	CSX	NYSE	437,157,000	2006/08/29	2007/01/29	437,279,600	153
Cintas	CTAS	Nasdaq National Market	158,653,000	2006/04/27	2007/01/29	159,353,100	277
Centurytel	CTL	NYSE	109,524,000	2006/06/20	2007/01/29	109,671,100	223
Cognizant Technology Solutions	CTSH	Nasdaq National Market	143,756,000	2006/09/18	2007/01/29	144,547,000	133
Centex	CTX	NYSE	120,199,000	2006/10/23	2007/01/29	121,895,800	98
Citrix Systems	CTXS	Nasdag National Market	180,585,000	2006/11/24	2007/01/29	181,341,100	66
Convergys	CVG	NYSE	136,902,000	2006/06/15	2007/01/29	137,926,900	228
Coventry Health Care	CVH	NYSE	156,333,000	2006/07/26	2007/01/29	156,502,900	187
CVS Caremark	cvs	NYSE	1,564,130,000	2006/07/14	2007/01/29	1,565,387,600	199
Chevron	CVX	NYSE	2,149,237,000	2006/02/16	2007/01/29	2,153,513,400	347
Citizens Communications	CZN	NYSE	342,417,000	2006/05/11	2007/01/29	343,315,000	263
Dominion Resources	D	NYSE	350,317,000	2006/02/23	2007/01/29	350,426,500	340
DuPont De NemoursE.I.	DD	NYSE	923,674,000	2006/03/07	2007/01/29	925,595,700	328
Developers DiversifiedRealty	DDR	NYSE	124,949,000	2006/01/06	2007/01/29	125,293,700	388
Dillard's	DDS	NYSE	76,323,000	2006/11/02	2007/01/29	77,073,200	88
Deere & Company	DE	NYSE	224,983,000	2006/09/15	2007/01/25	226,980,500	132
Dell	DELL	Nasdag National Market	2,271,614,000	2006/08/30	2007/01/29	2,291,773,996	152
Dean Foods	DF	NYSE	129,997,000	2006/06/20	2007/01/25	130,340,100	219
Dollar General	DG	NYSE	314,876,000	2006/09/18	2007/01/29	318,061,400	133
Quest Diagnostics	DGX	NYSE	192,691,000	2006/09/26	2007/01/29	192,912,800	125
DR Horton	DHI	NYSE	314,106,000	2006/09/26	2007/01/29	318,284,400	125
Danaher	DHR	NYSE	309,200,000	2006/02/22	2007/01/29	309,611,000	341
Walt Disney	DIS	NYSE	1,981,629,000	2006/04/20	2007/01/29	1,984,493,100	284
Dow Jones & Company	DJ	NYSE	63,759,000	2006/10/06	2007/01/29	63,974,200	115
Dover	DOV	NYSE	204,415,000	2006/03/29	2007/01/29	205,128,500	306
Dow Chemical	DOW	NYSE	953,241,000	2006/04/26	2007/01/29	958,094,200	278
Darden Restaurants	DRI	NYSE	141,382,000	2006/09/14	2007/01/25	141,589,600	133
DTE Energy Holding	DTE	NYSE	176,065,000	2006/03/15	2007/01/29	176,552,100	320
DirecTV	DTV	NYSE	1,223,789,000	2006/03/28	2007/01/29	1,224,964,200	307
Duke Energy	DUK	NYSE	1,259,460,000	2005/10/31	2007/01/29	1,263,847,100	455
Devon Energy	DVN	NYSE	444,981,000	2006/09/18	2007/01/29	449,625,300	133
Dynegy	DYN	NYSE	494,650,000	2006/08/07	2007/01/29	496,017,900	175
eBay	EBAY	Nasdaq National Market	1,363,838,000	2006/10/05	2007/01/29	1,365,452,900	116
Ecolab	ECL	NYSE	246,856,000	2005/10/07	2007/01/29	246,989,900	479
Consolidated Edison	ED	NYSE	270,518,000	2006/03/07	2007/01/29	270,663,500	328
Electronic Data Systems	EDS	NYSE	508,862,000	2006/03/08	2007/01/29	511,580,300	327
Equifax	EFX	NYSE	125,134,000	2006/05/03	2007/01/29	125,685,800	271
Edison International	EIX	NYSE	325,811,000	2006/05/01	2007/01/25	325,977,200	269
EastmanKodak	EK	NYSE	287,691,000	2006/09/12	2007/01/25	290,306,100	135
Estee Lauder A	EL	NYSE	111,608,000	2006/09/05	2007/01/29	112,070,100	146
EMC	EMC	NYSE	2,098,455,000	2006/09/29	2007/01/25	2,107,711,600	118
EastmanChemical	EMN	NYSE	84,128,000	2006/07/19	2007/01/29	84,304,300	194
Emerson Electric	EMR	NYSE	795,263,000	2006/01/23	2007/01/29	798,214,300	371
EOG Resources	EOG	NYSE	244,596,000	2006/10/09	2007/01/25	245,119,900	108
El Paso	EP	NYSE	700,241,000	2006/07/03	2007/01/30	701,318,200	211
Embarg	EQ	NYSE	151,065,000	2006/07/03	2007/01/30	701,318,200	211
Equity Residential	EQR	NYSE	290,747,000	2006/03/28	2007/01/25	291,471,000	303
Electronic Arts	ERTS	Nasdaq National Market	311,473,000	2006/10/03	2007/01/30	312,264,100	119
Express Scripts	ESRX	Nasdaq National Market	272,430,000	2006/08/28	2007/01/30	273,475,800	155
ENSCO International	ESV	NYSE	149,087,000	2006/12/01	2007/01/30	154,602,300	60
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E*Trade Financial ETFC Nasdaq National Market 426,865,000 2006/07/10 2007/01/30 154,607 Eaton ETN NYSE 146,500,000 2006/07/17 2007/01/30 147,837 Entergy ETR NYSE 197,265,000 2006/05/23 2007/01/30 147,837 Exelon EXC NYSE 672,650,000 2006/05/13 2007/01/30 147,837 Exelon EXC NYSE 672,650,000 2006/05/11 2007/01/25 677,177 Ford Motor F NYSE 1,809,296,000 2006/05/11 2007/01/25 677,177 Ford Motor F NYSE 381,461,000 2006/05/11 2007/01/25 883,261 Freeport-McMoRan Copper & Gold FCX NYSE 381,461,000 2006/01/10 2007/01/25 883,261 Freederated Department Stores FD NYSE 754,017,000 2006/09/11 2007/01/30 757,881 Family Dollar Stores FDO NYSE 754,017,000 2006/09/11 2007/01/30 757,881 Family Dollar Stores FDO NYSE 151,040,000 2006/09/14 2007/01/30 152,322 FedEx FDX NYSE 307,801,000 2006/09/14 2007/01/30 308,631 First Horizon National FHN NYSE 307,801,000 2006/03/06 2007/01/30 308,631 First Horizon National FHN NYSE 125,749,000 2006/05/22 2007/01/30 103,271 Fidelity National Information FIS NYSE 102,983,000 2006/05/26 2007/01/30 103,275 Fiser FISV Nasdaq National Market 168,190,000 2006/05/16 2007/01/30 158,467 Fith Third Bancorp FITB Nasdaq National Market 550,077,000 2006/05/16 2007/01/30 552,115 Fluor FLR NYSE 973,047,000 2006/05/16 2007/01/30 158,467 Fluor FLR NYSE 973,047,000 2006/05/12 2007/01/30	,600 197 ,000 252 ,400 259 3,900 43 ,700 84 ,700 141 ,400 138 ,000 228 ,800 330 ,800 253 ,100 249 ,800 348 ,100 228 ,700 425 ,800 140 ,200 435 ,800 277 ,900 250 ,500 362 ,800 200 900 202 ,100 267 ,500 370
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Exelon EXC NYSE 672,650,000 2006/05/11 2007/01/25 677,17* Ford Motor F NYSE 1,809,296,000 2006/12/13 2007/01/25 1,905,95 Freeport-McMoRan Copper & Gold FCX NYSE 381,461,000 2006/11/02 2007/01/25 383,261 Federated Department Stores FD NYSE 754,017,000 2006/09/11 2007/01/30 757,883 Family Dollar Stores FDO NYSE 151,040,000 2006/09/14 2007/01/30 152,322 FedEx FDX NYSE 307,801,000 2006/09/14 2007/01/30 306,631 Firist Horizon National FHN NYSE 304,835,000 2006/05/26 2007/01/30 305,117 Firist Horizon National FHN NYSE 125,749,000 2006/05/26 2007/01/30 103,274 Fidelity National Information FIS NYSE 192,549,000 2006/05/26 2007/01/30 194,661 Fisery FISV Nasdaq National Market 158,190,000 2006/06/26 <	,400 259 3,900 43 ,700 84 ,700 141 ,400 138 ,000 228 ,800 330 ,800 253 ,100 249 ,800 348 ,100 228 ,700 425 ,800 140 ,200 435 ,800 277 ,900 250 ,500 362 ,800 200 ,900 202 ,100 267 ,500 370
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Federated Department Stores	,700 141 ,400 138 ,000 228 ,800 330 ,800 253 ,100 249 ,800 348 ,100 228 ,700 425 ,800 140 ,200 435 ,800 277 ,900 250 ,500 362 ,800 200 ,900 202 ,100 267 ,500 370
Federated Department Stores	,400 138 ,000 228 ,800 330 ,800 253 ,100 249 ,800 348 ,100 228 ,700 425 ,800 140 ,200 435 ,800 277 ,900 250 ,500 362 ,800 200 ,900 202 ,100 267 ,500 370
Family Dollar Stores FDO NYSE 151,040,000 2006/09/14 2007/01/30 152,322 FedEx FDX NYSE 307,801,000 2006/06/16 2007/01/30 308,638 FirstEnergy FE NYSE 304,835,000 2006/03/06 2007/01/30 305,117 First Horizon National FHN NYSE 125,749,000 2006/05/22 2007/01/30 126,483 Federated Investors B FII NYSE 102,983,000 2006/05/26 2007/01/30 103,272 Fidelity National Information FIS NYSE 192,549,000 2006/05/26 2007/01/30 194,667 Fiserv FISV Nasdaq National Market 168,190,000 2006/06/16 2007/01/30 194,667 Filth Third Bancorp FITB Nasdaq National Market 550,077,000 2005/12/01 2007/01/30 552,115 Fluor FLR NYSE 88,179,000 2006/09/12 2007/01/30 86,652 Famile Mae FNM NYSE 973,047,000 2006/09/12 2007/01/30 </td <td>,400 138 ,000 228 ,800 330 ,800 253 ,100 249 ,800 348 ,100 228 ,700 425 ,800 140 ,200 435 ,800 277 ,900 250 ,500 362 ,800 200 ,900 202 ,100 267 ,500 370</td>	,400 138 ,000 228 ,800 330 ,800 253 ,100 249 ,800 348 ,100 228 ,700 425 ,800 140 ,200 435 ,800 277 ,900 250 ,500 362 ,800 200 ,900 202 ,100 267 ,500 370
FedEx FDX NYSE 307,801,000 2006/06/16 2007/01/30 308,638 FirstEnergy FE NYSE 304,835,000 2006/03/06 2007/01/30 305,117 First Horizon National FHN NYSE 125,749,000 2006/05/22 2007/01/30 126,481 Federated Investors B FII NYSE 102,983,000 2006/05/26 2007/01/30 193,267 Fidelity National Information FIS NYSE 192,549,000 2006/02/16 2007/01/30 194,667 Fiserv FISV Nasdaq National Market 168,190,000 2006/06/16 2007/01/30 193,267 Fiserv FITB Nasdaq National Market 168,190,000 2006/06/16 2007/01/30 168,472 Filth Third Bancorp FITB Nasdaq National Market 158,190,000 2006/06/16 2007/01/30 168,472 Fluor FLR NYSE 88,179,000 2006/09/12 2007/01/30 86,652 Fannie Mae FNM NYSE 973,047,000 2006/04/28 2007/01	,000 228 ,800 330 ,800 253 ,100 249 ,800 348 ,100 228 ,700 425 ,800 140 ,200 435 ,800 277 ,900 250 ,500 362 ,800 200 ,900 202 ,100 267 ,500 370
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General Motors GM NYSE 565,743,000 2006/11/22 2007/01/30 592,707	,900 288
Genworth Financial GNW NYSE 86,217.000 2006/12/05 2007/01/30 86.943	
	400 56
Google GOOG Nasdaq National Market 231,472,000 2006/11/24 2007/01/30 232,793	
Genuine Parts GPC NYSE 170,378,000 2005/07/20 2007/01/30 171,180	
Gap GPS NYSE 815,925,000 2006/08/24 2007/01/30 822,746	,700 159
Goodrich GR NYSE 125,166,000 2006/07/03 2007/01/30 125,37	,900 211
Goldman Sachs Group GS NYSE 408,470,000 2006/10/05 2007/01/30 412,315	
Goodyear Tire & Rubber GT NYSE 206,304,000 2006/10/05 2007/01/30 412,315	,500 117
W.W. Grainger GWW NYSE 83,560,000 2006/07/21 2007/01/30 84,835	
Halliburton HAL NYSE 914,051,000 2006/11/03 2007/01/30 921,000	
Harman International Industrie HAR NYSE 65,148,000 2006/08/11 2007/01/30 65,543	
Hasbro HAS NYSE 159,374,000 2006/10/02 2007/01/30 159,65	,000 120
Huntington Bancshares HBAN Nasdaq National Market	
Hudson City Bancorp HCBK Nasdaq National Market 544,416,000 2006/05/22 2007/01/30 545,575	
Manor Care HCR NYSE 73,170,000 2006/09/15 2007/01/30 73,360	
Home Depot HD NYSE 1,974,142,000 2006/07/12 2007/01/30 1,995,30	
Hess HES NYSE 317,277,000 2006/07/12 2007/01/30 1,995,30	
Harrah'sEntertainment HET NYSE 186,683,000 2006/11/09 2007/01/30 187,893	
Hartford Financial Services Gr HIG NYSE 316,663,000 2006/04/05 2007/01/30 316,863	,
Hilton Hotels HLT NYSE 389,755,000 2006/08/01 2007/01/30 390,520	
H.J. Heinz HNZ NYSE 322,129,000 2006/06/01 2007/01/30 325,239	
Harley-Davidson HOG NYSE 257,533,000 2006/06/01 2007/01/30 325,239	
HoneywellInternational HON NYSE 779,718,000 2006/03/17 2007/01/30 780,272	
Starwood Hotels & Resorts Worl HOT NYSE 215,103,000 2006/08/14 2007/01/30 216,723	
Hercules HPC NYSE 116,592,000 2006/08/14 2007/01/30 216,722	,500 169
Hewlett-Packard HPQ NYSE 2,618,889,000 2006/05/09 2007/01/30 2,620,16	
H & R Block HRB NYSE 322,927,000 2006/05/10 2007/01/30 322,950	3,900 266
Hospira HSP NYSE 156,624,000 2006/08/23 2007/01/30 157,620	3,900 266 ,100 265

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			Stock				
			Outstanding		Reaches	Cumulative	
			June 29 2007		100%	Trading	Days For
			Per NASDAQ	Trading	Turnover On		100%
Company	Ticker	Exchange	Website	Starting On:	End Date:	End Date	Turnover
Host Hotels & Resorts	HST	NYSE	522,052,000	2006/05/01	2007/01/30	523,281,000	274
Hershey Company	HSY	NYSE	167,756,000	2006/07/12	2007/01/30	168,434,600	202
Humana	HUM	NYSE	168,037,000	2006/10/12	2007/01/30	169,460,600	110
IAC/InterActiveCorp	IACI	Nasdaq National Market	261,904,000	2006/09/27	2007/01/30	264,286,300	125
IBM	IBM	NYSE	1,484,827,000	2006/02/02	2007/01/30	1,490,229,600	362
International Flavors & Fragra	IFF	NYSE	89,253,000	2006/05/05	2007/01/30	89,276,000	270
International GameTech	IGT	NYSE	332,442,000	2006/07/20	2007/01/30	335,483,800	194
Intel	INTC	Nasdag National Market	5,810,000,000	2006/09/21	2007/01/31	5,857,177,420	132
Intuit	INTU	Nasdaq National Market	336,744,000	2006/08/15	2007/01/31	337,923,000	169
International Paper	IP	NYSE	435,568,000	2006/04/26	2007/01/31	436,513,900	280
Interpublic Group ofCompanies	IPG	NYSE	468,888,000	2006/09/06	2007/01/31	469,178,100	147
Ingersoll-Rand A	IR	NYSE	301,627,000	2006/08/15	2007/01/31	304,194,800	169
ITT Industries	ITT	NYSE	181,723,000	2006/05/23	2007/01/31	182,599,600	253
Illinois Tool Works	ITW	NYSE	556,719,000	2006/03/22	2007/01/31	556,945,400	315
Jabil Circuit	JBL	NYSE	205,997,000	2006/09/14	2007/01/31	207,125,300	139
JohnsonControls	JCI	NYSE	197,301,000	2006/05/26	2007/01/31	197,303,500	250
J.C. Penney	JCP	NYSE	221,488,000	2006/09/25	2007/01/31	222,583,300	128
JDS Uniphase	JDSU	Nasdaq National Market	205,721,000	2006/12/05	2007/01/31	207,041,100	57
Johnson & Johnson	JNJ	NYSE	2,896,558,000	2005/10/07	2007/01/31	2,907,087,500	481
Juniper Networks	JNPR	Nasdaq National Market	566,300,000	2006/11/06	2007/01/31	570,360,800	86
Janus Capital Group	JNS	NYSE	185,410,000	2006/08/14	2007/01/31	186,100,700	170
Jones Apparel Group	JNY	NYSE					
J.P. Morgan Chase & Co.	JPM	NYSE	3,416,115,000	2005/10/28	2007/01/31	3,426,706,000	460
Nordstrom	JWN	NYSE	252,200,000	2006/09/08	2007/01/31	252,723,900	145
Kellogg	К	NYSE	397,614,000	2005/11/21	2007/01/31	397,624,700	436
KB Home	KBH	NYSE	89,327,000	2006/11/29	2007/01/31	89,557,800	63
KeyCorp	KEY	NYSE	392,296,000	2006/01/20	2007/01/31	394,201,300	376
Kraft Foods	KFT	NYSE	1,604,112,000	2003/08/04	2007/01/31	1,604,663,500	1276
King Pharmaceuticals	KG	NYSE	243,663,000	2006/08/14	2007/01/31	243,790,700	170
Kimco Realty	KIM	NYSE	252,013,000	2006/02/13	2007/01/31	252,129,800	352
KLA-Tencor	KLAC	Nasdaq National Market	191,623,000	2006/11/16	2007/01/31	193,641,700	76
Kimberly-Clark	KMB	NYSE	456,133,000	2005/12/09	2007/01/31	457,204,600	418
Kinder Morgan	KMI	NYSE	134,271,000	2006/07/19	2007/01/31	134,319,000	196
Coca-Cola	KO	NYSE	2,309,870,000	2005/09/08	2007/01/31	2,316,065,200	510
Kroger	KR	NYSE	710,218,000	2006/06/05	2007/01/31	711,972,400	240
KeySpan	KSE	NYSE	175,763,000	2006/03/01	2007/01/31	177,407,000	336
Kohl's	KSS	NYSE	322,626,000	2006/09/21	2007/01/31	322,928,600	132
Leggett &Platt	LEG	NYSE	177,144,000	2006/02/28	2007/01/31	177,180,200	337
Lehman BrothersHoldings	LEH	NYSE	530,200,000	2006/07/03	2007/01/31	530,792,200	212
Lennar	LEN	NYSE	128,785,000	2006/11/02	2007/01/31	129,083,800	90
Laboratory Corp ofAmerica	LH	NYSE	117,600,000	2006/08/15	2007/01/31	118,754,800	169
Liz Claiborne	LIZ	NYSE	104,532,000	2006/05/04	2007/01/31	104,705,600	272
L-3 Communications Holdings	LLL	NYSE	125,148,000	2006/08/09	2007/01/31	126,222,000	175
LinearTechnology	LLTC	Nasdaq National Market	253,829,000	2006/11/07	2007/01/31	256,947,000	85
Eli Lilly & Company	LLY	NYSE	1,134,043,000	2005/12/23	2007/01/31	1,135,227,300	404
Legg Mason	LM	NYSE	131,790,000	2006/09/19	2007/01/31	132,554,800	134
LockheedMartin	LMT	NYSE	419,624,000	2006/03/21	2007/01/31	420,924,400	316
Lincoln National	LNC	NYSE	270,773,000	2006/04/17	2007/01/31	271,379,800	289
Lowe's Companies	LOW	NYSE	1,505,036,000	2006/05/22	2007/01/31	1,522,690,600	254
LSI	LSI	NYSE	767,901,000	2006/10/20	2007/01/31	768,005,600	103
Limited Brands	LTD	NYSE	397,938,000	2006/06/23	2007/01/31	399,465,500	222
Loews	LTR	NYSE	537,027,000	2005/10/28	2007/01/31	537,231,900	460
Southwest Airlines	LUV	NYSE	780,833,000	2006/08/16	2007/01/31	781,928,300	168
Lexmark International	LXK	NYSE	94,566,000	2006/11/20	2007/01/31	94,796,300	72
Marriott International A	MAR	NYSE	386,345,000	2006/05/19	2007/01/31	388,505,900	257
Masco	MAS	NYSE	377,700,000	2006/07/31	2007/01/31	378,426,100	184
Mattel	MAT	NYSE	393,340,000	2006/05/26	2007/01/31	393,896,000	250
MBIA	MBI	NYSE	130,800,000	2006/07/26	2007/01/31	130,841,300	189

