AMERICAN ELEC. PWR. NYSE-AEP

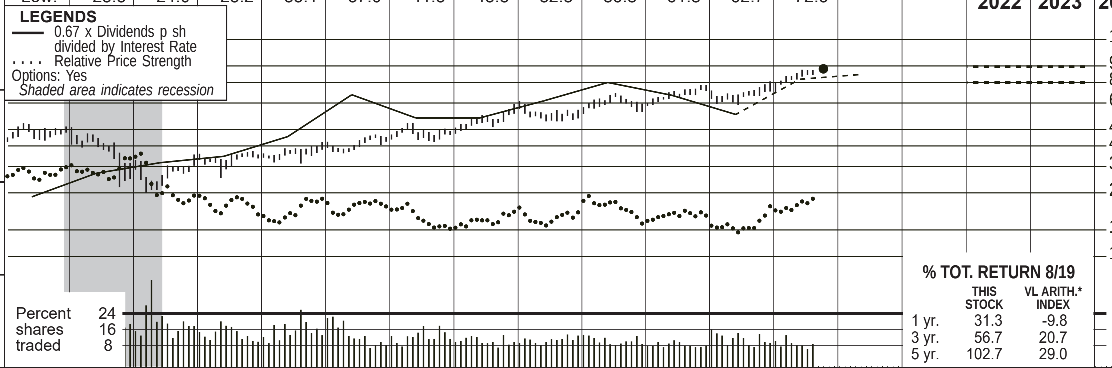
RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD
92.78	23.0 (Trailing: 23.2 Median: 15.0)	1.43	3.1%

VALUE LINE

TIMELINESS 3 Lowered 9/6/19
SAFETY 1 Raised 3/17/17
TECHNICAL 3 Lowered 9/13/19
BETA .55 (1.00 = Market)

High:	49.1	36.5	37.9	41.7	45.4	51.6	63.2	65.4	71.3	78.1	81.1	92.9
Low:	25.5	24.0	28.2	33.1	37.0	41.8	45.8	52.3	56.8	61.8	62.7	72.3

Target Price Range
2022 | 2023 | 2024



2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	95	(Nil)	4%
Low	80	(-15%)	Nil

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	10	0	0
to Sell	1	0	0	0	0	0	5	1	0

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	485	503	465
to Sell	429	440	463
Hld's(000)	363168	363123	367922

% TOT. RETURN 8/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	31.3	-9.8
3 yr.	56.7	20.7
5 yr.	102.7	29.0

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
36.82	35.51	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	**32.35**	**33.25**	Revenues per sh	**34.75**
5.76	5.89	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**	**9.90**	"Cash Flow" per sh	**11.00**
2.53	2.61	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	**4.10**	**4.40**	Earnings per sh A	**5.00**
1.65	1.40	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	**2.72**	**2.88**	Div'd Decl'd per sh B ■	**3.40**
3.44	4.28	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	**13.60**	**12.65**	Cap'l Spending per sh	**12.50**
19.93	21.32	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	**40.05**	**41.70**	Book Value per sh C	**47.50**
395.02	395.86	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	**494.65**	**496.00**	Common Shs Outst'g D	**518.00**
10.7	12.4	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	*Bold figures are*		Avg Ann'l P/E Ratio	**17.5**
.61	.66	.73	.70	.87	.79	.67	.85	.75	.88	.81	.84	.80	.80	.97	.97	*Value Line*		Relative P/E Ratio	**.95**
6.1%	4.3%	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%	*estimates*		Avg Ann'l Div'd Yield	**3.8%**

CAPITAL STRUCTURE as of 6/30/19
Total Debt \$27709 mill. **Due in 5 Yrs** \$9168 mill.
LT Debt \$24174 mill. **LT Interest** \$1052 mill.
Incl. \$980 mill. securitized bonds. Incl. \$289 mill. capitalized leases.
(LT interest earned: 2.6x)
Leases, Uncapitalized Annual rentals \$259.6 mill.
Pension Assets-12/18 \$4695.9 mill. **Oblig** \$4810.3 mill.
Pfd Stock None

Common Stock 493,795,111 shs.
as of 7/25/19
MARKET CAP: \$46 billion (Large Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
13489	14427	15116	14945	15357	17020	16453	16380	15425	16196	**16000**	**16500**	Revenues (\$mill)	**18000**
1365.0	1248.0	1513.0	1443.0	1549.0	1634.0	1763.4	2073.6	1783.2	1923.8	**2035**	**2190**	Net Profit (\$mill)	**2570**
29.7%	34.8%	31.7%	33.9%	36.2%	37.8%	35.1%	26.8%	33.7%	5.8%	**6.0%**	**8.0%**	Income Tax Rate	**10.0%**
10.9%	10.4%	10.6%	11.2%	7.3%	9.0%	11.0%	8.0%	8.0%	10.7%	**11.0%**	**11.0%**	AFUDC % to Net Profit	**9.0%**
54.4%	53.1%	50.7%	50.6%	51.1%	49.0%	49.8%	50.0%	51.5%	53.2%	**56.0%**	**55.0%**	Long-Term Debt Ratio	**53.5%**
45.4%	46.7%	49.3%	49.4%	48.9%	51.0%	50.2%	50.0%	48.5%	46.8%	**44.0%**	**45.0%**	Common Equity Ratio	**46.5%**
28958	29184	29747	30823	32913	33001	35633	34775	37707	40677	**44900**	**45825**	Total Capital (\$mill)	**53000**
34344	35674	36971	38763	40997	44117	46133	45639	50262	55099	**59225**	**62775**	Net Plant (\$mill)	**73900**
6.2%	5.7%	6.6%	6.1%	6.0%	6.3%	6.1%	7.2%	5.9%	5.9%	**5.5%**	**6.0%**	Return on Total Cap'l	**6.0%**
10.3%	9.1%	10.3%	9.5%	9.6%	9.7%	9.9%	11.9%	9.8%	10.1%	**10.5%**	**10.5%**	Return on Shr. Equity	**10.5%**
10.4%	9.1%	10.3%	9.5%	9.6%	9.7%	9.9%	11.9%	9.8%	10.1%	**10.5%**	**10.5%**	Return on Com Equity E	**10.5%**
4.6%	3.1%	4.2%	3.5%	3.7%	3.8%	3.9%	5.5%	3.2%	3.5%	**3.5%**	**3.5%**	Retained to Com Eq	**3.5%**
56%	66%	60%	63%	62%	61%	60%	54%	67%	65%	**68%**	**68%**	All Div'ds to Net Prof	**71%**

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	+.3	-1.6	+3.0
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	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	NA	NA
Fixed Charge Cov. (%)	374	354	254

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-.5%	1.0%	*1.0%*
"Cash Flow"	2.0%	4.0%	*4.5%*
Earnings	3.0%	5.0%	*4.0%*
Dividends	4.5%	5.0%	*5.5%*
Book Value	4.0%	3.5%	*4.0%*

Cal-endar	QUARTERLY REVENUES (\$ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	4045	3893	4652	3790	16380
2017	3933	3577	4105	3810	15425
2018	4048	4013	4333	3801	16196
2019	4057	3573	**4500**	**3870**	**16000**
2020	**4200**	**3800**	**4600**	**3900**	**16500**

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	1.02	1.03	1.43	.76	4.23
2017	.94	.76	1.11	.81	3.62
2018	.92	1.07	1.17	.74	3.90
2019	1.16	.93	**1.25**	**.76**	**4.10**
2020	**1.10**	**1.00**	**1.40**	**.90**	**4.40**

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.53	.53	.53	.56	2.15
2016	.56	.56	.56	.59	2.27
2017	.59	.59	.59	.62	2.39
2018	.62	.62	.62	.67	2.53
2019	.67	.67	.67		

BUSINESS: American Electric Power Company, Inc. (AEP), through 10 operating utilities, serves 5.4 mill. customers in Arkansas, Kentucky, Indiana, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia, & West Virginia. Electric revenue breakdown: residential, 41%; commercial, 24%; industrial, 19%; wholesale, 8%; other, 8%. Sold SEEBOARD (British utility) '02; Houston Pipeline '05; commercial barge operation in '15. Generating sources not available. Fuel costs: 36% of revenues. '18 reported depreciation rates (utility): 1.6%-9.8%. Has 17,600 employees. Chairman, President & CEO: Nicholas K. Akins. Incorporated: New York. Address: 1 Riverside Plaza, Columbus, Ohio 43215-2373. Telephone: 614-716-1000. Internet: www.aep.com.

American Electric Power has made another try at a major investment in wind power. Last year, the company canceled a proposed \$4.5 billion, 2,000-megawatt project after this did not receive approval in all four states (Texas, Oklahoma, Louisiana, and Arkansas) where approval was needed. AEP is proposing to spend \$2 billion for 1,485 mw. Besides the smaller size, this proposed project differs from the one that was rejected in 2018 because this time there was an RFP process and the project is scalable. (It could be as small as 810 mw.) The company expects to receive all approvals by July of 2020.

As usual, the company is active in the regulatory arena. AEP Texas is seeking an increase of \$35 million, based on a 10.5% return on a 45% common-equity ratio. Indiana Michigan Power filed in each state, requesting \$172 million in Indiana, based on a 10.5% return on a 46.8% common-equity ratio, and \$58 million in Michigan, based on a 10.5% return on a 46.4% common-equity ratio. In Arkansas, SWEPCO is asking for a hike of \$34 million, based on a 10.5% return on a 50.5% common-equity ratio. Orders on each of these cases are expected in the first four months of 2020.

Rate relief is a key reason for AEP's continuing earnings improvement. Our 2019 and 2020 share-earnings estimates remain within the company's targeted ranges of \$4.00-\$4.20 and \$4.25-\$4.45, respectively. We note, however, that some of AEP's industrial customers are feeling the effects of the trade war, but management believes it can adjust expenses if volume slows. The company's goal for long-term annual earnings growth is 5%-7%.

We expect a dividend increase at the board meeting next month. We estimate the directors will boost the quarterly disbursement \$0.04 a share (6.0%). AEP expects dividend growth to be in line with profit growth, and to maintain a payout ratio in a range of 60%-70%.

This high-quality stock has a dividend yield that does not stand out among utilities. The recent quotation is near the upper end of our 2022-2024 Target Price Range, so total return potential is unspectacular.

Paul E. Debbas, CFA *September 13, 2019*

(A) Dil. EPS. Excl. nonrec. gains (losses): '03, (\$1.92); '04, 24¢; '05, (62¢); '06, (20¢); '07, (20¢); '08, 40¢; '10, (7¢); '11, 89¢; '12, (38¢); '13, (14¢); '16, (\$2.99); '17, 26¢; disc. ops.: '03, (32¢); '04, 15¢; '05, 7¢; '06, 2¢; '08, 3¢; '15, 58¢; '16, (1¢). '16 EPS don't sum due to rounding. Next egs. report due late Oct. (B) Div'ds paid early Mar., June, Sept., & Dec. ■ Div'd reinv. plan avail. (C) Incl. intang. In '18: \$12.04/sh. (D) In mill. (E) Rate base: various. Rates all'd on com. eq.: 9.3%-10.9%; earn. on avg. com. eq., '18: 10.3%. Regul. Climate: Avg.

Company's Financial Strength	A+
Stock's Price Stability	100
Price Growth Persistence	75
Earnings Predictability	85

BLACK HILLS CORP. NYSE-BKH

RECENT PRICE 77.18 | P/E RATIO 22.6 (Trailing: 22.7 Median: 18.0) | RELATIVE P/E RATIO 1.34 | DIV'D YLD 2.8% | VALUE LINE

TIMELINESS 3 Lowered 9/20/19

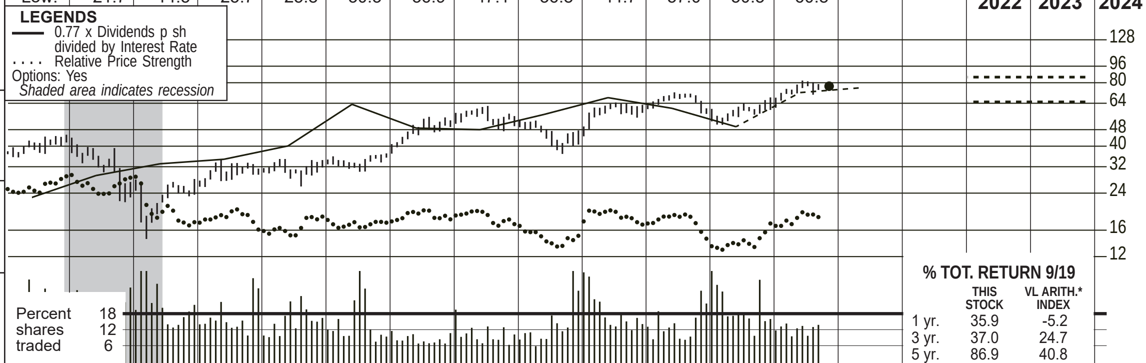
SAFETY 2 Raised 5/1/15

TECHNICAL 3 Lowered 10/25/19

BETA .70 (1.00 = Market)

High:	44.0	28.0	34.5	34.8	37.0	55.1	62.1	53.4	64.6	72.0	68.2	82.0
Low:	21.7	14.5	25.7	25.8	30.3	36.9	47.1	36.8	44.7	57.0	50.5	60.8

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



Target Price Range 2022 | 2023 | 2024

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$59-$86	$73 (-5%)

2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(+10%)	5%
Low	65	(-15%)	-1%

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	135	144	148
to Sell	112	128	128
Hld's(000)	52878	52579	54551

Percent shares traded 18 12 6

% TOT. RETURN 9/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	35.9	-5.2
3 yr.	37.0	24.7
5 yr.	86.9	40.8

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
35.17	34.54	41.97	19.69	18.41	26.03	32.58	33.29	28.96	26.55	28.67	31.20	25.48	29.47	31.38	29.24	**28.45**	**28.80**	Revenues per sh	**31.25**
4.26	4.46	4.81	5.04	5.29	2.95	5.41	4.88	4.01	5.59	5.93	6.25	5.67	6.28	7.15	6.61	**6.85**	**7.15**	"Cash Flow" per sh	**8.25**
1.84	1.74	2.11	2.21	2.68	.18	2.32	1.66	1.01	1.97	2.61	2.89	2.83	2.63	3.38	3.47	**3.45**	**3.65**	Earnings per sh A	**4.25**
1.20	1.24	1.28	1.32	1.37	1.40	1.42	1.44	1.46	1.48	1.52	1.56	1.62	1.68	1.81	1.93	**2.05**	**2.17**	Div'd Decl'd per sh B ■	**2.60**
2.80	2.80	4.18	9.24	6.92	8.51	8.90	12.04	10.03	7.90	7.97	8.92	8.90	8.89	6.09	7.62	**12.65**	**9.30**	Cap'l Spending per sh	**6.75**
21.72	22.43	22.29	23.68	25.66	27.19	27.84	28.02	27.53	27.88	29.39	30.80	28.63	30.25	31.92	36.36	**38.50**	**40.45**	Book Value per sh C	**45.50**
32.30	32.48	33.16	33.37	37.80	38.64	38.97	39.27	43.92	44.21	44.50	44.67	51.19	53.38	53.54	60.00	**61.50**	**62.50**	Common Shs Outst'g D	**62.50**
15.9	17.1	17.3	15.8	15.0	NMF	9.9	18.1	31.1	17.1	18.2	19.0	16.1	22.3	19.5	16.8	*Bold figures are*		Avg Ann'l P/E Ratio	**17.5**
.91	.90	.92	.85	.80	NMF	.66	1.15	1.95	1.09	1.02	1.00	.81	1.17	.98	.91	*Value Line*		Relative P/E Ratio	**.95**
4.1%	4.2%	3.5%	3.8%	3.4%	4.2%	6.2%	4.8%	4.6%	4.4%	3.2%	2.8%	3.5%	2.9%	2.7%	3.3%	*estimates*		Avg Ann'l Div'd Yield	**3.5%**

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
1269.6	1307.3	1272.2	1173.9	1275.9	1393.6	1304.6	1573.0	1680.3	1754.3	**1750**	**1800**	Revenues ($mill)	**1950**
89.7	64.6	40.4	86.9	115.8	128.8	128.3	140.3	186.5	192.5	**210**	**225**	Net Profit ($mill)	**270**
30.7%	26.4%	31.1%	35.5%	34.7%	33.7%	35.8%	25.1%	28.7%	19.2%	**13.5%**	**13.5%**	Income Tax Rate	**13.5%**
20.1%	28.0%	65.0%	5.4%	2.4%	2.4%	2.7%	5.3%	2.7%	1.4%	**2.0%**	**2.0%**	AFUDC % to Net Profit	**2.0%**
48.4%	51.9%	51.4%	43.2%	51.6%	47.9%	56.0%	66.5%	64.5%	57.5%	**62.0%**	**57.5%**	Long-Term Debt Ratio	**55.5%**
51.6%	48.1%	48.6%	56.8%	48.4%	52.1%	44.0%	33.5%	35.5%	42.5%	**38.0%**	**42.5%**	Common Equity Ratio	**44.5%**
2100.7	2286.3	2489.7	2171.4	2704.7	2643.6	3332.7	4825.8	4818.4	5132.4	**6220**	**5980**	Total Capital ($mill)	**6375**
2160.7	2495.4	2789.6	2742.7	2990.3	3239.4	3259.1	4469.0	4541.4	4854.9	**5420**	**5785**	Net Plant ($mill)	**6500**
5.9%	4.4%	3.3%	5.5%	5.5%	6.1%	4.9%	4.0%	5.2%	5.0%	**4.5%**	**5.0%**	Return on Total Cap'l	**5.0%**
8.3%	5.9%	3.3%	7.1%	8.9%	9.4%	8.8%	8.7%	10.9%	8.8%	**9.0%**	**9.0%**	Return on Shr. Equity	**9.5%**
8.3%	5.9%	3.3%	7.1%	8.9%	9.4%	8.8%	8.7%	10.9%	8.8%	**9.0%**	**9.0%**	Return on Com Equity E	**9.5%**
3.2%	.7%	NMF	1.8%	3.7%	4.3%	3.8%	3.3%	5.3%	3.9%	**3.5%**	**3.5%**	Retained to Com Eq	**4.0%**
62%	87%	NMF	75%	58%	54%	57%	62%	52%	55%	**59%**	**59%**	All Div'ds to Net Prof	**60%**

CAPITAL STRUCTURE as of 6/30/19
Total Debt $3157.9 mill. **Due in 5 Yrs** $1147.4 mill.
LT Debt $3049.7 mill. **LT Interest** $114.6 mill.
(LT interest earned: 3.0x)
Leases, Uncapitalized Annual rentals $1.1 mill.

Pension Assets-12/18 $390.8 mill. **Oblig** $445.4 mill.

Pfd Stock None

Common Stock 61,063,230 shs. **as of 7/31/19**

MARKET CAP: $4.7 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	+3.0	+.9	+2.7
Avg. Indust. Use (MWH)	17321	18376	19789
Avg. Indust. Revs. per KWH (¢)	7.80	7.69	7.41
Capacity at Yearend (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	1086	1094	1104
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.6	+.8	+.8
Fixed Charge Cov. (%)	236	296	276

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	3.5%	1.5%	.5%
"Cash Flow"	4.0%	5.0%	3.5%
Earnings	6.5%	11.0%	5.0%
Dividends	3.0%	4.0%	6.5%
Book Value	2.5%	3.0%	5.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	450.0	325.4	333.8	463.8	1573.0
2017	547.5	341.9	335.6	455.3	1680.3
2018	575.4	355.7	322.0	501.2	1754.3
2019	597.8	333.9	*343.3*	*475*	*1750*
2020	*610*	*350*	*350*	*490*	*1800*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.94	.31	.41	.97	2.63
2017	1.42	.41	.52	1.03	3.38
2018	1.59	.45	.32	1.11	3.47
2019	1.73	.24	*.48*	*1.00*	*3.45*
2020	*1.70*	*.42*	*.48*	*1.05*	*3.65*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.405	.405	.405	.405	1.62
2016	.42	.42	.42	.42	1.68
2017	.445	.445	.445	.475	1.81
2018	.475	.475	.475	.505	1.93
2019	.505	.505	.505		

BUSINESS: Black Hills Corporation is a holding company for Black Hills Energy, which serves 212,000 electric customers in CO, SD, WY and MT, and 1.1 million gas customers in NE, IA, KS, CO, WY, and AR. Has coal mining sub. Acq'd Cheyenne Light 1/05; utility ops. from Aquila 7/08; SourceGas 2/16. Discont. telecom in '05; oil marketing in '06; gas marketing in '11; gas & oil E&P in '17. Electric rev. breakdown: res'l, 33%; comm'l, 37%; ind'l, 19%; other, 11%. Generating sources: coal, 32%; other, 10%; purch., 58%. Fuel costs: 36% of revs. '18 deprec. rate: 3.4%. Has 2,900 employees. Chairman: David R. Emery. Pres. & CEO: Linn Evans. Inc.: SD. Address: 7001 Mount Rushmore Rd., P.O. Box 1400, Rapid City, SD 57709-1400. Tel.: 605-721-1700. Internet: www.blackhillscorp.com.

Black Hills has some rate cases pending or upcoming. The utility filed for a $2.5 million gas rate increase in Colorado, based on a return of 10.3% on a common-equity ratio of 50.1%. In Wyoming, Black Hills is seeking a gas tariff hike of $16.1 million, based on a return of 10.3% on a common-equity ratio of 50.2%. New rates are expected to take effect in Colorado at the start of March and in Wyoming at the start of April. The filings followed the consolidation of multiple gas companies into one legal entity in each state. Black Hills is asking the Nebraska commission to approve a similar consolidation, and will file a rate case there in 2020. A gas application is upcoming in Arkansas, as well.

We have trimmed our 2019 earnings estimate by $0.10 a share, to $3.45. June-quarter profits were well below normal, due in part to unfavorable weather conditions (a cool spring and flooding). Our revised estimate remains within Black Hills' targeted range of $3.40-$3.60 a share.

We look for record earnings in 2020. Black Hills should benefit from rate relief, including revenues annually from formula rate plans. Our estimate remains $3.65 a share, the midpoint of the company's guidance of $3.50-$3.80.

The capital budget is higher than usual in 2019. Among the significant projects are a transmission line, a gas pipeline, and a wind farm. Black Hills expects to issue $80 million-$100 million of common equity this year and $40 million-$80 million in 2020. The company issued $700 million of long-term debt in October, taking advantage of the low interest-rate environment.

We expect a dividend increase in the current quarter. We estimate the board will raise the quarterly disbursement $0.03 a share (5.9%), the same increase as in each of the past two years. Black Hills is targeting a payout ratio in a range of 50%-60%.

Black Hills stock has a modest dividend yield, for a utility. We look for negative total returns over the 18-month period and unexciting total returns over the 3- to 5-year period. Like most utility issues, the recent quotation is well within our 2022-2024 Target Price Range.

Paul E. Debbas, CFA *October 25, 2019*

(A) Diluted EPS. Excl. nonrec. gains (losses): '08, ($1.55); '09, (28¢); '10, 10¢; '12, 4¢; '15, ($3.54); '16, ($1.26); '17, 14¢; '18, $1.31; gains (losses) on disc. ops.: '06, 21¢; '07, (4¢); '08, $4.12; '09, 7¢; '11, 23¢; '12, (16¢); '17, (31¢); '18, (12¢). Next earnings report due early Nov. (B) Div'ds paid early Mar., Jun., Sept., & Dec. ■ Div'd reinv. plan avail. (C) Incl. def'd chgs. In '18: $25.82/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate all'd on com. eq. in SD in '15: none specified; in CO in '17: 9.37%; earned on avg. com. eq., '18: 10.1%. Regul. Climate: Avg.

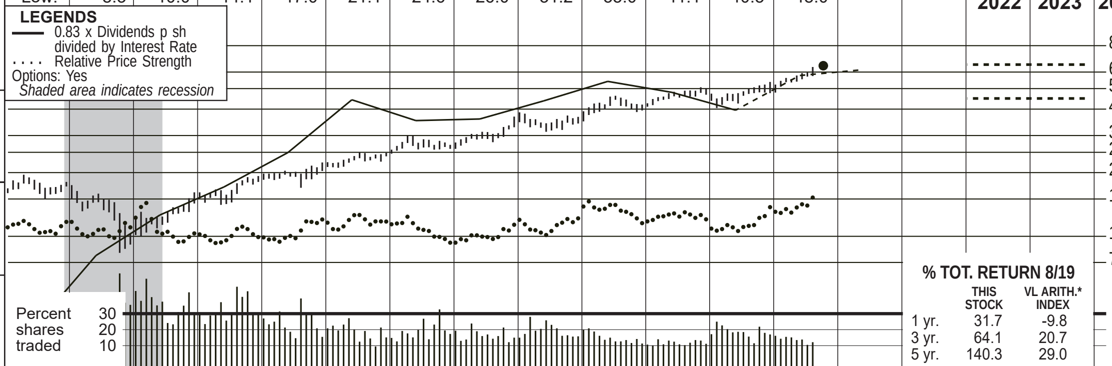
Company's Financial Strength	A
Stock's Price Stability	80
Price Growth Persistence	65
Earnings Predictability	60

CMS ENERGY CORP. NYSE-CMS

RECENT PRICE	64.38	P/E RATIO	24.8 (Trailing: 31.4 / Median: 17.0)	RELATIVE P/E RATIO	1.54	DIV'D YLD	2.5%	VALUE LINE

TIMELINESS 3 Lowered 1/11/19
SAFETY 2 Raised 3/21/14
TECHNICAL 3 Lowered 9/6/19
BETA .55 (1.00 = Market)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
High:	17.5	16.1	19.3	22.4	25.0	30.0	36.9	38.7	46.3	50.8	53.8	64.4
Low:	8.3	10.0	14.1	17.0	21.1	24.6	26.0	31.2	35.0	41.1	40.5	48.0



Target Price Range 2022 | 2023 | 2024

2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(Nil)	3%
Low	45	(-30%)	-5%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	12	0	9	0	10	0	0
to Sell	1	0	0	1	0	0	4	0	1

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	268	298	251
to Sell	236	233	256
Hld's(000)	261889	261163	264000

% TOT. RETURN 8/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	31.7	-9.8
3 yr.	64.1	20.7
5 yr.	140.3	29.0

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
34.21	28.06	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	24.55	25.35	Revenues per sh	27.00
2.39	2.87	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	6.00	6.35	"Cash Flow" per sh	7.50
d.29	.74	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	2.50	2.70	Earnings per sh A	3.25
--	--	--	--	.20	.36	.50	.66	.84	.96	1.02	1.08	1.16	1.24	1.33	1.43	1.53	1.63	Div'd Decl'd per sh B ■	2.00
3.32	2.69	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	7.70	8.35	Cap'l Spending per sh	7.50
9.84	10.63	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	17.90	19.35	Book Value per sh C	24.50
161.13	195.00	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	285.00	288.00	Common Shs Outst'g D	297.00
--	12.4	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	Bold figures are		Avg Ann'l P/E Ratio	16.0
--	.66	.67	1.20	1.42	.66	.91	.80	.85	.96	.92	.91	.92	1.10	1.07	1.09	Value Line		Relative P/E Ratio	.90
--	--	--	--	1.2%	2.7%	4.0%	4.0%	4.3%	4.2%	3.8%	3.6%	3.4%	3.0%	2.9%	3.0%	estimates		Avg Ann'l Div'd Yield	3.8%

CAPITAL STRUCTURE as of 6/30/19
Total Debt $12399 mill. **Due in 5 Yrs** $4121 mill.
LT Debt $11322 mill. **LT Interest** $504 mill.
Incl. $86 mill. capitalized leases.
(LT interest earned: 2.6x)
Leases, Uncapitalized Annual rentals $16 mill.
Pension Assets-12/18 $2247 mill. **Oblig** $2512 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 283,787,006 shs.
as of 7/9/19
MARKET CAP: $18 billion (Large Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
6205.0	6432.0	6503.0	6312.0	6566.0	7179.0	6456.0	6399.0	6583.0	6873.0	7000	7300	Revenues ($mill)	8000
231.0	356.0	384.0	413.0	454.0	479.0	525.0	553.0	610.0	659.0	720	785	Net Profit ($mill)	1015
34.6%	38.1%	36.8%	39.4%	39.9%	34.3%	34.0%	33.1%	31.2%	14.9%	15.0%	15.0%	Income Tax Rate	15.0%
13.0%	2.2%	2.6%	2.9%	2.0%	2.3%	2.7%	3.1%	1.1%	1.4%	1.0%	1.0%	AFUDC % to Net Profit	1.0%
67.9%	70.1%	66.9%	67.9%	67.5%	68.7%	68.3%	67.1%	67.3%	69.0%	68.0%	66.5%	Long-Term Debt Ratio	63.5%
29.0%	29.5%	32.6%	31.6%	32.2%	31.0%	31.4%	32.6%	32.4%	30.7%	32.0%	33.0%	Common Equity Ratio	36.5%
8977.0	9473.0	9279.0	10101	10730	11846	12534	13040	13692	15476	16025	16800	Total Capital ($mill)	20000
9682.0	10069	10633	11551	12246	13412	14705	15715	16761	18126	19350	20700	Net Plant ($mill)	23800
4.7%	5.8%	6.3%	5.9%	6.0%	5.7%	5.7%	5.8%	5.9%	5.6%	6.0%	6.0%	Return on Total Cap'l	6.5%
8.0%	12.5%	12.5%	12.8%	13.0%	12.9%	13.2%	12.9%	13.6%	13.8%	14.0%	14.0%	Return on Shr. Equity	14.0%
8.5%	12.5%	12.6%	12.9%	13.1%	13.0%	13.3%	13.0%	13.7%	13.8%	14.0%	14.0%	Return on Com Equity E	14.0%
4.1%	6.9%	5.6%	5.0%	5.2%	5.0%	5.2%	4.8%	5.2%	5.3%	5.5%	5.5%	Retained to Com Eq	6.0%
54%	46%	55%	61%	60%	62%	61%	63%	62%	62%	61%	60%	All Div'ds to Net Prof	59%

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	+1.7	-1.4	+2.2
Avg. Indust. Use (MWH)	6031	NA	NA
Avg. Indust. Revs. per KWH (¢)	7.76	8.26	7.63
Capacity at Peak (Mw)	8331	NA	NA
Peak Load, Summer (Mw)	8227	7634	8084
Annual Load Factor (%)	54.6	NA	NA
% Change Customers (yr-end)	+.5	+1.2	+.3
Fixed Charge Cov. (%)	292	301	250

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-2.5%	-1.0%	2.5%
"Cash Flow"	4.5%	6.5%	6.0%
Earnings	10.0%	7.0%	7.0%
Dividends	21.5%	7.0%	7.0%
Book Value	4.5%	5.5%	7.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	1801	1371	1587	1640	6399
2017	1829	1449	1527	1778	6583
2018	1953	1492	1599	1829	6873
2019	2059	1445	1646	1850	7000
2020	2100	1600	1700	1900	7300

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.59	.45	.67	.28	1.98
2017	.71	.33	.61	.52	2.17
2018	.86	.49	.59	.38	2.32
2019	.75	.33	.80	.62	2.50
2020	.85	.50	.80	.55	2.70

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec. 31	Full Year
2015	.29	.29	.29	.29	1.16
2016	.31	.31	.31	.31	1.24
2017	.3325	.3325	.3325	.3325	1.33
2018	.3575	.3575	.3575	.3575	1.43
2019	.3825	.3825	.3825		

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 1,034 megawatts of nonregulated generating capacity. Sold Palisades nuclear plant in '07. Electric revenue breakdown: residential, 45%; commercial, 34%; industrial, 15%; other, 6%. Generating sources: coal, 26%; gas, 14%; other, 3%; purchased, 57%. Fuel costs: 44% of revenues. '18 reported deprec. rates: 3.9% electric, 2.9% gas, 10.1% other. Has 8,000 full-time employees. Chairman: John G. Russell. President & CEO: Patricia K. Poppe. Inc.: Michigan. Address: One Energy Plaza, Jackson, MI 49201. Tel.: 517-788-0550. Internet: www.cmsenergy.com.

CMS Energy's earnings are likely to wind up higher in 2019, despite unfavorable comparisons in the first half of the year. The weather was the main culprit in the first half, as storms and mild weather hurt profits. The year-to-year comparisons should turn favorable in the last six months of 2019 thanks to a planned decline in operating and maintenance expenses. CMS Energy's utility subsidiary, Consumers Energy, is also benefiting from increased demand (when not held back by mild weather) from residential and commercial customers. And the company will likely see increased income from a nonutility asset. Our 2019 earnings estimate remains at $2.50 a share. This is within management's typically narrow range of $2.47-$2.51 a share.

Consumers Energy should get an order on its gas rate case by the end of this month. The utility is seeking an increase of $204 million, based on a return of 10.75% on a 52.5% common-equity ratio. The staff of the Michigan commission recommended a hike of $146 million, based on a return of 9.65% on a common-equity ratio of 52%. An administrative law judge proposed a raise of $144 million, based on a return of 9.8% on a common-equity ratio of 52%. Consumers Energy is also asking for the decoupling of volume and revenues. This is supported by both the staff and the ALJ. The utility has been spending a lot of capital to upgrade its system, so it plans to put forth another gas-rate application in late 2019, with an order due 10 months after the filing date. On the electric side, Consumers Energy plans to file a case in the first quarter of 2020.

We estimate an 8% profit increase next year. The company will benefit from effective expense control and a full year's effect of rate relief from the gas case.

The Michigan commission approved Consumers Energy's integrated resource plan. The utility will retire two coal-fired units, add 1,100 megawatts of solar capacity, and increase spending on energy efficiency. Half of the solar energy will come from purchased-power contracts.

The stock's valuation is high. The dividend yield is well below average for a utility, and the recent price is near the high end of our 2022-2024 Target Price Range.

Paul E. Debbas, CFA *September 13, 2019*

(A) Diluted EPS. Excl. nonrec. gains (losses): '05, ($1.61); '06, ($1.08); '07, ($1.26); '09, (7¢); '10, 3¢; '11, 12¢; '12, (14¢); '17, (53¢); gains (losses) on disc. ops.: '05, 7¢; '06, 3¢; '07, (40¢); '09, 8¢; '10, (8¢); '11, 1¢; '12, 3¢. '16 EPS don't sum due to rounding. Next earnings report due late Oct. (B) Div'ds historically paid late Feb., May, Aug., & Nov. ■ Div'd reinvest. plan avail. (C) Incl. intang. In '18: $6.15/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '18: 10%; earn. on avg. com. eq., '18: 14.3%. Reg. Clim.: Above Avg.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	75
Earnings Predictability	85

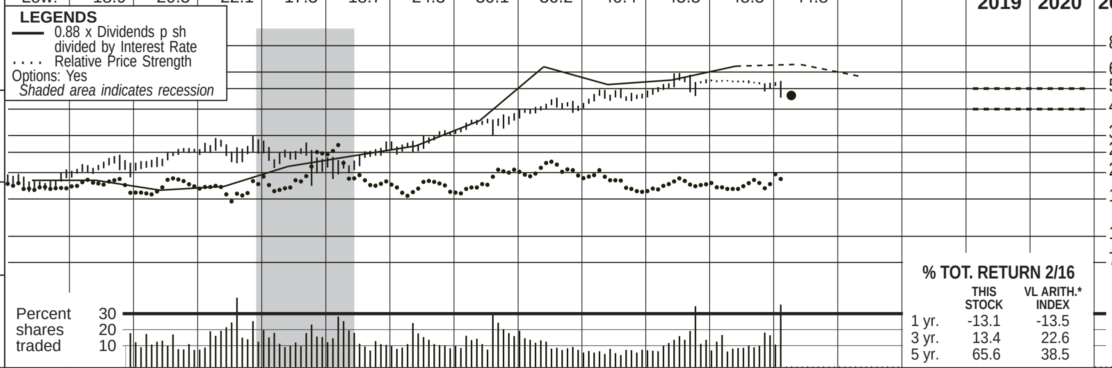
CLECO CORPORATION NYSE-CNL

RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD	
46.42	20.5 (Trailing: 21.1 / Median: 15.0)	1.16	3.6%	VALUE LINE

TIMELINESS **3** New 3/4/16
SAFETY **1** Raised 6/22/12
TECHNICAL **1** Raised 3/11/16
BETA .70 (1.00 = Market)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
High:	24.4	26.2	29.8	28.4	28.1	31.8	38.3	45.3	50.4	59.2	55.2	54.5
Low:	18.9	20.5	22.1	17.3	18.7	24.3	30.1	36.2	40.4	45.5	48.5	44.8

Target Price Range 2019 | 2020 | 2021



2019-21 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+10%)	6%
Low	40	(-15%)	1%

Insider Decisions

	M	J	J	A	S	O	N	D	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	1	0	0	1	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	2Q2015	3Q2015	4Q2015
to Buy	97	97	94
to Sell	106	96	101
Hld's(000)	45428	46967	45747

% TOT. RETURN 2/16

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-13.1	-13.5
3 yr.	13.4	22.6
5 yr.	65.6	38.5

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
18.23	23.55	15.33	18.54	15.03	18.41	17.38	17.19	17.99	14.17	18.98	18.53	16.46	18.14	21.01	*20.00*	*21.05*	*22.15*	Revenues per sh	*25.25*
2.77	2.94	3.05	2.98	2.56	2.76	2.63	2.69	3.71	3.78	5.12	5.28	5.40	5.32	5.15	*4.85*	*5.10*	*5.35*	"Cash Flow" per sh	*6.50*
1.46	1.51	1.52	1.26	1.32	1.42	1.36	1.32	1.70	1.76	2.29	2.59	2.70	2.65	2.55	2.20	*2.25*	*2.35*	Earnings per sh A	*2.75*
.85	.87	.90	.90	.90	.90	.90	.90	.90	.90	.98	1.12	1.30	1.43	1.56	1.60	*1.63*	*1.68*	Div'd Decl'd per sh B ■	*1.80*
2.52	1.10	1.91	1.58	1.61	3.19	4.11	8.51	5.59	4.15	4.68	3.25	4.06	3.12	3.44	*2.60*	*4.30*	*3.05*	Cap'l Spending per sh	*3.25*
10.04	10.69	11.77	10.09	10.83	13.69	15.22	16.85	17.65	18.50	21.76	23.55	24.84	26.24	26.93	*27.70*	*28.35*	*29.05*	Book Value per sh C	*31.50*
44.99	44.96	47.04	47.18	49.62	49.99	57.57	59.94	60.04	60.26	60.53	60.29	60.36	60.45	60.42	*60.50*	*60.50*	*60.50*	Common Shs Outst'g D	*60.50*
13.2	14.6	12.2	12.4	13.8	15.0	17.3	19.6	14.1	13.2	12.3	13.3	15.0	17.3	20.5	24.4	*Bold figures are*		Avg Ann'l P/E Ratio	*16.0*
.86	.75	.67	.71	.73	.80	.93	1.04	.85	.88	.78	.83	.95	.97	1.08	1.24	*Value Line*		Relative P/E Ratio	*1.00*
4.4%	3.9%	4.8%	5.8%	5.0%	4.2%	3.8%	3.5%	3.8%	3.9%	3.5%	3.3%	3.2%	3.1%	3.0%	3.0%	*estimates*		Avg Ann'l Div'd Yield	*4.0%*

CAPITAL STRUCTURE as of 9/30/15
Total Debt $1226.6 mill. **Due in 5 Yrs** $466.2 mill.
LT Debt $1207.2 mill. **LT Interest** $69.4 mill.
Incl. $4.4 million capitalized leases.
(LT interest earned: 3.5x)

Leases, Uncapitalized Annual rentals $10.3 mill.
Pension Assets-12/14 $412.8 mill. **Oblig.** $498.4 mill.
Pfd Stock None

Common Stock 60,482,051 shs.
as of 10/21/15
MARKET CAP: $2.8 billion (Mid Cap)

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		19-21
1000.7	1030.6	1080.2	853.8	1148.7	1117.3	993.7	1096.7	1269.5	1209.4	*1275*	*1340*	Revenues ($mill)	*1525*
74.7	79.6	102.1	106.3	139.5	157.8	163.6	160.7	154.7	133.7	*140*	*145*	Net Profit ($mill)	*165*
36.0%	24.3%	15.3%	8.3%	44.1%	30.6%	28.5%	33.1%	30.3%	36.8%	*38.5%*	*38.5%*	Income Tax Rate	*38.5%*
14.2%	57.9%	82.8%	93.5%	12.2%	4.3%	5.5%	3.4%	4.5%	3.0%	*3.0%*	*3.0%*	AFUDC % to Net Profit	*2.0%*
40.9%	43.2%	51.1%	54.2%	51.5%	48.5%	45.6%	45.3%	45.3%	*46.0%*	*45.5%*	*40.0%*	Long-Term Debt Ratio	*42.5%*
57.8%	56.7%	48.9%	45.8%	48.5%	51.5%	54.4%	54.7%	54.7%	*54.0%*	*54.5%*	*60.0%*	Common Equity Ratio	*57.5%*
1515.6	1780.5	2167.7	2436.4	2717.9	2756.9	2756.5	2901.7	2976.9	*3100*	*3140*	*2930*	Total Capital ($mill)	*3325*
1304.9	1725.9	2045.3	2247.0	2784.2	2893.9	3009.5	3083.1	3165.5	3191.6	*3280*	*3285*	Net Plant ($mill)	*3250*
6.3%	5.6%	6.1%	5.9%	6.6%	7.0%	7.3%	6.8%	6.4%	*5.5%*	*5.5%*	*6.0%*	Return on Total Cap'l	*6.0%*
8.3%	7.9%	9.6%	9.5%	10.6%	11.1%	10.9%	10.1%	9.5%	*8.0%*	*8.0%*	*8.0%*	Return on Shr. Equity	*8.5%*
8.3%	7.8%	9.6%	9.5%	10.6%	11.1%	10.9%	10.1%	9.5%	*8.0%*	*8.0%*	*8.0%*	Return on Com Equity E	*8.5%*
3.0%	2.6%	4.5%	4.7%	6.1%	6.3%	5.7%	4.7%	3.7%	*2.0%*	*2.5%*	*2.5%*	Retained to Com Eq	*3.0%*
65%	68%	53%	51%	42%	43%	48%	54%	61%	*72%*	*71%*	*71%*	All Div'ds to Net Prof	*65%*

ELECTRIC OPERATING STATISTICS

	2012	2013	2014
% Change Retail Sales (KWH)	-3.4	+1.4	-.3
Avg. Indust. Use (MWH)	3814	3870	3756
Avg. Indust. Revs. per KWH (¢)	6.83	7.50	7.49
Capacity at Peak (Mw)	3315	3315	3360
Peak Load, Summer (Mw)	2282	2278	2612
Annual Load Factor (%)	55.1	57.0	57.1
% Change Customers (avg.)	+.6	+.6	+.5
Fixed Charge Cov. (%)	326	360	380

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '12-'14 to '19-'21
Revenues	1.5%	2.5%	*4.5%*
"Cash Flow"	6.5%	9.5%	*3.0%*
Earnings	7.0%	10.5%	*.5%*
Dividends	5.0%	9.5%	*3.5%*
Book Value	9.0%	8.0%	*3.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	240.9	263.9	328.8	263.1	1096.7
2014	284.4	309.1	371.4	304.6	1269.5
2015	295.4	289.1	345.5	279.4	1209.4
2016	*305*	*310*	*355*	*305*	*1275*
2017	*320*	*325*	*375*	*320*	*1340*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	.45	.69	1.09	.41	2.65
2014	.43	.60	1.17	.35	2.55
2015	.44	.50	.90	.36	2.20
2016	*.35*	*.55*	*1.00*	*.35*	*2.25*
2017	*.40*	*.57*	*1.03*	*.35*	*2.35*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.3125	.3125	.3375	.3375	1.30
2013	.3375	.3625	.3625	.3625	1.43
2014	.3625	.40	.40	.40	1.56
2015	.40	.40	.40	.40	1.60
2016	.40				

BUSINESS: Cleco Corporation is a holding company for Cleco Power LLC, which supplies electricity to about 286,000 customers in central Louisiana. Electric revenue breakdown: residential, 46%; commercial, 30%; industrial, 14%; other, 10%. Largest industrial customers are paper mills and other wood-product industries. Generating sources: gas & oil, 26%; petroleum coke, 26%; coal & lignite, 23%; purchased, 25%. Fuel costs: 44% of revenues. '14 reported depreciation rate (utility): 2.7%. Has 1,200 employees. Chairman: J. Patrick Garrett. President & CEO: Bruce A. Williamson. Incorporated: Louisiana. Address: 2030 Donahue Ferry Road, P.O. Box 5000, Pineville, Louisiana 71361-5000. Telephone: 318-484-7400. Internet: www.cleco.com.

The Louisiana Public Service Commission (LPSC) rejected the proposed acquisition of Cleco. An investor group led by Macquarie Infrastructure Partners and British Columbia Energy agreed to pay $55.37 a share in cash for each share of Cleco. However, some intervenors opposed the transaction, and the LPSC did not approve it. Whether the objection was more related to foreign ownership or the specific deal is uncertain.

The companies have not given up. They asked the LPSC for an immediate rehearing, and requested placement on the LPSC's Supplemental Agenda for its meeting on March 16th (in between the time this report went to press and the time it came out in print). If the companies' request proves unsuccessful, they can seek relief in the courts. However . . .

The stock is trading as though the deal is already dead. Due to the LPSC's rejection of the proposed combination, the share price of Cleco is down 11% year to date, in what has been a good year for most utility equities. Because the stock is no longer trading on takeover considerations, we restored its Timeliness rank.

We estimate that earnings will advance this year and next. In 2015, costs associated with the proposed acquisition (*included* in our earnings presentation) reduced profits by $0.08 a share. We figure that these expenses will be lower this year, and nonexistent in 2017. In addition, the utility benefits from a formula rate-making plan that provides some additional revenues every year without having to file a general rate case. Note that Cleco has not provided earnings guidance for 2016, nor has it stated any expectation for the dividend.

If the deal is terminated, we think there is a chance of a dividend increase in the second quarter. The board of directors has not raised the disbursement while the attempted takeover was pending. We look for an increase of a cent a share (2.5%) in the quarterly payout at the first dividend meeting following the termination of the proposed acquisition.

The dividend yield of Cleco stock is about equal to the mean for electric utilities. Total return potential over the 3- to 5-year period is unimpressive.

Paul E. Debbas, CFA *March 18, 2016*

(A) Diluted earnings. Excl. nonrec. gains (losses): '00, 5¢; '02, (5¢), '03, ($2.05); '05, $2.11; '07, $1.22; '10, $1.91; '11, 63¢; losses from discontinued operations: '00, 14¢; '01, 4¢. '13 EPS don't add due to rounding. Next earnings report due early May. (B) Div'ds historically paid in mid-Feb., May, Aug. and Nov. ■ Div'd reinvestment plan avail. (C) Incl. deferred charges. In '14: $10.89/sh. (D) In mill. (E) Rate base: Net original cost. Rate allowed on com. eq. in '14: 11.24%; earned on avg. com. eq., '14: 9.6%. Regulatory Climate: Average.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	85
Earnings Predictability	80

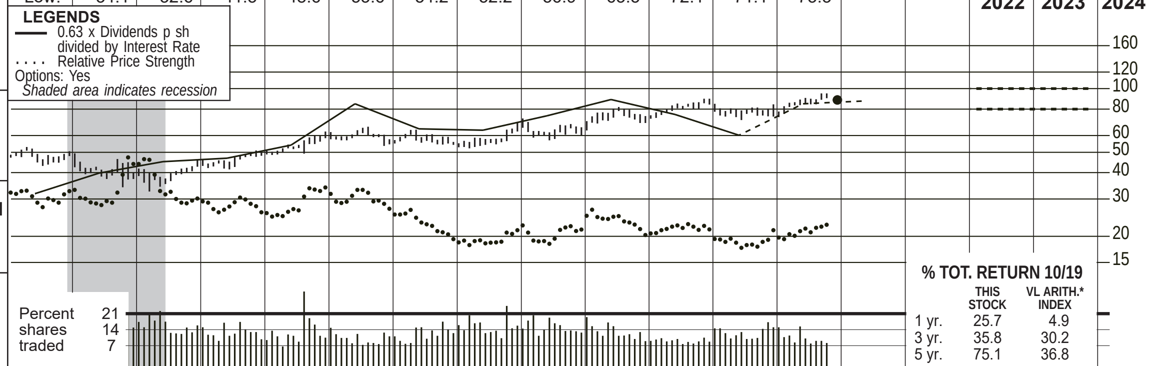
CON. EDISON NYSE-ED

RECENT PRICE	88.32	P/E RATIO	21.1 (Trailing: 20.8 Median: 15.0)	RELATIVE P/E RATIO	1.21	DIV'D YLD	3.5%	VALUE LINE

TIMELINESS 3 Lowered 3/8/19
SAFETY 1 New 7/27/90
TECHNICAL 1 Raised 11/15/19
BETA .45 (1.00 = Market)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
High:	49.3	46.3	51.0	62.7	66.0	64.0	68.9	72.3	81.9	89.7	84.9	95.0
Low:	34.1	32.6	41.5	48.6	53.6	54.2	52.2	56.9	63.5	72.1	71.1	73.3

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



Target Price Range

2022	2023	2024

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$71-$96	$84 (-5%)

2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	100	(+15%)	7%
Low	80	(-10%)	2%

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	423	424	401
to Sell	313	356	347
Hld's(000)	192114	193152	199915

% TOT. RETURN 10/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	25.7	4.9
3 yr.	35.8	30.2
5 yr.	75.1	36.8

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
43.51	40.24	47.66	47.14	48.23	49.62	46.36	45.69	44.17	41.62	42.27	44.11	42.85	39.59	38.82	38.43	37.70	38.70	Revenues per sh	41.75
5.12	4.54	5.27	5.28	5.77	5.99	5.86	6.24	6.61	7.15	7.45	7.30	7.93	7.89	8.41	8.92	8.60	9.45	"Cash Flow" per sh	11.00
2.83	2.32	2.99	2.95	3.48	3.36	3.14	3.47	3.57	3.86	3.93	3.62	4.05	3.94	4.10	4.55	3.95	4.40	Earnings per sh A	5.00
2.24	2.26	2.28	2.30	2.32	2.34	2.36	2.38	2.40	2.42	2.46	2.52	2.60	2.68	2.76	2.86	2.96	3.06	Div'd Decl'd per sh B ■	3.40
5.72	5.60	6.59	7.17	7.09	8.50	7.80	6.96	6.72	7.06	8.67	8.26	10.42	12.07	11.11	10.89	10.85	11.55	Cap'l Spending per sh	12.00
28.44	29.09	29.80	31.09	32.58	35.43	36.46	37.93	39.05	40.53	41.81	42.94	44.55	46.88	49.74	52.11	53.65	55.60	Book Value per sh C	60.50
225.84	242.51	245.29	257.46	272.02	273.72	281.12	291.62	292.89	292.87	292.87	292.88	293.00	305.00	310.00	321.00	334.00	341.00	Common Shs Outst'g D	344.00
14.3	18.2	15.1	15.5	13.8	12.3	12.5	13.3	15.1	15.4	14.7	15.9	15.6	18.8	19.8	17.1	*Bold figures are*		Avg Ann'l P/E Ratio	18.0
.82	.96	.80	.84	.73	.74	.83	.85	.95	.98	.83	.84	.79	.99	1.00	.92	*Value Line*		Relative P/E Ratio	1.00
5.5%	5.3%	5.0%	5.0%	4.8%	5.7%	6.0%	5.2%	4.5%	4.1%	4.3%	4.4%	4.1%	3.6%	3.4%	3.7%	*estimates*		Avg Ann'l Div'd Yield	3.8%

CAPITAL STRUCTURE as of 9/30/19
Total Debt $20751 mill. **Due in 5 Yrs** $5056 mill.
LT Debt $17537 mill. **LT Interest** $798 mill.
(LT interest earned: 3.0x)

Leases, Uncapitalized Annual rentals $72 mill.

Pension Assets-12/18 $13450 mill. **Oblig** $14449 mill.

Pfd Stock None

Common Stock 332,430,408 shs.
as of 10/31/19
MARKET CAP: $29 billion (Large Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
13032	13325	12938	12188	12381	12919	12554	12075	12033	12337	12600	13200	Revenues ($mill)	14400
868.0	992.0	1062.0	1141.0	1157.0	1066.0	1193.0	1189.0	1266.0	1424.0	1295	1500	Net Profit ($mill)	1740
34.2%	36.0%	36.1%	34.5%	31.8%	34.0%	33.6%	35.3%	36.6%	20.1%	22.0%	19.5%	Income Tax Rate	17.0%
2.6%	2.4%	1.6%	.5%	.5%	.3%	.7%	1.3%	1.5%	1.5%	2.0%	2.0%	AFUDC % to Net Profit	2.0%
48.5%	48.6%	46.5%	45.9%	46.1%	48.0%	47.9%	50.8%	48.9%	51.1%	51.5%	51.0%	Long-Term Debt Ratio	50.5%
50.4%	50.4%	52.5%	54.1%	53.9%	52.0%	52.1%	49.2%	51.1%	48.9%	48.5%	49.0%	Common Equity Ratio	49.5%
20330	21952	21794	21933	22735	24207	25058	29033	30149	34221	37050	38525	Total Capital ($mill)	42200
22464	23863	25093	26939	28436	29827	32209	35216	37600	41749	43800	46025	Net Plant ($mill)	52200
5.7%	5.9%	6.2%	6.5%	6.4%	5.6%	6.0%	5.3%	5.4%	5.3%	4.5%	5.0%	Return on Total Cap'l	5.5%
8.3%	8.8%	9.1%	9.6%	9.4%	8.5%	9.1%	8.3%	8.2%	8.5%	7.0%	8.0%	Return on Shr. Equity	8.5%
8.4%	8.9%	9.2%	9.6%	9.4%	8.5%	9.1%	8.3%	8.2%	8.5%	7.0%	8.0%	Return on Com Equity E	8.5%
2.5%	3.2%	3.1%	3.6%	3.6%	2.6%	3.5%	3.0%	3.0%	3.5%	2.0%	2.5%	Retained to Com Eq	2.5%
71%	65%	66%	62%	62%	69%	61%	64%	63%	59%	75%	69%	All Div'ds to Net Prof	67%

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	-.4	-2.8	+2.8
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	13731	14156
Annual Load Factor (%)	NMF	NMF	NMF
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	352	354	306

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-2.0%	-2.0%	1.0%
"Cash Flow"	4.0%	3.5%	4.5%
Earnings	2.5%	2.0%	3.0%
Dividends	2.0%	2.5%	3.5%
Book Value	4.0%	4.0%	3.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	3157	2794	3417	2707	12075
2017	3228	2633	3211	2961	12033
2018	3364	2696	3328	2949	12337
2019	3514	2744	3365	2977	12600
2020	3600	2850	3550	3200	13200

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	1.05	.77	1.47	.64	3.94
2017	1.27	.57	1.48	.78	4.10
2018	1.37	.60	1.52	1.06	4.55
2019	1.31	.46	1.42	.76	3.95
2020	1.40	.60	1.60	.80	4.40

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.65	.65	.65	.65	2.60
2016	.67	.67	.67	.67	2.68
2017	.69	.69	.69	.69	2.76
2018	.715	.715	.715	.715	2.86
2019	.74	.74	.74		

BUSINESS: Consolidated Edison, Inc. is a holding company for Consolidated Edison Company of New York, Inc. (CECONY), which sells electricity, gas, and steam in most of New York City and Westchester County. Also owns Orange and Rockland Utilities (O&R), which operates in New York and New Jersey. Has 3.7 million electric, 1.2 million gas customers. Pursues competitive energy opportunities through three wholly owned subsidiaries. Entered into midstream gas joint venture 6/16. Purchases most of its power. Fuel costs: 24% of revenues. '18 reported depreciation rates: 2.9%-3.1%. Has 15,300 employees. Chairman, President & CEO: John McAvoy. Inc.: New York. Address: 4 Irving Place, New York, New York 10003. Tel.: 212-460-4600. Internet: www.conedison.com.

Consolidated Edison's largest utility subsidiary reached a settlement of its general rate case. Consolidated Edison Company of New York struck the agreement, which covers 2020 through 2022, with the staff of the New York commission and intervenor groups. This would raise electric rates by $113 million, $370 million, and $326 million in 2020, 2021, and 2022, respectively. Gas tariffs would be increased by $84 million, $122 million, and $167 million in years one, two, and three, respectively. The utility will also benefit from amortizations to income of net regulatory liabilities: $312 million in 2020, $312 million in 2021, and $282 million in 2022. There are also performance-based measures that could add—or subtract—revenues. The return on equity would be 8.8% and the common-equity ratio would be 48%. A ruling is expected in early 2020.

Earnings should be much improved in 2020. This is partly due to an easy comparison. In 2019, ConEd is booking $0.20 a share of charges for the effects of hypothetical liquidation at book value for tax-equity investments in certain renewable-energy projects. Mark-to-market accounting adjustments reduced share net by $0.13 in the first nine months of 2019. We assume the New York regulators approve the settlement.

The cost of the Mountain Valley Pipeline has increased again. ConEd has a 12.5% stake in the project, which has been delayed by litigation. The total cost is now estimated at $5.3 billion-$5.5 billion, up from $5.0 billion. Completion is expected in late 2020. ConEd plans to limit its contribution to $530 million, which would drop its stake to 10%, at most.

There is another cause for concern. The renewable-energy subsidiary faces risks related to the bankruptcy filing of Pacific Gas and Electric, which buys power from some ConEd projects.

We expect a dividend hike in the first quarter of 2020. We estimate an increase of $0.10 a share in the annual payout, the same as in each of the past two years. The yield is slightly above the utility mean, but we suggest investors look elsewhere due to the aforementioned uncertainties and unimpressive total return potential for the 18-month and 3- to 5-year periods.

Paul E. Debbas, CFA *November 15, 2019*

(A) Diluted EPS. Excl. nonrec. gains (losses): '03, (45¢); '13, (32¢); '14, 9¢; '16, 15¢; '17, 84¢; '18, (13¢); gain on discontinued operations: '08, $1.01. '16 EPS don't sum due to rounding. Next earnings report due mid-Feb. (B) Div'ds historically paid in mid-Mar., June, Sept., and Dec. ■ Div'd reinvestment plan avail. (C) Incl. intang. In '18: $20.38/sh. (D) In mill. (E) Rate base: net orig. cost. Rate allowed on com. eq. for CECONY in '17: 9.0%; O&R in '19: 9.0%; earned on avg. com. eq., '18: 8.8%. Regulatory Climate: Below Average.

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

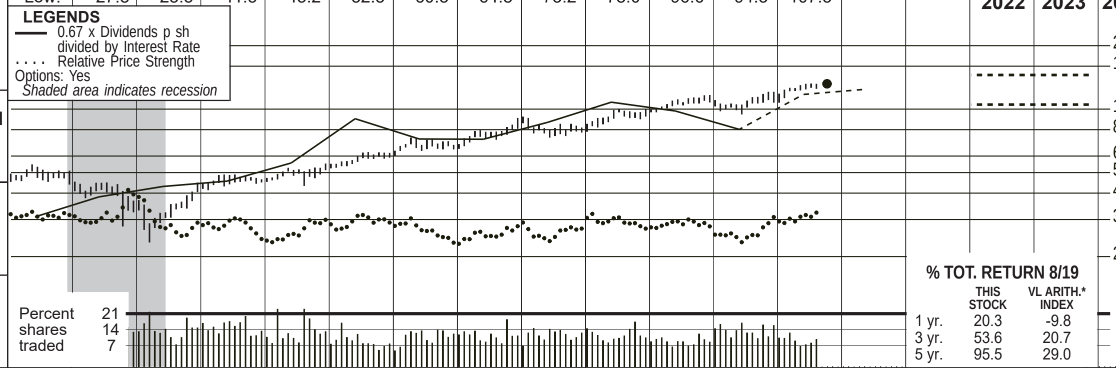
DTE ENERGY CO. NYSE-DTE

RECENT PRICE **131.88** | P/E RATIO **21.1** (Trailing: 21.7, Median: 16.0) | RELATIVE P/E RATIO **1.31** | DIV'D YLD **3.1%** | **VALUE LINE**

TIMELINESS 3 Lowered 6/14/19
SAFETY 2 Raised 12/21/12
TECHNICAL 3 Lowered 9/13/19
BETA .55 (1.00 = Market)

High:	45.3	45.0	49.1	55.3	62.6	73.3	90.8	92.3	100.4	116.7	121.0	132.1
Low:	27.8	23.3	41.3	43.2	52.5	60.3	64.8	73.2	78.0	96.6	94.3	107.3

Target Price Range
2022 | 2023 | 2024



2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	145	(+10%)	6%
Low	105	(-20%)	-2%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	1	0	0
Options	1	0	6	11	0	0	1	2	0
to Sell	3	0	0	2	0	0	3	0	0

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	311	334	282
to Sell	265	243	271
Hld's(000)	129217	129236	130894

% TOT. RETURN 8/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	20.3	-9.8
3 yr.	53.6	20.7
5 yr.	95.5	29.0

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
41.76	40.84	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	**71.90**	**73.45**	Revenues per sh	**81.00**
6.95	6.81	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	**12.65**	**13.35**	"Cash Flow" per sh	**16.00**
2.85	2.55	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	**6.25**	**6.40**	Earnings per sh A	**7.75**
2.06	2.06	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**	**4.09**	Div'd Decl'd per sh B ■	**4.80**
4.45	5.19	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	**19.60**	**12.75**	Cap'l Spending per sh	**13.00**
31.36	31.85	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	**60.35**	**64.00**	Book Value per sh C	**73.50**
168.61	174.21	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	**192.00**	**196.00**	Common Shs Outst'g D	**200.00**
13.7	16.0	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	*Bold figures are*		Avg Ann'l P/E Ratio	**16.5**
.78	.85	.73	.94	.97	.89	.69	.78	.85	.95	1.01	.78	.91	1.00	.94	.94	*Value Line*		Relative P/E Ratio	**.90**
5.3%	5.0%	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%	*estimates*		Avg Ann'l Div'd Yield	**3.8%**
						8014.0	8557.0	8897.0	8791.0	9661.0	12301	10337	10630	12607	14212	**13800**	**14400**	Revenues ($mill)	**16200**
						532.0	630.0	624.0	666.0	661.0	905.0	796.0	868.0	1029.0	1120.0	**1145**	**1245**	Net Profit ($mill)	**1550**
						31.6%	32.7%	35.9%	29.8%	27.5%	28.5%	25.6%	24.5%	21.8%	8.1%	**11.5%**	**11.5%**	Income Tax Rate	**11.5%**
						2.6%	1.6%	1.6%	3.0%	3.5%	4.1%	4.3%	3.6%	3.5%	3.8%	**4.0%**	**3.0%**	AFUDC % to Net Profit	**2.0%**
						54.0%	51.3%	50.6%	48.8%	47.7%	50.0%	50.2%	55.6%	56.2%	54.2%	**53.0%**	**54.0%**	Long-Term Debt Ratio	**54.5%**
						46.0%	48.7%	49.4%	51.2%	52.3%	50.0%	49.8%	44.4%	43.8%	45.8%	**47.0%**	**46.0%**	Common Equity Ratio	**45.5%**
						13648	13811	14196	14387	15135	16670	17607	20280	21697	22371	**25325**	**27175**	Total Capital ($mill)	**32300**
						12431	12992	13746	14684	15800	16820	18034	19730	20721	21650	**24125**	**25250**	Net Plant ($mill)	**28400**
						5.7%	6.3%	5.9%	6.1%	5.7%	6.6%	5.7%	5.3%	5.9%	6.1%	**5.5%**	**5.5%**	Return on Total Cap'l	**6.0%**
						8.5%	9.4%	8.9%	9.0%	8.3%	10.9%	9.1%	9.6%	10.8%	10.9%	**10.0%**	**10.0%**	Return on Shr. Equity	**10.5%**
						8.5%	9.4%	8.9%	9.0%	8.3%	10.9%	9.1%	9.6%	10.8%	10.9%	**10.0%**	**10.0%**	Return on Com Equity E	**10.5%**
						2.9%	4.0%	3.4%	3.5%	2.7%	5.2%	3.4%	3.7%	4.6%	4.9%	**3.5%**	**3.5%**	Retained to Com Eq	**4.0%**
						65%	57%	62%	61%	67%	52%	63%	61%	58%	55%	**63%**	**64%**	All Div'ds to Net Prof	**62%**

CAPITAL STRUCTURE as of 6/30/19
Total Debt $15070 mill. **Due in 5 Yrs** $4746 mill.
LT Debt $13569 mill. **LT Interest** $574 mill.
Incl. $756 mill. Trust Preferred Securities.
(LT interest earned: 3.1x)

Leases, Uncapitalized Annual rentals $42 mill.

Pension Assets-12/18 $4273 mill. **Oblig** $5124 mill.

Pfd Stock None

Common Stock 183,301,732 shs.

MARKET CAP: $24 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	+3.5	-3.1	+3.5
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	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
Fixed Charge Cov. (%)	300	300	278

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	2.5%	5.5%	2.5%
"Cash Flow"	3.5%	3.5%	5.5%
Earnings	8.0%	8.0%	5.5%
Dividends	4.5%	6.5%	6.0%
Book Value	4.0%	4.5%	5.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	2566	2262	2928	2874	10630
2017	3236	2855	3245	3271	12607
2018	3753	3159	3550	3750	14212
2019	3514	2888	**3600**	**3798**	**13800**
2020	**3650**	**3050**	**3750**	**3950**	**14400**

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	1.37	.84	1.88	.74	4.83
2017	2.23	.99	1.51	1.00	5.73
2018	2.00	1.29	1.84	1.05	6.17
2019	2.19	.99	**1.87**	**1.20**	**6.25**
2020	**2.20**	**1.10**	**1.90**	**1.20**	**6.40**

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.69	.69	.69	.73	2.80
2016	.73	.73	.73	.77	2.96
2017	.825	.825	.825	.825	3.30
2018	.8825	.8825	.8825	.8825	3.53
2019	.945	.945	.945		

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, 47%; commercial, 34%; industrial, 13%; other, 6%. Generating sources: coal, 67%; nuclear, 17%; gas, 1%; purchased, 15%. Fuel costs: 61% of revenues. '18 reported deprec. rates: 3.7% 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.

DTE Energy's electric utility subsidiary has filed a general rate case. DTE Electric requested an increase of $351 million (7%), based on a return of 10.5% (up from the current 10%) on a common-equity ratio of 50%. New tariffs are expected to take effect in May of 2020. The utility received a $273 million rate increase in May this year, and has come under criticism in Michigan (including some from the state's attorney general) for frequent rate hikes. We note, too, that the commission has a new member. Thus, we would not assume that the rate order will be as constructive as the one earlier in 2019 or those in previous years.

Earnings this year might well rise just slightly from the 2018 result. Favorable weather patterns helped the income of DTE Electric and DTE Gas last year. Also, average shares outstanding will be higher in 2019. Our estimate is within the company's guidance of $6.02-$6.38 a share.

We expect earnings improvement in 2020. The company will benefit from rate relief at DTE Electric, unless it receives a harsh order. DTE Gas recovers certain capital expenditures through a regulatory mechanism that provides revenues without having to file a general rate case. DTE Energy is also experiencing growth from new projects and assets in its nonutility businesses.

DTE Energy has completed the acquisition of some midstream gas assets, and another deal is pending. The company paid $275 million for a 30% stake in a gas gathering system in West Virginia. It now owns 85% of this asset. DTE Energy also agreed to pay $150 million-$200 million (the seller didn't want to be more specific) for a pipeline in Ohio. The purchase will likely be completed in the next several weeks.

A healthy dividend increase is likely, effective with the payment in early 2020. We estimate that the board will raise the quarterly payout $0.065 a share (6.9%). DTE Energy has stated its expectation of 7% annual dividend growth through 2020.

DTE Energy stock has a modest dividend yield, by utility standards. Total return potential over the 3- to 5-year period is negligible.

Paul E. Debbas, CFA *September 13, 2019*

(A) Diluted EPS. Excl. nonrec. gains (losses): '03, (16¢); '05, (2¢); '07, $1.96; '08, 50¢; '11, 51¢; '15, (39¢); '17, 59¢; gains (losses) on disc. ops.: '03, 40¢; '04, (6¢); '05, (20¢); '06, (2¢); '07, $1.20; '08, 13¢; '12, (33¢). '17-'18 EPS don't sum due to rounding. Next egs. due late Oct. **(B)** Div'ds pd. mid-Jan., Apr., July & Oct. ■ Div'd reinvest. plan avail. **(C)** Incl. intang. In '18: $42.63/sh. **(D)** In mill. **(E)** Rate base: Net orig. cost. Rate all'd on com. eq. in '18: 10% elec.; in '16: 10.1% gas; earn. on avg. com. eq., '18: 11.3%. Regul. Clim.: Above Avg.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	75
Earnings Predictability	85

DOMINION ENERGY NYSE-D

RECENT PRICE	81.35	P/E RATIO	18.1 (Trailing: 57.7 / Median: 20.0)	RELATIVE P/E RATIO	1.04	DIV'D YLD	4.6%	VALUE LINE

TIMELINESS **2** Raised 11/15/19
SAFETY **2** Raised 9/11/98
TECHNICAL **2** Raised 11/15/19
BETA .55 (1.00 = Market)

18-Month Target Price Range
Low-High: $72-$102 — Midpoint (% to Mid): $87 (5%)

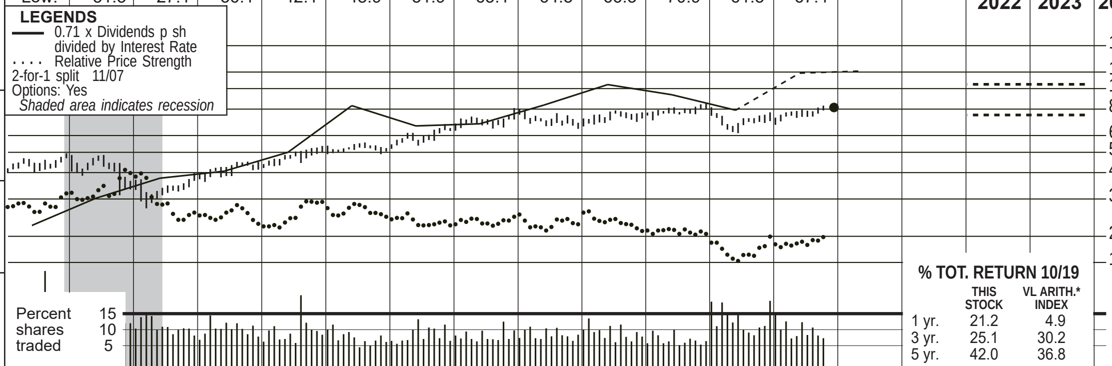
2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	105	(+30%)	10%
Low	75	(-10%)	3%

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	610	855	653
to Sell	457	365	492
Hld's(000)	466553	512387	529909

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
High:	48.5	39.8	45.1	53.6	55.6	68.0	80.9	79.9	79.0	85.3	81.7	83.7
Low:	31.3	27.1	36.1	42.1	48.9	51.9	63.1	64.5	66.3	70.9	61.5	67.4



% TOT. RETURN 10/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	21.2	4.9
3 yr.	25.1	30.2
5 yr.	42.0	36.8

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
18.57	20.54	25.96	23.61	27.17	27.93	25.24	26.17	25.24	22.73	22.56	21.25	19.59	18.70	19.53	19.63	*20.10*	*21.55*	Revenues per sh	*22.25*
3.97	4.18	3.70	4.91	5.08	5.07	4.82	5.11	5.04	5.24	5.47	5.71	5.98	6.33	6.90	6.48	*5.90*	*8.35*	"Cash Flow" per sh	*9.50*
1.96	2.13	1.50	2.40	2.13	3.04	2.64	2.89	2.76	2.75	3.09	3.05	3.20	3.44	3.53	3.25	*2.15*	*4.40*	Earnings per sh A	*5.00*
1.29	1.30	1.34	1.38	1.46	1.58	1.75	1.83	1.97	2.11	2.25	2.40	2.59	2.80	3.04	3.34	*3.67*	*3.76*	Div'd Decl'd per sh B ■	*4.05*
5.20	3.88	4.83	5.81	6.89	6.09	6.40	5.89	6.41	7.20	7.06	9.13	9.35	9.69	8.54	6.25	*7.30*	*8.35*	Cap'l Spending per sh	*7.75*
16.20	16.79	14.96	18.50	16.31	17.28	18.66	20.66	20.09	18.34	20.02	19.74	21.24	23.26	26.59	29.53	*34.55*	*35.45*	Book Value per sh C	*39.75*
650.40	680.40	695.00	698.00	576.80	583.20	599.40	580.80	569.70	576.10	581.50	585.30	596.30	627.80	644.60	680.90	*824.00*	*828.00*	Common Shs Outst'g D	*862.00*
15.2	15.1	24.9	16.0	20.6	13.8	12.7	14.3	17.3	18.9	19.2	23.0	22.1	21.3	22.2	21.8	*Bold figures are*		Avg Ann'l P/E Ratio	*18.0*
.87	.80	1.33	.86	1.09	.83	.85	.91	1.09	1.20	1.08	1.21	1.11	1.12	1.12	1.18	*Value Line*		Relative P/E Ratio	*1.00*
4.3%	4.0%	3.6%	3.6%	3.3%	3.8%	5.2%	4.4%	4.1%	4.1%	3.8%	3.4%	3.7%	3.8%	3.9%	4.7%	*estimates*		Avg Ann'l Div'd Yield	*4.5%*

CAPITAL STRUCTURE as of 9/30/19
Total Debt $40879 mill. **Due in 5 Yrs** $16644 mill.
LT Debt $33635 mill. **LT Interest** $1335 mill.
(LT interest earned: 1.8x)

Leases, Uncapitalized Annual rentals $64 mill.

Pension Assets-12/18 $7197 mill. **Oblig** $8500 mill.
Pfd Stock $1596 mill. **Pfd Divd** $28 mill.
2 mill. shs. 1.75%, cum., convertible in 2022.
Common Stock 823,093,381 shs.
as of 10/11/19
MARKET CAP: $67 billion (Large Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
15131	15197	14379	13093	13120	12436	11683	11737	12586	13366	*16550*	*17850*	Revenues ($mill)	*19200*
1585.0	1724.0	1603.0	1594.0	1806.0	1793.0	1899.0	2123.0	2244.0	2130.0	*1830*	*3710*	Net Profit ($mill)	*4400*
33.2%	38.6%	34.6%	36.2%	33.0%	28.1%	32.0%	22.8%	27.2%	17.7%	*25.0%*	*17.0%*	Income Tax Rate	*17.0%*
4.8%	5.9%	5.3%	5.7%	3.7%	4.5%	5.3%	7.5%	10.5%	6.3%	*8.0%*	*4.0%*	AFUDC % to Net Profit	*3.0%*
57.5%	56.3%	59.8%	60.9%	61.9%	65.4%	65.1%	67.4%	64.4%	60.8%	*57.5%*	*56.0%*	Long-Term Debt Ratio	*59.0%*
41.5%	42.8%	39.3%	38.2%	37.3%	34.6%	34.9%	32.6%	35.6%	39.2%	*40.0%*	*42.0%*	Common Equity Ratio	*41.0%*
26923	28012	29097	27676	31229	33360	36280	44836	48090	51251	*70775*	*70050*	Total Capital ($mill)	*83800*
25592	26713	29670	30773	32628	36270	41554	49964	53758	54560	*67500*	*71175*	Net Plant ($mill)	*80800*
7.5%	7.7%	7.0%	7.5%	7.3%	6.6%	6.5%	6.0%	5.9%	5.5%	*4.0%*	*6.5%*	Return on Total Cap'l	*6.5%*
13.9%	14.1%	13.7%	14.7%	15.2%	15.5%	15.0%	14.5%	13.1%	10.6%	*6.0%*	*12.0%*	Return on Shr. Equity	*13.0%*
14.0%	14.2%	13.9%	14.9%	15.4%	15.4%	15.0%	14.5%	13.1%	10.6%	*6.5%*	*12.5%*	Return on Com Equity E	*13.0%*
4.7%	5.3%	4.0%	3.5%	4.2%	3.3%	2.9%	2.7%	1.8%	NMF	*NMF*	*2.0%*	Retained to Com Eq	*2.5%*
67%	63%	71%	77%	73%	79%	81%	81%	86%	103%	*NMF*	*85%*	All Div'ds to Net Prof	*79%*

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	NA	NA	NA
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	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
Fixed Charge Cov. (%)	310	287	219

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-3.0%	-4.0%	2.5%
"Cash Flow"	2.5%	4.5%	6.5%
Earnings	3.0%	3.5%	6.5%
Dividends	7.5%	7.5%	5.0%
Book Value	4.5%	6.5%	7.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	2921	2598	3132	3086	11737
2017	3384	2813	3179	3210	12586
2018	3466	3088	3451	3361	13366
2019	3858	3970	4269	*4453*	*16550*
2020	*4550*	*4200*	*4500*	*4600*	*17850*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.88	.73	1.10	.73	3.44
2017	1.01	.62	1.03	.87	3.53
2018	.77	.82	1.22	.44	3.25
2019	d.34	.14	1.17	*1.18*	*2.15*
2020	*1.25*	*.90*	*1.15*	*1.10*	*4.40*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.6475	.6475	.6475	.6475	2.59
2016	.70	.70	.70	.70	2.80
2017	.755	.755	.755	.77	3.04
2018	.835	.835	.835	.835	3.34
2019	.9175	.9175	.9175		

BUSINESS: Dominion Energy, Inc. (formerly Dominion Resources) is a holding company for Virginia Power, North Carolina Power, & South Carolina E&G, which serve 3.4 mill. customers in VA, SC, & NC. Serves 3.3 mill. gas customers in OH, WV, UT, SC, & NC. Other ops. incl. independent power production. Acq'd Questar 9/16; SCANA 1/19. Elec. rev. breakdown: residential, 46%; commercial, 32%; industrial, 7%; other, 15%. Generating sources: gas, 33%; nuclear, 29%; coal, 13%; other, 6%; purchased, 19%. Fuel costs: 27% of revs. '18 reported deprec. rates: 2.4%-4.6%. Has 21,300 empls. Chairman, President & CEO: Thomas F. Farrell II. Inc.: VA. Address: 120 Tredegar St., P.O. Box 26532, Richmond, VA 23261-6532. Tel.: 804-819-2000. Internet: www.dominionenergy.com.

