

AMERICAN ELEC. PWR. NDQ-AEP RECENT PRICE **76.71** P/E RATIO **16.3** (Trailing: 17.4 Median: 16.0) RELATIVE P/E RATIO **0.76** DIV'D YLD **4.0%** **VALUE LINE**

TIMELINESS 4 Lowered 3/5/21	High: 37.9	41.7	45.4	51.6	63.2	65.4	71.3	78.1	81.1	96.2	105.0	83.4		Target Price Range
SAFETY 1 Raised 3/17/17	Low: 28.2	33.1	37.0	41.8	45.8	52.3	56.8	61.8	62.7	72.3	65.1	74.8		2024 2025 2026
TECHNICAL 3 Raised 3/12/21	LEGENDS — 0.67 x Dividends p sh divided by Interest Rate ... Relative Price Strength Options: Yes Shaded area indicates recession													
BETA .75 (1.00 = Market)	160 120 100 80 60 40 20 15													



18-Month Target Price Range		
Low-High	Midpoint (% to Mid)	
\$63-\$136	\$100 (30%)	
2024-26 PROJECTIONS		
High	Price	Gain
Low	110	(+45%)
	90	(+15%)
		13%
		8%

Institutional Decisions			
	2020	3Q20	4Q20
to Buy	496	471	562
to Sell	508	503	471
Hlds(000)	366307	374667	369703
	Percent shares traded	24	16
		8	

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
30.76	31.82	33.41	35.56	28.22	30.01	31.27	30.77	31.48	34.78	33.51	33.31	31.35	32.84	31.49	30.04	31.35	31.30	Revenues per sh	35.00
5.96	6.67	6.80	6.84	6.32	6.29	6.83	6.92	7.02	7.57	7.98	8.47	7.95	8.77	9.35	10.28	10.65	10.85	"Cash Flow" per sh	12.75
2.64	2.86	2.86	2.99	2.97	2.60	3.13	2.98	3.18	3.34	3.59	4.23	3.62	3.90	4.08	4.42	4.65	4.90	Earnings per sh ^A	6.00
1.42	1.50	1.58	1.64	1.64	1.71	1.85	1.88	1.95	2.03	2.15	2.27	2.39	2.53	2.71	2.84	3.00	3.17	Div'd Decl'd per sh ^B	3.75
6.11	8.89	8.88	9.83	6.19	5.07	5.74	6.45	7.75	8.68	9.37	9.98	11.79	12.89	12.43	12.72	15.45	15.65	Cap'l Spending per sh	14.00
23.08	23.73	25.17	26.33	27.49	28.33	30.33	31.37	32.98	34.37	36.44	35.38	37.17	38.58	39.73	41.38	43.60	47.35	Book Value per sh ^C	55.25
393.72	396.67	400.43	406.07	478.05	480.81	483.42	485.67	487.78	489.40	491.05	491.71	492.01	493.25	494.17	496.60	504.00	530.00	Common Shs Outst'g ^D	550.00
13.7	12.9	16.3	13.1	10.0	13.4	11.9	13.8	14.5	15.9	15.8	15.2	19.3	18.0	21.4	19.6			Avg Ann'l P/E Ratio	17.0
.73	.70	.87	.79	.67	.85	.75	.88	.81	.84	.80	.80	.97	.97	1.14	1.02			Relative P/E Ratio	.95
3.9%	4.1%	3.4%	4.2%	5.5%	4.9%	5.0%	4.6%	4.2%	3.8%	3.8%	3.5%	3.4%	3.6%	3.1%	3.3%			Avg Ann'l Div'd Yield	3.7%

CAPITAL STRUCTURE as of 12/31/20		15116	14945	15357	17020	16453	16380	15425	16196	15561	14918	15800	16600	Revenues (\$mill)	19200
Total Debt	\$33552 mill. Due in 5 Yrs	\$13213 mill.												Net Profit (\$mill)	3300
LT Debt	\$28986 mill.	LT Interest	\$1049 mill.											Income Tax Rate	2.0%
Incl.	\$950.1 mill. securitized bonds.	Incl.	\$289.1 mill. finance leases.											AFUDC % to Net Profit	8.0%
	(LT interest earned: 2.8x)													Long-Term Debt Ratio	60.0%
Leases, uncapitalized	Annual rentals \$270.8 mill.													Common Equity Ratio	40.0%
Pension Assets-12/20	\$5556.6 mill.	Oblig	\$5544.5 mill.											Total Capital (\$mill)	75500
Pfd Stock	None													Net Plant (\$mill)	85800
Common Stock	496,604, 194 shs.													Return on Total Cap'l	5.5%
MARKET CAP:	\$38 billion (Large Cap)													Return on Shr. Equity	11.0%
														Return on Com Equity ^E	11.0%
														Retained to Com Eq	4.0%
														All Div'ds to Net Prof	64%

ELECTRIC OPERATING STATISTICS				BUSINESS: American Electric Power Company Inc. (AEP), through Pipeline '05; commercial barge operation in '15. Generating sources not available. Fuel costs: 29% of revenues. '20 reported depreciation rates (utility): 2.0%-11.3%. Has 16,800 employees. Chairman, President & CEO: Nicholas K. Akins. COO: Lisa Barton. Inc.: New York. Address: 1 Riverside Plaza, Columbus, Ohio 43215-2373. Telephone: 614-716-1000. Internet: www.aep.com.															
% Change Retail Sales (KWH)	2018	2019	2020																
Avg. Indust. Use (MWH)	+3.0	-2.2	NA																
Avg. Indust. Revs. per KWH (c)	NA	NA	NA																
Capacity at Peak (Mw)	NA	NA	NA																
Peak Load (Mw)	NA	NA	NA																
Annual Load Factor (%)	NA	NA	NA																
% Change Customers (yr-end)	NA	+3	NA																

We think American Electric Power will post solid earnings growth in 2021 and 2022. As usual, the company has multiple rate cases pending, so rate relief will help. AEP also earns a return on investment in its extensive transmission system. The company's transmission subsidiary earned a return on equity of 9.9% last year, better than the ROE of 9.1% for the utility operations as a whole. Our 2021 share-earnings estimate, which remains \$4.65, is at the midpoint of AEP's targeted range of \$4.55-\$4.75, which management boosted from \$4.51-\$4.71 upon reporting fourth-quarter results in late February. We look for further improvement, to \$4.90, in 2022. (Note that the share count will rise sharply next year due to the conversion of equity units and a large stock issuance that is planned.) The company's goal for annual earnings growth is 5%-7%.

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	Year
2018	4048	4013	4333	3801	16195
2019	4056	3573	4315	3616	15561
2020	3747	3494	4066	3610	14918
2021	4100	3650	4300	3750	15800
2022	4300	3850	4500	3950	16600

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	Year
2018	.92	1.07	1.17	.74	3.90
2019	1.16	.93	1.48	.51	4.08
2020	1.00	1.05	1.50	.87	4.42
2021	1.15	1.10	1.60	.80	4.65
2022	1.20	1.15	1.70	.85	4.90

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	Year
2017	.59	.59	.59	.62	2.39
2018	.62	.62	.62	.67	2.53
2019	.67	.67	.67	.70	2.71
2020	.70	.70	.70	.74	2.84
2021	.74				

Rate cases are pending in several states. In Ohio, AEP is trying to reach a settlement in a case that saw the company request \$41 million, based on a 10.15% return on equity and a 54.4% common-equity ratio. In Virginia, Appalachian Power appealed an order (granting no increase) to

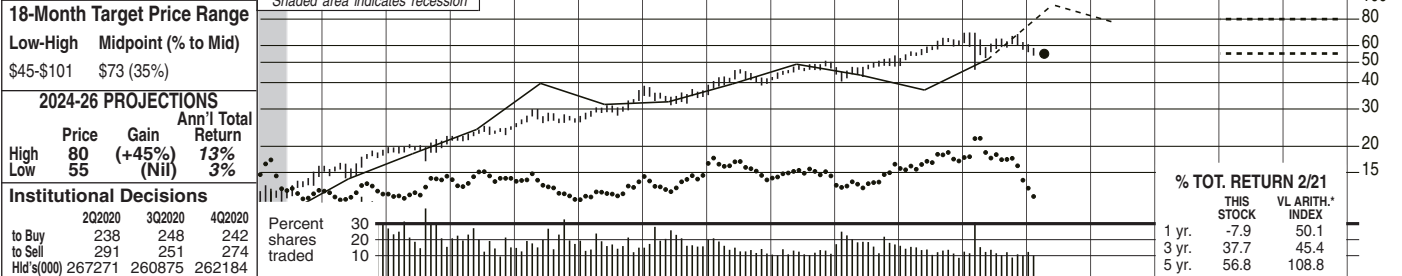
(A) Diluted EPS. Excl. nonrec. gains (losses): '05, (62c); '06, (20c); '07, (20c); '08, 40c; '10, (7c); '11, 89c; '12, (38c); '13, (14c); '16, (\$2.99); '17, 26c; '19, (20c); gains (loss) from disc. ops.: '05, 7c; '06, 2c; '08, 3c; '15, 58c; '16, (1c). Next earnings report due early May. (B) Div'd paid early Mar., June, Sept., & Dec. Div'd reinvestment plan avail. (C) Incl. intang. In '20: \$14.97/sh. (D) In mill. (E) Rate base: various. Rates allowed on com. eq.: 9.3%-10.9%; earned on avg. com. eq., '20: 11.0%. Regulatory Climate: Average.

Company's Financial Strength	A+
Stock's Price Stability	100
Price Growth Persistence	75
Earnings Predictability	95

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Paul E. Debbas, CFA March 12, 2021

TIMELINESS 3 Lowered 2/19/21	High: 19.3 22.4 25.0 30.0 36.9 38.7 46.3 50.8 53.8 65.3 69.2 60.8	LEGENDS 0.70 x Dividends p sh divided by Interest Rate ... Relative Price Strength Options: Yes Shaded area indicates recession	Target Price Range 2024 2025 2026 160 120 100 80 60 50 40 30 20 15
SAFETY 2 Raised 3/21/14	Low: 14.1 17.0 21.1 24.6 26.0 31.2 35.0 41.1 40.5 48.0 46.0 53.7		
TECHNICAL 3 Raised 3/12/21			
BETA .75 (1.00 = Market)			



18-Month Target Price Range		Low-High Midpoint (% to Mid)		\$45-\$101 \$73 (35%)	
2024-26 PROJECTIONS		Price	Gain	Ann'l Total	Return
High	80	(+45%)	(Nil)	13%	3%
Low	55				
Institutional Decisions		2020	3020	4020	
to Buy	238	248	242		
to Sell	291	251	274		
Hlds(000)	267271	260875	262184		
	Percent	30			
	shares	20			
	traded	10			
	% TOT. RETURN 2/21				
	1 yr.	-7.9	50.1		
	3 yr.	37.7	45.4		
	5 yr.	56.8	108.8		

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
28.52	30.57	28.95	30.13	27.23	25.77	25.59	23.90	24.68	26.09	23.29	22.92	23.37	24.25	24.11	23.12	23.55	24.05	Revenues per sh	25.75
3.43	3.22	3.08	3.88	3.47	3.70	3.65	3.82	4.06	4.22	4.59	4.88	5.29	5.61	5.89	6.24	6.60	6.95	"Cash Flow" per sh	8.25
1.10	.64	.64	1.23	.93	1.33	1.45	1.53	1.66	1.74	1.89	1.98	2.17	2.32	2.39	2.64	2.85	3.05	Earnings per sh A	3.75
--	--	.20	.36	.50	.66	.84	.96	1.02	1.08	1.16	1.24	1.33	1.43	1.53	1.63	1.74	1.86	Div'd Decl'd per sh B	2.30
2.69	3.01	5.61	3.50	3.59	3.29	3.47	4.65	4.98	5.73	5.64	5.99	5.91	7.32	7.41	8.02	8.55	10.10	Cap'l Spending per sh	8.25
10.53	10.03	9.46	10.88	11.42	11.19	11.92	12.09	12.98	13.34	14.21	15.23	15.77	16.78	17.68	19.02	20.70	22.50	Book Value per sh C	27.75
220.50	222.78	225.15	226.41	227.89	249.60	254.10	264.10	266.10	275.20	277.16	279.21	281.65	283.37	283.86	288.94	293.00	297.00	Common Shs Outst'g D	306.00
12.6	22.2	26.8	10.9	13.6	12.5	13.6	15.1	16.3	17.3	18.3	20.9	21.3	20.3	24.3	23.3	Bold figures are Value Line estimates	Avg Ann'l P/E Ratio	18.0	
.67	1.20	1.42	.66	.91	.80	.85	.96	.92	.91	.92	1.10	1.07	1.10	1.29	1.19	Relative P/E Ratio	1.00		
--	--	1.2%	2.7%	4.0%	4.0%	4.3%	4.2%	3.8%	3.6%	3.4%	3.0%	2.9%	3.0%	2.6%	2.6%	Avg Ann'l Div'd Yield	3.4%		

CAPITAL STRUCTURE as of 12/31/20
 Total Debt \$15196 mill. Due in 5 Yrs \$4794 mill.
 LT Debt \$13690 mill. LT Interest \$503 mill.
 Incl. \$61 mill. finance leases.
 (LT interest earned: 2.8x)
 Leases, Uncapitalized Annual rentals \$10 mill.
 Pension Assets-12/20 \$3402 mill.
 Oblig \$3266 mill.

Pfd Stock \$37 mill.	Pfd Div'd \$2 mill.
Incl. 373,148 shs. \$4.50 \$100 par, cum., callable at \$110.00.	
Common Stock 288,943,354 shs. as of 1/15/21	
MARKET CAP: \$16 billion (Large Cap)	

ELECTRIC OPERATING STATISTICS				
	2018	2019	2020	
% Change Retail Sales (KWH)	+2.2	-3.7	-3.1	
Avg. Indust. Use (MWH)	NA	NA	NA	
Avg. Indust. Revs. per KWH (c)	7.63	7.94	8.14	
Capacity at Peak (Mw)	NA	NA	NA	
Peak Load, Summer (Mw)	8084	8039	8215	
Annual Load Factor (%)	NA	NA	NA	
% Change Customers (yr-end)	+3	+9	+1.0	

Fixed Charge Cov. (%)	250	235	240
ANNUAL RATES			
of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '18-'20 to '24-'26
Revenues	-1.5%	-5%	1.0%
"Cash Flow"	5.0%	6.5%	5.5%
Earnings	7.5%	7.0%	7.5%
Dividends	11.5%	7.0%	7.0%
Book Value	5.0%	5.5%	8.0%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2018	1953	1492	1599	1829	6873.0
2019	2059	1445	1546	1795	6845.0
2020	1864	1443	1575	1798	6680.0
2021	1950	1550	1600	1800	6900
2022	2050	1600	1650	1850	7150

Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2018	.86	.49	.59	.38	2.32
2019	.75	.33	.73	.58	2.39
2020	.85	.48	.76	.55	2.64
2021	.90	.55	.80	.60	2.85
2022	.95	.60	.85	.65	3.05

Cal-endar	QUARTERLY DIVIDENDS PAID B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2017	.3325	.3325	.3325	.3325	1.33
2018	.3575	.3575	.3575	.3575	1.43
2019	.3825	.3825	.3825	.3825	1.53
2020	.4075	.4075	.4075	.4075	1.63
2021	.435				

BUSINESS: CMS Energy Corporation is a holding company for Consumers Energy, which supplies electricity and gas to lower Michigan (excluding Detroit). Has 1.8 million electric, 1.8 million gas customers. Has 1,234 megawatts of nonregulated generating capacity. Owns EnerBank. Sold Palisades nuclear plant in '07. Electric revenue breakdown: residential, 48%; commercial, 33%; industrial,

CMS Energy's utility subsidiary received an electric rate increase. Consumers Energy had filed for a rate hike of \$230 million, based on a 10.5% return on equity. The Michigan Public Service Commission (MPSC) granted the utility an increase of \$126 million, based on a 9.9% ROE and a 51.1% common-equity ratio. New tariffs took effect at the start of 2021. This, along with a full year's benefit of a gas rate increase that took effect in October, will be a key factor in CMS Energy's expected earnings increase this year. Our earnings estimate of \$2.85 a share is at the midpoint of the company's typically narrow guidance of \$2.83-\$2.87.