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			Stock				
			Outstanding		Reaches	Cumulative	
			June 29 2007		100%	Trading	Days For
			Per NASDAQ	Trading	Turnover On	•	100%
Company	Ticker	Exchange	Website	Starting On:	End Date:	End Date	Turnover
McDonald's	MCD	NYSE	1,193,876,000	2006/07/13	2007/01/31	1,194,940,396	202
McKesson	MCK	NYSE	296,955,000	2006/06/06	2007/01/31	298,082,000	239
Moody's	MCO	NYSE	273,800,000	2006/05/03	2007/01/31	274,931,400	273
Meredith	MDP	NYSE	38,786,000	2006/06/23	2007/01/31	38,932,300	222
Medtronic	MDT	NYSE	1,140,402,000	2006/05/01	2007/01/31	1,144,467,900	275
MedImmune	MEDI	Nasdaq National Market					
Mellon Financial	MEL	NYSE	416,332,000	2006/04/20	2007/01/31	418,121,100	286
Merrill Lynch &Company	MER	NYSE	868,179,000	2006/05/17	2007/01/31	871,333,300	259
Metropolitan Life Insurance	MET	NYSE	741,607,000	2005/11/02	2007/01/31	742,470,000	455
McGraw-HillCompanies	MHP	NYSE	343,200,000	2006/03/16	2007/02/01	344,487,000	322
Medco Health Solutions	MHS	NYSE	280,138,000	2006/10/02	2007/01/31	280,898,000	121
Marshall & Ilsley	MI	NYSE	259,107,000	2005/10/12	2007/02/01	259,608,000	477
Millipore	MIL	NYSE	53,977,000	2006/09/06	2007/02/01	54,132,900	148
McCormick & Company	MKC	NYSE	117,299,000	2006/03/21	2007/02/01	117,974,900	317
Marsh & McLennan Companies	MMC	NYSE	555,419,000	2006/03/29	2007/02/01	557,415,700	309
3M Company	MMM	NYSE	720,205,000	2006/03/30	2007/02/01	723,279,400	308
Monster Worldwide	MNST	Nasdaq National Market	125,828,000	2006/09/22	2007/02/01	126,871,200	132
Altria Group	MO	NYSE	2,103,246,000	2006/02/24	2007/02/01	2,105,933,200	342
Molex	MOLX	Nasdaq National Market	99,613,000	2006/08/22	2007/02/01	99,849,300	163
MonsantoCompany	MON	NYSE	544,256,000	2006/06/19	2007/02/01	544,637,500	227
Motorola	MOT	NYSE	2,314,619,000	2006/10/17	2007/02/01	2,347,679,000	107
Merck	MRK	NYSE	2,167,273,000	2006/03/20	2007/02/01	2,171,661,300	318
Marathon Oil	MRO	NYSE	685,956,000	2006/05/31	2007/02/01	688,232,700	246
Morgan Stanley	MS	NYSE	1,053,931,000	2006/02/03	2007/02/01	1,054,422,100	363
Microsoft	MSFT	Nasdaq National Market	9,566,808,000	2006/06/16	2007/02/01	9,612,396,792	230
M & T Bank	MTB	NYSE	108,240,000	2005/07/21	2007/02/01	108,361,300	560
MGIC Investment	MTG	NYSE	83,067,000	2005/07/21	2007/02/01	108,361,300	560
MicronTechnology	MU	NYSE	756,358,000	2006/11/02	2007/02/01	766,130,100	91
Murphy Oil	MUR	NYSE	188,127,000	2006/07/26	2007/02/01	191,023,500	190
MeadWestvaco	MWV	NYSE	184,442,000	2006/04/06	2007/02/01	186,107,300	301
Maxim IntegratedProducts	MXIM	Nasdaq National Market	320,690,000	2006/10/25	2007/02/01	321,016,600	99
Mylan Laboratories	MYL	NYSE	248,681,000	2006/07/19	2007/02/01	249,943,400	197
Nabors Industries	NBR	NYSE	281,382,000	2006/11/24	2007/02/01	282,198,600	69
National City	NCC	NYSE	575,762,000	2006/03/06	2007/02/01	575,844,000	332
NCR	NCR	NYSE	179,900,000	2006/06/15	2007/02/01	180,930,100	231
Noble	NE	NYSE	134,023,000	2006/11/22	2007/02/01	134,954,200	71
Newmont Mining	NEM	NYSE	425,318,000	2006/10/25	2007/02/01	428,695,600	99
NiSource	NI	NYSE	274,066,000	2006/03/13	2007/02/01	274,632,100	325
Nike B	NKE	NYSE	387,778,000	2006/03/22	2007/02/01	391,968,400	316
NorthropGrumman	NOC	NYSE	345,110,000	2006/02/07	2007/02/01	345,939,600	359
National Oilwell Varco	NOV	NYSE	177,614,000	2006/10/20	2007/02/01	177,856,000	104
Novell	NOVL	Nasdaq National Market	348,289,000	2006/11/09	2007/02/01	349,779,000	84
Norfolk Southern	NSC	NYSE	393,222,000	2006/08/17	2007/02/01	394,216,000	168
NationalSemiconductor	NSM	NYSE	313,500,000	2006/10/31	2007/02/01	316,347,700	93
Network Appliance	NTAP	Nasdaq National Market	371,059,000	2006/09/08	2007/02/01	372,252,400	146
Northern Trust	NTRS	Nasdaq National Market	219,407,000	2006/03/27	2007/02/01	220,084,600	311
Nucor	NUE	NYSE	301,704,000	2006/10/19	2007/02/01	303,400,300	105
NVIDIA	NVDA	Nasdaq National Market	362,913,000	2006/12/15	2007/02/01	363,936,800	48
Novellus Systems	NVLS	Nasdaq National Market	126,358,000	2007/01/03	2007/02/01	130,603,900	29
Newell Rubbermaid	NWL	NYSE	278,900,000	2006/04/17	2007/02/01	279,257,200	290
News Corporation A	NWS.A	NYSE					465
New York Times A	NYT	NYSE	143,081,000	2006/09/22	2007/02/01	143,948,500	132
Office Depot	ODP	NYSE	274,797,000	2006/08/10	2007/02/01	276,675,000	175
Omnicom Group	OMC	NYSE	330,800,000	2005/11/09	2007/02/01	330,868,700	449
OfficeMax	OMX	NYSE	75,345,000	2006/09/22	2007/02/01	75,547,600	132
Oracle	ORCL	Nasdaq National Market	5,140,863,000	2006/07/31	2007/02/01	5,141,747,488	185
OccidentalPetroleum	OXY	NYSE	833,814,000	2006/07/06	2007/02/01	840,195,600	210
Paychex	PAYX	Nasdaq National Market	381,933,000	2006/04/27	2007/02/01	383,711,700	280

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			Stock				
			Outstanding		Reaches	Cumulative	
			June 29 2007		100%	Trading	Days For
			Per NASDAQ	Trading	Turnover On	Volume By	100%
Company	Ticker	Exchange	Website	Starting On:	End Date:	End Date	Turnover
Pepsi Bottling Group	PBG	NYSE	226,829,000	2006/06/02	2007/02/01	227,626,400	244
Pitney Bowes	PBI	NYSE	219,644,000	2006/06/02	2007/02/01	227,626,400	244
PACCAR	PCAR	Nasdaq National Market	248,409,000	2006/06/12	2007/02/01	248,922,700	234
PG & E	PCG	NYSE	351,499,000	2006/03/02	2007/02/01	353,107,300	336
Plum Creek TimberCompany	PCL	NYSE	176,758,000	2006/03/21	2007/02/01	177,092,300	317
Patterson Companies	PDCO	Nasdaq National Market	139,136,000	2006/05/31	2007/02/01	139,473,000	246
Public Service Enterprise Grou	PEG	NYSE	253,626,000	2006/07/28	2007/02/01	254,772,100	188
PepsiCo	PEP	NYSE	1,628,923,000	2005/07/01	2007/02/01	1,632,627,000	580
Pfizer	PFE	NYSE	7,018,263,000	2006/03/16	2007/02/01	7,027,772,604	322
Principal Financial Group	PFG	NYSE	267,790,000	2005/11/08	2007/02/01	268,529,300	450
Procter & Gamble	PG	NYSE	3,148,924,000	2005/08/10	2007/02/01	3,150,126,100	540
Progress Energy	PGN	NYSE	257,861,000	2006/01/04	2007/02/01	258,582,700	393
Progressive	PGR	NYSE	728,100,000	2006/01/23	2007/02/01	730,095,300	374
Parker Hannifin	PH	NYSE	115,827,000	2006/08/29	2007/02/01	116,157,000	156
Pulte Homes	PHM	NYSE	255,967,000	2006/09/22	2007/02/01	256,544,300	132
PerkinElmer	PKI	NYSE	119,759,000	2006/07/28	2007/02/01	119,886,700	188
ProLogis Trust	PLD	NYSE	256,596,000	2006/02/27	2007/02/01	256,680,100	339
Pall	PLL	NYSE	122,598,000	2006/05/17	2007/02/01	122,624,400	260
PMC-Sierra	PMCS	Nasdaq National Market	213,663,000	2006/12/14	2007/02/01	216,745,400	49
PNC Financial Services Group	PNC	NYSE	344,919,000	2006/02/01	2007/02/01	346,717,600	365
Pinnacle West Capital	PNW	NYSE	100,238,000	2006/05/02	2007/02/01	100,796,700	275
PPG Industries	PPG	NYSE	164,173,000	2006/04/20	2007/02/01	165,232,000	287
PPL	PPL	NYSE	385,949,000	2006/02/03	2007/02/01	386,518,400	363
Prudential Financial	PRU	NYSE	463,000,000	2006/01/25	2007/02/01	463,347,600	372
Public Storage	PSA	NYSE	170,507,000	2006/02/15	2007/02/01	170,984,900	351
Pactiv	PTV	NYSE	130,384,000	2006/09/25	2007/02/01	130,701,900	129
Praxair	PX	NYSE	318,702,000	2006/03/07	2007/02/01	319,248,500	331
Qwest Communications Internati	Q	NYSE	1,849,193,000	2006/03/07	2007/02/01	319,248,500	331
Qualcomm	QCOM	Nasdaq National Market	1,666,766,000	2006/09/19	2007/02/01	1,668,501,500	135
QLogic	QLGC	Nasdaq National Market	153,530,000	2006/11/20	2007/02/01	156,154,100	73
Ryder System	R	NYSE	61,149,000	2006/09/11	2007/02/01	61,160,200	143
Reynolds American	RAI	NYSE	294,997,000	2006/03/10	2007/02/01	295,092,200	328
Rowan Companies	RDC	NYSE	110,643,000	2006/12/06	2007/02/01	111,129,900	57
Regions Financial	RF	NYSE	704,706,000	2005/02/28	2007/02/01	704,861,100	703
Robert HalfInternational	RHI	NYSE	166,251,000	2006/07/21	2007/02/01	167,562,300	195
Transocean	RIG	NYSE	288,148,000	2006/11/20	2007/02/01	290,997,200	73
Polo Ralph Lauren	RL	NYSE	60,677,000	2006/10/17	2007/02/01	61,101,100	107
Rohm and Haas	ROH	NYSE	216,746,000	2006/03/02	2007/02/01	216,986,400	336
Rockwell Automation	ROK	NYSE	157,754,000	2006/08/30	2007/02/01	158,124,000	155
RR Donnelley & Sons	RRD	NYSE	220,100,000	2006/03/20	2007/02/01	220,209,400	318
RadioShack	RSH	NYSE	135,559,000	2006/11/28	2007/02/01	135,727,600	65
Raytheon	RTN	NYSE	443,856,000	2006/01/03	2007/02/01	445,844,600	394
IMS Health	RX	NYSE	196,239,000	2006/05/11	2007/02/01	196,410,300	266
Sprint Nextel	S	NYSE	2,813,799,000	2006/08/10	2007/02/01	2,813,904,488	175
Safeco	SAF	NYSE	106,182,000	2006/08/10	2007/02/01	2,813,904,488	175
Sanmina-SCI	SANM	Nasdaq National Market	529,885,000	2006/08/14	2007/02/01	531,068,400	171
Starbucks	SBUX	Nasdaq National Market	740,777,000	2006/09/12	2007/02/01	742,571,600	142
Charles Schwab	SCHW	Nasdaq National Market	1,249,172,000	2006/05/22	2007/02/01	1,256,273,400	255
Spectra Energy	SE	NYSE	631,829,000	2006/05/22	2007/02/01	1,256,273,400	255
Sealed Air	SEE	NYSE	161,552,000	2005/04/25	2007/02/01	161,751,900	647
Schering-Plough	SGP	NYSE	1,489,389,000	2006/03/03	2007/02/01	1,492,459,500	335
Sears Holdings	SHLD	Nasdaq National Market	152,492,000	2006/10/03	2007/02/01	153,094,400	121
Sherwin-Williams	SHW	NYSE	131,889,000	2006/07/31	2007/02/01	132,171,000	185
Sigma-Aldrich	SIAL	Nasdaq National Market	131,316,000	2006/05/31	2007/02/01	131,839,100	246
Smith International	SII	NYSE	200,477,000	2006/10/10	2007/02/01	201,861,200	114
Schlumberger	SLB	NYSE	1,178,564,000	2006/08/10	2007/02/01	1,178,747,300	175
Sara Lee	SLE	NYSE	734,581,000	2006/06/13	2007/02/01	739,440,800	233
SLM	SLM	NYSE	411,416,000	2006/06/23	2007/02/01	412,076,300	223
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Company	Ticker	Exchange	Stock Outstanding June 29 2007 Per NASDAQ Website	Trading Starting On:	Reaches 100% Turnover On End Date:	Cumulative Trading Volume By End Date	Days For 100% Turnover
Solectron	SLR	NYSE	913,974,000	2006/05/31	2007/02/01	915,266,000	246
Snap-on	SNA	NYSE	57,974,000	2006/05/31	2007/02/01	58,240,900	231
SanDisk	SNDK	Nasdag National Market		2007/01/08	2007/02/01	239,654,300	24
			228,213,000				616
Synovus Financial	SNV	NYSE NYSE	326,978,000	2005/05/26	2007/02/01	327,165,600	458
Southern	SO		751,809,000	2005/10/31	2007/02/01	753,842,400	
Sovereign Bancorp	SOV	NYSE	478,016,000	2006/04/05	2007/02/01	478,874,800	302 310
Simon Property Group	SPG	NYSE	223,375,000	2006/03/28	2007/02/01	224,517,000	219
Staples	SPLS	Nasdaq National Market	715,225,000	2006/06/27	2007/02/01	715,457,000	
Sempra Energy	SRE	NYSE	263,810,000	2006/01/20	2007/02/01	264,149,800	377
EW Scripps Company	SSP	NYSE	126,877,000	2006/04/05	2007/02/01	128,885,000	302
SunTrust Banks	STI	NYSE	5,000	2007/02/01	2007/02/01	1,726,400	0
St. Jude Medical	STJ	NYSE	338,321,000	2006/08/15	2007/02/01	340,684,800	170
Questar	STR	NYSE	172,414,000	2006/03/16	2007/02/01	172,807,000	322
State Street	STT	NYSE	336,375,000	2006/03/09	2007/02/01	337,034,900	329
Constellation Brands A	STZ	NYSE	191,320,000	2006/07/27	2007/02/01	191,873,000	189
Sunoco	SUN	NYSE	121,448,000	2006/12/01	2007/02/01	123,456,500	62
Sun Microsystems	SUNW	Nasdaq National Market	3,570,245,000	2006/11/03	2007/02/01	3,619,587,100	90
SuperValu	SVU	NYSE	210,100,000	2006/08/25	2007/02/01	210,472,800	160
Stanley Works	SWK	NYSE	83,381,000	2006/07/19	2007/02/01	83,536,700	197
Safeway	SWY	NYSE	441,600,000	2006/07/27	2007/02/01	445,480,800	189
Stryker	SYK	NYSE	409,079,000	2005/12/22	2007/02/01	409,711,800	406
Symantec	SYMC	Nasdaq National Market	901,018,000	2006/11/13	2007/02/01	904,645,900	80
Sysco	SYY	NYSE	617,956,000	2006/02/01	2007/02/01	618,031,700	365
AT&T	Т	NYSE	6,165,556,000	2005/09/21	2007/02/01	6,166,701,200	498
Molson Coors Brewing Company	TAP	NYSE	71,564,000	2006/08/03	2007/02/01	72,454,900	182
TECO Energy	TE	NYSE	209,621,000	2006/03/10	2007/02/01	210,188,400	328
Integrys Energy Group	TEG	NYSE	75,682,000	2006/03/10	2007/02/01	210,188,400	328
Tektronix	TEK	NYSE	78,936,000	2006/07/07	2007/02/01	79,206,600	209
Teradyne	TER	NYSE	189,719,000	2006/11/06	2007/02/01	189,848,900	87
Terex	TEX	NYSE	103,266,000	2006/11/16	2007/02/01	103,339,300	77
Target	TGT	NYSE	851,489,000	2006/05/18	2007/02/01	855,771,600	259
Tenet Healthcare	THC	NYSE	473,020,000	2006/07/24	2007/02/01	474,186,600	192
Tiffany	TIF	NYSE	136,740,000	2006/08/31	2007/02/01	139,645,400	154
Temple-Inland	TIN	NYSE	105,817,000	2006/09/21	2007/02/01	106,724,600	133
TJX Companies	TJX	NYSE	454,870,000	2006/07/27	2007/02/01	456,352,200	189
Tellabs	TLAB	Nasdag National Market	437,771,000	2006/11/13	2007/02/01	438,620,400	80
Torchmark	TMK	NYSE	95,502,000	2006/02/08	2007/02/01	95,656,700	358
Thermo Fisher Scientific	TMO	NYSE	421,930,000	2006/04/04	2007/02/01	422,601,200	303
							126
Tribune T Rowe Price Group	TRB	NYSE Nasdaq National Market	118,282,000 265,620,000	2006/09/28	2007/02/01	119,592,700 265,874,500	294
The Travelers Companies	TRV	NYSE	663,999,000	2006/04/13	2007/02/01	265,874,500	294
		NYSE			2007/02/01		178
Tyson Foods A	TSN		285,833,000	2006/08/07		287,346,500	226
Time Warner	TWX	NYSE	3,766,683,000	2006/06/20	2007/02/01	3,785,274,200	
TexasInstruments	TXN	NYSE	1,433,709,000	2006/10/09	2007/02/01	1,436,479,800	115
Textron	TXT	NYSE	124,596,000	2006/08/10	2007/02/01	124,729,400	175
TXU	TXU	NYSE	461,196,000	2006/08/10	2007/02/01	124,729,400	175
TycoInternational	TYC	NYSE	1,982,457,000	2006/01/23	2007/02/01	1,991,893,800	374
Unisys	UIS	NYSE	346,886,000	2006/01/23	2007/02/01	1,991,893,800	374
UnitedHealth Group	UNH	NYSE	1,340,049,000	2006/05/11	2007/02/01	1,343,329,400	266
Unum Group	UNM	NYSE	342,803,000	2006/05/04	2007/02/01	350,160,800	273
Union Pacific	UNP	NYSE	269,452,000	2006/06/22	2007/02/01	269,931,400	224
United Parcel ServiceB	UPS	NYSE	389,331,000	2006/08/11	2007/02/01	392,159,500	174
US Bancorp	USB	NYSE	1,738,724,000	2005/09/20	2007/02/01	1,738,972,400	499
UST	UST	NYSE	160,169,000	2005/09/20	2007/02/01	1,738,972,400	499
UnitedTechnologies	UTX	NYSE	994,430,000	2006/01/11	2007/02/01	996,779,100	386
Varian Medical Systems	VAR	NYSE	127,469,000	2006/07/19	2007/02/01	127,856,000	197
VF	VFC	NYSE	111,369,000	2006/05/16	2007/02/01	111,491,900	261
Viacom B	VIA.B	NYSE					

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			Stock				
			Outstanding		Reaches	Cumulative	
			June 29 2007		100%	Trading	Days For
			Per NASDAQ	Trading	Turnover On	Volume By	100%
Company	Ticker	Exchange	Website	Starting On:	End Date:	End Date	Turnover
Valero Energy	VLO	NYSE	548,991,000	2006/11/21	2007/02/01	559,650,800	72
Vulcan Materials	VMC	NYSE	95,291,000	2006/07/31	2007/02/01	95,962,500	185
Vornado Realty Trust	VNO	NYSE	151,865,000	2006/05/22	2007/02/01	152,724,000	255
VeriSign	VRSN	Nasdaq National Market	242,890,000	2006/10/13	2007/02/01	243,263,000	111
Verizon Communications	VZ	NYSE	2,903,364,000	2006/01/13	2007/02/01	2,914,173,500	384
Walgreen	WAG	NYSE	997,437,000	2006/05/05	2007/02/01	998,414,000	272
Waters	WAT	NYSE	100,901,000	2006/06/20	2007/02/01	101,114,400	226
Wachovia	WB	NYSE	1,913,353,000	2005/08/04	2007/02/01	1,914,434,800	546
Wendy'sInternational	WEN	NYSE	87,253,000	2006/11/08	2007/02/02	88,602,700	86
Wells Fargo	WFC	NYSE	3,339,747,000	2005/07/08	2007/02/02	3,342,020,200	574
Whole Foods Market	WFMI	Nasdaq National Market	141,366,000	2006/11/16	2007/02/02	142,811,000	78
Weatherford International	WFT	NYSE	337,304,000	2006/10/18	2007/02/02	341,081,700	107
Whirlpool	WHR	NYSE	78,919,000	2006/10/04	2007/02/02	79,727,800	121
Windstream	WIN	NYSE	477,231,000	2006/10/04	2007/02/02	79,727,800	121
WellPoint	WLP	NYSE	613,655,000	2006/04/06	2007/02/02	616,111,300	302
Washington Mutual	WM	NYSE	882,408,000	2006/03/21	2007/02/02	886,006,600	318
Williams Companies	WMB	NYSE	598,859,000	2006/06/26	2007/02/02	601,305,400	221
Waste Management	WMI	NYSE	517,429,000	2006/03/20	2007/02/02	518,542,800	319
Wal-Mart Stores	WMT	NYSE	4,108,778,000	2005/11/10	2007/02/02	4,117,234,000	449
Watson Pharmaceuticals	WPI	NYSE	102,530,000	2006/08/08	2007/02/02	103,510,500	178
The Western Union Company	WU	NYSE	772,658,000	2006/08/08	2007/02/02	103,510,500	178
Wm. Wrigley Jr.	WWY	NYSE	214,649,000	2006/05/17	2007/02/02	215,380,200	261
Weyerhaeuser	WY	NYSE	215,910,000	2006/08/03	2007/02/02	216,539,200	183
Wyeth	WYE	NYSE	1,345,160,000	2006/01/27	2007/02/02	1,347,695,000	371
Wyndham Worldwide	WYN	NYSE	182,304,000	2006/01/27	2007/02/02	1,347,695,000	371
United StatesSteel	Х	NYSE	118,314,000	2006/12/12	2007/02/02	120,899,000	52
Xcel Energy	XEL	NYSE	408,915,000	2005/11/02	2007/02/02	410,859,700	457
XL Capital	XL	NYSE	175,146,000	2006/04/10	2007/02/02	175,558,600	298
Xilinx	XLNX	Nasdaq National Market	297,885,000	2006/11/27	2007/02/02	302,178,900	67
ExxonMobil	XOM	NYSE	5,633,270,000	2006/01/05	2007/02/02	5,642,007,500	393
Xerox	XRX	NYSE	937,346,000	2006/03/01	2007/02/02	937,618,600	338
XTO Energy	XTO	NYSE	383,484,000	2006/09/20	2007/02/02	387,159,200	135
Yahoo	YHOO	Nasdaq National Market	1,343,854,000	2006/11/09	2007/02/02	1,361,023,504	85
Yum Brands	YUM	NYSE	523,804,000	2005/10/19	2007/02/02	524,696,900	471
Zions Bancorporation	ZION	Nasdaq National Market	108,100,000	2006/03/30	2007/02/02	108,290,400	309
Zimmer Holdings	ZMH	NYSE	236,776,000	2006/07/13	2007/02/02	238,046,300	204
_							
					Average		255
	1	1	1	1			

Proxy Statements: They Rely On The SP500 Index Direct: Cost Of Capital Testimony_ **Not Value Line's NYSE Composite Index**

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DEF 14A 1 ddef14a.htm NOTICE & PROXY									
Table of Contents									
UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, DC 20549									
SCHEDULE 14A									
Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934									
Filed by the Registrant ☑ Filed by a Party other than the Registrant □ Check the appropriate box:									
 □ Preliminary proxy statement. □ Definitive proxy statement. □ Definitive additional materials. □ Soliciting material under Rule 14a-12. □ Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2)) 									
AGL RESOURCES INC.									
STOCK PERFORMANCE GRAPH									
The following graph and accompanying tabular presentation compare the cumulative 63 month shareholder return on our common stock with the cumulative 63 month total return of companies in the Standard & Poor's 500 Composite Stock Price Index and the Standard & Poor's Utilities Index. The graph and table assume that \$100 was invested on September 30, 2000 in or common stock, the S&P 500 Index and the S&P Utilities Index and also assurdividend reinvestment.									

The information contained in the Stock Performance Graph shall not be deemed to be "soliciting material" or to be "filed" with the Securities and Exchange Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate it by reference in such filing.

▼ LOGO

Proxy Statements: They Rely On The SP500 Index Not Value Line's NYSE Composite Index

Docket 07_00105___ Exhibit CAPD-SB__ Direct: Cost Of Capital Testimony__ Schedule 5 ____ Page 2 of 5____

SCHEDULE 14A (RULE 14a-101) INFORMATION REQUIRED IN PROXY STATEMENT SCHEDULE 14a INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES EXCHANGE ACT OF 1934 (AMENDMENT NO.)

File	ed by the Registrant ☑	
File	ed by a Party other than the Registrant 🗆	
	Check the appropriate box:	
	Preliminary Proxy Statement	☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
\checkmark	Definitive Proxy Statement	
	Definitive Additional Materials	
	Soliciting Material Pursuant to Rule 14a-12	

New Jersey Resources Corporation

PERFORMANCE GRAPH

The graph below shows a comparison of the five-year cumulative return assuming \$100 invested on September 30, 2001, in the Company stock, the Company Peer Group, the Standard & Poor's (S&P) Utilities Index and the S&P 500 Index. Cumulative total return includes reinvestment of dividends.



