

Control Number: 49421



Item Number: 446

Addendum StartPage: 0

SOAH DOCKET NO. 473-19-3864
PUC DOCKET NO. 49421

RECEIVED

APPLICATION OF CENTERPOINT § BEFORE THE STATE OFFICE
ENERGY HOUSTON ELECTRIC, LLC § OF
FOR AUTHORITY TO CHANGE RATES § ADMINISTRATIVE HEARINGS

2019 JUN 7 AM 11:02
PUBLIC UTILITY COMMISSION

WORKPAPERS
TO THE
DIRECT TESTIMONY
OF
ANJULI WINKER

ON BEHALF OF THE
OFFICE OF PUBLIC UTILITY COUNSEL

JUNE 7, 2019

4480

Mergent Bond Records: Public Utility Bonds

Table for 2000: Columns include Month (Jan-Dec), Aa, A, Baa, and Avg. Values range from 8.03 to 8.31.

Table for 2001: Columns include Month (Jan-Dec), Aa, A, Baa, and Avg. Values range from 7.53 to 7.99.

Table for 2002: Columns include Month (Jan-Dec), Aa, A, Baa, and Avg. Values range from 7.19 to 7.69.

Table for 2003: Columns include Month (Jan-Dec), Aa, A, Baa, and Avg. Values range from 6.40 to 6.92.

Table for 2004: Columns include Month (Jan-Dec), Aa, A, Baa, and Avg. Values range from 6.04 to 6.47.

Table for 2005: Columns include Month (Jan-Dec), Aa, A, Baa, and Avg. Values range from 5.44 to 5.80.

Table for 2006: Columns include Month (Jan-Dec), Aa, A, Baa, and Avg. Values range from 5.84 to 6.07.

Table for 2007: Columns include Month (Jan-Dec), Aa, A, Baa, and Avg. Values range from 5.94 to 6.16.

Table for 2008: Columns include Month (Jan-Dec), Aa, A, Baa, and Avg. Values range from 6.18 to 6.65.

Table for 2009: Columns include Month (Jan-Dec), Aa, A, Baa, and Avg. Values range from 5.75 to 6.28.

Table for 2010: Columns include Month (Jan-Dec), Aa, A, Baa, and Avg. Values range from 5.24 to 5.83.

Table for 2011: Columns include Month (Jan-Dec), Aa, A, Baa, and Avg. Values range from 4.78 to 5.64.

Table for 2012: Columns include Month (Jan-Dec), Aa, A, Baa, and Avg. Values range from 3.83 to 4.48.

Table for 2013: Columns include Month (Jan-Dec), Aa, A, Baa, and Avg. Values range from 4.24 to 4.88.

Table for 2014: Columns include Month (Jan-Dec), Aa, A, Baa, and Avg. Values range from 4.19 to 4.88.

Table for 2015: Columns include Month (Jan-Dec), Aa, A, Baa, and Avg. Values range from 4.00 to 4.55.

Table for 2016: Columns include Month (Jan-Dec), Aa, A, Baa, and Avg. Values range from 3.73 to 4.44.

Table for 2017: Columns include Month (Jan-Dec), Aa, A, Baa, and Avg. Values range from 3.82 to 4.42.

Table for 2018: Columns include Month (Jan-Dec), Aa, A, Baa, and Avg. Values range from 4.09 to 4.65.

| Date of Electric Rate Case | Return on Equity | Yearly Average |
|----------------------------|------------------|----------------|
| 1/7/2000 | 11.50% | |
| 1/7/2000 | 11.50% | |
| 2/17/2000 | 10.60% | |
| 3/28/2000 | 11.25% | |
| 5/24/2000 | 11.00% | |
| 7/18/2000 | 12.20% | |
| 9/29/2000 | 11.16% | |
| 11/28/2000 | 12.90% | |
| 11/30/2000 | 12.10% | 11.58% |
| 1/23/2001 | 11.25% | |
| 2/8/2001 | 11.50% | |
| 5/8/2001 | 10.75% | |
| 6/26/2001 | 11.00% | |
| 7/25/2001 | 11.02% | |
| 7/25/2001 | 11.02% | |
| 7/31/2001 | 11.00% | |
| 8/31/2001 | 10.50% | |
| 9/7/2001 | 10.75% | |
| 9/10/2001 | 11.00% | |
| 9/20/2001 | 10.00% | |
| 10/24/2001 | 10.30% | |
| 11/28/2001 | 10.60% | |
| 12/3/2001 | 12.88% | |
| 12/20/2001 | 12.50% | 11.07% |
| 1/22/2002 | 10.00% | |
| 3/27/2002 | 10.10% | |
| 4/22/2002 | 11.80% | |
| 5/28/2002 | 10.17% | |
| 6/10/2002 | 12.00% | |
| 6/18/2002 | 11.16% | |
| 6/20/2002 | 11.00% | |
| 6/20/2002 | 12.30% | |
| 7/15/2002 | 11.00% | |
| 9/12/2002 | 12.30% | |
| 9/26/2002 | 10.45% | |
| 12/4/2002 | 11.55% | |
| 12/13/2002 | 11.75% | |
| 12/20/2002 | 11.40% | 11.21% |
| 1/8/2003 | 11.10% | |
| 1/31/2003 | 12.45% | |
| 2/28/2003 | 12.30% | |

| | | |
|------------|--------|--------|
| 3/6/2003 | 10.75% | |
| 3/7/2003 | 9.96% | |
| 3/20/2003 | 12.00% | |
| 4/3/2003 | 12.00% | |
| 4/15/2003 | 11.15% | |
| 6/25/2003 | 10.75% | |
| 6/26/2003 | 10.75% | |
| 7/9/2003 | 9.75% | |
| 7/16/2003 | 9.75% | |
| 7/25/2003 | 9.50% | |
| 8/26/2003 | 10.50% | |
| 12/17/2003 | 9.85% | |
| 12/17/2003 | 10.70% | |
| 12/18/2003 | 11.50% | |
| 12/19/2003 | 12.00% | |
| 12/19/2003 | 12.00% | |
| 12/23/2003 | 10.50% | 10.96% |
| 1/13/2004 | 12.00% | |
| 3/2/2004 | 10.75% | |
| 3/26/2004 | 10.25% | |
| 4/5/2004 | 11.25% | |
| 5/18/2004 | 10.50% | |
| 5/25/2004 | 10.25% | |
| 5/27/2004 | 10.25% | |
| 6/2/2004 | 11.22% | |
| 6/30/2004 | 10.50% | |
| 6/30/2004 | 10.50% | |
| 7/16/2004 | 11.60% | |
| 8/25/2004 | 10.25% | |
| 9/9/2004 | 10.40% | |
| 11/9/2004 | 10.50% | |
| 11/23/2004 | 11.00% | |
| 12/14/2004 | 10.97% | |
| 12/21/2004 | 11.25% | |
| 12/21/2004 | 11.50% | |
| 12/22/2004 | 10.70% | |
| 12/22/2004 | 11.50% | |
| 12/29/2004 | 9.85% | 10.81% |
| 1/6/2005 | 10.70% | |
| 2/18/2005 | 10.30% | |
| 2/25/2005 | 10.50% | |
| 3/10/2005 | 11.00% | |
| 3/24/2005 | 10.30% | |
| 4/4/2005 | 10.00% | |

| | | |
|------------|--------|--------|
| 4/7/2005 | 10.25% | |
| 5/18/2005 | 10.25% | |
| 5/25/2005 | 10.75% | |
| 5/26/2005 | 9.75% | |
| 6/1/2005 | 9.75% | |
| 7/19/2005 | 11.50% | |
| 8/5/2005 | 11.75% | |
| 8/15/2005 | 10.13% | |
| 9/28/2005 | 10.00% | |
| 10/4/2005 | 10.75% | |
| 12/12/2005 | 11.00% | |
| 12/13/2005 | 10.75% | |
| 12/21/2005 | 10.29% | |
| 12/21/2005 | 10.40% | |
| 12/22/2005 | 11.00% | |
| 12/22/2005 | 11.15% | |
| 12/28/2005 | 10.00% | |
| 12/28/2005 | 10.00% | 10.51% |
| 1/5/2006 | 11.00% | |
| 1/27/2006 | 9.75% | |
| 3/3/2006 | 10.39% | |
| 4/17/2006 | 10.20% | |
| 4/26/2006 | 10.60% | |
| 5/17/2006 | 11.60% | |
| 6/6/2006 | 10.00% | |
| 6/27/2006 | 10.75% | |
| 7/6/2006 | 10.20% | |
| 7/24/2006 | 9.60% | |
| 7/26/2006 | 10.50% | |
| 7/28/2006 | 10.05% | |
| 8/23/2006 | 9.55% | |
| 9/1/2006 | 10.54% | |
| 9/14/2006 | 10.00% | |
| 10/6/2006 | 9.67% | |
| 11/21/2006 | 10.08% | |
| 11/21/2006 | 10.08% | |
| 11/21/2006 | 10.12% | |
| 12/1/2006 | 10.25% | |
| 12/1/2006 | 10.50% | |
| 12/7/2006 | 10.75% | |
| 12/21/2006 | 10.90% | |
| 12/21/2006 | 11.25% | |
| 12/22/2006 | 10.25% | 10.34% |
| 1/5/2007 | 10.00% | |

| | | |
|------------|--------|--------|
| 1/11/2007 | 10.10% | |
| 1/11/2007 | 10.10% | |
| 1/11/2007 | 10.90% | |
| 1/12/2007 | 10.10% | |
| 1/13/2007 | 10.40% | |
| 1/19/2007 | 10.80% | |
| 3/21/2007 | 11.35% | |
| 3/22/2007 | 9.75% | |
| 5/15/2007 | 10.00% | |
| 5/17/2007 | 10.25% | |
| 5/17/2007 | 10.25% | |
| 5/22/2007 | 10.20% | |
| 5/22/2007 | 10.50% | |
| 5/23/2007 | 10.70% | |
| 5/25/2007 | 9.67% | |
| 6/15/2007 | 9.90% | |
| 6/21/2007 | 10.20% | |
| 6/22/2007 | 10.50% | |
| 6/28/2007 | 10.75% | |
| 7/12/2007 | 9.67% | |
| 7/19/2007 | 10.00% | |
| 7/19/2007 | 10.00% | |
| 8/15/2007 | 10.40% | |
| 10/9/2007 | 10.00% | |
| 10/17/2007 | 9.10% | |
| 10/31/2007 | 9.96% | |
| 11/29/2007 | 10.90% | |
| 12/6/2007 | 10.75% | |
| 12/13/2007 | 9.96% | |
| 12/14/2007 | 10.70% | |
| 12/14/2007 | 10.80% | |
| 12/19/2007 | 10.20% | |
| 12/20/2007 | 10.20% | |
| 12/20/2007 | 11.00% | |
| 12/28/2007 | 10.25% | |
| 12/31/2007 | 11.25% | 10.31% |
| 1/8/2008 | 10.75% | |
| 1/17/2008 | 10.75% | |
| 1/28/2008 | 9.40% | |
| 1/30/2008 | 10.00% | |
| 1/31/2008 | 10.71% | |
| 2/29/2008 | 10.25% | |
| 3/12/2008 | 10.25% | |
| 3/25/2008 | 9.10% | |

| | | |
|------------|--------|--------|
| 4/22/2008 | 10.25% | |
| 4/24/2008 | 10.10% | |
| 5/1/2008 | 10.70% | |
| 5/19/2008 | 11.00% | |
| 5/27/2008 | 10.00% | |
| 6/10/2008 | 10.70% | |
| 6/27/2008 | 10.50% | |
| 6/27/2008 | 11.04% | |
| 7/10/2008 | 10.43% | |
| 7/16/2008 | 9.40% | |
| 7/30/2008 | 10.80% | |
| 7/31/2008 | 10.70% | |
| 8/11/2008 | 10.25% | |
| 8/26/2008 | 10.18% | |
| 9/10/2008 | 10.30% | |
| 9/24/2008 | 10.65% | |
| 9/24/2008 | 10.65% | |
| 9/24/2008 | 10.65% | |
| 9/30/2008 | 10.20% | |
| 10/8/2008 | 10.15% | |
| 11/13/2008 | 10.55% | |
| 11/17/2008 | 10.20% | |
| 12/1/2008 | 10.25% | |
| 12/23/2008 | 11.00% | |
| 12/29/2008 | 10.00% | |
| 12/29/2008 | 10.20% | |
| 12/31/2008 | 10.75% | 10.37% |
| 1/14/2009 | 10.50% | |
| 1/21/2009 | 10.50% | |
| 1/21/2009 | 10.50% | |
| 1/21/2009 | 10.50% | |
| 1/27/2009 | 10.76% | |
| 1/30/2009 | 10.50% | |
| 2/4/2009 | 8.75% | |
| 3/4/2009 | 10.50% | |
| 3/12/2009 | 11.50% | |
| 4/2/2009 | 11.10% | |
| 4/21/2009 | 10.61% | |
| 4/24/2009 | 10.00% | |
| 4/30/2009 | 11.25% | |
| 5/4/2009 | 10.74% | |
| 5/20/2009 | 10.25% | |
| 5/28/2009 | 10.50% | |
| 6/22/2009 | 10.00% | |

| | | |
|------------|--------|--------|
| 6/24/2009 | 10.80% | |
| 7/8/2009 | 10.63% | |
| 7/17/2009 | 10.50% | |
| 8/31/2009 | 10.25% | |
| 10/14/2009 | 10.70% | |
| 10/23/2009 | 10.88% | |
| 11/2/2009 | 10.70% | |
| 11/3/2009 | 10.70% | |
| 11/24/2009 | 10.25% | |
| 11/25/2009 | 10.75% | |
| 11/30/2009 | 10.35% | |
| 12/3/2009 | 10.50% | |
| 12/7/2009 | 10.70% | |
| 12/16/2009 | 10.90% | |
| 12/16/2009 | 11.00% | |
| 12/18/2009 | 10.40% | |
| 12/18/2009 | 10.40% | |
| 12/22/2009 | 10.20% | |
| 12/22/2009 | 10.40% | |
| 12/22/2009 | 10.40% | |
| 12/30/2009 | 10.00% | 10.52% |
| 1/4/2010 | 10.80% | |
| 1/11/2010 | 11.00% | |
| 1/26/2010 | 10.13% | |
| 1/27/2010 | 10.40% | |
| 1/27/2010 | 10.40% | |
| 1/27/2010 | 10.70% | |
| 2/9/2010 | 9.80% | |
| 2/18/2010 | 10.60% | |
| 2/24/2010 | 10.18% | |
| 3/2/2010 | 9.63% | |
| 3/4/2010 | 10.50% | |
| 3/5/2010 | 10.50% | |
| 3/11/2010 | 11.90% | |
| 3/17/2010 | 10.00% | |
| 3/25/2010 | 10.15% | |
| 4/2/2010 | 10.10% | |
| 4/27/2010 | 10.00% | |
| 4/29/2010 | 9.90% | |
| 4/29/2010 | 10.06% | |
| 4/29/2010 | 10.26% | |
| 5/12/2010 | 10.30% | |
| 5/12/2010 | 10.30% | |
| 5/28/2010 | 10.10% | |

| | | |
|------------|--------|--------|
| 5/28/2010 | 10.20% | |
| 6/7/2010 | 10.30% | |
| 6/16/2010 | 10.00% | |
| 6/28/2010 | 9.67% | |
| 6/28/2010 | 10.50% | |
| 6/30/2010 | 9.40% | |
| 7/1/2010 | 10.25% | |
| 7/15/2010 | 10.53% | |
| 7/15/2010 | 10.70% | |
| 7/30/2010 | 10.70% | |
| 8/4/2010 | 10.50% | |
| 8/6/2010 | 9.83% | |
| 8/25/2010 | 9.90% | |
| 9/3/2010 | 10.60% | |
| 9/14/2010 | 10.70% | |
| 9/16/2010 | 10.00% | |
| 9/16/2010 | 10.00% | |
| 9/30/2010 | 9.75% | |
| 10/14/2010 | 10.35% | |
| 10/28/2010 | 10.70% | |
| 11/2/2010 | 10.38% | |
| 11/4/2010 | 10.70% | |
| 11/19/2010 | 10.20% | |
| 11/22/2010 | 10.00% | |
| 12/1/2010 | 10.13% | |
| 12/6/2010 | 9.86% | |
| 12/9/2010 | 10.25% | |
| 12/13/2010 | 10.70% | |
| 12/14/2010 | 10.13% | |
| 12/15/2010 | 10.44% | |
| 12/17/2010 | 10.00% | |
| 12/20/2010 | 10.60% | |
| 12/21/2010 | 10.30% | |
| 12/27/2010 | 9.90% | |
| 12/29/2010 | 11.15% | 10.29% |
| 1/5/2011 | 10.15% | |
| 1/12/2011 | 10.30% | |
| 1/13/2011 | 10.30% | |
| 1/18/2011 | 10.00% | |
| 1/20/2011 | 9.30% | |
| 1/20/2011 | 10.13% | |
| 1/31/2011 | 9.60% | |
| 2/3/2011 | 10.00% | |
| 2/25/2011 | 10.00% | |

| | | |
|------------|--------|--------|
| 3/25/2011 | 9.80% | |
| 3/30/2011 | 10.00% | |
| 4/12/2011 | 10.00% | |
| 4/25/2011 | 10.74% | |
| 4/26/2011 | 9.67% | |
| 4/27/2011 | 10.40% | |
| 5/4/2011 | 10.00% | |
| 5/4/2011 | 10.00% | |
| 5/24/2011 | 10.50% | |
| 6/8/2011 | 10.75% | |
| 6/16/2011 | 9.20% | |
| 6/17/2011 | 9.95% | |
| 7/13/2011 | 10.20% | |
| 8/1/2011 | 9.20% | |
| 8/8/2011 | 10.00% | |
| 8/11/2011 | 10.00% | |
| 8/12/2011 | 10.35% | |
| 8/19/2011 | 10.25% | |
| 9/2/2011 | 12.88% | |
| 9/22/2011 | 10.00% | |
| 10/12/2011 | 10.30% | |
| 10/20/2011 | 10.50% | |
| 11/30/2011 | 10.90% | |
| 11/30/2011 | 10.90% | |
| 12/14/2011 | 10.00% | |
| 12/14/2011 | 10.30% | |
| 12/20/2011 | 10.20% | |
| 12/21/2011 | 10.20% | |
| 12/22/2011 | 9.90% | |
| 12/22/2011 | 10.40% | |
| 12/23/2011 | 10.19% | 10.19% |
| 1/25/2012 | 10.50% | |
| 1/27/2012 | 10.50% | |
| 2/15/2012 | 10.20% | |
| 2/23/2012 | 9.90% | |
| 2/27/2012 | 10.25% | |
| 2/29/2012 | 10.40% | |
| 3/29/2012 | 10.37% | |
| 4/4/2012 | 10.00% | |
| 4/26/2012 | 10.00% | |
| 5/2/2012 | 10.00% | |
| 5/7/2012 | 9.80% | |
| 5/15/2012 | 10.00% | |
| 5/29/2012 | 10.05% | |

| | | |
|------------|--------|--------|
| 6/7/2012 | 10.30% | |
| 6/14/2012 | 9.40% | |
| 6/15/2012 | 10.40% | |
| 6/18/2012 | 9.60% | |
| 6/19/2012 | 9.25% | |
| 6/26/2012 | 10.10% | |
| 6/29/2012 | 10.00% | |
| 7/9/2012 | 10.20% | |
| 7/16/2012 | 9.80% | |
| 7/20/2012 | 9.31% | |
| 7/20/2012 | 9.81% | |
| 9/13/2012 | 9.80% | |
| 9/19/2012 | 9.80% | |
| 9/19/2012 | 10.05% | |
| 9/26/2012 | 9.50% | |
| 10/12/2012 | 9.60% | |
| 10/23/2012 | 9.75% | |
| 10/24/2012 | 10.30% | |
| 11/9/2012 | 10.30% | |
| 11/28/2012 | 10.40% | |
| 11/29/2012 | 9.75% | |
| 11/29/2012 | 9.88% | |
| 12/5/2012 | 9.71% | |
| 12/5/2012 | 10.40% | |
| 12/12/2012 | 9.80% | |
| 12/13/2012 | 9.50% | |
| 12/13/2012 | 10.50% | |
| 12/14/2012 | 10.40% | |
| 12/19/2012 | 9.71% | |
| 12/19/2012 | 10.25% | |
| 12/20/2012 | 9.50% | |
| 12/20/2012 | 9.80% | |
| 12/20/2012 | 10.25% | |
| 12/20/2012 | 10.25% | |
| 12/20/2012 | 10.30% | |
| 12/20/2012 | 10.40% | |
| 12/20/2012 | 10.45% | |
| 12/21/2012 | 10.20% | |
| 12/26/2012 | 9.80% | 10.01% |
| 1/9/2013 | 9.70% | |
| 1/9/2013 | 9.70% | |
| 1/9/2013 | 9.70% | |
| 1/16/2013 | 9.60% | |
| 1/16/2013 | 9.60% | |

| | | |
|------------|--------|-------|
| 2/13/2013 | 10.20% | |
| 2/22/2013 | 9.75% | |
| 2/27/2013 | 10.00% | |
| 3/14/2013 | 9.30% | |
| 3/27/2013 | 9.80% | |
| 5/1/2013 | 9.84% | |
| 5/15/2013 | 10.30% | |
| 5/30/2013 | 10.20% | |
| 5/31/2013 | 9.00% | |
| 6/11/2013 | 10.00% | |
| 6/21/2013 | 9.75% | |
| 6/25/2013 | 9.80% | |
| 7/12/2013 | 9.36% | |
| 8/8/2013 | 9.83% | |
| 8/14/2013 | 9.15% | |
| 9/11/2013 | 10.20% | |
| 9/11/2013 | 10.25% | |
| 9/24/2013 | 10.20% | |
| 10/3/2013 | 9.65% | |
| 11/6/2013 | 10.20% | |
| 11/21/2013 | 10.00% | |
| 11/26/2013 | 10.00% | |
| 12/3/2013 | 10.25% | |
| 12/4/2013 | 9.50% | |
| 12/5/2013 | 10.20% | |
| 12/9/2013 | 8.72% | |
| 12/9/2013 | 9.75% | |
| 12/13/2013 | 9.75% | |
| 12/16/2013 | 9.95% | |
| 12/16/2013 | 9.95% | |
| 12/16/2013 | 10.12% | |
| 12/17/2013 | 9.50% | |
| 12/17/2013 | 10.95% | |
| 12/18/2013 | 8.72% | |
| 12/18/2013 | 9.80% | |
| 12/19/2013 | 10.15% | |
| 12/30/2013 | 9.50% | 9.81% |
| 2/20/2014 | 9.20% | |
| 2/26/2014 | 9.75% | |
| 3/17/2014 | 9.55% | |
| 3/26/2014 | 9.40% | |
| 3/26/2014 | 9.96% | |
| 4/2/2014 | 9.70% | |
| 5/16/2014 | 9.80% | |

| | | |
|------------|--------|-------|
| 5/30/2014 | 9.70% | |
| 6/6/2014 | 10.40% | |
| 6/30/2014 | 9.55% | |
| 7/2/2014 | 9.62% | |
| 7/10/2014 | 9.95% | |
| 7/23/2014 | 9.75% | |
| 7/29/2014 | 9.45% | |
| 7/31/2014 | 9.90% | |
| 8/20/2014 | 9.75% | |
| 8/25/2014 | 9.60% | |
| 8/29/2014 | 9.80% | |
| 9/11/2014 | 9.60% | |
| 9/15/2014 | 10.25% | |
| 10/9/2014 | 9.80% | |
| 11/6/2014 | 9.56% | |
| 11/6/2014 | 10.20% | |
| 11/14/2014 | 10.20% | |
| 11/26/2014 | 9.70% | |
| 11/26/2014 | 10.20% | |
| 12/4/2014 | 9.68% | |
| 12/10/2014 | 9.25% | |
| 12/10/2014 | 9.25% | |
| 12/11/2014 | 10.07% | |
| 12/12/2014 | 10.20% | |
| 12/17/2014 | 9.17% | |
| 12/18/2014 | 9.83% | 9.75% |
| 1/23/2015 | 9.50% | |
| 2/24/2015 | 9.83% | |
| 3/18/2015 | 9.75% | |
| 3/25/2015 | 9.50% | |
| 3/26/2015 | 9.72% | |
| 4/23/2015 | 10.20% | |
| 4/29/2015 | 9.53% | |
| 5/1/2015 | 9.60% | |
| 5/26/2015 | 9.75% | |
| 6/17/2015 | 9.00% | |
| 6/17/2015 | 9.00% | |
| 9/2/2015 | 9.50% | |
| 9/10/2015 | 9.30% | |
| 10/15/2015 | 9.00% | |
| 11/19/2015 | 10.00% | |
| 11/19/2015 | 10.30% | |
| 12/3/2015 | 10.00% | |
| 12/9/2015 | 9.14% | |

| | | |
|------------|--------|-------|
| 12/9/2015 | 9.14% | |
| 12/11/2015 | 10.30% | |
| 12/15/2015 | 9.60% | |
| 12/17/2015 | 9.70% | |
| 12/18/2015 | 9.50% | |
| 12/30/2015 | 9.50% | 9.60% |
| 1/6/2016 | 9.50% | |
| 2/23/2016 | 9.75% | |
| 3/16/2016 | 9.85% | |
| 4/29/2016 | 9.80% | |
| 6/3/2016 | 9.75% | |
| 6/8/2016 | 9.48% | |
| 6/15/2016 | 9.00% | |
| 6/15/2016 | 9.00% | |
| 7/18/2016 | 9.98% | |
| 8/9/2016 | 9.85% | |
| 8/18/2016 | 9.50% | |
| 8/24/2016 | 9.75% | |
| 9/1/2016 | 9.50% | |
| 9/8/2016 | 10.00% | |
| 9/28/2016 | 9.58% | |
| 9/30/2016 | 9.90% | |
| 11/9/2016 | 9.80% | |
| 11/10/2016 | 9.50% | |
| 11/15/2016 | 9.55% | |
| 11/18/2016 | 10.00% | |
| 11/29/2016 | 10.55% | |
| 12/1/2016 | 10.00% | |
| 12/6/2016 | 8.64% | |
| 12/6/2016 | 8.64% | |
| 12/7/2016 | 10.10% | |
| 12/12/2016 | 9.60% | |
| 12/14/2016 | 9.10% | |
| 12/19/2016 | 9.00% | |
| 12/19/2016 | 9.37% | |
| 12/22/2016 | 9.60% | |
| 12/22/2016 | 9.90% | |
| 12/28/2016 | 9.50% | 9.60% |
| 1/18/2017 | 9.45% | |
| 1/24/2017 | 9.00% | |
| 1/31/2017 | 10.10% | |
| 2/15/2017 | 9.60% | |
| 2/22/2017 | 9.60% | |
| 2/24/2017 | 9.75% | |

| | | |
|------------|--------|-------|
| 2/28/2017 | 10.10% | |
| 3/2/2017 | 9.41% | |
| 3/20/2017 | 9.50% | |
| 4/4/2017 | 10.25% | |
| 4/12/2017 | 9.40% | |
| 4/20/2017 | 9.50% | |
| 5/3/2017 | 9.50% | |
| 5/11/2017 | 9.20% | |
| 5/18/2017 | 9.50% | |
| 5/23/2017 | 9.70% | |
| 6/16/2017 | 9.65% | |
| 6/22/2017 | 9.70% | |
| 6/22/2017 | 9.70% | |
| 7/24/2017 | 9.50% | |
| 8/15/2017 | 10.00% | |
| 9/22/2017 | 9.60% | |
| 9/28/2017 | 9.80% | |
| 10/20/2017 | 9.50% | |
| 10/26/2017 | 10.25% | |
| 10/26/2017 | 10.20% | |
| 10/26/2017 | 10.30% | |
| 11/6/2017 | 10.25% | |
| 11/15/2017 | 11.95% | |
| 11/30/2017 | 10.00% | |
| 11/30/2017 | 10.00% | |
| 12/5/2017 | 9.50% | |
| 12/6/2017 | 8.40% | |
| 12/6/2017 | 8.40% | |
| 12/7/2017 | 9.80% | |
| 12/14/2017 | 9.65% | |
| 12/14/2017 | 9.60% | |
| 12/18/2017 | 9.50% | |
| 12/20/2017 | 9.58% | |
| 12/21/2017 | 9.10% | |
| 12/28/2017 | 9.50% | |
| 12/29/2017 | 9.40% | 9.68% |
| 1/18/2018 | 9.70% | |
| 1/31/2018 | 9.30% | |
| 2/2/2018 | 9.98% | |
| 2/23/2018 | 9.90% | |
| 3/12/2018 | 9.25% | |
| 3/15/2018 | 9.00% | |
| 3/29/2018 | 10.00% | |
| 4/12/2018 | 9.90% | |

| | | |
|------------|--------|-------|
| 4/13/2018 | 9.73% | |
| 4/18/2018 | 9.25% | |
| 4/18/2018 | 10.00% | |
| 4/26/2018 | 9.50% | |
| 5/30/2018 | 9.95% | |
| 5/31/2018 | 9.50% | |
| 6/14/2018 | 8.80% | |
| 6/22/2018 | 9.50% | |
| 6/22/2018 | 9.90% | |
| 6/28/2018 | 9.35% | |
| 6/29/2018 | 9.50% | |
| 8/8/2018 | 9.53% | |
| 8/21/2018 | 9.70% | |
| 8/24/2018 | 9.28% | |
| 9/5/2018 | 9.10% | |
| 9/14/2018 | 10.00% | |
| 9/20/2018 | 9.80% | |
| 9/26/2018 | 9.77% | |
| 9/26/2018 | 10.00% | |
| 9/27/2018 | 9.30% | |
| 10/4/2018 | 9.85% | |
| 10/29/2018 | 9.60% | |
| 10/31/2018 | 9.99% | |
| 11/1/2018 | 8.69% | |
| 12/4/2018 | 8.69% | |
| 12/13/2018 | 9.30% | |
| 12/14/2018 | 9.50% | |
| 12/19/2018 | 9.84% | |
| 12/20/2018 | 9.65% | |
| 12/21/2018 | 9.30% | 9.55% |

INDUSTRY TIMELINESS: 19 (of 97)

All of the major electric utilities located in the eastern region of the United States are reviewed in this Issue; western electric, in Issue 11; and the remaining utilities, in Issue 5.

Some companies reviewed in this Issue have nonregulated nuclear plants that are facing difficult market conditions. We discuss what is happening with these plants.

The new federal tax law that took effect in 2018 has affected the fixed-charge coverages that we show for each company in the Electric Utility Industry.

Most electric utility equities have performed well in 2019. The valuations of stocks in this industry remain high.

Nuclear Update

For most of this decade, nonregulated nuclear units have seen the profitability of their output shrink due to low prices of natural gas (which affects power prices), subsidized renewable energy, sluggish demand for power, and increased expenses resulting from new regulations by the Nuclear Regulatory Commission. Several units have been, will be, or might be shut. The latest announcement was by *Exelon*, which will close its Three Mile Island plant in Pennsylvania by the end of September. In 2013, *Dominion Energy* (then named Dominion Resources) closed its Kewaunee plant in Wisconsin. Entergy (covered in Issue 5) shut Vermont Yankee in 2014, will close Pilgrim in Massachusetts at the end of this month, and is shutting its three other nonregulated nuclear units in 2020, 2021, and 2022. *NextEra Energy* plans to close the Duane Arnold plant in Iowa in 2020.

Market prices for power do not recognize the benefits of nuclear power, such as fuel diversity, grid stability, and no emissions of pollutants or carbon. So, some owners of nonregulated nuclear units have sought—and received—state subsidies that are enabling these facilities to stay open. *Exelon* has received subsidies in Illinois and New York. The company also has three units in New Jersey with its co-owner, *Public Service Enterprise Group*, that have qualified for subsidies from the state government. In Connecticut, the Millstone station owned by *Dominion Energy* has entered into a 10-year, above-market contract. Even so, there are still some nuclear plants that are on the chopping block. Three additional units in Illinois owned by *Exelon* are struggling. Finally, *FirstEnergy* no longer owns nonregulated generating assets after a corporate separation last year.

It is important to note that there is a big difference between regulated and nonregulated nuclear plants. Regulated facilities, such as those owned by *Duke Energy* and the Virginia Power subsidiary of *Dominion Energy*, do not face pressure from low market prices and are not in danger of being closed. In fact, several such units have renewed their original 40-year operating licenses for an additional 20 years. The nuclear plants owned by *Southern Company* are regulated, but the company is in a unique situation because it is building two units that have experienced significant delays and cost overruns.

Fixed-Charge Coverages

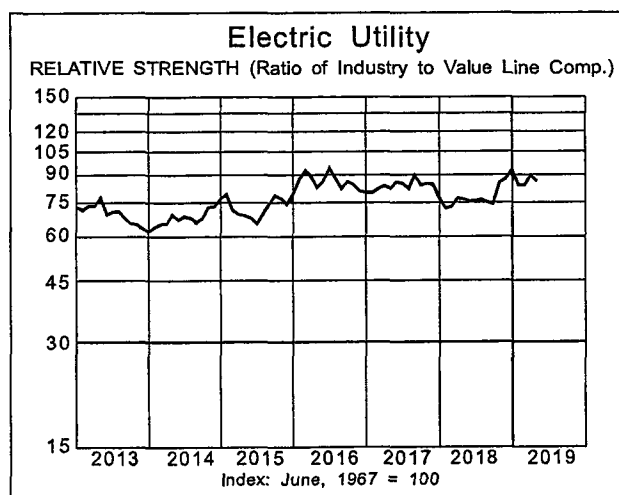
Every report in the Electric Utility Industry includes a box labeled Electric Operating Statistics. This includes the fixed-charge coverage for the companies. This is based on operating earnings (excluding the Allowance for Funds Used During Construction, a noncash credit to income). The new federal tax law that took effect in 2018 caused the fixed-charge coverage to decline for most companies reviewed in *The Value Line Investment Survey*. That's because most utilities are passing the benefits of the lower federal tax rate through to their customers. Thus, operating income declines, but is offset by a decline in taxes. This shift causes the fixed-charge coverage to fall, all else equal. So, the declines in fixed-charge coverages in 2018 are not a sign that the financial condition of companies in the Electric Utility Industry is deteriorating.

Conclusion

Most electric utility stocks have performed well in 2019. The majority of issues have risen in price by more than 10%. The market's expectation of a more-sanguine interest-rate environment has benefited these issues. The average dividend yield of stocks in this industry is 3.3%. This is low, by historical standards, but still compares favorably with the median yield of all dividend-paying stocks. Thus, equities in this industry are still attracting investors who are "reaching for yield."

Most stocks in this group have recent prices that are within their 2022-2024 Target Price Range. This indicates the high valuations of most of the issues in this industry. Another indication can be seen in price-earnings ratios. Many electric utility stocks are trading at a market premium—and not because earnings are depressed. Due to the lofty valuations of these equities, many offer minuscule total return potential over the 3- to 5-year period.

Paul E. Debbas, CFA



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INDUSTRY TIMELINESS: 6 (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.

Wildfire risks in California continue to be of concern to the Electric Utility Industry—not just for utilities in the Golden State, but for companies that have contracts with these utilities.

Frequent regulatory activity is a fact of life for several companies reviewed in Issue 11.

Most electric utility equities have performed well so far in 2019. The price of many issues has risen more than 10%.

Wildfires In California

Earlier this year, PG&E and its utility subsidiary, Pacific Gas and Electric, filed for Chapter 11 bankruptcy protection. Potentially huge liabilities stemming from wildfires in the utility's service area prompted this move. (We dropped coverage of the stock as a result, since it is not suitable for the typical utility investor.) What makes the situation especially problematic for utilities in California is the state's inverse condemnation law. Under this law, a company may be found liable for damage caused by its equipment, even if it is not found to be negligent. The bankruptcy filing didn't just affect PG&E, but its contractual counterparties. Three companies covered in Issue 1 (NextEra Energy, Consolidated Edison, and AVANGRID) have renewable-energy contracts with PG&E. These might well be rejected after the Chapter 11 filing, but there is still a question of which entity has jurisdiction over these contracts—the bankruptcy court or the Federal Energy Regulatory Commission.

Another company affected by wildfire risks is *Edison International*, the parent of Southern California Edison. The company took a sizable charge in the fourth quarter of 2018, which sent its bottom line into the red not just for the quarter but for the full year, as well. In December, the company's board of directors declared a dividend increase that was much smaller than those declared in recent years. *Sempra Energy*, the parent of San Diego Gas & Electric, isn't facing any immediate risks, but SDG&E had a wildfire in its service area in 2007. Thus, investors in *Sempra* must also be cognizant of this matter.

So, what are companies—and the state—doing to address this problem? Utilities have significantly increased their capital and O&M spending on wildfire mitigation. They are required to file annual wildfire mitigation plans with the California commission. The state passed a law in 2018 that helped, but has not done anything (so far) about the inverse condemnation law. The new governor has proposed changing the law and spreading the risks so that utilities do not bear most of the burden. Of course, utilities carry wildfire insurance, but this was not nearly enough to cover PG&E's liabilities. The cost of wildfire insurance has soared, too. Whether the state can enact changes that will ease the risks for utilities remains to be seen.

Rate Cases

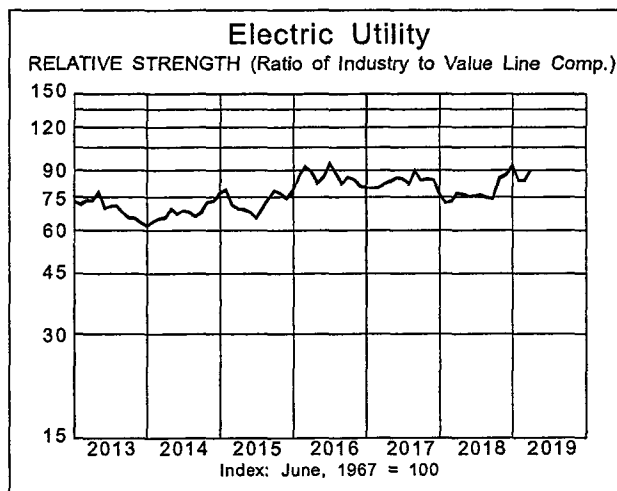
Utilities need to file rate cases from time to time to earn a return on capital spending; recover increased expenses; and, in some cases, address rate design so that one class of customers is not subsidizing another class. Utilities in California are required to file general rate cases periodically; the subsidiaries of *Edison International* and *Sempra Energy* have cases pending. In recent years, *Xcel Energy* has filed several cases in order to reduce the gap between its allowed return on equity and its earned ROE. *Avista* and the three utility subsidiaries of *Hawaiian Electric Industries* are trying to reduce ROE gaps that are even greater than the ones *Xcel* is addressing. *Black Hills* has returned to the regulatory arena after bypassing it for a couple of years. Note that *El Paso Electric* and TNMP (a subsidiary of *PNM Resources*) benefit from regulatory mechanisms in Texas that enable utilities to recover transmission and distribution costs annually. Not every utility has been filing rate cases lately. Idaho Power, the utility unit of *IDA-CORP*, has not needed to put forth a rate application for several years.

Conclusion

Most electric utility stocks have fared well so far this year. We believe this is partly due to the strong performance of the broader market and partly due to the expectation that there will be fewer (if any) interest-rate hikes than in 2018. Even after the tightening by the Federal Reserve last year, interest rates are still relatively low, by historical standards. Accordingly, investors are still "reaching for yield" by seeking electric utility equities. The group's average yield, at 3.4%, is comfortably above the median of all stocks under our coverage.

We are concerned about the lofty valuation of electric utility equities. That 3.4% average yield is low, by historical standards. Utility stocks usually trade at a discount to the market price-earnings ratio, but several are now trading at a premium—and not as a result of depressed earnings. For the 3- to 5-year period, most stocks are trading within their Target Price Range, and a few are trading above this range.

Paul E. Debbas, CFA



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.

Many utilities reviewed in this Issue are increasing their investment in renewable energy. Some of this is done at the utility level, and some by a nonutility subsidiary.

Electric utility stocks have fared well so far in 2019, as the market expects less (if any) tightening from the Federal Reserve this year.

Investing In Renewable Energy

Electric utilities are increasing their investments in renewable energy. In some cases, this is due to state laws that require that a certain proportion of power comes from renewable energy by a specified year. (For example, utilities in Missouri are required to meet 15% of annual retail kilowatt-hour sales with renewables by 2021.) In other cases, this is to meet demand from customers that want to show how "green" they are, even if this means paying more for their power. Some of these investments are made directly by utilities and become part of a utilities rate base, while others are made by a nonutility subsidiary. At the same time, several utilities in the Midwest are retiring coal-fired capacity as these plants come to the end of their useful lives.

Several companies reviewed in Issue 5 are increasing their investments in renewable energy. *American Electric Power* has a nascent subsidiary that invests in contracted renewable energy projects. AEP has set a target of investing \$2.2 billion in renewables by 2023. It took a big step toward this goal when it struck a deal (over \$1 billion) to buy 724 megawatts of wind capacity from *Sempra Energy*. *ALLETE* has a nonutility subsidiary, *ALLETE Clean Energy*, that invests in renewable energy projects, and funds obtained from the sale of another nonutility business will be reinvested in this subsidiary. *WEC Energy Group* is taking majority stakes in some wind farms via a nonutility affiliate. The company believes its return on these investments will exceed that earned from its regulated utility operations. *Ameren* has announced about \$1 billion of wind investments that will help it meet Missouri's renewable-energy standard. The two major utilities in Michigan, *CMS Energy* and *DTE Energy*, are increasing their investments in renewables through their utility subsidiaries. *Otter Tail Corporation's* utility unit is constructing a wind project. *MGE Energy's* utility subsidiary just completed a wind farm.

Even if a company has a contract with an electric utility or a large industrial customer, it assumes counterparty risk. This was illustrated by the Chapter 11 bankruptcy filing of *Pacific Gas and Electric* in California. Some companies in the Electric Utility Industry (including *NextEra Energy* and *Consolidated Edison*, each covered in Issue 1) have exposure to this. It is possible that the Federal Energy Regulatory Commission will try to enforce the contracts, but whether it or the Bankruptcy Court have the final say remains to be seen.

INDUSTRY TIMELINESS: 17 (of 97)

The increased usage of renewables does not mean an end to fossil fuels such as coal and gas. (Oil is not used much for generating electricity, except in Hawaii.) Renewable-energy sources have disadvantages, such as an inability to be dispatched, their intermittent nature, low capacity factors, and the need for a large amount of land. Thus, gas-fired generation is needed as a backup for renewables in addition to base-load capacity. *Entergy* is building or acquiring several gas-fired generating facilities, and utility subsidiaries of *Alliant Energy*, *DTE Energy*, and *Otter Tail* are constructing gas-fired plants. Investors looking for a pure play in renewable energy will not find one here.

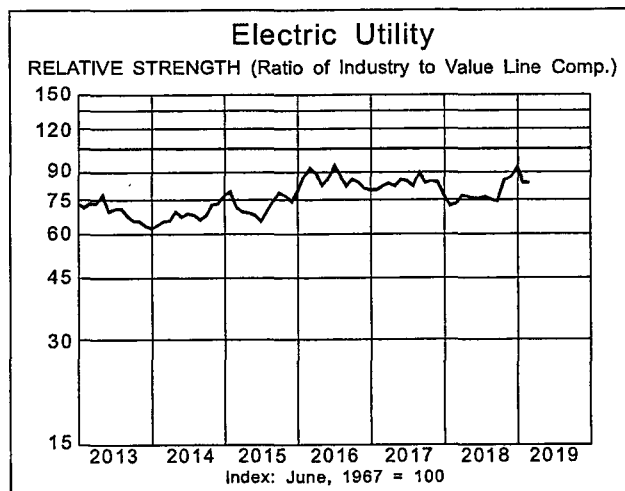
Conclusion

Most electric utility equities have fared well so far this year. As of late 2018, investors were concerned about the possibility of as many as three interest-rate hikes from the Federal Reserve in 2019. It now appears more likely that there will be just one increase—or none at all—this year. This makes utility issues, and their above-average dividend yields, more attractive for investors. As a result, the price of most of the stocks we cover in the Electric Utility Industry has risen since the start of the new year. In some cases, the advance has been more than 10%. *Evergy* is one of the exceptions, having fallen after Wall Street reacted unfavorably to disclosures made with the company's fourth-quarter earnings release and conference call in February.

Even before the prices of utility equities began their latest rise, these stocks were not cheap. Indeed, most are trading within their 3- to 5-year Target Price Range. The group's average interest rate, at 3.4%, is low, by historical standards.

Readers might notice that *Vectren* is no longer included among the utilities covered in Issue 5. The company was acquired by *CenterPoint Energy* at the start of February. For the first time in several years, no utility mergers or acquisitions are pending, although several companies are involved in asset sales or purchases.

Paul E. Debbas, CFA

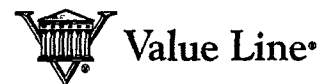


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The Value Line Investment Survey

ISSUE 1
Pages 1713-1724



Part 2 File in page order in the *Selection & Opinion* binder.

SELECTION & OPINION

May 17, 2019

Dear Subscribers,

As part of our ongoing efforts to keep The Value Line Investment Survey the most valuable investment resource for our subscribers, all updated Ranks are now being released on the Value Line Web Site by 8:00 A.M. Eastern Time on Mondays. You can access all the Ranks each week at www.valueline.com by entering your user name and password. We look forward to continuing to provide you with accurate and timely investment research. Thank you.

The Value Line View

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ECONOMIC AND STOCK MARKET COMMENTARY

Trade war fears were front and center as we went to press—and investors were feeling the pinch, after the United States decided to drastically raise tariffs on a range of goods produced in China. This trade move came after our nation accused China of reneging on its promises. By comparison, earlier hopes for a détente with that nation (along with a more accommodative approach on interest rates by the Federal Reserve) had sent equities up sharply.

Meanwhile, the economy is still defying predictions of a slowdown. To wit, days after the government reported a 3.2% jump in first-quarter GDP, it issued data showing a surge in jobs. In all, 263,000 positions were added in April, while joblessness fell to 3.6%—a 50-year low. The brightening employment picture along with strong consumer confidence suggest the second quarter will hold its own from a growth standpoint. That said, recent surveys have shown lesser improvement in the manufacturing and non-manufacturing sectors, while our trade war with China has heated up.

Earnings reporting season is largely in the books, and it remains an uplifting one,

with some 75% of the S&P 500 companies issuing positive surprises. In all, earnings are showing scant change; but that is better than the 4% decline generally forecast.

The Federal Reserve is still on board, with the bank voting in early May to keep interest rates unchanged. In making its decision, the Fed cited solid economic activity (highlighted by a strong labor market), while noting that inflation for items other than food and energy was running below its 2% target. Such crosscurrents point to a stable interest-rate policy for most of 2019, with any late-year move more likely to be a rate cut than a rate increase.

Finally, some moderation in business activity is likely, with growth possibly averaging just 2.0%–2.5% by the second half. That's especially so if efforts at fiscal compromise in a divided Congress fail, or harsh trade winds—such as those now blowing in from China—intensify.