We expect Dominion Energy's earnings to return to a more typical level in 2020. In 2019, earnings were depressed by some charges, such as a $1 billion refund of previously collected revenues, associated with the company's takeover of SCANA in January and a $316 million aftertax charge for an early retirement program. Management is excluding many of these items from its "operating" earnings guidance of $4.15-$4.30 a share. We assume no such charges in our 2020 estimate. Dominion expects profit growth of 5% off its operating base in 2020, and at least 5% annually beyond next year.

There are positive developments in both the regulated and nonregulated parts of the business. Virginia Power is benefiting from the solid economy of its service area and regulatory mechanisms that enable the utility to recover certain capital expenditures without having to file a general rate case. Rate relief in other jurisdictions is another plus. (Note that a rate case in South Carolina is planned for 2020.) On the nonregulated side, on October 1st the Millstone nuclear plant in Connecticut began a 10-year power contract with the state.

The company is selling a 25% stake in its Cove Point liquefied natural gas storage facility. The deal is expected to close by yearend and will raise $2.1 billion. This will offset some of the company's annual equity needs beginning in 2020.

The U.S. Supreme Court will hear an appeal regarding the Atlantic Coast Pipeline. This is good news for Dominion, a 48%-owner of this project that has been delayed by litigation. A ruling is expected by June. A favorable verdict should enable the project to be completed by year-end 2021 at a cost of $7.3 billion-$7.8 billion.

We expect a modest dividend increase in the first quarter of 2020. We estimate the board of directors will raise the annual payout $0.09 a share (2.5%). The payout ratio is high, even for a utility.

This timely stock is attractive for income-oriented investors. The dividend yield is more than one percentage point above the average for the electric utility industry. Total returns over the 18-month and 3- to 5-year periods are likely to be just moderate, however.

Paul E. Debbas, CFA — November 15, 2019

(A) Diluted earnings. Excl. nonrec. gains (losses): '06, (18¢); '07, $1.67; '08, 12¢; '09, (47¢); '10, $2.18; '11, (7¢); '12, ($1.70); '14, (76¢); '17, $1.19; '18, 43¢; '19, (58¢); losses from disc. ops.: '06, 26¢; '07, 1¢; '10, 26¢; '12, 4¢; '13, 16¢. Next earnings report due early Feb. (B) Div'ds paid in mid-Mar., June, Sept., & Dec. ■ Div'd reinvestment plan avail. (C) Incl. intang. In '18: $14.33/sh. (D) In mill., adj. for split. (E) Rate base: Net orig. cost, adj. Rate all'd on com. eq. in '11: 10.9%; earned on avg. com. eq., '18: 11.5%. Regulat. Climate: Avg.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	50
Earnings Predictability	60

EDISON INTERNAT'L NYSE-EIX

RECENT PRICE 69.89 | P/E RATIO 14.1 (Trailing: NMF, Median: 13.0) | RELATIVE P/E RATIO 0.83 | DIV'D YLD 3.5% | VALUE LINE

TIMELINESS 3 Raised 8/30/19
SAFETY 3 Lowered 11/23/18
TECHNICAL 2 Raised 10/25/19
BETA .60 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$48-$83	$66 (-5%)

2022-24 PROJECTIONS

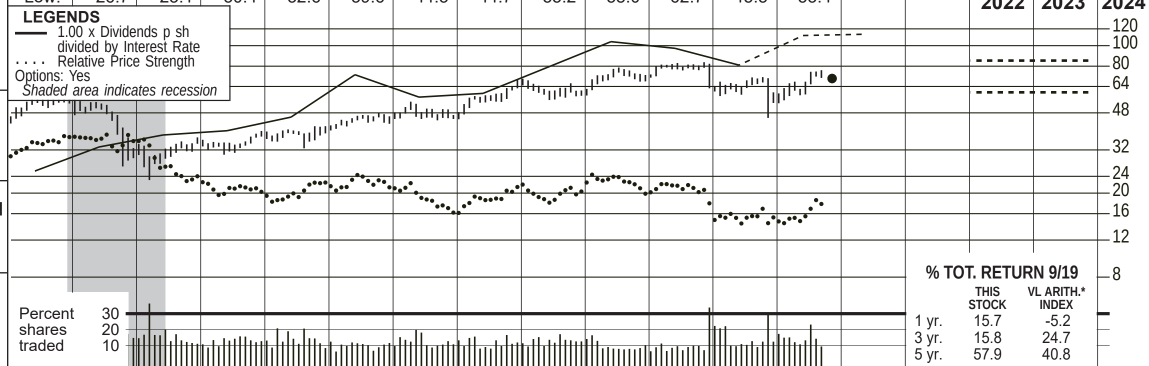
	Price	Gain	Ann'l Total Return
High	85	(+20%)	8%
Low	60	(-15%)	Nil

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	270	299	267
to Sell	302	265	301
Hld's(000)	272637	267294	278546

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
High:	55.7	36.7	39.4	41.6	48.0	54.2	68.7	69.6	78.7	83.4	71.0
Low:	26.7	23.1	30.4	32.6	39.6	44.3	44.7	55.2	58.0	62.7	45.5

(2019 High: 76.4; Low: 53.4)



% TOT. RETURN 9/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	15.7	-5.2
3 yr.	15.8	24.7
5 yr.	57.9	40.8

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
37.25	31.30	36.38	38.74	40.25	43.31	37.98	38.09	39.16	36.41	38.61	41.17	35.37	36.43	37.81	38.85	*37.00*	*38.50*	Revenues per sh	*43.00*
5.88	3.79	6.99	7.25	7.60	8.08	7.96	8.41	9.03	9.63	8.80	9.95	10.35	10.43	11.03	4.69	*9.85*	*10.25*	"Cash Flow" per sh	*12.00*
2.38	.69	3.34	3.28	3.32	3.68	3.24	3.35	3.23	4.55	3.78	4.33	4.15	3.94	4.51	d1.26	*4.60*	*4.50*	Earnings per sh A	*5.50*
- -	.80	1.02	1.10	1.18	1.23	1.25	1.27	1.29	1.31	1.37	1.48	1.73	1.98	2.23	2.43	*2.46*	*2.49*	Div'd Decl'd per sh B ■	*2.75*
3.95	5.32	5.73	7.78	8.67	8.67	10.07	13.94	14.76	12.73	11.05	11.99	12.97	11.46	11.75	13.84	*13.15*	*13.50*	Cap'l Spending per sh	*13.75*
16.52	18.57	20.30	23.66	25.92	29.21	30.20	32.44	30.86	28.95	30.50	33.64	34.89	36.82	35.82	32.10	*37.85*	*40.30*	Book Value per sh C	*48.75*
325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	*365.00*	*370.00*	Common Shs Outst'g D	*385.00*
7.0	37.6	11.7	13.0	16.0	12.4	9.7	10.3	11.8	9.7	12.7	13.0	14.8	17.9	17.2	- -	*Bold figures are*		Avg Ann'l P/E Ratio	*13.0*
.40	1.99	.62	.70	.85	.75	.65	.66	.74	.62	.71	.68	.75	.94	.87	- -	*Value Line*		Relative P/E Ratio	*.70*
- -	3.1%	2.6%	2.6%	2.2%	2.7%	4.0%	3.7%	3.4%	3.0%	2.8%	2.6%	2.8%	2.8%	2.9%	3.8%	*estimates*		Avg Ann'l Div'd Yield	*3.8%*

CAPITAL STRUCTURE as of 6/30/19
Total Debt $17575 mill. **Due in 5 Yrs** $4864 mill.
LT Debt $15883 mill. **LT Interest** $768 mill.
(Interest not earned.)
Leases, Uncapitalized Annual rentals $190 mill.
Pens. Assets-12/18 $3321 mill. **Oblig** $3880 mill.
Pfd Stock $2193 mill. **Pfd Div'd** $120 mill.
4,800,198 sh. 4.08%-4.78%, $25 par, call. $25.50-$28.75/sh.; 3,250,000 sh. variable, noncum., call. $100; 1,250,000 sh. 6.5%, cum., $100 liq. value; 350,000 sh. 6.25%, $1000 liq. value; 460,012 sh. 5.1%-5.75%, $2500 liq. value.
Common Stock 325,811,206 shs. **as of 7/23/19**
MARKET CAP: $23 billion (Large Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
12374	12409	12760	11862	12581	13413	11524	11869	12320	12657	*13500*	*14250*	Revenues ($mill)	*16600*
1115.0	1153.0	1112.0	1594.0	1344.0	1539.0	1480.0	1422.0	1603.0	d290.0	*1680*	*1775*	Net Profit ($mill)	*2215*
33.0%	32.1%	25.7%	14.3%	25.2%	22.4%	6.6%	11.1%	5.0%	- -	*10.0%*	*10.0%*	Income Tax Rate	*10.0%*
10.5%	16.9%	14.8%	8.5%	7.8%	5.8%	8.0%	6.8%	7.2%	- -	*9.0%*	*9.0%*	AFUDC % to Net Profit	*7.0%*
49.3%	51.8%	55.3%	45.2%	45.7%	44.1%	45.0%	41.8%	45.6%	53.6%	*52.0%*	*52.0%*	Long-Term Debt Ratio	*51.5%*
46.5%	44.3%	40.6%	46.2%	46.2%	47.2%	46.7%	49.2%	45.8%	38.3%	*41.5%*	*41.5%*	Common Equity Ratio	*43.5%*
21185	23861	24773	20422	21516	23216	24352	24362	25506	27284	*33450*	*35750*	Total Capital ($mill)	*43200*
21966	24778	32116	30273	30455	32981	35085	37000	39050	41348	*44000*	*46850*	Net Plant ($mill)	*55100*
6.9%	6.3%	6.0%	8.9%	7.3%	7.7%	7.1%	6.9%	7.3%	.1%	*6.0%*	*6.0%*	Return on Total Cap'l	*6.5%*
10.4%	10.0%	10.0%	14.2%	11.5%	11.9%	11.1%	10.0%	11.6%	NMF	*10.5%*	*10.5%*	Return on Shr. Equity	*10.5%*
10.8%	10.4%	10.5%	15.9%	12.5%	13.0%	12.0%	10.8%	12.7%	NMF	*11.5%*	*11.0%*	Return on Com Equity E	*11.0%*
6.7%	6.5%	6.3%	11.4%	8.1%	8.8%	7.2%	5.6%	6.6%	NMF	*5.0%*	*5.0%*	Retained to Com Eq	*5.5%*
41%	40%	43%	32%	40%	37%	44%	53%	52%	NMF	*58%*	*58%*	All Div'ds to Net Prof	*53%*

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	-2.6	+.2	-.4
Avg. Indust. Use (MWH)	664	643	667
Avg. Indust. Revs. per KWH (¢)	6.51	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	23091	23508	23766
Annual Load Factor (%)	50.7	NA	NA
% Change Customers (yr-end)	+.5	+.7	+.6
Fixed Charge Cov. (%)	246	241	NMF

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-1.0%	- -	*2.0%*
"Cash Flow"	1.5%	-1.0%	*5.5%*
Earnings	-3.5%	-9.0%	*NMF*
Dividends	6.5%	11.0%	*3.5%*
Book Value	3.0%	3.0%	*5.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	2440	2777	3767	2885	11869
2017	2463	2965	3672	3220	12320
2018	2564	2815	4269	3009	12657
2019	2824	2812	*4500*	*3364*	*13500*
2020	*2900*	*3100*	*4700*	*3550*	*14250*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.85	.86	1.27	.96	3.94
2017	1.11	.85	1.43	1.12	4.51
2018	.82	.84	1.57	d4.49	d1.26
2019	.63	1.58	*1.45*	*.94*	*4.60*
2020	*1.00*	*.95*	*1.55*	*1.00*	*4.50*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.4175	.4175	.4175	.4175	1.67
2016	.48	.48	.48	.48	1.92
2017	.5425	.5425	.5425	.5425	2.17
2018	.605	.605	.605	.605	2.42
2019	.6125	.6125	.6125	.6125	

BUSINESS: Edison International (formerly SCECorp) is a holding company for Southern California Edison Company (SCE), which supplies electricity to 5.1 mill. customers in a 50,000-sq.-mi. area in central, coastal, & southern CA (excl. Los Angeles & San Diego). Edison Energy is an energy svcs. co. Disc. Edison Mission Energy (independent power producer) in '12. Elec. rev. breakdown: residential, 37%; commercial, 44%; industrial, 6%; other, 13%. Generating sources: gas, 6%; nuclear, 6%; hydro, 5%; purchased, 83%. Fuel costs: 38% of revs. '18 reported depr. rate: 3.7%. Has 12,500 empls. Chairman: William P. Sullivan. Pres. & CEO: Pedro J. Pizzaro. Inc.: CA. Address: 2244 Walnut Grove Ave., P.O. Box 976, Rosemead, CA 91770. Tel.: 626-302-2222. Web: www.edison.com.

A law was passed in California that addresses future wildfire liabilities for utilities, including Edison International's subsidiary. The new law established a $21 billion fund (half of which is supplied by the utilities) to pay for future liabilities. Southern California Edison's contribution was $2.4 billion, which the parent raised through an equal split of debt and equity. (How this will be accounted for is still unclear.) The law also changed the way liability is determined so that it is not as easy as it was previously to place the blame on utilities. However, the law does not affect liabilities associated with previous wildfires. In the fourth quarter of 2018, the company took a charge of $5.60 a share as a reserve for its minimum estimate of these liabilities. So far, it has not taken any additional charges, but this cannot be ruled out.

We no longer think there is a risk of a dividend cut. In fact, we estimate the board will raise the dividend modestly at its meeting in December, effective with the payment in the first quarter of 2020.

Financing needs are significant. Besides the cash needed for SCE's contribution to the wildlife liability fund, the company is issuing additional common equity and long-term debt for its high (and rising) capital budget. Capital spending needs for wildfire prevention are considerably higher, but the utility is also spending additional monies for other functions, such as modernization of the electric grid.

We reduced our 2019 and 2020 share-earnings estimates by $0.15 and $0.30, respectively. The main reason for the cuts is the significant rise in average shares outstanding, which is much greater than we had estimated three months ago.

A cost-of-capital filing is pending with the California commission. SCE is requesting an allowed return on equity of 11.45% and a common-equity ratio of 52% (up from the currently allowed 48%). An order is due in time for it to take effect at the start of 2020.

This stock has a dividend yield that is slightly above the industry average. However, total return potential is unappealing for the 18-month and 3- to 5-year periods. And the company still faces risks related to past wildfires.

Paul E. Debbas, CFA *October 25, 2019*

(A) Diluted EPS. Excl. nonrec. gains (losses): '04, $2.12; '09, (64¢); '10, 54¢; '11, ($3.33); '13, ($1.12); '15, ($1.18); '17, ($1.37); '18, (15¢); 1Q '19, 22¢; 2Q '19, (38¢); gains (loss) from disc. ops.: '12, ($5.11); '13, 11¢; '14, 57¢; '15, 11¢; '18, 10¢. Next earnings report due late Oct. (B) Div'ds paid late Jan., Apr., July, & Oct. ■ Div'd reinv. plan avail. (C) Incl. deferred charges. In '18: $16.51/sh. (D) In millions. (E) Rate base: net orig. cost. Rate allowed on com. eq. in '15: 10.45%; earned on avg. com. eq., '18: NMF. Regulatory Climate: Average.

Company's Financial Strength	B+
Stock's Price Stability	85
Price Growth Persistence	55
Earnings Predictability	15

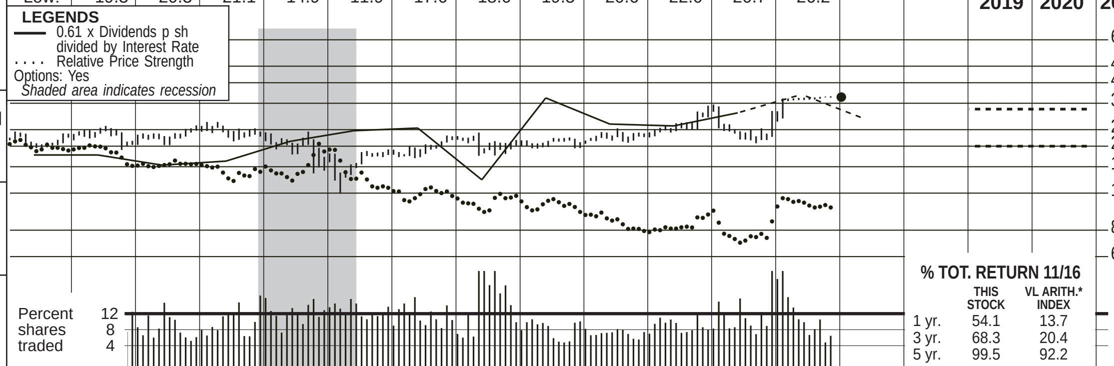
EMPIRE DISTRICT NYSE-EDE

RECENT PRICE	34.20	P/E RATIO	23.8 (Trailing: 24.8 / Median: 16.0)	RELATIVE P/E RATIO	1.22	DIV'D YLD	3.1%	VALUE LINE

TIMELINESS – Suspended 2/19/16
SAFETY 2 Raised 3/23/12
TECHNICAL – Suspended 2/19/16
BETA .70 (1.00 = Market)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
High:	25.0	25.1	26.1	23.5	19.4	22.5	23.3	22.0	24.3	31.2	31.5	34.5
Low:	19.3	20.3	21.1	14.9	11.9	17.6	18.0	19.5	20.6	22.0	20.7	26.2

Target Price Range
2019 | 2020 | 2021



2019-21 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	30	(-10%)	1%
Low	20	(-40%)	-8%

Insider Decisions

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

Institutional Decisions

	1Q2016	2Q2016	3Q2016
to Buy	76	66	56
to Sell	89	71	61
Hld's(000)	26980	28320	29209

% TOT. RETURN 11/16

	THIS STOCK	VL ARITH.* INDEX
1 yr.	54.1	13.7
3 yr.	68.3	20.4
5 yr.	99.5	92.2

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
14.78	13.37	13.56	13.03	12.67	14.80	13.67	14.59	15.25	13.04	13.02	13.74	13.11	13.81	15.00	13.82	***13.50***	***13.55***	**Revenues per sh**	***14.75***
3.12	2.19	2.43	2.48	2.22	2.45	2.75	2.69	2.91	2.72	2.85	3.21	2.99	3.14	3.45	3.32	***3.60***	***3.80***	**"Cash Flow" per sh**	***4.50***
1.35	.59	1.19	1.29	.86	.92	1.41	1.09	1.17	1.18	1.17	1.31	1.32	1.48	1.55	1.29	***1.40***	***1.45***	**Earnings per sh A**	***1.75***
1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	.64	1.00	1.01	1.03	1.04	***1.04***	***1.06***	**Div'd Decl'd per sh B ■ †**	***1.20***
7.61	4.02	3.43	2.65	1.64	2.83	3.97	5.46	6.28	4.07	2.63	2.44	3.22	3.60	4.91	4.23	***2.70***	***2.40***	**Cap'l Spending per sh**	***3.50***
13.65	13.58	14.59	15.17	14.76	15.08	15.49	16.04	15.56	15.75	15.82	16.53	16.90	17.43	18.02	18.32	***18.55***	***18.85***	**Book Value per sh C**	***20.25***
17.60	19.76	22.57	24.98	25.70	26.08	30.25	33.61	33.98	38.11	41.58	41.98	42.48	43.04	43.48	43.82	***44.50***	***45.00***	**Common Shs Outst'g D**	***46.50***
17.7	33.9	16.2	15.8	24.8	24.5	15.9	21.7	17.3	14.3	16.8	15.8	15.8	15.0	16.2	18.6	*Bold figures are*		**Avg Ann'l P/E Ratio**	***14.5***
1.15	1.74	.88	.90	1.31	1.30	.86	1.15	1.04	.95	1.07	.99	1.01	.84	.85	.93	*Value Line*		**Relative P/E Ratio**	***.90***
5.4%	6.4%	6.6%	6.3%	6.0%	5.7%	5.7%	5.4%	6.3%	7.6%	6.5%	3.1%	4.8%	4.5%	4.1%	4.3%	*estimates*		**Avg Ann'l Div'd Yield**	***4.7%***

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		19-21
413.5	490.2	518.2	497.2	541.3	576.9	557.1	594.3	652.3	605.6	***600***	***610***	**Revenues ($mill)**	***685***
39.9	33.2	39.7	41.3	47.4	55.0	55.7	63.4	67.1	56.6	***60.0***	***65.0***	**Net Profit ($mill)**	***80.0***
35.4%	30.3%	32.5%	32.5%	39.2%	38.4%	38.0%	37.1%	36.9%	37.4%	***37.5%***	***38.0%***	**Income Tax Rate**	***38.0%***
10.7%	23.1%	31.5%	34.2%	21.5%	.9%	3.5%	9.4%	14.8%	13.6%	***8.0%***	***3.0%***	**AFUDC % to Net Profit**	***5.0%***
49.7%	50.1%	53.6%	51.6%	51.3%	49.9%	49.1%	49.8%	50.6%	51.1%	***53.0%***	***50.0%***	**Long-Term Debt Ratio**	***50.5%***
50.3%	49.9%	46.4%	48.4%	48.7%	50.1%	50.9%	50.2%	49.4%	48.9%	***47.0%***	***50.0%***	**Common Equity Ratio**	***49.5%***
931.0	1081.1	1140.4	1240.3	1350.7	1386.2	1409.4	1493.6	1586.5	1640.7	***1765***	***1695***	**Total Capital ($mill)**	***1900***
1031.0	1178.9	1342.8	1459.0	1519.1	1563.7	1657.6	1751.9	1910.3	2020.4	***2040***	***2045***	**Net Plant ($mill)**	***2175***
5.9%	4.7%	5.2%	5.2%	5.1%	5.5%	5.4%	5.6%	5.5%	4.8%	***5.0%***	***5.0%***	**Return on Total Cap'l**	***5.5%***
8.5%	6.2%	7.5%	6.9%	7.2%	7.9%	7.8%	8.5%	8.6%	7.1%	***7.5%***	***7.5%***	**Return on Shr. Equity**	***8.5%***
8.5%	6.2%	7.5%	6.9%	7.2%	7.9%	7.8%	8.5%	8.6%	7.1%	***7.5%***	***7.5%***	**Return on Com Equity E**	***8.5%***
.8%	NMF	NMF	NMF	NMF	4.1%	1.9%	2.7%	2.9%	1.4%	***2.0%***	***2.0%***	**Retained to Com Eq**	***2.5%***
90%	117%	109%	109%	110%	49%	76%	68%	66%	80%	***74%***	***73%***	**All Div'ds to Net Prof**	***69%***

CAPITAL STRUCTURE as of 9/30/16
Total Debt $854.9 mill. **Due in 5 Yrs** $216.8 mill.
LT Debt $829.6 mill. **LT Interest** $42.3 mill.
Incl. $3.3 mill. capitalized leases.
(LT interest earned: 3.0x)

Pension Assets-12/15 $186.9 mill. **Oblig** $243.7 mill.

Pfd Stock None

Common Stock 44,094,312 shs. **as of 10/31/16**

MARKET CAP: $1.5 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2013	2014	2015
% Change Retail Sales (KWH)	+1.3	+1.3	-1.8
Avg. Industrial Use (MWH)	2943	2981	3024
Avg. Industrial Rev/KWH (¢)	7.93	8.21	8.28
Capacity at Peak (Mw)	1377	1326	1280
Peak Load, Summer (Mw)	1080	1162	1149
Annual Load Factor (%)	56.2	52.8	52.5
% Change Customers (avg.)	+.5	+.3	+.5
Fixed Charge Cov. (%)	331	334	291

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '13-'15 to '19-'21
Revenues	.5%	.5%	*.5%*
"Cash Flow"	3.5%	3.0%	*5.5%*
Earnings	3.5%	4.0%	*3.5%*
Dividends	-2.0%	-4.5%	*2.5%*
Book Value	2.0%	2.5%	*2.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	151.1	136.6	157.5	149.1	594.3
2014	179.7	149.8	171.5	151.3	652.3
2015	164.5	134.6	169.7	136.8	605.6
2016	151.3	139.3	175.4	***134***	***600***
2017	***160***	***140***	***175***	***135***	***610***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	.30	.27	.56	.35	1.48
2014	.48	.26	.55	.26	1.55
2015	.34	.15	.58	.23	1.29
2016	.32	.21	.62	***.25***	***1.40***
2017	***.31***	***.26***	***.60***	***.28***	***1.45***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.25	.25	.25	.25	1.00
2013	.25	.25	.25	.255	1.01
2014	.255	.255	.255	.26	1.03
2015	.26	.26	.26	.26	1.04
2016	.26	.26	.26	.26	

BUSINESS: The Empire District Electric Company supplies electricity to 170,000 customers in a 10,000 sq. mi. area in southwestern Missouri (89% of retail elec. revs.), Kansas (5%), Oklahoma (3%), & Arkansas (3%). Acquired Missouri Gas (44,000 customers) 6/06. Supplies water service (4,000 customers) and has a small fiber-optics operation. Elec. rev. breakdown: residential, 42%; commercial, 31%; industrial, 16%; other, 11%. Generating sources: coal, 50%; gas, 27%; hydro, 1%; purch., 22%. Fuel costs: 31% of revenues. '15 reported depr. rate: 3.2%. Has about 750 employees. Chairman: D. Randy Laney. President & CEO: Bradley P. Beecher. Inc.: KS. Address: 602 S. Joplin Ave., P.O. Box 127, Joplin, MO 64802-0127. Tel.: 417-625-5100. Internet: www.empiredistrict.com.

It appears as if the acquisition of Empire District Electric Company will be completed soon. Algonquin Power & Utilities, a Canadian company that already has some operations in the United States under the Liberty Utilities name, has agreed to pay $34.00 in cash for each share of Empire District Electric. All shareholder and regulatory approvals have been received, except that of the Kansas Corporation Commission (KCC). However, the companies have reached a settlement with the KCC's staff. As part of the agreement, Empire District Electric would withdraw its pending request for a $6.4 million (25.7%) rate increase. Instead, the company would file for recovery of certain environmental costs through a rider on customers' bills. This would raise rates by $1.2 million. A ruling from the KCC is due by January 10, 2017. If the regulators approve the settlement—and there has been no significant opposition—the transaction is likely to be completed shortly thereafter. Accordingly, this might well be our last full-page report on Empire District Electric.

We advise stockholders to sell their shares on the open market. The recent price of Empire District Electric stock is *above* the buyout price. The Timeliness rank of this equity remains suspended due to the takeover agreement.

Empire District Electric received a rate increase in Missouri. The Missouri Public Service Commission approved a settlement calling for a hike of $20.4 million (4.5%), based on a return on equity in a range of 9.5%-9.9%. New tariffs took effect in mid-September.

We expect higher earnings this year and next, despite the inclusion of merger-related expenses. Merger-related costs are expected to reduce the bottom line by $0.10-$0.12 a share in 2016. Even so, we think profits will wind up higher for the year because the effects of regulatory lag hurt earnings in 2015. In addition, Empire District Electric should benefit from rate relief in 2016 and 2017. Note that we have raised our 2016 earnings estimate by $0.05 a share, to $1.40, because a hotter-than-normal summer helped boost the bottom line in the third quarter.

Paul E. Debbas, CFA *December 16, 2016*

(A) Diluted earnings. Excl. loss from discontinued operations: '06, 2¢. '15 EPS don't add due to rounding. Next earnings report due early Feb. (B) Div'ds historically paid in mid-Mar., June, Sept. and Dec. Div'ds suspended 3Q '11, reinstated 1Q '12. ■ Div'd reinvestment plan avail. (3% discount). † Shareholder investment plan avail. (C) Incl. intangibles. In '15: $5.88/sh. (D) In mill. (E) Rate base: Deprec. orig. cost. Rate allowed on com. eq. in MO in '16: 9.5%-9.9%; earned on avg. com. eq., '15: 7.2%. Regulatory Climate: Below Average.

Company's Financial Strength	B++
Stock's Price Stability	85
Price Growth Persistence	35
Earnings Predictability	85

SEMPRA ENERGY NYSE-SRE

RECENT PRICE 145.00 | P/E RATIO 24.3 (Trailing: 25.6 / Median: 19.0) | RELATIVE P/E RATIO 1.44 | DIV'D YLD 2.8% | VALUE LINE

TIMELINESS 3 Lowered 6/21/19

SAFETY 2 Raised 7/29/16

TECHNICAL 3 Lowered 9/13/19

BETA .75 (1.00 = Market)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
High:	63.0	57.2	57.2	56.0	72.9	93.0	116.3	116.2	114.7	123.0	127.2	148.1
Low:	34.3	36.4	43.9	44.8	54.7	70.6	86.7	89.4	86.7	99.7	100.5	106.1

18-Month Target Price Range

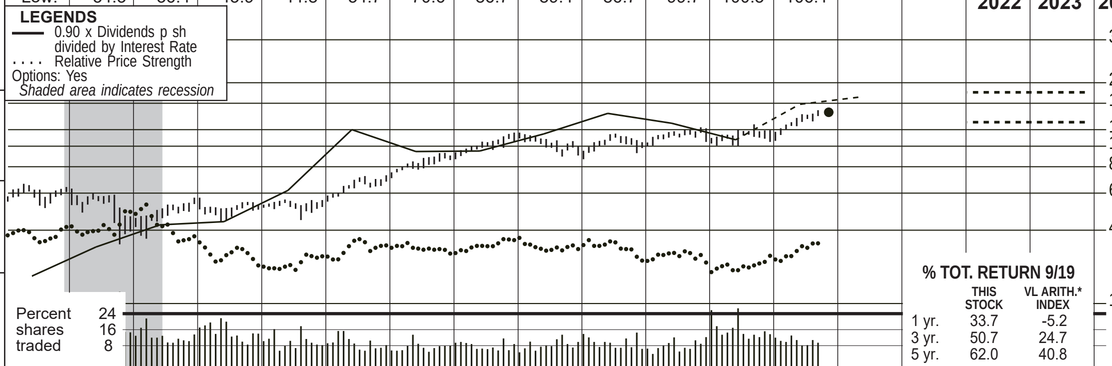
Low-High	Midpoint (% to Mid)
$102-$156	$129 (-10%)

2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	180	(+25%)	8%
Low	130	(-10%)	1%

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	344	344	338
to Sell	277	294	316
Hld's(000)	263178	266999	257637



% TOT. RETURN 9/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	33.7	-5.2
3 yr.	50.7	24.7
5 yr.	62.0	40.8

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
34.81	40.18	45.64	44.89	43.79	44.21	32.88	37.44	41.83	39.80	43.18	44.80	41.20	40.71	44.59	42.69	*38.60*	*40.00*	Revenues per sh	*43.75*
5.56	6.58	5.96	6.74	6.93	7.40	7.94	7.76	8.58	8.92	8.87	9.41	10.32	9.50	10.57	11.07	*11.05*	*12.25*	"Cash Flow" per sh	*15.00*
3.01	3.93	3.52	4.23	4.26	4.43	4.78	4.02	4.47	4.35	4.22	4.63	5.23	4.24	4.63	5.48	*5.75*	*6.85*	Earnings per sh A	*9.00*
1.00	1.00	1.16	1.20	1.24	1.37	1.56	1.56	1.92	2.40	2.52	2.64	2.80	3.02	3.29	3.58	*3.87*	*4.20*	Div'd Decl'd per sh B ■	*5.25*
4.63	4.62	5.46	7.28	7.70	8.47	7.76	8.58	11.85	12.20	10.52	12.68	12.71	16.85	15.71	13.82	*16.90*	*13.40*	Cap'l Spending per sh	*10.25*
17.17	20.78	23.95	28.66	31.87	32.75	36.54	37.54	41.00	42.42	45.03	45.98	47.56	51.77	50.41	54.35	*60.15*	*64.75*	Book Value per sh C	*76.50*
226.60	234.18	257.19	262.01	261.21	243.32	246.51	240.45	239.93	242.37	244.46	246.33	248.30	250.15	251.36	273.77	*290.00*	*300.00*	Common Shs Outst'g D	*320.00*
9.0	8.6	11.8	11.5	14.0	11.8	10.1	12.6	11.8	14.9	19.7	21.9	19.7	24.4	24.3	20.4	*Bold figures are*		Avg Ann'l P/E Ratio	*17.0*
.51	.45	.63	.62	.74	.71	.67	.80	.74	.95	1.11	1.15	.99	1.28	1.22	1.10	*Value Line*		Relative P/E Ratio	*.95*
3.7%	2.9%	2.8%	2.5%	2.1%	2.6%	3.2%	3.1%	3.6%	3.7%	3.0%	2.6%	2.7%	2.9%	2.9%	3.2%	*estimates*		Avg Ann'l Div'd Yield	*3.4%*

CAPITAL STRUCTURE as of 6/30/19
Total Debt $25750 mill. **Due in 5 Yrs** $10461 mill.
LT Debt $21199 mill. **LT Interest** $852 mill.
Incl. $1275 mill. capitalized leases.
(LT interest earned: 3.3x)
Leases, Uncapitalized Annual rentals $91 mill.
Pension Assets-12/18 $2160 mill. **Oblig** $3356 mill.
Pfd Stock $2278 mill. **Pfd Div'd** $105 mill.
17.25 mill. shs. 6% mandatorily convertible pfd.;
5.75 mill. shs. 6.75% mandatorily convertible pfd.;
811,073 shs. 6% cum., $25 par.
Common Stock 274,550,561 shs. **as of 7/29/19**
MARKET CAP: $40 billion (Large Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
8106.0	9003.0	10036	9647.0	10557	11035	10231	10183	11207	11687	*11200*	*12000*	Revenues ($mill)	*14000*
1193.0	1008.0	1088.0	1079.0	1060.0	1162.0	1314.0	1065.0	1169.0	1607.0	*1880*	*2280*	Net Profit ($mill)	*3000*
30.5%	26.5%	25.3%	18.2%	26.5%	19.7%	19.2%	14.4%	24.5%	20.1%	*21.0%*	*21.0%*	Income Tax Rate	*23.5%*
10.6%	11.3%	15.2%	17.2%	11.2%	14.4%	15.3%	22.2%	21.9%	12.6%	*11.0%*	*9.0%*	AFUDC % to Net Profit	*7.0%*
44.8%	49.4%	50.4%	52.8%	50.5%	51.7%	52.6%	52.7%	56.4%	55.7%	*54.0%*	*53.0%*	Long-Term Debt Ratio	*54.0%*
54.1%	49.6%	49.2%	46.7%	49.4%	48.2%	47.3%	47.3%	43.5%	38.4%	*41.0%*	*42.0%*	Common Equity Ratio	*46.0%*
16646	18186	20015	22002	22281	23513	24963	27400	29135	38769	*42775*	*46150*	Total Capital ($mill)	*53400*
18281	19876	23572	25191	25460	25902	28039	32931	36503	36796	*37750*	*40100*	Net Plant ($mill)	*44100*
8.3%	6.8%	6.7%	6.1%	6.0%	6.1%	6.4%	5.0%	5.1%	5.1%	*5.5%*	*6.0%*	Return on Total Cap'l	*6.5%*
13.0%	10.9%	10.9%	10.4%	9.6%	10.2%	11.1%	8.2%	9.2%	9.4%	*9.0%*	*10.0%*	Return on Shr. Equity	*12.0%*
13.1%	11.1%	11.0%	10.4%	9.6%	10.3%	11.1%	8.2%	9.2%	10.0%	*9.5%*	*10.5%*	Return on Com Equity E	*12.0%*
9.3%	7.0%	6.5%	5.1%	4.1%	5.0%	5.8%	2.9%	3.3%	4.1%	*3.0%*	*4.0%*	Retained to Com Eq	*5.0%*
29%	37%	41%	52%	58%	52%	48%	65%	65%	62%	*70%*	*64%*	All Div'ds to Net Prof	*58%*

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	-3.8	-.2	-3.2
Avg. Indust. Use (MWH)	4785	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NMF	NMF	NMF
Peak Load, Summer (Mw)	NMF	NMF	NMF
Annual Load Factor (%)	NMF	NMF	NMF
% Change Customers (yr-end)	+.6	+.8	+.9
Fixed Charge Cov. (%)	237	264	186

BUSINESS: Sempra Energy is a holding co. for San Diego Gas & Electric Company, which sells electricity & gas mainly in San Diego County, & Southern California Gas Company, which distributes gas to most of Southern California. Owns 80% of Oncor (acq'd 3/18), which distributes electricity in Texas. Customers: 4.9 mill. electric, 6.6 mill. gas. Electric rev. breakdown: residential, 41%; commercial, 42%; industrial, 10%; other, 7%. Purchases most of its power; the rest is gas. Has nonutility subsidiaries. Sold commodities business in '10. Power costs: 34% of revs. '18 reported deprec. rates: 2.4%-6.4%. Has 20,000 employees. Chairman: Debra L. Reed. CEO: Jeffrey W. Martin. Inc.: CA. Address: 488 8th Ave., San Diego, CA 92101. Tel.: 619-696-2000. Internet: www.sempra.com.

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-.5%	.5%	*.5%*
"Cash Flow"	4.0%	3.5%	*6.5%*
Earnings	1.0%	2.0%	*11.0%*
Dividends	10.0%	7.5%	*8.0%*
Book Value	5.5%	4.0%	*6.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	2622	2156	2535	2870	10183
2017	3031	2533	2679	2964	11207
2018	2962	2564	2940	3221	11687
2019	2898	2230	*2900*	*3172*	*11200*
2020	*3100*	*2400*	*3100*	*3400*	*12000*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	1.61	.06	1.02	1.52	4.24
2017	1.75	1.20	.22	1.46	4.63
2018	1.43	1.27	1.23	1.55	5.48
2019	1.78	1.10	*1.27*	*1.60*	*5.75*
2020	*2.00*	*1.50*	*1.50*	*1.85*	*6.85*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.66	.70	.70	.70	2.76
2016	.70	.755	.755	.755	2.97
2017	.755	.8225	.8225	.8225	3.22
2018	.8225	.895	.895	.895	3.51
2019	.895	.9675	.9675	.9675	

Sempra Energy has reached separate agreements to sell its utility assets in Peru and Chile. The sale prices are $3.59 billion for the assets in Peru and $2.23 billion for those in Chile, but the company won't wind up with nearly that much cash due to significant tax leakage. Sempra plans to use the sale proceeds for debt reduction and capital spending for its utilities in California and Texas. The transactions are expected to close in the first quarter of 2020. These will probably be the last major asset sales after management made acquisitions and divestitures in the past two years that changed Sempra's strategic and geographic focus.

The utilities in California were granted rate increases. Southern California Gas and San Diego Gas and Electric received increases of $314 million (12.8%) and $107 million (5.7%), respectively, retroactive to the start of 2019. SDG&E was granted hikes of $134 million (6.7%) and $102 million (4.8%) for 2020 and 2021, respectively. SoCalGas received increases of $220 million (7.9%) and $150 million (5.0%) for 2020 and 2021, respectively. This rate relief will contribute to the profit growth we expect in each of these three years.

A cost-of-capital filing is pending in California. SDG&E is asking for an allowed return on equity of 12.38%, and SoCalGas is seeking an allowed ROE of 10.7%. The utilities are requesting a common-equity ratio of 56%, up from the current 52%. A ruling is expected by year-end, and will take effect at the start of 2020.

The first train of a liquefied natural gas export facility has begun operating. The next two trains are under construction, with commercial operation expected in 2020. Annual earnings are estimated at $400 million-$450 million beginning in 2021, the first full year of operation.

The market has recognized Sempra's good prospects. The share price has risen 34% in 2019. However, Sempra doesn't stand out among utility issues for its dividend yield. Moreover, we look for total returns to be negative over the 18-month period and unspectacular over the 3- to 5-year pull.

Paul E. Debbas, CFA *October 25, 2019*

(A) Dil. EPS. Excl. nonrec. gains (losses): '09, (26¢); '10, ($1.05); '11, $1.15; '12, (98¢); '13, (30¢); '15, 14¢; '16, $1.23; '17, (17¢); '18, ($2.06); '19, 16¢; gain (losses) from disc. ops.: '06, $1.21; '07, (10¢); '19, 7¢. '16 EPS don't sum due to chg. in shs. Next egs. report due early Nov. (B) Div'ds paid mid-Jan., Apr., July, Oct. ■ Div'd reinv. plan avail. (C) Incl. intang. In '18: $15.47/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate all'd on com. eq.: SDG&E in '13: 10.3%; SoCalGas in '13: 10.1%; earn. on avg. com. eq., '18: 10.5%. Regul. Climate: Avg.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	80
Earnings Predictability	70

ENTERGY CORP. NYSE-ETR

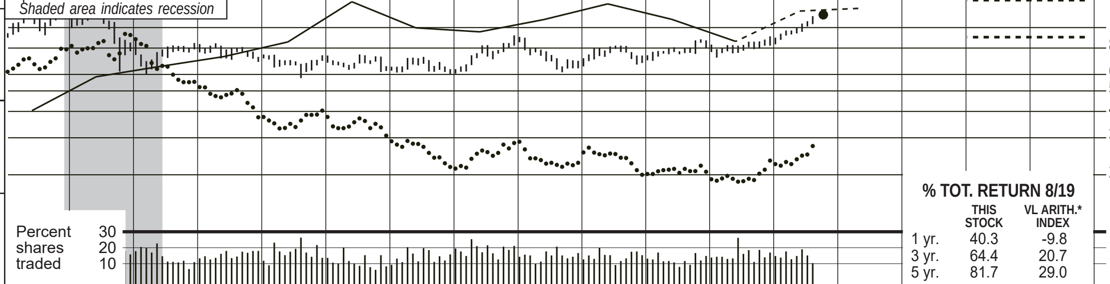
RECENT PRICE **115.18** | P/E RATIO **21.8** (Trailing: 18.1 / Median: 12.0) | RELATIVE P/E RATIO **1.35** | DIV'D YLD **3.2%** | **VALUE LINE**

TIMELINESS 3 Raised 10/26/18
SAFETY 3 Lowered 3/22/13
TECHNICAL 4 Lowered 9/13/19
BETA .60 (1.00 = Market)

High:	127.5	86.6	84.3	74.5	74.5	72.6	92.0	90.3	82.1	87.9	90.8	115.3
Low:	61.9	59.9	68.7	57.6	61.6	60.2	60.4	61.3	65.4	69.6	71.9	83.2

Target Price Range
2022 | 2023 | 2024

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



2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	135	(+15%)	7%
Low	90	(-20%)	-2%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	0
Options	5	14	12	14	9	2	5	14	6
to Sell	8	7	1	6	2	0	6	5	6

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	250	307	260
to Sell	287	253	281
Hld's(000)	168804	166792	175686

% TOT. RETURN 8/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	40.3	-9.8
3 yr.	64.4	20.7
5 yr.	81.7	29.0

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
40.17	46.69	46.61	53.94	59.47	69.15	56.82	64.27	63.67	57.94	63.86	69.71	64.54	60.55	61.35	58.23	*54.50*	*53.50*	Revenues per sh	*51.00*
7.43	8.33	8.18	10.69	11.73	12.89	13.29	16.54	17.53	15.98	16.25	17.68	17.71	18.72	16.70	16.50	*16.20*	*16.65*	"Cash Flow" per sh	*18.00*
3.69	3.93	4.40	5.36	5.60	6.20	6.30	6.66	7.55	6.02	4.96	5.77	5.81	6.88	5.19	5.88	*5.60*	*5.55*	Earnings per sh A	*6.25*
1.60	1.89	2.16	2.16	2.58	3.00	3.00	3.24	3.32	3.32	3.32	3.32	3.34	3.42	3.50	3.58	*3.66*	*3.74*	Div'd Decl'd per sh B ■ †	*4.45*
6.85	6.51	6.72	9.44	10.29	13.92	12.99	13.33	15.21	18.18	15.73	14.82	16.79	17.28	22.07	22.45	*23.00*	*19.55*	Cap'l Spending per sh	*20.25*
38.02	38.26	35.71	40.45	40.71	42.07	45.54	47.53	50.81	51.73	54.00	55.83	51.89	45.12	44.28	46.78	*49.40*	*51.30*	Book Value per sh C	*58.00*
228.90	216.83	216.83	202.67	193.12	189.36	189.12	178.75	176.36	177.81	178.37	179.24	178.39	179.13	180.52	189.06	*199.00*	*200.00*	Common Shs Outst'g D	*210.00*
13.8	15.1	16.3	14.3	19.3	16.6	12.0	11.6	9.1	11.2	13.2	12.9	12.5	10.9	15.0	13.8	*Bold figures are*		Avg Ann'l P/E Ratio	*18.0*
.79	.80	.87	.77	1.02	1.00	.80	.74	.57	.71	.74	.68	.63	.57	.75	.74	*Value Line*		Relative P/E Ratio	*1.00*
3.1%	3.2%	3.0%	2.8%	2.4%	2.9%	4.0%	4.2%	4.9%	4.9%	5.1%	4.5%	4.6%	4.6%	4.5%	4.4%	*estimates*		Avg Ann'l Div'd Yield	*4.0%*

CAPITAL STRUCTURE as of 6/30/19
Total Debt $18990 mill. **Due in 5 Yrs** $6702.0 mill.
LT Debt $17204 mill. **LT Interest** $774.2 mill.
Incl. $359.9 mill. of securitization bonds and $20.4 mill. of capitalized leases.
(LT interest earned: 1.4x)
Leases, Uncapitalized Annual rentals $94.0 mill.
Pension Assets-12/18 $5497.4 mill.
Oblig $7404.9 mill.
Pfd Stock $219.4 mill. **Pfd Div'd** $13.8 mill.
642,307 shs. 4.32%-7.5%, $100 par; 250,000 shs. 8.75%, all without sinking fund.
Common Stock 198,829,751 shs. **as of 7/31/19**
MARKET CAP: $23 billion (Large Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
10746	11488	11229	10302	11391	12495	11513	10846	11074	11009	*10850*	*10700*	Revenues ($mill)	*10700*
1251.1	1270.3	1367.4	1091.9	904.5	1060.0	1061.2	1249.8	950.7	1092.1	*1100*	*1120*	Net Profit ($mill)	*1335*
33.6%	32.7%	17.3%	13.0%	26.7%	37.8%	2.2%	11.3%	1.8%	NMF	*14.0%*	*24.0%*	Income Tax Rate	*24.0%*
7.4%	7.4%	8.9%	11.9%	10.1%	9.3%	7.4%	8.1%	14.7%	17.5%	*19.0%*	*14.0%*	AFUDC % to Net Profit	*12.0%*
55.3%	56.3%	52.2%	55.8%	55.1%	54.9%	57.8%	63.6%	63.6%	63.2%	*62.5%*	*62.5%*	Long-Term Debt Ratio	*59.5%*
43.1%	42.1%	46.4%	42.9%	43.6%	43.8%	40.8%	35.5%	35.5%	35.9%	*36.5%*	*37.0%*	Common Equity Ratio	*40.0%*
19985	20166	19324	21432	22109	22842	22714	22777	22528	24602	*26875*	*27750*	Total Capital ($mill)	*30600*
23389	23848	25609	27299	27882	28723	27824	27921	29664	31974	*34475*	*36200*	Net Plant ($mill)	*41500*
7.6%	7.7%	8.5%	6.4%	5.4%	6.0%	6.0%	6.9%	5.7%	5.8%	*5.5%*	*5.5%*	Return on Total Cap'l	*6.0%*
14.0%	14.4%	14.8%	11.5%	9.1%	10.3%	11.1%	15.1%	11.6%	12.0%	*11.0%*	*10.5%*	Return on Shr. Equity	*11.0%*
14.3%	14.7%	15.0%	11.6%	9.2%	10.4%	11.2%	15.2%	11.7%	12.2%	*11.0%*	*11.0%*	Return on Com Equity E	*11.0%*
7.6%	7.6%	8.4%	5.2%	3.0%	4.4%	4.8%	7.7%	3.9%	4.9%	*4.0%*	*3.5%*	Retained to Com Eq	*3.0%*
48%	49%	45%	56%	68%	58%	58%	50%	68%	61%	*66%*	*68%*	All Div'ds to Net Prof	*71%*

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	+.3	+.2	+4.1
Avg. Indust. Use (MWH)	989	1034	946
Avg. Indust. Revs. per KWH(¢)	5.09	5.41	5.16
Capacity at Peak (Mw)	24656	24279	23121
Peak Load, Summer (Mw)	21387	21671	21587
Annual Load Factor (%)	63	62	65
% Change Customers (yr-end)	+.8	+.6	+.6
Fixed Charge Cov. (%)	258	169	95

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	- -	-.5%	*-2.5%*
"Cash Flow"	4.0%	1.0%	*.5%*
Earnings	.5%	-.5%	*.5%*
Dividends	3.0%	1.0%	*4.0%*
Book Value	1.0%	-2.5%	*4.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	2609	2462	3124	2648	10846
2017	2588	2618	3243	2623	11074
2018	2724	2669	3104	2512	11009
2019	2610	2666	*3074*	*2500*	*10850*
2020	*2650*	*2650*	*3000*	*2400*	*10700*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	1.28	3.16	2.16	.28	6.88
2017	.46	2.27	2.21	.25	5.19
2018	.73	1.34	3.42	.39	5.88
2019	1.32	1.22	*2.50*	*.56*	*5.60*
2020	*1.00*	*1.45*	*2.50*	*.60*	*5.55*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.83	.83	.83	.85	3.34
2016	.85	.85	.85	.87	3.42
2017	.87	.87	.87	.89	3.50
2018	.89	.89	.89	.91	3.58
2019	.91	.91	.91		

BUSINESS: Entergy Corporation supplies electricity to 2.9 million customers through subsidiaries in Arkansas, Louisiana, Mississippi, Texas, and New Orleans (regulated separately from Louisiana). Distributes gas to 200,000 customers in Louisiana. Has a nonutility subsidiary that owns six nuclear units (two no longer operating). Electric revenue breakdown: residential, 38%; commercial, 26%; industrial, 27%; other, 9%. Generating sources: gas, 39%; nuclear, 27%; coal, 9%; purchased, 25%. Fuel costs: 35% of revenues. '18 reported depreciation rate: 2.8%. Has 13,700 employees. Chairman & CEO: Leo P. Denault. Incorporated: Delaware. Address: 639 Loyola Avenue, P.O. Box 61000, New Orleans, Louisiana 70161. Telephone: 504-576-4000. Internet: www.entergy.com.

Entergy's utilities are improving their earning power. Some are benefiting from rate relief, much of which comes through their states' formula rate plans. An example is Entergy Arkansas, which is seeking a $15.3 million change in rates, effective in early 2020. The economy of the utilities' service territories is still healthy, and so far the industrial sector is not seeing significant problems stemming from the effects of tariffs. We think earnings will fall short of the 2018 tally only because net profit benefited from some tax credits last year. Note that our earnings presentation *includes* the contribution of Entergy's nonutility operations, which the company is phasing out as its nonregulated nuclear units are sold, even though management excludes this from its 2019 earnings guidance of $5.15-$5.45 a share. This boosted share net by $0.36 in the first six months. Entergy's targeted range for 2020 is $5.45-$5.75 a share, excluding any profit (or loss) from the nonutility sector.

The company completed construction of a gas-fired generating plant, and other gas-fired units are being built or acquired. A 980-megawatt facility in Louisiana went into service in May (ahead of schedule) at a cost of $861 million. In Mississippi, the utility filed for approval to buy an 810-mw plant for $401 million. Entergy Louisiana is adding two more plants (1,355 mw) at an expected cost of $1.1 billion. Entergy New Orleans is building a 128-mw unit for $210 million. Finally, Entergy Texas is constructing a 993-mw facility for $937 million. These plants are expected to come on line in 2020 and 2021.

Capital spending will likely remain high for the next few years. In addition to the gas-fired plants mentioned above, Entergy is modernizing its electric grid by adding such things as advanced metering infrastructure. Part of these expenditures will be financed with common equity.

The price of Entergy stock has risen 34% this year. The market recognizes the good prospects of the utility operations and the reduced business risk as the company exits its nonregulated activities. However, the stock, which had a premium dividend yield for many years, now has one that merely equals the utility average. Total return potential to 2022-2024 is low.

Paul E. Debbas, CFA *September 13, 2019*

(A) Diluted EPS. Excl. nonrec. gain (losses): '03, 33¢; '05, (21¢); '12, ($1.26); '13, ($1.14); '14, (56¢); '15, ($6.99); '16, ($10.14); '17, ($2.91); '18, ($1.25). Next earnings report due early Nov. (B) Div'ds historically paid in early Mar., June, Sept., & Dec. ■ Div'd reinvest. plan avail. † Shareholder invest. plan avail. (C) Incl. def'd charges. In '18: $28.37/sh. (D) In millions. (E) Rate base: Net original cost. Allowed ROE (blended): 9.95%; earned on avg. com. eq., '18: 12.6%. Regulatory Climate: Average.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	20
Earnings Predictability	60

NEXTERA ENERGY NYSE-NEE

RECENT PRICE **227.11** | P/E RATIO **28.6** (Trailing: 34.1 / Median: 16.0) | RELATIVE P/E RATIO **1.64** | DIV'D YLD **2.4%** | VALUE LINE

TIMELINESS **2** Lowered 11/1/19
SAFETY **1** Raised 2/16/18
TECHNICAL **2** Raised 11/15/19
BETA .55 (1.00 = Market)

18-Month Target Price Range
Low-High: $202-$268 | Midpoint (% to Mid): $235 (5%)

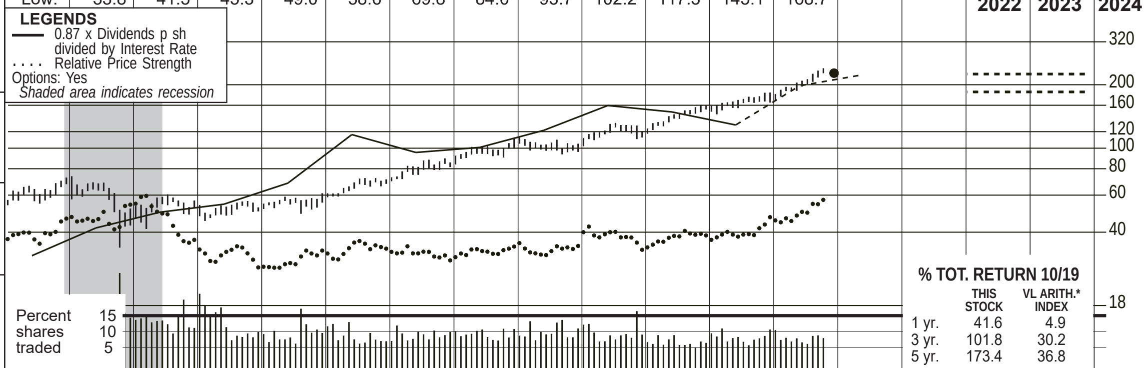
2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	225	(Nil)	3%
Low	185	(-20%)	-2%

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	712	752	738
to Sell	605	625	624
Hld's(000)	363784	363843	370488

High:	73.8	60.6	56.3	61.2	72.2	89.8	110.8	112.6	132.0	159.4	184.2	239.9
Low:	33.8	41.5	45.3	49.0	58.6	69.8	84.0	93.7	102.2	117.3	145.1	168.7



% TOT. RETURN 10/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	41.6	4.9
3 yr.	101.8	30.2
5 yr.	173.4	36.8

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
26.13	28.27	30.00	38.75	37.47	40.13	37.82	36.39	36.88	33.62	34.80	38.42	37.93	34.52	36.51	34.99	**39.35**	**41.90**	Revenues per sh	**49.50**
5.36	5.60	6.18	6.77	6.85	8.03	8.75	9.62	9.29	8.69	10.54	12.10	12.92	12.97	12.11	15.37	**16.45**	**19.00**	"Cash Flow" per sh	**22.75**
2.45	2.46	2.32	3.23	3.27	4.07	3.97	4.74	4.82	4.56	4.83	5.60	6.06	5.78	6.50	6.67	**7.10**	**9.10**	Earnings per sh A	**11.50**
1.20	1.30	1.42	1.50	1.64	1.78	1.89	2.00	2.20	2.40	2.64	2.90	3.08	3.48	3.93	4.44	**5.00**	**5.65**	Div'd Decl'd per sh B ■ †	**7.00**
3.75	3.75	4.09	9.22	12.32	12.80	14.52	13.89	15.93	22.31	15.36	15.84	18.17	20.59	22.80	27.21	**24.55**	**25.05**	Cap'l Spending per sh	**26.25**
18.91	20.25	21.52	24.49	26.35	28.57	31.35	34.36	35.92	37.90	41.47	44.96	48.97	52.01	59.89	71.43	**75.05**	**78.60**	Book Value per sh C	**93.25**
368.53	372.24	394.85	405.40	407.35	408.92	413.62	420.86	416.00	424.00	435.00	443.00	461.00	468.00	471.00	478.00	**489.00**	**489.00**	Common Shs Outst'g D	**495.00**
12.6	13.6	17.9	13.7	18.9	14.5	13.4	10.8	11.5	14.4	16.6	17.3	16.9	20.7	21.6	24.8	*Bold figures are*	*Value Line*	Avg Ann'l P/E Ratio	**18.0**
.72	.72	.95	.74	1.00	.87	.89	.69	.72	.92	.93	.91	.85	1.09	1.09	1.34	*estimates*		Relative P/E Ratio	**1.00**
3.9%	3.9%	3.4%	3.4%	2.7%	3.0%	3.5%	3.9%	4.0%	3.6%	3.3%	3.0%	3.0%	2.9%	2.8%	2.7%			Avg Ann'l Div'd Yield	**3.4%**
						15643	15317	15341	14256	15136	17021	17486	16155	17195	16727	**19250**	**20500**	Revenues ($mill)	**24500**
						1615.0	1957.0	2021.0	1911.0	2062.0	2465.0	2752.0	2693.0	3074.0	3200.0	**3470**	**4495**	Net Profit ($mill)	**5785**
						16.8%	21.4%	22.4%	26.6%	26.9%	32.3%	30.8%	29.3%	24.4%	28.6%	**9.0%**	**9.0%**	Income Tax Rate	**9.0%**
						7.9%	4.4%	4.4%	10.8%	7.0%	6.7%	6.9%	8.2%	6.7%	6.6%	**6.0%**	**5.0%**	AFUDC % to Net Profit	**4.0%**
						55.7%	55.5%	58.2%	59.1%	57.1%	55.0%	54.2%	53.3%	52.7%	44.0%	**50.0%**	**50.0%**	Long-Term Debt Ratio	**49.5%**
						44.3%	44.5%	41.8%	40.9%	42.9%	45.0%	45.8%	46.7%	47.3%	56.0%	**50.0%**	**50.0%**	Common Equity Ratio	**50.5%**
						29267	32474	35753	39245	42009	44283	49255	52159	59671	60926	**73375**	**76700**	Total Capital ($mill)	**91100**
						36078	39075	42490	49413	52720	55705	61386	66912	72416	70334	**82425**	**89875**	Net Plant ($mill)	**112300**
						6.9%	7.4%	7.0%	6.2%	6.2%	7.0%	6.8%	6.3%	6.3%	6.3%	**5.5%**	**7.0%**	Return on Total Cap'l	**7.5%**
						12.5%	13.5%	13.5%	11.9%	11.4%	12.4%	12.2%	11.1%	10.9%	9.4%	**9.5%**	**11.5%**	Return on Shr. Equity	**12.5%**
						12.5%	13.5%	13.5%	11.9%	11.4%	12.4%	12.2%	11.1%	10.9%	9.4%	**9.5%**	**11.5%**	Return on Com Equity E	**12.5%**
						6.5%	7.8%	7.4%	5.6%	5.2%	6.0%	6.1%	4.4%	4.4%	3.2%	**3.0%**	**4.5%**	Retained to Com Eq	**5.0%**
						47%	42%	46%	53%	54%	51%	50%	60%	60%	66%	**70%**	**61%**	All Div'ds to Net Prof	**60%**

CAPITAL STRUCTURE as of 9/30/19
Total Debt $41787 mill. **Due in 5 Yrs** $18336 mill.
LT Debt $36144 mill. **LT Interest** $1446 mill.

(LT interest earned: 2.8x)

Pension Assets-12/18 $3806 mill. **Oblig** $2522 mill.

Pfd Stock None

Common Stock 488,775,903 shs.

MARKET CAP: $111 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	-.8	-.9	+1.4
Avg. Indust. Use (MWH)	255	NA	NA
Avg. Indust. Revs. per KWH (¢)	6.11	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)	+1.3	NA	NA
Fixed Charge Cov. (%)	339	278	266

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-1.0%	- -	*6.0%*
"Cash Flow"	6.5%	7.0%	*9.0%*
Earnings	6.0%	6.0%	*10.5%*
Dividends	9.0%	10.5%	*10.0%*
Book Value	8.5%	9.5%	*7.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	3835	3817	4805	3698	16155
2017	3972	4404	4808	4011	17195
2018	3857	4063	4416	4391	16727
2019	4075	4970	5572	**4633**	**19250**
2020	**4400**	**5200**	**6000**	**4900**	**20500**

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	1.41	.93	1.62	1.82	5.78
2017	1.90	1.68	1.79	1.13	6.50
2018	2.06	1.64	2.10	.88	6.67
2019	1.41	2.56	1.81	**1.32**	**7.10**
2020	**2.35**	**2.45**	**2.45**	**1.85**	**9.10**

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.77	.77	.77	.77	3.08
2016	.87	.87	.87	.87	3.48
2017	.9825	.9825	.9825	.9825	3.93
2018	1.11	1.11	1.11	1.11	4.44
2019	1.25	1.25	1.25		

BUSINESS: NextEra Energy, Inc. (formerly FPL Group, Inc.) is a holding company for Florida Power & Light Company (FPL) and Gulf Power, which provide electricity to 5.5 million customers in eastern, southern, & northwestern Florida. NextEra Energy Resources is a nonregulated power generator with nuclear, gas, & renewable ownership. Has 79.9% stake in NextEra Energy Partners. Rev. breakdown: residential, 55%; commercial, 35%; industrial & other, 10%. Generating sources: gas, 73%; nuclear, 22%; other, 3%; purch., 2%. Fuel costs: 22% of revs. '18 reported depr. rate (util.): 3.8%. Has 14,200 employees. Chairman, Pres. and CEO: James L. Robo. Inc.: FL. Address: 700 Universe Blvd., Juno Beach, FL 33408. Tel.: 561-694-4000. Internet: www.nexteraenergy.com.

NextEra Energy's earnings should exceed the 2018 tally in 2019, even though we lowered our share-net estimate by $0.65. Mark-to-market accounting changes hurt the bottom line in the third quarter. (We *include* these in our earnings presentation because they are an ongoing part of the company's results.) Nevertheless, NextEra is performing well in both its regulated and nonregulated operations. Regulated capital employed, which has a key effect on the earning power of Florida Power & Light, rose 8% year over year in the third period. The economy in FPL's service area is healthy, and customer growth is solid. NextEra Energy Resources is benefiting from the addition of contracted renewable-energy projects. At the end of September, it had a record backlog of 1.373 megawatts. This is greater than its entire portfolio at the end of 2014, illustrating how much this subsidiary has grown since then.

We expect a material profit increase in 2020. We assume no mark-to-market gains or losses since these are impossible to predict. We expect a continuation of solid growth at FPL and NextEra Energy Resources. In addition, asset acquisitions made since late 2018—most notably Gulf Power, an electric utility in northern Florida—are expected to boost the bottom line by $0.15 a share in 2020 and $0.20 a share in 2021.

The cost estimate to build the Mountain Valley Pipeline has risen again. Litigation has caused delays and cost escalations. The latest estimate is $5.4 billion, up from $5.0 billion previously. So far, NextEra has spent more than $1 billion on its 31% stake in the project.

The price of this timely and high-quality stock continues to soar. The market is recognizing NextEra Energy's strong prospects, including a leading position in renewable energy. The equity was one of the top-performing utility issues in 2018, and the quotation has climbed 31% so far this year. As a result, the dividend yield is not significantly greater than the median of all dividend-paying stocks under our coverage. Total return potential over the 18-month period is modest. Finally, the recent price is above our 2022-2024 Target Price Range.

Paul E. Debbas, CFA *November 15, 2019*

(A) Diluted EPS. Excl. nonrecur. gains (losses): '03, 5¢; '11, (24¢); '13, (80¢); '16, 47¢; '17, 91¢; '18, $7.19; gain on disc. ops.: '13, 44¢. '18 EPS don't sum due to rounding. Next earnings report due late Jan. (B) Div'ds historically paid in mid-Mar., mid-June, mid-Sept., & mid-Dec. ■ Div'd reinvestment plan available. † Shareholder investment plan avail. (C) Incl. deferred charges. In '18: $9.57/sh. (D) In mill., adj. for stock split. (E) Rate allowed on com. eq. in '17 (FPL): 9.6%-11.6%; earned on avg. com. eq., '18: 10.9%. Regulatory Climate: Average.

Company's Financial Strength	A+
Stock's Price Stability	100
Price Growth Persistence	95
Earnings Predictability	70

FORTIS INC. TSE-FTS.TO A

RECENT PRICE	56.33	P/E RATIO	21.4 (Trailing: 22.4; Median: 19.0)	RELATIVE P/E RATIO	1.33	DIV'D YLD	3.4%	VALUE LINE

TIMELINESS 2 Lowered 8/16/19

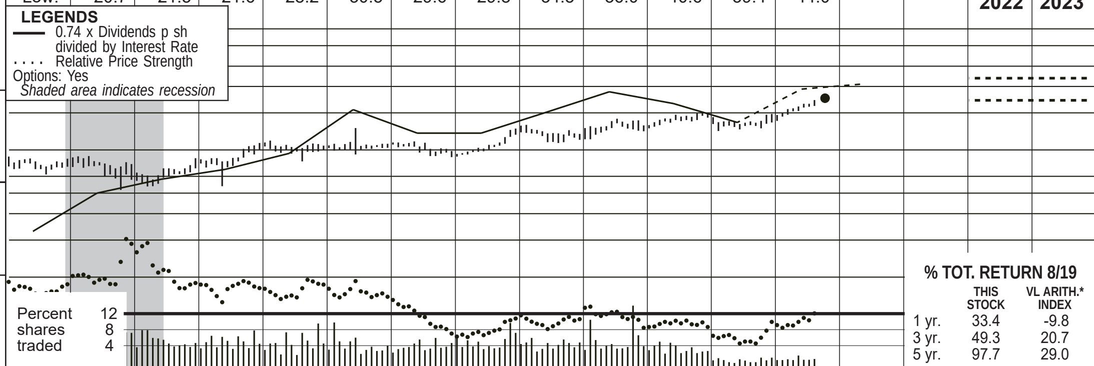
SAFETY 2 Raised 7/17/15

TECHNICAL 3 Lowered 8/30/19

BETA .65 (1.00 = Market)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
High:	29.9	29.2	34.5	35.4	40.7	35.1	40.5	42.1	45.1	48.7	47.4	56.4
Low:	20.7	21.5	21.6	28.2	30.5	29.6	29.8	34.5	36.0	40.6	39.4	44.0

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



Target Price Range

2022 | 2023 | 2024

2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(+25%)	9%
Low	55	(Nil)	3%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	123	120	119
to Sell	109	116	119
Hld's(000)	226055	224810	224675

Percent shares traded 12 8 4

% TOT. RETURN 8/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	33.4	-9.8
3 yr.	49.3	20.7
5 yr.	97.7	29.0

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
12.13	11.99	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	***19.90***	***20.35***	**Revenues per sh**	***21.50***
1.92	2.23	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	***5.70***	***6.00***	**"Cash Flow" per sh**	***6.75***
1.03	1.01	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	***2.60***	***2.75***	**Earnings per sh B**	***3.00***
.52	.54	.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	***1.85***	***1.96***	**Div'd Decl'd per sh C ■**	***2.35***
2.99	2.92	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	***9.75***	***7.80***	**Cap'l Spending per sh**	***7.75***
8.84	10.47	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	***37.15***	***38.85***	**Book Value per sh D**	***44.00***
69.52	95.53	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	***440.00***	***445.00***	**Common Shs Outst'g E**	***460.00***
13.6	15.3	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	*Bold figures are*		**Avg Ann'l P/E Ratio**	***20.5***
.78	.81	.92	.96	1.12	1.05	1.09	1.16	1.18	1.28	1.12	1.28	.91	1.13	.84	.92	*Value Line*		**Relative P/E Ratio**	***1.15***
3.7%	3.5%	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%	*estimates*		**Avg Ann'l Div'd Yield**	***3.8%***

CAPITAL STRUCTURE as of 6/30/19
Total Debt $23477 mill. **Due in 5 Yrs** $6335 mill.
LT Debt $22561 mill. **LT Interest** $925 mill.
Incl. $331 mill. capitalized leases.
(LT interest earned: 2.3x)
Leases, Uncapitalized Annual rentals $8 mill.

Pension Assets-12/18 $2830 mill. **Oblig** $3207 mill.
Pfd Stock $1623 mill. **Pfd Div'd** $66 mill.

Common Stock 436,600,000 shs.
as of 8/1/19
MARKET CAP: $25 billion (Large Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
3637.0	3664.0	3747.0	3654.0	4047.0	5401.0	6727.0	6838.0	8301.0	8390.0	***8750***	***9050***	**Revenues ($mill)**	***9900***
280.0	313.0	347.0	362.0	390.0	374.0	672.0	660.0	1174.0	1136.0	***1305***	***1390***	**Net Profit ($mill)**	***1575***
14.4%	17.2%	18.3%	14.1%	7.4%	14.6%	21.3%	16.9%	25.8%	13.4%	***15.5%***	***15.5%***	**Income Tax Rate**	***15.5%***
6.4%	4.2%	5.5%	5.0%	5.9%	7.2%	7.4%	10.0%	9.5%	8.4%	***8.0%***	***8.0%***	**AFUDC % to Net Profit**	***8.0%***
61.3%	60.5%	57.5%	55.1%	53.5%	54.8%	53.3%	59.3%	58.4%	58.8%	***57.0%***	***55.5%***	**Long-Term Debt Ratio**	***53.0%***
34.8%	33.5%	36.9%	35.1%	37.0%	35.7%	38.1%	36.2%	37.1%	37.2%	***39.0%***	***41.0%***	**Common Equity Ratio**	***43.0%***
9136.0	9868.0	10513	11358	12892	19235	21151	35874	36108	40082	***41825***	***42375***	**Total Capital ($mill)**	***47100***
8246.0	8762.0	9281.0	10249	12267	17816	19595	29337	29668	32654	***35575***	***37625***	**Net Plant ($mill)**	***42900***
5.0%	5.0%	5.0%	4.8%	4.6%	3.4%	4.5%	2.8%	4.5%	4.1%	***4.5%***	***4.5%***	**Return on Total Cap'l**	***4.5%***
7.9%	8.0%	7.8%	7.1%	6.5%	4.3%	6.8%	4.5%	7.8%	6.9%	***7.5%***	***7.5%***	**Return on Shr. Equity**	***7.0%***
8.2%	8.6%	8.2%	7.9%	7.0%	4.5%	7.4%	4.5%	8.3%	7.2%	***7.5%***	***7.5%***	**Return on Com Equity F**	***7.0%***
4.1%	2.8%	4.3%	3.7%	3.2%	1.7%	4.5%	2.1%	5.2%	4.1%	***4.0%***	***4.0%***	**Retained to Com Eq**	***3.5%***
54%	71%	52%	60%	61%	68%	46%	59%	41%	46%	***43%***	***43%***	**All Div'ds to Net Prof**	***46%***

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	NA	NA	NA
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	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
Fixed Charge Cov. (%)	173	231	208

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	.5%	-.5%	*2.5%*
"Cash Flow"	4.5%	4.0%	*5.5%*
Earnings	5.5%	7.0%	*4.0%*
Dividends	7.0%	6.5%	*6.0%*
Book Value	7.5%	9.0%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	1772	1485	1528	2053	6838
2017	2274	2015	1901	2111	8301
2018	2197	1947	2040	2206	8390
2019	2436	1970	***2100***	***2244***	***8750***
2020	***2500***	***2100***	***2150***	***2300***	***9050***

Cal-endar	EARNINGS PER SHARE B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.57	.38	.45	.49	1.89
2017	.72	.62	.66	.66	2.66
2018	.69	.57	.65	.61	2.52
2019	.72	.54	***.69***	***.65***	***2.60***
2020	***.75***	***.65***	***.70***	***.65***	***2.75***

Cal-endar	QUARTERLY DIVIDENDS PAID C ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.34	.34	.34	.375	1.40
2016	.375	.375	.375	.40	1.53
2017	.40	.40	.40	.425	1.63
2018	.425	.425	.425	.45	1.73
2019	.45	.45	.45		

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: 30% of revenues. '18 reported deprec. rate: 2.5%. Has 8,800 employees. Chairman: Douglas J. Haughey. President & CEO: Barry V. Perry. 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' Tucson Electric Power subsidiary has a general rate case pending. The utility filed for a rate increase of $115 million (7%), based on a return of 10.35% on a common-equity ratio of 53%. The requested ROE and equity ratio are higher than those allowed in rates currently, which are 9.75% and 50%, respectively. An order from the Arizona Corporation Commission is expected in time for new tariffs to take effect on May 1st.

We reduced our 2019 earnings estimate by $0.10 a share, to $2.60. June-quarter earnings were hurt by unfavorable weather patterns in Arizona, where the Tucson area experienced its mildest second quarter in the past 20 years. In addition, the average share count will be higher than we had estimated. Our revised expectation for share net would still produce a modest increase over the 2018 tally. Central Hudson is benefiting from the second phase of a three-year rate hike, which took effect in mid-2019. Finally, the ITC transmission subsidiary receives rate relief every year thanks to a forward-looking formula rate plan. Note that our earnings presentation *excludes* a gain of $1.12 a share on an asset sale that Fortis recorded in the second quarter.

We estimate record share profits in 2020. We assume reasonable regulatory treatment for Tucson Electric. Central Hudson and ITC will get additional rate increases, as well. Our estimate of $2.75 a share would produce a 6% earnings increase. Note, though, that Fortis' earning power is affected by allowed ROEs and equity ratios for its Canadian utilities that are well below those allowed in the U.S.

A dividend increase is likely, effective with the December payment. This has been the pattern in recent years. We think the board of directors will boost the quarterly disbursement $0.025 a share (5.6%), the same as in each of the past three years. Fortis' goal is 6% annual dividend growth through 2023, so a slightly greater hike than we estimate is not out of the question.

Timely Fortis stock has a dividend yield that is slightly higher than the utility average. Total return potential to 2022-2024 is modest, but still better than that of most utility issues.