	2001 (\$)	2002 (\$)	2003 (\$)	2004 (\$)	2005 (\$)	2006 (\$)
The Company	100.00	116.00	131.71	156.25	178.82	197.80
Company Peer Group*	100.00	99.17	119.75	139.29	175.46	180.32
S&P Utilities	100.00	64.69	79.20	94.59	130.99	137.22
S&P 500	100.00	79.56	98.95	112.60	126.41	140.01

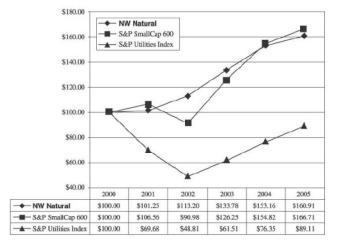
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SHAREHOLDER RETURN PERFORMANCE PRESENTATION

Set forth below is a line graph comparing the annual percentage change in the cumulative total shareholder return, assuming reinvestment of dividends at the end of the month during which they were paid on the Company's Common Stock against the cumulative total return of the Standard & Poor's (S&P) SmallCap 600 Index and the S&P Utilities Index for the period of five years commencing December 31, 2000 and ended December 31, 2005. The S&P Utilities Index encompasses companies considered electric, gas or water utilities, or companies that operate as independent producers and/or distributors of power.

Comparison of Five-Year Cumulative Total Return

Based on \$100 Invested on 12/31/2000



Proxy Statements: They Rely On The SP500 Index Not Value Line's NYSE Composite Index

Docket 07_00105___ Exhibit CAPD-SB__ Direct: Cost Of Capital Testimony__ Schedule 5 ____ Page 4 of 5____

South Jersey Industries Form 14A Dated March 20, 2007

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STOCK PERFORMANCE

The graph below compares the cumulative total return on the Company's Common Stock for the 5- year period ended December 31, 2006 with the cumulative total return on the S&P 500 and the S&P Utility Indexes. The graph assumes that \$100 was invested on December 31, 2001 in the Company's Common Stock, the S&P 500 Index and the S&P Utility Index and that all dividends were reinvested. Standard & Poor's Utility Index is a commonly used indicator of utility common stock performance based on selected gas, electric and telephone companies. For the 5-year period ending December 31, 2006, investors received a 20% annualized total return compared with the 6% and 9% returns from the S&P 500 Index and S&P Utility Index, respectively. The annual growth rate for 2006 for the Company was 18%. This compares with 16% for the S&P 500 and 21% for the S&P Utility Index.

Indexed Total Return Over 5 Years Assuming Dividends Reinvested



S&P 500	100	77.9	100.2	111.2	116.6	135.0
S&P UTIL	100	70.0	88.4	109.8	128.3	155.3
SЛ	100	106.0	135.7	182.5	208.4	246.5

Proxy Statements: They Rely On The SP500 Index Not Value Line's NYSE Composite Index

Docket 07_00105_____ Exhibit CAPD-SB____ Direct: Cost Of Capital Testimony____ Schedule 5 _____ Page 5 of 5_____

SCHEDULE 14A (Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934

Filed by the Registrant ⊠ Filed by a Party other than the Registrant□ Check the appropriate box: □ Preliminary Proxy Statement ☑ Definitive Proxy Statement □ Definitive Additional Materials □ Soliciting Material Pursuant to Rule 14a-11(c	рег	Confidential, for Use of the Commission O mitted by Rule 14a-6(e)(2))	nly (as
def14a	WGL HOLDINGS		Page 2 of 2

SHAREHOLDER RETURN PERFORMANCE PRESENTATION

The following graph shows the yearly cumulative total shareholder return on WGL Holdings common stock from September 30, 2001 through September 30, 2006 against the cumulative total return of the Standard & Poor's 500 Stock Index and the Dow Jones Utility Average for the period of five years commencing September 30, 2001 and ending September 30, 2006. This calculation is based on \$100 invested on September 30, 2001 and reinvestment of dividends.

Comparison of Five-Year Cumulative Total Returns

(Cumulative Total Returns Chart)

			S&P500?		Value Line	
Company	Ticker	Stock Exchange	0=No 1 =Yes	Beta	Beta	Difference
Midwest Air Group	MEH	AMEX	0	4.71	1.45	-3.26
Covanta Holding	CVA	AMEX	0	2.58	1.60	-0.98
Kadant	KAI	AMEX	0	1.30	1.00	-0.30
NVR	NVR	AMEX	0	1.20	1.20	0.00
Bio-Rad Laboratories	BIO	AMEX	0	1.17	0.95	-0.22
Cubic	CUB	AMEX	0	1.11	1.35	0.24
AmericanVanguard	AVD	AMEX	0	1.04	1.00	-0.04
Headwaters	HW	AMEX	0	1.03	0.95	-0.08
DrewIndustries	DW	AMEX	0	0.86	0.70	-0.16
United States Cellular	USM	AMEX	0	0.65	1.10	0.45
Mine SafetyAppliances	MSA	AMEX	0	0.59	0.95	0.36
British American Tobacco PLCA	BTI	AMEX	0	0.42	0.75	0.33
Primewest EnergyTrust	PWI	AMEX	0	0.40	0.75	0.35
mperial Oil	IMO	AMEX	0	0.28	0.75	0.47
PMC-Sierra	PMCS	Nasdaq National Market	1	3.89	2.10	-1.79
NVIDIA	NVDA	Nasdaq National Market	1	3.67	1.75	-1.92
VeriSign	VRSN	Nasdaq National Market	1	3.26	1.95	-1.31
Broadcom	BRCM	Nasdaq National Market	1	3.18	1.50	-1.68
Compuware	CPWR	Nasdaq National Market	1	3.10	1.35	-1.75
Monster Worldwide	MNST	Nasdaq National Market	1	3.08	2.00	-1.08
Network Appliance	NTAP	Nasdaq National Market	1	2.80	1.60	-1.20
Tellabs	TLAB	Nasdaq National Market	1	2.79	1.20	-1.59
Ciena	CIEN	Nasdaq National Market	1	2.72	1.40	-1.32
Sanmina-SCI	SANM	Nasdaq National Market	1	2.71	1.50	-1.21
ADC Telecommunications	ADCT	Nasdaq National Market	1	2.70	1.15	-1.55
Sun Microsystems	SUNW	Nasdaq National Market	1	2.57	1.55	-1.02
JDS Uniphase	JDSU	Nasdaq National Market	1	2.52	1.30	-1.22
Novellus Systems	NVLS	Nasdaq National Market	1	2.52	1.35	-1.17
SanDisk	SNDK	Nasdaq National Market	1	2.46	1.45	-1.01
Juniper Networks	JNPR	Nasdaq National Market	1	2.45	1.55	-0.90
Novell	NOVL	Nasdaq National Market	1	2.32	1.30	-1.02
Altera	ALTR	Nasdaq National Market	1	2.24	1.35	-0.89
Applied Materials	AMAT	Nasdag National Market	1	2.24	1.30	-0.94
KLA-Tencor	KLAC	Nasdag National Market	1	2.22	1.25	-0.97
Citrix Systems	CTXS	Nasdaq National Market	1	2.15	1.30	-0.85
Xilinx	XLNX	Nasdaq National Market	1	2.13	1.45	-0.68
Maxim IntegratedProducts	MXIM	Nasdag National Market	1	2.12	1.30	-0.82
ntel	INTC	Nasdaq National Market	1	2.10	1.15	-0.95
QLogic	QLGC	Nasdaq National Market	1	2.07	1.35	-0.72
Amazon.com	AMZN	Nasdaq National Market	1	2.02	1.20	-0.82
LinearTechnology	LLTC	Nasdaq National Market	1	2.00	1.15	-0.85
E*Trade Financial	ETFC	Nasdaq National Market	1	1.99	1.75	-0.24
Charles Schwab	SCHW	Nasdaq National Market	1	1.80	1.50	-0.30
Adobe Systems	ADBE	Nasdaq National Market	1	1.72	1.10	-0.62
Cisco Systems	csco	Nasdaq National Market	1	1.71	1.20	-0.51
Molex	MOLX	Nasdaq National Market	1	1.61	1.25	-0.36
Γ Rowe Price Group	TROW	Nasdaq National Market	1	1.58	1.45	-0.13
Yahoo	YHOO	Nasdaq National Market	1	1.56	1.40	-0.16
Oracle	ORCL	Nasdaq National Market	1	1.53	1.10	-0.43
Apple	AAPL	Nasdaq National Market	1	1.51	0.95	-0.56
PACCAR	PCAR	Nasdaq National Market	1	1.50	1.20	-0.30
Staples	SPLS	Nasdaq National Market	1	1.39	1.10	-0.29
eBay	EBAY	Nasdaq National Market	1	1.36	1.10	-0.26
Genzyme	GENZ	Nasdaq National Market	1	1.32	1.15	-0.20
Cintas	CTAS	Nasdaq National Market	1	1.29	1.05	-0.17
Qualcomm	QCOM	Nasdaq National Market	1	1.29	1.00	-0.24
Fiserv	FISV	Nasdaq National Market	1	1.18	1.15	-0.24
Dell	DELL		1		0.90	
אסכוו	VELL	Nasdaq National Market	1	1.09 1.07	0.90	-0.19

			S&P500?	NACADO	Value Line	
Company	Ticker	Stock Exchange	0=No 1 =Yes	Beta	Beta	Difference
Autodesk	ADSK	Nasdaq National Market	1	1.02	1.05	0.03
Microsoft	MSFT	Nasdaq National Market	1	0.99	0.95	-0.04
Hudson City Bancorp	нсвк	Nasdaq National Market	1	0.98	0.95	-0.03
Paychex	PAYX	Nasdaq National Market	1	0.96	1.10	0.14
Bed Bath & Beyond	BBBY	Nasdaq National Market	1	0.83	0.95	0.12
Electronic Arts	ERTS	Nasdaq National Market	1	0.83	1.00	0.17
Whole Foods Market	WFMI	Nasdaq National Market	1	0.82	0.95	0.13
Costco Wholesale	COST	Nasdaq National Market	1	0.81	0.85	0.04
Celgene	CELG	Nasdaq National Market	1	0.77	1.25	0.48
CH RobinsonWorldwide	CHRW	Nasdaq National Market	1	0.77	0.95	0.18
Intuit	INTU	Nasdaq National Market	1	0.74	0.90	0.16
Gilead Sciences	GILD	Nasdaq National Market	1	0.71	0.90	0.19
Amgen	AMGN	Nasdaq National Market	1	0.69	0.85	0.16
Starbucks	SBUX	Nasdaq National Market	1	0.69	0.75 0.90	0.06
Cincinnati Financial Zions Bancorporation	ZION	Nasdaq National Market Nasdaq National Market	1	0.68	1.00	0.22
Compass Bancorporation	CBSS	Nasdaq National Market	1	0.63	0.95	0.37
Sigma-Aldrich	SIAL	Nasdaq National Market	1	0.61	0.95	0.34
Cognizant Technology Solutions	CTSH	Nasdaq National Market	1	0.55	1.10	0.55
Symantec	SYMC	Nasdaq National Market	1	0.37	0.85	0.48
Fifth Third Bancorp	FITB	Nasdaq National Market	1	0.35	0.90	0.55
Biomet	BMET	Nasdaq National Market	1	0.31	0.75	0.44
Biogen Idec	BIIB	Nasdaq National Market	1	0.14	1.10	0.96
Express Scripts	ESRX	Nasdaq National Market	1	0.01	1.00	0.99
Apollo Group A	APOL	Nasdaq National Market	1	-0.13	0.65	0.78
Patterson Companies	PDCO	Nasdaq National Market	1	-0.20	0.70	0.90
		Nasdaq National Market	71	1.58	1.19	
Openwave Systems	OPWV	Nasdaq National Market	0	6.32	2.35	-3.97
AmkorTechnology	AMKR	Nasdaq National Market	0	4.79	1.95	-2.84
Ericsson Telephone ADR B	ERIC	Nasdaq National Market	0	4.67	1.65	-3.02
Audible	ADBL	Nasdaq National Market	0	4.52	1.20	-3.32
Emcore	EMKR	Nasdaq National Market	0	4.47	1.55	-2.92
ConexantSystems	CNXT	Nasdaq National Market	0	4.31	2.70	-1.61
TurboChef Technologies	OVEN	Nasdaq National Market	0	4.18	1.00	-3.18
Cirrus Logic AlnylamPharmaceuticals	CRUS	Nasdaq National Market Nasdaq National Market	0	4.12 4.07	1.90 1.80	-2.22 -2.27
CNET Networks	CNET	Nasdaq National Market	0	4.07	1.80	-2.22
Powerwave Technologies	PWAV	Nasdaq National Market	0	3.94	1.75	-2.19
Power-One	PWER	Nasdaq National Market	0	3.88	1.85	-2.03
Anadigics	ANAD	Nasdaq National Market	0	3.83	1.70	-2.13
OmniVisionTechnologies	OVTI	Nasdaq National Market	0	3.83	1.90	-1.93
Mentor Graphics	MENT	Nasdaq National Market	0	3.78	1.35	-2.43
Silicon StorageTechnology	SSTI	Nasdaq National Market	0	3.73	1.95	-1.78
Advanced Energy Industries	AEIS	Nasdaq National Market	0	3.67	2.25	-1.42
conix Brand Group	ICON	Nasdaq National Market	0	3.32	1.05	-2.27
Kulicke & Soffa Industries	KLIC	Nasdaq National Market	0	3.32	2.00	-1.32
Ariba	ARBA	Nasdaq National Market	0	3.31	1.45	-1.86
Children's Place Retail Stores	PLCE	Nasdaq National Market	0	3.28	1.15	-2.13
CEVA	CEVA	Nasdaq National Market	0	3.27	1.15	-2.12
Micrel	MCRL	Nasdaq National Market	0	3.25	1.80	-1.45
Lam Research	LRCX	Nasdaq National Market	0	3.23	1.70	-1.53
Medarex	MEDX	Nasdaq National Market	0	3.20	1.95	-1.25
Vebsense	WBSN	Nasdaq National Market	0	3.19	1.45	-1.74
Active Power	ACPW	Nasdaq National Market	0	3.18	1.64	-1.54
Harmonic	HLIT	Nasdaq National Market	0	3.14	2.05	-1.09
Wind RiverSystems	WIND	Nasdaq National Market	0	3.09	1.40	-1.69
NektarTherapeutics TriquiptSemiconductor	NKTR	Nasdaq National Market	0	3.08	1.65	-1.43 -1.43
TriquintSemiconductor Foundry Networks	TQNT FDRY	Nasdaq National Market Nasdaq National Market	0	3.08	1.65 1.55	-1.43 -1.52
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			S&P500?		Value Line	
Company	Ticker	Stock Exchange	0=No 1 =Yes	Beta	Beta	Difference
Sapient	SAPE	Nasdaq National Market	0	3.02	1.25	-1.77
Andrew	ANDW	Nasdaq National Market	0	3.01	1.25	-1.76
MKS Instruments	MKSI	Nasdaq National Market	0	3.01	1.65	-1.36
Priceline.com	PCLN	Nasdaq National Market	0	3.01	1.85	-1.16
Applied MicroCircuits	AMCC	Nasdaq National Market	0	2.93	1.60	-1.33
Brooks Automation	BRKS	Nasdaq National Market	0	2.92	2.00	-0.92
Varian Semiconductor Equipment	VSEA	Nasdaq National Market	0	2.92	1.60	-1.32
Zoran	ZRAN	Nasdaq National Market	0	2.91	1.50	-1.41
Nuance Communications	NUAN	Nasdaq National Market	0	2.87	1.35	-1.52
Cymer	CYMI	Nasdaq National Market	0	2.82	1.50	-1.32
Photon Dynamics	PHTN	Nasdaq National Market	0	2.82	1.55	-1.27
Plexus	PLXS	Nasdaq National Market	0	2.80	1.65	-1.15
Credence Systems	CMOS	Nasdaq National Market	0	2.79	1.70	-1.09
Silicon Image	SIMG	Nasdaq National Market	0	2.78	1.80	-0.98
nformatica	INFA	Nasdaq National Market	0	2.74	1.25	-1.49
SI International	FSII	Nasdaq National Market	0	2.72	1.50	-1.22
American Superconductor	AMSC	Nasdaq National Market	0	2.70	1.05	-1.65
Polycom	PLCM	Nasdaq National Market	0	2.70	1.40	-1.30
Photronics	PLAB	Nasdaq National Market	0	2.69	1.60	-1.09
Gemstar-TV Guide International	GMST	Nasdaq National Market	0	2.66	1.05	-1.61
RF MicroDevices	RFMD	Nasdaq National Market	0	2.64	1.75	-0.89
Adaptec	ADPT	Nasdaq National Market	0	2.63	1.45	-1.18
Semtech	SMTC	Nasdaq National Market	0	2.62	1.55	-1.07
Ballard Power Systems	BLDP	Nasdaq National Market	0	2.57	1.55	-1.02
TIBCO Software	TIBX	Nasdaq National Market	0	2.52	1.25	-1.27
Zygo	ZIGO	Nasdaq National Market	0	2.52	1.20	-1.32
Echelon	ELON	Nasdaq National Market	0	2.51	1.50	-1.01
BEA Systems	BEAS	Nasdaq National Market	0	2.50	1.40	-1.10
1-800 Flowers.com	FLWS	Nasdaq National Market	0	2.49	1.05	-1.44
Osteotech	OSTE	Nasdaq National Market	0	2.49	1.25	-1.24
Dynamic Materials	BOOM	Nasdaq National Market	0	2.47	0.95	-1.52
Joy Global	JOYG	Nasdaq National Market	0	2.47	1.35	-1.12
Medis Technologies	MDTL	Nasdaq National Market	0	2.44	1.30	-1.14
Electro Scientific Industries	ESIO	Nasdaq National Market	0	2.42	1.40	-1.02
Faro Technologies	FARO	Nasdaq National Market	0	2.42	0.90	-1.52
Parametric Tech	PMTC	Nasdaq National Market	0	2.41	1.30	-1.11
GSI Group	GSIG	Nasdaq National Market	0	2.40	1.45	-0.95
Knight Capital Group	NITE	Nasdaq National Market	0	2.40	1.30	-1.10
Fessera Technologies	TSRA	Nasdaq National Market	0	2.40	1.70	-0.70
ATMI	ATMI	Nasdaq National Market	0	2.35	1.55	-0.80
Follgrade Communications	TLGD	Nasdaq National Market	0	2.35	1.20	-1.15
nterwoven	IWOV	Nasdaq National Market	0	2.30	1.65	-0.65
MarvellTechnology	MRVL	Nasdaq National Market	0	2.28	1.35	-0.93
Jnited Online	UNTD	Nasdaq National Market	0	2.27	1.00	-1.27
ntegrated DeviceTechnology	IDTI	Nasdaq National Market	0	2.26	1.70	-0.56
Rambus	RMBS	Nasdaq National Market	0	2.25	1.25	-1.00
Vacrovision Vacrovision	MVSN	Nasdaq National Market	0	2.24	1.50	-0.74
Cadence Design Systems	CDNS	Nasdaq National Market	0	2.20	1.50	-0.70
Reuters Group PLCADR	RTRSY	Nasdaq National Market	0	2.20	1.20	-1.00
Checkfree	CKFR	Nasdaq National Market	0	2.19	1.70	-0.49
Advent Software	ADVS	Nasdaq National Market	0	2.18	1.40	-0.78
-CA-Vision	LCAV	Nasdaq National Market	0	2.18	0.95	-1.23
Frans World Entertainment	TWMC	Nasdaq National Market	0	2.18	1.00	-1.18
Transaction Systems Architects	TSAI	Nasdaq National Market	0	2.18	1.10	-1.08
_atticeSemiconductor	LSCC	Nasdaq National Market	0	2.17	1.65	-0.52
SBA Communications	SBAC	Nasdaq National Market	0	2.17	2.20	0.05
		·	0			
ValueClick	VCLK	Nasdaq National Market	0	2.15	1.15	-1.00 -1.14
ColumbusMcKinnon	CMCO	Nasdaq National Market		2.14	1.00	-1.14
SiliconLaboratories	SLAB	Nasdaq National Market	0	2.14	1.15	-0.99

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			S&P500?	NVSVDO	Value Line	
Company	Ticker	Stock Exchange	0=No 1 =Yes	Beta	Beta	Difference
Fuelcell Energy	FCEL	Nasdag National Market	0=110 1 = 1 e s	2.13	1.65	-0.48
•,	TRMB	Nasdaq National Market	0	2.13	1.10	-1.03
Trimble Navigation Flextronics International	FLEX	Nasdaq National Market	0	2.13	1.60	-0.52
Illumina	ILMN	Nasdaq National Market	0	2.12	1.50	-0.52
Incyte	INCY	Nasdaq National Market	0	2.12	1.75	-0.02
Tetra Tech	TTEK	Nasdaq National Market	0	2.11	1.75	-0.76
Borland Software	BORL	Nasdaq National Market	0	2.09	1.35	-0.74
A.S.V.	ASVI	Nasdaq National Market	0	2.09	0.95	-1.13
Interface A	IFSIA	Nasdaq National Market	0	2.07	1.20	-0.87
Cognex	CGNX	Nasdaq National Market	0	2.07	1.40	-0.63
Synopsys	SNPS	Nasdaq National Market	0	2.03	1.10	-0.03
On Assignment	ASGN	Nasdaq National Market	0	2.03	1.35	-0.93
Veeco Instruments	VECO	Nasdaq National Market	0	2.02	1.60	-0.42
Gen-Probe	GPRO	Nasdaq National Market	0	2.00	1.10	-0.90
LodgeNet Entertainment	LNET	Nasdaq National Market	0	2.00	1.05	-0.95
MillenniumPharmaceuticals	MLNM	Nasdaq National Market	0	1.99	1.40	-0.59
Urban Outfitters	URBN	Nasdaq National Market	0	1.99	1.35	-0.64
Moldflow	MFLO	Nasdaq National Market	0	1.98	0.80	-1.18
Isis Pharmaceuticals	ISIS	Nasdaq National Market	0	1.97	1.30	-0.67
Wet Seal A	WTSLA	Nasdaq National Market	0	1.97	1.30	-0.67
PC Connection	PCCC	Nasdaq National Market	0	1.96	1.30	-0.66
Netflix	NFLX	Nasdaq National Market	0	1.95	1.40	-0.55
ViaSat	VSAT	Nasdaq National Market	0	1.95	1.40	-0.55
Insight Enterprises	NSIT	Nasdaq National Market	0	1.94	1.35	-0.59
XM Satellite RadioHoldings	XMSR	Nasdaq National Market	0	1.94	1.60	-0.34
Black Box	ввох	Nasdaq National Market	0	1.93	1.45	-0.48
CSG Systems International	CSGS	Nasdaq National Market	0	1.93	1.20	-0.73
Nash-Finch	NAFC	Nasdaq National Market	0	1.93	1.05	-0.88
Adtran	ADTN	Nasdaq National Market	0	1.92	0.95	-0.97
Sepracor	SEPR	Nasdaq National Market	0	1.92	1.15	-0.77
Entrust	ENTU	Nasdaq National Market	0	1.90	1.40	-0.50
Tractor Supply	TSCO	Nasdaq National Market	0	1.90	1.20	-0.70
Extreme Networks	EXTR	Nasdaq National Market	0	1.89	1.75	-0.14
Copart	CPRT	Nasdaq National Market	0	1.88	1.35	-0.53
Harris & Harris Group	TINY	Nasdaq National Market	0	1.88	1.50	-0.38
Intersil	ISIL	Nasdaq National Market	0	1.87	1.50	-0.37
National Instruments Corp	NATI	Nasdaq National Market	0	1.84	1.20	-0.64
Newport	NEWP	Nasdaq National Market	0	1.84	1.30	-0.54
Orbotech	ORBK	Nasdaq National Market	0	1.83	1.15	-0.68
UTStarcom	UTSI	Nasdaq National Market	0	1.82	1.25	-0.57
LifeCell	LIFC	Nasdaq National Market	0	1.80	1.10	-0.70
American Ecology	ECOL	Nasdaq National Market	0	1.79	1.15	-0.64
Exelixis	EXEL	Nasdaq National Market	0	1.79	1.95	0.16
Imclone Systems	IMCL	Nasdaq National Market	0	1.79	1.30	-0.49
Semitool	SMTL	Nasdaq National Market	0	1.79	1.80	0.01
FEI	FEIC	Nasdaq National Market	0	1.78	1.45	-0.33
LKQ	LKQX	Nasdaq National Market	0	1.78	1.25	-0.53
Arris Group	ARRS	Nasdaq National Market	0	1.77	1.65	-0.12
eSpeed A	ESPD	Nasdaq National Market	0	1.77	1.25	-0.52
Volvo AB ADR B	VOLV	Nasdaq National Market	0	1.77	1.15	-0.62
QAD	QADI	Nasdaq National Market	0	1.75	1.10	-0.65
Ceradyne	CRDN	Nasdaq National Market	0	1.74	1.25	-0.49
SkillSoft ADR	SKIL	Nasdaq National Market	0	1.74	1.25	-0.49
ValueVision Media A	VVTV	Nasdaq National Market	0	1.74	1.05	-0.69
Agilysys	AGYS	Nasdaq National Market	0	1.72	1.05	-0.67
Cree	CREE	Nasdaq National Market	0	1.72	1.50	-0.22
Dollar Tree Stores	DLTR	Nasdaq National Market	0	1.72	1.10	-0.62
Open Text Corporation	OTEX	Nasdaq National Market	0	1.72	1.20	-0.52
Open Text Corporation Renaissance Learning	OTEX RLRN	Nasdaq National Market Nasdaq National Market	0	1.72 1.71	1.20 1.20	-0.52 -0.51

