

1 **Q. Why did PSE temporarily maintain a higher level of short-term debt than it**
2 **normally would maintain during the test year?**

3 A. PSE temporarily maintain a higher level of short-term debt than it normally would
4 maintain during the test year for three reasons:

- 5 (i) PSE anticipated an equity investment from Puget Energy to
6 pay down short-term debt to a more typical level, and this
7 equity investment was not practicable until after the
8 Commission issued an order in Docket No. U-072375;
- 9 (ii) PSE borrowed against its pre-Merger credit facilities to
10 hold a higher cash position to weather the turmoil in the
11 financial markets; and
- 12 (iii) PSE planned to issue a first mortgage bond, which
13 subsequently occurred in January 2009.

14 **Q. What would PSE consider to be a reasonable projection of short-term debt**
15 **for the rate year?**

16 A. PSE would consider a reasonable projection of short-term debt for the rate year to
17 be one that that is well within the size of PSE's working capital facilities. The
18 size of PSE's working capital facilities accommodates volatility in working
19 capital needs and provides reserves for PSE to fund capital expenditures
20 temporarily until PSE can secure long-term funding. PSE considers a reasonable
21 projection of short-term debt for the rate year to be in the range of \$200 million to
22 \$350 million, or in the range of approximately 3% to approximately 5% of total
23 capitalization. Therefore, PSE requests for recovery in rates a rate of return based
24 on a capital structure that includes a 3.95% short-term debt ratio, or the mid-point

COMPANIES

S&P BOND RATING	MOODY'S BOND RATING	COMMON EQUITY RATIO (%)	% RETURN ON BOOK VALUE		REGULATION	
			COMMON	TOTAL	ALLOWED	ORDER
		ROE	DATE	ROE	DATE	
BBB-	Baa1	41	13.2	9.3	10.37	
BBB	Baa2	43	11.5	7.9	10.66	
NR	Baa1	52	9.0	7.1	10.71	01/08
BBB-	Baa2	46	9.8	9.0	10.70	10/09
A	Aa3	45	22.1	12.5	11.00	12/05
A	A1	45	8.8	7.2	10.66	
BBB	Baa2	48	9.4	8.1	11.25	
BBB-	Baa1	36	11.9	8.5	10.67	
A	Aa2	41	13.1	8.1	10.50	03/10
BBB+	A3	44	5.6	5.4	10.45	
BBB	Baa2	45	11.6	6.5	10.82	
A	NR	50	9.2	7.1	10.18	05/09
NR	NR	64	3.8	4.3	10.20	07/06
BBB+	Baa1	46	13.1	9.0	10.13	
BBB-	Baa2	57	3.8	4.9	10.59	
BBB-	Baa2	46	2.0	2.3	11.00	12/09
BB-	Baa2	50	7.5	6.7	10.38	
A	A3	47	6.6	6.5	10.80	01/07
A	A3	40	7.7	5.9	9.57	
A	A1	43	8.3	7.0	12.00	
A	A2	44	11.4	7.7	11.93	
NR	Baa2	44	10.4	7.3	8.75	02/09
BBB	Baa1	47	7.8	6.9	10.20	12/05
		46	9.5	7.2	10.59	

ELECTRIC

COMPANY	TOTAL REV \$ MILL	% REG ELEC	NET PLANT REV \$ MILL	NET PLANT PER \$	
				REV	REV
Allegheny Energy, Inc. (NYSE-AYE)	3,426.8	89	8,957.3	2.61	
American Electric Power Co. (NYSE-AEP)	13,489.0	94	34,344.0	2.55	
Central Vermont Public Serv. Corp. (NYSE-CV)	342.1	100	356.1	1.04	
Cleco Corporation (NYSE-CNL)	853.8	95	2,247.0	2.63	
DPL Inc. (NYSE-DPL)	1,388.9	100	2,892.2	1.82	
Edison International (NYSE-EIX)	12,361.0	81	21,966.0	1.78	
El Paso Electric Company (ASE-EE)	828.0	97	1,756.0	2.12	
FirstEnergy Corporation (NYSE-FE)	12,867.0	86	19,104.0	1.48	
FPL Group, Inc. (NYSE-FPL)	15,643.0	73	36,078.0	2.31	
Great Plains Energy Incorporated (NYSE-GXP)	1,965.0	100	6,651.1	3.38	
Hawaiian Electric Industries, Inc. (NYSE-HE)	2,189.0	99	2,736.8	1.25	
IDACORP, Inc. (NYSE-IDA)	1,049.8	100	2,917.0	2.78	
Maine & Maritimes Corporation (ASE-MAM)	36.3	87	69.2	1.91	
OGE Energy Corp. (NYSE-OGE)	2,869.7	61	5,911.6	2.06	
Otter Tail Corporation (NDQ-OTTR)	1,039.5	30	1,098.6	1.06	
Pinnacle West Capital Corp. (NYSE-PNW)	3,297.1	96	9,257.8	2.81	
PNM Resources, Inc. (NYSE-PNM)	1,647.7	100	3,352.4	2.02	
Portland General Electric (NYSE-POR)	1,804.0	98	3,858.0	2.14	
PPL Corporation (NYSE-PPL)	7,556.0	52	13,174.0	1.74	
Progress Energy Inc. (NYSE-PGN)	9,885.0	97	19,738.0	2.00	
Southern Company (NYSE-SO)	15,743.0	99	39,230.0	2.49	
UIL Holdings Corporation (NYSE-UIL)	896.6	100	1,153.0	1.29	
Westar Energy, Inc. (NYSE-WR)	1,858.2	74	5,771.7	3.11	
AVERAGE					

TABLE X

CAPITAL STRUCTURE DATA

SNL

Company	As of: 12/31/2009				As of: 12/31/2008				Rank	RANKING OF COMMON EQUITY RATIO			
	LTD (%)	STD (%)	Prfd* (%)	Com Equity (%)	LTD (%)	STD (%)	Prfd* (%)	Com Equity (%)		As of : 12/31/2009 (%)	5 Year Avg: 2005-2009 (%)		(%)
Alleg Energy	57.5	2.0	0.2	40.3	58.4	1.4	0.1	40.1	1	Constellation	62.7	Allete	60.1
Allete	42.4	0.4	0.6	56.6	40.8	1.1	0.7	57.4	2	Allete	56.6	Duke Energy	56.8
Alliant	42.1	5.1	4.3	48.5	34.7	4.4	4.9	56.0	3	Duke Energy	55.9	Alliant	53.7
Ameren Corp	48.9	1.4	1.3	48.4	42.9	10.2	1.4	45.5	4	CH Energy	51.1	CH Energy	53.5
American El Power	51.4	6.2	0.2	42.2	54.2	8.7	0.3	36.8	5	Integrys Energy	50.7	Sempra Energy	53.3
Avista	47.3	5.6	1.5	45.7	41.4	12.1	0.0	44.7	6	Sempra Energy	50.1	Cleco Corp	50.7
CenterPoint	71.7	7.5	0.0	20.8	80.2	3.8	0.0	15.9	7	Exelon	49.9	Pinnacle West	49.4
CH Energy	44.4	2.3	2.1	51.1	40.8	5.5	2.2	51.6	8	PS Ent Group	49.9	Integrys Energy	48.8
Cleco Corp	53.9	0.5	0.0	45.5	49.6	2.9	0.0	47.5	9	Hawaiian Elec	48.9	Ameren Corp	48.6
CMS Energy	62.4	7.5	3.4	26.6	65.1	5.4	3.5	25.9	10	Con Edison	48.7	OGE Energy	48.5
Con Edison	46.8	3.5	1.0	48.7	46.2	4.2	1.1	48.5	11	IDACORP	48.6	IDACORP	48.2
Constellation	34.7	0.7	1.9	62.7	42.7	28.9	1.8	26.7	12	Alliant	48.5	Con Edison	47.8
Domin Resources	52.7	8.3	0.9	38.1	53.9	8.9	0.9	36.3	13	Ameren Corp	48.4	Great Plains	47.5
DPL Inc	50.0	4.1	0.9	45.0	53.5	6.8	0.9	38.8	14	Pinnacle West	46.4	Constellation	47.0
DTE Energy	50.2	6.8	0.3	42.8	52.0	7.4	0.3	40.3	15	Avista	45.7	UIL Holdings	45.3
Duke Energy	41.4	2.3	0.3	55.9	37.2	3.3	0.5	59.0	16	PNM Resources	45.6	Westar Energy	45.2
Edison Int'l	47.6	2.1	5.3	44.9	45.7	9.7	5.0	39.7	17	Cleco Corp	45.5	Exelon	44.1
Entergy	52.8	4.6	1.5	41.1	56.0	3.7	1.5	38.8	18	DPL Inc	45.0	Avista	44.0
Exelon	45.0	4.8	0.3	49.9	51.9	2.3	0.4	45.5	19	Edison Int'l	44.9	Progress Energy	43.6
FirstEnergy	50.7	12.8	0.0	36.5	40.8	21.9	0.1	37.2	20	Xcel Energy	44.7	Xcel Energy	43.5
FPL Group	51.2	8.1	0.0	40.7	48.1	11.3	0.0	40.6	21	PG&E Corp	44.2	PG&E Corp	43.0
Great Plains	49.6	6.8	0.6	43.0	44.1	11.3	0.7	43.9	22	OGE Energy	44.2	FPL Group	42.9
Hawaiian Elec	48.5	1.4	1.2	48.9	44.3	9.4	1.1	45.2	23	UIL Holdings	44.0	Entergy	42.2
IDACORP	49.0	2.2	0.1	48.6	43.4	8.7	0.2	47.7	24	Westar Energy	43.8	SCANA Corp	41.9
Integrys Energy	42.4	6.0	0.9	50.7	33.6	20.0	0.8	45.6	25	Great Plains	43.0	NiSource	41.9
NiSource	51.2	7.1	0.0	41.7	48.3	13.3	0.0	38.4	26	Vectren	43.0	Edison Int'l	41.9
No'east Utilities	56.1	1.9	1.3	40.6	55.7	7.8	1.3	35.1	27	DTE Energy	42.8	Vectren	41.8
NSTAR	40.1	20.9	0.9	38.2	47.4	14.2	0.9	37.5	28	Progress Energy	42.2	PS Ent Group	41.3
NV Energy	61.2	1.6	0.0	37.2	62.6	0.1	0.0	37.2	29	American El Power	42.2	FirstEnergy	41.2
OGE Energy	45.3	10.1	0.4	44.2	49.4	6.8	0.4	43.4	30	NiSource	41.7	PNM Resources	41.0
Pepco Holdings	48.1	10.4	0.1	41.4	53.1	5.5	0.1	41.4	31	Southern Co	41.5	Southern Co	40.9
PG&E Corp	48.0	6.7	1.1	44.2	49.2	5.9	1.2	43.8	32	Wisc Energy	41.5	Pepco Holdings	40.8
Pinnacle West	47.2	6.0	0.4	46.4	41.1	11.5	0.6	46.7	33	Pepco Holdings	41.4	Wisc Energy	40.8
PNM Resources	43.3	5.5	5.6	45.6	32.9	22.7	5.0	39.3	34	SCANA Corp	41.3	DTE Energy	40.6
PPL Corp	52.5	4.7	2.3	40.4	51.3	9.9	2.3	36.5	35	Entergy	41.1	American El Power	39.9
Progress Energy	54.8	2.6	0.4	42.2	52.5	5.2	0.5	41.9	36	FPL Group	40.7	Hawaiian Elec	39.7
PS Ent Group	43.6	6.0	0.5	49.9	47.4	6.2	0.5	45.8	37	No'east Utilities	40.6	PPL Corp	38.7
SCANA Corp	54.3	4.4	0.0	41.3	56.4	2.9	1.4	39.3	38	PPL Corp	40.4	No'east Utilities	37.6
Sempra Energy	41.5	6.6	1.8	50.1	41.3	5.8	2.6	50.3	39	Alleg Energy	40.3	NSTAR	37.1
Southern Co	50.6	4.9	3.0	41.5	51.4	4.8	3.3	40.5	40	TECO Energy	38.3	Domin Resources	37.1
TECO Energy	58.7	3.0	0.0	38.3	60.3	1.9	0.0	37.8	41	NSTAR	38.2	DPL Inc	36.9
UIL Holdings	51.6	4.5	0.0	44.0	44.7	16.6	0.0	38.7	42	Domin Resources	38.1	NV Energy	36.9
UniSource	68.2	3.3	0.0	28.5	71.9	1.4	0.0	26.7	43	NV Energy	37.2	Alleg Energy	36.8
Vectren	47.4	9.6	0.0	43.0	39.0	18.7	0.0	42.2	44	FirstEnergy	36.5	TECO Energy	34.9
Westar Energy	50.7	4.9	0.5	43.8	47.6	6.8	0.4	45.1	45	UniSource	28.5	UniSource	26.6
Wisc Energy	45.1	13.0	0.4	41.5	50.3	8.2	0.4	41.2	46	CMS Energy	26.6	CMS Energy	24.3
Xcel Energy	48.5	6.2	0.6	44.7	48.9	6.4	0.7	44.0	47	CenterPoint	20.8	CenterPoint	15.9
47 Co. Average	49.8	5.5	1.0	43.7	49.0	8.4	1.1	41.4			43.7		42.6