Paul E. Debbas, CFA *September 13, 2019*

(A) Also trades on NYSE under the symbol FTS. All data in Canadian $. (B) Diluted earnings. Excl. nonrec. gains (loss): '07, 3¢; '14, 2¢; '15, 48¢; '17, (35¢); '18, 7¢. 2Q '19, $1.12. Next earnings report due early Nov. (C) Div'ds historically paid in early Mar., June, Sept., and Dec. ■ Div'd reinvestment plan avail. (2% disc.). (D) Incl. intang. In '18: $38.70/sh. (E) In millions. (F) Rate base: varies. Rates all'd on com. eq.: 8.3%-10.32%; earned on avg. com. eq., '18: 7.6%. Regulat. Climate: FERC, Above Average; AZ, Average; NY, Below Average.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	30
Earnings Predictability	70

HAWAIIAN ELECTRIC NYSE-HE

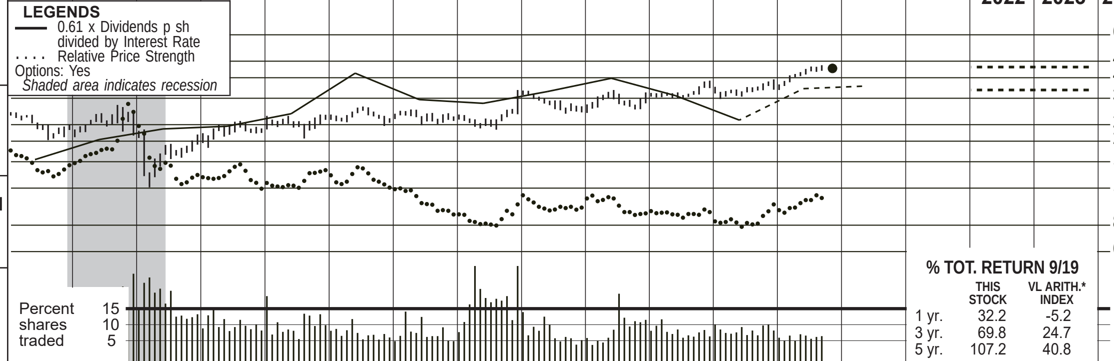
RECENT PRICE	44.31	P/E RATIO	22.7 (Trailing: 23.8 / Median: 18.0)	RELATIVE P/E RATIO	1.34	DIV'D YLD	3.0%	VALUE LINE

TIMELINESS 3 Lowered 9/20/19
SAFETY 2 Raised 11/2/12
TECHNICAL 3 Lowered 10/4/19
BETA .55 (1.00 = Market)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
High:	29.8	22.7	25.0	26.8	29.2	28.3	35.0	34.9	35.0	38.7	39.3	46.0
Low:	21.0	12.1	18.6	20.6	23.7	23.8	22.7	27.0	27.3	31.7	31.7	35.1

Target Price Range

	2022	2023	2024



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$40-$51	$46 (5%)

2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(Nil)	4%
Low	35	(-20%)	-2%

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	122	157	145
to Sell	124	98	132
Hld's(000)	56677	57700	59312

% TOT. RETURN 9/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	32.2	-5.2
3 yr.	69.8	24.7
5 yr.	107.2	40.8

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
23.49	23.85	27.36	30.21	30.40	35.56	24.96	28.14	33.76	34.46	31.98	31.59	24.22	21.92	23.49	26.28	***26.60***	***27.25***	Revenues per sh	***29.25***
3.54	3.09	3.22	3.19	3.01	2.72	2.59	2.88	3.18	3.28	3.22	3.41	3.31	4.17	3.68	4.20	***4.40***	***4.55***	"Cash Flow" per sh	***5.00***
1.58	1.36	1.46	1.33	1.11	1.07	.91	1.21	1.44	1.67	1.62	1.64	1.50	2.29	1.64	1.85	***1.95***	***2.05***	Earnings per sh A	***2.25***
1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	***1.28***	***1.32***	Div'd Decl'd per sh B ■	***1.50***
2.15	2.66	2.76	2.58	2.62	3.12	3.29	1.92	2.45	3.32	3.49	3.31	3.39	3.04	4.55	4.94	***3.90***	***4.10***	Cap'l Spending per sh	***4.50***
14.36	15.01	15.02	13.44	15.29	15.35	15.58	15.67	15.95	16.28	17.06	17.47	17.94	19.03	19.28	19.86	***20.50***	***21.45***	Book Value per sh C	***24.25***
75.84	80.69	80.98	81.46	83.43	90.52	92.52	94.69	96.04	97.93	101.26	102.57	107.46	108.58	108.79	108.88	***109.00***	***110.00***	Common Shs Outst'g D	***113.00***
13.8	19.2	18.3	20.3	21.6	23.2	19.8	18.6	17.1	15.8	16.2	15.9	20.4	13.6	20.7	18.9	*Bold figures are*	*Value Line estimates*	Avg Ann'l P/E Ratio	***17.5***
.79	1.01	.97	1.10	1.15	1.40	1.32	1.18	1.07	1.01	.91	.84	1.03	.71	1.04	1.02			Relative P/E Ratio	***.95***
5.7%	4.8%	4.6%	4.6%	5.2%	5.0%	6.9%	5.5%	5.0%	4.7%	4.7%	4.8%	4.1%	4.0%	3.7%	3.5%			Avg Ann'l Div'd Yield	***3.8%***

CAPITAL STRUCTURE as of 6/30/19
Total Debt $1995.5 mill. **Due in 5 Yrs** $593.1 mill.
LT Debt $1884.0 mill. **LT Interest** $87.6 mill.
Incl. $50 mill. 6.5% oblig. pfd. sec. of trust subsid.
(LT interest earned: 3.8x)
Leases, Uncapitalized Annual rentals $11.0 mill.
Pension Assets-12/18 $1479.1 mill.
Oblig $1991.4 mill.
Pfd Stock $34.3 mill. **Pfd Div'd** $2.0 mill.
1,114,657 shs. 4¼% to 5¼%, $20 par. call. $20 to $21; 120,000 shs. 7⅝%, $100 par. call. $100.
Sinking fund ends 2018.
Common Stock 108,972,564 shs. **as of 7/31/19**
MARKET CAP: $4.8 billion (Mid Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
2309.6	2665.0	3242.3	3375.0	3238.5	3239.5	2603.0	2380.7	2555.6	2860.8	***2900***	***3000***	Revenues ($mill)	***3300***
84.9	115.4	140.1	164.9	163.4	170.2	161.8	250.1	180.6	203.7	***215***	***225***	Net Profit ($mill)	***255***
34.1%	37.0%	35.1%	35.9%	34.0%	35.0%	36.5%	33.1%	34.7%	20.0%	***20.0%***	***20.0%***	Income Tax Rate	***20.0%***
20.6%	7.4%	6.0%	6.9%	4.8%	5.5%	5.8%	4.6%	9.6%	7.7%	***8.0%***	***8.0%***	AFUDC % to Net Profit	***8.0%***
48.0%	44.5%	44.9%	45.7%	44.0%	45.2%	43.5%	41.6%	43.4%	47.5%	***47.5%***	***48.5%***	Long-Term Debt Ratio	***47.5%***
50.7%	54.3%	53.9%	53.1%	55.0%	53.8%	55.5%	57.5%	55.7%	51.7%	***52.0%***	***51.0%***	Common Equity Ratio	***52.0%***
2840.8	2732.9	2841.3	3001.0	3142.9	3332.3	3473.5	3595.1	3765.5	4182.3	***4310***	***4625***	Total Capital ($mill)	***5250***
3088.6	3165.9	3334.5	3594.8	3858.9	4148.8	4377.7	4603.5	5025.9	4830.1	***4990***	***5165***	Net Plant ($mill)	***5750***
4.3%	5.6%	6.2%	6.7%	6.4%	6.2%	5.7%	7.9%	5.8%	5.9%	***6.0%***	***6.0%***	Return on Total Cap'l	***6.0%***
5.8%	7.6%	8.9%	10.1%	9.3%	9.3%	8.2%	11.9%	8.5%	9.3%	***9.5%***	***9.5%***	Return on Shr. Equity	***9.5%***
5.8%	7.7%	9.0%	10.2%	9.4%	9.4%	8.3%	12.0%	8.5%	9.3%	***9.5%***	***9.5%***	Return on Com Equity E	***9.5%***
NMF	1.4%	2.1%	4.2%	3.7%	2.3%	1.5%	6.3%	2.1%	3.1%	***3.5%***	***3.5%***	Retained to Com Eq	***3.0%***
116%	82%	78%	59%	61%	75%	83%	48%	76%	67%	***65%***	***65%***	All Div'ds to Net Prof F	***66%***

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	-1.3	-1.8	- -
Avg. Indust. Use (MWH)	5350	5193	5067
Avg. Indust. Revs. per KWH (¢)	20.28	22.56	25.76
Capacity at Yearend (Mw)	2220	2224	2256
Peak Load, Winter (Mw)	1593	1584	1598
Annual Load Factor (%)	66.6	65.8	65.0
% Change Customers (yr-end)	+.5	+.4	+.2
Fixed Charge Cov. (%)	437	409	361

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-3.0%	-6.5%	*3.5%*
"Cash Flow"	3.0%	4.5%	*3.5%*
Earnings	5.0%	4.0%	*2.5%*
Dividends	- -	- -	*3.0%*
Book Value	3.0%	3.5%	*4.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	551.0	566.2	646.1	617.4	2380.7
2017	591.5	632.3	673.2	658.6	2555.6
2018	645.9	685.3	768.0	761.6	2860.8
2019	661.6	715.5	***775***	***747.9***	***2900***
2020	***675***	***750***	***800***	***775***	***3000***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.30	.41	1.17	.41	2.29
2017	.31	.36	.55	.42	1.64
2018	.37	.42	.60	.45	1.85
2019	.42	.39	***.64***	***.50***	***1.95***
2020	***.42***	***.44***	***.67***	***.52***	***2.05***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.31	.31	.31	.31	1.24
2016	.31	.31	.31	.31	1.24
2017	.31	.31	.31	.31	1.24
2018	.31	.31	.31	.31	1.24
2019	.32	.32	.32		

BUSINESS: Hawaiian Electric Industries, Inc. is the parent company of Hawaiian Electric Company, Inc. (HECO), American Savings Bank (ASB), and Pacific Current. HECO & its subs., Maui Electric Co. (MECO) & Hawaii Electric Light Co. (HELCO), supply electricity to 463,000 customers on O'ahu, Maui, Molokai, Lanai, & Hawaii. Operating companies' systems are not interconnected. Elec. rev. breakdown: residential, 31%; commercial, 33%; lg. light & power, 35%; other, 1%. Generating sources: oil, 55%; purch., 45%. Fuel costs: 49% of revs. '18 reported depr. rate (util.): 3.2%. Has 3,900 employees. Chairman: Jeffrey N. Watanabe. Pres. & CEO: Constance H. Lau. Inc.: HI. Address: 1001 Bishop St., Suite 2900, Honolulu, HI 96808-0730. Tel.: 808-543-5662. Web: www.hei.com.

Hawaiian Electric Industries' largest utility subsidiary has filed a rate case. Hawaiian Electric Company requested an increase of $77.5 million (4.1%), based on a return of 10.5% on a common-equity ratio of 57.15%. An interim rate order is due by July.

Hawaii Electric Light Company reached a partial settlement on its pending application. The utility settled for an increase of $2.8 million, and is requesting a return of 9.5% on a common-equity ratio of 58%. New tariffs would take effect on November 21st.

Maui Electric plans to file a rate case in mid-2020. An interim ruling is due 11 months after the utility puts forth the application. Note that a final order in its 2018 rate case took effect on September 1, 2019. This boosted revenues by $12.2 million (3.7%).

The utilities need rate relief in order to earn adequate returns on equity. For the 12-month period that ended on June 30th, the utilities (as a group) earned an ROE of 7.8%. This is an upgrade from recent years, but still isn't a good figure. There is ample room for improvement.

The form of regulation in Hawaii will probably be changing. The commission is evaluating performance-based ratemaking, and expects to come out with the details in December of 2020. The regulators are emphasizing the financial integrity of utilities as a guiding principle for this, so whatever emerges from this process is not likely to be punitive for HEI's utilities.

We estimate solid earnings growth in 2019 and 2020. Rate relief should help. The American Savings Bank subsidiary is performing well, and is benefiting from cost efficiencies and the state's healthy economy. The bank's credit quality remains high. Our 2019 estimate is at the midpoint of HEI's guidance of $1.85-$2.05 a share. We reduced it by a nickel because second-quarter profits fell a bit short of our expectation.

The dividend yield of this stock is only about equal to the industry average. The recent quotation is near the upper end of our 2022-2024 Target Price Range. Total return potential is low for the 18-month period and negligible for the 3- to 5-year period.

Paul E. Debbas, CFA *October 25, 2019*

(A) Dil. EPS. Excl. gain (losses) from disc. ops.: '03, (5¢); '04, 2¢; '05, (1¢); nonrec. gain (losses): '05, 11¢; '07, (9¢); '12, (25¢); '17, (12¢). '18 EPS don't sum due to rounding. Next egs. report due early Nov. **(B)** Div'ds pd. early Mar., June, Sept., & Dec. ■ Div'd reinv. avail. **(C)** Incl. intang. In '18: $7.76/sh. **(D)** In mill., adj. for split. **(E)** Rate base: Orig. cost. Rate allowed on com. eq. in '18: HECO, 9.5%; in '18: HELCO, 9.5%; in '18: MECO, 9.5%; earned on avg. com. eq., '18: 9.5%. Reg. Climate: Below Avg. **(F)** Excl. div'ds paid through reinv. plan.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	35
Earnings Predictability	60

IDACORP, INC. NYSE-IDA

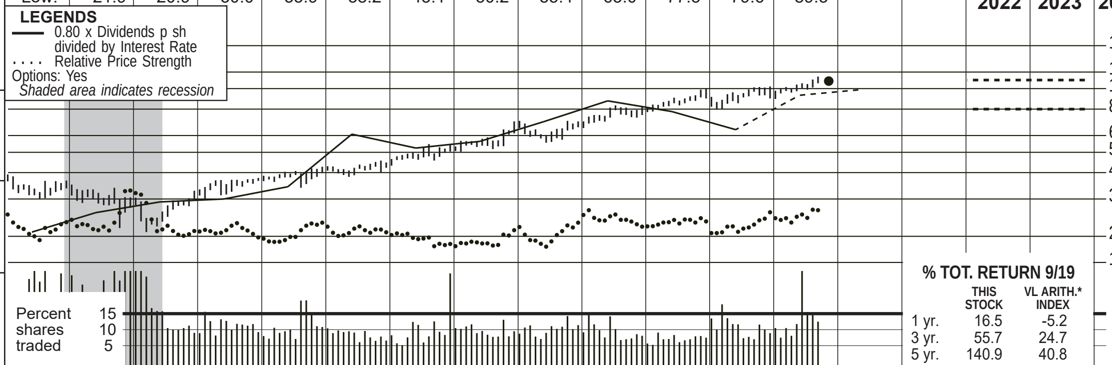
RECENT PRICE	P/E RATIO	(Trailing / Median)	RELATIVE P/E RATIO	DIV'D YLD
108.62	24.4	(Trailing: 24.5 Median: 14.0)	1.44	2.5%

VALUE LINE

TIMELINESS 3 Lowered 3/1/19
SAFETY 2 Raised 8/2/13
TECHNICAL 3 Raised 9/20/19
BETA .55 (1.00 = Market)

High:	35.1	32.8	37.8	42.7	45.7	54.7	70.1	70.5	83.4	100.0	102.4	114.0
Low:	21.9	20.9	30.0	33.9	38.2	43.1	50.2	55.4	65.0	77.5	79.6	89.3

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



Target Price Range 2022 | 2023 | 2024

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$94-$126	$110 (0%)

2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	110	(Nil)	3%
Low	80	(-25%)	-4%

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	160	169	163
to Sell	143	138	149
Hld's(000)	38724	38566	38770

Percent shares traded 15 10 5

% TOT. RETURN 9/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	16.5	-5.2
3 yr.	55.7	24.7
5 yr.	140.9	40.8

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
20.41	20.00	20.15	21.23	19.51	20.47	21.92	20.97	20.55	21.55	24.81	25.51	25.23	25.04	26.76	27.19	**27.80**	**28.45**	Revenues per sh	**30.50**
3.50	4.12	3.87	4.58	4.11	4.27	5.07	5.35	5.84	5.93	6.29	6.58	6.70	6.86	7.50	7.85	**7.90**	**8.15**	"Cash Flow" per sh	**9.50**
.96	1.90	1.75	2.35	1.86	2.18	2.64	2.95	3.36	3.37	3.64	3.85	3.87	3.94	4.21	4.49	**4.45**	**4.60**	Earnings per sh A	**5.25**
1.70	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.37	1.57	1.76	1.92	2.08	2.24	2.40	**2.56**	**2.73**	Div'd Decl'd per sh B ■ †	**3.35**
3.89	4.73	4.53	5.16	6.39	5.19	5.26	6.85	6.76	4.78	4.68	5.45	5.84	5.89	5.66	5.51	**6.35**	**6.55**	Cap'l Spending per sh	**7.25**
22.54	23.88	24.04	25.77	26.79	27.76	29.17	31.01	33.19	35.07	36.84	38.85	40.88	42.74	44.65	47.01	**48.85**	**50.65**	Book Value per sh C	**56.25**
38.34	42.22	42.66	43.63	45.06	46.92	47.90	49.41	49.95	50.16	50.23	50.27	50.34	50.40	50.42	50.42	**50.40**	**50.40**	Common Shs Outst'g D	**50.40**
26.5	15.5	16.7	15.1	18.2	13.9	10.2	11.8	11.5	12.4	13.4	14.7	16.2	19.1	20.6	20.5	*Bold figures are*		Avg Ann'l P/E Ratio	**18.0**
1.51	.82	.89	.82	.97	.84	.68	.75	.72	.79	.75	.77	.82	1.00	1.04	1.11	*Value Line*		Relative P/E Ratio	**1.00**
6.7%	4.1%	4.1%	3.4%	3.5%	4.0%	4.5%	3.4%	3.1%	3.3%	3.2%	3.1%	3.1%	2.8%	2.6%	2.6%	*estimates*		Avg Ann'l Div'd Yield	**3.5%**

CAPITAL STRUCTURE as of 6/30/19
Total Debt $1835.5 mill. **Due in 5 Yrs** $250.0 mill.
LT Debt $1835.5 mill. **LT Interest** $85.4 mill.
(LT interest earned: 3.5x)

Pension Assets-12/18 $650.6 mill.
Oblig $951.9 mill.

Pfd Stock None

Common Stock 50,397,121 shs.
as of 7/26/19

MARKET CAP: $5.5 billion (Large Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
1049.8	1036.0	1026.8	1080.7	1246.2	1282.5	1270.3	1262.0	1349.5	1370.8	**1400**	**1435**	Revenues ($mill)	**1535**
124.4	142.5	166.9	168.9	182.4	193.5	194.7	198.3	212.4	226.8	**225**	**230**	Net Profit ($mill)	**270**
15.2%	- -	- -	13.4%	28.3%	8.0%	19.0%	15.5%	18.6%	7.1%	**10.5%**	**10.5%**	Income Tax Rate	**10.5%**
10.5%	19.1%	23.3%	20.3%	12.3%	13.6%	16.3%	16.3%	13.9%	15.2%	**16.0%**	**15.0%**	AFUDC % to Net Profit	**14.0%**
50.2%	49.3%	45.6%	45.5%	46.6%	45.3%	45.6%	44.8%	43.7%	43.6%	**41.5%**	**43.0%**	Long-Term Debt Ratio	**43.5%**
49.8%	50.7%	54.4%	54.5%	53.4%	54.7%	54.4%	55.2%	56.3%	56.4%	**58.5%**	**57.0%**	Common Equity Ratio	**56.5%**
2807.1	3020.4	3045.2	3225.4	3465.9	3567.6	3783.3	3898.5	3997.5	4205.1	**4195**	**4485**	Total Capital ($mill)	**5000**
2917.0	3161.4	3406.6	3536.0	3665.0	3833.5	3992.4	4172.0	4283.9	4395.7	**4540**	**4690**	Net Plant ($mill)	**5125**
5.7%	6.0%	6.8%	6.5%	6.4%	6.6%	6.2%	6.1%	6.3%	6.4%	**6.5%**	**6.0%**	Return on Total Cap'l	**6.5%**
8.9%	9.3%	10.1%	9.6%	9.9%	9.9%	9.5%	9.2%	9.4%	9.6%	**9.0%**	**9.0%**	Return on Shr. Equity	**9.5%**
8.9%	9.3%	10.1%	9.6%	9.9%	9.9%	9.5%	9.2%	9.4%	9.6%	**9.0%**	**9.0%**	Return on Com Equity E	**9.5%**
4.8%	5.5%	6.5%	5.7%	5.6%	5.4%	4.8%	4.3%	4.4%	4.4%	**4.0%**	**3.5%**	Retained to Com Eq	**3.5%**
46%	41%	36%	41%	43%	46%	50%	53%	53%	54%	**58%**	**59%**	All Div'ds to Net Prof	**63%**

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	-.5	+2.6	+.1
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	5.63	5.83	5.64
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	3299	3422	3392
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.8	+2.0	+2.3
Fixed Charge Cov. (%)	295	329	309

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	2.5%	3.5%	*2.5%*
"Cash Flow"	5.5%	4.0%	*4.0%*
Earnings	7.0%	4.0%	*3.5%*
Dividends	6.5%	10.0%	*7.0%*
Book Value	5.5%	5.0%	*4.0%*

Cal-endar	QUARTERLY REVENUES($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	281.0	315.4	372.0	293.6	1262.0
2017	302.6	333.0	408.3	305.6	1349.5
2018	310.1	340.0	408.8	311.9	1370.8
2019	350.3	316.9	***420***	***312.8***	***1400***
2020	***335***	***350***	***430***	***320***	***1435***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.51	1.12	1.65	.66	3.94
2017	.66	.99	1.80	.77	4.21
2018	.72	1.23	2.02	.52	4.49
2019	.84	1.05	***1.90***	***.66***	***4.45***
2020	***.85***	***1.05***	***2.00***	***.70***	***4.60***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.47	.47	.47	.51	1.92
2016	.51	.51	.51	.55	2.08
2017	.55	.55	.55	.59	2.24
2018	.59	.59	.59	.63	2.40
2019	.63	.63	.63	.67	

BUSINESS: IDACORP, Inc. is a holding company for Idaho Power Company, a regulated electric utility that serves 565,000 customers throughout a 24,000-square-mile area in southern Idaho and eastern Oregon (population: 1.2 million). Most of the company's revenues are derived from the Idaho portion of its service area. Revenue breakdown: residential, 38%; commercial, 22%; industrial, 14%; irrigation, 11%; other, 15%. Generating sources: hydro, 46%; coal, 17%; gas, 8%; purchased, 29%. Fuel costs: 34% of revenues. '18 reported depreciation rate: 2.8%. Has 2,000 employees. Chairman: Richard J. Dahl. President & CEO: Darrel T. Anderson. Incorporated: Idaho. Address: 1221 W. Idaho St., Boise, Idaho 83702. Telephone: 208-388-2200. Internet: www.idacorpinc.com.

The board of directors of IDACORP raised the dividend. The increase was $0.04 a share (6.3%) quarterly, effective with the fourth-quarter payment. In recent years, the company has had a policy of hiking the disbursement at least 5% annually, to remain near the upper end of its targeted range of 50%-60% for the payout ratio. However, this policy might be about to change. The dividend announcement stated, " . . . we expect to further discuss with the board the appropriate target payout ratio in mid-November." The current target of 50%-60% is lower than that of most utilities, so a boost in this range would not surprise us.

We raised our 2019 share-earnings estimate by a nickel, to $4.45. June-period profits topped out estimate for the quarter by that amount. In addition, IDACORP revised its share-net target for 2019 from $4.30-$4.45 to $4.43-$4.50, so our expectation remains within management's guidance. Our 2020 estimate remains at $4.60 a share.

The company's utility subsidiary, Idaho Power, is benefiting from a vibrant economy in its service territory. For the 12-month period that ended on June 30th, customer growth was 2.5%. The Electric Operating Statistics box on this page shows that this figure is accelerating. Population growth and expansion of businesses and institutions are responsible for this.

If needed, Idaho Power may supplement its income through a regulatory mechanism. The utility may use up to $25 million of accumulated deferred investment tax credits if its return on equity falls below 9.5% (9.4% beginning in 2020). The company does not expect to record any of this income in 2019.

IDACORP stock is priced expensively. The equity is trading at a significant market premium. The dividend yield (even when reflecting the upcoming hike in the payout) is not significantly higher than the median for all dividend-paying stocks under our coverage. Finally, total return potential is unappealing, both for the 18-month time frame and the 2022-2024 period. Perhaps takeover speculation is reflected in the quotation, but we advise against buying the stock hoping for a deal.

Paul E. Debbas, CFA *October 25, 2019*

(A) Diluted EPS. Excl. nonrecurring gains (loss): '03, 26¢; '05, (24¢); '06, 17¢. '17 earnings don't sum due to rounding. Next earnings report due early Nov. **(B)** Dividends historically paid in late Feb., May, Aug., and Nov. ■ Dividend reinvestment plan available. † Shareholder investment plan available. **(C)** Incl. intangibles. In '18: $23.12/sh. **(D)** In millions. **(E)** Rate base: Net original cost. Rate allowed on common equity in '11: 10% (imputed); earned on avg. com. eq., '18: 9.8%. Regulatory Climate: Above Average.

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

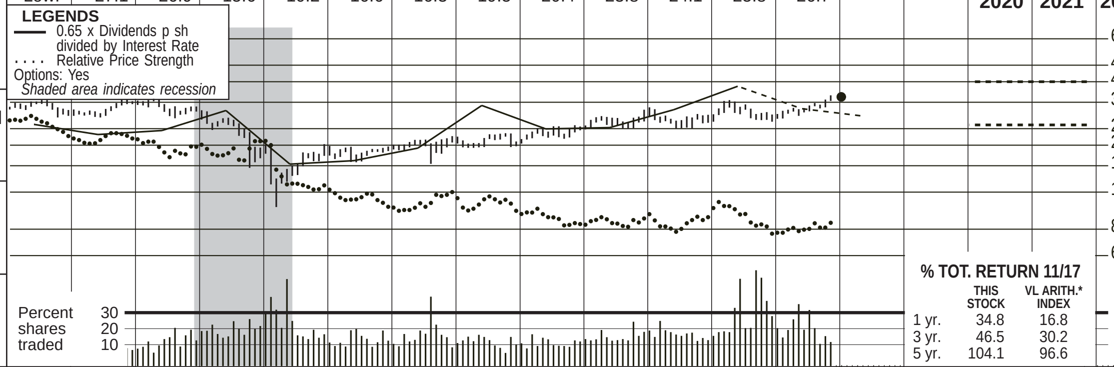
GREAT PLAINS EN'GY NYSE-GXP

RECENT PRICE	33.89	P/E RATIO	NMF (Trailing: NMF, Median: 16.0)	RELATIVE P/E RATIO	NMF	DIV'D YLD	3.5%	VALUE LINE

TIMELINESS – Suspended 7/21/17
SAFETY 3 Lowered 12/26/08
TECHNICAL – Suspended 7/21/17
BETA .75 (1.00 = Market)

High:	32.8	33.4	29.3	20.5	19.9	22.1	22.8	24.9	29.5	30.3	32.7	34.6
Low:	27.1	26.9	15.6	10.2	16.6	16.3	19.5	20.4	23.8	24.1	25.8	26.7

Target Price Range
2020 | 2021 | 2022



2020-22 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	40	(+20%)	8%
Low	25	(-25%)	-3%

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	0	0	0	0	0
Options	0	11	0	0	2	0	0	2	0
to Sell	0	0	0	0	0	0	0	6	0

Institutional Decisions

	1Q2017	2Q2017	3Q2017
to Buy	190	182	177
to Sell	169	177	166
Hld's(000)	211740	213579	211734

% TOT. RETURN 11/17

	THIS STOCK	VL ARITH.* INDEX
1 yr.	34.8	16.8
3 yr.	46.5	30.2
5 yr.	104.1	96.6

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
23.61	26.91	31.04	33.13	34.85	33.30	37.89	14.00	14.51	16.62	17.03	15.05	15.90	16.66	16.21	12.43	*12.50*	*12.95*	Revenues per sh	*19.50*
4.70	4.40	4.69	4.75	4.54	3.86	4.24	3.09	3.27	4.12	3.51	3.45	4.01	4.01	3.98	3.35	*2.10*	*3.65*	"Cash Flow" per sh	*6.25*
1.59	2.04	2.27	2.46	2.18	1.62	1.86	1.16	1.03	1.53	1.25	1.35	1.62	1.57	1.37	1.61	*d.10*	*1.25*	Earnings per sh A	*2.00*
1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66	.83	.83	.84	.86	.88	.94	1.00	1.06	*1.10*	*1.18*	Div'd Decl'd per sh B ■	*1.35*
4.38	1.91	2.19	2.66	4.49	6.05	6.15	8.86	6.49	4.76	3.40	4.01	4.42	5.10	4.42	2.86	*2.75*	*2.60*	Cap'l Spending per sh	*2.50*
12.59	13.58	13.82	15.35	16.37	16.70	18.18	21.39	20.62	21.26	21.74	21.75	22.58	23.26	23.68	24.73	*23.45*	*23.55*	Book Value per sh C	*22.25*
61.91	69.20	69.26	74.37	74.74	80.35	86.23	119.26	135.42	135.71	136.14	153.53	153.87	154.16	154.40	215.35	*216.00*	*216.50*	Common Shs Outst'g D	*158.00*
15.9	11.1	12.2	12.6	14.0	18.3	16.3	20.5	16.0	12.1	16.1	15.5	14.2	16.5	19.4	18.0	*Bold figures are*		Avg Ann'l P/E Ratio	*15.5*
.81	.61	.70	.67	.75	.99	.87	1.23	1.07	.77	1.01	.99	.80	.87	.98	.94	*Value Line*		Relative P/E Ratio	*.95*
6.6%	7.3%	6.0%	5.4%	5.5%	5.6%	5.5%	7.0%	5.0%	4.5%	4.1%	4.1%	3.8%	3.6%	3.8%	3.6%	*estimates*		Avg Ann'l Div'd Yield	*4.3%*

CAPITAL STRUCTURE as of 9/30/17
Total Debt $4106.0 mill. **Due in 5 Yrs** $1628.4 mill.
LT Debt $3312.0 mill. **LT Interest** $157.4 mill.
(LT interest earned: 2.8x)

Leases, Uncapitalized Annual rentals $12.9 mill.

Pension Assets-12/16 $776.8 mill. **Oblig** $1244.6 mill.

Pfd Stock None

Common Stock 215,661,646 shs. **as of 10/31/17**

MARKET CAP: $7.3 billion (Large Cap)

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		20-22
3267.1	1670.1	1965.0	2255.5	2318.0	2309.9	2446.3	2568.2	2502.2	2676.0	*2700*	*2800*	Revenues ($mill)	*3100*
159.2	119.5	135.6	211.7	174.4	199.9	250.2	242.8	213.0	290.0	*14.0*	*275*	Net Profit ($mill)	*335*
30.7%	34.5%	25.0%	31.7%	32.7%	34.3%	34.0%	32.3%	36.7%	37.4%	*NMF*	*37.0%*	Income Tax Rate	*37.0%*
10.6%	46.8%	57.0%	25.7%	3.9%	3.3%	10.4%	12.8%	4.5%	4.6%	*57.0%*	*2.0%*	AFUDC % to Net Profit	*2.0%*
40.7%	49.7%	53.2%	50.2%	47.8%	44.9%	50.0%	49.0%	50.3%	35.3%	*39.5%*	*39.0%*	Long-Term Debt Ratio	*51.5%*
57.9%	49.6%	46.2%	49.2%	51.6%	54.4%	49.4%	50.4%	49.1%	55.9%	*60.5%*	*61.0%*	Common Equity Ratio	*48.5%*
2709.8	5146.2	6044.5	5867.6	5741.2	6135.8	7029.1	7113.1	7440.6	9527.2	*8385*	*8385*	Total Capital ($mill)	*7225*
3444.5	6081.3	6651.1	6892.3	7053.5	7402.1	7746.4	8279.6	8662.4	8956.7	*9075*	*9125*	Net Plant ($mill)	*8900*
7.5%	3.5%	3.9%	5.3%	5.0%	5.0%	5.0%	4.7%	4.2%	3.9%	*1.0%*	*4.5%*	Return on Total Cap'l	*6.0%*
9.9%	4.6%	4.8%	7.2%	5.8%	5.9%	7.1%	6.7%	5.8%	4.7%	*.5%*	*5.5%*	Return on Shr. Equity	*9.5%*
10.1%	4.6%	4.8%	7.3%	5.8%	5.9%	7.2%	6.7%	5.8%	5.1%	*NMF*	*5.5%*	Return on Com Equity E	*9.5%*
.9%	NMF	.9%	3.4%	2.0%	2.2%	3.2%	2.7%	1.6%	1.8%	*NMF*	*.5%*	Retained to Com Eq	*3.5%*
91%	NMF	81%	54%	66%	63%	55%	60%	73%	67%	*NMF*	*92%*	All Div'ds to Net Prof	*64%*

ELECTRIC OPERATING STATISTICS

	2014	2015	2016
% Change Retail Sales (KWH)	+.4	-1.9	+.7
Avg. Indust. Use (MWH)	1455	1450	1500
Avg. Indust. Revs. per KWH (¢)	6.79	6.96	7.29
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	+.9	+.9	+1.1
Fixed Charge Cov. (%)	261	254	307

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '20-'22
Revenues	-7.5%	-1.0%	*4.5%*
"Cash Flow"	-1.5%	1.0%	*8.5%*
Earnings	-3.0%	3.5%	*4.5%*
Dividends	-5.0%	3.5%	*5.0%*
Book Value	4.0%	2.5%	*-1.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	585.1	648.4	782.5	552.2	2568.2
2015	549.1	609.0	781.4	562.7	2502.2
2016	572.1	670.8	856.8	576.3	2676.0
2017	570.7	682.6	857.2	*589.5*	*2700*
2018	*600*	*700*	*900*	*600*	*2800*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	.15	.34	.95	.12	1.57
2015	.12	.28	.82	.15	1.37
2016	.17	.20	.86	.39	1.61
2017	d.11	d.10	.02	*.09*	*d.10*
2018	*.08*	*.20*	*.84*	*.13*	*1.25*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	.2175	.2175	.2175	.23	.88
2014	.23	.23	.23	.245	.94
2015	.245	.245	.245	.2625	1.00
2016	.2625	.2625	.2625	.275	1.06
2017	.275	.275	.275	.275	

BUSINESS: Great Plains Energy Incorporated is a holding company for Kansas City Power & Light and two other subsidiaries, which supply electricity to 856,000 customers in western Missouri (71% of revenues) and eastern Kansas (29%). Acquired Aquila 7/08. Sold Strategic Energy (energy-marketing subsidiary) in '08. Electric revenue breakdown: residential, 40%; commercial, 39%; industrial, 9%; other, 12%. Generating sources: coal, 63%; nuclear, 13%; wind, 1%; gas & oil, 1%; purchased, 22%. Fuel costs: 22% of revenues. '16 reported deprec. rate (utility): 3.0%. Has 2,900 employees. Chairman, President & CEO: Terry Bassham. Inc.: Missouri. Address: 1200 Main St., Kansas City, Missouri 64105. Telephone: 816-556-2200. Internet: www.greatplainsenergy.com.

The merger of Great Plains Energy and Westar Energy has been approved by each company's stockholders. The agreement calls for Great Plains holders to receive .5981 of a share of the new company, to be named prior to closing, for each Great Plains share in a tax-free exchange. The combination requires the approval of the Missouri and Kansas commissions, and the Federal Energy Regulatory Commission. The companies expect the deal to be completed in the first half of 2018.

We continue to advise stockholders to retain their shares. The companies' utilities are a good fit, with contiguous service areas and ample opportunities for merger-related cost reductions. The combined company's goals are 6%-8% annual earnings and dividend growth, with a targeted payout ratio of 60%-70%. The stock is unranked for Timeliness due to the pending transaction.

Merger-related expenses will almost certainly result in a loss in 2017. Most notably, Great Plains incurred sizable costs when it unwound the financing moves it made in anticipation of its previous deal with Westar, which failed to receive regulatory approval due to the debt Great Plains took to finance the $8.6 billion cash-and-stock proposal. Without these costs (and the shares Great Plains issued in 2016), profits would have amounted to $1.61 a share in the first nine months of 2017. Our 2018 forecast, which is for Great Plains as a stand-alone company, includes an expectation of additional deal-related expenses in the first two quarters. Note, too, that we expect no dividend increase while the merger is pending.

The company's utilities plan to file rate cases in early 2018. These will be unrelated to the pending merger. The regulatory process lasts 11 months in Missouri and eight months in Kansas, so any rate relief the utilities obtain won't have a significant effect on profits until 2019.

We would not make new commitments here. Like many utility stocks, Great Plains is priced expensively. In fact, the price has risen nearly 25% so far in 2017. The pending transaction is better for Great Plains holders than the previous one would have been, in our view.

Paul E. Debbas, CFA December 15, 2017

(A) Diluted earnings. Excl. nonrec. gains (losses): '01, ($2.01); '02, (5¢); '03, 29¢; '04, (7¢); '09, 12¢; gain (losses) on disc. ops.: '03, (13¢); '04, 10¢; '05, (3¢); '08, 35¢. '14 & '16 EPS don't sum due to rounding. Next egs. report due late Feb. (B) Div'ds historically paid in mid-Mar., June, Sept. & Dec. ■ Div'd reinvest. plan avail. (C) Incl. intang. In '16: $5.65/sh. (D) In mill. (E) Rate base: Fair value. Rate allowed on com. eq. in MO in '17: 9.5%; in KS in '15: 9.3%; earned on avg. com. eq., '16: 6.7%. Regulatory Climate: MO, Below Avg.; KS, Avg.

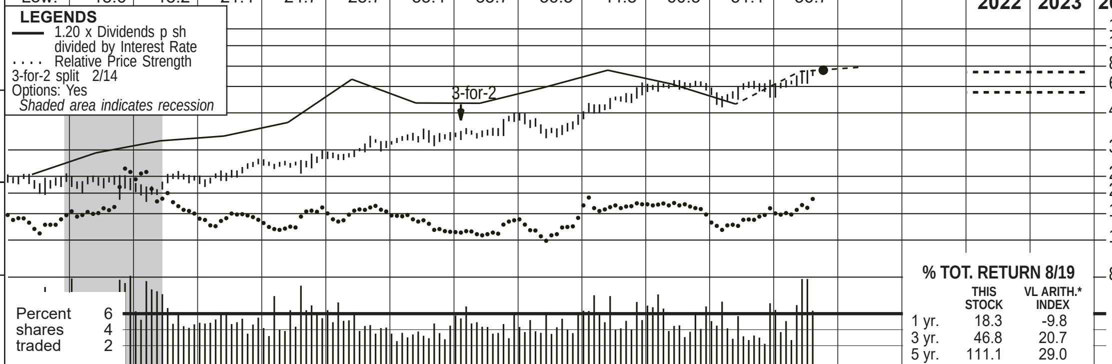
Company's Financial Strength	B+
Stock's Price Stability	95
Price Growth Persistence	25
Earnings Predictability	75

MGE ENERGY INC. NDQ-MGEE

RECENT PRICE **76.51** | P/E RATIO **29.3** (Trailing: 31.1 / Median: 18.0) | RELATIVE P/E RATIO **1.82** | DIV'D YLD **1.9%** | **VALUE LINE**

TIMELINESS 2 Raised 8/16/19
SAFETY 1 New 1/3/03
TECHNICAL 3 Raised 6/14/19
BETA .55 (1.00 = Market)

High:	24.3	25.5	29.1	31.9	37.4	40.5	48.0	48.0	66.9	68.7	68.9	76.9
Low:	18.6	18.2	21.4	24.7	28.7	33.4	35.7	36.5	44.8	60.3	51.1	56.7



Target Price Range
2022 | 2023 | 2024

2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(Nil)	2%
Low	60	(-20%)	-3%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	1	0	0	0	4	0	1	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	68	68	78
to Sell	62	62	59
Hld's(000)	14238	14855	15267

% TOT. RETURN 8/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	18.3	-9.8
3 yr.	46.8	20.7
5 yr.	111.1	29.0

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
14.59	13.89	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	*16.45*	*16.85*	Revenues per sh	*18.25*
1.96	1.92	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	*4.70*	*4.90*	"Cash Flow" per sh	*5.75*
1.14	1.18	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	*2.60*	*2.75*	Earnings per sh A	*3.25*
.90	.91	.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*	Div'd Decl'd per sh B ■ †	*1.70*
3.02	3.13	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	*5.90*	*4.35*	Cap'l Spending per sh	*4.75*
9.56	11.06	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	*24.80*	*26.05*	Book Value per sh C	*30.50*
27.52	30.59	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*	*34.67*	Common Shs Outst'g D	*34.67*
17.5	18.0	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	*Bold figures are*		Avg Ann'l P/E Ratio	*21.0*
1.00	.95	1.19	.86	.80	.85	1.01	.95	.99	1.09	.96	.91	1.02	1.31	1.48	1.36	*Value Line*		Relative P/E Ratio	*1.30*
4.5%	4.3%	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%	*estimates*		Avg Ann'l Div'd Yield	*2.5%*

CAPITAL STRUCTURE as of 6/30/19
Total Debt $502.9 mill. **Due in 5 Yrs** $81.9 mill.
LT Debt $492.3 mill. **LT Interest** $22.0 mill.
(LT interest earned: 5.7x)

Leases, Uncapitalized Annual rentals $1.6 mill.
Pension Assets-12/18 $323.8 mill.
Obligation $360.3 mill.
Pfd Stock None

Common Stock 34,668,370 shs.
as of 7/31/19
MARKET CAP: $2.7 billion (Mid Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
533.8	532.6	546.4	541.3	590.9	619.9	564.0	544.7	563.1	559.8	*570*	*585*	Revenues ($mill)	*635*
51.0	57.7	60.9	64.4	74.9	80.3	71.3	75.6	76.1	84.2	*90.0*	*95.0*	Net Profit ($mill)	*115*
35.6%	36.9%	37.1%	37.7%	37.5%	37.5%	36.7%	36.0%	36.4%	24.6%	*19.0%*	*19.0%*	Income Tax Rate	*19.0%*
- -	- -	- -	- -	5.6%	5.7%	1.3%	2.1%	2.1%	5.2%	*3.0%*	*2.0%*	AFUDC % to Net Profit	*2.0%*
39.0%	38.9%	39.6%	38.2%	39.3%	37.5%	36.2%	34.6%	33.8%	37.7%	*38.5%*	*39.5%*	Long-Term Debt Ratio	*41.5%*
61.0%	61.1%	60.4%	61.8%	60.7%	62.5%	63.8%	65.4%	66.2%	62.3%	*61.5%*	*60.5%*	Common Equity Ratio	*58.5%*
822.7	859.4	911.9	937.9	1016.9	1054.7	1081.5	1106.9	1176.3	1310.0	*1400*	*1495*	Total Capital ($mill)	*1800*
939.8	968.0	995.6	1073.5	1160.2	1208.1	1243.4	1282.1	1341.4	1509.4	*1640*	*1715*	Net Plant ($mill)	*1950*
6.9%	7.6%	7.8%	7.9%	8.3%	8.6%	7.5%	7.7%	7.3%	7.2%	*7.0%*	*7.0%*	Return on Total Cap'l	*7.0%*
10.2%	11.0%	11.1%	11.1%	12.1%	12.2%	10.3%	10.4%	9.8%	10.3%	*10.5%*	*10.5%*	Return on Shr. Equity	*10.5%*
10.2%	11.0%	11.1%	11.1%	12.1%	12.2%	10.3%	10.4%	9.8%	10.3%	*10.5%*	*10.5%*	Return on Com Equity D	*10.5%*
3.4%	4.4%	4.7%	4.9%	6.1%	6.4%	4.5%	4.7%	4.2%	4.7%	*5.0%*	*5.0%*	Retained to Com Eq	*5.0%*
66%	60%	57%	56%	50%	48%	56%	55%	57%	54%	*53%*	*53%*	All Div'ds to Net Prof	*52%*

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	+1.1	-2.6	+1.6
Avg. Indust. Use (MWH)	2329	1966	1802
Avg. Indust. Revs. per KWH (¢)	7.55	8.23	7.70
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	719	670	686
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	NA	NA	NA
Fixed Charge Cov. (%)	732	750	645

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-.5%	- -	*2.0%*
"Cash Flow"	4.0%	4.0%	*7.5%*
Earnings	4.5%	3.5%	*6.0%*
Dividends	3.0%	4.0%	*5.0%*
Book Value	5.5%	6.0%	*5.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	147.5	121.6	136.7	138.9	544.7
2017	156.8	126.5	139.5	140.3	563.1
2018	157.6	124.3	137.8	140.1	559.8
2019	167.6	122.1	*140*	*140.3*	*570*
2020	*170*	*125*	*145*	*145*	*585*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.49	.47	.80	.42	2.18
2017	.56	.45	.77	.42	2.20
2018	.58	.53	.85	.47	2.43
2019	.69	.45	*.92*	*.54*	*2.60*
2020	*.70*	*.55*	*.95*	*.55*	*2.75*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.2825	.2825	.295	.295	1.16
2016	.295	.295	.3075	.3075	1.21
2017	.3075	.3075	.3225	.3225	1.26
2018	.3225	.3225	.3375	.3375	1.32
2019	.3375	.3375	.3525		

BUSINESS: MGE Energy, Inc. is a holding company for Madison Gas and Electric Company (MGE), which provides electric service to 153,000 customers in Dane County and gas service to 161,000 customers in seven counties in Wisconsin. Electric revenue breakdown, '18: residential, 35%; commercial, 51%; industrial, 3%; other, 11%. Generating sources, '18: coal, 52%; gas, 14%; renewables, 11%; purchased power, 23%. Fuel costs: 34% of revenues. '18 reported depreciation rates: electric, 2.9%; gas, 2.1%; nonregulated, 2.3%. Has 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.

MGE Energy's board of directors raised the dividend. The annual increase was $0.06 a share (4.4%). The company doesn't have a specified dividend policy, but in recent years has been boosting the disbursement 4%-5% annually and has been maintaining a payout ratio in a range of 50%-60%. MGE Energy has now hiked the dividend for 44 consecutive years.

We think earnings will improve solidly this year and next. Madison Gas and Electric Company, the regulated utility subsidiary, is benefiting from a rate order that took effect at the start of 2019. Electric rates were reduced $9.2 million, but this reflects the pass-through to customers of the benefits of the lower federal tax rate. Gas rates were raised modestly at the start of the year and will be hiked again in 2020. MGE is also benefiting from the healthy economy of its service area. All told, we estimate that profits will advance 7% in 2019 and 6% in 2020. However, we have lowered our 2019 estimate by $0.15 because second-quarter earnings were well below our estimate. We have also slashed our 2020 estimate by $0.25 a share.

MGE is adding renewable-energy projects. In the first quarter, a 66-megawatt, $112 million wind farm began operating. The utility has 50 mw stakes in two solar projects (each a $65 million investment) with commercial operation expected in late 2020. A third solar project (with an identical cost and capacity) is awaiting approval of the Wisconsin commission. Commercial operation is targeted for late 2021.

Finances are strong. The fixed-charge coverage is among the highest of any utility under our coverage. The common-equity ratio is high. Financing needs are modest. We have raised the company's Financial Strength rating from A to A+.

This stock is unusual among utility issues. Unlike most utility equities, the dividend yield of MGE Energy is below the median of all dividend-paying stocks under our coverage. The recent quotation is above the upper end of our 3- to 5-year Target Price Range. The stock is ranked 2 (Above Average) for Timeliness and 1 (Highest) for Safety, but income-oriented investors can do better.

Paul E. Debbas, CFA *September 13, 2019*

(A) Diluted earnings. Excludes nonrecurring gain: '17, 62¢. Next earnings report due early November. (B) Dividends historically paid in mid-March, June, September, and December. ■ Dividend reinvestment plan available. † Shareholder investment plan available. (C) Includes regulatory assets. In '18: $154.9 mill., $4.47/sh. (D) In millions, adjusted for split. (E) Rate allowed on common equity in '19: 9.8%; earned on common equity, '18: 10.3%. Regulatory Climate: Above Average.

Company's Financial Strength	A+
Stock's Price Stability	85
Price Growth Persistence	75
Earnings Predictability	90

NV ENERGY, INC. NYSE-NVE

RECENT PRICE	23.74	P/E RATIO	18.1 (Trailing: 17.3 / Median: 17.0)	RELATIVE P/E RATIO	0.97	DIV'D YLD	3.4%	VALUE LINE

TIMELINESS – Suspended 6/7/13

SAFETY 3 Raised 2/10/06

TECHNICAL – Suspended 6/7/13

BETA .85 (1.00 = Market)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
High:	16.8	7.5	10.6	15.4	17.5	19.6	17.0	12.8	14.4	16.6	19.2	23.8
Low:	4.6	2.9	6.4	9.0	12.5	14.1	6.9	8.0	10.9	12.3	15.4	18.3

Target Price Range 2016 | 2017 | 2018

2016-18 PROJECTIONS

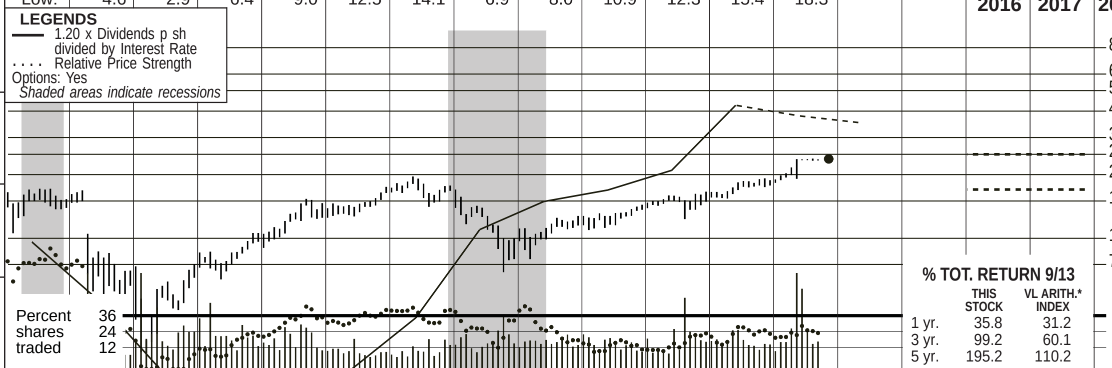
	Price	Gain	Ann'l Total Return
High	25	(+5%)	5%
Low	17	(-30%)	-4%

Insider Decisions

	D	J	F	M	A	M	J	J	A
to Buy	0	0	0	0	0	0	0	0	0
Options	1	0	1	0	0	0	1	1	0
to Sell	1	0	2	0	0	0	0	0	0

Institutional Decisions

	4Q2012	1Q2013	2Q2013
to Buy	134	150	119
to Sell	136	116	187
Hld's(000)	203066	202006	189739



% TOT. RETURN 9/13

	THIS STOCK	VL ARITH.* INDEX
1 yr.	35.8	31.2
3 yr.	99.2	60.1
5 yr.	195.2	110.2

1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	© VALUE LINE PUB. LLC	16-18
15.86	17.04	16.69	29.75	44.94	29.28	23.79	24.04	15.09	15.18	15.41	15.06	15.27	13.94	12.47	12.67	***12.70***	***13.15***	Revenues per sh	***14.50***
3.04	3.12	2.10	1.45	1.94	d1.27	2.75	4.65	2.42	2.89	2.91	2.02	3.45	3.48	2.91	3.67	***3.70***	***3.95***	"Cash Flow" per sh	***4.50***
1.65	1.64	.83	d.63	.34	d3.00	d1.15	.40	.44	1.14	.89	.89	.78	.96	.69	1.35	***1.30***	***1.40***	Earnings per sh A	***1.65***
1.60	1.45	1.17	1.00	.40	.20	- -	- -	- -	- -	.16	.34	.41	.45	.49	.64	***.76***	***.82***	Div'd Decl'd per sh B ■	***.95***
4.41	6.31	3.95	4.58	3.28	3.91	3.19	3.68	3.42	4.46	5.12	4.54	3.69	2.79	2.68	2.16	***2.20***	***1.85***	Cap'l Spending per sh	***2.00***
16.54	16.86	18.83	17.33	16.60	12.99	12.24	12.76	10.26	11.86	12.82	13.36	13.73	14.24	14.43	15.13	***15.65***	***16.25***	Book Value per sh C	***18.25***
50.40	51.27	78.43	78.48	102.11	102.18	117.24	117.47	200.79	221.03	233.74	234.32	234.83	235.32	236.00	235.08	***236.00***	***236.00***	Common Shs Outst'g D	***236.00***
12.9	15.2	25.7	- -	NMF	- -	- -	20.9	27.5	12.6	19.1	13.3	13.9	13.2	21.7	12.8	*Bold figures are*		Avg Ann'l P/E Ratio	***13.0***
.74	.79	1.46	- -	NMF	- -	- -	1.10	1.46	.68	1.01	.80	.93	.84	1.36	.82	*Value Line*		Relative P/E Ratio	***.85***
7.5%	5.8%	5.5%	6.5%	2.7%	2.2%	- -	- -	- -	- -	.9%	2.9%	3.8%	3.6%	3.3%	3.7%	*estimates*		Avg Ann'l Div'd Yield	***4.5%***
						2789.2	2823.8	3030.2	3356.0	3601.0	3528.1	3585.8	3280.2	2943.3	2979.2	***3000***	***3100***	Revenues ($mill)	***3400***
						d129.4	75.3	86.2	238.9	197.3	208.9	182.9	227.0	163.4	321.9	***310***	***335***	Net Profit ($mill)	***395***
						- -	34.5%	33.4%	34.1%	30.7%	31.3%	29.2%	33.4%	34.7%	34.1%	***33.0%***	***33.0%***	Income Tax Rate	***33.0%***
						- -	19.3%	52.2%	14.8%	29.3%	32.5%	24.3%	22.7%	12.0%	5.2%	***4.0%***	***4.0%***	AFUDC % to Net Profit	***4.0%***
						70.7%	72.5%	64.4%	60.4%	58.0%	62.7%	62.2%	59.5%	59.5%	56.8%	***55.0%***	***53.5%***	Long-Term Debt Ratio	***46.0%***
						28.3%	26.6%	34.8%	39.6%	42.0%	37.3%	37.8%	40.5%	40.5%	43.2%	***45.0%***	***46.5%***	Common Equity Ratio	***54.0%***
						5065.1	5629.9	5927.3	6623.8	7134.4	8398.2	8527.3	8274.9	8415.0	8227.2	***8160***	***8215***	Total Capital ($mill)	***8000***
						4642.7	4926.9	5397.6	6087.0	7011.0	8310.3	8665.6	8929.7	9227.1	9426.0	***9525***	***9515***	Net Plant ($mill)	***9400***
						.4%	4.1%	4.0%	5.8%	4.7%	4.3%	4.1%	4.8%	3.7%	5.7%	***5.5%***	***5.5%***	Return on Total Cap'l	***6.5%***
						NMF	4.9%	4.1%	9.1%	6.6%	6.7%	5.7%	6.8%	4.8%	9.1%	***8.5%***	***9.0%***	Return on Shr. Equity	***9.0%***
						NMF	4.8%	4.0%	9.0%	6.6%	6.7%	5.7%	6.8%	4.8%	9.1%	***8.5%***	***9.0%***	Return on Com Equity E	***9.0%***
						NMF	4.8%	4.0%	9.0%	5.4%	4.1%	2.7%	3.6%	1.4%	4.8%	***3.5%***	***3.5%***	Retained to Com Eq	***4.0%***
						NMF	5%	5%	1%	18%	38%	53%	47%	71%	47%	***58%***	***57%***	All Div'ds to Net Prof	***57%***

CAPITAL STRUCTURE as of 6/30/13
Total Debt $5023.8 mill. **Due in 5 Yrs** $1601.9 mill.
LT Debt $4543.7 mill. **LT Interest** $264.0 mill.
Incl. $44.3 mill. capitalized leases.
(LT interest earned: 2.7x)

Leases, Uncapitalized Annual rentals $17.4 mill.
Pension Assets-12/12 $841.5 mill. **Oblig.** $935.5 mill.

Pfd Stock None

Common Stock 235,580,598 shs.
as of 7/31/13
MARKET CAP: $5.6 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2010	2011	2012
% Change Retail Sales (KWH)	-1.4	-1.9	+3.6
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	7215	7052	7437
Annual Load Factor (%) F	43.0	44.7	44.2
% Change Customers (yr-end)	+.3	-2.8	+.9
Fixed Charge Cov. (%)	181	181	256

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '10-'12 to '16-'18
Revenues	-9.5%	-3.0%	*2.0%*
"Cash Flow"	17.0%	4.0%	*5.0%*
Earnings	- -	4.0%	*8.5%*
Dividends	- -	- -	*10.0%*
Book Value	-.5%	4.5%	*4.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	714.5	782.7	1128.0	655.0	3280.2
2011	641.0	674.9	1017.8	609.6	2943.3
2012	611.4	740.7	1026.5	600.6	2979.2
2013	584.2	731.6	***1050***	***634.2***	***3000***
2014	***625***	***750***	***1075***	***650***	***3100***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	d.01	.16	.75	.06	.96
2011	.01	.05	.73	d.11	.69
2012	.05	.29	.94	.07	1.35
2013	.09	.27	***.89***	***.05***	***1.30***
2014	***.10***	***.30***	***.92***	***.08***	***1.40***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.10	.10	.10	.11	.41
2010	.11	.11	.11	.12	.45
2011	.12	.12	.12	.13	.49
2012	.13	.17	.17	.17	.64
2013	.19	.19	.19		

BUSINESS: NV Energy, Inc. (formerly Sierra Pacific Resources) is a holding company formed through the 7/99 merger of Sierra Pacific (now NV Energy North) and Nevada Power (now NV Energy South). Sells electricity in west central & southern Nevada & eastern California; provides gas to Reno & Sparks, NV & environs. Customers: 1.2 mill. elec., 153,000 gas. Elec. rev. breakdown: res'l, 45%; comm'l, 25%; ind'l, 27%; other, 3%. Generating sources: gas, 59%; coal, 10%; purchased, 31%. Fuel costs: 38% of revs. '12 reported deprec. rates: South, 3.2%; North, 2.9%. Has 2,700 employees. Chairman: Philip G. Satre. President & CEO: Michael W. Yackira. Inc.: NV. Address: 6226 West Sahara Ave., Las Vegas, NV 89146. Tel.: 702-402-5000. Internet: www.nvenergy.com.

Shareholders of NV Energy have approved the takeover of the company by MidAmerican Energy. MidAmerican, a subsidiary of Berkshire Hathaway, has agreed to pay $23.75 in cash for each share of NV Energy. The deal still requires the approval of the Public Utilities Commission of Nevada (PUCN) and the Federal Energy Regulatory Commission. The companies are targeting the first quarter of 2014 for completion of the transaction. Due to the buyout agreement, the Timeliness rank of NV Energy stock remains suspended.

We continue to advise NV Energy stockholders to sell their shares on the open market. The offer is generous, at 18 times earnings. The recent price of the stock is just slightly below the takeover price, leaving very little upside potential for stockholders. Accordingly, by selling their stock now, NV Energy holders can avoid downside risk in case the deal falls through. So far, the agreement has not generated much controversy, but an unfavorable regulatory outcome cannot be ruled out.

NV Energy North has revised its rate filing. This case was required by state regulatory law. The utility is now seeking an electric rate *decrease* of $4.7 million (0.7%) and a gas tariff hike of $6.0 million (6.7%). (The electric request is based on a reallocation of debt between the electric and gas businesses and a reduction in operating and maintenance costs.) NV Energy filed for returns on equity of 10.4% for electricity and 10.35% for gas, based on a common-equity ratio of 47%. An order is expected in December, with new rates taking effect at the start of 2014.

NV Energy is asking the PUCN for approval to combine its two utilities into one. The company is building a transmission line to connect NV Energy North and NV Energy South, which would enable it to operate the utilities as one entity. A ruling is expected in March of 2014.

We estimate that earnings will decline a bit this year. Weather patterns were favorable in 2012, and NV Energy is incurring costs related to the pending takeover. These reduced profits by $0.04 a share in the second quarter. We figure that earnings will exceed the 2012 level in 2014.

Paul E. Debbas, CFA *November 1, 2013*

(A) Diluted EPS. Excl. gains (losses) from disc. ops.: '00, 8¢; '01, 31¢; '03, (5¢); '04, (3¢); nonrec. gain (loss): '04, (21¢); '06, 20¢. '11 EPS don't add due to rounding. Next earnings report due late Feb. (B) Div'd reinstated 7/07. Div'ds historically paid mid-Mar., June, Sept., & Dec. ■ Div'd reinv. plan avail. (C) Incl. intang. In '12: $6.77/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. for NV Energy North in '08: 10.6%; NV Energy South in '12: 10%; earned on avg. com. eq., '12: 9.2%. Reg. Climate: Avg. (F) NV Energy South only.

Company's Financial Strength	B+
Stock's Price Stability	90
Price Growth Persistence	90
Earnings Predictability	60

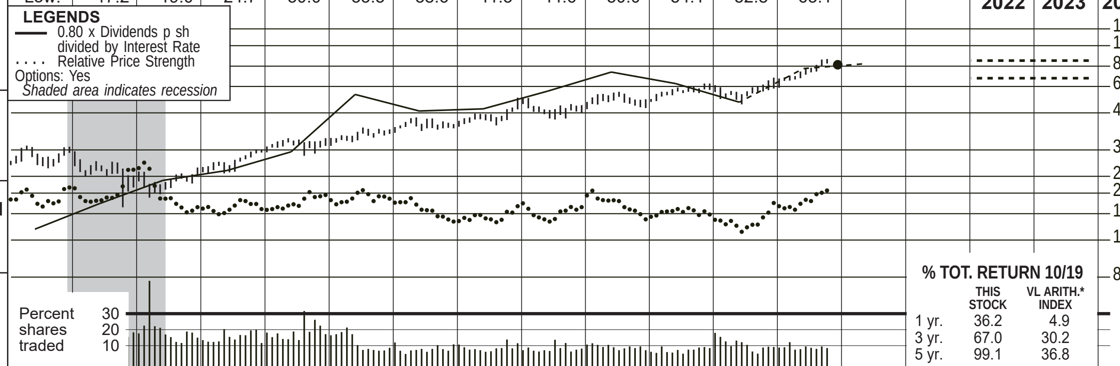
EVERSOURCE ENERGY NYSE-ES

RECENT PRICE	P/E RATIO	(Trailing / Median)	RELATIVE P/E RATIO	DIV'D YLD	
81.08	22.7	(Trailing: 24.2 / Median: 18.0)	1.30	2.8%	VALUE LINE

TIMELINESS 3 Lowered 9/13/19
SAFETY 1 Raised 5/22/15
TECHNICAL 1 Raised 11/15/19
BETA .55 (1.00 = Market)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
High:	31.6	26.5	32.2	36.5	40.9	45.7	56.7	56.8	60.4	66.1	70.5	86.6
Low:	17.2	19.0	24.7	30.0	33.5	38.6	41.3	44.6	50.0	54.1	52.8	63.1

Target Price Range 2022 | 2023 | 2024



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$71-$93	$82 (0%)

2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(+5%)	4%
Low	70	(-15%)	Nil

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	320	312	327
to Sell	259	288	269
Hld's(000)	237152	234072	255223

% TOT. RETURN 10/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	36.2	4.9
3 yr.	67.0	30.2
5 yr.	99.1	36.8

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
47.53	51.82	41.85	44.64	37.27	37.22	30.97	27.76	25.21	19.98	23.16	24.42	25.08	24.11	24.46	26.66	*26.25*	*25.80*	Revenues per sh	*27.50*
5.80	5.00	5.46	3.69	4.82	6.16	4.96	5.68	4.88	4.03	5.22	4.56	4.94	5.46	5.84	6.64	*7.15*	*7.35*	"Cash Flow" per sh	*8.25*
1.24	.91	.98	.82	1.59	1.86	1.91	2.10	2.22	1.89	2.49	2.58	2.76	2.96	3.11	3.25	*3.45*	*3.65*	Earnings per sh A	*4.25*
.58	.63	.68	.73	.78	.83	.95	1.03	1.10	1.32	1.47	1.57	1.67	1.78	1.90	2.02	*2.14*	*2.26*	Div'd Decl'd per sh B ■	*2.65*
4.31	4.85	5.89	5.49	7.14	8.06	5.17	5.41	6.08	4.69	4.62	5.06	5.44	6.24	7.41	7.96	*9.15*	*7.70*	Cap'l Spending per sh	*6.75*
17.73	17.80	18.46	18.14	18.65	19.38	20.37	21.60	22.65	29.41	30.49	31.47	32.64	33.80	34.99	36.25	*37.70*	*40.40*	Book Value per sh C	*46.25*
127.70	129.03	131.59	154.23	156.22	155.83	175.62	176.45	177.16	314.05	315.27	316.98	317.19	316.89	316.89	316.89	*324.00*	*337.00*	Common Shs Outst'g D	*350.00*
13.4	20.8	19.8	27.1	18.7	13.7	12.0	13.4	15.4	19.9	16.9	17.9	18.1	18.7	19.5	18.7	*Bold figures are*		Avg Ann'l P/E Ratio	*18.0*
.76	1.10	1.05	1.46	.99	.82	.80	.85	.97	1.27	.95	.94	.91	.98	.98	1.01	*Value Line*		Relative P/E Ratio	*1.00*
3.5%	3.3%	3.5%	3.3%	2.6%	3.2%	4.2%	3.6%	3.2%	3.5%	3.5%	3.4%	3.3%	3.2%	3.1%	3.3%	*estimates*		Avg Ann'l Div'd Yield	*3.5%*

CAPITAL STRUCTURE as of 6/30/19
Total Debt $15152 mill. **Due in 5 Yrs** $5934.3 mill.
LT Debt $13601 mill. **LT Interest** $533.5 mill.
(LT interest earned: 3.5x)
Leases, Uncapitalized Annual rentals $11.5 mill.
Pension Assets-12/18 $4573.9 mill. **Oblig** $5520.0 mill.
Pfd Stock $155.6 mill. **Pfd Div'd** $7.6 mill.
Incl. 2,324,000 shs $1.90-$3.28 rates ($50 par) not subject to mandatory redemption, call. at $50.50-$54.00; 430,000 shs 4.25%-4.78% not subject to mandatory redemption, call. at $102.80-$103.63.
Common Stock 323,602,045 shs. **as of 7/31/19**
MARKET CAP: $26 billion (Large Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
5439.4	4898.2	4465.7	6273.8	7301.2	7741.9	7954.8	7639.1	7752.0	8448.2	*8500*	*8700*	Revenues ($mill)	*9600*
335.6	377.8	400.3	533.0	793.7	827.1	886.0	949.8	995.5	1040.5	*1110*	*1215*	Net Profit ($mill)	*1490*
34.9%	36.6%	29.9%	34.0%	35.0%	36.2%	37.9%	36.9%	36.8%	21.7%	*21.5%*	*21.5%*	Income Tax Rate	*21.5%*
4.6%	7.1%	8.6%	2.3%	1.4%	2.4%	2.9%	3.9%	4.7%	6.1%	*6.0%*	*6.0%*	AFUDC % to Net Profit	*5.0%*
57.2%	55.1%	53.4%	43.7%	44.3%	45.9%	45.6%	44.8%	51.2%	52.4%	*53.0%*	*52.0%*	Long-Term Debt Ratio	*53.0%*
41.5%	43.6%	45.3%	55.4%	54.8%	53.2%	53.6%	54.4%	48.2%	46.9%	*46.5%*	*47.5%*	Common Equity Ratio	*46.5%*
8629.5	8741.8	8856.0	16675	17544	18738	19313	19697	23018	24474	*26375*	*28775*	Total Capital ($mill)	*34900*
8840.0	9567.7	10403	16605	17576	18647	19892	21351	23617	25610	*27300*	*28800*	Net Plant ($mill)	*32300*
5.4%	5.8%	5.9%	4.2%	5.5%	5.3%	5.5%	5.8%	5.2%	5.2%	*5.0%*	*5.0%*	Return on Total Cap'l	*5.5%*
9.1%	9.6%	9.7%	5.7%	8.1%	8.2%	8.4%	8.7%	8.9%	8.9%	*9.0%*	*9.0%*	Return on Shr. Equity	*9.0%*
9.2%	9.8%	9.8%	5.7%	8.2%	8.2%	8.5%	8.8%	8.9%	9.0%	*9.0%*	*9.0%*	Return on Com Equity E	*9.0%*
4.7%	5.0%	5.0%	1.6%	3.4%	3.5%	3.4%	3.5%	3.5%	3.4%	*3.5%*	*3.5%*	Retained to Com Eq	*3.5%*
50%	49%	50%	72%	59%	58%	61%	60%	61%	62%	*62%*	*62%*	All Div'ds to Net Prof	*62%*

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	-1.8	-2.6	+2.2
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	6.04	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	436	427	319

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-4.5%	2.0%	*1.5%*
"Cash Flow"	2.0%	5.0%	*5.5%*
Earnings	8.0%	7.0%	*5.5%*
Dividends	9.5%	8.0%	*5.5%*
Book Value	6.5%	5.0%	*4.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	2055	1767	2039	1776	7639.1
2017	2105	1762	1988	1895	7752.0
2018	2288	1853	2271	2034	8448.2
2019	2416	1884	2176	*2024*	*8500*
2020	*2450*	*1950*	*2200*	*2100*	*8700*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.77	.64	.83	.72	2.96
2017	.82	.72	.82	.75	3.11
2018	.85	.76	.91	.73	3.25
2019	.97	.74	.98	*.76*	*3.45*
2020	*1.03*	*.80*	*.97*	*.85*	*3.65*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.4175	.4175	.4175	.4175	1.67
2016	.445	.445	.445	.445	1.78
2017	.475	.475	.475	.475	1.90
2018	.505	.505	.505	.505	2.02
2019	.535	.535	.535		

BUSINESS: Eversource Energy (formerly Northeast Utilities) is the parent of utilities that have 3.1 mill. electric, 504,000 gas, 230,000 water customers. Supplies power to most of Connecticut and gas to part of Connecticut; supplies power to 3/4 of New Hampshire's population; supplies power to western Massachusetts and parts of eastern Massachusetts & gas to central & eastern Massachusetts; supplies water to CT, MA, & NH. Acq'd NSTAR 4/12; Aquarion 12/17. Electric rev. breakdown: residential, 54%; commercial, 37%; industrial, 5%; other, 4%. Fuel costs: 37% of revs. '18 reported deprec. rate: 2.9%. Has 8,000 empls. Chairman, Pres. & CEO: James J. Judge. Inc.: MA. Address: 300 Cadwell Drive, Springfield, MA 01104. Tel.: 413-785-5871. Internet: www.eversource.com.

Eversource Energy is likely to post steady earnings growth in 2019 and 2020. Some of the company's utilities are benefiting from rate relief. Expense control is effective. Eversource's transmission spending is boosting its earning power, as well. Our 2019 share-net estimate remains $3.45, the midpoint of Eversource's guidance of $3.40-$3.50. We are not changing our 2020 estimate of $3.65 a share. Our estimates, if attained, will produce profit growth of 6% annually. This is within the company's target of 5%-7% a year. Eversource's goal for annual dividend growth is the same range.

Public Service of New Hampshire has a rate case pending. The utility filed for an increase of $70 million, based on a return of 10.4% on a common-equity ratio of 54.85%. An interim hike of $28.3 million was effective on July 1st. PSNH is asking for new tariffs to take effect on July 1, 2020.

Eversource's joint venture with Orsted plans to build offshore wind projects. These would provide 1,714 megawatts of capacity and would come on line from 2022, 2023, and 2024. Costs have not been disclosed. These projects are expected to produce returns on investment exceeding those of the regulated utility operations. However, offshore wind entails significant construction risk.

Finances are solid. The common-equity ratio took a hit earlier this year due to an aftertax charge of $204 million to write off a transmission project that failed to win siting approval, but this was more than offset by the sale of $1.3 billion of stock. A third of the nearly 18 million shares was issued in June, and the remainder will come in May of 2020 through a forward sale agreement. Eversource has also switched to issuances rather than open-market purchases for its dividend reinvestment and other stock plans. The fixed-charge coverage is above the industry average, too. All told, the company merits a Financial Strength rating of A.

This high-quality equity has a high valuation. The dividend yield is a bit below average, by utility standards. And Eversource stock doesn't stand out for total return potential, either for the next 18 months or the 3- to 5-year period.

Paul E. Debbas, CFA *November 15, 2019*

(A) Diluted EPS. Excl. nonrecurring gains (losses): '03, (32¢); '04, (7¢); '05, ($1.36); '08, (19¢); '10, 9¢; '19, (64¢). Next earnings report due late Feb. (B) Div'ds historically paid late Mar., June, Sept., & Dec. ■ Div'd reinvestment plan avail. (C) Incl. deferred charges. In '18: $28.59/sh. (D) In mill. (E) Rate allowed on com. eq. in MA: (elec.) '18, 10.0%; (gas) '16, 9.8%; in CT: (elec.) '18, 9.25%; (gas) '18, 9.3%; in NH: '10, 9.67%; earned on avg. com. eq., '18: 9.2%. Regulatory Climate: CT, Below Average; NH, Average; MA, Above Average.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	70
Earnings Predictability	95

XCEL ENERGY NDQ-XEL

RECENT PRICE 63.15 | P/E RATIO 24.1 (Trailing: 25.8 Median: 15.0) | RELATIVE P/E RATIO 1.43 | DIV'D YLD 2.7% | VALUE LINE

TIMELINESS 3 Lowered 9/20/19

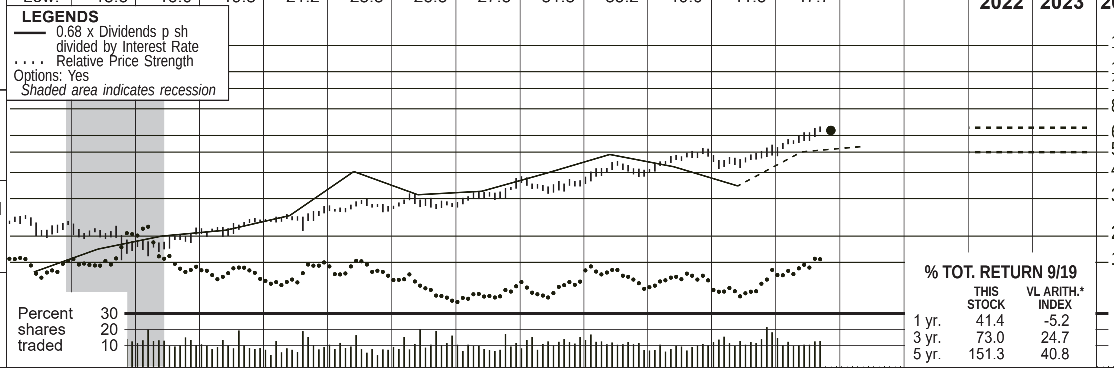
SAFETY 1 Raised 5/1/15

TECHNICAL 2 Raised 10/25/19

BETA .50 (1.00 = Market)

High:	22.9	21.9	24.4	27.8	29.9	31.8	37.6	38.3	45.4	52.2	54.1	66.1
Low:	15.3	16.0	19.8	21.2	25.8	26.8	27.3	31.8	35.2	40.0	41.5	47.7

Target Price Range 2022 | 2023 | 2024



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$51-$69	$60 (-5%)

2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+5%)	4%
Low	50	(-20%)	-2%

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	360	353	352
to Sell	294	308	308
Hld's(000)	392248	396450	404643

% TOT. RETURN 9/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	41.4	-5.2
3 yr.	73.0	24.7
5 yr.	151.3	40.8

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
19.90	20.84	23.86	24.16	23.40	24.69	21.08	21.38	21.90	20.76	21.92	23.11	21.72	21.90	22.46	22.44	**22.55**	**23.50**	Revenues per sh	**26.00**
3.35	3.27	3.28	3.61	3.45	3.50	3.48	3.51	3.79	4.00	4.10	4.28	4.56	5.04	5.47	5.92	**6.20**	**6.60**	"Cash Flow" per sh	**8.00**
1.23	1.27	1.20	1.35	1.35	1.46	1.49	1.56	1.72	1.85	1.91	2.03	2.10	2.21	2.30	2.47	**2.60**	**2.75**	Earnings per sh A	**3.25**
.75	.81	.85	.88	.91	.94	.97	1.00	1.03	1.07	1.11	1.20	1.28	1.36	1.44	1.52	**1.62**	**1.72**	Div'd Decl'd per sh B ■	**2.05**
2.49	3.19	3.25	4.00	4.89	4.66	3.91	4.60	4.53	5.27	6.82	6.33	7.26	6.42	6.54	7.70	**9.00**	**6.85**	Cap'l Spending per sh	**7.25**
12.95	12.99	13.37	14.28	14.70	15.35	15.92	16.76	17.44	18.19	19.21	20.20	20.89	21.73	22.56	23.78	**25.25**	**26.40**	Book Value per sh C	**30.25**
398.96	400.46	403.39	407.30	428.78	453.79	457.51	482.33	486.49	487.96	497.97	505.73	507.54	507.22	507.76	514.04	**525.00**	**526.00**	Common Shs Outst'g D	**530.00**
11.6	13.6	15.4	14.8	16.7	13.7	12.7	14.1	14.2	14.8	15.0	15.4	16.5	18.5	20.2	18.9	*Bold figures are*	*Value Line*	Avg Ann'l P/E Ratio	**17.5**
.66	.72	.82	.80	.89	.82	.85	.90	.89	.94	.84	.81	.83	.97	1.02	1.02	*estimates*		Relative P/E Ratio	**.95**
5.2%	4.7%	4.6%	4.4%	4.0%	4.7%	5.1%	4.5%	4.2%	3.9%	3.9%	3.8%	3.7%	3.3%	3.1%	3.3%			Avg Ann'l Div'd Yield	**3.6%**
						9644.3	10311	10655	10128	10915	11686	11024	11107	11404	11537	**11850**	**12350**	Revenues ($mill)	**13800**
						685.5	727.0	841.4	905.2	948.2	1021.3	1063.6	1123.4	1171.0	1261.0	**1350**	**1455**	Net Profit ($mill)	**1725**
						35.1%	37.5%	35.8%	33.2%	33.8%	33.9%	35.8%	34.1%	30.7%	12.6%	**8.0%**	**8.0%**	Income Tax Rate	**9.0%**
						16.8%	11.7%	9.4%	10.8%	13.4%	12.5%	7.7%	7.8%	9.4%	12.4%	**10.0%**	**9.0%**	AFUDC % to Net Profit	**7.0%**
						51.6%	53.1%	51.1%	53.3%	53.3%	53.0%	54.1%	56.3%	55.9%	56.4%	**56.0%**	**57.0%**	Long-Term Debt Ratio	**58.0%**
						47.7%	46.3%	48.9%	46.7%	46.7%	47.0%	45.9%	43.7%	44.1%	43.6%	**44.0%**	**43.0%**	Common Equity Ratio	**42.0%**
						15277	17452	17331	19018	20477	21714	23092	25216	25975	28025	**30300**	**32125**	Total Capital ($mill)	**36900**
						18508	20663	22353	23809	26122	28757	31206	32842	34329	36944	**39750**	**41325**	Net Plant ($mill)	**45400**
						6.2%	5.7%	6.5%	6.1%	6.0%	6.0%	5.8%	5.7%	5.8%	5.7%	**5.5%**	**5.5%**	Return on Total Cap'l	**6.0%**
						9.3%	8.9%	9.9%	10.2%	9.9%	10.0%	10.0%	10.2%	10.2%	10.3%	**10.0%**	**10.5%**	Return on Shr. Equity	**11.0%**
						9.4%	8.9%	9.9%	10.2%	9.9%	10.0%	10.0%	10.2%	10.2%	10.3%	**10.0%**	**10.5%**	Return on Com Equity E	**11.0%**
						3.7%	3.6%	4.3%	4.7%	4.5%	4.5%	4.3%	4.0%	3.9%	4.3%	**4.0%**	**4.0%**	Retained to Com Eq	**4.0%**
						61%	59%	56%	54%	54%	55%	57%	61%	62%	58%	**62%**	**62%**	All Div'ds to Net Prof	**62%**

CAPITAL STRUCTURE as of 6/30/19
Total Debt $18146 mill. **Due in 5 Yrs** $4836 mill.
LT Debt $15996 mill. **LT Interest** $672 mill.
Incl. $145 mill. capitalized leases.
(LT interest earned: 2.6x)

Leases, Uncapitalized Annual rentals $239 mill.
Pension Assets-12/18 $2742 mill. **Oblig** $3477 mill.