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0		0. 15 1	S&P500?		Value Line	D:#
Company	Ticker	Stock Exchange	0=No 1 =Yes	Beta	Beta	Difference
SeaChangeInternational	SEAC	Nasdaq National Market	0	1.69	1.25	-0.44
RegeneronPharmaceuticals InFocus	REGN	Nasdaq National Market Nasdaq National Market	0	1.68 1.66	1.55 1.60	-0.13 -0.06
Human GenomeSciences	HGSI	Nasdaq National Market	0	1.64	1.60	-0.04
Eclipsys	ECLP	Nasdaq National Market	0	1.63	1.10	-0.53
Hibbett Sports	HIBB	Nasdaq National Market	0	1.62	1.20	-0.42
Insituform TechnologiesA	INSU	Nasdaq National Market	0	1.61	1.20	-0.41
Steven Madden	SHOO	Nasdaq National Market	0	1.61	0.75	-0.86
Brightpoint	CELL	Nasdaq National Market	0	1.60	1.75	0.15
United Stationers	USTR	Nasdaq National Market	0	1.57	1.10	-0.47
Cabot Microelectronics	CCMP	Nasdaq National Market	0	1.55	1.60	0.05
Sycamore Networks	SCMR	Nasdaq National Market	0	1.55	1.00	-0.55
Jack Henry & Associates	JKHY	Nasdaq National Market	0	1.54	1.25	-0.29
Laureate Education	LAUR	Nasdaq National Market	0	1.54	0.95	-0.59
BEAerospace	BEAV	Nasdaq National Market	0	1.53	1.70	0.17
Cognos	COGN	Nasdaq National Market	0	1.53	1.30	-0.23
Martek Biosciences	MATK	Nasdaq National Market	0	1.53	1.15	-0.38
Heidrick & StrugglesInternati	HSII	Nasdaq National Market	0	1.52	1.10	-0.42
MicrochipTechnology	MCHP	Nasdaq National Market	0	1.52	1.05	-0.47
CaraustarIndustries	CSAR	Nasdaq National Market	0	1.51	1.05	-0.46
Healthways	HWAY	Nasdaq National Market	0	1.51	1.50	-0.01
Palomar Medical Technologies	PMTI	Nasdaq National Market	0	1.51	1.90	0.39
WPP Group PLC ADR	WPPGY	Nasdaq National Market	0	1.51	1.25	-0.26
Astec Industries	ASTE	Nasdaq National Market	0	1.49	0.95	-0.54
Tech Data	TECD	Nasdaq National Market	0	1.49	1.05	-0.44
Evergreen Solar	ESLR	Nasdaq National Market	0	1.48	1.00	-0.48
MyriadGenetics	MYGN	Nasdaq National Market	0	1.48	1.65	0.17
SPSS	SPSS	Nasdaq National Market	0	1.48	0.95	-0.53
Wild Oats Markets	OATS MDRX	Nasdaq National Market	0	1.48 1.47	1.10 0.90	-0.38 -0.57
Allscripts Healthcare Energy Conversion Devices	ENER	Nasdaq National Market Nasdaq National Market	0	1.47	1.45	-0.02
Warnaco Group	WRNC	Nasdaq National Market	0	1.47	1.43	-0.02
Earthlink	ELNK	Nasdaq National Market	0	1.46	1.15	-0.31
PDL BioPharma	PDLI	Nasdaq National Market	0	1.45	1.20	-0.25
bebe stores	BEBE	Nasdaq National Market	0	1.44	1.10	-0.34
Digital River	DRIV	Nasdaq National Market	0	1.44	1.15	-0.29
Universal ForestProducts	UFPI	Nasdag National Market	0	1.44	1.10	-0.34
Comtech Telecomm	CMTL	Nasdaq National Market	0	1.43	1.25	-0.18
RealNetworks	RNWK	Nasdaq National Market	0	1.41	1.55	0.14
Senomyx	SNMX	Nasdaq National Market	0	1.41	1.60	0.19
Coldwater Creek	CWTR	Nasdaq National Market	0	1.40	1.30	-0.10
Activision	ATVI	Nasdaq National Market	0	1.38	1.40	0.02
Sinclair Broadcast Group	SBGI	Nasdaq National Market	0	1.36	1.10	-0.26
Jupitermedia	JUPM	Nasdaq National Market	0	1.35	1.00	-0.35
Alaska Communications Systems	ALSK	Nasdaq National Market	0	1.34	0.45	-0.89
American Woodmark	AMWD	Nasdaq National Market	0	1.34	1.05	-0.29
Max Capital	MXGL	Nasdaq National Market	0	1.33	0.90	-0.43
SEI Investments	SEIC	Nasdaq National Market	0	1.33	1.40	0.07
Greater Bay Bancorp	GBBK	Nasdaq National Market	0	1.32	1.20	-0.12
Learning TreeInternational	LTRE	Nasdaq National Market	0	1.32	1.00	-0.32
Digene	DIGE	Nasdaq National Market	0	1.31	1.15	-0.16
Forward Air	FWRD	Nasdaq National Market	0	1.29	1.15	-0.14
Ansys	ANSS	Nasdaq National Market	0	1.27	1.20	-0.07
NII Holdings Omnicell	NIHD	Nasdaq National Market	0	1.27	1.35	-0.27
Omniceii Red Robin GourmetBurgers	OMCL RRGB	Nasdaq National Market Nasdaq National Market	0	1.27 1.27	1.00 0.80	-0.27
	SHRP	·	0	1.27	+	-0.47
Sharper Image Tecumseh Products A	TECUA	Nasdaq National Market Nasdaq National Market	0	1.27	1.05 0.90	-0.22
NPS Pharmaceuticals	NPSP	Nasdaq National Market	0	1.27	1.30	0.04
THE THAINIAGGUIDAIS	SMRT	Nasdaq National Market	0	1.26	0.85	-0.41

		0: 15 1	S&P500?		Value Line	D:#
Company	Ticker	Stock Exchange	0=No 1 =Yes	Beta	Beta	Difference
THQ	THQI	Nasdaq National Market	0	1.26	1.45	0.19
Hot Topic	HOTT	Nasdaq National Market	0	1.25	0.90	-0.35
Gevity HR	GVHR	Nasdaq National Market	0	1.24	0.85	-0.39
Global Industries	GLBL	Nasdaq National Market	0	1.24	1.10	-0.14
FeleTech Holdings	TTEC	Nasdaq National Market	0	1.24	0.95	-0.29
Vertex Pharmaceuticals	VRTX	Nasdaq National Market	0	1.24	1.40	0.16
tron	ITRI	Nasdaq National Market	0	1.22	1.15	-0.07
A Schulman	SHLM	Nasdaq National Market	0	1.21	0.90	-0.31
Pharmaceutical Product Develop	PPDI	Nasdaq National Market	0	1.20	0.85	-0.35
Coherent	COHR	Nasdaq National Market	0	1.19	1.15	-0.04
Cost Plus	CPWM	Nasdaq National Market	0	1.19	1.20	0.01
Kyphon	KYPH	Nasdaq National Market	0	1.19	1.20	0.01
MTS Systems	MTSC	Nasdaq National Market	0	1.19	1.00	-0.19
Garmin	GRMN	Nasdaq National Market	0	1.18	1.05	-0.13
FLIRSystems	FLIR	Nasdaq National Market	0	1.17	1.00	-0.17
Gymboree	GYMB	Nasdaq National Market	0	1.17	1.05	-0.12
nfosys Technologies ADR	INFY	Nasdaq National Market	0	1.15	1.10	-0.05
Odyssey HealthCare	ODSY	Nasdaq National Market	0	1.14	0.95	-0.19
Cephalon	CEPH	Nasdaq National Market	0	1.13	1.15	0.02
CoStar Group	CSGP	Nasdaq National Market	0	1.13	0.90	-0.23
Enzon Pharmaceuticals	ENZN	Nasdaq National Market	0	1.13	1.30	0.17
I-VI	IIVI	Nasdaq National Market	0	1.13	0.80	-0.33
ntuitive Surgical	ISRG	Nasdaq National Market	0	1.13	1.25	0.12
K-Swiss	KSWS	Nasdaq National Market	0	1.13	0.90	-0.23
Columbia Sportswear	COLM	Nasdaq National Market	0	1.12	1.05	-0.07
_ayneChristensen	LAYN	Nasdaq National Market	0	1.12	0.85	-0.27
Stewart Enterprises	STEI	Nasdaq National Market	0	1.12	1.05	-0.07
Symyx Technologies	SMMX	Nasdaq National Market	0	1.12	1.20	0.08
_amar Advertising A	LAMR	Nasdaq National Market	0	1.10	1.15	0.05
PetSmart	PETM	Nasdaq National Market	0	1.10	1.00	-0.10
Smurfit-StoneContainer	SSCC	Nasdaq National Market	0	1.10	1.25	0.15
HLTH	HLTH	Nasdaq National Market	0	1.08	1.05	-0.03
Mercury ComputerSystems	MRCY	Nasdaq National Market	0	1.08	0.85	-0.23
Varian	VARI	Nasdaq National Market	0	1.08	1.10	0.02
OSP Group	DSPG	Nasdaq National Market	0	1.07	1.15	0.08
FirstMerit	FMER	Nasdaq National Market	0	1.07	0.95	-0.12
Pool	POOL	Nasdaq National Market	0	1.07	0.85	-0.22
Vest Marine	WMAR	Nasdaq National Market	0	1.07	1.15	0.08
Panera Bread	PNRA	Nasdaq National Market	0	1.06	1.20	0.14
Ross Stores	ROST	Nasdaq National Market	0	1.06	1.00	-0.06
Kimball International B	KBALB	Nasdaq National Market	0	1.05	0.85	-0.20
Silgan Holdings	SLGN	Nasdaq National Market	0	1.04	0.75	-0.29
Charming Shoppes	CHRS	Nasdaq National Market	0	1.03	1.35	0.32
Dade Behring Holdings	DADE	Nasdaq National Market	0	1.03	0.90	-0.13
Nasdaq Stock Market	NDAQ	Nasdaq National Market	0	1.03	1.20	0.17
Parexel International	PRXL	Nasdaq National Market	0	1.02	1.15	0.13
CDW	CDWC	Nasdaq National Market	0	1.01	0.90	-0.11
Excel Technology	XLTC	Nasdaq National Market	0	1.01	1.05	0.04
Fred's	FRED	Nasdaq National Market	0	1.00	1.15	0.15
Genlyte Group	GLYT	Nasdaq National Market	0	1.00	1.00	0.00
incoln Electric Holdings	LECO	Nasdaq National Market	0	1.00	1.05	0.05
Casella Waste Systems	CWST	Nasdaq National Market	0	0.98	1.00	0.02
Forrester Research	FORR	Nasdaq National Market	0	0.98	1.00	0.02
ApogeeEnterprises	APOG	Nasdaq National Market	0	0.97	1.10	0.13
Fastenal	FAST	Nasdaq National Market	0	0.97	1.20	0.23
/CA Antech	WOOF	Nasdaq National Market	0	0.96	0.65	-0.31
Selective Insurance Group	SIGI	Nasdaq National Market	0	0.95	0.90	-0.05
CBRL Group	CBRL	Nasdaq National Market	0	0.94	0.85	-0.09
Herman Miller	MLHR	Nasdaq National Market	0	0.94	0.95	0.01
Avid Technology	AVID	Nasdaq National Market	0	0.93	1.25	0.32

			S&P500?	NASADO	Value Line	
Company	Ticker	Stock Exchange	0=No 1 =Yes	Beta	Beta	Difference
Gentex	GNTX	Nasdag National Market	0	0.93	1.00	0.07
Pacific Sunwear	PSUN	Nasdaq National Market	0	0.93	1.00	0.07
Finish Line	FINL	Nasdaq National Market	0	0.92	0.85	-0.07
HealthExtras	HLEX	Nasdaq National Market	0	0.92	1.00	0.08
ArthroCare	ARTC	Nasdaq National Market	0	0.91	1.10	0.19
Bassett Furniture Industries	BSET	Nasdaq National Market	0	0.91	0.95	0.04
Comcast	CMCSK	Nasdaq National Market	0	0.91	1.40	0.49
Park-OhioHoldings	PKOH	Nasdaq National Market	0	0.91	0.85	-0.06
Werner Enterprises	WERN	Nasdaq National Market	0	0.91	1.05	0.14
JB Hunt TransportServices	JBHT	Nasdaq National Market	0	0.90	1.20	0.30
Micros Systems	MCRS	Nasdaq National Market	0	0.90	0.95	0.05
Perrigo	PRGO	Nasdaq National Market	0	0.89	0.90	0.01
O'Charley's	CHUX	Nasdaq National Market	0	0.87	1.00	0.13
American CapitalStrategies	ACAS DSCP	Nasdaq National Market	0	0.86	1.00	0.14
Datascope Heartland Express	HTLD	Nasdaq National Market Nasdaq National Market	0	0.86 0.85	1.10 1.05	0.24
Lance	LNCE	Nasdaq National Market	0	0.85	0.85	0.20
Dixie Group	DXYN	Nasdaq National Market	0	0.84	0.85	0.00
Alexander & Baldwin	ALEX	Nasdaq National Market	0	0.83	0.95	0.12
EchoStar Communications	DISH	Nasdaq National Market	0	0.82	0.95	0.13
Kelly Services A	KELYA	Nasdaq National Market	0	0.82	1.20	0.38
Nordson	NDSN	Nasdaq National Market	0	0.82	1.05	0.23
Bob Evans Farms	BOBE	Nasdaq National Market	0	0.81	0.85	0.04
Fossil	FOSL	Nasdaq National Market	0	0.81	1.15	0.34
Hutchinson Technology	HTCH	Nasdaq National Market	0	0.81	1.10	0.29
Applebee'sInternational	APPB	Nasdaq National Market	0	0.80	0.85	0.05
Arrow International	ARRO	Nasdaq National Market	0	0.80	0.75	-0.05
Lawson Products	LAWS	Nasdaq National Market	0	0.79	1.00	0.21
Radio One D	ROIAK	Nasdaq National Market	0	0.79	1.40	0.61
United Natural Foods	UNFI	Nasdaq National Market	0	0.79	0.95	0.16
Conmed	CNMD	Nasdaq National Market	0	0.78	1.00	0.22
Elizabeth Arden	RDEN	Nasdaq National Market	0	0.78	1.25	0.47
Select Comfort	SCSS	Nasdaq National Market	0	0.78	1.10	0.32
Topps	TOPP	Nasdaq National Market	0	0.78	0.90	0.12
Dionex P.F. Chang's ChinaBistro	DNEX PFCB	Nasdaq National Market Nasdaq National Market	0	0.76 0.76	0.90 1.00	0.14
Capitol Federal Financial	CFFN	Nasdaq National Market	0	0.76	0.70	-0.05
Casey's General Stores	CASY	Nasdag National Market	0	0.74	1.00	0.26
DTS	DTSI	Nasdaq National Market	0	0.74	1.30	0.58
Hain Celestial Group	HAIN	Nasdaq National Market	0	0.72	0.90	0.18
Applied Signal Technology	APSG	Nasdaq National Market	0	0.71	0.75	0.04
Integra LifeSciences Holdings	IART	Nasdaq National Market	0	0.71	0.90	0.19
Palm	PALM	Nasdaq National Market	0	0.71	1.10	0.39
Franklin Electric	FELE	Nasdaq National Market	0	0.70	0.95	0.25
Scholastic	SCHL	Nasdaq National Market	0	0.68	0.95	0.27
Cheesecake Factory	CAKE	Nasdaq National Market	0	0.67	0.90	0.23
Guitar Center	GTRC	Nasdaq National Market	0	0.67	1.15	0.48
O'Reilly Automotive	ORLY	Nasdaq National Market	0	0.67	0.95	0.28
Corporate ExecutiveBoard	EXBD	Nasdaq National Market	0	0.66	0.85	0.19
Bright Horizons Family Solutio	BFAM	Nasdaq National Market	0	0.65	0.80	0.15
OnyxPharmaceuticals	ONXX	Nasdaq National Market	0	0.65	1.00	0.35
Teva PharmaceuticalIndustries	TEVA	Nasdaq National Market	0	0.65	0.80	0.15
Washington Federal	WFSL	Nasdaq National Market	0	0.65	0.90	0.25
Affymetrix	AFFX	Nasdaq National Market	0	0.64	1.25	0.61
Zebra Technologies	ZBRA	Nasdaq National Market	0	0.64	1.00	0.36
Endo Pharmaceutical Hldgs	ENDP	Nasdaq National Market	0	0.63	1.10	0.47
Otter Tail	OTTR	Nasdaq National Market	0	0.62	0.65	0.03
Associated Banc-Corp	ASBC	Nasdaq National Market	0	0.60	0.90	0.30
Commerce Bancshares	CBSH BOKF	Nasdaq National Market Nasdaq National Market	0	0.60 0.59	0.90	0.30

			S&P500?		Value Line	D:"
Company	Ticker	Stock Exchange	0=No 1 =Yes	Beta	Beta	Difference
G & K Services A	GKSR	Nasdaq National Market	0	0.59	1.10	0.51
Rare HospitalityInternational	RARE	Nasdaq National Market	0	0.58	0.95	0.37
Techne	TECH	Nasdaq National Market	0	0.58	1.10	0.52
Advisory Board	ABCO	Nasdaq National Market	0	0.57	1.05	0.48
Southwest Water	SWWC	Nasdaq National Market	0	0.57	1.00	0.43
Central Garden &Pet	CENT	Nasdaq National Market	0	0.56	0.95	0.39
Corinthian Colleges	coco	Nasdaq National Market	0	0.55	0.80	0.25
OSI Pharmaceuticals	OSIP	Nasdaq National Market	0	0.53	1.05	0.52
Papa John'sInternational	PZZA	Nasdaq National Market	0	0.53	0.75	0.22
Thoratec Laboratories	THOR	Nasdaq National Market	0	0.53	0.95	0.42
ManTech InternationalA	MANT	Nasdaq National Market	0	0.52	0.95	0.43
MGE Energy	MGEE	Nasdaq National Market	0	0.51	0.80	0.29
Ventana Medical Systems	VMSI	Nasdaq National Market	0	0.51	1.00	0.49
Immucor	BLUD	Nasdaq National Market	0	0.49	0.75	0.26
Keystone AutomotiveIndustries	KEYS	Nasdaq National Market	0	0.49	0.95	0.46
Cerner	CERN	Nasdaq National Market	0	0.47	1.15	0.68
First Midwest Bancorp	FMBI	Nasdaq National Market	0	0.47	0.95	0.48
Invitrogen	IVGN	Nasdaq National Market	0	0.47	0.90	0.43
K-TronInternational	KTII	Nasdaq National Market	0	0.47	0.60	0.13
Performance Food Group	PFGC	Nasdaq National Market	0	0.47	0.60	0.13
Popular	BPOP	Nasdaq National Market	0	0.46	0.80	0.34
YRC Worldwide	YRCW	Nasdaq National Market	0	0.46	1.10	0.64
Albany MolecularResearch	AMRI	Nasdaq National Market	0	0.45	0.95	0.50
East West Bancorp	EWBC	Nasdaq National Market	0	0.45	1.00	0.55
NeurocrineBiosciences	NBIX	Nasdaq National Market	0	0.45	1.25	0.80
Strayer Education	STRA	Nasdaq National Market	0	0.45	0.85	0.40
Penford	PENX	Nasdaq National Market	0	0.44	0.95	0.51
Sonic	SONC	Nasdaq National Market	0	0.44	0.75	0.31
Matthews International A	MATW	Nasdaq National Market	0	0.41	0.80	0.39
Pathmark Stores	PTMK	Nasdaq National Market	0	0.41	1.15	0.74
Abraxis BioScience	ABBI	Nasdaq National Market	0	0.39	1.25	0.86
Psychiatric Solutions	PSYS	Nasdaq National Market	0	0.39	0.45	0.06
Respironics	RESP	Nasdaq National Market	0	0.39	0.90	0.51
Analogic	ALOG	Nasdaq National Market	0	0.38	0.85	0.47
Ohio Casualty	OCAS	Nasdaq National Market	0	0.38	0.95	0.57
Coca-Cola Bottling Company Con	COKE	Nasdaq National Market	0	0.37	0.75	0.38
People's United Financial	PBCT	Nasdaq National Market	0	0.37	0.90	0.53
Computer Programs and Systems	CPSI	Nasdaq National Market	0	0.36	0.90	0.54
Helen of Troy	HELE	Nasdaq National Market	0	0.35	0.80	0.45
Lincare Holdings	LNCR	Nasdaq National Market	0	0.35	0.65	0.30
UnitedTherapeutics	UTHR	Nasdaq National Market	0	0.35	1.10	0.75
WD .	WDFC	Nasdaq National Market	0	0.35	0.85	0.50
Jones Soda	JSDA	Nasdaq National Market	0	0.33	0.30	-0.03
Expeditors International ofWa	EXPD	Nasdaq National Market	0	0.32	0.85	0.53
Take-Two Interactive Software	TTWO	Nasdaq National Market	0	0.28	1.10	0.82
Cytyc	CYTC	Nasdaq National Market	0	0.26	1.25	0.99
Erie Indemnity A	ERIE	Nasdaq National Market	0	0.25	0.70	0.45
Career Education	CECO	Nasdaq National Market	0	0.21	0.75	0.54
GibraltarIndustries	ROCK	Nasdaq National Market	0	0.21	1.00	0.79
LifePoint Hospitals	LPNT	Nasdaq National Market	0	0.19	0.65	0.46
Arkansas Best	ABFS	Nasdaq National Market	0	0.16	1.00	0.84
dexx Laboratories	IDXX	Nasdaq National Market	0	0.16	0.70	0.54
Henry Schein	HSIC	Nasdaq National Market	0	0.15	0.75	0.60
Pacific Capital Bancorp	PCBC	Nasdaq National Market	0	0.13	0.75	0.76
Lancaster Colony	LANC	Nasdaq National Market	0	0.14	0.80	0.78
International SpeedwayA	ISCA	Nasdaq National Market	0	0.12	0.65	0.56
Hancock Holding	HBHC	Nasdaq National Market	0	0.09	0.65	0.82
Chattem	CHTT	Nasdaq National Market	0	0.08	0.90	0.82
Dress Barn	DBRN	Nasdaq National Market	0	0.07	0.70	0.88
DIESS DAIII	PDKIN	ivasuay ivalional iviaiket	U	0.07	0.90	U.00