Note:

* Includes Minority Interest and Non-controlling Interest.

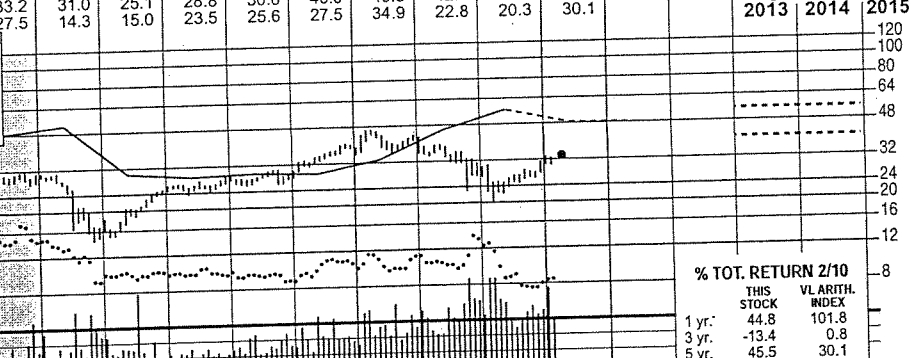
(3)

ALLIANT ENERGY NYSE-LNT

RECENT PRICE **33.49** P/E RATIO **14.7** (Trailing: 17.7 Median: 13.0) RELATIVE P/E RATIO **0.84** DIV'D YLD **4.7%** VALUE LINE

TIMELINESS 3 Raised 2/12/10
SAFETY 2 Raised 9/26/07
TECHNICAL 2 Raised 2/19/10
BETA .70 (1.00 = Market)

High: 32.4 37.8 33.2 31.0 25.1 28.8 40.0 46.5 42.4 31.5 33.9
 Low: 25.2 25.8 27.5 14.3 15.0 23.5 25.6 27.5 34.9 22.8 20.3 30.1



2013-15 PROJECTIONS
 Ann'l Total
 Price Gain Return
 High 55 (+65%) 17%
 Low 40 (+20%) 9%

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

Institutional Decisions
 2Q2009 3Q2009 4Q2009
 to Buy 130 112 110
 to Sell 97 125 123
 Hld's(000) 62088 60163 60125
 Percent shares traded 8 12 4

% TOT. RETURN 2/10
 THIS STOCK VL ARITH. INDEX
 1 yr. 44.8 101.8
 3 yr. -13.4 0.8
 5 yr. 45.5 30.1

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	© VALUE LINE PUB., INC.	13-15
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.	30.44	30.97	28.26	28.19	25.56	28.02	28.93	31.15	33.33	31.02	32.90	33.95	Revenues per sh	41.40
	6.57	5.82	4.52	4.19	4.69	5.46	4.33	5.12	4.56	4.38	5.00	5.65	"Cash Flow" per sh	7.05
	2.47	2.42	1.18	1.57	1.85	2.21	2.06	2.69	2.54	1.89	2.40	2.80	Earnings per sh A	3.60
	2.00	2.00	2.00	1.00	1.02	1.05	1.15	1.27	1.40	1.50	1.58	1.65	Div'd Decl'd per sh B = †	1.92
	13.50	9.13	7.12	7.69	5.55	4.51	3.42	4.91	7.96	10.39	9.90	10.70	Cap'l Spending per sh	12.05
	25.79	21.39	19.89	21.37	22.13	20.85	22.83	24.30	25.56	25.07	26.15	27.70	Book Value per sh C	31.05
	79.01	89.68	92.30	110.96	115.74	117.04	116.13	110.36	110.45	110.66	111.00	112.00	Common Shs Outst'g D	116.00
	11.8	12.6	19.9	12.7	14.0	12.6	16.8	15.1	13.4	13.9	13.4	13.9	Avg Ann'l P/E Ratio	13.0
	.77	.65	1.09	.72	.74	.67	.91	.80	.81	.92	.81	.92	Relative P/E Ratio	.85
	6.9%	6.6%	8.5%	5.0%	3.9%	3.8%	3.3%	3.1%	4.1%	5.7%	4.1%	5.7%	Avg Ann'l Div'd Yield	4.1%

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		
CAPITAL STRUCTURE as of 12/31/09	2405.0	2777.3	2608.8	3128.2	2958.7	3279.6	3359.4	3437.6	3681.7	3432.8	3650	3800	Revenues (\$mill)	4800
Total Debt \$2696.0 mill. Due in 5 Yrs \$794.0 mill.	203.1	194.9	113.1	176.6	229.5	337.8	260.1	320.8	280.0	208.6	265	315	Net Profit (\$mill)	420
LT Debt \$2404.5 mill. LT Interest \$135.0 mill. (LT interest earned: 1.8x)	54.0%	23.5%	24.2%	28.9%	26.7%	19.0%	43.8%	44.4%	33.4%	33.4%	33.0%	33.0%	Income Tax Rate	35.0%
	4.3%	5.7%	6.8%	11.7%	8.1%	3.0%	3.1%	2.4%	2.4%	8.8%	6.0%	6.0%	AFUDC % to Net Profit	6.0%
	47.0%	54.7%	56.4%	44.8%	45.0%	41.6%	31.4%	32.4%	36.3%	44.3%	42.0%	41.0%	Long-Term Debt Ratio	39.5%
	50.2%	42.7%	39.2%	50.0%	50.2%	53.1%	62.9%	61.9%	58.6%	51.2%	53.5%	55.0%	Common Equity Ratio	56.5%
	4061.4	4490.2	4679.1	4738.4	5104.7	4599.1	4218.4	4329.5	4815.6	5423.0	5445	5645	Total Capital (\$mill)	6345
	3719.3	3862.8	3729.2	4432.6	5284.6	4866.2	4944.9	4679.9	5353.5	6203.0	6400	6750	Net Plant (\$mill)	7500
	6.6%	6.2%	4.1%	5.7%	6.1%	8.9%	7.5%	8.6%	7.0%	5.1%	6.5%	7.0%	Return on Total Cap'l	8.0%
	9.4%	9.6%	5.5%	6.8%	8.2%	12.6%	9.0%	11.0%	9.1%	6.9%	8.5%	9.5%	Return on Shr. Equity	11.0%
	9.6%	9.8%	5.8%	6.7%	8.2%	13.1%	9.1%	11.3%	9.3%	6.8%	9.0%	10.0%	Return on Com Equity E	11.5%
	1.9%	1.6%	NMF	2.5%	3.8%	8.1%	4.0%	5.9%	3.8%	.9%	2.5%	3.5%	Retained to Com Eq	5.0%
	81%	85%	NMF	67%	58%	42%	59%	50%	62%	88%	73%	65%	All Div'ds to Net Prof	57%

ELECTRIC OPERATING STATISTICS
 2007 2008 2009
 % Change Retail Sales (KWH) +1.8 -1.2 -6.8
 Avg. Indust. Use (MWH) 12692 12490 10948
 Avg. Indust. Revs. per KWH (\$) 5.77 5.86 6.33
 Capacity at Peak (Mw) 4902 4945 4975
 Peak Load, Summer (Mw) 5751 5491 5491
 Annual Load Factor (%) 53.0 53.5 53.8
 % Change Customers (yr-end) -1.8 +1

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 elect. (77% of revs.), gas (18%), and other services (5%) in Wisconsin, Iowa, Minnesota, and Illinois. Elect. revs. by state: WI, 41%; IA, 56%; MN, 3%. Elect. rev.: resid., 35%; comm'l, 22%; ind'l, 29%; wholesale, 8%;

other, 6%. Fuel sources, '09: coal, 49%; nuclear, 17%; gas, 2%; wind, 4%; other, 28%. Fuel costs: 51% of revs. '09 deprec. rate: 3.9%. Est'd plant age: 11 yrs. Has 4,957 employees. Chairman, President & Chief Executive Officer: William D. Harvey, Inc.: Wisconsin. Address: 4902 N. Biltmore Lane, Madison, WI 53718. Telephone: 608-458-3311. Internet: www.alliantenergy.com.

Fixed Charge Cov. (%)	416	300	256
ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '07-'09 to '13-'15
Revenues	1.0%	3.0%	4.5%
"Cash Flow"	-1.5%	0.5%	7.0%
Earnings	3.0%	9.0%	7.0%
Dividends	-3.5%	0.5%	5.5%
Book Value	1.0%	3.5%	3.5%

Alliant Energy reported unfavorable results for 2009. The top line decreased roughly 7% versus the previous year. The company faced a difficult operating climate, owing largely to weakness in the economy and unfavorable temperatures. Meanwhile, the bottom line declined around 25%, despite efforts to control costs. On the bright side,

also looking to file a rate case in Minnesota in the second quarter. The company's focus on this matter is encouraging, as Alliant depends upon such approved revenue increases to cope with higher costs and to allow it to recover sizable capital investments.

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2007	912.7	746.2	907.3	871.4	3437.6
2008	992.0	827.4	980.3	882.0	3681.7
2009	949.9	742.3	885.7	854.9	3432.8
2010	1000	800	925	925	3650
2011	1040	840	960	960	3800

Performance ought to improve going forward. We anticipate more-normal weather and operating conditions in Alliant's utility service territories in the current year. New electric retail rates (discussed below) may also benefit results. The completion of the Whispering Willow-East Wind project in late 2009 should boost earnings, too. All things considered, we anticipate favorable comparisons for the company for the coming quarters, and a nice rebound in revenues and share earnings for 2010. Growth will probably continue next year.

The board of directors has increased the dividend by roughly 5%. Beginning with the February payout, the quarterly dividend is now \$0.395 per share. This follows similar increases in prior years. This encouraging trend should continue.

Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2007	.56	.43	1.05	.65	2.69
2008	.62	.47	.99	.46	2.54
2009	.30	.34	.77	.48	1.89
2010	.45	.45	.90	.60	2.40
2011	.55	.55	1.00	.70	2.80

The company is seeking higher rates. Both Interstate Power and Light (IPL) and Wisconsin Power and Light (WPL) expected to file rate cases in March of 2010, in Iowa and Wisconsin, respectively. IPL is

This stock has improved two notches in Timeliness since our December review, and is now ranked to perform in line with the year-ahead market. Looking further out, we anticipate higher revenues and share earnings at the company by 2013-2015. From the present quotation, this issue has solid total return potential for the coming years, given its healthy dividend yield. Moreover, Alliant earns high marks for Safety, Price Stability, and Earnings Predictability. As a result, conservative, income-oriented investors may find this issue attractive.

Cal-endar	QUARTERLY DIVIDENDS PAID B = †				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2006	.288	.288	.288	.288	1.15
2007	.318	.318	.318	.318	1.27
2008	.35	.35	.35	.35	1.40
2009	.375	.375	.375	.375	1.50
2010	.395	.395	.395	.395	1.58

Michael Napoli, CFA
 March 26, 2010

(A) Diluted EPS. Excl. nonrecurr. gains (losses): '00, \$2.56; '01, (28¢); '03, net 24¢; '04, (58¢); '05, (\$1.05); '06, 83¢; '07, \$1.09; '08, 7¢; '09, (88¢). Next eps. rpt. due late April. (B) Div'ds historically paid in mid-Feb., May, Aug., and Nov. = Div'd reinvest. plan avail. † shareholder invest. plan avail. (C) Incl. deferred shares in '09: \$174.9 mill., \$1.58/sh. (D) In mill. (E) Rate base: Orig. cost. Regul. Clim.: WI, Above Avg.; IA, Below Avg.

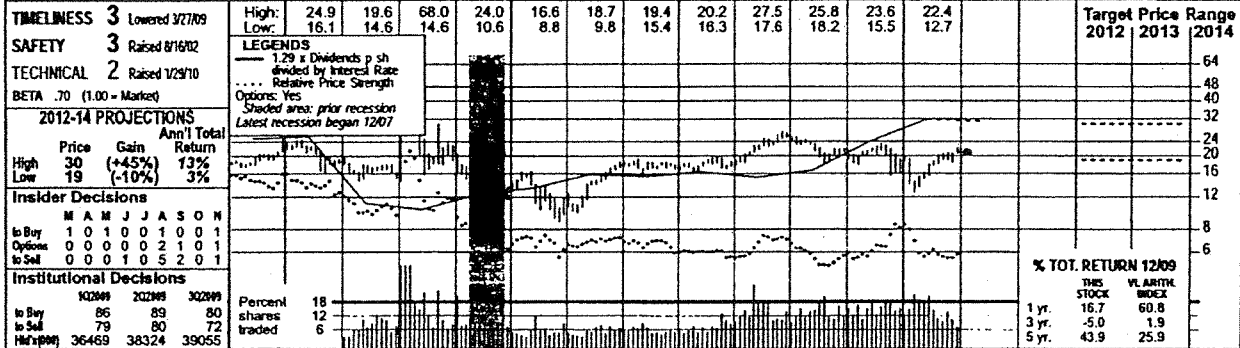
Company's Financial Strength A
 Stock's Price Stability 100
 Price Growth Persistence 55
 Earnings Predictability 75

To subscribe call 1-800-833-0046.

(10)

AVISTA CORP. NYSE-AVA

RECENT PRICE **20.89** P/E RATIO **13.4** (Trading: 13.1 Median: 17.1) RELATIVE P/E RATIO **0.81** D/V D YLD **4.6%** VALUE LINE



TIMELINESS 3 Lowered 3/27/09
SAFETY 3 Raised 8/16/02
TECHNICAL 2 Raised 1/23/10
BETA .70 (1.00 = Market)
2012-14 PROJECTIONS
 High Price 30 (+4.5%)
 Low Price 19 (-1.0%)
 Gain 13%
 Return 3%
Insider Decisions
 M A M J J A S O N
 To Buy 1 0 1 0 0 1 0 0 1
 Options 0 0 0 0 0 2 1 0 1
 To Sell 0 0 0 1 0 5 2 0 1
Institutional Decisions
 Q2 09 Q3 09 Q4 09
 To Buy 86 89 80
 To Sell 79 80 72
 Net Buy 7 9 8
 Percent shares traded 18 12 6

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	AVG LINE PUB, INC	12-14
12.14	12.33	13.49	16.89	23.27	31.07	22.75	167.59	126.17	20.41	23.24	23.76	27.98	28.68	26.80	30.77	27.25	29.80	Revenues per sh	35.00
2.67	2.54	2.60	2.64	3.20	3.47	2.28	3.31	2.71	2.19	2.63	2.35	2.72	3.05	2.44	3.05	3.35	3.50	"Cash Flow" per sh	4.25
1.44	1.28	1.41	1.35	1.96	1.28	.12	1.76	1.20	.67	1.02	.73	.92	1.47	.72	1.36	1.55	1.60	Earnings per sh ^	1.75
1.24	1.24	1.24	1.24	1.24	1.05	.48	.48	.48	.48	.49	.52	.55	.57	.60	.69	.81	.96	Div'd Decl'd per sh = †	1.20
2.14	1.76	1.55	1.67	1.82	2.70	3.30	4.24	5.92	1.74	2.21	2.47	3.23	3.14	4.04	4.09	3.80	3.70	Cap'l Spending per sh	4.75
12.02	12.45	12.82	12.70	13.38	11.76	10.69	15.34	15.12	14.84	15.54	15.54	15.87	17.46	17.27	18.30	19.00	19.00	Book Value per sh ^	21.50
52.76	54.42	55.95	55.96	55.96	40.45	35.65	47.21	47.63	48.04	48.34	48.47	48.59	52.51	52.91	54.49	55.00	57.00	Common Shs Outst'g ^	58.50
13.5	12.4	11.2	13.8	10.0	16.5	NMF	13.6	13.7	19.3	13.8	24.4	19.4	15.4	30.9	15.0	11.6		Avg Ann'l P/E Ratio	13.5
.80	.81	.75	.86	.58	.86	NMF	.88	.70	1.05	.79	1.29	1.03	.83	1.64	.92	.75		Relative P/E Ratio	.85
6.4%	7.8%	7.8%	6.7%	6.4%	5.0%	2.8%	2.0%	2.9%	3.7%	3.5%	2.9%	3.0%	2.5%	2.7%	3.4%	4.5%		Avg Ann'l Div'd Yield	5.0%

CAPITAL STRUCTURE as of 9/30/09
 Total Debt \$1173.1 mil. Due in 5 Yrs \$167.6 mil.
 LT Debt \$1112.5 mil. LT Interest \$64.6 mil.
 Incl. \$60 mil. 7% and \$40 mil. floating rate mandatorily redeemable preferred trust securities. (LT interest earned: 2.6x)
Leases, Uncapitalized Annual rentals \$4.3 mil.
Pension Assets-12/08 \$190.6 mil.
 Oblig. \$353.4 mil.
Pfd Stock None
 Common Stock 54,779,281 shs. as of 10/23/09
MARKET CAP: \$1.1 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2008	2007	2006
% Change Retail Sales (KWH)	+2.9	+1.6	+1.2
Avg. Indust. Use (MWH)	1486	1512	1483
Avg. Indust. Revc. per KWH (¢)	4.51	4.57	4.94
Capacity at Peak (MW)	2618	2302	2480
Peak Load, Winter (MW)	2087	2052	2383
Annual Load Factor (%)	59.0	61.0	62.0
% Change Customers (yr-end)	+2.1	+1.8	+9

ANNUAL RATES

	Past 18 Yrs.	Past 5 Yrs.	Est'd '06-'08 to '12-'14
Revenues	-4.0%	-12.5%	3.5%
"Cash Flow"	-1.0%	2.5%	7.0%
Earnings	-2.5%	4.0%	6.5%
Dividends	-6.0%	5.0%	11.5%
Book Value	3.5%	3.0%	3.5%

QUARTERLY REVENUES (\$ mil.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	499.2	287.4	293.0	426.7	1506.3
2007	459.2	304.0	267.7	386.9	1417.8
2008	496.3	350.3	382.7	447.5	1676.8
2009	487.5	307.1	314.7	390.7	1500
2010	550	350	350	450	1700

EARNINGS PER SHARE ^

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	.64	.27	.20	.36	1.47
2007	.26	.26	d.07	.26	.72
2008	.47	.44	.13	.32	1.36
2009	.57	.47	.15	.36	1.55
2010	.60	.45	.15	.40	1.60

QUARTERLY DIVIDENDS PAID ^

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	.14	.14	.145	.145	.57
2007	.145	.15	.15	.15	.60
2008	.165	.165	.18	.18	.69
2009	.18	.21	.21	.21	.81
2010					

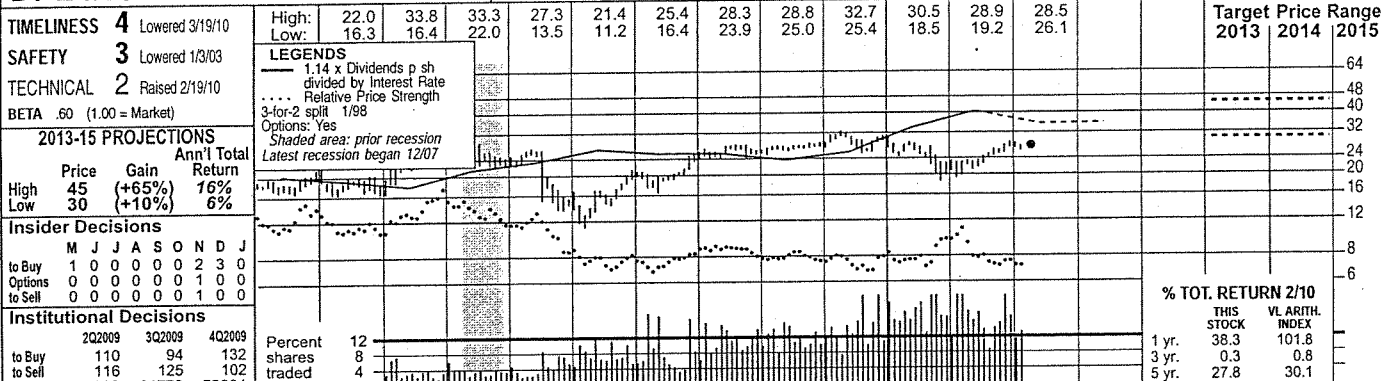
BUSINESS: Avista Corporation (formerly The Washington Water Power Company) supplies electricity & gas in eastern Washington & northern Idaho. Supplies gas to part of Oregon. Customers: 355,000 electric, 314,000 gas. Has nonutility subsidiary (Advantage IQ) involved in energy-management services. Electric revenue breakdown, '08: residential, 33%; commercial, 30%; industrial, 12%; wholesale, 17%; other, 3%. Generating sources, '08: hydro, 33%; coal, 15%; gas, 15%; wood waste, 2%; purchased, 35%. Fuel costs: 62% of revenues. '08 reported deprec. rate (utility): 2.8%. Has 2,100 employees. Chairman, President & CEO: Scott L. Morris. Inc.: WA. Address: 1411 E. Mission Ave., Spokane, WA 99202-2600. Tel: 509-489-0500. Internet: www.avistacorp.com.