Pfd Stock None

Common Stock 515,010,683 shs.
as of 7/25/19
MARKET CAP: $33 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	+.3	-.7	+3.2
Large C & I Use (MWH)	22519	22642	23004
Large C & I Revs. per KWH (¢)	6.17	6.36	5.91
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	20423	19591	20293
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.9	+.9	+1.1
Fixed Charge Cov. (%)	342	330	281

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-1.0%	.5%	*2.5%*
"Cash Flow"	4.5%	6.5%	*6.5%*
Earnings	5.5%	5.0%	*5.5%*
Dividends	4.5%	6.0%	*6.0%*
Book Value	4.5%	4.5%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	2772	2500	3040	2795	11107
2017	2946	2645	3017	2796	11404
2018	2951	2658	3048	2880	11537
2019	3141	2577	***3150***	***2982***	***11850***
2020	***3250***	***2750***	***3250***	***3100***	***12350***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.47	.39	.90	.45	2.21
2017	.47	.45	.97	.42	2.30
2018	.57	.52	.96	.42	2.47
2019	.61	.46	***1.05***	***.48***	***2.60***
2020	***.63***	***.52***	***1.10***	***.50***	***2.75***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.30	.32	.32	.32	1.26
2016	.32	.34	.34	.34	1.34
2017	.34	.36	.36	.36	1.42
2018	.36	.38	.38	.38	1.50
2019	.38	.405	.405	.405	

BUSINESS: Xcel Energy Inc. is the parent of Northern States Power, which supplies electricity to Minnesota, Wisconsin, North Dakota, South Dakota & Michigan & gas to Minnesota, Wisconsin, North Dakota & Michigan; Public Service of Colorado, which supplies electricity & gas to Colorado; & Southwestern Public Service, which supplies electricity to Texas & New Mexico. Customers: 3.6 mill. electric, 2.0 mill. gas. Elec. rev. breakdown: residential, 31%; sm. comm'l & ind'l, 36%; lg. comm'l & ind'l, 18%; other, 15%. Generating sources not available. Fuel costs: 41% of revs. '18 reported depr. rate: 3.1%. Has 11,100 employees. Chairman, Pres. & CEO: Ben Fowke. Inc.: MN. Address: 414 Nicollet Mall, Minneapolis, MN 55401. Tel.: 612-330-5500. Internet: www.xcelenergy.com.

Xcel Energy's utility in Colorado has a tough rate case pending. Public Service of Colorado requested an electric increase of $158.3 million, based on a return of 10.35% on a common-equity ratio of 56.46%. However, the staff of the Colorado commission is recommending a hike of just $7.7 million, based on a return of 9% on a common-equity ratio of 55.57%, and intervenors' proposals are even lower. PSCo has a track record of reaching settlements, but this does not mean that this will occur in this case. An order is due in time for new tariffs to take effect at the start of 2020.

Southwestern Public Service has electric applications pending in Texas and New Mexico. The utility wants to place wind projects in the rate base. In Texas, SPS is seeking $136.5 million, based on a return of 10.35% on a common-equity ratio of 54.65%. New rates are expected to go into effect in the second quarter. In New Mexico, the utility filed for a net hike of $26 million, based on a return of 10.35% on a common-equity ratio of 54.77%. New rates are expected to take effect in the second or third period.

Rate relief is the primary reason for the company's steady profit growth in recent years. Xcel's goal for annual profit growth is 5%-7%, and our 2019 and 2020 share-earnings estimates would produce increases within this range. Our 2019 estimate is at the midpoint of the company's targeted range of $2.55-$2.65, and management has stated its expectation of being at the midpoint to the upper end of this range.

The Minnesota commission rejected a proposed asset acquisition by Northern States Power. The utility agreed to pay $650 million for a 760-megawatt gas-fired plant (from which it is already buying power). The regulators opposed ownership as a utility asset, so Xcel intends to purchase the facility under the same terms, but as a nonregulated asset. Xcel expects this will provide the same return on investment as a utility plant.

This top-quality stock has a high valuation. The dividend yield is somewhat below the utility average. Total return potential isn't appealing, either for the 18-month span or the 2022-2024 period.

Paul E. Debbas, CFA *October 25, 2019*

(A) Diluted EPS. Excl. nonrecurring gain (losses): '10, 5¢; '15, (16¢); '17, (5¢); gains (losses) on discontinued ops.: '03, 27¢; '04, (30¢); '05, 3¢; '06, 1¢; '09, (1¢); '10, 1¢. '17 EPS don't sum due to rounding. Next earnings report due early Nov. **(B)** Div'ds historically paid mid-Jan., Apr., July, and Oct. ■ Div'd reinvestment plan available. **(C)** Incl. intangibles. In '18: $5.92/sh. **(D)** In mill. **(E)** Rate base: Varies. Rate allowed on com. eq. (blended): 9.6%; earned on avg. com. eq., '18: 10.4%. Regulatory Climate: Average.

Company's Financial Strength	A+
Stock's Price Stability	100
Price Growth Persistence	60
Earnings Predictability	100

FIRSTENERGY NYSE-FE

RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD
47.32	30.3 (Trailing: 20.1 / Median: 17.0)	1.74	3.4%

VALUE LINE

TIMELINESS **3** Lowered 6/7/19

SAFETY **2** Raised 8/17/18

TECHNICAL **2** Raised 11/8/19

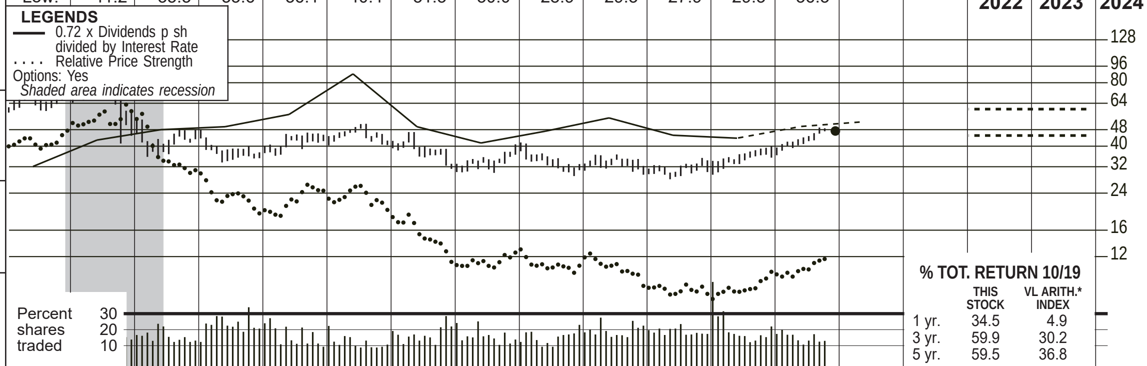
BETA .65 (1.00 = Market)

High:	84.0	53.6	47.8	46.5	51.1	46.8	40.8	41.7	36.6	35.2	39.9	49.1
Low:	41.2	35.3	33.6	36.1	40.4	31.3	30.0	28.9	29.3	27.9	29.3	36.3

Target Price Range

2022 | 2023 | 2024

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



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$35-$53	$44 (-5%)

2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+25%)	10%
Low	45	(-5%)	3%

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	293	328	320
to Sell	281	258	271
Hld's(000)	483814	498703	524158

Percent shares traded 30 20 10

% TOT. RETURN 10/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	34.5	4.9
3 yr.	59.9	30.2
5 yr.	59.5	36.8

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
37.31	37.76	36.35	36.03	42.00	44.70	41.70	43.76	38.87	36.57	35.60	35.74	35.48	32.92	31.49	22.00	***20.35***	***21.25***	Revenues per sh	***23.75***
4.79	7.60	7.55	7.22	8.34	9.04	8.80	8.50	5.75	6.05	6.30	4.55	6.33	6.53	6.54	3.98	***4.10***	***5.30***	"Cash Flow" per sh	***6.00***
1.47	2.77	2.84	3.82	4.22	4.38	3.32	3.25	1.88	2.13	2.97	.85	2.00	2.10	2.73	1.33	***1.50***	***2.55***	Earnings per sh A	***3.00***
1.50	1.91	1.71	1.85	2.05	2.20	2.20	2.20	2.20	2.20	1.65	1.44	1.44	1.44	1.44	1.82	***1.52***	***1.60***	Div'd Decl'd per sh B ■	***1.90***
2.60	2.57	3.66	4.12	5.36	9.47	7.23	6.44	5.45	7.09	6.90	8.42	6.83	6.93	6.38	5.23	***5.55***	***5.50***	Cap'l Spending per sh	***5.25***
25.13	26.04	27.86	28.30	29.45	27.17	28.08	28.03	31.75	31.29	30.32	29.49	29.33	14.11	8.81	13.17	***13.75***	***14.80***	Book Value per sh C	***18.00***
329.84	329.84	329.84	319.21	304.84	304.84	304.84	304.84	418.22	418.22	418.63	421.10	423.56	442.34	445.33	511.92	***540.00***	***543.00***	Common Shs Outst'g D	***550.00***
22.5	14.1	16.1	14.2	15.6	15.6	13.0	11.7	22.4	21.1	13.1	39.8	17.0	15.9	11.4	26.5	*Bold figures are*		Avg Ann'l P/E Ratio	***16.5***
1.28	.74	.86	.77	.83	.94	.87	.74	1.41	1.34	.74	2.10	.86	.83	.57	1.43	*Value Line*		Relative P/E Ratio	***.90***
4.5%	4.9%	3.7%	3.4%	3.1%	3.2%	5.1%	5.8%	5.2%	4.9%	4.3%	4.3%	4.2%	4.3%	4.6%	5.2%	*estimates*		Avg Ann'l Div'd Yield	***3.8%***

CAPITAL STRUCTURE as of 9/30/19
Total Debt $20803 mill. **Due in 5 Yrs** $4656 mill.
LT Debt $19422 mill. **LT Interest** $921 mill.
Incl. $55 mill. capitalized leases.
(LT interest earned: 2.7x)
Leases, Uncapitalized Annual rentals $34 mill.

Pension Assets-12/18 $6984 mill. **Oblig** $9462 mill.

Pfd Stock None

Common Stock 540,311,707 shs.

MARKET CAP: $26 billion (Large Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
12712	13339	16258	15294	14903	15049	15029	14562	14022	11261	***11000***	***11550***	Revenues ($mill)	***13000***
1015.0	991.0	752.0	891.0	1245.0	356.0	844.0	892.0	1213.0	726.0	***810***	***1380***	Net Profit ($mill)	***1620***
19.6%	38.6%	41.3%	41.1%	36.1%	5.6%	35.7%	37.8%	37.2%	32.4%	***20.5%***	***22.5%***	Income Tax Rate	***22.5%***
12.8%	16.6%	9.3%	8.1%	6.0%	33.1%	13.9%	11.5%	6.5%	9.0%	***9.0%***	***5.0%***	AFUDC % to Net Profit	***4.0%***
58.2%	59.5%	54.2%	53.7%	55.5%	60.7%	60.7%	74.5%	84.3%	72.3%	***73.0%***	***73.0%***	Long-Term Debt Ratio	***69.5%***
41.8%	40.5%	45.8%	46.3%	44.5%	39.3%	39.3%	25.5%	15.7%	27.4%	***27.0%***	***27.0%***	Common Equity Ratio	***30.5%***
20467	21124	28996	28263	28523	31596	31613	24433	25040	24565	***27450***	***30000***	Total Capital ($mill)	***32500***
19164	19788	30337	32903	33252	35783	37214	29387	28879	29911	***31525***	***33050***	Net Plant ($mill)	***37100***
6.9%	6.3%	4.0%	4.9%	6.0%	2.7%	4.3%	5.7%	7.0%	4.9%	***4.5%***	***6.5%***	Return on Total Cap'l	***6.5%***
11.9%	11.6%	5.7%	6.8%	9.8%	2.9%	6.8%	14.3%	30.9%	10.7%	***11.0%***	***17.0%***	Return on Shr. Equity	***16.0%***
11.9%	11.6%	5.7%	6.8%	9.8%	2.9%	6.8%	14.3%	30.9%	9.7%	***10.5%***	***17.0%***	Return on Com Equity E	***16.0%***
4.0%	3.8%	NMF	NMF	2.6%	NMF	1.9%	4.5%	14.6%	NMF	***NMF***	***6.5%***	Retained to Com Eq	***6.0%***
66%	68%	117%	103%	74%	NMF	72%	68%	53%	108%	***104%***	***63%***	All Div'ds to Net Prof	***64%***

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	+.3	-2.1	+4.2
Avg. Indust. Use (MWH)	NMF	NMF	NMF
Avg. Indust. Revs. per KWH (¢)	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)	+.5	+.5	+.4
Fixed Charge Cov. (%)	208	249	199

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-3.5%	-5.0%	*-3.0%*
"Cash Flow"	-3.5%	-1.0%	*1.0%*
Earnings	-7.0%	-2.5%	*6.5%*
Dividends	-2.5%	-5.0%	*3.5%*
Book Value	-8.0%	-17.5%	*7.0%*

QUARTERLY REVENUES ($ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	3869	3401	3917	3375	14562
2017	3557	3309	3714	3442	14022
2018	2862	2625	3064	2710	11261
2019	2883	2516	2963	***2638***	***11000***
2020	***3000***	***2750***	***3100***	***2700***	***11550***

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.77	.34	.89	.10	2.10
2017	.71	.59	.95	.49	2.73
2018	.01	.27	.66	.34	1.33
2019	.66	.63	.72	***d.51***	***1.50***
2020	***.70***	***.65***	***.75***	***.45***	***2.55***

QUARTERLY DIVIDENDS PAID B ■

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.36	.36	.36	.36	1.44
2016	.36	.36	.36	.36	1.44
2017	.36	.36	.36	.36	1.44
2018	.36	.36	.36	.36	1.44
2019	.38	.38	.38		

BUSINESS: FirstEnergy Corp. is a holding company for Ohio Edison, Pennsylvania Power, Cleveland Electric, Toledo Edison, Metropolitan Edison, Penelec, Jersey Central Power & Light, West Penn Power, Potomac Edison, & Mon Power. Provides electric service to 6.1 million customers in OH, PA, NJ, WV, MD, & NY. Acq'd Allegheny Energy 2/11. Electric revenue breakdown by customer class not available. Generating sources: coal, 44%; nuclear, 26%; purchased, 30%. Fuel costs: 32% of revenues. '18 reported deprec. rate: 2.6%. Has 12,500 employees. Chairman: George M. Smart. President & CEO: Charles E. Jones. Incorporated: Ohio. Address: 76 South Main Street, Akron, Ohio 44308-1890. Telephone: 800-736-3402. Internet: www.firstenergycorp.com.

In the next few years, FirstEnergy's earning power will benefit from various capital spending programs. The company's utilities in Ohio will spend $516 million over a three-year period to modernize the electric grid. This is recoverable through a rider (surcharge) on customers' bills. Similarly, Jersey Central Power & Light will spend $97 million through the end of 2020. This is recoverable through 2020. FirstEnergy's utilities in Pennsylvania are proposing to spend $572 million from 2020 through 2024 to improve their electric infrastructure. This would be recovered through a rider. The company expects a ruling by yearend. Finally, FirstEnergy is spending $1.2 billion a year through 2021 on electric transmission. Most of this is recoverable through forward-looking regulatory mechanisms, and JCP&L is asking the Federal Energy Regulatory Commission to approve similar treatment in New Jersey beginning in 2020. This would mean that at least 85% of FirstEnergy's transmission spending would be recovered this way.

Investors should not be alarmed by the loss we estimate for the fourth quarter of 2019. Each year in the December period, FirstEnergy records a noncash mark-to-market accounting item associated with its pension plan. Management estimates that this will amount to a charge of $400 million-$1 billion; our estimate incorporates the midpoint of this range. (The final amount will be determined by the discount rate and asset returns at yearend.) The company's 2019 guidance (on a GAAP basis) is $0.76-$1.90 a share as a result of this wide range. We include no such item in our 2020 estimate of $2.55 a share, which is within FirstEnergy's targeted range of $2.40-$2.60.

We think the board of directors will raise the dividend, effective with the first-quarter payment. We estimate a hike of $0.02 a share (5.3%) in the quarterly payout, the same increase as a year ago.

The dividend yield of this stock is not significantly above the utility average. Projected total returns over the 18-month period are negative, and total return potential over the 3- to 5-year period, like those of most other utility issues, is unspectacular.

Paul E. Debbas, CFA *November 15, 2019*

(A) Dil. EPS. Excl. nonrec. losses: '12, 29¢; '13, $2.07; '14, 17¢; '15, 63¢; '16, $16.59; '17, $6.61; gains (loss) from disc. ops.: '14, 20¢; '18, 66¢; '19, (11¢). '17, '18 EPS don't sum due to rounding or chg. in shs. Next egs. due late Feb. (B) Div'ds pd. early Mar., June, Sept., & Dec. 5 div'ds in '04 & '18, 3 in '13. ■ Div'd reinv. avail. (C) Incl. intang. In '18: $11.15/sh. (D) In mill. (E) Rate base: Depr. orig. cost. Rates all'd on com. eq.: 9.75%-11.7%; earned avg. com. eq., '18: 12.7%. Regul. Climate: OH Above Avg.; PA, NJ Avg.; MD, WV Below Avg.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	20
Earnings Predictability	40

OGE ENERGY CORP. NYSE-OGE

RECENT PRICE	43.42	P/E RATIO	20.6 (Trailing: 21.4 Median: 17.0)	RELATIVE P/E RATIO	1.28	DIV'D YLD	3.6%	VALUE LINE

TIMELINESS 3 Raised 10/19/18

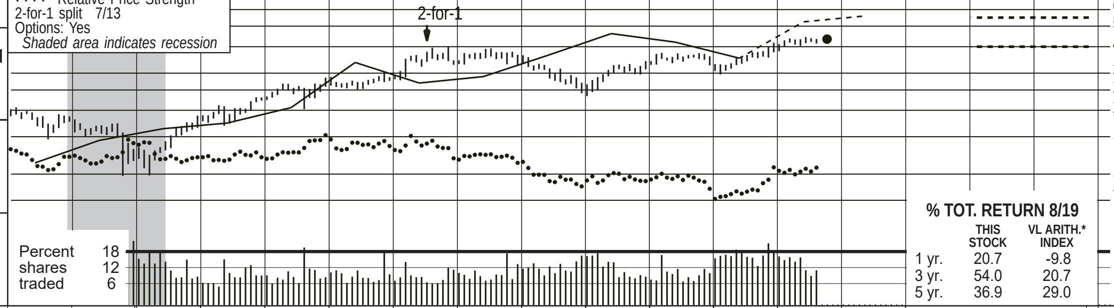
SAFETY 2 Lowered 12/18/15

TECHNICAL 3 Lowered 9/13/19

BETA .80 (1.00 = Market)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
High:	18.1	18.9	23.1	28.6	30.1	40.0	39.3	36.5	34.2	37.4	41.8	44.4
Low:	9.8	9.9	16.9	20.3	25.1	27.7	32.8	24.2	23.4	32.6	29.6	38.0

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



Target Price Range

2022	2023	2024

2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+25%)	*10%*
Low	40	(-10%)	*2%*

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	1	0	0	0	0	0	0	0	0
Options	0	0	1	11	0	0	1	0	0
to Sell	2	0	0	2	1	0	0	0	0

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	210	234	184
to Sell	186	175	225
Hld's(000)	136275	136796	134414

% TOT. RETURN 8/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	20.7	-9.8
3 yr.	54.0	20.7
5 yr.	36.9	29.0

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
21.62	27.37	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	***11.50***	***12.25***	Revenues per sh	***14.50***
1.82	1.87	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	***3.80***	***4.05***	"Cash Flow" per sh	***4.75***
.87	.89	.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	***2.10***	***2.25***	Earnings per sh A	***2.75***
.67	.67	.67	.67	.68	.70	.71	.73	.76	.80	.85	.95	1.05	1.16	1.27	1.40	***1.52***	***1.62***	Div'd Decl'd per sh B ■	***1.90***
1.04	1.51	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	***3.15***	***2.90***	Cap'l Spending per sh	***3.00***
6.87	7.14	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	***20.50***	***21.20***	Book Value per sh C	***23.50***
174.80	180.00	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	***200.00***	***200.00***	Common Shs Outst'g D	***200.00***
11.8	14.1	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	*Bold figures are*		Avg Ann'l P/E Ratio	***17.5***
.67	.74	.79	.74	.73	.75	.72	.85	.90	.97	.99	.96	.89	.93	.92	.89	*Value Line*		Relative P/E Ratio	***.95***
6.5%	5.3%	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%	*estimates*		Avg Ann'l Div'd Yield	***4.0%***

CAPITAL STRUCTURE as of 6/30/19
Total Debt $3401.1 mill. **Due in 5 Yrs** $208.0 mill.
LT Debt $3193.6 mill. **LT Interest** $132.0 mill.
(LT interest earned: 4.0x)

Leases, Uncapitalized Annual rentals $22.1 mill.

Pension Assets-12/18 $522.8 mill. **Oblig** $615.9 mill.

Pfd Stock None

Common Stock 200,175,812 shs.

MARKET CAP: $8.7 billion (Large Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
2869.7	3716.9	3915.9	3671.2	2867.7	2453.1	2196.9	2259.2	2261.1	2270.3	***2300***	***2450***	Revenues ($mill)	***2900***
258.3	295.3	342.9	355.0	387.6	395.8	337.6	338.2	384.3	425.5	***420***	***455***	Net Profit ($mill)	***545***
31.7%	34.9%	30.7%	26.0%	24.9%	30.4%	29.2%	30.5%	32.5%	14.5%	***3.5%***	***3.5%***	Income Tax Rate	***3.5%***
9.1%	5.7%	9.0%	2.7%	2.6%	1.7%	3.7%	6.4%	15.0%	8.3%	***4.0%***	***3.0%***	AFUDC % to Net Profit	***3.0%***
50.6%	50.8%	51.6%	50.7%	43.1%	45.9%	44.3%	41.1%	41.7%	42.0%	***44.0%***	***44.5%***	Long-Term Debt Ratio	***45.5%***
49.4%	49.2%	48.4%	49.3%	56.9%	54.1%	55.7%	58.9%	58.3%	58.0%	***56.0%***	***55.5%***	Common Equity Ratio	***54.5%***
4129.7	4652.5	5300.4	5615.8	5337.2	5999.7	5971.6	5849.6	6600.7	6902.0	***7300***	***7630***	Total Capital ($mill)	***8650***
5911.6	6464.4	7474.0	8344.8	6672.8	6979.9	7322.4	7696.2	8339.9	8643.8	***8930***	***9145***	Net Plant ($mill)	***9700***
7.9%	7.8%	7.8%	7.7%	8.6%	7.8%	6.9%	7.0%	7.0%	7.3%	***6.5%***	***7.0%***	Return on Total Cap'l	***7.5%***
12.7%	12.9%	13.4%	12.8%	12.8%	12.2%	10.2%	9.8%	10.0%	10.6%	***10.0%***	***10.5%***	Return on Shr. Equity	***11.5%***
12.7%	12.9%	13.4%	12.8%	12.8%	12.2%	10.2%	9.8%	10.0%	10.6%	***10.0%***	***10.5%***	Return on Com Equity E	***11.5%***
6.0%	6.7%	7.7%	7.2%	7.3%	6.5%	4.0%	3.3%	3.5%	3.8%	***3.0%***	***3.0%***	Retained to Com Eq	***3.5%***
53%	48%	43%	44%	43%	47%	61%	67%	64%	64%	***73%***	***71%***	All Div'ds to Net Prof	***70%***

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	-1.1	-2.2	+6.8
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	5.17	5.30	4.86
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	6538	6456	6863
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.1	+1.0	+.9
Fixed Charge Cov. (%)	336	315	292

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-6.0%	-8.5%	*4.0%*
"Cash Flow"	4.0%	- -	*5.5%*
Earnings	4.0%	1.0%	*6.5%*
Dividends	6.5%	9.5%	*7.0%*
Book Value	7.5%	6.0%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	433.1	551.4	743.9	530.8	2259.2
2017	456.0	586.4	716.8	501.9	2261.1
2018	492.7	567.0	698.8	511.8	2270.3
2019	490.0	513.7	***750***	***546.3***	***2300***
2020	***525***	***550***	***800***	***575***	***2450***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.13	.35	.92	.29	1.69
2017	.18	.52	.92	.30	1.92
2018	.27	.55	1.02	.27	2.12
2019	.24	.50	***1.06***	***.30***	***2.10***
2020	***.25***	***.60***	***1.10***	***.30***	***2.25***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.25	.25	.25	.275	1.03
2016	.275	.275	.275	.3025	1.13
2017	.3025	.3025	.3025	.3325	1.24
2018	.3325	.3325	.3325	.365	1.36
2019	.365	.365	.365		

BUSINESS: OGE Energy Corp. is a holding company for Oklahoma Gas and Electric Company (OG&E), which supplies electricity to 852,000 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, 40%; commercial, 26%; industrial, 9%; oilfield, 7%; other, 18%. Generating sources: coal, 28%; gas, 27%; wind, 4%; purchased, 41%. Fuel costs: 39% of revenues. '18 reported depreciation rate (utility): 2.7%. Has 2,300 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 should soon receive an order in its general rate case. Oklahoma Gas and Electric reached a settlement calling for a $76.4 million rate hike, based on a return of 9.5% on a common-equity ratio of 53%. If the Oklahoma Corporation Commission approves the agreement, this would enable the utility to place some major capital projects in the rate base. An administrative law judge has recommended approval of the settlement, and we assume in our estimates that this gets approved. New tariffs will be retroactive to July 1st.

We trimmed our 2019 earnings estimate by $0.05 a share, to $2.10. June-quarter profits were hurt by milder-than-normal weather patterns, which hurt the bottom line by $0.06 a share. Our revised estimate remains within OGE Energy's targeted range of $2.05-$2.20 a share.

Earnings are likely to advance solidly in 2020. OG&E will benefit from a full year's effect of rate relief. The utility is also experiencing strong customer growth, helped by its low rates and economic development efforts along with the healthy economy of the service area. Our earnings estimate of $2.25 a share would produce a 7% increase.

A dividend increase is likely at the board meeting later this month, effective with the October payment. OGE Energy's board of directors has been raising the dividend at a 10% level through this year, but this doesn't mean that stockholders can expect a similar boost in the disbursement with the upcoming declaration. We estimate a hike of $0.03 a share (8.2%) in the quarterly disbursement. We think future increases will be lower than this, but still at or above the utility norm of 5%. Although OGE Energy has a payout ratio that is on the high side, even for a utility, this isn't a problem because the company is getting more than $140 million a year in distributions from its stake in Enable Midstream Partners, a natural gas master limited partnership.

OGE Energy stock offers a dividend yield and 3- to 5-year total return potential that are each above average for a utility. We think this makes the equity suitable for income-oriented investors.

Paul E. Debbas, CFA *September 13, 2019*

(A) Diluted EPS. Excl. nonrecurring gain (losses): '03, (7¢); '04, (3¢); '15, (33¢); '17, $1.18; gains on discont. ops.: '02, 6¢; '05, 25¢; '06, 20¢. '18 EPS don't sum due to rounding. Next earnings report due early Nov. (B) Div'ds historically paid in late Jan., Apr., July, & Oct. ■ Div'd reinvestment plan avail. (C) Incl. deferred charges. In '18: $1.43/sh. (D) In mill., adj. for split. (E) Rate base: Net original cost. Rate allowed on com. eq. in OK in '18: none specified; in AR in '11: 9.95%; earned on avg. com. eq., '18: 10.8%. Regulatory Climate: Average.

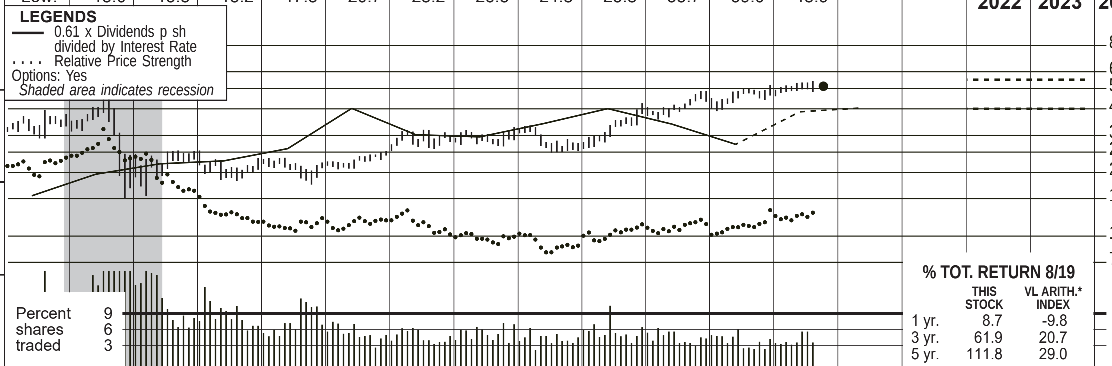
Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	40
Earnings Predictability	80

OTTER TAIL CORP. NDQ-OTTR

RECENT PRICE	51.19	P/E RATIO	23.6 (Trailing: 25.9 / Median: 22.0)	RELATIVE P/E RATIO	1.47	DIV'D YLD	2.8%	VALUE LINE

TIMELINESS 3 Lowered 3/1/19
SAFETY 2 Raised 6/17/16
TECHNICAL 2 Raised 8/30/19
BETA .65 (1.00 = Market)

High:	46.2	25.4	25.4	23.5	25.3	31.9	32.7	33.4	42.6	48.7	51.9	54.3
Low:	15.0	15.5	18.2	17.5	20.7	25.2	26.5	24.8	25.8	35.7	39.0	45.9



Target Price Range

2022	2023	2024

2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+5%)	5%
Low	40	(-20%)	-2%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	5	0	0	0	0	0
to Sell	1	0	0	1	0	0	0	0	0

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	89	83	78
to Sell	61	62	75
Hld's(000)	17343	17362	17859

% TOT. RETURN 8/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	8.7	-9.8
3 yr.	61.9	20.7
5 yr.	111.8	29.0

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
29.28	30.45	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	*23.60*	*24.10*	Revenues per sh	*27.50*
3.30	2.88	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	*4.05*	*4.15*	"Cash Flow" per sh	*4.75*
1.51	1.50	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	*2.15*	*2.25*	Earnings per sh A	*2.50*
1.08	1.10	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*	*1.46*	Div'd Decl'd per sh B ■	*1.65*
1.97	1.72	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	*5.55*	*9.05*	Cap'l Spending per sh	*3.50*
12.98	14.81	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	*19.35*	*21.00*	Book Value per sh C	*23.25*
25.72	28.98	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	*40.25*	*41.50*	Common Shs Outst'g D	*41.80*
17.8	17.3	15.4	17.3	19.0	30.1	31.2	NMF	NMF	21.7	21.1	18.8	18.2	20.2	22.1	22.2	*Bold figures are*		Avg Ann'l P/E Ratio	*19.0*
1.01	.91	.82	.93	1.01	1.81	2.08	NMF	NMF	1.38	1.19	.99	.92	1.06	1.11	1.19	*Value Line*		Relative P/E Ratio	*1.05*
4.0%	4.2%	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%	*estimates*		Avg Ann'l Div'd Yield	*3.5%*

CAPITAL STRUCTURE as of 6/30/19
Total Debt $628.8 mill. **Due in 5 Yrs** $208.1 mill.
LT Debt $590.1 mill. **LT Interest** $28.8 mill.
(LT interest earned: 4.2x)

Leases, Uncapitalized Annual rentals $6.2 mill.
Pension Assets-12/18 $269.8 mill.
Oblig $328.4 mill.
Pfd Stock None

Common Stock 39,755,277 shs.
as of 7/31/19
MARKET CAP: $2.0 billion (Mid Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
1039.5	1119.1	1077.9	859.2	893.3	799.3	779.8	803.5	849.4	916.4	*950*	*1000*	Revenues ($mill)	*1150*
26.0	13.6	16.4	39.0	50.2	56.9	58.6	62.0	73.9	82.3	*85.0*	*90.0*	Net Profit ($mill)	*105*
- -	- -	14.5%	5.2%	21.3%	22.5%	27.0%	24.5%	25.5%	15.0%	*18.0%*	*19.0%*	Income Tax Rate	*18.0%*
4.0%	.6%	3.8%	1.7%	5.6%	3.9%	3.5%	2.2%	2.3%	4.1%	*6.0%*	*9.0%*	AFUDC % to Net Profit	*4.0%*
38.8%	40.2%	44.6%	44.0%	42.1%	46.5%	42.4%	43.0%	41.3%	44.7%	*49.0%*	*49.5%*	Long-Term Debt Ratio	*50.5%*
59.8%	58.4%	54.0%	54.4%	57.9%	53.5%	57.6%	57.0%	58.7%	55.3%	*51.0%*	*50.5%*	Common Equity Ratio	*49.5%*
1124.4	1083.3	1058.9	959.2	924.4	1071.3	1051.0	1175.4	1187.3	1318.9	*1530*	*1730*	Total Capital ($mill)	*1950*
1098.6	1108.7	1077.5	1049.5	1167.0	1268.5	1387.8	1477.2	1539.6	1581.1	*1725*	*2025*	Net Plant ($mill)	*2250*
3.4%	2.7%	3.2%	5.7%	6.8%	6.7%	6.8%	6.5%	7.3%	7.3%	*6.5%*	*6.5%*	Return on Total Cap'l	*6.5%*
3.8%	2.1%	2.8%	7.3%	9.4%	9.9%	9.7%	9.3%	10.6%	11.3%	*11.0%*	*10.5%*	Return on Shr. Equity E	*11.0%*
3.8%	2.0%	2.7%	7.3%	9.3%	9.9%	9.7%	9.3%	10.6%	11.3%	*11.0%*	*10.5%*	Return on Com Equity	*11.0%*
NMF	NMF	NMF	NMF	1.2%	2.2%	2.0%	2.1%	3.3%	4.0%	*4.0%*	*3.5%*	Retained to Com Eq	*3.5%*
NMF	NMF	NMF	113%	87%	78%	79%	78%	69%	65%	*65%*	*65%*	All Div'ds to Net Prof	*66%*

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	+3.4	+1.4	+3.4
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	6.24	6.26	5.97
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	903	917	912
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.3	+.5	+.2
Fixed Charge Cov. (%)	512	608	409

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-5.5%	-3.5%	*4.0%*
"Cash Flow"	1.5%	6.5%	*4.0%*
Earnings	2.0%	14.0%	*5.0%*
Dividends	1.0%	1.5%	*4.0%*
Book Value	- -	3.5%	*4.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	206.2	203.5	197.2	196.6	803.5
2017	214.1	212.1	216.5	206.7	849.4
2018	241.2	226.3	227.7	221.2	916.4
2019	246.0	229.2	*240*	*234.8*	*950*
2020	*255*	*245*	*255*	*245*	*1000*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.38	.41	.37	.44	1.60
2017	.49	.42	.45	.50	1.86
2018	.66	.47	.58	.35	2.06
2019	.66	.39	*.60*	*.50*	*2.15*
2020	*.68*	*.42*	*.63*	*.52*	*2.25*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.3075	.3075	.3075	.3075	1.23
2016	.3125	.3125	.3125	.3125	1.25
2017	.32	.32	.32	.32	1.28
2018	.335	.335	.335	.335	1.34
2019	.35	.35	.35		

BUSINESS: Otter Tail Corporation is the parent of Otter Tail Power Company, which supplies electricity to 132,000 customers in Minnesota (53% of retail electric revenues), North Dakota (38%), and South Dakota (9%). Electric rev. breakdown: residential, 32%; commercial & farms, 37%; industrial, 30%; other, 1%. Generating sources: coal, 53%; other, 10%; purchased, 37%. Fuel costs: 15% of revenues. Also has operations in manufacturing and plastics (34% of '18 income). '18 reported deprec. rate (utility): 2.8%. Has 2,300 employees. Chairman: Nathan I. Partain. President & CEO: Charles S. MacFarlane. Incorporated: Minnesota. Address: 215 South Cascade St., P.O. Box 496, Fergus Falls, Minnesota 56538-0496. Tel.: 866-410-8780. Internet: www.ottertail.com.

The South Dakota commission approved a settlement for Otter Tail. The rate order boosted the utility's tariffs by $2.6 million (7.7%), based on a return on equity of 8.75%. This also includes a phase-in plan to allow Otter Tail to recover the costs of two major projects (see below) until these can be included in the rate base. The company received 69% of the $3.7 million it requested; nevertheless, the low allowed ROE is disappointing. New tariffs took effect on August 1st.

Earnings are likely to advance in 2019, despite a year-to-year decline in the first six months. The rate hike in South Dakota will help in the last five months. Also, some expenses that reduced earnings by $0.15 a share in the second half of 2018, such as a scheduled outage at the Big Stone coal-fired plant and contributions to create a charitable foundation for the company, will not recur. Our estimate of $2.15 a share is within Otter Tail's targeted range of $2.10-$2.25.

We expect further profit improvement in 2020. Otter Tail will have a full year's benefit of the rate increase in South Dakota. In addition, some of its capital investments are recovered through riders (surcharges) on customers' bills.

Two major projects are under construction. Otter Tail is building a 150-megawatt wind farm at a cost of $270 million and a 245-mw gas-fired plant at a cost of $158 million. The projects are scheduled for completion in 2020 and 2021, respectively. The company will finance construction with a combination of debt and common equity and should maintain a solid capital structure.

The nonutility businesses' prospects are mixed. The Manufacturing division is having a good year, but the Plastics division is being affected by weaker demand, higher raw material costs, and pricing pressures. So far, the nonregulated operations have been able to pass the costs of tariffs through to customers.

Unlike most utility stocks, Otter Tail's price has risen just slightly this year. There isn't an obvious reason for the underperformance. Still, the valuation of this equity is high. The dividend yield is slightly below average for a utility, and 3- to 5-year total return potential is negligible.

Paul E. Debbas, CFA *September 13, 2019*

(A) Diluted earnings. Excl. nonrec. gains (loss): '10, (44¢); '11, 26¢; '13, 2¢; gains (losses) from disc. ops.: '04, 8¢; '05, 33¢; '06, 1¢; '11, ($1.11); '12, ($1.22); '13, 2¢; '14, 2¢; '15, 2¢; '16, 1¢; '17, 1¢. Next earnings report due early Nov. (B) Div'ds historically paid in early Mar., June, Sept., & Dec. ■ Div'd reinv. plan avail. (C) Incl. intang. In '18: $4.67/sh. (D) In mill. (E) Rate all'd on com. eq. in MN in '17: 9.41%; in ND in '18: 9.77%; in SD in '19: 8.75%; earned on avg. com. eq., '18: 11.5%. Regulat. Clim.: MN, ND, Average; SD, Above Average.

Company's Financial Strength	A
Stock's Price Stability	90
Price Growth Persistence	65
Earnings Predictability	65

EXELON CORP. NYSE-EXC

RECENT PRICE 44.78 | P/E RATIO 14.1 (Trailing: 18.8 Median: 14.0) | RELATIVE P/E RATIO 0.81 | DIV'D YLD 3.4% | VALUE LINE

TIMELINESS 3 Lowered 6/7/19
SAFETY 2 Raised 5/17/19
TECHNICAL 2 Raised 10/25/19
BETA .65 (1.00 = Market)

High:	92.1	59.0	49.9	45.4	43.7	37.8	38.9	38.3	37.7	42.7	47.4	51.2
Low:	41.2	38.4	17.0	39.1	28.4	26.6	26.5	25.1	26.3	33.3	35.6	43.4

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$41-$56	$49 (10%)

2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+25%)	8%
Low	40	(-10%)	1%

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	447	463	429
to Sell	413	436	464
Hld's(000)	771331	774915	774543

% TOT. RETURN 10/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	7.1	4.9
3 yr.	47.9	30.2
5 yr.	48.4	36.8

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
24.09	21.85	23.05	23.37	28.62	28.65	26.25	28.17	28.53	27.48	29.03	31.90	32.01	33.94	34.81	37.17	*35.50*	*37.15*	Revenues per sh	*42.50*
5.06	5.68	6.19	6.71	7.43	7.64	8.25	8.32	7.23	6.61	6.72	6.61	6.80	7.01	8.37	8.24	*9.00*	*9.45*	"Cash Flow" per sh	*10.75*
2.44	2.75	3.21	3.50	4.03	4.10	4.29	3.87	3.75	1.92	2.31	2.10	2.54	1.80	2.78	2.07	*3.00*	*3.15*	Earnings per sh A	*3.75*
.96	1.26	1.60	1.64	1.82	2.05	2.10	2.10	2.10	2.10	1.46	1.24	1.24	1.26	1.31	1.38	*1.45*	*1.52*	Div'd Decl'd per sh B ■	*1.80*
2.98	2.89	3.25	3.61	4.05	4.74	4.96	5.03	6.09	6.77	6.29	7.07	8.29	9.26	7.87	7.84	*7.60*	*7.25*	Cap'l Spending per sh	*7.25*
12.95	14.19	13.69	14.89	15.34	16.78	19.16	20.49	21.68	25.07	26.52	26.29	28.04	27.96	30.99	31.77	*33.35*	*35.00*	Book Value per sh C	*40.25*
656.37	664.19	666.37	669.86	660.88	658.15	659.76	661.85	663.37	854.78	857.29	859.83	919.92	924.04	963.34	968.19	*972.00*	*976.00*	Common Shs Outst'g D	*988.00*
11.8	13.0	15.4	16.5	18.2	18.0	11.5	11.0	11.3	19.1	13.4	16.0	12.6	18.7	13.4	20.1	*Bold figures are*		Avg Ann'l P/E Ratio	*12.5*
.67	.69	.82	.89	.97	1.08	.77	.70	.71	1.22	.75	.84	.63	.98	.67	1.09	*Value Line*		Relative P/E Ratio	*.70*
3.4%	3.5%	3.2%	2.8%	2.5%	2.8%	4.3%	4.9%	5.0%	5.7%	4.7%	3.7%	3.9%	3.7%	3.5%	3.3%	*estimates*		Avg Ann'l Div'd Yield	*3.8%*

CAPITAL STRUCTURE as of 9/30/19
Total Debt $37713 mill. **Due in 5 Yrs** $11451 mill.
LT Debt $32446 mill. **LT Interest** $1379 mill.
Includes $390 mill. nonrecourse transition bonds.
(LT interest earned: 2.5x)
Leases, Uncapitalized Annual rentals $140 mill.

Pension Assets-12/18 $16678 mill. **Oblig** $20692 mill.
Pfd Stock None

Common Stock 972,108,865 shs.

MARKET CAP: $44 billion (Large Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
17318	18644	18924	23489	24888	27429	29447	31360	33531	35985	*34500*	*36250*	Revenues ($mill)	*42000*
2844.0	2567.0	2499.0	1579.0	1999.0	1826.0	2282.0	1677.0	2636.0	2010.0	*2900*	*3070*	Net Profit ($mill)	*3615*
38.8%	39.2%	36.8%	32.4%	36.5%	27.2%	32.2%	38.5%	34.2%	5.4%	*20.5%*	*20.5%*	Income Tax Rate	*20.5%*
2.3%	2.1%	3.0%	5.8%	4.5%	5.5%	5.4%	12.3%	6.5%	7.0%	*6.0%*	*5.0%*	AFUDC % to Net Profit	*5.0%*
47.2%	46.8%	45.7%	45.8%	44.4%	46.7%	48.3%	55.5%	52.2%	52.8%	*50.0%*	*51.0%*	Long-Term Debt Ratio	*50.0%*
52.4%	52.9%	54.0%	53.5%	55.2%	52.8%	51.3%	44.5%	47.8%	47.2%	*50.0%*	*49.0%*	Common Equity Ratio	*50.0%*
24112	25651	26661	40057	41196	42811	50272	58053	62422	65229	*64750*	*70025*	Total Capital ($mill)	*79500*
27341	29941	32570	45186	47330	52087	57439	71555	74202	76707	*78750*	*80175*	Net Plant ($mill)	*82700*
13.3%	11.4%	10.6%	5.1%	5.9%	5.3%	5.5%	4.1%	5.3%	4.2%	*5.5%*	*5.5%*	Return on Total Cap'l	*6.0%*
22.3%	18.8%	17.3%	7.3%	8.7%	8.0%	8.8%	6.5%	8.8%	6.5%	*9.0%*	*9.0%*	Return on Shr. Equity	*9.0%*
22.5%	18.9%	17.3%	7.3%	8.7%	8.0%	8.8%	6.5%	8.8%	6.5%	*9.0%*	*9.0%*	Return on Com Equity E	*9.0%*
11.5%	8.7%	7.7%	NMF	3.2%	3.3%	4.5%	1.9%	4.7%	2.2%	*4.5%*	*4.5%*	Retained to Com Eq	*4.5%*
49%	54%	56%	109%	63%	59%	49%	70%	47%	66%	*47%*	*47%*	All Div'ds to Net Prof	*48%*

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	+25.8	-3.0	NA
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NMF	NMF	NMF
Capacity at Peak (Mw)	NA	NA	NA
Peak Load (Mw)	NA	NA	NA
Nuclear Capacity Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+33.7	+.9	NA
Fixed Charge Cov. (%)	238	282	236

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	3.0%	4.5%	*3.0%*
"Cash Flow"	1.0%	3.0%	*5.5%*
Earnings	-5.5%	-3.5%	*9.0%*
Dividends	-3.5%	-7.0%	*5.5%*
Book Value	7.0%	4.5%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	7573	6910	9002	7875	31360
2017	8757	7623	8769	8382	33531
2018	9693	8076	9403	8813	35985
2019	9477	7689	8929	*8405*	*34500*
2020	*9950*	*8100*	*9400*	*8800*	*36250*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.26	.45	.76	.32	1.80
2017	.83	.44	.95	.56	2.78
2018	.60	.56	.76	.16	2.07
2019	.93	.50	.79	*.78*	*3.00*
2020	*.95*	*.65*	*.90*	*.65*	*3.15*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.31	.31	.31	.31	1.24
2016	.31	.318	.318	.318	1.26
2017	.328	.328	.328	.328	1.31
2018	.345	.345	.345	.345	1.38
2019	.3625	.3625	.3625		

BUSINESS: Exelon Corporation is a holding company for Commonwealth Edison, PECO Energy, Baltimore Gas and Electric, Pepco, Delmarva Power, & Atlantic City Electric. Has 8.9 mill. elec., 1.3 mill. gas customers. Has nonregulated generating & energy-marketing ops. Acq'd Constellation Energy 3/12; Pepco Holdings 3/16. Elec. rev. breakdown: res'l, 54%; small comm'l & ind'l, 16%; large comm'l & ind'l, 17%; other, 13%. Generating sources: nuclear, 68%; other, 10%; purch., 22%. Fuel costs: 46% of revs. '18 depr. rates: 2.7%-7.0% elec., 2.1% gas. Has 33,400 empls. Chairman: Mayo A. Shattuck III. Pres. & CEO: Christopher M. Crane. Inc.: PA. Address: 10 S. Dearborn St., P.O. Box 805379, Chicago, IL 60680-5379. Tel.: 312-394-7398. Internet: www.exeloncorp.com.

Exelon is experiencing some difficulties. Conditions in the power markets have been unfavorable for several years, and there are few signs of improvement. Exelon has closed nuclear units in New Jersey and Pennsylvania for financial reasons. Illinois enacted credits for some of the company's nuclear facilities, but its plants that are not eligible for these subsidies are struggling. Exelon is seeking legislation in Illinois that would address this, but the situation is complicated by a federal grand jury investigation into the company's lobbying practices and its relationship with a state senator. (The former head of Exelon's utility operations retired.) The stock price has dipped slightly from the start of 2019 in what has been a standout year for most electric utility equities.

The utility operations are faring well. When Exelon acquired Pepco Holdings in 2016, Pepco's utilities were not earning adequate returns on equity. Through a series of rate cases, the utilities have improved their collective ROE. In Maryland, Pepco received a $10.3 million increase, based on a 9.6% ROE, and the utility filed a multiyear case in the state, seeking $160 million over three years, based on a 10.3% ROE. An order is expected in the fourth quarter of 2020. Next month, the Maryland commission is expected to issue an order on Baltimore Gas and Electric's settlement calling for electric and gas hikes totaling $79 million. Overall, higher income from the utility operations should outweigh ongoing weakness from the nonutility activities, leading to higher earnings in 2019 and 2020.

We expect a dividend increase in the first quarter of 2020. Exelon has stated its intention to provide 5% yearly dividend growth through 2020. We estimate the board will boost the annual disbursement $0.07 a share (4.8%). Exelon's payout ratio is low for a utility, reflecting the company's significant presence in the merchant power sector.

We advise investors to look elsewhere. Even after the stock's underperformance in 2019, the dividend yield is not significantly above the utility mean. Total return potential over the 18-month or 3- to 5-year period is unimpressive. The grand jury investigation is a cause for concern, too.

Paul E. Debbas, CFA *November 15, 2019*

(A) Dil. egs. Excl. nonrec. gain (losses): '03, ($1.06); '05, ($1.85); '06, ($1.15); '09, (20¢); '12, (50¢); '13, (31¢); '14, 23¢; '16, (58¢); '17, $1.19. '16 & '18 EPS don't sum due to rounding. Next egs. report due early Feb. (B) Div'ds historically paid in early Mar., June, Sept., & Dec. ■ Div'd reinv. plan avail. (C) Incl. def'd chgs. In '18: $15.40/sh. (D) In mill. (E) Rate all'd on com. eq. in IL in '15: 9.25%; in MD in '16: 9.75% elec., 9.65% gas; in NJ in '16: 9.75%; earned on avg. com. eq., '18: 6.6%. Reg. Climate: PA, NJ Avg.; IL, MD, Below Avg.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	25
Earnings Predictability	60

PPL CORPORATION NYSE-PPL

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
33.57	13.6	(Trailing: 13.6 Median: 13.0)	0.78	4.9%	VALUE LINE

TIMELINESS 3 Lowered 5/17/19

SAFETY 2 Raised 8/21/15

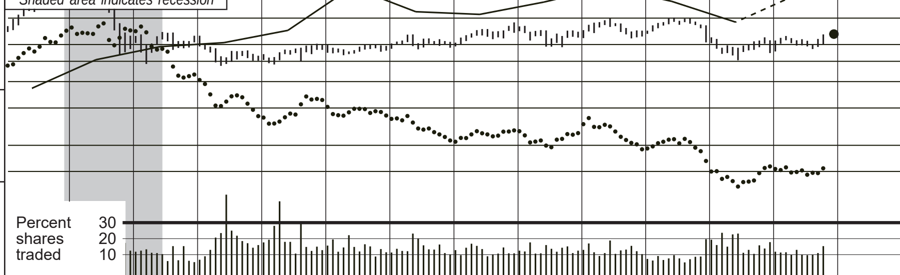
TECHNICAL 3 Raised 11/8/19

BETA .70 (1.00 = Market)

High:	55.2	34.4	33.1	30.3	30.2	33.6	38.1	36.7	39.9	40.2	32.5	33.8
Low:	26.8	24.3	23.8	24.1	26.7	28.4	29.4	29.2	32.1	30.7	25.3	27.8

Target Price Range 2022 | 2023 | 2024

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



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$25-$35	$30 (-10%)

2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+35%)	11%
Low	35	(+5%)	6%

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	379	431	374
to Sell	363	309	358
Hld's(000)	534281	526798	522107

% TOT. RETURN 10/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	16.2	4.9
3 yr.	13.4	30.2
5 yr.	21.7	36.8

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
15.75	15.37	16.36	17.92	17.41	21.47	20.03	17.63	22.02	21.11	18.82	17.27	11.38	11.06	10.74	10.81	*10.00*	*10.30*	Revenues per sh	*11.00*
3.60	3.59	3.84	4.26	5.10	4.71	3.47	3.66	4.59	4.84	4.64	4.58	3.78	4.28	3.68	4.16	*3.95*	*4.30*	"Cash Flow" per sh	*5.00*
1.84	1.87	1.92	2.29	2.63	2.45	1.19	2.29	2.61	2.61	2.38	2.38	2.37	2.79	2.11	2.58	*2.40*	*2.55*	Earnings per sh A	*2.75*
.77	.82	.96	1.10	1.22	1.34	1.38	1.40	1.40	1.44	1.47	1.49	1.50	1.52	1.58	1.64	*1.65*	*1.66*	Div'd Decl'd per sh B ■	*1.80*
2.17	1.94	2.13	3.62	4.51	3.79	3.25	3.30	4.30	5.34	6.68	6.14	5.24	4.30	4.52	4.50	*4.30*	*4.05*	Cap'l Spending per sh	*3.25*
9.19	11.21	11.62	13.30	14.88	13.55	14.57	16.98	18.72	18.01	19.78	20.47	14.72	14.56	15.52	16.18	*17.40*	*18.35*	Book Value per sh C	*21.50*
354.72	378.14	380.15	385.04	373.27	374.58	377.18	483.39	578.41	581.94	630.32	665.85	673.86	679.73	693.40	720.32	*770.00*	*773.00*	Common Shs Outst'g D	*780.00*
10.6	12.5	15.1	14.1	17.3	17.6	25.7	11.9	10.5	10.9	12.8	14.1	13.9	12.8	17.6	11.3	*Bold figures are*		Avg Ann'l P/E Ratio	*14.5*
.60	.66	.80	.76	.92	1.06	1.71	.76	.66	.69	.72	.74	.70	.67	.89	.61	*Value Line*		Relative P/E Ratio	*.80*
4.0%	3.5%	3.3%	3.4%	2.7%	3.1%	4.5%	5.1%	5.1%	5.1%	4.8%	4.4%	4.5%	4.2%	4.2%	5.6%	*estimates*		Avg Ann'l Div'd Yield	*4.5%*

CAPITAL STRUCTURE as of 9/30/19
Total Debt $22934 mill. **Due in 5 Yrs** $7474 mill.
LT Debt $21547 mill. **LT Interest** $872 mill.
Incl. 23 mill. units 7.75%, $25 liq. value; 82,000 units 8.23%, $1000 face value.
(LT interest earned: 3.3x)

Leases, Uncapitalized Annual rentals 262 mill.
Pension Assets-12/18 $10910 mill. **Oblig** $11158 mill.

Pfd Stock None

Common Stock 723,033,043 shs. **as of 10/31/19**

MARKET CAP: $24 billion (Large Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
7556.0	8521.0	12737	12286	11860	11499	7669.0	7517.0	7447.0	7785.0	*7700*	*7950*	Revenues ($mill)	*8600*
465.0	1009.0	1456.0	1536.0	1541.0	1583.0	1603.0	1902.0	1449.0	1827.0	*1810*	*1980*	Net Profit ($mill)	*2200*
21.8%	22.0%	31.0%	26.2%	23.1%	33.0%	22.5%	25.4%	24.2%	20.0%	*19.0%*	*19.0%*	Income Tax Rate	*19.0%*
9.5%	3.5%	4.0%	4.1%	3.7%	2.8%	1.6%	1.6%	1.9%	2.0%	*2.0%*	*2.0%*	AFUDC % to Net Profit	*1.0%*
55.2%	59.0%	61.9%	64.1%	62.3%	58.0%	65.2%	64.3%	64.8%	63.3%	*59.0%*	*57.5%*	Long-Term Debt Ratio	*55.0%*
42.5%	39.8%	37.2%	35.9%	37.7%	42.0%	34.8%	35.7%	35.2%	36.7%	*41.0%*	*42.5%*	Common Equity Ratio	*45.0%*
12940	20621	29071	29205	33058	32484	28482	27707	30608	31726	*32750*	*33475*	Total Capital ($mill)	*37500*
13174	20858	27266	30032	33087	34597	30382	30074	33092	34458	*36525*	*38325*	Net Plant ($mill)	*41800*
5.2%	6.1%	6.5%	7.0%	6.2%	6.5%	7.1%	8.4%	6.2%	7.2%	*7.0%*	*7.5%*	Return on Total Cap'l	*7.0%*
8.0%	11.9%	13.1%	14.7%	12.4%	11.6%	16.2%	19.2%	13.5%	15.7%	*13.5%*	*14.0%*	Return on Shr. Equity	*13.0%*
8.1%	12.0%	13.3%	14.6%	12.4%	11.6%	16.2%	19.2%	13.5%	15.7%	*13.5%*	*14.0%*	Return on Com Equity E	*13.0%*
NMF	5.2%	6.4%	6.7%	5.3%	4.5%	6.0%	8.8%	3.5%	6.0%	*4.5%*	*5.0%*	Retained to Com Eq	*4.5%*
115%	58%	52%	54%	57%	61%	63%	54%	74%	62%	*68%*	*65%*	All Div'ds to Net Prof	*64%*

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	-.5	-1.5	+2.0
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	339	336	292

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-5.5%	-12.0%	*Nil*
"Cash Flow"	-1.5%	-3.0%	*3.5%*
Earnings	- -	-.5%	*1.5%*
Dividends	2.5%	2.0%	*2.0%*
Book Value	1.0%	-4.0%	*5.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	2011	1785	1889	1832	7517
2017	1951	1725	1845	1926	7447
2018	2126	1848	1872	1939	7785
2019	2079	1803	1933	***1885***	***7700***
2020	***2200***	***1850***	***2000***	***1900***	***7950***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.71	.71	.69	.68	2.79
2017	.59	.43	.51	.58	2.11
2018	.65	.73	.62	.57	2.58
2019	.64	.60	.65	***.51***	***2.40***
2020	***.70***	***.60***	***.65***	***.60***	***2.55***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.3725	.3725	.3725	.3775	1.50
2016	.3775	.38	.38	.38	1.52
2017	.38	.395	.395	.395	1.57
2018	.395	.41	.41	.41	1.63
2019	.41	.4125	.4125	.4125	

BUSINESS: PPL Corporation (formerly PP&L Resources, Inc.) is a holding company for PPL Electric Utilities (formerly Pennsylvania Power & Light Company), which distributes electricity to 1.4 million customers in eastern & central PA. Acq'd Kentucky Utilities and Louisville Gas and Electric (1.2 mill. customers) 11/10. Has electric distribution sub. in U.K. (7.8 mill. customers). Sold gas distribution subsidiary in '08. Spun off power generating subsidiary in '15. The company no longer breaks out data on electric operating statistics. Fuel costs: 20% of revs. '18 reported depr. rate: 2.8%. Has 12,400 empls. Chairman & CEO: William H. Spence. President & COO: Vincent Sorgi. Inc.: PA. Address: Two North Ninth St., Allentown, PA 18101-1179. Tel.: 800-345-3085. Internet: www.pplweb.com.

PPL Corporation's stock has the highest dividend yield of any electric utility equity under our coverage. The yield is nearly two percentage points above the utility average. The stock trades at a discount to most electric issues because of the regulatory uncertainty arising from PPL's ownership of electric distribution companies in the United Kingdom. In April of 2023, a new regulatory scheme will replace the current one under which PPL's U.K. utilities operate. Investors are worried that the replacement will be unfavorable for the company. Selling or spinning off these operations would produce significant tax leakage. At least the prospect of an unfavorable change in political leadership appears to have diminished, and the stock price is up 14% since our August report. In addition, all of PPL's exposure to the British pound in 2019 and 70% of its exposure in 2020 is hedged at rates that are more favorable than current exchange rates.

We continue to estimate an earnings decline in 2019. In 2018, foreign currency hedges boosted share profits by $0.21, but this benefit amounted to just $0.03 in the first nine months of 2019. (We *include* these items in our earnings presentation because they are an ongoing part of PPL's results.) Average shares outstanding is much higher this year. Our 2019 share-net estimate is at the midpoint of PPL's targeted range of $2.35-$2.45.

We estimate a 6% earnings increase in 2020. PPL will benefit from a full year's effect of rate relief. The U.K. operations got a price hike in April, and the company's utilities in Kentucky were granted tariff increases at the start of May. PPL has already provided a 2021 profit target of $2.50-$2.80 a share, and we think the company will attain this goal.

This stock is of interest for income-oriented investors. However, our model for the 18-month period indicates negative total returns for this time frame. For the 3- to 5-year period, total return potential is superior to that of most utility issues.

Is a merger in PPL's future? The financial press has reported rumors of a combination between PPL and AVANGRID. Even if the rumor is accurate, there is no assurance that a deal will be reached.

Paul E. Debbas, CFA *November 15, 2019*

(A) Diluted EPS. Excl. nonrec. gain (losses): '07, (12¢); '10, (8¢); '11, 8¢; '13, (62¢); gains (losses) on disc. ops.: '07, 19¢; '08, 3¢; '09, (10¢); '10, (4¢); '12, (1¢); '14, 23¢; '15, ($1.36). '18 EPS don't sum due to rounding. Next earnings report due early Feb. (B) Div'ds paid in early Jan., Apr., July, & Oct. ■ Div'd reinvest. plan avail. (C) Incl. intang. In '18: $7.71/sh. (D) In mill., adj. for split. (E) Rate base: Fair value. Rate all'd on com. eq. in PA in '16: none spec.; in KY in '19: 9.725%; earned on avg. com. eq., '18: 16.1%. Regulatory Climate: Avg.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	15
Earnings Predictability	70

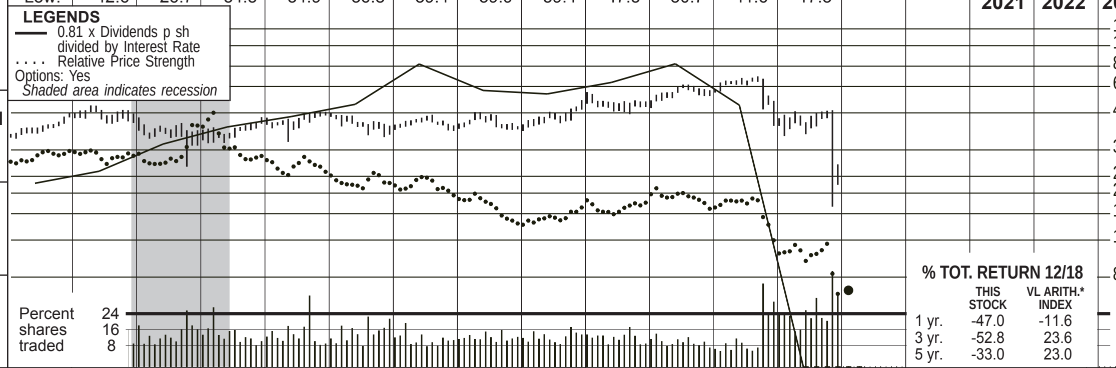
PG&E CORP. NYSE-PCG

RECENT PRICE	6.91	P/E RATIO	NMF (Trailing: 12.6 / Median: 18.0)	RELATIVE P/E RATIO	NMF	DIV'D YLD	Nil	VALUE LINE

TIMELINESS – Suspended 1/25/19
SAFETY 5 Lowered 1/18/19
TECHNICAL – Suspended 1/25/19
BETA .65 (1.00 = Market)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
High:	52.2	45.7	45.8	48.6	48.0	47.0	48.5	55.2	60.2	65.4	71.6	49.4
Low:	42.6	26.7	34.5	34.9	36.8	39.4	39.9	39.4	47.3	50.7	41.6	17.3

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



Target Price Range 2021 | 2022 | 2023

2021-23 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	SEE		
Low	TEXT		

Insider Decisions

	M	A	M	J	J	A	S	O	N
to Buy	0	0	0	0	0	0	0	0	0
Options	8	0	10	0	0	0	1	0	0
to Sell	3	0	0	1	0	0	0	0	0

Institutional Decisions

	1Q2018	2Q2018	3Q2018
to Buy	306	286	286
to Sell	302	297	291
Hld's(000)	418610	422304	430496

Percent shares traded 24 16 8

% TOT. RETURN 12/18

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-47.0	-11.6
3 yr.	-52.8	23.6
5 yr.	-33.0	23.0

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
32.74	25.05	26.47	31.78	36.02	37.42	40.51	36.15	35.02	36.28	34.92	34.16	35.91	34.21	34.85	33.29	*32.30*		Revenues per sh	
1.14	4.80	5.71	7.12	7.76	8.02	8.44	8.37	8.22	8.08	7.32	6.33	8.13	7.29	8.23	9.03	*6.20*		"Cash Flow" per sh	
d2.36	2.05	2.12	2.35	2.76	2.78	3.22	3.03	2.82	2.78	2.07	1.83	3.06	2.00	2.83	3.50	*.45*		Earnings per sh A	
- -	- -	- -	1.23	1.32	1.44	1.56	1.68	1.82	1.82	1.82	1.82	1.82	1.82	1.93	1.55	- -	*SEE*	Div'd Decl'd per sh B	*SEE*
7.94	4.08	3.72	4.90	6.90	7.83	10.05	10.68	9.62	9.79	10.74	11.40	10.16	10.51	11.26	10.96	*12.10*	*TEXT*	Cap'l Spending per sh	*TEXT*
9.47	10.12	20.62	19.60	22.44	24.18	25.97	27.88	28.55	29.35	30.35	31.41	33.09	33.69	35.39	37.34	*37.80*		Book Value per sh C	
381.67	416.52	418.62	368.27	348.14	353.72	361.06	370.60	395.23	412.26	430.72	456.67	475.91	492.03	506.89	514.76	*520.00*		Common Shs Outst'g D	
- -	9.5	13.8	15.4	14.8	16.8	12.1	13.0	15.8	15.5	20.7	23.7	15.0	26.4	21.1	18.3	*NMF*		Avg Ann'l P/E Ratio	
- -	.54	.73	.82	.80	.89	.73	.87	1.01	.97	1.32	1.33	.79	1.33	1.11	.92	*NMF*		Relative P/E Ratio	
- -	- -	- -	3.4%	3.2%	3.1%	4.0%	4.3%	4.1%	4.2%	4.2%	4.2%	4.0%	3.4%	3.2%	2.4%	- -		Avg Ann'l Div'd Yield	

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019		21-23
14628	13399	13841	14956	15040	15598	17090	16833	17666	17135	*16800*		Revenues ($mill)	
1198.0	1168.0	1113.0	1132.0	893.0	828.0	1450.0	988.0	1431.0	1807.0	*240*		Net Profit ($mill)	
26.2%	31.1%	33.0%	30.3%	23.9%	24.5%	19.2%	- -	3.7%	16.8%	*NMF*		Income Tax Rate	
9.5%	11.9%	14.4%	11.2%	17.5%	17.9%	10.0%	15.7%	11.4%	7.0%	*62.0%*		AFUDC % to Net Profit	
52.2%	51.4%	49.6%	48.8%	48.7%	46.6%	48.5%	48.8%	47.1%	47.7%	*47.5%*		Long-Term Debt Ratio	
46.5%	47.4%	49.3%	50.2%	50.4%	52.5%	50.7%	50.4%	52.1%	51.6%	*51.5%*	*SEE*	Common Equity Ratio	*SEE*
20163	21793	22863	24119	25956	27311	31050	32858	34412	37225	*38050*	*TEXT*	Total Capital ($mill)	*TEXT*
26261	28892	31449	33655	37523	41252	43941	46723	50581	53789	*57125*		Net Plant ($mill)	
7.8%	6.7%	6.2%	5.9%	4.7%	4.2%	5.8%	4.1%	5.2%	5.9%	*1.5%*		Return on Total Cap'l	
12.4%	11.0%	9.6%	9.2%	6.7%	5.7%	9.1%	5.9%	7.9%	9.3%	*1.0%*		Return on Shr. Equity	
12.6%	11.2%	9.7%	9.2%	6.7%	5.7%	9.1%	5.9%	7.9%	9.3%	*1.0%*		Return on Com Equity E	
6.8%	5.5%	3.9%	3.4%	1.0%	.2%	3.9%	.7%	2.8%	4.0%	*1.0%*		Retained to Com Eq	
47%	52%	61%	63%	85%	96%	58%	88%	65%	57%	- -		All Div'ds to Net Prof	

CAPITAL STRUCTURE as of 9/30/18
Total Debt $19350 mill. **Due in 5 Yrs** $4158 mill.
LT Debt $18407 mill. **LT Interest** $845 mill.
(Interest not earned.)
Leases, Uncapitalized Annual rentals $44 mill.
Pension Assets-12/17 $16652 mill. **Oblig** $18757 mill.
Pfd Stock $252 mill. **Pfd Div'd** $14 mill.
4,534,958 shs. 4.36% to 5%, cumulative and $25 par, redeemable from $25.75 to $27.25; 5,784,825 shs. 5.00% to 6.00%, cumulative nonredeemable and $25 par. Div'ds suspended as of 12/17.
Common Stock 518,674,276 shs. **as of 10/25/18**
MARKET CAP: $3.6 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2015	2016	2017
% Change Retail Sales (KWH)	-.5	-3.3	-1.0
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	9.73	9.90	10.55
Capacity at Peak (Mw)	NMF	NMF	NMF
Peak Load, Summer (Mw)	NMF	NMF	NMF
Annual Load Factor (%)	NMF	NMF	NMF
% Change Customers (yr-end)	+.7	+.7	+.7
Fixed Charge Cov. (%)	189	242	310

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '15-'17 to '21-'23
Revenues	-.5%	-.5%	
"Cash Flow"	.5%	1.0%	*SEE*
Earnings	.5%	1.5%	*TEXT*
Dividends	3.0%	-.5%	
Book Value	5.0%	4.0%	

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	3899	4217	4550	4167	16833
2016	3974	4169	4810	4713	17666
2017	4268	4250	4517	4100	17135
2018	4056	4234	4381	*4129*	*16800*
2019		*SEE*	*TEXT*		

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.27	.83	.63	.27	2.00
2016	.22	.46	.77	1.36	2.83
2017	1.13	.79	1.07	.51	3.50
2018	.86	d1.91	1.09	*.41*	*.45*
2019		*SEE*	*TEXT*		

Cal-endar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.455	.455	.455	.455	1.82
2016	.455	.455	.49	.49	1.89
2017	.49	.49	.53	.53	2.04
2018	- -	- -	- -	- -	- -
2019					

BUSINESS: PG&E Corporation is a holding company for Pacific Gas and Electric Company and nonutility subsidiaries. Supplies electricity and gas to most of northern and central California (population 16 million). Has 5.4 million electric and 4.5 million gas customers. Electric revenue breakdown: residential, 41%; commercial, 39%; industrial, 12%; agricultural, 8%; other, less than 1%. Generating sources: nuclear, 27%; hydro, 17%; gas, 9%; purchased, 47%. Fuel costs: 30% of revenues. '17 reported depreciation rate (utility): 3.8%. Has 23,000 employees. Chairman: Richard C. Kelly. Interim President & CEO: John Simon. Incorporated: California. Address: 77 Beale Street, P.O. Box 770000, San Francisco, California 94177. Telephone: 415-973-1000. Internet: www.pgecorp.com.

PG&E Corporation and its utility subsidiary, Pacific Gas and Electric, plan to file for protection under Chapter 11 of the U.S. Bankruptcy Code. This is expected to occur on or about January 29th, following a 15-day notice period mandated by California law. This stems from as-yet undetermined (but probably above $30 billion) liabilities associated with wildfires that occurred in 2017 and 2018 in the utility's service area in northern California. This is far greater than the sum of PG&E's insurance coverage and cash on hand. A state agency has blamed the utility for some of the 2017 wildfires; reports on other fires are pending. What makes this situation especially troublesome is California's inverse condemnation law. As the company stated in an 8-K filing with the SEC, "If the Utility's facilities . . . are determined to be the substantial cause of one or more fires, and the doctrine of inverse condemnation applies, the Utility could be liable for property damage, business interruption, interest and attorneys' fees without having been found negligent." The company's chief executive officer, Geisha Williams, stepped down, and the board appointed an interim CEO.

The price of PG&E's stock has fallen substantially. Following the latest wildfires, in November, investors became even more concerned about the prospective size of the liabilities. The price plummeted 47% in 2018, and is down more than 70% so far in 2019.

The utility filed a general rate case. PG&E requested a rate increase of more than $1 billion for 2020. Among other things, this reflects the soaring cost of wildfire insurance and measures PG&E is taking to address the wildfire problems. New tariffs will take effect at the start of 2020 (retroactively if an order has not been issued by then).

We advise investors to avoid this stock. Whether there will be anything left for common stockholders once the reorganization is completed is questionable. The equity's Timeliness rank is suspended due to the Chapter 11 filing.

This is our final report on PG&E stock. Due to the prospective bankruptcy filing, making estimates and projections beyond 2018 is virtually impossible.

Paul E. Debbas, CFA *January 25, 2019*

(A) Diluted EPS. Excl. nonrecurring gains (losses): '04, $6.95; '09, 18¢; '11, (68¢); '12, (15¢); '15, (21¢); '16, (5¢); '17, (29¢); gain from discontinued operations: '08, 41¢. '16 EPS don't sum due to change in shares outstanding. Next earnings report due mid-Feb. (B) Dividends suspended 12/17. (C) Incl. intangibles. In '17: $7.37/sh. (D) In mill. (E) Rate base: net original cost. Rate allowed on com. eq. in '15: 10.4%; earned on avg. com. eq., '17: 9.6%. Regulatory Climate: Average.