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Company	Tieker	Stock Evolungs	S&P500? 0=No 1 =Yes	NASADQ Beta	Value Line Beta	Difference
Company California PizzaKitchen	Ticker	Stock Exchange	0=140 1 = 165	0.06	0.75	0.69
Stericycle	SRCL	Nasdaq National Market Nasdaq National Market	0	0.06	0.75	0.69
Tasty Baking	TSTY	Nasdaq National Market	0	0.05	0.75	0.70
Biosite	BSTE	Nasdaq National Market	0	0.03	1.10	1.09
SurModics	SRDX	Nasdag National Market	0	-0.05	0.95	1.00
JetBlue Airways	JBLU	Nasdaq National Market	0	-0.12	1.00	1.12
DENTSPLY International	XRAY	Nasdaq National Market	0	-0.20	0.70	0.90
NitroMed	NTMD	Nasdaq National Market	0	-2.36	0.70	3.06
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AkamaiTechnologies	AKAM	Nasdaq Small Cap	0	3.97	1.95	-2.02
Bankrate	RATE	Nasdaq Small Cap	0	1.26	1.25	-0.01
Nissan Motor ADR	NSANY	Nasdaq Small Cap	0	0.67	0.85	0.18
Hansen Natural	HANS	Nasdaq Small Cap	0	0.41	1.10	0.69
Avaya	AV	NYSE	1	5.00	1.35	-3.65
Solectron	SLR	NYSE	1	3.43	1.70	-1.73
AlleghenyTechnologies Torodyna	ATI	NYSE	1	3.40	1.95	-1.45
Teradyne	TER AMD	NYSE	1	3.16 3.06	1.85	-1.31
Advanced MicroDevices Corning	GLW	NYSE NYSE	1	3.06	1.55 1.35	-1.51 -1.71
Qwest Communications Internati	Q	NYSE	1	2.96	1.85	-1.71
United StatesSteel	X	NYSE	1	2.84	1.55	-1.11
NationalSemiconductor	NSM	NYSE	1	2.72	1.20	-1.52
Dynegy	DYN	NYSE	1	2.70	2.80	0.10
NCR	NCR	NYSE	1	2.46	1.10	-1.36
CMS Energy	CMS	NYSE	1	2.43	1.65	-0.78
LSI	LSI	NYSE	1	2.39	1.80	-0.59
CA	CA	NYSE	1	2.29	1.55	-0.74
MicronTechnology	MU	NYSE	1	2.29	1.35	-0.94
Sealed Air	SEE	NYSE	1	2.25	0.60	-1.65
Williams Companies	WMB	NYSE	1	2.24	2.85	0.61
El Paso	EP	NYSE	1	2.22	2.25	0.03
Electronic Data Systems	EDS	NYSE	1	2.21	1.65	-0.56
Analog Devices	ADI	NYSE	1	2.19	1.30	-0.89
Unisys	UIS	NYSE	1	2.17	1.40	-0.77
Allied Waste Industries	AW	NYSE	1	2.04	1.15	-0.89
Agilent Technologies	Α	NYSE	1	2.03	1.45	-0.58
Janus Capital Group	JNS	NYSE	1	2.03	1.55	-0.48
Nucor	NUE	NYSE	1	2.01	1.30	-0.71
TexasInstruments	TXN	NYSE	1	2.00	1.30	-0.70
Goodyear Tire & Rubber	GT	NYSE	1	1.98	1.55	-0.43
Alcoa	AA	NYSE	1	1.97	1.35	-0.62
PerkinElmer	PKI	NYSE	1	1.97	1.00	-0.97
Hewlett-Packard	HPQ	NYSE	1	1.92	1.35	-0.57
Ford Motor	F	NYSE	1	1.91	1.40	-0.51
Time Warner	TWX XRX	NYSE NYSE	1	1.89 1.88	1.25	-0.64 -0.48
Xerox EMC	EMC	NYSE	1	1.88	1.40 1.25	-0.48
CIT Group	CIT	NYSE	1	1.84	1.25	-0.59
Convergys	CVG	NYSE	1	1.78	1.45	-0.46
Jabil Circuit	JBL	NYSE	1	1.77	1.40	-0.37
Tiffany	TIF	NYSE	1	1.77	1.35	-0.42
AES	AES	NYSE	1	1.74	1.85	0.11
J.P. Morgan Chase & Co.	JPM	NYSE	1	1.74	1.40	-0.34
Temple-Inland	TIN	NYSE	1	1.74	1.20	-0.54
Office Depot	ODP	NYSE	1	1.72	1.10	-0.62
Sprint Nextel	S	NYSE	1	1.70	1.15	-0.55
Halliburton	HAL	NYSE	1	1.68	1.30	-0.38
HoneywellInternational	HON	NYSE	1	1.65	1.15	-0.50
IBM	IBM	NYSE	1	1.62	1.05	-0.57

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Company	Ticker	Stock Exchange	S&P500? 0=No 1 =Yes	NASADQ Beta	Value Line Beta	Difference
SuperValu	SVU	NYSE	1	1.62	1.00	-0.62
MGIC Investment	MTG	NYSE	1	1.61	1.40	-0.21
MonsantoCompany	MON	NYSE	1	1.61	1.05	-0.56
Robert HalfInternational	RHI	NYSE	1	1.61	1.40	-0.21
TycoInternational	TYC	NYSE	1	1.61	1.40	-0.21
Cummins	CMI	NYSE	1	1.59	1.30	-0.29
Hartford Financial Services Gr	HIG	NYSE	1	1.56	1.30	-0.26
Textron	TXT	NYSE	1	1.55	1.20	-0.35
AT&T	Т	NYSE	1	1.53	1.20	-0.33
Interpublic Group ofCompanies	IPG	NYSE	1	1.53	1.35	-0.18
Legg Mason	LM	NYSE	1	1.51	1.20	-0.31
Morgan Stanley	MS	NYSE	1	1.51	1.45	-0.06
Capital One Financial	COF	NYSE	1	1.50	1.40	-0.10
Consol Energy	CNX	NYSE	1	1.50	1.80	0.30
Ingersoll-Rand A	IR	NYSE	1	1.50	1.30	-0.20
McDonald's	MCD	NYSE	1	1.50	1.10	-0.40
Verizon Communications	VZ	NYSE	1	1.50	1.05	-0.45
Snap-on	SNA	NYSE	1	1.49	0.95	-0.54
	EK	NYSE	1	1.47	1.05	-0.42
Clear ChannelCommunications	CCU	NYSE	1	1.46	1.35	-0.11
DR Horton	DHI	NYSE	1	1.46	1.45	-0.01
Merrill Lynch &Company	MER	NYSE	1	1.46	1.35	-0.11
Home Depot	HD	NYSE	1	1.45	1.00	-0.45
Pulte Homes	PHM	NYSE	1	1.45	1.35	-0.10
Nordstrom	JWN	NYSE	1	1.43	1.20	-0.23
Waters	WAT	NYSE	1	1.43	1.00	-0.43
Caterpillar	CAT	NYSE	1	1.42	1.15	-0.27
Computer Sciences	CSC	NYSE	1	1.42	1.10	-0.32
BMCSoftware	ВМС	NYSE	1	1.40	1.30	-0.10
Citizens Communications	CZN	NYSE	1	1.40	1.00	-0.40
Harman International Industrie	HAR	NYSE	1	1.40	1.05	-0.35
Whirlpool	WHR	NYSE	1	1.40	1.15	-0.25
Hasbro	HAS	NYSE	1	1.38	0.95	-0.43
Mellon Financial	MEL	NYSE	1	1.38	1.35	-0.03
Pepsi Bottling Group	PBG	NYSE	1	1.38	0.80	-0.58
Dover	DOV	NYSE	1	1.37	1.10	-0.27
Parker Hannifin	PH	NYSE	1	1.36	1.10	-0.26
Bank of New York Company	ВК	NYSE	1	1.35	1.30	-0.05
Centex	СТХ	NYSE	1	1.35	1.25	-0.10
Freeport-McMoRan Copper & Gold	FCX	NYSE	1	1.35	1.50	0.15
Pall	PLL	NYSE	1	1.35	1.00	-0.35
American Express	AXP	NYSE	1	1.34	1.25	-0.09
Terex	TEX	NYSE	1	1.34	1.35	0.01
Best Buy Co.	BBY	NYSE	1	1.30	1.15	-0.15
Gap	GPS	NYSE	1	1.29	0.95	-0.34
Transocean	RIG	NYSE	1	1.29	1.20	-0.09
Lincoln National	LNC	NYSE	1	1.28	1.35	0.07
Xcel Energy	XEL	NYSE	1	1.28	0.90	-0.38
MeadWestvaco	MWV	NYSE	1	1.27	1.10	-0.17
Motorola	MOT	NYSE	1	1.27	1.05	-0.22
Farget	TGT	NYSE	1	1.27	1.00	-0.27
Wyeth	WYE	NYSE	1	1.27	1.00	-0.27
Allegheny Energy	AYE	NYSE	1	1.26	2.10	0.84
Eaton	ETN	NYSE	1	1.26	1.05	-0.21
Equifax	EFX	NYSE	1	1.26	1.05	-0.21
Centurytel	CTL	NYSE	1	1.25	1.00	-0.25
MBIA	MBI	NYSE	1	1.25	1.25	0.00
Dow Jones & Company	DJ	NYSE	1	1.24	1.10	-0.14
Goodrich	GR	NYSE	1	1.24	1.20	-0.04
The Travelers Companies	TRV	NYSE	1	1.24	1.25	0.04

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0		0	S&P500?		Value Line	D:#
Company	Ticker C	Stock Exchange	0=No 1 =Yes	Beta	Beta	Difference
Citigroup General Motors	GM	NYSE NYSE	1	1.23 1.23	1.25 1.35	0.02
Lehman BrothersHoldings	LEH	NYSE	1	1.23	1.30	0.12
RadioShack	RSH	NYSE	1	1.22	1.00	-0.22
American International Group	AIG	NYSE	1	1.21	1.25	0.04
State Street	STT	NYSE	1	1.21	1.25	0.04
Franklin Resources	BEN	NYSE	1	1.20	1.25	0.05
Unum Group	UNM	NYSE	1	1.20	1.60	0.40
Tektronix	TEK	NYSE	1	1.19	1.10	-0.09
Baxter International	BAX	NYSE	1	1.18	0.75	-0.43
Coach	СОН	NYSE	1	1.18	1.15	-0.03
Stanley Works	SWK	NYSE	1	1.18	0.90	-0.28
Walt Disney	DIS	NYSE	1	1.18	1.30	0.12
Weyerhaeuser	WY	NYSE	1	1.18	1.15	-0.03
Cooper Industries	CBE	NYSE	1	1.17	1.00	-0.17
Lexmark International	LXK	NYSE	1	1.17	1.00	-0.17
Rockwell Automation	ROK	NYSE	1	1.17	1.10	-0.07
Ambac Financial Group	ABK	NYSE	1	1.16	1.20	0.04
OfficeMax	OMX	NYSE	1	1.16	1.15	-0.01
Deere & Company	DE	NYSE	1	1.15	1.00	-0.15
Kroger Rohm and Haas	KR ROH	NYSE NYSE	1	1.15 1.15	1.20 1.05	0.05 -0.10
Automatic Data Processing	ADP	NYSE	1	1.15	0.90	-0.10
Bristol-Myers Squibb	BMY	NYSE	1	1.14	1.00	-0.24
Carnival	CCL	NYSE	1	1.14	1.05	-0.09
Emerson Electric	EMR	NYSE	1	1.14	1.00	-0.14
Goldman Sachs Group	GS	NYSE	1	1.14	1.25	0.11
Starwood Hotels & Resorts Worl	нот	NYSE	1	1.14	1.20	0.06
J.C. Penney	JCP	NYSE	1	1.13	0.95	-0.18
Leggett &Platt	LEG	NYSE	1	1.13	1.00	-0.13
Schlumberger	SLB	NYSE	1	1.13	1.15	0.02
Abercrombie & Fitch A	ANF	NYSE	1	1.12	0.90	-0.22
Peabody Energy	BTU	NYSE	1	1.12	1.20	0.08
Rowan Companies	RDC	NYSE	1	1.12	1.20	0.08
Brunswick	BC	NYSE	1	1.11	1.15	0.04
Limited Brands	LTD	NYSE	1	1.11	1.15	0.04
Polo Ralph Lauren	RL	NYSE	1	1.10	1.00	-0.10
Masco	MAS	NYSE	1	1.09	1.05	-0.04
Pactiv PPG Industries	PTV PPG	NYSE NYSE	1	1.09 1.09	1.00	-0.09 -0.09
US Bancorp	USB	NYSE	1	1.09	1.15	0.06
Dillard's	DDS	NYSE	1	1.08	1.15	0.00
DuPont De NemoursE.I.	DD	NYSE	1	1.07	0.95	-0.12
Marriott International A	MAR	NYSE	1	1.07	0.95	-0.12
Thermo Fisher Scientific	TMO	NYSE	1	1.07	1.05	-0.02
Chicago Mercantile ExchangeHo	CME	NYSE	1	1.06	1.05	-0.01
Chubb	СВ	NYSE	1	1.06	1.05	-0.01
Dow Chemical	DOW	NYSE	1	1.06	1.05	-0.01
CenterPoint Energy	CNP	NYSE	1	1.04	0.65	-0.39
Plum Creek TimberCompany	PCL	NYSE	1	1.04	0.95	-0.09
CSX	CSX	NYSE	1	1.03	1.00	-0.03
Dollar General	DG	NYSE	1	1.03	1.00	-0.03
Fluor	FLR	NYSE	1	1.03	1.15	0.12
Metropolitan Life Insurance	MET	NYSE	1	1.03	1.15	0.12
Sherwin-Williams	SHW	NYSE	1	1.03	1.00	-0.03
ACE	ACE	NYSE	1	1.02	1.35	0.33
BJ Services	BJS	NYSE	1	1.02	1.15	0.13
Norfolk Southern	NSC	NYSE	1	1.02	1.00	-0.02
Hercules	HPC	NYSE	1	1.01	1.05	0.04

			S&P500?	NASADQ	Value Line	
Company	Ticker	Stock Exchange	0=No 1 =Yes	Beta	Beta	Difference
American Electric Power	AEP	NYSE	1	1.00	1.35	0.35
Vulcan Materials	VMC	NYSE	1	1.00	1.15	0.15
Marsh & McLennan Companies	MMC	NYSE	1	0.99	1.10	0.13
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Pitney Bowes	PBI	NYSE	1	0.99	0.90	-0.09
Sovereign Bancorp	sov	NYSE	1	0.99	1.10	0.11
ENSCO International	ESV	NYSE	1	0.98	1.10	0.12
King Pharmaceuticals	KG	NYSE	1	0.98	1.15	0.17
Applera	ABI	NYSE	1	0.97	1.00	0.03
Southwest Airlines	LUV	NYSE	1	0.97	1.15	0.18
CVS Caremark	cvs	NYSE	1	0.96	0.85	-0.11
Fannie Mae	FNM	NYSE	1	0.96	1.00	0.04
International Paper	IP	NYSE	1	0.96	1.05	0.09
KB Home	КВН	NYSE	1	0.96	1.25	0.29
Millipore	MIL	NYSE	1	0.96	0.95	-0.01
Synovus Financial	SNV	NYSE	1	0.96	1.05	0.09
Watson Pharmaceuticals	WPI	NYSE	1	0.96	0.90	-0.06
Edison International	EIX	NYSE	1	0.96	1.10	0.15
Hilton Hotels	HLT	NYSE	1	0.95	1.05	0.10
Liz Claiborne	LIZ	NYSE	1	0.94	0.90	-0.04
W.W. Grainger	GWW	NYSE	1	0.94	1.10	0.16
Illinois Tool Works	ITW	NYSE	1	0.93	0.95	0.02
Pinnacle West Capital	PNW	NYSE	1	0.93	1.00	0.07
AutoNation	AN	NYSE	1	0.92	1.05	0.13
Black & Decker	BDK	NYSE	1	0.92	0.95	0.03
IMS Health	RX	NYSE	1	0.92	1.10	0.18
Newell Rubbermaid	NWL	NYSE	1	0.92	0.95	0.03
Family Dollar Stores	FDO	NYSE	1	0.90	0.90	0.00
Merck	MRK	NYSE	1	0.90	0.90	0.00
PG & E	PCG	NYSE	1	0.90	1.20	0.30
Raytheon	RTN	NYSE	1	0.90	1.00	0.10
American Standard Companies	ASD	NYSE	1	0.89	0.95	0.06
Nicor	GAS	NYSE	1	0.89	1.30	0.41
Waste Management	WMI	NYSE	1	0.89	0.90	0.01
Tyson Foods A	TSN	NYSE	1	0.88	0.75	-0.13
Harley-Davidson	HOG	NYSE	1	0.87	0.90	0.03
Noble	NE	NYSE	1	0.85	1.05	0.20
Omnicom Group	OMC	NYSE	1	0.85	1.10	0.25
Union Pacific	UNP	NYSE	1	0.85	0.90	0.05
UST	UST	NYSE	1	0.85	1.00	0.15
Washington Mutual	CMA	NYSE	1	0.85	1.05	0.20
Comerica	CMA	NYSE		0.84	1.00	0.16
EastmanChemical	EMN	NYSE	1	0.84	1.00	0.16
ExxonMobil	XOM	NYSE	1	0.84	0.90	0.06
Smith International	SII	NYSE	1	0.84	1.10	0.26
ITT Industries	ITT	NYSE	1	0.83	0.85	0.02
Lowe's Companies	LOW	NYSE	1	0.83	1.00	0.17
Weatherford International	WFT	NYSE	1	0.83	1.15	0.32
Burlington Northern Santa Fe	BNI	NYSE	1	0.82	0.95	0.13
Cigna	CI	NYSE	1	0.82	1.15	0.33
Countrywide Financial	CFC	NYSE	1	0.82	1.15	0.33
Constellation Brands A	STZ	NYSE	1	0.81	0.80	-0.01
Eli Lilly & Company	LLY	NYSE	1	0.81	0.90	0.09
Equity Residential	EQR	NYSE	1			
' '				0.81	0.90	0.09
GeneralDynamics	GD	NYSE	1	0.81	0.90	0.09
Praxair	PX	NYSE	1	0.81	0.95	0.14
		NIVOE	1	0.81	1.05	0.24
XL Capital	XL	NYSE				
XL Capital JohnsonControls	JCI	NYSE	1	0.80	1.00	0.20
						0.20 0.10
JohnsonControls	JCI	NYSE	1	0.80	1.00	