Conclusion: For now, keeping a calm hand and a focus on high-quality stocks seems prudent. Please refer to the inside back cover of *Selection & Opinion* for our statistically-based Asset Allocation Model's current reading. ■

CLOSING STOCK MARKET AVERAGES AS OF PRESS TIME

| | 5/1/2019 | 5/8/2019 | %Change 1 week | %Change 12 months |
|-------------------------------|----------|----------|-------------------|----------------------|
| Dow Jones Industrial Average | 26430.14 | 25967.33 | -1.8% | +6.6% |
| Standard & Poor's 500 | 2923.73 | 2879.42 | -1.5% | +7.8% |
| N.Y. Stock Exchange Composite | 12946.13 | 12766.69 | -1.4% | +2.0% |
| NASDAQ Composite | 8049.64 | 7943.32 | -1.3% | +9.3% |
| NASDAQ 100 | 7751.85 | 7617.55 | -1.7% | +11.8% |
| Amex Major Market Index | 2558.20 | 2543.81 | -0.6% | -4.7% |
| Value Line (Geometric) | 544.69 | 538.86 | -1.1% | -3.1% |
| Value Line (Arithmetic) | 6312.03 | 6253.44 | -0.9% | +2.1% |
| London (FT-SE 100) | 7385.26 | 7271.00 | -1.5% | -3.9% |
| Tokyo (Nikkei) | 22258.73 | 21602.59 | -2.9% | -4.0% |
| Russell 2000 | 1576.38 | 1574.98 | -0.1% | -0.7% |

Model Portfolios: Recent Developments

PORTFOLIO I

We are making two changes to Portfolio I this week. Gartner and Intercontinental Exchange are being replaced since these stocks are no longer timely. In their place, we are adding the shares of *General Mills* and *S&P Global*. *General Mills* is a manufacturer of branded consumer foods that are sold through retail stores. The company has posted decent results lately, thanks to price increases implemented in the second half of calendar 2018, a measure of improvement from its yogurt operation, and easing cost inflation. Looking forward, long-term prospects appear fairly solid here. *General Mills* ought to benefit from a greater emphasis on higher-growth products and efforts to reshape its portfolio through acquisitions and divestitures. A greater focus on traditional yogurt varieties should also help, given that the company has struggled to make inroads into the Greek yogurt category.

Meanwhile, *S&P Global* is a worldwide information provider serving financial and business markets through brands such as *Standard & Poor's* and *Platts*. The company has posted healthy bottom-line growth over a long time frame, and we expect that this pattern will continue. *S&P's* Ratings division will likely experience headwinds going forward, owing to reductions in global bond issuances. But this should be more than offset by solid performances from the Market Intelligence, Indices, and *Platts* businesses.

PORTFOLIO II

We are making no changes to Portfolio II this week. March-quarter reports have continued to roll in from many of our holdings, including *International Flavors & Fragrances*. It reported first-quarter earnings of \$1.57 a share, versus the consensus estimate of \$1.50. Sales jumped 39%, year over year, to \$1.3 billion, driven by the recent acquisition of Frutarom. Absent this addition, sales were up 3%. Results lagged at both the Scent and the Taste segments due to rising raw materials costs, while Frutarom added handsomely to profits. Looking ahead, management reiterated its full-year guidance for share

earnings of \$6.30-\$6.50 and revenue of \$5.20 billion-\$5.30 billion. The consensus estimates stand at \$6.33 and \$5.22 billion, respectively.

Meanwhile, *Realty Income* reported March-period earnings of \$0.82 a share, \$0.02 above the consensus. Revenue grew 11% on a year-over-year basis to \$354.4 million. That was above the consensus estimate of \$347.6 million. The company guided 2019 funds from operations to a range of \$3.28-\$3.31 a share. The consensus FFO estimate stands at \$3.29. We continue to like *Realty Income* shares here.

Finally, *Mondelez International* reported first-quarter earnings of \$0.65 a share, \$0.04 above the consensus. Revenue fell 3%, to \$6.5 billion compared to a year ago, driven lower by unfavorable currency fluctuations. Still, *Mondelez* reiterated its previous guidance of 2019 share net of \$2.43-\$2.48 and revenues between \$25.66 billion-\$25.91 billion. The consensus stands at \$2.47 a share on revenues of \$25.84 billion.

PORTFOLIO III

The equity markets have grown choppy during the early days of May. While the U.S. economy continues to show surprising resilience, and the Federal Reserve has put further interest rate hikes on hold, investor attention has again returned to the high-stakes trade dispute between the U.S. and China. Indeed, tensions between the two nations have suddenly flared, after it looked as if a final agreement was close to being inked. As of this writing, the situation was still unresolved, causing anxiety and profit-taking across Wall Street.

Against this backdrop, the technology sector, where issues like *Apple* and *Intel* reside, has been among the hardest hit. That's because many of these names generate significant sales in China. *Apple*, in particular, relies on that country for almost 20% of its top line, though that figure may be dropping as the tech giant focuses more on its services business.

Intel stock, meanwhile, has been in retreat

mode, as have many of the large semiconductor suppliers. Aside from China-related concerns, the chipmaker has spooked investors with some cautious words about its future. First, *Intel* lowered its 2019 revenue guidance, mainly pointing to lingering weakness in the uneven datacenter market. Then the company indicated that sales would likely advance at an only low-single-digit annual clip over the next three years, as PC sluggishness offsets inroads by new AI products. These headlines have pushed *INTC* shares down about 20% from their recent 52-week high of near \$60. For our part, we intend to maintain our position in the stock, at least until we find a more attractive replacement. Portfolio III is unaltered this week.

PORTFOLIO IV

The U.S. stock market pulled back somewhat in early May. Although the economy on our shores has been making progress, concerns about trade relations with China have put pressure on stocks. Specifically, shares of technology providers and industrial companies have been particularly vulnerable to the news, which has likely contributed to the recent weakness in Portfolio IV holdings *Intel* and *Caterpillar*. Hopefully, relations with China will improve in the months ahead.

Elsewhere, first-quarter earnings season is drawing to a close. Among our holdings, we recently heard from *Consolidated Edison*, which put out respectable first-quarter numbers. Looking ahead, the utility should benefit from higher rates, as well as ongoing investments in renewable energy projects. Meanwhile, *Southern Company* delivered a somewhat uninspiring report. The company has been selling some assets and is working to complete a sizable nuclear power project that has encountered delays. While our utility stocks offer limited potential for capital gains, they do provide stability, as well as solid dividend yields. Furthermore, these issues tend to be viewed as safe havens and should hold up well in challenging markets. Finally, a benign interest-rate outlook should be a plus for these stocks, as well. We are not making any trades in Portfolio IV this week. ■

PORTFOLIO I: STOCKS WITH ABOVE-AVERAGE YEAR-AHEAD PRICE POTENTIAL

Primarily suitable for more aggressive investors

| Ratings & Reports Page | Ticker | Company | Recent Price | Timeliness | Safety | P/E | Yield% | Beta | Financial Strength | Industry Name |
|------------------------|--------|-------------------------|--------------|------------|--------|------|--------|------|--------------------|------------------------|
| 974 | ALSN | Allison Transmission | 45.80 | 2 | 3 | 9.7 | 1.3 | 1.05 | B+ | Auto Parts |
| 2638 | GOOG | Alphabet Inc. | 1174.10 | 2 | 1 | 22.2 | Nil | 1.05 | A++ | Internet |
| 2541 | AXP | Amer. Express | 118.22 | 2 | 1 | 14.2 | 1.4 | 1.05 | A++ | Financial Svcs. (Div.) |
| 2544 | AON | Aon plc | 176.79 | 2 | 1 | 19.6 | 1.0 | 0.95 | A+ | Financial Svcs. (Div.) |
| 1967 | BFB | Brown-Forman 'B' | 52.46 | 2 | 1 | 28.4 | 1.3 | 0.80 | A | Beverage |
| 2562 | AJG | Gallagher (Arthur J.) | 82.26 | 1 | 1 | 20.3 | 2.1 | 0.95 | A | Financial Svcs. (Div.) |
| 1914 | GIS | Gen'l Mills | 51.19 | 2 | 1 | 16.1 | 3.9 | 0.75 | A | Food Processing |
| 388 | G | Genpact Limited | 36.00 | 1 | 2 | 18.0 | 0.9 | 0.80 | B++ | Industrial Services |
| 987 | GPC | Genuine Parts | 99.09 | 1 | 1 | 16.8 | 3.1 | 0.90 | A+ | Auto Parts |
| 1140 | HD | Home Depot | 194.77 | 2 | 1 | 19.4 | 2.8 | 1.05 | A++ | Retail Building Supply |
| 440 | INFO | IHS Markit | 56.08 | 2 | 3 | 21.6 | Nil | 1.05 | B++ | Information Services |
| 807 | IQV | IQVIA Holdings | 134.37 | 1 | 3 | 21.1 | Nil | 0.95 | B+ | Medical Services |
| 1012 | EL | Lauder (Estee) | 167.29 | 2 | 2 | 30.9 | 1.0 | 0.90 | A | Toiletries/Cosmetics |
| 2126 | LAD | Lithia Motors | 115.09 | 2 | 3 | 10.0 | 1.0 | 1.20 | B++ | Retail Automotive |
| 184 | MDT | Medtronic plc | 89.27 | 2 | 1 | 16.5 | 2.3 | 0.85 | A++ | Med Supp Invasive |
| 957 | MSI | Motorola Solutions | 141.75 | 1 | 2 | 18.5 | 1.6 | 1.00 | B++ | Telecom. Equipment |
| 1980 | PEP | PepsiCo, Inc. | 125.98 | 1 | 1 | 21.7 | 3.0 | 0.75 | A++ | Beverage |
| 369 | QSR | Restaurant Brands Int'l | 67.32 | 2 | 3 | 22.1 | 3.0 | 1.05 | B+ | Restaurant |
| 444 | SPGI | S&P Global | 214.60 | 2 | 2 | 23.7 | 1.1 | 1.10 | A | Information Services |
| 792 | USB | U.S. Bancorp | 52.56 | 2 | 1 | 12.4 | 2.9 | 1.00 | A | Bank (Midwest) |

To qualify for purchase in the above portfolio, a stock must have a Timeliness Rank of 1 or 2 and a Financial Strength Rating of at least B+. If a stock's Timeliness rank falls to 3, or lower, it will be automatically removed. Stocks in the above portfolio are selected and monitored by Michael F. Napoli, Senior Analyst.

PORTFOLIO II: STOCKS FOR INCOME AND POTENTIAL PRICE APPRECIATION

Primarily suitable for more conservative investors

| Ratings & Reports Page | Ticker | Company | Recent Price | Timeliness | Safety | P/E | Yield% | Beta | Financial Strength | Industry Name |
|------------------------|--------|-----------------------|--------------|------------|--------|------|--------|------|--------------------|------------------------|
| 917 | T | AT&T Inc. | 30.53 | 2 | 1 | 8.4 | 6.7 | 0.75 | A++ | Telecom. Services |
| 1584 | ARLP | Alliance Resource | 18.64 | 1 | 3 | 6.1 | 11.5 | 1.20 | B+ | Metals & Mining (Div.) |
| 2510 | CM.TO | Can. Imperial Bank | 111.98 | 3 | 1 | 9.3 | 5.1 | 0.80 | A+ | Bank |
| 505 | CVX | Chevron Corp. | 118.27 | 2 | 1 | 16.3 | 4.0 | 1.25 | A++ | Petroleum (Integrated) |
| 356 | CBRL | Cracker Barrel | 168.01 | 3 | 2 | 17.5 | 3.1 | 0.70 | A | Restaurant |
| 308 | DAL | Delta Air Lines | 57.17 | 3 | 3 | 8.5 | 2.6 | 1.15 | B+ | Air Transport |
| 1974 | DEO | Diageo plc | 167.50 | 3 | 1 | 23.6 | 2.0 | 0.90 | A+ | Beverage |
| 627 | EPD | Enterprise Products | 28.54 | 2 | 3 | 13.9 | 6.3 | 1.30 | B++ | Pipeline MLPs |
| 574 | IFF | Int'l Flavors & Frag. | 135.00 | 2 | 1 | 20.8 | 2.2 | 0.90 | A+ | Chemical (Specialty) |
| 214 | JNJ | Johnson & Johnson | 139.97 | 3 | 1 | 20.6 | 2.8 | 0.85 | A++ | Med Supp Non-Invasive |
| 717 | LMT | Lockheed Martin | 330.90 | 3 | 1 | 16.8 | 2.7 | 0.85 | A++ | Aerospace/Defense |
| 1141 | LOW | Lowe's Cos. | 107.12 | 2 | 2 | 17.7 | 2.0 | 1.05 | A+ | Retail Building Supply |
| 1929 | MDLZ | Mondelez Int'l | 51.01 | 3 | 2 | 20.4 | 2.2 | 0.95 | A | Food Processing |
| 959 | NOK | Nokia Corp. ADR | 5.04 | 3 | 3 | 16.8 | 4.4 | 0.90 | B+ | Telecom. Equipment |
| 1636 | PFE | Pfizer, Inc. | 40.83 | 2 | 1 | 20.4 | 3.5 | 0.90 | A++ | Drug |
| 1542 | O | Realty Income Corp. | 66.63 | 1 | 2 | 49.4 | 4.1 | 0.65 | A | R.E.I.T. |
| 2319 | RCL | Royal Caribbean | 127.28 | 3 | 3 | 12.7 | 2.2 | 1.15 | B++ | Recreation |
| 316 | UPS | United Parcel Serv. | 102.09 | 3 | 1 | 13.7 | 3.8 | 0.95 | A | Air Transport |
| 971 | WBA | Walgreens Boots | 52.94 | 3 | 2 | 11.6 | 3.3 | 0.90 | A+ | Pharmacy Services |
| 416 | WM | Waste Management | 104.72 | 1 | 1 | 24.1 | 2.0 | 0.75 | A | Environmental |

To qualify for purchase in the above portfolio, a stock must have a yield that is in the top half of the *Value Line* universe and a Safety Rank of 3 or better. Stocks are selected and monitored by Wayne Nef, Senior Analyst.

PORTFOLIO III: STOCKS WITH LONG-TERM PRICE GROWTH POTENTIAL

Primarily suitable for investors with a 3- to 5-year horizon

| Ratings & Reports Page | Ticker | Company | Recent Price | Timeliness | Safety | P/E | Yield% | Beta | 3- to 5-Yr. Apprec. Potential | Industry Name |
|------------------------|--------|--------------------|--------------|------------|--------|------|--------|------|-------------------------------|------------------------|
| 2589 | ADBE | Adobe Systems | 277.07 | 3 | 2 | 49.9 | Nil | 1.15 | 30-75% | Computer Software |
| 757 | ALL | Allstate Corp. | 95.66 | 3 | 1 | 10.5 | 2.1 | 0.80 | 65-110 | Insurance (Prop/Cas.) |
| 1990 | MO | Altria Group | 52.94 | 3 | 2 | 12.6 | 6.0 | 0.70 | 60-115 | Tobacco |
| 1397 | AAPL | Apple Inc. | 202.86 | 4 | 2 | 17.2 | 1.5 | 1.05 | 25-70 | Computers/Peripherals |
| 2119 | AN | AutoNation, Inc. | 40.95 | 4 | 3 | 9.2 | Nil | 1.10 | 70-155 | Retail Automotive |
| 2508 | BK | Bank of NY Mellon | 48.14 | 3 | 2 | 11.2 | 2.3 | 1.10 | 85-150 | Bank |
| 434 | CSGP | CoStar Group | 495.31 | 2 | 3 | 49.5 | Nil | 1.10 | 10-60 | Information Services |
| 2330 | DIS | Disney (Walt) | 133.44 | 2 | 1 | 15.7 | 1.3 | 0.95 | 15-40 | Entertainment |
| 2010 | EA | Electronic Arts | 92.73 | 3 | 3 | 27.0 | Nil | 1.00 | 35-100 | Entertainment Tech |
| 2645 | FB | Facebook Inc. | 189.77 | 3 | 3 | 23.0 | Nil | 1.10 | 70-155 | Internet |
| 309 | FDX | FedEx Corp. | 180.66 | 4 | 1 | 10.7 | 1.6 | 1.25 | 70-110 | Air Transport |
| 1918 | HRL | Hormel Foods | 38.80 | 3 | 2 | 20.5 | 2.2 | 0.65 | 30-70 | Food Processing |
| 1361 | INTC | Intel Corp. | 50.48 | 3 | 1 | 11.6 | 2.5 | 1.05 | 80-110 | Semiconductor |
| 1165 | IP | Int'l Paper | 46.02 | 2 | 3 | 9.1 | 4.3 | 1.25 | 85-180 | Paper/Forest Products |
| 2111 | PVH | PVH Corp. | 121.82 | 4 | 3 | 11.7 | 0.1 | 1.15 | 40-105 | Apparel |
| 411 | RSG | Republic Services | 82.66 | 3 | 2 | 25.7 | 1.9 | 0.75 | 10-45 | Environmental |
| 313 | LUV | Southwest Airlines | 52.21 | 3 | 3 | 10.2 | 1.2 | 1.20 | 65-150 | Air Transport |
| 371 | SBUX | Starbucks Corp. | 77.96 | 1 | 1 | 27.1 | 2.0 | 0.95 | 30-60 | Restaurant |
| 818 | UNH | UnitedHealth Group | 238.05 | 2 | 1 | 16.1 | 1.5 | 1.00 | 30-60 | Medical Services |
| 2582 | V | Visa Inc. | 160.21 | 2 | 1 | 29.0 | 0.7 | 1.00 | 10-35 | Financial Svcs. (Div.) |

To qualify for purchase in the above portfolio, a stock must have above-average 3- to 5-year price-appreciation potential. As the price of a stock in this Portfolio rises, the computed appreciation potential may fall; it may still be held. This portfolio is most appropriate for investors focused on long-term capital gains. Stocks in the above portfolio are selected and monitored by Justin Hellman, Editorial Analyst.

PORTFOLIO IV: STOCKS WITH ABOVE-AVERAGE DIVIDEND YIELDS

Primarily suitable for investors interested in current income

| Ratings & Reports Page | Ticker | Company | Recent Price | Timeliness | Safety | P/E | Yield% | Beta | Financial Strength | Industry Name |
|------------------------|--------|-----------------------|--------------|------------|--------|------|--------|------|--------------------|--------------------------|
| 917 | T | AT&T Inc. | 30.53 | 2 | 1 | 8.4 | 6.7 | 0.75 | A++ | Telecom. Services |
| 903 | LNT | Alliant Energy | 46.88 | 3 | 2 | 20.8 | 3.0 | 0.60 | A | Electric Util. (Central) |
| 2455 | BX | Blackstone Group LP | 38.85 | NR | 3 | 12.1 | 3.8 | 1.25 | B++ | Public/Private Equity |
| 706 | BA | Boeing | 357.23 | 3 | 1 | 18.8 | 2.3 | 1.15 | A++ | Aerospace/Defense |
| 1991 | BTI | Brit. Am. Tobacco ADR | 37.48 | 4 | 2 | 8.7 | 7.3 | 0.95 | B++ | Tobacco |
| 152 | CAT | Caterpillar Inc. | 133.67 | 3 | 2 | 10.8 | 3.1 | 1.30 | A+ | Heavy Truck & Equip |
| 1968 | KO | Coca-Cola | 48.00 | 2 | 1 | 22.9 | 3.3 | 0.70 | A++ | Beverage |
| 137 | ED | Consol. Edison | 85.21 | 3 | 1 | 20.5 | 3.5 | 0.45 | A+ | Electric Utility (East) |
| 984 | ETN | Eaton Corp. plc | 81.03 | 2 | 2 | 13.7 | 3.5 | 1.20 | A+ | Auto Parts |
| 1361 | INTC | Intel Corp. | 50.48 | 3 | 1 | 11.6 | 2.5 | 1.05 | A++ | Semiconductor |
| 1194 | KMB | Kimberly-Clark | 126.18 | 3 | 1 | 19.0 | 3.3 | 0.75 | A+ | Household Products |
| 578 | LYB | LyondellBasell Inds. | 83.25 | 3 | 3 | 9.3 | 4.8 | 1.35 | A | Chemical (Specialty) |
| 365 | MCD | McDonald's Corp. | 198.04 | 3 | 1 | 24.2 | 2.4 | 0.80 | A++ | Restaurant |
| 1628 | MRK | Merck & Co. | 77.90 | 1 | 1 | 16.8 | 2.8 | 0.95 | A++ | Drug |
| 2631 | PAYX | Paychex, Inc. | 83.48 | 1 | 1 | 27.1 | 3.0 | 1.00 | A | IT Services |
| 1636 | PFE | Pfizer, Inc. | 40.83 | 2 | 1 | 20.4 | 3.5 | 0.90 | A++ | Drug |
| 1563 | PRU | Prudential Fin'l | 100.87 | 3 | 3 | 7.9 | 4.0 | 1.30 | B++ | Insurance (Life) |
| 146 | SO | Southern Co. | 52.86 | 3 | 2 | 17.3 | 4.7 | 0.50 | A | Electric Utility (East) |
| 316 | UPS | United Parcel Serv. | 102.09 | 3 | 1 | 13.7 | 3.8 | 0.95 | A | Air Transport |
| 416 | WM | Waste Management | 104.72 | 1 | 1 | 24.1 | 2.0 | 0.75 | A | Environmental |

To qualify for purchase in the above portfolio, a stock must have a yield that is at least 1% above the median for the *Value Line* universe, and a Financial Strength Rating of at least B+. Stocks are selected and monitored by Adam Rosner, Editorial Analyst.

Low-Risk Stocks for Worthwhile Total Return

This week, we have screened the *Value Line* database for stocks that should provide a worthwhile total return on a risk-adjusted basis. First, we limited the field to equities with Safety ranks of 2 (Above Average), or better. By definition, these are stocks that, in our opinion, have less than normal total risk.

Then, we required price appreciation potential to 2022-2024 of at least 60%, compared with the current median of 55%, which should provide an opportunity for respectable, risk-adjusted capital gains over the longer term. Next, we specified that the remaining equities must have a current dividend yield of at least 3.0%, 80 basis points higher than the 2.2% median yield for the

Value Line universe. We further limited the selection to stocks with projected three- to five-year average annual dividend growth of at least 6.0% (well above the average pace of inflation that *Value Line* forecasts for the same period). To tie the growth and income criteria together, we required an average annual total return over the next three to five years of at least 14%. We note that our requirement for average annual total return is favorable, given what is currently available on low-risk assets. For reference, we also present the projected average annual earnings growth over the three- to five-year pull for companies that survived this examination.

Of course, the high investment quality

implied by the above criteria would suggest limited opportunities for a combination of good dividend yield and worthwhile three- to five-year price gains. Indeed, the resulting roster is a rather small group of stocks that appears suitable for patient investors who seek worthwhile total returns, but are also averse to excess risk.

We would advise investors to use this screen, and all others presented in *Selection & Opinion*, as a starting point for investigating stocks that meet specific investment criteria. We suggest that a point for further investigation would begin by consulting the latest *Ratings & Reports* page for those stocks of interest. ■

LOW-RISK STOCKS FOR WORTHWHILE TOTAL RETURN

| Ratings & Reports Page | Ticker | Company | Safety | 3- to 5-Yr. EPS Growth, % | 3- to 5-Yr. Avg. Apprec. Potential, % | Current Yield, % | 3- to 5-Yr. Dividend Growth, % | Total Return, % |
|------------------------|--------|-----------------------|--------|---------------------------|---------------------------------------|------------------|--------------------------------|-----------------|
| 1990 | MO | Altria Group | 2 | 8.5 | 90 | 6.0 | 9 | 21 |
| 832 | AMGN | Amgen | 1 | 7.0 | 80 | 3.4 | 7 | 18 |
| 762 | CNA | CNA Fin'l | 2 | 11.5 | 100 | 3.1 | 7 | 21 |
| 967 | CVS | CVS Health | 1 | 8.0 | 100 | 3.6 | 9 | 21 |
| 1983 | CAJ | Canon Inc. ADR | 1 | 12.0 | 100 | 5.0 | 6 | 22 |
| 2561 | BEN | Franklin Resources | 2 | 7.5 | 95 | 3.3 | 12 | 20 |
| 2628 | INFY | Infosys Ltd. ADR | 1 | 12.0 | 120 | 3.4 | 15 | 24 |
| 1156 | LEG | Leggett & Platt | 2 | 9.0 | 90 | 4.1 | 7 | 20 |
| 1721 | MSM | MSC Industrial Direct | 2 | 11.0 | 120 | 3.2 | 7 | 24 |
| 2396 | OMC | Omnicom Group | 2 | 6.5 | 70 | 3.3 | 7 | 17 |
| 518 | PSX | Phillips 66 | 2 | 12.5 | 80 | 4.2 | 10 | 19 |
| 1778 | SIEGY | Siemens AG (ADS) | 2 | 9.5 | 85 | 3.7 | 7 | 19 |
| 1781 | MMM | 3M Company | 1 | 8.5 | 65 | 3.2 | 8 | 16 |
| 316 | UPS | United Parcel Serv. | 1 | 8.5 | 65 | 3.8 | 8 | 16 |
| 971 | WBA | Walgreens Boots | 2 | 10.0 | 115 | 3.3 | 7 | 24 |
| 2533 | WFC | Wells Fargo | 2 | 5.0 | 75 | 3.9 | 6 | 18 |

Stocks for Dividend Growth with Low Risk

In this screen, we turned our attention to low-risk stocks that have good records for dividend growth. In addition, our selection criteria focused on those issues that our analysts project to continue providing investors with dividends that are likely to increase at above-average rates.

We began our search with stocks whose dividends have advanced at a compound annual rate of at least 6% over the last five years. Similarly, we next narrowed the list to equities with projected annual dividend growth rates of at least 6% over the next three to five years. We also set a minimum estimated yield for the year ahead of 3.5%, which is 130 basis points (100 basis points

is equivalent to one percentage point) higher than the current median of 2.2% for all dividend-paying stocks under our review. For comparative purposes, we also show payout ratios (all dividends as a percentage of net profit) for the most recent fiscal year.

We then restricted our search to stocks with Safety ranks of at least 2 (Above Average), and Financial Strength Ratings of B++ or better (B+ is Average). Companies whose shares earn high marks for these metrics generally will fare better in volatile markets than the typical stock under our review. That said, their low-risk profile may cause them to underperform in a rising market.

The set of stocks that made the final cut are not only judged to be safer than most, but also possess proven and prospective dividend growth rates that have and are likely to advance at a rate exceeding the average rate of inflation under the time periods chosen under this review. Unlike some of our recent screens, this roster includes a somewhat narrower range of equities, with bank and utility stocks making up a larger portion of the total. As usual, we advise investors to carefully review both full-page and supplementary analyses in our *Ratings & Reports* before making commitments to any of the equities on the list of stocks below. ■

STOCKS FOR DIVIDEND GROWTH WITH LOW RISK

| Ratings & Reports Page | Ticker | Company | Dividend Yield, % | Safety | Payout Ratio, % | Last 5 Years, % | Next 3-5 Years, % | Financial Strength Rating | Industry |
|------------------------|--------|------------------------|-------------------|--------|-----------------|-----------------|-------------------|---------------------------|--------------------------|
| 1990 | MO | Altria Group | 6.0 | 2 | 72 | 9 | 9 | B++ | Tobacco |
| 2503 | BBT | BB&T Corp. | 3.5 | 2 | 42 | 11 | 8 | A | Bank |
| 1748 | BIP | Brookfield Infrastruc. | 4.9 | 2 | NMF | 12 | 8 | B++ | Diversified Co. |
| 967 | CVS | CVS Health | 3.6 | 1 | 34 | 28 | 9 | A++ | Pharmacy Services |
| 984 | ETN | Eaton Corp. plc | 3.5 | 2 | 52 | 12 | 7 | A+ | Auto Parts |
| 911 | FTS.TO | Fortis Inc. | 3.7 | 2 | 46 | 7 | 6 | B++ | Electric Util. (Central) |
| 2521 | NA.TO | Nat'l Bank of Canada | 4.3 | 2 | 44 | 9 | 7 | B++ | Bank |
| 913 | OGE | OGE Energy | 3.8 | 2 | 64 | 10 | 8 | A | Electric Util. (Central) |
| 163 | PCAR | PACCAR Inc. | 4.8 | 2 | 37 | 9 | 7 | A | Heavy Truck & Equip |
| 2525 | RY.TO | Royal Bank of Canada | 4.0 | 1 | 45 | 9 | 7 | A | Bank |
| 1547 | SPG | Simon Property Group | 5.0 | 2 | 99 | 14 | 7 | A | R.E.I.T. |
| 933 | T.TO | TELUS Corporation | 4.6 | 2 | 70 | 10 | 7 | B++ | Telecom. Services |
| 2531 | TD.TO | Toronto-Dominion | 4.0 | 1 | 40 | 11 | 9 | A | Bank |
| 316 | UPS | United Parcel Serv. | 3.8 | 1 | 53 | 8 | 8 | A | Air Transport |
| 2533 | WFC | Wells Fargo | 3.9 | 2 | 41 | 24 | 6 | A | Bank |

Growth Stocks with Low Risk

This list is designed for investors seeking stocks with a combination of worthwhile long-term appreciation potential and low risk.

We began by screening for companies whose share earnings have compounded at a minimum 7% annual rate over the past five years and which are expected to also maintain at least a 7% annual growth rate over the next 3 to 5 years.

Next, we pared the list to stocks with price appreciation potential of at least 60% over the next three to five years, measured from the mid-point of each issue's target price range. By way of comparison, the current median appreciation potential for the entire Value Line universe is 55%, suggesting the long-term performance of the stocks in this list should be good

on a risk-adjusted basis. On point, to control for risk, we required that all stocks selected have a Safety rank of at least 2 (Above Average). Going one step further, we also set better-than-average hurdles for the two measures that determine the Safety rank. We required that each selection have a Financial Strength rating of at least B++ and a score of 80 or more on the Price Stability Index, whose range runs from 5 to 100. These factors should help select those companies with low risk profiles.

Given these relatively stringent criteria, it isn't surprising that there were not too many issues in our universe that made the final cut. In fact, selecting growth stocks in the context of worthwhile appreciation potential and low risk is a difficult task. Nonetheless, the stocks listed below com-

prise an elite group. Meanwhile, many stocks, including some with better historical and prospective earnings growth, were eliminated due to their less-than-stellar marks for Financial Strength or their volatile share price movements. That said, as mentioned, the equities included below are likely to provide investors with favorable, risk-adjusted returns over the next 3 to 5 years, reflecting each issue's prospects for worthwhile price appreciation during that time frame.

Those wanting to hold low-risk stocks with good prospects may consider most of the choices listed below. As always, we strongly urge investors to consult the individual analyses in Part 3, *Ratings & Reports*, before committing to any of the issues that appear in this screen. ■

GROWTH STOCKS WITH LOW RISK

| Ratings & Reports Page | Ticker | Company | Safety | 3-5 Year Apprec. Pot'l, % | Annual E.P.S. Growth | | Price Stability Index | Financial Strength Rating | Industry |
|------------------------|--------|-------------------------|--------|---------------------------|----------------------|-------------------|-----------------------|---------------------------|------------------------|
| | | | | | Last 5 Years, % | Next 3-5 Years, % | | | |
| 757 | ALL | Allstate Corp. | 1 | 90 | 11.5 | 11.5 | 100 | A+ | Insurance (Prop/Cas.) |
| 1990 | MO | Altria Group | 2 | 90 | 11.0 | 8.5 | 90 | B++ | Tobacco |
| 832 | AMGN | Amgen | 1 | 80 | 15.0 | 7.0 | 80 | A++ | Biotechnology |
| 2508 | BK | Bank of New York Mellon | 2 | 120 | 12.5 | 8.5 | 85 | A | Bank |
| 1967 | BFB | Brown-Forman 'B' | 1 | 65 | 7.5 | 13.5 | 95 | A | Beverage |
| 1799 | CBOE | Cboe Global Markets | 2 | 60 | 13.0 | 14.5 | 85 | A | Brokers & Exchanges |
| 1022 | CMCSA | Comcast Corp. | 2 | 75 | 14.5 | 12.0 | 90 | A | Cable TV |
| 2552 | DFS | Discover Fin'l Svcs. | 2 | 70 | 7.5 | 7.5 | 80 | A | Financial Svcs. (Div.) |
| 1757 | GHC | Graham Hldgs. | 2 | 65 | 9.5 | 11.0 | 85 | A | Diversified Co. |
| 324 | JBHT | Hunt (J.B.) | 2 | 70 | 12.0 | 11.5 | 80 | A | Trucking |
| 1156 | LEG | Leggett & Platt | 2 | 90 | 12.5 | 9.0 | 85 | A | Furn/Home Furnishings |
| 316 | UPS | United Parcel Serv. | 1 | 65 | 7.0 | 8.5 | 95 | A | Air Transport |

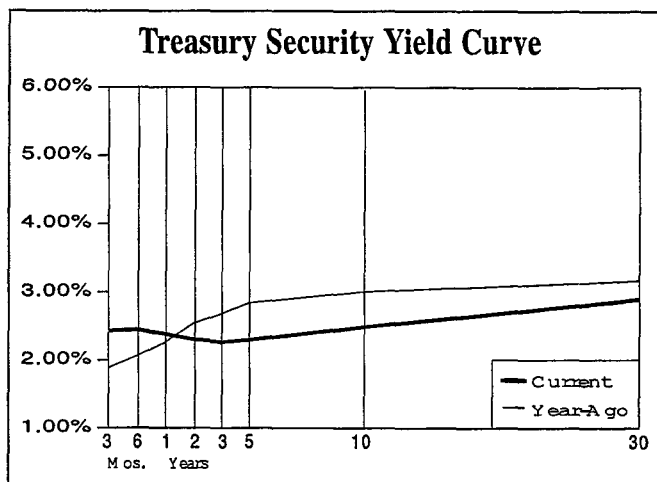
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| Inogen Inc. | 2030 | | |
| Medpace Holdings | 1837 | | |
| Paycom Software | 1732 | | |
| PRA Health Services | 2305 | | |

Selected Yields

| TAXABLE | Recent (5/8/19) | 3 Months Ago (2/6/19) | Year Ago (5/9/18) | TAXABLE | Recent (5/8/19) | 3 Months Ago (2/6/19) | Year Ago (5/9/18) |
|---------------------------------|--------------------|--------------------------|----------------------|-------------------------------------|--------------------|--------------------------|----------------------|
| Market Rates | | | | Corporate Bonds | | | |
| Discount Rate | 3.00 | 3.00 | 2.25 | Financial (10-year) A | 3.39 | 3.74 | 4.08 |
| Federal Funds | 2.25-2.50 | 2.25-2.50 | 1.50-1.75 | Industrial (25/30-year) A | 4.01 | 4.15 | 4.31 |
| Prime Rate | 5.50 | 5.50 | 4.75 | Utility (25/30-year) A | 4.06 | 4.30 | 4.29 |
| 30-day CP (A1/P1) | 2.43 | 2.45 | 1.88 | Utility (25/30-year) Baa/BBB | 4.40 | 4.68 | 4.62 |
| 3-month LIBOR | 2.56 | 2.74 | 2.35 | S&P 500 High Yield Corp. Bond Index | 4.79 | 5.15 | 5.16 |
| U.S. Treasury Securities | | | | Foreign Bonds (10-Year) | | | |
| 3-month | 2.42 | 2.41 | 1.88 | Canada | 1.71 | 1.93 | 2.39 |
| 6-month | 2.44 | 2.49 | 2.05 | Germany | -0.04 | 0.16 | 0.56 |
| 1-year | 2.38 | 2.55 | 2.25 | Japan | -0.05 | -0.01 | 0.05 |
| 5-year | 2.29 | 2.50 | 2.84 | United Kingdom | 1.14 | 1.22 | 1.46 |
| 10-year | 2.48 | 2.70 | 3.00 | Mortgage-Backed Securities | | | |
| 10-year (inflation-protected) | 0.65 | 0.86 | 0.82 | GNMA 5.5% | 3.94 | 3.67 | 3.50 |
| 30-year | 2.89 | 3.03 | 3.16 | FHLMC 5.5% (Gold) | 3.54 | 3.89 | 3.50 |
| 30-year Zero | 2.95 | 3.08 | 3.18 | FNMA 5.5% | 3.52 | 3.82 | 3.36 |
| Common Stocks | | | | Preferred Stock | | | |
| VL Stocks (Median) | 2.20 | 2.20 | 2.10 | Utility A | 6.02 | 6.05 | 6.05 |
| DJ Industrials (12-mo. est.) | 2.50 | 2.40 | 2.30 | Financial BBB | 6.00 | 5.98 | 5.93 |
| VL Utilities | 3.30 | 3.50 | 3.50 | Financial Adjustable A | 5.50 | 5.50 | 5.51 |



TAX-EXEMPT

| Bond Buyer Indexes | Recent (5/8/19) | 3 Months Ago (2/6/19) | Year Ago (5/9/18) |
|--|--------------------|--------------------------|----------------------|
| 20-Bond Index (GOs) | 3.73 | 4.22 | 3.89 |
| 25-Bond Index (Revs) | 4.21 | 4.69 | 4.38 |
| General Obligation Bonds (GOs) | | | |
| 1-year AAA | 1.52 | 1.62 | 1.74 |
| 1-year A | 1.78 | 1.74 | 1.95 |
| 5-year AAA | 1.58 | 1.75 | 2.09 |
| 5-year A | 1.93 | 2.02 | 2.55 |
| 10-year AAA | 1.77 | 2.19 | 2.42 |
| 10-year A | 2.22 | 2.61 | 3.00 |
| 25/30-year AAA | 2.40 | 2.99 | 2.95 |
| 25/30-year A | 2.87 | 3.43 | 3.84 |
| Revenue Bonds (Revs) (15 Years) | | | |
| Education AA | 2.27 | 2.87 | 3.04 |
| Electric AA | 2.45 | 3.09 | 2.90 |
| Water/Sewer AA | 2.29 | 2.87 | 3.02 |
| Hospital AA | 2.46 | 3.02 | 3.19 |
| Toll Road AA | 2.34 | 2.87 | 3.06 |

Source: Bloomberg Finance L.P.

Federal Reserve Data

BANK RESERVES (Two-Week Period; in Millions, Not Seasonally Adjusted)

| | Recent Levels | | | Average Level Over the Last... | | |
|----------------------------|---------------|---------|--------|--------------------------------|---------|---------|
| | 4/24/19 | 4/10/19 | Change | 12 Wks. | 26 Wks. | 52 Wks. |
| Excess Reserves | 1425647 | 1488913 | -63266 | 1501495 | 1557610 | 1688571 |
| Borrowed Reserves | 24 | 36 | -12 | 23 | 59 | 123 |
| Net Free/Borrowed Reserves | 1425623 | 1488877 | -63254 | 1501472 | 1557552 | 1688448 |

MONEY SUPPLY (One-Week Period; in Billions, Seasonally Adjusted)

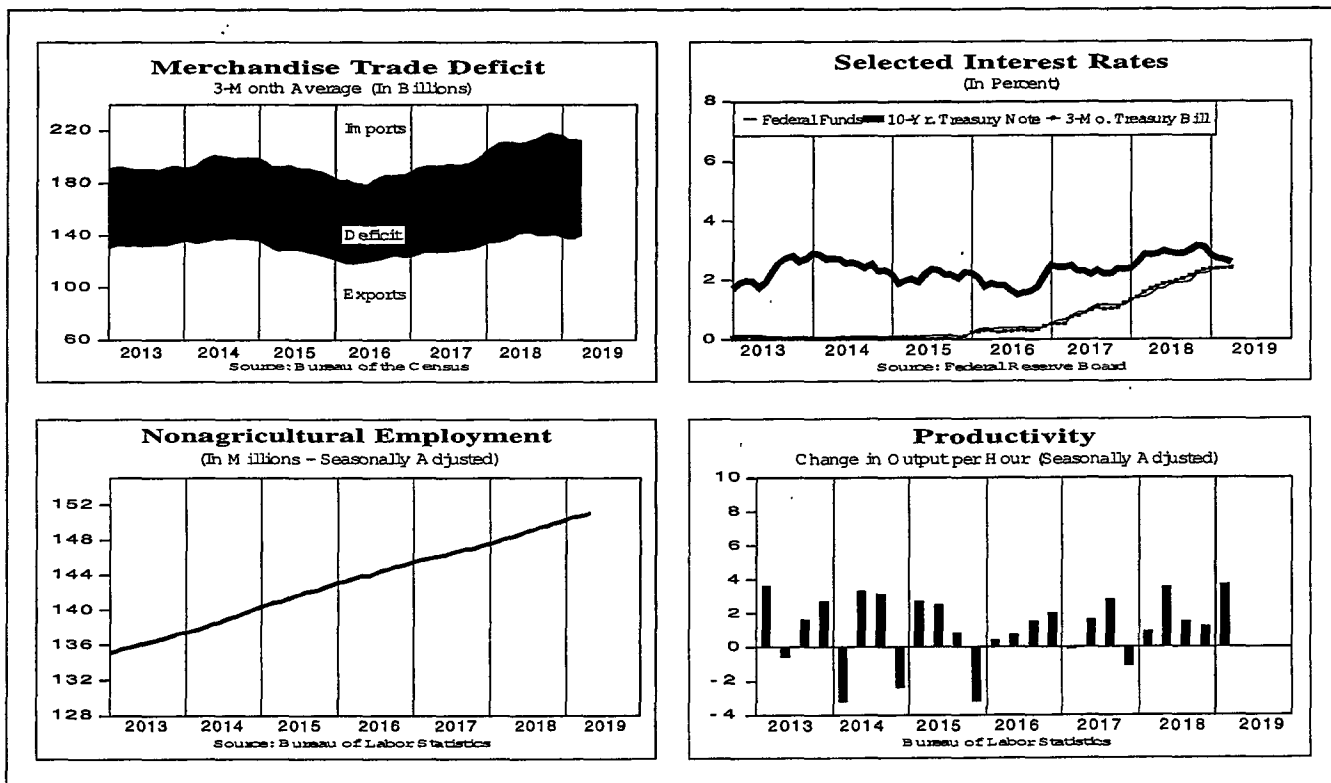
| | Recent Levels | | | Annual Growth Rates Over the Last... | | |
|-------------------------------------|---------------|---------|--------|--------------------------------------|--------|---------|
| | 4/22/19 | 4/15/19 | Change | 3 Mos. | 6 Mos. | 12 Mos. |
| M1 (Currency+demand deposits) | 3757.6 | 3739.4 | 18.2 | 2.4% | 2.4% | 2.8% |
| M2 (M1+savings+small time deposits) | 14489.4 | 14512.3 | -22.9 | 1.7% | 3.2% | 3.6% |

Source: United States Federal Reserve Bank

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Tracking the Economy



Major Insider Transactions†

PURCHASES

| Latest Full-Page Report | Company | Insider, Title | Date | Shares Traded | Shares Held | Price Range | Recent Price |
|-------------------------|------------------------|-------------------------|-----------|---------------|-------------|-------------|--------------|
| 974 | Allison Transmission | G. F. Bohley, VP | 4/26/2019 | 5,000 | 40,940 | \$46.00 | 45.80 |
| 1902 | Archer Daniels Mid'l'd | J. R. Luciano, Pres. | 4/29/2019 | 23,657 | 569,152 | \$42.30 | 42.71 |
| 1902 | Archer Daniels Mid'l'd | R. G. Young, CFO | 4/29/2019 | 6,000 | 349,743 | \$42.76 | 42.71 |
| 1616 | Biogen | M. Vounatsos, Dir. | 5/1/2019 | 4,351 | 21,007 | \$231.48 | 229.02 |
| 611 | Kinder Morgan Inc. | R. D. Kinder* | 4/29/2019 | 200,000 | 239,801,954 | \$19.89 | 19.56 |
| 1992 | Philip Morris Int'l | M. R. Kunst, Officer | 4/29/2019 | 2,500 | 15,310 | \$84.67 | 84.43 |
| 1183 | Sealed Air | E. L. Doherty II, Pres. | 5/3/2019 | 5,000 | 167,246 | \$45.00 | 43.93 |

SALES

| Latest Full-Page Report | Company | Insider, Title | Date | Shares Traded | Shares Held | Price Range | Recent Price |
|-------------------------|------------------------|---------------------------|---------------|---------------|-------------|-------------------|--------------|
| 2616 | Accenture Plc | R. Lumb, Officer | 4/29/2019 | 18,000 | 95,115 | \$181.19-\$181.72 | 173.94 |
| 1323 | Avnet, Inc. | J. A. Lawrence, Dir. | 5/1/19-5/2/19 | 187,495 | 520,620 | \$46.90-\$48.09 | 45.79 |
| 2546 | BlackRock, Inc. | L. Fink, Chair. | 4/30/2019 | 31,250 | 975,255 | \$480.39-\$484.34 | 463.77 |
| 2575 | PayPal Holdings | W. J. Ready, EVP | 4/26/2019 | 46,038 | 56,283 | \$108.54-\$109.72 | 108.95 |
| 772 | Progressive Corp. | J. A. Barbagallo, Officer | 4/26/2019 | 48,000 | 84,370 | \$75.78 | 72.79 |
| 1184 | Silgan Holdings | A. J. Greenlee, Pres. | 5/1/19-5/3/19 | 110,000 | 61,367 | \$29.81-\$30.02 | 29.85 |
| 1733 | Stanley Black & Decker | J. M. Loree, Pres. | 4/26/2019 | 56,699 | 88,854 | \$145.14 | 143.63 |

* Beneficial owner of more than 10% of common stock

† Includes only large transactions in U.S.-traded stocks; excludes shares held in the form of limited partnerships, excludes options & family trusts

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Market Monitor

| Valuations and Yields | 5/8 | 5/1 | 13-week range | 50-week range | Last market top (4-30-2019) | Last market bottom (3-9-2009) |
|--|-------|-------|---------------|---------------|--------------------------------|----------------------------------|
| Median price-earnings ratio of VL stocks | 17.1 | 18.2 | 16.9 - 18.2 | 14.3 - 18.7 | 18.2 | 10.3 |
| P/E (using 12-mo. est'd EPS) of DJ Industrials | 15.7 | 16.2 | 15.6 - 16.4 | 14.1 - 17.1 | 16.2 | 17.3 |
| Median dividend yield of VL stocks | 2.2% | 2.2% | 2.2 - 2.3% | 2.0 - 2.6% | 2.2% | 4.0% |
| Div'd yld. (12-mo. est.) of DJ Industrials | 2.5% | 2.4% | 2.4 - 2.5% | 2.2 - 2.7% | 2.4% | 4.0% |
| Prime Rate | 5.5% | 5.5% | 5.5 - 5.5% | 4.8 - 5.5% | 5.5% | 3.3% |
| Fed Funds | 2.4% | 2.5% | 2.4 - 2.5% | 1.7 - 2.5% | 2.5% | 0.2% |
| 91-day T-bill rate | 2.4% | 2.4% | 2.4 - 2.5% | 1.9 - 2.5% | 2.4% | 0.3% |
| AAA Corporate bond yield | 3.7% | 3.7% | 3.6 - 3.9% | 3.6 - 4.2% | 3.7% | 5.5% |
| 30-year Treasury bond yield | 2.9% | 2.9% | 2.8 - 3.1% | 2.8 - 3.4% | 2.9% | 3.7% |
| Bond yield minus average earnings yield | -2.1% | -1.8% | -2.2 - -1.8% | -3.0 - -1.4% | -1.8% | -4.3% |

| Short interest/avg. daily volume (5 weeks) | | | | | | |
|--|------|------|-------------|-------------|------|-----|
| Short interest/avg. daily volume (5 weeks) | 16.7 | 16.6 | 13.7 - 16.8 | 11.8 - 19.1 | 16.6 | 8.6 |
| CBOE put volume/call volume | .94 | .91 | .78 - .96 | .67 - 1.41 | .91 | .93 |