Avista received a disappointing rate order in Washington. The utility filed for electric and gas rate hikes of \$37.5 million and \$2.8 million, respectively. It was granted increases of just \$12.1 million (2.8%) for electricity and \$557,000 (0.3%) for gas. The new tariffs are based on a return of 10.2% on a common-equity ratio of 46.5%. Due to the effects of regulatory lag, it is unlikely that Avista will earn its allowed ROE in Washington this year. The utility plans to file rate cases in 2010. The petition in Washington might well occur as early as the end of the first quarter. Avista also expects to file an application in Idaho. These will be for both electricity and gas. The company also plans to seek a rate hike in Oregon, where it provides gas service only. Any rate relief that Avista is granted won't come in time to help earnings until 2011. We have cut our 2010 share-earnings estimate by a nickel, to \$1.60. That's still within Avista's targeted range of \$1.55-\$1.75, which management did not change, despite the disappointing regulatory decision in Washington. Our 2009 profit estimate of \$1.55 a share is within

the company's guidance of \$1.45-\$1.60. Avista plans to issue \$40 million-\$45 million of common equity this year. The company hasn't decided whether it will do this at once in a stock offering or gradually via a "dribble" program. The company still plans to monetize its investment in its Advantage IQ energy-management subsidiary within the next few years. This would come through a sale or an initial public offering. Before this can occur, Advantage IQ needs to reach a critical mass in revenues. We estimate that the board of directors will raise the dividend later this month. Even with the disappointing rate order, Avista's improved finances and moderate payout ratio provide the wherewithal for an increase. We still look for a boost of \$0.03 a share (14.3%) in the quarterly disbursement. This stock's yield (reflecting the estimated dividend increase) is near the utility average. With the stock already trading within our 2012-2014 Target Price Range, however, total-return potential over that time is subpar. Paul E. Debbas, CFA February 5, 2010

(A) Dil. EPS. Excl. nonrec. losses: '00, 27¢; '02, 9¢; '03, 3¢; '04, 1¢; gain (losses) on disc. ops.: '01, (\$1.00); '02, 2¢; '03, (10¢). '07 EPS don't add due to rounding. Next eps. report due mid-Feb. (B) Div's historically paid in mid-Mar., June, Sept. & Dec. = Div'd reinvestment plan avail. † Shareholder investment plan avail. (C) Incl. def'd charges. In '08: \$9.50/sh. (D) In mil. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in WA in '10: 10.2%; in ID in '08: 10.2%; earned on avg. com. eq., '08: 7.7%. Regulatory Climate: WA, Avg.: ID, Above Avg. Company's Financial Strength B+ Stock's Price Stability 100 Price Growth Persistence 50 Earnings Predictability 55 To subscribe call 1-800-833-0046.

(11)



1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	© VALUE LINE PUB., INC. 13-15	
7.40	7.84	7.90	8.46	8.55	8.48	11.25	9.48	9.38	9.42	9.41	10.08	12.33	13.35	13.81	13.36	14.20	14.75	Revenues per sh	18.00
1.68	1.77	1.87	1.92	1.96	2.15	2.62	2.76	1.75	2.14	2.85	2.13	2.45	3.04	3.29	3.14	3.55	3.95	"Cash Flow" per sh	4.60
1.03	1.09	1.15	1.20	1.24	1.35	1.49	1.74	.72	1.09	1.81	.97	1.02	1.81	2.12	2.01	2.40	2.55	Earnings per sh ^A	2.90
.79	.83	.87	.91	.94	.94	.94	.94	.94	.94	.96	.96	1.00	1.04	1.10	1.14	1.21	1.28	Div'd Decl'd per sh ^B	1.50
.59	.63	.68	.71	.66	1.08	2.58	2.67	1.36	.96	.69	1.41	3.16	3.05	2.10	1.45	1.65	1.75	Cap'l Spending per sh	2.40
7.03	7.28	7.55	8.03	8.58	9.20	6.80	6.31	6.38	7.13	8.25	8.14	6.30	7.69	8.41	9.25	9.50	9.85	Book Value per sh ^D	10.80
160.43	160.05	159.01	160.20	161.26	157.80	127.77	126.50	126.50	126.50	126.50	127.53	113.02	113.56	115.96	118.97	121.00	122.00	Common Shs Outst'g ^E	125.00
13.0	13.6	13.8	13.7	15.1	13.7	16.6	15.4	28.8	14.5	11.2	26.9	26.6	16.0	11.9	11.9	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	13.0
.85	.91	.86	.79	.79	.78	1.08	.79	1.57	.83	.59	1.43	1.44	.85	.72	.79			Relative P/E Ratio	.85
5.9%	5.6%	5.5%	5.5%	5.0%	5.1%	3.8%	3.5%	4.5%	5.9%	4.7%	3.7%	3.7%	3.6%	4.3%	4.8%			Avg Ann'l Div'd Yield	3.6%

CAPITAL STRUCTURE as of 12/31/09				2007	2008	2009	2007	2008	2009	2007	2008	2009	2007	2008	2009	2007	2008	2009				
Total Debt \$1324.1 mill. Due in 5 Yrs \$867.4 mill.				1436.9	1199.6	1186.4	1191.0	1189.8	1284.9	1393.5	1515.7	1601.6	1588.9	1720	1800	1720	1800	1800	Revenues (\$mill)	2250		
LT Debt \$1223.5 mill. LT Interest \$80.0 mill. (LT interest earned: 5.1x)				199.0	221.5	87.3	131.5	217.3	124.7	125.6	211.8	244.5	229.1	280	320	280	320	320	Net Profit (\$mill)	375		
Pension Assets-12/09 \$243.4 mill. Oblig. \$323.6 mill.				35.5%	35.8%	36.6%	38.8%	36.6%	39.1%	35.7%	36.6%	29.6%	32.9%	33.0%	33.0%	33.0%	33.0%	33.0%	Income Tax Rate	33.0%		
Pfd Stock \$22.9 mill. Pfd Div'd \$0.8 mill. Incl. 228,508 shs. 3.75% to 3.90%; call. \$101 to \$103 per sh.				72.1%	74.8%	74.6%	67.9%	66.5%	61.3%	67.9%	63.3%	58.0%	52.1%	49.0%	50.0%	49.0%	50.0%	50.0%	Long-Term Debt Ratio	50.0%		
Common Stock 119,083,640 shs. ^C as of 2/10/10				27.2%	24.4%	24.7%	31.3%	32.8%	37.9%	31.1%	35.8%	41.1%	46.9%	51.0%	50.0%	51.0%	50.0%	50.0%	Common Equity Ratio	50.0%		
MARKET CAP: \$3.3 billion (Mid Cap)				3200.9	3264.3	3265.8	2880.0	3184.3	2738.1	2286.8	2437.1	2374.6	2346.3	2250	2400	2400	2400	2400	Total Capital (\$mill)	2700		
ELECTRIC OPERATING STATISTICS				2267.0	2482.3	2502.7	2573.9	2530.1	2572.9	2559.3	2777.0	2876.4	2892.2	3000	3100	3100	3100	3100	Net Plant (\$mill)	3400		
% Change Retail Sales (KWH)				8.2%	9.5%	5.4%	7.1%	9.3%	7.1%	7.4%	10.2%	12.0%	14.0%	14.0%	15.0%	15.0%	15.0%	15.0%	Return on Total Cap'l	15.5%		
Avg. Indust. Use (MWH)				22.3%	27.0%	10.5%	14.2%	20.4%	11.8%	17.1%	23.6%	24.5%	20.4%	24.0%	26.0%	26.0%	26.0%	26.0%	Return on Shr. Equity	27.5%		
Avg. Indust. Revs. per KWH (\$)				22.9%	27.8%	10.8%	14.6%	20.7%	11.9%	17.5%	24.2%	25.0%	20.7%	24.5%	26.5%	26.5%	26.5%	26.5%	Return on Com Equity ^F	28.0%		
Capacity at Peak (MW)				8.9%	13.7%	NMF	2.2%	9.8%	.8%	1.7%	11.4%	12.6%	9.0%	12.0%	13.5%	13.5%	13.5%	13.5%	Retained to Com Eq	13.5%		
Peak Load, Summer (MW)				61%	51%	NMF	85%	53%	93%	90%	53%	50%	57%	51%	50%	50%	50%	50%	All Div'ds to Net Prof	52%		
Annual Load Factor (%)				BUSINESS: DPL Inc., parent of The Dayton Power and Light Company, sells electricity in Dayton and west-central Ohio. Serves about 515,000 retail customers. Principal industries served: automotive, food processing, paper, plastic, defense. Electric revenue breakdown in 2009: residential, 46%; commercial, 27%; industrial, 19%; other, 8%. Power costs: 37% of revenues; labor costs, 5%. '09 depreciation rate: 2.8%. Sold gas distribution business 10/00. Has 1,581 employees. Officers/directors own less than 1% of common stock (3/09 proxy). Non-Executive chairman: Glenn E. Harder. Chief Executive Officer & President: Paul M. Barbas. Incorporated: OH. Address: 1065 Woodman Drive, Dayton, OH 45432. Telephone: 937-224-6000. Internet: www.dplinc.com.																		
% Change Customers (yr-end)				DPL reported lower revenues and share earnings for 2009. Retail sales were hurt by milder weather and a difficult economic climate. Wholesale power prices also declined. Operating expenses increased, largely due to greater fuel costs. However, we anticipate improved performance going forward. This assumes a more favorable operating environment in the current year. Efforts to control costs should also help. As a result, we project favorable comparisons in the coming quarters, and a nice advance for revenues and share earnings for full-year 2010. Growth will probably continue in 2011. Capital investments should benefit the company in the coming years. DPL is projecting capital project additions of roughly \$590 million for the years 2010 through 2012. This figure does not include capital costs included in the company's refilled advanced metering initiative and smart-grid cases last August, which are now expected to total \$270 million through 2012. Subsidiary Dayton Power and Light (DP&L) is building a solar power facility in southwestern Ohio. Construction started in December, and was expected to be completed and on line by the spring of 2010. This reflects DP&L's efforts to diversify its generation portfolio and comply with Ohio's renewable energy requirements. The board of directors recently increased the dividend by about 6%. Starting with the March payout, the quarterly dividend is now \$0.3025. This follows similar hikes in recent years. We find this pattern encouraging, and expect it will continue. Earnings coverage ought to remain adequate, too. This stock is ranked to trail the broader market for the coming six to 12 months. Looking further out, we anticipate higher revenues and share earnings at the company by 2013-2015. Moreover, the stock earns a superior mark for Price Stability. From the present quotation, this issue has worthwhile total return potential for the coming years, given the healthy dividend yield. As a result, patient, income-oriented investors may find these shares attractive. Michael Napoli, CFA March 26, 2010																		
Fixed Charge Cov. (%)				446	470	516																

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2007	379.7	343.1	422.0	370.9	1515.7
2008	416.1	378.8	414.5	392.2	1601.6
2009	415.0	361.2	407.3	405.4	1588.9
2010	420	400	450	450	1720
2011	440	420	470	470	1800

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2007	.43	.45	.53	.40	1.81
2008	.65	.41	.42	.64	2.12
2009	.61	.37	.59	.43	2.01
2010	.65	.45	.65	.65	2.40
2011	.70	.50	.65	.70	2.55

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2006	.25	.25	.25	.25	1.00
2007	.26	.26	.26	.26	1.04
2008	.275	.275	.275	.275	1.10
2009	.285	.285	.285	.285	1.14
2010	.303				