Another electric application is upcoming, but Consumer Energy has agreed not to file a gas case until December 1st. The utility files petitions frequently because it has a large system with a lot of old equipment that needs replacing. Because of the delay in the next filing, the utility was granted permission to boost its income by accelerating the amortization of tax liabilities from October 1, 2021 through September 30, 2022. This is estimated to amount to \$84.5 million (\$35 mil-

lion this year). We look for earnings to advance 7% in 2022. This is within CMS Energy's goal of 6%-8% annual profit growth.

The MPSC approved the issuance of securitized bonds. This will enable Consumers Energy to recover the cost of the Karn coal-fired station when the facility is retired in 2023. The utility estimates that the issuance will amount to \$688 million.

Management is controlling costs effectively. In 2020, the company realized more than \$100 million in cost savings. This helped offset the effects of the weak economy on electric volume last year.

The board of directors raised the dividend in the current quarter. The increase was \$0.11 a share (6.7%) annually, as we had expected. CMS Energy's goal for dividend growth is the same as its target for earnings growth. Note that the payment in the fourth quarter of 2020 was a return of capital, not an ordinary dividend. **This equity has a below-average dividend yield, by utility standards.** Total return potential is appealing for the next 18 months, but only about average for the 3- to 5-year period.

(A) Diluted EPS. Excl. nonrec. gains (losses): '05, (\$1.61); '06, (\$1.08); '07, (\$1.26); '09, (7c); '10, 3c; '11, 12c; '12, (14c); '17, (53c); gains (losses) on discount. ops.: '05, 7c; '06, 3c; '07, (40c); '09, 8c; '10, (8c); '11, 1c; '12, 3c. Next earnings report due late April. (B) Div'ds historically paid late Feb., May, Aug., & Nov. (C) Incl. intang. In '20: \$9.18/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '21: 9.9% elec.; in '19: 9.9% gas; earned on avg. com. eq., '20: 14.4%. Regulat. Climate: Above Avg. **Company's Financial Strength** B++ **Stock's Price Stability** 95 **Price Growth Persistence** 70 **Earnings Predictability** 85

DTE ENERGY CO. NYSE-DTE

RECENT PRICE **119.10** P/E RATIO **16.6** (Trailing: 16.8 Median: 17.0) RELATIVE P/E RATIO **0.77** DIV'D YLD **3.8%** VALUE LINE

TIMELINESS 2 Raised 11/6/20	High: 49.1	55.3	62.6	73.3	90.8	92.3	100.4	116.7	121.0	134.4	135.7	126.8	Target Price Range 2024 2025 2026
SAFETY 2 Raised 12/21/12	Low: 41.3	43.2	52.5	60.3	64.8	73.2	78.0	96.6	94.3	107.3	71.2	116.0	
TECHNICAL 2 Raised 3/5/21	<p>LEGENDS</p> <p>0.60 x Dividends p sh divided by Interest Rate</p> <p>Relative Price Strength</p> <p>Options: Yes</p> <p>Shaded area indicates recession</p>												
BETA .95 (1.00 = Market)	<p>18-Month Target Price Range</p> <p>Low-High Midpoint (% to Mid)</p> <p>\$87-\$209 \$148 (25%)</p>												
<p>2024-26 PROJECTIONS</p> <p>High Price Gain Ann'l Total Return</p> <p>Low 175 (+45%) 130 (+10%) 13%</p>													<p>% TOT. RETURN 2/21</p> <p>THIS STOCK VL ARITH. INDEX</p> <p>1 yr. 9.5 50.1</p> <p>3 yr. 29.3 45.4</p> <p>5 yr. 65.1 108.8</p>
<p>Institutional Decisions</p> <p>2020 3Q2020 4Q2020</p> <p>to Buy 261 254 302</p> <p>to Sell 318 299 290</p> <p>Hlds(000) 141501 141828 141501</p>													

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
50.74	50.93	54.28	57.23	48.45	50.51	52.57	51.01	54.56	69.50	57.60	59.24	70.28	78.12	65.91	62.84	65.45	63.40	Revenues per sh	72.00
8.14	8.19	8.48	8.26	9.38	9.78	9.57	9.77	10.13	11.85	9.44	10.60	11.77	12.58	12.97	14.70	15.25	15.35	"Cash Flow" per sh	19.00
3.27	2.45	2.66	2.73	3.24	3.74	3.67	3.88	3.76	5.10	4.44	4.83	5.73	6.17	6.31	7.08	7.15	7.40	Earnings per sh ^A	9.25
2.06	2.08	2.12	2.12	2.12	2.18	2.32	2.42	2.59	2.69	2.84	3.06	3.36	3.59	3.85	4.12	4.41	4.68	Div'd Decl'd per sh ^B	5.55
5.99	7.92	7.96	8.42	6.26	6.49	8.77	10.56	10.59	11.58	11.26	11.40	12.54	14.91	15.59	19.91	21.80	15.10	Cap'l Spending per sh	13.25
32.44	33.02	35.86	36.77	37.96	39.67	41.41	42.78	44.73	47.05	48.88	50.22	53.03	56.27	60.73	64.12	66.90	72.30	Book Value per sh ^C	82.25
177.81	177.14	163.23	163.02	165.40	169.43	169.25	172.35	177.09	176.99	179.47	179.43	179.39	181.93	192.21	193.77	194.00	205.00	Common Shs Outst'g ^D	206.00
13.8	17.4	18.3	14.8	10.4	12.3	13.5	14.9	17.9	14.9	18.1	19.0	18.6	17.4	19.9	16.3	16.0	16.0	Avg Ann'l P/E Ratio	16.0
.73	.94	.97	.89	.69	.78	.85	.95	1.01	.78	.91	1.00	.94	.94	1.06	.83	1.06	1.06	Relative P/E Ratio	.90
4.6%	4.9%	4.4%	5.2%	6.3%	4.8%	4.7%	4.2%	3.8%	3.5%	3.5%	3.3%	3.2%	3.3%	3.1%	3.6%	3.1%	3.6%	Avg Ann'l Div'd Yield	3.7%

CAPITAL STRUCTURE as of 12/31/20																																																										
Total Debt \$19508 mill. Due in 5 Yrs \$7812 mill.																																																										
LT Debt \$19001 mill. LT Interest \$665 mill.																																																										
Incl. \$24 mill. finance leases.																																																										
(LT interest earned: 3.2x)																																																										
Leases, Uncapitalized Annual rentals \$37 mill.																																																										
Pension Assets-12/20 \$5497 mill.																																																										
Oblig \$6304 mill.																																																										
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MARKET CAP: \$23 billion (Large Cap)																																																										
ELECTRIC OPERATING STATISTICS																																																										
<table border="1"> <tr> <th></th><th>2018</th><th>2019</th><th>2020</th><th></th></tr> <tr> <td>% Change Retail Sales (KWH)</td><td>+3.5</td><td>-3.9</td><td>-3.4</td><td></td></tr> <tr> <td>Avg. Indust. Use (MWH)</td><td>NA</td><td>NA</td><td>NA</td><td></td></tr> <tr> <td>Avg. Indust. Revs. per KWH (c)</td><td>NMF</td><td>NMF</td><td>NMF</td><td></td></tr> <tr> <td>Capacity at Peak (Mw)</td><td>NA</td><td>NA</td><td>NA</td><td></td></tr> <tr> <td>Peak Load, Summer (Mw)</td><td>NA</td><td>NA</td><td>NA</td><td></td></tr> <tr> <td>Annual Load Factor (%)</td><td>NA</td><td>NA</td><td>NA</td><td></td></tr> <tr> <td>% Change Customers (yr-end)</td><td>NA</td><td>NA</td><td>NA</td><td></td></tr> </table>																				2018	2019	2020		% Change Retail Sales (KWH)	+3.5	-3.9	-3.4		Avg. Indust. Use (MWH)	NA	NA	NA		Avg. Indust. Revs. per KWH (c)	NMF	NMF	NMF		Capacity at Peak (Mw)	NA	NA	NA		Peak Load, Summer (Mw)	NA	NA	NA		Annual Load Factor (%)	NA	NA	NA		% Change Customers (yr-end)	NA	NA	NA	
	2018	2019	2020																																																							
% Change Retail Sales (KWH)	+3.5	-3.9	-3.4																																																							
Avg. Indust. Use (MWH)	NA	NA	NA																																																							
Avg. Indust. Revs. per KWH (c)	NMF	NMF	NMF																																																							
Capacity at Peak (Mw)	NA	NA	NA																																																							
Peak Load, Summer (Mw)	NA	NA	NA																																																							
Annual Load Factor (%)	NA	NA	NA																																																							
% Change Customers (yr-end)	NA	NA	NA																																																							

BUSINESS: DTE Energy Company is a holding company for DTE Electric (formerly Detroit Edison), which supplies electricity in Detroit and a 7,600-square-mile area in southeastern Michigan, and DTE Gas (formerly Michigan Consolidated Gas). Customers: 2.2 mill. electric, 1.3 mill. gas. Has various nonutility operations. Electric revenue breakdown: residential, 46%; commercial, 34%; industrial, 13%; other, 7%. Generating sources: coal, 67%; nuclear, 17%; gas, 1%; purchased, 15%. Fuel costs: 48% of revenues. '20 reported deprec. rates: 4.2% electric, 2.7% gas. Has 10,600 employees. Chairman: Gerard M. Anderson. President & CEO: Jerry Norcia. Inc.: MI. Address: One Energy Plaza, Detroit, MI 48226-1279. Tel.: 313-235-4000. Internet: www.dteenergy.com.

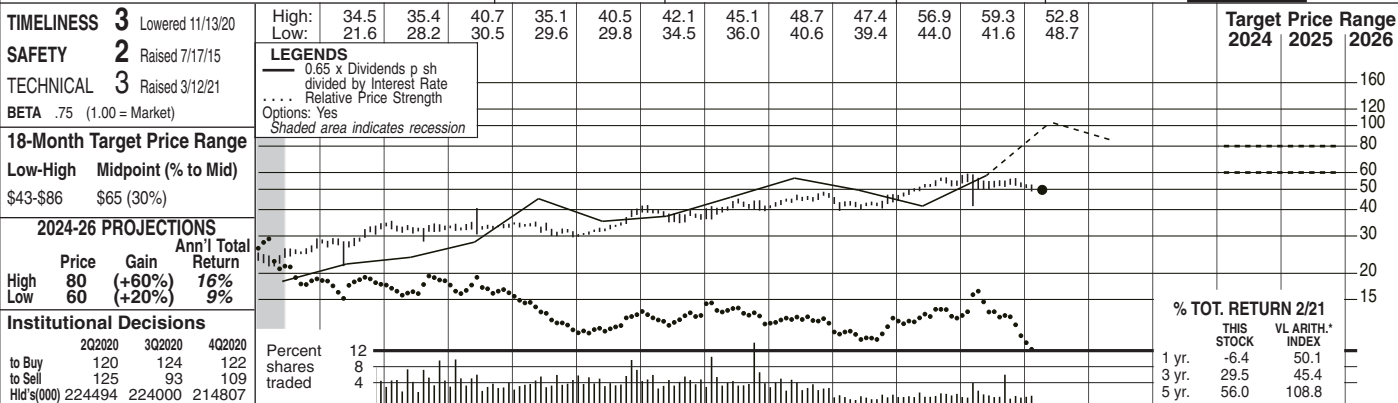
ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '18-'20 of change (per sh)																		
Revenues 3.0% 2.5% -5%																		
"Cash Flow" 4.0% 5.0% 6.0%																		
Earnings 7.5% 8.0% 6.0%																		
Dividends 6.0% 7.5% 6.5%																		
Book Value 4.5% 5.0% 5.5%																		
Fixed Charge Cov. (%) 278 260 268																		
QUARTERLY REVENUES (\$ mill.)																		
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year													
2018	3753	3159	3550	3750	14212													
2019	3514	2888	3119	3148	12669													
2020	3022	2583	3284	3288	12177													
2021	3300	2700	3350	3350	12700													
2022	3400	2700	3450	3450	13000													
EARNINGS PER SHARE ^A																		
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year													
2018	2.00	1.29	1.84	1.05	6.17													
2019	2.19	.99	1.73	1.40	6.31													
2020	1.76	1.44	2.46	1.42	7.08													
2021	2.00	1.55	2.20	1.40	7.15													
2022	2.10	1.60	2.25	1.45	7.40													
QUARTERLY DIVIDENDS PAID ^B																		
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year													
2017	.825	.825	.825	.825	3.30													
2018	.8825	.8825	.8825	.8825	3.53													
2019	.945	.945	.945	.945	3.78													
2020	1.0125	1.0125	1.0125	1.0125	4.05													
2021	1.085																	

The planned spinoff of DTE Energy's midstream gas business into a separate company is on track for mid-2021. Some details, such as the ratio of how many shares of the new company will be distributed to stockholders for each DTE Energy share, are yet to be determined. The spinoff is also subject to final approval of the board of directors. This would be tax-free for stockholders. Once this is completed, the company's utility operations would generate some 90% of corporate profits, versus 70% currently. DTE Energy expects dividend growth would accelerate to 8%-10% next year, versus 6% otherwise. Our estimates and projections are based on DTE Energy's current configuration. **We expect a slight earnings increase in 2021.** This is partly due to a tough comparison. Although lockdowns and the recession hurt commercial and industrial kilowatt-hour sales, cost reductions and stronger-than-expected residential electric volume made up for this. Some of the expense cuts were of a one-time nature, and thus will not recur in 2021. The company will benefit from a full year's effect of electric and gas rate hikes that were granted last year. The nonutility businesses benefited from some unusual income. Our 2021 share-net estimate is within DTE Energy's guidance of \$6.88-\$7.26. **DTE Gas filed a general rate case.** The utility requested a \$195 million increase, based on a return on equity of 10.25% (versus the currently allowed 9.9%) and a 52% common-equity ratio. New tariffs are expected to take effect at the start of 2022. DTE Electric is considering filing a case in May, but is looking for ways to delay this. **Further earnings growth is likely in 2022, despite two challenging factors.** The utility should benefit from rate relief. We expect further growth from the non-utility subsidiaries, as well. However, DTE Energy's reduced emissions fuel operation will cease at the end of 2021 because this business is based on tax credits that are expiring. Also, the share count will rise significantly due to the mandatory conversion of \$1.3 billion of equity units. **This timely stock's dividend yield is about average for a utility.** After the spinoff, the sum of the parts might well prove to be greater than the whole. *Paul E. Debbas, CFA* *March 12, 2021*

(A) Diluted EPS. Excl. nonrec. gains (losses): '05, (2c); '07, \$1.96; '08, 50c; '11, \$1c; '15, (3c); '17, 59c; gains (losses) on disc. ops.: '04, (6c); '05, (20c); '06, (2c); '07, \$1.20; '08, 13c; '12, (33c). '18 EPS don't sum due to rounding. Next earnings report due late April.	(B) Div'ds: gains (losses) on disc. ops.: '04, (6c); '05, (20c); '06, (2c); '07, \$1.20; '08, 13c; '12, (33c). '18 EPS don't sum due to rounding. Next earnings report due late April.	(C) Incl. intang. In	(D) \$46.10/sh. (E) In mill. (F) Rate base: Net orig. cost. Rate all'd on com. eq. in '20: 9.9% elec.; in '20: 9.9% gas; earned on avg. com. eq., '20: 11.4%. Regulat. Climate: Above Avg.	Company's Financial Strength A	Stock's Price Stability 75	Price Growth Persistence 95	Earnings Predictability 90
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FORTIS INC. TSE-FTS.TO ^A