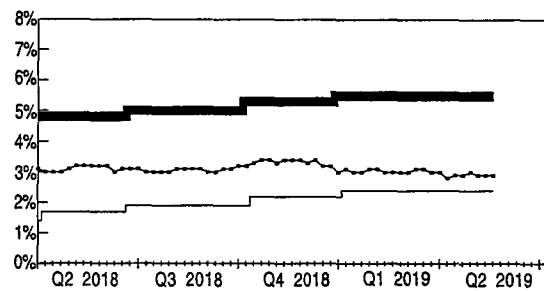
VALUE LINE ASSET ALLOCATION MODEL (Based only on economic and financial factors)

| | Current (last adjusted at market open 4/5/19) | Previous (before 4/5/19) |
|--------------------------|--|-----------------------------|
| Common Stocks | 60%-70% | 55%-65% |
| Cash and Treasury Issues | 40%-30% | 45%-35% |

INDUSTRY PRICE PERFORMANCE LAST SIX WEEKS ENDING 5/7/2019

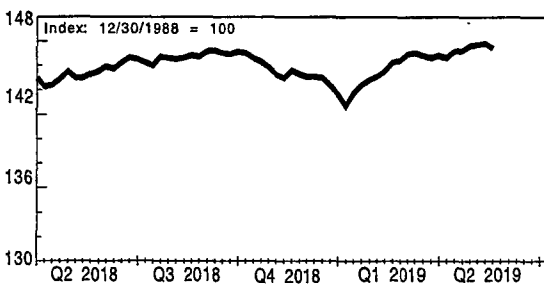
| 7 Best Performing Industries | |
|------------------------------|--------|
| Retail Automotive | +11.8% |
| Building Materials | +10.8% |
| Brokers & Exchanges | +10.1% |
| Metal Fabricating | +9.7% |
| Bank (Midwest) | +8.1% |
| Homebuilding | +8.1% |
| Public/Private Equity | +7.8% |

| 7 Worst Performing Industries | |
|-------------------------------|--------|
| Pharmacy Services | -13.8% |
| Telecom. Utility | -13.0% |
| Precious Metals | -12.1% |
| Biotechnology | -10.1% |
| Oilfield Svcs/Equip. | -7.3% |
| Metals & Mining (Div.) | -7.1% |
| Newspaper | -5.7% |



INTEREST RATES

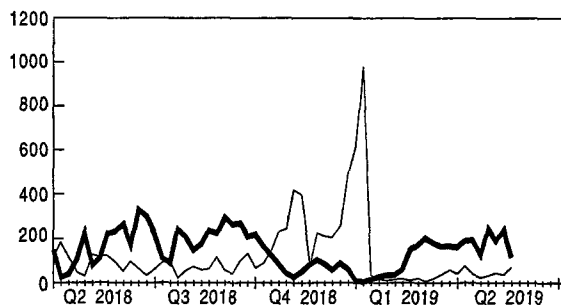
| | Recent | Previous Week |
|-----------------|--------|---------------|
| Prime Rate | 5.5% | 5.5% |
| 30-Yr. Treasury | 2.9% | 2.9% |
| Fed Funds | 2.4% | 2.5% |



VALUE LINE UNIVERSE

| | Recent | Previous Week |
|----------------------------|--------|---------------|
| Advances | 488 | 951 |
| Declines | 1215 | 755 |
| Issues Covered | 1714 | 1713 |
| Market Value (\$ Trillion) | 36.136 | 36.903 |

The corresponding change in the Value Line Arithmetic Average* is +2.7%



VALUE LINE UNIVERSE

| | Recent | Previous Week |
|-----------|--------|---------------|
| New Highs | 112 | 238 |
| New Lows | 69 | 36 |

CHANGES IN FINANCIAL STRENGTH RATINGS

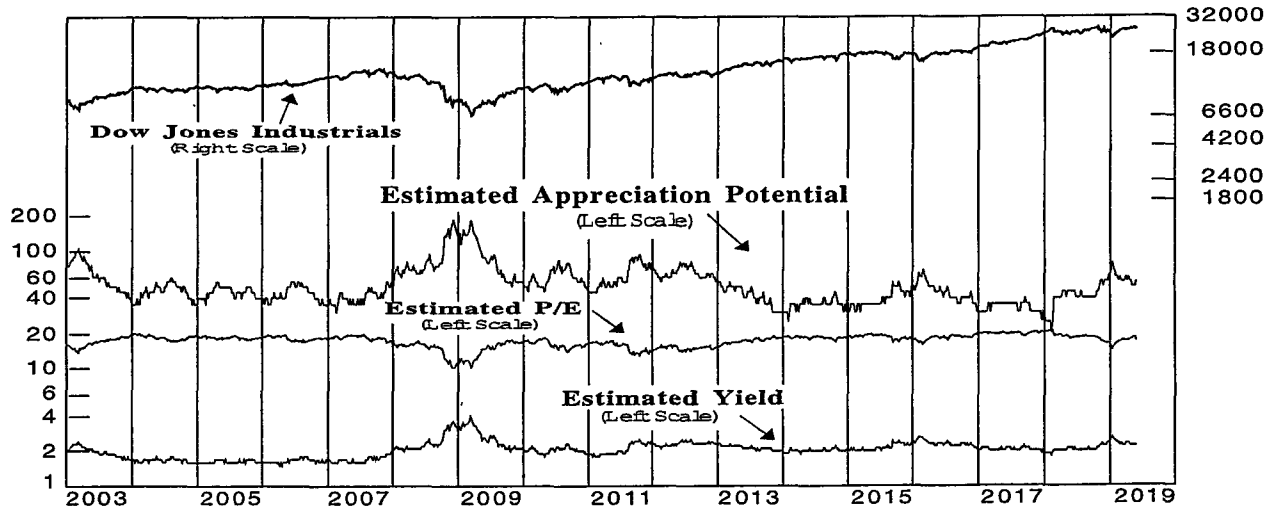
| Company | Prior Rating | New Rating | Ratings & Reports Page |
|----------------|--------------|------------|------------------------|
| Agilent Techn. | B++ | A | 113 |
| Finning Int'l | B+ | B++ | 157 |
| Dwens & Minor | C++ | C+ | 221 |

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Stock Market Averages

VALUE LINE ESTIMATED P/E, YIELD, APPRECIATION POTENTIAL VERSUS DOW JONES INDUSTRIALS
(January 2, 2003–May 7, 2019)



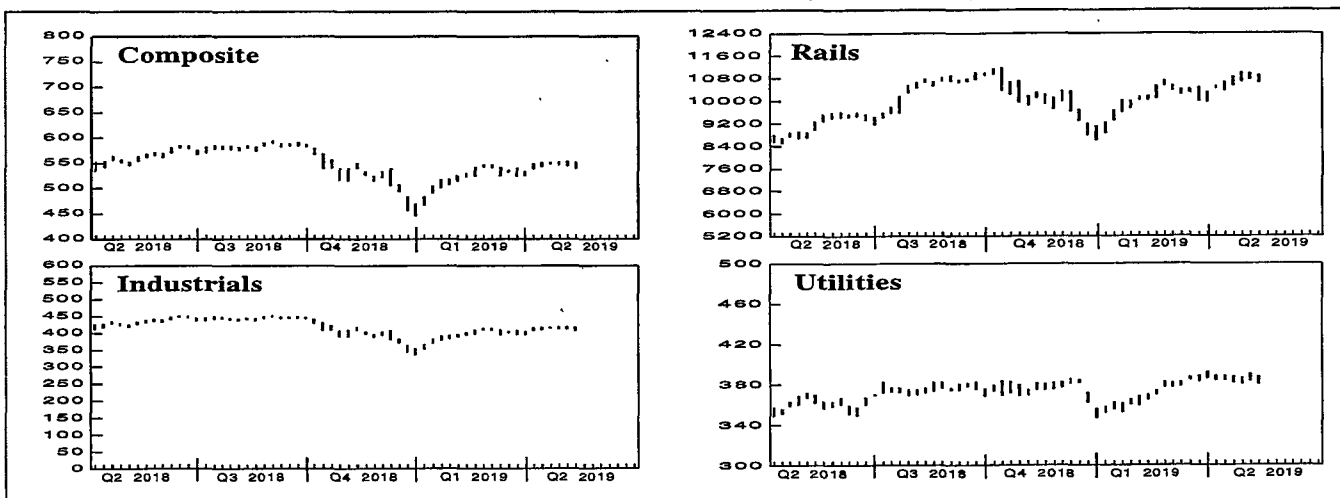
THE VALUE LINE GEOMETRIC AVERAGES

| | Composite 1683 stocks | Industrials 1607 stocks | Rails 10 stocks | Utilities 66 stocks |
|----------------------------------|--------------------------|----------------------------|--------------------|------------------------|
| 5/2/2019 | 544.05 | 410.73 | 10760.21 | 382.93 |
| 5/3/2019 | 552.12 | 416.87 | 10947.66 | 387.61 |
| 5/6/2019 | 550.52 | 415.63 | 10889.78 | 386.96 |
| 5/7/2019 | 540.86 | 408.16 | 10675.84 | 384.65 |
| 5/8/2019 | 538.86 | 406.80 | 10641.31 | 380.02 |
| % Change last 4 weeks | -1.6% | -1.7% | +1.7% | -1.1% |

THE DOW JONES AVERAGES

| | Arithmetic* Composite 1683 stocks | Composite 65 stocks | Industrials 30 stocks | Transportation 20 stocks | Utilities 15 stocks |
|----------------------------------|---|------------------------|--------------------------|-----------------------------|------------------------|
| 5/2/2019 | 6306.59 | 8750.32 | 26307.79 | 10787.64 | 777.97 |
| 5/3/2019 | 6402.26 | 8833.84 | 26504.95 | 10958.89 | 783.10 |
| 5/6/2019 | 6384.82 | 8799.73 | 26438.48 | 10902.01 | 778.02 |
| 5/7/2019 | 6274.54 | 8654.69 | 25965.09 | 10670.47 | 775.14 |
| 5/8/2019 | 6253.44 | 8631.40 | 25967.33 | 10638.22 | 765.94 |
| % Change last 4 weeks | -1.2% | -0.7% | -0.7% | -0.5% | -1.0% |

WEEKLY VALUE LINE GEOMETRIC AVERAGES* (April 2, 2018–May 8, 2019)



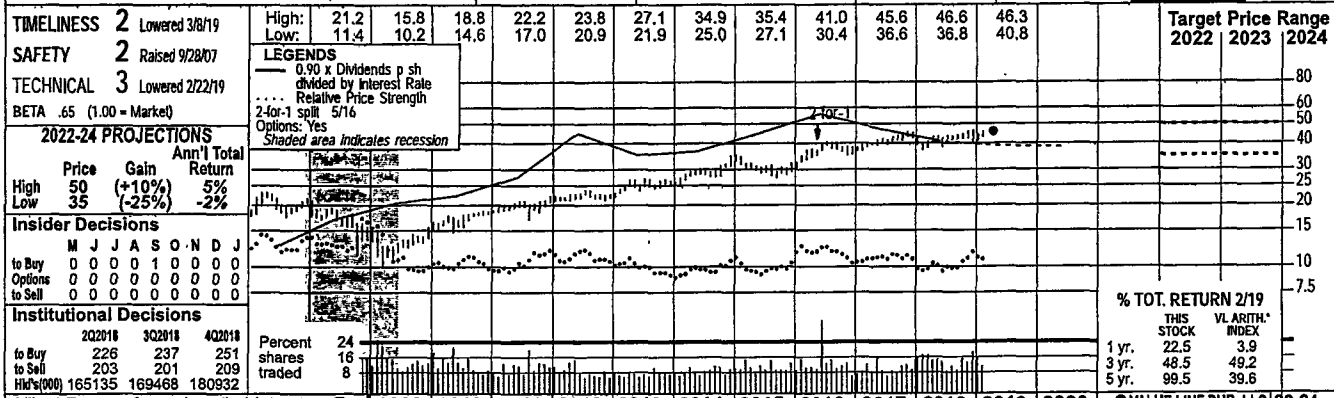
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ALLIANT ENERGY NDQ-LNT

RECENT PRICE **45.90** P/E RATIO **20.5** (Trailing: 21.1 Median: 15.0) RELATIVE P/E RATIO **1.20** DIV'D YLD **3.1%** VALUE LINE



| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | VALUE LINE PUB, LLC 22-24 |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------------------------------|--------|---------------------------|
| Revenues per sh | 15.51 | 15.40 | 16.51 | 13.94 | 14.77 | 15.10 | 14.34 | 14.58 | 14.62 | 14.97 | 15.15 | 15.30 | 15.95 |
| "Cash Flow" per sh | 2.10 | 2.60 | 2.75 | 2.95 | 3.34 | 3.44 | 3.45 | 3.45 | 3.97 | 4.32 | 4.40 | 4.60 | 5.20 |
| Earnings per sh | .95 | 1.38 | 1.38 | 1.53 | 1.65 | 1.74 | 1.69 | 1.65 | 1.99 | 2.19 | 2.25 | 2.40 | 2.80 |
| Div'd Decl'd per sh | .75 | .79 | .85 | .90 | .94 | 1.02 | 1.10 | 1.18 | 1.26 | 1.34 | 1.42 | 1.50 | 1.74 |
| Cap'l Spending per sh | 5.43 | 3.91 | 3.03 | 5.22 | 3.32 | 3.78 | 4.25 | 5.26 | 6.34 | 6.64 | 6.75 | 6.50 | 6.15 |
| Book Value per sh | 12.54 | 13.05 | 13.57 | 14.12 | 14.79 | 15.54 | 16.41 | 16.96 | 18.08 | 19.43 | 21.80 | 23.05 | 27.55 |
| Common Shs Outst'g | 221.31 | 221.79 | 222.04 | 221.97 | 221.89 | 221.87 | 226.92 | 227.67 | 231.35 | 236.06 | 240.00 | 242.00 | 250.00 |
| Avg Ann'l P/E Ratio | 13.9 | 12.5 | 14.5 | 14.5 | 15.3 | 16.6 | 18.1 | 22.3 | 20.6 | 19.1 | Bold figures are Value Line estimates | | 15.0 |
| Relative P/E Ratio | .93 | .80 | .91 | .92 | .86 | .87 | .91 | 1.17 | 1.04 | 1.03 | | | .85 |
| Avg Ann'l Div'd Yield | 5.7% | 4.6% | 4.3% | 4.1% | 3.7% | 3.5% | 3.6% | 3.2% | 3.1% | 3.2% | | | 4.1% |

CAPITAL STRUCTURE as of 12/31/18
 Total Debt \$594.0 mill. Due in 5 Yrs \$1750.0 mill.
 LT Debt \$5246.3 mill. LT Interest \$225.0 mill.
 (LT interest earned: 3.3x)

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 236,063,279 shs.

MARKET CAP: \$10.8 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 |

ANNUAL RATES

| | Past 10 Yrs. | Past 5 Yrs. | Est'd '15-'17 to '22-'24 |
|-------------|--------------|-------------|--------------------------|
| Revenues | -5.5% | -1.0% | 3.5% |
| "Cash Flow" | 3.0% | 4.0% | 7.0% |
| Earnings | 4.5% | 4.5% | 6.5% |
| Dividends | 7.5% | 7.0% | 6.0% |
| Book Value | 4.0% | 4.5% | 5.0% |

QUARTERLY REVENUES (\$ mill.)

| Cal-endar | 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 | 925 | 840 | 960 | 905 | 3630 |
| 2020 | 950 | 855 | 975 | 920 | 3700 |

EARNINGS PER SHARE

| Cal-endar | 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 | .45 | .89 | .38 | 2.25 |
| 2020 | .57 | .48 | .94 | .41 | 2.40 |

QUARTERLY DIVIDENDS PAID

| Cal-endar | 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 | .355 | 1.42 |

WE estimate that Alliant Energy's earnings will rise 3% this year and 7% in 2020. The company ought to benefit from rate relief and cost reductions at its two primary subsidiaries, Interstate Power and Light and Wisconsin Power and Light. In December 2018, the Iowa Utilities Board approved a settlement allowing IPL to increase its natural gas base rates by approximately 6% in 2019. Alliant had originally sought an increase of 8.4%. Separately, the utility filed an electric rate case with the IUB seeking an increase of \$89.9 million (5.5%), based on a common equity ratio of 9.5%. A decision from the regulator is expected within weeks. Meantime, Alliant struck an agreement last year to freeze electric base rates at their current levels at Wisconsin Power and Light. The company had previously requested increases of \$61 million in 2019 and \$133 million in 2020, but cost reductions and savings from the Tax Cuts and Jobs Act largely offset this requirement. **The utility announced a slew of leadership changes.** Current Chief Executive Patricia L. Kampling announced her intent to retire from Alliant effective July

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: Patricia L. Kampling. Incorporated: Wisconsin. Address: 4902 N. Biltmore Lane, Madison, Wisconsin 53718. Telephone: 608-458-3311. Internet: www.alliantenergy.com.

1, 2019. Ms. Kampling has been with the company since 2005 and has served as chairman and CEO since 2012. John O. Larsen was appointed by the board to serve as the next CEO. Mr. Larsen has been with Alliant since 1988 and is currently serving as Chief Operating Officer. **The board raised the dividend in January.** This has been the pattern in recent years. The increase was \$0.02 a share (6.0%) quarterly, the same as a year ago. Alliant is targeting a payout ratio in a range of 60%-70%. **Progress continues to be made on clean energy.** Although coal still makes up the largest portion of LNT's electric grid, its share has dwindled from over 50% in 2005 to just 37% in 2018. To comply with environmental regulations, the utility plans to continue retiring coal-burning plants in favor of renewables/natural gas at a pace consistent with recent upgrades. **This stock is ranked to outperform the broader markets over the next six to 12 months.** However, with the recent price well within our 2022-2024 Target Price Range, total return potential is low. *Daniel Henigson, CFA March 15, 2019*

(A) Diluted EPS. Excl. nonrecr. gains (losses): '09, (44¢); '10, (8¢); '11, (1¢); '12, (8¢). Next earnings report due early May. (B) Dividends historically paid in mid-Feb., May, Aug., and Nov. (C) Div'd reinvest. plan avail. (D) Shareholder invest. plan avail. (E) Incl. deferred chgs. In '18: \$89.7 mill., \$0.36/sh. (F) In millions, adjusted for split. (G) 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**

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AMEREN NYSE-AEE

RECENT PRICE **71.07** P/E RATIO **22.3** (Trailing: 21.4 Median: 16.0) RELATIVE P/E RATIO **1.30** DIV'D YLD **2.8%** VALUE LINE

| TIMELINESS 2 Lowered 2/22/19 | High: 54.3 | 35.3 | 29.9 | 34.1 | 35.3 | 37.3 | 48.1 | 46.8 | 54.1 | 64.9 | 70.9 | 72.4 | Target Price Range 2022 2023 2024 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--------|--------------------|------|------|------|------|------|------|------|------|------|--------------------------------------|--------|--------|--------------------|--------|-----|-------|-----|---------|-----|--------|-----|-----------|--------|--------|--------|---|---|---|---|---------|---|---|---|---|---|---|---|---|----|---------|---|---|---|---|---|---|---|---|---|
| SAFETY 2 Raised 6/20/14 | 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 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TECHNICAL 2 Raised 3/1/19 | <p>LEGENDS: 0.64 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| BETA .60 (1.00 = Market) | <p>2022-24 PROJECTIONS</p> <table border="1"> <tr> <th></th> <th>Price</th> <th>Gain</th> <th>Ann'l Total Return</th> </tr> <tr> <td>High</td> <td>75</td> <td>(+5%)</td> <td>5%</td> </tr> <tr> <td>Low</td> <td>55</td> <td>(-25%)</td> <td>-2%</td> </tr> </table> | | | | | | | | | | | | | Price | Gain | Ann'l Total Return | High | 75 | (+5%) | 5% | Low | 55 | (-25%) | -2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Price | Gain | Ann'l Total Return | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| High | 75 | (+5%) | 5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Low | 55 | (-25%) | -2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Insider Decisions</p> <table border="1"> <tr> <th></th> <th>M</th> <th>J</th> <th>J</th> <th>A</th> <th>S</th> <th>O</th> <th>N</th> <th>D</th> <th>J</th> </tr> <tr> <td>to Buy</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Options</td> <td>0</td> <td>1</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>1</td> <td>25</td> </tr> <tr> <td>to Sell</td> <td>1</td> <td>2</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> </table> | | | | | | | | | | | | | | M | J | J | A | S | O | N | D | J | to Buy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Options | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 25 | to Sell | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | M | J | J | A | S | O | N | D | J | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| to Buy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Options | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 25 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| to Sell | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Institutional Decisions</p> <table border="1"> <tr> <th></th> <th>2Q2018</th> <th>3Q2018</th> <th>4Q2018</th> </tr> <tr> <td>to Buy</td> <td>239</td> <td>232</td> <td>250</td> </tr> <tr> <td>to Sell</td> <td>251</td> <td>228</td> <td>257</td> </tr> <tr> <td>Hlds(000)</td> <td>172585</td> <td>176059</td> <td>178307</td> </tr> </table> | | | | | | | | | | | | | | 2Q2018 | 3Q2018 | 4Q2018 | to Buy | 239 | 232 | 250 | to Sell | 251 | 228 | 257 | Hlds(000) | 172585 | 176059 | 178307 | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2Q2018 | 3Q2018 | 4Q2018 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| to Buy | 239 | 232 | 250 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| to Sell | 251 | 228 | 257 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hlds(000) | 172585 | 176059 | 178307 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| 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 | 26.35 | 27.15 | Revenues per sh | 29.75 |
| 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 | 7.95 | 8.45 | "Cash Flow" per sh | 10.25 |
| 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 | 9.90 | 11.65 | Cap'l Spending per sh | 10.50 |
| 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 | 32.95 | 34.75 | Book Value per sh ^C | 40.25 |
| 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 | 244.50 | 246.50 | 248.50 | 248.50 | Common Shs Outst'g ^D | 253.00 |
| 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 | 20.6 | 18.3 | Avg Ann'l P/E Ratio | 15.0 |
| .77 | .86 | .89 | 1.05 | .92 | .85 | .62 | .62 | .75 | .85 | .93 | .88 | .88 | .96 | 1.04 | .99 | 1.04 | .99 | Relative P/E Ratio | .85 |
| 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% | 3.0% | 3.0% | Avg Ann'l Div'd Yield | 4.0% |

CAPITAL STRUCTURE as of 12/31/18
 Total Debt \$9036 mill. Due in 5 Yrs \$2372 mill.
 LT Debt \$7859 mill. LT Interest \$377 mill.
 (LT interest earned: 4.0x)
 Leases, Uncapitalized Annual rentals \$10 mill.
 Pension Assets-12/18 \$3899 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 244,638,879 shs. as of 1/31/19
 MARKET CAP: \$17 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

| | 2016 | 2017 | 2018 |
|-------------------------------|------|------|------|
| % Change Retail Sales (KWH) | -4.2 | -3.4 | +5.6 |
| Avg. Indust. Use (KWH) | NA | NA | NA |
| Avg. Indust. Rev. 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 |

ANNUAL RATES

| | Past 10 Yrs. | Past 5 Yrs. | Est'd '16-'18 to '22-'24 |
|-------------|--------------|-------------|--------------------------|
| Revenues | -3.5% | -1.5% | 2.5% |
| "Cash Flow" | 1.0% | 4.5% | 6.5% |
| Earnings | .5% | 4.5% | 6.5% |
| Dividends | -3.5% | 2.5% | 6.0% |
| Book Value | -.5% | .5% | 5.0% |

| Cal-endar | QUARTERLY REVENUES (\$ mill.) | | | | Full Year |
|-----------|-------------------------------|--------|--------|--------|-----------|
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | |
| 2016 | 1434 | 1427 | 1859 | 1356 | 6076.0 |
| 2017 | 1514 | 1538 | 1723 | 1402 | 6177.0 |
| 2018 | 1585 | 1563 | 1724 | 1419 | 6291.0 |
| 2019 | 1650 | 1600 | 1800 | 1450 | 6500 |
| 2020 | 1700 | 1650 | 1900 | 1500 | 6750 |

| Cal-endar | EARNINGS PER SHARE ^A | | | | Full Year |
|-----------|---------------------------------|--------|--------|--------|-----------|
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | |
| 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 | .65 | .75 | 1.50 | .40 | 3.30 |
| 2020 | .70 | .85 | 1.55 | .40 | 3.50 |

| Cal-endar | QUARTERLY DIVIDENDS PAID ^B | | | | Full Year |
|-----------|---------------------------------------|--------|--------|--------|-----------|
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | |
| 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 |

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 63166-8149. Tel: 314-621-3222. Internet: www.ameren.com.

Investors should not be disappointed if Ameren's earnings fall short of the 2018 result. We assume normal weather patterns after favorable weather boosted profits by \$0.32 a share last year. In addition, the Callaway nuclear plant will have a refueling outage this spring after not having one in 2018. This will cost an estimated \$0.09 a share. Offsetting these factors to some extent will be rate relief in Illinois; a gas rate hike took effect last fall. We are sticking with our share-net estimate of \$3.30. This is within the company's targeted range of \$3.15-\$3.35.

We expect higher earnings in 2020. Ameren's transmission operations and its Illinois electric business benefit from forward-looking regulatory plans that provide rate relief each year. (We assume the allowed return on equity for transmission won't change significantly, if at all.) Our estimate would produce a 6% share-earnings increase.

The capital budget is rising. A new regulatory law in Missouri that took effect last year made investing in the state more appealing for utilities, and ought to reduce regulatory lag there. The company's five-

year, \$13.3 billion capital budget includes \$6.3 billion at Ameren Missouri to modernize its electric system and add renewable energy. The utility plans to add up to 557 megawatts of wind generation by the end of 2020, at a cost of about \$1 billion, to comply with Missouri's renewable energy standards. (There might be more wind generation to come.) Ameren was able to avoid any equity financing for several years, but is now issuing stock (about \$100 million annually) for its dividend-reinvestment and employee-benefit plans. There will also be some debt financing. All told, the company expects an 8% compound annual growth rate in its rate base through 2023. This should help the company attain its goal of 6%-8% compound annual earnings growth through 2023.

This stock is timely, but has a high valuation for a utility. The dividend yield is below the industry average, and the price-earnings ratio is well above its historical level. With the recent quotation near the upper end of our 3- to 5-year Target Price Range, total return potential is negligible.

Paul E. Debbas, CFA March 15, 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 eqs. report due early May. (B) Div'ds pd. late Mar., June, Sept., & Dec. # Div'd reinv. plan avail. (C) Incl. intang. in '18: \$629.29sh. (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.

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| | |
|------------------------------|----|
| Company's Financial Strength | A |
| Stock's Price Stability | 95 |
| Price Growth Persistence | 60 |
| Earnings Predictability | 80 |

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AVANGRID, INC. NYSE-AGR

RECENT PRICE **49.97** P/E RATIO **22.2** (Trailing: 27.5 Median: NMF) RELATIVE P/E RATIO **1.30** DIVD YLD **3.6%** VALUE LINE

| | | | | | | | | |
|-------------------------------------|-----------------------|---------------------------------|------|------|------|------|-----------------------------------|-----|
| TIMELINESS 3 Lowered 3/22/19 | High: 38.9 | Low: 32.4 | 46.7 | 53.5 | 54.6 | 52.9 | Target Price Range 2022 2023 2024 | 120 |
| SAFETY 2 Raised 2/17/17 | Options: Yes | Shaded area indicates recession | | | | | | 100 |
| TECHNICAL 3 Lowered 4/12/19 | | | | | | | | 80 |
| BETA .40 (1.00 = Market) | | | | | | | | 64 |
| 2022-24 PROJECTIONS | | | | | | | | 48 |
| Price High 60 (+20%) | Gain 8% | Ann'l Return 2% | | | | | | 32 |
| Price Low 45 (-10%) | Gain 2% | Ann'l Return 2% | | | | | | 24 |
| Insider Decisions | | | | | | | | 20 |
| J A S O N D J F M | | | | | | | | 16 |
| to Buy 1 2 1 1 1 1 0 0 1 | | | | | | | | 12 |
| Options 0 0 0 0 0 0 0 0 0 | | | | | | | | 8 |
| to Sell 0 0 0 0 0 0 0 0 0 | | | | | | | | |
| Institutional Decisions | | | | | | | | |
| 2Q2018 3Q2018 4Q2018 | Percent shares traded | 9 | 6 | 3 | | | | |
| to Buy 123 125 118 | | | | | | | | |
| to Sell 112 125 133 | | | | | | | | |
| Net's (000) 40386 44032 45361 | | | | | | | | |

| | | | | | | | | | | | | | | |
|--|-------------|------------|--------------------------|------|------|--------|--------|--------|--------|--------|-------|-------|------------------------|--------|
| 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 incorporated 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 |
| CAPITAL STRUCTURE as of 3/31/19 Total Debt \$6610 mill. Due in 5 Yrs \$2580 mill. LT Debt \$5487 mill. LT Interest \$226 mill. Incl. \$89 mill. capitalized leases. (LT interest earned: 3.9x) Leases, Uncapitalized Annual rentals \$31 mill. | -- | -- | -- | -- | -- | 4594.0 | 4367.0 | 6018.0 | 5963.0 | 6478.0 | 6500 | 6750 | Revenues per sh | 24.25 |
| Pension Assets-12/18 \$2544 mill. Pfd Stock None | -- | -- | -- | -- | -- | 424.0 | 267.0 | 611.0 | 516.0 | 595.0 | 700 | 770 | "Cash Flow" per sh | 7.00 |
| Common Stock 309,005,272 shs. as of 4/30/19 MARKET CAP: \$15 billion (Large Cap) | -- | -- | -- | -- | -- | 39.9% | 11.3% | 37.4% | 32.4% | 22.1% | 18.5% | 19.5% | Earnings per sh ^ | 3.25 |
| ELECTRIC OPERATING STATISTICS | -- | -- | -- | -- | -- | 6.8% | 12.7% | 7.5% | 12.4% | 9.4% | 9.0% | 8.0% | Div'd Decl'd per sh ^ | 2.10 |
| % Change Retail Sales (KWH) | NA | NA | NA | NA | NA | 16.8% | 23.1% | 23.0% | 25.6% | 28.5% | 31.5% | 31.5% | Cap'l Spending per sh | 9.75 |
| Avg. Indust. Use (MWH) | NA | NA | NA | NA | NA | 83.2% | 76.9% | 77.0% | 74.4% | 73.8% | 71.5% | 68.5% | Book Value per sh ^ | 53.00 |
| Avg. Indust. Revs. per KWH (\$) | NA | NA | NA | NA | NA | 14956 | 19583 | 19619 | 20273 | 20472 | 21275 | 22575 | Common Shs Outst'g ^ | 309.00 |
| Capacity at Peak (Mw) | NA | NA | NA | NA | NA | 17099 | 20711 | 21548 | 22669 | 23459 | 24900 | 27025 | Avg Ann'l P/E Ratio | 15.5 |
| Peak Load, Summer (Mw) | NA | NA | NA | NA | NA | 3.7% | 2.1% | 3.8% | 3.1% | 3.5% | 4.0% | 4.0% | Relative P/E Ratio | .85 |
| Annual Load Factor (%) | NA | NA | NA | NA | NA | 3.4% | 1.8% | 4.0% | 3.4% | 3.9% | 4.5% | 5.0% | Avg Ann'l Div'd Yield | 4.2% |
| % Change Customers (yr-end) | +5 | +6 | +5 | | | 3.4% | 1.8% | 1.4% | 3.4% | 3.9% | 4.5% | 5.0% | Revenues (\$mill) | 7500 |
| Fixed Charge Cov. (%) | 415 | 333 | 343 | | | 1.0% | 1.5% | 1.0% | 1.0% | 1.5% | 78% | 73% | Net Profit (\$mill) | 995 |
| ANNUAL RATES of change (per sh) | Past 10 Yrs | Past 5 Yrs | Est'd '16-'18 to '22-'24 | | | | | | | | | | Income Tax Rate | 19.5% |
| Revenues | -- | -- | 3.5% | | | | | | | | | | AFUDC % to Net Profit | 6.0% |
| "Cash Flow" | -- | -- | 7.0% | | | | | | | | | | Long-Term Debt Ratio | 38.0% |
| Earnings | -- | -- | 10.0% | | | | | | | | | | Common Equity Ratio | 62.0% |
| Dividends | -- | -- | 3.0% | | | | | | | | | | Total Capital (\$mill) | 26400 |
| Book Value | -- | -- | 1.5% | | | | | | | | | | Net Plant (\$mill) | 33000 |

| | | | | | |
|-------------------------------------|--------|--------|--------|--------|-----------|
| QUARTERLY REVENUES (\$mill.) | | | | | |
| Cal-endar | 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 | 1425 | 1575 | 1658 | 6500 |
| 2020 | 1950 | 1475 | 1625 | 1700 | 6750 |

| | | | | | |
|-----------------------------|--------|--------|--------|--------|-----------|
| EARNINGS PER SHARE ^ | | | | | |
| Cal-endar | 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 | .40 | .45 | .70 | 2.25 |
| 2020 | .78 | .45 | .50 | .77 | 2.50 |

| | | | | | |
|-----------------------------------|--------|--------|--------|--------|-----------|
| QUARTERLY DIVIDENDS PAID ^ | | | | | |
| Cal-endar | 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 | | | |

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 depreciation rate: 2.9%. Iberdrola owns 81.5% of stock. Has 6,400 employees. Chairman: José Ignacio Sanchez Galan. CEO: James P. Torgerson. Incorporated: New York. Address: 180 Marsh Hill Road, Orange, Connecticut 06477. Telephone: 207-629-1200. Internet: www.avangrid.com.

We have lowered our 2019 and 2020 earnings estimates for AVANGRID. In the first quarter, production from the wind assets of its Renewables subsidiary was below normal and below the company's expectation. The subpar wind conditions continued into April. Harsh weather patterns also hurt this operation. Aside from this, our previous estimates were probably too optimistic. Accordingly, we lowered our profit estimates each year by \$0.25 a share, to \$2.25 and \$2.50, respectively. Our revised 2019 estimate is within AVANGRID's targeted range of \$2.18-\$2.33.

The company's utilities remain active in the regulatory arena. The utilities in New York, which received the final phase of a three-year rate hike last May, will file cases by the end of this month. These will include a proposal to recover the portion of a \$2.5 billion electric system resiliency program allocated to New York. A \$9.9 million increase took effect at Connecticut Natural Gas at the start of 2019. Also in January, Berkshire Gas was granted a \$2.3 million increase, based on a 9.7% return on a 54% common-equity ratio. Cen-

tral Maine Power is awaiting a ruling (expected in the fourth quarter of 2019) on its request for a \$24 million increase, based on a 10% return on a 55% common-equity ratio. This filing also includes a request for electric resiliency spending. This is especially important because the service areas of AVANGRID's electric companies have been affected by frequent storms in recent years.

Two significant construction projects are under development. Central Maine Power has received a certificate of need to build a \$950 million transmission line. Some permits are still needed before the utility can begin construction, probably in late 2019. Completion is expected in late 2022. AVANGRID's Renewables subsidiary is in a joint venture to build an 800-megawatt offshore wind project, with completion expected in late 2022. Some approvals are still needed. Note, though, that building offshore wind entails far more risk than onshore wind construction.

This stock's dividend yield and 3- to 5-year total return potential do not stand out among utilities.
Paul E. Debbas, CFA May 17, 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 July. (B) Divs 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 **NMF**
Earnings Predictability **NMF**

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BLACK HILLS CORP. NYSE-BKH

RECENT PRICE **71.98** P/E RATIO **20.2** (Trailing: 20.7 Median: 18.0) RELATIVE P/E RATIO **1.13** DIV'D YLD **2.9%** VALUE LINE

TIMELINESS 1 Raised 3/29/19
SAFETY 2 Raised 5/1/15
TECHNICAL 1 Raised 4/26/19
BETA .80 (1.00 = Market)

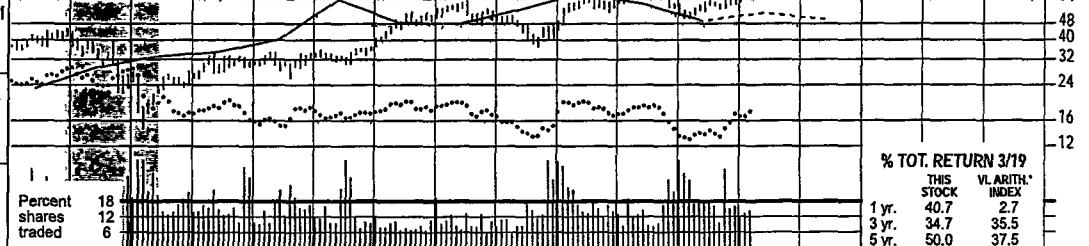
High: 44.0 28.0 34.5 34.8 37.0 55.1 62.1 53.4 64.6 72.0 68.2 74.8
 Low: 21.7 14.5 25.7 25.8 30.3 36.9 47.1 36.8 44.7 57.0 50.5 60.8

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

2022-24 PROJECTIONS
 Price Gain Ann'l Total
 High 85 (+20%) 7%
 Low 65 (-10%) 1%

Insider Decisions
 J A S O N D J F
 to Buy 0 0 0 0 0 0 0 0 0 0 0 0
 Options 9 4 4 0 4 4 7 3 6
 to Sell 0 0 0 0 0 0 0 0 0

Institutional Decisions
 2021# 3Q21# 4Q21#
 to Buy 145 128 135
 to Sell 102 113 112
 High#(000) 53756 52731 52878



| Year | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Price | 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 | 29.75 | 30.35 |
| Gain | 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 | 6.95 | 7.20 |
| Ann'l Total | 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 | 3.60 |
| High | 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 |
| Low | 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 | 11.05 | 8.60 |
| Options | 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 | 38.10 | 39.90 |
| Volume | 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 | 60.50 | 61.00 |
| Div'd | 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 | 16.8 | 16.5 |
| Yield | .91 | .90 | .92 | .85 | .80 | NMF | .66 | 1.15 | 1.95 | 1.09 | 1.02 | 1.00 | .81 | 1.17 | .88 | .91 | .90 | .90 |
| Return | 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% | 3.5% | 3.5% |

Percent shares traded
 18
 12
 6

% TOT. RETURN 3/19
 THIS STOCK V. ARITH. INDEX
 1 yr. 40.7 2.7
 3 yr. 34.7 35.5
 5 yr. 50.0 37.5

CAPITAL STRUCTURE as of 12/31/18
 Total Debt \$3142.2 mill. Due in 5 Yrs \$1230.5 mill.
 LT Debt \$2950.8 mill. LT Interest \$112.0 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 60,003,965 shs. as of 1/31/19
MARKET CAP: \$4.3 billion (Mid Cap)

| Year | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|-------|-------|-------|-------|-------|
| Revenues (\$mill) | 1269.6 | 1307.3 | 1272.2 | 1173.9 | 1275.9 | 1275.9 | 1393.6 | 1304.6 | 1573.0 | 1680.3 | 1754.3 | 1800 | 1850 | 1850 | 1850 | 1850 | 1850 | 2000 |
| Net Profit (\$mill) | 89.7 | 64.6 | 40.4 | 86.9 | 115.8 | 128.8 | 128.3 | 140.3 | 186.5 | 186.5 | 192.5 | 210 | 220 | 220 | 220 | 220 | 220 | 275 |
| Income Tax Rate | 30.7% | 26.4% | 31.1% | 35.5% | 34.7% | 33.7% | 35.8% | 25.1% | 28.7% | 19.2% | 19.0% | 19.0% | 19.0% | 19.0% | 19.0% | 19.0% | 19.0% | 19.0% |
| AFUDC % to Net Profit | 20.1% | 28.0% | 65.0% | 5.4% | 2.4% | 2.4% | 2.7% | 5.3% | 2.7% | 1.4% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| Long-Term Debt Ratio | 48.4% | 51.9% | 51.4% | 43.2% | 51.6% | 47.9% | 56.0% | 66.5% | 64.5% | 57.5% | 57.5% | 56.0% | 56.0% | 56.0% | 56.0% | 56.0% | 56.0% | 56.0% |
| Net Plant (\$mill) | 51.6% | 48.1% | 48.6% | 56.8% | 48.4% | 52.1% | 44.0% | 33.5% | 35.5% | 42.5% | 42.5% | 44.0% | 44.0% | 44.0% | 44.0% | 44.0% | 44.0% | 44.0% |
| Total Capital (\$mill) | 2100.7 | 2286.3 | 2489.7 | 2171.4 | 2704.7 | 2643.6 | 3332.7 | 4825.8 | 4818.4 | 5132.4 | 5405 | 5530 | 5530 | 5530 | 5530 | 5530 | 5530 | 5325 |
| Return on Total Cap'l | 5.9% | 4.4% | 3.3% | 5.5% | 5.5% | 6.1% | 4.9% | 4.0% | 5.2% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 6.0% |
| Return on Shr. Equity | 8.3% | 5.9% | 3.3% | 7.1% | 8.9% | 9.4% | 8.8% | 8.7% | 10.9% | 8.8% | 9.0% | 9.0% | 9.0% | 9.0% | 9.0% | 9.0% | 9.0% | 10.0% |
| Return on Com Equity | 8.3% | 5.9% | 3.3% | 7.1% | 8.9% | 9.4% | 8.8% | 8.7% | 10.9% | 8.8% | 9.0% | 9.0% | 9.0% | 9.0% | 9.0% | 9.0% | 9.0% | 10.0% |
| Retained to Com Eq | 3.2% | .7% | NMF | 1.8% | 3.7% | 4.3% | 3.8% | 3.3% | 5.3% | 3.9% | 4.0% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 4.0% |
| All Div'ds to Net Prof | 62% | 87% | NMF | 75% | 58% | 54% | 57% | 62% | 52% | 52% | 55% | 59% | 59% | 59% | 59% | 59% | 59% | 59% |

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. Acqd' 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.

Fixed Charge Cov. (%) 236 296 276

| Year | 2016 | 2017 | 2018 |
|---------------------------------|-------|-------|-------|
| % Change Retail Sales (KNW) | +3.0 | +9 | +2.7 |
| Avg. Indust. Use (MWH) | 17321 | 18376 | 19789 |
| Avg. Indust. Revs. per KNW (\$) | 7.80 | 7.69 | 7.41 |
| Capacity at Year-end (Mw) | NA | NA | NA |
| Peak Load, Summer (Mw) | 1086 | 1094 | 1104 |
| Annual Load Factor (%) | NA | NA | NA |
| % Change Customers (y-end) | +6 | +8 | +8 |

| Year | 2016 | 2017 | 2018 |
|-------------|------|-------|------|
| Revenues | 3.5% | 1.5% | 1.5% |
| "Cash Flow" | 4.0% | 5.0% | 4.0% |
| Earnings | 6.5% | 11.0% | 6.0% |
| Dividends | 3.0% | 4.0% | 6.5% |
| Book Value | 2.5% | 3.0% | 5.5% |

| Cal-endar | Quarterly Revenues (\$ mill.) | Full Year |
|-----------|-------------------------------|-----------|
| | Mar.31 Jun.30 Sep.30 Dec.31 | |
| 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 | 590 365 350 495 | 1800 |
| 2020 | 605 375 360 510 | 1850 |

| Cal-endar | Earnings per Share | Full Year |
|-----------|-----------------------------|-----------|
| | Mar.31 Jun.30 Sep.30 Dec.31 | |
| 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 | 1.55 .40 .50 1.00 | 3.45 |
| 2020 | 1.60 .42 .53 1.05 | 3.60 |

| Cal-endar | Quarterly Dividends Paid | Full Year |
|-----------|-----------------------------|-----------|
| | Mar.31 Jun.30 Sep.30 Dec.31 | |
| 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 | |

Black Hills' share earnings might wind up only about equal to the 2018 result this year. There are two reasons for this. First, favorable weather patterns boosted the bottom line by \$0.09 a share (mainly in the December period). Second, average shares outstanding will be higher due to the conversion of equity securities into 6.37 million shares on November 1, 2018 and the expected issuance of \$25 million-\$50 million of common stock this year. Our share-net estimate is at the midpoint of the company's targeted range of \$3.35-\$3.55.

Jurisdiction simplification is a company objective. Black Hills wants to consolidate its two gas utilities into one entity in states where it has multiple gas companies. It has already done this in Colorado, where it is seeking a \$2.5 million rate hike, based on a 10.3% return on a 50.1% common-equity ratio. The utility also wants a regulatory mechanism to recover certain capital expenditures. Black Hills is asking the Nebraska commission for permission to consolidate its two utilities there into one. The newly formed utility intends to file a rate case in 2020. Later

this year, the company will file a similar request in Wyoming, and a rate case is planned by the combined entity. **Earnings will probably advance in 2020.** Rate relief (some coming from formula rate plans) should help, along with modest growth at the utility subsidiaries. Our earnings estimate of \$3.60 a share is within management's guidance of \$3.50-\$3.80. **Some noteworthy construction projects are under way.** Black Hills is building a natural gas pipeline in Wyoming at an expected cost of \$54 million. The utility is constructing a 60-megawatt wind farm in Colorado at an estimated cost of \$71 million. And a 175-mile transmission line is being rebuilt at a cost of \$70 million. These projects should be completed this year. **This timely stock has a low dividend yield, by utility standards.** The stock price has risen 15% so far in 2019. With the recent quotation well within our 2022-2024 Target Price Range, total return potential is low, despite good dividend growth prospects. *Paul E. Debbas, CFA April 26, 2019*

| Company's Financial Strength | A |
|------------------------------|----|
| Stock's Price Stability | 80 |
| Price Growth Persistence | 65 |
| Earnings Predictability | 55 |

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CMS ENERGY CORP. NYSE-CMS

RECENT PRICE **54.00** P/E RATIO **22.7** (Trailing: 23.3 Median: 17.0) RELATIVE P/E RATIO **1.33** DIV'D YLD **2.9%** VALUE LINE

| | | |
|-------------------------------------|---|-----------------------------------|
| TIMELINESS 3 Lowered 1/11/19 | High: 17.5 16.1 19.3 22.4 25.0 30.0 36.9 38.7 46.3 50.8 53.8 54.6 | Target Price Range 2022 2023 2024 |
| SAFETY 2 Raised 3/21/14 | 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 | |
| TECHNICAL 2 Lowered 2/15/19 | LEGENDS 0.83 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession | |
| BETA .55 (1.00 = Market) | | |
| 2022-24 PROJECTIONS | | |
| Price Gain Ann'l Total Return | | |
| High 60 (+10%) 6% | | |
| Low 45 (-15%) -1% | | |
| Insider Decisions | | |
| M J J A S O N D J | | |
| to Buy 0 0 0 0 0 0 0 0 0 0 | | |
| Options 9 0 0 0 0 0 0 0 12 | | |
| to Sell 3 0 0 2 0 1 1 0 0 | | |
| Institutional Decisions | | |
| 2021H 3020H 4Q20H | | |
| to Buy 221 231 268 | Percent 30 | |
| to Sell 227 235 236 | shares 20 | |
| Hldrs(000) 255018 264290 261889 | traded 10 | |

| 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 | 24.75 | 25.15 | 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 | 1.64 | 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 | 20.3 | 20.3 | Avg Ann'l P/E Ratio 15.5 |
| -- | .66 | .67 | 1.20 | 1.42 | .66 | .91 | .80 | .85 | .96 | .92 | .91 | .92 | 1.10 | 1.07 | 1.10 | 1.10 | 1.10 | Relative P/E Ratio .85 |
| -- | -- | -- | -- | 1.2% | 2.7% | 4.0% | 4.0% | 4.3% | 4.2% | 3.8% | 3.6% | 3.4% | 3.0% | 2.9% | 3.0% | 3.0% | 3.0% | Avg Ann'l Div'd Yield 4.0% |

CAPITAL STRUCTURE as of 12/31/18
 Total Debt \$11777 mill. Due in 5 Yrs \$4151 mill.
 LT Debt \$10684 mill. LT Interest \$465 mill.
 Incl. \$69 mill. capitalized leases.
 (LT Interest earned: 2.9x)
 Leases, Uncapitalized Annual rentals \$16 mill.
 Pension Assets-12/18 \$2247 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 283,400,105 shs. as of 1/14/19
 MARKET CAP: \$15 billion (Large Cap)

| 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 | NA |
| Annual Load Factor (%) | 54.6 | NA | NA |
| % Change Customers (yr-end) | +5 | +1.2 | +3 |

| ANNUAL RATES | | | | |
|--------------|--------------|-------------|---------------|---------|
| | Past 10 Yrs. | Past 5 Yrs. | Est'd '16-'18 | '16-'18 |
| Revenues | -2.5% | -1.0% | 2.5% | 2.5% |
| "Cash Flow" | 4.5% | 6.5% | 6.0% | 6.0% |
| Earnings | 10.0% | 7.0% | 7.0% | 7.0% |
| Dividends | 21.5% | 7.0% | 7.0% | 7.0% |
| Book Value | 4.5% | 5.5% | 7.5% | 7.5% |

| QUARTERLY REVENUES (\$ mill.) | | | | | |
|-------------------------------|--------|--------|--------|--------|-----------|
| Calendar | 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 | 2000 | 1550 | 1650 | 1850 | 7050 |
| 2020 | 2050 | 1600 | 1700 | 1900 | 7250 |

| EARNINGS PER SHARE ^A | | | | | |
|---------------------------------|--------|--------|--------|--------|-----------|
| Calendar | 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 | .85 | .45 | .70 | .50 | 2.50 |
| 2020 | .90 | .50 | .75 | .55 | 2.70 |

| QUARTERLY DIVIDENDS PAID ^B | | | | | |
|---------------------------------------|--------|--------|--------|--------|-----------|
| Calendar | 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 | | | | |

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, 1.3 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 8,600 employees. Chairman: John G. Russell. President & CEO: Patricia K. Poppe. Incorporated: Michigan. Address: One Energy Plaza, Jackson, MI 49201. Tel.: 517-788-0550. Internet: www.cmsenergy.com.