Company	0Q Value Line Beta 1.15 0.95 1.05 0.80 0.80 0.85 1.05 0.70 0.85 0.90 0.95 0.95 0.95 0.90 1.20 1.30 1.05	Difference 0.36 0.16 0.26 0.02 0.03 0.08 0.28 -0.07 0.09 0.14 0.19 0.19 0.09 0.14 0.20 0.15 0.45
Company Ticker Stock Exchange 0=No 1 = Yes Beta Bear StearnsCompanies BSC NYSE 1 0.79 RR Donnelley & Sons RRD NYSE 1 0.79 Wachovia WB NYSE 1 0.79 Fortune Brands FO NYSE 1 0.78 3M Company MMM NYSE 1 0.77 Becton Dickinson and Company BDX NYSE 1 0.77 Becton Dickinson and Company BDX NYSE 1 0.77 PNC Financial Services Group PNC NYSE 1 0.77 PRC Financial Services Group PNC NYSE 1 0.77 Archer DanielsMidland ADM NYSE 1 0.77 Archer DanielsMidland ADM NYSE 1 0.76 Boeing BA NYSE 1 0.76 Federated Investors B FII NYSE 1 0.76 Kohl's KSS NYS	Beta 1.15 0.95 1.05 0.80 0.80 0.85 1.05 0.70 0.85 0.90 0.95 0.95 0.95 0.90 1.20 1.30 1.05	0.36 0.16 0.26 0.02 0.03 0.08 0.28 -0.07 0.09 0.14 0.19 0.19 0.09 0.14 0.20 0.15
Company Ticker Stock Exchange 0=No 1 = Yes Beta Bear StearnsCompanies BSC NYSE 1 0.79 RR Donnelley & Sons RRD NYSE 1 0.79 Wachovia WB NYSE 1 0.79 Fortune Brands FO NYSE 1 0.78 3M Company MMM NYSE 1 0.77 Becton Dickinson and Company BDX NYSE 1 0.77 Becton Dickinson and Company BDX NYSE 1 0.77 PNC Financial Services Group PNC NYSE 1 0.77 Sara Lee SLE NYSE 1 0.77 Archer DanielsMidland ADM NYSE 1 0.76 Boeing BA NYSE 1 0.76 Federated Investors B FII NYSE 1 0.76 Freddie Mac FRE NYSE 1 0.76 Kohl's KSS NYSE 1	Beta 1.15 0.95 1.05 0.80 0.80 0.85 1.05 0.70 0.85 0.90 0.95 0.95 0.95 0.90 1.20 1.30 1.05	0.36 0.16 0.26 0.02 0.03 0.08 0.28 -0.07 0.09 0.14 0.19 0.19 0.09 0.14 0.20 0.15
Company Ticker Stock Exchange 0=No 1 = Yes Beta Bear StearnsCompanies BSC NYSE 1 0.79 RR Donnelley & Sons RRD NYSE 1 0.79 Wachovia WB NYSE 1 0.79 Fortune Brands FO NYSE 1 0.78 3M Company MMM NYSE 1 0.77 Becton Dickinson and Company BDX NYSE 1 0.77 PNC Financial Services Group PNC NYSE 1 0.77 PNC Financial Services Group PNC NYSE 1 0.77 Archer DanielsMidland ADM NYSE 1 0.77 Archer DanielsMidland ADM NYSE 1 0.76 Boeing BA NYSE 1 0.76 Federated Investors B FII NYSE 1 0.76 Freddie Mac FRE NYSE 1 0.76 Kohl's KSS NYSE <t< th=""><th>Beta 1.15 0.95 1.05 0.80 0.80 0.85 1.05 0.70 0.85 0.90 0.95 0.95 0.95 0.90 1.20 1.30 1.05</th><th>0.36 0.16 0.26 0.02 0.03 0.08 0.28 -0.07 0.09 0.14 0.19 0.19 0.09 0.14 0.20 0.15</th></t<>	Beta 1.15 0.95 1.05 0.80 0.80 0.85 1.05 0.70 0.85 0.90 0.95 0.95 0.95 0.90 1.20 1.30 1.05	0.36 0.16 0.26 0.02 0.03 0.08 0.28 -0.07 0.09 0.14 0.19 0.19 0.09 0.14 0.20 0.15
Company Ticker Stock Exchange 0=No 1 = Yes Beta Bear StearnsCompanies BSC NYSE 1 0.79 RR Donnelley & Sons RRD NYSE 1 0.79 Wachovia WB NYSE 1 0.79 Fortune Brands FO NYSE 1 0.78 3M Company MMM NYSE 1 0.77 Becton Dickinson and Company BDX NYSE 1 0.77 Becton Dickinson and Company BDX NYSE 1 0.77 PNC Financial Services Group PNC NYSE 1 0.77 Sara Lee SLE NYSE 1 0.77 Archer DanielsMidland ADM NYSE 1 0.76 Boeing BA NYSE 1 0.76 Federated Investors B FII NYSE 1 0.76 Freddie Mac FRE NYSE 1 0.76 Kohl's KSS NYSE 1	Beta 1.15 0.95 1.05 0.80 0.80 0.85 1.05 0.70 0.85 0.90 0.95 0.95 0.95 0.90 1.20 1.30 1.05	0.36 0.16 0.26 0.02 0.03 0.08 0.28 -0.07 0.09 0.14 0.19 0.19 0.09 0.14 0.20 0.15
Bear StearnsCompanies BSC NYSE 1 0.79 RR Donnelley & Sons RRD NYSE 1 0.79 Wachovia WB NYSE 1 0.79 Fortune Brands FO NYSE 1 0.78 3M Company MMMM NYSE 1 0.77 Becton Dickinson and Company BDX NYSE 1 0.77 PNC Financial Services Group PNC NYSE 1 0.77 PRC Financial Services Group PNC NYSE 1 0.77 Sara Lee SLE NYSE 1 0.77 Archer DanielsMidland ADM NYSE 1 0.76 Boeing BA NYSE 1 0.76 Federated Investors B FII NYSE 1 0.76 Freeddie Mac FRE NYSE 1 0.76 Kohl's KSS NYSE 1 0.76 Pfizer PFE NYSE 1 0.76 <	0.95 1.05 0.80 0.80 0.85 1.05 0.70 0.85 0.90 0.95 0.95 0.95 0.90 1.20 1.30 1.05	0.16 0.26 0.02 0.03 0.08 0.28 -0.07 0.09 0.14 0.19 0.09 0.14 0.20 0.15
Wachovia WB NYSE 1 0.79 Fortune Brands FO NYSE 1 0.78 3M Company MMM NYSE 1 0.77 Becton Dickinson and Company BDX NYSE 1 0.77 PNC Financial Services Group PNC NYSE 1 0.77 Sara Lee SLE NYSE 1 0.77 Archer DanielsMidland ADM NYSE 1 0.76 Boeing BA NYSE 1 0.76 Federated Investors B FII NYSE 1 0.76 Freddie Mac FRE NYSE 1 0.76 Kohl's KSS NYSE 1 0.76 Kohl's KSS NYSE 1 0.76 Kish NYSE 1 0.76 Fredered Investors B FRE NYSE 1 0.76 Kohl's KSS NYSE 1 0.76 Kohl's KSS	1.05 0.80 0.80 0.85 1.05 0.70 0.85 0.90 0.95 0.95 0.95 0.90 1.20 1.30 1.05	0.26 0.02 0.03 0.08 0.28 -0.07 0.09 0.14 0.19 0.19 0.09 0.14 0.20 0.15
Fortune Brands FO NYSE 1 0.78 3M Company MMM NYSE 1 0.77 Becton Dickinson and Company BDX NYSE 1 0.77 PNC Financial Services Group PNC NYSE 1 0.77 Sara Lee SLE NYSE 1 0.77 Archer DanielsMidland ADM NYSE 1 0.76 Boeing BA NYSE 1 0.76 Federated Investors B FII NYSE 1 0.76 Freddie Mac FRE NYSE 1 0.76 Kohl's KSS NYSE 1 0.76 Kohl's KSS NYSE 1 0.76 Frizer PFE NYSE 1 0.76 Air Products andChemicals APD NYSE 1 0.75 Chevron CVX NYSE 1 0.75 Valero Energy VLO NYSE 1 0.74	0.80 0.80 0.85 1.05 0.70 0.85 0.90 0.95 0.95 0.95 0.90 0.95 1.20 1.30 1.05	0.02 0.03 0.08 0.28 -0.07 0.09 0.14 0.19 0.19 0.09 0.14 0.20 0.15
3M Company MMM NYSE 1 0.77 Becton Dickinson and Company BDX NYSE 1 0.77 PNC Financial Services Group PNC NYSE 1 0.77 Sara Lee SLE NYSE 1 0.77 Archer DanielsMidland ADM NYSE 1 0.76 Boeing BA NYSE 1 0.76 Federated Investors B FII NYSE 1 0.76 Freddie Mac FRE NYSE 1 0.76 Kohl's KSS NYSE 1 0.76 Kohl's KSS NYSE 1 0.76 Frizer PFE NYSE 1 0.76 Air Products andChemicals APD NYSE 1 0.75 Chevron CVX NYSE 1 0.75 Valero Energy VLO NYSE 1 0.75 Aon AOC NYSE 1 0.74 TECO Energ	0.80 0.85 1.05 0.70 0.85 0.90 0.95 0.95 0.85 0.90 0.95 0.90 1.20 1.30 1.05	0.03 0.08 0.28 -0.07 0.09 0.14 0.19 0.19 0.09 0.14 0.20 0.15
Becton Dickinson and Company BDX NYSE 1 0.77 PNC Financial Services Group PNC NYSE 1 0.77 Sara Lee SLE NYSE 1 0.77 Archer DanielsMidland ADM NYSE 1 0.76 Boeing BA NYSE 1 0.76 Federated Investors B FII NYSE 1 0.76 Freddie Mac FRE NYSE 1 0.76 Kohl's KSS NYSE 1 0.76 Kohl's KSS NYSE 1 0.76 Frizer PFE NYSE 1 0.76 Air Products andChemicals APD NYSE 1 0.75 Chevron CVX NYSE 1 0.75 Valero Energy VLO NYSE 1 0.75 Aon AOC NYSE 1 0.74 TECO Energy TE NYSE 1 0.74 UnitedTech	0.85 1.05 0.70 0.85 0.90 0.95 0.95 0.85 0.90 0.95 1.20 1.30 1.05	0.08 0.28 -0.07 0.09 0.14 0.19 0.19 0.09 0.14 0.20 0.15
PNC Financial Services Group PNC NYSE 1 0.77 Sara Lee SLE NYSE 1 0.77 Archer DanielsMidland ADM NYSE 1 0.76 Boeing BA NYSE 1 0.76 Federated Investors B FII NYSE 1 0.76 Freddie Mac FRE NYSE 1 0.76 Kohl's KSS NYSE 1 0.76 Kiss NYSE 1 0.76 Pfizer PFE NYSE 1 0.76 Air Products and Chemicals APD NYSE 1 0.75 Chevron CVX NYSE 1 0.75 Valero Energy VLO NYSE 1 0.75 Aon AOC NYSE 1 0.74 TECO Energy TE NYSE 1 0.74 UnitedTechnologies UTX NYSE 1 0.73 General Electric GE	1.05 0.70 0.85 0.90 0.95 0.95 0.85 0.90 0.95 0.90 1.20 1.30 1.05	0.28 -0.07 0.09 0.14 0.19 0.19 0.09 0.14 0.20 0.15
Sara Lee SLE NYSE 1 0.77 Archer DanielsMidland ADM NYSE 1 0.76 Boeing BA NYSE 1 0.76 Federated Investors B FII NYSE 1 0.76 Freddie Mac FRE NYSE 1 0.76 Kohl's KSS NYSE 1 0.76 Kohl's KSS NYSE 1 0.76 Pfizer PFE NYSE 1 0.76 Air Products andChemicals APD NYSE 1 0.75 Chevron CVX NYSE 1 0.75 Valero Energy VLO NYSE 1 0.75 Aon AOC NYSE 1 0.74 TECO Energy TE NYSE 1 0.74 UnitedTechnologies UTX NYSE 1 0.73 General Electric GE NYSE 1 0.73	0.70 0.85 0.90 0.95 0.95 0.85 0.90 0.95 1.20 1.30 1.05	-0.07 0.09 0.14 0.19 0.19 0.09 0.14 0.20 0.15
Archer DanielsMidland ADM NYSE 1 0.76 Boeing BA NYSE 1 0.76 Federated Investors B FII NYSE 1 0.76 Freddie Mac FRE NYSE 1 0.76 Kohl's KSS NYSE 1 0.76 Kohl's PFE NYSE 1 0.76 Pfizer PFE NYSE 1 0.76 Air Products andChemicals APD NYSE 1 0.75 Chevron CVX NYSE 1 0.75 Chevron CVX NYSE 1 0.75 Valero Energy VLO NYSE 1 0.74 Aon AOC NYSE 1 0.74 TECO Energy TE NYSE 1 0.74 UnitedTechnologies UTX NYSE 1 0.73 General Electric GE NYSE 1 0.73	0.85 0.90 0.95 0.95 0.85 0.90 0.95 0.90 1.20 1.30	0.09 0.14 0.19 0.19 0.09 0.14 0.20 0.15
Boeing BA NYSE 1 0.76 Federated Investors B FII NYSE 1 0.76 Freddie Mac FRE NYSE 1 0.76 Kohl's KSS NYSE 1 0.76 Kohl's PFE NYSE 1 0.76 Pfizer PFE NYSE 1 0.76 Air Products andChemicals APD NYSE 1 0.75 Chevron CVX NYSE 1 0.75 Valero Energy VLO NYSE 1 0.75 Aon AOC NYSE 1 0.74 TECO Energy TE NYSE 1 0.74 UnitedTechnologies UTX NYSE 1 0.74 General Electric GE NYSE 1 0.73	0.90 0.95 0.95 0.85 0.90 0.95 0.90 1.20 1.30	0.14 0.19 0.19 0.09 0.14 0.20 0.15
Federated Investors B FII NYSE 1 0.76 Freddie Mac FRE NYSE 1 0.76 Kohl's KSS NYSE 1 0.76 Pfizer PFE NYSE 1 0.76 Air Products andChemicals APD NYSE 1 0.75 Chevron CVX NYSE 1 0.75 Valero Energy VLO NYSE 1 0.75 Aon AOC NYSE 1 0.74 TECO Energy TE NYSE 1 0.74 UnitedTechnologies UTX NYSE 1 0.74 General Electric GE NYSE 1 0.73	0.95 0.95 0.85 0.90 0.95 0.90 1.20 1.30	0.19 0.19 0.09 0.14 0.20 0.15
Freddie Mac FRE NYSE 1 0.76 Kohl's KSS NYSE 1 0.76 Pfizer PFE NYSE 1 0.76 Air Products andChemicals APD NYSE 1 0.75 Chevron CVX NYSE 1 0.75 Valero Energy VLO NYSE 1 0.75 Aon AOC NYSE 1 0.74 TECO Energy TE NYSE 1 0.74 UnitedTechnologies UTX NYSE 1 0.74 General Electric GE NYSE 1 0.73	0.95 0.85 0.90 0.95 0.90 1.20 1.30	0.19 0.09 0.14 0.20 0.15
Kohl's KSS NYSE 1 0.76 Pfizer PFE NYSE 1 0.76 Air Products andChemicals APD NYSE 1 0.75 Chevron CVX NYSE 1 0.75 Valero Energy VLO NYSE 1 0.75 Aon AOC NYSE 1 0.74 TECO Energy TE NYSE 1 0.74 UnitedTechnologies UTX NYSE 1 0.74 General Electric GE NYSE 1 0.73	0.85 0.90 0.95 0.90 1.20 1.30	0.09 0.14 0.20 0.15
Pfizer PFE NYSE 1 0.76 Air Products andChemicals APD NYSE 1 0.75 Chevron CVX NYSE 1 0.75 Valero Energy VLO NYSE 1 0.75 Aon AOC NYSE 1 0.74 TECO Energy TE NYSE 1 0.74 UnitedTechnologies UTX NYSE 1 0.74 General Electric GE NYSE 1 0.73	0.90 0.95 0.90 1.20 1.30 1.05	0.14 0.20 0.15
Air Products andChemicals APD NYSE 1 0.75 Chevron CVX NYSE 1 0.75 Valero Energy VLO NYSE 1 0.75 Aon AOC NYSE 1 0.74 TECO Energy TE NYSE 1 0.74 UnitedTechnologies UTX NYSE 1 0.74 General Electric GE NYSE 1 0.73	0.95 0.90 1.20 1.30 1.05	0.20 0.15
Chevron CVX NYSE 1 0.75 Valero Energy VLO NYSE 1 0.75 Aon AOC NYSE 1 0.74 TECO Energy TE NYSE 1 0.74 UnitedTechnologies UTX NYSE 1 0.74 General Electric GE NYSE 1 0.73	0.90 1.20 1.30 1.05	0.15
Valero Energy VLO NYSE 1 0.75 Aon AOC NYSE 1 0.74 TECO Energy TE NYSE 1 0.74 UnitedTechnologies UTX NYSE 1 0.74 General Electric GE NYSE 1 0.73	1.20 1.30 1.05	
Aon AOC NYSE 1 0.74 TECO Energy TE NYSE 1 0.74 UnitedTechnologies UTX NYSE 1 0.74 General Electric GE NYSE 1 0.73	1.30 1.05	
TECO Energy TE NYSE 1 0.74 UnitedTechnologies UTX NYSE 1 0.74 General Electric GE NYSE 1 0.73	1.05	0.56
UnitedTechnologies UTX NYSE 1 0.74 General Electric GE NYSE 1 0.73		0.31
General Electric GE NYSE 1 0.73	1.00	0.26
Kraft Foods KFT NYSE 1 0.73	1.10	0.37
	0.70	-0.03
Nabors Industries NBR NYSE 1 0.73	1.10	0.37
Commerce Bancorp NJ CBH NYSE 1 0.72	1.00	0.28
Danaher DHR NYSE 1 0.72	0.95	0.23
Mattel MAT NYSE 1 0.72	0.70	-0.02
Progress Energy PGN NYSE 1 0.72	0.95	0.23
Sempra Energy SRE NYSE 1 0.72	1.05	0.33
Affiliated Computer Services ACS NYSE 1 0.71	1.35	0.64
Humana HUM NYSE 1 0.71	0.95	0.24
Bausch & Lomb BOL NYSE 1 0.70	0.95	0.25
Bemis BMS NYSE 1 0.70 New York Times A NYT NYSE 1 0.70	0.90	0.20
New York Times A NYT NYSE 1 0.70 VF VFC NYSE 1 0.70	0.90	0.20
XTO Energy XTO NYSE 1 0.70	0.85	0.20
Aetna AET NYSE 1 0.69	1.10	0.41
Allstate ALL NYSE 1 0.69	0.90	0.21
Allergan AGN NYSE 1 0.68	0.85	0.17
Cardinal Health CAH NYSE 1 0.68	1.00	0.32
DirecTV DTV NYSE 1 0.68	1.05	0.37
PepsiCo PEP NYSE 1 0.67	0.75	0.08
Principal Financial Group PFG NYSE 1 0.67	1.05	0.38
Archstone-Smith Trust ASN NYSE 1 0.66	0.85	0.19
ConocoPhillips COP NYSE 1 0.66	0.90	0.24
Safeway SWY NYSE 1 0.66	1.05	0.39
Sysco SYY NYSE 1 0.66	0.80	0.14
Big Lots BIG NYSE 1 0.65	1.15	0.50
Genworth Financial GNW NYSE 1 0.65	0.95	0.30
Lennar LEN NYSE 1 0.65	1.20	0.55
NiSource NI NYSE 1 0.65 Outstand STD NYSE 4 0.65	0.95	0.30
Questar STR NYSE 1 0.65 Torshmerk TMK NYSE 1 0.65	0.90	0.25
Torchmark TMK NYSE 1 0.65 Genuine Parts GPC NYSE 1 0.64	1.00	0.35
Genuine Parts GPC NYSE 1 0.64 L-3 Communications Holdings LLL NYSE 1 0.64	0.85 1.00	0.21
Prudential Financial PRU NYSE 1 0.64	1.10	0.36
Avery Dennison AVY NYSE 1 0.63	0.90	0.46
Avery Definition	0.90	0.27
Marshall & Ilsley	1.05	0.43
Ryder System R NYSE 1 0.62	1.10	0.48
Schering-Plough SGP NYSE 1 0.62	1.00	0.38

Commony	Tielser	Ctook Evebonge	S&P500? 0=No 1 =Yes	NASADQ Beta	Value Line Beta	Difference
Company International GameTech	Ticker	Stock Exchange NYSE	0=N0 T = FeS			
				0.61	0.85	0.24
KeyCorp	KEY	NYSE	1	0.61	1.05	0.44
Wal-Mart Stores	WMT	NYSE	1	0.61	0.75	0.14
Coca-Cola	КО	NYSE	1	0.60	0.85	0.25
National City	NCC	NYSE	1	0.60	0.95	0.35
Chesapeake Energy	CHK	NYSE	1	0.59	0.90	0.31
Manor Care	HCR	NYSE	1	0.59	0.95	0.36
Reynolds American	RAI	NYSE	1	0.59	1.00	0.41
McKesson	MCK	NYSE	1	0.58	0.95	0.37
Bank of America	BAC	NYSE	1	0.57	1.05	0.48
Boston Scientific	BSX	NYSE	1	0.57	0.85	0.28
Campbell Soup	СРВ	NYSE	1	0.57	0.75	0.18
Devon Energy	DVN	NYSE	1	0.56	1.00	0.44
Estee Lauder A	EL	NYSE	1	0.56	0.85	0.29
Marathon Oil	MRO	NYSE	1	0.56	1.00	0.44
Harrah'sEntertainment	HET	NYSE	1	0.55	0.90	0.35
Sunoco	SUN	NYSE	1	0.55	1.05	0.50
Clorox	CLX	NYSE	1	0.54	0.65	0.11
Constellation Energy Group	CEG	NYSE	1	0.54	0.95	0.41
EW Scripps Company	SSP	NYSE	1	0.54	0.80	0.26
H.J. Heinz	HNZ	NYSE	1	0.54	0.70	0.16
Public Service Enterprise Grou	PEG	NYSE	1	0.53	1.00	0.47
RockwellCollins	COL	NYSE	1	0.53	0.90	0.37
DTE Energy Holding	DTE	NYSE	1	0.52	0.75	0.23
Ecolab	ECL	NYSE	1	0.52	0.80	0.28
FPL Group	FPL	NYSE	1	0.52	0.85	0.33
SunTrust Banks	STI	NYSE	1	0.52	1.00	0.48
Integrys Energy Group	TEG	NYSE	1	0.51	0.85	0.34
Meredith	MDP	NYSE	1	0.51	0.75	0.24
Stryker	SYK	NYSE	1	0.51	0.80	0.29
United Parcel ServiceB	UPS	NYSE	1	0.51	0.75	0.24
AvalonBay Communities	AVB	NYSE	1	0.50	0.85	0.35
Circuit City Stores	CC	NYSE	1	0.50	1.30	0.80
Coca-Cola Enterprises	CCE	NYSE	1	0.50	0.70	0.20
FirstEnergy	FE	NYSE	1	0.50	0.85	0.35
McCormick & Company	MKC	NYSE	1	0.50	0.50	0.00
McGraw-HillCompanies	MHP	NYSE	1	0.50	0.90	0.40
Apartment Investment &Managem	AIV	NYSE	1	0.49	0.85	0.36
BB&T	BBT	NYSE	1	0.49	0.95	0.46
Darden Restaurants	DRI	NYSE	1	0.49	0.85	0.36
Dominion Resources	D	NYSE	1	0.49	1.05	0.56
EOG Resources	EOG	NYSE	1	0.49	0.95	0.46
OccidentalPetroleum	OXY	NYSE	1	0.49	1.00	0.51
Walgreen	WAG	NYSE	1	0.49	0.80	0.31
Nike B	NKE	NYSE	1	0.48	0.85	0.37
First Horizon National	FHN	NYSE	1	0.47	0.95	0.48
SLM	SLM	NYSE	1	0.47	0.70	0.23
FedEx	FDX	NYSE	1	0.45	1.00	0.55
nternational Flavors & Fragra	IFF	NYSE	1	0.45	0.75	0.30
KeySpan	KSE	NYSE	1	0.45	0.85	0.40
ConAgra Foods	CAG	NYSE	1	0.43	0.75	0.32
Hess	HES	NYSE	1	0.43	0.95	0.52
Kimberly-Clark	KMB	NYSE	1	0.43	0.70	0.27
M & T Bank	MTB	NYSE	1	0.43	1.00	0.57
Murphy Oil	MUR	NYSE	1	0.43	1.00	0.57
ProLogis Trust	PLD	NYSE	1	0.43	0.75	0.32
Forest Laboratories	FRX	NYSE	1	0.42	0.85	0.43
Moody's	MCO	NYSE	1	0.42	0.85	0.43
Simon Property Group	SPG	NYSE	1	0.42	0.90	0.48
Cimon i roporty Group	ABT	NYSE	1	0.42	0.90	0.49

_			S&P500?		Value Line	
Company	Ticker	Stock Exchange	0=No 1 =Yes	Beta	Beta	Difference
Wm. Wrigley Jr.	WWY	NYSE	1	0.41	0.65	0.24
Yum Brands	YUM	NYSE	1	0.41	0.60	0.19
Barr Pharmaceuticals	BRL	NYSE	1	0.39	0.85	0.46
Safeco	SAF	NYSE	1	0.39	0.85	0.46
Varian Medical Systems	VAR	NYSE	1	0.39	0.90	0.51
Wells Fargo	WFC	NYSE	1	0.39	0.85	0.46
Gannett	GCI	NYSE	1	0.38	0.85	0.47
AmerisourceBergen	ABC	NYSE	1	0.36	0.85	0.49
Kimco Realty	KIM	NYSE	1	0.36	0.85	0.49
Avon Products	AVP	NYSE	1	0.35	0.65	0.30
Anheuser-Busch Companies	BUD	NYSE	1	0.34	0.65	0.31
Johnson & Johnson	JNJ	NYSE	1	0.34	0.70	0.36
Medtronic	MDT	NYSE	1	0.33	0.70	0.37
Medtronic	MDT	NYSE	1	0.33	0.95	0.62
Quest Diagnostics	DGX	NYSE	1	0.32	0.85	0.53
Ameren	AEE	NYSE	1	0.31	0.75	0.44
CR Bard	BCR	NYSE	1	0.31	0.75	0.44
Entergy	ETR	NYSE	1	0.31	0.90	0.59
St. Jude Medical	STJ	NYSE	1	0.31	0.85	0.54
Exelon	EXC	NYSE	1	0.30	0.90	0.60
PPL	PPL	NYSE	1	0.30	0.95	0.65
Coventry Health Care	CVH	NYSE	1	0.28	1.05	0.77
Medco Health Solutions	MHS	NYSE	1	0.28	0.70	0.42
UnitedHealth Group	UNH	NYSE	1	0.28	0.65	0.37
Aflac	AFL	NYSE	1	0.26	0.85	0.59
H & R Block	HRB	NYSE	1	0.26	1.10	0.84
Colgate-Palmolive	CL	NYSE	1	0.24	0.55	0.31
Procter & Gamble	PG	NYSE	1	0.24	0.65	0.41
Public Storage	PSA	NYSE	1	0.24	0.75	0.51
Laboratory Corp ofAmerica	LH	NYSE	1	0.23	0.95	0.72
Kellogg	К	NYSE	1	0.21	0.65	0.44
Newmont Mining	NEM	NYSE	1	0.19	0.85	0.66
NorthropGrumman	NOC	NYSE	1	0.19	0.85	0.66
Consolidated Edison	ED	NYSE	1	0.18	0.75	0.57
Ball	BLL	NYSE	1	0.17	0.95	0.78
Zimmer Holdings	ZMH	NYSE	1	0.15	0.75	0.60
Hershey Company	HSY	NYSE	1	0.13	0.75	0.62
Apache	APA	NYSE	1	0.10	0.90	0.80
Hospira	HSP	NYSE	1	0.09	0.70	0.61
WellPoint	WLP	NYSE	1	0.08	0.85	0.77
General Mills	GIS	NYSE	1	0.04	0.60	0.56
Southern	so	NYSE	1	0.02	0.70	0.68
Mylan Laboratories	MYL	NYSE	1	-0.06	0.70	0.76
LockheedMartin	LMT	NYSE	1	-0.09	0.85	0.94
Tenet Healthcare	THC	NYSE	1	-0.39	1.15	1.54
TXU	TXU	NYSE	1	-0.59	1.10	1.69
		·	392			
AMR	AMR	NYSE	0	4.98	2.65	-2.33
Nortel Networks	NT	NYSE	0	4.23	1.60	-2.63
Continental Airlines B	CAL	NYSE	0	4.07	2.45	-1.62
Alcatel-Lucent ADR	ALU	NYSE	0	3.87	1.75	-2.12
USG	USG	NYSE	0	3.57	1.45	-2.12
Quanta Services	PWR	NYSE	0	3.52	1.85	-1.67
CypressSemiconductor	CY	NYSE	0	3.09	1.80	-1.29
VishayIntertechnology	VSH	NYSE	0	3.05	1.75	-1.30
LVISUAVIIIEUELIIIOIOOV		NYSE	0	3.04	1.75	-1.79
,	SAP		ı	J.U4	1.20	1.13
SAP AG ADR	SAP		Λ			-1 2º
SAP AG ADR American Tower A	AMT	NYSE	0	3.03	1.75	-1.28 -1.40
SAP AG ADR			0 0 0			-1.28 -1.40 -1.21