RECENT PRICE **49.69** P/E RATIO **18.5** (Trailing: 19.1; Median: 20.0) RELATIVE P/E RATIO **0.86** DIV'D YLD **4.2%** VALUE LINE



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
13.86	14.14	17.48	23.07	21.24	21.01	19.84	19.07	18.99	19.57	23.89	17.03	19.71	19.58	18.96	19.14	19.70	20.15	Revenues per sh	22.00
2.73	3.05	2.96	3.51	3.66	3.99	3.90	4.10	4.10	3.62	5.21	3.91	5.43	5.40	5.44	5.65	6.00	6.30	"Cash Flow" per sh	7.50
1.19	1.36	1.29	1.52	1.51	1.62	1.74	1.65	1.63	1.38	2.11	1.89	2.66	2.52	2.68	2.60	2.70	2.80	Earnings per sh ^B	3.25
.59	.67	.82	1.00	1.04	1.12	1.17	1.21	1.25	1.30	1.43	1.55	1.65	1.75	1.86	1.97	2.08	2.21	Div'd Decl'd per sh ^C	2.65
4.93	4.80	5.16	5.34	5.79	5.89	5.91	5.68	5.32	6.00	7.97	5.13	7.18	7.51	8.03	8.65	8.10	8.10	Cap'l Spending per sh	8.25
11.76	12.26	16.72	18.00	18.57	18.95	20.53	20.84	22.39	24.90	28.63	32.32	31.77	34.80	36.49	36.58	38.00	39.60	Book Value per sh ^D	44.75
103.20	104.09	155.52	169.19	171.26	174.39	188.83	191.57	213.17	276.00	281.56	401.49	421.10	428.50	463.30	466.80	470.00	474.00	Common Shs Outst'g ^E	485.00
17.2	17.7	21.1	17.5	16.4	18.2	18.8	20.1	20.0	24.3	18.0	21.6	16.8	17.1	19.2	20.6	20.1	20.6	Avg Ann'l P/E Ratio	22.0
.92	.96	1.12	1.05	1.09	1.16	1.18	1.28	1.12	1.28	.91	1.13	.84	.92	1.02	1.05	1.05	1.05	Relative P/E Ratio	1.20
2.9%	2.8%	3.0%	3.8%	4.2%	3.8%	3.6%	3.6%	3.8%	3.9%	3.8%	3.8%	3.7%	4.1%	3.6%	3.7%	3.7%	3.7%	Avg Ann'l Div'd Yield	3.7%

CAPITAL STRUCTURE as of 12/31/20		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Total Debt	\$24830 mill. Due in 5 Yrs	\$5567 mill.																		
LT Debt	\$23444 mill.	LT Interest	\$978 mill.																	
Incl.	\$331 mill. capitalized leases.	(LT interest earned: 2.4x)																		
Leases, Uncapitalized	Annual rentals \$8 mill.																			
Pension Assets-12/20	\$3528 mill.	Oblig	\$3995 mill.																	
Pfd Stock	\$1623 mill. Pfd Div'd	\$65 mill.																		
Common Stock	466,800,000 shs. as of 2/11/21																			
MARKET CAP:	\$23 billion (Large Cap)																			

ELECTRIC OPERATING STATISTICS		2018	2019	2020
% Change Retail Sales (KWH)		NA	NA	NA
Avg. Indust. Use (MWH)		NA	NA	NA
Avg. Indust. Revs. per KWH (c)		NA	NA	NA
Capacity at Peak (Mw)		NA	NA	NA
Peak Load, Summer (Mw)		NA	NA	NA
Annual Load Factor (%)		NA	NA	NA
% Change Customers (yr-end)		NA	NA	NA

BUSINESS: Fortis Inc.'s main focus is electricity, hydroelectric, and gas utility operations (both regulated and nonregulated) in the United States, Canada, and the Caribbean. Has 2 mill. electric, 1.3 mill. gas customers. Owns UNS Energy (Arizona), Central Hudson (New York), FortisBC Energy (British Columbia), FortisAlberta (Central Alberta), and Eastern Canada (Newfoundland). Sold commercial real estate and hotel property assets in 2015. Acquired ITC Holdings 10/16. Fuel costs: 29% of revs. '20 reported deprec. rate: 2.5%. Has 9,000 employees. Chairman: Douglas J. Haughey. President & CEO: David G. Hutchens. Inc.: Canada. Address: Fortis Place, Suite 1100, 5 Springdale St., PO Box 8837, St. John's, NL, Canada, A1B 3T2. Tel.: 709-737-2800. Internet: www.fortisinc.com.

Fortis' utility in Arizona received a rate order. Tucson Electric Power was granted a US\$58 million nonfuel rate hike, based on a 9.15% return on equity and a 53% common-equity ratio. The ROE was lower than the previously allowed 9.75%, but the common-equity ratio was an improvement over 50% previously. New tariffs took effect at the start of 2021.

Other regulatory matters are pending. In New York, Central Hudson is seeking electric and gas rate increases of US\$33 million and US\$14 million, respectively, based on a 9.1% ROE. Settlement talks are under way. A ruling is expected this year. The ITC transmission subsidiary is awaiting what the Federal Energy Regulatory Commission will do regarding transmission incentives. Finally, the regulators in British Columbia and Alberta are conducting cost-of-capital proceedings for all utilities in their provinces.

We expect moderately higher earnings in 2021 and 2022. This year, the Tucson Electric rate hike will help. On the other hand, the utility benefited from a record-hot summer in 2020, and we assume normal weather in our estimates.

We figure Central Hudson will obtain rate relief. Besides the pending rate case, the final step of a multiyear increase took effect in mid-2020. Importantly, ITC operates under a forward-looking regulatory mechanism that enables the utility to earn a return on its capital spending every year and recover expected increases in most expenses. Last year, the effects of the coronavirus hurt the bottom line by \$0.05 a share, and it is possible that this drag will be lower in 2021. The subsidiaries that are most affected are Tucson Electric and the utilities in the Caribbean, which have been hurt by a decline in tourism.

Fortis' capital budget is \$19.6 billion from 2021 through 2025. This will produce 6% compound annual growth in the rate base, which will boost the company's earning power. Most of Fortis' financing will be with debt rather than equity.

The stock's dividend yield is slightly above average for a utility. We project that Fortis will attain its goal of 6% annual dividend growth through mid-decade. Total return potential is attractive for the 18-month and 2024-2026 periods.

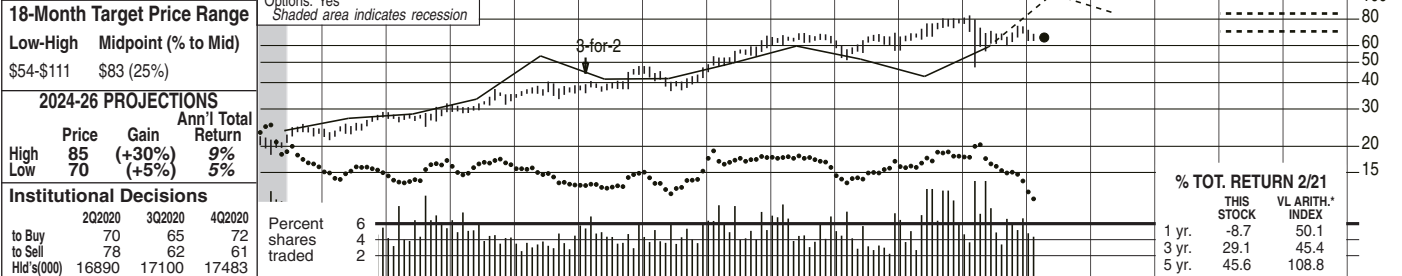
Paul E. Debbas, CFA March 12, 2021

(A) Also trades on NYSE under the symbol FTS. All data in Canadian \$. (B) Dil. eggs. Excl. nonrecur. gains (loss): '07, 3c; '14, 2c; '15, 48c; '17, (35c); '18, 7c. '19, \$1.12. '19 EPS don't sum due to chng. in shs. Next eggs. report due early May. (C) Div'ds histor. pd. early Mar., June, Sept., and Dec. (D) Div'd reinv. plan avail. (2% disc.). (E) Incl. intang. In '20: \$34.71/sh. (F) In mill. (G) Excl. div'ds pd. via reinv. plan. (H) Rates all'd on com. eq.: 8.3%-10.32%; earn. on avg. com. eq.: '20: 7.1%. Regul. Clim.: FERC, Above Avg.; AZ, Avg.; NY, Below Avg. (I) Excl. div'ds pd. via reinv. plan.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	45
Earnings Predictability	80

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TIMELINESS 4 Lowered 12/4/20	High: 29.1 31.9 37.4 40.5 48.0 48.0 66.9 68.7 68.9 80.8 83.3 71.2	Target Price Range 2024 2025 2026
SAFETY 1 New 1/3/03	Low: 21.4 24.7 28.7 33.4 35.7 36.5 44.8 60.3 51.1 56.7 47.2 63.0	
TECHNICAL 4 Lowered 2/26/21	LEGENDS 0.90 x Dividends p sh divided by Interest Rate Relative Price Strength 3-for-2 split 2/14 Options: Yes Shaded area indicates recession	
BETA .70 (1.00 = Market)		



18-Month Target Price Range		Low-High Midpoint (% to Mid)		2024-26 PROJECTIONS		Ann'l Total Return		High Low		Price Gain		Institutional Decisions		Percent shares traded		% TOT. RETURN 2/21		THIS STOCK		VL ARITH. INDEX	
\$54-\$111		\$83 (25%)		85 70		+30% +5%		9% 5%		to Buy to Sell Hlds(000)		2020 3Q2020 4Q2020		6 4 2		1 yr. 3 yr. 5 yr.		-8.7 29.1 45.6		50.1 45.4 108.8	

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC		24-26
16.73	16.13	16.33	17.35	15.40	15.36	15.76	15.61	17.04	17.88	16.27	15.71	16.24	16.15	16.41	15.32	15.50	16.05	Revenues per sh	18.00	
2.00	2.34	2.46	2.68	2.66	2.76	2.94	2.98	3.28	3.49	3.33	3.47	3.73	4.06	4.57	4.74	4.85	5.00	"Cash Flow" per sh	5.75	
1.05	1.37	1.51	1.59	1.47	1.67	1.76	1.86	2.16	2.32	2.06	2.18	2.20	2.43	2.51	2.60	2.70	2.75	Earnings per sh A	3.25	
.92	.93	.94	.96	.97	.99	1.01	1.04	1.07	1.11	1.16	1.21	1.26	1.32	1.38	1.45	1.52	1.60	Div'd Decl'd per sh B = †	1.90	
2.80	2.94	4.14	3.08	2.35	1.76	1.88	2.84	3.43	2.67	2.08	2.41	3.12	6.12	4.73	5.78	5.60	4.85	Cap'l Spending per sh	4.50	
11.21	11.93	12.99	13.92	14.47	15.14	15.89	16.71	17.81	19.02	19.92	20.89	22.45	23.56	24.68	27.76	28.15	29.30	Book Value per sh C	33.00	
30.68	31.46	32.93	34.36	34.67	34.67	34.67	34.67	34.67	34.67	34.67	34.67	34.67	34.67	34.67	35.16	36.16	36.16	Common Shs Outst'g D	36.16	
22.4	15.9	15.0	14.2	15.1	15.0	15.8	17.2	17.0	17.2	20.3	24.9	29.4	25.1	28.4	26.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	23.5	
1.19	.86	.80	.85	1.01	.95	.99	1.09	.96	.91	1.02	1.31	1.48	1.36	1.51	1.35			Relative P/E Ratio	1.45	
3.9%	4.3%	4.1%	4.2%	4.4%	4.0%	3.6%	3.2%	2.9%	2.8%	2.8%	2.2%	2.0%	2.2%	1.9%	2.1%			Avg Ann'l Div'd Yield	2.5%	

CAPITAL STRUCTURE as of 12/31/20
Total Debt \$594.1 mill. **Due in 5 Yrs** \$91.8 mill.
LT Debt \$536.8 mill. **LT Interest** \$23.1 mill.
 Incl. \$17.5 mill. finance leases.
 (LT interest earned: 5.8x)
Leases, Uncapitalized Annual rentals \$1.8 mill.

Pension Assets-12/19 \$386.0 mill.
Obligation \$410.6 mill.

Pfd Stock None

Common Stock 36,163,370 shs.
 as of 1/31/21
MARKET CAP: \$2.4 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS			
	2018	2019	2020
% Change Retail Sales (KWH)	+1.6	-2.3	-3.5
Avg. Indust. Use (MWH)	1802	NA	NA
Avg. Indust. Revs. per KWH (c)	7.70	7.43	7.16
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	686	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	NA	NA	NA

ANNUAL RATES				
Cal-endar	Past 10 Yrs.	Past 5 Yrs.	Est'd '18-'20	Full Year
2018	157.6	124.3	137.8	140.9
2019	167.6	122.2	138.2	140.1
2020	149.9	117.0	135.2	136.5
2021	160	120	140	140
2022	165	125	145	145

EARNINGS PER SHARE A				
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31
2018	.58	.53	.85	.47
2019	.69	.45	.88	.48
2020	.75	.53	.88	.44
2021	.80	.50	.93	.47
2022	.80	.52	.95	.48

QUARTERLY DIVIDENDS PAID B = †				
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31
2017	.3075	.3075	.3225	.3225
2018	.3225	.3225	.3375	.3375
2019	.3375	.3375	.3525	.3525
2020	.3525	.3525	.37	.37
2021	.37			

BUSINESS: MGE Energy, Inc. is a holding company for Madison Gas and Electric Company (MGE), which provides electric service to 157,000 customers in Dane County and gas service to 166,000 customers in seven counties in Wisconsin. Electric revenue breakdown: residential, 37%; commercial, 50%; industrial, 3%; other, 10%. Generating sources: coal, 47%; gas, 15%; renewables, 14%;

The Wisconsin commission approved a regulatory settlement for MGE Energy's utility subsidiary. Electric rates for Madison Gas and Electric were unchanged, and gas rates were raised \$6.7 million (4%). The allowed return on equity is 9.8% and the common-equity ratio is 55.84%. New tariffs took effect at the start of 2021.

Another rate case is upcoming. This spring, MGE will file an electric and gas rate case. The utility will seek to place some capital projects in the rate base and recover certain costs, including those related to the coronavirus and lockdowns (mainly bad-debt expense). MGE has not yet determined whether its application will be only for 2022 or for 2022 and 2023. A ruling is expected in time for new rates to take effect at the start of next year.

We expect moderate earnings growth in 2021 and 2022. The utility should see a modest benefit from exceptionally cold weather in its service area in February. Rate relief will help, as well. And as the economy reopens, this should boost kilowatt-hour sales. Note that we consider our 2022 estimate conservative.

purchased power, 24%. Fuel costs: 28% of revenues. '20 reported depreciation rates: electric, 3.5%; gas, 2.2%; nonregulated, 2.3%. Has about 700 employees. Chairman, President & CEO: Jeffrey M. Keebler. Incorporated: Wisconsin. Address: 133 South Blair Street, P.O. Box 1231, Madison, Wisconsin 53701-1231. Telephone: 608-252-7000. Internet: www.mgeenergy.com.