CMS Energy's utility subsidiary received an electric rate order. Consumers Energy's tariffs were raised by \$89 million, based on a 10.0% return on equity. The common-equity ratio was not specified, but is assumed to be 52.5%. The order took effect in early 2019. The utility expects to file its next electric rate application in 2020.

Consumers Energy filed a gas rate case. The utility is seeking an increase of \$229 million, based on a 10.75% return on a 52.5% common-equity ratio. It is also asking for decoupling of revenues and volume, and a regulatory mechanism to recover certain capital investments. This would provide an additional \$11 million in revenues at the start of October in 2020 and 2021. An order is due in late September. Consumers Energy plans to file another rate application in October. The utility has an old system that needs to be upgraded, hence the need for frequent rate cases.

We expect a continuation of CMS Energy's steady earnings growth this year and next. Rate relief is benefiting Consumer Energy. Management is control-

ling expenses effectively. Our 2019 share-earnings estimate of \$2.50 is within CMS Energy's typically narrow range of \$2.47-\$2.51. This would produce an increase of 8%, at the top of the company's goal for annual profit growth of 6%-8%. We estimate earnings will advance at the same pace in 2020.

As we had expected, the board of directors raised the annual dividend \$0.10 a share (7.0%) in early 2019. CMS Energy's goal for yearly dividend growth is 6%-8%, the same as its target for earnings growth. We project dividend hikes will continue to be in this range over the period to 2022-2024.

We think CMS Energy's strong points are reflected in the stock price. Investors value the company's track record of steady and predictable growth in earnings and dividends. The dividend yield is about a half percentage point below the industry average. Like most utility issues, the recent price is well within the 3- to 5-year Target Price Range. Thus, total return potential over that time frame is un spectacular.

Paul E. Debbas, CFA March 15, 2019

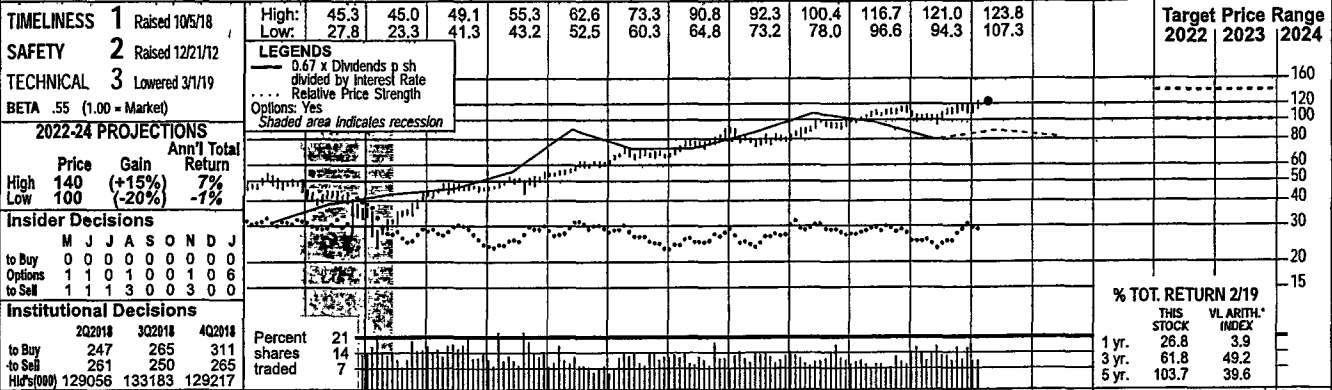
(A) Diluted EPS. Excl. nonrec. gains (losses): '05, (\$1.61); '06, (\$1.08); '07, (\$1.26); '09, (7¢); '10, 3¢; '11, 12¢; '12, (14¢); '17, (53¢); gains (losses) on disc. ops.: '05, 7¢; '06, 3¢; '07, (40¢); '09, 8¢; '10, (8¢); '11, 1¢; '12, 3¢. '16 EPS don't sum due to rounding. Next earnings report due late Apr. (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 **80**
 Earnings Predictability **90**

To subscribe call 1-800-VALUELINE

DTE ENERGY CO. NYSE-DTE

RECENT PRICE **122.76** P/E RATIO **20.3** (Trailing: 19.9) RELATIVE P/E RATIO **1.19** DIV'D YLD **3.2%** VALUE LINE



| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| 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 | 78.15 | 80.35 | 80.35 | 80.35 | 80.35 | 80.35 | 80.35 |
| 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 | 12.60 | 13.35 | 13.35 | 13.35 | 13.35 | 13.35 | |
| 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 | 6.55 | 6.55 | 6.55 | 6.55 | 6.55 | |
| 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 | 3.84 | 4.07 | 4.07 | 4.07 | 4.07 | 4.07 | |
| 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 | 18.75 | 12.75 | 12.75 | 12.75 | 12.75 | 12.75 | |
| 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 | 60.50 | 64.25 | 64.25 | 64.25 | 64.25 | 64.25 | |
| 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 | 196.00 | 196.00 | 196.00 | 196.00 | |
| 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 | 17.4 | 17.4 | 17.4 | 17.4 | 17.4 | 17.4 | |
| 78 | 85 | 73 | 94 | 97 | 89 | 69 | 78 | 85 | 95 | 101 | 78 | 91 | 100 | 94 | 94 | 94 | 94 | 94 | 94 | 94 | 94 | |
| 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% | 3.3% | 3.3% | 3.3% | 3.3% | 3.3% | 3.3% | |

| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 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 | 196.00 | 196.00 | 196.00 | 196.00 |
| 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 | 17.4 | 17.4 | 17.4 | 17.4 | 17.4 | 17.4 |
| 78 | 85 | 73 | 94 | 97 | 89 | 69 | 78 | 85 | 95 | 101 | 78 | 91 | 100 | 94 | 94 | 94 | 94 | 94 | 94 | 94 | 94 |
| 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% | 3.3% | 3.3% | 3.3% | 3.3% | 3.3% | 3.3% |

CAPITAL STRUCTURE as of 12/31/18
 Total Debt \$14242 mill. Due in 5 Yrs \$5052 mill.
 LT Debt \$12134 mill. LT Interest \$522 mill.
 Incl. \$756 mill. Trust Preferred Securities.
 (LT interest earned: 3.4x)

Leases, Uncapitalized Annual rentals \$42 mill.

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

Pfd Stock None
 Common Stock 181,923,685 shs.
 as of 1/25/19

MARKET CAP: \$22 billion (Large Cap)

| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 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 | 196.00 | 196.00 | 196.00 | 196.00 |
| 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 | 17.4 | 17.4 | 17.4 | 17.4 | 17.4 | 17.4 |
| 78 | 85 | 73 | 94 | 97 | 89 | 69 | 78 | 85 | 95 | 101 | 78 | 91 | 100 | 94 | 94 | 94 | 94 | 94 | 94 | 94 | 94 |
| 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% | 3.3% | 3.3% | 3.3% | 3.3% | 3.3% | 3.3% |

| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 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 | 196.00 | 196.00 | 196.00 | 196.00 |
| 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 | 17.4 | 17.4 | 17.4 | 17.4 | 17.4 | 17.4 |
| 78 | 85 | 73 | 94 | 97 | 89 | 69 | 78 | 85 | 95 | 101 | 78 | 91 | 100 | 94 | 94 | 94 | 94 | 94 | 94 | 94 | 94 |
| 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% | 3.3% | 3.3% | 3.3% | 3.3% | 3.3% | 3.3% |

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. Rev. 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 |

ANNUAL RATES

| | Past 10 Yrs. | Past 5 Yrs. | Est'd '16-'18 |
|--------------------|--------------|-------------|---------------|
| of change (per sh) | 2.5% | 5.5% | 4.5% |
| Revenues | 3.5% | 3.5% | 5.0% |
| "Cash Flow" | 8.0% | 8.0% | 5.0% |
| Earnings | 4.5% | 6.5% | 6.0% |
| Dividends | 4.0% | 4.5% | 5.5% |
| Book Value | | | |

QUARTERLY REVENUES (\$ mill.)

| Cal-endar | 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 | 3950 | 3300 | 3800 | 4950 | 15000 |
| 2020 | 4150 | 3450 | 4000 | 4150 | 15750 |

EARNINGS PER SHARE ^

| Cal-endar | 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 | 2.05 | 1.20 | 1.75 | 1.25 | 6.25 |
| 2020 | 2.15 | 1.25 | 1.85 | 1.30 | 6.55 |

QUARTERLY DIVIDENDS PAID ^

| Cal-endar | 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 | | | | |

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 & CEO: Gerard M. Anderson. President & COO: 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 a rate case pending. DTE Electric is seeking an increase of \$320 million, based on a return of 10.5% (up from the current 10.0%) on a common-equity ratio of 51%. The utility also requested a regulatory mechanism that would enable it to recover certain kinds of capital spending through a rider (surcharge) on customers' bills, instead of having to file a general rate case. The staff of the Michigan Public Service Commission recommended an increase of \$200 million, based on a return of 9.8% on a common-equity ratio of 51%. A ruling is due in May.

The company has agreed to acquire a gas pipeline. DTE Energy would pay \$150 million-\$200 million (the seller didn't want to disclose the exact amount) for an asset that would be integrated with a pipeline the company completed last year. The deal is expected to be completed in the first half of 2019.

Earnings are likely to advance just slightly (if at all) in 2019. The year-to-year comparison with the 2018 tally is difficult. Favorable weather patterns helped both DTE Electric and DTE Gas. Also, the energy trading operation turned in an unusually good showing. Our share-earnings estimate is near the upper end of DTE Energy's targeted range of \$5.97-\$6.33.

We look for solid profit growth in 2020. DTE Electric will benefit from a full year of rate relief, and DTE Gas will benefit from a regulatory mechanism that will enable it to recover certain capital expenditures. The company's Gas Storage and Pipelines business is benefiting from capacity additions, and its Power and Industrial Services unit is adding voluntary renewable-energy projects for customers that choose these. DTE Energy's goal is 5%-7% annual earnings growth, which we believe will be attained next year.

DTE Electric is building a gas-fired generating plant. The 1,100-megawatt facility is expected to be completed in 2022 at a cost of \$952 million.

The stock is ranked favorably for Timeliness. The dividend yield is about average for a utility. With the recent quotations within our 2022-2024 Target Price Range, total return potential is un-spectacular.

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

DUKE ENERGY NYSE:DUK

RECENT PRICE **89.26** P/E RATIO **18.0** (Trailing: 21.3 Median: 18.0) RELATIVE P/E RATIO **1.05** DIV'D YLD **4.2%** VALUE LINE

| | | | | | | | | | | | | | | | | |
|------------------------------------|---|-------------|--------|------|------|------|------|------|------|------|------|------|--------------------|--|--|--|
| TIMELINESS 2 Raised 5/17/19 | High: 61.8 | 53.8 | 55.8 | 66.4 | 71.1 | 75.5 | 87.3 | 90.0 | 87.8 | 91.8 | 91.4 | 91.7 | Target Price Range | | | |
| SAFETY 2 New 6/1/07 | 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 | 2022 2023 2024 | | | |
| TECHNICAL 1 Raised 4/19/19 | <p>LEGENDS</p> <ul style="list-style-type: none"> 0.54 x Dividends p sh divided by Interest Rate Relative Price Strength 1-for-3 Rev split 7/12 Options: Yes Shaded area indicates recession | | | | | | | | | | | | | | | |
| BETA .50 (1.00 = Market) | | | | | | | | | | | | | | | | |
| 2022-24 PROJECTIONS | | | | | | | | | | | | | | | | |
| Price | Gain | Ann'l Total | | | | | | | | | | | | | | |
| High 105 | (+20%) | 8% | | | | | | | | | | | | | | |
| Low 80 | (-10%) | 2% | | | | | | | | | | | | | | |
| Insider Decisions | | | | | | | | | | | | | | | | |
| J | A | S | O | N | D | J | F | M | | | | | | | | |
| to Buy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | |
| Options | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | | | | | | | | |
| to Sell | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 4 | | | | | | | | |
| Institutional Decisions | | | | | | | | | | | | | | | | |
| 2020# | 3Q20# | 4Q20# | | | | | | | | | | | | | | |
| to Buy | 566 | 537 | 636 | | | | | | | | | | | | | |
| to Sell | 597 | 607 | 598 | | | | | | | | | | | | | |
| Hld's(000) | 431271 | 426795 | 442549 | | | | | | | | | | | | | |
| % TOT. RETURN 4/19 | | | | | | | | | | | | | | | | |
| THIS STOCK | | | | | | | | | | | | | | | | |
| VL ARTH. INDEX | | | | | | | | | | | | | | | | |
| 1 yr. 18.8 5.6 | | | | | | | | | | | | | | | | |
| 3 yr. 31.7 37.6 | | | | | | | | | | | | | | | | |
| 5 yr. 61.8 44.9 | | | | | | | | | | | | | | | | |

| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | VALUE LINE PUB. LLC |
|------|------|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------------------------------|--------|------|------|---------------------|
| -- | -- | -- | 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 | 33.95 | 34.50 | Revenues per sh | 36.75 | | | |
| -- | -- | -- | 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 | 11.70 | 12.25 | "Cash Flow" per sh | 13.75 | | | |
| -- | -- | -- | 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 | 4.95 | 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 | 3.83 | Div'd Decl'd per sh ^B | 4.15 | | | |
| -- | -- | -- | 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 | 14.30 | Cap'l Spending per sh | 12.75 | | | |
| -- | -- | -- | 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 | 61.65 | 63.20 | Book Value per sh ^C | 68.50 | | | |
| -- | -- | -- | 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 | 736.00 | Common Shs Outst'g ^D | 755.00 | | | |
| -- | -- | -- | -- | 16.1 | 17.3 | 13.3 | 12.7 | 13.8 | 17.5 | 17.4 | 17.9 | 18.2 | 21.3 | 19.9 | 19.4 | 19.4 | 19.4 | 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 | 1.05 | 1.05 | 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% | 4.5% | 4.5% | Avg Ann'l Div'd Yield | 4.5% | | | |

CAPITAL STRUCTURE as of 12/31/18
 Total Debt \$57939 mill. Due in 5 Yrs \$21504 mill.
 LT Debt \$51123 mill. LT Interest \$1866 mill.
 Incl. \$941 mill. capitalized leases.
 (LT interest earned: 2.5x)

Leases, Uncapitalized Annual rentals \$239 mill.
 Pension Assets-12/18 \$8233 mill.

Pfd Stock None

Common Stock 727,010,882 shs. as of 1/31/19

MARKET CAP: \$65 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

| | 2016 | 2017 | 2018 |
|---------------------------------|------|------|------|
| % Change Retail Sales (KWh) | -3 | -2.0 | +3.9 |
| Avg. Indust. Use (MWh) | 2908 | 2914 | 2953 |
| Avg. Indust. Rtns. 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

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.

ANNUAL RATES

| | Past 10 Yrs. | Past 5 Yrs. | Est'd '16-'18 |
|--------------------|--------------|-------------|---------------|
| of change (per sh) | | | 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% | 3.0% |
| Book Value | 1.0% | 1.5% | 2.5% |

QUARTERLY REVENUES (\$ mill.)

| Cal-endar | 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 | 5750 | 6787 | 6200 | 24900 |
| 2020 | 6300 | 5900 | 6950 | 6350 | 25500 |

EARNINGS PER SHARE ^A

| Cal-endar | 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 | .81 | 4.13 |
| 2019 | 1.24 | 1.05 | 1.70 | .96 | 4.95 |
| 2020 | 1.30 | 1.10 | 1.80 | 1.00 | 5.20 |

QUARTERLY DIVIDENDS PAID ^B

| Cal-endar | 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 | | | | |

Duke Energy's utilities in South Carolina received disappointing rate directives. Duke Energy Carolinas and Duke Energy Progress are awaiting written orders, but the commission granted an allowed return on equity of just 9.5% and disallowed recovery of costs for coal ash remediation. Duke will ask for a rehearing.

Other cases are pending or upcoming. In North Carolina, Piedmont Gas filed for an increase of \$83 million (9.0%), based on a 10.6% return on a 52% common-equity ratio. The utility expects an order to take effect in late 2019. Duke Energy Indiana and Duke Energy Progress (in North Carolina) plan to file electric cases this year.

Earnings should improve in 2019 and 2020. Unusual items hurt the bottom line in 2018. Duke booked a penalty for coal-ash problems and a severance charge in the second and fourth periods, respectively. The company should benefit from rate relief and modest volume growth this year and next. Our 2019 share-net estimate is within Duke's guidance of \$4.80-\$5.20.

A gas pipeline project has been plagued by delays and cost overruns. When the Atlantic Coast Pipeline was pro-

posed in 2014, this was expected to cost \$4.5 billion-\$5.0 billion and be in service in 2018. Litigation has tied up this project (47%-owned by Duke) in the courts, and the cost has soared to \$7.0 billion-\$7.8 billion. The pipeline is now expected to come on line in two phases, in 2020 and 2021.

Duke announced an asset sale. The company will receive \$415 million, which will offset debt financing needs, for a minority stake in its nonutility renewable-energy assets. The deal is expected to close in the second half of 2019.

Dividend growth is slowing. The payout ratio is above Duke's goal of 65%-75%, and capital spending is higher than it was throughout most of this decade. The problems with the Atlantic Coast Pipeline are a factor, too. We estimate a boost of \$0.02 a share (2.2%) quarterly.

This timely equity's dividend yield is nearly one percentage point above the utility mean. Offsetting this to some extent is the subpar dividend growth potential through early next decade. Even so, total return potential to 2022-2024 is better than most in this industry.

Paul E. Debbas, CFA May 17, 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 early Aug. (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. Clm.: NC Avg.; SC, OH, IN Above Avg.

Company's Financial Strength **A**

Stock's Price Stability **100**

Price Growth Persistence **30**

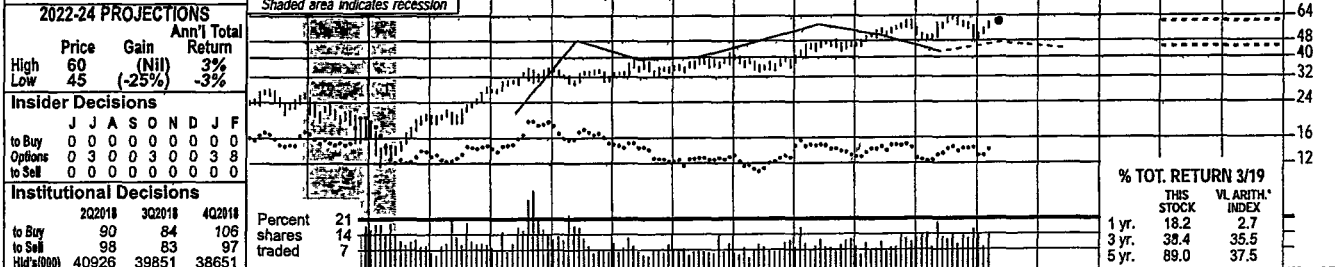
Earnings Predictability **85**

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RECENT PRICE **59.77** P/E RATIO **26.3** (Trailing: 29.0 Median: 16.0) RELATIVE P/E RATIO **1.47** DIV'D YLD **2.6%** VALUE LINE

| | | | | | | | | | | | | | | | | | | | |
|-------------------------------------|--|------|------|------|------|------|------|------|------|------|------|------|--|--|--|--|--|--|--------------------|
| TIMELINESS 3 Lowered 1/19/19 | High: 25.5 | 21.1 | 28.7 | 35.7 | 35.3 | 39.1 | 42.2 | 41.3 | 48.8 | 61.2 | 64.4 | 60.8 | | | | | | | Target Price Range |
| SAFETY 2 Raised 5/11/07 | 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 | | | | | | | 2022 2023 2024 |
| TECHNICAL 3 Raised 4/19/19 | LEGENDS 0.90 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession | | | | | | | | | | | | | | | | | | |
| BETA .70 (1.00 = Market) | | | | | | | | | | | | | | | | | | | |



| 2022-24 PROJECTIONS | | Ann'l Total | | 2003-2024 | | | | | | | | | | | | | | | | | | 2022-24 | |
|---------------------|--------|-------------|--|-----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------------------------------------|-------|-----------------|--------------------|
| Price | Gain | Return | | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | Revenues per sh | "Cash Flow" per sh |
| High 60 | (Nil) | 3% | | 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 | 21.50 | 22.05 | 23.75 | 7.25 |
| Low 45 | (-25%) | -3% | | 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 | 6.30 | 6.50 | 3.00 | 3.00 |
| | | | | .64 | .69 | .76 | 1.27 | 1.63 | 1.73 | 1.50 | 2.07 | 2.48 | 2.26 | 2.20 | 2.27 | 2.03 | 2.38 | 2.42 | 2.07 | 2.60 | 2.60 | 1.95 | 1.95 |
| | | | | -- | -- | -- | -- | -- | -- | -- | -- | .66 | .97 | 1.05 | 1.11 | 1.17 | 1.23 | 1.32 | 1.42 | 1.52 | 1.62 | 7.50 | 35.25 |
| | | | | 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 | 6.60 | 6.25 | 43.50 | 43.50 |
| | | | | 10.51 | 11.23 | 11.56 | 12.80 | 14.76 | 15.47 | 16.45 | 19.04 | 19.03 | 20.57 | 23.44 | 24.39 | 25.13 | 26.52 | 28.14 | 28.62 | 31.65 | 32.55 | 17.5 | .95 |
| | | | | 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 | 43.00 | 43.70 | 3.7% | 3.7% |
| | | | | 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 | | 17.5 | .95 |
| | | | | 1.04 | 1.16 | 1.42 | .91 | .81 | .72 | .72 | .68 | .79 | .92 | .89 | .86 | .92 | .98 | 1.10 | 1.44 | | | 3.0% | 3.0% |
| | | | | -- | -- | -- | -- | -- | -- | -- | -- | 2.1% | 3.0% | 3.0% | 3.1% | 2.7% | 2.5% | 2.5% | | | 65% | 65% | |

| CAPITAL STRUCTURE as of 12/31/18 | | 2003-2024 | | | | | | | | | | | | | | | | | | 2022-24 | |
|----------------------------------|----------------|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|-------|-------|------|------|------|------|-------------------|---------------------|
| Total Debt | LT Debt | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | Revenues (\$mill) | Net Profit (\$mill) |
| \$1434.4 mill. | \$1286.0 mill. | 828.0 | 877.3 | 918.0 | 852.9 | 890.4 | 917.5 | 849.9 | 886.9 | 916.8 | 903.6 | 925 | 950 | 1030 | 130 | | | | | | |
| | | 66.9 | 90.3 | 103.5 | 90.8 | 88.6 | 91.4 | 81.9 | 96.8 | 98.3 | 84.3 | 110 | 110 | 130 | 130 | | | | | | |
| | | 33.1% | 36.1% | 34.2% | 34.1% | 33.0% | 31.0% | 29.9% | 35.8% | 34.2% | 23.8% | 23.5% | 23.5% | 23.5% | 23.5% | | | | | | |
| | | 24.3% | 22.1% | 17.6% | 22.4% | 24.1% | 30.8% | 27.5% | 17.6% | 11.2% | 14.9% | 12.0% | 12.0% | 14.0% | 14.0% | | | | | | |
| | | 52.7% | 51.2% | 51.8% | 54.8% | 51.4% | 53.5% | 52.7% | 52.7% | 51.2% | 52.5% | 50.5% | 49.5% | 52.5% | 52.5% | | | | | | |
| | | 47.3% | 48.8% | 48.2% | 45.2% | 48.6% | 46.5% | 47.3% | 47.3% | 48.8% | 47.5% | 49.5% | 50.5% | 47.5% | 47.5% | | | | | | |
| | | 1527.7 | 1660.1 | 1576.7 | 1824.5 | 1943.5 | 2118.4 | 2150.8 | 2269.9 | 2338.2 | 2450.1 | 2745 | 2790 | 3225 | 3225 | | | | | | |
| | | 1756.0 | 1865.8 | 1947.1 | 2102.3 | 2257.5 | 2488.4 | 2695.5 | 2821.2 | 2928.4 | 3085.0 | 3210 | 3310 | 3725 | 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% | 5.5% | 5.5% | | | | | | |
| | | 9.3% | 11.1% | 13.6% | 11.0% | 9.4% | 9.3% | 8.1% | 9.0% | 8.6% | 7.2% | 8.0% | 8.0% | 8.5% | 8.5% | | | | | | |
| | | 9.3% | 11.1% | 13.6% | 11.0% | 9.4% | 9.3% | 8.1% | 9.0% | 8.6% | 7.2% | 8.0% | 8.0% | 8.5% | 8.5% | | | | | | |
| | | 9.3% | 11.1% | 10.0% | 6.3% | 4.9% | 4.8% | 3.4% | 4.4% | 3.9% | 2.3% | 3.5% | 3.0% | 3.0% | 3.0% | | | | | | |
| | | -- | -- | 26% | 43% | 47% | 49% | 57% | 51% | 54% | 68% | 58% | 62% | 65% | 65% | | | | | | |

BUSINESS: El Paso Electric Company (EPE) provides electric service to 425,000 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. President & CEO: Mary E. Kipp. Incorporated: Texas. Address: Stanton Tower, 100 North Stanton, El Paso, TX 79901. Tel.: 915-543-5711. Internet: www.epelectric.com.

El Paso Electric's earnings will likely rise significantly in 2019. The service area's economy remains strong, and is stimulating solid customer growth. The customer count rose 1.7% in 2018, maintaining a healthy pace. But a material swing will come from gains in the nuclear decommissioning trust (NDT) due to the strong stock-market performance in the first quarter—a reversal of the showing in the fourth period of 2018, which dragged the bottom line into the red. (We include these gains or losses in our earnings presentation because they are an ongoing part of EPE's results.) The March quarter possibly wound up in the black for the first time since 2015. For the full year, our estimate of \$2.60 a share (up \$0.15 from our January report) is within management's targeted range of \$2.25-\$2.80 (on a GAAP basis). We note that an equity offering is likely this year; the amount and timing are yet to be determined.

The utility has made two regulatory filings, and two more are expected later this year. EPE is seeking \$8.2 million in Texas under a regulatory mechanism to recover transmission costs and \$7.9 million under a similar mechanism to recover distribution costs. In New Mexico, the company is required to file a rate case by the end of July. Finally, EPE plans to file with the Federal Energy Regulatory Commission in late 2019. The New Mexico and FERC cases aren't expected to request large increases.

We look for flat share net in 2020. Rate relief and customer growth should be positive factors. On the other hand, we assume no NDT gains, so the March quarter is likely to fall back into the red. Also, the average share count will be higher if EPE issues stock in 2019, as planned.

A dividend increase is likely in the current quarter. This has been the board's practice in recent years. We expect a hike of \$0.10 a share (6.9%), the same as in each of the past two years. EPE's targeted payout ratio is 55%-65%.

The stock's dividend yield is low, by utility standards. Although we project strong dividend growth over the 3- to 5-year period, total return potential is low because the recent price is near the upper end of our 2022-2024 Target Price Range.

Paul E. Debbas, CFA April 26, 2019

| | |
|------------------------------|-----|
| Company's Financial Strength | B++ |
| Stock's Price Stability | 90 |
| Price Growth Persistence | 70 |
| Earnings Predictability | 75 |

(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 May. (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.

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| EVERGY, INC. NYSE:EVRG | | RECENT PRICE | P/E RATIO | (Trailing: 23.2 Median: NMF) | RELATIVE P/E RATIO | DIV'D YLD | 3.5% | VALUE LINE | | | | | | |
|--|-------------------------------|--------------|-----------|------------------------------|--------------------|-----------|------|-----------------------------------|------|------|------|------|------|-----------------------------|
| TIMELINESS - | | | | | | | | Target Price Range 2022 2023 2024 | | | | | | |
| SAFETY 2 | New 9/14/18 | | | | | | | 128 | | | | | | |
| TECHNICAL - | | | | | | | | 96 | | | | | | |
| BETA NMF (1.00 = Market) | | | | | | | | 80 | | | | | | |
| 2022-24 PROJECTIONS | | | | | | | | 64 | | | | | | |
| High | Price Gain Return | | | | | | | 48 | | | | | | |
| Low | 70 (+25%) 10% (Nil) 4% | | | | | | | 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 | | | | | | | 16 | | | | | | |
| Options | 0 18 0 0 0 0 0 0 0 5 | | | | | | | 12 | | | | | | |
| to Sell | 0 0 0 2 1 1 2 2 1 | | | | | | | | | | | | | |
| Institutional Decisions | | | | | | | | | | | | | | |
| 2020H1 | 3Q2018 | 4Q2018 | Percent | 36 | | | | | | | | | | |
| to Buy | 413 | 275 | shares | 24 | | | | | | | | | | |
| to Sell | 108 | 234 | traded | 12 | | | | | | | | | | |
| High(000) | 222859 | 220402 | 214843 | | | | | | | | | | | |
| Everygy, 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 Everygy for each of their shares, and Westar Energy holders received one share of Everygy for each of their shares. The merger was completed on June 4, 2018. Shares of Everygy 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 |
| CAPITAL STRUCTURE as of 12/31/18 | | | | | | | | | | | | | | |
| Total Debt \$8526.7 mill. Due in 5 Yrs \$3310.8 mill. LT Debt \$6687.4 mill. LT Interest \$307.8 mill. Incl. \$162.3 mill. capitalized leases. (LT interest earned: 3.4x) | | | | | | | | | | | | | | |
| Leases, Uncapitalized Annual rentals \$24.2 mill. | | | | | | | | | | | | | | |
| Pension Assets-12/18 \$1603.4 mill. Oblig \$2553.4 mill. | | | | | | | | | | | | | | |
| Pfd Stock None | | | | | | | | | | | | | | |
| Common Stock 254,630,033 shs. as of 2/15/19 | | | | | | | | | | | | | | |
| MARKET CAP: \$14 billion (Large Cap) | | | | | | | | | | | | | | |
| ELECTRIC OPERATING STATISTICS | | | | | | | | | | | | | | |
| 2016 2017 2018 | | | | | | | | | | | | | | |
| % Change Retail Sales (RWH) | | NA | NA | NA | | | | | | | | | | |
| Avg. Indust. Use (MWH) | | NA | NA | NA | | | | | | | | | | |
| Avg. Indust. Revs. per RWH (\$) | | 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 Past Past Est'd '16-'18 of change (per sh) 10 Yrs. 5 Yrs. to '22-'24 | | | | | | | | | | | | | | |
| Revenues | | | | NMF | | | | | | | | | | |
| "Cash Flow" | | | | NMF | | | | | | | | | | |
| Earnings | | | | NMF | | | | | | | | | | |
| Dividends | | | | NMF | | | | | | | | | | |
| Book Value | | | | NMF | | | | | | | | | | |
| Cal-endar | QUARTERLY REVENUES (\$ mill.) | | | | Full Year | | | | | | | | | |
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | | | | | | | | | | |
| 2016 | -- | -- | -- | -- | -- | | | | | | | | | |
| 2017 | -- | -- | -- | -- | -- | | | | | | | | | |
| 2018 | 600.2 | 893.4 | 1582.5 | 1199.8 | 4275.9 | | | | | | | | | |
| 2019 | 1250 | 1300 | 1700 | 1250 | 5500 | | | | | | | | | |
| 2020 | 1275 | 1325 | 1775 | 1275 | 5650 | | | | | | | | | |
| Cal-endar | EARNINGS PER SHARE ^ | | | | Full Year | | | | | | | | | |
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | | | | | | | | | | |
| 2016 | -- | -- | -- | -- | -- | | | | | | | | | |
| 2017 | -- | -- | -- | -- | -- | | | | | | | | | |
| 2018 | .42 | .56 | 1.32 | .07 | 2.50 | | | | | | | | | |
| 2019 | .20 | 1.00 | 1.35 | .25 | 2.80 | | | | | | | | | |
| 2020 | .30 | 1.10 | 1.50 | .30 | 3.20 | | | | | | | | | |
| Cal-endar | QUARTERLY DIVIDENDS PAID ^ | | | | Full Year | | | | | | | | | |
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | | | | | | | | | | |
| 2015 | -- | -- | -- | -- | -- | | | | | | | | | |
| 2016 | -- | -- | -- | -- | -- | | | | | | | | | |
| 2017 | -- | -- | -- | -- | -- | | | | | | | | | |
| 2018 | .40 | .40 | .46 | .475 | 1.74 | | | | | | | | | |
| 2019 | | | | | | | | | | | | | | |

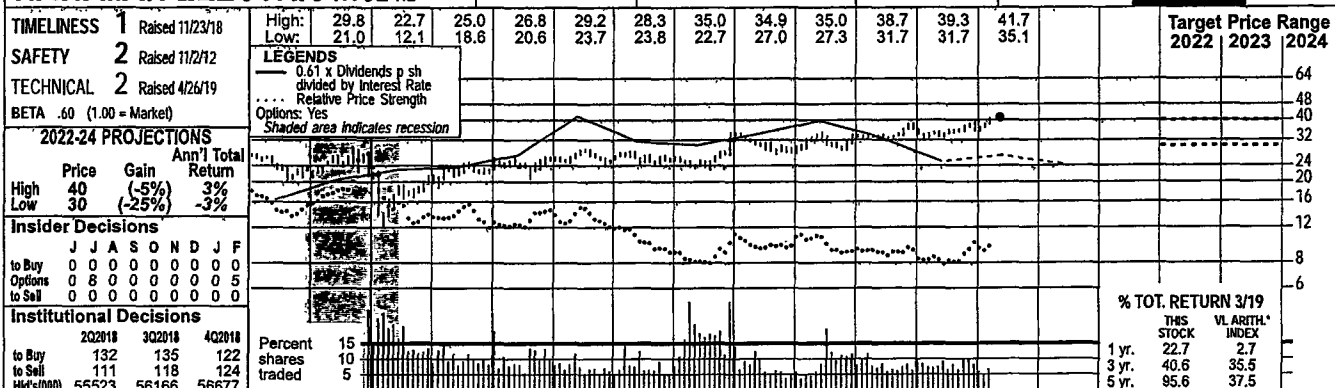
(A) Diluted EPS. Next earnings report due early May. (B) Dividends paid in mid-March, June, September, and December. (C) Dividend reinvestment plan available. (D) Incl. intangibles. In '18: \$4096.8 mill., \$16.05/sh. (E) Rate base: Original cost depreciated. Rate allowed on common equity in Missouri 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

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RECENT PRICE **41.05** P/E RATIO **21.3** (Trailing: 22.3 Median: 18.0) RELATIVE P/E RATIO **1.19** DIV'D YLD **3.1%** VALUE LINE



| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 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 | 30.30 | 30.90 | 32.75 | 32.75 | 32.75 | 32.75 |
| 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 | 4.60 | 5.25 | 5.25 | 5.25 | 5.25 |
| 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 | 2.00 | 2.10 | 2.50 | 2.50 | 2.50 | 2.50 |
| 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 | 1.24 | 1.24 | 1.50 | 1.50 | 1.50 | 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 | 4.50 | 4.50 | 4.50 | 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 | 20.55 | 21.45 | 24.50 | 24.50 | 24.50 | 24.50 |
| 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 | 113.00 | 113.00 | 113.00 | 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 | 18.9 | 18.9 | 14.5 | 14.5 | 14.5 | 14.5 |
| .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 | 1.02 | 1.02 | .80 | .80 | .80 | .80 |
| 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% | 3.5% | 3.5% | 4.2% | 4.2% | 4.2% | 4.2% |

| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2309.6 | 2665.0 | 3242.3 | 3375.0 | 3238.5 | 3239.5 | 2603.0 | 2380.7 | 2555.6 | 2860.8 | 3300.0 | 3400.0 | 3700.0 | 3700.0 | 3700.0 | 3700.0 | 3700.0 | 3700.0 | 3700.0 | 3700.0 | 3700.0 | 3700.0 |
| 84.9 | 115.4 | 140.1 | 164.9 | 163.4 | 170.2 | 161.8 | 250.1 | 180.6 | 203.7 | 220.0 | 230.0 | 280.0 | 280.0 | 280.0 | 280.0 | 280.0 | 280.0 | 280.0 | 280.0 | 280.0 | 280.0 |
| 34.1% | 37.0% | 35.1% | 35.9% | 34.0% | 35.0% | 36.5% | 33.1% | 34.7% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 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% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 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% | 48.5% | 48.5% | 48.5% | 48.5% | 48.5% | 48.5% | 48.5% | 48.5% | 48.5% | 48.5% |
| 50.7% | 54.3% | 53.9% | 53.1% | 55.0% | 53.8% | 55.5% | 57.5% | 55.7% | 51.7% | 52.0% | 51.0% | 51.0% | 51.0% | 51.0% | 51.0% | 51.0% | 51.0% | 51.0% | 51.0% | 51.0% | 51.0% |
| 2840.8 | 2732.9 | 2841.3 | 3001.0 | 3142.9 | 3332.3 | 3473.5 | 3595.1 | 3765.5 | 4182.3 | 4315.0 | 4635.0 | 5050.0 | 5050.0 | 5050.0 | 5050.0 | 5050.0 | 5050.0 | 5050.0 | 5050.0 | 5050.0 | 5050.0 |
| 3088.6 | 3165.9 | 3334.5 | 3594.8 | 3858.9 | 4148.8 | 4377.7 | 4603.5 | 5025.9 | 4830.1 | 4990.0 | 5165.0 | 5750.0 | 5750.0 | 5750.0 | 5750.0 | 5750.0 | 5750.0 | 5750.0 | 5750.0 | 5750.0 | 5750.0 |
| 4.3% | 5.6% | 6.2% | 6.7% | 6.4% | 6.2% | 5.7% | 7.9% | 5.8% | 5.9% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.5% | 6.5% | 6.5% | 6.5% |
| 5.8% | 7.6% | 8.9% | 10.1% | 9.3% | 9.3% | 8.2% | 11.9% | 8.5% | 9.3% | 9.5% | 9.5% | 9.5% | 9.5% | 9.5% | 9.5% | 9.5% | 9.5% | 10.0% | 10.0% | 10.0% | 10.0% |
| 5.8% | 7.7% | 9.0% | 10.2% | 9.4% | 9.4% | 8.3% | 12.0% | 8.5% | 9.3% | 9.5% | 9.5% | 9.5% | 9.5% | 9.5% | 9.5% | 9.5% | 9.5% | 10.0% | 10.0% | 10.0% | 10.0% |
| NMF | 1.4% | 2.1% | 4.2% | 3.7% | 2.3% | 1.5% | 6.3% | 2.1% | 3.1% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 4.0% | 4.0% | 4.0% | 4.0% |
| 116% | 82% | 78% | 59% | 61% | 75% | 83% | 48% | 76% | 67% | 65% | 63% | 63% | 63% | 63% | 63% | 63% | 63% | 61% | 61% | 61% | 61% |

CAPITAL STRUCTURE as of 12/31/18
 Total Debt \$2063.7 mill. Due in 5 Yrs \$592.0 mill.
 LT Debt \$1985.7 mill. LT Interest \$92.3 mill.
 Incl. \$50 mill. 6.5% oblig. pfd. sec. of trust subsid. (LT interest earned: 3.9%)
 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. 4/4% to 5/4%, \$20 par. call. \$20 to \$21; 120,000 shs. 7/4%, \$100 par. call. \$100.
 Sinking fund ends 2018.
 Common Stock 108,936,902 shs. as of 2/13/19
 MARKET CAP: \$4.5 billion (Mid Cap)

| 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 |

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 |

Hawaiian Electric Industries' board of directors has raised the dividend. The increase was modest, at a cent a share (3.2%) quarterly. However, this was especially significant because this was the first hike since 1998. The board had avoided boosting the disbursement for many years due to HEI's earnings inconsistency. The company is aiming for a payout ratio in a range of 60%-65%. Note that the figures shown in the statistical array above are based on dividends paid, and do not include reinvested dividends.

A rate case is pending, and another is upcoming. Hawaiian Electric Light Company is seeking a tariff increase of \$13.4 million (3.4%), based on a 10.5% return on a 56.9% common-equity ratio. An interim decision is due by November. Hawaiian Electric Company plans to file an application in mid-2019. Maui Electric Company will follow suit in mid-2020.

HEI's three utilities need to improve their earned returns on equity. In 2018, they earned a 7.6% ROE (as a group), nearly two percentage points below their allowed ROE of 9.5%. Eliminating this gap is not a realistic goal due to structural reasons, but there is no reason why this can't be reduced. Filing rate cases is a key step in this regard.

American Savings Bank is a strong performer. In 2018, it earned an ROE of 13.5%. The bank's net interest margin, return on assets, loan growth, and efficiency rating are healthy. (The latter figure should benefit from a new facility that will enable the back-office workers to work in one location.) Asset quality is high, too. Finally, ASB is benefiting from the reduced federal tax rate.

We estimate that earnings will increase steadily this year and next. Hawaiian Electric and Maui Electric will have a full year's effect of rate hikes they were granted in 2018, and ASB should continue its growth. Our 2019 share-earnings estimate is within HEI's targeted range of \$1.85-\$2.05.

This stock is ranked favorably for Timeliness, and has an average dividend yield, by utility standards. However, with the recent quotation above our 2022-2024 Target Price Range, total return potential is negligible.

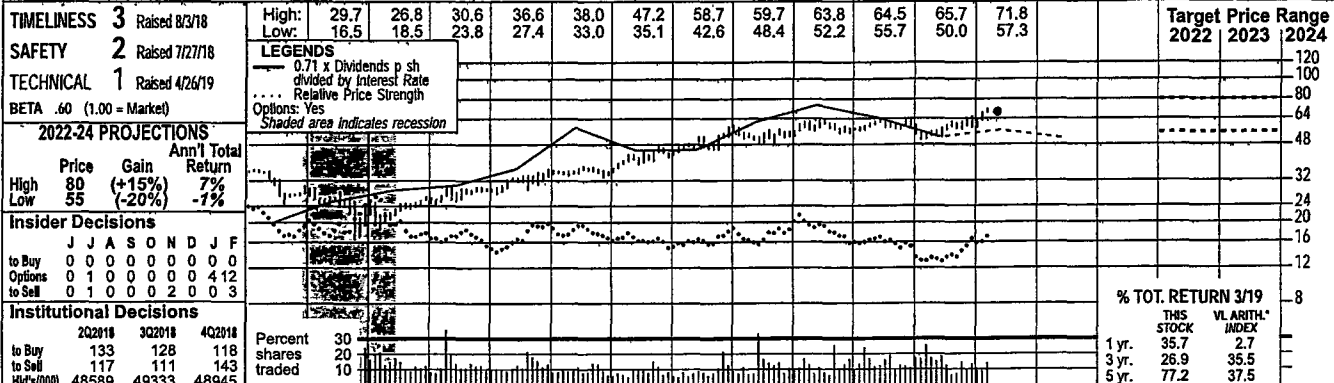
Paul E. Debbas, CFA April 26, 2019

| Cal-endar | 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 | 800 | 825 | 850 | 825 | 3300 |
| 2020 | 825 | 850 | 875 | 850 | 3400 |

| Cal-endar | 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 | .40 | .45 | .63 | .52 | 2.00 |
| 2020 | .42 | .47 | .67 | .54 | 2.10 |

| Cal-endar | 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 | | | | |

(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 May. (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 95 Price Growth Persistence 25 Earnings Predictability 60 To subscribe call 1-800-VALUELINE



| 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 | 24.75 | 25.65 | Revenues per sh |
| -- | 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 | 7.45 | "Cash Flow" per sh |
| -- | 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 | 3.50 | 3.60 | Earnings per sh A |
| -- | -- | 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 + † |
| -- | 2.25 | 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 |
| -- | 19.92 | 20.60 | 20.85 | 21.12 | 21.25 | 21.86 | 22.64 | 23.68 | 25.09 | 26.60 | 31.50 | 33.22 | 34.68 | 36.44 | 38.60 | 39.70 | 40.80 | Book Value per sh C |
| -- | 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 |
| -- | -- | 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 | 16.8 | 16.8 | Avg Ann'l P/E Ratio |
| -- | -- | .91 | 1.40 | 1.15 | .84 | .77 | .82 | .79 | 1.00 | .95 | .85 | .93 | .90 | .90 | .91 | .91 | .91 | Relative P/E Ratio |
| -- | -- | 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% | 3.9% | 3.9% | Avg Ann'l Div'd Yield |

CAPITAL STRUCTURE as of 12/31/18
 Total Debt \$2124.6 mill. Due in 5 Yrs \$321.5 mill.
 LT Debt \$2122.3 mill. LT Interest \$76.1 mill.
 Incl. \$19.9 mill. capitalized leases.
 (LT interest earned: 3.0x)

Pension Assets-12/18 \$525.3 mill.
 Oblig \$649.6 mill.