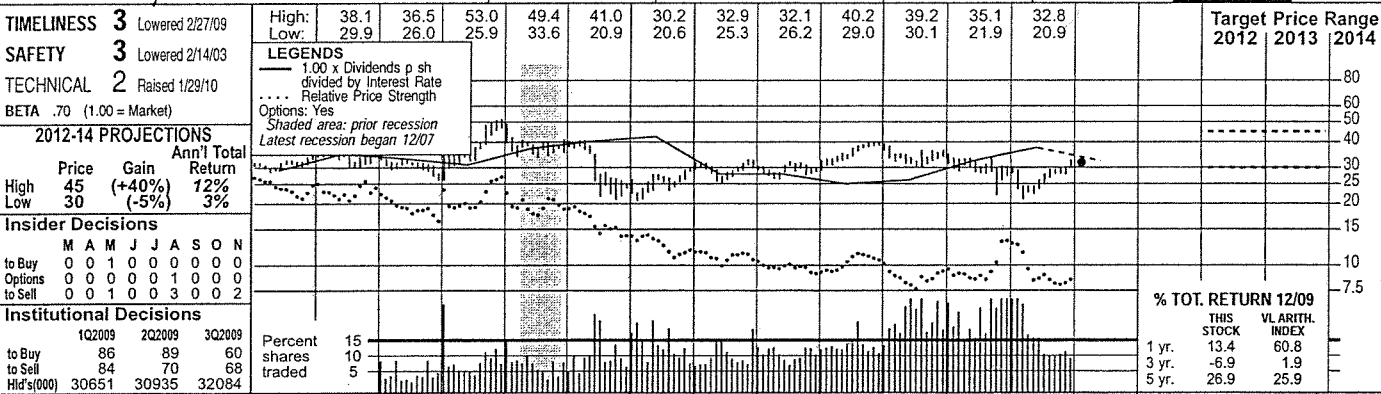
(A) Basic shs. till 1996, diluted thereafter. Excl. nonrecur. gains (loss): '00, 33¢; '01, (5¢); '03, 14¢; '06, 11¢. Next earnings report due late April. (B) Div'ds historically pd. early Mar. (C) June, Sept., and Dec. Div'd reinvest. plan avail. (D) Incl. 7.4 mill. shrs. held by employee plans. (E) Incl. regulatory assets '09: \$1.80 sh. (E) In mill., adj'd for split. (F) Rate base: net original cost. Rate allowed on com. eq: '91, 13.0%; earned avg. com. equity: '07: 26.9%. Reg. Climate: Above Avg.

Company's Financial Strength B++
 Stock's Price Stability 100
 Price Growth Persistence 40
 Earnings Predictability 65

(12)

IDACORP, INC. NYSE-IDA

RECENT PRICE **31.72** P/E RATIO **13.4** (Trailing: 13.7 Median: 15.0) RELATIVE P/E RATIO **0.81** DIV'D YLD **3.8%** VALUE LINE



1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	© VALUE LINE PUB., INC.	12-14
14.57	14.45	14.51	15.38	19.90	29.83	17.50	27.10	150.10	24.43	20.41	20.00	20.15	21.23	19.51	20.47	21.25	21.20	Revenues per sh	24.60
3.53	3.39	3.89	4.05	4.22	4.69	4.50	5.63	5.63	4.08	3.50	4.12	3.87	4.58	4.11	4.27	4.45	4.55	"Cash Flow" per sh	4.85
1.97	1.80	2.10	2.21	2.32	2.37	2.43	3.50	3.35	1.63	.96	1.90	1.75	2.35	1.86	2.18	2.40	2.50	Earnings per sh ^A	2.75
1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.70	1.20	1.20	1.20	1.20	1.20	1.20	1.20	Div'd Decl'd per sh ^{B†}	1.40
3.32	2.94	2.23	2.49	2.51	2.37	2.95	3.73	4.78	3.53	3.89	4.73	4.53	5.16	6.39	5.19	5.75	6.10	Cap'l Spending per sh	7.70
17.86	17.91	18.15	18.47	18.93	19.42	20.02	21.82	23.15	23.01	22.54	23.88	24.04	25.77	26.79	27.76	29.20	31.00	Book Value per sh ^C	36.00
37.09	37.61	37.61	37.61	37.61	37.61	37.61	37.61	37.61	38.02	38.34	42.22	42.66	43.63	45.06	46.92	48.00	49.00	Common Shs Outst'g ^D	52.00
15.4	13.9	12.4	13.7	13.6	14.4	12.7	10.9	11.4	18.9	26.5	15.5	16.7	15.1	18.2	13.9	11.2		Avg Ann'l P/E Ratio	13.0
.91	.91	.83	.86	.78	.75	.72	.71	.58	1.03	1.51	.82	.89	.82	.97	.84	.74		Relative P/E Ratio	.85
6.1%	7.4%	7.2%	6.1%	5.9%	5.4%	6.0%	4.9%	4.9%	6.0%	6.7%	4.1%	4.1%	3.4%	3.5%	4.0%	4.5%		Avg Ann'l Div'd Yield	3.9%

CAPITAL STRUCTURE as of 9/30/09

Total Debt \$1367.0 mill. Due in 5 Yrs \$375.0 mill.
 LT Debt \$1282.9 mill. LT Interest \$67.0 mill.
 (LT interest earned: 2.8x)

Pension Assets-12/08 \$295.3 mill.
 Oblig. \$464.4 mill.

Pfd Stock None

Common Stock 47,650,036 shs.
 as of 9/30/09

MARKET CAP: \$1.5 billion (Mid Cap)

658.3	1019.4	5648.0	928.8	782.7	844.5	859.5	926.3	879.4	960.4	1020	1040	Revenues (\$mill)	1280
96.9	137.6	130.0	66.3	40.1	77.8	63.7	100.1	82.3	98.4	110	118	Net Profit (\$mill)	136
32.0%	32.1%	33.3%	--	--	--	16.9%	13.3%	14.3%	16.3%	20.0%	20.0%	Income Tax Rate	20.0%
3.2%	3.6%	3.1%	3.0%	7.5%	3.9%	4.7%	4.0%	9.7%	5.2%	5.0%	5.0%	AFUDC % to Net Profit	5.0%
48.9%	48.3%	46.4%	49.2%	50.8%	49.3%	50.0%	45.2%	48.9%	47.6%	46.0%	47.0%	Long-Term Debt Ratio	49.0%
44.8%	45.9%	47.9%	47.9%	46.4%	50.7%	50.0%	54.8%	51.1%	52.4%	54.0%	53.0%	Common Equity Ratio	51.0%
1680.3	1790.0	1818.0	1826.9	1862.5	1987.8	2048.8	2052.8	2364.2	2485.9	2600	2870	Total Capital (\$mill)	3675
1745.7	1805.0	1886.0	1906.5	2088.3	2209.5	2314.3	2419.1	2616.6	2758.2	2860	2980	Net Plant (\$mill)	3550
7.4%	9.2%	8.7%	5.1%	3.7%	5.3%	4.5%	6.2%	4.7%	5.3%	5.5%	5.5%	Return on Total Cap'l	5.0%
11.3%	14.9%	13.3%	7.1%	4.4%	7.7%	6.2%	8.9%	6.8%	7.6%	8.0%	7.5%	Return on Shr. Equity	7.5%
12.1%	16.0%	14.4%	7.0%	4.2%	7.2%	6.2%	8.9%	6.8%	7.6%	8.0%	7.5%	Return on Com Equity ^E	7.5%
2.9%	7.5%	6.3%	NMF	NMF	2.7%	1.3%	4.3%	2.4%	3.4%	4.0%	4.0%	Retained to Com Eq	3.5%
78%	55%	58%	113%	NMF	65%	80%	51%	64%	55%	50%	48%	All Div'ds to Net Prof	54%

ELECTRIC OPERATING STATISTICS

	2006	2007	2008
% Change Retail Sales (KWH)	+1.0	+4.3	+1.5
Avg. Indust. Use (MWH)	26731	27413	27452
Avg. Indust. Revs. per KWH (\$)	2.96	2.92	2.91
Capacity at Peak (Mw)	3085	3267	3268
Peak Load, Summer (Mw)	3084	3193	3214
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+3.6	+2.6	+1.6

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '06-'08 of change (per sh)

Revenues	-5%	-20.5%	3.0%
"Cash Flow"	--	-5%	2.0%
Earnings	-1.0%	1.5%	4.5%
Dividends	-4.5%	-8.0%	2.5%
Book Value	3.5%	3.0%	5.0%

QUARTERLY REVENUES (\$mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	268.4	242.6	230.5	184.8	926.3
2007	206.7	213.8	261.5	197.4	879.4
2008	213.4	230.2	299.7	217.1	960.4
2009	228.6	243.6	324.5	223.3	1020
2010	235	255	310	240	1040

EARNINGS PER SHARE ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	.64	.53	.76	.42	2.35
2007	.56	.42	.65	.23	1.86
2008	.48	.39	1.14	.17	2.18
2009	.40	.58	1.16	.26	2.40
2010	.45	.50	1.15	.40	2.50

QUARTERLY DIVIDENDS PAID ^{B†}

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	.30	.30	.30	.30	1.20
2007	.30	.30	.30	.30	1.20
2008	.30	.30	.30	.30	1.20
2009	.30	.30	.30	.30	1.20
2010	.30	.30	.30	.30	1.20

BUSINESS: IDACORP, Inc. is the holding company for Idaho Power, a utility that owns 17 hydroelectric generation developments and partly owns three coal plants. Also invests in affordable housing. Sold a patented fuel cell system in 2006. Sells electricity in Idaho (96% of revenues) and Oregon (4%). Revenue breakdown: residential, 46%; commercial, 25%; industrial, 15%; other, 14%.

IDACORP filed a stipulation in its pending electric rate case. In July 2009, the company requested to increase rates in its Oregon service area. In December 2009, it entered into a stipulation with the Oregon Public Utility Commission to resolve certain issues presented in the case. Both parties have now agreed to a \$5 million rate increase (15.4%) to become effective March 1, 2010. The rate is based on a 10.175% ROE, 49.8% equity ratio, and 8.061% ROR. The agreement represents a reduction from the company's original request, which called for an increase of \$7.3 million (22.6%). Residential rate design is being contested by the Citizens' Utility Board of Oregon and service reliability is being contested by the Oregon Industrial Customers of Idaho Power. All other issues have been resolved in the stipulation. **Idaho Power filed its Integrated Resource Plan (IRP).** The IRP, which outlines supply-side and demand-side resource needs out to 2029, was filed in early January. Key takeaways from the plan include a lower-than-expected load growth outlook. The forecast projects peak-hour load will grow at an average annual rate

Fuel and purchased power cost: 50% of '08 revenues; estimated labor costs: 9.0%. 2008 depreciation rate: 3.0%. Fuel sources: hydro, 46%; thermal, 54%. Has 2,073 employees. Chairman: Jon H. Miller. Chief Executive Officer & President: J. LaMont Kean. Incorporated: Idaho. Address: 1221 W. Idaho St., Boise, Idaho 83702. Telephone: 208-388-2200. Internet: www.idacorpinc.com.

of 1.5% and average system load will grow at a rate of 0.7% over the 20-year period. The IRP also highlights energy efficiency and demand-side management measures. New energy efficiency programs are forecasted to reduce average load by 127 aMW by 2029, representing a 53% increase from those included in the company's 2006 IRP. By 2012, new demand response programs are forecasted to reduce peak summer load by 323 MW, also reflecting considerable growth over 2006's projection. The Idaho Public Utility Commission will likely take several months to review the IRP. **Construction of the Langley Gulch project is scheduled for 2010.** After gaining building approval last September, it appears that the company will break ground on the 300-megawatt natural gas plant later on this year. The facility is scheduled to become operational mid-2012. **We rank this stock to be an average utility holding.** Although the dividend yield is currently below par for the industry, we look for recent regulatory improvements to result in an increased payout sometime during the next 3 to 5 years. *Michael Ratty February 5, 2010*

(A) EPS diluted. Excl. nonrecurring gains (loss): '93, 16¢; '00, 22¢; '03, 25¢; '05, (24¢); '06, 17¢. Next earnings report due late Feb. (B) Div'ds historically paid in late Feb., late May, late Aug., and late Nov. (C) Div'd reinvestment plan avail. (D) Shareholder investment plan avail. (E) Incl. deferred debits. In '08: \$17.54/sh. (F) In mill. (G) Rate Base: Net original cost. Rate allowed on com. eq. in Idaho in '04: 10.25%; earned on avg. system com. eq. '08: 7.6%. Regulatory Climate: Above Average.