Company's Financial Strength	C
Stock's Price Stability	80
Price Growth Persistence	25
Earnings Predictability	35

PINNACLE WEST NYSE-PNW

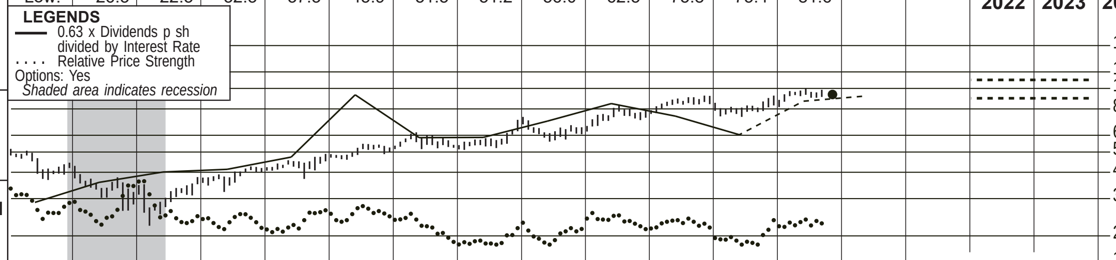
RECENT PRICE 93.66 | P/E RATIO 20.2 (Trailing: 21.0 / Median: 15.0) | RELATIVE P/E RATIO 1.20 | DIV'D YLD 3.2% | VALUE LINE

TIMELINESS 3 Lowered 8/30/19
SAFETY 1 Raised 5/3/13
TECHNICAL 2 Raised 10/25/19
BETA .55 (1.00 = Market)

High:	42.9	38.0	42.7	48.9	54.7	61.9	71.1	73.3	82.8	92.5	92.6	99.8
Low:	26.3	22.3	32.3	37.3	45.9	51.5	51.2	56.0	62.5	75.8	73.4	81.6

Target Price Range 2022 | 2023 | 2024

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



18-Month Target Price Range
Low-High Midpoint (% to Mid)
$82-$115 $99 (5%)

2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	110	(+15%)	7%
Low	90	(-5%)	3%

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	256	261	266
to Sell	192	209	188
Hld's(000)	95077	95676	100901

Percent shares traded 30 20 10

% TOT. RETURN 9/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	26.7	-5.2
3 yr.	41.1	24.7
5 yr.	111.1	40.8

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
30.87	31.59	30.16	34.03	35.07	33.37	32.50	30.01	29.67	30.09	31.35	31.58	31.50	31.42	31.90	32.93	**31.60**	**34.20**	Revenues per sh	**39.00**
7.33	6.93	5.76	9.70	9.29	8.13	8.08	6.85	7.52	7.92	8.15	8.09	9.09	9.39	9.79	11.41	**11.55**	**12.20**	"Cash Flow" per sh	**14.25**
2.52	2.58	2.24	3.17	2.96	2.12	2.26	3.08	2.99	3.50	3.66	3.58	3.92	3.95	4.43	4.54	**4.75**	**5.05**	Earnings per sh A	**5.75**
1.73	1.83	1.93	2.03	2.10	2.10	2.10	2.10	2.10	2.67	2.23	2.33	2.44	2.56	2.70	2.87	**3.04**	**3.22**	Div'd Decl'd per sh B ■	**3.80**
7.60	5.86	6.39	7.59	9.37	9.46	7.64	7.03	8.26	8.24	9.36	8.38	9.84	11.64	12.80	10.73	**11.25**	**11.05**	Cap'l Spending per sh	**11.75**
31.00	32.14	34.57	34.48	35.15	34.16	32.69	33.86	34.98	36.20	38.07	39.50	41.30	43.15	44.80	46.59	**48.25**	**50.05**	Book Value per sh C	**55.75**
91.29	91.79	99.08	99.96	100.49	100.89	101.43	108.77	109.25	109.74	110.18	110.57	110.98	111.34	111.75	112.10	**112.30**	**112.50**	Common Shs Outst'g D	**114.00**
14.0	15.8	19.2	13.7	14.9	16.1	13.7	12.6	14.6	14.3	15.3	15.9	16.0	18.7	19.3	17.8	*Bold figures are*		Avg Ann'l P/E Ratio	**17.5**
.80	.83	1.02	.74	.79	.97	.91	.80	.92	.91	.86	.84	.81	.98	.97	.96	*Value Line*		Relative P/E Ratio	**.95**
4.9%	4.5%	4.5%	4.7%	4.8%	6.2%	6.8%	5.4%	4.8%	5.3%	4.0%	4.1%	3.9%	3.5%	3.2%	3.5%	*estimates*		Avg Ann'l Div'd Yield	**3.8%**

CAPITAL STRUCTURE as of 6/30/19
Total Debt $5569.3 mill. **Due in 5 Yrs** $1382.3 mill.
LT Debt $4886.9 mill. **LT Interest** $193.9 mill.
Incl. $13.4 mill. Palo Verde sale leaseback lessor notes.
(LT interest earned: 3.9x)
Leases, Uncapitalized Annual rentals $13.8 mill.
Pension Assets-12/18 $2733.5 mill. **Oblig** $3190.6 mill.
Pfd Stock None

Common Stock 112,303,854 shs. as of 8/1/19
MARKET CAP: $11 billion (Large Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
3297.1	3263.6	3241.4	3301.8	3454.6	3491.6	3495.4	3498.7	3565.3	3691.2	**3550**	**3850**	Revenues ($mill)	**4450**
229.2	330.4	328.2	387.4	406.1	397.6	437.3	442.0	497.8	511.0	**540**	**575**	Net Profit ($mill)	**670**
36.9%	31.9%	34.0%	36.2%	34.4%	34.2%	34.3%	33.9%	32.5%	20.2%	**10.0%**	**10.0%**	Income Tax Rate	**10.0%**
11.2%	11.7%	12.8%	9.7%	10.0%	11.6%	11.8%	14.1%	13.9%	15.2%	**7.0%**	**7.0%**	AFUDC % to Net Profit	**7.0%**
50.4%	45.3%	44.1%	44.6%	40.0%	41.0%	43.0%	45.6%	48.9%	47.0%	**48.5%**	**47.5%**	Long-Term Debt Ratio	**44.5%**
49.6%	54.7%	55.9%	55.4%	60.0%	59.0%	57.0%	54.4%	51.1%	53.0%	**51.5%**	**52.5%**	Common Equity Ratio	**55.5%**
6686.6	6729.1	6840.9	7171.9	6990.9	7398.7	8046.3	8825.4	9796.4	9861.1	**10500**	**10725**	Total Capital ($mill)	**11450**
9257.8	9578.8	9962.3	10396	10889	11194	11809	12714	13445	14030	**14525**	**14975**	Net Plant ($mill)	**16500**
4.8%	6.5%	6.4%	6.8%	7.1%	6.4%	6.4%	6.0%	6.1%	6.2%	**6.0%**	**6.5%**	Return on Total Cap'l	**7.0%**
6.9%	9.0%	8.6%	9.8%	9.7%	9.1%	9.5%	9.2%	9.9%	9.8%	**10.0%**	**10.0%**	Return on Shr. Equity	**10.5%**
6.9%	9.0%	8.6%	9.8%	9.7%	9.1%	9.5%	9.2%	9.9%	9.8%	**10.0%**	**10.0%**	Return on Com Equity E	**10.5%**
.7%	3.1%	2.8%	4.1%	4.1%	3.5%	3.9%	3.5%	4.2%	3.9%	**3.5%**	**4.0%**	Retained to Com Eq	**4.0%**
89%	66%	68%	58%	58%	62%	59%	62%	58%	60%	**63%**	**63%**	All Div'ds to Net Prof	**64%**

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	+.3	- -	-.3
Avg. Indust. Use (MWH)	640	620	662
Avg. Indust. Revs. per KWH (¢)	8.37	8.34	8.40
Capacity at Peak (Mw)	9192	8438	8643
Peak Load, Summer (Mw)	7051	7363	7320
Annual Load Factor (%)	48.0	46.3	47.0
% Change Customers (yr-end)	+1.3	+1.8	+2.0
Fixed Charge Cov. (%)	416	425	318

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-.5%	1.0%	*3.5%*
"Cash Flow"	1.0%	5.5%	*5.5%*
Earnings	4.5%	5.0%	*5.0%*
Dividends	2.5%	3.0%	*6.0%*
Book Value	2.5%	4.5%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	677.2	915.4	1166.9	739.2	3498.7
2017	677.7	944.6	1183.3	759.7	3565.3
2018	692.7	974.1	1268.0	756.4	3691.2
2019	740.5	869.5	**1200**	**740**	**3550**
2020	**700**	**1050**	**1300**	**800**	**3850**

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.04	1.08	2.35	.47	3.95
2017	.21	1.49	2.46	.27	4.43
2018	.03	1.48	2.80	.23	4.54
2019	.16	1.28	**3.05**	**.26**	**4.75**
2020	**.05**	**1.55**	**3.15**	**.30**	**5.05**

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.595	.595	.595	.625	2.41
2016	.625	.625	.625	.655	2.53
2017	.655	.655	.655	.695	2.66
2018	.695	.695	.695	.7375	2.82
2019	.7375	.7375			

BUSINESS: Pinnacle West Capital Corporation is a holding company for Arizona Public Service Company (APS), which supplies electricity to 1.3 million customers in most of Arizona, except about half of the Phoenix metro area, the Tucson metro area, and Mohave County in northwestern Arizona. Discontinued SunCor real estate subsidiary in '10. Electric revenue breakdown: residential, 51%; commercial, 39%; industrial, 5%; other, 5%. Generating sources: nuclear, 28%; gas & other, 26%; coal, 24%; purchased, 22%. Fuel costs: 29% of revenues. '18 reported deprec. rate: 2.8%. Has 6,300 employees. Chairman, President & CEO: Donald E. Brandt. Inc.: AZ. Address: 400 North Fifth St., P.O. Box 53999, Phoenix, AZ 85072-3999. Tel.: 602-250-1000. Internet: www.pinnaclewest.com.

Pinnacle West's utility subsidiary is about to file a general rate case. Arizona Public Service wasn't planning to file an application until June 1, 2020, but the Arizona Corporation Commission (ACC) directed the utility to do so by October 31, 2019. We do not know how much APS will request, but significant matters concerning rate design are not expected to be part of the upcoming petition. When an order will be issued is unknown, but this case won't have much (if any) effect on the company's earnings until 2021.

The utility is still awaiting an order on another regulatory matter. APS requested a $67.5 million "step" increase to recover the cost of an environmental upgrade to a coal-fired plant. The ACC's staff and an administrative law judge recommended a $58.5 million increase, which the company found acceptable. However, the ACC still has not issued an order (one was initially expected several months ago), and there is no telling when it will do so. In fact, it is not out of the question that this matter will be combined with the upcoming rate case.

We reduced our 2019 share-earnings estimate by $0.10. It appears as if APS will not get any rate relief this year for the aforementioned environmental upgrade. This will hurt the bottom line by $0.07 a share. The utility's service area also experienced milder-than-normal weather conditions in the second quarter. (On the other hand, August was hotter than usual.) Our revised share-net estimate is at the bottom end of Pinnacle West's targeted range of $4.75-$4.95. Note that management is guiding Wall Street to the lower end of this range.

As this report went to press, we were expecting an announcement of a dividend increase. We estimate that the board will boost the annual disbursement by $0.18 a share (6.1%). Pinnacle West is targeting 6% yearly dividend growth.

This high-quality stock has a dividend yield that is average, by utility standards. The equity is expected to produce total returns that are respectable over 18 months, but just modest over the 3- to 5-year period. Like most utility issues, the recent quotation is within our 2022-2024 Target Price Range.

Paul E. Debbas, CFA *October 25, 2019*

(A) Diluted EPS. Excl. nonrec. gain (loss): '09, ($1.45); '17, 8¢; gains (losses) from disc. ops.: '05, (36¢); '06, 10¢; '08, 28¢; '09, (13¢); '10, 18¢; '11, 10¢; '12, (5¢). '16 EPS don't sum due to rounding. Next earnings report due early Nov. (B) Div'ds historically paid in early Mar., June, Sept., & Dec. There were 5 declarations in '12. ■ Div'd reinv. plan avail. (C) Incl. def'd chgs. In '18: $14.34/sh. (D) In mill. (E) Rate base: Fair value. Rate allowed on com. eq. in '17: 10.0%; earned on avg. com. eq., '17: 10.0%. Regulatory Climate: Average.

Company's Financial Strength	A+
Stock's Price Stability	100
Price Growth Persistence	70
Earnings Predictability	95

PEPCO HOLDINGS NYSE-POM

RECENT PRICE	26.20	P/E RATIO	23.4 (Trailing: 28.5 / Median: 16.0)	RELATIVE P/E RATIO	1.45	DIV'D YLD	4.1%	VALUE LINE

TIMELINESS – Suspended 5/9/14

SAFETY 3 Lowered 6/6/03

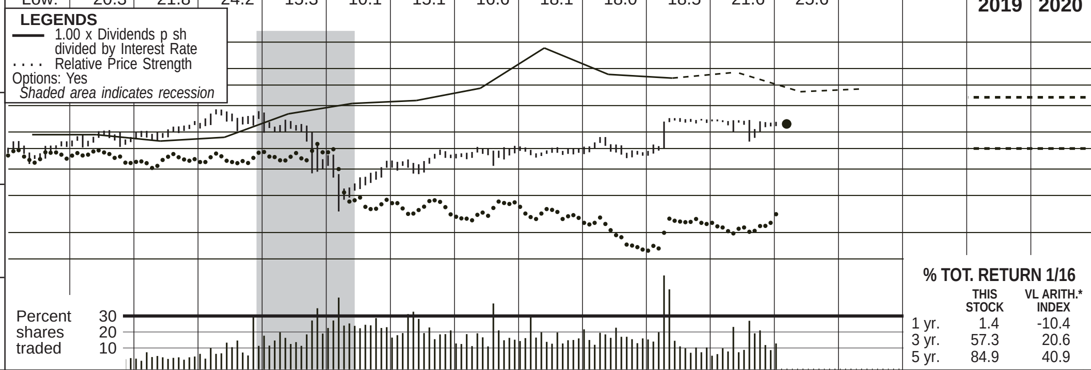
TECHNICAL – Suspended 5/9/14

BETA .75 (1.00 = Market)

High:	24.5	27.0	30.7	29.6	18.7	19.8	20.6	20.5	22.7	27.9	27.5	26.8
Low:	20.3	21.8	24.2	15.3	10.1	15.1	16.6	18.1	18.0	18.5	21.6	25.6

Target Price Range

2019	2020	2021



2019-21 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	35	(+35%)	11%
Low	20	(-25%)	-7%

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	1Q2015	2Q2015	3Q2015
to Buy	151	140	156
to Sell	156	168	141
Hld's(000)	158602	160730	160867

% TOT. RETURN 1/16

	THIS STOCK	VL ARITH.* INDEX
1 yr.	1.4	-10.4
3 yr.	57.3	20.6
5 yr.	84.9	40.9

Pepco Holdings, Inc. (PHI) was formed on August 1, 2002, upon the merger of Potomac Electric Power Co. (PEPCO) and Conectiv. In the $2.2 billion deal, PEPCO common stockholders received one common share in PHI for each of their shares, and Conectiv investors exchanged each of their common shares for $25 worth of PHI stock and cash, prorated 50/50.

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
43.57	46.71	48.88	41.66	31.27	26.02	22.09	18.64	19.49	*19.70*	*20.85*	*22.25*	Revenues per sh	*26.15*
3.47	3.30	3.55	2.82	2.97	3.00	3.21	3.01	3.16	*3.35*	*3.40*	*3.50*	"Cash Flow" per sh	*4.30*
1.33	1.53	1.93	1.06	1.24	1.14	1.24	1.14	.96	*1.05*	*1.15*	*1.22*	Earnings per sh A	*2.00*
1.04	1.04	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	*1.08*	*1.08*	Div'd Decl'd per sh B ■	*1.08*
2.47	3.11	3.57	3.89	3.56	4.14	5.29	5.23	4.89	*5.20*	*5.20*	*5.00*	Cap'l Spending per sh	*4.00*
18.82	20.04	19.14	19.15	18.79	19.06	19.33	17.24	17.27	*18.10*	*18.45*	*18.60*	Book Value per sh C	*20.30*
191.93	200.51	218.91	222.27	225.08	227.50	230.02	250.32	250.32	*254.00*	*254.00*	*254.00*	Common Shs Outst'g D	*260.00*
18.1	18.2	12.2	13.7	14.0	16.7	15.6	17.5	26.0	*25.1*	*Bold figures are*		Avg Ann'l P/E Ratio	*14.0*
.98	.97	.73	.91	.89	1.05	.99	.98	1.37	*1.27*	*Value Line*		Relative P/E Ratio	*.90*
4.3%	3.7%	4.6%	7.4%	6.2%	5.7%	5.6%	5.4%	4.3%	4.1%	*estimates*		Avg Ann'l Div'd Yield	*3.9%*

CAPITAL STRUCTURE as of 9/30/15
Total Debt $6467 mill. **Due in 5 Yrs** $1196 mill.
LT Debt $5028 mill. **LT Interest** $260 mill.
(LT interest earned: 3.7x)

Pension Assets-12/14 $2.0 bill. **Oblig.** $2.2 bill.

Pfd Stock None

Common Stock 253,617,191 shs.
as of 10/16/15

MARKET CAP: $6.6 billion (Large Cap)

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		19-21
8362.9	9366.4	10700	9259.0	7039.0	5920.0	5081.0	4666.0	4878.0	*5000*	*5400*	*5650*	Revenues ($mill)	*6700*
254.4	296.5	400.0	235.0	276.0	257.0	285.0	280.0	242.0	*280*	*300*	*320*	Net Profit ($mill)	*525*
39.1%	39.3%	29.6%	31.9%	18.8%	37.2%	35.4%	35.3%	36.3%	*35.0%*	*35.0%*	*35.0%*	Income Tax Rate	*35.0%*
- -	- -	- -	- -	- -	10.1%	7.4%	6.4%	8.3%	*6.0%*	*5.0%*	*5.0%*	AFUDC % to Net Profit	*4.0%*
54.6%	54.1%	56.2%	53.8%	49.0%	49.1%	47.3%	48.4%	50.7%	*51.0%*	*52.0%*	*52.5%*	Long-Term Debt Ratio	*53.0%*
45.1%	45.9%	43.8%	46.2%	51.0%	50.9%	52.7%	51.6%	49.3%	*49.5%*	*48.0%*	*47.5%*	Common Equity Ratio	*47.0%*
8004.0	8753.0	9568.0	9203.0	8292.0	8516.0	8432.0	8368.0	8763.0	*9505*	*9875*	*9900*	Total Capital ($mill)	*11215*
7576.6	7876.7	8314.0	8863.0	7673.0	8220.0	8846.0	9704.0	10506	*10000*	*10500*	*10700*	Net Plant ($mill)	*12000*
5.1%	5.1%	5.8%	4.5%	5.1%	4.5%	4.9%	4.9%	4.2%	*5.0%*	*5.0%*	*5.5%*	Return on Total Cap'l	*6.0%*
7.0%	7.4%	9.5%	5.5%	6.5%	5.9%	6.4%	6.5%	5.6%	*8.0%*	*8.0%*	*8.0%*	Return on Shr. Equity	*10.0%*
7.0%	7.4%	9.5%	5.5%	6.5%	5.9%	6.4%	6.5%	5.6%	*8.0%*	*8.0%*	*8.0%*	Return on Com Equity E	*10.0%*
1.5%	2.3%	4.2%	NMF	.8%	.3%	.8%	.2%	NMF	*2.1%*	*2.3%*	*2.5%*	Retained to Com Eq	*4.5%*
78%	68%	56%	101%	87%	95%	87%	96%	112%	*105%*	*94%*	*89%*	All Div'ds to Net Prof	*53%*

ELECTRIC OPERATING STATISTICS

	2012	2013	2014
% Change Retail Sales (KWH)	NA	NA	NA
Avg. Resid'l Use (KWH)	10451	10405	10500
Avg. Resid'l Revs. per KWH(¢)	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)	+.3	+.6	+1.7
Fixed Charge Cov. (%)	253	246	250

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '12-'14 to '19-'21
Revenues	-7.0%	-15.0%	*2.5%*
"Cash Flow"	-1.0%	-0.5%	*5.0%*
Earnings	-3.0%	-6.0%	*8.0%*
Dividends	3.0%	- -	*Nil*
Book Value	- -	-1.5%	*NMF*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	1178	1053	1344	1091	4666.0
2014	1330	1117	1313	1118	4878.0
2015	1371	1140	1362	*1127*	*5000*
2016	*1350*	*1200*	*1550*	*1300*	*5400*
2017	*1410*	*1270*	*1610*	*1360*	*5650*

Cal-endar	EARNINGS PER SHARE AF Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	.24	.22	.44	.24	1.14
2014	.30	.21	.31	.14	.96
2015	.21	.21	.36	*.27*	*1.05*
2016	*.23*	*.23*	*.39*	*.30*	*1.15*
2017	*.25*	*.25*	*.41*	*.31*	*1.22*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.27	.27	.27	.27	1.08
2013	.27	.27	.27	.27	1.08
2014	.27	.27	.27	.27	1.08
2015	.27	.27	.27	.27	1.08
2016					

BUSINESS: Pepco Holdings, Inc. consists mainly of three electric utility subsidiaries: Potomac Electric Power Co., serving Washington, D.C. and adjoining areas of Maryland; Delmarva Power, which serves the peninsula area of Delaware, Maryland and Virginia; and Atlantic City Electric, serving southern New Jersey. In July 2010, Pepco sold competitive energy business (Conectiv Energy) to Calpine Corp. Electricity customers: 1.8 million; gas customers: 125,000. Electricity breakdown: residential, 40%; commercial, 41%; other, 19%. 2014 depreciation rate: 2.5%. Has approximately 5,125 employees as of 12/31/14. Chrmn., Pres. & CEO: Joseph M. Rigby. Inc.: DE. Address: 701 Ninth Street, N.W., Wash., D.C. 20068. Telephone.: 202-872-2000. Internet: www.pepcoholdings.com.

March 4th may be make or break for Pepco Holdings' acquisition by Exelon Corp. Indeed, Christopher Crane, the CEO of Exelon, said during a recent conference call with equity analysts that his company will walk away from its planned merger with Pepco if the District of Columbia Public Service Commission (DCPSC) doesn't issue a ruling on the deal by that date. The DCPSC had previously suggested that it would make a decision by March 4th only to backtrack later, saying that it was under no obligation to meet the deadline. For his part, Mr. Crane has said that, absent a March 4th ruling, Exelon will begin buying back the nearly 58 million shares that it issued to help fund the $6.8 billion deal. This which would effectively end the 20-month courtship. That said, it is possible that CEO Crane was posturing a bit, given what's been a rather lengthy – and likely exhausting – merger review.

We still believe that a deal could get done. Underpinning our confidence is a belief that the long list of proposed merger concessions is sufficient enough to allay concerns that the marriage is not in the public interest. To that point, the two utilities have already said that they'll provide affordable rates for low-income households and invest further in clean, renewable energy. Chicago-based Exelon has also agreed to relocate a portion of the post-merger utility's headquarters to the DC area.

Our Timeliness rank for Pepco shares remains suspended due to the pending merger. At the recent quotation, the stock is trading approximately 4% below Exelon's $27.25-a-share, all-cash takeover offer. That said, we still recommend that investors take profits here, given the odds – however slim – that the deal is blocked. Were that to happen, a reversion to Pepco's premerger announcement trading levels (of $19 and change per share) is possible in our view, partly reflecting the unwinding of large arbitrage-related positions. It is also worth noting that, with its lackluster earnings record, Pepco hasn't increased its dividend in more than seven years. Accordingly, income-seeking investors should look elsewhere for utility industry exposure.

Nils C. Van Liew *February 19, 2016*

(A) Based on dil. shs. Excl. nonrecur. items: '05, 47¢; '06, d1¢; '08, 46¢; '10, 62¢ '13, 69¢. Next egs. rpt. due early March. (B) Div'ds paid in early March, June, Sep., and Dec. ■ Div'd reinvest. plan. (C) Incl. def'd chgs: '14, $4.5 bill. or $17.80/sh. (D) In mill. (E) Rate allowed in MD: 9.62% ('14-Pepco), 10.0% ('09-Delmarva); DC: 9.6% ('10-Pep.); DEL: 10.0% ('06-Del.); NJ: 9.75% ('14-ACE); Earned on '14 avg. com. eq., 5.6%. Reg. Clim.: Avg. (F) Qtrly egs. may not add due to chng. in shs.

Company's Financial Strength	B+
Stock's Price Stability	95
Price Growth Persistence	20
Earnings Predictability	70

PNM RESOURCES NYSE-PNM

RECENT PRICE	50.65	P/E RATIO	24.6 (Trailing: 32.3; Median: 18.0)	RELATIVE P/E RATIO	1.46	DIV'D YLD	2.4%	VALUE LINE

TIMELINESS 3 Lowered 9/13/19
SAFETY 3 Lowered 5/9/08
TECHNICAL 3 Lowered 10/11/19
BETA .60 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$38-$57	$48 (-5%)

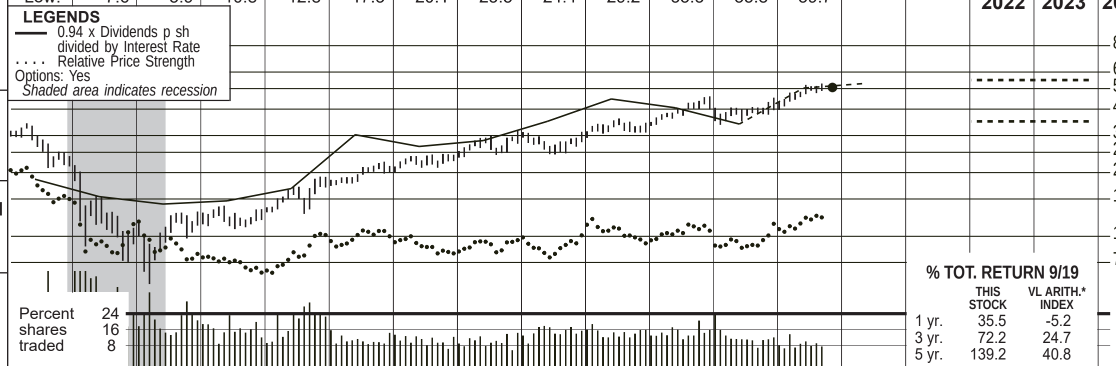
2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+10%)	5%
Low	35	(-30%)	-5%

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	116	118	105
to Sell	141	142	124
Hld's(000)	71732	71900	72648

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
High:	21.7	13.1	14.0	19.2	22.5	24.5	31.6	31.2	36.2	46.0	45.3	53.0
Low:	7.6	5.9	10.8	12.8	17.3	20.1	23.5	24.4	29.2	33.3	33.8	39.7



% TOT. RETURN 9/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	35.5	-5.2
3 yr.	72.2	24.7
5 yr.	139.2	40.8

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
24.11	26.54	30.19	32.25	24.92	22.65	19.01	19.31	21.35	16.85	17.42	18.03	18.07	17.11	18.14	18.04	18.50	19.15	Revenues per sh	21.00
3.05	3.14	3.56	3.57	2.54	1.76	2.32	2.67	3.18	3.39	3.52	4.09	4.28	4.51	5.30	5.13	5.65	5.95	"Cash Flow" per sh	6.75
1.15	1.43	1.56	1.72	.76	.11	.58	.87	1.08	1.31	1.41	1.45	1.48	1.46	1.92	1.66	2.15	2.25	Earnings per sh A	2.50
.61	.63	.79	.86	.91	.61	.50	.50	.50	.58	.68	.76	.82	.90	.99	1.09	1.18	1.24	Div'd Decl'd per sh B ■ †	1.50
2.78	2.25	3.07	4.04	5.94	3.99	3.32	3.25	4.10	3.88	4.37	5.78	7.01	7.53	6.28	6.29	7.95	8.65	Cap'l Spending per sh	7.75
17.84	18.19	18.70	22.09	22.03	18.89	18.90	17.60	19.62	20.05	20.87	22.39	20.78	21.04	21.28	21.20	20.75	22.05	Book Value per sh C	26.50
60.39	60.46	68.79	76.65	76.81	86.53	86.67	86.67	79.65	79.65	79.65	79.65	79.65	79.65	79.65	79.65	79.65	81.00	Common Shs Outst'g D	85.00
14.7	15.0	17.4	15.6	35.6	NMF	18.1	14.0	14.5	15.0	16.1	18.7	18.7	22.4	20.4	23.4	Bold figures are		Avg Ann'l P/E Ratio	18.0
.84	.79	.93	.84	1.89	NMF	1.21	.89	.91	.95	.90	.98	.94	1.18	1.03	1.26	Value Line		Relative P/E Ratio	1.00
3.6%	2.9%	2.9%	3.2%	3.4%	4.9%	4.8%	4.1%	3.2%	3.0%	3.0%	2.8%	3.0%	2.8%	2.5%	2.8%	estimates		Avg Ann'l Div'd Yield	3.3%

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
1647.7	1673.5	1700.6	1342.4	1387.9	1435.9	1439.1	1363.0	1445.0	1436.6	1475	1550	Revenues ($mill)	1775
54.0	80.5	97.1	106.1	114.0	116.8	118.8	117.4	154.4	133.4	185	200	Net Profit ($mill)	235
30.4%	32.6%	38.8%	31.4%	31.6%	34.8%	36.9%	32.4%	33.0%	13.8%	21.0%	23.0%	Income Tax Rate	23.0%
6.3%	7.1%	8.7%	7.1%	1.3%	10.7%	17.0%	11.0%	11.9%	14.5%	13.0%	10.0%	AFUDC % to Net Profit	9.0%
48.7%	50.4%	51.5%	50.9%	50.0%	47.8%	54.1%	55.7%	56.1%	61.1%	60.0%	53.5%	Long-Term Debt Ratio	57.5%
51.0%	49.2%	48.1%	48.7%	49.7%	51.9%	45.5%	44.0%	43.6%	38.6%	40.0%	46.0%	Common Equity Ratio	42.0%
3214.9	3100.3	3245.6	3277.9	3344.0	3437.1	3633.3	3806.8	3887.5	4370.0	4150	3875	Total Capital ($mill)	5325
3332.4	3444.4	3627.1	3746.5	3933.9	4270.0	4535.4	4904.7	4980.2	5234.6	5480	5880	Net Plant ($mill)	7100
3.2%	4.2%	4.5%	5.1%	5.2%	5.1%	4.8%	4.7%	5.3%	4.3%	6.0%	6.5%	Return on Total Cap'l	6.0%
3.3%	5.2%	6.2%	6.6%	6.8%	6.5%	7.1%	7.0%	9.0%	7.8%	10.5%	10.0%	Return on Shr. Equity	9.5%
3.3%	5.2%	6.2%	6.6%	6.8%	6.5%	7.1%	7.0%	9.1%	7.9%	10.5%	10.0%	Return on Com Equity E	9.5%
.5%	2.2%	3.3%	3.8%	3.8%	3.2%	3.3%	2.8%	4.5%	2.9%	4.5%	4.5%	Retained to Com Eq	4.0%
86%	57%	47%	43%	45%	51%	54%	61%	51%	64%	55%	54%	All Div'ds to Net Prof	58%

CAPITAL STRUCTURE as of 6/30/19
Total Debt $3168.0 mill. **Due in 5 Yrs** $1217.1 mill.
LT Debt $2771.9 mill. **LT Interest** $126.0 mill.
(LT interest earned: 2.5x)
Leases, Uncapitalized Annual rentals $31.8 mill.
Pension Assets-12/18 $545.0 mill. **Oblig** $624.8 mill.
Pfd Stock $11.5 mill. **Pfd Div'd** $.5 mill.
115,293 shs. 4.58%, $100 par without mandatory redemption. Sinking fund began 2/1/84.

Common Stock 79,653,624 shs.
as of 7/26/19
MARKET CAP: $4.0 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	-.5	+.3	+7.3
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	2791	2580	2661
Peak Load, Summer (Mw)	1908	1843	1885
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.9	+.8	+1.1
Fixed Charge Cov. (%)	202	243	218

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-4.0%	-1.0%	3.0%
"Cash Flow"	6.5%	8.0%	5.0%
Earnings	7.0%	6.0%	7.0%
Dividends	2.5%	11.0%	7.0%
Book Value	- -	1.0%	4.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	311.0	315.4	400.4	336.2	1363.0
2017	330.2	362.3	419.9	332.6	1445.0
2018	317.9	352.3	422.7	343.7	1436.6
2019	349.6	330.2	440	355.2	1475
2020	355	380	455	360	1550

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.13	.34	.68	.31	1.46
2017	.29	.47	.92	.25	1.92
2018	.19	.48	1.09	d.10	1.66
2019	.23	.35	1.23	.34	2.15
2020	.14	.53	1.28	.30	2.25

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.20	.20	.20	.20	.80
2016	.22	.22	.22	.22	.88
2017	.242	.242	.243	.243	.97
2018	.265	.265	.265	.265	1.06
2019	.29	.29	.29		

BUSINESS: PNM Resources, Inc. is a holding company with two regulated electric utilities. Public Service Company of New Mexico (PNM) serves 528,000 customers in north central New Mexico, incl. Albuquerque and Santa Fe. Texas-New Mexico Power Company (TNMP) transmits and distributes power to 253,000 customers in Texas. Electric revenue breakdown: residential, 39%; commercial, 36%; industrial, 5%; other, 20%. Generating sources not available. Fuel costs: 28% of revenues. '18 reported deprec. rates: 2.4%-8.2%. Has 1,700 employees. Chairman, President & CEO: Patricia K. Collawn. Incorporated: New Mexico. Address: 414 Silver Ave. SW, Albuquerque, New Mexico 87102-3289. Telephone: 505-241-2700. Internet: www.pnmresources.com.

PNM Resources' utility in New Mexico has filed a proposal to abandon a coal-fired plant and recover the costs through the issuance of securitized bonds. Public Service of New Mexico would abandon the plant in mid-2022, when a coal-supply contract expires. Under a new state law, the utility would issue $361 million in securitized bonds. To replace the plant's output, PNM would spend $298 million to add 280 megawatts of gas-fired capacity and 70 mw of battery storage. A third party would provide 350 mw of solar capacity and 60 mw of battery storage. However, the commission — over the objections of the legislature and governor — bifurcated the proceedings so that these matters are evaluated separately. This means the state law wouldn't necessarily apply to the abandonment of the plant. PNM sought clarification from the state supreme court, but the court declined to rule on this matter. (The controversy is the latest example of the state's subpar regulatory climate.) A ruling on abandonment and securitization is expected by April of 2020, and a ruling on replacement power is expected by October of 2020.

Earnings will almost certainly be much higher in 2019. Unrealized losses on investment securities hurt the bottom line by $0.17 a share in the fourth quarter of 2018, making the comparison easy. On the other hand, these gains helped share net by $0.12 in the first six months of 2019. The company is also benefiting from rate relief at PNM and its utility in Texas, TNMP. Our 2019 earnings estimate of $2.15 a share is above the company's guidance of $2.05-$2.11 because the $0.12 gain is excluded from this range.

We expect further growth in 2020. Second-quarter earnings in 2019 were hurt by unusually mild weather in May. We assume normal weather conditions in our 2020 estimate.

This stock is expensively priced. The yield isn't significantly above the median of all dividend-paying stocks under our coverage, even though we reflect an estimated $0.06-a-share (5.2%) hike in the annual payout at the board meeting in December. Potential total returns are not appealing, either for the 18-month span or the 3- to 5-year period.

Paul E. Debbas, CFA *October 25, 2019*

(A) Dil. EPS. Excl. nonrec. gain (losses): '08, ($3.77); '10, ($1.36); '11, 88¢; '13, (16¢); '15, ($1.28); '17, (92¢); '18, (59¢); 2Q '19, ($1.30). Excl. gains from disc. ops.: '08, 42¢; '09, 78¢. '17 EPS don't sum due to rounding. Next egs. report due early Nov. (B) Div'ds paid mid-Feb., May, Aug., & Nov. ■ Div'd reinv. plan avail. (C) Incl. intang. In '18: $12.15/sh. (D) In mill., adj. for split. (E) Rate base: net orig. cost. Rate all'd on com. eq. in NM in '18: 9.575%; in TX in '11: 10.125%; earned on avg. com. eq., '18: 7.7%. Regulatory Climate: NM, Below Avg.; TX, Avg.

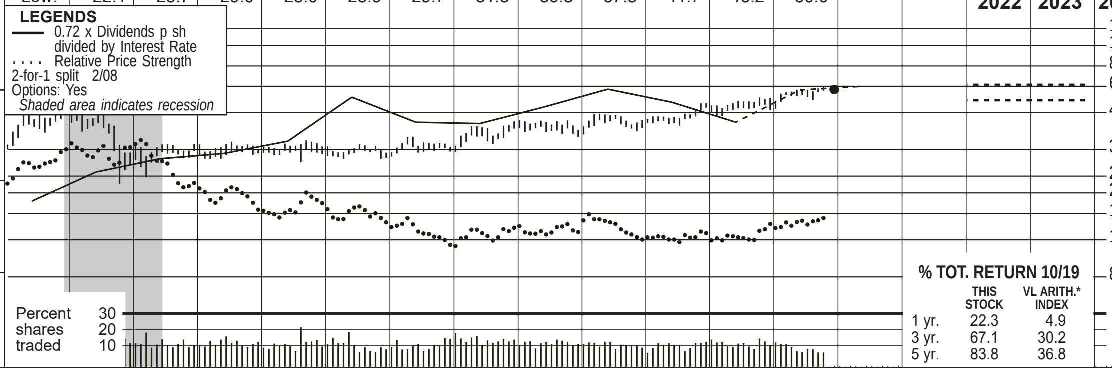
Company's Financial Strength	B+
Stock's Price Stability	85
Price Growth Persistence	90
Earnings Predictability	75

P.S. ENTERPRISE GP. NYSE-PEG

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
61.92	19.4	(Trailing: 18.2 Median: 13.0)	1.11	3.1%	VALUE LINE

TIMELINESS **2** Lowered 11/8/19
SAFETY **1** Raised 11/23/12
TECHNICAL **2** Raised 11/15/19
BETA .65 (1.00 = Market)

High:	52.3	34.1	34.9	35.5	34.1	37.0	43.8	44.4	47.4	53.3	56.7	63.9
Low:	22.1	23.7	29.0	28.0	28.9	29.7	31.3	36.8	37.8	41.7	46.2	50.0



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$56-$75	$66 (5%)

2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+5%)	5%
Low	55	(-10%)	1%

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	344	354	364
to Sell	360	366	352
Hld's(000)	346789	348291	353688

% TOT. RETURN 10/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	22.3	4.9
3 yr.	67.1	30.2
5 yr.	83.8	36.8

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
23.54	23.09	24.74	24.07	25.28	27.94	24.57	23.31	22.42	19.33	19.71	21.52	20.61	18.22	18.14	19.24	**19.80**	**20.60**	Revenues per sh	**23.25**
2.92	3.02	3.42	3.91	4.36	4.68	4.98	5.27	5.36	4.87	5.17	5.82	6.15	5.07	5.30	5.44	**6.65**	**6.55**	"Cash Flow" per sh	**7.75**
1.88	1.52	1.79	1.85	2.59	2.90	3.08	3.07	3.11	2.44	2.45	2.99	3.30	2.83	2.82	2.76	**3.70**	**3.40**	Earnings per sh A	**4.00**
1.08	1.10	1.12	1.14	1.17	1.29	1.33	1.37	1.37	1.42	1.44	1.48	1.56	1.64	1.72	1.80	**1.88**	**1.96**	Div'd Decl'd per sh B ■†	**2.30**
2.86	2.64	2.04	2.01	2.65	3.50	3.55	4.27	4.12	5.09	5.56	5.58	7.65	8.32	8.30	7.76	**6.15**	**5.95**	Cap'l Spending per sh	**6.00**
11.71	12.05	11.99	13.35	14.35	15.36	17.37	19.04	20.30	21.31	22.95	24.09	25.86	26.01	27.42	28.53	**29.70**	**31.15**	Book Value per sh C	**36.25**
472.27	476.20	502.33	505.29	508.52	506.02	505.99	505.97	505.95	505.89	505.86	505.84	505.28	504.87	505.00	504.00	**505.00**	**505.00**	Common Shs Outst'g D	**505.00**
10.6	14.3	16.5	17.8	16.5	13.6	10.0	10.4	10.4	12.8	13.5	12.6	12.4	15.3	16.3	18.7	*Bold figures are*		Avg Ann'l P/E Ratio	**15.0**
.60	.76	.88	.96	.88	.82	.67	.66	.65	.81	.76	.66	.62	.80	.82	1.01	*Value Line*		Relative P/E Ratio	**.85**
5.4%	5.1%	3.8%	3.5%	2.7%	3.3%	4.3%	4.3%	4.2%	4.6%	4.4%	3.9%	3.8%	3.8%	3.7%	3.5%	*estimates*		Avg Ann'l Div'd Yield	**3.8%**

CAPITAL STRUCTURE as of 9/30/19
Total Debt $15850 mill. **Due in 5 Yrs** $6770 mill.
LT Debt $14448 mill. **LT Interest** $549 mill.
(LT interest earned: 4.0x)

Leases, Uncapitalized Annual rentals $41 mill.

Pension Assets-12/18 $5120 mill. **Oblig** $5921 mill.

Pfd Stock None

Common Stock 505,726,465 shs. **as of 10/15/19**

MARKET CAP: $31 billion (Large Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
12431	11793	11343	9781.0	9968.0	10886	10415	9198.0	9161.0	9696.0	**10000**	**10400**	Revenues ($mill)	**11700**
1567.0	1557.0	1577.0	1239.0	1243.0	1518.0	1679.0	1436.0	1431.0	1399.0	**1880**	**1725**	Net Profit ($mill)	**2045**
42.3%	40.5%	40.4%	36.2%	39.5%	38.2%	37.4%	31.7%	37.3%	22.3%	**18.5%**	**18.5%**	Income Tax Rate	**18.5%**
3.8%	5.5%	2.7%	4.8%	4.6%	4.5%	5.5%	8.4%	10.6%	9.8%	**7.0%**	**8.0%**	AFUDC % to Net Profit	**7.0%**
46.3%	44.8%	42.1%	38.3%	40.4%	40.4%	40.3%	45.3%	46.6%	47.8%	**48.5%**	**49.0%**	Long-Term Debt Ratio	**50.5%**
53.2%	55.2%	57.9%	61.7%	59.6%	59.6%	59.7%	54.7%	53.4%	52.2%	**51.5%**	**51.0%**	Common Equity Ratio	**49.5%**
16513	17452	17731	17467	19470	20446	21900	24025	25915	27545	**29050**	**30800**	Total Capital ($mill)	**36900**
15440	16390	17849	19736	21645	23589	26539	29286	31797	34363	**36050**	**37525**	Net Plant ($mill)	**41300**
11.0%	10.4%	10.2%	8.1%	7.5%	8.4%	8.6%	6.8%	6.4%	6.0%	**7.5%**	**6.5%**	Return on Total Cap'l	**6.5%**
17.7%	16.2%	15.4%	11.5%	10.7%	12.5%	12.9%	10.9%	10.3%	9.7%	**12.5%**	**11.0%**	Return on Shr. Equity	**11.0%**
17.8%	16.2%	15.4%	11.5%	10.7%	12.5%	12.9%	10.9%	10.3%	9.7%	**12.5%**	**11.0%**	Return on Com Equity E	**11.0%**
10.1%	9.0%	8.6%	4.8%	4.4%	6.3%	6.8%	4.6%	4.1%	3.4%	**6.0%**	**4.5%**	Retained to Com Eq	**5.0%**
43%	45%	44%	58%	59%	49%	47%	58%	61%	65%	**50%**	**57%**	All Div'ds to Net Prof	**57%**

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	-.3	-2.0	+2.8
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH(¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	9567	9978
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	NA	NA	NA
Fixed Charge Cov. (%)	522	503	413

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-3.0%	-2.0%	*4.0%*
"Cash Flow"	2.0%	.5%	*6.5%*
Earnings	1.5%	1.0%	*6.0%*
Dividends	3.5%	4.0%	*5.0%*
Book Value	6.5%	5.0%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	2616	1905	2587	2090	9198
2017	2647	2155	2263	2096	9161
2018	2818	2016	2394	2468	9696
2019	2980	2374	2302	***2344***	***10000***
2020	***3150***	***2300***	***2500***	***2450***	***10400***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.93	.37	.94	.59	2.83
2017	.94	.69	.78	.42	2.82
2018	1.10	.53	.81	.32	2.76
2019	1.38	.92	.79	***.61***	***3.70***
2020	***1.10***	***.70***	***.95***	***.65***	***3.40***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■† Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.39	.39	.39	.39	1.56
2016	.41	.41	.41	.41	1.64
2017	.43	.43	.43	.43	1.72
2018	.45	.45	.45	.45	1.80
2019	.47	.47	.47		

BUSINESS: Public Service Enterprise Group Incorporated is a holding company for Public Service Electric and Gas Company (PSE&G), which serves 2.3 million electric and 1.8 million gas customers in New Jersey, and PSEG Power LLC, a nonregulated power generator with nuclear, gas, and coal-fired plants in the Northeast. PSEG Energy Holdings is involved in renewable energy. The company no longer breaks out data on electric and gas operating statistics. Fuel costs: 33% of revenues. '18 reported depreciation rates (utility): 1.6%-2.5%. Has 13,100 employees. Chairman, President & Chief Executive Officer: Dr. Ralph Izzo. Inc.: New Jersey. Address: 80 Park Plaza, P.O. Box 1171, Newark, New Jersey 07101-1171. Telephone: 973-430-7000. Internet: www.pseg.com.

Public Service Enterprise Group's breakdown of earnings has changed significantly since the early part of this decade. Several years ago, the nonregulated operations (primarily PSEG Power) generated some 75% of corporate income. The utility subsidiary, Public Service Electric and Gas, produced the other 25%. Now, the proportions are reversed. Unfavorable conditions in the power markets have reduced PSEG Power's profitability, even with the Zero Emission Credits this business is receiving in New Jersey. PSE&G's contribution has risen materially thanks to growth in the rate base.

Understandably, most of the company's capital will be invested in the regulated utility operations. Included in this is the Energy Strong II program, for which the New Jersey Board of Public Utilities (BPU) in September approved a settlement that will see PSE&G spend $842 million on storm hardening and system resiliency through 2023. The utility is also spending $1.9 billion through 2023 on its Gas System Modernization II program. Proposed programs for energy efficiency and renewable energy (totaling $3.5 billion over six years) will be reviewed by the BPU in 2020. Electric transmission is another area of focus; PSE&G is seeking a $300 million increase for 2020 with the federal regulators. All told, PSE&G expects annual rate-base growth of 7.5%-8.5% through 2023.

Investors should not be alarmed by the earnings decline we estimate for 2020. Our earnings presentation *includes* mark-to-market accounting items and gains or losses on the nuclear decommissioning trust. These added $359 million to pretax profits in the first nine months of 2019, but the company excludes this from its earnings guidance of $3.20-$3.30 a share. Because we assume no such income in 2020, we look for share net to decline. However, our $3.40-a-share estimate is above the upper end of PSEG's targeted range for 2019.

This timely and high-quality stock has a dividend yield that is about average for a utility. However, expected total returns are unimpressive for either the 18-month or 3- to 5-year period.

Paul E. Debbas, CFA *November 15, 2019*

(A) Diluted EPS. Excl. nonrecur. gains (losses): '06, (35¢); '08, (96¢); '09, 6¢; '11, (34¢); '12, 7¢; '16, (30¢); '17, 28¢ (net); '18, 8¢; '19, (62¢); gains (loss) from disc. ops.: '05, (33¢); '06, 12¢; '07, 3¢; '08, 40¢; '11, 13¢. '17 EPS don't sum due to rounding. Next earnings report due late Feb. (B) Div'ds histor. paid in late Mar., June, Sept., & Dec. ■ Div'd reinv. plan avail. (C) Incl. intang. In '18: $7.06/sh. (D) In mill., adj. for split. (E) Rate base: Net orig. cost. Rate all'd on com. eq. in '18: 9.6%; earned on avg. com. eq., '18: 9.9%. Regul. Climate: Avg.

Company's Financial Strength	A++
Stock's Price Stability	95
Price Growth Persistence	45
Earnings Predictability	70

SCANA CORP. NYSE-SCG

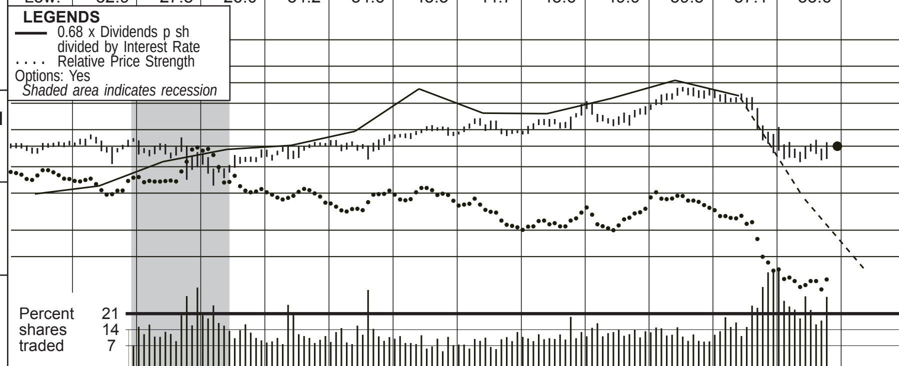
RECENT PRICE	40.05	P/E RATIO	31.8 (Trailing: 14.7 / Median: 14.0)	RELATIVE P/E RATIO	1.90	DIV'D YLD	1.2-Nil%	VALUE LINE

TIMELINESS **4** Lowered 5/4/18
SAFETY **3** Lowered 10/13/17
TECHNICAL **4** Raised 11/16/18
BETA .65 (1.00 = Market)

High:	45.5	44.1	38.6	42.0	45.5	50.3	54.4	63.4	65.6	76.4	74.1	49.4
Low:	32.9	27.8	26.0	34.2	34.6	43.3	44.7	45.6	49.9	59.5	37.1	33.6

Target Price Range

2021	2022	2023



2021-23 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	35	(-15%)	-1%
Low	25	(-40%)	-9%

Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	0	0	0	0	0	0	0	0
Options	5	0	0	3	0	0	4	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	4Q2017	1Q2018	2Q2018
to Buy	207	222	187
to Sell	222	253	231
Hld's(000)	100765	97437	100076

% TOT. RETURN 10/18

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-3.7	2.2
3 yr.	-24.8	32.0
5 yr.	3.7	43.5

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
26.65	30.85	34.53	41.66	39.11	39.61	45.16	34.35	36.10	33.95	31.63	31.88	34.70	30.65	29.58	30.82	*27.60*	*27.25*	Revenues per sh	*29.25*
4.56	4.95	5.28	7.43	5.68	5.73	5.86	5.63	5.91	6.01	6.30	6.53	6.91	6.70	7.28	7.35	*5.10*	*4.75*	"Cash Flow" per sh	*5.75*
2.38	2.50	2.67	2.78	2.59	2.74	2.95	2.85	2.98	2.97	3.15	3.39	3.79	3.81	4.16	4.20	*1.80*	*1.25*	Earnings per sh A	*1.75*
1.30	1.38	1.46	1.56	1.68	1.76	1.84	1.88	1.90	1.94	1.98	2.03	2.10	2.18	2.30	2.45	*.98*	*.49*	Div'd Decl'd per sh B ■ †	*.70*
6.41	6.94	4.86	3.38	4.52	6.21	7.68	7.41	6.87	6.81	8.16	7.84	7.65	8.07	11.05	8.57	*6.10*	*6.05*	Cap'l Spending per sh	*6.50*
19.64	20.82	21.78	23.35	24.39	25.37	25.85	27.63	29.05	29.94	31.47	33.08	34.95	38.09	40.06	36.75	*37.55*	*38.35*	Book Value per sh C	*41.25*
110.83	110.74	112.52	114.67	116.67	116.67	117.78	123.34	127.45	129.88	132.01	141.00	142.70	142.90	142.90	143.00	*143.00*	*143.00*	Common Shs Outst'g D	*143.00*
12.2	13.0	13.6	14.4	15.4	15.0	12.7	11.6	12.9	13.7	14.8	14.4	13.7	14.7	16.8	14.5	*Bold figures are*		Avg Ann'l P/E Ratio	*17.5*
.67	.74	.72	.77	.83	.80	.76	.77	.82	.86	.94	.81	.72	.74	.88	.73	*Value Line*		Relative P/E Ratio	*.95*
4.5%	4.2%	4.0%	3.9%	4.2%	4.3%	4.9%	5.7%	4.9%	4.8%	4.2%	4.2%	4.1%	3.9%	3.3%	4.0%	*estimates*		Avg Ann'l Div'd Yield	*2.3%*

CAPITAL STRUCTURE as of 9/30/18
Total Debt $7067 mill. **Due in 5 Yrs** $2200mill.
LT Debt $6735 mill. **LT Interest** $368 mill.
(LT interest earned: 2.5x)

Leases, Uncapitalized Annual rentals $34 mill.
Pension Assets-12/17 $849.6 mill. **Oblig** $933.2 mill.

Pfd Stock None

Common Stock 142,619,243 shs.
as of 10/26/18
MARKET CAP: $5.7 billion (Large Cap)

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019		21-23
5319.0	4237.0	4601.0	4409.0	4176.0	4495.0	4951.0	4380.0	4227.0	4407.0	*3950*	*3900*	Revenues ($mill)	*4200*
353.0	357.0	376.0	387.0	420.0	471.0	538.0	544.0	595.0	601.0	*255*	*180*	Net Profit ($mill)	*260*
35.4%	32.0%	29.8%	30.3%	30.2%	32.1%	31.6%	31.8%	31.3%	32.2%	*23.5%*	*23.5%*	Income Tax Rate	*23.5%*
8.5%	14.3%	8.0%	5.4%	7.6%	8.7%	9.1%	7.7%	8.1%	6.8%	*10.0%*	*11.0%*	AFUDC % to Net Profit	*8.0%*
58.0%	56.8%	52.9%	54.3%	54.4%	53.6%	52.6%	51.9%	53.1%	52.9%	*55.5%*	*53.5%*	Long-Term Debt Ratio	*53.5%*
40.5%	43.2%	47.1%	45.7%	45.6%	46.4%	47.4%	48.1%	46.9%	47.1%	*44.5%*	*46.5%*	Common Equity Ratio	*46.5%*
7519.0	7891.0	7854.0	8511.0	9103.0	10059	10518	11325	12198	11161	*12075*	*11800*	Total Capital ($mill)	*12700*
8305.0	9009.0	9662.0	10047	10896	11643	12232	13425	14324	10648	*11050*	*11400*	Net Plant ($mill)	*12500*
6.2%	6.1%	6.5%	6.2%	6.3%	6.2%	6.6%	6.2%	6.3%	7.0%	*3.5%*	*3.0%*	Return on Total Cap'l	*3.5%*
11.2%	10.5%	10.2%	10.0%	10.1%	10.1%	10.8%	10.0%	10.4%	11.4%	*5.0%*	*3.5%*	Return on Shr. Equity	*4.5%*
11.4%	10.2%	10.2%	10.0%	10.1%	10.1%	10.8%	10.0%	10.4%	11.4%	*5.0%*	*3.5%*	Return on Com Equity E	*4.5%*
4.4%	3.6%	3.8%	3.6%	3.9%	4.1%	4.9%	4.3%	4.7%	4.9%	*2.0%*	*2.0%*	Retained to Com Eq	*2.5%*
62%	66%	63%	64%	61%	60%	55%	57%	55%	57%	*55%*	*39%*	All Div'ds to Net Prof	*39%*

ELECTRIC OPERATING STATISTICS

	2015	2016	2017
% Change Retail Sales (KWH)	-.9	+1.6	-2.5
Avg. Indust. Use (MWH)	NA	7991	7959
Avg. Indust. Revs. per KWH (¢)	NA	7.07	7.20
Capacity at Yearend (Mw)	5234	5233	5233
Peak Load, Summer (Mw)	4970	4807	4701
Annual Load Factor (%)	NA	58.5	58.6
% Change Customers (yr-end)	+1.5	+1.6	+1.3
Fixed Charge Cov. (%)	323	319	313

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '15-'17 to '21-'23
Revenues	-3.0%	-2.0%	*-.5%*
"Cash Flow"	1.0%	3.0%	*-3.5%*
Earnings	4.0%	6.0%	*-13.0%*
Dividends	3.5%	3.5%	*-18.0%*
Book Value	4.5%	5.0%	*1.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	1389	967	1068	956	4380.0
2016	1172	905	1093	1057	4227.0
2017	1173	1001	1076	1157	4407.0
2018	1180	843	926	*1001*	*3950*
2019	*1050*	*850*	*950*	*1050*	*3900*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	1.39	.69	1.04	.69	3.81
2016	1.23	.74	1.32	.87	4.16
2017	1.19	.85	1.15	1.01	4.20
2018	1.18	.06	.47	*.14*	*1.85*
2019	*.55*	*.10*	*.40*	*.20*	*1.25*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	.5075	.525	.525	.525	2.08
2015	.525	.545	.545	.545	2.16
2016	.545	.575	.575	.575	2.27
2017	.575	.6125	.6125	.6125	2.41
2018	.6125	.6125	.1237	.1237	

BUSINESS: SCANA Corporation is a holding company for South Carolina Electric & Gas Company, which supplies electricity to 723,000 customers in central, southern, and southwestern South Carolina. Supplies gas service to 1.4 million customers in North Carolina, South Carolina, and Georgia. Electric revenue breakdown: residential, 46%; commercial, 33%; industrial, 17%; other, 4%. Generating sources: coal, 35%; gas & oil, 33%; nuclear, 19%; hydro & other, 4%; purchased, 9%. Fuel costs: 40% of revenues. '17 reported depreciation rate: 2.6%. Has 5,200 employees. CEO: Jimmy Addison. Incorporated: South Carolina. Address: 100 SCANA Parkway, Cayce, South Carolina 29033. Telephone: 803-217-9000. Internet: www.scana.com.

SCANA stock has been weak of late due to the market's concerns about a possible unfavorable judicial ruling. Last year, the company's utility subsidiary, South Carolina Electric & Gas, canceled its nuclear construction project due to extensive cost overruns and delays. The utility had been recovering construction work in progress for this project thanks to the state's Base Load Review Act (BLRA). Recovering monies for a canceled project resulted in significant criticism from customers and politicians, and it appears as if a state judge is about to overturn the BLRA. This might result in a write-off of $5.0 billion for revenues SCE&G has collected for the project to date. Moreover, as of year-end 2017, the utility had $4 billion of unrecovered costs. Already, the state commission has reduced rates 15% through the end of 2018, and the regulators might make this cut permanent. This is why profits plummeted in the second and third quarters, and will be significantly lower this year.

An unfavorable court ruling would probably threaten the proposed acquisition of SCANA by Dominion Energy. This calls for Dominion to issue .669 of a share (valued at $47.28) for each share of SCANA. However, the recent price of its stock is 15% below the value of Dominion's offer. This indicates the market's expectation that the deal will fall through. Dominion has offered an alternative proposal for SCE&G's customers, but this might not be enough to win approval.

The board of directors slashed the dividend 80% earlier this year, and we don't rule out a suspension. The decision was made to correspond to the portion of the payout that is attributable to SCE&G's electric business. Further bad news might prompt the board to eliminate the payout, in our view. Even if the dividend holds at the current level, the yield is not high enough to appeal to income-oriented investors.

We advise investors to avoid this stock. It's true that shareholders will be amply rewarded if the Dominion acquisition goes through, but we think the potential reward is not worth the risk of additional rate reductions and/or refunds of previously collected revenues.

Paul E. Debbas, CFA November 16, 2018

(A) Diluted earnings. Excl. nonrecurring gains (losses): '02, ($3.72); '03, 31¢; '04, (23¢); '05, 3¢; '06, 9¢; '15, $1.41; '17, ($5.03). Next earnings report due late Feb. (B) Div'ds historically paid in early Jan., Apr., July, & Oct. ■ Div'd reinvestment plan avail. † Shareholder investment plan avail. (C) Incl. intangibles. In '17: $39.02/sh. (D) In millions. (E) Rate base: Net original cost. Rate allowed on com. eq. in SC: 10.25% elec. in '13, 10.25% gas in '05; in NC: 9.7% in '16; earned on avg. com. eq., '17: 10.3%. Regulatory Climate: Above Average.

Company's Financial Strength	B
Stock's Price Stability	75
Price Growth Persistence	30
Earnings Predictability	80

SOUTHERN COMPANY NYSE-SO

RECENT PRICE **61.36** | P/E RATIO **19.4** (Trailing: 20.1 / Median: 16.0) | RELATIVE P/E RATIO **1.11** | DIV'D YLD **4.1%** | **VALUE LINE**

TIMELINESS 3 Raised 3/2/18
SAFETY 2 Lowered 2/21/14
TECHNICAL 2 Raised 11/8/19
BETA .50 (1.00 = Market)

18-Month Target Price Range
Low-High: $42-$67 | Midpoint (% to Mid): $55 (-10%)

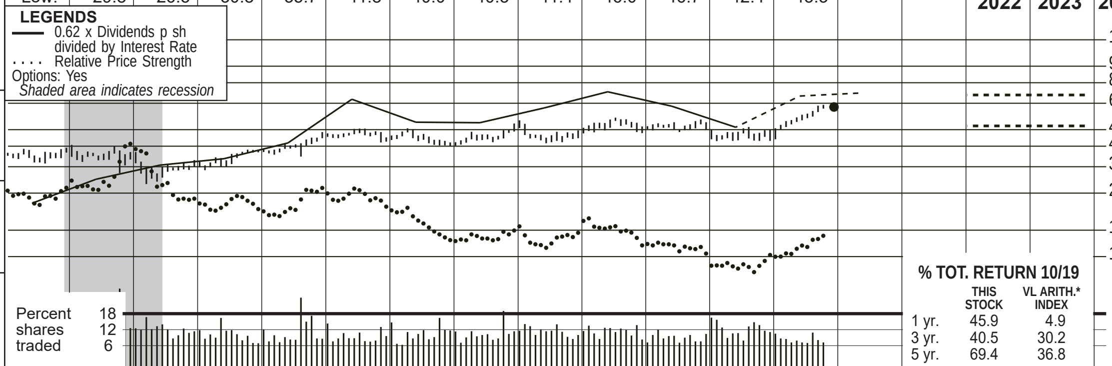
2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(+15%)	7%
Low	50	(-20%)	Nil

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	530	618	592
to Sell	559	494	507
Hld's(000)	582043	590052	612834

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
High:	40.6	37.6	38.6	46.7	48.6	48.7	51.3	53.2	54.6	53.5	49.4	63.1
Low:	29.8	26.5	30.8	35.7	41.8	40.0	40.3	41.4	46.0	46.7	42.4	43.3



Target Price Range: 2022 | 2023 | 2024

% TOT. RETURN 10/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	45.9	4.9
3 yr.	40.5	30.2
5 yr.	69.4	36.8

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
15.31	16.05	18.28	19.24	20.12	22.04	19.21	20.70	20.41	19.06	19.26	20.34	19.18	20.09	22.86	22.73	*20.55*	*21.20*	Revenues per sh	*23.50*
3.53	3.65	4.03	4.01	4.22	4.43	4.43	4.51	4.91	5.18	5.27	5.28	5.47	5.69	6.64	6.41	*6.30*	*6.55*	"Cash Flow" per sh	*7.50*
1.97	2.06	2.13	2.10	2.28	2.25	2.32	2.36	2.55	2.67	2.70	2.77	2.84	2.83	3.21	3.00	*3.10*	*3.20*	Earnings per sh A	*3.75*
1.39	1.42	1.48	1.54	1.60	1.66	1.73	1.80	1.87	1.94	2.01	2.08	2.15	2.22	2.30	2.38	*2.46*	*2.54*	Div'd Decl'd per sh B ■	*2.78*
2.72	2.85	3.20	4.01	4.65	5.10	5.70	4.85	5.23	5.54	6.16	6.58	6.22	7.38	7.37	7.74	*7.15*	*6.50*	Cap'l Spending per sh	*5.25*
13.13	13.86	14.42	15.24	16.23	17.08	18.15	19.21	20.32	21.09	21.43	21.98	22.59	25.00	23.98	23.92	*26.20*	*26.85*	Book Value per sh C	*30.25*
734.83	741.50	741.45	746.27	763.10	777.19	819.65	843.34	865.13	867.77	887.09	907.78	911.72	990.39	1007.6	1033.8	*1050.0*	*1050.0*	Common Shs Outst'g D	*1080.0*
14.8	14.7	15.9	16.2	16.0	16.1	13.5	14.9	15.8	17.0	16.2	16.0	15.8	17.8	15.5	15.1	*Bold figures are*		Avg Ann'l P/E Ratio	*16.0*
.84	.78	.85	.87	.85	.97	.90	.95	.99	1.08	.91	.84	.80	.93	.78	.81	*Value Line*		Relative P/E Ratio	*.90*
4.7%	4.7%	4.4%	4.5%	4.4%	4.6%	5.5%	5.1%	4.6%	4.3%	4.6%	4.7%	4.8%	4.4%	4.6%	5.3%	*estimates*		Avg Ann'l Div'd Yield	*4.7%*

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
15743	17456	17657	16537	17087	18467	17489	19896	23031	23495	*21600*	*22250*	Revenues ($mill)	*25500*
1910.0	2040.0	2268.0	2415.0	2439.0	2567.0	2647.0	2757.0	3269.0	3096.0	*3280*	*3410*	Net Profit ($mill)	*4115*
31.9%	33.5%	35.0%	35.6%	34.8%	33.8%	33.4%	28.5%	25.2%	21.3%	*20.0%*	*20.0%*	Income Tax Rate	*20.0%*
14.9%	13.7%	10.2%	9.4%	11.6%	13.9%	13.2%	11.9%	7.6%	6.8%	*6.0%*	*6.0%*	AFUDC % to Net Profit	*4.0%*
53.2%	51.2%	50.0%	49.9%	51.5%	49.5%	52.8%	61.5%	64.5%	62.0%	*60.5%*	*60.5%*	Long-Term Debt Ratio	*59.0%*
43.6%	45.7%	47.1%	47.3%	45.8%	47.3%	44.0%	35.7%	35.0%	37.6%	*39.0%*	*39.0%*	Common Equity Ratio	*41.0%*
34091	35438	37307	38653	41483	42142	46788	69359	68953	65750	*70300*	*72300*	Total Capital ($mill)	*80000*
39230	42002	45010	48390	51208	54868	61114	78446	79872	80797	*84950*	*88250*	Net Plant ($mill)	*94700*
6.9%	7.0%	7.2%	7.3%	6.8%	7.1%	6.6%	4.9%	5.9%	5.9%	*6.0%*	*6.0%*	Return on Total Cap'l	*6.5%*
12.0%	11.8%	12.2%	12.5%	12.1%	12.1%	12.0%	10.3%	13.3%	12.4%	*12.0%*	*12.0%*	Return on Shr. Equity	*12.5%*
12.4%	12.2%	12.5%	12.8%	12.5%	12.5%	12.6%	11.0%	13.4%	12.5%	*12.0%*	*12.0%*	Return on Com Equity E	*12.5%*
3.2%	3.0%	3.4%	3.6%	3.2%	3.2%	3.1%	2.5%	3.9%	2.6%	*2.5%*	*2.5%*	Retained to Com Eq	*3.5%*
75%	77%	73%	73%	75%	75%	76%	78%	72%	79%	*79%*	*79%*	All Div'ds to Net Prof	*73%*

CAPITAL STRUCTURE as of 9/30/19
Total Debt $45953 mill. **Due in 5 Yrs** $13362 mill.
LT Debt $42098 mill. **LT Interest** $1389 mill.
(LT interest earned: 3.6x)
Leases, Uncapitalized Annual rentals $156 mill.
Pension Assets-12/18 $11611 mill. **Oblig** $12763 mill.
Pfd Stock $291 mill. **Pfd Div'd** $15 mill.
Incl. 10 mill. shs. 5.83% cum. pfd. ($25 stated value); 475,115 shs. 4.2%-5.44% cum. pfd. ($100 par).

Common Stock 1,048,733,989 shs.
MARKET CAP: $64 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	+.2	-2.6	+3.6
Avg. Indust. Use (MWH)	3105	3016	3048
Avg. Indust. Revs. per KWH (¢)	6.01	6.18	6.04
Capacity at Yearend (Mw)	46291	46936	45824
Peak Load, Summer (Mw) F	35781	34874	36429
Annual Load Factor (%)	61.5	61.4	61.2
% Change Customers (yr-end)	+1.0	+1.0	+1.0
Fixed Charge Cov. (%)	330	318	280

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	.5%	2.5%	*1.0%*
"Cash Flow"	4.0%	4.0%	*3.0%*
Earnings	3.0%	2.5%	*3.5%*
Dividends	3.5%	3.5%	*3.0%*
Book Value	4.0%	3.0%	*3.5%*

Cal-endar	QUARTERLY REVENUES (mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	3992	4459	6264	5181	19896
2017	5771	5430	6201	5629	23031
2018	6372	5627	6159	5337	23495
2019	5412	5098	5995	*5095*	*21600*
2020	*5700*	*5300*	*6050*	*5200*	*22250*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.57	.71	1.22	.33	2.83
2017	.73	.73	1.08	.67	3.21
2018	.99	.71	1.13	.17	3.00
2019	.74	.80	1.25	*.31*	*3.10*
2020	*.85*	*.75*	*1.20*	*.40*	*3.20*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.525	.543	.543	.543	2.15
2016	.543	.56	.56	.56	2.22
2017	.56	.58	.58	.58	2.30
2018	.58	.60	.60	.60	2.38
2019	.60	.62	.62		

BUSINESS: The Southern Company, through its subs., supplies electricity to 4.6 mill. customers in GA, AL, and MS. Also has a competitive generation business. Acq'd AGL Resources (renamed Southern Company Gas, 4.2 mill. customers in GA, NJ, IL, VA, & TN) 7/16. Sold Gulf Power 1/19. Electric rev. breakdown: residential, 37%; commercial, 31%; industrial, 18%; other, 14%. Retail revs. by state: GA, 56%; AL, 38%; MS, 6%. Generating sources: gas, 42%; coal, 27%; nuclear, 14%; other, 8%; purchased, 9%. Fuel costs: 34% of revs. '18 reported depr. rates (util.): 2.6%-4.1%. Has 29,200 empls. Chairman, Pres. and CEO: Thomas A. Fanning. Inc.: DE. Address: 30 Ivan Allen Jr. Blvd., N.W., Atlanta, GA 30308. Tel.: 404-506-0747. Internet: www.southerncompany.com.

Southern Company has been one of the top-performing stocks in the electric utility industry in 2019. The company's Georgia Power subsidiary is building two units at the site of the Vogtle nuclear station. The project has had delays and cost overruns that have caused the company to take write-offs, but in 2019 there have been no such charges. Thus, Wall Street has become more comfortable with the project. The progress Georgia Power has made and the generous dividend yield of the stock have attracted investors. An estimated $2.9 billion of costs remain to complete construction. Units 3 and 4 are scheduled to come on line in November of 2021 and 2022, respectively.

The company's financing needs have changed. Following the sale of $1.7 billion of equity units in the third quarter, management expects to need no additional common equity through 2023 beyond the mandatory conversion of the units in 2022. In fact, Southern Company will switch to open-market purchases for its dividend-reinvestment program.

Nicor Gas received a rate order in Illinois. The utility received a $168 million rate hike, based on a 9.73% return on a 54.2% common-equity ratio. New tariffs took effect on October 8th.

Electric and gas rate applications are pending in Georgia. Georgia Power filed for increases of $563 million at the start of 2020, $145 million in 2021, and $234 million in 2022, based on a return of 10.9% on a common-equity ratio of 56%. The commission's staff put forth a harsh recommendation, but that doesn't necessarily mean that the order will be bad. Atlanta Gas Light requested a hike of $96 million, based on a return of 10.75% on a common-equity ratio of 55%.

We raised our 2019 share-earnings estimate by a nickel, to $3.10. Third-quarter profits benefited from hotter-than-normal weather. We are sticking with our 2020 estimate of $3.20. The company will benefit from rate relief.

Even after the stock's 41% advance in 2019, the dividend yield is about a percentage point above the utility mean. But total return potential is negative for the 18-month span and unexciting for the 3- to 5-year period.

Paul E. Debbas, CFA — *November 15, 2019*

(A) Diluted EPS. Excl. nonrec. gain (losses): '09, (25¢); '13, (83¢); '14, (59¢); '15, (25¢); '16, (28¢); '17, ($2.37); '18, (78¢); '19, $1.30. Next earnings report due late Feb. (B) Div'ds paid in early Mar., June, Sept., and Dec. ■ Div'd reinvest. plan avail. (C) Incl. def'd chgs. In '18: $15.95/sh. (D) In mill. (E) Rate base: AL, MS, fair value; FL, GA, orig. cost. All'd return on com. eq. (blended): 12.5%; earn. on avg. com. eq., '18: 12.4%. Regul. Climate: GA, AL Above Avg.; MS, FL Avg. (F) Winter peak in '18.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	25
Earnings Predictability	85

TECO ENERGY, INC. NYSE-TE

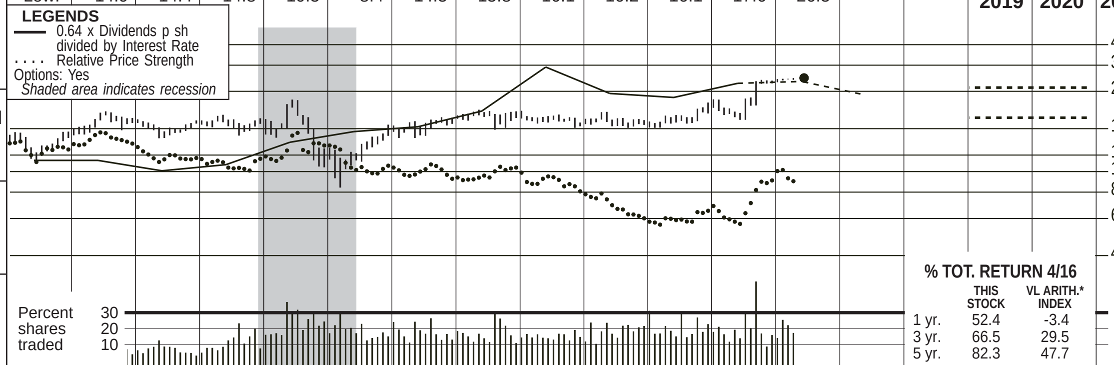
RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD
27.76	24.1	(Trailing: 25.9 Median: 16.0)	1.32	3.4%

VALUE LINE

TIMELINESS – Suspended 7/24/15
SAFETY 2 Raised 2/24/12
TECHNICAL – Suspended 7/24/15
BETA .80 (1.00 = Market)

High:	19.3	17.7	18.6	22.0	16.7	18.1	19.7	19.4	19.2	21.3	27.2	27.8
Low:	14.9	14.4	14.8	10.5	8.4	14.5	15.8	16.1	16.2	16.1	17.6	26.5

Target Price Range 2019 | 2020 | 2021



2019-21 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	25	(-10%)	1%
Low	18	(-35%)	-6%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	1	0	0	0	0
Options	2	0	0	1	2	0	6	3	0
to Sell	1	0	0	0	1	0	0	3	1

Institutional Decisions

	2Q2015	3Q2015	4Q2015
to Buy	144	152	139
to Sell	161	199	189
Hld's(000)	139893	152870	154969

% TOT. RETURN 4/16

	THIS STOCK	VL ARITH.* INDEX
1 yr.	52.4	-3.4
3 yr.	66.5	29.5
5 yr.	82.3	47.7

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
18.17	18.97	15.22	14.59	13.37	14.46	16.46	16.77	15.85	15.48	16.23	15.49	13.83	13.12	10.93	11.66	*11.00*	*11.40*	Revenues per sh	*12.50*
4.11	4.31	3.20	1.96	2.14	2.37	2.51	2.51	2.01	2.35	2.59	2.77	2.69	2.43	2.36	2.51	*2.65*	*2.90*	"Cash Flow" per sh	*3.50*
1.97	2.24	1.95	d.08	.71	1.00	1.17	1.27	.77	1.00	1.13	1.27	1.14	.92	.95	1.03	*1.15*	*1.25*	Earnings per sh A	*1.50*
1.33	1.37	1.41	.93	.76	.76	.76	.78	.80	.80	.82	.85	.88	.88	.88	.90	*.92*	*.94*	Div'd Decl'd per sh B ■	*1.00*
5.45	6.92	6.06	3.14	1.37	1.42	2.18	2.34	2.77	2.99	2.28	2.10	2.33	2.45	3.04	3.14	*3.00*	*2.35*	Cap'l Spending per sh	*2.25*
11.93	14.12	14.86	8.93	6.43	7.65	8.25	9.56	9.43	9.75	10.10	10.50	10.58	10.74	10.96	10.88	*11.05*	*11.35*	Book Value per sh C	*12.50*
126.30	139.60	175.80	187.80	199.70	208.20	209.50	210.90	212.90	213.90	214.90	215.80	216.60	217.30	234.90	235.30	*236.00*	*237.00*	Common Shs Outst'g D	*240.00*
11.9	12.9	11.0	- -	19.3	17.1	13.8	13.3	21.2	12.6	14.6	14.4	15.5	18.9	18.8	21.4	*Bold figures are*		Avg Ann'l P/E Ratio	*14.5*
.77	.66	.60	- -	1.02	.91	.75	.71	1.28	.84	.93	.90	.99	1.06	.99	1.08	*Value Line*		Relative P/E Ratio	*.90*
5.7%	4.8%	6.6%	7.4%	5.5%	4.4%	4.7%	4.6%	4.9%	6.3%	4.9%	4.6%	5.0%	5.1%	4.9%	4.1%	*estimates*		Avg Ann'l Div'd Yield	*4.8%*

CAPITAL STRUCTURE as of 3/31/16
Total Debt $4086.0 mill. **Due in 5 Yrs** $1800.5 mill.
LT Debt $3489.7 mill. **LT Interest** $159.8 mill.
(LT interest earned: 3.2x)

Leases, Uncapitalized Annual rentals $7.7 mill.

Pension Assets-12/15 $625.4 mill. **Oblig** $732.9 mill.

Pfd Stock None

Common Stock 235,550,000 shs. as of 4/29/16
MARKET CAP: $6.5 billion (Large Cap)

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		19-21
3448.1	3536.1	3375.3	3310.5	3487.9	3343.4	2996.6	2851.3	2566.4	2743.5	*2600*	*2700*	Revenues ($mill)	*3000*
244.4	265.8	162.4	213.9	242.9	272.6	246.0	197.8	213.1	241.2	*265*	*290*	Net Profit ($mill)	*360*
40.4%	40.7%	36.8%	31.6%	34.8%	36.1%	35.9%	35.5%	38.3%	39.2%	*38.5%*	*38.5%*	Income Tax Rate	*38.5%*
1.6%	2.3%	5.4%	6.5%	1.2%	.6%	1.7%	5.0%	7.4%	10.8%	*11.0%*	*2.0%*	AFUDC % to Net Profit	*1.0%*
65.0%	61.0%	61.5%	60.6%	59.2%	54.2%	56.5%	54.9%	56.6%	57.9%	*58.5%*	*58.5%*	Long-Term Debt Ratio	*58.0%*
35.0%	39.0%	38.5%	39.4%	40.8%	45.8%	43.5%	45.1%	43.4%	42.1%	*41.5%*	*41.5%*	Common Equity Ratio	*42.0%*
4941.6	5175.4	5214.3	5287.0	5317.8	4953.9	5264.5	5171.5	5928.7	6075.9	*6280*	*6450*	Total Capital ($mill)	*7175*
4766.9	4888.2	5221.3	5544.1	5841.0	5967.8	5990.1	6170.1	7088.2	7481.8	*7820*	*7985*	Net Plant ($mill)	*8275*
7.3%	7.3%	5.1%	6.0%	6.4%	7.4%	6.1%	5.4%	5.0%	5.3%	*5.5%*	*6.0%*	Return on Total Cap'l	*6.5%*
14.1%	13.2%	8.1%	10.3%	11.2%	12.0%	10.7%	8.5%	8.3%	9.4%	*10.0%*	*11.0%*	Return on Shr. Equity	*12.0%*
14.1%	13.2%	8.1%	10.3%	11.2%	12.0%	10.7%	8.5%	8.3%	9.4%	*10.0%*	*11.0%*	Return on Com Equity E	*12.0%*
5.0%	5.1%	NMF	2.1%	3.1%	3.9%	2.4%	.3%	.5%	1.2%	*2.0%*	*2.5%*	Retained to Com Eq	*4.0%*
65%	61%	104%	80%	72%	67%	77%	97%	93%	88%	*82%*	*76%*	All Div'ds to Net Prof	*66%*

ELECTRIC OPERATING STATISTICS

	2013	2014	2015
% Change Retail Sales (KWH)	- -	+.6	+2.6
Avg. Indust. Use (Mw)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	8.50	8.65	8.57
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	+1.5	+1.6	+1.8
Fixed Charge Cov. (%)	272	287	288

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '13-'15 to '19-'21
Revenues	-1.5%	-5.5%	*1.0%*
"Cash Flow"	1.0%	1.0%	*6.5%*
Earnings	6.0%	- -	*7.5%*
Dividends	1.0%	2.0%	*2.0%*
Book Value	3.5%	2.0%	*2.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	661.1	735.9	765.9	688.4	2851.3
2014	578.0	605.7	687.2	695.5	2566.4
2015	693.0	680.6	693.8	676.1	2743.5
2016	659.5	*640.5*	*650*	*650*	*2600*
2017	*675*	*675*	*675*	*675*	*2700*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	.19	.24	.29	.20	.92
2014	.22	.27	.28	.18	.95
2015	.27	.26	.28	.22	1.03
2016	.31	*.24*	*.34*	*.26*	*1.15*
2017	*.35*	*.26*	*.36*	*.28*	*1.25*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.22	.22	.22	.22	.88
2013	.22	.22	.22	.22	.88
2014	.22	.22	.22	.22	.88
2015	.225	.225	.225	.225	.90
2016	.23				

BUSINESS: TECO Energy, Inc. is a holding company for Tampa Electric, which serves 706,000 customers in west central Florida, and Peoples Gas, which serves 354,000 customers in Florida. Acq'd New Mexico Gas (513,000 customers) 9/14. Sold TECO Transport 12/07; discontinued generation investments in Guatemala in '12; discontinued TECO Coal in '14. Electric revenue breakdown: residential, 50%; commercial, 30%; industrial, 8%; other, 12%. Generating sources: coal, 59%; gas, 36%; purchased, 5%. Fuel costs: 38% of revs. '14 reported deprec. rate (utility): 3.6%. Has 4,400 employees. Chairman: Sherrill W. Hudson. Pres. & CEO: John B. Ramil. Inc.: FL. Address: TECO Plaza, 702 N. Franklin St., Tampa, FL 33602. Tel.: 813-228-1111. Web: www.tecoenergy.com.

