American Electric Power Company should soon complete an asset sale, and the company is interested in divesting other assets. AEP expects to raise $1.45 billion from the sale of its Kentucky Power subsidiary, which has not been earning an adequate return on equity. This is expected to be completed by the end of this month. The company also wants to sell its 1,600-megawatt portfolio of nonregulated renewable-energy projects, either piecemeal or as a whole. We will include gains on these sales in our earnings projections. AEP plans to expand its investments in regulated renewable-energy projects, which have less risk than nonregulated asset and electric transmission.

We expect respectable earnings growth in 2022 and 2023. We raised our estimate for this year by $0.20 a share, to $5.20, thanks to a $0.20 mark-to-market gain on earlier reported depreciable assets. The dividend yield of this top-quality stock is 4.0%.

Some industrial customers in its service area have expansions that are expected to come on later this year, despite the state of the national economy. Some regulatory matters are pending or were concluded. The SWEPICO subsidiary was granted $28 million in Arkansas, based on a 9.5% return on equity and a 45% common-equity ratio. New tariffs will take effect on July 1st. In Louisiana, the utility requested $73 million, based on a 10.35% ROE and a 50% common-equity ratio. (This is net of increases in depreciation and amortization.) In Virginia, Appalachian Power is appealing an unfavorable rate order to the state Supreme Court. A decision is expected later in 2022. Not that the company has already received rate increases in Texas and Indiana this year.

The dividend yield of this top-quality stock is at the utility average. Total return potential is unspectacular for the next 18 months and the 3- to 5-year period. The recent quotation is within our 2025-2027 Target Price Range. The stock price has risen 16.9% year to date.