Pfd Stock None

Common Stock 50,347,571 shs.
 as of 2/8/19

MARKET CAP: \$3.5 billion (Mid Cap)

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 |

ANNUAL RATES

| | Past 10 Yrs. | Past 5 Yrs. | Est'd '16-'18 |
|--------------------|--------------|-------------|---------------|
| of change (per sh) | 10 Yrs. | 5 Yrs. | '12-'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% | 3.0% |

QUARTERLY REVENUES (\$ mill.)

| Cal-endar | 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 | 355 | 275 | 295 | 325 | 1250 |
| 2020 | 365 | 285 | 310 | 340 | 1300 |

EARNINGS PER SHARE A

| Cal-endar | 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 | 1.20 | .55 | .75 | 1.00 | 3.50 |
| 2020 | 1.25 | .55 | .75 | 1.05 | 3.60 |

QUARTERLY DIVIDENDS PAID B + †

| Cal-endar | 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 | | | | |

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, 15%; 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 has received an interim electric rate increase in Montana. The utility is asking the state commission for a \$34.9 million (6.9%) rate hike, based on a return of 10.65% on a common-equity ratio of 49.4%. NorthWestern wants to recover capital investments it has made since its last electric rate case (in 2009), including a reset of the baseline for fuel and purchased-power costs under Montana's power-cost adjustment mechanism, and add a demand charge to the bills of customers with rooftop solar generation (so that nonsolar customers are not subsidizing solar users). The consumer advocate recommended a \$17.3 million rate decrease, based on an 8.75% ROE. The regulators granted the utility an interim increase of \$10.5 million (subject to refund), which took effect on April 1st. The final order is expected by the end of June, but this might well slip into July.

We estimate a moderate earnings increase in 2019. We base this on reasonable treatment in the aforementioned rate case. (Customer satisfaction reached an all-time high last year, which ought to help in this regard.) NorthWestern is also

benefiting from a healthy service-area economy and above-average customer growth. Note that management is not providing earnings guidance while the rate case is pending.

We think earnings will advance again in 2020. NorthWestern will have a full year of rate relief in Montana. We expect a continuation of solid customer growth, as well.

The board of directors raised the annual dividend \$0.10 a share (4.5%) in the first quarter. This was the same increase as in each of the previous two years. NorthWestern's target is a payout ratio in a range of 60%-70%.

The price of NorthWestern stock has advanced 16% so far this year. This has been a good year for utility equities, but NorthWestern has outperformed its industry. Perhaps some takeover speculation is responsible, as the company is one of a shrinking number of mid-cap utilities. The dividend yield is only about average for a utility, and with the recent quotation near the upper end of our 2022-2024 Target Price Range, total return potential is low.

Paul E. Debbas, CFA April 26, 2019

(A) Diluted EPS. Excl. gain (loss) on discount ops. '05, '06; '06, '16; nonrec. gains: '12, '39; net; '15, '27; '18, '52. '18 EPS don't sum due to rounding. Next earnings report due late July. (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 org. 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%. Regulatory Climate: Below Average.

Company's Financial Strength B++
Stock's Price Stability 95
Price Growth Persistence 75
Earnings Predictability 85

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| OG E ENERGY CORP. NYSE-OG E | | | RECENT PRICE | 42.05 | P/E RATIO | 19.8 (Trailing: 19.9 Median: 17.0) | RELATIVE P/E RATIO | 1.16 | DIVD YLD | 3.8% | VALUE LINE | | | | | | | | | | | |
|---|--------|------------------|--|-------------|--------------------------|------------------------------------|--------------------|--------|----------|--------|------------|--------|--------|--------|------------------------|--------------|--------|-----------------------|--------|--------|-----------------------------|--|
| TIMELINESS | 3 | Raised 10/19/18 | High: 18.1 | 18.9 | 23.1 | 28.6 | 30.1 | 40.0 | 39.3 | 36.5 | 34.2 | 37.4 | 41.8 | 42.9 | 38.0 | Target Price | 2022 | 2023 | 2024 | | | |
| SAFETY | 2 | Lowered 12/18/15 | Low: 9.8 | 9.9 | 16.9 | 20.3 | 25.1 | 27.7 | 32.8 | 24.2 | 23.4 | 32.6 | 29.6 | | | | | | | | | |
| TECHNICAL | 2 | Lowered 2/22/19 | 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 | | | | | | | | | | | | | | | | | | | |
| BETA | .85 | (1.00 = Market) | | | | | | | | | | | | | | | | | | | | |
| 2022-24 PROJECTIONS | | | Price | 50 | Gain | (+20%) | Ann'l Total Return | 8% | | | | | | | | | | | | | | |
| High | 50 | Low | 40 | Gain | (-5%) | Return | 3% | | | | | | | | | | | | | | | |
| Insider Decisions | | | M | J | J | A | S | O | N | D | J | | | | | | | | | | | |
| to Buy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | | | | | | | | | | | |
| Options | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | |
| to Sell | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | |
| Institutional Decisions | | | 2020H1 | 2020H2 | 2019H1 | 2019H2 | 2018H1 | 2018H2 | 2017H1 | 2017H2 | 2016H1 | 2016H2 | 2015H1 | 2015H2 | 2014H1 | 2014H2 | 2013H1 | 2013H2 | 2012H1 | 2012H2 | | |
| to Buy | 172 | 205 | 210 | | | | | | | | | | | | | | | | | | | |
| to Sell | 192 | 163 | 186 | | | | | | | | | | | | | | | | | | | |
| Hld's(000) | 122935 | 124911 | 136275 | | | | | | | | | | | | | | | | | | | |
| | | | Percent shares traded | 18 | 12 | 6 | | | | | | | | | | | | | | | | |
| | | | 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 | 12.25 | 13.00 | Revenues per sh | 15.25 | | | |
| 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 | 4.05 | 4.25 | "Cash Flow" per sh | 5.00 | | | |
| .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 | 2.15 | 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 | 1.54 | 1.65 | Div'd Decl'd per sh B | 1.95 | | | |
| 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 | 20.70 | 21.30 | 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 | 199.70 | 199.70 | Common Shs Outst'g D | 199.70 | | | |
| 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 | 18.3 | 16.5 | 18.3 | 16.5 | 16.5 | Avg Ann'l P/E Ratio | 16.5 | | | |
| .67 | .74 | .79 | .74 | .73 | .75 | .72 | .85 | .90 | .97 | .99 | .96 | .89 | .93 | .92 | .89 | .92 | .89 | Relative P/E Ratio | .90 | | | |
| 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% | | | Avg Ann'l Div'd Yield | 4.3% | | | |
| CAPITAL STRUCTURE as of 12/31/18 | | | 2869.7 | 3716.9 | 3915.9 | 3671.2 | 2867.7 | 2453.1 | 2196.9 | 2259.2 | 2261.1 | 2270.3 | 2450 | 2600 | Revenues (\$mill) | 3050 | | | | | | |
| Total Debt \$3147.0 mill. Due in 5 Yrs \$250.5 mill. | | | 258.3 | 295.3 | 342.9 | 355.0 | 387.6 | 395.8 | 337.6 | 338.2 | 384.3 | 425.5 | 430 | 450 | Net Profit (\$mill) | 540 | | | | | | |
| LT Debt \$2896.9 mill. LT Interest \$134.9 mill. (LT interest earned: 3.9x) | | | 31.7% | 34.9% | 30.7% | 26.0% | 24.9% | 30.4% | 29.2% | 30.5% | 32.5% | 14.5% | 4.5% | 4.5% | Income Tax Rate | 4.5% | | | | | | |
| Leases, Uncapitalized Annual rentals \$22.1 mill. | | | 9.1% | 5.7% | 9.0% | 2.7% | 2.6% | 1.7% | 3.7% | 6.4% | 15.0% | 8.3% | 7.0% | 3.0% | AFUDC % to Net Profit | 3.0% | | | | | | |
| Pension Assets-12/18 \$522.8 mill. Oblig \$615.9 mill. | | | 50.6% | 50.8% | 51.6% | 50.7% | 43.1% | 45.9% | 44.3% | 41.1% | 41.7% | 42.0% | 43.5% | 44.5% | Long-Term Debt Ratio | 45.5% | | | | | | |
| Pfd Stock None | | | 49.4% | 49.2% | 48.4% | 49.3% | 56.9% | 54.1% | 55.7% | 58.9% | 58.3% | 58.0% | 56.5% | 55.5% | Common Equity Ratio | 54.5% | | | | | | |
| Common Stock 199,732,315 shs. as of 1/31/19 | | | 4129.7 | 4652.5 | 5300.4 | 5615.8 | 5337.2 | 5999.7 | 5971.6 | 5849.6 | 6600.7 | 6902.0 | 7325 | 7650 | Total Capital (\$mill) | 8625 | | | | | | |
| MARKET CAP: \$8.4 billion (Large Cap) | | | 5911.6 | 6464.4 | 7474.0 | 8344.8 | 6672.8 | 6979.9 | 7322.4 | 7696.2 | 8339.9 | 8643.8 | 8895 | 9075 | Net Plant (\$mill) | 9550 | | | | | | |
| ELECTRIC OPERATING STATISTICS | | | 7.9% | 7.8% | 7.8% | 7.7% | 8.6% | 7.8% | 6.9% | 7.0% | 7.0% | 7.0% | 7.0% | 7.0% | Return on Total Cap'l | 7.0% | | | | | | |
| % Change Retail Sales (MWH) | | | 12.7% | 12.9% | 13.4% | 12.8% | 12.8% | 12.2% | 10.2% | 9.8% | 10.0% | 10.6% | 10.5% | 10.5% | Return on Shr. Equity | 11.5% | | | | | | |
| Avg. Indust. Use (MWH) | | | 12.7% | 12.9% | 13.4% | 12.8% | 12.8% | 12.2% | 10.2% | 9.8% | 10.0% | 10.6% | 10.5% | 10.5% | Return on Com Eq | 11.5% | | | | | | |
| Avg. Indust. Res. per KWH (¢) | | | 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 | 3.0% | | | | | | |
| Capacity at Peak (Mw) | | | 53% | 48% | 43% | 44% | 43% | 47% | 61% | 67% | 64% | 64% | 71% | 73% | All Div'ds to Net Prof | 72% | | | | | | |
| Peak Load, Summer (Mw) | | | BUSINESS: OGE Energy Corp. is a holding company for Oklahoma Gas and Electric Company (OG&E), which supplies electricity to 849,000 customers in Oklahoma (84% of electric revenues) and western Arkansas (8%); wholesale is (8%). Owns 25.6% of Enable Midstream Partners. Electric revenue breakdown: residential, 40%; commercial, 26%; industrial, 9%; oilfield, 7%; other, 18%. General 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. | | | | | | | | | | | | | | | | | | | |
| Annual Load Factor (%) | | | OG E Energy's utility subsidiary has filed a general rate case in Oklahoma. Oklahoma Gas and Electric is seeking a rate increase of \$77.6 million (4.4%), based on a return of 9.9% on a common-equity ratio of 53%. The utility wants to recover its \$534 million investment to add pollution-control equipment to a coal-fired plant and its \$75 million investment to convert another plant from coal to gas. OG&E also wants to raise its depreciation rate, which was cut last year. New tariffs are expected to take effect in mid-2019. Another regulatory filing is pending in Oklahoma. OG&E has agreed to pay \$53 million for two plants: a 360-megawatt facility that can run on coal or gas and a 146-mw cogeneration plant. The utility believes replacing costly purchased-power contracts will save customers \$40 million-\$50 million a year. OG&E is seeking approval of the deal with the commissions in Oklahoma and Arkansas. The utility reached a settlement in Arkansas. OG&E and the commission's staff agreed to a \$3.1 million boost in the first of what will be annual filings under the state's formula rate plan. If the regulators approve the settlement, this will take effect on April 1st. Earnings in 2019 are likely to approximate the 2018 tally. Rate relief and solid customer growth should be positive factors, but we assume normal weather patterns after OG&E benefited from favorable weather in 2018. Also, the company's equity income from its stake in Enable Midstream Partners is likely to fall short of the contribution last year. We are sticking with our 2019 share-earnings estimate of \$2.15. This is within OGE Energy's targeted range of \$2.05-\$2.20. We look for moderate profit growth in 2020. OGE will have a full year of higher rates in Oklahoma and Arkansas. The healthy economy in the service area points to good customer growth, as well. The stock has been performing well. The price rose 19% in 2018, and is up another 7% so far this year. Even after such a move, the dividend yield is slightly above the utility mean, and shareholders can look forward to a 10% hike later this year (based on OGE's stated goal). However, 3- to 5-year total return potential is low. <i>Paul E. Debbas, CFA March 15, 2019</i> | | | | | | | | | | | | | | | | | | | |
| % Change Customers (yr-end) | | | | | | | | | | | | | | | | | | | | | | |
| Fixed Charge Cov. (%) | | | 336 | 315 | 292 | | | | | | | | | | | | | | | | | |
| ANNUAL RATES | | | Past 10 Yrs. | Past 5 Yrs. | Est'd '16-'18 to '22-'24 | | | | | | | | | | | | | | | | | |
| of change (per sh) | | | 10 Yrs. | 5 Yrs. | '16-'18 to '22-'24 | | | | | | | | | | | | | | | | | |
| Revenues | | | -6.0% | -8.5% | 6.0% | | | | | | | | | | | | | | | | | |
| "Cash Flow" | | | 4.0% | -- | 5.0% | | | | | | | | | | | | | | | | | |
| Earnings | | | 4.0% | 1.0% | 6.5% | | | | | | | | | | | | | | | | | |
| Dividends | | | 6.5% | 9.5% | 7.5% | | | | | | | | | | | | | | | | | |
| Book Value | | | 7.5% | 6.0% | 3.5% | | | | | | | | | | | | | | | | | |
| QUARTERLY REVENUES (\$ mill.) | | | Full Year | | | | | | | | | | | | | | | | | | | |
| Cal-endar | 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 | 550 | 600 | 750 | 550 | 2450 | | | | | | | | | | | | | | | | | |
| 2020 | 575 | 625 | 800 | 600 | 2600 | | | | | | | | | | | | | | | | | |
| EARNINGS PER SHARE A | | | Full Year | | | | | | | | | | | | | | | | | | | |
| Cal-endar | 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 | .20 | .55 | 1.10 | .30 | 2.15 | | | | | | | | | | | | | | | | | |
| 2020 | .20 | .60 | 1.15 | .30 | 2.25 | | | | | | | | | | | | | | | | | |
| QUARTERLY DIVIDENDS PAID B | | | Full Year | | | | | | | | | | | | | | | | | | | |
| Cal-endar | 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 | | | | | | | | | | | | | | | | | | | | | |

(A) Diluted EPS. Excl. nonrecurring gain (losses): '03, (7¢); '04, (3¢); '15, (33¢); '17, \$1.18; gains on discnt. opt.: '02, 6¢; '05, 25¢; '06, 20¢. '18 EPS don't sum due to rounding. Next earnings report due early May. (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 45
 Earnings Predictability 80

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OTTER TAIL CORP. NDQ-OTTR

RECENT PRICE **50.21** P/E RATIO **23.9** (Trailing: 24.4) RELATIVE P/E RATIO **1.40** DIV'D YLD **2.8%** VALUE LINE

| | | | | | | | | | | | | | |
|---|--|------|------|------|------|------|------|------|------|------|------|------|--------------------|
| TIMELINESS 3 Lowered 3/1/19 | High: 46.2 | 25.4 | 25.4 | 23.5 | 25.3 | 31.9 | 32.7 | 33.4 | 42.6 | 48.7 | 51.9 | 51.0 | Target Price Range |
| SAFETY 2 Raised 6/17/16 | 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 | 2022 2023 2024 |
| TECHNICAL 3 Lowered 3/15/19 | LEGENDS 0.61 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession | | | | | | | | | | | | |
| BETA .70 (1.00 = Market) | 2022-24 PROJECTIONS Price Gain Ann'l Total High 55 (+10%) 5% Low 40 (-20%) -2% | | | | | | | | | | | | |
| 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 0 Options 0 0 0 0 0 0 0 0 0 0 0 0 0 to Sell 1 0 0 0 0 0 0 0 0 0 0 0 0 | | | | | | | | | | | | | |
| Institutional Decisions 2021H 2021L 4Q2018 to Buy 64 60 89 to Sell 64 64 61 Hld's(000) 17002 17069 17343 Percent shares traded 9 6 3 | | | | | | | | | | | | | |

| 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 | 24.15 | 25.10 | Revenues per sh | 27.75 |
| 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 | 4.10 | 4.25 | "Cash Flow" per sh | 4.75 |
| 1.51 | 1.50 | 1.78 | 1.69 | 1.78 | 1.09 | 1.71 | .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 | 5.10 | 10.20 | Cap'l Spending per sh | 2.75 |
| 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 | 19.10 | 20.20 | 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 | 39.75 | 40.25 | Common Shs Outst'g ^D | 41.75 |
| 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 | 22.1 | 22.1 | 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 | 1.20 | 1.11 | 1.20 | 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% | 3.1% | 2.9% | Avg Ann'l Div'd Yield | 3.5% |

CAPITAL STRUCTURE as of 12/31/18
 Total Debt \$608.9 mill. Due in 5 Yrs \$189.1 mill.
 LT Debt \$590.0 mill. LT Interest \$28.8 mill.
 (LT interest earned: 4.3x)

Leases, Uncapitalized Annual rentals \$6.2 mill.
Pension Assets-12/18 \$269.8 mill.
 Oblig \$328.4 mill.

Pfd Stock None

Common Stock 39,729,708 shs.
 as of 2/15/19

MARKET CAP: \$2.0 billion (Mid Cap)

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 |

ANNUAL RATES

| | 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% |

QUARTERLY REVENUES (\$ mill.)

| Cal-endar | 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 | 250 | 240 | 240 | 230 | 960 |
| 2020 | 260 | 255 | 255 | 240 | 1010 |

EARNINGS PER SHARE ^A

| Cal-endar | 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 | .65 | .50 | .60 | .40 | 2.15 |
| 2020 | .70 | .52 | .63 | .40 | 2.25 |

QUARTERLY DIVIDENDS PAID ^B

| Cal-endar | 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 | | | | |

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%

Otter Tail Corporation's earnings are likely to advance in 2019. The company's utility subsidiary, Otter Tail Power, should benefit from rate relief, greater income from electric transmission, and an increase in the Allowance for Funds Used During Construction (AFUDC, a noncash credit to income). The manufacturing business is performing well and had a healthy backlog at year-end 2018. These positive factors ought to outweigh an assumed return to normal weather (favorable weather conditions boosted its bottom line \$0.07 a share last year) and an expected decline in the plastics division, which is experiencing heavy competition. Our earnings estimate is within the company's targeted range of \$2.10-\$2.25 a share. We look for another year of steady profit growth in 2020.

A rate case is pending in South Dakota. Otter Tail Power is seeking a \$3.3 million (10.1%) tariff hike, based on a 10.3% return on equity. The utility is also asking for another \$0.6 million (1.7%) when a wind farm (see below) is completed in 2020. Otter Tail is trying to reach a settlement with the staff of the South Dakota commission.

Some large capital projects are under way. After completing a \$115 million transmission project, Otter Tail is building a \$39 million line. A 150-megawatt wind farm is scheduled for completion next year at a cost of \$270 million, and a 250-mw gas-fired plant is expected to be completed in 2021 at a cost of \$165 million. The projects will increase the company's earnings as they are placed in rates.

The board of directors raised the dividend in the first quarter. The increase was \$0.06 a share (4.5%) annually. Otter Tail is targeting a payout ratio of 60%-70%.

Otter Tail stock is priced expensively. The dividend yield is below 3% and under the industry average. This reflects the company's diversification — the nonutility activities are expected to provide 25% of corporate profits, in the long run — but might also reflect takeover speculation. Some mid-cap companies such as Otter Tail have been the subjects of takeover offers in recent years. With the recent quotation well within our 2022-2024 Target Price Range, total return potential is low.

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

(A) Diluted earnings. Excl. nonrecurring gains (losses): '10, (44¢); '11, 26¢; '13, 2¢; gains (losses) from discnt. operations: '04, 8¢; '05, 3¢; '06, 1¢; '11, (\$1.11); '12, (\$1.22); '13, 2¢. '14, 2¢; '15, 2¢; '16, 1¢; '17, 1¢. Next earnings report due early May. (B) Div'ds historically paid in early Mar., June, Sept., & Dec. (C) 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%; earned on avg. com. eq., '18: 11.5%. Regul. Clim.: MN, ND, Average; SD, Above Average.

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| | |
|------------------------------|----|
| Company's Financial Strength | A |
| Stock's Price Stability | 85 |
| Price Growth Persistence | 45 |
| Earnings Predictability | 60 |

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PINNACLE WEST NYSE-PNW

RECENT PRICE **94.22** P/E RATIO **19.5** (Trailing: 20.8 Median: 15.0) RELATIVE P/E RATIO **1.09** DIV'D YLD **3.2%** VALUE LINE

| | | | |
|-------------------------------------|---|--|-----------------------------------|
| TIMELINESS 3 Lowered 4/12/19 | High: 42.9 38.0 42.7 48.9 54.7 61.9 71.1 73.3 82.8 92.5 92.6 97.3 | 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 |
| SAFETY 1 Raised 5/3/13 | LEGENDS 0.65 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession | | |
| TECHNICAL 1 Raised 4/19/19 | 2022-24 PROJECTIONS | | |
| BETA .55 (1.00 = Market) | Price High 105 85 | Gain (+10%) (-10%) | Ann'l Total Return 6% 7% |
| Insider Decisions | | | |
| J A S O N D J F | | | |
| to Buy 0 0 0 0 0 0 0 0 0 0 0 0 | | | |
| Options 0 0 0 0 1 0 0 0 1 1 1 | | | |
| to Sell 0 0 0 0 0 1 0 1 | | | |
| Institutional Decisions | | | |
| 202018 3Q2018 4Q2018 | | | |
| to Buy 198 219 256 | | | |
| to Sell 231 213 192 | | | |
| Mid's(000) 91916 92477 95077 | | | |
| Percent shares traded 30 20 10 | | | |
| % TOT. RETURN 3/19 | | | |
| THIS STOCK VL ARITH. INDEX | | | |
| 1 yr. 24.0 2.7 | | | |
| 3 yr. 40.7 35.5 | | | |
| 5 yr. 108.8 37.5 | | | |

| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022-24 | |
|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------------------------------|--------|
| 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 | 34.65 | 36.30 | 38.00 | Revenues per sh | 41.00 |
| 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 | 10.95 | 11.50 | 12.00 | "Cash Flow" per sh | 13.50 |
| 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 | 4.85 | 5.10 | 5.20 | 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 | 3.30 | 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 | 11.00 | 11.00 | 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 | 48.30 | 50.00 | 50.00 | Book Value per sh ^C | 55.50 |
| 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 | 112.50 | 113.00 | 113.00 | Common Shs Outs'g ^D | 114.50 |
| 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 | 17.8 | 17.8 | 17.8 | Avg Ann'l P/E Ratio | 16.5 |
| .80 | .83 | 1.02 | .74 | .79 | .97 | .91 | .80 | .92 | .91 | .86 | .84 | .81 | .98 | .97 | .96 | .96 | .96 | .96 | Relative P/E Ratio | .90 |
| 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% | 3.2% | 3.5% | 3.5% | Avg Ann'l Div'd Yield | 4.0% |

CAPITAL STRUCTURE as of 12/31/18
 Total Debt \$5214.6 mill. Due in 5 Yrs \$1276.4 mill.
 LT Debt \$4638.2 mill. LT Interest \$183.2 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 112,146,511 shs. as of 2/15/19
 MARKET CAP: \$11 billion (Large Cap)

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022-24 |
|--------|--------|--------|--------|--------|--------|---------|
| 3297.1 | 3263.6 | 3241.4 | 3301.8 | 3454.6 | 3491.6 | 3498.7 |
| 229.2 | 330.4 | 328.2 | 387.4 | 406.1 | 397.6 | 437.3 |
| 36.9% | 31.9% | 34.0% | 36.2% | 34.4% | 34.2% | 34.3% |
| 11.2% | 11.7% | 12.8% | 9.7% | 10.0% | 11.6% | 11.8% |
| 50.4% | 45.3% | 44.1% | 44.6% | 40.0% | 41.0% | 43.0% |
| 49.6% | 54.7% | 55.9% | 55.4% | 60.0% | 59.0% | 57.0% |
| 6686.6 | 6729.1 | 6840.9 | 7171.9 | 6990.9 | 7398.7 | 8046.3 |
| 9257.8 | 9578.8 | 9962.3 | 10396 | 10889 | 11194 | 11809 |
| 4.8% | 6.5% | 6.4% | 6.8% | 7.1% | 6.4% | 6.0% |
| 6.9% | 9.0% | 8.6% | 9.8% | 9.7% | 9.1% | 9.5% |
| 6.9% | 9.0% | 8.6% | 9.8% | 9.7% | 9.1% | 9.5% |
| .7% | 3.1% | 2.8% | 4.1% | 4.1% | 3.5% | 3.9% |
| 89% | 66% | 68% | 58% | 58% | 62% | 59% |

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.

ELECTRIC OPERATING STATISTICS

| | 2016 | 2017 | 2018 |
|--------------------------------|------|------|------|
| % Change Retail Sales (KWh) | +3 | -- | -3 |
| Avg. Indust. Use (MWh) | 640 | 620 | 662 |
| Avg. Indust. Rets. 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 |

Pinnacle West's utility subsidiary is awaiting an order on a rate case. Arizona Public Service sought a \$67.5 million "step" increase to recover the cost of an environmental upgrade to a coal-fired generating plant. APS found acceptable an administrative law judge's proposal for a \$58.5 million hike. As long as the commission's order does not slip into the third quarter, the delay in receiving this rate relief won't change the company's earnings guidance of \$4.75-\$4.95 a share for 2019 because the early months of the year are seasonally weak for Pinnacle West. A decision isn't likely until after a report on an unrelated regulatory matter (see below). **The utility's 2017 rate order is under review.** After complaints from some customers that the rate hike APS received was excessive, the commission asked its staff to review the utility's 2018 earnings to determine whether APS earned more than its allowed 10.0% return on equity. (The utility says it earned an ROE of 9.5% last year.) The staff's report is due by May 3rd. **A large construction project should be completed in the current quarter.** APS

is adding five units to a gas-fired plant and retiring two old units, for a net capacity increase of 290 megawatts. The estimated costs of the project is \$500 million. The utility will defer costs associated with the project until it recovers these in rates. **We estimate solid earnings increases this year and next.** APS should benefit from rate relief, not just from the step increase last year but from various regulatory mechanisms that provide additional revenues every year. Also, operating and maintenance expenses are expected to decline 5%-7%, due primarily to fewer planned outages of generating units. The service area's economy is so strong that management raised its expectation of weather-adjusted retail kilowatt-hour sales growth from 0.5%-1.5% to 1.5%-2.5%. Our 2019 share-earnings estimate remains at the midpoint of Pinnacle West's targeted range. **This high-quality stock has a dividend yield that is average for a utility.** Like most utility issues, the recent quotation is within our 2022-2024 Target Price Range, so total return potential is low.

ANNUAL RATES

| of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Past Est'd '16-'18 to '22-'24 |
|--------------------|--------------|-------------|-------------------------------|
| Revenues | -5% | 1.0% | 4.0% |
| "Cash Flow" | 1.0% | 5.5% | 5.0% |
| Earnings | 4.5% | 5.0% | 5.0% |
| Dividends | 2.5% | 3.0% | 6.0% |
| Book Value | 2.5% | 4.5% | 3.5% |

QUARTERLY REVENUES (\$ mill.)

| Cal-endar | 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 | 750 | 1025 | 1325 | 800 | 3900 |
| 2020 | 800 | 1075 | 1375 | 850 | 4100 |

Paul E. Debbas, CFA April 26, 2019

EARNINGS PER SHARE ^A

| Cal-endar | 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 | .05 | 1.60 | 2.95 | .25 | 4.85 |
| 2020 | .05 | 1.70 | 3.05 | .30 | 5.10 |

QUARTERLY DIVIDENDS PAID ^B

| Cal-endar | 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 | | | | |

(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 May. (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 based: 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 | 65 |
| Earnings Predictability | 95 |

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PNM RESOURCES NYSE-PNM

RECENT PRICE **45.15** P/E RATIO **25.4** (Trailing: 27.2 Median: 18.0) RELATIVE P/E RATIO **1.42** DIVD YLD **2.6%** VALUE LINE

| | | | | | | | | | | | | | | | | |
|---|--------------------------------|-----------------------------------|---------------------------------|---|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------------------|
| TIMELINESS 3 Lowered 4/26/19 | SAFETY 3 Lowered 5/9/08 | TECHNICAL 1 Raised 4/19/19 | BETA .65 (1.00 = Market) | High: 21.7 Low: 7.6 | 13.1 5.9 | 14.0 10.8 | 19.2 12.8 | 22.5 17.3 | 24.5 20.1 | 31.6 23.5 | 31.2 24.4 | 36.2 29.2 | 46.0 33.3 | 45.3 33.8 | 47.9 39.7 | Target Price 2022 2023 2024 |
| 2022-24 PROJECTIONS | | | | | | | | | | | | | | | | |
| High Price 50 (+10%) Low Price 35 (-20%) Gain Ann'l Total 6% Return 2% | | | | LEGENDS 0.94 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession | | | | | | | | | | | | |
| Insider Decisions | | | | J J A S O N D J F to Buy 0 0 0 0 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 0 0 0 0 | | | | | | | | | | | | |
| Institutional Decisions | | | | 2020:19 302018 4Q2018 to Buy 137 129 116 to Sell 117 128 141 Hrs(000) 73262 71804 71732 | | | | | | | | | | | | |
| Percent shares traded 24 16 8 | | | | % TOT. RETURN 3/19 THIS STOCK VL ARITH. INDEX 1 yr. 27.2 2.7 3 yr. 52.0 35.5 5 yr. 100.6 37.5 | | | | | | | | | | | | |

| 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 | 18.85 | 17.42 | 18.03 | 18.07 | 17.11 | 18.14 | 18.04 | 18.85 | 19.15 | Revenues per sh | 21.25 |
| 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 | 5.75 | 5.90 | "Cash Flow" per sh | 7.00 |
| 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 | 2.75 |
| .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 = f | 1.50 |
| 2.78 | 2.25 | 3.07 | 4.04 | 5.94 | 3.99 | 3.32 | 3.25 | 4.10 | 3.68 | 4.37 | 5.78 | 7.01 | 7.53 | 6.28 | 6.29 | 8.00 | 8.10 | Cap'l Spending per sh | 5.00 |
| 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 | 22.05 | 23.30 | Book Value per sh C | 27.50 |
| 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 | 84.00 |
| 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 | 23.4 | 23.4 | Avg Ann'l P/E Ratio | 15.5 |
| .84 | .79 | .93 | .84 | 1.89 | NMF | 1.21 | .89 | .91 | .95 | .90 | .98 | .94 | 1.18 | 1.03 | 1.26 | 1.26 | 1.26 | Relative P/E Ratio | .85 |
| 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% | 2.8% | 2.8% | Avg Ann'l Div'd Yield | 3.5% |
| CAPITAL STRUCTURE as of 12/31/18 Total Debt \$2906.0 mill. Due in 5 Yrs \$1229.2 mill. LT Debt \$2670.1 mill. LT Interest \$122.8 mill. (LT interest earned: 2.4x) 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. | | | | | | | | | | | | | | | | | | | |
| MARKET CAP: \$3.6 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 |

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.

| ANNUAL RATES | | | | |
|--------------------|-------------|------------|---------------|---------|
| | Past 10 Yrs | Past 5 Yrs | Est'd '16-'18 | '16-'18 |
| of change (per sh) | | | | |
| Revenues | -4.0% | -1.0% | -1.0% | 3.0% |
| "Cash Flow" | 6.5% | 8.0% | 6.0% | 6.0% |
| Earnings | 7.0% | 6.0% | 8.5% | 8.5% |
| Dividends | 2.5% | 11.0% | 7.0% | 7.0% |
| Book Value | -- | 1.0% | 4.5% | 4.5% |

PNM Resources' earnings will probably rise materially this year. This is partly due to an easy comparison, particularly in the fourth quarter, when a net change in unrealized losses on investment securities reduced the bottom line by \$0.17 a share. Besides this factor, the company's two utilities are benefiting from rate relief. Public Service of New Mexico received the second phase of a two-year tariff increase. TNMP (in Texas) received a rate hike of \$10.0 million at the start of 2019, and was granted additional revenues of \$14.3 million in March under the state's transmission cost adjustment mechanism. Another positive factor is the healthy economy in the utilities' service territories. Our 2019 earnings estimate of \$2.15 a share is within PNM's targeted range of \$2.10-\$2.18. **We estimate a moderate profit increase in 2020.** Normal utility growth, coupled with revenues through the formula rate plan of the Federal Energy Regulatory Commission, should boost PNM's income. Our estimate of \$2.25 a share would produce earnings growth of 5%. The company's goal for annual profit increases

is 5%-6%. **P.S. of New Mexico plans to close a coal-fired plant in 2022, well before the end of its useful life.** The state wants to eliminate coal- and gas-fired generation by 2045. In mid-June, the utility will file a plan with the state commission, stating that it will abandon the facility and how it expects to replace its output. The state enacted a law that will allow the company to recover its stranded costs through the issuance of bonds that will be securitized by payments on customers' bills. **The company is awaiting a ruling from the state Supreme Court.** P.S. of New Mexico appealed a rate order from 2015. A favorable decision would lift annual earning power by \$0.09 a share. There is no statutory time line for the court's verdict. **PNM Resources stock has a high valuation.** The dividend yield is among the lowest of any electric utility issue. With the recent quotation well within our 3- to 5-year Target Price Range, total return potential is negligible. *Paul E. Debbas, CFA* April 26, 2019

| Cal-endar | QUARTERLY REVENUES (\$ mill.) | | | | Full Year |
|-----------|-------------------------------|--------|--------|--------|-----------|
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | |
| 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 | 340 | 370 | 440 | 350 | 1500 |
| 2020 | 350 | 385 | 455 | 360 | 1550 |

| Cal-endar | EARNINGS PER SHARE A | | | | Full Year |
|-----------|----------------------|--------|--------|--------|-----------|
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | |
| 2016 | .13 | .34 | .68 | .31 | 1.46 |
| 2017 | .29 | .47 | .92 | .25 | 1.92 |
| 2018 | .19 | .48 | 1.09 | d.10 | 1.66 |
| 2019 | .12 | .54 | 1.22 | .27 | 2.15 |
| 2020 | .12 | .57 | 1.28 | .28 | 2.25 |

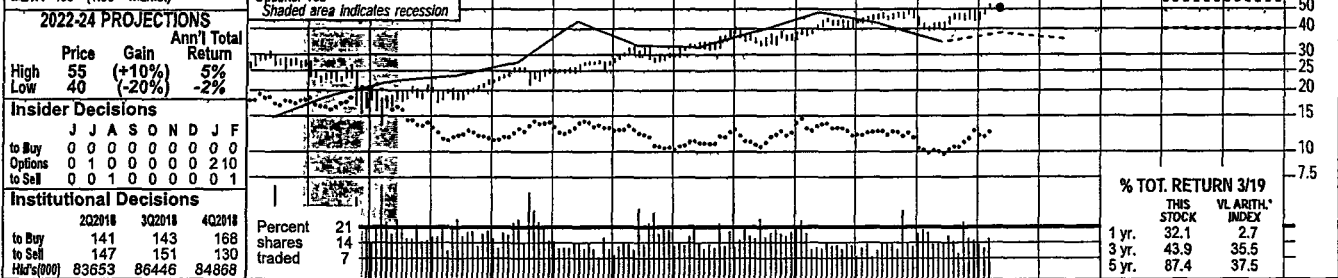
| Cal-endar | QUARTERLY DIVIDENDS PAID B = f | | | | Full Year |
|-----------|--------------------------------|--------|--------|--------|-----------|
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | |
| 2015 | .20 | .20 | .20 | .20 | .80 |
| 2016 | .22 | .22 | .22 | .22 | .88 |
| 2017 | .242 | .242 | .243 |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

(A) Dil. EPS. Excl. nonrec. gain (losses): '05, (56¢); '08, (\$3.77); '10, (\$1.36); '11, 88¢; '13, (16¢); '15, (\$1.28); '17, (92¢); '18, (59¢). Excl. gains from disc. ops.: '08, 42¢; '09, 78¢; '17 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 To subscribe call 1-800-VALUELINE

PORTLAND GENERAL NYSE-POR

RECENT PRICE **50.62** P/E RATIO **22.0** (Trading: 21.4 Median: 16.0) RELATIVE P/E RATIO **1.23** DIV'D YLD **3.0%** VALUE LINE

| | | | | | | | | | | | | | | | |
|------------------------------------|---|------|------|------|------|------|------|------|------|------|------|------|--------------|-------|------|
| TIMELINESS 3 Lowered 4/5/19 | High: 27.7 | 21.4 | 22.7 | 26.0 | 28.1 | 33.3 | 40.3 | 41.0 | 45.2 | 50.1 | 50.4 | 52.6 | Target Price | Range | |
| SAFETY 2 Raised 5/4/12 | 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 | 2022 | 2023 | 2024 |
| TECHNICAL 1 Raised 4/26/19 | LEGENDS 0.73 X Dividends p sh divided by Interest Rate ... Relative Price Strength Options: Yes Shaded area indicates recession | | | | | | | | | | | | | | |
| BETA .60 (1.00 = Market) | 2022-24 PROJECTIONS | | | | | | | | | | | | | | |



| | | | | | | | | |
|-------------------------|--------|--------|-------|---|---|---|---|--|
| Price | 55 | (+10%) | 5% | | | | | |
| Low | 40 | (-20%) | -2% | | | | | |
| Ann'l Total Return | | | | | | | | |
| Insider Decisions | | | | | | | | |
| J | A | S | O | N | D | J | F | |
| to Buy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Options | 0 | 1 | 0 | 0 | 0 | 0 | 2 | |
| to Sell | 0 | 0 | 1 | 0 | 0 | 0 | 1 | |
| Institutional Decisions | | | | | | | | |
| 2Q2018 | 3Q2018 | 4Q2018 | | | | | | |
| to Buy | 141 | 143 | 168 | | | | | |
| to Sell | 147 | 151 | 130 | | | | | |
| Hrs(000) | 83653 | 86446 | 84868 | | | | | |
| Percent shares traded | 21 | 14 | 7 | | | | | |
| % TOT. RETURN 3/19 | | | | | | | | |
| THIS STOCK INDEX | | | | | | | | |
| 1 yr. | 32.1 | | | | | | | |
| 3 yr. | 43.9 | | | | | | | |
| 5 yr. | 87.4 | | | | | | | |
| VL ARITH. INDEX | | | | | | | | |
| 1 yr. | 2.7 | | | | | | | |
| 3 yr. | 35.5 | | | | | | | |
| 5 yr. | 37.5 | | | | | | | |

| 2003 | 2004 | 2005F | 2006F | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| -- | -- | 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 | 23.20 | 24.00 | 24.00 | 24.00 | 24.00 | 24.00 |
| -- | -- | 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 | 6.95 | 7.30 | 7.30 | 7.30 | 7.30 | 7.30 |
| -- | -- | 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 | 2.45 | 2.55 | 2.55 | 2.55 | 2.55 | 2.55 |
| -- | -- | -- | .68 | .93 | .97 | 1.01 | 1.04 | 1.06 | 1.08 | 1.10 | 1.12 | 1.14 | 1.26 | 1.34 | 1.43 | 1.52 | 1.62 | 1.62 | 1.62 | 1.62 | 1.62 |
| -- | -- | 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 | 5.15 | 5.20 | 5.20 | 5.20 | 5.20 | 5.20 |
| -- | -- | 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 | 29.00 | 29.90 | 29.90 | 29.90 | 29.90 | 29.90 |
| -- | -- | 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 | 89.55 | 89.55 | 89.55 | 89.55 |
| -- | -- | 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 | 18.4 | 18.4 | 18.4 | 18.4 | 18.4 | 18.4 | 18.4 |
| -- | -- | 1.26 | .63 | .98 | .96 | .76 | .78 | .89 | .95 | .81 | .89 | 1.00 | 1.01 | .99 | .99 | .99 | .99 | .99 | .99 | .99 | .99 |
| -- | -- | 2.5% | 3.3% | 4.3% | 5.4% | 5.2% | 4.4% | 4.1% | 3.7% | 3.3% | 3.3% | 3.3% | 3.1% | 2.9% | 3.3% | 3.3% | 3.3% | 3.3% | 3.3% | 3.3% | 3.3% |

| | | | | | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|------|
| CAPITAL STRUCTURE as of 12/31/18 | 1804.0 | 1783.0 | 1813.0 | 1805.0 | 1810.0 | 1900.0 | 1898.0 | 1923.0 | 2009.0 | 1991.0 | 2075 | 2150 | 2450 |
| Total Debt \$2478 mill. Due in 5 Yrs \$460 mill. | 95.0 | 125.0 | 147.0 | 141.0 | 137.0 | 175.0 | 193.0 | 204.0 | 212.0 | 220 | 230 | 270 | |
| LT Debt \$2178 mill. LT Interest \$110 mill. | 28.8% | 30.5% | 28.3% | 31.4% | 23.2% | 26.0% | 20.7% | 20.6% | 25.3% | 7.4% | 13.0% | 13.0% | |
| Incl. \$47 mill. capitalized leases. | 31.6% | 17.6% | 5.4% | 7.1% | 14.6% | 33.7% | 19.8% | 16.6% | 8.8% | 8.0% | 5.0% | 4.0% | |
| (LT interest earned: 2.7x) | 50.3% | 53.0% | 49.6% | 47.1% | 51.3% | 52.7% | 47.8% | 48.4% | 50.1% | 48.5% | 49.5% | 47.0% | |
| Leases, Uncapitalized Annual rentals \$15 mill. | 49.7% | 47.0% | 50.4% | 52.9% | 48.7% | 47.3% | 52.2% | 51.6% | 49.9% | 53.5% | 50.5% | 53.0% | |
| Pension Assets-12/18 \$546 mill. | 3100.0 | 3390.0 | 3298.0 | 3264.0 | 3735.0 | 4037.0 | 4329.0 | 4544.0 | 4842.0 | 4684.0 | 5145 | 5070 | |
| Oblig \$811 mill. | 3858.0 | 4133.0 | 4285.0 | 4392.0 | 4880.0 | 5679.0 | 6012.0 | 6434.0 | 6741.0 | 6887.0 | 6950 | 6990 | |
| Pfd Stock None | 4.5% | 5.4% | 6.2% | 5.9% | 5.1% | 5.8% | 5.4% | 5.6% | 5.5% | 5.6% | 5.5% | 6.0% | |
| Common Stock 89,269,775 shs. as of 2/4/19 | 6.2% | 7.9% | 8.8% | 8.2% | 7.5% | 9.2% | 7.6% | 8.2% | 8.4% | 8.5% | 8.5% | 8.5% | |
| MARKET CAP: \$4.5 billion (Mid Cap) | 6.2% | 7.9% | 8.8% | 8.2% | 7.5% | 9.2% | 7.6% | 8.2% | 8.4% | 8.5% | 8.5% | 8.5% | |
| ELECTRIC OPERATING STATISTICS | 1.5% | 3.0% | 4.1% | 3.5% | 2.9% | 4.6% | 3.3% | 3.5% | 3.6% | 3.5% | 3.5% | 3.0% | |
| % Change Retail Sales (KWH) | 76% | 62% | 54% | 57% | 61% | 50% | 56% | 57% | 58% | 59% | 62% | 63% | |

BUSINESS: Portland General Electric Company (PGE) provides electricity to 885,000 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 estimate that Portland General Electric's earnings will advance moderately in 2019. The Oregon Public Utility Commission raised the company's rates \$9.0 million (0.5%) at the start of the year. PGE's service area remains healthy, and the utility is experiencing solid customer growth and respectable load growth. Our estimate is within management's targeted range of \$2.35-\$2.50 a share. Note that the comparison will be tough because the company recorded a credit of \$0.12 a share for a settlement associated with litigation arising from construction problems when the Carty gas-fired plant was built earlier this decade.

We expect modest bottom-line growth next year. This is based on continued load growth. PGE does not have a general rate case pending, so it can't rely on a tariff hike to boost profits in 2020. Our \$2.55-a-share estimate would produce an earnings increase of 4% over the estimated figure in 2019.

The utility is part of a renewable-energy joint venture with NextEra Energy. PGE will pay \$160 million for a 100-megawatt stake in a 300-mw wind facility, which is expected to be on line by late 2020. The utility will recover these costs through Oregon's renewable adjustment clause. NextEra will own the other 200 mw and sell its output to PGE through a 30-year purchased-power agreement. NextEra will also own 50 mw of solar generation and 30 mw of battery storage as part of this project.

We think the board of directors raised the dividend shortly after this report went to press. This was the timing of the increase a year ago. We also think the increase was the same, \$0.09 a share (6.2%) annually, as in 2018. PGE's targeted payout ratio is 50%-70%, a wider range than most utilities have.

This stock has a dividend yield that is on the low side for a utility. Like many utility equities, the recent quotation is above the midpoint of our 2022-2024 Target Price Range. Accordingly, total return potential is low. We think some takeover speculation is reflected in the share price, but we advise against purchasing the stock in the hope that an acquisition offer will emerge.

| | | | | | |
|-----------|-------------------------------|-----------|--------|-------|--------|
| Cal-endar | QUARTERLY REVENUES (\$ mill.) | Full Year | | | |
| Mar.31 | Jun.30 | Sep.30 | Dec.31 | | |
| 2016 | 487.0 | 428.0 | 484.0 | 524.0 | 1923.0 |
| 2017 | 530.0 | 449.0 | 515.0 | 515.0 | 2009.0 |
| 2018 | 493.0 | 449.0 | 525.0 | 524.0 | 1991.0 |
| 2019 | 530 | 470 | 530 | 545 | 2075 |
| 2020 | 550 | 485 | 550 | 565 | 2150 |
| Cal-endar | EARNINGS PER SHARE ^ | Full Year | | | |
| Mar.31 | Jun.30 | Sep.30 | Dec.31 | | |
| 2016 | .68 | .42 | .38 | .68 | 2.16 |
| 2017 | .82 | .36 | .44 | .67 | 2.29 |
| 2018 | .72 | .51 | .59 | .55 | 2.37 |
| 2019 | .80 | .45 | .50 | .70 | 2.45 |
| 2020 | .85 | .50 | .50 | .70 | 2.55 |
| Cal-endar | QUARTERLY DIVIDENDS PAID ^ † | Full Year | | | |
| Mar.31 | Jun.30 | Sep.30 | Dec.31 | | |
| 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 | | | |

(A) Diluted EPS. Excl. nonrecurring losses: '13, 42¢; '17, 19¢. Next earnings report due late April. (B) Div'ds paid mid-Jan., Apr., July, and Oct. (C) Div'd reinvestment plan avail. (D) Shareholder investment plan avail. (E) Incl. deferred charges. In '18: \$4.49/sh. (F) In mill. (G) 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. (H) '05 per-share data are pro forma, based on shs. outstanding when stock began trading in '06.