Company's Financial Strength B+
Stock's Price Stability 100
Price Growth Persistence 25
Earnings Predictability 60

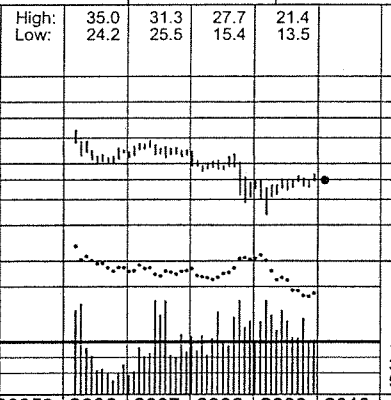
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PORTLAND GENERAL NYSE-POR

RECENT PRICE **19.90** P/E RATIO **12.7** (Trailing: 13.0 Median: NMF) RELATIVE P/E RATIO **0.77** DIV'D YLD **5.3%** VALUE LINE

TIMELINESS 3 Raised 1/11/10
SAFETY 2 New 11/10/06
TECHNICAL 3 Raised 1/29/10
 BETA .75 (1.00 = Market)

LEGENDS
 Relative Price Strength
 Options: Yes
 Shaded area: prior recession
 Latest recession began 12/07



2012-14 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	30	(+50%)	15%
Low	20	(Nil)	5%

Insider Decisions

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

Institutional Decisions

	1Q2009	2Q2009	3Q2009
to Buy	124	95	91
to Sell	76	107	100
Hld's(000)	71477	72019	71579

On April 3, 2006, Portland General Electric's existing stock (which was owned by Enron) was canceled, and 62.5 million shares were issued to Enron's creditors or the Disputed Claims Reserve (DCR). The stock began trading on a when-issued basis that day, and regular trading began on April 10, 2006. Shares issued to the DCR were released over time to Enron's creditors until all of the remaining shares were released in June, 2007.

	1999	2000	2001	2002	2003	2004	2005 ^G	2006	2007	2008	2009	2010	© VALUE LINE PUB., INC.	12-14
Revenues per sh	--	--	--	--	--	23.14	24.32	27.87	27.89	23.60	24.60	27.75	27.75	27.75
"Cash Flow" per sh	--	--	--	--	--	4.75	4.64	5.21	4.71	4.20	4.65	5.25	5.25	5.25
Earnings per sh ^A	--	--	--	--	--	1.02	1.14	2.33	1.39	1.40	1.65	2.00	2.00	2.00
Div'd Decl'd per sh ^B	--	--	--	--	--	--	.68	.93	.97	1.01	1.05	1.20	1.20	1.20
Cap'l Spending per sh	--	--	--	--	--	4.08	5.94	7.28	6.12	10.00	7.45	4.75	4.75	4.75
Book Value per sh ^C	--	--	--	--	--	19.15	19.58	21.05	21.64	20.70	21.30	23.75	23.75	23.75
Common Shs Outst'g ^D	--	--	--	--	--	62.50	62.50	62.53	62.58	75.25	75.25	80.00	80.00	80.00
Avg Ann'l P/E Ratio	--	--	--	--	--	--	23.4	11.9	16.3	13.5	12.5	12.5	12.5	12.5
Relative P/E Ratio	--	--	--	--	--	--	1.26	.63	.99	.90	.85	.85	.85	.85
Avg Ann'l Div'd Yield	--	--	--	--	--	--	2.5%	3.3%	4.3%	5.4%	4.8%	4.8%	4.8%	4.8%
Revenues (\$mill)	--	--	--	--	--	1454.0	1446.0	1520.0	1743.0	1745.0	1775	1850	2225	2225
Net Profit (\$mill)	--	--	--	--	--	92.0	64.0	71.0	145.0	87.0	100	125	160	160
Income Tax Rate	--	--	--	--	--	37.0%	40.2%	33.6%	33.8%	28.7%	29.0%	27.0%	25.0%	25.0%
AFUDC % to Net Profit	--	--	--	--	--	9.8%	18.8%	33.8%	17.9%	17.2%	20.0%	14.0%	6.0%	6.0%
Long-Term Debt Ratio	--	--	--	--	--	41.1%	42.3%	43.4%	49.9%	46.2%	50.0%	53.0%	50.0%	50.0%
Common Equity Ratio	--	--	--	--	--	58.9%	57.7%	56.6%	50.1%	53.8%	50.0%	47.0%	50.0%	50.0%
Total Capital (\$mill)	--	--	--	--	--	2171.0	2076.0	2161.0	2629.0	2518.0	3125	3420	3800	3800
Net Plant (\$mill)	--	--	--	--	--	2275.0	2436.0	2718.0	3066.0	3301.0	3840	4175	4600	4600
Return on Total Cap'l	--	--	--	--	--	5.6%	4.6%	4.7%	6.9%	5.0%	4.5%	5.0%	5.5%	5.5%
Return on Shr. Equity	--	--	--	--	--	7.2%	5.3%	5.8%	11.0%	6.4%	6.5%	8.0%	8.5%	8.5%
Return on Com Equity ^E	--	--	--	--	--	7.2%	5.3%	5.8%	11.0%	6.4%	6.5%	8.0%	8.5%	8.5%
Retained to Com Eq	--	--	--	--	--	7.2%	5.3%	3.5%	6.6%	2.0%	2.0%	3.0%	3.5%	3.5%
All Div'ds to Net Prof	--	--	--	--	--	--	39%	40%	69%	68%	63%	60%	60%	60%

CAPITAL STRUCTURE as of 9/30/09
 Total Debt \$1592.0 mill. Due in 5 Yrs \$528.0 mill.
 LT Debt \$1408.0 mill. LT Interest \$87.0 mill.
 (LT interest earned: 2.3x)
 Leases, Uncapitalized Annual rentals \$7.0 mill.

Pension Assets-12/08 \$347.0 mill.
 Oblig. \$467.0 mill.

Pfd Stock None

Common Stock 75,191,682 shs.
 as of 10/26/09

MARKET CAP: \$1.5 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2006	2007	2008
% Change Retail Sales (KWH)	+3.6	+1.0	+7
Avg. Indust. Use (MWH)	15736	11450	11392
Avg. Indust. Revs. per KWH (\$)	5.83	6.38	6.42
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw) ^F	3706	3664	4031
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.7	+1.4	+8

Fixed Charge Cov. (%) 206 320 226

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '06-'08 to '12-'14
Revenues	--	--	5%
"Cash Flow"	--	--	1.5%
Earnings	--	--	3.5%
Dividends	--	--	5.5%
Book Value	--	--	2.5%

BUSINESS: Portland General Electric Company (PGE) provides electricity to 818,000 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, '08: residential, 43%; commercial, 34%; industrial, 9%; other, 14%. Generating sources

include coal, gas, hydro, wind, and purchased; breakdown is not available. Fuel costs: 50% of revenues. '08 reported depreciation rate: 3.7%. Has 2,800 employees. Chairman: Corbin A. McNeill, Jr. Chief Executive Officer and President: Jim Piro. Inc.: Oregon. Address: 121 SW Salmon Street, Portland, Oregon 97204. Tel.: 503-464-8000. Internet: www.portlandgeneral.com.

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	381.0	351.0	372.0	416.0	1520.0
2007	436.0	402.0	435.0	470.0	1743.0
2008	471.0	425.0	400.0	449.0	1745.0
2009	485.0	389.0	445.0	456	1775
2010	510	420	450	470	1850

EARNINGS PER SHARE ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	.10	.43	.16	.64	1.14
2007	.88	.73	.32	.40	2.33
2008	.44	.63	--	.32	1.39
2009	.47	.31	.43	.19	1.40
2010	.50	.45	.35	.35	1.65

QUARTERLY DIVIDENDS PAID ^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	--	--	.225	.225	.45
2007	.225	.225	.235	.235	.92
2008	.235	.245	.245	.245	.97
2009	.245	.245	.255	.255	1.00
2010	.255				

Portland General Electric plans to file a rate case later this month. In 2010, the utility is likely to earn a return on equity of just 7%-8%. That's well below PGE's allowed ROE of 10%. Electric sales have fallen short of the forecasted level due to the weak economy. Meanwhile, operating and maintenance costs are up, and the effects of a state tax law are hurting the company. A ruling from the Oregon commission should come in time for new tariffs to take effect at the start of 2010.

We have trimmed our 2009 share-earnings estimate by a nickel. This reflects a \$5 million after-tax charge that PGE will take to write off a portion of the cost of a hydro project (associated with a construction delay) that it won't be allowed to recover in rates. The company might still recoup some or all of these costs from insurance or from companies involved in the project.

We estimate higher profits in 2010. In 2009, extended outages at two coal-fired facilities hurt the bottom line. The plants are back on line, so we assume normal operations this year. Our estimate remains at the upper end of PGE's targeted range

of \$1.50-\$1.65 a share.

PGE is deciding what to do with its 65%-owned Boardman coal-fired plant. Retrofitting the facility to meet stricter environmental guidelines would cost an estimated \$520 million-\$560 million. So, PGE proposes spending \$40 million for environmental compliance in the short term, with the plant being shut or switched to a different fuel source in 2020.

Two sizable projects are under construction, and others are being proposed. PGE is adding a third phase to its Biglow Canyon windfarm. The 175-megawatt addition will cost an estimated \$426 million and should begin operating in the third quarter. The utility is also installing an advanced metering system at a cost of \$130 million-\$135 million. This project should be completed by yearend. Potential projects for the next decade include gas base-load and peaking plants, additional wind capacity, and a transmission line in Oregon.

This stock's yield is fractionally above the utility mean. Total return potential to 2012-2014 is only average for the group.

Paul E. Debbas, CFA February 5, 2010

(A) Diluted earnings. '06 EPS don't add to full-year total due to rounding. Next earnings report due late February. (B) Dividends paid mid-Jan., Apr., July, and Oct. (C) Incl. deferred charges. In '08: \$304.0 mill., \$4.86/sh. (D) In millions. (E) Rate base: Net original cost. Rate allowed on common equity in '09: 10.0%; earned on average common equity, '08: 6.5%. Regulatory Climate: Below Average. (F) Summer peak in '06. (G) '05 per-share data are pro forma, based on shares outstanding when the stock began trading in '06.