			S&P500?	NASADQ	Value Line	
Company	Ticker	Stock Exchange	0=No 1 =Yes	Beta	Beta	Difference
InternationalRectifier	IRF	NYSE	0	2.74	1.70	-1.04
AK SteelHolding	AKS	NYSE	0	2.73	1.45	-1.28
Flowserve	FLS	NYSE	0	2.73	1.50	-1.23
Cincinnati Bell	CBB	NYSE	0	2.70	1.60	-1.10
Reliant Energy	RRI	NYSE	0	2.67	1.60	-1.07
STMicroelectronicsNV	STM	NYSE	0	2.65	1.50	-1.15
Fairchild SemiconductorIntern	FCS	NYSE	0	2.60	1.65	-0.95
Six Flags	SIX	NYSE	0	2.55	0.90	-1.65
AVX	AVX	NYSE	0	2.53	1.50	-1.03
стѕ	CTS	NYSE	0	2.49	1.55	-0.94
Martha Stewart Living Omnimedi	MSO	NYSE	0	2.47	1.50	-0.97
Skechers USA A	SKX	NYSE	0	2.47	1.55	-0.92
Crown Castle International	CCI	NYSE	0	2.42	1.30	-1.12
InfraSourceServices	IFS	NYSE	0	2.42	1.40	-1.02
Oaklev	00	NYSE	0	2.42	1.20	-1.21
Champion Enterprises	CHB		0			
'		NYSE		2.35	1.65	-0.70
Quantum Corp-Dlt & Storage	QTM	NYSE	0	2.35	1.95	-0.40
Seagate Technology	STX	NYSE	0	2.34	1.20	-1.14
Philips Electronics NV ADR	PHG	NYSE	0	2.33	1.60	-0.73
Avnet	AVT	NYSE	0	2.31	1.45	-0.86
Crown Holdings	CCK	NYSE	0	2.31	1.25	-1.06
Winnebago Industries	WGO	NYSE	0	2.29	1.30	-0.99
Taiwan SemiconductorManufactu	TSM	NYSE	0	2.27	1.45	-0.82
Amdocs	DOX	NYSE	0	2.24	1.35	-0.89
Intermec	IN	NYSE	0	2.24	1.15	-1.09
BearingPoint	BE	NYSE	0	2.23	1.45	-0.78
Tenneco	TEN	NYSE	0	2.22	1.70	-0.70
Kinetic Concepts	KCI	NYSE	0	2.18	0.85	-1.33
Koninklijke Ahold NVADR	АНО	NYSE	0	2.18	1.50	-0.68
McAfee	MFE	NYSE	0	2.18	1.50	-0.68
Gateway	GTW	NYSE	0	2.17	1.25	-0.92
Frontline	FRO	NYSE	0	2.15	1.15	-1.00
AAR	AIR	NYSE	0	2.13	1.85	-0.28
CarpenterTechnology	CRS	NYSE	0	2.11	1.65	-0.46
CKE Restaurants	CKR	NYSE	0	2.08	1.30	-0.78
Valeant PharmaceuticalsIntern	VRX	NYSE	0	2.07	1.45	-0.62
Ryerson	RYI	NYSE	0	2.06	1.50	-0.56
United Rentals	URI	NYSE	0	2.06	1.45	-0.61
Wabash National	WNC	NYSE	0	2.06	1.40	-0.66
Celestica	CLS	NYSE	0	2.03	1.70	-0.33
Dycom Industries	DY	NYSE	0	2.01	1.20	-0.81
Petroleo BrasileiroADR	PBR	NYSE	0	2.01	1.10	-0.91
General Cable Corporation	BGC	NYSE	0	2.00	1.55	-0.45
Red Hat	RHT	NYSE	0	1.99	1.00	-0.99
Unifi	UFI	NYSE	0	1.99	1.05	-0.94
Cryolife	CRY	NYSE	0	1.98	1.65	-0.33
Dick's Sporting Goods	DKS	NYSE	0	1.97	1.20	-0.77
Hanover Insurance Group	THG	NYSE	0	1.97	1.65	-0.32
Shaw Group	SGR	NYSE	0	1.97	1.60	-0.37
Tesoro	TSO	NYSE	0	1.97	1.60	-0.37
Sierra Pacific Resources Holdi	SRP	NYSE	0	1.95	1.25	-0.70
Bisys Group	BSG	NYSE	0	1.94	1.20	-0.74
Fleetwood Enterprises		NYSE	0			
	FLE			1.94	1.75	-0.19
Input/Output	10	NYSE	0	1.92	1.25	-0.67
Affiliated Managers Group	AMG	NYSE	0	1.90	1.50	-0.40
Arrow Electronics	ARW	NYSE	0	1.90	1.35	-0.55
Belden CDT	BDC	NYSE	0	1.88	1.30	-0.58
CarMax	KMX	NYSE	0	1.87	1.50	-0.37
Applera Corp-CeleraGroup	CRA	NYSE	0	1.86	1.45	-0.41

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		0	S&P500?		Value Line	D://
Company	Ticker	Stock Exchange	0=No 1 =Yes	Beta	Beta	Difference
Visteon	VC	NYSE	0	1.82	1.45	-0.37
Brush Engineered Materials	BW	NYSE	0	1.81	1.15	-0.66
Getty Images	GYI	NYSE	0	1.81	1.10	-0.71
McDermott International Park Electrochemical	MDR	NYSE	0	1.81	1.80	-0.01
	PKE	NYSE NYSE	0	1.80 1.78	1.25	-0.55
Chico's FAS	CHS				1.10	-0.68
CommScope	CTV	NYSE	0	1.78	1.05	-0.73
Alcan	AL	NYSE	0	1.77	1.30	-0.47
Reliance Steel and Aluminum	RS	NYSE	0	1.77	1.35	-0.42
Royal CaribbeanCruises	RCL	NYSE	0	1.77	1.10	-0.67
Toll Brothers	TOL	NYSE		1.77	1.40	-0.37
Louisiana-Pacific	LPX	NYSE	0	1.75	1.40	-0.35
Men's Wearhouse	MW	NYSE	0	1.74	1.15	-0.59
Callaway Golf	ELY	NYSE	0	1.72	1.15	-0.57
Chesapeake	CSK	NYSE	0	1.71	1.15	-0.56
Thor Industries	THO	NYSE	0	1.71	1.35	-0.36
American Eagle Outfitters	AEO	NYSE	0	1.68	1.20	-0.48
Guess?	GES	NYSE	0	1.68	0.90	-0.78
Nokia ADR	NOK	NYSE	0	1.68	1.30	-0.38
Plantronics	PLT	NYSE	0	1.68	0.90	-0.78
MSC Industrial DirectCo.	MSM	NYSE	0	1.67	1.10	-0.57
Aeropostale	ARO	NYSE	0	1.65	1.50	-0.15
Tempur-Pedic International	TPX	NYSE	0	1.65	1.30	-0.35
Group 1 Automotive	GPI	NYSE	0	1.64	1.20	-0.44
Ryland Group	RYL	NYSE	0	1.64	1.45	-0.19
Volt InformationScience	VOL	NYSE	0	1.64	1.20	-0.44
Christopher & Banks	СВК	NYSE	0	1.62	1.25	-0.37
DST Systems	DST	NYSE	0	1.62	1.25	-0.37
Korn/FerryInternational	KFY	NYSE	0	1.62	1.25	-0.37
Furniture Brands International	FBN	NYSE	0	1.61	1.20	-0.41
Navigant Consulting	NCI	NYSE	0	1.61	1.05	-0.56
CommercialMetals	CMC	NYSE	0	1.60	1.25	-0.35
Service Corporation Internatio	SCI	NYSE	0	1.60	1.15	-0.45
Owens-Illinois	OI	NYSE	0	1.59	1.35	-0.24
Beazer Homes USA	BZH	NYSE	0	1.58	1.40	-0.18
First Marblehead	FMD	NYSE	0	1.57	0.75	-0.82
FMC	FMC	NYSE	0	1.57	1.15	-0.42
K	кто	NYSE	0	1.57	1.05	-0.52
Standard Pacific	SPF	NYSE	0	1.57	1.40	-0.17
Pep Boys	PBY	NYSE	0	1.56	1.40	-0.16
BJ's Wholesale Club	BJ	NYSE	0	1.55	1.10	-0.45
Deutsche Telekom AG ADR	DT	NYSE	0	1.55	0.90	-0.65
Endesa SA ADR	ELE	NYSE	0	1.53	1.10	-0.43
GATX	GMT	NYSE	0	1.53	1.40	-0.13
Acuity Brands	AYI	NYSE	0	1.52	1.00	-0.52
Regal-Beloit	RBC	NYSE	0	1.52	1.10	-0.42
Brady A	BRC	NYSE	0	1.51	1.10	-0.41
Cemex SAB de CV ADR	СХ	NYSE	0	1.51	1.15	-0.36
Jo-Ann Stores	JAS	NYSE	0	1.51	1.25	-0.26
SEMCO Energy	SEN	NYSE	0	1.50	0.75	-0.75
Steak n Shake	SNS	NYSE	0	1.50	1.05	-0.45
WMS Industries	WMS	NYSE	0	1.50	1.10	-0.40
_yondell Chemical	LYO	NYSE	0	1.49	1.30	-0.19
Alaska Air Group	ALK	NYSE	0	1.48	1.35	-0.13
Cooper Tire & Rubber	СТВ	NYSE	0	1.48	1.10	-0.38
DaimlerChrysler AG	DCX	NYSE	0	1.48	1.30	-0.18
Thomas & Betts	TNB	NYSE	0	1.48	1.30	-0.18
Accenture	ACN	NYSE	0	1.45	1.25	-0.20
Manpower	MAN	NYSE	0	1.45	1.25	-0.20
StarTek	SRT	NYSE	0	1.45	1.15	-0.30

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Company	Ticker	Stock Exchange	S&P500? 0=No 1 =Yes	Beta	Value Line Beta	Difference
99 Cents Only Stores	NDN	NYSE	0	1.43	1.05	-0.38
BT Group PLC ADR	BT	NYSE	0	1.43	0.90	-0.53
Monaco Coach	MNC	NYSE	0	1.43	1.30	-0.13
MPS Group	MPS	NYSE	0	1.43	1.15	-0.28
Barnes & Noble	BKS	NYSE	0	1.42	1.15	-0.27
Interactive Data	IDC	NYSE	0	1.42	0.90	-0.52
PMI Group	PMI	NYSE	0	1.42	1.15	-0.27
Southern Union	SUG	NYSE	0	1.41	1.05	-0.36
Telecomunicaciones de Chile AD	СТС	NYSE	0	1.40	1.20	-0.20
Gartner	IT	NYSE	0	1.39	1.15	-0.24
Oxford Industries	OXM	NYSE	0	1.39	0.95	-0.44
Benchmark Electronics	BHE	NYSE	0	1.38	1.40	0.02
Modine Manufacturing	MOD	NYSE	0	1.38	1.20	-0.18
Sonic Automotive	SAH	NYSE	0	1.38	1.20	-0.18
Federal Signal National Financial Partners	FSS NFP	NYSE NYSE	0	1.37 1.37	1.05 1.35	-0.32 -0.02
National Financial Partners 21st Century Insurance Group	TW	NYSE	0	1.37	0.90	-0.02
Cleco	CNL	NYSE	0	1.35	1.30	-0.45
Leapfrog Enterprises	LF	NYSE	0	1.33	1.00	-0.05
Sotheby's Holdings A	BID	NYSE	0	1.34	1.30	-0.04
Technitrol	TNL	NYSE	0	1.34	1.25	-0.09
Timken	TKR	NYSE	0	1.34	1.25	-0.09
Viad	VVI	NYSE	0	1.34	1.10	-0.24
ArmorHoldings	AH	NYSE	0	1.33	1.30	-0.03
Nationwide Financial Services	NFS	NYSE	0	1.33	1.25	-0.08
Alpharma	ALO	NYSE	0	1.32	1.10	-0.22
Manitowoc	MTW	NYSE	0	1.32	1.40	0.08
Chemtura	CEM	NYSE	0	1.31	1.60	0.29
Overseas Shipholding Group	OSG	NYSE	0	1.31	1.00	-0.31
Phillips-Van Heusen	PVH	NYSE	0	1.31	1.60	0.29
Rogers	ROG	NYSE	0	1.31	1.15	-0.16
Telefonica SA ADR	TEF	NYSE	0	1.31	0.90	-0.41
Diamond Offshore Drilling	DO	NYSE	0	1.30	1.15	-0.15
Borders Group	BGP	NYSE	0	1.29	1.00	-0.29
Brown Shoe	BWS PIR	NYSE NYSE	0	1.29 1.29	1.20	-0.09 -0.24
Pier 1 Imports Trinity Industries	TRN	NYSE	0	1.29	1.05 1.15	-0.24
Tween Brands	TWB	NYSE	0	1.29	0.90	-0.14
Watsco	wso	NYSE	0	1.29	0.95	-0.39
Carter's	CRI	NYSE	0	1.28	0.85	-0.43
Harsco	HSC	NYSE	0	1.28	1.20	-0.08
MohawkIndustries	MHK	NYSE	0	1.28	1.15	-0.13
TitanInternational	TWI	NYSE	0	1.28	0.95	-0.33
Crane	CR	NYSE	0	1.27	1.00	-0.27
Glatfelter PH	GLT	NYSE	0	1.27	1.05	-0.22
Airgas	ARG	NYSE	0	1.26	0.95	-0.31
Maximus	MMS	NYSE	0	1.26	1.10	-0.16
Posco ADR	PKX	NYSE	0	1.26	1.10	-0.16
dex	IEX	NYSE	0	1.25	0.95	-0.30
ngram Micro	IM	NYSE	0	1.25	0.90	-0.35
Vausau Paper	WPP	NYSE	0	1.25	1.25	0.00
Alliancebernstein Holding LP	AB	NYSE	0	1.24	1.40	0.16
Eaton Vance	EV	NYSE	0	1.24	1.20	-0.04
Esterline Technologies	ESL	NYSE	0	1.24	0.95	-0.29
Hovnanian Enterprises	HOV	NYSE	0	1.24	1.45	0.21
Precision Castparts	PCP	NYSE	0	1.24	1.20	-0.04
Hexcel Minerals Technologies	HXL MTX	NYSE NYSE	0	1.23	0.95	-0.28
Minerais Technologies Tupperware Brands	TUP	NYSE	0	1.23 1.23	0.95 1.00	-0.28 -0.23
AG Edwards	AGE	NYSE	0	1.23	1.00	0.08

_			S&P500?		Value Line	
Company	Ticker	Stock Exchange	0=No 1 =Yes	Beta	Beta	Difference
ArvinMeritor	ARM	NYSE	0	1.22	1.35	0.13
Quiksilver	ZQK	NYSE	0	1.22	0.95	-0.27
Sunrise Senior Living	SRZ	NYSE	0	1.22	0.90	-0.32
Williams-Sonoma	WSM	NYSE	0	1.22	1.10	-0.12
Ampco-Pittsburgh	AP	NYSE	0	1.21	0.85	-0.36
BowaterIncorporated	BOW	NYSE	0	1.21	1.05	-0.16
Cleveland-Cliffs	CLF	NYSE	0	1.21	1.35	0.14
Core Laboratories	CLB	NYSE	0	1.21	1.25	0.04
Enzo Biochem	ENZ	NYSE	0	1.21	1.30	0.09
Florida Rock Industries	FRK	NYSE	0	1.21	1.10	-0.11
Gaylord Entertainment	GET	NYSE	0	1.21	1.05	-0.16
PolarisIndustries	PII	NYSE	0	1.21	1.00	-0.21
Standard Motor Products	SMP	NYSE	0	1.21	0.85	-0.36
Roper Industries	ROP	NYSE	0	1.20	1.10	-0.10
Wellman	WLM	NYSE	0	1.20	0.90	-0.30
Zale	ZLC	NYSE	0	1.20	1.05	-0.15
Arch Coal	ACI	NYSE	0	1.19	1.25	0.06
Genesee & Wyoming A	GWR	NYSE	0	1.19	1.20	0.01
GraniteConstruction	GVA	NYSE	0	1.19	0.95	-0.24
Greatbatch	GB	NYSE	0	1.19	1.05	-0.14
Quanex	NX	NYSE	0	1.19	1.05	-0.14
Eagle Materials	EXP	NYSE	0	1.18	1.20	0.02
Ameron International	AMN	NYSE	0	1.17	1.05	-0.12
Diebold	DBD	NYSE	0	1.17	0.95	-0.22
Keithley Instruments	KEI	NYSE	0	1.17	1.25	0.08
Magna InternationalA	MGA	NYSE	0	1.17	0.95	-0.22
Rite Aid	RAD	NYSE	0	1.17	1.05	-0.12
Trex Company	TWP	NYSE	0	1.17	1.05	-0.12
Actuant A	ATU	NYSE	0	1.16	1.10	-0.06
Albemarle	ALB	NYSE	0	1.16	1.05	-0.11
Fording Canadian CoalTrust	FDG	NYSE	0	1.16	0.90	-0.26
Krispy Kreme Doughnut	KKD	NYSE	0	1.16	1.25	0.09
Raymond JamesFinancial	RJF	NYSE	0	1.16	1.35	0.19
Canadian National Railway	CNI	NYSE	0	1.15	0.90	-0.25
Mentor	MNT	NYSE	0	1.15	0.95	-0.20
Mueller Industries	MLI	NYSE	0	1.15	1.55	0.40
SonocoProducts	SON	NYSE	0	1.15	0.95	-0.20
Chemed	CHE	NYSE	0	1.14	1.05	-0.09
Ferro	FOE	NYSE	0	1.14	1.15	0.01
Foot Locker	FL	NYSE	0	1.14	1.05	-0.09
GlobalSantaFe	GSF	NYSE	0	1.14	1.05	-0.09
Timberland	TBL	NYSE	0	1.14	0.95	-0.19
Playtex Products	PYX	NYSE	0	1.13	1.00	-0.13
Quaker Chemical	KWR	NYSE	0	1.13	1.00	-0.13
Westar Energy	WR	NYSE	0	1.13	0.95	-0.18
Coachmen Industries	COA	NYSE	0	1.12	1.35	0.23
Friedman Billings RamseyGroup	FBR	NYSE	0	1.12	1.50	0.38
Gamestop	GME	NYSE	0	1.12	1.25	0.13
NRG Energy	NRG	NYSE	0	1.12	0.95	-0.17
Tetra Technologies	TTI	NYSE	0	1.12	1.15	0.03
Ametek	AME	NYSE	0	1.11	1.10	-0.01
BorgWarner	BWA	NYSE	0	1.11	1.20	0.09
Rock-Tenn	RKT	NYSE	0	1.11	1.10	-0.01
AMN HealthcareServices	AHS	NYSE	0	1.10	1.20	0.10
Ethan Allen Interiors	ETH	NYSE	0	1.10	1.00	-0.10
RPMInternational	RPM	NYSE	0	1.10	0.95	-0.15
Standard Register	SR	NYSE	0	1.10	1.30	0.20
Investment TechnologyGroup	ITG	NYSE	0	1.09	1.45	0.20
Talbots	TLB	NYSE	0	1.09	0.90	-0.19
ו מוטטנס	ILD	INTOE	U	1.09	0.90	-0.19

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•		0	S&P500?		Value Line	D:#
Company	Ticker	Stock Exchange	0=No 1 =Yes	Beta	Beta	Difference
American Axle & MfgHoldings Bowne	AXL BNE	NYSE NYSE	0	1.08	1.20 1.10	0.12
Bowne Handleman	HDL	NYSE	0	1.08	0.85	-0.23
Novo Nordisk ADR	NVO	NYSE	0	1.08	0.85	-0.23
Assured Guaranty	AGO	NYSE	0	1.07	0.60	-0.10
Downey Financial	DSL	NYSE	0	1.07	1.10	0.03
GenCorp	GY	NYSE	0	1.07	1.20	0.13
Kellwood	KWD	NYSE	0	1.07	0.85	-0.22
La-Z-Boy	LZB	NYSE	0	1.07	1.15	0.08
MDC Holdings	MDC	NYSE	0	1.07	1.25	0.18
Pentair	PNR	NYSE	0	1.07	1.05	-0.02
Southern Copper	PCU	NYSE	0	1.07	1.10	0.03
SPX	SPW	NYSE	0	1.07	1.15	0.08
ALLETE	ALE	NYSE	0	1.06	0.90	-0.16
Canadian Pacific Railway	СР	NYSE	0	1.06	0.85	-0.21
OM Group	OMG	NYSE	0	1.06	1.40	0.34
Teekay Shipping	TK	NYSE	0	1.06	1.05	-0.01
Ann Taylor Stores	ANN	NYSE	0	1.05	1.05	0.00
Biovail CorporationInternatio	BVF	NYSE	0	1.05	1.15	0.10
Kaydon	KDN	NYSE	0	1.05	1.05	0.00
Briggs & Stratton	BGG	NYSE	0	1.04	1.05	0.01
Gardner Denver Ikon Office Solutions	GDI IKN	NYSE NYSE	0	1.04	1.10 1.25	0.06
Unitrin	UTR	NYSE	0	1.04	1.05	0.21
Valspar	VAL	NYSE	0	1.04	0.85	-0.19
Vodafone Group PLC ADR	VOD	NYSE	0	1.04	0.90	-0.14
West PharmaceuticalServices	WST	NYSE	0	1.04	0.80	-0.24
West PharmaceuticalServices	WST	NYSE	0	1.04	0.80	-0.24
AptarGroup	ATR	NYSE	0	1.03	0.95	-0.08
Jack In The Box	JBX	NYSE	0	1.03	1.00	-0.03
Kansas City Southern	KSU	NYSE	0	1.03	1.10	0.07
Kennametal	KMT	NYSE	0	1.03	1.15	0.12
Olin	OLN	NYSE	0	1.03	1.10	0.07
Teleflex	TFX	NYSE	0	1.03	1.00	-0.03
Abitibi-Consolidated	ABY	NYSE	0	1.02	1.05	0.03
Compass Minerals International	CMP	NYSE	0	1.02	1.05	0.03
Tredegar	TG	NYSE	0	1.02	0.95	-0.07
AirTran Holdings	AAI	NYSE	0	1.01	1.45	0.44
Griffon	GFF	NYSE	0	1.01	0.90	-0.11
Haverty Furniture	HVT	NYSE	0	1.01	1.30	0.29
Imation Norsk Hydro ASAADR	IMN NHY	NYSE NYSE	0	1.01	0.90 0.95	-0.11 -0.06
Tidewater	TDW	NYSE	0	1.01	1.15	0.14
BHP Billiton ADR	BHP	NYSE	0	1.00	1.15	0.14
Manulife Financial	MFC	NYSE	0	1.00	0.90	-0.10
Total System Services	TSS	NYSE	0	1.00	1.00	0.00
American Greetings	AM	NYSE	0	0.99	0.90	-0.09
Corrections Corp of America	CXW	NYSE	0	0.99	0.80	-0.19
Cott	СОТ	NYSE	0	0.99	0.75	-0.24
Luxottica Group ADR	LUX	NYSE	0	0.99	1.00	0.01
Potash Corp of Saskatchewan	POT	NYSE	0	0.99	1.00	0.01
Journal CommunicationsA	JRN	NYSE	0	0.98	0.85	-0.13
Kenneth ColeProductions	KCP	NYSE	0	0.98	1.20	0.22
Triarc Companies A	TRY	NYSE	0	0.98	0.75	-0.23
Cabot	CBT	NYSE	0	0.97	0.95	-0.02
Culp	CFI	NYSE	0	0.97	1.30	0.33
NBTY	NTY	NYSE	0	0.97	1.05	0.08
Playboy EnterprisesB	PLA	NYSE	0	0.97	0.95	-0.02
Watts Water Technologies	WTS	NYSE	0	0.97	1.00	0.03
Canon ADR	CAJ	NYSE	0	0.96	0.90	-0.06