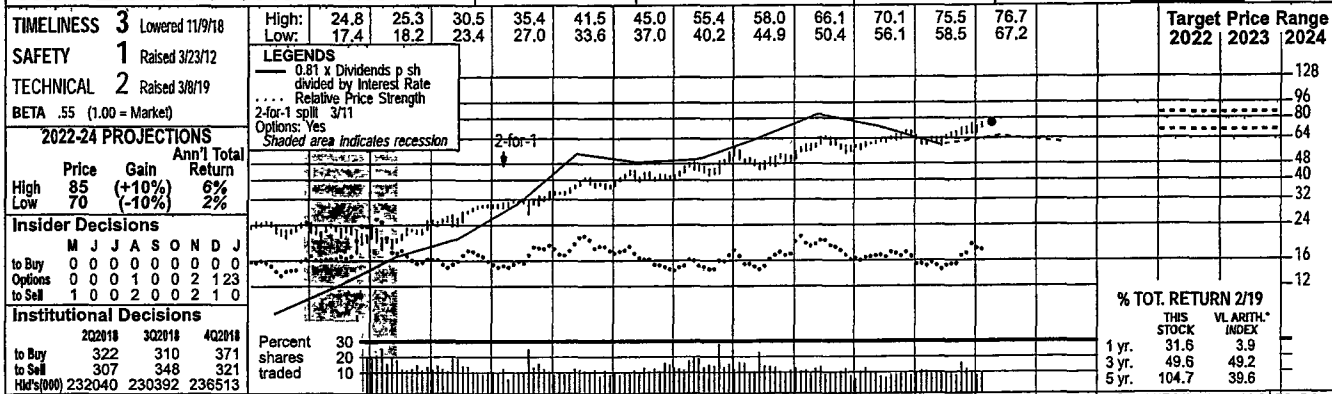
Company's Financial Strength B++
Stock's Price Stability 95
Price Growth Persistence 65
Earnings Predictability 85

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Paul E. Debbas, CFA April 26, 2019

WEC ENERGY GROUP NYSE-WEC

RECENT PRICE **76.25** P/E RATIO **22.1** (Trailing: 22.8 Median: 17.0) RELATIVE P/E RATIO **1.29** DIV'D YLD **3.1%** VALUE LINE

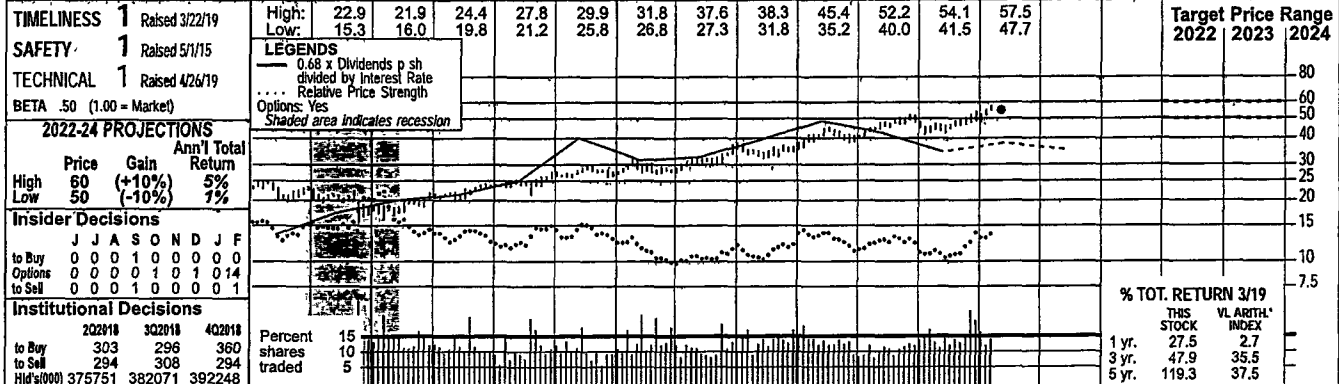


| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | © VALUE LINE PUB. LLC | 22-24 |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--|--------|----------------------------------|--------|
| 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 | 25.05 | 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 | 6.35 | 6.70 | "Cash Flow" per sh | 8.25 |
| 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 | 3.50 | 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 | 32.00 | 33.05 | 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 | <i>Bold figures are Value Line estimates</i> | | Avg Ann'l P/E Ratio | 16.5 |
| .71 | .92 | .77 | .86 | .88 | .89 | .89 | .89 | .89 | 1.01 | .93 | .93 | 1.07 | 1.04 | 1.01 | 1.06 | | | Relative P/E Ratio | .90 |
| 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% | | | Avg Ann'l Div'd Yield | 4.0% |

| CAPITAL STRUCTURE as of 12/31/18 | | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 | 2053 | 2054 | 2055 | 2056 | 2057 | 2058 | 2059 | 2060 | 2061 | 2062 | 2063 | 2064 | 2065 | 2066 | 2067 | 2068 | 2069 | 2070 | 2071 | 2072 | 2073 | 2074 | 2075 | 2076 | 2077 | 2078 | 2079 | 2080 | 2081 | 2082 | 2083 | 2084 | 2085 | 2086 | 2087 | 2088 | 2089 | 2090 | 2091 | 2092 | 2093 | 2094 | 2095 | 2096 | 2097 | 2098 | 2099 | 2100 | 2101 | 2102 | 2103 | 2104 | 2105 | 2106 | 2107 | 2108 | 2109 | 2110 | 2111 | 2112 | 2113 | 2114 | 2115 | 2116 | 2117 | 2118 | 2119 | 2120 | 2121 | 2122 | 2123 | 2124 | 2125 | 2126 | 2127 | 2128 | 2129 | 2130 | 2131 | 2132 | 2133 | 2134 | 2135 | 2136 | 2137 | 2138 | 2139 | 2140 | 2141 | 2142 | 2143 | 2144 | 2145 | 2146 | 2147 | 2148 | 2149 | 2150 | 2151 | 2152 | 2153 | 2154 | 2155 | 2156 | 2157 | 2158 | 2159 | 2160 | 2161 | 2162 | 2163 | 2164 | 2165 | 2166 | 2167 | 2168 | 2169 | 2170 | 2171 | 2172 | 2173 | 2174 | 2175 | 2176 | 2177 | 2178 | 2179 | 2180 | 2181 | 2182 | 2183 | 2184 | 2185 | 2186 | 2187 | 2188 | 2189 | 2190 | 2191 | 2192 | 2193 | 2194 | 2195 | 2196 | 2197 | 2198 | 2199 | 2200 | 2201 | 2202 | 2203 | 2204 | 2205 | 2206 | 2207 | 2208 | 2209 | 2210 | 2211 | 2212 | 2213 | 2214 | 2215 | 2216 | 2217 | 2218 | 2219 | 2220 | 2221 | 2222 | 2223 | 2224 | 2225 | 2226 | 2227 | 2228 | 2229 | 2230 | 2231 | 2232 | 2233 | 2234 | 2235 | 2236 | 2237 | 2238 | 2239 | 2240 | 2241 | 2242 | 2243 | 2244 | 2245 | 2246 | 2247 | 2248 | 2249 | 2250 | 2251 | 2252 | 2253 | 2254 | 2255 | 2256 | 2257 | 2258 | 2259 | 2260 | 2261 | 2262 | 2263 | 2264 | 2265 | 2266 | 2267 | 2268 | 2269 | 2270 | 2271 | 2272 | 2273 | 2274 | 2275 | 2276 | 2277 | 2278 | 2279 | 2280 | 2281 | 2282 | 2283 | 2284 | 2285 | 2286 | 2287 | 2288 | 2289 | 2290 | 2291 | 2292 | 2293 | 2294 | 2295 | 2296 | 2297 | 2298 | 2299 | 2300 | 2301 | 2302 | 2303 | 2304 | 2305 | 2306 | 2307 | 2308 | 2309 | 2310 | 2311 | 2312 | 2313 | 2314 | 2315 | 2316 | 2317 | 2318 | 2319 | 2320 | 2321 | 2322 | 2323 | 2324 | 2325 | 2326 | 2327 | 2328 | 2329 | 2330 | 2331 | 2332 | 2333 | 2334 | 2335 | 2336 | 2337 | 2338 | 2339 | 2340 | 2341 | 2342 | 2343 | 2344 | 2345 | 2346 | 2347 | 2348 | 2349 | 2350 | 2351 | 2352 | 2353 | 2354 | 2355 | 2356 | 2357 | 2358 | 2359 | 2360 | 2361 | 2362 | 2363 | 2364 | 2365 | 2366 | 2367 | 2368 | 2369 | 2370 | 2371 | 2372 | 2373 | 2374 | 2375 | 2376 | 2377 | 2378 | 2379 | 2380 | 2381 | 2382 | 2383 | 2384 | 2385 | 2386 | 2387 | 2388 | 2389 | 2390 | 2391 | 2392 | 2393 | 2394 | 2395 | 2396 | 2397 | 2398 | 2399 | 2400 | 2401 | 2402 | 2403 | 2404 | 2405 | 2406 | 2407 | 2408 | 2409 | 2410 | 2411 | 2412 | 2413 | 2414 | 2415 | 2416 | 2417 | 2418 | 2419 | 2420 | 2421 | 2422 | 2423 | 2424 | 2425 | 2426 | 2427 | 2428 | 2429 | 2430 | 2431 | 2432 | 2433 | 2434 | 2435 | 2436 | 2437 | 2438 | 2439 | 2440 | 2441 | 2442 | 2443 | 2444 | 2445 | 2446 | 2447 | 2448 | 2449 | 2450 | 2451 | 2452 | 2453 | 2454 | 2455 | 2456 | 2457 | 2458 | 2459 | 2460 | 2461 | 2462 | 2463 | 2464 | 2465 | 2466 | 2467 | 2468 | 2469 | 2470 | 2471 | 2472 | 2473 | 2474 | 2475 | 2476 | 2477 | 2478 | 2479 | 2480 | 2481 | 2482 | 2483 | 2484 | 2485 | 2486 | 2487 | 2488 | 2489 | 2490 | 2491 | 2492 | 2493 | 2494 | 2495 | 2496 | 2497 | 2498 | 2499 | 2500 | 2501 | 2502 | 2503 | 2504 | 2505 | 2506 | 2507 | 2508 | 2509 | 2510 | 2511 | 2512 | 2513 | 2514 | 2515 | 2516 | 2517 | 2518 | 2519 | 2520 | 2521 | 2522 | 2523 | 2524 | 2525 | 2526 | 2527 | 2528 | 2529 | 2530 | 2531 | 2532 | 2533 | 2534 | 2535 | 2536 | 2537 | 2538 | 2539 | 2540 | 2541 | 2542 | 2543 | 2544 | 2545 | 2546 | 2547 | 2548 | 2549 | 2550 | 2551 | 2552 | 2553 | 2554 | 2555 | 2556 | 2557 | 2558 | 2559 | 2560 | 2561 | 2562 | 2563 | 2564 | 2565 | 2566 | 2567 | 2568 | 2569 | 2570 | 2571 | 2572 | 2573 | 2574 | 2575 | 2576 | 2577 | 2578 | 2579 | 2580 | 2581 | 2582 | 2583 | 2584 | 2585 | 2586 | 2587 | 2588 | 2589 | 2590 | 2591 | 2592 | 2593 | 2594 | 2595 | 2596 | 2597 | 2598 | 2599 | 2600 | 2601 | 2602 | 2603 | 2604 | 2605 | 2606 | 2607 | 2608 | 2609 | 2610 | 2611 | 2612 | 2613 | 2614 | 2615 | 2616 | 2617 | 2618 | 2619 | 2620 | 2621 | 2622 | 2623 | 2624 | 2625 | 2626 | 2627 | 2628 | 2629 | 2630 | 2631 | 2632 | 2633 | 2634 | 2635 | 2636 | 2637 | 2638 | 2639 | 2640 | 2641 | 2642 | 2643 | 2644 | 2645 | 2646 | 2647 | 2648 | 2649 | 2650 | 2651 | 2652 | 2653 | 2654 | 2655 | 2656 | 2657 | 2658 | 2659 | 2660 | 2661 | 2662 | 2663 | 2664 | 2665 | 2666 | 2667 | 2668 | 2669 | 2670 | 2671 | 2672 | 2673 | 2674 | 2675 | 2676 | 2677 | 2678 | 2679 | 2680 | 2681 | 2682 | 2683 | 2684 | 2685 | 2686 | 2687 | 2688 | 2689 | 2690 | 2691 | 2692 | 2693 | 2694 | 2695 | 2696 | 2697 | 2698 | 2699 | 2700 | 2701 | 2702 | 2703 | 2704 | 2705 | 2706 | 2707 | 2708 | 2709 | 2710 | 2711 | 2712 | 2713 | 2714 | 2715 | 2716 | 2717 | 2718 | 2719 | 2720 | 2721 | 2722 | 2723 | 2724 | 2725 | 2726 | 2727 | 2728 | 2729 | 2730 | 2731 | 2732 | 2733 | 2734 | 2735 | 2736 | 2737 | 2738 | 2739 | 2740 | 2741 | 2742 | 2743 | 2744 | 2745 | 2746 | 2747 | 2748 | 2749 | 2750 | 2751 | 2752 | 2753 | 2754 | 2755 | 2756 | 2757 | 2758 | 2759 | 2760 | 2761 | 2762 | 2763 | 2764 | 2765 | 2766 | 2767 | 2768 | 2769 | 2770 | 2771 | 2772 | 2773 | 2774 | 2775 | 2776 | 2777 | 2778 | 2779 | 2780 | 2781 | 2782 | 2783 | 2784 | 2785 | 2786 | 2787 | 2788 | 2789 | 2790 | 2791 | 2792 | 2793 | 2794 | 2795 | 2796 | 2797 | 2798 | 2799 | 2800 | 2801 | 2802 | 2803 | 2804 | 2805 | 2806 | 2807 | 2808 | 2809 | 2810 | 2811 | 2812 | 2813 | 2814 | 2815 | 2816 | 2817 | 2818 | 2819 | 2820 | 2821 | 2822 | 2823 | 2824 | 2825 | 2826 | 2827 | 2828 | 2829 | 2830 | 2831 | 2832 | 2833 | 2834 | 2835 | 2836 | 2837 | 2838 | 2839 | 2840 | 2841 | 2842 | 2843 | 2844 | 2845 | 2846 | 2847 | 2848 | 2849 | 2850 | 2851 | 2852 | 2853 | 2854 | 2855 | 2856 | 2857 | 2858 | 2859 | 2860 | 2861 | 2862 | 2863 | 2864 | 2865 | 2866 | 2867 | 2868 | 2869 | 2870 | 2871 | 2872 | 2873 | 2874 | 2875 | 2876 | 2877 | 2878 | 2879 | 2880 | 2881 | 2882 | 2883 | 2884 | 2885 | 2886 | 2887 | 2888 | 2889 | 2890 | 2891 | 2892 | 2893 | 2894 | 2895 | 2896 | 2897 | 2898 | 2899 | 2900 | 2901 | 2902 | 2903 | 2904 | 2905 | 2906 | 2907 | 2908 | 2909 | 2910 | 2911 | 2912 | 2913 | 2914 | 2915 | 2916 | 2917 | 2918 | 2919 | 2920 | 2921 | 2922 | 2923 | 2924 | 2925 | 2926 | 2927 | 2928 | 2929 | 2930 | 2931 | 2932 | 2933 | 2934 | 2935 | 2936 | 2937 | 2938 | 2939 | 2940 | 2941 | 2942 | 2943 | 2944 | 2945 | 2946 | 2947 | 2948 | 2949 | 2950 | 2951 | 2952 | 2953 | 2954 | 2955 | 2956 | 2957 | 2958 | 2959 | 2960 | 2961 | 2962 | 2963 | 2964 | 2965 | 2966 | 2967 | 2968 | 2969 | 2970 | 2971 | 2972 | 2973 | 2974 | 2975 | 2976 | 2977 | 2978 | 2979 | 2980 | 2981 | 2982 | 2983 | 2984 | 2985 | 2986 | 2987 | 2988 | 2989 | 2990 | 2991 | 2992 | 2993 | 2994 | 2995 | 2996 | 2997 | 2998 | 2999 | 3000 | 3001 | 3002 | 3003 | 3004 | 3005 | 3006 | 3007 | 3008 | 3009 | 3010 | 3011 | 3012 | 3013 | 3014 | 3015 | 3016 | 3017 | 3018 | 3019 | 3020 | 3021 | 3022 | 3023 | 3024 | 3025 | 3026 | 3027 | 3028 | 3029 | 3030 | 3031 | 3032 | 3033 | 3034 | 3035 | 3036 | 3037 | 3038 | 3039 | 3040 | 3041 | 3042 | 3043 | 3044 | 3045 | 3046 | 3047 | 3048 | 3049 | 3050 | 3051 | 3052 | 3053 | 3054 | 3055 | 3056 | 3057 | 3058 | 3059 | 3060 | 3061 | 3062 | 3063 | 3064 | 3065 | 3066 | 3067 | 3068 | 3069 | 3070 | 3071 | 3072 | 3073 | 3074 | 3075 | 3076 | 3077 | 3078 | 3079 | 3080 | 3081 | 3082 | 3083 | 3084 | 3085 | 3086 | 3087 | 3088 | 3089 | 3090 | 3091 | 3092 | 3093 | 3094 | 3095 | 3096 | 3097 | 3098 | 3099 | 3100 | 3101 | 3102 | 3103 | 3104 | 3105 | 3106 | 3107 | 3108 | 3109 | 3110 | 3111 | 3112 | 3113 | 3114 | 3115 | 3116 | 31 |
|----------------------------------|--|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-----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|----------------------------------|--|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-----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XCEL ENERGY NDQ-XEL

RECENT PRICE 54.86 **P/E RATIO** 21.5 (Trailing: 22.2 Median: 15.0) **RELATIVE P/E RATIO** 1.20 **DIV'D YLD** 3.0% **VALUE LINE**



| 2022-24 PROJECTIONS | | Ann'l Total | | High | | Low | | Price | | Gain | | Return | | Options | | Insider Decisions | | Institutional Decisions | | Percent shares traded | | 2022-24 | |
|---------------------|-----|-------------|------|--------|---------|-------------------|-------------------------|-----------------------|---------|---------|---------|---------|---------|---------|---------|-------------------|---------|-------------------------|---------|-----------------------|---------|---------|---------|
| High | Low | Price | Gain | Return | Options | Insider Decisions | Institutional Decisions | Percent shares traded | 2022-24 | 2022-24 | 2022-24 | 2022-24 | 2022-24 | 2022-24 | 2022-24 | 2022-24 | 2022-24 | 2022-24 | 2022-24 | 2022-24 | 2022-24 | 2022-24 | 2022-24 |
| 60 | 50 | 60 | +10% | 5% | 0 | 0 | 0 | 15 | 2022-24 | 2022-24 | 2022-24 | 2022-24 | 2022-24 | 2022-24 | 2022-24 | 2022-24 | 2022-24 | 2022-24 | 2022-24 | 2022-24 | 2022-24 | 2022-24 | 2022-24 |

| CAPITAL STRUCTURE as of 12/31/18 | | 2016 | | 2017 | | 2018 | | 2019 | | 2020 | | 2021 | | 2022 | | 2023 | | 2024 | | 2025 | | 2026 | | 2027 | | 2028 | | 2029 | | 2030 | | 2031 | | 2032 | | 2033 | | 2034 | | 2035 | | 2036 | | 2037 | | 2038 | | 2039 | | 2040 | |
|--|--|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|------|------|-------|-------|-------|-------|------|-------|-------|------|------|--|------|--|------|--|------|--|------|--|------|--|------|--|------|--|------|--|------|--|------|--|------|--|------|--|
| Total Debt \$17247 mill. Due in 5 Yrs \$4681 mill. | | 9644.3 | 10311 | 10655 | 10128 | 10915 | 11686 | 11024 | 11107 | 11404 | 11537 | 11850 | 12200 | 13800 | 1710 | 9.0% | 7.0% | 58.0% | 42.0% | 36700 | 45400 | 6.0% | 11.0% | 11.0% | 4.0% | 62% | 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 has two asset purchases pending. In Minnesota, the company has agreed to pay \$650 million for a 760-megawatt gas-fired plant. Separately, Xcel intends to pay \$135 million to buy out wind purchased-power contracts totaling 70 mw. The deals require the approval of the state commission and are expected to be completed in the second and fourth quarters of 2019, respectively. Xcel is looking for more opportunities to turn purchased-power wind agreements into owned assets that will be placed in the rate base.

Sometimes it pays to appeal disappointing rate orders. Last year, the New Mexico commission granted Southwestern Public Service (SPS) an \$8 million rate hike, based on a 9.1% return on a 51% common-equity ratio. The utility appealed the decision to the state Supreme Court, which granted a stay of the order. SPS obtained a better ruling, which will boost tariffs by \$12.5 million, based on a 9.56% return on a 54% common-equity ratio, effective at a date to be determined by the commission.

Some rate cases are upcoming. Public Service of Colorado plans to file an electric case this spring. SPS intends to file applications in Texas and New Mexico this summer. Northern States Power will put forth a petition in Minnesota in November. Rate relief is a key factor that is increasing Xcel's earning power. This should enable the company to attain its annual earnings growth target of 5%-7% in 2019 and 2020. Our estimate for this year is at the midpoint of the company's guidance of \$2.55-\$2.65 a share, which would produce an increase of 5%.

The board of directors raised the annual dividend \$0.10 a share (6.6%), effective with the April payment. This increase was greater than in recent years, but the payout ratio is still near the low end of Xcel's target of 60%-70%. The company's goal for annual dividend growth is 5%-7%, the same as for earnings growth.

Xcel Energy stock has our top ranks for Timeliness and Safety, but a dividend yield that is low for a utility. With the recent quotation well within our 2022-2024 Target Price Range, total return potential is unspectacular.

Paul E. Debbas, CFA April 26, 2019

DOMINION ENERGY NYSE:D

RECENT PRICE **75.04** P/E RATIO **31.9** (Trailing: 35.1 Median: 20.0) RELATIVE P/E RATIO **1.87** DIV'D YLD **5.0%** VALUE LINE

| | | | | | | | | | | | | | | | | |
|---|--------------------------------|-----------------------------------|--------------------------|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------------------|
| TIMELINESS 3 Lowered 3/22/19 | SAFETY 2 Raised 9/11/98 | TECHNICAL 1 Raised 5/17/19 | BETA .55 (1.00 = Market) | High: 48.5 Low: 31.3 | 39.8 27.1 | 45.1 36.1 | 53.8 42.1 | 55.6 48.9 | 68.0 51.9 | 80.9 63.1 | 79.9 64.5 | 79.0 66.3 | 85.3 70.9 | 81.7 61.5 | 77.9 67.4 | Target Price 2022 2023 2024 |
| 2022-24 PROJECTIONS | | | | | | | | | | | | | | | | |
| Price High 100 Low 75 Gain (+35%) Ann'l Total Return 11% Options: Yes Shaded area indicates recession | | | | % TOT. RETURN 4/19 THIS STOCK VS. ARITH. INDEX 1 yr. 22.7 3 yr. 23.6 5 yr. 30.9 | | | | | | | | | | | | |
| Insider Decisions to Buy 0 1 0 0 0 1 0 0 2 Options 0 0 0 0 0 14 9 0 to Sell 0 0 0 0 0 0 0 1 | | | | Institutional Decisions 2020H 3Q20H 4Q20H to Buy 525 510 610 to Sell 522 501 457 Hdr's(000) 440764 440541 466553 | | | | | | | | | | | | |

| 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 | 20.85 | 22.25 | Revenues per sh | 23.25 |
| 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 | 6.15 | 8.50 | "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 | 2.35 | 4.50 | 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 | 7.45 | 8.45 | Cap'l Spending per sh | 8.00 |
| 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 | 34.75 | 35.90 | Book Value per sh C | 39.50 |
| 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 | 808.00 | 816.00 | Common Shs Outst'g D | 840.00 |
| 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 | 20.0 | 21.8 | Avg Ann'l P/E Ratio | 17.0 |
| .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 | 1.12 | 1.18 | Relative P/E Ratio | .95 |
| 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% | 4.7% | 4.7% | Avg Ann'l Div'd Yield | 4.7% |
| CAPITAL STRUCTURE as of 3/31/19 Total Debt \$42353 mill. Due in 5 Yrs \$16636 mill. LT Debt \$36861 mill. LT Interest \$1566 mill. (LT interest earned: 2.3x) | | | | | | | | | | | | | | | | | | | |
| Leases, Uncapitalized Annual rentals \$64 mill. Pension Assets-12/18 \$7197 mill. Oblig \$8500 mill. Pfd Stock None Common Stock 802,364,338 shs. as of 4/12/19 MARKET CAP: \$60 billion (Large Cap) | | | | | | | | | | | | | | | | | | | |
| ELECTRIC OPERATING STATISTICS | | | | | | | | | | | | | | | | | | | |
| % Change Retail Sales (KWH) NA NA NA NA Avg. Indust. Use (MWH) NA NA NA NA Avg. Indust. Revs. per KWH (\$) NA NA NA NA Capacity at Peak (Mw) NA NA NA NA Peak Load, Summer (Mw) NA NA NA NA Annual Load Factor (%) NA NA NA NA % Change Customers (yr-end) NA NA NA NA | | | | | | | | | | | | | | | | | | | |
| Fixed Charge Cov. (%) 310 287 219 | | | | | | | | | | | | | | | | | | | |
| ANNUAL RATES Past Past Est'd '16-'18 of change (per sh) 10 Yrs. 5 Yrs. to '22-'24 Revenues -3.0% -4.0% 3.0% "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% | | | | | | | | | | | | | | | | | | | |
| BUSINESS: Dominion Energy, Inc. (formerly Dominion Resources) is a holding company for Virginia Power, North Carolina Power, & South Carolina E&G, which serves 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 empl's. 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. | | | | | | | | | | | | | | | | | | | |

| Cal-endar | QUARTERLY REVENUES (\$ mill.) | Full Year |
|-----------|-------------------------------|-----------|
| | Mar.31 Jun.30 Sep.30 Dec.31 | |
| 2016 | 2921 2598 3132 3086 | 11737 |
| 2017 | 3384 2813 3179 3210 | 12586 |
| 2018 | 3466 3088 3451 3361 | 13366 |
| 2019 | 3858 3992 4500 4500 | 16850 |
| 2020 | 4550 4200 4700 4700 | 18150 |

| Cal-endar | EARNINGS PER SHARE A | Full Year |
|-----------|-----------------------------|-----------|
| | Mar.31 Jun.30 Sep.30 Dec.31 | |
| 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 .49 1.15 1.05 | 2.35 |
| 2020 | 1.25 .95 1.20 1.10 | 4.50 |

| Cal-endar | QUARTERLY DIVIDENDS PAID B | Full Year |
|-----------|-----------------------------|-----------|
| | Mar.31 Jun.30 Sep.30 Dec.31 | |
| 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 | |

(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, (52¢); losses from disc. ops.: '06, 26¢; '07, 1¢; '10, 26¢; '12, 4¢; '13, 16¢. Next earnings report due early Aug. (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 55
 Earnings Predictability 95

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EDISON INTERNAT'L NYSE-EIX

RECENT PRICE **64.44** P/E RATIO **NMF** (Trailing:NMF Median: 13.0) RELATIVE P/E RATIO **NMF** DIV'D YLD **3.8%** VALUE LINE

| | | | | | | | | | | | | | | |
|-------------------------------------|--|------------------------------|--------|------|------|------|------|------|------|------|------|------|--------------|-------|
| TIMELINESS 4 Lowered 4/12/19 | High: 55.7 | 36.7 | 39.4 | 41.6 | 48.0 | 54.2 | 68.7 | 69.6 | 78.7 | 83.4 | 71.0 | 67.4 | Target Price | Range |
| SAFETY 3 Lowered 11/23/18 | Low: 26.7 | 23.1 | 30.4 | 32.6 | 39.6 | 44.3 | 44.7 | 55.2 | 58.0 | 62.7 | 45.5 | 53.4 | 2022 | 2023 |
| TECHNICAL 3 Raised 4/19/19 | | | | | | | | | | | | | | |
| BETA .60 (1.00 = Market) | <p>LEGENDS: 1.00 x Dividends p sh divided by Interest Rate; Relative Price Strength; Options: Yes; Shaded area indicates recession</p> | | | | | | | | | | | | | |
| 2022-24 PROJECTIONS | | | | | | | | | | | | | | |
| High Price 80 (+25%) | Gain 9% | Ann'l Total Return 9% | | | | | | | | | | | | |
| Low Price 55 (-15%) | Gain -15% | Ann'l Total Return 7% | | | | | | | | | | | | |
| Insider Decisions | | | | | | | | | | | | | | |
| J A S O N D J F | | | | | | | | | | | | | | |
| to Buy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Options | 0 | 1 | 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 | 0 | 0 |
| Institutional Decisions | | | | | | | | | | | | | | |
| 2021H | 2021L | 2021F | 2021S | | | | | | | | | | | |
| to Buy | 243 | 260 | 270 | | | | | | | | | | | |
| to Sell | 309 | 274 | 302 | | | | | | | | | | | |
| Hits(100) | 267522 | 272442 | 272637 | | | | | | | | | | | |
| Percent shares traded | 30 | 20 | 10 | | | | | | | | | | | |
| % TOT. RETURN 3/19 | | | | | | | | | | | | | | |
| THIS STOCK VS. ASMTL. INDEX | | | | | | | | | | | | | | |
| 1 yr. | 1.1 | 2.7 | | | | | | | | | | | | |
| 3 yr. | -4.9 | 35.5 | | | | | | | | | | | | |
| 5 yr. | 27.5 | 37.5 | | | | | | | | | | | | |

| 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 | 41.75 | 43.75 | Revenues per sh | 51.00 | |
| 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 | 10.85 | 11.25 | "Cash Flow" per sh | 13.50 | |
| 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 | 4.50 | 4.60 | 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 | 2.45 | 2.45 | Div'd Decl'd per sh B | 2.70 | |
| 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 | 15.05 | 14.90 | Cap'l Spending per sh | 16.25 | |
| 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 | 33.60 | 35.15 | Book Value per sh C | 41.25 | |
| 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 | 325.81 | 325.81 | 325.81 | Common Shs Outst'g D | 325.81 |
| 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 | 17.2 | 17.2 | 17.2 | Avg Ann'l P/E Ratio | 12.5 | |
| .40 | 1.99 | .62 | .70 | .85 | .75 | .65 | .66 | .74 | .62 | .71 | .68 | .75 | .94 | .87 | .85 | .85 | .85 | 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% | | | Avg Ann'l Div'd Yield | 4.0% | |
| CAPITAL STRUCTURE as of 12/31/18 | | | | | | | | | | | | | | | | | | | | |
| Total Debt \$15431 mill. Due in 5 Yrs \$4371 mill. | | | | | | | | | | | | | | | | | | | | |
| LT Debt \$14632 mill. LT Interest \$702 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%, \$100 liq. value; 460,012 sh. 5.1%-5.75%, \$250 liq. value. | | | | | | | | | | | | | | | | | | | | |
| Common Stock 325,811,206 sh. as of 2/26/19 | | | | | | | | | | | | | | | | | | | | |
| MARKET CAP: \$21 billion (Large Cap) | | | | | | | | | | | | | | | | | | | | |
| 12374 | 12409 | 12760 | 11862 | 12581 | 13413 | 11524 | 11869 | 12320 | 12657 | 13600 | 14250 | 16600 | 16300 | 16300 | 16300 | 16300 | 16300 | Revenues (\$mill) | 16600 | |
| 1115.0 | 1153.0 | 1112.0 | 1594.0 | 1344.0 | 1539.0 | 1480.0 | 1422.0 | 1603.0 | d290.0 | 1610 | 1630 | 1950 | 1950 | 1950 | 1950 | 1950 | 1950 | Net Profit (\$mill) | 1950 | |
| 33.0% | 32.1% | 25.7% | 14.3% | 25.2% | 22.4% | 6.6% | 11.1% | 5.0% | 5.0% | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% | 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% | 7.2% | 10.0% | 9.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | AFUDC % to Net Profit | 8.0% | |
| 49.3% | 51.8% | 55.3% | 45.2% | 45.7% | 44.1% | 45.0% | 41.8% | 45.6% | 53.6% | 53.5% | 53.5% | 52.0% | 52.0% | 52.0% | 52.0% | 52.0% | 52.0% | Long-Term Debt Ratio | 52.0% | |
| 46.5% | 44.3% | 40.6% | 46.2% | 46.2% | 47.2% | 46.7% | 49.2% | 45.8% | 38.3% | 38.5% | 39.0% | 41.0% | 41.0% | 41.0% | 41.0% | 41.0% | 41.0% | Common Equity Ratio | 41.0% | |
| 21185 | 23861 | 24773 | 20422 | 21516 | 23216 | 24352 | 24362 | 25506 | 27284 | 28275 | 29275 | 32800 | 32800 | 32800 | 32800 | 32800 | 32800 | Total Capital (\$mill) | 32800 | |
| 21966 | 24778 | 32116 | 30273 | 30455 | 32981 | 35085 | 37000 | 39050 | 41348 | 44200 | 46900 | 55100 | 55100 | 55100 | 55100 | 55100 | 55100 | Net Plant (\$mill) | 55100 | |
| 6.9% | 6.3% | 6.0% | 8.9% | 7.3% | 7.7% | 7.1% | 6.9% | 7.3% | 1.1% | 7.0% | 7.0% | 7.0% | 7.0% | 7.0% | 7.0% | 7.0% | 7.0% | Return on Total Cap'l | 7.0% | |
| 10.4% | 10.0% | 10.0% | 14.2% | 11.5% | 11.9% | 11.1% | 10.0% | 11.6% | NMF | 12.5% | 12.0% | 12.5% | 12.5% | 12.5% | 12.5% | 12.5% | 12.5% | Return on Shr. Equity | 12.5% | |
| 10.8% | 10.4% | 10.5% | 15.9% | 12.5% | 13.0% | 12.0% | 10.8% | 12.7% | NMF | 13.5% | 13.0% | 13.5% | 13.5% | 13.5% | 13.5% | 13.5% | 13.5% | Return on Com Equity E | 13.5% | |
| 6.7% | 6.5% | 6.3% | 11.4% | 8.1% | 8.8% | 7.2% | 5.6% | 6.6% | NMF | 6.5% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | Retained to Com Eq | 7.0% | |
| 41% | 40% | 43% | 32% | 40% | 37% | 44% | 53% | 52% | NMF | 57% | 56% | 52% | 52% | 52% | 52% | 52% | 52% | All Div'ds to Net Prof | 52% | |

| ELECTRIC OPERATING STATISTICS | | | |
|-------------------------------|-------|-------|-------|
| | 2016 | 2017 | 2018 |
| % Change Retail Sales (KWH) | -2.6 | +2 | -4 |
| Avg. Indust. Use (MWH) | 664 | 643 | 667 |
| Avg. Indust. Rev. 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 |

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. Pizarro. Inc.: CA. Address: 2244 Walnut Grove Ave., P.O. Box 976, Rosemead, CA 91770. Tel.: 626-302-2222. Web: www.edison.com.

Liabilities associated with wildfires in California remain an overriding concern for investors in Edison International stock. In the fourth quarter of 2018, the company took an aftertax charge of \$1.8 billion (\$5.60 a share) for potential liabilities associated with wildfires in the service area of Southern California Edison. This represented its *minimum* estimate of these liabilities; the maximum is unknown. The problem is made worse by California's inverse condemnation law. Under inverse condemnation, utilities may be held liable for damage if their equipment contributed to the fire. The company is trying to argue in court (unsuccessfully, so far) that inverse condemnation does not apply because there is no assurance that it will recover the costs from customers. Too, SCE is disputing the conclusions of a report about the causes of a wildfire in its service area in 2017. The credit-rating agencies lowered the ratings of the securities of the parent and SCE. In fact, the utility's preferred stock is now rated below investment grade. We are including any wildfire-related expenses or insurance recoveries in our earnings presentation.

What about the dividend? In December of 2018, the board of directors declared a much smaller hike than in recent years. This year, there might not be a raise at all. In fact, if developments get worse, we don't rule out the possibility of a cut in the disbursement. Accordingly, we are showing a split dividend at the top of the page. **A ruling on the utility's general rate case might come soon.** SCE requested a \$106 million reduction for 2018, followed by hikes of \$431 million and \$503 million in 2019 and 2020, respectively. The order will be retroactive to the start of 2018. **SCE made a cost-of-capital filing with the California commission shortly after our press date.** The company has not issued common equity for many years, but might do so in view of its declining common-equity ratio and eventual cash needs for wildfire liabilities. The utility is already asking the Federal Energy Regulatory Commission to raise its allowed ROE to 17.12%, well above today's level. **Investors should look elsewhere.** The wildfire risk makes the stock more volatile than its Price Stability Index suggests. *Paul E. Debbas, CFA April 26, 2019*

| ANNUAL RATES | | | | |
|--------------|--------------|-------------|---------------|---------|
| | Past 10 Yrs. | Past 5 Yrs. | Est'd '16-'18 | '22-'24 |
| Revenues | -1.0% | -- | 5.0% | |
| "Cash Flow" | 1.5% | -1.0% | 7.5% | |
| Earnings | -3.5% | -9.0% | NMF | |
| Dividends | 6.5% | 11.0% | 3.5% | |
| Book Value | 3.0% | 3.0% | 3.0% | |

| Cal-endar | QUARTERLY REVENUES (\$ mill.) | | | | Full Year |
|-----------|-------------------------------|--------|--------|--------|-----------|
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | |
| 2016 | 2440 | 2777 | 3767 | 2885 | 11869 |
| 2017 | 2463 | 2965 | 3672 | 3220 | 12320 |
| 2018 | 2564 | 2815 | 4269 | 3009 | 12657 |
| 2019 | 2700 | 3050 | 4500 | 3350 | 13600 |
| 2020 | 2900 | 3100 | 4700 | 3550 | 14250 |

| Cal-endar | EARNINGS PER SHARE A | | | | Full Year |
|-----------|----------------------|--------|--------|--------|-----------|
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | |
| 2016 | .85 | .86 | 1.27 | .96 | 3.94 |
| 2017 | 1.11 | .85 | 1.43 | 1.12 | 4.51 |
| 2018 | .82 | .84 | 1.57 | 0.49 | d1.26 |
| 2019 | 1.15 | .90 | 1.40 | 1.05 | 4.50 |
| 2020 | 1.20 | .80 | 1.50 | 1.10 | 4.60 |

| Cal-endar | QUARTERLY DIVIDENDS PAID B | | | | Full Year |
|-----------|----------------------------|--------|--------|--------|-----------|
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | |
| 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 | | | |

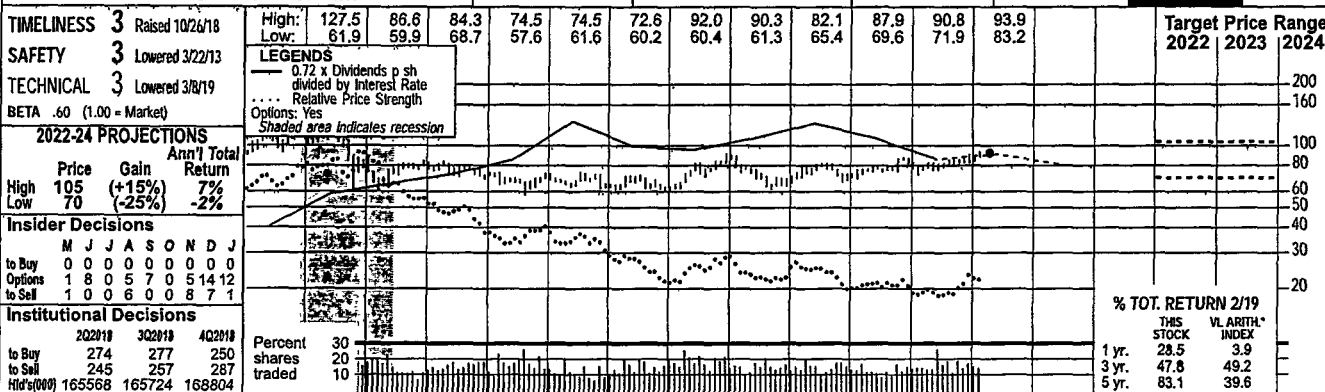
(A) Diluted EPS. Excl. nonrec. gains (losses): '03, (12¢); '04, \$2.12; '09, (64¢); '10, 54¢; '11, (\$3.33); '13, (\$1.12); '15, (\$1.18); '17, (\$1.37); '18, (15¢); gains (loss) from discontinued operations: '12, (\$5.11); '13, 11¢; '14, 57¢; '15, 11¢; '18, 10¢. Next earnings report due late April. (B) Div'ds paid late Jan., Apr., July, & Oct. (C) Div'd reinvestment plan avail. (D) Incl. deferred charges. In '18: \$16.51/sh. (E) In millions. (F) Rate based: 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 **65**

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ENTERGY CORP. NYSE-ETR

RECENT PRICE **92.17** P/E RATIO **22.8** (Trailing: 15.7 Median: 12.0) RELATIVE P/E RATIO **1.33** DIV'D YLD **4.0%** VALUE LINE



| Year | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Price | 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 | 55.00 | 54.25 | 54.25 | 54.25 | 54.25 | 54.25 |
| Gain | 7.43 | 8.33 | 8.18 | 10.89 | 11.73 | 12.89 | 13.29 | 16.54 | 17.53 | 15.98 | 16.25 | 17.68 | 17.71 | 18.72 | 16.70 | 16.50 | 14.65 | 16.40 | 16.40 | 16.40 | 16.40 | 16.40 |
| Loss | 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 | 4.05 | 5.30 | 5.30 | 5.30 | 5.30 | 5.30 |
| Low | 1.80 | 1.99 | 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 | 3.58 | 3.74 | 3.74 | 3.74 | 3.74 | 3.74 |
| High | 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 | 23.20 | 17.40 | 17.40 | 17.40 | 17.40 | 17.40 |
| Low | 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 | 49.65 | 51.20 | 51.20 | 51.20 | 51.20 | 51.20 |
| High | 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 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 |
| Low | 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 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 |
| High | .79 | .80 | .87 | .77 | 1.02 | 1.00 | .80 | .74 | .57 | .71 | .74 | .68 | .63 | .57 | .75 | .74 | .75 | .75 | .75 | .75 | .75 | .75 |
| Low | 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% | 4.5% | 4.5% | 4.5% | 4.5% | 4.5% | 4.5% |

| Year | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|------------------------|--------|--------|--------|--------|-------|--------|--------|-------|--------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Revenue | 10746 | 11488 | 11229 | 10302 | 11391 | 11391 | 10919 | 904.5 | 1061.2 | 1249.8 | 11074 | 11009 | 11000 | 10850 | 10850 | 10850 | 10850 | 10850 | 10850 | 10850 | 10850 | 10850 |
| Net Profit | 1251.1 | 1270.3 | 1367.4 | 1091.9 | 904.5 | 1061.2 | 1249.8 | 11074 | 11009 | 11000 | 10850 | 10850 | 10850 | 10850 | 10850 | 10850 | 10850 | 10850 | 10850 | 10850 | 10850 | 10850 |
| Income Tax Rate | 33.6% | 32.7% | 17.3% | 13.0% | 26.7% | 37.8% | 2.2% | 11.3% | 1.8% | NMF | 23.0% | 24.0% | 24.0% | 24.0% | 24.0% | 24.0% | 24.0% | 24.0% | 24.0% | 24.0% | 24.0% | 24.0% |
| AFUDC % to Net Profit | 7.4% | 7.4% | 8.9% | 11.9% | 10.1% | 9.3% | 7.4% | 8.1% | 14.7% | 17.5% | 25.0% | 14.0% | 14.0% | 14.0% | 14.0% | 14.0% | 14.0% | 14.0% | 14.0% | 14.0% | 14.0% | 14.0% |
| Long-Term Debt Ratio | 55.3% | 56.3% | 52.2% | 55.8% | 55.1% | 54.9% | 57.8% | 63.6% | 63.6% | 63.6% | 63.6% | 63.6% | 63.6% | 63.6% | 63.6% | 63.6% | 63.6% | 63.6% | 63.6% | 63.6% | 63.6% | 63.6% |
| Common Equity Ratio | 43.1% | 42.1% | 46.4% | 42.9% | 43.6% | 43.8% | 40.8% | 35.5% | 35.5% | 35.5% | 35.5% | 37.0% | 37.0% | 37.0% | 37.0% | 37.0% | 37.0% | 37.0% | 37.0% | 37.0% | 37.0% | 37.0% |
| Total Capital (\$mill) | 19985 | 20166 | 19324 | 21432 | 22109 | 22842 | 22714 | 22777 | 22528 | 24602 | 26950 | 27750 | 27750 | 27750 | 27750 | 27750 | 27750 | 27750 | 27750 | 27750 | 27750 | 27750 |
| Net Plant (\$mill) | 23389 | 23848 | 25609 | 27299 | 27882 | 28723 | 27824 | 27921 | 29664 | 31974 | 34525 | 35825 | 35825 | 35825 | 35825 | 35825 | 35825 | 35825 | 35825 | 35825 | 35825 | 35825 |
| Return on Total Cap'l | 7.6% | 7.7% | 8.5% | 6.4% | 5.4% | 6.0% | 6.0% | 6.9% | 5.7% | 5.8% | 4.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% |
| Return on Shr. Equity | 14.0% | 14.4% | 14.8% | 11.5% | 9.1% | 10.3% | 11.1% | 15.1% | 11.6% | 12.0% | 8.0% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% |
| Return on Com Equity | 14.3% | 14.7% | 15.0% | 11.6% | 9.2% | 10.4% | 11.2% | 15.2% | 11.7% | 12.2% | 8.0% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% |
| Retained to Com Eq | 7.6% | 7.6% | 8.4% | 5.2% | 3.0% | 4.4% | 4.8% | 7.7% | 3.9% | 4.9% | 1.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| All Div'ds to Net Prof | 48% | 49% | 45% | 56% | 68% | 58% | 58% | 58% | 68% | 61% | 90% | 71% | 71% | 71% | 71% | 71% | 71% | 71% | 71% | 71% | 71% | 71% |

CAPITAL STRUCTURE as of 12/31/18
 Total Debt \$18133 mill. Due in 5 Yrs \$7508.8 mill.
 LT Debt \$15539 mill. LT Interest \$719.0 mill.
 Incl. \$462.9 mill. of securitization bonds and \$20.4 mill. of capitalized leases.
 (LT interest not earned.)
 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 189,580,512 shs. as of 1/31/19
 MARKET CAP: \$17 billion (Large Cap)

| Year | 2016 | 2017 | 2018 |
|------------------------------|-------|-------|------|
| % Change Retail Sales (KWH) | +3 | +2 | +4.1 |
| Avg. Indust. Use (MWH) | 989 | 1034 | NA |
| Avg. Indust. Rev. per KWH(¢) | 5.09 | 5.41 | NA |
| Capacity at Peak (Mw) | 24656 | 24279 | NA |
| Peak Load, Summer (Mw) | 21387 | 21671 | NA |
| Annual Load Factor (%) | 63 | 62 | NA |
| % Change Customers (yr-end) | +8 | +6 | +6 |

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.

Investors should not be surprised if Entergy's earnings decline this year. We estimate that the tax rate will be much higher than in 2018. We note, too, that our estimate of \$4.05 a share is well below the company's guidance of \$5.10-\$5.50 because we include costs associated with management's decision to close and sell its non-regulated nuclear facilities. Overall, these costs, and tax credits that Entergy has recorded in recent years make the company's earnings more unpredictable than its Earnings Predictability Index suggests. We figure a decline in these expenses, and improvement from the utility operations, will produce greater profits in 2020.

The company's utilities are benefiting from rate relief. The regulatory commissions in Arkansas and Texas approved settlements in each state. In Arkansas, a \$67 million increase took effect in early 2019, and in Texas, rates were reduced \$69 million, but this includes \$122 million of lower federal taxes that are being passed through to customers. In New Orleans, Entergy filed for a hike of \$10 million, based on returns on equity of 10.5% (electric) and 10.75% (gas). New tariffs are expected to take effect in August.

Entergy is selling the nuclear units it is closing. The Vermont Yankee sale has closed, and others will be completed after the facilities are shut. The Pilgrim plant will be closed at the end of May, the two Indian Point units in 2020 and 2021, and Palisades in 2022. Selling the plants reduces operating risk because the buyers will be responsible for decommissioning them. But these deals can result in charges to earnings because the decommissioning trusts are sold at a big discount to asset value. That's how the buyers make money on these deals.