It appears as if the acquisition of TECO Energy might be completed within the next several weeks. Emera, a Canadian company, has agreed to pay $27.55 in cash for each share of TECO Energy. Just one more regulatory approval is required: that of the New Mexico Public Regulation Commission (NMPRC). The companies and various intervenors have reached an unopposed settlement that will be presented to the NMPRC. In early May, a hearing examiner conducted hearings on the proposed combination, and will make a recommendation by early June, before the NMPRC issues its ruling. The current time line suggests that July is the best estimate for the closing date of the transaction. Thus, this might well be our last full-page report on TECO Energy.

We advise TECO Energy stockholders to sell their shares on the open market. The recent price of TECO Energy stock is slightly *above* the buyout price, so stockholders have no incentive to await completion of the takeover. Emera's offer is generous, at 24 times estimated 2016 earnings. The Timeliness rank of TECO Energy stock remains suspended due to the pending acquisition.

TECO Energy's utilities are performing well. Tampa Electric and Peoples Gas are benefiting from healthy customer growth, thanks to the solid economy in the utilities' service territory, and each utility is likely to earn a return on equity in the upper half of its allowed ROE range in 2016. (The allowed ROEs are shown in Footnote E.) New Mexico Gas, which TECO Energy bought in September of 2014, is benefiting from effective cost controls. Because first-quarter results were better than we expected, we have raised our 2016 share-earnings estimate by a nickel, to $1.15. A continuation of current trends, plus rate relief that Tampa Electric will receive for a project to expand a gas-fired power plant, points to higher profits in 2017.

Our earnings presentation includes costs associated with the Emera deal. These were negligible in the first period of 2016, but reduced the bottom line by $0.06 a share in 2015. We are not estimating any such expenses over the remainder of 2016.

Paul E. Debbas, CFA *May 20, 2016*

(A) Diluted EPS. Excl. nonrec. gain (losses): '03, ($4.97); '07, 63¢; '10, (2¢); '14, (3¢); gains (losses) on disc. ops.: '04, (77¢); '05, 31¢; '06, 1¢; '07, 7¢; '12, (15¢); '14, (34¢); '15, (29¢). Next earnings report due early Aug. (B) Div'ds paid in late Feb., May, Aug., & Nov. ■ Div'd reinv. plan avail. (C) Incl. intangibles. In '15: $3.86/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '13 (elec.): 10.25%-12.25%; in '09 (gas): 9.75%-11.75%; in NM in '12: 10% (implied); earned on avg. com. eq., '15: 9.4%. Regulatory Climate: Avg.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	50
Earnings Predictability	80

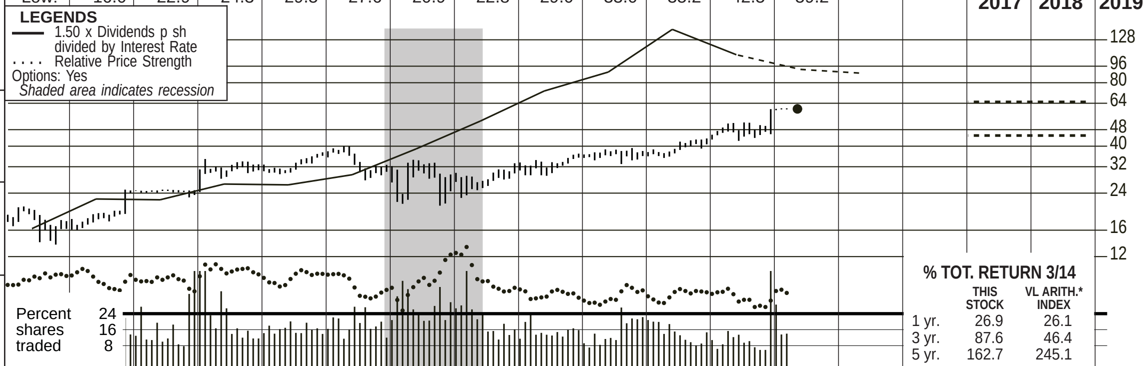
UNS ENERGY NYSE-UNS

RECENT PRICE 60.23 | P/E RATIO 20.1 (Trailing: 19.8 Median: 18.0) | RELATIVE P/E RATIO 1.05 | DIV'D YLD 3.2% | VALUE LINE

TIMELINESS – Suspended 12/20/13
SAFETY 3 New 12/31/04
TECHNICAL – Suspended 12/20/13
BETA .70 (1.00 = Market)

High:	24.9	24.9	34.8	37.5	40.0	34.5	33.3	36.9	39.3	43.6	60.0	60.6
Low:	16.0	22.9	24.3	29.5	27.6	20.9	22.8	29.0	33.0	35.2	42.5	59.2

Target Price Range
2017 | 2018 | 2019



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+10%)	7%
Low	45	(-25%)	-8%

Insider Decisions

	J	J	A	S	O	N	D	J	F
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	1	0	0	0	0	0	0
to Sell	0	0	3	0	0	0	0	0	0

Institutional Decisions

	2Q2013	3Q2013	4Q2013
to Buy	105	109	96
to Sell	79	80	109
Hld's(000)	37355	37570	38280

% TOT. RETURN 3/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	26.9	26.1
3 yr.	87.6	46.4
5 yr.	162.7	245.1

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
23.83	24.85	31.12	43.12	25.50	28.71	34.13	35.26	37.42	39.12	39.41	38.89	39.78	40.89	35.36	35.74	*36.40*	*37.60*	Revenues per sh	*41.20*
3.48	3.96	4.23	5.41	4.80	5.20	5.29	5.21	5.68	5.64	4.56	7.82	7.33	7.44	6.48	7.33	*7.35*	*7.60*	"Cash Flow" per sh	*8.00*
.68	1.08	1.27	1.79	.97	1.30	1.31	1.30	1.85	1.55	.39	2.69	2.82	2.75	2.20	3.04	*3.12*	*3.40*	Earnings per sh A	*3.80*
- -	- -	.32	.40	.50	.60	.64	.76	.84	.90	.96	1.16	1.56	1.68	1.72	1.74	*1.85*	*1.95*	Div'd Decl'd per sh B ■ †	*2.28*
2.52	2.87	3.19	3.63	3.36	4.06	4.49	5.83	6.77	6.95	9.85	8.01	7.26	10.13	7.43	7.85	*9.45*	*8.05*	Cap'l Spending per sh	*7.85*
7.65	10.02	11.20	12.68	13.05	15.97	16.95	17.68	18.59	19.54	19.16	20.94	22.46	24.07	25.77	27.22	*27.00*	*28.20*	Book Value per sh	*32.70*
32.26	32.35	33.22	33.50	33.58	33.79	34.26	34.87	35.19	35.32	35.46	35.85	36.54	36.92	41.34	41.54	*41.50*	*42.00*	Common Shs Outst'g C	*42.50*
23.3	10.8	11.8	10.8	18.2	14.6	18.7	23.9	17.7	22.0	73.8	10.4	11.6	13.3	17.8	15.9	*Bold figures are*		Avg Ann'l P/E Ratio	*14.0*
1.21	.62	.77	.55	.99	.83	.99	1.27	.96	1.17	4.44	.69	.74	.83	1.13	.89	*Value Line*		Relative P/E Ratio	*.90*
- -	- -	2.1%	2.1%	2.8%	3.2%	2.6%	2.5%	2.6%	2.6%	3.3%	4.1%	4.8%	4.6%	4.4%	3.6%	*estimates*		Avg Ann'l Div'd Yield	*4.1%*

CAPITAL STRUCTURE as of 12/31/13
Total Debt $1806.6 mill. **Due in 5 Yrs** $477.0 mill.
LT Debt $1656.8 mill. **LT Interest** $71.0 mill.
Incl. $149.8 mill. capitalized leases.

(LT interest earned: 3.0x)

Pension Assets-12/13 $323 mill. **Oblig.** $352 mill.
Pfd Stock None

Common Stock 41,633,535 shs.
as of 2/14/14
MARKET CAP: $2.5 billion (Mid Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
1169.0	1229.5	1316.9	1381.4	1397.5	1394.4	1453.7	1509.5	1461.8	1484.6	*1510*	*1580*	Revenues ($mill)	*1750*
45.9	46.1	69.2	58.4	14.0	104.3	111.5	110.0	90.9	127.5	*125*	*140*	Net Profit ($mill)	*160*
42.5%	41.4%	38.8%	40.1%	54.8%	38.2%	41.2%	37.8%	38.0%	31.4%	*38.0%*	*38.0%*	Income Tax Rate	*40.0%*
- -	- -	2.9%	3.4%	- -	- -	- -	- -	- -	- -	*Nil*	*Nil*	AFUDC % to Net Profit	*Nil*
77.1%	75.3%	72.9%	68.8%	72.9%	70.5%	68.5%	67.8%	62.3%	59.4%	*62.0%*	*62.5%*	Long-Term Debt Ratio	*63.0%*
22.9%	24.7%	27.1%	31.2%	27.1%	29.5%	31.5%	32.2%	37.7%	40.6%	*38.0%*	*37.5%*	Common Equity Ratio	*37.0%*
2540.3	2494.9	2414.1	2214.9	2506.4	2547.0	2602.8	2758.6	2826.0	2787.6	*2950*	*3180*	Total Capital ($mill)	*3740*
2081.1	2171.5	2259.6	2407.3	2617.7	2785.7	2961.5	3182.3	3300.4	3534.8	*3450*	*3625*	Net Plant ($mill)	*4200*
5.1%	5.1%	5.9%	5.7%	3.0%	5.2%	5.5%	5.3%	4.5%	5.8%	*6.0%*	*6.0%*	Return on Total Cap'l	*5.5%*
7.9%	7.5%	10.6%	8.5%	2.1%	13.9%	13.6%	12.4%	8.5%	11.3%	*11.0%*	*12.0%*	Return on Shr. Equity	*11.5%*
7.9%	7.5%	10.6%	8.5%	2.1%	13.9%	13.6%	12.4%	8.5%	11.3%	*11.0%*	*12.0%*	Return on Com Equity D	*11.5%*
4.1%	3.2%	6.1%	3.9%	NMF	8.4%	6.7%	5.4%	2.0%	4.9%	*4.5%*	*5.5%*	Retained to Com Eq	*4.5%*
48%	57%	43%	54%	NMF	40%	51%	56%	77%	57%	*58%*	*53%*	All Div'ds to Net Prof	*60 %*

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+.4	-.7	+.1
Avg. Indust. Use (MWH)	5060	5086	5090
Avg. Indust. Revs. per KWH (¢)	7.10	7.20	7.20
Capacity at Peak (Mw)	3271	2950	3015
Peak Load, Summer (Mw)	2334	2290	2230
Annual Load Factor (%)	N/A	N/A	N/A
% Change Customers (yr-end)	+.4	+.5	+.8
Fixed Charge Cov. (%)	251	239	291

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	1.5%	-0.5%	*1.0%*
"Cash Flow"	3.5%	6.0%	*2.0%*
Earnings	7.0%	16.0%	*6.5%*
Dividends	13.0%	13.5%	*5.5%*
Book Value	6.5%	6.0%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	344.8	369.7	450.9	344.1	1509.5
2012	315.4	364.0	434.1	348.3	1461.8
2013	332.1	365.2	437.0	350.2	1484.6
2014	*325*	*370*	*450*	*365*	*1510*
2015	*350*	*375*	*485*	*370*	*1580*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.35	.71	1.46	.22	2.75
2012	.17	.64	1.21	.18	2.20
2013	.27	.83	1.62	.32	3.04
2014	*.25*	*.75*	*1.67*	*.45*	*3.12*
2015	*.45*	*.80*	*1.65*	*.50*	*3.40*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.39	.39	.39	.39	1.56
2011	.42	.42	.42	.42	1.68
2012	.43	.43	.43	.43	1.72
2013	.435	.435	.435	.435	1.74
2014	.48				

BUSINESS: UNS Energy Corporation, through its subsidiaries, operates as an electric utility in Arizona. Subsidiaries include Tucson Electric Power (TEP), UNS Gas, and UNS Electric. '13 retail customers: TEP, 413,000 (in southeastern Arizona); UNS Gas, 149,000; UNS Electric, 93,000. Revenue sources: residential, 42%; commercial, 23%; industrial, 35%. Copper mining is largest industry served. Fuels: coal, 75%; gas, 8%; purchased power, 17%. '13 TEP reported depreciation rate: 4.0%. Has 1,977 employees: TEP, 1,398; UNS Gas, 188; UNS Electric, 143; Other, 248. Chrmn. & CEO: Paul J. Bonavia. Pres.: David G. Hutchens. Inc.: AZ. Address: 88 E. Broadway Blvd., Tucson, AZ 85701. Telephone: 520-571-4000. Internet: www.uns.com.

The Federal Energy Regulatory Commission has approved the acquisition of UNS Energy Corporation by Fortis. UNS stockholders would receive $60.25 in cash for each of their shares. The offer is generous, at 19 times estimated 2014 earnings. Indeed, the proposed purchase has been deemed consistent with the interest of the public, which moves the acquisition one step closer to completion. In addition, the shareholders of UNS Energy approved the transaction on March 26, 2014. The acquisition is expected to be completed by the end of 2014. It is now subject to approval by the Arizona Corporation Commission (ACC). The deal will give UNS much needed capital access to meet clean energy requirements. UNS will remain as a stand-alone company headquartered in Tucson, Arizona. One-third of Fortis' assets will be in the United States once the deal closes, and it will gain approximately 65,000 customers in Arizona.

UNS Energy had a profitable year. The electric utility reported net income of $127 million and share earnings of $3.04. The significant increase in net income was mainly due to higher revenue at UNS Energy's primary subsidiary, Tucson Electric Power (TEP). The subsidiary was able to report higher revenues for the year thanks to a non-fuel base rate increase which became effective on July 1, 2013, combined with a reduction in capital lease interest expense. The company also declared a first quarter dividend of $0.48 per share for common shareholders.

Tucson Electric Power (TEP) has started to work on a new transmission line. The 138 KV is expected to reduce electrical outages and provide more capacity for TEP. The project is expected to cost $4.5 million and was approved by the Arizona Corporation Commission in March, 2011. The transmission line is expected to be completed in 2014.

The Timeliness rank for this issue is suspended due to the impending acquisition. There is minimal potential for capital gains at this juncture as the stock is trading just below the takeover price. We advise investors to sell their holdings at the current level in order to avoid downside risk in case the deal falls through.

Saumya Ajila *May 2, 2014*

(A) EPS diluted. Excl. nonrecur. gains: '98, 19¢; '99, $1.35; '00, 48¢; '03, $2.00. Next earnings report due early May. Earnings may not sum due to rounding. (B) Div'ds historically paid in early Mar., June, Sept., and Dec. ■ Div'd reinvest. plan avail. † Shareholder invest. plan avail. (C) In millions. (D) Rate base: fair value. Rate allowed on com. eq. in '13: 10.0%; earned on avg. com. eq., '13: 8.5%. Regulatory Climate: Avg.

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

AMEREN NYSE-AEE

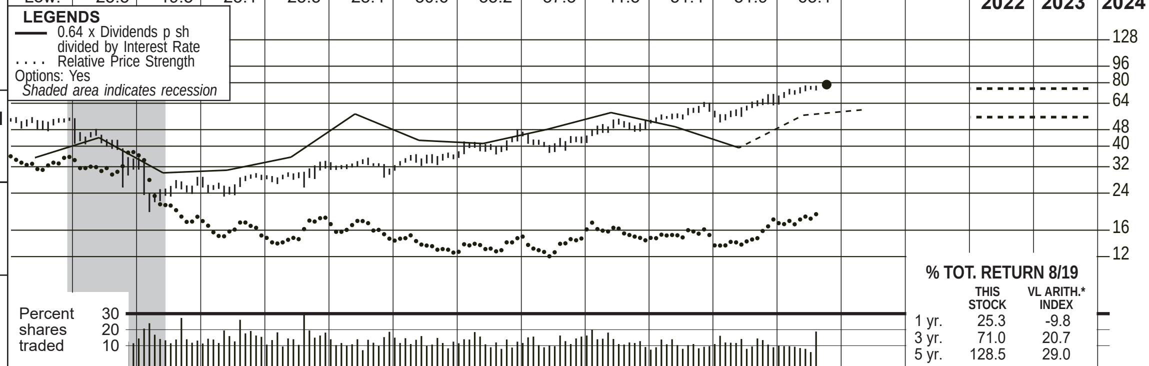
RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
78.49	24.0	(Trailing: 24.3 Median: 16.0)	1.49	2.6%	VALUE LINE

TIMELINESS 3 Lowered 3/29/19
SAFETY 2 Raised 6/20/14
TECHNICAL 3 Lowered 8/2/19
BETA .55 (1.00 = Market)

High:	54.3	35.3	29.9	34.1	35.3	37.3	48.1	46.8	54.1	64.9	70.9	78.5
Low:	25.5	19.5	23.1	25.5	28.4	30.6	35.2	37.3	41.5	51.4	51.9	63.1

Target Price Range 2022 | 2023 | 2024

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



2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(-5%)	2%
Low	55	(-30%)	-5%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	1	25	12	0	0	0	0	0
to Sell	2	0	0	0	7	0	1	1	0

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	250	266	261
to Sell	257	245	255
Hld's(000)	178307	176800	175894

Percent shares traded 30 20 10

% TOT. RETURN 8/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	25.3	-9.8
3 yr.	71.0	20.7
5 yr.	128.5	29.0

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
28.20	26.43	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	*24.55*	*25.95*	Revenues per sh	*28.25*
6.29	5.57	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	*7.75*	*8.25*	"Cash Flow" per sh	*10.00*
3.14	2.82	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	*3.30*	*3.50*	Earnings per sh A	*4.25*
2.54	2.54	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	*1.93*	*2.06*	Div'd Decl'd per sh B ■	*2.55*
4.19	4.13	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	*9.85*	*13.30*	Cap'l Spending per sh	*10.25*
26.73	29.71	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	*32.75*	*34.35*	Book Value per sh C	*40.75*
162.90	195.20	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	*246.50*	*250.50*	Common Shs Outst'g D	*255.00*
13.5	16.3	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	*Bold figures are*		Avg Ann'l P/E Ratio	*16.0*
.77	.86	.89	1.05	.92	.85	.62	.62	.75	.85	.93	.88	.88	.96	1.04	.98	*Value Line*		Relative P/E Ratio	*.90*
6.0%	5.5%	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%	*estimates*		Avg Ann'l Div'd Yield	*3.8%*

CAPITAL STRUCTURE as of 6/30/19
Total Debt $9557 mill. **Due in 5 Yrs** $2530 mill.
LT Debt $8222 mill. **LT Interest** $389 mill.
(LT interest earned: 4.0x)
Leases, Uncapitalized Annual rentals $10 mill.
Pension Assets-12/18 $3899 mill. **Oblig** $4459 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/sh.
Common Stock 245,803,323 shs. **as of 7/31/19**
MARKET CAP: $19 billion (Large Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
7090.0	7638.0	7531.0	6828.0	5838.0	6053.0	6098.0	6076.0	6177.0	6291.0	*6050*	*6450*	Revenues ($mill)	*7350*
624.0	669.0	602.0	589.0	518.0	593.0	585.0	659.0	683.0	821.0	*825*	*880*	Net Profit ($mill)	*1100*
34.7%	36.8%	37.3%	36.9%	37.5%	38.9%	38.3%	36.7%	38.2%	22.4%	*19.0%*	*19.0%*	Income Tax Rate	*18.0%*
5.8%	7.8%	5.6%	6.1%	7.1%	5.7%	5.1%	4.1%	3.5%	4.4%	*4.0%*	*3.0%*	AFUDC % to Net Profit	*3.0%*
49.7%	48.2%	45.3%	49.5%	45.2%	47.2%	49.3%	47.7%	49.2%	50.3%	*50.5%*	*50.5%*	Long-Term Debt Ratio	*48.5%*
49.1%	50.9%	53.7%	49.4%	53.7%	51.7%	49.7%	51.3%	49.8%	48.8%	*48.5%*	*48.5%*	Common Equity Ratio	*50.5%*
15991	15185	14738	13384	12190	12975	13968	13840	14420	15632	*16625*	*17600*	Total Capital ($mill)	*21000*
17610	17853	18127	16096	16205	17424	18799	20113	21466	22810	*24150*	*26275*	Net Plant ($mill)	*29900*
5.3%	6.0%	5.6%	6.0%	5.6%	5.8%	5.3%	6.0%	5.9%	6.3%	*6.0%*	*6.0%*	Return on Total Cap'l	*6.5%*
7.8%	8.5%	7.5%	8.7%	7.7%	8.7%	8.3%	9.1%	9.3%	10.6%	*10.0%*	*10.0%*	Return on Shr. Equity	*10.0%*
7.8%	8.6%	7.5%	8.8%	7.8%	8.7%	8.3%	9.2%	9.4%	10.7%	*10.0%*	*10.0%*	Return on Com Equity E	*10.5%*
3.5%	3.8%	2.8%	3.0%	1.9%	2.9%	2.5%	3.3%	3.4%	4.8%	*4.0%*	*4.5%*	Retained to Com Eq	*4.0%*
56%	56%	63%	66%	76%	67%	70%	64%	64%	56%	*58%*	*58%*	All Div'ds to Net Prof	*61%*

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	-4.2	-3.4	+5.6
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	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
Fixed Charge Cov. (%)	351	362	329

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-3.5%	-1.5%	*2.0%*
"Cash Flow"	1.0%	4.5%	*6.0%*
Earnings	.5%	4.5%	*6.5%*
Dividends	-3.5%	2.5%	*6.0%*
Book Value	-.5%	.5%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	1434	1427	1859	1356	6076.0
2017	1514	1538	1723	1402	6177.0
2018	1585	1563	1724	1419	6291.0
2019	1556	1379	*1715*	*1400*	*6050*
2020	*1600*	*1500*	*1850*	*1500*	*6450*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.43	.61	1.52	.13	2.68
2017	.42	.79	1.18	.39	2.77
2018	.62	.97	1.45	.28	3.32
2019	.78	.72	*1.50*	*.30*	*3.30*
2020	*.75*	*.80*	*1.55*	*.40*	*3.50*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.41	.41	.41	.425	1.66
2016	.425	.425	.425	.44	1.72
2017	.44	.44	.44	.4575	1.78
2018	.4575	.4575	.4575	.475	1.85
2019	.475	.475			

BUSINESS: Ameren Corporation is a holding company formed through the merger of Union Electric and CIPSCO. Acq'd CILCORP 1/03; Illinois Power 10/04. Has 1.2 mill. electric and 127,000 gas customers in Missouri; 1.2 mill. electric and 813,000 gas customers in Illinois. Discontinued nonregulated power-generation operation in '13. Electric rev. breakdown: residential, 43%; commercial, 32%; industrial, 8%; other, 17%. Generating sources: coal, 68%; nuclear, 24%; hydro & other, 3%; purchased, 5%. Fuel costs: 27% of revs. '18 reported deprec. rates: 3%-4%. Has 8,800 employees. Chairman, President & CEO: Warner L. Baxter. Inc.: MO. Address: One Ameren Plaza, 1901 Chouteau Ave., P.O. Box 66149, St. Louis, MO 63166-6149. Tel.: 314-621-3222. Internet: www.ameren.com.

Ameren filed a general rate case in Missouri. The utility requested an electric rate decrease of $1 million. This might seem strange, but the application includes the pass-through to customers of $100 million of reduced fuel and purchased-power costs. Ameren's petition seeks a return of 9.95% on a common-equity ratio of 51.9%. An order is due by late April, with new tariffs taking effect in late May.

Earnings are likely to decline modestly in 2019. Second-quarter profits dropped significantly due to mild weather conditions this year. Temperatures were well above normal a year earlier. This affected the year-to-year earnings comparison by $0.24 a share. Also, the Callaway nuclear unit had a refueling outage this spring, which lowered profits by $0.08 a share. We are sticking with our share-earnings estimate of $3.30, which is within Ameren's guidance of $3.15-$3.35.

We expect a solid profit increase in 2020. The company should benefit from a partial year's effect of the rate order. Also, Ameren benefits from forward-looking regulatory plans for its electric business in Illinois and its federally regulated transmission business.

Ameren is adding two wind projects. The company will spend $1.2 billion to add 700 megawatts of capacity. This will enable Ameren to meet Missouri's renewable-energy requirement. To help finance the two projects, Ameren executed a forward stock sale of 7.5 million shares. This will raise about $560 million when it is settled, most likely in the fourth quarter of 2020. Note that Ameren canceled plans for a third project, which would have added 157 mw, because the interconnection costs turned out to be too high. This did not affect earnings.

We expect a dividend increase in the fourth quarter. We estimate the board of directors will raise the quarterly disbursement $0.03 a share (6.3%). The company's goal for the payout ratio is a range of 55%-70%.

This stock remains expensively priced. The dividend yield is below the utility mean (even when factoring in the estimated increase). Moreover, the recent quotation is above our 3- to 5-year Target Price Range.

Paul E. Debbas, CFA September 13, 2019

(A) Dil. EPS. Excl. nonrec. gain (losses): '05, (11¢); '10, ($2.19); '11, (32¢); '12, ($6.42); '17, (63¢); gain (loss) from disc. ops.: '13, (92¢); '15, 21¢. '16-'17 EPS don't sum due to rounding. Next egs. report due early Nov. (B) Div'ds pd. late Mar., June, Sept., & Dec. ■ Div'd reinv. plan avail. (C) Incl. intang. In '18: $6.29/sh. (D) In mill. (E) Rate base: Orig. cost depr. Rate all'd on com. eq. in MO in '17: elec., none; in '11: gas, none; in IL in '14: elec., 8.7%, in '18: gas, 9.87%; earned on avg. com. eq., '18: 8.3%. Reg. Climate: MO, Avg.; IL, Below Avg.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	80
Earnings Predictability	80

UIL HOLDINGS NYSE-UIL

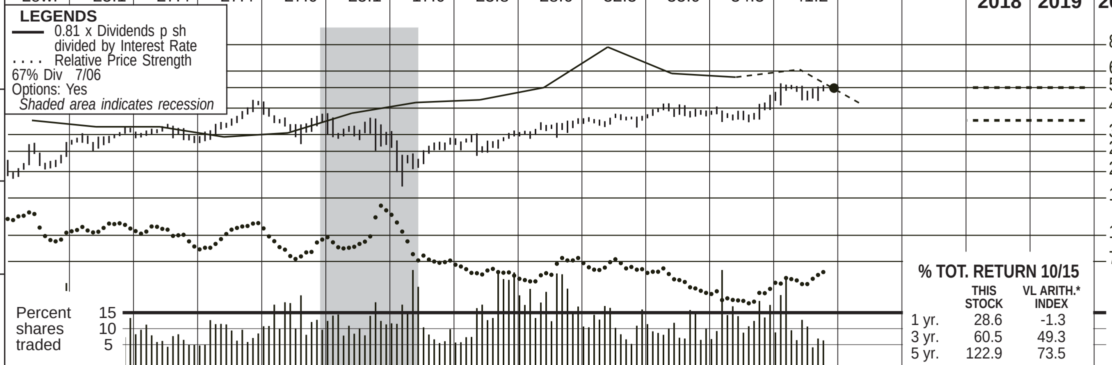
RECENT PRICE	49.75	P/E RATIO	21.1 (Trailing: 23.5 / Median: 17.0)	RELATIVE P/E RATIO	1.19	DIV'D YLD	3.5%	VALUE LINE

TIMELINESS – Suspended 3/6/15
SAFETY 2 Raised 2/29/08
TECHNICAL – Suspended 3/6/15
BETA .75 (1.00 = Market)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
High:	32.8	33.7	43.8	43.0	37.8	31.2	31.3	35.8	37.7	42.1	46.3	52.5
Low:	25.1	27.4	27.4	27.0	25.1	17.0	23.8	28.6	32.3	35.9	34.3	41.2

Target Price Range 2018 | 2019 | 2020

LEGENDS
— 0.81 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
67% Div 7/06
Options: Yes
Shaded area indicates recession



2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(Nil)	4%
Low	35	(-30%)	-4%

Insider Decisions

	D	J	F	M	A	M	J	J	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	1	0	0	0	0	0	0	0	0

Institutional Decisions

	4Q2014	1Q2015	2Q2015
to Buy	88	84	80
to Sell	104	115	96
Hld's(000)	38777	37867	41350

Percent shares traded 15 10 5

% TOT. RETURN 10/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	28.6	-1.3
3 yr.	60.5	49.3
5 yr.	122.9	73.5

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
29.01	37.54	46.15	47.55	40.39	45.87	49.88	34.03	39.23	37.69	29.91	19.75	31.01	29.22	28.52	28.70	29.45	31.70	Revenues per sh	37.00
4.67	5.53	6.61	5.89	4.69	4.37	4.13	4.65	5.48	5.93	5.09	3.65	5.33	5.65	5.51	4.64	6.00	6.30	"Cash Flow" per sh	6.90
2.23	2.56	2.53	1.85	1.24	1.54	1.30	1.86	1.87	1.89	1.94	1.99	1.96	2.04	2.28	1.92	2.25	2.60	Earnings per sh A	2.75
1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	Div'd Decl'd per sh B ■	1.73
1.48	2.31	2.01	2.41	2.19	2.04	2.25	3.09	9.92	8.57	4.12	4.03	6.48	5.67	5.38	5.49	5.45	6.15	Cap'l Spending per sh	7.90
19.55	20.42	21.25	20.28	20.65	22.84	22.39	18.53	18.55	18.85	19.15	21.31	21.61	21.95	23.85	24.07	25.40	26.50	Book Value per sh C	30.45
23.44	23.46	23.53	23.79	23.86	24.01	24.32	24.86	25.03	25.17	29.98	50.51	50.65	50.87	56.75	56.85	56.75	56.75	Common Shs Outst'g E	56.75
12.6	10.8	11.5	15.0	18.0	18.7	23.5	18.7	18.4	16.7	12.7	14.0	16.4	17.2	16.9	19.8	Bold figures are		Avg Ann'l P/E Ratio	16.0
.72	.70	.59	.82	1.03	.99	1.25	1.01	.98	1.01	.85	.89	1.03	1.09	.95	1.05	Value Line		Relative P/E Ratio	1.00
6.2%	6.2%	5.9%	6.2%	7.7%	6.0%	5.7%	5.0%	5.0%	5.5%	7.0%	6.2%	5.4%	4.9%	4.5%	4.6%	estimates		Avg Ann'l Div'd Yield	3.9%

CAPITAL STRUCTURE as of 9/30/15
Total Debt $1821.8 mill. **Due in 5 Yrs.** $131.9 mill.
LT Debt $1730.3 mill. **LT Interest** $75.0 mill.
(LT interest earned: 3.0x)
Leases, Uncapitalized: Ann. rentals $4.5 mill.

Pension Assets-12/14 $722 mill. **Oblig.** $987 mill.

Pfd Stock None

Common Stock 56,629,377 shs.
as of 10/29/15

MARKET CAP: $2.7 billion (Mid Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
1213.1	846.0	982.0	948.7	896.6	997.7	1570.4	1486.5	1618.7	1631.9	1670	1800	Revenues ($mill)	2100
31.4	45.4	46.7	48.1	54.3	70.3	99.7	103.7	120.3	109.6	130	150	Net Profit ($mill)	170
44.1%	31.2%	39.5%	42.2%	38.0%	38.6%	38.5%	41.9%	37.7%	34.4%	38.0%	38.0%	Income Tax Rate	40.0%
9.0%	8.0%	8.3%	8.3%	10.0%	26.3%	12.1%	- -	12.1%	10.0%	10.0%	10.0%	AFUDC % to Net Profit	10.0%
47.2%	47.0%	50.8%	53.6%	54.0%	58.4%	58.6%	58.9%	56.0%	55.6%	58.0%	58.0%	Long-Term Debt Ratio	58.0%
52.8%	53.0%	49.2%	46.4%	46.0%	41.6%	41.4%	41.1%	44.0%	44.4%	42.0%	42.0%	Common Equity Ratio	42.0%
1031.5	869.2	943.6	1023.6	1247.7	2587.9	2642.7	2716.9	3077.7	3079.6	3430	3595	Total Capital ($mill)	4145
592.1	647.0	878.4	1073.6	1153.0	2327.5	2570.4	2787.4	3068.7	3292.7	3380	3550	Net Plant ($mill)	4110
4.1%	6.5%	6.2%	6.1%	5.8%	3.7%	5.2%	5.4%	5.3%	5.0%	5.5%	5.5%	Return on Total Cap'l	5.5%
5.8%	9.9%	10.1%	10.1%	9.5%	6.5%	9.1%	9.3%	8.9%	8.0%	10.0%	10.0%	Return on Shr. Equity	10.0%
5.8%	9.9%	10.1%	10.1%	9.5%	6.5%	9.1%	9.3%	8.9%	8.0%	10.0%	10.0%	Return on Com Equity D	10.0%
NMF	NMF	3.1%	1.0%	1.2%	1.7%	1.1%	1.5%	2.4%	.9%	3.5%	4.0%	Retained to Com Eq	4.5%
NMF	117%	70%	90%	88%	74%	88%	84%	73%	89%	65%	60%	All Div'ds to Net Prof	50%

ELECTRIC OPERATING STATISTICS

	2012	2013	2014
% Change Retail Sales (KWH)	-2.6	-1.6	-1.4
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	7.1	7.8	7.9
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.2	+1.6	+.8
Fixed Charge Cov. (%)	249	262	257

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '12-'14 to '18-'20
Revenues	-4.5%	-4.0%	4.5%
"Cash Flow"	0.5%	-1.0%	4.5%
Earnings	3.0%	2.0%	5.0%
Dividends	- -	- -	Nil
Book Value	1.0%	4.5%	4.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	458.3	283.5	323.8	420.9	1486.5
2013	548.0	319.1	316.5	435.1	1618.7
2014	571.2	334.8	293.0	432.9	1631.9
2015	584.1	312.0	330.5	443.4	1670
2016	605	350	370	475	1800

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.92	.23	.31	.56	2.04
2013	1.01	.35	.31	.61	2.28
2014	.97	.16	.22	.57	1.92
2015	1.01	.28	.27	.69	2.25
2016	1.00	.40	.45	.75	2.60

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.432	.432	.432	.432	1.73
2012	.432	.432	.432	.432	1.73
2013	.432	.432	.432	.432	1.73
2014	.432	.432	.432	.432	1.73
2015	.432	.432			

BUSINESS: UIL Holdings, through its subsidiaries, operates as one of the largest regulated utility companies in Connecticut. Business consists of electric distribution/transmission operations of The United Illuminating Company and natural gas transportation/distribution operations of The Southern Connecticut Gas Company, The Connecticut Natural Gas Company, and The Berkshire Gas Company. Revenue distribution by class: residential, 53%; commercial, 28%; industrial, 4%; other, 15%. Fuel costs: 36% of revenues; O&M costs, 24%. Has 1,902 employees as of 12/14. President & Chief Executive Officer: James P. Torgerson. Inc.: CT. Address: 157 Church Street, P.O. Box 1564, New Haven, CT. 06506-0901. Telephone: 203-499-2000. Internet: www.uil.com.

UIL Holdings expects to soon become part of Iberdrola. Indeed, the Connecticut electric and gas utility is still targeting a year-end closing for its merger with the Spanish company's U.S. unit (Iberdrola U.S.), which includes New York State Electric & Gas and the second-largest wind-power portfolio in the United States. Under terms of the proposed transaction, investors are slated to receive $10.50 in cash and one share of newly issued stock in the merged company, worth up to $44.03, for each share of UIL that they own. Current UIL stakeholders would own 18.5% of the yet-to-be-named newco, which plans to list on the New York Stock Exchange, while Iberdrola S.A. would control the remaining 81.5%.

Left standing in the merger's way is, among other things, approval by the Connecticut Public Utility Regulatory Authority (CPURA). That body's draft decision in July would have denied the change of control, which prompted UIL to withdraw its original submission. A subsequent settlement agreement, promising concessions to ratepayers and other constituences, should help clear the path for approval. That said, CPURA is expected to issue a final ruling on December 9th.

Reported earnings rose sharply in the September quarter, as a one-time reserve made for an easy year-ago comparison. Still, the headline growth figure was significantly less than we envisioned, due to higher uncollectable billings at the utility's gas distribution unit. Ahead of the merger, UIL has also put off a rate case, further limiting near-term growth.

Shares of UIL remain unranked for year-ahead Timeliness due to the utility's pending merger with Iberdrola. Investors may want to stay pat here with the intention of participating in the cash-and-stock exchange. That option, in our view, will provide good exposure to what looks to be a relatively fast-growing, shareholder-friendly newco. Indeed, earnings at the merged company are expected to increase approximately 10% per year through 2019, partly reflecting the accelerated utilization of existing tax benefits. A competitive dividend and above-average payout increases also appear to be in the cards.

Nils C. Van Liew *November 20, 2015*

(A) EPS basic. Excl. nonrecur. gains (losses): '00, 4¢; '03, (26¢); '04, $2.14; '06, ($5.07); '10, (47¢). Next egs. report due in early February (B) Div'ds historically paid in early March, June, Sept., and Dec. ■ Div'd reinvest. plan avail. (C) Incl. deferred charges. In '14: $321.9 mill. or $5.66/sh. (D) Rate base: orig. cost. Rate allowed on common equity in '13: 9.15%. Earned on average common equity in '14: 8.0%. Regul. Clim.: Below Average. (E) In millions. Adjusted for stock dividend.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	50
Earnings Predictability	85

UNITIL CORP. AMEX--UTL

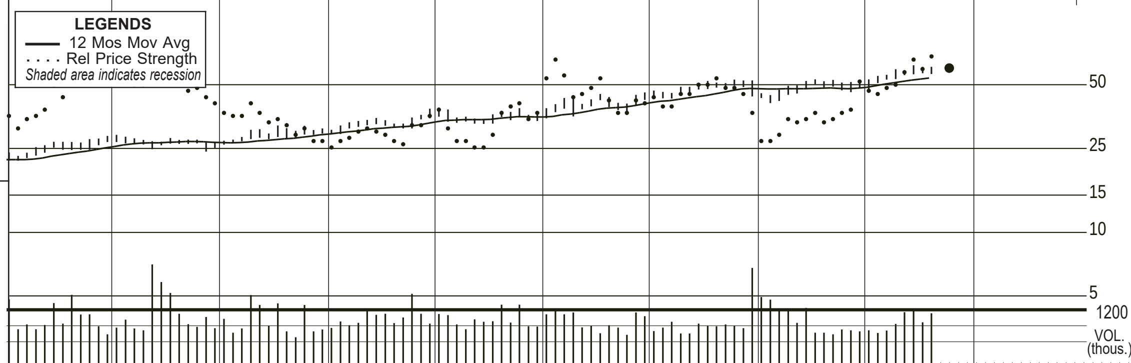
RECENT PRICE	TRAILING P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD	
60.03	20.1	1.18	2.5%	VALUE LINE

	28.60	29.00	32.07	38.55	39.00	46.00	52.84	53.07	62.01	High
	21.84	24.15	26.01	29.05	32.63	34.70	43.03	40.92	47.05	Low

RANKS

PERFORMANCE	2	Above Average
Technical	3	Average
SAFETY	2	Above Average
BETA .50		(1.00 = Market)

Financial Strength	B+
Price Stability	95
Price Growth Persistence	70
Earnings Predictability	85



© VALUE LINE PUBLISHING LLC	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020/2021
SALES PER SH	32.21	25.62	26.51	30.60	30.51	27.26	27.42	29.85	--	
"CASH FLOW" PER SH	4.16	3.86	4.28	4.80	5.15	5.24	5.12	5.61	--	
EARNINGS PER SH	1.50	1.43	1.57	1.79	1.89	1.94	2.06	2.23	***2.32*** [A,B]	***2.47*** [C]***/NA***
DIV'DS DECL'D PER SH	1.38	1.38	1.38	1.39	1.40	1.42	1.44	1.46	--	
CAP'L SPENDING PER SH	5.21	4.97	6.47	6.65	7.43	6.97	8.05	6.88	--	
BOOK VALUE PER SH	17.50	18.90	19.15	19.62	20.20	20.82	22.72	23.60	--	
COMMON SHS OUTST'G (MILL)	10.95	13.78	13.84	13.92	13.99	14.07	14.82	14.88	--	
AVG ANN'L P/E RATIO	16.8	18.7	18.5	18.4	18.5	21.0	23.3	21.6	***25.9***	***24.3/NA***
RELATIVE P/E RATIO	1.05	1.20	1.04	.97	.95	1.15	1.17	1.22	--	
AVG ANN'L DIV'D YIELD	5.5%	5.2%	4.8%	4.2%	4.0%	3.5%	3.0%	3.0%	--	
SALES ($MILL)	352.8	353.1	366.9	425.8	426.8	383.4	406.2	444.1	--	***Bold figures are consensus earnings estimates and, using the recent prices, P/E ratios.***
OPERATING MARGIN	27.8%	27.4%	28.9%	28.0%	29.6%	34.3%	33.9%	32.4%	--	
DEPRECIATION ($MILL)	29.3	35.1	37.7	42.1	45.7	46.6	46.9	50.4	--	
NET PROFIT ($MILL)	16.4	18.2	21.6	24.7	26.3	27.1	29.0	33.0	--	
INCOME TAX RATE	37.9%	37.7%	37.0%	36.2%	36.9%	36.2%	37.6%	20.3%	--	
NET PROFIT MARGIN	4.6%	5.2%	5.9%	5.8%	6.2%	7.1%	7.1%	7.4%	--	
WORKING CAP'L ($MILL)	d23.2	7.2	d4.7	15.8	d18.7	d45.3	.3	d40.3	--	
LONG-TERM DEBT ($MILL)	288.5	287.7	284.8	336.4	319.1	325.1	382.0	390.1	--	
SHR. EQUITY ($MILL)	193.7	260.6	265.2	273.3	282.8	293.1	336.8	351.3	--	
RETURN ON TOTAL CAP'L	5.5%	5.2%	5.8%	5.7%	6.2%	6.1%	5.6%	6.0%	--	
RETURN ON SHR. EQUITY	8.5%	7.0%	8.1%	9.0%	9.3%	9.2%	8.6%	9.4%	--	
RETAINED TO COM EQ	.6%	.4%	.9%	2.0%	2.4%	2.4%	2.6%	3.2%	--	
ALL DIV'DS TO NET PROF	93%	95%	88%	78%	75%	74%	70%	66%	--	

[A]No. of analysts changing earn. est. in last 9 days: 0 up, 0 down, consensus 5-year earnings growth 4.4% per year. [B]Based upon 2 analysts' estimates. [C]Based upon one analyst's estimate.

ANNUAL RATES

of change (per share)	5 Yrs.	1 Yr.
Sales	--	9.0%
"Cash Flow"	5.5%	9.5%
Earnings	6.5%	8.5%
Dividends	1.0%	1.5%
Book Value	4.0%	4.0%

Fiscal Year	QUARTERLY SALES ($mill.) 1Q	2Q	3Q	4Q	Full Year
12/31/17	126.0	80.8	84.0	115.4	406.2
12/31/18	145.8	84.5	88.2	125.6	444.1
12/31/19	152.1	84.4			
12/31/20					

Fiscal Year	EARNINGS PER SHARE 1Q	2Q	3Q	4Q	Full Year
12/31/16	.78	.18	.25	.73	1.94
12/31/17	.88	.23	.16	.79	2.06
12/31/18	1.06	.24	.19	.74	2.23
12/31/19	1.78	.27	***.14***	***.81***	
12/31/20	***1.16***				

Cal-endar	QUARTERLY DIVIDENDS PAID 1Q	2Q	3Q	4Q	Full Year
2016	.355	.355	.355	.355	1.42
2017	.36	.36	.36	.36	1.44
2018	.365	.365	.365	.365	1.46
2019	.37	.37	.37		

INSTITUTIONAL DECISIONS

	4Q'18	1Q'19	2Q'19
to Buy	67	71	87
to Sell	69	62	55
Hld's(000)	10193	10507	10106

ASSETS ($mill.)	2017	2018	6/30/19
Cash Assets	8.9	7.8	4.8
Receivables	67.4	66.8	48.7
Inventory	7.5	7.8	8.2
Other	67.5	69.8	45.7
Current Assets	151.3	152.2	107.4
Property, Plant & Equip, at cost	1279.2	1369.3	- -
Accum Depreciation	307.7	332.5	- -
Net Property	971.5	1036.8	1053.5
Other	119.1	109.3	118.4
Total Assets	1241.9	1298.3	1279.3
LIABILITIES ($mill.)			
Accts Payable	41.5	42.6	21.9
Debt Due	71.2	104.3	84.3
Other	38.3	45.6	49.8
Current Liab	151.0	192.5	156.0

LONG-TERM DEBT AND EQUITY as of 6/30/19

Total Debt $457.4 mill. **Due in 5 Yrs.** NA
LT Debt $373.1 mill.
Including Cap. Leases NA
(50% of Cap'l)

Leases, Uncapitalized Annual rentals NA

Pension Liability $121.5 mill. in '18 vs. $150.1 mill. in '17

Pfd Stock None **Pfd Div'd Paid** None

Common Stock 14,921,000 shares
(50% of Cap'l)

INDUSTRY: Electric Utility (East)

BUSINESS: Unitil Corporation, a public utility holding company, engages in the distribution of electricity and natural gas in the United States. The company distributes electricity in the southeastern seacoast and state capital regions of New Hampshire, and the greater Fitchburg area of north central Massachusetts; and distributes natural gas in southeastern New Hampshire, portions of southern Maine to the Lewiston-Auburn area, and in the greater Fitchburg area of north central Massachusetts. The company also operates 86 miles of interstate underground natural gas transmission pipeline that provides interstate natural gas pipeline access and transportation services primarily in Maine and New Hampshire. In addition, it provides energy brokering and advisory services to commercial and industrial customers; and real estate management services. Currently, Unitil's operating utilities serve approximately 105,600 electric customers and 82,700 natural gas customers. Has 520 employees. C.E.O.: Thomas P. Meissner. Address: 6 Liberty Lane West , Hampton, NH 03842. Tel.: (603) 772-0775. Internet: www.unitil.com.

L.Y.

September 20, 2019

TOTAL SHAREHOLDER RETURN
Dividends plus appreciation as of 8/31/2019

3 Mos.	6 Mos.	1 Yr.	3 Yrs.	5 Yrs.
6.85%	11.36%	22.74%	66.94%	118.51%

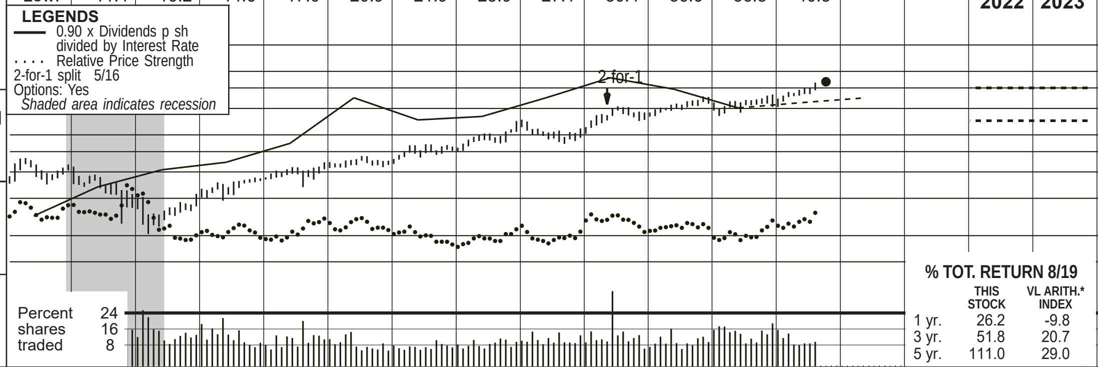
ALLIANT ENERGY NDQ-LNT

RECENT PRICE	53.56	P/E RATIO	23.4 (Trailing: 24.7 / Median: 16.0)	RELATIVE P/E RATIO	1.45	DIV'D YLD	2.7%	VALUE LINE

TIMELINESS	1 Raised 8/16/19
SAFETY	2 Raised 9/28/07
TECHNICAL	4 Lowered 9/13/19
BETA .60 (1.00 = Market)	

High:	21.2	15.8	18.8	22.2	23.8	27.1	34.9	35.4	41.0	45.6	46.6	53.8
Low:	11.4	10.2	14.6	17.0	20.9	21.9	25.0	27.1	30.4	36.6	36.8	40.8

Target Price Range 2022 | 2023 | 2024



2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(-5%)	1%
Low	35	(-35%)	-6%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	6	0	0	0	0	0
to Sell	0	0	0	0	0	0	2	2	0

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	251	225	242
to Sell	209	240	220
Hld's(000)	180932	182908	185336

% TOT. RETURN 8/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	26.2	-9.8
3 yr.	51.8	20.7
5 yr.	111.0	29.0

Alliant Energy, formerly called Interstate Energy Corporation, was formed on April 21, 1998 through the merger of WPL Holdings, IES Industries, and Interstate Power. WPL stockholders received one share of Interstate Energy stock for each WPL share, IES stockholders received 1.14 Interstate Energy shares for each IES share, and Interstate Power stockholders received 1.11 Interstate Energy shares for each Interstate Power share.

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
15.51	15.40	16.51	13.94	14.77	15.10	14.34	14.58	14.62	14.97	***15.40***	***15.90***	Revenues per sh	***16.45***
2.10	2.60	2.75	2.95	3.34	3.44	3.45	3.45	3.97	4.32	***4.40***	***4.60***	"Cash Flow" per sh	***5.20***
.95	1.38	1.38	1.53	1.65	1.74	1.69	1.65	1.99	2.19	***2.25***	***2.40***	Earnings per sh A	***2.80***
.75	.79	.85	.90	.94	1.02	1.10	1.18	1.26	1.34	***1.42***	***1.50***	Div'd Decl'd per sh B ■ †	***1.74***
5.43	3.91	3.03	5.22	3.32	3.78	4.25	5.26	6.34	6.64	***6.75***	***6.50***	Cap'l Spending per sh	***6.15***
12.54	13.05	13.57	14.12	14.79	15.54	16.41	16.96	18.08	19.43	***21.80***	***23.05***	Book Value per sh C	***27.55***
221.31	221.79	222.04	221.97	221.89	221.87	226.92	227.67	231.35	236.06	***240.00***	***242.00***	Common Shs Outst'g D	***250.00***
13.9	12.5	14.5	14.5	15.3	16.6	18.1	22.3	20.6	19.1	*Bold figures are*		Avg Ann'l P/E Ratio	***15.0***
.93	.80	.91	.92	.86	.87	.91	1.17	1.04	1.03	*Value Line*		Relative P/E Ratio	***.85***
5.7%	4.6%	4.3%	4.1%	3.7%	3.5%	3.6%	3.2%	3.1%	3.2%	*estimates*		Avg Ann'l Div'd Yield	***4.1%***
3432.8	3416.1	3665.3	3094.5	3276.8	3350.3	3253.6	3320.0	3382.2	3534.5	***3700***	***3850***	Revenues ($mill)	***4115***
208.6	303.9	304.4	337.8	382.1	385.5	380.7	373.8	455.9	512.1	***535***	***575***	Net Profit ($mill)	***695***
- -	30.1%	19.0%	21.5%	12.4%	10.1%	15.3%	13.4%	12.5%	8.4%	***11.0%***	***11.0%***	Income Tax Rate	***11.0%***
- -	- -	- -	- -	- -	- -	6.5%	7.0%	7.6%	7.8%	***7.5%***	***7.5%***	AFUDC % to Net Profit	***7.5%***
44.3%	46.3%	45.7%	48.4%	46.1%	49.7%	48.6%	52.8%	49.0%	53.3%	***52.0%***	***52.0%***	Long-Term Debt Ratio	***52.0%***
51.2%	49.5%	50.9%	48.4%	50.8%	47.5%	51.4%	47.2%	48.6%	46.7%	***48.0%***	***48.0%***	Common Equity Ratio	***48.0%***
5423.0	5840.8	5921.2	6476.6	6461.0	7257.2	7246.3	8177.6	8192.8	9832.0	***10000***	***10500***	Total Capital ($mill)	***12000***
6203.0	6730.6	7037.1	7838.0	7147.3	6442.0	8970.2	9809.9	10798	12462	***13000***	***14000***	Net Plant ($mill)	***17000***
5.1%	6.6%	6.4%	6.3%	7.0%	6.3%	6.3%	5.6%	6.8%	5.2%	***4.0%***	***5.5%***	Return on Total Cap'l	***6.0%***
6.9%	9.7%	9.5%	10.1%	11.0%	10.6%	10.2%	9.7%	10.9%	11.2%	***10.0%***	***10.5%***	Return on Shr. Equity	***10.0%***
6.8%	9.9%	9.5%	10.3%	11.3%	10.9%	10.2%	9.7%	10.9%	11.2%	***10.0%***	***10.5%***	Return on Com Equity E	***10.0%***
.9%	3.8%	3.3%	3.9%	4.9%	4.3%	3.6%	2.8%	4.0%	4.3%	***3.5%***	***4.0%***	Retained to Com Eq	***4.0%***
88%	64%	67%	64%	57%	59%	65%	72%	63%	61%	***63%***	***63%***	All Div'ds to Net Prof	***62%***

CAPITAL STRUCTURE as of 6/30/19
Total Debt $6535.4 mill. **Due in 5 Yrs** $1000.0 mill.
LT Debt $5438.1 mill. **LT Interest** $230.0 mill.
(LT interest earned: 3.2x)

Pension Assets-12/18 $808.6 mill. **Oblig.** $1175.0 mill.
Pfd Stock $400.0 mill. **Pfd Div'd** $10.2 mill.
16,000,000 shs.

Common Stock 237,521,074 shs.

MARKET CAP: $12.7 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	+2.0	-1.0	+2.0
Avg. Indust. Use (MWH)	11987	12102	12340
Avg. Indust. Revs. per KWH (¢)	7.04	7.16	7.25
Capacity at Peak (Mw)	5615	5375	5459
Peak Load, Summer (Mw)	5615	5375	5459
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.0	+.4	+.4
Fixed Charge Cov. (%)	295	319	322

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-.5%	-1.0%	*2.0%*
"Cash Flow"	3.0%	4.0%	*6.0%*
Earnings	4.5%	4.5%	*6.5%*
Dividends	7.5%	7.0%	*5.5%*
Book Value	4.0%	4.5%	*7.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	843.8	754.2	925.0	797.0	3320.0
2017	853.9	765.3	906.9	856.1	3382.2
2018	916.3	816.1	928.6	873.5	3534.5
2019	987.2	790.2	***1050***	***872.6***	***3700***
2020	***975***	***880***	***1050***	***945***	***3850***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.43	.37	.57	.28	1.65
2017	.44	.41	.73	.41	1.99
2018	.52	.43	.87	.37	2.19
2019	.53	.40	***.90***	***.42***	***2.25***
2020	***.57***	***.48***	***.94***	***.41***	***2.40***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■† Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.275	.275	.275	.275	1.10
2016	.295	.295	.295	.295	1.18
2017	.315	.315	.315	.315	1.26
2018	.335	.335	.335	.335	1.34
2019	.355	.355	.355		

BUSINESS: Alliant Energy Corp., formerly named Interstate Energy, is a holding company formed through the merger of WPL Holdings, IES Industries, and Interstate Power. Supplies electricity, gas, and other services in Wisconsin, Iowa, and Minnesota. Elect. revs. by state: WI, 41%; IA, 58%; MN, 1%. Elect. rev.: residential, 37%; commercial, 25%; industrial, 26%; wholesale, 5%; other, 7%. Fuel sources, 2018: coal, 37%; gas, 30%; other, 33%. Fuel costs: 45% of revs. 2018 depreciation rate: 5.9%. Estimated plant age: 16 years. Has approximately 3,885 employees. Chairman & Chief Executive Officer: John O. Larsen. Incorporated: Wisconsin. Address: 4902 N. Biltmore Lane, Madison, Wisconsin 53718. Telephone: 608-458-3311. Internet: www.alliantenergy.com.

Alliant Energy's largest utility subsidiary has a general rate case pending. Interstate Power and Light of Iowa is seeking annual electric and natural gas increases of $204 million (11.7%) and $21 million (9.0%), respectively, to recoup investments in wind energy and enhancements made to its distribution network. An interim rate hike of $90 million, on an annual basis, was implemented in April. Alliant expects a final decision from the Iowa Utilities Board in the fourth quarter of 2019 on both the interim increase and the remaining $135 million of final rates.

The company is transitioning to cleaner energy resources. Last year, Alliant generated roughly 20% of its capacity from renewables, a four-fold increase from 2005. The utility did this by investing heavily in wind, solar, and hydro projects, which have become more economical in recent years thanks to technological advances and new regulatory standards. Alliant is further targeting around one-third of its energy mix to come from renewables by 2030, with the remainder derived mostly from natural gas (which is a cleaner-burning fuel than coal or oil).

Alliant has several projects coming online in 2019 and 2020. The Iowa-based Upland Prairie and English Wind Farm projects were both recently completed, with the two expected to add 470 megawatts of combined power to Alliant's renewable portfolio. Separately, the 200 mw Golden Plains wind project and the 150 mw Kossuth County wind farm are both expected to go into service in 2020. By the end of next year, LNT will have over 3,000 mw of total renewable energy generation.

The West Riverside Energy Center is over 90% complete. The 730-megawatt natural gas generating facility is expected to go into service later this year. The plant will help replace power from the retirements of older, less efficient coal-fired and peaking units.

This stock is now ranked 1 (Highest) for year-ahead price performance, having risen a notch on our Timeliness scale since June. While Alliant shares are a top choice for the near term, total return potential to 2022-2024 is well below the *Value Line* median. In addition, the dividend yield is subpar for a utility.

Daniel Henigson, CFA September 13, 2019

(A) Diluted EPS. Excl. nonrecur. gains (losses): '09, (44¢); '10, (8¢); '11, (1¢); '12, (8¢). Next earnings rpt. due early Nov. **(B)** Dividends historically paid in mid-Feb., May, Aug., and Nov. ■ Div'd reinvest. plan avail. † Shareholder invest. plan avail. **(C)** Incl. deferred chgs. In '18: $89.7 mill., $0.38/sh. **(D)** In millions, adjusted for split. **(E)** Rate base: Orig. cost. Rates all'd on com. eq. in IA in '18: 10.0%; in WI in '18 Regul. Clim.: WI, Above Avg.; IA, Avg.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	80
Earnings Predictability	85

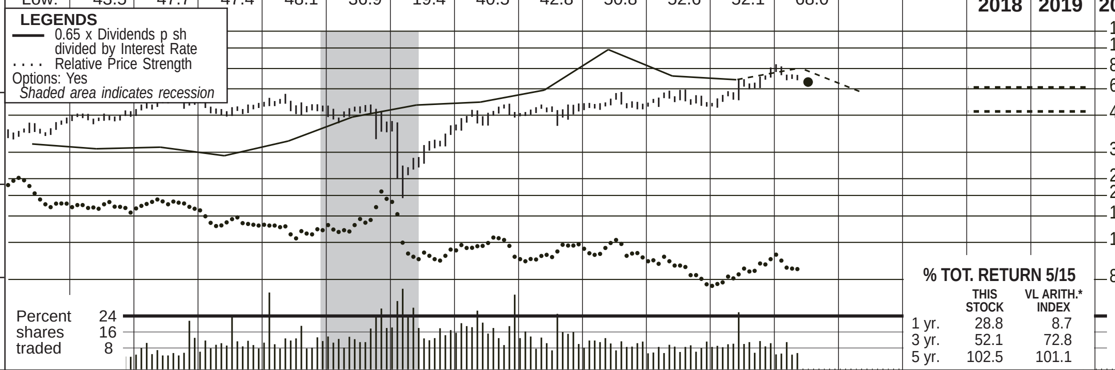
INTEGRYS ENERGY NYSE-TEG

RECENT PRICE **68.88** | P/E RATIO **24.2** (Trailing: 26.1 / Median: 15.0) | RELATIVE P/E RATIO **1.27** | DIV'D YLD **3.9%** | VALUE LINE

TIMELINESS – Suspended 7/4/14
SAFETY 2 Raised 6/24/11
TECHNICAL – Suspended 7/4/14
BETA .80 (1.00 = Market)

High:	50.5	60.0	57.8	60.6	53.9	45.1	54.4	54.6	61.9	63.6	80.9	83.7
Low:	43.5	47.7	47.4	48.1	36.9	19.4	40.5	42.8	50.8	52.6	52.1	68.0

Target Price Range 2018 | 2019 | 2020



2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(-5%)	*3%*
Low	50	(-25%)	*-3%*

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	1	5	5	11	12	0	12	1
to Sell	0	2	5	5	11	10	0	0	4

Institutional Decisions

	3Q2014	4Q2014	1Q2015
to Buy	138	146	141
to Sell	148	160	158
Hld's(000)	44422	44744	44850

% TOT. RETURN 5/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	28.8	8.7
3 yr.	52.1	72.8
5 yr.	102.5	101.1

Integrys Energy Group was created as a holding company on February 21, 2007 to oversee the entire operations of the recently merged WPS Resources and Peoples Energy. WPS acquired Peoples in an agreement under which each common share of Peoples was converted into .825 share of WPS common. The combination took the new name of Integrys Energy Group. All data on this page prior to 2/21/07 are for WPS Resources only.

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
173.37	160.01	135.44	184.86	98.71	67.27	60.44	54.07	70.92	52.11	*45.30*	*47.80*	Revenues per sh	*53.50*
7.40	6.33	5.19	4.69	5.34	6.70	6.13	6.95	7.72	6.46	*6.60*	*7.30*	"Cash Flow" per sh	*8.25*
4.09	3.51	2.48	1.58	2.28	3.24	2.88	3.67	4.33	2.77	*2.85*	*3.05*	Earnings per sh A	*4.00*
2.24	2.28	2.56	2.68	2.72	2.72	2.72	2.72	2.72	2.72	*2.72*	*2.72*	Div'd Decl'd per sh B ■	*2.80*
10.31	7.94	5.17	7.01	5.85	3.35	4.00	7.63	8.42	10.88	*12.05*	*12.00*	Cap'l Spending per sh	*13.50*
32.47	35.61	42.58	40.79	37.62	37.57	38.01	38.84	41.05	41.49	*41.65*	*42.05*	Book Value per sh C	*44.75*
40.16	43.06	75.99	75.99	75.98	77.35	77.91	77.90	79.45	79.53	*79.50*	*79.50*	Common Shs Outst'g D	*79.50*
13.4	14.7	21.4	30.7	14.8	14.7	17.5	14.8	13.3	23.1	*Bold figures are*		Avg Ann'l P/E Ratio	*14.0*
.71	.79	1.14	1.85	.99	.94	1.10	.94	.75	1.22	*Value Line*		Relative P/E Ratio	*.90*
4.1%	4.4%	4.8%	5.5%	8.1%	5.7%	5.4%	5.0%	4.7%	4.2%	*estimates*		Avg Ann'l Div'd Yield	*5.0%*
6962.7	6890.7	10292	14048	7499.8	5203.2	4708.7	4212.4	5634.6	4144.2	*3600*	*3800*	Revenues ($mill)	*4250*
157.4	151.6	181.1	124.8	178.2	255.9	230.9	294.2	350.1	227.0	*230*	*250*	Net Profit ($mill)	*320*
22.9%	22.9%	32.2%	29.1%	41.5%	40.4%	36.7%	33.8%	37.6%	41.2%	*41.0%*	*41.0%*	Income Tax Rate	*41.0%*
1.0%	.5%	.7%	5.8%	4.5%	.7%	.4%	1.3%	4.3%	7.8%	*6.0%*	*6.0%*	AFUDC % to Net Profit	*5.0%*
39.0%	44.8%	40.8%	42.1%	45.1%	42.2%	38.3%	38.6%	47.2%	46.9%	*49.5%*	*50.0%*	Long-Term Debt Ratio	*49.5%*
58.7%	53.4%	58.3%	57.0%	53.9%	56.8%	60.6%	60.4%	52.0%	52.3%	*49.5%*	*49.5%*	Common Equity Ratio	*49.5%*
2222.4	2871.9	5552.0	5438.7	5304.4	5118.5	4884.5	5008.6	6268.6	6307.1	*6670*	*6775*	Total Capital ($mill)	*7150*
2049.4	2534.8	4463.8	4773.3	4945.1	5013.4	5199.1	5501.9	6410.5	6859.8	*7525*	*8140*	Net Plant ($mill)	*10275*
8.0%	6.4%	4.5%	3.5%	4.6%	6.2%	5.9%	6.9%	6.5%	4.8%	*4.5%*	*5.0%*	Return on Total Cap'l	*6.0%*
11.6%	9.6%	5.5%	4.0%	6.1%	8.7%	7.7%	9.6%	10.6%	6.8%	*7.0%*	*7.5%*	Return on Shr. Equity	*9.0%*
11.8%	9.7%	5.5%	3.9%	6.1%	8.7%	7.7%	9.6%	10.6%	6.8%	*7.0%*	*7.5%*	Return on Com Equity E	*9.0%*
5.3%	3.4%	.0%	NMF	NMF	2.3%	.7%	2.6%	4.4%	.2%	*.5%*	*1.0%*	Retained to Com Eq	*2.5%*
56%	65%	99%	NMF	118%	74%	91%	73%	59%	97%	*94%*	*88%*	All Div'ds to Net Prof	*70%*

CAPITAL STRUCTURE as of 3/31/15
Total Debt $3398.9 mill. **Due in 5 Yrs** $568.3 mill.
LT Debt $2956.3 mill. **LT Interest** $147.8 mill.
(LT interest earned: 3.3x)
Leases, Uncapitalized Annual rentals $4.7 mill.
Pension Assets-12/14 $1495.6 mill. **Oblig.** $1705.7 mill.
Pfd Stock $51.1 mill. **Pfd Div'd** $3.1 mill.
510,626 shs. 5.00% to 6.88%, callable $101 to $107.50; sinking fund began 11/1/79. All cumulative, $100 par.
Common Stock 79,963,091 shs. **as of 5/4/15**
MARKET CAP: $5.5 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2012	2013	2014
% Change Retail Sales (KWH)	+.2	-.4	+6.0
Avg. C & I Use (KWH)	NA	NA	NA
Avg. C & I Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	3173	3344	NA
Peak Load, Summer (Mw)	2347	2400	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.4	+.4	-9.5
Fixed Charge Cov. (%)	367	410	254

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '12-'14 to '18-'20
Revenues	-6.0%	-16.0%	*NMF*
"Cash Flow"	1.0%	7.0%	*2.5%*
Earnings	1.0%	11.0%	*2.0%*
Dividends	2.5%	.5%	*.5%*
Book Value	4.0%	- -	*1.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	1247.9	839.6	927.7	1197.2	4212.4
2013	1678.2	1116.0	1129.7	1710.7	5634.6
2014	1638.0	836.8	657.1	1012.3	4144.2
2015	1163.2	*800*	*636.8*	*1000*	*3600*
2016	*1250*	*825*	*675*	*1050*	*3800*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	1.24	.65	.93	.86	3.67
2013	2.29	d.06	.47	1.63	4.33
2014	1.73	.10	.27	.66	2.77
2015	1.61	*.10*	*.29*	*.85*	*2.85*
2016	*1.70*	*.10*	*.35*	*.90*	*3.05*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.68	.68	.68	.68	2.72
2012	.68	.68	.68	.68	2.72
2013	.68	.68	.68	.68	2.72
2014	.68	.68	.68	.68	2.72
2015	.68	.68			

BUSINESS: Integrys Energy Group, Inc. is a holding company for Wisconsin Public Service, Peoples Gas, and four other utility subsidiaries. Has 450,000 electric customers in WI, 1.7 million gas customers in WI, IL, MN, and MI. Sold Upper Peninsula Power and retail electric and gas marketing operations in '14. Elec. rev. breakdown: residential, 29%; small commercial & industrial, 29%; large commercial & industrial, 19%; other, 23%. Generating sources: coal, 49%; gas, 12%; other, 5%; purchased, 34%. Fuel costs: 51% of revs. '14 depr. rates (utility): 2.2%-3.2%. Has 4,600 employees. Chairman & CEO: Charles A. Schrock. President & COO: Lawrence T. Borgard. Inc.: WI. Address: 130 East Randolph St., Chicago, IL 60601-6207. Tel.: 312-228-5400. Internet: www.integrysgroup.com.

Integrys Energy is awaiting two more regulatory approvals before the acquisition of the company by Wisconsin Energy can be completed. Integrys stockholders would receive $18.58 a share in cash and 1.128 shares of Wisconsin Energy stock for each of their shares, valuing the deal at $69.57 a share at Wisconsin Energy's recent price. The regulatory commissions in Minnesota and Illinois still need to rule on the combination. The due date for a decision in Illinois is July 6th, and the companies hope to get a written order in Minnesota by then. If all goes well, the transaction will close shortly thereafter. Accordingly, this might well be our last full-page report on Integrys. The stock's Timeliness rank is suspended due to the pending takeover.

We think shareholders should sell their stock on the open market. The stock price of Integrys is now just 1% below the value of the buyout, leaving little upside potential for shareholders. Integrys holders also have some downside risk that the deal will fall through, or that the price of Wisconsin Energy stock (like that of most utility equities) continues to weaken. Like many electric utility issues, Wisconsin Energy's stock price has fallen more than 10% so far this year. In fact, the value of the deal for Integrys holders has dropped below the $71.47-a-share value when the acquisition was announced nearly a year ago.

Peoples Gas in Illinois has received some criticism for its management of its accelerated main-replacement program. The cost of the project is much more than expected when it was proposed several years ago. A consultant made 95 recommendations, many of which the utility is already implementing. How this will affect the proposed takeover is unknown. The Illinois commission might welcome a new parent company for Peoples Gas.

Rate relief should help earnings advance this year and next. Tariffs of Peoples Gas and North Shore Gas (also in Illinois) were raised in early 2015. Wisconsin Public Service has filed for electric and gas rate hikes of $96.9 million and $9.1 million, respectively, based on a return of 10.2% on a common-equity ratio of 50.52%. New rates should take effect in early 2016.

Paul E. Debbas, CFA *June 19, 2015*

(A) Dil. EPS. Excl. nonrecur. gain (losses): '09, ($3.24); '10, (41¢); '14, 64¢; gains (losses) from disc. ops.: '07, $1.02; '08, 6¢; '09, 4¢; '11, (1¢); '12, (12¢); '13, 6¢; '14, 2¢. '12 & '14 EPS don't add due to rounding. Next egs. due early Aug. **(B)** Div'ds histor. paid mid-Mar., June, Sept., & Dec. ■ Div'd reinv. plan avail. **(C)** Incl. intang. In '14: $27.27/sh. **(D)** In mill. **(E)** Rate base: Net orig. cost. Rate all'd on com. eq. in WI in '15: 10.2%; in IL in '15: 9.05%; in MN in '14: 9.35%; earn. on avg. com. eq, '14: 6.8%. Regul. Climate: WI, Above Avg.; IL, Below Avg.

Company's Financial Strength	A
Stock's Price Stability	90
Price Growth Persistence	55
Earnings Predictability	45

AVISTA CORP. NYSE-AVA

RECENT PRICE 47.20 | P/E RATIO 22.6 (Trailing: 15.8, Median: 17.0) | RELATIVE P/E RATIO 1.34 | DIV'D YLD 3.4% | VALUE LINE

TIMELINESS 3 New 12/14/18
SAFETY 2 Raised 5/7/10
TECHNICAL 3 Raised 10/18/19
BETA .60 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$41-$55	$48 (0%)

2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+15%)	7%
Low	40	(-15%)	Nil

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	117	151	131
to Sell	125	100	108
Hld's(000)	49709	51692	53198

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
High:	23.6	22.4	22.8	26.5	28.0	29.3	37.4	38.3	45.2	52.8	52.9	49.3
Low:	15.5	12.7	18.5	21.1	22.8	24.1	27.7	29.8	34.3	37.8	41.9	39.8

Target Price Range: 2022 | 2023 | 2024

% TOT. RETURN 9/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-0.9	-5.2
3 yr.	27.6	24.7
5 yr.	88.3	40.8

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
23.24	23.76	27.98	28.68	26.80	30.77	27.58	27.29	27.73	25.86	26.94	23.66	23.83	22.47	22.08	21.27	**20.15**	**20.60**	Revenues per sh	**21.75**
2.63	2.35	2.72	4.27	2.93	3.98	4.45	3.62	3.78	3.70	4.36	4.36	4.92	5.30	4.87	5.01	**6.00**	**5.20**	"Cash Flow" per sh	**6.00**
1.02	.73	.92	1.47	.72	1.36	1.58	1.65	1.72	1.32	1.85	1.84	1.89	2.15	1.95	2.07	**2.95**	**2.15**	Earnings per sh A	**2.50**
.49	.52	.55	.57	.60	.69	.81	1.00	1.10	1.16	1.22	1.27	1.32	1.37	1.43	1.49	**1.55**	**1.61**	Div'd Decl'd per sh B ■	**1.80**
2.21	2.47	3.23	3.14	4.04	4.09	3.86	3.64	4.20	4.61	5.05	5.47	6.46	6.34	6.30	6.46	**6.65**	**6.05**	Cap'l Spending per sh	**6.00**
15.54	15.54	15.87	17.46	17.27	18.30	19.17	19.71	20.30	21.06	21.61	23.84	24.53	25.69	26.41	26.99	**28.85**	**29.55**	Book Value per sh C	**32.25**
48.34	48.47	48.59	52.51	52.91	54.49	54.84	57.12	58.42	59.81	60.08	62.24	62.31	64.19	65.49	65.69	**67.00**	**68.00**	Common Shs Outst'g D	**71.00**
13.8	24.4	19.4	15.4	30.9	15.0	11.4	12.7	14.1	19.3	14.6	17.3	17.6	18.8	23.4	24.5	*Bold figures are*		Avg Ann'l P/E Ratio	**19.0**
.79	1.29	1.03	.83	1.64	.90	.76	.81	.88	1.23	.82	.91	.89	.99	1.18	1.32	*Value Line*		Relative P/E Ratio	**1.05**
3.5%	2.9%	3.0%	2.5%	2.7%	3.4%	4.5%	4.8%	4.5%	4.6%	4.5%	4.0%	4.0%	3.4%	3.1%	2.9%	*estimates*		Avg Ann'l Div'd Yield	**3.8%**

CAPITAL STRUCTURE as of 6/30/19
Total Debt $1975.4 mill. **Due in 5 Yrs** $604.2 mill.
LT Debt $1753.0 mill. **LT Interest** $76.2 mill.
Incl. $51.5 mill. debt to affiliated trusts; $57.2 mill. capitalized leases.
(LT interest earned: 2.8x)
Pension Assets-12/18 $544.0 mill. **Oblig** $671.6 mill.
Pfd Stock None

Common Stock 66,111,437 shs. **as of 8/2/19**

MARKET CAP: $3.1 billion (Mid Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
1512.6	1558.7	1619.8	1547.0	1618.5	1472.6	1484.8	1442.5	1445.9	1396.9	**1350**	**1400**	Revenues ($mill)	**1550**
87.1	92.4	100.2	78.2	111.1	114.2	118.1	137.2	126.1	136.4	**195**	**145**	Net Profit ($mill)	**180**
34.3%	35.0%	35.4%	34.4%	36.0%	37.6%	36.3%	36.3%	36.5%	16.0%	**16.0%**	**16.5%**	Income Tax Rate	**16.5%**
4.2%	4.0%	5.2%	8.3%	8.8%	11.1%	10.1%	8.1%	7.9%	7.7%	**6.0%**	**8.0%**	AFUDC % to Net Profit	**7.0%**
50.9%	51.6%	51.4%	50.8%	51.4%	51.0%	50.0%	51.2%	47.2%	50.5%	**50.0%**	**50.5%**	Long-Term Debt Ratio	**50.0%**
49.1%	48.4%	48.6%	49.2%	48.6%	49.0%	50.0%	48.8%	52.8%	49.5%	**50.0%**	**49.5%**	Common Equity Ratio	**50.0%**
2139.0	2325.3	2439.9	2561.2	2669.7	3027.3	3060.3	3379.0	3273.2	3580.3	**3865**	**4045**	Total Capital ($mill)	**4600**
2607.0	2714.2	2860.8	3023.7	3202.4	3620.0	3898.6	4147.5	4398.8	4648.9	**4890**	**5090**	Net Plant ($mill)	**5650**
5.5%	5.4%	5.5%	4.3%	5.4%	4.9%	5.1%	5.3%	5.0%	4.8%	**6.0%**	**4.5%**	Return on Total Cap'l	**5.0%**
8.3%	8.2%	8.5%	6.2%	8.6%	7.7%	7.7%	8.3%	7.3%	7.7%	**10.0%**	**7.0%**	Return on Shr. Equity	**8.0%**
8.3%	8.2%	8.5%	6.2%	8.6%	7.7%	7.7%	8.3%	7.3%	7.7%	**10.0%**	**7.0%**	Return on Com Equity E	**8.0%**
4.1%	3.3%	3.1%	.8%	2.9%	2.4%	2.3%	3.0%	1.9%	2.2%	**5.0%**	**2.0%**	Retained to Com Eq	**2.5%**
51%	60%	64%	88%	66%	69%	70%	64%	73%	72%	**52%**	**75%**	All Div'ds to Net Prof	**71%**

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	-1.2	+4.7	-3.7
Avg. Indust. Use (MWH)	1314	1367	1344
Avg. Indust. Revs. per KWH (¢)	6.09	6.11	6.20
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.6	+1.2	+1.4
Fixed Charge Cov. (%)	333	296	259

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-2.5%	-4.0%	*Nil*
"Cash Flow"	3.0%	5.0%	*3.0%*
Earnings	5.5%	5.0%	*3.5%*
Dividends	8.5%	4.5%	*4.0%*
Book Value	4.0%	4.5%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	418.2	318.8	303.4	402.1	1442.5
2017	436.5	314.5	297.1	397.8	1445.9
2018	409.4	319.3	296.0	372.2	1396.9
2019	396.5	300.8	***288.7***	***364***	***1350***
2020	***410***	***315***	***295***	***380***	***1400***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.92	.43	.19	.62	2.15
2017	.96	.34	.07	.58	1.95
2018	.83	.39	.15	.70	2.07
2019	1.76	.38	***.15***	***.66***	***2.95***
2020	***.90***	***.40***	***.15***	***.70***	***2.15***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.33	.33	.33	.33	1.32
2016	.3425	.3425	.3425	.3425	1.37
2017	.3575	.3575	.3575	.3575	1.43
2018	.3725	.3725	.3725	.3725	1.49
2019	.3875	.3875	.3875		

BUSINESS: Avista Corporation (formerly The Washington Water Power Company) supplies electricity & gas in eastern Washington & northern Idaho. Supplies electricity to part of Alaska & gas to part of Oregon. Customers: 402,000 electric, 350,000 gas. Acq'd Alaska Electric Light and Power 7/14. Sold Ecova energy-management sub. 6/14. Electric rev. breakdown: residential, 38%; commercial, 32%; industrial, 11%; wholesale, 9%; other, 10%. Generating sources: hydro, 31%; gas & coal, 27%; purch., 42%. Fuel costs: 35% of revs. '18 reported depr. rate (Avista Utilities): 3.2%. Has 2,000 employees. Chairman & CEO: Scott L. Morris. Pres.: Dennis Vermillion. Inc.: WA. Address: 1411 E. Mission Ave., Spokane, WA 99202-2600. Tel.: 509-489-0500. Internet: www.avistacorp.com.