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

(14)

WISCONSIN ENERGY NYSE-WEC

RECENT PRICE **50.75** P/E RATIO **13.9** (Trailing: 15.9 Median: 15.0) RELATIVE P/E RATIO **0.79** DIV'D YLD **3.3%** VALUE LINE

TIMELINESS 2 Raised 2/28/10	High: 31.6	23.6	24.6	26.5	33.7	34.6	40.8	48.7	50.5	49.6	50.6	50.9	Target Price Range 2013 2014 2015	
SAFETY 2 Lowered 7/11/97	Low: 19.1	16.8	19.1	20.2	22.6	29.5	33.3	38.2	41.1	34.9	36.3	46.9		128
TECHNICAL 2 Raised 2/5/10	LEGENDS 1.34 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area: prior recession Latest recession began 12/07											96		
BETA .65 (1.00 = Market)	2013-15 PROJECTIONS											80		
Ann'l Total													64	
High Price 80 (+60%)	Price Gain Return											48		
Low Price 60 (+20%)	15% 8%											40		
Insider Decisions													32	
M J J A S O N D J													24	
to Buy 0 0 0 0 0 0 0 0 0 0 0 0 0													16	
Options 0 1 0 2 0 0 3 0 0 0													12	
to Sell 0 1 0 2 0 0 3 0 0 0														
Institutional Decisions														
2Q2009 3Q2009 4Q2009														
to Buy 139 110 139														
to Sell 159 159 149														
Hld's(000) 76941 80851 81517														
Percent shares traded														
12														
8														
4														
% TOT. RETURN 2/10														
THIS STOCK VL ARITH. INDEX														
1 yr. 25.6 101.8														
3 yr. 9.4 0.8														
5 yr. 58.1 30.1														

1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	© VALUE LINE PUB., INC. 13-15	
15.99	15.98	15.88	15.86	17.13	19.11	28.28	34.04	32.20	34.24	29.33	32.62	34.17	36.24	37.90	35.31	38.90	41.05	Revenues per sh	47.50
3.81	4.28	4.25	2.96	4.13	4.53	4.48	5.44	5.68	5.71	5.16	5.78	5.80	5.97	5.91	6.22	7.05	7.65	"Cash Flow" per sh	9.75
1.67	2.13	1.97	1.54	1.65	1.88	1.08	1.84	2.32	2.26	1.85	2.56	2.64	2.84	3.03	3.20	3.70	4.00	Earnings per sh ^A	4.75
1.40	1.46	1.51	1.51	1.56	1.56	1.37	.80	.80	.80	.83	.88	.92	1.00	1.08	1.35	1.60	1.80	Div'd Decl'd per sh ^{B=†}	2.40
2.76	2.50	3.53	3.13	3.52	4.44	5.29	6.03	5.07	5.89	5.70	6.79	8.35	10.56	9.73	6.99	8.15	8.70	Cap'l Spending per sh	6.50
16.01	16.89	17.42	16.51	16.46	16.89	17.00	17.81	18.44	19.92	21.31	22.91	24.70	26.50	28.54	30.51	32.45	34.45	Book Value per sh ^C	40.25
108.94	110.82	111.68	112.87	115.61	118.90	118.65	115.42	116.03	118.43	116.99	116.98	116.97	116.94	116.92	116.91	117.00	117.00	Common Shs Outst'g ^D	117.00
15.2	13.1	14.3	47.3	18.0	13.3	18.7	12.1	10.5	12.4	17.5	14.5	16.0	16.5	14.8	13.3	13.3	13.3	Avg Ann'l P/E Ratio	15.0
1.00	.88	.90	2.73	.94	.76	1.22	.62	.57	.71	.92	.77	.86	.88	.89	.88	.88	.88	Relative P/E Ratio	1.00
5.5%	5.2%	5.4%	6.0%	5.2%	6.3%	6.8%	3.6%	3.3%	2.8%	2.6%	2.4%	2.2%	2.1%	2.4%	3.2%	3.2%	3.2%	Avg Ann'l Div'd Yield	3.4%
CAPITAL STRUCTURE as of 12/31/09																			
Total Debt \$4996.6 mill. Due in 5 Yrs \$2306.6 mill.																			
LT Debt \$3875.8 mill. LT Interest \$219.0 mill.																			
Incl. \$141.9 mill. capitalized leases.																			
(LT interest earned: 3.5x)																			
Leases, Uncapitalized Annual rentals \$21.3 mill.																			
Pension Assets-12/09 \$1.03 bill.																			
Oblig. \$1.16 bill.																			
Pfd Stock \$30.4 mill. Pfd Div'd \$1.2 mill.																			
260,000 shs. 3.60%, \$100 par, callable at \$101;																			
44,498 shs. 6%, \$100 par.																			
Common Stock 116,900,785 shs.																			
as of 1/31/10																			
MARKET CAP: \$5.9 billion (Large Cap)																			
ELECTRIC OPERATING STATISTICS																			
2007 2008 2009																			
% Change Retail Sales (KWhr) +2.2 -2.2 -8.1																			
Avg. Indust. Use (MWh) NA NA NA																			
Avg. Indust. Revs. per KWhr (¢) 6.02 6.05 6.57																			
Capacity at Peak (Mw) NA NA NA																			
Peak Load, Summer (Mw) 6166 5740 NA																			
Annual Load Factor (%) NA NA NA																			
% Change Customers (yr-end) +2 +5 +2																			
Fixed Charge Cov. (%) 258 270 281																			
ANNUAL RATES Past Past Est'd '07-'09																			
of change (per sh) 10 Yrs. 5 Yrs. to '13-'15																			
Revenues 7.5% 2.5% 4.5%																			
"Cash Flow" 4.5% 2.0% 8.5%																			
Earnings 8.5% 7.0% 8.0%																			
Dividends -3.0% 7.0% 13.0%																			
Book Value 5.5% 7.5% 6.0%																			
QUARTERLY REVENUES (\$ mill.)																			
Cal- Full																			
endar Mar.31 Jun.30 Sep.30 Dec.31 Year																			
2007 1301.1 906.5 881.5 1148.7 4237.8																			
2008 1431.8 946.1 852.5 1200.6 4431.0																			
2009 1396.2 842.5 821.9 1067.3 4127.9																			
2010 1500 950 900 1200 4550																			
2011 1600 1000 950 1250 4800																			
EARNINGS PER SHARE ^A																			
Cal- Full																			
endar Mar.31 Jun.30 Sep.30 Dec.31 Year																			
2007 .85 .49 .70 .80 2.84																			
2008 1.04 .49 .65 .85 3.03																			
2009 1.20 .54 .50 .96 3.20																			
2010 1.15 .65 .90 1.00 3.70																			
2011 1.30 .70 .95 1.05 4.00																			
QUARTERLY DIVIDENDS PAID ^{B=†}																			
Cal- Full																			
endar Mar.31 Jun.30 Sep.30 Dec.31 Year																			
2006 .23 .23 .23 .23 .92																			
2007 .25 .25 .25 .25 1.00																			
2008 .27 .27 .27 .27 1.08																			
2009 .3375 .3375 .3375 .3375 1.35																			
2010 .40																			

BUSINESS: Wisconsin Energy Corporation is a holding company for We Energies, which provides electric, gas & steam service in WI & upper MI. Customers: 1.1 mill. elec., 1 mill. gas. Acq'd Edison Sault Electric 5/98; WICOR 4/00. Discontinued pump-manufacturing ops. in '04. Sold Point Beach nuclear plant in '07. Electric rev. breakdown, '09: residential, 37%; small comm'l & ind'l, 32%; large comm'l & ind'l, 23%; other, 8%. Generating sources, '09: coal, 52%; gas, 8%; hydro, 1%; wind, 1%; purchased, 38%. Fuel costs: 48% of revs. '09 reported depr. rate (utility): 3.7%. Has 4,700 empl. Chairman, Pres. & CEO: Gale E. Klappa, Inc.: WI. Address: 231 W. Michigan St., P.O. Box 1331, Milwaukee, WI 53201. Tel.: 414-221-2345. Internet: www.wisconsinenergy.com.

Wisconsin Energy's utilities were granted rate increases at the start of the year. Wisconsin Electric received an electric rate hike of \$85.8 million (3.35%) and a gas rate decrease of \$2.0 million (0.35%) based on a 10.4% return on equity. Wisconsin Gas got a tariff hike of \$5.7 million (0.7%) based on a 10.5% ROE. Steam rates were reduced by \$500,000.

Wisconsin Energy has settled its dispute with Bechtel, which is building generating plants for the company under its "Power the Future" program. Bechtel had sought \$517.5 million in cost relief. The agreement calls for Wisconsin Energy to pay \$72 million to settle these claims.

The board of directors declared a sizable dividend increase. The board raised the annual dividend by \$0.25 a share (18.5%). The directors were able to do this because the company's earning power is rising and the payout ratio is very low for a utility. Wisconsin Energy still has a goal of having a 40%-45% payout ratio this year and next, with a 45%-50% payout ratio subsequently. With this year's increase, the annual disbursement is now above its level when the board cut it 10 years ago.

Oak Creek Unit 1 has entered commercial operation. This is the first of two coal-fired units under Power the Future. (Gas-fired units went into service in 2005 and 2008.) Unit 2 is expected to enter commercial operation in August. Oak Creek will provide the company with 1,030 megawatts of capacity at a projected cost of \$2 billion.

Earnings should advance significantly this year and next. Rate relief will help in 2010, and the contribution of the two Oak Creek units will boost Wisconsin Energy's profitability each year.

The utility has filed a fuel recovery case. It is asking for an increase of \$60.5 million. Even with some relief, fuel under-recoveries will be an estimated \$18 million-\$22 million (pretax) this year.

Even with the dividend increase earlier this year, the yield of this timely stock is still well below the industry average. Continued earnings and dividend growth through 2013-2015 might well produce a total return over that time that is about average for a utility.

Paul E. Debbas, CFA March 26, 2010

(A) Diluted EPS. Excl. nonrec. gains (losses): '99, (9¢); '00, 19¢ net; '01, 1¢ net; '02, (88¢); '03, (20¢) net; '04, (81¢) gains on discount. ops.; '04, \$1.54; '05, 4¢; '06, 4¢; '09, 4¢. Next earnings report due early May. (B) Div'ds historically paid in early Mar., June, Sept. & Dec. (C) Div'd reinvestment plan avail. † Shareholder investment plan avail. (C) Incl. intang. In '09: \$13.98/sh. (D) In mill. (E) Rate base: Net orig. cost. Rates allowed on com. eq. in '10: 10.4%-10.5%; earned on avg. com. eq. '09: 10.8%. Regulatory Climate: Above Average.

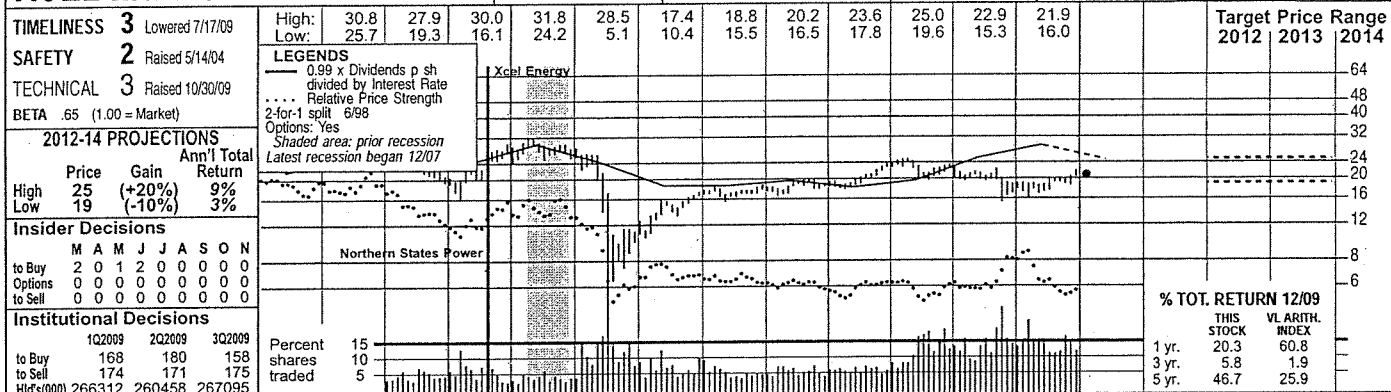
Company's Financial Strength B++
Stock's Price Stability 100
Price Growth Persistence 95
Earnings Predictability 90