The company is adding gas-fired generating capacity. Entergy's utility plan to spend over \$3.5 billion to build or buy six plants from 2019 through 2021.

This stock has a dividend yield that is about a half percentage point above the utility mean. This gap has become narrower in recent years as Entergy has continued its transition to an entirely regulated company. However, dividend growth is coming slowly, and total return potential to 2022-2024 is unimpressive.

Paul E. Debbas, CFA March 15, 2019

| Cal-endar | 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 | 2750 | 2650 | 3100 | 2500 | 11000 |
| 2020 | 2800 | 2650 | 3000 | 2400 | 10850 |

| Cal-endar | 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 | .65 | 1.20 | 1.80 | .40 | 4.05 |
| 2020 | 1.00 | 1.45 | 2.15 | .70 | 5.40 |

| Cal-endar | 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 | | | | |

(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 May. (B) Div'ds historically paid in 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 mill. (E) Rate base: Net original cost. Allowed ROE (blended): 9.95%; earned on avg. com. eq., '18: 12.6%. Regulatory Climate: Average.

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| Company's Financial Strength | B++ |
|------------------------------|-----|
| Stock's Price Stability | 95 |
| Price Growth Persistence | 10 |
| Earnings Predictability | 60 |

IDACORP, INC. NYSE:IDA

RECENT PRICE **97.48** P/E RATIO **23.1** (Trailing: 21.7 Median: 14.0) RELATIVE P/E RATIO **1.29** DIVD YLD **2.7%** VALUE LINE

| | | | | | | | | | | | | | | | | |
|---|--|------|------|------|------|------|------|------|------|-------|-------|-------|---|--------------|-------|------|
| TIMELINESS 3 Lowered 3/1/19 | High: 35.1 | 32.8 | 37.8 | 42.7 | 45.7 | 54.7 | 70.1 | 70.5 | 83.4 | 100.0 | 102.4 | 102.0 | | Target Price | Range | |
| SAFETY 2 Raised 8/2/13 | 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 | | 2022 | 2023 | 2024 |
| TECHNICAL 1 Raised 4/26/19 | LEGENDS 0.80 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession | | | | | | | | | | | | | | | |
| BETA .60 (1.00 = Market) | 2022-24 PROJECTIONS Price Gain Ann'l Total High 95 (-5%) 3% Low 70 (-30%) -4% | | | | | | | | | | | | | | | |
| Insider Decisions J J A S O N D J F to Buy 0 0 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 0 0 to Sell 1 0 0 0 0 1 0 0 0 0 | | | | | | | | | | | | | % TOT. RETURN 3/19 THIS STOCK VL ARITH. INDEX 1 yr. 15.7 2.7 3 yr. 44.5 35.5 5 yr. 106.4 37.5 | | | |
| Institutional Decisions 2021:18 3Q2018 4Q2018 to Buy 145 142 160 to Sell 121 136 143 Hrs(000) 38770 39319 38724 | | | | | | | | | | | | | Percent shares traded 15 10 5 | | | |

| 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 | 27.70 | 28.15 | Revenues per sh | 30.25 |
| 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 | 7.85 | 8.20 | "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 | 4.40 | 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 | 2.72 | Div'd Decl'd per sh B =† | 3.20 |
| 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 | 48.80 | 50.65 | Book Value per sh C | 56.50 |
| 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 Value Line estimates | | Avg Ann'l P/E Ratio | 16.0 |
| 1.51 | .82 | .89 | .82 | .97 | .84 | .88 | .75 | .72 | .79 | .75 | .77 | .82 | 1.00 | 1.04 | 1.10 | | | Relative P/E Ratio | .90 |
| 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% | | | Avg Ann'l Div'd Yield | 3.8% |
| CAPITAL STRUCTURE as of 12/31/18 | | | | 1049.8 | 1036.0 | 1026.8 | 1080.7 | 1246.2 | 1282.5 | 1270.3 | 1262.0 | 1349.5 | 1370.8 | 1395 | 1420 | Revenues (\$mill) | | 1520 | |
| Total Debt \$1834.8 mill. Due in 5 Yrs \$250.0 mill. | | | | 124.4 | 142.5 | 166.9 | 168.9 | 182.4 | 193.5 | 194.7 | 198.3 | 212.4 | 226.8 | 225 | 235 | Net Profit (\$mill) | | 270 | |
| LT Debt \$1834.8 mill. LT Interest \$85.4 mill. (LT interest earned: 3.5x) | | | | 15.2% | -- | -- | 13.4% | 28.3% | 8.0% | 19.0% | 15.5% | 18.6% | 7.1% | 14.0% | 14.0% | Income Tax Rate | | 14.0% | |
| Pension Assets-12/18 \$650.6 mill. Oblig \$951.9 mill. | | | | 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% | |
| Pfd Stock None | | | | 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 | | 43.0% | |
| Common Stock 50,383,366 shs. as of 2/15/19 | | | | 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 | | 57.0% | |
| MARKET CAP: \$4.9 billion (Mid Cap) | | | | 2807.1 | 3020.4 | 3045.2 | 3225.4 | 3465.9 | 3567.6 | 3783.3 | 3898.5 | 3997.5 | 4205.1 | 4195 | 4490 | Total Capital (\$mill) | | 5000 | |
| ELECTRIC OPERATING STATISTICS | | | | 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 | |
| Fixed Charge Cov. (%) | | | | 295 | 329 | 309 | | | | | | | | | | | | | |
| ANNUAL RATES | | | | Past 10 Yrs. | | Past 5 Yrs. | | Est'd '16-'18 to '22-'24 | | | | | | | | | | | |
| of change (per sh) | | | | 2.5% | | 3.5% | | 2.5% | | | | | | | | | | | |
| Revenues | | | | 5.5% | | 4.0% | | 4.0% | | | | | | | | | | | |
| "Cash Flow" | | | | 7.0% | | 4.0% | | 3.5% | | | | | | | | | | | |
| Earnings | | | | 6.5% | | 10.0% | | 6.0% | | | | | | | | | | | |
| Dividends | | | | 5.5% | | 5.0% | | 4.0% | | | | | | | | | | | |
| Book Value | | | | 5.5% | | 10.0% | | 4.0% | | | | | | | | | | | |

| Cal-endar | 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 | 315 | 345 | 420 | 315 | 1395 |
| 2020 | 320 | 350 | 430 | 320 | 1420 |
| Cal-endar | 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 | .65 | 1.15 | 1.90 | .70 | 4.40 |
| 2020 | .70 | 1.20 | 2.00 | .70 | 4.60 |
| Cal-endar | 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 | | | | |

Investors should not be surprised if IDACORP's earnings decline moderately in 2019. A year ago, a tax credit made the tax rate unusually low. In addition, 2018 was one of those years in which just about everything that could go right did go right. The company's original target for last year's earnings was \$4.20-\$4.30 a share, but the bottom line wound up at \$4.49 a share. Thus, the year-to-year comparison will be difficult. Our previous estimate of \$4.55 a share was probably too optimistic, so we lowered our estimate by \$0.15 a share, to \$4.40. Our revised estimate is within the company's guidance of \$4.30-\$4.45 a share.

The economy in Idaho Power's service area is vibrant. The Electric Operating Statistics box shows that the utility's customer growth rate is not just high, but accelerating. Low electric rates are one reason why several companies and institutions are moving to the service area or expanding their operations. Even so, Idaho Power's generating capacity is more than adequate to serve its growing load. We think growth in the service area, along with effective expense control, will produce

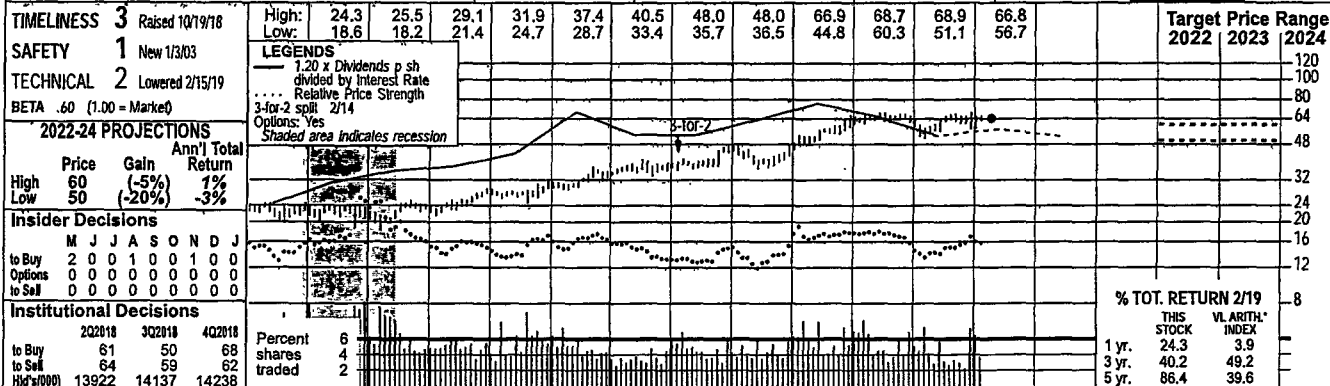
a respectable profit increase in 2020. **A regulatory mechanism is available to augment the utility's income, if needed.** Each year, Idaho Power may use up to \$25 million of accumulated deferred investment tax credits if its return on equity falls below 9.5% (9.4% beginning in 2020). The company expects to book under \$5 million of these credits this year. **Finances are sound.** The fixed-charge coverage is healthy, and the common-equity ratio is high. IDACORP hasn't needed to add equity for several years, and we expect no such issuances over the 3- to 5-year period. The company merits a Financial Strength rating of A. **This stock has a high valuation.** The dividend yield, at 2.7%, is low, by utility standards. The relative price-earnings ratio is higher than in any year since 2003, and profits were depressed that year. The recent quotation is above our 2022-2024 Target Price Range. Perhaps this reflects some takeover speculation, but we do not advise purchasing the equity in the hope that IDACORP will receive a takeover offer.

Paul E. Debbas, CFA April 26, 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 May. (B) Div'ds historically paid in late Feb., May, Aug., and Nov. # Div'd 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 90 Earnings Predictability 95 © 2019 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product. To subscribe call 1-800-VALUELINE

MGE ENERGY INC. NDQ-MGEE

RECENT PRICE **64.49** P/E RATIO **25.4** (Trailing: 26.5 Median: 18.0) RELATIVE P/E RATIO **1.49** DIV'D YLD **2.1%** VALUE LINE



| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 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 | 16.70 | 17.45 | 16.70 | 17.45 | 16.70 | 17.45 |
| 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 | 4.30 | 4.70 | 4.30 | 4.70 | 4.30 | 4.70 |
| 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 | 2.80 | 2.60 | 2.80 | 2.60 | 2.80 |
| .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 | 1.38 | 1.45 | 1.38 | 1.45 |
| 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 | 6.45 | 6.85 | 6.45 | 6.85 | 6.45 | 6.85 |
| 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 | 24.55 | 26.00 | 24.55 | 26.00 | 24.55 | 26.00 |
| 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 | 35.00 | 34.67 | 35.00 | 34.67 | 35.00 |
| 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 | 25.1 | 25.1 | 25.1 | 25.1 | 25.1 | 25.1 |
| 1.00 | .95 | 1.19 | .86 | .80 | .85 | 1.01 | .95 | .99 | 1.09 | .96 | .91 | 1.02 | 1.31 | 1.48 | 1.35 | 1.35 | 1.35 | 1.35 | 1.35 | 1.35 | 1.35 |
| 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% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |

CAPITAL STRUCTURE as of 12/31/18
 Total Debt \$510.9 mill. Due in 5 Yrs \$81.9 mill.
 LT Debt \$493.3 mill. LT Interest \$20.0 mill.
 (Total Interest earned: 6.7x)

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 2/1/19

MARKET CAP: \$2.2 billion (Mid Cap)

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. Rev. per KWH (\$) | 7.55 | 8.23 | 7.70 |
| Capacity at Peak (MW) | NA | NA | NA |
| Peak Load, Summer (MW) | 783 | 783 | 783 |
| Annual Load Factor (%) | NA | NA | NA |
| % Change Customers (avg.) | NA | NA | NA |

ANNUAL RATES of change (per sh)

| | Past 10 Yrs. | Past 5 Yrs. | Est'd '16-'18 |
|-------------|--------------|-------------|---------------|
| Revenues | -5% | - | 4.5% |
| "Cash Flow" | 4.0% | 4.0% | 7.0% |
| Earnings | 4.5% | 3.5% | 7.5% |
| Dividends | 3.0% | 4.0% | 4.5% |
| Book Value | 5.5% | 6.0% | 6.0% |

QUARTERLY REVENUES (\$ mill.)

| Cal-endar | 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 | 162 | 130 | 145 | 148 | 585 |
| 2020 | 168 | 135 | 152 | 155 | 610 |

EARNINGS PER SHARE ^

| Cal-endar | 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 | .62 | .57 | .88 | .53 | 2.60 |
| 2020 | .67 | .62 | .93 | .58 | 2.80 |

QUARTERLY DIVIDENDS PAID ^

| Cal-endar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|-----------|--------|--------|--------|--------|-----------|
| 2015 | .2825 | .2825 | .2950 | .2950 | 1.16 |
| 2016 | .2950 | .2950 | .3075 | .3075 | 1.21 |
| 2017 | .3075 | .3075 | .3225 | .3225 | 1.26 |
| 2018 | .3225 | .3225 | .3375 | .3375 | 1.32 |
| 2019 | | | | | |

BUSINESS: MGE Energy, Inc. is a holding company for Madison Gas and Electric. It provides electric service to about 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, 52%; industrial, 4%; public authorities, 9%. Generating sources, '17: coal, 52%; purchased

Shares of MGE Energy have recovered nicely in price in recent months, following a selloff in December. The company posted a healthy bottom-line advance for the December quarter, despite a flat revenue comparison. Growth in the residential customer base and a measure of cost control supported performance here during the period. The story was similar for full-year 2018. The top line slipped slightly, but earnings per share advanced 10%. Favorable weather during the year benefited the bottom line. **Prospects for the company appear fairly bright.** We anticipate favorable comparisons in the coming quarters, and solid growth in revenues and earnings per share for full-year 2019. Performance ought to remain favorable from 2020 onward. MGE's utility operations should further benefit from attractive demographics in their service territories. This includes healthy population growth and low unemployment in its operating areas. Investment in operations should continue to bear fruit, as well. The Saratoga Wind Farm (located near Saratoga, Iowa) was expected to be completed in February of 2019 at

a cost of roughly \$112 million. This operation consists of 33 turbines that generate 66 megawatts of power. Meanwhile, the company's stake in the Forward Wind Energy Center should provide access to renewable energy for an additional fifteen years. Elsewhere, MGE's transmission investments ought to further benefit earnings. Investments in solar power as well as energy technologies also appear to offer promise. **This stock is ranked to perform in line with the broader market averages for the coming six to 12 months.** Looking further out, the shares lack long-term appreciation potential from the recent quotation. The equity continues to trade at a fairly rich valuation, based on its price-to-earnings multiple. Moreover, the dividend yield is below average for a utility. On the bright side, MGE Energy earns good marks for Safety, Financial Strength, Price Stability, and Earnings Predictability. Volatility is subdued, as well. A selloff some time in the future may offer conservative, income-oriented investors a more attractive entry point.

Michael Napoli, CFA March 15, 2019

| Company's Financial Strength | A |
|------------------------------|----|
| Stock's Price Stability | 85 |
| Price Growth Persistence | 65 |
| Earnings Predictability | 95 |

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(A) Diluted earnings. Excludes nonrecurring: '17, 62¢. Next earnings report due early May. (B) Dividends historically paid in mid-March, June, September, and December. (C) In millions, adjusted for split. (D) Rate allowed on common equity in '17: 9.8%; earned on common equity, '17: 12.5%. Regulatory Climate: Above Average. (E) Includes regulatory assets. In 2017: \$154.9 mill., \$4.47 per share.

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| PPL CORPORATION NYSE-PPL | | RECENT PRICE | 30.96 | P/E RATIO | 13.2 (Trailing: 12.1 Median: 13.0) | RELATIVE P/E RATIO | 0.77 | DIV'D YLD | 5.3% | VALUE LINE | | | | | | | | | | | |
|--|---------------------------------------|---|--------|--------------------|---|--------------------|--------|-----------|--------|------------|--------|--------|--------|----------------|--------------------|---------------------------------------|--------|----------------------------------|--------|--|----|
| TIMELINESS | 3 Lowered 5/17/19 | High: 55.2 | 34.4 | 33.1 | 30.3 | 30.2 | 33.6 | 38.1 | 36.7 | 39.9 | 40.2 | 32.5 | 32.9 | Target Price | Range | | | | | | |
| SAFETY | 2 Raised 8/21/15 | 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 | 2022 | 2023 | 2024 | | | | | |
| TECHNICAL | 1 Raised 4/26/19 | LEGENDS 0.70 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession | | | | | | | | | | 80 | | | | | | | | | |
| BETA | .70 (1.00 = Market) | 2022-24 PROJECTIONS | | | | | | | | | | 60 | | | | | | | | | |
| 2022-24 PROJECTIONS | | Price | Gain | Ann'l Total Return | Chart showing price, gain, and return from 2003 to 2024 | | | | | | | | | | 50 | | | | | | |
| High | 45 (+45%) | 35 | +15% | 14% | | | | | | | | | | | 40 | | | | | | |
| Low | 35 | | | 8% | | | | | | | | | | | 30 | | | | | | |
| Insider Decisions | | J | A | S | O | N | D | J | F | M | | | | | | | | | | | 25 |
| to Buy | 0 0 0 0 0 0 0 0 0 0 | | | | | | | | | | | 15 | | | | | | | | | |
| Options | 0 0 0 0 0 1 6 0 3 | | | | | | | | | | | 10 | | | | | | | | | |
| to Sell | 0 0 0 0 0 2 2 1 1 | | | | | | | | | | | 7.5 | | | | | | | | | |
| Institutional Decisions | | 2020H1 | 3Q2018 | 4Q2018 | | | | | | | | | | | % TOT. RETURN 4/19 | | | | | | |
| to Buy | 400 | 338 | 379 | | | | | | | | | | | THIS STOCK | | | | | | | |
| to Sell | 325 | 372 | 363 | | | | | | | | | | | VL ARRH. INDEX | | | | | | | |
| Hrs(000) | 564063 | 551313 | 534281 | | | | | | | | | | | 1 yr. 13.4 | | | | | | | |
| | | | | | | | | | | | | | | 3 yr. -4.2 | | | | | | | |
| | | | | | | | | | | | | | | 5 yr. 18.4 | | | | | | | |
| | | | | | | | | | | | | | | 44.9 | | | | | | | |
| 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 | 10.25 | 10.55 | Revenues per sh | 11.25 | | |
| 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 | 2.35 | 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 | 17.35 | 18.30 | Book Value per sh ^C | 21.75 | | |
| 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 Value Line estimates | | 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 | | | 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% | | | Avg Ann'l Div'd Yield | 4.5% | | |
| CAPITAL STRUCTURE as of 3/31/19 | | | | 7556.0 | 8521.0 | 12737 | 12286 | 11860 | 11499 | 7669.0 | 7517.0 | 7447.0 | 7785.0 | 7900 | 8150 | Revenues (\$mill) | 8800 | | | | |
| Total Debt \$22744 mill. Due in 5 Yrs \$7651 mill. | | | | 465.0 | 1009.0 | 1456.0 | 1536.0 | 1541.0 | 1583.0 | 1603.0 | 1902.0 | 1449.0 | 1827.0 | 1780 | 1975 | Net Profit (\$mill) | 2165 | | | | |
| LT Debt \$21114 mill. LT Interest \$866 mill. | | | | 21.8% | 22.0% | 31.0% | 26.2% | 23.1% | 33.0% | 22.5% | 25.4% | 24.2% | 20.0% | 21.5% | 21.5% | Income Tax Rate | 21.5% | | | | |
| Incl. 23 mill. units 7.75%, \$25 liq. value; 82,000 units 8.23%, \$1000 face value. (LT interest earned: 3.4x) | | | | 9.5% | 3.5% | 4.0% | 4.1% | 3.7% | 2.8% | 1.6% | 1.8% | 1.9% | 2.0% | 2.0% | 2.0% | AFUDC % to Net Profit | 1.0% | | | | |
| Leases, Uncapitalized Annual rentals 262 mill. Pension Assets-12/18 \$10910 mill. Oblig \$11158 mill. | | | | 55.2% | 59.0% | 61.9% | 64.1% | 62.3% | 58.0% | 65.2% | 64.3% | 64.8% | 63.3% | 59.0% | 58.0% | Long-Term Debt Ratio | 54.5% | | | | |
| Pfd Stock None | | | | 42.5% | 39.8% | 37.2% | 35.9% | 37.7% | 42.0% | 34.8% | 35.7% | 35.2% | 36.7% | 41.0% | 42.0% | Common Equity Ratio | 45.5% | | | | |
| Common Stock 721,742,302 shs. as of 4/25/19 | | | | 12940 | 20621 | 29071 | 29205 | 33058 | 32484 | 28482 | 27707 | 30608 | 31726 | 32700 | 33625 | Total Capital (\$mill) | 37300 | | | | |
| MARKET CAP: \$22 billion (Large Cap) | | | | 13174 | 20858 | 27266 | 30032 | 33087 | 34597 | 30382 | 30074 | 33092 | 34458 | 36525 | 38325 | Net Plant (\$mill) | 41800 | | | | |
| ELECTRIC OPERATING STATISTICS | | | | 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% | | | | |
| 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 million customers) 11/10. Has electric distribution sub. in U.K. (7.8 million customers). Solid 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 deprec. rate: 2.8%. Has 12,400 employees. Chairman, President & CEO: William H. Spence, Inc.: PA. Address: Two North Ninth St., Allentown, PA 18101-1179. Tel.: 800-345-3085. Internet: www.pplweb.com. | | | | 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% | | | | |
| April of 2023 is four years away, but Wall Street is looking at this time frame when evaluating the stock of PPL Corporation. The company owns electric distribution utilities in the United Kingdom. This business is solidly profitable, and should remain that way for the next few years. However, in April of 2023, the current regulatory scheme will be replaced by something that the market fears will be far less attractive for the company. In particular, returns on equity that are being proposed for electric transmission and gas distribution companies are low. PPL stock had a negative total return in 2018, and although the price has risen so far this year, it has still underperformed most of its peers. If PPL were to sell or spin off this operation, this would result in significant tax leakage, and perhaps also a decline in the company's credit ratings. Earnings are likely to decline this year. There will be some dilution from an increase in shares outstanding. Also, the comparison is difficult because foreign currency hedges boosted the bottom line by \$0.21 a share in 2018. These hedges hurt share net by \$0.06 in the first period of 2019. Because these items are ongoing, we include them in our earnings presentation, even though PPL excludes them from its 2019 share-net guidance of \$2.30-\$2.50. PPL's utilities in Kentucky received rate relief. The state commission approved a settlement calling for a combined \$187 million increase for Kentucky Utilities and Louisville Gas and Electric, based on a 9.725% return on equity. New tariffs took effect on May 1st. A full year's effect of these increases should help lift profits in 2020. Stockholders got a token dividend increase this year. The annual raise was just a cent a share (0.6%). We think the board's action was influenced by the regulatory uncertainty in the U.K. This stock has the highest dividend yield of any electric utility under our coverage. The yield is some two percentage points above the industry average. The equity's low valuation suggests that investors will get above-average (for a utility) total returns over the 3- to 5-year period, despite lackluster earnings and dividend growth prospects. Paul E. Debbas, CFA May 17, 2019 | | | | 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 Eq ^E | 13.0% | | | | |
| ANNUAL RATES | | | | 115% | 58% | 52% | 54% | 57% | 61% | 63% | 54% | 74% | 62% | 69% | 65% | 65% | 65% | All Div'ds to Net Prof | 65% | | |
| Fixed Charge Cov. (%) | | | | 339 | 336 | 292 | | | | | | | | | | | | | | | |
| of change (per sh) | | | | 10 Yrs. | 5 Yrs. | Est'd '16-'18 | | | | | | | | | | | | | | | |
| Revenues | | | | -5.5% | -12.0% | -.5% | | | | | | | | | | | | | | | |
| "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% | 6.0% | | | | | | | | | | | | | | | |
| Cal-endar | QUARTERLY REVENUES (\$ mill.) | | | | Full Year | | | | | | | | | | | | | | | | |
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | | | | | | | | | | | | | | | | | |
| 2016 | 2011 | 1785 | 1889 | 1832 | 7517 | | | | | | | | | | | | | | | | |
| 2017 | 1951 | 1725 | 1845 | 1926 | 7447 | | | | | | | | | | | | | | | | |
| 2018 | 2126 | 1848 | 1872 | 1939 | 7785 | | | | | | | | | | | | | | | | |
| 2019 | 2079 | 1900 | 1950 | 1971 | 7900 | | | | | | | | | | | | | | | | |
| 2020 | 2200 | 1950 | 2000 | 2000 | 8150 | | | | | | | | | | | | | | | | |
| Cal-endar | EARNINGS PER SHARE ^A | | | | Full Year | | | | | | | | | | | | | | | | |
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | | | | | | | | | | | | | | | | | |
| 2016 | .71 | .71 | .69 | .68 | 2.79 | | | | | | | | | | | | | | | | |
| 2017 | .59 | .43 | .51 | .58 | 2.11 | | | | | | | | | | | | | | | | |
| 2018 | .65 | .73 | .62 | .57 | 2.58 | | | | | | | | | | | | | | | | |
| 2019 | .64 | .55 | .60 | .56 | 2.35 | | | | | | | | | | | | | | | | |
| 2020 | .73 | .57 | .65 | .60 | 2.55 | | | | | | | | | | | | | | | | |
| Cal-endar | QUARTERLY DIVIDENDS PAID ^B | | | | Full Year | | | | | | | | | | | | | | | | |
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | | | | | | | | | | | | | | | | | |
| 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 | | | | | | | | | | | | | | | | | | | |

(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 Aug. (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

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P.S. ENTERPRISE GP. NYSE-PEG

RECENT PRICE **58.84** P/E RATIO **16.6** (Trailing: 19.4 Median: 13.6) RELATIVE P/E RATIO **0.97** DIV YLD **3.2%** VALUE LINE

| | | | | | | | | | | | | | |
|--|--|------|------|------|------|------|------|------|------|------|------|------|---------------------------------------|
| TIMELINESS 3 Lowered 5/3/19 | High: 52.3 | 34.1 | 34.9 | 35.5 | 34.1 | 37.0 | 43.8 | 44.4 | 47.4 | 53.3 | 56.7 | 60.4 | Target Price Range 2022 2023 2024 |
| SAFETY 1 Raised 11/23/12 | 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 | 120 |
| TECHNICAL 2 Raised 4/19/19 | LEGENDS 0.72 x Dividends p sh divided by Interest Rate Relative Price Strength 2-for-1 split 2/08 Options: Yes Shaded area indicates recession | | | | | | | | | | | | |
| BETA .65 (1.00 = Market) | 2022-24 PROJECTIONS Price Gain Ann'l Total Return High 65 (+10%) 6% Low 50 (-15%) Nil | | | | | | | | | | | | |
| Insider Decisions J A S O N D J F M to Buy 0 0 0 0 0 0 0 0 0 0 Options 0 0 0 1 1 1 2 7 7 to Sell 1 1 0 1 2 2 1 1 2 | | | | | | | | | | | | | |
| Institutional Decisions 2Q2018 3Q2018 4Q2018 to Buy 308 319 344 to Sell 354 351 360 Held % 347205 347951 346789 Percent shares traded 30 20 10 | | | | | | | | | | | | | |
| % TOT. RETURN 4/19 1 yr. 18.3 5.6 3 yr. 44.1 37.6 5 yr. 75.3 44.9 | | | | | | | | | | | | | |

| 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 | 19.40 | 20.40 | Revenues per sh 23.00 |
| 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 | 6.45 | 6.50 | "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 | 3.55 | 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 Dec'd per sh ^B _{adj} 2.30 |
| 2.86 | 2.64 | 2.04 | 2.01 | 2.65 | 3.50 | 3.55 | 4.27 | 4.12 | 5.09 | 5.58 | 5.58 | 7.65 | 8.32 | 8.30 | 7.76 | 5.95 | 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 | 30.15 | 31.60 | Book Value per sh ^C 36.50 |
| 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 Value Line estimates | | Avg Ann'l P/E Ratio 14.5 |
| .60 | .76 | .88 | .96 | .88 | .82 | .67 | .66 | .65 | .81 | .76 | .66 | .62 | .80 | .82 | 1.01 | | | Relative P/E Ratio .80 |
| 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% | | | Avg Ann'l Div'd Yield 4.0% |

CAPITAL STRUCTURE as of 3/31/19
 Total Debt \$15267 mill. Due in 5 Yrs \$7575 mill.
 LT Debt \$13216 mill. LT Interest \$509 mill.
 (LT interest earned: 4.1x)

Leases, Uncapitalized Annual rentals \$41 mill.

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

Pfd Stock None

Common Stock 505,430,473 shs.
 as of 4/16/19
 MARKET CAP: \$30 billion (Large Cap)

| | | | | | | | | | | | | | |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|-----------------------------------|-------|
| 12431 | 11793 | 11343 | 9781.0 | 9968.0 | 10886 | 10415 | 9198.0 | 9161.0 | 9696.0 | 9800 | 10300 | Revenues (\$mill) | 11600 |
| 1567.0 | 1557.0 | 1577.0 | 1239.0 | 1243.0 | 1518.0 | 1679.0 | 1436.0 | 1431.0 | 1399.0 | 1800 | 1720 | Net Profit (\$mill) | 2010 |
| 42.3% | 40.5% | 40.4% | 36.2% | 39.5% | 38.2% | 37.4% | 31.7% | 37.3% | 22.3% | 17.5% | 17.5% | Income Tax Rate | 17.5% |
| 3.8% | 5.5% | 2.7% | 4.8% | 4.6% | 4.5% | 5.5% | 8.4% | 10.6% | 9.8% | 8.0% | 8.0% | AFUDC % to Net Profit | 7.0% |
| 46.3% | 44.8% | 42.1% | 38.3% | 40.4% | 40.4% | 40.3% | 45.3% | 46.8% | 47.8% | 48.0% | 48.0% | 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% | 52.0% | 51.5% | Common Equity Ratio | 49.5% |
| 16513 | 17452 | 17731 | 17467 | 19470 | 20446 | 21900 | 24025 | 25915 | 27545 | 29300 | 31025 | Total Capital (\$mill) | 37000 |
| 15440 | 16390 | 17849 | 19736 | 21645 | 23589 | 26539 | 29286 | 31797 | 34363 | 35950 | 37425 | Net Plant (\$mill) | 41200 |
| 11.0% | 10.4% | 10.2% | 8.1% | 7.5% | 8.4% | 8.6% | 6.8% | 6.4% | 6.0% | 7.0% | 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% | 12.0% | 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% | 12.0% | 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% | 5.5% | 4.5% | Retained to Com Eq | 4.5% |
| 43% | 45% | 44% | 58% | 59% | 49% | 47% | 58% | 61% | 65% | 53% | 58% | All Div'ds to Net Prof | 58% |

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.

Fixed Charge Cov. (%) 522 503 413

| ANNUAL RATES | Past 10 Yrs. | Past 5 Yrs. | Est'd '16-'18 to '22-'24 |
|--------------|--------------|-------------|--------------------------|
| Revenues | -3.0% | -2.0% | 3.5% |
| "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% |

Public Service Enterprise Group's earnings will probably wind up significantly higher in 2019. The year-to-year comparison is skewed by mark-to-market accounting items and gains or losses on the nuclear decommissioning trusts that PSEG books every quarter. These items hurt share profits by \$0.36 in 2018, but helped by \$0.30 in the first quarter this year. (We include these gains or charges in our earnings presentation because they are an ongoing part of the company's results.) However, this is not the only reason for the expected bottom-line improvement. The utility subsidiary, Public Service Electric and Gas, is benefiting from a full year's effect of a \$212 million electric and gas rate increase (before passing through to customers \$225 million of federal tax reductions resulting from the new tax law) that took effect in November of 2018. **Capital spending plans are large.** This should enable PSE&G's rate base to rise at an average annual pace of 7%-9% over the next five years. (Two proposed capital spending programs, totaling \$6 billion, are awaiting the approval of the state regulators.) Transmission is a key area of invest-

ment, as well. Much of this spending will be recovered through regulatory mechanisms, instead of a general rate case. This will reduce the effects of regulatory lag and increase the utility's earning power. **The news is mixed at PSEG Power, the main nonutility subsidiary.** Margins on electricity sales have been declining in recent years, and this happened again in the first quarter. In fact, the company's three nuclear units in New Jersey were at risk of being shut down due to difficult market conditions. However, the state granted subsidies for the plants, which will enable them to remain open. PSEG Power is also benefiting from two new gas-fired plants that replaced old, less-efficient capacity. Another such plant is expected to be completed in mid-2019. **The board of directors raised the dividend in the first quarter.** The increase was two cents a share (4.4%) quarterly. **This high-quality stock has a dividend yield that is close to the utility mean.** With the recent quotation well within our 2022-2024 Target Price Range, total return potential is low. *Paul E. Debbas, CFA* May 17, 2019

| Cal-endar | QUARTERLY REVENUES (\$ mill.) | | | | Full Year |
|-----------|-------------------------------|--------|--------|--------|-----------|
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | |
| 2016 | 2616 | 1905 | 2587 | 2090 | 9198 |
| 2017 | 2647 | 2155 | 2263 | 2096 | 9161 |
| 2018 | 2818 | 2016 | 2394 | 2468 | 9696 |
| 2019 | 2980 | 2100 | 2400 | 2320 | 9800 |
| 2020 | 3150 | 2200 | 2500 | 2450 | 10300 |

| Cal-endar | EARNINGS PER SHARE ^A | | | | Full Year |
|-----------|---------------------------------|--------|--------|--------|-----------|
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | |
| 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 | .66 | .90 | .61 | 3.55 |
| 2020 | 1.10 | .70 | .95 | .65 | 3.40 |

| Cal-endar | QUARTERLY DIVIDENDS PAID ^B _{adj} | | | | Full Year |
|-----------|--|--------|--------|--------|-----------|
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | |
| 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 | | | | |

(A) Diluted EPS. Excl. nonrecur. gains (losses): '05, (3¢); '06, (35¢); '08, (96¢); '09, 6¢; '11, (34¢); '12, 7¢; '16, (30¢); '17, 28¢ (net); '18, 8¢; 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 early Aug. (B) Div's histor. paid in late Mar., June, Sept., & Dec. ^C 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%. Regulatory Climate: Avg. **Company's Financial Strength** A++
Stock's Price Stability 95
Price Growth Persistence 35
Earnings Predictability 70

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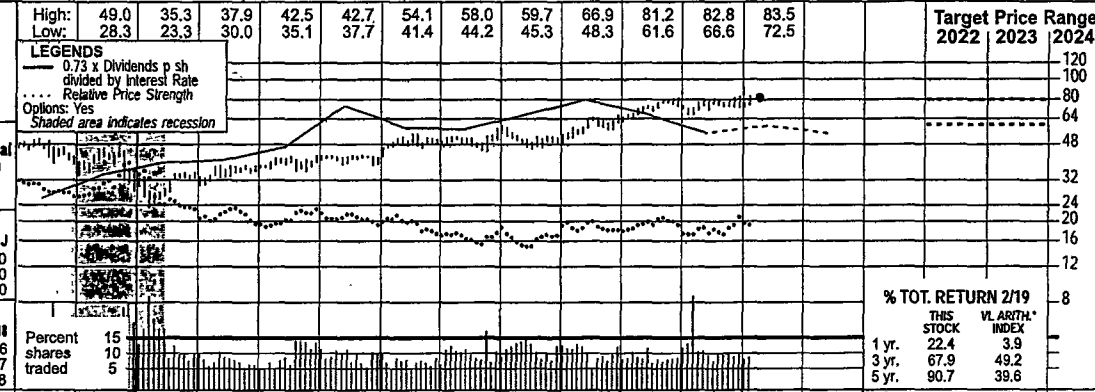
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ALLETE NYSE-ALE

RECENT PRICE **81.64** P/E RATIO **21.5** (Trailing: 24.2 Median: 17.0) RELATIVE P/E RATIO **1.26** DIV'D YLD **2.9%** VALUE LINE

TIMELINESS 2 Raised 2/22/19
SAFETY 2 New 10/1/04
TECHNICAL 3 Lowered 3/15/19
BETA .65 (1.00 = Market)



2022-24 PROJECTIONS

| Price | Gain (NI) | Ann'l Total Return |
|---------|-----------|--------------------|
| High 80 | 80 | 3% |
| Low 60 | (-25%) | -3% |

Insider Decisions

| | M | J | J | A | S | O | N | D | J |
|---------|---|----|---|---|---|---|---|---|---|
| to Buy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Options | 0 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| to Sell | 1 | 1 | 1 | 1 | 1 | 0 | 1 | 0 | 1 |

Institutional Decisions

| | 2Q2018 | 3Q2018 | 4Q2018 |
|-----------|--------|--------|--------|
| to Buy | 137 | 137 | 126 |
| to Sell | 126 | 128 | 147 |
| Hits(000) | 38232 | 37037 | 36618 |

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | © VALUE LINE PUB. LLC 22-24 |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----------------------------|
| Revenues per sh | 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 | 28.85 | 30.10 | 34.50 | |
| "Cash Flow" per sh | 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 | 7.70 | 8.10 | 9.25 | |
| Earnings per sh A | 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 | 3.50 | 3.70 | 4.25 | |
| Div'd Decl'd per sh B=† | .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 | 2.85 | |
| Cap'l Spending per sh | 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 | 10.60 | 7.20 | 5.25 | |
| Book Value per sh C | 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 | 43.05 | 44.30 | 48.25 | |
| Common Shs Outst'g D | 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 | 51.50 | 51.50 | 51.50 | |
| Avg Ann'l P/E Ratio | 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 | 22.2 | 22.2 | 17.0 | |
| Relative P/E Ratio | 1.33 | .95 | .89 | .79 | .84 | 1.07 | 1.02 | .92 | 1.01 | 1.05 | .91 | .76 | .98 | 1.16 | 1.20 | 1.20 | 1.20 | .95 | |
| Avg Ann'l Div'd Yield | .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% | 3.0% | 3.0% | 4.0% | |

CAPITAL STRUCTURE as of 12/31/18
 Total Debt \$1486.0 mill. Due in 5 Yrs \$447.5 mill.
 LT Debt \$1428.5 mill. LT Interest \$61.0 mill.
 (LT interest earned: 3.4x)

Leases, Uncapitalized Annual rentals \$9.9 mill.

Pension Assets-12/18 \$598.0 mill.
 Oblig \$747.0 mill.

Pfd Stock None

Common Stock 51,519,442 shs.
 as of 2/1/19
MARKET CAP: \$4.2 billion (Mid Cap)

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|-------|------|------|------|------|------|
| Revenues (\$mill) | 759.1 | 907.0 | 928.2 | 961.2 | 1018.4 | 1136.8 | 1486.4 | 1339.7 | 1419.3 | 1498.6 | 1485 | 1550 | 1775 | | | | | |
| Net Profit (\$mill) | 61.0 | 75.3 | 93.8 | 97.1 | 104.7 | 124.8 | 163.4 | 155.3 | 159.2 | 174.1 | 180 | 190 | 220 | | | | | |
| Income Tax Rate | 33.7% | 37.2% | 27.6% | 28.1% | 21.5% | 22.6% | 19.4% | 11.3% | 14.8% | 14.8% | 10.0% | 10.0% | 10.0% | | | | | |
| AFUDC % to Net Profit | 12.8% | 8.9% | 2.7% | 5.3% | 4.4% | 6.3% | 2.0% | 1.4% | .8% | .7% | 2.0% | 2.0% | 1.0% | | | | | |
| Long-Term Debt Ratio | 42.8% | 44.2% | 44.3% | 43.7% | 44.6% | 44.2% | 46.3% | 42.0% | 41.0% | 39.9% | 38.5% | 39.0% | 41.0% | | | | | |
| Common Equity Ratio | 57.2% | 55.8% | 55.7% | 56.3% | 55.4% | 55.8% | 53.7% | 58.0% | 59.0% | 60.1% | 61.5% | 61.0% | 59.0% | | | | | |
| Total Capital (\$mill) | 1625.3 | 1747.6 | 1937.2 | 2134.6 | 2425.9 | 2882.2 | 3388.9 | 3263.4 | 3507.4 | 3584.3 | 3610 | 3725 | 4225 | | | | | |
| Net Plant (\$mill) | 1622.7 | 1805.6 | 1982.7 | 2347.6 | 2576.5 | 3286.4 | 3669.1 | 3741.2 | 3822.4 | 3904.4 | 4235 | 4380 | 4525 | | | | | |
| Return on Total Cap'l | 4.8% | 5.4% | 6.0% | 5.6% | 5.3% | 5.2% | 5.8% | 5.8% | 5.5% | 5.8% | 6.0% | 6.0% | 6.0% | | | | | |
| Return on Shr. Equity | 6.6% | 7.7% | 8.7% | 8.1% | 7.8% | 7.8% | 9.0% | 8.2% | 7.7% | 8.1% | 8.0% | 8.5% | 9.0% | | | | | |
| Return on Com Eq E | 6.6% | 7.7% | 8.7% | 8.1% | 7.8% | 7.8% | 9.0% | 8.2% | 7.7% | 8.1% | 8.0% | 8.5% | 9.0% | | | | | |
| Retained to Com Eq | 5% | 1.5% | 2.9% | 2.3% | 2.2% | 2.5% | 3.6% | 2.8% | 2.4% | 2.7% | 2.5% | 3.0% | 3.0% | | | | | |
| All Div'ds to Net Prof | 93% | 81% | 66% | 71% | 72% | 67% | 60% | 66% | 68% | 66% | 67% | 66% | 67% | | | | | |

ACQ'D U.S. WATER SERVICES 2/15. Has real estate operation in FL. Generating sources: coal & lignite, 41%; wind, 12%; other, 6%; purchased, 41%. Fuel costs: 28% of revs. '17 deprec. rate: 3.2%. Has 2,000 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.

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 |

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 ind'l, 8%; res'l, 12%; comm'l, 13%; wholesale, 16% other, 16%. ALLETE Clean Energy owns renewable energy projects.

ACQ'D U.S. WATER SERVICES 2/15. Has real estate operation in FL. Generating sources: coal & lignite, 41%; wind, 12%; other, 6%; purchased, 41%. Fuel costs: 28% of revs. '17 deprec. rate: 3.2%. Has 2,000 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

| | Past 10 Yrs. | Past 5 Yrs. | Est'd '16-'18 to '22-'24 |
|-------------|--------------|-------------|--------------------------|
| Revenues | 1.0% | 2.5% | 3.5% |
| "Cash Flow" | 5.0% | 6.5% | 4.5% |
| Earnings | 1.0% | 4.0% | 5.0% |
| Dividends | 3.0% | 3.0% | 5.0% |
| Book Value | 5.5% | 5.5% | 3.0% |

ALLETE has reached a deal to sell its U.S. Water Services subsidiary. The company would receive \$260 million in cash (subject to closing adjustments) for its water-management business, which contributed \$0.06 to share net in 2018. It plans to reinvest the proceeds in its utility and nonutility operations. The cash will also allow the company to switch to open-market purchases for its dividend-reinvestment program, and perhaps even repurchase stock. Completion of the transaction is expected by the end of the current quarter. The company expects to record an aftertax gain of \$10 million (\$0.20 a share) on the sale, which we will exclude from our earnings presentation as a non-recurring item.

costs as it upsizes its operations. Our revised share-net estimate of \$3.50 is at the low end of ALLETE's guidance of \$3.50-\$3.80 a share because the company is including the aforementioned gain on the U.S. Water sale. Note that the year-to-year comparison will be difficult because ACE booked a gain on the sale of a wind facility last year.

QUARTERLY REVENUES (\$ mill.)

| Cal-endar | 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 | 365 | 360 | 380 | 380 | 1485 |
| 2020 | 380 | 375 | 400 | 395 | 1550 |

We expect solid profit growth in 2020. Minnesota Power should benefit from interim rate relief from the upcoming rate filing. The renewable-energy operation should improve its contribution as well. We look for an earnings increase of 6%, within ALLETE's annual target of 5%-7%.

We expect solid profit growth in 2020. Minnesota Power should benefit from interim rate relief from the upcoming rate filing. The renewable-energy operation should improve its contribution as well. We look for an earnings increase of 6%, within ALLETE's annual target of 5%-7%.

EARNINGS PER SHARE A

| Cal-endar | 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 | 1.05 | .65 | .90 | .90 | 3.50 |
| 2020 | 1.10 | .70 | .95 | .95 | 3.70 |

We have trimmed our 2019 earnings estimate by \$0.10 a share. Minnesota Power, ALLETE's primary utility subsidiary, will lose some revenues from an expiring contract with a municipal customer and the temporary shutdown of an industrial customer. (As a result of these lost revenues, the utility expects to file a rate case in the fourth quarter of 2019.) Also, ALLETE Clean Energy (ACE) is incurring

The board of directors raised the dividend in the first quarter. The annual increase was \$0.11 a share (4.9%). **The stock is timely, but has a high valuation.** The dividend yield is somewhat below the utility average. The recent price is above the upper end of our 2022-2024 Target Price Range. We think this reflects takeover speculation, but we don't advise investors to purchase the stock in the hope that a takeover offer will emerge.

QUARTERLY DIVIDENDS PAID B=†

| Cal-endar | 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 | | | | |

ALLETE Clean Energy (ACE) is incurring deferred charges. In '17: \$11.95/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., '17: 8.0%. Regulatory Climate: Avg.

Paul E. Debbas, CFA March 15, 2019

(A) Diluted EPS. Excl. nonrec. gain (losses): '04, (25¢); '05, (\$1.84); '15, (46¢); '17, 25¢; 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 May. (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 '17: \$11.95/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., '17: 8.0%. Regulatory Climate: Avg.