The company is adding solar capacity. MGE has a one-third stake (50 megawatts each) in similar projects that are scheduled to begin commercial operation in April of 2021 and December of 2022. Each project's estimated cost is \$65 million. A separate 20-mw facility is on track for completion in midyear at an expected cost of \$32 million. This will be used to serve customers who choose a renewable-energy rate.

MGE Energy's finances are in good shape. The fixed-charge coverage and common-equity ratio are among the highest in the electric utility industry. We project no additional equity over the five-year period after an \$80 million issuance last year. All told, the company has a Financial Strength rating of A+, our second-highest.

This stock is untimely, and has a high valuation. The dividend yield is more than one percentage point below the mean for electric utility equities. The issue offers wide total return potential for the next 18 months, but prospects for the pull to 2024-2026 are less appealing.

(A) Diluted earnings. Excludes nonrecurring gain: '17, 62c. '19 earnings don't sum due to rounding. Next earnings report due early May. (B) Dividends historically paid in mid-March, June, September, and December. (C) Dividend reinvestment plan available. (D) Shareholder investment plan available. (E) Includes regulatory assets. In '20: \$178.6 mill., \$4.94/sh. (F) In millions, adjusted for split. (G) Rate allowed on common equity in '21: 9.8%; earned on common equity, '20: 10.1%. Regulatory Climate: Above Average.

Company's Financial Strength	A+
Stock's Price Stability	95
Price Growth Persistence	75
Earnings Predictability	100

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Paul E. Debbas, CFA March 12, 2021

OGE ENERGY CORP. NYSE-OGE

RECENT PRICE **29.59** P/E RATIO **13.8** (Trailing: 14.2 Median: 17.0) RELATIVE P/E RATIO **0.64** DIV'D YLD **5.5%**

VALUE LINE

TIMELINESS 2 Raised 2/5/21
SAFETY 2 Lowered 12/18/15
TECHNICAL 3 Raised 3/12/21
BETA 1.05 (1.00 = Market)

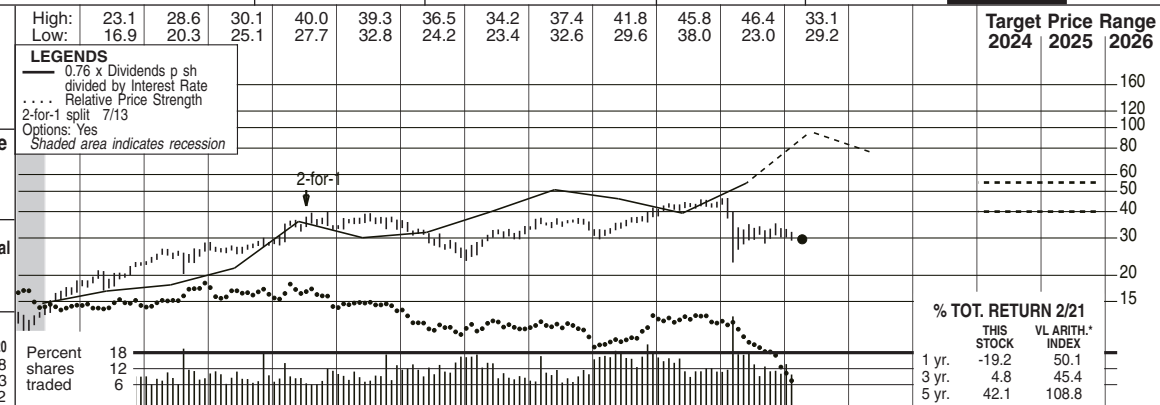
High: 23.1 28.6 30.1 40.0 39.3 36.5 34.2 37.4 41.8
 Low: 16.9 20.3 25.1 27.7 32.8 24.2 23.4 32.6 29.6

LEGENDS
 — 0.76 x Dividends p sh divided by Interest Rate
 Relative Price Strength
 2-for-1 split 7/13
 Options: Yes
 Shaded area indicates recession

18-Month Target Price Range
 Low-High Midpoint (% to Mid)
 \$24-\$64 \$44 (50%)

2024-26 PROJECTIONS
 High Price Gain Ann'l Total
 Low 55 40 (+85%) 20%
 40 (+35%) 12%

Institutional Decisions
 2020 3Q2020 4Q2020
 to Buy 203 181 188
 to Sell 182 195 193
 Hlds(000) 129209 126932 127332



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
32.83	21.96	20.68	21.77	14.79	19.04	19.96	18.58	14.45	12.30	11.00	11.31	11.32	11.37	11.15	10.61	12.25	13.25	Revenues per sh	16.25
1.94	2.23	2.39	2.40	2.69	3.01	3.31	3.69	3.46	3.40	3.23	3.31	3.34	3.74	4.02	4.03	4.25	4.70	"Cash Flow" per sh	5.50
.92	1.23	1.32	1.25	1.33	1.50	1.73	1.79	1.94	1.98	1.69	1.69	1.92	2.12	2.24	2.08	2.10	2.40	Earnings per sh A	2.75
.67	.67	.68	.70	.71	.73	.76	.80	.85	.95	1.05	1.16	1.27	1.40	1.51	1.58	1.64	1.69	Div'd Decl'd per sh B	1.95
1.65	2.67	3.04	4.01	4.37	4.36	6.48	5.85	4.99	2.86	2.74	3.31	4.13	2.87	3.18	3.25	3.75	3.95	Cap'l Spending per sh	4.25
7.59	8.79	9.16	10.14	10.52	11.73	13.06	14.00	15.30	16.27	16.66	17.24	19.28	20.06	20.69	18.15	18.60	19.25	Book Value per sh C	21.50
181.20	182.40	183.60	187.00	194.00	195.20	196.20	197.60	198.50	199.40	199.70	199.70	199.70	199.70	200.10	200.10	200.00	200.00	Common Shs Outst'g D	200.00
14.9	13.7	13.8	12.4	10.8	13.3	14.4	15.2	17.7	18.3	17.7	17.7	18.3	16.5	19.0	16.2	16.2	16.2	Avg Ann'l P/E Ratio	17.0
.79	.74	.73	.75	.72	.85	.90	.97	.99	.96	.89	.93	.92	.89	1.01	.83	.83	.83	Relative P/E Ratio	.95
4.9%	4.0%	3.8%	4.5%	5.0%	3.7%	3.1%	2.9%	2.5%	2.6%	3.5%	3.9%	3.6%	4.0%	3.5%	4.7%	4.7%	4.7%	Avg Ann'l Div'd Yield	4.0%

CAPITAL STRUCTURE as of 12/31/20
 Total Debt \$3589.4 mill. Due in 5 Yrs \$95.0 mill.
 LT Debt \$3494.4 mill. LT Interest \$152.5 mill.
 (LT interest earned: 4.1x)

Leases, Uncapitalized Annual rentals \$6.3 mill.

Pension Assets-12/20 \$570.3 mill. Oblig \$654.6 mill.

Pfd Stock None

Common Stock 200,021,161 shs. as of 1/29/21

MARKET CAP: \$5.9 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2018	2019	2020
% Change Retail Sales (KWH)	+6.8	+1.1	-4.9
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (c)	4.86	4.69	4.40
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	6863	6817	6437
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+9	+1.0	+1.1

Fixed Charge Cov. (%) 292 335 326

ANNUAL RATES Past Past Est'd '18-'20
 of change (per sh) 10 Yrs. 5 Yrs. to '24-'26

	2018	2019	2020	2021	2022
Revenues	-5.0%	-2.5%	4.5%	4.5%	4.5%
"Cash Flow"	4.0%	3.0%	6.0%	4.0%	4.0%
Earnings	4.5%	3.0%	4.0%	4.0%	4.0%
Dividends	7.5%	9.5%	4.5%	4.5%	4.5%
Book Value	6.0%	4.0%	7.5%	7.5%	7.5%

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	492.7	567.0	698.8	511.8	2270.3
2019	490.0	513.7	755.4	472.5	2231.6
2020	431.3	503.5	702.1	485.4	2122.3
2021	500	600	800	550	2450
2022	575	650	850	575	2650

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	.27	.55	1.02	.27	2.12
2019	.24	.50	1.25	.26	2.24
2020	.23	.51	1.04	.30	2.08
2021	.15	.50	1.20	.25	2.10
2022	.25	.55	1.30	.30	2.40

QUARTERLY DIVIDENDS PAID B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.3025	.3025	.3025	.3325	1.24
2018	.3325	.3325	.3325	.365	1.36
2019	.365	.365	.365	.3875	1.48
2020	.3875	.3875	.3875	.4025	1.57
2021	.4025				

BUSINESS: OGE Energy Corp. is a holding company for Oklahoma Gas and Electric Company (OG&E), which supplies electricity to 867,000 customers in Oklahoma (84% of electric revenues) and western Arkansas (8%); wholesale is (8%). Owns 25.5% of Enable Midstream Partners. Electric revenue breakdown: residential, 41%; commercial, 23%; industrial, 9%; oilfield, 8%; other, 19%. Generating sources: gas, 38%; coal, 15%; wind, 5%; purchased, 42%. Fuel costs: 30% of revenues. '20 reported depreciation rate (utility): 2.6%. Has 2,400 employees. Chairman, President and Chief Executive Officer: Sean Trauschke. Incorporated: Oklahoma. Address: 321 North Harvey, P.O. Box 321, Oklahoma City, Oklahoma 73101-0321. Telephone: 405-553-3000. Internet: www.oge.com.

OGE Energy's utility subsidiary was hurt by the cold spell that hit the region in February. A surge in gas and purchased-power costs resulting from the disruption of gas supplies cost an estimated \$800 million-\$1 billion. Oklahoma Gas and Electric will defer these for future recovery, but because this is such a large amount, the utility proposes to amortize the cost over a 10-year period beginning in January. The company obtained \$1 billion in bank financing to cover the costs, and will seek recovery of financing costs, too. **This will affect earnings in 2021.** OG&E has a guaranteed flat bill program that applies to 3% of its load, so the utility has to absorb higher power expenses for these customers. This will hurt the bottom line by an estimated \$0.06 a share. Financing costs associated with the new debt facility will amount to \$0.03-\$0.04 a share. For now, we assume OG&E will be allowed to recover its power costs, but do not assume recovery of the financing costs. We think OGE Energy's profits will rise slightly in 2021 thanks to higher equity income from the company's stake in Enable Midstream Partners. The utility will get

additional revenues from a formula rate plan in Arkansas and rider recovery of grid enhancement spending in Oklahoma. **Enable has agreed to be acquired by Energy Transfer Partners.** Once the deal closes, the company will own 3% of Energy Transfer, and will get cash of \$35 million. The poor performance of Enable units in 2020 led to a 28% decline in the price of OGE Energy stock last year. The company plans to sell its stake in Energy Transfer. For now, it expects to get \$60 million-\$73 million in cash distributions from midstream gas investments in 2021. **Earnings should improve in 2022.** We assume no drag from the weather-related problems experienced in February. OG&E should get a partial year of rate relief from a case it must file in Oklahoma no later than the first quarter of 2022. **Income-oriented investors should consider this timely stock.** The yield is well above the utility mean, which should compensate stockholders for the regulatory uncertainty regarding the surge in power costs. Total return potential is attractive for the 18-month and 2024-2026 periods. *Paul E. Debbas, CFA* *March 12, 2021*

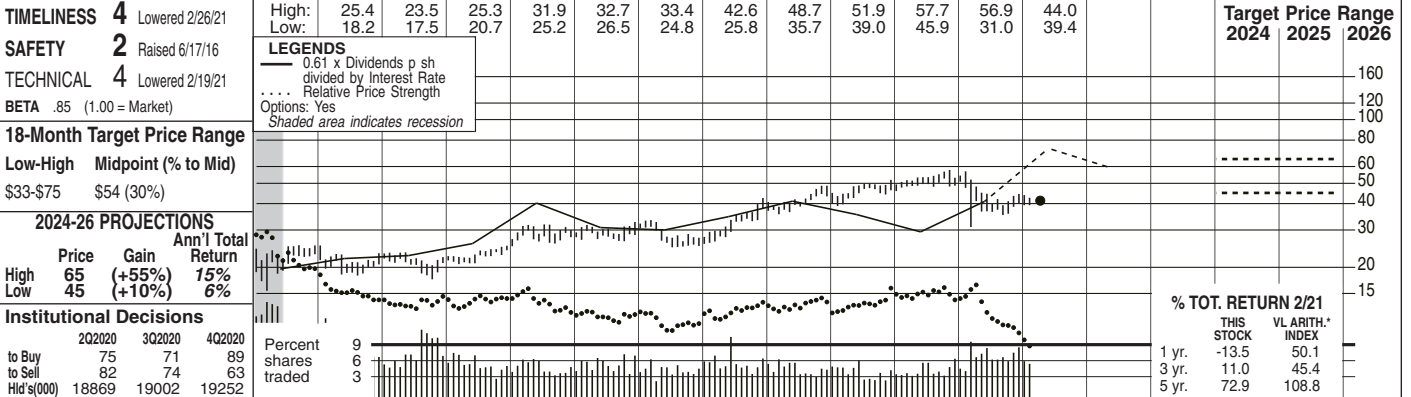
(A) Diluted EPS. Excl. nonrecurring gain (losses): '15, (33c); '17, \$1.18; '19, (8c); '20, (\$2.95); gains on discount ops.: '05, 25c; '06, 20c. '18 & '19 EPS don't sum due to rounding. Next earnings report due early May. (B) Div's historically paid in late Jan., Apr., July, & Oct. (C) Incl. deferred charges. In '20: \$2.08/sh. (D) In mill., adj. for split. (E) Rate base: Net original cost. Rate allowed on com. eq. in OK in '19: 9.5%; in AR in '18: 9.5%; earned on avg. com. eq., '20: 9.9%. Regulatory Climate: Average.