			S&P500?	NASADQ	Value Line	
Company	Ticker	Stock Exchange	0=No 1 =Yes	Beta	Beta	Difference
Ceridian	CEN	NYSE	0	0.96	1.30	0.34
PNM Resources	PNM	NYSE	0	0.96	0.95	-0.01
Agrium	AGU	NYSE	0	0.95	1.00	0.05
Arch Chemicals	ARJ	NYSE	0	0.95	1.05	0.10
Donaldson	DCI	NYSE	0	0.95	0.90	-0.05
Lear	LEA	NYSE	0	0.95	1.25	0.30
Martin Marietta Materials	MLM	NYSE	0	0.95	1.20	0.25
	RRC	NYSE	0		1.15	0.20
Range Resources	WWW	NYSE	0	0.95	0.95	
Wolverine WorldWide				0.95		0.00
Astoria Financial	AF	NYSE	0	0.94	1.05	0.11
Robbins & Myers	RBN	NYSE	0	0.94	0.95	0.01
StandexInternational	SXI	NYSE	0	0.94	1.00	0.06
Lubrizol	LZ	NYSE	0	0.92	0.95	0.03
Fair Isaac	FIC	NYSE	0	0.91	0.95	0.04
Idacorp	IDA	NYSE	0	0.91	1.05	0.14
Telefonos de Mexico SA de CV A	TMX	NYSE	0	0.91	0.90	-0.01
Western Digital	WDC	NYSE	0	0.91	1.70	0.79
ABM Industries	ABM	NYSE	0	0.90	0.80	-0.10
Belo	BLC	NYSE	0	0.90	1.00	0.10
Building MaterialsHolding	BLG	NYSE	0	0.90	1.20	0.30
Calgon Carbon	CCC	NYSE	0	0.90	1.05	0.15
CytecIndustries	CYT	NYSE	0	0.90	1.05	0.15
DPL	DPL	NYSE	0	0.90	0.95	0.05
Kyocera ADR	KYO	NYSE	0	0.90	1.00	0.10
Old Republic International	ORI	NYSE	0	0.89	1.05	0.16
Ruddick	RDK	NYSE	0	0.89	0.85	-0.04
	TNC		0			
Tennant		NYSE		0.89	0.95	0.06
Vail Resorts	MTN	NYSE	0	0.89	0.90	0.01
Autoliv	ALV	NYSE	0	0.88	1.10	0.22
Cameron International	CAM	NYSE	0	0.88	1.15	0.27
Graco	GGG	NYSE	0	0.88	1.00	0.12
Helix Energy Solutions Group	HLX	NYSE	0	0.88	1.20	0.32
Matsushita Electric Industrial	MC	NYSE	0	0.88	0.95	0.07
Nu Skin Enterprises A	NUS	NYSE	0	0.88	0.80	-0.08
Rayonier	RYN	NYSE	0	0.88	1.00	0.12
Checkpoint Systems	CKP	NYSE	0	0.87	0.90	0.03
Consolidated Graphics	CGX	NYSE	0	0.87	0.95	0.08
Crescent Real EstateEquities	CEI	NYSE	0	0.87	0.95	0.08
Gildan Activewear A	GIL	NYSE	0	0.87	0.80	-0.07
Libbey	LBY	NYSE	0	0.87	1.10	0.23
CDI	CDI	NYSE	0	0.86	0.95	0.09
Landry's Restaurants	LNY	NYSE	0	0.86	1.10	0.24
Scotts Miracle-GroCompany	SMG	NYSE	0	0.86	1.00	0.14
Stride Rite	SRR	NYSE	0	0.86	0.70	-0.16
Arthur J. Gallagher & Co.		NYSE	0			
•	AJG			0.85	1.05	0.20
Great Plains Energy	GXP	NYSE	0	0.85	0.95	0.10
IHOP	IHP	NYSE	0	0.85	0.90	0.05
Nautilus Group	NLS	NYSE	0	0.85	1.20	0.35
Nova Chemicals	NCX	NYSE	0	0.85	1.05	0.20
Oneok	OKE	NYSE	0	0.85	0.95	0.10
Westwood One	WON	NYSE	0	0.85	1.10	0.25
Sensient Technologies	SXT	NYSE	0	0.84	0.95	0.11
FactSet Research Systems	FDS	NYSE	0	0.83	1.20	0.37
Media General A	MEG	NYSE	0	0.83	0.90	0.07
Worthington Industries	WOR	NYSE	0	0.83	0.95	0.12
American Financial Group	AFG	NYSE	0	0.82	1.00	0.18
Del Monte Foods	DLM	NYSE	0	0.82	0.75	-0.07
UIL Holdings	UIL	NYSE	0	0.82	0.95	0.13
UIL Holdings UnitedIndustrial	UIL	NYSE NYSE	0	0.82 0.82	0.95 0.75	-0.07

			S&P500?	NACADO	Value Line	
Company	Ticker	Stock Exchange	0=No 1 =Yes	Beta	Beta	Difference
HB Fuller	FUL	NYSE	0	0.81	0.90	0.09
TT EducationalServices	ESI	NYSE	0	0.81	1.05	0.24
Payless ShoeSource	PSS	NYSE	0	0.81	1.00	0.19
ResMed	RMD	NYSE	0	0.81	0.80	-0.01
AlbanyInternational	AIN	NYSE	0	0.80	1.05	0.25
Toro	TTC	NYSE	0	0.80	1.00	0.20
AGCO	AG	NYSE	0	0.79	1.15	0.36
Brookfield Asset Management	BAM	NYSE	0	0.79	0.95	0.16
CEC Entertainment	CEC	NYSE	0	0.79	0.60	-0.19
Delphi Financial Group	DFG	NYSE	0	0.79	1.00	0.21
SouthwesternEnergy	SWN	NYSE	0	0.79	1.05	0.26
Everest Re Group	RE	NYSE	0	0.78	1.05	0.27
Quebecor World	IQW	NYSE	0	0.78	0.65	-0.13
Republic Services A	RSG	NYSE	0	0.78	0.75	-0.03
Sybase Total SA ADB	SY	NYSE	0	0.78	1.00	0.22
Total SA ADR TransatlanticHoldings	TOT	NYSE NYSE	0	0.78 0.78	1.05 0.80	0.27
Applied IndustrialTechnologie	AIT	NYSE	0	0.78	1.10	0.02
Aquila	ILA	NYSE	0	0.77	1.10	0.33
Barnes Group	В	NYSE	0	0.77	0.90	0.13
Brink's Company	ВСО	NYSE	0	0.77	1.15	0.38
Medicis PharmaceuticalsA	MRX	NYSE	0	0.77	1.10	0.33
Sanofi-Aventis ADR	SNY	NYSE	0	0.77	0.90	0.13
Steelcase	scs	NYSE	0	0.77	1.05	0.28
ESCO Technologies	ESE	NYSE	0	0.76	1.00	0.24
Pilgrim's Pride	PPC	NYSE	0	0.76	0.70	-0.06
St. Joe	JOE	NYSE	0	0.76	0.90	0.14
Telecom Corporation of New Zea	NZT	NYSE	0	0.76	0.60	-0.16
Black Hills	ВКН	NYSE	0	0.75	1.10	0.35
Helmerich & Payne	HP	NYSE	0	0.75	1.20	0.45
Longs Drug Stores	LDG	NYSE	0	0.75	0.75	0.00
Cadbury Schweppes PLC ADR	CSG	NYSE	0	0.73	0.85	0.12
ServiceMaster	SVM	NYSE	0	0.73	0.90	0.17
Washington GroupInternational	WNG	NYSE	0	0.73	0.95	0.22
Kirby	KEX OSK	NYSE	0	0.72	1.15	0.43
Oshkosh Truck Jacobs EngineeringGroup	JEC	NYSE NYSE	0	0.72 0.71	1.00 1.20	0.28 0.49
MarvelEnterprises	MVL	NYSE	0	0.71	1.25	0.49
Omnicare	OCR	NYSE	0	0.71	1.05	0.34
Sauer-Danfoss	SHS	NYSE	0	0.71	1.10	0.39
Barrick Gold	ABX	NYSE	0	0.69	0.95	0.26
Invacare	IVC	NYSE	0	0.69	0.85	0.16
New York Community Bancorp	NYB	NYSE	0	0.69	0.90	0.21
Alliant Energy	LNT	NYSE	0	0.68	0.95	0.27
CNA Financial	CNA	NYSE	0	0.68	1.00	0.32
Deluxe	DLX	NYSE	0	0.68	0.75	0.07
DeVry	DV	NYSE	0	0.68	1.10	0.42
Health Net	HNT	NYSE	0	0.68	0.90	0.22
Reinsurance Group ofAmerica	RGA	NYSE	0	0.68	0.90	0.22
Cato A	CTR	NYSE	0	0.67	1.05	0.38
MDU Resources Group	MDU	NYSE	0	0.67	1.00	0.33
Penn Virginia ResourcePartner	PVR	NYSE	0	0.67	0.75	0.08
Clarcor	CLC	NYSE	0	0.66	0.95	0.29
Myers Industries	MYE	NYSE	0	0.66	0.90	0.24
Noble Energy	NBL	NYSE	0	0.66	1.00	0.34
Universal	UVV	NYSE	0	0.66	0.80	0.14
Cabot Oil & Gas A	COG	NYSE	0	0.65	1.00	0.35
Emcor Group	EME	NYSE	0	0.65	1.05	0.40
Empire District Electric	EDE	NYSE	0	0.65	0.85	0.20

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			S&P500?	NASADQ	Value Line	
Company	Ticker	Stock Exchange	0=No 1 =Yes	Beta	Beta	Difference
Hitachi ADR	HIT	NYSE	0	0.65	0.95	0.30
Iron Mountain	IRM	NYSE	0	0.65	1.05	0.40
Lindsay Manufacturing	LNN	NYSE	0	0.65	0.80	0.15
Owens & Minor	OMI	NYSE	0	0.65	0.95	0.30
Tootsie Roll Industries	TR	NYSE	0	0.65	0.75	0.10
Baldor Electric	BEZ	NYSE	0	0.64	1.05	0.41
Fresh Del MonteProduce	FDP HCP	NYSE NYSE	0	0.64	0.80 0.75	0.16
Health Care Property HNI	HNI	NYSE	0	0.64 0.64	0.75	0.11
A.O. Smith	AOS	NYSE	0	0.63	0.80	0.10
Blyth	втн	NYSE	0	0.63	0.80	0.17
Flowers Foods	FLO	NYSE	0	0.63	0.95	0.32
Lee Enterprises	LEE	NYSE	0	0.63	0.80	0.17
PepsiAmericas	PAS	NYSE	0	0.63	0.85	0.22
Wabtec	WAB	NYSE	0	0.63	0.95	0.32
Allied Capital	ALD	NYSE	0	0.62	0.80	0.18
Genentech	DNA	NYSE	0	0.62	0.80	0.18
Avista Corporation	AVA	NYSE	0	0.61	0.90	0.29
CACI International A	CAI	NYSE	0	0.61	0.95	0.34
Carlisle Companies	CSL	NYSE	0	0.61	0.95	0.34
Dun & Bradstreet	DNB	NYSE	0	0.61	0.80	0.19
HCC Insurance Holdings	HCC	NYSE	0	0.61	0.90	0.29
Jones Lang LaSalle	JLL	NYSE	0	0.61	0.90	0.29
Smithfield Foods	SFD	NYSE	0	0.61	0.95	0.34
Protective Life	PL	NYSE	0	0.60	0.95	0.35
Sony ADR	SNE	NYSE	0	0.60	0.95	0.35
Berry Petroleum	BRY	NYSE	0	0.59	0.85	0.26
Boston Beer Company A	SAM	NYSE	0	0.59	0.65	0.06
Marcus	MCS	NYSE	0	0.59	0.90	0.31
Pogo Producing	PPP	NYSE	0	0.59	1.05	0.46
Speedway MotorSports	TRK	NYSE	0	0.59	0.70	0.11
MGM Mirage	MGM	NYSE	0	0.58	1.00	0.42
Pepco Holdings	POM	NYSE	0	0.58	0.90	0.32
Vectren	VVC	NYSE	0	0.58	0.95	0.37
Annaly CapitalManagement Magellan Midstream PartnersLP	NLY MMP	NYSE NYSE	0	0.57	1.00	0.43
	PKG	NYSE	0	0.57	0.80	0.23
Packaging Corporation ofAmeri Pope &Talbot	POP	NYSE	0	0.57 0.57	1.15	0.23
Ralcorp Holdings	RAH	NYSE	0	0.57	0.60	0.03
Wilmington Trust	WL	NYSE	0	0.57	0.95	0.03
Energy East	EAS	NYSE	0	0.56	0.95	0.39
National Fuel Gas	NFG	NYSE	0	0.56	0.95	0.39
TransCanada	TRP	NYSE	0	0.56	0.60	0.04
W.R. Berkley	BER	NYSE	0	0.56	0.95	0.39
Bank of Hawaii	ВОН	NYSE	0	0.55	0.85	0.30
BrinkerInternational	EAT	NYSE	0	0.55	0.90	0.35
Cascade	CAE	NYSE	0	0.55	0.90	0.35
CPI	CPY	NYSE	0	0.55	0.70	0.15
Curtiss-Wright	CW	NYSE	0	0.55	0.80	0.25
Frontier Oil	FTO	NYSE	0	0.55	1.00	0.45
Repsol YPF SA	REP	NYSE	0	0.54	0.95	0.41
Superior IndustriesInternatio	SUP	NYSE	0	0.54	0.95	0.41
Central Vermont Public Service	CV	NYSE	0	0.53	0.70	0.17
Energizer Holdings	ENR	NYSE	0	0.53	0.80	0.27
Laclede Group	LG	NYSE	0	0.53	0.90	0.37
Regis	RGS	NYSE	0	0.53	0.90	0.37
Washington REIT	WRE	NYSE	0	0.53	0.90	0.37
BCE	BCE	NYSE	0	0.52	0.80	0.28
Brown & Brown	BRO	NYSE	0	0.52	0.95	0.43
Scana	SCG	NYSE	0	0.52	0.85	0.33

			S&P500?	NASADO	Value Line	
Company	Ticker	Stock Exchange	0=No 1 =Yes	Beta	Beta	Difference
EncoreAcquisition	EAC	NYSE	0	0.51	1.15	0.64
OGE Energy Corp	OGE	NYSE	0	0.51	0.80	0.29
Hospitality Properties Trust	HPT	NYSE	0	0.50	0.95	0.45
Buckle	BKE	NYSE	0	0.49	0.90	0.41
Charles River Laboratories Int	CRL	NYSE	0	0.49	0.85	0.36
Davita	DVA	NYSE	0	0.49	0.85	0.36
Energen	EGN	NYSE	0	0.49	0.85	0.36
Corn Products International	СРО	NYSE	0	0.48	0.90	0.42
Mack-Cali Realty	CLI	NYSE	0	0.48	0.80	0.32
Realty Income	0	NYSE	0	0.48	0.80	0.32
Valmont Industries	VMI	NYSE	0	0.48	0.90	0.42
Hawaiian Electric Industries	HE	NYSE	0	0.47	0.75	0.28
Honda Motor ADR	HMC	NYSE	0	0.47	0.75	0.28
NSTAR	NST	NYSE	0	0.47	0.80	0.33
Pioneer NaturalResources	PXD	NYSE	0	0.47	0.85	0.38
TCF Financial	TCB CHG	NYSE NYSE	0	0.47	1.00 0.85	0.53
CH Energy Group SRA International	SRX		0	0.46	0.85	0.39
Webster Financial	WBS	NYSE	0	0.46	1	0.29
Webster Financial Weingarten RealtyInvestors	WRI	NYSE NYSE	0	0.46	0.90 0.85	0.44
Apria Healthcare Group	AHG	NYSE	0	0.46	0.80	0.35
Atmos Energy	ATO	NYSE	0	0.45	0.80	0.35
Haemonetics	HAE	NYSE	0	0.45	0.95	0.50
Weis Markets	WMK	NYSE	0	0.45	0.85	0.40
Ruby Tuesday	RT	NYSE	0	0.44	0.90	0.46
UniSource Energy	UNS	NYSE	0	0.44	0.75	0.31
Cedar Fair LP	FUN	NYSE	0	0.43	0.75	0.32
City National	CYN	NYSE	0	0.43	0.80	0.37
Cooper Companies	COO	NYSE	0	0.43	0.75	0.32
Equitable Resources	EQT	NYSE	0	0.43	0.80	0.37
Mercury General	MCY	NYSE	0	0.43	0.90	0.47
Cascade Natural Gas	CGC	NYSE	0	0.42	0.80	0.38
Cullen/Frost Bankers	CFR	NYSE	0	0.42	1.00	0.58
Duke Realty	DRE	NYSE	0	0.42	0.85	0.43
Material Sciences	MSC	NYSE	0	0.42	1.00	0.58
Thornburg Mortgage	TMA	NYSE	0	0.42	0.80	0.38
Weight Watchers International	WTW	NYSE	0	0.42	0.95	0.53
Beckman Coulter	BEC	NYSE	0	0.41	0.55	0.14
Blockbuster	BBI	NYSE	0	0.41	0.70	0.29
Unilever PLC ADR	UL	NYSE	0	0.40	0.90	0.50
Hillenbrand Industries	НВ	NYSE	0	0.39	0.80	0.41
Pennsylvania REIT	PEI	NYSE	0	0.39	0.80	0.41
Puget Energy	PSD	NYSE	0	0.39	0.85	0.46
Northeast Utilities	NU	NYSE	0	0.38	0.90	0.52
PartnerRe	PRE	NYSE	0	0.38	0.95	0.57
DRSTechnologies	DRS	NYSE	0	0.37	0.90	0.53
Kinder Morgan EnergyPartners	KMP	NYSE	0	0.37	0.70	0.33
Liberty Property Trust	LRY	NYSE	0	0.37	0.85	0.48
Toyota Motor ADR JDR	TM UDR	NYSE NYSE	0	0.37	0.80	0.43
BRE Properties	BRE	NYSE	0	0.37 0.36	0.85 0.85	0.48
Con-way	CNW	NYSE	0	0.36	1.00	0.49
Petro-Canada	PCZ	NYSE	0	0.36	0.75	0.84
Harte-Hanks	HHS	NYSE	0	0.35	0.75	0.55
South Jersey Industries	SJI	NYSE	0	0.35	0.90	0.35
AGL Resources	ATG	NYSE	0	0.34	0.70	0.61
Lamson & Sessions	LMS	NYSE	0	0.34	1.10	0.76
Markel	MKL	NYSE	0	0.34	0.80	0.76
Piedmont Natural Gas	PNY	NYSE	0	0.34	0.80	0.46
American States Water	AWR	NYSE	0	0.33	0.80	0.47

Company	Ticker	Stock Exchange	S&P500? 0=No 1 =Yes	NASADQ Beta	Value Line Beta	Difference
UGI	UGI	NYSE	0=110 1 = 1 es	0.33	0.90	0.57
WGL Holdings	WGL	NYSE	0	0.33	0.90	0.52
Hormel Foods	HRL	NYSE	0	0.33	0.85	0.52
Novartis AG ADR	NVS	NYSE	0	0.32	0.75	0.43
	ATK	NYSE	0			
AlliantTechsystems			0	0.31	0.95	0.64
Carbo Ceramics Church & Dwight Company	CRR CHD	NYSE NYSE	0	0.31	0.90	0.59
0 1	BG	NYSE	0	0.30	0.65 0.60	0.35
Bunge Southwest Gas	SWX	NYSE	0	0.29	0.85	
TEPPCO Partners	TPP	NYSE	0	0.28	0.85	0.57
Harris	HRS	NYSE	0	0.26	1.00	0.42
	ONB	NYSE	0	0.27	0.80	0.73
Old National Bancorp	AU	NYSE	0	0.27	0.80	0.53
Anglogold AshantiADR Goldcorp	GG	NYSE	0	0.26	0.90	0.64
	RNR	NYSE	0	0.26	0.95	0.69
Renaissance ReHoldings Rollins	ROL	NYSE	0	0.26	0.75	0.49
J.M. Smucker	SJM	NYSE	0	0.24	0.70	0.46
Waste Connections	WCN	NYSE	0	0.24	0.85	0.61
Edwards Lifesciences	EW	NYSE	0	0.23	0.70	0.47
Federal Realty InvestmentTrus	FRT	NYSE	0	0.23	0.80	0.57
Georgia Gulf	GGC	NYSE	0	0.23	1.20	0.97
Alcon	ACL	NYSE	0	0.22	0.80	0.58
El Paso Electric	EE	NYSE	0	0.22	0.70	0.48
Washington Post Co	WPO	NYSE	0	0.22	0.70	0.48
Wisconsin Energy	WEC	NYSE	0	0.22	0.80	0.58
Alleghany	Y	NYSE	0	0.21	0.60	0.39
Arbitron	ARB	NYSE	0	0.21	0.75	0.54
Holly	HOC	NYSE	0	0.21	0.85	0.64
ValassisCommunications	VCI	NYSE	0	0.21	0.90	0.69
EnCana	ECA	NYSE	0	0.20	1.00	0.80
McClatchy A	MNI	NYSE	0	0.20	0.75	0.55
Provident EnergyTrust	PVX	NYSE	0	0.20	0.50	0.30
W.P. Carey & Co.	WPC	NYSE	0	0.20	0.70	0.50
Buckeye PartnersLP	BPL	NYSE	0	0.19	0.80	0.61
GlaxoSmithKline PLC ADR	GSK	NYSE	0	0.19	0.90	0.71
Angelica	AGL	NYSE	0	0.18	0.85	0.67
Enterprise Products PartnersL	EPD	NYSE	0	0.18	0.65	0.47
Northwest NaturalGas	NWN	NYSE	0	0.17	0.75	0.58
RLI	RLI	NYSE	0	0.17	0.85	0.68
Aqua America	WTR	NYSE	0	0.14	0.90	0.76
Hewitt Associates	HEW	NYSE	0	0.09	0.75	0.66
ChoicePoint	CPS	NYSE	0	0.07	0.95	0.88
Covance	CVD	NYSE	0	0.07	0.80	0.73
New Jersey Resources	NJR	NYSE	0	0.06	0.80	0.74
Advance Auto Parts	AAP	NYSE	0	0.05	0.90	0.85
UniFirst	UNF	NYSE	0	0.02	0.75	0.73
Community HealthSystems	СҮН	NYSE	0	-0.01	0.70	0.71
Jarden	JAH	NYSE	0	-0.04	0.95	0.99
Station Casinos	STN	NYSE	0	-0.11	0.90	1.01
Triad Hospitals	TRI	NYSE	0	-0.13	0.60	0.73
CatalinaMarketing	POS	NYSE	0	-0.14	1.05	1.19
Universal Health ServicesB	UHS	NYSE	0	-0.15	0.75	0.90
Steris	STE	NYSE	0	-0.24	0.70	0.94
Agnico-EagleMines	AEM	NYSE	0	-0.29	0.90	1.19
			784			
MSC.Software	MSCS	OTC	0	0.59	1.20	0.61