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(15)

XCEL ENERGY NYSE-XEL

RECENT PRICE **20.80** P/E RATIO **14.1** (Trailing: 14.1) Median: 15.0 RELATIVE P/E RATIO **0.85** DIV'D YLD **4.8%** VALUE LINE



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	© VALUE LINE PUB., INC.	12-14
Revenues per sh	18.42	34.11	43.56	23.89	19.90	20.84	23.86	24.16	23.40	24.69	21.10	22.80	26.75	26.75
"Cash Flow" per sh	4.13	4.12	5.09	3.14	3.35	3.27	3.28	3.61	3.45	3.50	3.50	3.70	4.50	4.50
Earnings per sh ^A	1.43	1.60	2.27	.42	1.23	1.27	1.20	1.35	1.35	1.46	1.49	1.60	2.00	2.00
Div'd Decl'd per sh ^B	1.45	1.48	1.50	1.13	.75	.81	.85	.88	.91	.94	.97	1.00	1.10	1.10
Cap'l Spending per sh	13.87	3.63	7.40	6.04	2.49	3.19	3.25	4.00	4.89	4.66	3.95	4.85	5.75	5.75
Book Value per sh ^C	16.42	16.37	17.95	11.70	12.95	12.99	13.37	14.28	14.70	15.35	15.90	16.55	19.25	19.25
Common Shs Outst'g ^D	155.73	339.79	345.02	398.71	398.96	400.46	403.39	407.30	428.78	453.79	457.00	460.50	470.00	470.00
Avg Ann'l P/E Ratio	16.6	14.3	12.4	NMF	11.6	13.6	15.4	14.8	16.7	13.7	12.7	12.7	11.5	11.5
Relative P/E Ratio	.95	.93	.64	NMF	.66	.72	.82	.80	.89	.83	.83	.83	.75	.75
Avg Ann'l Div'd Yield	6.1%	6.4%	5.3%	6.6%	5.2%	4.7%	4.6%	4.4%	4.0%	4.7%	5.1%	5.1%	4.8%	4.8%
Revenues (\$mill)	2869.0	11592	15028	9524.4	7937.5	8345.3	9625.5	9840.3	10034	11203	9642.6	10500	12600	12600
Net Profit (\$mill)	240.1	545.8	784.7	177.6	510.0	526.9	499.0	568.7	575.9	645.7	685.5	745	970	970
Income Tax Rate	21.6%	35.8%	28.2%	32.7%	23.7%	23.2%	25.8%	24.2%	33.8%	34.4%	35.1%	35.0%	35.0%	35.0%
AFUDC % to Net Profit	2.5%	4.4%	7.1%	46.7%	8.9%	10.9%	8.5%	9.8%	12.5%	15.9%	16.8%	12.0%	12.0%	12.0%
Long-Term Debt Ratio	54.7%	58.8%	66.7%	59.6%	55.3%	55.0%	51.7%	52.1%	49.7%	52.2%	52.0%	53.0%	51.0%	51.0%
Common Equity Ratio	40.5%	40.5%	32.8%	39.5%	43.8%	44.1%	47.3%	47.0%	49.4%	47.1%	47.5%	46.0%	48.5%	48.5%
Total Capital (\$mill)	6316.2	13745	18911	11815	11790	11801	11398	12371	12748	14800	15300	16500	18600	18600
Net Plant (\$mill)	4451.5	15273	21165	18816	13667	14096	14696	15549	16676	17689	18575	19825	23700	23700
Return on Total Cap'l	5.4%	6.0%	6.0%	5.4%	6.1%	6.2%	6.2%	6.2%	6.3%	6.0%	6.0%	6.0%	7.0%	7.0%
Return on Shr. Equity	8.4%	9.6%	12.5%	3.7%	9.7%	9.9%	9.1%	9.6%	9.0%	9.1%	9.5%	9.5%	10.5%	10.5%
Return on Com Equity ^E	8.6%	9.7%	12.6%	3.7%	9.8%	10.0%	9.2%	9.7%	9.1%	9.2%	9.5%	9.5%	10.5%	10.5%
Retained to Com Eq	NMF	9%	4.3%	NMF	3.9%	3.9%	2.9%	3.6%	3.1%	3.8%	3.5%	3.5%	5.0%	5.0%
All Div'ds to Net Prof	100%	91%	66%	NMF	60%	62%	69%	63%	66%	59%	65%	62%	54%	54%

CAPITAL STRUCTURE as of 9/30/09
 Total Debt \$8623.9 mill. Due in 5 Yrs \$2868.8 mill.
 LT Debt \$7945.4 mill. LT Interest \$516.5 mill.
 Incl. 8,000,000 shares 7.875% tax-deductible Trust
 Originated Preferred Securities, liquidation value \$25/share; 7,760,000 shares 7.60%, cumulative, \$25 par; \$100 mill. 7.85% tax-deductible Trust Preferred Securities.
 (LT interest earned: 2.9x)
 Leases, Uncapitalized Annual rentals \$186.4 mill.
 Pension Assets-12/08 \$2.19 bill. Oblig. \$2.60 bill.
 Pfd Stock \$105.0 mill. Pfd Div'd \$4.2 mill.
 1,049,800 shares \$3.60 to \$4.56, cumulative, \$100 par, callable \$102.00 to \$103.75.
 Common Stock 456,645,598 shs. as of 10/26/09
 MARKET CAP: \$9.5 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2006	2007	2008
% Change Retail Sales (KWH)	+1.8	+2.0	+8
Avg. C & I Use (MWH)	153	153	155
Avg. C & I Revs. per KWH (\$)	6.55	6.57	7.28
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	21255	21108	20596
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.2	+9	+1.1

BUSINESS: Xcel Energy Inc. is the parent of Northern States Power, which supplies power to Minnesota, Wisconsin, North Dakota, South Dakota, Michigan, & gas to Minnesota, Wisconsin, North Dakota, & Michigan; Public Service of Colorado, which supplies power & gas to Colorado; & Southwestern Public Service, which supplies power to Texas & New Mexico. Customers: 3.4 mill. electric, 1.9 mill. gas. Electric revenue breakdown, '08: residential, 28%; commercial & industrial, 53%; other, 19%. Generating sources not available. Fuel costs: 61% of revs. '08 reported deprec. rate: 3.2%. Has 11,200 employees. Chairman, President & CEO: Richard C. Kelly, Inc.: MN. Address: 414 Nicollet Mall, Minneapolis, MN 55401. Tel.: 612-330-5500. Internet: www.xcelenergy.com.

Xcel Energy's utility subsidiary in Colorado has received part of the rate increase that it was granted. Public Service of Colorado had filed for an electric rate increase of \$177.4 million (6.7%), partly to place the Comanche 3 coal-fired unit in the rate base. The Colorado commission granted the utility a rate hike of \$128.3 million, based on a return on equity of 10.5%. But, because Comanche 3 didn't enter commercial operation at the end of 2009, as scheduled, P.S. of Colorado was permitted to put just \$67.0 million of the rate increase in effect at the start of 2010. Once Comanche 3 begins service (something that was expected in February of 2010), electric rates will be raised by an additional \$54.0 million. The utility will receive the remaining \$7.3 million at the start of 2011, to reflect higher property taxes.

Northern States Power has received small electric rate increases in Wisconsin and South Dakota. In Wisconsin, NSP was granted a tariff hike of \$6.4 million (1.2%) based on a return of 10.4% on a common-equity ratio of 52.3%. In South Dakota, the utility received a rate increase of \$10.9 million in a regulatory settlement that did not specify an allowed ROE. We estimate that earnings will rise in 2010. The rate relief that Xcel's utilities received in early 2010, along with a full year of increases granted in 2009, are the primary reasons for bottom-line growth. Our share-profit estimate of \$1.60 is at the midpoint of Xcel's targeted range of \$1.55-\$1.65. (The delay for Comanche 3 is not expected to affect earnings; Xcel did not revise its 2010 guidance.)

Xcel is proposing a nuclear uprate program at its two nuclear stations. This would add 235 megawatts of capacity and extend the plants' life by 20 years. The cost would be \$1.1 billion. The company still needs some federal and state regulatory approvals before it can proceed with the program.

More-attractive selections are available elsewhere. The share price didn't fall as much as most other utilities in the sharp market downturn that began in September of 2008. The yield is about equal to the industry average, but 3- to 5-year total return potential is below average.

Paul E. Debbas, CFA February 5, 2010

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2006	2888	2074	2411	2467	9840.3
2007	2764	2267	2400	2603	10034
2008	3028	2615	2852	2708	11203
2009	2696	2016	2314	2617	9642.6
2010	2700	2450	2700	2650	10500

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2006	.36	.24	.53	.23	1.35
2007	.28	.16	.59	.31	1.35
2008	.35	.24	.51	.36	1.46
2009	.38	.25	.48	.37	1.49
2010	.35	.28	.57	.40	1.60

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2006	.215	.215	.2225	.2225	.88
2007	.2225	.2225	.23	.23	.91
2008	.23	.23	.2375	.2375	.94
2009	.2375	.2375	.245	.245	.97
2010	.245				

(A) Diluted EPS. Excl. nonrec. loss: '02, \$6.27; gains (losses) on discount ops.: '03, 27¢; '04, (30¢); '05, 3¢; '06, 1¢; '09, (1¢), '06, '07 & '09 EPS don't add due to rounding. Next egs. re-
 port due late Apr. (B) Div'ds historically paid in mid-Jan., April, July, and Oct. = Div'd reinvest. plan avail. (C) Incl. intang. In '08: \$5.23/sh. (D) In mill., adj. for split. (E) Rate base: Varies. Rate allowed on com. eq.: MN '09, 10.88%; WI '08, 10.75%; CO '10 (elec.), 10.5%; CO '07 (gas) 10.25%; TX '86, 15.05%; earned on avg. com. eq., '08: 9.7%. Regulatory Climate: Avg.

Company's Financial Strength B++
Stock's Price Stability 100
Price Growth Persistence 25
Earnings Predictability 60

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(16)

Pacific

8/18/10
Workpaper

	Cost of Capital	$\frac{P}{W}$	$\frac{W}{W}$	
COMMON	9.50	46.5	4.211	} 4.43
pref	5.41	.3	.02	
LTD	5.89	50.20	2.96	} 3.05
STD	<u>3.00</u>	<u>3.00</u>	.09	
		100.0	7.48	

pre tax coverage ~~3.28~~ 3.23

2.0 Coverage ROE

$$2.0 = \frac{\left\{ \frac{w_k e + w_k e}{.65} \right\} + w_k e}{w_k e} =$$

$$1 = \frac{\left[\frac{w_k e}{.65} + .03 \right]}{2.99 \cdot 3.05}$$

$$2.99 = \frac{w_k e}{.65} + .03$$

$$2.96 \times .65 = w_k e$$

$$1.92 = w_k e$$

$$\frac{w_k e}{.465} = k_e$$

4.13%

(7)

Cost of Higher Equity Ratio

Kim Elgin
Participant

BNW 2 }
Pg 4 } Total 6,245,916,581

Annual Debt Service 375,296,427

Cost 5.892%

Costs increase 100 basis point 6.892%

430,468,571

\$55,172,143 @ 8%

\$4,413,771

\$5,100,000

Bought @ 100 bps
Cost of increased
equity

Alt Analysis

\$30,000,000 Interest 5,100,000 cost

35,100,000 interest

438,750,000 splen interest

6,245,916,581

7.025% vs. 5.892% Δ 1.133%

\$22 + 20

(6)