Company's Financial Strength	A
Stock's Price Stability	80
Price Growth Persistence	35
Earnings Predictability	90

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OTTER TAIL CORP. NDQ-OTTR

RECENT PRICE **41.29** P/E RATIO **17.2** (Trailing: 17.6; Median: 21.0) RELATIVE P/E RATIO **0.80** DIV'D YLD **3.8%** **VALUE LINE**



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
35.59	37.43	41.50	37.06	29.03	31.08	29.86	23.76	24.63	21.48	20.60	20.42	21.47	23.10	22.90	21.46	22.60	23.75	Revenues per sh	27.75
3.35	3.39	3.55	2.81	2.76	2.60	2.36	2.71	3.02	3.09	3.14	3.44	3.70	3.96	4.11	4.29	4.55	4.80	"Cash Flow" per sh	5.75
1.78	1.69	1.78	1.09	.71	.38	.45	1.05	1.37	1.55	1.56	1.60	1.86	2.06	2.17	2.34	2.45	2.60	Earnings per sh ^A	3.25
1.12	1.15	1.17	1.19	1.19	1.19	1.19	1.19	1.19	1.21	1.23	1.25	1.28	1.34	1.40	1.48	1.56	1.64	Div'd Decl'd per sh ^B	1.95
2.04	2.35	5.43	7.51	4.95	2.38	2.04	3.20	4.53	4.40	4.23	4.10	3.36	2.66	5.16	8.96	3.20	5.55	Cap'l Spending per sh	2.75
15.80	16.67	17.55	19.14	18.78	17.57	15.83	14.43	14.75	15.39	15.98	17.03	17.62	18.38	19.46	21.00	21.85	22.80	Book Value per sh ^C	26.00
29.40	29.52	29.85	35.38	35.81	36.00	36.10	36.17	36.27	37.22	37.86	39.35	39.56	39.66	40.16	41.47	41.60	41.70	Common Shs Outst'g ^D	42.00
15.4	17.3	19.0	30.1	31.2	55.1	47.5	21.7	21.1	18.8	18.2	20.2	22.1	22.2	23.5	18.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	17.0
.82	.93	1.01	1.81	2.08	3.51	2.98	1.38	1.19	.99	.92	1.06	1.11	1.20	1.25	.94			Relative P/E Ratio	.95
4.1%	3.9%	3.5%	3.6%	5.4%	5.7%	5.6%	5.2%	4.1%	4.1%	4.3%	3.9%	3.1%	2.9%	2.7%	3.5%			Avg Ann'l Div'd Yield	3.5%
CAPITAL STRUCTURE as of 12/31/20				1077.9 859.2 893.3 799.3 779.8 803.5 849.4 916.4 919.5 890.1 940 990 Revenues (\$mill) 1165														1165	
Total Debt \$845.5 mill. Due in 5 Yrs \$251.1 mill.				16.4 39.0 50.2 56.9 58.6 62.0 73.9 82.3 86.8 95.9 100 110 Net Profit (\$mill) 135														135	
LT Debt \$624.4 mill. LT Interest \$35.1 mill.				14.5% 5.2% 21.3% 22.5% 27.0% 24.5% 25.5% 15.0% 16.7% 17.4% 17.5% 17.5% Income Tax Rate 17.5%														17.5%	
(LT interest earned: 4.6x)				3.8% 1.7% 5.6% 3.9% 3.5% 2.2% 2.3% 4.1% 4.9% 6.4% 4.0% 5.0% AFUDC % to Net Profit 2.0%														2.0%	
Leases, Uncapitalized Annual rentals \$5.4 mill.				44.6% 44.0% 42.1% 46.5% 42.4% 43.0% 41.3% 44.7% 46.9% 41.8% 44.5% 46.5% Long-Term Debt Ratio 40.5%														40.5%	
Pension Assets-12/20 \$360.7 mill.				54.0% 54.4% 57.9% 53.5% 57.6% 57.0% 58.7% 55.3% 53.1% 58.2% 55.5% 53.5% Common Equity Ratio 59.5%														59.5%	
Oblig \$428.4 mill.				1058.9 959.2 924.4 1071.3 1051.0 1175.4 1187.3 1318.9 1471.1 1495.4 1645 1775 Total Capital (\$mill) 1825														1825	
Pfd Stock None				1077.5 1049.5 1167.0 1268.5 1387.8 1477.2 1539.6 1581.1 1753.8 2049.3 2095 2235 Net Plant (\$mill) 2325														2325	
Common Stock 41,510,455 shs. as of 2/16/21				3.2% 5.7% 6.8% 6.7% 6.8% 6.5% 7.3% 7.3% 7.0% 7.4% 7.0% 7.0% Return on Total Cap'l 8.5%														8.5%	
MARKET CAP: \$1.7 billion (Mid Cap)				2.8% 7.3% 9.4% 9.9% 9.7% 9.3% 10.6% 11.3% 11.1% 11.0% 11.5% 11.5% Return on Shr. Equity ^E 12.5%														12.5%	
ELECTRIC OPERATING STATISTICS				2.7% 7.3% 9.3% 9.9% 9.7% 9.3% 10.6% 11.3% 11.1% 11.0% 11.5% 11.5% Return on Com Equity 12.5%														12.5%	
2018 2019 2020				NMF NMF 1.2% 2.2% 2.0% 2.1% 3.3% 4.0% 4.0% 4.1% 4.0% 4.5% Retained to Com Eq 5.0%														5.0%	
% Change Retail Sales (KWH)				NMF 113% 87% 78% 79% 78% 69% 65% 64% 63% 62% All Div'ds to Net Prof 61%														61%	
Avg. Indust. Use (MWH)				+3.4 -2 -3.9														-3.9	
Avg. Indust. Revs. per KWH (c)				NA NA NA														NA	
Capacity at Peak (Mw)				5.97 NA NA														NA	
Peak Load, Winter (Mw)				NA NA NA														NA	
Annual Load Factor (%)				912 NA NA														NA	
% Change Customers (yr-end)				NA NA NA														NA	
Fixed Charge Cov. (%)				+2 +1 NA														NA	
409 407 405																			

BUSINESS: Otter Tail Corporation is the parent of Otter Tail Power Company, which supplies electricity to 133,000 customers in Minnesota (53% of retail electric revenues), North Dakota (38%), and South Dakota (9%). Electric rev. breakdown: residential, 32%; commercial & farms, 36%; industrial, 30%; other, 2%. Generating sources: coal, 38%; wind & other, 18%; purchased, 44%. Fuel costs: 12% of revenues. Also has operations in manufacturing and plastics (30% of '20 operating income). '20 deprec. rate: 2.7%. Has 2,100 employees. Chairman: Nathan I. Partain. President & CEO: Charles S. MacFarlane. Inc.: Minnesota. Address: 215 South Cascade St., P.O. Box 496, Fergus Falls, Minnesota 56538-0496. Tel.: 866-410-8780. Internet: www.ottertail.com.

OTTER TAIL CORPORATION'S EARNINGS ARE LIKELY TO ADVANCE THIS YEAR, FOLLOWING A SURPRISINGLY GOOD SHOWING IN 2020. Last year, when the company reported first-quarter results, management cut its earnings guidance due to the expected effects of the weak economy on commercial and industrial volume at Otter Tail Power and income at the nonutility operations (which typically generate 25% of corporate profits). This hurt the stock price, which never recovered, falling 17% for the year. However, business conditions improved as the year went on, and the Plastics segment turned in a better-than-expected showing. The full-year tally wound up near the upper end of management's original targeted range of \$2.22-\$2.37 a share. This year, the utility has received interim rate relief in Minnesota (see below). The Manufacturing division should benefit from more-favorable business conditions. Our 2021 estimate of \$2.45 a share is within Otter Tail's targeted range of \$2.39-\$2.54. We think further improvement in the economy will produce additional profit growth in 2022. We look for a 6% earnings increase, to \$2.60 a share.

A rate case is pending in Minnesota. Otter Tail filed for an increase of \$14.5 million (6.8%), based on a 10.2% return on equity and a 52.5% common-equity ratio. An interim increase of \$6.9 million (3.2%) took effect in January. A final order is expected by November.

A large capital project began commercial operation in December, and another is expected to be completed in the current quarter. A 150-megawatt wind farm became operating at a cost of \$260 million. This was the utility's largest project ever. A 245-mw gas-fired plant is on schedule for completion this quarter at an expected cost of \$152.5 million.

The board of directors raised the dividend in the first quarter. The increase was two cents a share (5.4%) quarterly, the same as last year. Otter Tail's goals for the disbursement are annual increases of 5%-7% (in line with its target for profit growth) and a payout ratio of 60%-70%.

This untimely stock's dividend yield is average, for a utility. Total return potential is attractive for the next 18 months and average for the 3- to 5-year period.

Paul E. Debbas, CFA *March 12, 2021*

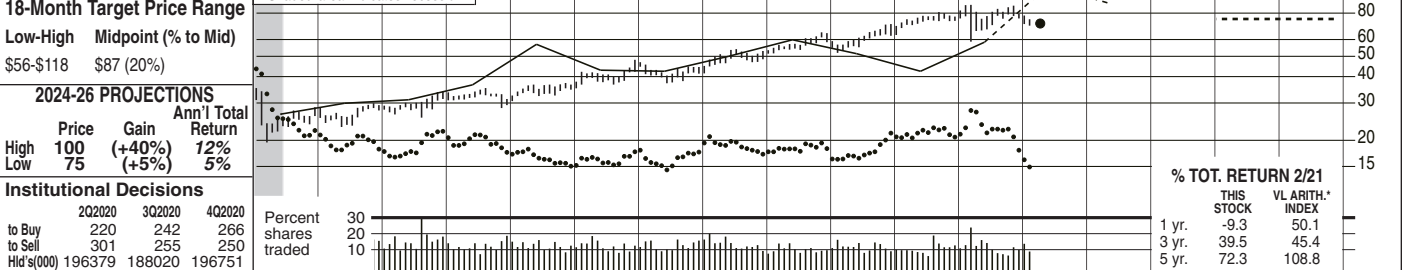
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	241.2	226.3	227.7	221.2	916.4
2019	246.0	229.2	228.6	215.7	919.5
2020	234.7	192.8	235.8	226.8	890.1
2021	245	230	240	225	940
2022	260	240	250	240	990

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	.66	.47	.58	.35	2.06
2019	.66	.39	.62	.51	2.17
2020	.60	.42	.87	.45	2.34
2021	.68	.47	.80	.50	2.45
2022	.72	.50	.85	.53	2.60

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.32	.32	.32	.32	1.28
2018	.335	.335	.335	.335	1.34
2019	.35	.35	.35	.35	1.40
2020	.37	.37	.37	.37	1.48
2021	.39				

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	70
Earnings Predictability	90

TIMELINESS 4 Lowered 2/19/21	High: 29.9	34.1	35.3	37.3	48.1	46.8	54.1	64.9	70.9	80.9	87.7	78.0	Target Price Range 2024 2025 2026
SAFETY 2 Raised 6/20/14	Low: 23.1	25.5	28.4	30.6	35.2	37.3	41.5	51.4	51.9	63.1	58.7	69.8	
TECHNICAL 3 Lowered 2/12/21	LEGENDS 0.64 x Dividends p sh divided by Interest Rate ... Relative Price Strength Options: Yes Shaded area indicates recession												
BETA .80 (1.00 = Market)													



18-Month Target Price Range
Low-High Midpoint (% to Mid)
\$56-\$118 \$87 (20%)

2024-26 PROJECTIONS

High	Low	Price	Gain (+40%)	Ann'l Total Return
100	75		(+5%)	12%

Institutional Decisions

	2Q2020	3Q2020	4Q2020
to Buy	220	242	266
to Sell	301	255	250
Hlds(000)	196379	188020	196751

	Percent shares traded
30	10

% TOT. RETURN 2/21		
THIS STOCK	VL ARITH. INDEX	
1 yr.	-9.3	50.1
3 yr.	39.5	45.4
5 yr.	72.3	108.8

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC		24-26
33.12	33.30	36.23	36.92	29.87	31.77	31.04	28.14	24.06	24.95	25.13	25.04	25.46	25.73	24.00	22.87	23.55	23.95	Revenues per sh	25.75	
6.10	6.02	6.76	6.44	6.06	6.33	5.87	5.87	5.25	5.77	6.08	6.59	6.80	7.64	7.83	8.08	8.55	9.00	"Cash Flow" per sh	10.75	
3.13	2.66	2.98	2.88	2.78	2.77	2.47	2.41	2.10	2.40	2.38	2.68	2.77	3.32	3.35	3.50	3.70	3.95	Earnings per sh ^A	4.75	
2.54	2.54	2.54	2.54	1.54	1.54	1.56	1.60	1.60	1.61	1.66	1.72	1.78	1.85	1.92	2.00	2.20	2.34	Div'd Decl'd per sh ^B	2.90	
4.63	4.99	6.96	9.75	7.51	4.66	4.50	5.49	5.87	7.66	8.12	8.78	9.05	9.56	9.92	13.02	14.40	11.70	Cap'l Spending per sh	12.75	
31.09	31.86	32.41	32.80	33.08	32.15	32.64	27.27	26.97	27.67	28.63	29.27	29.61	31.21	32.73	35.29	37.45	39.70	Book Value per sh ^C	47.25	
204.70	206.60	208.30	212.30	237.40	240.40	242.60	242.63	242.63	242.63	242.63	242.63	242.63	244.50	246.20	253.30	259.00	265.00	Common Shs Outst'g ^D	280.00	
16.7	19.4	17.4	14.2	9.3	9.7	11.9	13.4	16.5	16.7	17.5	18.3	20.6	18.3	22.1	22.2			Avg Ann'l P/E Ratio	18.0	
.89	1.05	.92	.85	.62	.62	.75	.85	.93	.88	.88	.96	1.04	.99	1.18	1.14			Relative P/E Ratio	1.00	
4.9%	4.9%	4.9%	6.2%	6.0%	5.8%	5.3%	5.0%	4.6%	4.0%	4.0%	3.5%	3.1%	3.0%	2.6%	2.6%			Avg Ann'l Div'd Yield	3.4%	

CAPITAL STRUCTURE as of 12/31/20

Total Debt \$11576 mill. Due in 5 Yrs \$2393 mill.
LT Debt \$11078 mill. LT Interest \$431 mill.
(LT interest earned: 3.5%)

Leases, Uncapitalized Annual rentals \$9 mill.
Pension Assets-12/20 \$5510 mill. Oblig \$5510 mill.

Pfd Stock \$142 mill. Pfd Div'd \$6 mill.
807,595 sh. \$3.50 to \$5.50 cum. (no par), \$100 stated val., redeem. \$102.176-\$110/sh.; 616,323 sh. 4.00% to 6.625%, \$100 par, redeem. \$100-\$104.30/sh.

Common Stock 253,355,105 sh. as of 1/29/21
MARKET CAP: \$18 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2018	2019	2020
% Change Retail Sales (KWH)	+5.6	-3.5	-5.6
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (c)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA

BUSINESS: Ameren Corporation is a holding company formed through the merger of Union Electric and CIPSCO. Has 1.2 million electric and 127,000 gas customers in Missouri; 1.2 million electric and 813,000 gas customers in Illinois. Discontinued nonregulated power-generation operation in '13. Electric revenue breakdown: residential, 43%; commercial, 32%; industrial, 8%; other, 17%.

Generating sources: coal, 67%; nuclear, 19%; hydro & other, 6%; purchased, 8%. Fuel costs: 22% of revenues. '20 reported deprec. rates: 3%-4%. Has 9,200 employees. Chairman, President & CEO: Warner L. Baxter, Inc.: Missouri. Address: One Ameren Plaza, 1901 Chouteau Ave., P.O. Box 66149, St. Louis, Missouri 63166-6149. Tel.: 314-621-3222. Internet: www.ameren.com.

Fixed Charge Cov. (%) 313 307 291

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '18-'20 to '24-'26
Revenues	-3.0%	-5%	1.0%
"Cash Flow"	2.5%	6.5%	5.5%
Earnings	2.0%	8.0%	6.0%
Dividends	.5%	3.5%	7.0%
Book Value	--	3.5%	6.0%

Ameren's earnings will likely advance at a solid pace in 2021. The company will benefit from a gas rate increase in Illinois and a full year's effect of an electric tariff hike that took effect in Missouri in April. Electric sales in Missouri should benefit from a recovering economy. The utility will earn a return on wind capacity that was placed into service in late 2020 and 2021. Our share-net estimate is within Ameren's targeted range of \$3.65-\$3.85. **A rate case was concluded, and another is upcoming.** Ameren Illinois was granted a gas increase of \$76 million, based on a 9.67% return on equity and a 52% common-equity ratio. New tariffs took effect in January. Ameren Missouri plans to file for electric and gas rate hikes by the end of this month. Rate relief in Missouri should help boost profits in 2022.

in this quarter. Ameren's goals are for increases to be in a range of 6%-8% annually (matching its target for earnings growth), with a payout ratio of 55%-70%.

The company is issuing equity to help finance its capital budget. Ameren raised \$115 million in early 2021 to settle a forward sale. The dividend-reinvestment and other stock plans should provide \$100 million annually. Also, the company plans to issue \$150 million in 2021 and \$300 million each year from 2022 through 2025.