Avista has rate cases pending in Washington and Idaho. The utility needs rate relief because it isn't earning an adequate return on equity—likely just 7.5% in 2019. In Washington, Avista filed for electric and gas rate increases of $45.8 million (9.1%) and $12.9 million (13.8%), respectively, to take effect on April 1, 2020 and $18.9 million (3.5%) and $6.5 million (6.1%), respectively, to take effect a year later. The utility is seeking a 9.9% return on a 50% common-equity ratio. In Idaho, the company reached a settlement that would have a net benefit to Avista of $2.3 million, based on a 9.5% return on a 50% common-equity ratio. New tariffs would take effect at the start of December.

The Oregon commission approved the settlement of the utility's gas rate case. This will raise tariffs $3.6 million (4.2%), effective January 15th. The allowed ROE will be 9.4%, and the common-equity ratio 50%.

Avista's 2015 rate order in Washington is under review. Following a complaint from the state attorney general's office, the commission is deciding whether a refund of previously collected revenues is in order, and if so, how much the refund will be. Some parties believe the refund should be $40 million (pretax). Our estimates assume no refund, but if one occurs, we will *include* this in our earnings presentation. A ruling is expected by yearend.

Profits will probably return to a more typical level in 2020 after an unusually high tally this year. In the first quarter, Avista received a breakup fee of $103 million ($1.01 a share) after the proposed acquisition of the company was rejected by regulators. Our 2019 estimate is within management's guidance of $2.83-$3.03 a share. We assume in our 2020 estimate that Avista gets reasonable treatment in the aforementioned rate cases.

Avista stock has a dividend yield that is slightly above the utility average. The projected total returns for the 18-month and 3- to 5-year periods are unappealing. However, Avista has already demonstrated its willingness to be acquired, so the stock holds some speculative appeal on this basis. It appears as though takeover considerations are not reflected in the recent price.

Paul E. Debbas, CFA *October 25, 2019*

(A) Diluted EPS. Excl. nonrec. gain (losses): '03, (3¢); '14, 9¢; '17, (16¢); gains (loss) on discontinued ops.: '03, (10¢); '14, $1.17; '15, 8¢. '16 EPS don't sum due to rounding. Next earnings report due early Nov. (B) Div'ds paid in mid-Mar., June, Sept. & Dec. ■ Div'd reinvest. plan avail. (C) Incl. def'd chgs. In '18: $10.23/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate all'd on com. eq. in WA in '18: 9.5%; in ID in '17: 9.5%; in OR in '17: 9.4%; earned on avg. com. eq., '18: 7.8%. Regulatory Climate: WA, Below Avg.; ID, Above Avg.

Company's Financial Strength	A
Stock's Price Stability	90
Price Growth Persistence	65
Earnings Predictability	70

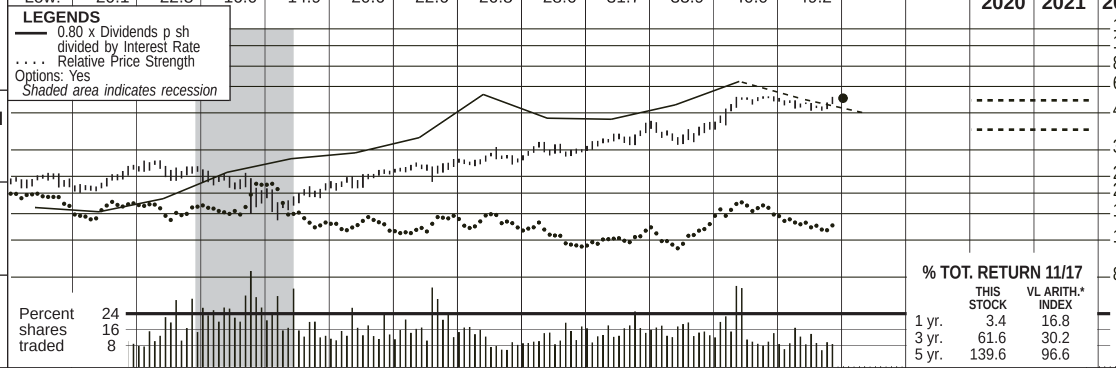
WESTAR ENERGY NYSE-WR

RECENT PRICE	56.39	P/E RATIO	22.5 (Trailing: 23.4 / Median: 15.0)	RELATIVE P/E RATIO	1.11	DIV'D YLD	2.8%	VALUE LINE

TIMELINESS – Suspended 6/10/16
SAFETY 2 Raised 4/1/05
TECHNICAL – Suspended 6/10/16
BETA .70 (1.00 = Market)

High:	27.2	28.6	25.9	22.3	25.9	29.0	33.0	35.0	43.2	44.0	57.5	57.3
Low:	20.1	22.8	16.0	14.9	20.6	22.6	26.8	28.6	31.7	33.9	40.0	49.2

Target Price Range 2020 2021 2022



% TOT. RETURN 11/17

	THIS STOCK	VL ARITH.* INDEX
1 yr.	3.4	16.8
3 yr.	61.6	30.2
5 yr.	139.6	96.6

2020-22 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(Nil)	3%
Low	40	(-30%)	-4%

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	0	0	0	0	0
Options	8	0	0	0	0	6	0	0	0
to Sell	0	1	0	0	0	0	4	0	0

Institutional Decisions

	1Q2017	2Q2017	3Q2017
to Buy	186	130	164
to Sell	152	201	146
Hld's(000)	119511	118673	118474

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
31.20	24.77	20.06	17.02	18.23	18.37	18.09	16.98	17.04	18.34	17.27	17.88	18.48	19.76	17.40	18.07	***18.40***	***18.95***	Revenues per sh	***19.90***
5.32	4.77	3.77	3.12	3.28	3.94	3.77	3.14	3.59	4.24	3.97	4.30	4.41	4.55	4.26	4.83	***4.90***	***5.10***	"Cash Flow" per sh	***5.80***
d.58	1.00	1.48	1.17	1.55	1.88	1.84	1.31	1.28	1.80	1.79	2.15	2.27	2.35	2.09	2.43	***2.45***	***2.60***	Earnings per sh A	***3.25***
1.20	1.20	.87	.80	.92	.98	1.08	1.16	1.20	1.24	1.28	1.32	1.36	1.40	1.44	1.52	***1.60***	***1.68***	Div'd Decl'd per sh B■†	***1.92***
3.37	1.89	2.06	2.19	2.45	3.95	7.84	8.65	5.26	4.82	5.55	6.40	6.08	6.47	4.95	7.67	***5.65***	***6.50***	Cap'l Spending per sh	***7.45***
25.97	13.68	14.23	16.13	16.31	17.62	19.14	20.18	20.59	21.25	22.03	22.89	23.88	25.02	25.87	26.84	***28.05***	***28.35***	Book Value per sh C	***30.00***
70.08	71.51	72.84	86.03	86.84	87.39	95.46	108.31	109.07	112.13	125.70	126.50	128.25	131.69	141.35	141.79	***142.50***	***142.50***	Common Shs Outst'g E	***150.00***
--	14.0	10.8	17.4	14.8	12.2	14.1	17.0	14.9	13.0	14.8	13.4	14.0	15.4	18.5	21.6	*Bold figures are*	*Value Line*	Avg Ann'l P/E Ratio	***15.0***
--	.76	.62	.92	.79	.66	.75	1.02	.99	.83	.93	.85	.79	.81	.93	1.13	*estimates*		Relative P/E Ratio	***.95***
5.8%	8.6%	5.5%	3.9%	4.0%	4.3%	4.2%	5.2%	6.3%	5.3%	4.8%	4.6%	4.3%	3.9%	3.7%	2.9%			Avg Ann'l Div'd Yield	***3.9%***
						1726.8	1839.0	1858.2	2056.2	2171.0	2261.5	2370.7	2601.7	2459.2	2562.1	***2620***	***2700***	Revenues ($mill)	***2985***
						168.4	136.8	141.3	203.9	214.0	275.1	292.5	313.3	291.9	346.6	***350***	***375***	Net Profit ($mill)	***490***
						27.5%	24.8%	29.4%	29.0%	35.2%	30.9%	33.1%	31.9%	33.5%	33.8%	***34.0%***	***34.0%***	Income Tax Rate	***34.0%***
						10.4%	--	--	--	--	--	--	--	10.4%	10.0%	***10.0%***	***10.0%***	AFUDC % to Net Profit	***10.0%***
						50.6%	49.8%	53.4%	53.6%	49.5%	51.2%	50.0%	50.0%	47.5%	47.9%	***50.0%***	***50.0%***	Long-Term Debt Ratio	***50.0%***
						48.9%	49.7%	46.1%	46.0%	50.1%	48.8%	50.0%	50.0%	52.5%	52.1%	***50.0%***	***50.0%***	Common Equity Ratio	***50.0%***
						3738.3	4400.1	4866.8	5180.9	5531.0	5938.2	6131.1	6596.2	6958.8	7305.8	***7200***	***7300***	Total Capital ($mill)	***7700***
						4803.7	5533.5	5771.7	6309.5	6745.4	7335.7	7848.5	8441.5	8793.1	9506.3	***9750***	***9900***	Net Plant ($mill)	***10500***
						5.8%	4.2%	4.4%	5.5%	5.3%	6.0%	6.1%	6.0%	5.3%	5.7%	***6.0%***	***6.0%***	Return on Total Cap'l	***7.0%***
						9.1%	6.2%	6.2%	8.5%	7.7%	9.5%	9.6%	9.5%	8.0%	9.1%	***9.0%***	***9.5%***	Return on Shr. Equity	***11.0%***
						9.2%	6.2%	6.3%	8.5%	7.7%	9.4%	9.6%	9.5%	8.0%	9.1%	***9.0%***	***9.5%***	Return on Com Equity D	***11.0%***
						4.3%	1.2%	.8%	3.1%	2.7%	4.0%	4.2%	4.3%	2.9%	3.7%	***3.0%***	***3.5%***	Retained to Com Eq	***4.5%***
						53%	80%	87%	63%	65%	57%	56%	55%	69%	63%	***65%***	***65%***	All Div'ds to Net Prof	***59%***

CAPITAL STRUCTURE as of 9/30/17
Total Debt $3876.0 mill. **Due in 5 Yrs** $800 mill.
LT Debt $3686.9 mill. **LT Interest** $160.0 mill.
(LT interest earned: 4.1x)

Pension Assets 12/16 $658 mill. **Oblig.** $1.0 bill.

Pfd Stock None

Common Stock 142,094,176 shs.
MARKET CAP: $8.0 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2014	2015	2016
% Change Retail Sales (KWH)	+1.5	-2.5	+3.5
Avg. Indust. Use (MWH)	5747	5654	5781
Avg. Indust. Revs. per KWH (¢)	6.72	6.68	6.77
Capacity at Peak (Mw)	6698	7187	7523
Peak Load, Summer (Mw)	5226	5167	5184
Annual Load Factor (%)	56.2	56.1	56.4
% Change Customers (yr-end)	+.2	+.2	+.3
Fixed Charge Cov. (%)	332	330	335

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '20-'22
Revenues	0.5%	1.0%	*2.5%*
"Cash Flow"	3.0%	3.0%	*4.5%*
Earnings	4.0%	7.0%	*6.0%*
Dividends	5.0%	3.0%	*5.0%*
Book Value	4.5%	4.0%	*4.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	628.6	612.7	764.0	596.4	2601.7
2015	590.8	589.6	732.8	546.0	2459.2
2016	569.5	621.4	764.7	606.5	2562.1
2017	572.6	609.3	794.3	***643.8***	***2620***
2018	***600***	***635***	***800***	***665***	***2700***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	.52	.40	1.10	.33	2.35
2015	.38	.46	.97	.28	2.09
2016	.46	.51	1.08	.38	2.43
2017	.42	.50	1.11	***.42***	***2.45***
2018	***.46***	***.52***	***1.19***	***.43***	***2.60***

Cal-endar	QUARTERLY DIVIDENDS PAID B■† Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	.33	.34	.34	.34	1.35
2014	.34	.35	.35	.35	1.39
2015	.35	.36	.36	.36	1.43
2016	.38	.38	.38	.38	1.52
2017	.40	.40	.40	.40	

BUSINESS: Westar Energy, Inc., formerly Western Resources, is the parent of Kansas Gas & Electric Company. Westar supplies electricity to 700,000 customers mostly in Kansas. Electric revenue sources: residential and rural, 33%; commercial and business, 29%; industrial, 16%; other, 22%. The company sold its investment in ONEOK in 2003 and 85% ownership in Protection One in 2004. 2016 depreciation rate: 4.2%. Estimated plant age: 17 years. Fuels: coal, 43%; nuclear, 7%; gas, 32%; renewable, 18%. Has 2,254 employees. Chief Executive Officer and President: Mark A. Ruelle. Chairman: Charles Q. Chandler. Incorporated: Kansas. Address: 818 South Kansas Avenue, Topeka, Kansas 66612. Telephone: 785-575-6300. Internet: www.westarenergy.com.

The proposed merger of equals between Westar Energy and Great Plains Energy has taken some steps forward. Under the terms of the agreement, no premium would be paid and no cash would be exchanged with respect to either entity. A holding company would be created in which Westar stockholders receive one share for each of their current shares, and Great Plains stockholders receive 0.5981 shares for each share that they own. The tax-free transaction was recently approved by each company's stockholders and is expected to close by mid-2018, pending regulatory approval and other customary closing conditions.

We advise investors to hold their shares. The combined entity is targeting average annual earnings and dividend growth of 6%-8%. The companies also expect to save $550 million in the first five years upon completion of the deal, and $140 million to $170 million annually thereafter. If the transaction fails to win regulatory approval (unlikely in our view), Westar would receive a $190 million cash termination fee from GXP.

The pending merger is having a slight impact on earnings. Thus far in 2017, Westar has incurred $9 million in legal and operating expenses associated with the deal (slightly less than what we had been modeling). It expects that figure to climb to $45 million by the time the transaction closes in mid-2018. *Note that we have included this in our earnings presentation.* For full-year 2017 and 2018, our share-net projections remain unchanged at $2.45 and $2.60, respectively.

The new company expects to set its initial dividend at a level that maintains the current payout for GXP shareholders. This would mean an increase of about 15% for WR stockholders.

Management provided an update on some of the other regulatory proceedings. Westar expects to file a general rate case for its main utility subsidiary in the first quarter of 2018, rather than at the end of this year. We think it will ask for an increase of 6%-10%. The company also plans to submit new wind farm proposals to KCC regulators in the coming months.

This issue's Timeliness rank remains suspended due to the pending merger.

Daniel Henigson *December 15, 2017*

(A) EPS diluted from 2010 onward. Excl. nonrecur. gains (losses): '01, 27¢; '02, ($12.06); '03, 77¢; '08, 39¢; '11, 14¢. Earnings may not sum due to rounding. Next earnings report due mid-February. (B) Div'ds paid in early Jan., April, July, and Oct. ■ Div'd reinvest. plan avail. † Shareholder invest. plan avail. (C) Incl. reg. assets. In 2016: $5.38/sh. (D) Rate base determined: fair value; Rate allowed on common equity in '16: 10.0%; earned on avg. com. eq., '16: 9.0%. Regul. Clim.: Avg. (E) In mill.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	75
Earnings Predictability	90

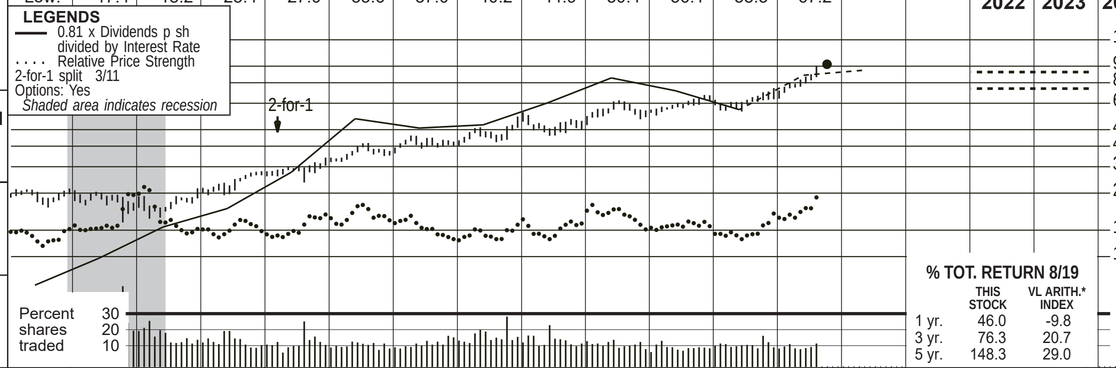
WEC ENERGY GROUP NYSE-WEC

RECENT PRICE 97.73 | P/E RATIO 27.9 (Trailing: 28.2 Median: 17.0) | RELATIVE P/E RATIO 1.73 | DIV'D YLD 2.5% | VALUE LINE

TIMELINESS 3 Lowered 8/16/19
SAFETY 1 Raised 3/23/12
TECHNICAL 3 Lowered 8/16/19
BETA .50 (1.00 = Market)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
High:	24.8	25.3	30.5	35.4	41.5	45.0	55.4	58.0	66.1	70.1	75.5	97.8
Low:	17.4	18.2	23.4	27.0	33.6	37.0	40.2	44.9	50.4	56.1	58.5	67.2

Target Price Range 2022 2023 2024



2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	90	(-10%)	1%
Low	75	(-25%)	-3%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	0
Options	2	1	23	4	1	0	3	0	0
to Sell	2	1	0	5	1	0	4	0	0

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	371	352	352
to Sell	321	367	332
Hld's(000)	236513	236446	243164

% TOT. RETURN 8/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	46.0	-9.8
3 yr.	76.3	20.7
5 yr.	148.3	29.0

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
17.12	14.66	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	*24.70*	*26.00*	Revenues per sh	*29.50*
2.86	2.58	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	*6.45*	*6.90*	"Cash Flow" per sh	*8.50*
1.13	.93	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	*3.53*	*3.70*	Earnings per sh A	*4.50*
.40	.42	.44	.46	.50	.54	.68	.80	1.04	1.20	1.45	1.56	1.74	1.98	2.08	2.21	*2.36*	*2.50*	Div'd Decl'd per sh B ■	*3.00*
2.95	2.85	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	*9.45*	*10.10*	Cap'l Spending per sh	*7.75*
9.96	10.65	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	*32.05*	*33.15*	Book Value per sh C	*36.75*
236.85	233.97	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	*315.50*	*315.50*	Common Shs Outst'g D	*315.50*
12.4	17.5	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	*Bold figures are*		Avg Ann'l P/E Ratio	*18.0*
.71	.92	.77	.86	.88	.89	.89	.89	.89	1.01	.93	.93	1.07	1.04	1.01	1.05	*Value Line*		Relative P/E Ratio	*1.00*
2.8%	2.6%	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%	*estimates*		Avg Ann'l Div'd Yield	*3.7%*

CAPITAL STRUCTURE as of 6/30/19
Total Debt $11950 mill. **Due in 5 Yrs** $4105.4 mill.
LT Debt $9921.0 mill. **LT Interest** $481.2 mill.
Incl. $18.4 mill. capitalized leases.
(LT interest earned: 3.4x)
Leases, Uncapitalized Annual rentals $8.7 mill.
Pension Assets-12/18 $2690.8 mill.
Oblig $2927.2 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 315,435,820 shs.

MARKET CAP: $31 billion (Large Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
4127.9	4202.5	4486.4	4246.4	4519.0	4997.1	5926.1	7472.3	7648.5	7679.5	*7800*	*8200*	Revenues ($mill)	*9300*
378.4	455.6	514.0	547.5	578.6	589.5	640.3	940.2	998.2	1060.5	*1120*	*1180*	Net Profit ($mill)	*1420*
36.5%	35.4%	33.9%	35.9%	36.9%	38.0%	40.4%	37.6%	37.2%	13.8%	*11.0%*	*11.0%*	Income Tax Rate	*11.0%*
25.0%	18.6%	16.8%	9.4%	4.5%	1.3%	4.5%	3.8%	1.6%	2.1%	*3.0%*	*3.0%*	AFUDC % to Net Profit	*2.0%*
51.9%	50.6%	53.6%	51.7%	50.6%	48.5%	51.2%	50.5%	48.0%	50.4%	*50.0%*	*47.5%*	Long-Term Debt Ratio	*50.0%*
47.7%	49.0%	46.0%	48.0%	49.1%	51.2%	48.6%	49.3%	51.9%	49.4%	*50.0%*	*52.5%*	Common Equity Ratio	*50.0%*
7473.1	7764.5	8608.0	8619.3	8626.6	8636.5	17809	18118	18238	19813	*20225*	*19950*	Total Capital ($mill)	*23225*
9070.5	9601.5	10160	10572	10907	11258	19190	19916	21347	22001	*24350*	*26525*	Net Plant ($mill)	*30950*
6.4%	7.5%	7.5%	7.9%	8.1%	8.1%	4.5%	6.3%	6.6%	6.5%	*6.5%*	*7.0%*	Return on Total Cap'l	*7.5%*
10.5%	11.9%	12.9%	13.1%	13.6%	13.2%	7.4%	10.5%	10.5%	10.8%	*11.0%*	*11.0%*	Return on Shr. Equity	*12.0%*
10.6%	12.0%	12.9%	13.2%	13.6%	13.3%	7.4%	10.5%	10.5%	10.8%	*11.0%*	*11.5%*	Return on Com Equity E	*12.0%*
6.2%	7.0%	6.8%	6.5%	5.9%	5.3%	2.1%	3.5%	3.6%	3.7%	*3.5%*	*3.5%*	Retained to Com Eq	*4.0%*
42%	41%	47%	51%	57%	60%	71%	67%	66%	66%	*67%*	*67%*	All Div'ds to Net Prof	*67%*

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	+18.5	-3.0	+2.5
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Lg. C&I Revs. per KWH (¢)	7.08	7.13	7.05
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.5	+.7	+.7
Fixed Charge Cov. (%)	404	422	323

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	3.0%	4.5%	*3.5%*
"Cash Flow"	7.0%	7.5%	*7.0%*
Earnings	8.5%	6.0%	*6.0%*
Dividends	15.5%	11.0%	*6.0%*
Book Value	8.5%	10.5%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	2194	1602	1712	1963	7472.3
2017	2304	1632	1657	2055	7648.5
2018	2287	1672	1644	2077	7679.5
2019	2377	1590	*1700*	*2133*	*7800*
2020	*2450*	*1750*	*1750*	*2250*	*8200*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	1.09	.57	.68	.61	2.96
2017	1.12	.63	.68	.71	3.14
2018	1.23	.73	.74	.65	3.34
2019	1.33	.74	*.71*	*.75*	*3.53*
2020	*1.30*	*.80*	*.85*	*.75*	*3.70*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.4225	.4225	.44	.4575	1.74
2016	.495	.495	.495	.495	1.98
2017	.52	.52	.52	.52	2.08
2018	.5525	.5525	.5525	.5525	2.21
2019	.59	.59	.59		

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, 35%; small commercial & industrial, 31%; large commercial & industrial, 21%; other, 13%. Generating sources: coal, 45%; gas, 22%; renewables, 4%; purchased, 29%. Fuel costs: 38% of revenues. '18 reported deprec. rates (utility): 2.0%-3.2%. Has 7,900 employees. Chairman: Gale E. Klappa. President & CEO: Kevin Fletcher. Inc.: WI. Address: 231 W. Michigan St., P.O. Box 1331, Milwaukee, WI 53201. Tel.: 414-221-2345. Internet: www.wecenergygroup.com.

WEC Energy's utilities in Wisconsin have reached settlements on their rate cases. The settlement, if approved by the Wisconsin commission, will grant Wisconsin Electric, Wisconsin Gas, and Wisconsin Public Service rate hikes totaling $86.1 million. Wisconsin Electric and WPS will have an allowed return on equity of 10.0%, and Wisconsin Gas' allowed ROE will be 10.2%. The common-equity ratio will be 52.5%. New rates will take effect at the start of 2020.

We continue to expect solid profit growth this year and next. WEC Energy's utility in Chicago, Peoples Gas, is spending $280 million-$300 million a year to replace old pipes. The company is recovering these expenditures contemporaneously through a rider (surcharge) on customers' bills. The healthy economy of the utilities' service area is another positive factor. Management is guiding investors to the upper end of its targeted range for 2019 earnings of $3.50-$3.53 a share. In 2020, WEC Energy ought to benefit from rate relief for its utilities in Wisconsin.

The company has announced another nonregulated renewable-energy project. WEC Energy would pay $338 million for an 80% stake in a 300-megawatt wind farm. This is expected to be in service by the end of 2020.

This top-quality equity is noteworthy for its performance this year. The price has risen 20% since our mid-June report and 41% since the start of 2019. There isn't any obvious reason for such a strong outperformance. The company is faring well and its prospects are good, but this hasn't changed appreciably since the start of the year, nor has management upgraded its earnings guidance materially. Perhaps there is some takeover speculation, but WEC Energy is much larger than utilities that have been acquired in recent years. The yield is not much higher than the median of all dividend-paying issues under our coverage, and the recent quotation is above our 3- to 5-year Target Price Range, even though we raised this from where it was three months ago. Accordingly, we do not recommend these shares, even for income-oriented investors, due to their lofty valuation.

Paul E. Debbas, CFA *September 13, 2019*

(A) Diluted EPS. Excl. gains on discont. ops.: '04, 77¢; '11, 6¢; nonrecurring gain: '17, 65¢. '16 & '18 EPS don't sum due to rounding. Next earnings report due early November. (B) Div'ds paid in early Mar., June, Sept. & Dec. ■ Div'd reinvest. plan avail. (C) Incl. intang. In '18: $21.74/sh. (D) In mill., adj. for split. (E) 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 '16: 9.11%; in MI in '16: 9.9%; earned on avg. com. eq., '18: 11.0%. Regulatory Climate: WI, Above Avg.; IL, Below Avg.; MN & MI, Avg.

Company's Financial Strength	A+
Stock's Price Stability	100
Price Growth Persistence	75
Earnings Predictability	90

All of the major electric utilities located in the eastern region of the United States are reviewed in this Issue; western electrics, in Issue 11; and the remaining utilities, in Issue 5.

We discuss merger and acquisition activity (and possible deals) in the Electric Utility Industry.

Two gas pipelines under development by several companies in Issue 1 have been hurt by delays and cost escalations stemming from litigation by environmental and other opponents.

Most electric utility equities have turned in a stellar performance in 2019.

INDUSTRY TIMELINESS: 18 (of 95)

Mergers And Acquisitions

In this decade, there have been several mergers and acquisitions in the Electric Utility Industry, some of which involved companies covered in this Issue. *Exelon* acquired Constellation Energy in 2012 and Pepco Holdings in 2016 because management wanted to increase the proportion of income generated by regulated utility operations. *Eversource Energy* was formed in 2012 through the combination of two contiguous utilities in New England, Northeast Utilities and NSTAR. *FirstEnergy* acquired Allegheny Energy in 2011. *Duke Energy* purchased Progress Energy in 2012 and expanded its presence in the gas business by buying Piedmont Natural Gas in 2016. *Southern Company* also bought a gas company, AGL Energy, in 2016. Similarly, *Dominion Energy* took over Questar in 2016, then completed an electric and gas transaction with the purchase of SCANA in early 2019. In some of these deals, the buyer paid a high price—30 times earnings in the case of Duke's acquisition of Piedmont.

Currently, there is not a lot of M&A activity in this industry. The only pending deal is an investor group's agreement to buy El Paso Electric Company (covered in Issue 11). However, there are rumors in the financial media indicating that *AVANGRID* and *PPL Corporation* are holding talks about a possible combination. Perhaps this will lead to a deal, but there is no assurance that this will occur. And even if an agreement is struck, there is no assurance that a deal will win regulatory approval. The Electric Utility Industry has a high failure rate in proposed M&A. In early 2019, the proposed takeover of Avista (covered in Issue 11) was terminated after this was rejected by the regulatory commissions in two states.

A deal between utilities does not necessarily have to involve two investor-owned companies. Two municipal utilities, Santee Cooper, with 176,000 customers in South Carolina, and JEA, with 478,000 electric customers in Florida (plus water, sewer and wastewater customers), might be acquired. *NextEra Energy* and *Duke Energy* are among the bidders. These would be sizable deals, if effected. *NextEra Energy* completed a much-smaller purchase in late 2018 when it bought the electric system of Vero Beach, Florida, with 35,000 customers.

Gas Pipeline Delays And Rising Costs

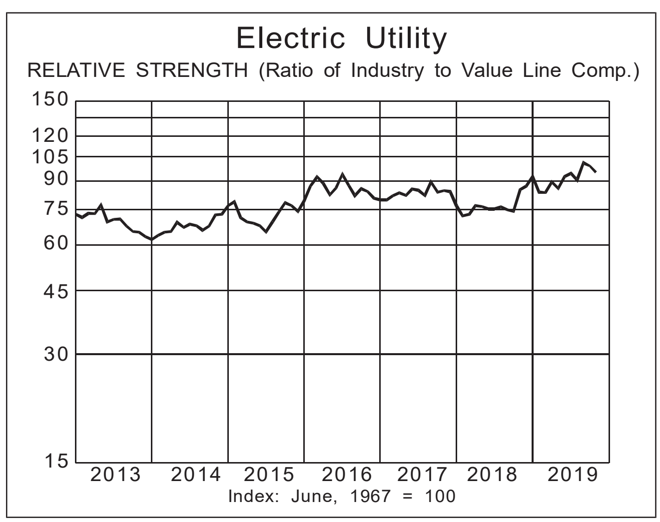
Many electric utilities also have a presence in natural gas, through a gas distribution company and/or ownership of midstream gas assets. Some electric companies in Issue 1 have a stake in one of two gas pipelines that are under construction. The Atlantic Coast Pipeline (ACP) is owned by *Dominion Energy*, *Duke Energy*, and *Southern Company*. The Mountain Valley Pipeline (MVP) is owned by *NextEra Energy* and *Consolidated Edison*, among others. Each pipeline has faced litigation by environmental groups and other opponents, which has caused delays and significant cost increases. The cost of ACP is now estimated at \$7.3 billion-\$7.8 billion, and the cost of MVP is now expected to be \$5.3 billion-\$5.5 billion.

ACP got some good news when the U.S. Supreme Court accepted its petition to rule on the matter of whether the U.S. Forest Service has the authority to approve the project's Appalachian Trail crossing. Indirectly, this is good news for MVP, as well. A ruling from the Supreme Court is expected by June of 2020. A favorable ruling would allow the project to be completed by the end of 2021.

Conclusion

Almost every electric utility stock has performed extremely well in 2019. Only a few issues, including *AVANGRID* and *Exelon*, have declined in price. (The price of PG&E stock has plummeted, but this issue is no longer covered in *The Value Line Investment Survey* because the company is operating under Chapter 11.) Interest-rate cuts by the Federal Reserve have helped boost the quotations of these equities. With money-market funds, savings accounts, CDs, and U.S. Treasury securities offering low yields—that of the 10-year U.S. Treasury note is below 2%—income-oriented investors are "reaching for yield" with electric utility stocks, despite their high valuations. The average dividend yield of equities in the Electric Utility Industry is just 3.1%, which is low, by historical standards. For almost all of these issues, their recent price is well within their 2022-2024 Target Price Range. In some cases, the recent quotation is *above* this range.

Paul E. Debbas, CFA



ELECTRIC UTILITY (CENTRAL) INDUSTRY

INDUSTRY TIMELINESS: 21 (of 97)

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.

The recent decline in interest rates (along with speculation that the Federal Reserve will cut rates again) have spurred the strong performance of most stocks in the Electric Utility Industry in the past several weeks.

The state of the service area's economy is important for electric utilities. The utilities covered in Issue 5 have seen mixed signals of late.

We discuss the progress of companies that were involved in mergers or acquisitions in recent years.

Most electric utility equities were priced expensively even before the recent surge, so this group has become even more pricey.

Interest Rates

The level of interest rates has always been a determinant (though hardly the only one) of the performance of electric utility stocks. When the yields on debt securities decline, this makes the dividends of electric utility equities relatively more attractive. This has induced many income-oriented investors to "reach for yield" by purchasing utility stocks, even though these equities are expensive, by utility standards.

Lately, the yield of the 10-year U.S. Treasury note has fallen to well below 2%. The drop in rates has pushed the prices of electric utility issues much higher. If the price of an equity in this industry has risen by less than 10% in 2019, this makes the stock an exception, not the rule. Even more rare are the stocks that have barely moved or experienced a decline in price this year.

Declining interest rates are mostly helpful for utilities because this lowers their borrowing costs. If the debt is held at the utility level, then the reduction in interest expense will eventually be passed through to ratepayers when the company has its next general rate case. If the debt is held at the parent level (or by a nonutility subsidiary), the company retains the benefit of lower rates. This also encourages acquisitions thanks to the decline in borrowing costs to finance these deals.

There is a negative effect of lower interest rates for utilities, however. When a utility files a general rate case, it asks for a specified return on equity. Asking for a higher allowed ROE than is currently reflected in rates is never easy, but this becomes more difficult when interest rates are declining. Even so, the positive factors of low rates outweigh the negative ones.

The Economy Matters

The economy matters to electric utilities, especially regarding industrial kilowatt-hour sales, which aren't sensitive to the weather the way residential and commercial sales are. What is important is not the national economy, but the economy in the utility's service territory. In the second quarter, some companies, such as *Wisconsin Energy*, *Entergy*, and *OGE Energy*, stated that the economies of their service areas were still strong. By contrast, *American Electric Power* indicated that it saw signs that the international trade war was starting to hurt some of its industrial customers.

Utilities typically have economic development efforts to help attract businesses to their service areas. The chief executive officer of *OGE Energy* cited this during the company's conference call to discuss second-quarter earnings. In some cases, utilities work in conjunction with state and local governments.

Merger And Acquisition Update

None of the utilities involved in this Issue is involved in M&A. However, *CenterPoint Energy* completed the purchase of Vectren in the first quarter of 2019, and *Evergy* was formed through the merger of Westar Energy and Great Plains Energy. These companies are cutting costs and are starting to achieve the expected merger-related expense reductions. *Evergy* is also buying back stock. The only pending deal in this industry is the takeover of El Paso Electric Company (reviewed in Issue 11).

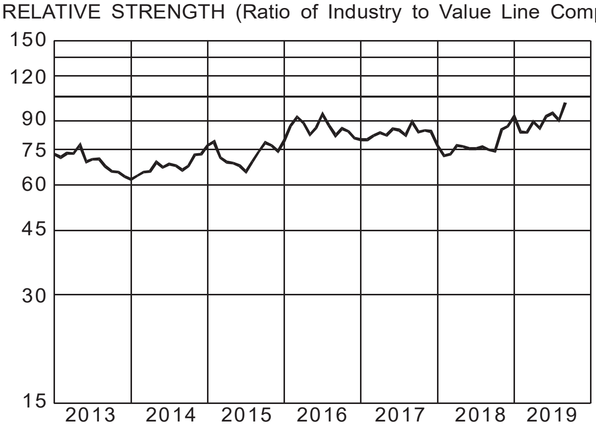
Conclusion

Since Issue 5 last came out three months ago, electric utility stocks—which were already priced expensively—have become even more highly valued. Most are trading within their 2022-2024 Target Price Range, and some are trading above this range. Most are trading at market premium. In some cases, this premium is material. The average dividend yield of the stocks in this group is now just 3.1%, the lowest in many years. This is higher than the median of all dividend-paying equities covered in *The Value Line Investment Survey*, but low, by historical standards. As we have seen, even if a utility issue is priced expensively, it can become even more expensive.

Paul E. Debbas, CFA

Electric Utility

RELATIVE STRENGTH (Ratio of Industry to Value Line Comp.)



Index: June, 1967 = 100

INDUSTRY TIMELINESS: 50 (of 97)

All of the major electric utilities located in the western region of the United States are reviewed in this Issue; eastern electrics, in Issue 1; and the remaining utilities, in Issue 5.

The California government passed a law that will help address the problems that the state's electric utilities face from huge liabilities stemming from wildfires. However, this did not ameliorate problems electric companies are facing from past wildfires.

Several companies in this Issue are filing rate cases in order to recover capital spending, increased expenses, and earn an adequate return on equity.

Most electric utility stocks have performed extremely well in 2019. These equities continue to have a high valuation.

Wildfire Problems In California

In recent years, the two largest electric utilities in California have faced huge liabilities stemming from wildfires in their service area. The largest one, Pacific Gas and Electric (a subsidiary of PG&E Corporation), faced liabilities so large that in early 2019 the utility and its parent filed for protection under Chapter 11 of the Federal Bankruptcy Code. (As a result of this filing, we no longer cover the stock in *The Value Line Investment Survey*.) The problems faced by Southern California Edison (a subsidiary of *Edison International*) aren't nearly as severe, but are still significant. The company took a substantial charge in the fourth quarter of 2018 to establish a reserve for its estimate of the minimum wildfire liabilities it is facing. The third major utility in the Golden State, San Diego Gas & Electric (a subsidiary of *Sempra Energy*) hasn't had a major wildfire in its service area in recent years, but in the second quarter of 2016 wrote off costs associated with a 2007 wildfire after the company was unable to recover these costs in rates. The utilities' problems were exacerbated by California's inverse condemnation law. Under this law, a company may be found liable for damage caused by its equipment, even if the company is not found negligent.

In July, the California government enacted a law that is expected to lessen the financial problems that utilities would face from future wildfires. (The law does not affect past wildfires.) A $21 billion fund was formed, half of which has been paid for by the utilities based on their relative size. *Edison International* issued debt and common equity in order to finance its $2.4 billion share of this fund. (How the companies will account for these payments in their financial statements is yet to be determined.) Utilities will also benefit from a cost cap and a revised standard of prudence that is less burdensome, although the new law did not abolish inverse condemnation.

Electric utilities have increased their capital and operating budgets as they attempt to reduce the risks of wildfires and respond to them more quickly and effectively. Pacific Gas and Electric even shut down some power lines earlier this month in response to the risks, and received criticism for doing so. Some of the capital spending is recoverable in rates, but the companies will not earn an equity return on these expenditures. The cost of wildfire insurance has soared, which is hardly surprising, but the utilities are recovering these costs from customers.

Regulatory Matters

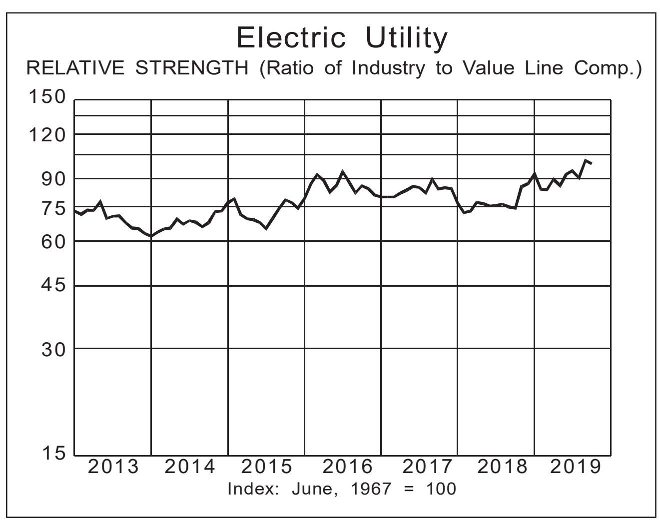
The wildfire matters mentioned above affect just two companies of the 12 covered in the Electric Utility (West) Industry in this Issue. By contrast, regulatory considerations affect every company in the Electric Utility Industry. Utility subsidiaries of *Avista* and *Hawaiian Electric Industries* have not earned an adequate return on equity in recent years, so the companies have come before the regulatory commissions frequently in recent years. The utilities owned by *Xcel Energy* are also frequent participants in the regulatory arena, especially as the company adds wind projects. *Black Hills* and *NorthWestern* also have rate cases pending.

Conclusion

Most electric utility stocks have turned in outstanding performances in 2019. The price of almost every issue in this Industry has risen more than 10%, and several increases have exceeded 30%. Interest-rate cuts by the Federal Reserve (and the possibility of additional easing) have increased investors' interest in these equities thanks to their generous dividends. This "reaching for yield" has sent these stocks to lofty valuations. Almost every utility equity covered in Issue 11 is trading at a market premium. The average dividend yield for the Electric Utility Industry is 3.1%. This figure is still comfortably above the median of all dividend-paying issues covered in *The Value Line Investment Survey*, which is 2.2%, but the gap has narrowed considerably this year.

We advise investors to take a cautious stance due to the group's high valuation. The 18-month Target Price Ranges shown on the full-page reports for each stock do not reflect dividends, but even when dividends are added to these estimates, they do not suggest attractive total returns for this time frame. We do provide total return projections for the 3- to 5-year period. These are not appealing, either. In fact, the recent quotations for most of these stocks are within their 2022-2024 Target Price Range, and in some cases (such as *IDACORP*), the price is above this range.

Paul E. Debbas, CFA



EL PASO ELECTRIC NYSE-EE

RECENT PRICE	67.20	P/E RATIO	31.3 (Trailing: 30.5 / Median: 16.0)	RELATIVE P/E RATIO	1.85	DIV'D YLD	2.4%	VALUE LINE

TIMELINESS	–	Suspended 6/14/19
SAFETY	2	Raised 5/11/07
TECHNICAL	–	Suspended 6/14/19
BETA .65 (1.00 = Market)		

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$46-$77	$62 (-10%)

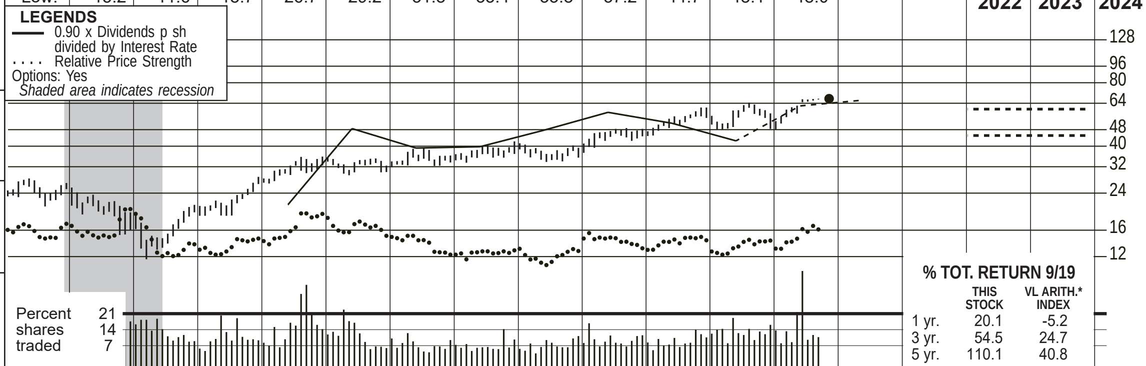
2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(-10%)	*Nil*
Low	45	(-35%)	*-6%*

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	106	113	116
to Sell	97	87	118
Hld's(000)	38651	38396	37767

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
High:	25.5	21.1	28.7	35.7	35.3	39.1	42.2	41.3	48.8	61.2	64.4	67.9
Low:	15.2	11.6	18.7	26.7	29.2	31.8	33.4	33.8	37.2	44.7	48.1	48.0



% TOT. RETURN 9/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	20.1	-5.2
3 yr.	54.5	24.7
5 yr.	110.1	40.8

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
13.97	14.95	16.70	17.75	19.43	23.15	18.85	20.61	22.97	21.26	22.11	22.74	21.01	21.89	22.59	22.21	**22.00**	**21.90**	Revenues per sh	**23.25**
3.00	3.27	3.05	3.44	3.86	4.16	4.07	5.15	6.05	5.66	5.65	5.87	5.75	5.98	6.17	5.89	**6.35**	**6.40**	"Cash Flow" per sh	**7.25**
.64	.69	.76	1.27	1.63	1.73	1.50	2.07	2.48	2.26	2.20	2.27	2.03	2.39	2.42	2.07	**2.45**	**2.50**	Earnings per sh A	**2.75**
--	--	--	--	--	--	--	--	.66	.97	1.05	1.11	1.17	1.23	1.32	1.42	**1.52**	**1.62**	Div'd Decl'd per sh B	**1.95**
2.03	1.94	2.28	2.73	4.63	5.36	5.95	5.27	5.90	6.70	7.18	8.50	8.55	7.03	5.91	6.84	**6.95**	**6.40**	Cap'l Spending per sh	**7.75**
10.51	11.23	11.56	12.60	14.76	15.47	16.45	19.04	19.03	20.57	23.44	24.39	25.13	26.52	28.14	28.62	**29.40**	**31.70**	Book Value per sh C	**33.75**
47.56	47.40	48.14	46.00	45.15	44.88	43.92	42.57	39.96	40.11	40.27	40.36	40.44	40.52	40.58	40.68	**40.90**	**42.25**	Common Shs Outst'g D	**43.00**
18.3	22.0	26.7	16.9	15.3	11.9	10.8	10.7	12.6	14.5	15.9	16.4	18.3	18.7	21.8	26.8	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	**19.0**
1.04	1.16	1.42	.91	.81	.72	.72	.68	.79	.92	.89	.86	.92	.98	1.10	1.45			Relative P/E Ratio	**1.05**
--	--	--	--	--	--	--	--	2.1%	3.0%	3.0%	3.0%	3.1%	2.7%	2.5%	2.5%			Avg Ann'l Div'd Yield	**3.7%**

CAPITAL STRUCTURE as of 6/30/19
Total Debt $1546.7 mill. **Due in 5 Yrs** $392.3 mill.
LT Debt $1385.9 mill. **LT Interest** $78.2 mill.
(LT interest earned: 2.4x)

Pension Assets-12/18 $272.8 mill. **Oblig** $335.5 mill.

Pfd Stock None

Common Stock 40,791,016 shs. **as of 7/31/19**

MARKET CAP: $2.7 billion (Mid Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
828.0	877.3	918.0	852.9	890.4	917.5	849.9	886.9	916.8	903.6	**900**	**925**	Revenues ($mill)	**1000**
66.9	90.3	103.5	90.8	88.6	91.4	81.9	96.8	98.3	84.3	**100**	**105**	Net Profit ($mill)	**120**
33.1%	36.1%	34.2%	34.1%	33.0%	31.0%	29.9%	35.8%	34.2%	23.8%	**23.5%**	**23.5%**	Income Tax Rate	**23.5%**
24.3%	22.1%	17.6%	22.4%	24.1%	30.8%	27.5%	17.6%	11.2%	14.9%	**13.0%**	**12.0%**	AFUDC % to Net Profit	**15.0%**
52.7%	51.2%	51.8%	54.8%	51.4%	53.5%	52.7%	52.7%	51.2%	52.5%	**53.5%**	**51.0%**	Long-Term Debt Ratio	**54.0%**
47.3%	48.8%	48.2%	45.2%	48.6%	46.5%	47.3%	47.3%	48.8%	47.5%	**46.5%**	**49.0%**	Common Equity Ratio	**46.0%**
1527.7	1660.1	1576.7	1824.5	1943.5	2118.4	2150.8	2269.9	2338.2	2450.1	**2590**	**2725**	Total Capital ($mill)	**3125**
1756.0	1865.8	1947.1	2102.3	2257.5	2488.4	2695.5	2821.2	2928.4	3085.0	**3210**	**3310**	Net Plant ($mill)	**3725**
6.0%	7.0%	8.3%	6.5%	6.1%	5.7%	5.3%	5.8%	5.8%	5.0%	**5.5%**	**5.5%**	Return on Total Cap'l	**5.5%**
9.3%	11.1%	13.6%	11.0%	9.4%	9.3%	8.1%	9.0%	8.6%	7.2%	**8.5%**	**8.0%**	Return on Shr. Equity	**8.0%**
9.3%	11.1%	13.6%	11.0%	9.4%	9.3%	8.1%	9.0%	8.6%	7.2%	**8.5%**	**8.0%**	Return on Com Equity E	**8.0%**
9.3%	11.1%	10.0%	6.3%	4.9%	4.8%	3.4%	4.4%	3.9%	2.3%	**3.0%**	**2.5%**	Retained to Com Eq	**2.5%**
--	--	26%	43%	47%	49%	57%	51%	54%	68%	**62%**	**65%**	All Div'ds to Net Prof	**70%**

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	+.1	+.4	+2.4
Avg. Indust. Use (MWH)	21036	21553	21892
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	2080	2082	2085
Peak Load, Summer (Mw)	1892	1935	1929
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.6	+1.7	+1.7
Fixed Charge Cov. (%)	267	263	185

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	1.0%	--	*1.0%*
"Cash Flow"	4.5%	1.0%	*3.0%*
Earnings	4.0%	--	*3.0%*
Dividends	--	8.0%	*6.5%*
Book Value	7.0%	5.5%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	157.8	217.9	323.2	188.0	886.9
2017	171.3	251.8	297.5	196.2	916.8
2018	175.7	236.8	300.3	190.8	903.6
2019	174.4	203.1	***327.5***	***195***	***900***
2020	***180***	***215***	***330***	***200***	***925***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	d.14	.55	1.84	.14	2.39
2017	d.10	.89	1.47	.16	2.42
2018	d.17	.82	1.79	d.38	2.07
2019	.15	.64	***1.76***	***d.10***	***2.45***
2020	***d.15***	***.80***	***1.90***	***d.05***	***2.50***

Cal-endar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.28	.295	.295	.295	1.17
2016	.295	.31	.31	.31	1.23
2017	.31	.335	.335	.335	1.32
2018	.335	.36	.36	.36	1.42
2019	.36	.385	.385		

BUSINESS: El Paso Electric Company (EPE) provides electric service to 428,000 customers in an area of approximately 10,000 square miles in the Rio Grande valley in western Texas (68% of revenues) and southern New Mexico (19% of revenues), including El Paso, Texas and Las Cruces, New Mexico. Wholesale is 13% of revenues. Electric revenue breakdown by customer class not available. Generating sources: gas, 44%; nuclear, 41%; purchased, 15%. Fuel costs: 25% of revenues. '18 reported depreciation rate: 2.3%. Has about 1,100 employees. Chairman: Charles A. Yamarone. Interim CEO: Adrian J. Rodriguez. Incorporated: Texas. Address: Stanton Tower, 100 North Stanton, El Paso, TX 79901. Tel.: 915-543-5711. Internet: www.epelectric.com.

The takeover of El Paso Electric Company has taken a step forward. The Infrastructure Investments Fund, advised by J.P. Morgan, has agreed to pay $68.25 in cash for each share of EPE. The company's stockholders have approved the deal. However, the transaction still requires the approval of the Public Utility Commission of Texas, the New Mexico Public Regulation Commission, and the Federal Energy Regulatory Commission (FERC). The city of El Paso will also have a say, as it must approve the transfer of the franchise with EPE before the acquisition can go through. So far, the transaction has received a mixed response in the city. The companies have offered customers $21 million in credits over a 36-month period. Completion of the takeover is targeted for the first half of 2020.

We continue to advise shareholders to sell their stock on the open market. The price is generous, at 27 times estimated 2020 earnings. The recent quotation is just slightly below the buyout price, so the modest upside potential for investors does not justify assuming the downside risk that the proposed combination fails to win the approval of the regulators or the El Paso government. The Timeliness rank of EPE stock remains suspended due to the takeover agreement.

The utility has reached a settlement of regulatory matters in Texas. EPE filed for $16 million of transmission and distribution costs, and the settlement (if adopted) would provide revenues of $15 million. The company plans to file a case at FERC by yearend. However, a general rate case in New Mexico was postponed while the acquisition application is pending.

We lowered our 2019 earnings estimate by $0.15 a share, to $2.45. June-quarter profits were lower than we expected because EPE booked expenses associated with the proposed acquisition. This reduced the bottom line by $0.11 a share. These costs are not expected to be nearly as high in subsequent quarters, which is one reason why we estimate a slight earnings increase in 2020. Note that our presentation *includes* any gains or losses on the company's nuclear decommissioning trust.

Paul E. Debbas, CFA *October 25, 2019*

(A) Diluted earnings. Excl. nonrecurring gains (loss): '03, 81¢; '04, 4¢; '05, (2¢); '06, 13¢; '10, 24¢. '18 EPS don't sum due to rounding. Next earnings report due early Nov. (B) Initial div'd declared 4/11; payment dates in late Mar., June, Sept., and Dec. (C) Incl. deferred charges. In '18: $1.84/sh. (D) In mill. (E) Rate base: Net original cost. Rate allowed on com. eq. in TX in '17: 9.65%; in NM in '16: 9.48%; earned on avg. com. eq., '18: 7.3%. Regulatory Climate: TX, Average; NM, Below Average.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	65
Earnings Predictability	75

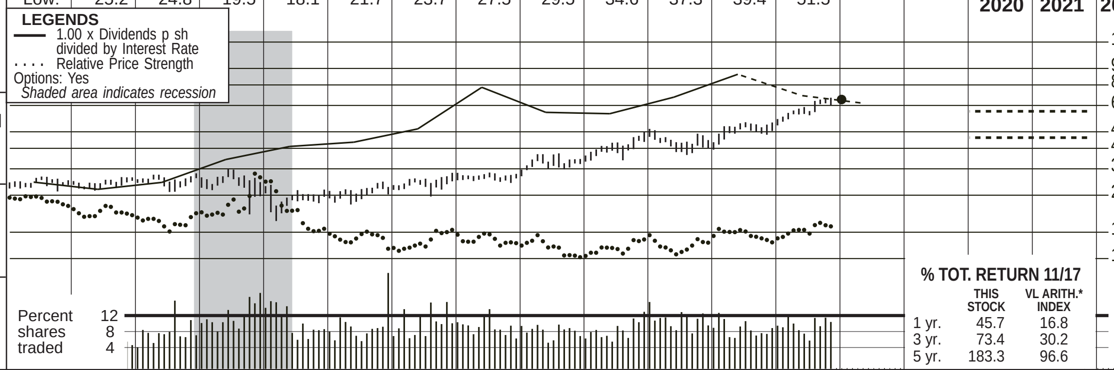
VECTREN CORP. NYSE-VVC

RECENT PRICE **68.28** | P/E RATIO **25.2** (Trailing: 25.2 Median: 16.0) | RELATIVE P/E RATIO **1.24** | DIV'D YLD **2.7%** | VALUE LINE

TIMELINESS	**2** Lowered 12/8/17
SAFETY	**2** Lowered 1/5/01
TECHNICAL	**3** Raised 11/17/17
BETA	.75 (1.00 = Market)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
High:	29.3	30.5	32.2	26.9	27.8	30.7	30.8	37.9	48.3	49.5	53.3	69.9
Low:	25.2	24.8	19.5	18.1	21.7	23.7	27.5	29.5	34.6	37.3	39.4	51.5

Target Price Range 2020 | 2021 | 2022



2020-22 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(-10%)	Nil
Low	45	(-35%)	-6%

Insider Decisions

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

Institutional Decisions

	1Q2017	2Q2017	3Q2017
to Buy	152	153	147
to Sell	130	146	141
Hld's(000)	60445	59555	60216

% TOT. RETURN 11/17

	THIS STOCK	VL ARITH.* INDEX
1 yr.	45.7	16.8
3 yr.	73.4	30.2
5 yr.	183.3	96.6

Vectren was formed on March 31, 2000 through the merger of Indiana Energy and SIGCORP. The merger was consummated with a tax-free exchange of shares and has been accounted for as a pooling of interests. Indiana Energy common stockholders received one Vectren common share for each share held. SIGCORP stockholders exchanged each common share for 1.333 common shares of Vectren.

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
29.88	30.67	25.76	26.06	28.39	27.16	30.23	31.62	29.40	29.53	*31.75*	*32.75*	Revenues per sh	*38.95*
4.29	3.97	4.40	4.44	4.71	5.03	5.03	5.33	5.48	5.69	*5.85*	*6.20*	"Cash Flow" per sh	*7.75*
1.83	1.63	1.79	1.65	1.73	1.94	1.66	2.02	2.39	2.55	*2.65*	*2.80*	Earnings per sh A	*3.35*
1.27	1.31	1.35	1.37	1.39	1.41	1.43	1.46	1.54	1.62	*1.71*	*1.83*	Div'd Decl'd per sh B■†	*2.10*
4.38	4.83	5.33	3.39	3.92	4.45	4.77	5.43	5.76	6.54	*7.20*	*7.60*	Cap'l Spending per sh	*9.30*
16.16	16.68	17.23	17.61	17.89	18.57	18.86	19.45	20.34	21.33	*22.05*	*23.10*	Book Value per sh C	*27.90*
76.36	81.03	81.10	81.70	81.90	82.20	82.40	82.60	82.80	82.90	*83.50*	*84.00*	Common Shs Outst'g D	*86.00*
15.3	16.8	12.9	15.0	15.8	15.0	20.7	20.0	17.9	19.2	*Bold figures are*		Avg Ann'l P/E Ratio	*16.0*
.81	1.01	.86	.95	.99	.95	1.16	1.05	.90	1.01	*Value Line*		Relative P/E Ratio	*1.00*
4.5%	4.8%	5.9%	5.5%	5.1%	4.8%	4.2%	3.6%	3.6%	3.3%	*estimates*		Avg Ann'l Div'd Yield	*3.9%*
2281.9	2484.7	2088.9	2129.5	2325.2	2232.8	2491.2	2611.7	2434.7	2448.3	*2650*	*2750*	Revenues ($mill)	*3350*
143.1	129.0	145.0	133.7	141.6	159.0	136.6	166.9	197.3	211.6	*220*	*235*	Net Profit ($mill)	*290*
34.7%	37.1%	26.5%	35.8%	37.9%	34.2%	32.9%	32.7%	33.6%	34.8%	*35.0%*	*35.0%*	Income Tax Rate	*35.0%*
2.8%	2.9%	4.1%	- -	- -	- -	- -	- -	4.1%	4.0%	*4.0%*	*4.0%*	AFUDC % to Net Profit	*4.0%*
50.2%	48.0%	52.4%	49.9%	51.6%	50.4%	53.3%	46.7%	50.6%	47.3%	*47.5%*	*47.5%*	Long-Term Debt Ratio	*45.5%*
49.8%	52.0%	47.6%	50.1%	48.4%	49.6%	46.7%	53.3%	49.4%	52.7%	*52.5%*	*52.5%*	Common Equity Ratio	*54.5%*
2479.1	2599.5	2937.7	2874.1	3025.1	3079.5	3331.4	3013.9	3406.6	3358.0	*3490*	*3690*	Total Capital ($mill)	*4400*
2539.7	2720.3	2878.8	2955.4	3032.6	3119.6	3224.3	3439.0	4089.5	4406.8	*4700*	*4950*	Net Plant ($mill)	*5750*
7.2%	6.5%	6.3%	6.1%	6.2%	6.4%	5.4%	6.8%	7.0%	7.4%	*7.5%*	*7.5%*	Return on Total Cap'l	*7.5%*
11.6%	9.5%	10.4%	9.3%	9.7%	10.4%	8.8%	10.4%	11.7%	12.0%	*12.0%*	*12.0%*	Return on Shr. Equity	*12.0%*
11.6%	9.5%	10.4%	9.3%	9.7%	10.4%	8.8%	10.4%	11.7%	12.0%	*12.0%*	*12.0%*	Return on Com Equity E	*12.0%*
3.8%	2.0%	2.6%	1.6%	1.9%	2.9%	1.2%	2.9%	4.2%	4.4%	*4.0%*	*4.5%*	Retained to Com Eq	*5.0%*
67%	80%	75%	83%	80%	73%	86%	72%	65%	63%	*65%*	*65%*	All Div'ds to Net Prof	*62%*

CAPITAL STRUCTURE as of 9/30/17
Total Debt $2040.0 mill. **Due in 5 Yrs** $633.5 mill.
LT Debt $1639.1 mill. **LT Interest** $75.0 mill.
(LT interest earned: 5.0x)

Pension Assets-12/16 $304.5 mill.
Oblig. $350.4 mill.
Pfd Stock None

Common Stock 83,002,391 shs.
as of 10/31/17

MARKET CAP: $5.7 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2014	2015	2016
% Change Retail Sales (KWH)	+2.0	-2.4	+.3
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	1407	1357	1360
Peak Load, Summer (Mw)	1095	1088	1096
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.6	+.7	+.8
Fixed Charge Cov. (%)	363	428	446

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '20-'22
Revenues	2.0%	2.5%	*4.5%*
"Cash Flow"	4.5%	4.0%	*6.0%*
Earnings	4.0%	6.0%	*6.5%*
Dividends	2.5%	2.5%	*5.5%*
Book Value	3.0%	3.0%	*5.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.)F Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2014	796.8	542.5	595.6	676.8	2611.7
2015	706.2	551.0	573.5	604.0	2434.7
2016	584.8	533.7	631.0	699.0	2448.3
2017	624.5	630.7	691.2	*703.6*	*2650*
2018	*655*	*655*	*710*	*730*	*2750*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2014	.62	.14	.57	.69	2.02
2015	.69	.43	.48	.79	2.39
2016	.58	.39	.74	.84	2.55
2017	.67	.45	.75	*.78*	*2.65*
2018	*.70*	*.48*	*.76*	*.86*	*2.80*

Cal-endar	QUARTERLY DIVIDENDS PAID B■† Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	.355	.355	.355	.360	1.43
2014	.360	.360	.360	.380	1.46
2015	.380	.380	.380	.400	1.54
2016	.400	.400	.400	.420	1.62
2017	.420	.420	.420	.450	

BUSINESS: Vectren Corp. is a holding company formed through the merger of Indiana Energy and SIGCORP. Supplies electricity and gas to an area nearly two-thirds of the state of Indiana. Owns gas distribution assets in Ohio. Has a customer base exceeding 1.1 million. 2016 Electricity revenues: residential, 37%; commercial, 27%; industrial, 34%; other, 2%. 2016 Gas revenues: residential, 67%; commercial, 23%; other, 10%. Nonutility operations include Infrastructure Services and Energy Services. Est'd plant age: electric, 10 years. '16 depreciation rate: 4.0%. Has about 5,800 employees. Chairman, President, & CEO: Carl L. Chapman. Incorporated: Indiana. Address: One Vectren Square, Evansville, Indiana 47708. Telephone: 812-491-4000. Internet: www.vectren.com.

Shares of Vectren have traded in a fairly narrow range over the past three months. This has followed a nice rally that began in late 2016. The company reported solid top-line growth for the September period. Performance at the nonutility group benefited from strong results at the infrastructure services operation, reflecting large pipeline projects this year. But the utility group fared less well, owing to a decline in usage from a large electric customer that completed its transition to a co-generation facility and lower electric margins. Moreover, growth in total operating expenses outstripped that of revenue, and share net advanced just modestly, to $0.75. Looking forward, we expect solid performance will continue in the fourth quarter, but earnings per share will probably not match the impressive figure generated in the year-ago period.

The board of directors has raised the dividend by 7%. Starting with the December payout, the quarterly dividend is now $0.45 per share. Healthy dividend growth will probably continue.

Revenues and earnings should increase at a good pace from 2018 onward. Performance at the utility group ought to be supported by investment in gas infrastructure programs in both Indiana and Ohio. Meanwhile, the nonutility group should further benefit from healthy demand for distribution services, as gas utilities continue to make significant investments in their infrastructure systems. The transmission business will likely be able to capitalize on high demand due to the need to replace aging infrastructure, though we do expect a measure of unevenness here going forward.

Short-term traders may want to take a closer look. This issue is well ranked for Timeliness. Moreover, Vectren earns good marks for Safety, Financial Strength, Price Stability, and Earnings Predictability. Volatility is subdued, as well.

But patient investors can probably find more-suitable choices elsewhere. The stock presently trades at a price-to-earnings multiple that is well in excess of its historical average. As a result, this equity lacks long-term appreciation potential at this time. Also, the dividend yield does not stand out for a utility.

Michael Napoli, CFA *December 15, 2017*

(A) Diluted EPS. Excl. nonrecur. gain (loss): '09, 15¢. Next egs report due late February. **(B)** Div'ds historically paid in early March, June, September, and December. ■Div'd reinvest. plan avail. † Shareholder invest. plan avail. **(C)** Incl. intang. In '16, $7.27/sh. **(D)** In millions. **(E)** Electric rate base determination: fair value. Rates allowed on elect. common equity range from 10.15% to 10.4%. Regulatory Climate: Above Average. **(F)** Totals may not sum due to rounding.

Company's Financial Strength	A
Stock's Price Stability	90
Price Growth Persistence	70
Earnings Predictability	75

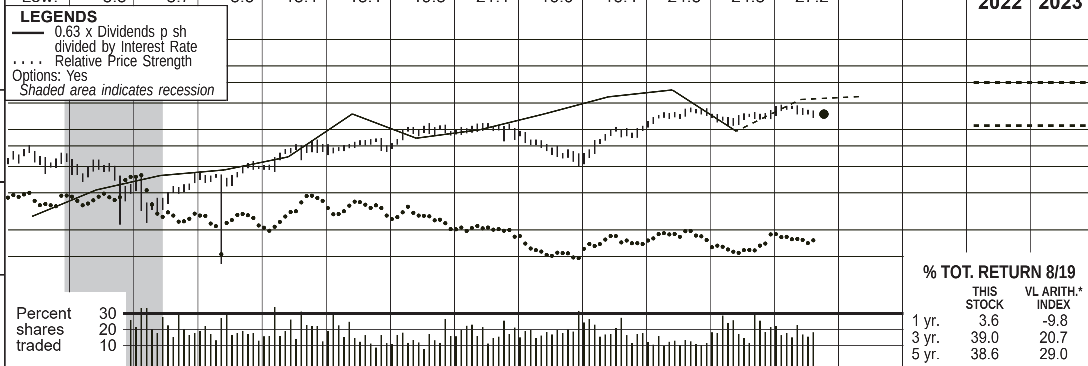
CENTERPOINT EN'RGY NYSE-CNP

RECENT PRICE 28.29 | P/E RATIO 16.9 (Trailing: 24.8, Median: 17.0) | RELATIVE P/E RATIO 1.05 | DIV'D YLD 4.2% | VALUE LINE

TIMELINESS 3 Lowered 6/22/18
SAFETY 3 Lowered 12/18/15
TECHNICAL 3 Lowered 8/16/19
BETA .80 (1.00 = Market)

High:	17.3	14.9	17.0	21.5	21.8	25.7	25.8	23.7	25.0	30.5	29.6	31.4
Low:	8.5	8.7	5.5	15.1	18.1	19.3	21.1	16.0	16.4	24.5	24.8	27.2

Target Price Range 2022 | 2023 | 2024



2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	40	(+40%)	13%
Low	25	(-10%)	2%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	9	9	2	8	0	0
to Sell	1	1	1	1	3	1	2	1	1

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	307	318	276
to Sell	292	277	316
Hld's(000)	403708	393600	406639

% TOT. RETURN 8/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	3.6	-9.8
3 yr.	39.0	20.7
5 yr.	38.6	29.0

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
31.87	27.63	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	***25.85***	***27.80***	Revenues per sh	***29.25***
3.98	2.56	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	***4.70***	***5.20***	"Cash Flow" per sh	***5.75***
1.37	.61	.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	***1.50***	***1.80***	Earnings per sh A	***2.25***
.40	.40	.40	.60	.68	.73	.76	.78	.79	.81	.83	.95	.99	1.03	1.35	1.12	***1.16***	***1.20***	Div'd Decl'd per sh B ■	***1.35***
2.11	1.72	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	***4.85***	***4.95***	Cap'l Spending per sh	***5.00***
5.75	3.59	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	***18.55***	***19.10***	Book Value per sh C	***22.25***
306.30	308.05	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	***503.00***	***504.00***	Common Shs Outst'g D	***540.00***
6.0	17.8	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	NMF	*Bold figures are*		Avg Ann'l P/E Ratio	***14.5***
.34	.94	1.02	.56	.80	.68	.79	.88	.92	.94	1.05	.89	.91	1.15	.90	NMF	*Value Line*		Relative P/E Ratio	***.80***
4.8%	3.7%	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%	*estimates*		Avg Ann'l Div'd Yield	***4.2%***

CAPITAL STRUCTURE as of 6/30/19
Total Debt $14609 mill. **Due in 5 Yrs** NA
LT Debt $14121 mill. **LT Interest** $692 mill.
Incl. $845 mill. securitized transition & system restoration bonds.
(LT interest earned: 2.3x)
Leases, Uncapitalized Annual rentals $6 mill.
Pension Assets-12/18 $1516 mill.
Oblig $2013 mill.
Pfd Stock $1778 mill. **Pfd Div'd** $49 mill.
800,000 shs. 6.125%, cum., 977,500 shs. 7%, cum., all liquidation value $1000.
Common Stock 502,218,696 shs. **as of 7/26/19**
MARKET CAP: $14 billion (Large Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
8281.0	8785.0	8450.0	7452.0	8106.0	9226.0	7386.0	7528.0	9614.0	10589	***13000***	***14000***	Revenues ($mill)	***15800***
372.0	442.0	546.0	581.0	536.0	611.0	465.0	432.0	679.0	368.0	***885***	***1035***	Net Profit ($mill)	***1260***
32.1%	37.3%	33.6%	33.4%	31.4%	31.0%	35.1%	37.0%	36.1%	28.4%	***12.5%***	***12.5%***	Income Tax Rate	***12.5%***
1.3%	2.7%	1.6%	2.6%	3.5%	4.1%	4.7%	3.5%	2.9%	5.4%	***3.0%***	***3.0%***	AFUDC % to Net Profit	***2.0%***
77.6%	73.8%	67.2%	66.0%	64.4%	63.8%	69.5%	68.5%	63.6%	51.9%	***53.5%***	***53.5%***	Long-Term Debt Ratio	***52.0%***
22.4%	26.2%	32.8%	34.0%	35.6%	36.2%	30.5%	31.5%	36.4%	37.5%	***39.0%***	***39.5%***	Common Equity Ratio	***45.0%***
11758	12199	12863	12658	12146	12557	11362	10992	12883	16740	***23875***	***24400***	Total Capital ($mill)	***26700***
10788	11732	12402	13597	9593.0	10502	11537	12307	13057	14044	***20125***	***21175***	Net Plant ($mill)	***24600***
5.8%	6.1%	6.4%	6.8%	6.3%	6.7%	6.1%	5.8%	6.8%	3.4%	***5.0%***	***5.5%***	Return on Total Cap'l	***6.5%***
14.1%	13.8%	12.9%	13.5%	12.4%	13.4%	13.4%	12.5%	14.5%	4.6%	***8.0%***	***9.0%***	Return on Shr. Equity	***10.0%***
14.1%	13.8%	12.9%	13.5%	12.4%	13.4%	13.4%	12.5%	14.5%	5.3%	***8.0%***	***9.5%***	Return on Com Equity E	***10.0%***
3.6%	3.8%	5.0%	5.5%	4.2%	4.5%	1.1%	NMF	4.7%	NMF	***2.0%***	***3.0%***	Retained to Com Eq	***4.0%***
74%	72%	62%	60%	66%	67%	92%	103%	68%	NMF	***79%***	***70%***	All Div'ds to Net Prof	***62%***

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	+3.1	+2.1	+2.0
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	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.)	+2.3	+1.7	+1.7
Fixed Charge Cov. (%)	219	269	167

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-4.0%	1.5%	*6.5%*
"Cash Flow"	.5%	- -	*8.0%*
Earnings	-1.5%	-3.0%	*12.5%*
Dividends	5.5%	7.5%	*2.5%*
Book Value	6.5%	1.0%	*13.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2016	1984	1574	1889	2081	7528.0
2017	2735	2143	2098	2638	9614.0
2018	3155	2186	2212	3036	10589
2019	3531	2798	***3050***	***3621***	***13000***
2020	***4050***	***2950***	***3200***	***3800***	***14000***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2016	.36	d.01	.41	.25	1.00
2017	.44	.31	.39	.43	1.57
2018	.38	d.17	.35	.18	.74
2019	.28	.33	***.48***	***.41***	***1.50***
2020	***.45***	***.40***	***.50***	***.45***	***1.80***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.2475	.2475	.2475	.2475	.99
2016	.2575	.2575	.2575	.2575	1.03
2017	.2675	.2675	.2675	.2675	1.07
2018	.2775	.2775	.2775	.2775	1.11
2019	.2875	.2875	.2875		

BUSINESS: CenterPoint Energy, Inc. is a holding company for Houston Electric, which serves 2.5 million customers in Houston and environs, and gas utilities with 4.4 million customers in Texas, Minnesota, Arkansas, Louisiana, Oklahoma, Indiana, and Ohio. Owns 53.8% of Enable Midstream Partners. Has nonutility operations. Discontinued Texas Genco Holdings in '04. Acquired Vectren 2/19. Electric revenue breakdown: residential, 52%; commercial, 31%; industrial, 15%; other, 2%. Gas costs: 55% of revenues. '18 depreciation rate: 6.3%. Has 14,000 employees. Chairman: Milton Carroll. President & CEO: Scott M. Prochazka. Inc.: Texas. Address: 1111 Louisiana, P.O. Box 4567, Houston, Texas 77210-4567. Tel.: 713-207-1111. Internet: www.centerpointenergy.com.

CenterPoint Energy's Houston Electric subsidiary received an unfavorable recommendation in its general rate case. The utility is seeking a rate hike of $155 million (revised from the original request of $161 million), based on a 10.4% return on a 50% common-equity ratio. The Texas commission's staff recommended an increase of just $5 million, based on a 9.45% return on a 40% common-equity ratio. A proposal from an administrative law judge is expected soon, with an order expected in the fourth quarter.

A rate case was concluded, and one is upcoming. The Ohio regulators approved a settlement that raised Vectren's gas rates $22.7 million. This was a "black box" agreement in which an allowed ROE was not specified. Minnesota Gas is preparing to put forth an application in November.

Results in 2019 won't reflect CenterPoint's earning power. The company is incurring expenses associated with its acquisition of Vectren earlier this year. We *include* these costs in our earnings presentation.

The bottom line should be much improved in 2020. CenterPoint will still book some merger-related expenses, but at a much lower level. The company should achieve merger-related expense reductions, which are estimated at $75 million-$100 million. Customer growth is solid, and CenterPoint's utilities should also benefit from rate relief. However, we have trimmed our 2020 share-net estimate by a nickel due to our concern about Houston Electric's rate case. Our revised estimate of $1.80 is still within CenterPoint's targeted range of $1.75-$1.90.

CenterPoint plans to keep its stake in Enable Midstream Partners. The master limited partnership has taken steps to reduce its exposure to oil and gas prices. The distributions are a good source of cash, and Enable's board raised the distribution for the first time since 2015.

CenterPoint stock has been one of the industry's laggards in 2019. The share price has barely moved in what has been an excellent year for most utility issues. The dividend yield is about a percentage point above the utility average, and 3- to 5-year total return potential is also better than that of most utilities.

Paul E. Debbas, CFA *September 13, 2019*

(A) Diluted EPS. Excl. extraordinary gains (losses): '04, ($2.72); '05, 9¢; '11, $1.89; '12, (38¢); '13, (52¢); '15, ($2.69); '17, $2.56; losses on disc. ops.: '04, 37¢; '05, 1¢. '16 EPS don't sum due to rounding. Next earnings report due early Nov. **(B)** Div'ds historically paid in early Mar., June, Sept. & Dec. 5 declarations in '17. ■ Div'd reinv. plan avail. **(C)** Incl. intang. In '18: $5.65/sh. **(D)** In mill. **(E)** Rate base: Net orig. cost. Rate all'd on com. eq. (elec.) in '11: 10%; (gas): 9.45%-11.25%; earned on avg. com. eq., '18: 5.5%. Regulatory Climate: Avg.