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	1585	1563	1724	1419	6291.0
2019	1556	1379	1659	1316	5910.0
2020	1440	1398	1628	1328	5794.0
2021	1600	1450	1700	1350	6100
2022	1650	1500	1750	1450	6350

EARNINGS PER SHARE^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	.62	.97	1.45	.28	3.32
2019	.78	.72	1.47	.38	3.35
2020	.59	.98	1.47	.46	3.50
2021	.65	.90	1.70	.45	3.70
2022	.70	.95	1.80	.50	3.95

Ameren gave stockholders a pleasant surprise with a dividend increase in the first quarter. In recent years, the board of directors has boosted the disbursement in the fourth period. This occurred in 2020, with a hike of \$0.02 a share (4.0%) quarterly. The directors followed with a raise of \$0.035 a share (6.8%)

The Callaway nuclear unit is out of service. Ameren will spend about \$65 million to replace parts of the generator. This matter is not expected to affect financial results significantly, but bears watching in case the plant's expected return to service is delayed beyond early July.

The dividend yield of this untimely equity is below the utility mean. This was among a minority of utility issues to advance in price in 2020. The quotation has retreated in 2021, but the valuation remains high. Total return potential is good for the 18-month span, but unspectacular for the 3- to 5-year period.

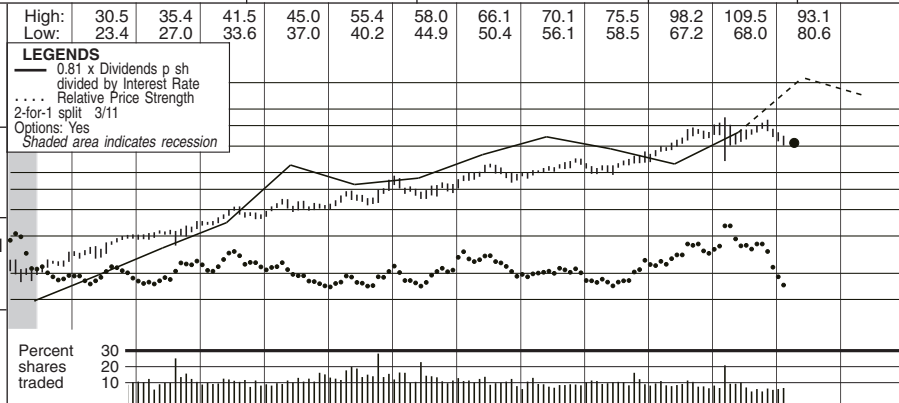
(A) Diluted EPS. Excl. nonrec. gain (losses): '05, (11c); '10, (\$2.19); '11, (32c); '12, (\$6.42); '17, (63c); gain (loss) from disc. ops.: '13, (92c); '15, 21c. Next earnings report due mid-May.	(B) Div'ds paid late Mar., June, Sept., & Dec. ■ Div'd reinvest. plan avail. (C) Incl. intang. In '20: \$5.97/sh. (D) In mill. (E) Rate base: Orig. cost depr. Rate allowed on com. eq. in MO in '20: elec., none; in '11: gas, none; in IL in '14: elec., 8.7%; in '21: gas, 9.67%; earned on avg. com. eq., '20: 10.2%. Regulatory Climate: MO, Average; IL, Below Average.	Company's Financial Strength	A
		Stock's Price Stability	100
		Price Growth Persistence	80
		Earnings Predictability	90

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WEC ENERGY GROUP NYSE-WEC

RECENT PRICE **82.79** P/E RATIO **20.9** (Trailing: 24.9 / Median: 19.0) RELATIVE P/E RATIO **0.97** DIV'D YLD **3.3%** VALUE LINE

TIMELINESS **3** Lowered 2/19/21
 SAFETY **1** Raised 3/23/12
 TECHNICAL **2** Raised 2/19/21
 BETA .80 (1.00 = Market)



18-Month Target Price Range
 Low-High Midpoint (% to Mid)
 \$61-\$145 \$103 (25%)

2024-26 PROJECTIONS

High	Price	Gain	Ann'l Total
Low	110	(+35%)	Return
	90	(+10%)	10%
			6%

Institutional Decisions

	2020	3Q20	4Q20
to Buy	334	361	421
to Sell	453	391	370
Hlds(000)	231336	231967	230263

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC 24-26	
16.31	17.08	18.12	18.95	17.65	17.98	19.46	18.54	20.00	22.16	18.77	23.68	24.24	24.34	23.85	22.96	23.80	24.75	Revenues per sh	28.00
2.89	2.90	2.98	2.95	3.11	3.30	3.68	4.01	4.33	4.47	3.87	5.39	5.69	6.04	6.53	6.90	7.40	7.95	"Cash Flow" per sh	10.00
1.28	1.32	1.42	1.52	1.60	1.92	2.18	2.35	2.51	2.59	2.34	2.96	3.14	3.34	3.58	3.79	4.00	4.25	Earnings per sh A	5.25
.44	.46	.50	.54	.68	.80	1.04	1.20	1.45	1.56	1.74	1.98	2.08	2.21	2.36	2.53	2.71	2.89	Div'd Decl'd per sh B	3.45
3.40	4.17	5.28	4.86	3.50	3.41	3.60	3.09	3.04	3.26	4.01	4.51	6.21	6.71	7.17	7.10	9.90	9.75	Cap'l Spending per sh	8.75
11.46	12.35	13.25	14.27	15.26	16.26	17.20	18.05	18.73	19.60	27.42	28.29	29.98	31.02	32.06	33.19	34.35	35.55	Book Value per sh C	40.25
233.96	233.94	233.89	233.84	233.82	233.77	230.49	229.04	225.96	225.52	315.68	315.62	315.57	315.52	315.43	315.43	315.43	315.43	Common Shs Outst'g D	315.43
14.5	16.0	16.5	14.8	13.3	14.0	14.2	15.8	16.5	17.7	21.3	19.9	20.0	19.6	23.5	24.9	24.9	24.9	Avg Ann'l P/E Ratio	19.5
.77	.86	.88	.89	.89	.89	.89	1.01	.93	.93	1.07	1.04	1.01	1.06	1.25	1.29	1.25	1.29	Relative P/E Ratio	1.10
2.4%	2.2%	2.1%	2.4%	3.2%	3.0%	3.3%	3.2%	3.5%	3.4%	3.5%	3.4%	3.3%	3.4%	2.8%	2.7%	2.7%	2.7%	Avg Ann'l Div'd Yield	3.4%

CAPITAL STRUCTURE as of 12/31/20
 Total Debt \$14291 mill. Due in 5 Yrs \$5209.0 mill.
 LT Debt \$11728 mill. LT Interest \$437.1 mill.
 Incl. \$12.1 mill. finance leases.
 (LT interest earned: 3.8x)
Leases, Uncapitalized Annual rentals \$6.8 mill.
Pension Assets-12/20 \$3225.0 mill.
Oblig \$3346.4 mill.

Pfd Stock \$30.4 mill. Pfd Div'd \$1.2 mill.
 260,000 shs. 3.60%, \$100 par, callable. \$101;
 44,498 shs. 6%, \$100 par.
Common Stock 315,434,531 shs.
 as of 1/31/21
MARKET CAP: \$26 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2018	2019	2020
% Change Retail Sales (KWH)	+2.5	-2.5	-2.6
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Lg. C&I Revs. per KWH (¢)	7.05	7.25	6.61
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+7	+6	+7

Fixed Charge Cov. (%) 323 300 338

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '18-'20

of change (per sh)	10 Yrs.	5 Yrs.	Est'd '18-'20
Revenues	2.5%	3.0%	3.0%
"Cash Flow"	7.5%	9.0%	7.5%
Earnings	8.0%	7.5%	6.5%
Dividends	13.5%	8.5%	6.5%
Book Value	7.5%	8.0%	4.0%

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	2286	1672	1643	2076	7679.5
2019	2377	1590	1608	1947	7523.1
2020	2108	1548	1651	1933	7241.7
2021	2250	1600	1700	1950	7500
2022	2350	1650	1750	2050	7800

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	1.23	.73	.74	.65	3.34
2019	1.33	.74	.74	.77	3.58
2020	1.43	.76	.84	.76	3.79
2021	1.50	.80	.90	.80	4.00
2022	1.60	.85	.95	.85	4.25

QUARTERLY DIVIDENDS PAID B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.52	.52	.52	.52	2.08
2018	.5525	.5525	.5525	.5525	2.21
2019	.59	.59	.59	.59	2.36
2020	.6325	.6325	.6325	.6325	2.53
2021	.6775				

BUSINESS: WEC Energy Group, Inc. (formerly Wisconsin Energy) is a holding company for utilities that provide electric, gas & steam service in WI & gas service in IL, MN, & MI. Customers: 1.6 mill. elec., 2.9 mill. gas. Acq'd Integrys Energy 6/15. Sold Point Beach nuclear plant in '07. Electric revenue breakdown: residential, 41%; small commercial & industrial, 31%; large commercial & industrial,

We expect WEC Energy Group to continue to produce steady earnings growth in 2021 and 2022. The service area's economy is showing signs of improvement, and management previously cut expenses effectively to deal with the lost margin from weak commercial and industrial kilowatt-hour sales stemming from the recession. The company's Peoples Gas subsidiary in Chicago is spending \$280 million-\$300 million annually to replace gas pipes. The utility is recovering these expenditures through a rider (surcharge) on customers' bills. Management expects the company's investment in non-regulated wind projects will produce an incremental \$0.08 a share to the bottom line this year. Our 2021 earnings estimate of \$4.00 a share is within WEC Energy's typically narrow guidance of \$3.99-\$4.03. We expect profit growth in 2022 in line with the company's targeted range of 5%-7% annually.

Some regulatory matters are pending. The company is asking the Wisconsin commission for permission to build two liquefied natural gas facilities to provide additional gas supplies to the state. The ex-

pected cost is \$370 million. Construction is expected to begin this fall, with an in-service date in late 2023. The utility is deciding whether to postpone the rate case it is scheduled to file in Wisconsin this year. In Illinois, North Shore Gas filed for a hike of \$7.6 million (8.5%), based on a return on equity of 10% and a common-equity ratio of 52.5%. New rates are expected to take effect in September.

The board of directors raised the dividend in the current quarter. The increase was \$0.18 a share (7.1%) annually, slightly above our expectation. WEC Energy's goals for the dividend are 5%-7% annual growth (matching that for earnings) and a payout ratio of 65%-70%.

High-quality WEC Energy stock has a below-average dividend yield, by utility standards. The price held up well in 2020, being virtually unchanged in what was a bad year for most utility equities. This year, the quotation has declined 10%. This is probably just a correction after a lofty valuation. Total return potential is more appealing for the next 18 months than for the 3- to 5-year period.

Paul E. Debbas, CFA March 12, 2021

(A) Diluted EPS. Excl. gains on discount. ops.: '11, '66; nonrecurring gain: '17, '65c; '18 EPS don't sum due to rounding. Next earnings report due early May. (B) Div'ds paid in early Mar., June, Sept. & Dec. (C) Div'd reinvest. plan avail. (D) Incl. intang. in '20: \$20.85/sh. (E) In mill., adj. for split. (F) Rate base: Net orig. cost. Rates all'd on com. eq. in WI in '15: 10.0%-10.3%; in IL in '15: 9.05%; in MN in '19: 9.7%; in MI in '16: 9.9%; earned on avg. com. eq., '20: 11.7%. Regulatory Climate: WI, Above Avg.; IL, Below Avg.; MN & MI, Avg.

Company's Financial Strength A+
Stock's Price Stability 85
Price Growth Persistence 70
Earnings Predictability 95

All of the major electric utilities located in the central region of the United States are reviewed in this Issue; eastern electrics, in Issue 1; and the remaining utilities, in Issue 11.

A cold spell in the central United States in mid-February caused natural gas and purchased-power costs to soar for several electric and gas utilities. We examine the implications of this for the industry.

Electric utility stocks, as a group, lagged the broader market averages by a wide margin in 2020. The underperformance continued in the first two months of 2021. We think many of these equities are appealing for income-oriented investors.

The Cold Spell In February

In mid-February, much of the central United States was hit by an unusually severe cold spell. In fact, the U.S. set a two-day record for natural gas usage on February 14th and 15th. This caused outages of generating plants and interruptions in the delivery of natural gas. Power outages in Texas received national attention, but other states were affected, most notably Oklahoma, Louisiana, Arkansas, and Mississippi. All kinds of generating assets were temporarily unable to operate. Numerous gas-fired units and wind projects were down. Some coal-fired plants couldn't operate, either. The South Texas Project, a nuclear station, was off line for a few days.

Several companies were affected by gas and purchased-power costs that were well above normal. For some utilities, this was above the level in all of 2020, although the totals have yet to be settled. *CenterPoint Energy* estimated its excess gas and power costs amounted to \$2.5 billion. Two utility subsidiaries of *American Electric Power* incurred a total of \$1.2 billion. *OGE Energy* expects this to wind up in a range of \$800 million-\$1 billion. *Black Hills Corporation* (reviewed in Issue 11) estimates these excess costs at \$60 million for its electric utilities and \$565 million for its gas utilities. *Exelon* (covered in Issue 1) has three nonregulated generating plants that were out of service periodically during the cold spell. The company estimates that this will hurt its net profit by \$560 million-\$710 million in the current quarter, but expects to offset \$410 million-\$490 million of this through various measures. The utilities owned by *Evergy* incurred more than \$300 million. However, *Evergy* wound up benefiting from the situation because it has a power-marketing subsidiary that had a long position in the Texas market. Note that the estimates of the excess costs are subject to change, as the settlement process with the power pools is expected to take 30 to 45 days.

Utilities pass through to their customers most, if not all, of their fuel and purchased-power costs. Under normal circumstances, this is straightforward and non-controversial. When a utility incurs costs that are not reflected in rates, the excess costs are deferred and recovered in a matter of months. This is always subject to a prudence review by the state commission, but disallowances from these reviews are rare. For the utilities that are affected by the surge in prices from the

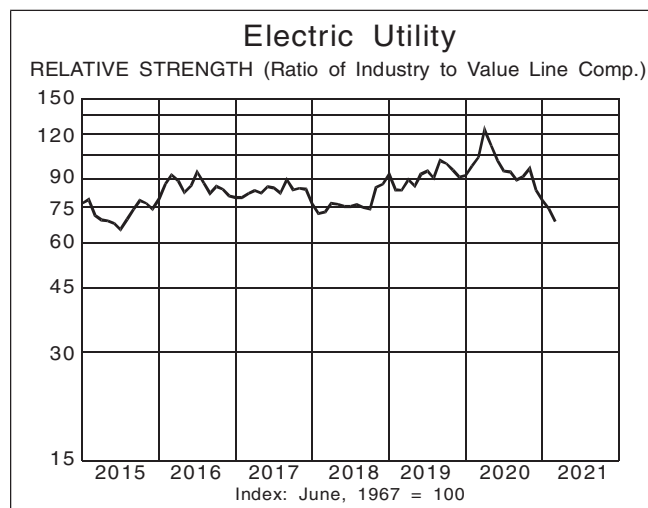
INDUSTRY TIMELINESS: 76 (of 97)

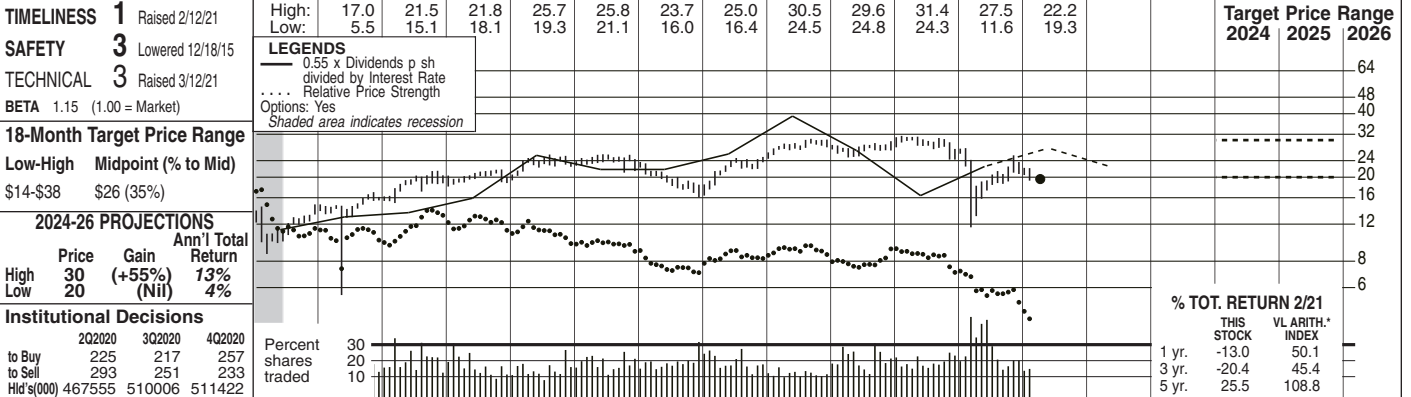
cold spell, the prudence reviews will be closely scrutinized. Recovery will almost certainly occur in a matter of years, not months, and there is no assurance that the companies will be able to recoup all of their costs. Companies will work with their states' regulatory commissions to determine how, and over which time frame, their costs should be recovered. In Kansas, the commission has already allowed utilities to defer the costs as a regulatory asset, but this does not guarantee full recovery. Some utilities are tapping their credit facilities to pay for these expenses. Thus, they will incur financing costs. Whether the companies will be able to recover their financing costs is questionable. Even so, we note that *CenterPoint Energy* and *American Electric Power* actually raised their 2021 earnings guidance slightly upon reporting fourth-quarter results in late February.

Conclusion

Electric utility stocks, as a group, underperformed the broader market averages by a wide margin in 2020, despite a decline in interest rates (which usually helps utility equities). The group of investor-owned utilities covered by the Edison Electric Institute had a total return of -1.2% last year, versus 18.4% for the S&P500. The underperformance continued into the first two months of 2021. This has increased the attractiveness of electric utility issues relative to the rest of the market. Their average dividend yield of 3.9% is about twice that of the market. Most utilities increase their payout annually, too. During the first two months of 2021, among the utility stocks reviewed in this Issue, the boards of directors of *WEC Energy Group*, *Ameren*, *CMS Energy*, *ALLETE*, *Alliant Energy*, *CenterPoint Energy*, and *Otter Tail Corporation* raised their disbursements. Most of these stocks offer very attractive potential for the 18-month span, along with decent prospects for the 3- to 5-year period. Utility equities are usually less risky than the market as a whole. Most of these issues are ranked 1 (Highest) or 2 (Above Average) for Safety.

Paul E. Debbas, CFA





2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
31.33	29.71	29.82	32.71	21.14	20.69	19.83	17.43	18.90	21.51	17.18	17.48	22.30	21.13	24.49	13.45	13.10	12.70	Revenues per sh	14.50
2.72	3.47	3.39	3.42	2.94	3.14	3.43	3.89	3.54	3.85	3.40	3.68	4.03	3.24	4.12	3.46	3.50	3.55	"Cash Flow" per sh	4.25
.67	1.33	1.17	1.30	1.01	1.07	1.27	1.35	1.24	1.42	1.08	1.00	1.57	.74	1.49	1.29	1.40	1.55	Earnings per sh A	1.85
.40	.60	.68	.73	.76	.78	.79	.81	.83	.95	.99	1.03	1.35	1.12	.86	.90	.65	.69	Div'd Decl'd per sh B	.85
2.23	3.21	3.45	2.95	2.96	3.55	3.06	2.84	3.00	3.20	3.68	3.28	3.31	3.29	4.99	4.71	5.65	4.85	Cap'l Spending per sh	4.75
4.18	4.96	5.61	5.89	6.74	7.53	9.91	10.06	10.09	10.60	8.05	8.03	10.88	12.53	13.10	10.78	12.00	13.50	Book Value per sh C	16.50
310.33	313.65	322.72	346.09	391.75	424.70	426.03	427.44	429.00	429.00	430.00	430.68	431.04	501.20	502.24	551.36	596.00	646.00	Common Shs Outst'g D	655.00
19.1	10.3	15.0	11.3	11.8	13.8	14.6	14.8	18.7	17.0	18.1	21.9	17.9	37.0	19.5	15.9	15.0	15.0	Avg Ann'l P/E Ratio	13.5
1.02	.56	.80	.68	.79	.88	.92	.94	1.05	.89	.91	1.15	.90	2.00	1.04	.81	1.04	1.04	Relative P/E Ratio	.75
3.1%	4.4%	3.9%	5.0%	6.4%	5.3%	4.3%	4.0%	3.6%	3.9%	5.1%	4.7%	4.8%	4.1%	3.0%	4.4%	4.4%	4.4%	Avg Ann'l Div'd Yield	3.4%

CAPITAL STRUCTURE as of 12/31/20		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	REVENUES (\$MILL)	2024-26
Total Debt \$13440 mill. Due in 5 Yrs \$6409 mill.		8450.0	7452.0	8106.0	9226.0	7386.0	7528.0	9614.0	10589	12301	7418.0	7800	8200	8200	8200	8200	8200	8200	8200	8200	9500
LT Debt \$11521 mill. LT Interest \$579 mill.		546.0	581.0	536.0	611.0	465.0	432.0	679.0	368.0	871.0	863.0	970	1075	1075	1075	1075	1075	1075	1075	1075	1255
Incl. \$536 mill. securitized transition & system restoration bonds.		33.6%	33.4%	31.4%	31.0%	35.1%	37.0%	36.1%	28.4%	14.9%	13.4%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
(LT interest earned: 2.8x)		1.6%	2.6%	3.5%	4.1%	4.7%	3.5%	2.9%	5.4%	6.7%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	5.0%
Leases, Uncapitalized Annual rentals \$8 mill.		67.2%	66.0%	64.4%	63.8%	69.5%	68.5%	63.6%	51.9%	63.0%	58.0%	57.5%	56.5%	56.5%	56.5%	56.5%	56.5%	56.5%	56.5%	56.5%	55.0%
Pension Assets-12/20 \$2135 mill.		32.8%	34.0%	35.6%	36.2%	30.5%	31.5%	36.4%	37.5%	29.1%	29.9%	34.5%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	42.5%
Oblig \$2507 mill.		12863	12658	12146	12557	11362	10992	12883	16740	22603	19869	20750	21825	21825	21825	21825	21825	21825	21825	21825	25600
Pfd Stock \$2402 mill. Pfd Div'd \$176 mill.		12402	13597	9593.0	10502	11537	12307	13057	14044	20945	22362	24725	26800	26800	26800	26800	26800	26800	26800	26800	33400
800,000 shs. 6.125%, cum., 977,500 shs. 7%, cum., 725,000 shs. all with liq. value of \$1000.		6.4%	6.8%	6.3%	6.7%	6.1%	5.8%	6.8%	3.4%	5.1%	5.6%	6.0%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.0%
Common Stock 551,579,922 shs. as of 2/22/21		12.9%	13.5%	12.4%	13.4%	13.4%	12.5%	14.5%	4.6%	10.4%	10.3%	11.0%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.0%
MARKET CAP: \$11 billion (Large Cap)		12.9%	13.5%	12.4%	13.4%	13.4%	12.5%	14.5%	5.3%	11.5%	11.6%	11.5%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%

ELECTRIC OPERATING STATISTICS		2018	2019	2020	BUSINESS: CenterPoint Energy, Inc. is a holding company for Houston Electric, which serves 2.6 million customers in Houston and environs, Indiana Electric, which serves 149,000 customers, and gas utilities with 4.7 million customers in Texas, Minnesota, Arkansas, Louisiana, Oklahoma, Mississippi, Indiana, and Ohio. Owns 53.7% of Enable Midstream Partners. Has nonutility operations that are in the process of being sold. Acquired Vectren 2/19. Electric revenue breakdown not available. Fuel costs: 24% of revenues. '20 depreciation rate: 4.3%. Has 9,500 employees. Chairman: Milton Carroll. President & CEO: David J. Lesar. Inc.: Texas. Address: 1111 Louisiana, P.O. Box 4567, Houston, TX 77210-4567. Tel.: 713-207-1111. Internet: www.centerpointenergy.com.
% Change Retail Sales (KWH)		+2.0	+6.7	+1.8	
Avg. Indust. Use (MWH)		NA	NA	NA	
Avg. Indust. Revs. per KWH (c)		NA	NA	NA	
Capacity at Peak (Mw)		NA	NA	NA	
Peak Load, Summer (Mw)		NA	NA	NA	
Annual Load Factor (%)		NA	NA	NA	
% Change Customers (avg.)		+1.7	+7.9	+2.5	
Fixed Charge Cov. (%)		167	152	135	

ANNUAL RATES		Past 10 Yrs.	Past 5 Yrs.	Est'd '18-'20 to '24-'26	The past three months have been especially eventful for CenterPoint Energy. In December, the company raised its capital budget materially and announced its intention to sell its gas utilities in Oklahoma and Arkansas. In February, Enable Midstream Partners (53.7%-owned by CenterPoint) agreed to be acquired by Energy Transfer Partners. Also in February, much of CenterPoint's service territory was hit by a cold spell that caused gas and purchased-power costs to surge. CenterPoint raised its five-year capital budget from \$13 billion to \$16 billion. Another potential \$1 billion of investments aren't included. This is expected to result in 10% annual growth in the rate base, and 6%-8% yearly growth in utility income. Management expects to complete the sale of the two gas utilities in 2022. These have a rate base of about \$700 million and earning power of roughly \$75 million annually. CenterPoint plans to use the cash to reduce debt at the parent level. The pending Enable sale will facilitate CenterPoint's exit from the midstream gas business. The deal is expected to close this year. The poor performance of Enable units in 2020 was a key reason why CenterPoint's stock price fell 21%. The company plans to sell its stake in Energy Transfer "in an accelerated but highly managed and sophisticated way." CenterPoint is seeking to recover all of its costs associated with a cold spell in February. The company's incremental gas costs were about \$2.5 billion. We are assuming no negative effects of this in our 2021 earnings estimate. We expect earnings to advance in 2021 and 2022. Growth at the utilities (including annual rate relief) should help. Also, we estimate higher equity income from the stake in Enable. Note that our estimates and projections are based on CenterPoint's current configuration. The board of directors raised the dividend, effective with the March payment. The increase was a cent a share (6.7%) quarterly. CenterPoint expects dividend growth in line with earnings growth. This timely stock offers attractive total return potential for the 18-month span and the 3- to 5-year period. Paul E. Debbas, CFA March 12, 2021
of change (per sh)					
Revenues	-2.5%	.5%	-5.0%		
"Cash Flow"	1.5%	-	3.0%		
Earnings	.5%	-1.0%	8.0%		
Dividends	2.5%	1.0%	-2.0%		
Book Value	6.0%	5.0%	5.0%		

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun. 30	Sep. 30	Dec. 31	
2018	3155	2186	2212	3036	10589
2019	3531	2798	2742	3230	12301
2020	2167	1575	1622	2054	7418.0
2021	2250	1700	1700	2150	7800
2022	2350	1800	1800	2250	8200

Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun. 30	Sep. 30	Dec. 31	
2018	.38	d.17	.35	.18	.74
2019	.28	.33	.47	.41	1.49
2020	.56	.17	.29	.27	1.29
2021	.50	.30	.35	.25	1.40
2022	.55	.30	.40	.30	1.55

Cal-endar	QUARTERLY DIVIDENDS PAID B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2017	.2675	.2675	.2675	.2675	1.07
2018	.2775	.2775	.2775	.2775	1.11
2019	.2875	.2875	.2875	.2875	1.15
2020	.29	.15	.15	.15	.74
2021	.16				

(A) Diluted EPS. Excl. nonrecurr. gains (losses): '05, 9c; '11, \$1.89; '12, (.38c); '13, (.52c); '15, (\$2.69); '17, \$2.56; '20, (\$2.74); losses on disc. ops.: '05, 1c; '20, 34c. Next earnings report due early May. (B) Div'ds historically paid in early Mar., June, Sept. & Dec. 5 declarations in '17 & '20, 3 in '19. ■ Div'd reinvest. plan avail. (C) Incl. intang. In '20: \$12.32/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. (elec.) in '20: 9.4%; (gas): 9.45%-11.25%; earned on avg. com. eq., '20: 9.7%. Regulatory Climate: TX, Avg.; IN, Above Avg. **Company's Financial Strength** B+ **Stock's Price Stability** 70 **Price Growth Persistence** 30 **Earnings Predictability** 45 **To subscribe call 1-800-VALUELINE**

EVERGY, INC. NYSE-EVRG

RECENT PRICE **53.96** P/E RATIO **16.5** (Trailing: 19.8 Median: NMF) RELATIVE P/E RATIO **0.77** DIV'D YLD **4.1%** VALUE LINE

TIMELINESS 4 Lowered 11/13/20
SAFETY 2 New 9/14/18
TECHNICAL 3 Raised 3/12/21
BETA .95 (1.00 = Market)

LEGENDS
 - - - Relative Price Strength
 Options: Yes
 Shaded area indicates recession

18-Month Target Price Range
 Low-High Midpoint (% to Mid)
 \$39-\$97 \$68 (25%)

2024-26 PROJECTIONS
 Ann'l Total Return
 High Price Gain
 Low 80 (+50%) 14%
 60 (+10%) 7%

Institutional Decisions
 2Q2020 3Q2020 4Q2020
 to Buy 216 260 268
 to Sell 312 279 291
 Hld's(000) 184926 181645 188200

Percent shares traded 36 24 12

High: 61.1 67.8 76.6 55.6
 Low: 50.9 54.6 42.0 51.9

Target Price Range 2024 2025 2026
 128
96
80
64
48
40
32
24
16
12

% TOT. RETURN 2/21
 THIS STOCK VL ARITH. INDEX
 1 yr. -15.0 50.1
 3 yr. — 45.4
 5 yr. — 108.8

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
Evergy, Inc. was formed through the merger of Great Plains Energy and Westar Energy in June of 2018. Great Plains Energy holders received .5981 of a share of Evergy for each of their shares, and Westar Energy holders received one share of Evergy for each of their shares. The merger was completed on June 4, 2018. Shares of Evergy began trading on the New York Stock Exchange one day later.	--	--	--	--	--	--	--	16.75	22.71	21.66	22.15	22.60	Revenues per sh	25.00
	--	--	--	--	--	--	--	4.89	7.18	7.06	7.80	8.05	"Cash Flow" per sh	9.25
	--	--	--	--	--	--	--	2.50	2.79	2.72	3.40	3.55	Earnings per sh ^A	4.25
	--	--	--	--	--	--	--	1.74	1.93	2.05	2.17	2.29	Div'd Decl'd per sh ^B	2.65
	--	--	--	--	--	--	--	4.19	5.34	6.88	8.15	8.00	Cap'l Spending per sh	8.00
	--	--	--	--	--	--	--	39.28	37.82	38.50	39.75	41.00	Book Value per sh ^C	45.25
	--	--	--	--	--	--	--	255.33	226.64	226.84	230.00	230.00	Common Shs Outst'g ^D	230.00
	--	--	--	--	--	--	--	22.7	21.8	21.7	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	17.0
	--	--	--	--	--	--	--	1.23	1.16	1.11			Relative P/E Ratio	.95
	--	--	--	--	--	--	--	3.1%	3.2%	3.5%			Avg Ann'l Div'd Yield	3.7%
CAPITAL STRUCTURE as of 12/31/20 Total Debt \$10321 mill. Due in 5 Yrs \$3410.8 mill. LT Debt \$9190.9 mill. LT Interest \$330.9 mill. Incl. \$45.3 mill. capitalized leases. (LT interest earned: 3.0x)	--	--	--	--	--	--	--	4275.9	5147.8	4913.4	5100	5200	Revenues (\$mill)	5750
	--	--	--	--	--	--	--	535.8	669.9	618.3	795	830	Net Profit (\$mill)	975
	--	--	--	--	--	--	--	9.8%	12.6%	14.1%	12.0%	12.0%	Income Tax Rate	12.0%
	--	--	--	--	--	--	--	2.5%	2.5%	5.5%	2.0%	2.0%	AFUDC % to Net Profit	2.0%
Leases, Uncapitalized Annual rentals \$18.5 mill.	--	--	--	--	--	--	--	40.0%	50.6%	51.3%	51.0%	51.5%	Long-Term Debt Ratio	51.5%
	--	--	--	--	--	--	--	60.0%	49.4%	48.7%	49.0%	48.5%	Common Equity Ratio	48.5%
Pension Assets-12/20 \$1799.1 mill. Oblig \$2901.1 mill.	--	--	--	--	--	--	--	16716	17337	17924	18750	19375	Total Capital (\$mill)	21500
	--	--	--	--	--	--	--	18952	19346	20106	20975	21775	Net Plant (\$mill)	23900
Pfd Stock None	--	--	--	--	--	--	--	4.0%	4.8%	4.5%	5.0%	5.0%	Return on Total Cap'l	5.5%
	--	--	--	--	--	--	--	5.3%	7.8%	7.1%	8.5%	8.5%	Return on Shr. Equity	9.0%
Common Stock 226,944,941 shs. as of 2/19/21	--	--	--	--	--	--	--	5.3%	7.8%	7.1%	8.5%	8.5%	Return on Com Equity ^E	9.0%
MARKET CAP: \$12 billion (Large Cap)	--	--	--	--	--	--	--	6%	2.4%	1.8%	3.0%	3.0%	Retained to Com Eq	3.5%
	--	--	--	--	--	--	--	89%	69%	75%	62%	63%	All Div'ds to Net Prof	62%