Company's Financial Strength	B+
Stock's Price Stability	95
Price Growth Persistence	40
Earnings Predictability	50

AVANGRID, INC. NYSE-AGR

RECENT PRICE	49.46	P/E RATIO	19.6 (Trailing: 25.8 Median: NMF)	RELATIVE P/E RATIO	1.13	DIV'D YLD	3.6%	VALUE LINE

TIMELINESS **3** Lowered 3/22/19
SAFETY **2** Raised 2/17/17
TECHNICAL **2** Raised 11/8/19
BETA .40 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$45-$65	$55 (10%)

2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+20%)	9%
Low	45	(-10%)	2%

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	118	140	114
to Sell	133	121	138
Hld's(000)	45361	44712	43692

High:	38.9	46.7	53.5	54.6	52.9
Low:	32.4	35.4	37.4	45.2	47.4

% TOT. RETURN 10/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	10.2	4.9
3 yr.	41.7	30.2
5 yr.	—	36.8

AVANGRID, Inc. was formed through a merger between Iberdrola USA, Inc. and UIL Holdings Corporation in December of 2015. Iberdrola S.A., a worldwide leader in the energy industry, owns 81.5% of AVANGRID. The predecessor company was founded in 1852 and is headquartered in New Gloucester, Maine. It was incorportated in 1997 in New York under the name NGE Resources, Inc. AVANGRID began trading on the NYSE on December 17, 2015.

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
--	--	--	--	--	--	14.14	19.48	19.30	20.96	*20.70*	*21.35*	Revenues per sh	*23.50*
--	--	--	--	--	--	3.44	4.74	4.49	4.89	*5.45*	*5.65*	"Cash Flow" per sh	*6.75*
--	--	--	--	--	--	1.05	1.98	1.67	1.92	*2.40*	*2.45*	Earnings per sh A	*3.00*
--	--	--	--	--	--	--	1.73	1.73	1.74	*1.76*	*1.78*	Div'd Decl'd per sh B ■	*2.10*
--	--	--	--	--	--	3.50	5.52	7.82	5.78	*7.75*	*10.05*	Cap'l Spending per sh	*9.75*
--	--	--	--	--	--	48.74	48.90	48.79	48.88	*49.50*	*50.20*	Book Value per sh C	*52.50*
--	--	--	--	--	--	308.86	308.99	309.01	309.01	*309.00*	*309.00*	Common Shs Outst'g D	*309.00*
--	--	--	--	--	--	33.5	20.5	27.3	26.1	*Bold figures are*		Avg Ann'l P/E Ratio	*17.0*
--	--	--	--	--	--	1.69	1.08	1.37	1.41	*Value Line*		Relative P/E Ratio	*.95*
--	--	--	--	--	--	--	4.3%	3.8%	3.5%	*estimates*		Avg Ann'l Div'd Yield	*4.1%*
--	--	--	--	--	4594.0	4367.0	6018.0	5963.0	6478.0	*6400*	*6600*	Revenues ($mill)	*7250*
--	--	--	--	--	424.0	267.0	611.0	516.0	595.0	*740*	*760*	Net Profit ($mill)	*930*
--	--	--	--	--	39.9%	11.3%	37.4%	32.4%	22.1%	*18.5%*	*19.5%*	Income Tax Rate	*19.5%*
--	--	--	--	--	6.8%	12.7%	7.5%	12.4%	9.4%	*8.0%*	*8.0%*	AFUDC % to Net Profit	*6.0%*
--	--	--	--	--	16.8%	23.1%	23.0%	25.6%	26.2%	*28.5%*	*31.5%*	Long-Term Debt Ratio	*38.0%*
--	--	--	--	--	83.2%	76.9%	77.0%	74.4%	73.8%	*71.5%*	*68.5%*	Common Equity Ratio	*62.0%*
--	--	--	--	--	14956	19583	19619	20273	20472	*21325*	*22600*	Total Capital ($mill)	*26300*
--	--	--	--	--	17099	20711	21548	22669	23459	*24900*	*27025*	Net Plant ($mill)	*33000*
--	--	--	--	--	3.7%	2.1%	3.8%	3.1%	3.5%	*4.0%*	*4.0%*	Return on Total Cap'l	*4.5%*
--	--	--	--	--	3.4%	1.8%	4.0%	3.4%	3.9%	*5.0%*	*5.0%*	Return on Shr. Equity	*5.5%*
--	--	--	--	--	3.4%	1.8%	4.0%	3.4%	3.9%	*5.0%*	*5.0%*	Return on Com Equity E	*5.5%*
--	--	--	--	--	3.4%	1.8%	1.4%	NMF	.4%	*1.5%*	*1.5%*	Retained to Com Eq	*1.5%*
--	--	--	--	--	--	--	66%	104%	90%	*73%*	*72%*	All Div'ds to Net Prof	*70%*

CAPITAL STRUCTURE as of 9/30/19
Total Debt $7571 mill. **Due in 5 Yrs** $2415 mill.
LT Debt $6718 mill. **LT Interest** $270 mill.
Incl. $89 mill. capitalized leases.
(LT interest earned: 3.9x)
Leases, Uncapitalized Annual rentals $31 mill.

Pension Assets-12/18 $2544 mill. **Oblig** $3374 mill.
Pfd Stock None

Common Stock 309,005,272 shs. **as of 10/30/19**
MARKET CAP: $15 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	NA	NA	NA
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	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)	+.5	+.6	+.5
Fixed Charge Cov. (%)	415	333	343

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	--	--	3.0%
"Cash Flow"	--	--	6.0%
Earnings	--	--	8.5%
Dividends	--	--	3.0%
Book Value	--	--	1.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	1670	1439	1418	1491	6018.0
2017	1758	1331	1341	1533	5963.0
2018	1865	1402	1546	1665	6478.0
2019	1842	1400	1487	*1671*	*6400*
2020	*1950*	*1450*	*1500*	*1700*	*6600*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.63	.33	.35	.67	1.98
2017	.77	.39	.32	.19	1.67
2018	.79	.34	.40	.38	1.92
2019	.70	.36	.48	*.86*	*2.40*
2020	*.78*	*.40*	*.50*	*.77*	*2.45*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	--	--	--	--	--
2016	--	.432	.432	.432	1.30
2017	.432	.432	.432	.432	1.73
2018	.432	.432	.432	.44	1.74
2019	.44	.44	.44	.44	

BUSINESS: AVANGRID, Inc. (formerly Iberdrola USA, Inc.), is a diversified energy and utility company that serves 2.2 million electric customers in New York, Connecticut, and Maine and 1 million gas customers in New York, Connecticut, Massachusetts and Maine. Has a nonregulated generating subsidiary focused on wind power, with 7.2 gigawatts of capacity. Revenue breakdown by customer class not available. Generating sources not available. Fuel costs: 26% of revenues. '18 depr. rate: 2.9%. Iberdrola owns 81.5% of stock. Has 6,400 employees. Chairman: José Ignacio Sanchez Galan. CEO: James P. Torgerson. Deputy CEO & President: Robert Kump. Inc.: NY. Address: 180 Marsh Hill Road, Orange, CT 06477. Tel.: 207-629-1200. Internet: www.avangrid.com.

We raised our 2019 earnings estimate for AVANGRID by $0.20 a share, to $2.40. Third-quarter profits were a bit better than we expected, thanks to mark-to-market accounting credits that added $0.10 to the bottom line. Additional mark-to-market credits, along with a gain on the sale of a 50% stake in two renewable-energy projects, should produce a fourth-quarter tally that is greater than we had estimated. Our revised estimate is within AVANGRID's guidance (GAAP) of $2.36-$2.46 a share. We assume no mark-to-market items in 2020, so we are sticking with our $2.45-a-share estimate. The company should benefit from rate relief and growth in its renewable-energy subsidiary.

The company's utilities in New York are trying to reach a settlement of their rate cases. They requested electric and gas increases of $188.4 million and $12.1 million, respectively, based on a return of 9.5% on a common-equity ratio of 50%. The staff of the New York commission recommended electric hikes totaling $77.4 million and gas decreases totaling $38.4 million, based on a return of 8.2% on a common-equity ratio of 48%. New tariffs are expected to take effect in April.

Central Maine Power's rate case has run into difficulties. The utility is seeking a minimal increase (thanks to lower federal taxes), based on a return of 10% on a common-equity ratio of 55%. However, it has been criticized for metering and billing problems. The commission's staff proposed a return of 8.75% on a common-equity ratio of 50%. An order is expected in the first quarter of 2020. CMP has also seen opposition to a proposed $950 million transmission line. It hopes to begin construction in 2020 and complete the project in 2022.

Is a merger in AVANGRID's future? The financial press has reported rumors of a combination between the company and PPL Corporation. We don't know if a deal will be reached, but an announcement might well be good news in what has been a disappointing year. The board has not raised the dividend, and the stock has traded in a narrow range while most utility issues have performed strongly. The dividend yield is slightly above average, but the equity does not stand out for the 18-month or 3- to 5-year period.

Paul E. Debbas, CFA November 15, 2019

(A) Diluted EPS. Excl. nonrecurring gain (loss): '16, 6¢; '17, (44¢). '18 EPS don't sum due to rounding. Next earnings report due late Feb. (B) Div'ds paid in early Jan., April, July, and Oct. ■ Dividend reinvestment plan available. (C) Incl. intangibles. In '18: $6.1 bill., $19.73/sh. (D) In millions. (E) Rate base: net original cost. Rate allowed on com. eq. in NY in '16: 9.0%; in CT in '17: 9.1% elec.; in CT in '19: 9.3% gas; in ME in '14: 9.45%; earned on avg. common eq., '18: 3.9%. Regulatory Climate: Below Average.

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

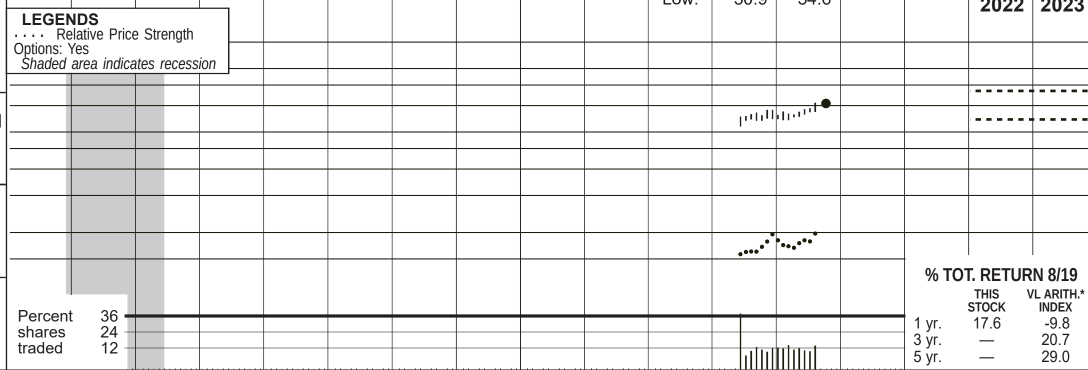
EVERGY, INC. NYSE-EVRG

RECENT PRICE	65.55	P/E RATIO	22.9 (Trailing: 27.9 / Median: NMF)	RELATIVE P/E RATIO	1.42	DIV'D YLD	3.1%	VALUE LINE

TIMELINESS –
SAFETY 2 New 9/14/18
TECHNICAL –
BETA NMF (1.00 = Market)

	2018	2019
High:	61.1	66.0
Low:	50.9	54.6

Target Price Range 2022 | 2023 | 2024



% TOT. RETURN 8/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	17.6	-9.8
3 yr.	—	20.7
5 yr.	—	29.0

2022-24 PROJECTIONS

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

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	1	0	0	0	0	0
Options	0	0	5	0	8	1	0	3	0
to Sell	2	2	1	1	3	1	2	2	0

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	247	276	241
to Sell	267	265	263
Hld's(000)	214843	207427	200470

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.

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
- -	- -	- -	- -	- -	- -	- -	- -	- -	16.75	*23.80*	*26.20*	Revenues per sh	*28.25*
- -	- -	- -	- -	- -	- -	- -	- -	- -	4.89	*7.35*	*8.25*	"Cash Flow" per sh	*9.50*
- -	- -	- -	- -	- -	- -	- -	- -	- -	2.50	*2.80*	*3.20*	Earnings per sh A	*3.50*
- -	- -	- -	- -	- -	- -	- -	- -	- -	1.74	*1.94*	*2.08*	Div'd Decl'd per sh B ■	*2.50*
- -	- -	- -	- -	- -	- -	- -	- -	- -	4.19	*5.70*	*6.30*	Cap'l Spending per sh	*5.75*
- -	- -	- -	- -	- -	- -	- -	- -	- -	39.28	*38.05*	*38.15*	Book Value per sh C	*41.50*
- -	- -	- -	- -	- -	- -	- -	- -	- -	255.33	*225.00*	*212.00*	Common Shs Outst'g D	*212.00*
- -	- -	- -	- -	- -	- -	- -	- -	- -	22.7	*Bold figures are*		Avg Ann'l P/E Ratio	*19.0*
- -	- -	- -	- -	- -	- -	- -	- -	- -	1.22	*Value Line*		Relative P/E Ratio	*1.05*
- -	- -	- -	- -	- -	- -	- -	- -	- -	3.1%	*estimates*		Avg Ann'l Div'd Yield	*3.8%*
- -	- -	- -	- -	- -	- -	- -	- -	- -	4275.9	*5350*	*5550*	Revenues ($mill)	*6000*
- -	- -	- -	- -	- -	- -	- -	- -	- -	535.8	*680*	*705*	Net Profit ($mill)	*770*
- -	- -	- -	- -	- -	- -	- -	- -	- -	9.8%	*13.0%*	*13.0%*	Income Tax Rate	*13.0%*
- -	- -	- -	- -	- -	- -	- -	- -	- -	2.5%	*2.0%*	*3.0%*	AFUDC % to Net Profit	*2.0%*
- -	- -	- -	- -	- -	- -	- -	- -	- -	40.0%	*50.0%*	*51.5%*	Long-Term Debt Ratio	*52.5%*
- -	- -	- -	- -	- -	- -	- -	- -	- -	60.0%	*50.0%*	*48.5%*	Common Equity Ratio	*47.5%*
- -	- -	- -	- -	- -	- -	- -	- -	- -	16716	*17175*	*16725*	Total Capital ($mill)	*18600*
- -	- -	- -	- -	- -	- -	- -	- -	- -	18952	*19250*	*19650*	Net Plant ($mill)	*19800*
- -	- -	- -	- -	- -	- -	- -	- -	- -	4.0%	*5.0%*	*5.5%*	Return on Total Cap'l	*5.5%*
- -	- -	- -	- -	- -	- -	- -	- -	- -	5.3%	*8.0%*	*8.5%*	Return on Shr. Equity	*8.5%*
- -	- -	- -	- -	- -	- -	- -	- -	- -	5.3%	*8.0%*	*8.5%*	Return on Com Equity E	*8.5%*
- -	- -	- -	- -	- -	- -	- -	- -	- -	.6%	*2.5%*	*3.0%*	Retained to Com Eq	*2.5%*
- -	- -	- -	- -	- -	- -	- -	- -	- -	89%	*68%*	*64%*	All Div'ds to Net Prof	*69%*

CAPITAL STRUCTURE as of 6/30/19
Total Debt $9725.7 mill. **Due in 5 Yrs** $4858.2 mill.
LT Debt $7141.3 mill. **LT Interest** $325.6 mill.
Incl. $162.3 mill. capitalized leases.
(LT interest earned: 3.3x)

Leases, Uncapitalized Annual rentals $24.2 mill.

Pension Assets-12/18 $1603.4 mill.
Oblig $2553.4 mill.
Pfd Stock None

Common Stock 235,467,484 shs.
as of 8/2/19
MARKET CAP: $15 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	NA	NA	NA
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	7.11
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
Fixed Charge Cov. (%)	NA	NA	322

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	- -	- -	*NMF*
"Cash Flow"	- -	- -	*NMF*
Earnings	- -	- -	*NMF*
Dividends	- -	- -	*NMF*
Book Value	- -	- -	*NMF*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	- -	- -	- -	- -	- -
2017	- -	- -	- -	- -	- -
2018	600.2	893.4	1582.5	1199.8	4275.9
2019	1217	1222	*1650*	*1261*	*5350*
2020	*1250*	*1300*	*1700*	*1300*	*5550*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	- -	- -	- -	- -	- -
2017	- -	- -	- -	- -	- -
2018	.42	.56	1.32	.07	2.50
2019	.39	.57	*1.55*	*.29*	*2.80*
2020	*.45*	*.65*	*1.75*	*.35*	*3.20*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	- -	- -	- -	- -	- -
2016	- -	- -	- -	- -	- -
2017	- -	- -	- -	- -	- -
2018	.40	.40	.46	.475	1.74
2019	.475	.475	.475		

BUSINESS: Evergy, Inc. was formed through the merger of Great Plains Energy and Westar Energy in June of 2018. Through its subsidiaries, Kansas City Power & Light Company and Westar Energy, provides electric service to 1.6 million customers in Kansas and Missouri. Electric revenue breakdown: residential, 37%; commercial, 32%; industrial, 12%; wholesale, 10%; other, 9%. Generating sources: coal, 54%; nuclear, 17%; purchased, 29%. Fuel costs: 25% of revenues. '18 reported deprec. rates: 2.9%-3.9%. Has 4,800 employees. Chairman: Mark A. Ruelle. President & Chief Executive Officer: Terry Bassham. Incorporated: Missouri. Address: 1200 Main Street, Kansas City, Missouri 64105. Telephone: 816-556-2200. Internet: www.evergyinc.com.

Evergy's share earnings are likely to improve materially in 2019 and 2020. The comparison isn't apples-to-apples this year, as the company was formed in June of 2018 through the merger of Westar Energy and Great Plains Energy. Management stated that the company is on track to achieve its target of $110 million of cost reductions this year. Stock repurchases (see below) will also boost share profits. Note that our earnings presentation *includes* severance and rebranding costs (estimated at $0.11 a share), even though the company is excluding these from its earnings guidance of $2.80-$3.00 for 2019. Additional merger-related expense reductions, a lower average share count, and the absence of severance and rebranding costs should help raise share net in 2020.

Evergy is buying back stock. The combination of these two companies into Evergy was originally structured as a purchase of Westar by Great Plains. The latter company issued stock in anticipation of the deal's completion, but the Kansas commission rejected the proposal. The companies restructured the combination as a merger of equals, so the cash raised from the equity issuance was no longer needed. Evergy is repurchasing stock so that its capital structure is more in line with that of a typical utility. The company's goal is to buy back 60 million shares by mid-2020. As of June 30th, it had repurchased more than 36 million shares.

We expect a dividend increase in the fourth quarter. We estimate an increase of $0.14 a share (7.4%) in the annual disbursement. Evergy's goal is a payout ratio in a range of 60%-70%, and this would wind up near the midpoint of the range if our 2020 earnings estimate is accurate.

This stock has fared better in recent months. It was one of the poorest performers among utility issues in early 2019 because investors were concerned about the company's prospects for post-2020 earnings growth and the expectation of low single-digit growth in its rate base. The reason for the improvement in price is not apparent. Neither the dividend yield nor the 3- to 5-year total return potential stands out among utilities. The stock is unranked for Timeliness due to its short trading history since Evergy was formed.

Paul E. Debbas, CFA *September 13, 2019*

(A) Diluted EPS. Next earnings report due early November. **(B)** Dividends paid in mid-March, June, September, and December. ■ Dividend reinvestment plan available. **(C)** Incl. intangibles. In '18: $4096.8 mill., $16.05/sh. **(D)** In millions. **(E)** Rate base: Original cost depreciated. Rate allowed on common equity in Missouri in '18: none specified; in Kansas in '18: 9.3%. Regulatory Climate: Average.

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

ALLETE NYSE-ALE

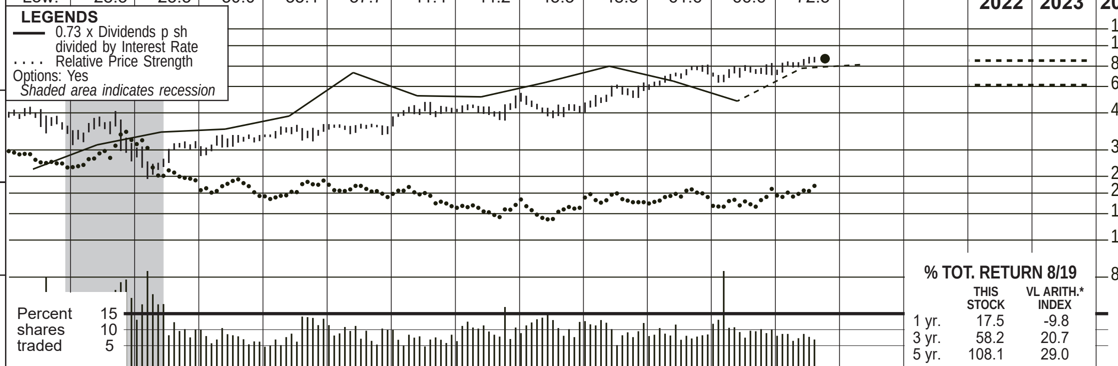
RECENT PRICE 86.58 | P/E RATIO 25.3 (Trailing: 24.0 Median: 17.0) | RELATIVE P/E RATIO 1.57 | DIV'D YLD 2.8% | VALUE LINE

TIMELINESS 3 Lowered 4/5/19
SAFETY 2 New 10/1/04
TECHNICAL 3 Lowered 7/26/19
BETA .65 (1.00 = Market)

High:	49.0	35.3	37.9	42.5	42.7	54.1	58.0	59.7	66.9	81.2	82.8	88.6
Low:	28.3	23.3	30.0	35.1	37.7	41.4	44.2	45.3	48.3	61.6	66.6	72.5

Target Price Range 2022 2023 2024

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



2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(Nil)	3%
Low	65	(-25%)	-3%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	7	0	0	0	7	0
to Sell	0	1	0	1	0	0	3	1	0

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	126	143	145
to Sell	147	119	126
Hld's(000)	36618	37042	37472

% TOT. RETURN 8/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	17.5	-9.8
3 yr.	58.2	20.7
5 yr.	108.1	29.0

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
- -	25.30	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	**24.65**	**24.85**	Revenues per sh	**28.00**
- -	2.97	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	**7.50**	**7.85**	"Cash Flow" per sh	**9.00**
- -	1.35	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	**3.40**	**3.65**	Earnings per sh A	**4.50**
- -	.30	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**	**2.46**	Div'd Decl'd per sh B ■ †	**2.85**
- -	2.12	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	**10.55**	**7.15**	Cap'l Spending per sh	**5.25**
- -	21.23	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	**43.00**	**44.20**	Book Value per sh C	**48.75**
- -	29.70	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	**51.75**	**51.75**	Common Shs Outst'g D	**51.75**
- -	25.2	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	*Bold figures are*		Avg Ann'l P/E Ratio	**16.5**
- -	1.33	.95	.89	.79	.84	1.07	1.02	.92	1.01	1.05	.91	.76	.98	1.16	1.19	*Value Line*		Relative P/E Ratio	**.90**
- -	.9%	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%	*estimates*		Avg Ann'l Div'd Yield	**3.8%**

CAPITAL STRUCTURE as of 6/30/19
Total Debt $1533.6 mill. **Due in 5 Yrs** $404.3 mill.
LT Debt $1505.9 mill. **LT Interest** $63.2 mill.
(LT interest earned: 3.6x)

Leases, Uncapitalized Annual rentals $9.9 mill.

Pension Assets-12/18 $598.0 mill.
Oblig $747.0 mill.

Pfd Stock None

Common Stock 51,655,541 shs.

MARKET CAP: $4.5 billion (Mid Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
759.1	907.0	928.2	961.2	1018.4	1136.8	1486.4	1339.7	1419.3	1498.6	**1275**	**1285**	Revenues ($mill)	**1450**
61.0	75.3	93.8	97.1	104.7	124.8	163.4	155.3	159.2	174.1	**180**	**190**	Net Profit ($mill)	**235**
33.7%	37.2%	27.6%	28.1%	21.5%	22.6%	19.4%	11.3%	14.8%	NMF	**NMF**	**10.0%**	Income Tax Rate	**10.0%**
12.8%	8.9%	2.7%	5.3%	4.4%	6.3%	2.0%	1.4%	.8%	.7%	**2.0%**	**2.0%**	AFUDC % to Net Profit	**1.0%**
42.8%	44.2%	44.3%	43.7%	44.6%	44.2%	46.3%	42.0%	41.0%	39.9%	**38.5%**	**38.5%**	Long-Term Debt Ratio	**41.0%**
57.2%	55.8%	55.7%	56.3%	55.4%	55.8%	53.7%	58.0%	59.0%	60.1%	**61.5%**	**61.5%**	Common Equity Ratio	**59.0%**
1625.3	1747.6	1937.2	2134.6	2425.9	2882.2	3388.9	3263.4	3507.4	3584.3	**3620**	**3735**	Total Capital ($mill)	**4275**
1622.7	1805.6	1982.7	2347.6	2576.5	3286.4	3669.1	3741.2	3822.4	3904.4	**4240**	**4395**	Net Plant ($mill)	**4600**
4.8%	5.4%	6.0%	5.6%	5.3%	5.2%	5.8%	5.8%	5.5%	5.8%	**5.5%**	**6.0%**	Return on Total Cap'l	**6.5%**
6.6%	7.7%	8.7%	8.1%	7.8%	7.8%	9.0%	8.2%	7.7%	8.1%	**8.0%**	**8.5%**	Return on Shr. Equity	**9.5%**
6.6%	7.7%	8.7%	8.1%	7.8%	7.8%	9.0%	8.2%	7.7%	8.1%	**8.0%**	**8.5%**	Return on Com Equity E	**9.5%**
.5%	1.5%	2.9%	2.3%	2.2%	2.5%	3.6%	2.8%	2.4%	2.7%	**2.5%**	**3.0%**	Retained to Com Eq	**3.5%**
93%	81%	66%	71%	72%	67%	60%	66%	68%	66%	**68%**	**66%**	All Div'ds to Net Prof	**63%**

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	-2.3	+8.4	-.2
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	1520	1599	1589
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	NA	NA	NA
Fixed Charge Cov. (%)	318	339	296

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, 43%; wind, 10%; other, 4%; purchased, 43%. Fuel costs: 27% of revs. '18 deprec. rate: 3.6%. Has 1,900 employees. Chairman & CEO: Alan R. Hodnik. President: Bethany M. Owen. Inc.: MN. Address: 30 West Superior St., Duluth, MN 55802-2093. Tel.: 218-279-5000. Internet: www.allete.com.

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	1.0%	2.5%	*Nil*
"Cash Flow"	5.0%	6.5%	*4.0%*
Earnings	1.0%	4.0%	*6.0%*
Dividends	3.0%	3.0%	*5.0%*
Book Value	5.5%	5.5%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2016	333.8	314.8	349.6	341.5	1339.7
2017	365.6	353.3	362.5	337.9	1419.3
2018	358.2	344.1	348.0	448.3	1498.6
2019	357.2	290.4	***337.4***	***290***	***1275***
2020	***335***	***300***	***350***	***300***	***1285***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2016	.93	.50	.81	.90	3.14
2017	.97	.72	.88	.56	3.13
2018	.99	.61	.59	1.19	3.38
2019	1.18	.64	***.80***	***.78***	***3.40***
2020	***1.20***	***.70***	***.88***	***.87***	***3.65***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.505	.505	.505	.505	2.02
2016	.52	.52	.52	.52	2.08
2017	.535	.535	.535	.535	2.14
2018	.56	.56	.56	.56	2.24
2019	.5875	.5875	.5875		

We estimate that ALLETE's earnings will increase in 2019, but just slightly. The fourth-quarter comparison will be difficult because the company's ALLETE Clean Energy (ACE) subsidiary booked a gain of $0.20 a share on the sale of a wind facility a year ago. (ACE has done this before, and this is part of normal operations.) Also, wind conditions in 2019 have been subpar. And ALLETE sold its U.S. Water Services business earlier this year, and will not have the income ($0.06 a share in 2018) that this contributed. Note that ALLETE's earnings target of $3.50-$3.80 a share for 2019 *includes* an aftertax gain of $11.2 million ($0.22 a share), which we are excluding from our earnings presentation as a nonrecurring item. Note as well that management is guiding Wall Street to the lower end of this range.

The company's largest utility subsidiary, Minnesota Power, plans to file a general rate case in early November. The utility's allowed return on equity is low, at 9.25%, and Minnesota Power is not earning this figure. An interim increase (subject to refund) will take effect at the start of 2020. The utility is also constructing a transmission line, and is earning a contemporaneous return on this $345 million investment. This, along with growth at ACE, should enable earnings to advance next year.

ACE is growing solidly. ALLETE is using the $265 million in proceeds from the U.S. Water sale to fund this subsidiary. ACE now has 555 megawatts of wind capacity in operation. Two projects (186 mw) should be completed by yearend, and a 303 mw project is scheduled for completion in 2020.

ACE might eventually become an independent entity. This wouldn't be the first time that ALLETE has spun off a growing subsidiary. In 2004, it spun off its auto-auction operation, ADESA (now KAR Auction Services, NYSE: KAR). We think management is considering this along with several other options.

This stock has a high valuation, especially for a utility. The dividend yield is below the industry average. Also, with the recent quotation above our 2022-2024 Target Price Range, total return potential is minimal.

Paul E. Debbas, CFA *September 13, 2019*

(A) Diluted EPS. Excl. nonrec. gains (losses): '04, (25¢); '05, ($1.84); '15, (46¢); '17, 25¢; '19, 22¢; gain (losses) on disc. ops.: '04, $2.57, '05, (16¢); '06, (2¢). '16 & '18 EPS don't sum due to rounding. Next earnings report due early Nov. **(B)** Div'ds historically paid in early Mar., June, Sept. and Dec. ■ Div'd reinvest. plan avail. † Shareholder invest. plan avail. **(C)** Incl. deferred charges. In '18: $11.90/sh. **(D)** In mill. **(E)** Rate base: Orig. cost depr. Rate allowed in MN on com. eq. in '18: 9.25%; earned on avg. com. eq., '18: 8.2%. Regulatory Climate: Avg.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	60
Earnings Predictability	85

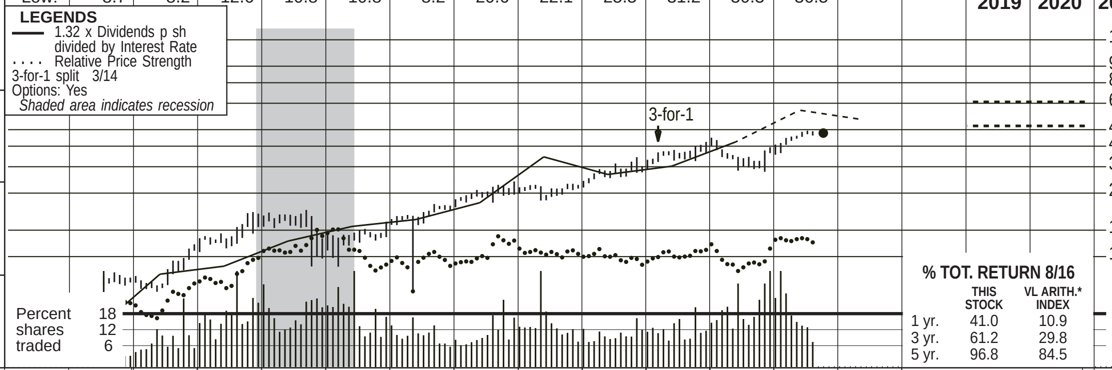
ITC HOLDINGS CORP. NYSE-ITC

RECENT PRICE	46.22	P/E RATIO	23.9 (Trailing: 30.0 / Median: 22.0)	RELATIVE P/E RATIO	1.26	DIV'D YLD	1.9%	VALUE LINE

TIMELINESS – Suspended 2/19/16
SAFETY 2 Raised 6/24/11
TECHNICAL – Suspended 2/19/16
BETA .70 (1.00 = Market)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
High:	10.1	13.7	19.5	20.0	17.6	21.3	27.3	26.6	35.6	42.0	44.0	47.5
Low:	8.7	8.2	12.6	10.8	10.8	8.2	20.6	22.1	25.5	31.2	30.3	36.5

Target Price Range
2019 | 2020 | 2021



2019-21 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+40%)	11%
Low	50	(+10%)	5%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	1	0	1	0	0
Options	0	0	8	0	0	8	6	1	8
to Sell	0	0	0	0	0	0	3	1	0

Institutional Decisions

	4Q2015	1Q2016	2Q2016
to Buy	203	145	129
to Sell	163	230	190
Hld's(000)	134973	129567	129827

% TOT. RETURN 8/16

	THIS STOCK	VL ARITH.* INDEX
1 yr.	41.0	10.9
3 yr.	61.2	29.8
5 yr.	96.8	84.5

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
--	--	--	--	1.37	2.06	1.76	3.31	4.15	4.13	4.58	4.92	5.30	5.98	6.59	6.84	*7.80*	*8.85*	Revenues per sh	*11.75*
--	--	--	--	.35	.68	.58	1.10	1.37	1.44	1.53	1.73	1.88	2.24	2.40	2.54	*2.95*	*3.35*	"Cash Flow" per sh	*4.50*
--	--	--	--	.03	.35	.31	.56	.73	.86	.95	1.10	1.20	1.47	1.54	1.56	*1.85*	*2.15*	Earnings per sh A	*2.75*
--	--	--	--	--	.18	.36	.38	.40	.42	.44	.46	.49	.54	.61	.70	*.81*	*.93*	Div'd Decl'd per sh B ■ †	*1.30*
--	--	--	--	.83	1.19	1.32	2.23	2.70	2.69	2.55	3.62	5.12	5.22	4.73	4.48	*6.50*	*6.70*	Cap'l Spending per sh	*6.75*
--	--	--	--	2.14	2.64	4.18	4.37	6.24	6.73	7.34	8.18	9.03	10.25	10.76	11.19	*12.25*	*13.55*	Book Value per sh C	*18.00*
--	--	--	--	92.04	99.69	127.19	128.75	148.96	150.25	152.15	153.97	156.75	157.50	155.14	152.70	*154.00*	*155.00*	Common Shs Outst'g D	*158.00*
--	--	--	--	--	26.3	33.0	27.6	23.2	17.1	20.0	21.4	20.7	20.4	23.8	22.8	*Bold figures are*		Avg Ann'l P/E Ratio	*20.5*
--	--	--	--	--	1.40	1.78	1.47	1.40	1.14	1.27	1.34	1.32	1.15	1.25	1.15	*Value Line*		Relative P/E Ratio	*1.30*
--	--	--	--	--	1.9%	3.5%	2.4%	2.3%	2.8%	2.3%	1.9%	2.0%	1.8%	1.7%	2.0%	*estimates*		Avg Ann'l Div'd Yield	*2.3%*
						223.6	426.2	617.9	621.0	696.8	757.4	830.5	941.3	1023.0	1044.8	*1200*	*1370*	Revenues ($mill)	*1875*
						33.2	73.3	109.2	130.9	145.7	171.7	187.9	233.5	244.1	242.4	*290*	*335*	Net Profit ($mill)	*460*
						29.2%	33.3%	38.1%	37.2%	36.1%	35.6%	36.6%	33.7%	38.1%	36.9%	*38.0%*	*38.0%*	Income Tax Rate	*38.0%*
						15.0%	14.7%	13.8%	13.1%	11.9%	12.5%	16.0%	16.3%	10.6%	14.4%	*14.0%*	*12.0%*	AFUDC % to Net Profit	*9.0%*
						70.3%	72.4%	70.8%	70.6%	69.1%	67.8%	63.8%	67.9%	70.2%	70.4%	*69.5%*	*67.0%*	Long-Term Debt Ratio	*64.5%*
						29.7%	27.6%	29.2%	29.4%	30.9%	32.2%	36.2%	32.1%	29.8%	29.6%	*30.5%*	*33.0%*	Common Equity Ratio	*35.5%*
						1794.5	2041.5	3177.3	3445.9	3614.3	3903.9	3910.2	5025.8	5598.1	5770.0	*6200*	*6395*	Total Capital ($mill)	*8050*
						1197.9	1960.4	2304.4	2542.1	2872.3	3415.8	4134.6	4846.5	5496.9	6109.6	*6945*	*7805*	Net Plant ($mill)	*10175*
						3.0%	5.7%	5.4%	5.7%	6.1%	6.3%	6.7%	6.2%	6.0%	5.9%	*6.0%*	*7.0%*	Return on Total Cap'l	*7.0%*
						6.2%	13.0%	11.8%	12.9%	13.0%	13.6%	13.3%	14.5%	14.6%	14.2%	*15.5%*	*16.0%*	Return on Shr. Equity	*16.0%*
						6.2%	13.0%	11.8%	12.9%	13.0%	13.6%	13.3%	14.5%	14.6%	14.2%	*15.5%*	*16.0%*	Return on Com Equity E	*16.0%*
						NMF	4.5%	5.4%	6.8%	7.1%	8.0%	8.0%	9.3%	8.9%	7.8%	*9.0%*	*9.0%*	Retained to Com Eq	*9.0%*
						115%	66%	54%	48%	45%	41%	40%	36%	39%	45%	*43%*	*43%*	All Div'ds to Net Prof	*45%*

CAPITAL STRUCTURE as of 6/30/16
Total Debt $4598.1 mill. **Due in 5 Yrs** $1725.2 mill.
LT Debt $4146.9 mill. **LT Interest** $185.0 mill.
(LT interest earned: 2.6x)

Pension Assets-12/15 $58.1 mill. **Oblig** $97.2 mill.

Pfd Stock None

Common Stock 153,372,055 shs. **as of 7/22/16**

MARKET CAP: $7.1 billion (Large Cap)

CURRENT POSITION ($MILL.)	2014	2015	6/30/16
Cash Assets	27.7	13.8	6.1
Receivables	101.0	104.3	147.9
Inventory (FIFO)	30.9	25.8	27.8
Other	27.2	25.3	179.3
Current Assets	186.8	169.2	361.1
Accts Payable	108.0	124.3	146.9
Debt Due	175.0	395.3	451.2
Other	180.0	199.6	186.8
Current Liab.	463.0	719.2	785.0
Fix Chg. Cov.	309%	266%	262%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '13-'15 to '19-'21
Revenues	14.0%	8.5%	10.5%
"Cash Flow"	16.5%	10.5%	11.0%
Earnings	23.0%	12.5%	10.5%
Dividends	21.5%	8.0%	13.0%
Book Value	16.0%	9.5%	9.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	217.3	229.8	238.8	255.4	941.3
2014	258.6	263.2	270.1	231.1	1023.0
2015	272.5	275.1	273.2	224.0	1044.8
2016	280.1	298.0	*306.9*	*315*	*1200*
2017	*335*	*340*	*345*	*350*	*1370*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	.32	.30	.37	.48	1.47
2014	.43	.34	.47	.30	1.54
2015	.43	.46	.42	.24	1.56
2016	.42	.46	*.48*	*.49*	*1.85*
2017	*.50*	*.55*	*.55*	*.55*	*2.15*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.1175	.1175	.126	.126	.49
2013	.126	.126	.1425	.1425	.54
2014	.1425	.1425	.1625	.1625	.61
2015	.1625	.1625	.1875	.1875	.70
2016	.1875	.1875	.2155		

BUSINESS: ITC Holdings Corp. engages in the transmission of electricity in the United States. The company operates primarily as a conduit, moving power from generators to local distribution systems either through its own system or in conjunction with neighboring transmission systems. Acquired Michigan Electric Transmission Company 10/06; Interstate Power & Light's transmission assets 12/07. Has assets in Michigan, Iowa, Minnesota, Illinois, Missouri, and Kansas. Operations are regulated by the Federal Energy Regulatory Commission (FERC). '15 reported depreciation rate: 2.1%. Has about 600 employees. Chairman, President & CEO: Joseph L. Welch. Inc.: Michigan. Address: 27175 Energy Way, Novi, Michigan 48377. Tel.: 248-946-3000. Internet: www.itctransco.com.

The acquisition of ITC Holdings is progressing. Fortis, a Canadian company with utilities in the U.S., would pay US$22.57 in cash plus .752 of a Fortis share for each ITC share. The Fortis shares trade on a Canadian exchange, so the value of the deal will fluctuate based not only on the price of Fortis stock, but on the exchange rate between the U.S. and Canadian dollars. The transaction is now valued at almost $47.00 a share. Each company's stockholders have approved the combination, as have the regulators in Oklahoma and Illinois. The Federal Energy Regulatory Commission (FERC) and the commissions in three other states must still rule on the deal. The companies expect it to be completed by yearend.

We advise ITC holders to sell their shares on the open market. The recent price is just 2% below the value of the buyout, so there isn't much upside potential for ITC holders. There is downside risk if the deal fails to win regulatory approval, however. The Timeliness rank of ITC stock is suspended due to the pending acquisition.

ITC is taking charges associated with the Fortis deal and for the possible refund of previously collected revenues. Merger-related costs reduced earnings by $0.14 a share in the first half of 2016. More significantly, over the past several quarters, the company has been taking reserves for the probable refund of previously collected revenues. This lowered profits by $0.11 a share in the first two quarters of 2016. Transmission users have filed two complaints with FERC against transmission owners in the Midwest, contending that allowed returns on equity are too high and should be reduced. An administrative law judge has recommended cuts in the allowed ROEs, but FERC has yet to rule on either complaint. Each percentage point reduction in ITC's allowed ROE would reduce the company's earning power by $30 million after taxes.

The board of directors has raised the dividend. The increase was $0.11 a share (14.9%) annually. However, unlike most utilities, ITC's dividend yield is still below the market median. Of course, ITC is not like other utilities, being the sole publicly traded transmission-only company.

Paul E. Debbas, CFA *September 16, 2016*

(A) Diluted earnings. '15 earnings don't add to full-year total due to rounding. Next earnings report due late Oct. (B) Dividends historically paid in early March, June, Sept., and Dec. ■ Dividend reinvestment plan available. † Shareholder investment plan available. (C) Incl. intangibles. In '15: $1.26 billion, $8.24/sh. (D) In millions, adjusted for stock split. (E) Rates allowed on common equity: 12.16%-13.88%. Earned on avg. com. eq., '15: 14.2%. Regulatory Climate: Above Average.

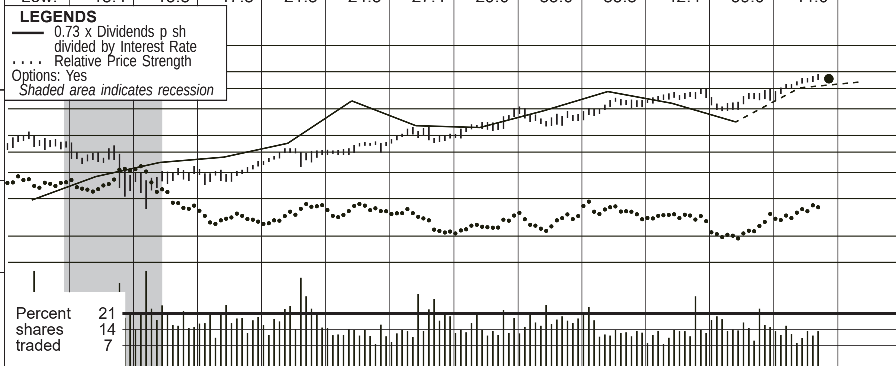
Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	90
Earnings Predictability	90

PORTLAND GENERAL NYSE-POR

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
55.67	22.9	(Trailing: 24.9 Median: 16.0)	1.36	2.9%	VALUE LINE

TIMELINESS 3 Lowered 10/11/19
SAFETY 2 Raised 5/4/12
TECHNICAL 2 Raised 10/18/19
BETA .60 (1.00 = Market)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
High:	27.7	21.4	22.7	26.0	28.1	33.3	40.3	41.0	45.2	50.1	50.4	58.4
Low:	15.4	13.5	17.5	21.3	24.3	27.4	29.0	33.0	35.3	42.4	39.0	44.0



Target Price Range
2022 | 2023 | 2024
80 60 50 40 30 25 20 15 10 7.5

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$44-$62	$53 (-5%)

2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+10%)	5%
Low	45	(-20%)	-2%

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	168	164	142
to Sell	130	156	170
Hld's(000)	84868	84364	84749

% TOT. RETURN 9/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	27.2	-5.2
3 yr.	44.9	24.7
5 yr.	104.6	40.8

2003	2004	2005[F]	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
--	--	23.14	24.32	27.87	27.89	23.99	23.67	24.06	23.89	23.18	24.29	21.38	21.62	22.54	22.30	***23.75***	***24.00***	**Revenues per sh**	***27.25***
--	--	4.75	4.64	5.21	4.71	4.07	4.82	4.96	5.15	4.93	6.08	5.37	5.78	6.16	6.65	***7.00***	***7.45***	**"Cash Flow" per sh**	***8.75***
--	--	1.02	1.14	2.33	1.39	1.31	1.66	1.95	1.87	1.77	2.18	2.04	2.16	2.29	2.37	***2.40***	***2.55***	**Earnings per sh A**	***3.00***
--	--	--	.68	.93	.97	1.01	1.04	1.06	1.08	1.10	1.12	1.18	1.26	1.34	1.43	***1.52***	***1.62***	**Div'd Decl'd per sh B ■ †**	***1.95***
--	--	4.08	5.94	7.28	6.12	9.25	5.97	3.98	4.01	8.40	12.87	6.73	6.57	5.77	6.67	***7.10***	***8.30***	**Cap'l Spending per sh**	***5.75***
--	--	19.15	19.58	21.05	21.64	20.50	21.14	22.07	22.87	23.30	24.43	25.43	26.35	27.11	28.07	***28.90***	***29.80***	**Book Value per sh C**	***32.50***
--	--	62.50	62.50	62.53	62.58	75.21	75.32	75.36	75.56	78.09	78.23	88.79	88.95	89.11	89.27	***89.40***	***89.55***	**Common Shs Outst'g D**	***90.00***
--	--	--	23.4	11.9	16.3	14.4	12.0	12.4	14.0	16.9	15.3	17.7	19.1	20.0	18.4	*Bold figures are*		**Avg Ann'l P/E Ratio**	***17.0***
--	--	--	1.26	.63	.98	.96	.76	.78	.89	.95	.81	.89	1.00	1.01	.99	*Value Line*		**Relative P/E Ratio**	***.95***
--	--	--	2.5%	3.3%	4.3%	5.4%	5.2%	4.4%	4.1%	3.7%	3.3%	3.3%	3.1%	2.9%	3.3%	*estimates*		**Avg Ann'l Div'd Yield**	***3.8%***

CAPITAL STRUCTURE as of 6/30/19
Total Debt $2394 mill. **Due in 5 Yrs** $177 mill.
LT Debt $2377 mill. **LT Interest** $119 mill.
Incl. $47 mill. capitalized leases.
(LT interest earned: 2.7x)
Leases, Uncapitalized Annual rentals $15 mill.
Pension Assets-12/18 $546 mill.
Oblig $811 mill.
Pfd Stock None

Common Stock 89,371,751 shs.
as of 7/26/19

MARKET CAP: $5.0 billion (Large Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
1804.0	1783.0	1813.0	1805.0	1810.0	1900.0	1898.0	1923.0	2009.0	1991.0	***2125***	***2150***	**Revenues ($mill)**	***2450***
95.0	125.0	147.0	141.0	137.0	175.0	172.0	193.0	204.0	212.0	***215***	***230***	**Net Profit ($mill)**	***265***
28.8%	30.5%	28.3%	31.4%	23.2%	26.0%	20.7%	20.6%	25.3%	7.4%	***13.0%***	***13.0%***	**Income Tax Rate**	***13.0%***
31.6%	17.6%	5.4%	7.1%	14.6%	33.7%	19.8%	16.6%	8.8%	8.0%	***7.0%***	***9.0%***	**AFUDC % to Net Profit**	***6.0%***
50.3%	53.0%	49.6%	47.1%	51.3%	52.7%	47.8%	48.4%	50.1%	46.5%	***50.0%***	***48.0%***	**Long-Term Debt Ratio**	***49.5%***
49.7%	47.0%	50.4%	52.9%	48.7%	47.3%	52.2%	51.6%	49.9%	53.5%	***50.0%***	***52.0%***	**Common Equity Ratio**	***50.5%***
3100.0	3390.0	3298.0	3264.0	3735.0	4037.0	4329.0	4544.0	4842.0	4684.0	***5195***	***5115***	**Total Capital ($mill)**	***5775***
3858.0	4133.0	4285.0	4392.0	4880.0	5679.0	6012.0	6434.0	6741.0	6887.0	***7110***	***7415***	**Net Plant ($mill)**	***7550***
4.5%	5.4%	6.2%	5.9%	5.1%	5.8%	5.4%	5.6%	5.5%	5.8%	***5.5%***	***5.5%***	**Return on Total Cap'l**	***6.0%***
6.2%	7.9%	8.8%	8.2%	7.5%	9.2%	7.6%	8.2%	8.4%	8.5%	***8.5%***	***8.5%***	**Return on Shr. Equity**	***9.0%***
6.2%	7.9%	8.8%	8.2%	7.5%	9.2%	7.6%	8.2%	8.4%	8.5%	***8.5%***	***8.5%***	**Return on Com Equity E**	***9.0%***
1.5%	3.0%	4.1%	3.5%	2.9%	4.6%	3.3%	3.5%	3.6%	3.5%	***3.0%***	***3.0%***	**Retained to Com Eq**	***3.0%***
76%	62%	54%	57%	61%	50%	56%	57%	58%	59%	***63%***	***63%***	**All Div'ds to Net Prof**	***66%***

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	-2.1	+3.9	-2.5
Avg. Indust. Use (MWH)	16146	16041	16207
Avg. Indust. Revs. per KWH (¢)	4.99	4.94	4.79
Capacity at Peak (Mw)	4730	4743	4859
Peak Load, Summer (Mw)	3726	3976	3816
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.2	+1.3	+1.1
Fixed Charge Cov. (%)	271	298	266

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-2.0%	-1.5%	*3.5%*
"Cash Flow"	2.5%	4.5%	*6.0%*
Earnings	3.5%	4.0%	*4.5%*
Dividends	4.5%	4.5%	*6.5%*
Book Value	2.5%	3.5%	*3.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	487	428	484	524	1923
2017	530	449	515	515	2009
2018	493	449	525	524	1991
2019	573	460	***547***	***545***	***2125***
2020	***550***	***475***	***560***	***565***	***2150***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.68	.42	.38	.68	2.16
2017	.82	.36	.44	.67	2.29
2018	.72	.51	.59	.55	2.37
2019	.82	.28	***.60***	***.70***	***2.40***
2020	***.85***	***.45***	***.52***	***.73***	***2.55***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.28	.28	.30	.30	1.16
2016	.30	.30	.32	.32	1.24
2017	.32	.32	.34	.34	1.32
2018	.34	.34	.3625	.3625	1.41
2019	.3625	.3625	.385	.385	

BUSINESS: Portland General Electric Company (PGE) provides electricity to 888,000 customers in 52 cities in a 4,000-square-mile area of Oregon, including Portland and Salem. The company is in the process of decommissioning the Trojan nuclear plant, which it closed in 1993. Electric revenue breakdown: residential, 47%; commercial, 32%; industrial, 11%; other, 10%. Generating sources: gas, 28%; coal, 15%; wind, 8%; hydro, 8%; purchased, 41%. Fuel costs: 29% of revenues. '18 reported depreciation rate: 3.6%. Has 3,000 employees. Chairman: Jack E. Davis. President and Chief Executive Officer: Maria M. Pope. Incorporated: Oregon. Address: 121 S.W. Salmon Street, Portland, Oregon 97204. Telephone: 503-464-8000. Internet: www.portlandgeneral.com.

We have trimmed our 2019 earnings estimate for Portland General Electric by $0.05 a share, to $2.40. Second-quarter profits were much lower than usual due to higher expenses and lower tax credits. However, management did not adjust its earnings target of $2.35-$2.50 a share. In the electric utility industry, the timing of expenses can shift from one year to the next, and it appears this will be the case in the last six months of 2019. So, we raised our estimate for this period by $0.10 a share, partly offsetting the fact that June-quarter profits were $0.15 a share below our estimate. Note that the company's profits are benefiting from a modest rate increase that took effect at the start of the year.

We are sticking with our 2020 profit estimate of $2.55 a share. PGE should continue benefiting from moderate customer and load growth. The utility hasn't decided whether it will file a general rate case next year, but even if this happens, new tariffs almost certainly won't be in place in time to benefit earnings until 2021.

PGE has increased its capital budget. The company plans to spend $200 million to build an integrated operations center. Management expects the new facility to improve seismic resilience, cyber and physical security, and monitoring, control, and optimization of the utility's distribution system. The project is expected to be completed in 2021. Despite the higher capital spending plans, PGE expects it will not need to issue common equity through 2023.

Another significant project is under development. The utility will pay $160 million for a one-third stake in a 300-megawatt wind facility, which is scheduled for completion by yearend 2020. It's possible that PGE will build additional renewable-energy projects, depending on the outcome of a request for proposals that will follow a commission order on the integrated resource plan the utility filed in July.

This equity does not stand out among utilities for its dividend yield. This is a cut below the industry average. Total return potential isn't appealing, either for the 18-month or the 3- to 5-year period.

Paul E. Debbas, CFA *October 25, 2019*

(A) Diluted EPS. Excl. nonrecurring losses: '13, 42¢; '17, 19¢. Next earnings report due early November. **(B)** Div'ds paid mid-Jan., Apr., July, and Oct. ■ Div'd reinvestment plan avail. † Shareholder investment plan avail. **(C)** Incl. deferred charges. In '18: $4.49/sh. **(D)** In mill. **(E)** Rate base: Net orig. cost. Rate allowed on com. eq. in '19: 9.5%; earned on avg. com. eq., '18: 8.6%. Regulatory Climate: Average. **(F)** '05 per-share data are pro forma, based on shs. outstanding when stock began trading in '06.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	75
Earnings Predictability	85

DUKE ENERGY NYSE-DUK

RECENT PRICE **93.15** | P/E RATIO **18.3** (Trailing: 19.4 Median: 18.0) | RELATIVE P/E RATIO **1.05** | DIV'D YLD **4.1%** | VALUE LINE

TIMELINESS	2 Raised 10/25/19
SAFETY	2 New 6/1/07
TECHNICAL	1 Raised 11/8/19
BETA .50 (1.00 = Market)	

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$85-$113	$99 (5%)

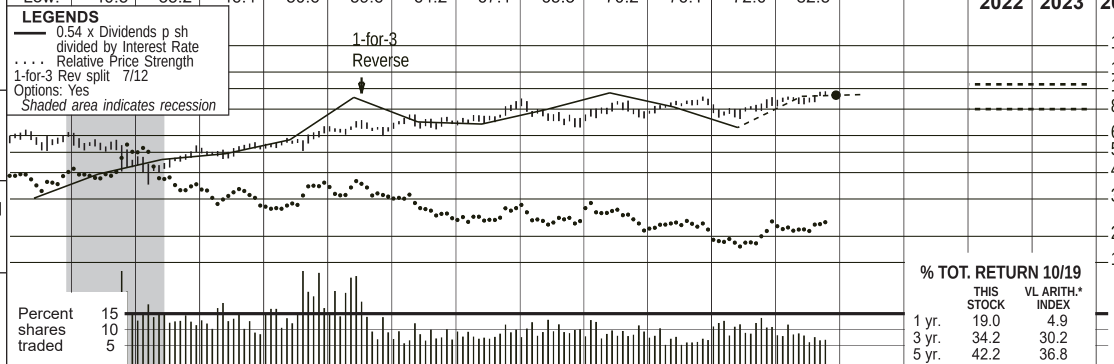
2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	105	(+15%)	7%
Low	80	(-15%)	1%

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	636	694	682
to Sell	598	572	586
Hld's(000)	442549	438644	7059915

High:	61.8	53.8	55.8	66.4	71.1	75.5	87.3	90.0	87.8	91.8	91.4	97.4
Low:	40.5	35.2	46.4	50.6	59.6	64.2	67.1	65.5	70.2	76.1	72.0	82.5



% TOT. RETURN 10/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	19.0	4.9
3 yr.	34.2	30.2
5 yr.	42.2	36.8

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
--	--	--	25.32	30.24	31.15	29.18	32.22	32.63	27.88	34.84	33.84	34.10	32.49	33.66	33.73	**34.40**	**34.35**	Revenues per sh	**36.50**
--	--	--	7.86	8.11	7.34	7.58	8.49	8.68	6.80	8.56	9.11	9.40	9.20	10.01	10.49	**11.80**	**12.05**	"Cash Flow" per sh	**13.50**
--	--	--	2.76	3.60	3.03	3.39	4.02	4.14	3.71	3.98	4.13	4.10	3.71	4.22	4.13	**5.05**	**5.20**	Earnings per sh A	**5.75**
--	--	--	--	2.58	2.70	2.82	2.91	2.97	3.03	3.09	3.15	3.24	3.36	3.49	3.64	**3.75**	**3.82**	Div'd Decl'd per sh B ■	**4.05**
--	--	--	8.07	7.43	10.35	9.85	10.84	9.80	7.81	7.83	7.62	9.83	11.29	11.50	12.91	**15.15**	**14.00**	Cap'l Spending per sh	**12.50**
--	--	--	62.30	50.40	49.51	49.85	50.84	51.14	58.04	58.54	57.81	57.74	58.62	59.63	60.27	**61.75**	**64.10**	Book Value per sh C	**69.50**
--	--	--	418.96	420.62	423.96	436.29	442.96	445.29	704.00	706.00	707.00	688.00	700.00	700.00	727.00	**733.00**	**754.00**	Common Shs Outst'g D	**770.00**
--	--	--	--	16.1	17.3	13.3	12.7	13.8	17.5	17.4	17.9	18.2	21.3	19.9	19.4	*Bold figures are*		Avg Ann'l P/E Ratio	**16.0**
--	--	--	--	.85	1.04	.89	.81	.87	1.11	.98	.94	.92	1.12	1.00	1.05	*Value Line*		Relative P/E Ratio	**.90**
--	--	--	--	4.4%	5.2%	6.2%	5.7%	5.2%	4.7%	4.4%	4.3%	4.3%	4.3%	4.2%	4.5%	*estimates*		Avg Ann'l Div'd Yield	**4.4%**

CAPITAL STRUCTURE as of 6/30/19
Total Debt $60833 mill. **Due in 5 Yrs** $22487 mill.
LT Debt $54342 mill. **LT Interest** $1984 mill.
Incl. $941 mill. capitalized leases.
(LT interest earned: 2.6x)
Leases, Uncapitalized Annual rentals $239 mill.
Pension Assets-12/18 $8233 mill. **Oblig** $7869 mill.
Pfd Stock $973 mill. **Pfd Div'd** $58 mill.
40 mill. shs. 5.75%, cum., $25 liq. value, redeemable at $25.50 prior to 6/15/24.
Common Stock 728,601,060 shs.
as of 7/31/19
MARKET CAP: $68 billion (Large Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
12731	14272	14529	19624	24598	23925	23459	22743	23565	24521	**25200**	**25900**	Revenues ($mill)	**28200**
1461.0	1765.0	1839.0	2136.0	2813.0	2934.0	2854.0	2560.0	2963.0	2928.0	**3735**	**3945**	Net Profit ($mill)	**4510**
34.4%	32.6%	31.3%	30.2%	32.6%	30.6%	32.2%	31.0%	30.4%	14.2%	**12.5%**	**12.0%**	Income Tax Rate	**12.0%**
17.5%	22.7%	23.2%	22.3%	8.8%	7.2%	9.2%	11.7%	12.3%	13.0%	**9.0%**	**8.0%**	AFUDC % to Net Profit	**8.0%**
42.6%	44.3%	45.1%	47.0%	48.0%	47.7%	48.6%	52.6%	54.0%	53.8%	**54.5%**	**54.5%**	Long-Term Debt Ratio	**55.0%**
57.4%	55.7%	54.9%	52.9%	52.0%	52.3%	51.4%	47.4%	46.0%	46.2%	**44.5%**	**45.0%**	Common Equity Ratio	**44.5%**
37863	40457	41451	77307	79482	78088	77222	86609	90774	94940	**101375**	**107825**	Total Capital ($mill)	**120500**
37950	40344	42661	68558	69490	70046	75709	82520	86391	91694	**97825**	**103150**	Net Plant ($mill)	**114300**
4.9%	5.5%	5.6%	3.6%	4.6%	4.8%	4.8%	4.0%	4.3%	4.2%	**5.0%**	**5.0%**	Return on Total Cap'l	**5.0%**
6.7%	7.8%	8.1%	5.2%	6.8%	7.2%	7.2%	6.2%	7.1%	6.7%	**8.0%**	**8.0%**	Return on Shr. Equity	**8.5%**
6.7%	7.8%	8.1%	5.2%	6.8%	7.2%	7.2%	6.2%	7.1%	6.7%	**8.0%**	**8.0%**	Return on Com Equity E	**8.5%**
1.1%	2.1%	2.2%	.9%	1.5%	1.7%	1.5%	.6%	1.2%	1.0%	**2.0%**	**2.0%**	Retained to Com Eq	**2.5%**
84%	73%	72%	82%	78%	76%	79%	91%	83%	84%	**74%**	**73%**	All Div'ds to Net Prof	**70%**

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	-.3	-2.0	+3.9
Avg. Indust. Use (MWH)	2908	2914	2953
Avg. Indust. Revs. per KWH (¢)	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.)	+1.4	+1.3	+1.4
Fixed Charge Cov. (%)	264	272	218

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	1.5%	1.0%	1.5%
"Cash Flow"	2.5%	4.5%	5.5%
Earnings	2.5%	.5%	6.0%
Dividends	7.0%	3.0%	2.5%
Book Value	1.0%	1.5%	2.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	5377	5213	6576	5577	22743
2017	5729	5555	6482	5799	23565
2018	6135	5643	6628	6115	24521
2019	6163	5873	6940	**6224**	**25200**
2020	**6350**	**6000**	**7200**	**6350**	**25900**

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.83	.90	1.44	.54	3.71
2017	1.02	.98	1.36	.86	4.22
2018	1.17	.71	1.63	.61	4.13
2019	1.24	1.12	1.82	**.87**	**5.05**
2020	**1.30**	**1.10**	**1.85**	**.95**	**5.20**

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.795	.795	.825	.825	3.24
2016	.825	.825	.855	.855	3.36
2017	.855	.855	.89	.89	3.49
2018	.89	.89	.9275	.9275	3.64
2019	.9275	.9275	.945		

BUSINESS: Duke Energy Corporation is a holding company for utilities with 7.6 mill. elec. customers in NC, FL, IN, SC, OH, & KY, and 1.6 mill. gas customers in OH, KY, NC, SC, and TN. Owns independent power plants & has 25% stake in National Methanol in Saudi Arabia. Acq'd Progress Energy 7/12; Piedmont Natural Gas 10/16; discontinued most int'l ops. in '16. Elec. rev. breakdown: residential, 44%; commercial, 28%; industrial, 14%; other, 14%. Generating sources: gas, 26%; nuclear, 26%; coal, 24%; other, 2%; purchased, 22%. Fuel costs: 31% of revs. '18 reported deprec. rate: 3.0%. Has 30,100 employees. Chairman, President & CEO: Lynn J. Good. Inc.: DE. Address: 550 South Tryon St., Charlotte, NC 28202-1803. Tel.: 704-382-3853. Internet: www.duke-energy.com.

Duke Energy's electric utility subsidiaries in North Carolina have filed general rate cases. Duke Energy Carolinas requested an increase of $291 million (6.0%), and Duke Energy Progress filed for a hike of $464 million (12.3%). Each case is based on a 10.3% return on a 53% common-equity ratio. New rates are likely to take effect in the third quarter of 2020.

Electric rate cases are pending in Indiana and Kentucky, too. In Indiana, the utility filed for $395 million (15%), based on a 10.4% return on a 53% common-equity ratio. Duke sought $345 million in mid-2020 and $50 million in 2021. In Kentucky, the company requested $83 million (9.0%), based on a 10.6% return on a 52% common-equity ratio.

The North Carolina commission approved Piedmont Gas' settlement of its rate case. The utility had filed for an increase of $83 million (9.0%), based on a 10.6% return on a 52% common-equity ratio. The settlement boosted rates by $28 million (3.1%), based on a 9.7% return on a 52% common-equity ratio. New tariffs took effect on November 1st.

Rate relief is a key reason for the profit growth we expect in 2019 and 2020. In addition, in 2019 the comparisons are easy in the June and December quarters. Our 2019 EPS estimate is within the company's guidance of $4.95-$5.15 a share.

Duke completed the sale of a minority interest in its commercial renewable-energy portfolio. The sale proceeds were $415 million (before taxes). This will be used to retire debt.

Not everything is going well. Duke's utilities in South Carolina received disappointing rate orders, so the company appealed the decision to the state Supreme Court. Construction of a 47%-owned, $7.3 billion-$7.8 billion gas pipeline is on hold due to legal challenges. Even if a verdict from the U.S. Supreme Court is favorable, the in-service date won't occur until 2022. And due to the delays and cost overruns, Duke plans to add $2.5 billion of equity by year-end 2020. Finally, coal-ash pond closure costs remain controversial.

The dividend yield of this timely stock is above the utility average. But total return potential isn't appealing, either for the 18-month or the 2022-2024 period.

Paul E. Debbas, CFA *November 15, 2019*

(A) Diluted EPS. Excl. nonrec. losses: '12, 70¢; '13, 24¢; '14, 67¢; '17, 15¢; '18, 41¢; losses on disc. ops.: '14, 80¢; '16, 60¢; '18 EPS don't sum due to rounding. Next earnings report due mid-Feb. (B) Div'ds paid mid-Mar., June, Sept., & Dec. ■ Div'd reinv. plan avail. (C) Incl. intang. In '18: $60.27/sh. (D) In mill., adj. for rev. split. (E) Rate base: Net orig. cost. Rates all'd on com. eq. in '18 in NC: 9.9%; in '17 in SC: 10.1%; in '09 in OH: 10.63%; in '04 in IN: 10.3%; earned on avg. com. eq., '18: 6.8%. Reg. Clim.: NC Avg.; SC, OH, IN Above Avg.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	40
Earnings Predictability	90

NORTHWESTERN NYSE-NWE

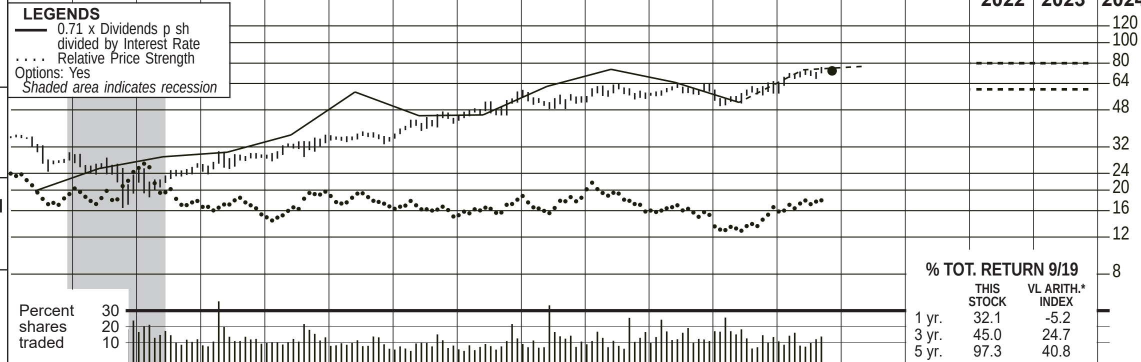
RECENT PRICE	73.34	P/E RATIO	21.2 (Trailing: 20.7 / Median: 16.0)	RELATIVE P/E RATIO	1.25	DIV'D YLD	3.2%	VALUE LINE

TIMELINESS 3 Lowered 9/6/19
SAFETY 2 Raised 7/27/18
TECHNICAL 2 Raised 10/25/19
BETA .60 (1.00 = Market)

High:	29.7	26.8	30.6	36.6	38.0	47.2	58.7	59.7	63.8	64.5	65.7	76.7
Low:	16.5	18.5	23.8	27.4	33.0	35.1	42.6	48.4	52.2	55.7	50.0	57.3

Target Price Range
2022 | 2023 | 2024

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



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$56-$78	$67 (-10%)

2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+10%)	6%
Low	60	(-20%)	-1%

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	118	140	131
to Sell	143	126	145
Hld's(000)	48945	48402	48906

Percent shares traded 30 20 10

% TOT. RETURN 9/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	32.1	-5.2
3 yr.	45.0	24.7
5 yr.	97.3	40.8

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
- -	29.18	32.57	31.49	30.79	35.09	31.72	30.66	30.80	28.76	29.80	25.68	25.21	26.01	26.45	23.81	*25.25*	*25.65*	Revenues per sh	*28.50*
- -	3.20	4.00	3.62	3.70	4.40	4.62	4.76	5.42	5.18	5.45	5.39	5.92	6.74	6.76	6.96	*7.20*	*7.30*	"Cash Flow" per sh	*8.25*
- -	d14.32	1.71	1.31	1.44	1.77	2.02	2.14	2.53	2.26	2.46	2.99	2.90	3.39	3.34	3.40	*3.65*	*3.60*	Earnings per sh A	*4.00*
- -	- -	1.00	1.24	1.28	1.32	1.34	1.36	1.44	1.48	1.52	1.60	1.92	2.00	2.10	2.20	*2.30*	*2.40*	Div'd Decl'd per sh B ■ †	*2.70*
- -	2.25	2.26	2.81	3.00	3.47	5.26	6.30	5.20	5.89	5.95	5.76	5.89	5.96	5.60	5.64	*6.65*	*6.55*	Cap'l Spending per sh	*6.00*
- -	19.92	20.60	20.65	21.12	21.25	21.86	22.64	23.68	25.09	26.60	31.50	33.22	34.68	36.44	38.60	*40.30*	*41.40*	Book Value per sh C	*45.00*
- -	35.60	35.79	35.97	38.97	35.93	36.00	36.23	36.28	37.22	38.75	46.91	48.17	48.33	49.37	50.32	*50.50*	*50.65*	Common Shs Outst'g D	*51.10*
- -	- -	17.1	26.0	21.7	13.9	11.5	12.9	12.6	15.7	16.9	16.2	18.4	17.2	17.8	16.8	*Bold figures are*		Avg Ann'l P/E Ratio	*18.0*
- -	- -	.91	1.40	1.15	.84	.77	.82	.79	1.00	.95	.85	.93	.90	.90	.91	*Value Line*		Relative P/E Ratio	*1.00*
- -	- -	3.4%	3.6%	4.1%	5.4%	5.7%	4.9%	4.5%	4.2%	3.7%	3.3%	3.6%	3.4%	3.5%	3.9%	*estimates*		Avg Ann'l Div'd Yield	*3.8%*

CAPITAL STRUCTURE as of 6/30/19
Total Debt $2180.1 mill. **Due in 5 Yrs** $321.5 mill.
LT Debt $2177.7 mill. **LT Interest** $82.9 mill.
Incl. $18.7 mill. capitalized leases.
(LT interest earned: 2.9x)

Pension Assets-12/18 $525.3 mill.
Oblig $649.6 mill.
Pfd Stock None

Common Stock 50,442,932 shs.
as of 7/19/19

MARKET CAP: $3.7 billion (Mid Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
1141.9	1110.7	1117.3	1070.3	1154.5	1204.9	1214.3	1257.2	1305.7	1198.1	*1275*	*1300*	Revenues ($mill)	*1450*
73.4	77.4	92.6	83.7	94.0	120.7	138.4	164.2	162.7	171.1	*185*	*185*	Net Profit ($mill)	*210*
17.2%	25.0%	9.8%	9.6%	13.2%	- -	13.7%	- -	7.6%	7.6%	*2.5%*	*5.0%*	Income Tax Rate	*10.0%*
4.4%	14.2%	3.3%	9.4%	8.7%	8.9%	9.8%	4.3%	5.2%	3.4%	*4.0%*	*4.0%*	AFUDC % to Net Profit	*3.0%*
56.4%	57.2%	52.2%	53.8%	53.5%	53.4%	53.1%	52.0%	50.2%	52.2%	*51.0%*	*50.0%*	Long-Term Debt Ratio	*48.0%*
43.6%	42.8%	47.8%	46.2%	46.5%	46.6%	46.9%	48.0%	49.8%	47.8%	*49.0%*	*50.0%*	Common Equity Ratio	*52.0%*
1803.9	1916.4	1797.1	2020.7	2215.7	3168.0	3408.6	3493.9	3614.5	4064.6	*4155*	*4215*	Total Capital ($mill)	*4400*
1964.1	2118.0	2213.3	2435.6	2690.1	3758.0	4059.5	4214.9	4358.3	4521.3	*4680*	*4825*	Net Plant ($mill)	*5150*
6.0%	5.9%	7.0%	5.5%	5.5%	4.8%	5.2%	5.9%	5.6%	5.2%	*5.5%*	*5.5%*	Return on Total Cap'l	*5.5%*
9.3%	9.4%	10.8%	9.0%	9.1%	8.2%	8.6%	9.8%	9.0%	8.8%	*9.0%*	*9.0%*	Return on Shr. Equity	*9.0%*
9.3%	9.4%	10.8%	9.0%	9.1%	8.2%	8.6%	9.8%	9.0%	8.8%	*9.0%*	*9.0%*	Return on Com Equity E	*9.0%*
3.2%	3.5%	4.7%	3.2%	3.5%	3.8%	3.0%	4.1%	3.4%	3.2%	*3.5%*	*3.0%*	Retained to Com Eq	*3.0%*
66%	63%	56%	65%	61%	54%	65%	58%	62%	64%	*63%*	*66%*	All Div'ds to Net Prof	*66%*

ELECTRIC OPERATING STATISTICS

	2016	2017	2018
% Change Retail Sales (KWH)	-.7	+3.8	+2.9
Avg. Indust. Use (MWH)	29784	30987	34573
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	2138	2133	2173
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.2	+1.3	+1.2
Fixed Charge Cov. (%)	253	275	275

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-2.5%	-3.0%	*2.0%*
"Cash Flow"	5.5%	5.0%	*3.0%*
Earnings	8.5%	7.0%	*3.0%*
Dividends	5.0%	7.0%	*4.5%*
Book Value	5.5%	8.0%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	332.5	293.1	301.0	330.6	1257.2
2017	367.3	283.9	309.9	344.6	1305.7
2018	341.5	261.8	279.9	314.9	1198.1
2019	384.2	270.7	*295.1*	*325*	*1275*
2020	*365*	*285*	*310*	*340*	*1300*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.82	.73	.92	.92	3.39
2017	1.17	.44	.75	.98	3.34
2018	1.18	.61	.56	1.06	3.40
2019	1.44	.49	*.72*	*1.00*	*3.65*
2020	*1.25*	*.55*	*.75*	*1.05*	*3.60*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.48	.48	.48	.48	1.92
2016	.50	.50	.50	.50	2.00
2017	.525	.525	.525	.525	2.10
2018	.55	.55	.55	.55	2.20
2019	.575	.575	.575		

BUSINESS: NorthWestern Corporation (doing business as NorthWestern Energy) supplies electricity & gas in the Upper Midwest and Northwest, serving 438,000 electric customers in Montana and South Dakota and 289,000 gas customers in Montana (85% of gross margin), South Dakota (14%), and Nebraska (1%). Electric revenue breakdown: residential, 39%; commercial, 46%; industrial, 5%; other, 10%. Generating sources: hydro, 35%; coal, 29%; wind, 6%; other, 4%; purchased, 26%. Fuel costs: 24% of revenues. '18 reported deprec. rate: 3.0%. Has 1,500 employees. Chairman: Stephen P. Adik. President & CEO: Robert C. Rowe. Inc.: Delaware. Address: 3010 West 69th Street, Sioux Falls, South Dakota 57108. Tel.: 605-978-2900. Internet: www.northwesternenergy.com.

NorthWestern is awaiting an order in its electric rate case in Montana. The utility filed for a tariff hike of $30.7 million (6.1%), based on a return of 10.65% on a common-equity ratio of 49.4%. The settlement, if approved by the state commission, will boost rates by $6.5 million (1.3%), based on a return of 9.65% on a common-equity ratio of 49.4%. Also, annual depreciation expense will be lowered by $9.3 million. Note that the settlement does not address matters of rate design, such as the subsidization of solar users by nonsolar customers. Also note that NorthWestern has been collecting an interim rate hike of $10.5 million (subject to refund) since April 1st. A decision from the Montana regulators is expected within the next few weeks.

We trimmed our 2019 share-earnings estimate by a nickel, but NorthWestern should turn in a record tally anyway. June-quarter profits fell short of our estimate due to mild weather patterns. However, weather conditions were favorable in the first period. Accordingly, March-quarter earnings were much higher than usual. Rate relief and solid customer growth are positive factors. Note that NorthWestern isn't providing earnings guidance while the aforementioned rate case is pending.

We expect a slight earnings decline in 2020. This is based on our assumption of a return to normal winter weather. We also assume that the Montana rate settlement is approved along the lines mentioned above.

The utility filed an electricity supply resource plan in Montana. NorthWestern estimates it will need dispatchable peaking capacity (150 to 250 megawatts) by 2022. The company expects to issue a request for proposals by yearend 2019. The state commission will provide comments on NorthWestern's plan. Note that the company also has a plan in South Dakota, and will make a project selection in November.

NorthWestern stock has a dividend yield that is average for a utility. However, we expect total returns over the 18-month period will be negative. For the 3- to 5-year period, projected total returns are low.

Paul E. Debbas, CFA *October 25, 2019*

(A) Diluted EPS. Excl. gain (loss) on disc. ops.: '05, (6¢); '06, 1¢; nonrec. gains: '12, 39¢ net; '15, 27¢; '18, 52¢; '19, 45¢. '18 EPS don't sum due to rounding. Next earnings report due late Oct. **(B)** Div'ds historically paid in late Mar., June, Sept. & Dec. ■ Div'd reinvestment plan avail. **(C)** Incl. def'd charges. In '18: $15.80/sh. **(D)** In mill. **(E)** Rate base: Net orig. cost. Rate allowed on com. eq. in MT in '14 (elec.): 9.8%; in '17 (gas): 9.55%; in SD in '15: none specified; in NE in '07: 10.4%; earned on avg. com. eq., '18: 9.2%. Regul. Climate: Below Average.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	75
Earnings Predictability	85