ELECTRIC OPERATING STATISTICS

	2018	2019	2020
% Change Retail Sales (KWH)	NA	NA	-3.9
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (c)	7.11	7.25	7.14
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '18-'20 of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '18-'20 of change (per sh)
Revenues	--	--	3.5%
"Cash Flow"	--	--	6.5%
Earnings	--	--	8.0%
Dividends	--	--	5.5%
Book Value	--	--	2.5%

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	600.2	893.4	1582	1199	4275.9
2019	1216	1221	1577	1131	5147.8
2020	1116	1184	1517	1094	4913.4
2021	1250	1200	1550	1100	5100
2022	1250	1250	1600	1100	5200

EARNINGS PER SHARE ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	.42	.56	1.32	.07	2.50
2019	.39	.57	1.56	.28	2.79
2020	.31	.59	1.60	.22	2.72
2021	.60	.70	1.75	.35	3.40
2022	.50	.75	1.85	.40	3.55

QUARTERLY DIVIDENDS PAID ^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	--	--	--	--	--
2018	.40	.40	.46	.475	1.74
2019	.475	.475	.475	.505	1.93
2020	.505	.505	.505	.535	2.05
2021	.535				

BUSINESS: Evergy, Inc. was formed through the merger of Great Plains Energy and Westar Energy in June of 2018. Through its subsidiaries (now doing business under the Evergy name), provides electric service to 1.6 million customers in Kansas and Missouri, including the greater Kansas City area. Electric revenue breakdown: residential, 39%; commercial, 33%; industrial, 12%; wholesale, 5%; other, 11%. Generating sources: coal, 54%; nuclear, 17%; purchased, 29%. Fuel costs: 22% of revenues. '20 reported deprec. rate: 3%. Has 5,100 employees. Chairman: Mark A. Ruelle. President & Chief Executive Officer: David A. Campbell. Incorporated: Missouri. Address: 1200 Main Street, Kansas City, Missouri 64105. Telephone: 816-556-2200. Internet: www.evergy.com.

We have raised our 2021 earnings estimate for Evergy by \$0.25 a share, to \$3.40. Our previous estimate of \$3.15 a share was near the low end of the company's guidance (on a GAAP basis) of \$3.14-\$3.24. Evergy has a nonregulated energy-marketing subsidiary that typically contributes \$0.03-\$0.07 a share to annual income. During the cold spell in Texas, this unit had a long position that benefited from the surge in gas and power prices. Potentially, Evergy might have earned about three times the upper end of its yearly range. We will include this benefit in our earnings presentation even though this is not included in management's guidance. Gas and purchased-power costs for Evergy's utilities rose sharply, but we assume that all of these will be recoverable through the fuel-adjustment clause. Other positive factors include an assumed return to normal weather patterns, volume growth as the economy improves, earnings from additional investment in the utility's transmission system, and effective expense control. Most of these factors should produce higher profits in 2022, despite a tough comparison in the first quarter.

Evergy reached an agreement with two investor groups, Bluescape Energy Partners and Elliott Investment Management. The investors had been pushing the company to look for a buyer. Indeed, in November, Reuters reported that the company turned down an offer from NextEra Energy. Instead, Bluescape will invest about \$115 million in Evergy (through the purchase of newly issued stock) and will get warrants. Evergy appointed the head of Bluescape to its board, along with another board member. Bluescape and Elliott signed standstill agreements with Evergy, effective through the date of the 2022 annual meeting.

The company is proceeding with its Sustainability Transformation Plan. Evergy's capital budget for 2021 through 2025 is \$9.2 billion. This includes \$675 million for renewable-energy projects in 2023 and 2024.

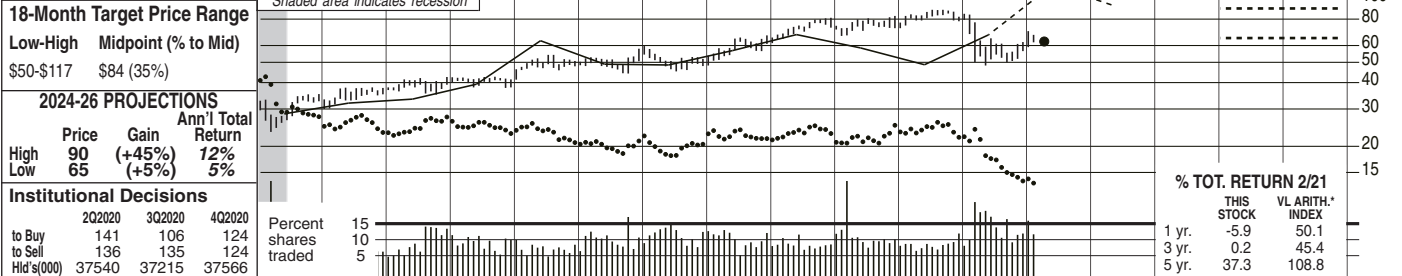
This stock is untimely, but may interest income-oriented accounts. The dividend yield is about average for a utility. Total return potential is above average for the 18-month and 3- to 5-year periods.

Paul E. Debbas, CFA March 12, 2021

(A) Diluted EPS. '18 EPS don't sum to full-year total due to change in shares, '19 due to rounding. Next earnings report due early May. (B) Dividends paid in mid-March, June, September, and December. (C) Dividend reinvestment plan available. (D) Incl. intangibles. In '20: \$4204.8 mill., \$18.54/sh. (E) In millions. (F) Rate base: Original cost depreciated. Rate allowed on common equity in Missouri in '18: none specified; in Kansas in '18: 9.3%. Earned on average common equity, '20: 7.1%. Regulatory Climate: Average.

Company's Financial Strength B++
Stock's Price Stability 65
Price Growth Persistence NMF
Earnings Predictability NMF

TIMELINESS 4 Lowered 2/26/21	High: 37.9 42.5 42.7 54.1 58.0 59.7 66.9 81.2 82.8 88.6 84.7 70.2	Low: 30.0 35.1 37.7 41.4 44.2 45.3 48.3 61.6 66.6 72.5 48.2 58.9	Target Price Range 2024 2025 2026
SAFETY 2 New 10/1/04	LEGENDS 0.60 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession		
TECHNICAL 4 Lowered 3/12/21			
BETA .90 (1.00 = Market)			



18-Month Target Price Range		2024-26 PROJECTIONS		Institutional Decisions		Percent shares traded		% TOT. RETURN 2/21		
Low-High	Midpoint (% to Mid)	Price	Gain	Ann'l Total	2020	3020	4020	1 yr.	3 yr.	5 yr.
\$50-\$117	\$84 (35%)	90	(+45%)	12%	141	106	124	-5.9	0.2	37.3
		65	(+5%)	5%	136	135	124	50.1	45.4	108.8
					37540	37215	37566			

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
24.50	25.23	27.33	24.57	21.57	25.34	24.75	24.40	24.60	24.77	30.27	27.01	27.78	29.10	23.99	22.44	23.25	24.10	Revenues per sh	27.25
3.85	4.14	4.42	4.23	3.57	4.35	4.91	5.01	5.35	5.68	6.79	7.08	6.59	7.37	7.24	7.52	7.45	8.30	"Cash Flow" per sh	10.00
2.48	2.77	3.08	2.82	1.89	2.19	2.65	2.58	2.63	2.90	3.38	3.14	3.13	3.38	3.33	3.35	3.10	3.70	Earnings per sh A	4.75
1.25	1.45	1.64	1.72	1.76	1.76	1.78	1.84	1.90	1.96	2.02	2.08	2.14	2.24	2.35	2.47	2.52	2.60	Div'd Decl'd per sh B = †	2.90
1.95	3.37	6.82	9.24	9.05	6.95	6.38	10.30	7.93	12.48	5.84	5.35	4.08	6.07	11.55	13.78	9.35	3.70	Cap'l Spending per sh	6.75
20.03	21.90	24.11	25.37	26.41	27.26	28.78	30.48	32.44	35.06	37.07	38.17	40.47	41.86	43.17	44.04	44.65	45.95	Book Value per sh C	50.75
30.10	30.40	30.80	32.60	35.20	35.80	37.50	39.40	41.40	45.90	49.10	49.60	51.10	51.50	51.70	52.10	52.50	52.75	Common Shs Outst'g D	53.00
17.9	16.5	14.8	13.9	16.1	16.0	14.7	15.9	18.6	17.2	15.1	18.6	23.0	22.2	24.7	18.3	Bold figures are Value Line estimates	Avg Ann'l P/E Ratio	16.5	
.95	.89	.79	.84	1.07	1.02	.92	1.01	1.05	.91	.76	.98	1.16	1.20	1.32	.94		Relative P/E Ratio	.90	
2.8%	3.2%	3.6%	4.4%	5.8%	5.0%	4.6%	4.5%	3.9%	3.9%	4.0%	3.6%	3.0%	3.0%	2.9%	4.0%		Avg Ann'l Div'd Yield	3.7%	

CAPITAL STRUCTURE as of 12/31/20
 Total Debt \$1796.9 mill. Due in 5 Yrs \$697.0 mill.
 LT Debt \$1593.2 mill. LT Interest \$65.3 mill.
 (LT interest earned: 3.0x)

Leases, Uncapitalized Annual rentals \$6.0 mill.

Pension Assets-12/20 \$759.4 mill. Oblig \$965.7 mill.

Pfd Stock None

Common Stock 52,116,629 shs. as of 2/1/21

MARKET CAP: \$3.3 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2018	2019	2020
% Change Retail Sales (KWH)	-2	-1.5	-12.0
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (c)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	1589	1573	1588
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	NA	NA	NA

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun. 30	Sep. 30	Dec. 31	
2018	358.2	344.1	348.0	448.3	1498.6
2019	357.2	290.4	288.3	304.6	1240.5
2020	311.6	243.2	293.9	320.4	1169.1
2021	315	275	305	325	1220
2022	325	285	315	345	1270

Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun. 30	Sep. 30	Dec. 31	
2018	.99	.61	.59	1.18	3.38
2019	1.18	.64	.60	.92	3.33
2020	1.28	.39	.78	.90	3.35
2021	1.10	.50	.70	.80	3.10
2022	1.20	.60	.80	1.10	3.70

Cal-endar	QUARTERLY DIVIDENDS PAID B = †				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2017	.535	.535	.535	.535	2.14
2018	.56	.56	.56	.56	2.24
2019	.5875	.5875	.5875	.5875	2.35
2020	.6175	.6175	.6175	.6175	2.47
2021	.63				

BUSINESS: ALLETE, Inc. is the parent of Minnesota Power, which supplies electricity to 146,000 customers in northeastern MN, & Superior Water, Light & Power in northwestern WI. Electric rev. breakdown: taconite mining/processing, 26%; paper/wood products, 9%; other industrial, 8%; residential, 12%; commercial, 13%; wholesale, 16% other, 16%. ALLETE Clean Energy (ACE) owns renewable energy projects. Acq'd U.S. Water Services 2/15; sold it 3/19. Generating sources: coal & lignite, 26%; wind, 13%; other, 5%; purchased, 56%. Fuel costs: 31% of revs. '20 deprec. rate: 3.2%. Has 1,400 employees. Chairman: Alan R. Hodnick. President & CEO: Bethany M. Owen. Inc.: MN. Address: 30 West Superior St., Duluth, MN 55802-2093. Tel.: 218-279-5000. Internet: www.allete.com.

ALLETE's earnings are likely to decline this year. The service area of the company's primary utility subsidiary, Minnesota Power, is unusual among electric companies because it has a much-smaller residential sector and a much-larger industrial sector. Large industrial customers are still feeling the effects of the recession, and one company's plant remains shut. Taconite mines are not expected to return to full production until 2022. Minnesota Power will have a loss of revenues because a wholesale power sales agreement expired in April of 2020. The utility is earning a return on equity well below its allowed ROE of 9.25%, but because a rate application is not coming until November of 2021, this situation will not change this year. ALLETE Clean Energy (ACE), the renewable-energy subsidiary, is seeing increased competition and expects to incur additional expenses for business development. All told, management expects share net to wind up in a range of \$3.00-\$3.30 a share. This is below the \$3.35 a share booked in 2020, which included a \$0.16 charge in the June quarter for the refund of previously collected revenues.

The company expects a strong recovery in 2022. Management issued preliminary earnings guidance of \$3.70-\$4.00 a share, which is unusually early for ALLETE. Minnesota Power should get an interim rate increase at the start of the year after the filing in November of 2021. ACE should benefit from the addition of a 300-megawatt wind project that is scheduled for completion in late 2021. This subsidiary has also agreed to sell a 120-mw wind facility to Xcel Energy for \$210 million when the project is completed in late 2022. The stock price is up slightly this year, in anticipation of a profit recovery next year.

The dividend hike in the first quarter was smaller than in recent years. The board of directors boosted the annual disbursement by \$0.05 a share (2.0%). This reflects ALLETE's elevated payout ratio, which is above its target of 60%-65%.

The dividend yield of this untimely stock is about average for a utility. Total return potential is attractive for the 18-month period and average for the pull to 2024-2026.

Paul E. Debbas, CFA March 12, 2021

(A) Diluted EPS. Excl. nonrec. gains (losses): '05, (\$1.84); '15, (.46c); '17, .25c; '19, .26c; losses on disc. ops.: '05, .16c; '06, .2c. '18 & '19 EPS don't sum due to rounding. Next earnings report due early May. (B) Div'ds historically paid in early Mar., June, Sept. and Dec. (C) Div'd reinvest. plan avail. † Shareholder invest. plan avail. (D) Incl. deferred charges. In '20: \$9.23/sh. (E) In mill. (F) Rate base: Orig. cost depr. Rate allowed in MN on com. eq. in '18: 9.25%; earned on avg. com. eq., '20: 7.7%. Regulatory Climate: Average.

Company's Financial Strength A
Stock's Price Stability 90
Price Growth Persistence 55
Earnings Predictability 85

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