Company's Financial Strength A
 Stock's Price Stability 95
 Price Growth Persistence 50
 Earnings Predictability 85

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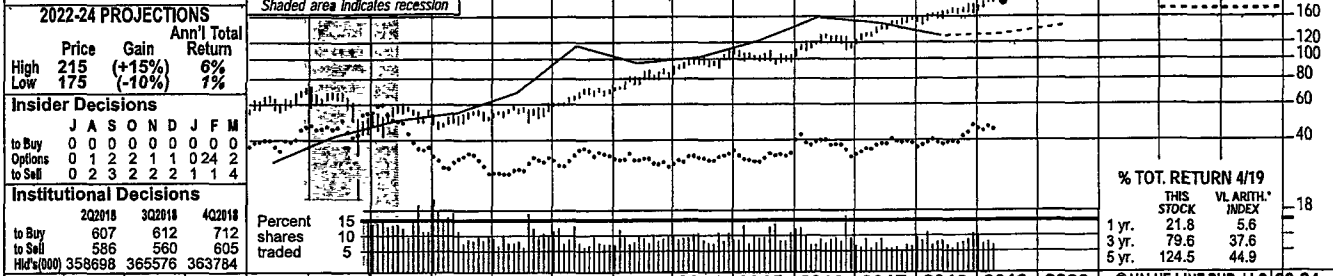
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Review Sale 2

NEXTERA ENERGY NYSE-NEE

RECENT PRICE **189.75** P/E RATIO **25.3** (Trailing: 31.5 Median: 16.0) RELATIVE P/E RATIO **1.48** DIV'D YLD **2.7%** VALUE LINE

| | | | | | | | | | | | | | | | | | | | |
|-------------------------------------|--|------|------|------|------|------|-------|-------|-------|-------|-------|-------|--|--|--|--|--|--|--------------------|
| TIMELINESS 3 Lowered 3/19/18 | High: 73.8 | 60.6 | 56.3 | 61.2 | 72.2 | 89.8 | 110.8 | 112.6 | 132.0 | 159.4 | 184.2 | 195.5 | | | | | | | Target Price Range |
| SAFETY 1 Raised 2/16/18 | 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 | | | | | | | 2022 2023 2024 |
| TECHNICAL 2 Raised 4/19/19 | LEGENDS — 0.87 x Dividends p sh divided by Interest Rate - - - Relative Price Strength O: Yes Shaded area indicates recession | | | | | | | | | | | | | | | | | | |
| BETA .60 (1.00 = Market) | | | | | | | | | | | | | | | | | | | |



| 2022-24 PROJECTIONS | | Ann'l Total Return | | Percent shares traded | | 2003-2024 | | | | | | | | | | | | | | | | | | | | | |
|---------------------|-------|--------------------|--------|-----------------------|----|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|------|
| High | Price | Gain | Return | 15 | 10 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Low | 215 | (+15%) | 6% | 5 | 5 | 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 | 35.50 | 38.30 | 45.75 | 45.75 | 45.75 | |
| | 175 | (-10%) | 1% | | | 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 | 15.05 | 17.35 | 21.00 | 21.00 | | |
| | | | | | | 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 | 7.50 | 9.00 | 11.25 | 11.25 | | |
| | | | | | | 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 | 7.00 | 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 | 18.70 | 18.70 | 18.75 | 18.75 | | |
| | | | | | | 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 | 69.05 | 72.50 | 84.50 | 84.50 | | |
| | | | | | | 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 | 535.00 | 535.00 | 535.00 | 535.00 | | |
| | | | | | | 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 | 24.8 | 24.8 | 24.8 | 24.8 | | |
| | | | | | | .72 | .72 | .95 | .74 | 1.00 | .87 | .89 | .69 | .72 | .92 | .93 | .91 | .85 | 1.09 | 1.09 | 1.34 | 1.34 | 1.34 | 1.34 | 1.34 | | |
| | | | | | | 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% | 2.7% | 2.7% | 2.7% | | | |

| Insider Decisions | | Institutional Decisions | | CAPITAL STRUCTURE as of 3/31/19 | | 2003-2024 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------|---|-------------------------|---|---------------------------------|---|-----------|---|----|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| J | A | S | O | N | D | J | F | M | 2020H1 | 3Q2018 | 4Q2018 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| to Buy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | to Buy | 607 | 612 | 712 | 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 | 35.50 | 38.30 | 45.75 | 45.75 | 45.75 |
| Options | 0 | 1 | 2 | 2 | 1 | 1 | 0 | 24 | to Sell | 586 | 560 | 605 | 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 | 15.05 | 17.35 | 21.00 | 21.00 | |
| to Sell | 0 | 2 | 3 | 2 | 2 | 2 | 1 | 4 | NI's(000) | 358698 | 365576 | 363784 | 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 | 7.50 | 9.00 | 11.25 | 11.25 | |
| | | | | | | | | | | | | | 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 | 7.00 | 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 | 18.70 | 18.70 | 18.75 | 18.75 | |
| | | | | | | | | | | | | | 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 | 69.05 | 72.50 | 84.50 | 84.50 | |
| | | | | | | | | | | | | | 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 | 535.00 | 535.00 | 535.00 | 535.00 | |
| | | | | | | | | | | | | | 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 | 24.8 | 24.8 | 24.8 | 24.8 | |
| | | | | | | | | | | | | | .72 | .72 | .95 | .74 | 1.00 | .87 | .89 | .69 | .72 | .92 | .93 | .91 | .85 | 1.09 | 1.09 | 1.34 | 1.34 | 1.34 | 1.34 | 1.34 | |
| | | | | | | | | | | | | | 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% | 2.7% | 2.7% | 2.7% | | |

| Pension Assets-12/18 \$3806 mill. | | Oblig \$2522 mill. | | Pfd Stock None | | Common Stock 478,935,335 shs. | | MARKET CAP: \$91 billion (Large Cap) | | ELECTRIC OPERATING STATISTICS | | 2003-2024 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------------|--------|--------------------|--------|----------------|--------|-------------------------------|--------|--------------------------------------|--------|-------------------------------|--------|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2020H1 | 3Q2018 | 4Q2018 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | | | |
| to Buy | 607 | 612 | 712 | 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 | 35.50 | 38.30 | 45.75 | 45.75 | 45.75 | 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 | 35.50 | 38.30 | 45.75 |
| to Sell | 586 | 560 | 605 | 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 | 15.05 | 17.35 | 21.00 | 21.00 | 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 | 15.05 | 17.35 | 21.00 | |
| NI's(000) | 358698 | 365576 | 363784 | 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 | 7.50 | 9.00 | 11.25 | 11.25 | 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 | 7.50 | 9.00 | 11.25 | |
| | | | | 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 | 7.00 | 7.00 | 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 | 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 | 18.70 | 18.70 | 18.75 | 18.75 | 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 | 18.70 | 18.70 | 18.75 | 18.75 |
| | | | | 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 | 69.05 | 72.50 | 84.50 | 84.50 | 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 | 69.05 | 72.50 | 84.50 | 84.50 |
| | | | | 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 | 535.00 | 535.00 | 535.00 | 535.00 | 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 | 535.00 | 535.00 | 535.00 | 535.00 |
| | | | | 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 | 24.8 | 24.8 | 24.8 | 24.8 | 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 | 24.8 | 24.8 | 24.8 | 24.8 |
| | | | | .72 | .72 | .95 | .74 | 1.00 | .87 | .89 | .69 | .72 | .92 | .93 | .91 | .85 | 1.09 | 1.09 | 1.34 | 1.34 | 1.34 | 1.34 | 1.34 | .72 | .72 | .95 | .74 | 1.00 | .87 | .89 | .69 | .72 | .92 | .93 | .91 | .85 | 1.09 | 1.09 | 1.34 | 1.34 | 1.34 | 1.34 | |
| | | | | 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% | 2.7% | 2.7% | 2.7% | 2.7% | 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% | 2.7% | 2.7% | 2.7% | |

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.

This should be another good year for NextEra Energy. The company's utility subsidiary, Florida Power & Light, is benefiting from rate relief and healthy customer growth. A \$200 million rate increase took effect after a 1,750-megawatt gas-fired plant began operation at the end of March (ahead of schedule) at a cost of \$1.2 billion. The utility is also adding solar capacity, which is recovered through a regulatory mechanism. On the nonregulated side, NextEra Energy Resources continues to add wind, solar, and energy-storage capacity. This subsidiary is also repowering older wind projects. Even so . . .

We cut our 2019 share-earnings estimate by \$0.75. First-quarter profits were hurt by mark-to-market accounting charges (which we include in our presentation, even though NextEra excludes these) and subpar production from the company's wind assets. Note, too, that we are including costs associated with the purchase of Gulf Power in northern Florida, which closed at the start of 2019. Our 2020 estimate, which assumes no mark-to-market gains or losses, should be much improved and is within NextEra's targeted range of \$8.70-\$9.20. Management expects the addition of Gulf Power and other assets it purchased in Florida to boost share net by \$0.15 next year and \$0.20 in 2021.

Not everything is going according to plan. NextEra Energy Resources has assets that sell their output to Pacific Gas and Electric, which is in Chapter 11 bankruptcy proceedings. Thus, these assets might well wind up contributing less than their expected \$0.13-\$0.15 share profits. A natural gas pipeline project, 31%-owned by NextEra, has been hit with litigation that has caused cost increases and delays. It appears as if the current goal of a late-2019 in-service date will have to be pushed back.

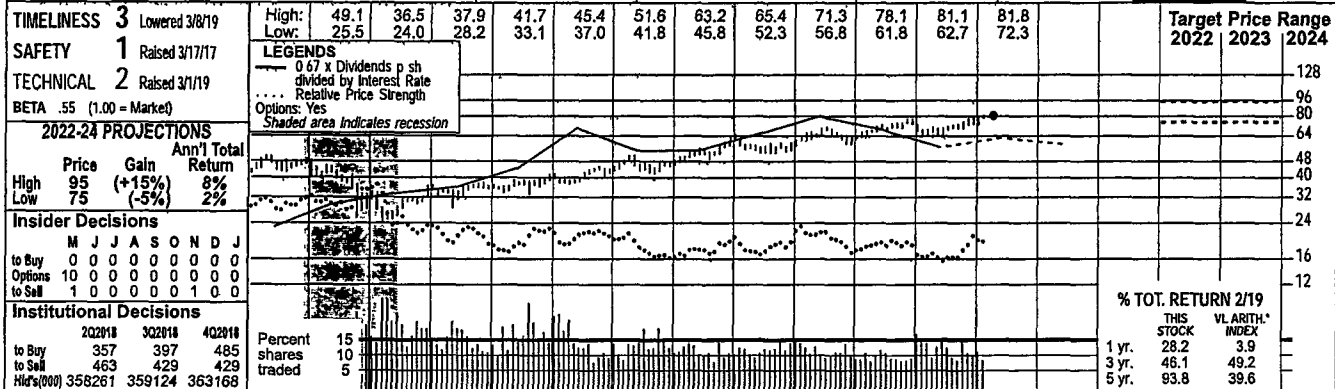
The board increased the dividend \$0.56 a share (12.6%) in the first quarter. We project continued strong dividend growth over the 3- to 5-year period. **This high-quality stock has a high valuation for a utility.** The dividend yield is below the industry average, and with the recent quotation well within our 2022-2024 Target Price Range, total return potential is low.

Paul E. Debbas, CFA *May 17, 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 July. (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: 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 80 | Earnings Predictability 70 |
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AMERICAN ELEC. PWR. NYSE-AEP

RECENT PRICE **81.03** P/E RATIO **20.6** (Trailing: 20.6 Median: 15.0) RELATIVE P/E RATIO **1.20** DIV'D YLD **3.4%** VALUE LINE



| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 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 | 33.35 | 33.85 | 35.50 | 35.50 | 35.50 | 35.50 |
| 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 | 9.20 | 9.60 | 11.00 | 11.00 | 11.00 | 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 | 4.35 | 5.00 | 5.00 | 5.00 | 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 | 3.40 | 3.40 | 3.40 | 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 | 13.55 | 12.50 | 12.50 | 12.50 | 12.50 | 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 | 40.00 | 41.90 | 48.00 | 48.00 | 48.00 | 48.00 |
| 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 | 495.00 | 502.00 | 520.00 | 520.00 | 520.00 | 520.00 |
| 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 | 18.0 | 19.3 | 18.0 | 18.0 | 17.0 | 17.0 | 17.0 | 17.0 |
| .61 | .66 | .73 | .70 | .87 | .79 | .67 | .85 | .75 | .88 | .81 | .84 | .80 | .80 | .97 | .97 | .97 | .97 | .95 | .95 | .95 | .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% | 3.6% | 3.6% | 4.0% | 4.0% | 4.0% | 4.0% |

| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|-------|--------|--------|--------|-------|-------|-------|-------|-------|-------|
| 13489 | 14427 | 15116 | 14945 | 15357 | 17020 | 16453 | 16380 | 15425 | 16196 | 16500 | 17000 | 17634 | 2073.6 | 1783.2 | 1923.8 | 2025 | 2160 | 18500 | 18500 | 18500 | 18500 |
| 1365.0 | 1248.0 | 1513.0 | 1443.0 | 1549.0 | 1634.0 | 1763.4 | 2073.6 | 1783.2 | 1923.8 | 2025 | 2160 | 18500 | 18500 | 18500 | 18500 | 18500 | 18500 | 2585 | 2585 | 2585 | 2585 |
| 29.7% | 34.8% | 31.7% | 33.9% | 36.2% | 37.8% | 35.1% | 26.8% | 33.7% | 5.8% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% |
| 10.9% | 10.4% | 10.6% | 11.2% | 7.3% | 9.0% | 11.0% | 8.0% | 8.0% | 10.7% | 11.0% | 11.0% | 11.0% | 11.0% | 11.0% | 11.0% | 11.0% | 11.0% | 9.0% | 9.0% | 9.0% | 9.0% |
| 54.4% | 53.1% | 50.7% | 50.6% | 51.1% | 49.0% | 49.8% | 50.0% | 51.5% | 53.2% | 54.0% | 52.5% | 47.5% | 47.5% | 47.5% | 47.5% | 47.5% | 47.5% | 51.5% | 51.5% | 51.5% | 51.5% |
| 45.4% | 46.7% | 49.3% | 49.4% | 48.9% | 51.0% | 50.2% | 50.0% | 48.5% | 46.8% | 46.0% | 47.5% | 47.5% | 47.5% | 47.5% | 47.5% | 47.5% | 47.5% | 48.5% | 48.5% | 48.5% | 48.5% |
| 28958 | 29184 | 29747 | 30823 | 32913 | 33001 | 35633 | 34775 | 37707 | 40677 | 42950 | 44200 | 51400 | 51400 | 51400 | 51400 | 51400 | 51400 | 77300 | 77300 | 77300 | 77300 |
| 34344 | 35674 | 36971 | 38763 | 40997 | 44117 | 46133 | 45639 | 50262 | 55099 | 59300 | 62925 | 77300 | 77300 | 77300 | 77300 | 77300 | 77300 | 77300 | 77300 | 77300 | 77300 |
| 6.2% | 5.7% | 6.6% | 6.1% | 6.0% | 6.3% | 6.1% | 7.2% | 5.9% | 5.9% | 5.5% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 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% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% | 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% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% | 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% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% |
| 56% | 66% | 60% | 63% | 62% | 61% | 60% | 54% | 67% | 65% | 69% | 69% | 69% | 69% | 69% | 69% | 69% | 69% | 70% | 70% | 70% | 70% |

CAPITAL STRUCTURE as of 12/31/18
 Total Debt \$25257 mill. Due in 5 Yrs \$9286.3 mill.
 LT Debt \$21648 mill. LT Interest \$931 mill.
 Incl. \$1109.2 mill. securitized bonds. Incl. \$289 mill. capitalized leases.
 (LT interest earned: 2.9x)
 Leases, Uncapitalized Annual rentals \$259.6 mill.
 Pension Assets-12/18 \$4695.9 mill.
 Pfd Stock None
 Common Stock 493,245,876 shs.
MARKET CAP: \$40 billion (Large Cap)

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 |

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.

Annual Rates of Change (per sh)

| | Past 10 Yrs. | Past 5 Yrs. | Est'd '16-'18 |
|-------------|--------------|-------------|---------------|
| Revenues | -5% | 1.0% | 1.5% |
| "Cash Flow" | 2.0% | 4.0% | 4.5% |
| Earnings | 3.0% | 5.0% | 4.0% |
| Dividends | 4.5% | 5.0% | 6.0% |
| Book Value | 4.0% | 3.5% | 4.5% |

| Cal-endar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|-----------|--------|--------|--------|--------|-----------|
| 2016 | 4044 | 3892 | 4652 | 3790 | 16380 |
| 2017 | 3933 | 3576 | 4104 | 3810 | 15424 |
| 2018 | 4048 | 4013 | 4333 | 3801 | 16195 |
| 2019 | 4150 | 4050 | 4500 | 3800 | 16500 |
| 2020 | 4300 | 4200 | 4650 | 3850 | 17000 |

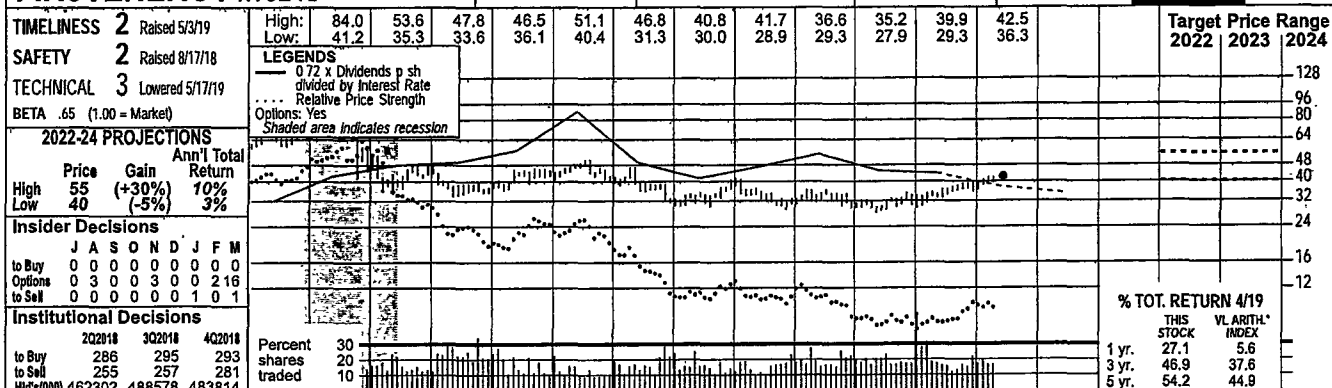
| Cal-endar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|-----------|--------|--------|--------|--------|-----------|
| 2016 | 1.02 | 1.03 | 1.43 | .76 | 4.23 |
| 2017 | .94 | .76 | 1.11 | .81 | 3.62 |
| 2018 | .92 | 1.07 | 1.17 | .74 | 3.90 |
| 2019 | 1.00 | .90 | 1.30 | .90 | 4.10 |
| 2020 | 1.05 | 1.00 | 1.40 | .90 | 4.35 |

| Cal-endar | 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 | | | | |

American Electric Power has announced a significant acquisition. The company has agreed to buy 724 megawatts of wind capacity from Semptra Energy for a cash payment of \$551 million, the assumption of \$343 million of project debt, and \$162 million in tax-equity obligations. The seven wind farms have long-term contracts with creditworthy counterparties, including two deals with utilities owned by AEP. The company plans to finance the transaction with a combination of debt and equity. This requires the approval of the Federal Energy Regulatory Commission, and is expected to close in the second quarter of 2019. AEP expects the purchase to be accretive to earnings by "a few cents" a share in the first full year. The deal would be a big step toward the company's goal of investing \$2.2 billion in contracted renewables by 2023. We will not include this in our figures until after it is completed. Even after this purchase, AEP will still be predominantly a regulated utility. **One utility received a rate hike, another has a settlement pending, a third just filed an application, and a fourth will soon initiate a case.** In West Virginia, Appalachian Power's settlement for a \$44 million increase, based on a 9.75% return on equity, was approved. New tariffs took effect on March 6th. Public Service of Oklahoma reached a settlement calling for a \$46 million hike, based on a 9.4% ROE, and awaits a ruling from the state commission (probably later this month). SWEPCO asked the Arkansas regulators for a \$46 million increase, based on a 10.5% ROE. New rates should take effect at the start of 2020. Finally, AEP Texas expects to put forth an application in the second quarter. **We expect earnings growth this year and next in line with AEP's annual goal of 5%-7%. Rate relief should help.** Also, the company is investing heavily in its transmission system, and much of this spending is recovered concurrently, via a tracking mechanism. The utilities should see modest kilowatt-hour sales growth. Our 2019 estimate is at the midpoint of AEP's targeted range of \$4.00-\$4.20. **This stock has a dividend yield and 3- to 5-year total return potential that are similar to those of most utilities.** Paul E. Debbas, CFA March 15, 2019

FIRSTENERGY NYSE-FE

RECENT PRICE **42.03** P/E RATIO **16.2** (Trailing: 21.8 Median: 17.0) RELATIVE P/E RATIO **0.95** DIV'D YLD **3.7%** VALUE LINE



| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 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 | 21.00 | 21.65 | 21.65 | 23.75 | 23.75 | 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 | 5.20 | 5.45 | 5.45 | 6.25 | 6.25 | 6.25 |
| 1.47 | 2.77 | 2.84 | 3.82 | 4.22 | 4.38 | 3.32 | 3.25 | 1.88 | 2.13 | 2.97 | 0.85 | 2.00 | 2.10 | 2.73 | 1.33 | 2.60 | 2.70 | 2.70 | 3.25 | 3.25 | 3.25 |
| 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 | 1.60 | 1.90 | 1.90 | 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 | 5.45 | 5.30 | 5.30 | 5.25 | 5.25 | 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 | 14.90 | 16.10 | 16.10 | 20.00 | 20.00 | 20.00 |
| 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 | 543.00 | 550.00 | 550.00 | 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 | 26.5 | 26.5 | 26.5 | 14.5 | 14.5 | 14.5 |
| 1.28 | .74 | .86 | .77 | .83 | .94 | .87 | .74 | 1.41 | 1.34 | .74 | 2.10 | .86 | .83 | .57 | 1.43 | 1.43 | 1.43 | 1.43 | .80 | .80 | .80 |
| 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% | 5.2% | 5.2% | 5.2% | 4.0% | 4.0% | 4.0% |

2022-24 PROJECTIONS
 Price: High 55 (+30%), Low 40 (-5%)
 Gain: Ann'l Total Return 10%
Insider Decisions
 J A S O N D J F M
 to Buy 0
 to Sell 0 3 0 0 3 0 0 0 2 16
Institutional Decisions
 2021H 2021L 4Q2018
 to Buy 286 295 293
 to Sell 255 257 281
 Hrs(000) 462302 488578 483814
 Percent shares traded: 30, 20, 10

CAPITAL STRUCTURE as of 3/31/19
 Total Debt \$20320 mill. Due in 5 Yrs \$4956 mill.
 LT Debt \$18814 mill. LT Interest \$884 mill.
 Incl. \$55 mill. capitalized leases.
 (LT interest earned: 2.6x)
 Leases, Uncapitalized Annual rentals \$34 mill.
 Pension Assets-12/18 \$6984 mill.
 Oblig \$9462 mill.
 Pfd Stock \$210 mill. Pfd Div'd \$11 mill.
 209,822 shs., \$100 par, optionally conv. \$27.42
 and mandatorily conv. by 7/22/19.
 Common Stock 531,442,309 shs.

MARKET CAP: \$22 billion (Large Cap)
ELECTRIC OPERATING STATISTICS
 % Change Retail Sales (KWH) 2016 +3, 2017 -2.1, 2018 +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 | '16-'18 |
|--------------------|--------------|-------------|---------------|---------|
| Revenues | -3.5% | -5.0% | -3.0% | -3.0% |
| "Cash Flow" | -3.5% | -1.0% | 1.5% | 1.5% |
| Earnings | -7.0% | -2.5% | 8.0% | 8.0% |
| Dividends | -2.5% | -5.0% | 3.5% | 3.5% |
| Book Value | -8.0% | -17.5% | 9.0% | 9.0% |

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 | 2650 | 3100 | 2717 | 11350 |
| 2020 | 3000 | 2750 | 3200 | 2800 | 11750 |

EARNINGS PER SHARE ^

| 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 | .59 | .80 | .55 | 2.60 |
| 2020 | .70 | .60 | .85 | .55 | 2.70 |

QUARTERLY DIVIDENDS PAID ^

| 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 | .38 | 1.52 |

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.

FirstEnergy's earnings will likely return to a more-normal level in 2019 after the company posted a depressed result last year. In January of 2018, FirstEnergy issued \$1.62 billion of convertible preferred stock at a discount, which is being amortized until the shares are converted into common stock. (This must happen by July 22nd, but most of the stock has already been converted.) This will also result in a reduction in preferred dividend payments. Our 2019 earnings estimate is within management's targeted range of \$2.45-\$2.75 a share. One rate matter was concluded, and two others are pending. In Maryland, Potomac Edison was granted a \$6.2 million tariff hike (net of the effects of tax reform), based on a 9.65% return on a 53% common-equity ratio. FirstEnergy's utilities in Ohio and New Jersey reached settlements that (if approved) will allow them to recover upgrades to their electric system through a rider on customers' bills. In Ohio, this would amount to \$516 million over three years. In New Jersey, the company would spend \$97 million through the end of 2020, with the possibility of ex-

tending the program beyond next year. FirstEnergy is investing heavily in its transmission system. The company expects to spend \$1.2 billion annually through 2021. Some 80% of these expenditures will be recovered through forward-looking formula rate plans. Recovery of utility spending should produce higher earnings in 2020. We look for a modest increase, to \$2.70 a share. The company thought it put all matters regarding its formerly owned generating plants behind it, but the bankruptcy court said otherwise. FirstEnergy's former nonutility unit filed for Chapter 11 bankruptcy protection. If this business is unable to meet its obligations, FirstEnergy would have limited liability. This hurt the stock price initially, but the quotation recovered since then. Timely FirstEnergy stock has a dividend yield and 3- to 5-year total return potential that are above the utility averages. Dividend growth resumed last year, but we project the payout won't return to the previous level in the next several years.
Paul E. Debbas, CFA May 17, 2019

(A) Diluted 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, (7¢). '17, '18 EPS don't sum due to rounding or chg in shs. Next egs. report due early Aug. (B) Div'ds pd. early Mar., June, Sep. & 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%-11.9%; earned Aug. com. eq.: '18: 12.7%. Regul. Climate: OH Above Avg.; PA, NJ, WV, MD, WV Below Avg. Company's Financial Strength B++
 Stock's Price Stability 90
 Price Growth Persistence 15
 Earnings Predictability 40
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Alliant Energy Corporation (LNT)
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48.34 +0.26 (+0.54%)

Buy Sell

As of 12:40PM EDT. Market open.

Summary Chart Conversations Statistics Historical Data Profile Financials Analysis Options Holders Sustainability

Price: **\$22,941** Disc: met PREV NEXT
 2019 Hyundai Kona SEL
 Stock #: YZ85571 | [DETAILS](#)
 VIN: KM8K62AA5KU285571
Round Rock Hyundai

Time Period: May 22, 2018 - May 22, 2019 ▼ Show: Historical Prices ▼
 Frequency: Daily ▼ Apply

Currency in USD Download Data

| Date | Open | High | Low | Close* | Adj Close** | Volume |
|--------------|-------|-------|-------|----------------|-------------|-----------|
| May 22, 2019 | 48.16 | 48.39 | 47.97 | 48.34 | 48.34 | 198,810 |
| May 21, 2019 | 48.23 | 48.57 | 48.01 | 48.08 | 48.08 | 840,600 |
| May 20, 2019 | 48.17 | 48.49 | 48.05 | 48.20 | 48.20 | 929,000 |
| May 17, 2019 | 47.61 | 48.32 | 47.48 | 48.10 | 48.10 | 790,000 |
| May 16, 2019 | 47.20 | 47.88 | 46.78 | 47.77 | 47.77 | 1,069,000 |
| May 15, 2019 | 47.42 | 47.58 | 47.24 | 47.31 | 47.31 | 885,800 |
| May 14, 2019 | 47.87 | 47.92 | 47.27 | 47.35 | 47.35 | 990,000 |
| May 13, 2019 | 47.15 | 47.92 | 47.09 | 47.85 | 47.85 | 1,057,400 |
| May 10, 2019 | 46.28 | 47.20 | 46.23 | 47.18 | 47.18 | 734,700 |
| May 09, 2019 | 46.12 | 46.45 | 46.01 | 46.28 | 46.28 | 1,057,500 |
| May 08, 2019 | 46.86 | 46.88 | 46.12 | 46.16 | 46.16 | 1,397,100 |
| May 07, 2019 | 47.00 | 47.25 | 46.65 | 46.88 | 46.88 | 1,059,800 |
| May 06, 2019 | 47.34 | 47.78 | 46.96 | 47.13 | 47.13 | 783,100 |
| May 03, 2019 | 46.95 | 47.50 | 46.60 | 47.22 | 47.22 | 1,270,700 |
| May 02, 2019 | 46.80 | 47.05 | 46.46 | 46.68 | 46.68 | 1,400,800 |
| May 01, 2019 | 46.99 | 47.41 | 46.58 | 46.78 | 46.78 | 1,248,500 |
| Apr 30, 2019 | 46.38 | 47.28 | 46.21 | 47.23 | 47.23 | 1,409,700 |
| Apr 29, 2019 | 46.49 | 46.56 | 46.13 | 46.28 | 46.28 | 802,100 |
| Apr 29, 2019 | | | | 0.355 Dividend | | |
| Apr 26, 2019 | 47.03 | 47.41 | 46.94 | 46.98 | 46.63 | 1,124,900 |

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| PNW | 96.13 | +0.09 | +0.09% |
| <small>Pinnacle West Capital Corporation</small> | | | |
| OGE | 42.97 | +0.20 | +0.47% |
| <small>OGE Energy Corp</small> | | | |
| CMS | 56.55 | +0.20 | +0.35% |
| <small>CMS Energy Corporation</small> | | | |
| SCG | | | |
| <small>SCG</small> | | | |

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*Close price adjusted for splits. **Adjusted close price adjusted for both dividends and splits.

Ameren Corporation (AEE)

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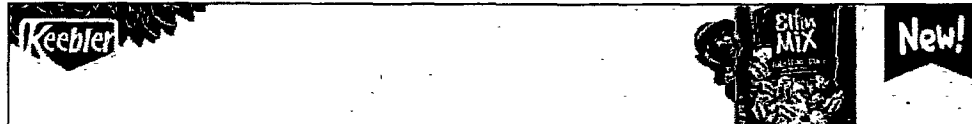
74.65 +0.36 (+0.48%)

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|---|------------|--------|----------|
| DTE DTE Energy Company | 127.93 | +0.72 | +0.57% |
| AJG Arthur J. Gallagher & Co. | 84.19 | +0.34 | +0.41% |
| ABC AmerisourceBergen Corporation | 80.93 | +0.36 | +0.45% |
| CMS CMS Energy Corporation | 56.54 | +0.19 | +0.34% |
| AEP American Electric Power Company | 86.94 | +0.33 | +0.39% |

Time Period: May 22, 2018 - May 22, 2019

Show: Historical Prices

Frequency: Daily

Apply

Currency in USD

Download Data

| Date | Open | High | Low | Close* | Adj Close** | Volume |
|--------------|-------|-------|-------|--------|-------------|-----------|
| May 22, 2019 | 74.41 | 74.69 | 74.11 | 74.65 | 74.65 | 342,166 |
| May 21, 2019 | 74.69 | 74.96 | 74.13 | 74.29 | 74.29 | 1,546,500 |
| May 20, 2019 | 75.02 | 75.25 | 74.39 | 74.69 | 74.69 | 1,069,600 |
| May 17, 2019 | 74.01 | 75.00 | 74.01 | 74.71 | 74.71 | 1,048,500 |
| May 16, 2019 | 73.63 | 74.54 | 73.50 | 74.24 | 74.24 | 874,800 |
| May 15, 2019 | 74.06 | 74.17 | 73.55 | 73.72 | 73.72 | 1,075,700 |
| May 14, 2019 | 74.52 | 74.60 | 73.72 | 73.85 | 73.85 | 1,242,800 |
| May 13, 2019 | 73.30 | 74.72 | 73.24 | 74.60 | 74.60 | 1,557,600 |
| May 10, 2019 | 71.63 | 73.29 | 71.54 | 73.29 | 73.29 | 1,132,400 |
| May 09, 2019 | 71.39 | 72.29 | 71.25 | 71.90 | 71.90 | 1,602,500 |
| May 08, 2019 | 72.64 | 72.69 | 71.24 | 71.36 | 71.36 | 1,399,200 |
| May 07, 2019 | 72.80 | 73.14 | 72.41 | 72.70 | 72.70 | 1,029,300 |
| May 06, 2019 | 72.91 | 73.24 | 72.60 | 72.75 | 72.75 | 895,700 |
| May 03, 2019 | 72.46 | 73.08 | 72.46 | 72.95 | 72.95 | 687,800 |
| May 02, 2019 | 72.39 | 72.84 | 71.82 | 72.34 | 72.34 | 1,217,700 |
| May 01, 2019 | 72.55 | 72.78 | 71.96 | 72.24 | 72.24 | 1,004,100 |
| Apr 30, 2019 | 71.37 | 72.84 | 71.29 | 72.77 | 72.77 | 1,688,000 |
| Apr 29, 2019 | 71.97 | 72.11 | 71.23 | 71.36 | 71.36 | 897,500 |
| Apr 26, 2019 | 72.61 | 73.24 | 72.16 | 72.18 | 72.18 | 1,211,200 |
| Apr 25, 2019 | 71.70 | 72.61 | 71.60 | 72.26 | 72.26 | 1,226,200 |



Yahoo Small Business

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*Close price adjusted for splits. **Adjusted close price adjusted for both dividends and splits.

Avangrid, Inc. (AGR)

NYSE - Nasdaq Real Time Price. Currency in USD

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Currency in USD

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| Date | Open | High | Low | Close* | Adj Close** | Volume |
|--------------|-------|-------|-------|--------|-------------|-----------|
| May 22, 2019 | 50.27 | 50.46 | 50.13 | 50.44 | 50.44 | 83,105 |
| May 21, 2019 | 50.19 | 50.45 | 50.06 | 50.10 | 50.10 | 293,500 |
| May 20, 2019 | 50.26 | 50.49 | 50.12 | 50.26 | 50.26 | 211,100 |
| May 17, 2019 | 50.10 | 50.43 | 49.98 | 50.16 | 50.16 | 467,400 |
| May 16, 2019 | 49.92 | 50.32 | 49.92 | 50.16 | 50.16 | 224,100 |
| May 15, 2019 | 49.97 | 50.31 | 49.87 | 50.11 | 50.11 | 168,400 |
| May 14, 2019 | 50.43 | 50.66 | 49.90 | 50.01 | 50.01 | 224,900 |
| May 13, 2019 | 49.61 | 50.51 | 49.61 | 50.41 | 50.41 | 318,400 |
| May 10, 2019 | 48.96 | 49.90 | 48.95 | 49.90 | 49.90 | 613,700 |
| May 09, 2019 | 49.00 | 49.49 | 48.85 | 49.07 | 49.07 | 562,800 |
| May 08, 2019 | 49.89 | 50.00 | 49.02 | 49.02 | 49.02 | 630,000 |
| May 07, 2019 | 50.10 | 50.42 | 49.84 | 49.97 | 49.97 | 521,200 |
| May 06, 2019 | 50.66 | 50.92 | 50.15 | 50.22 | 50.22 | 586,200 |
| May 03, 2019 | 50.56 | 50.98 | 50.40 | 50.88 | 50.88 | 329,100 |
| May 02, 2019 | 50.66 | 50.94 | 50.35 | 50.52 | 50.52 | 341,600 |
| May 01, 2019 | 51.09 | 51.29 | 50.70 | 50.74 | 50.74 | 318,200 |
| Apr 30, 2019 | 50.63 | 51.35 | 50.42 | 51.21 | 51.21 | 444,400 |
| Apr 29, 2019 | 50.65 | 51.12 | 50.30 | 50.66 | 50.66 | 538,700 |
| Apr 26, 2019 | 51.30 | 51.79 | 50.99 | 51.06 | 51.06 | 1,088,100 |
| Apr 25, 2019 | 50.15 | 51.55 | 49.56 | 51.28 | 51.28 | 1,183,200 |

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People Also Watch

| Symbol | Last Price | Change | % Change |
|---|------------|--------|----------|
| AV Aviva plc Unsponsored ADR (UK) | | | |
| ES Eversource Energy (D/B/A) | 73.42 | +0.21 | +0.29% |
| NCR NCR Corporation | 31.62 | -0.36 | -1.13% |
| LSI Life Storage, Inc. | 96.93 | +0.49 | +0.51% |
| ALE Allele, Inc. | 82.38 | +0.44 | +0.54% |

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*Close price adjusted for splits. **Adjusted close price adjusted for both dividends and splits.

Black Hills Corporation (BKH)
NYSE - Nasdaq Real Time Price. Currency in USD

☆ Add to watchlist

Quote Lookup

76.91 +0.49 (+0.64%)

Buy Sell

As of 1:02PM EDT. Market open.

Summary Chart Conversations Statistics Historical Data Profile Financials Analysis Options Holders Sustainability

Price: **\$24,046** Disclaimer PREV NEXT

2019 Hyundai Tucson Value
Stock #: Y964955 | [DETAILS](#)
VIN: KM8J33A45KU964955

Round Rock Hyundai
Round Rock, TX

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Time Period: May 22, 2018 - May 22, 2019 Show: Historical Prices

Frequency: Daily

Apply

Download Data

Currency in USD

| Date | Open | High | Low | Close* | Adj Close** | Volume |
|--------------|----------------|-------|-------|--------|-------------|---------|
| May 22, 2019 | 76.49 | 77.01 | 76.27 | 76.91 | 76.91 | 180,558 |
| May 21, 2019 | 76.16 | 76.85 | 75.81 | 76.42 | 76.42 | 299,100 |
| May 20, 2019 | 76.22 | 76.76 | 76.09 | 76.21 | 76.21 | 265,500 |
| May 17, 2019 | 75.45 | 76.44 | 75.45 | 76.18 | 76.18 | 364,500 |
| May 16, 2019 | 75.22 | 76.04 | 75.22 | 75.74 | 75.74 | 411,400 |
| May 16, 2019 | 0.505 Dividend | | | | | |
| May 15, 2019 | 75.81 | 76.40 | 75.68 | 75.80 | 75.30 | 342,500 |
| May 14, 2019 | 76.31 | 76.70 | 75.73 | 75.82 | 75.31 | 305,100 |
| May 13, 2019 | 75.01 | 76.53 | 75.01 | 76.44 | 75.93 | 344,500 |
| May 10, 2019 | 74.31 | 75.38 | 74.08 | 75.37 | 74.87 | 314,400 |
| May 09, 2019 | 74.31 | 74.59 | 73.67 | 74.25 | 73.76 | 251,800 |
| May 08, 2019 | 74.68 | 75.08 | 73.80 | 73.86 | 73.37 | 327,200 |
| May 07, 2019 | 74.71 | 75.20 | 74.29 | 74.65 | 74.15 | 410,700 |
| May 06, 2019 | 74.75 | 74.91 | 74.20 | 74.74 | 74.24 | 475,300 |
| May 03, 2019 | 72.03 | 75.16 | 72.03 | 74.49 | 73.99 | 654,200 |
| May 02, 2019 | 71.86 | 72.53 | 71.31 | 71.80 | 71.32 | 340,700 |
| May 01, 2019 | 72.68 | 72.79 | 71.76 | 72.07 | 71.59 | 384,100 |
| Apr 30, 2019 | 71.87 | 72.86 | 71.69 | 72.76 | 72.28 | 747,700 |
| Apr 29, 2019 | 72.00 | 72.32 | 71.45 | 71.77 | 71.29 | 341,700 |
| Apr 26, 2019 | 72.38 | 72.86 | 72.08 | 72.16 | 71.68 | 187,600 |

People Also Watch

| Symbol | Last Price | Change | % Change |
|--|------------|--------|----------|
| VVC VVC | | | |
| IDA IDACORP, Inc. | 102.98 | +0.28 | +0.27% |
| WGL WGL | | | |
| ATO Atmos Energy Corporation | 102.33 | +0.27 | +0.26% |
| MGEE MGE Energy Inc. | 71.05 | +0.35 | +0.50% |

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*Close price adjusted for splits. **Adjusted close price adjusted for both dividends and splits.

CMS Energy Corporation (CMS)
NYSE - Nasdaq Real Time Price. Currency in USD

☆ Add to watchlist

Quote Lookup

56.51 +0.16 (+0.28%)

Buy Sell

As of 1:05PM EDT. Market open.

Summary Chart Conversations Statistics Historical Data Profile Financials Analysis Options Holders Sustainability

Price: \$31,236 Disclaimer PREV NEXT

2019 Hyundai Tucson Ultimate
Stock #: Y959438 | [DETAILS](#)
VIN: KM8J33AL5KU959438

Round Rock Hyundai
Round Rock, TX

▷ ×

Time Period: May 22, 2018 - May 22, 2019 Show: Historical Prices

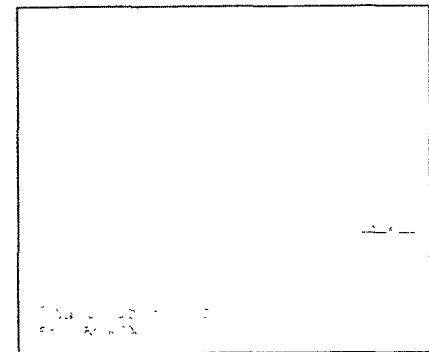
Frequency: Daily Apply

Currency in USD Download Data

| Date | Open | High | Low | Close* | Adj Close** | Volume |
|--------------|-----------------|-------|-------|--------|-------------|-----------|
| May 22, 2019 | 56.45 | 56.61 | 56.30 | 56.51 | 56.51 | 505,685 |
| May 21, 2019 | 56.77 | 56.97 | 56.32 | 56.35 | 56.35 | 2,077,700 |
| May 20, 2019 | 56.74 | 57.09 | 56.48 | 56.72 | 56.72 | 1,365,300 |
| May 17, 2019 | 56.08 | 56.81 | 56.07 | 56.46 | 56.46 | 1,819,600 |
| May 16, 2019 | 55.76 | 56.42 | 55.57 | 56.22 | 56.22 | 1,530,900 |
| May 15, 2019 | 55.88 | 56.18 | 55.78 | 55.85 | 55.85 | 1,146,900 |
| May 14, 2019 | 56.35 | 56.41 | 55.76 | 55.85 | 55.85 | 1,699,000 |
| May 13, 2019 | 55.54 | 56.54 | 55.41 | 56.45 | 56.45 | 2,095,600 |
| May 10, 2019 | 54.45 | 55.63 | 54.32 | 55.63 | 55.63 | 1,676,900 |
| May 09, 2019 | 54.37 | 54.69 | 54.07 | 54.40 | 54.40 | 2,349,900 |
| May 08, 2019 | 54.82 | 54.96 | 54.23 | 54.27 | 54.27 | 1,551,200 |
| May 07, 2019 | 54.99 | 55.29 | 54.76 | 54.94 | 54.94 | 1,529,000 |
| May 06, 2019 | 55.26 | 55.50 | 54.98 | 55.11 | 55.11 | 1,316,800 |
| May 03, 2019 | 54.64 | 55.38 | 54.57 | 55.26 | 55.26 | 1,459,300 |
| May 02, 2019 | 54.58 | 54.84 | 54.13 | 54.58 | 54.58 | 2,338,100 |
| May 02, 2019 | 0.3825 Dividend | | | | | |
| May 01, 2019 | 55.36 | 55.51 | 54.85 | 54.98 | 54.60 | 1,892,000 |
| Apr 30, 2019 | 54.64 | 55.57 | 54.49 | 55.55 | 55.16 | 2,091,000 |
| Apr 29, 2019 | 54.79 | 54.89 | 54.46 | 54.63 | 54.25 | 2,062,100 |
| Apr 26, 2019 | 55.03 | 55.54 | 54.82 | 54.90 | 54.52 | 2,117,100 |

People Also Watch

| Symbol | Last Price | Change | % Change |
|---|------------|--------|----------|
| DTE DTE Energy Company | 127.92 | +0.71 | +0.56% |
| CNP CenterPoint Energy, Inc (Holdin | 29.45 | -0.07 | -0.22% |
| EIX Edison International | 61.01 | +0.40 | +0.67% |
| AEE Ameren Corporation | 74.57 | +0.28 | +0.38% |
| ETR Entergy Corporation | 97.97 | +0.29 | +0.30% |



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*Close price adjusted for splits. **Adjusted close price adjusted for both dividends and splits.

Consolidated Edison, Inc. (ED)
NYSE - Nasdaq Real Time Price. Currency in USD

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Quote Lookup

87.28 +0.59 (+0.68%)

Buy Sell

As of 1:06PM EDT. Market open.

Summary Chart Conversations Statistics Historical Data Profile Financials Analysis Options Holders Sustainability



Time Period: May 22, 2018 - May 22, 2019 Show: Historical Prices

Frequency: Daily

Apply

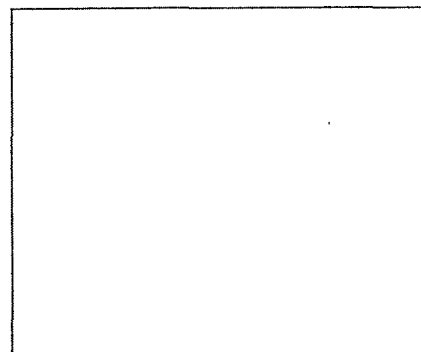
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Currency in USD

| Date | Open | High | Low | Close* | Adj Close** | Volume |
|--------------|---------------|-------|-------|--------|-------------|-----------|
| May 22, 2019 | 86.90 | 87.45 | 86.53 | 87.28 | 87.28 | 324,144 |
| May 21, 2019 | 87.25 | 87.69 | 86.62 | 86.69 | 86.69 | 3,080,800 |
| May 20, 2019 | 87.17 | 87.65 | 86.81 | 87.01 | 87.01 | 1,316,600 |
| May 17, 2019 | 86.03 | 87.33 | 86.03 | 86.94 | 86.94 | 1,804,300 |
| May 16, 2019 | 85.30 | 86.49 | 85.00 | 86.37 | 86.37 | 1,491,300 |
| May 15, 2019 | 85.10 | 85.85 | 84.83 | 85.51 | 85.51 | 1,727,100 |
| May 14, 2019 | 85.55 | 85.59 | 84.73 | 84.90 | 84.90 | 2,130,400 |
| May 14, 2019 | 0.74 Dividend | | | | | |
| May 13, 2019 | 85.04 | 86.19 | 85.00 | 86.04 | 85.30 | 2,726,800 |
| May 10, 2019 | 84.00 | 85.30 | 83.88 | 85.30 | 84.57 | 2,658,000 |
| May 09, 2019 | 84.00 | 84.50 | 83.61 | 84.00 | 83.28 | 7,437,200 |
| May 08, 2019 | 84.54 | 84.75 | 83.66 | 83.93 | 83.21 | 8,777,700 |
| May 07, 2019 | 85.47 | 85.74 | 84.95 | 85.21 | 84.48 | 1,295,900 |
| May 06, 2019 | 86.35 | 86.35 | 85.16 | 85.42 | 84.69 | 1,364,400 |
| May 03, 2019 | 85.59 | 86.50 | 85.59 | 86.03 | 85.29 | 1,721,000 |
| May 02, 2019 | 85.34 | 85.65 | 84.65 | 85.16 | 84.43 | 1,486,900 |
| May 01, 2019 | 85.78 | 86.15 | 85.16 | 85.23 | 84.50 | 1,266,000 |
| Apr 30, 2019 | 84.58 | 86.23 | 84.43 | 86.16 | 85.42 | 2,361,400 |
| Apr 29, 2019 | 84.73 | 84.90 | 84.11 | 84.48 | 83.75 | 1,334,200 |
| Apr 26, 2019 | 85.37 | 85.90 | 84.87 | 84.97 | 84.24 | 3,038,700 |

People Also Watch

| Symbol | Last Price | Change | % Change |
|--|------------|--------|----------|
| SO Southern Company (The) | 53.92 | -0.05 | -0.08% |
| AEP American Electric Power Company | 86.91 | +0.30 | +0.35% |
| DUK Duke Energy Corporation (Holdin | 87.68 | +0.60 | +0.68% |
| D Dominion Energy, Inc. | 77.21 | +0.48 | +0.63% |
| EXC Exelon Corporation | 49.09 | +0.16 | +0.33% |



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*Close price adjusted for splits. **Adjusted close price adjusted for both dividends and splits.

DTE Energy Company (DTE)

NYSE - Nasdaq Real Time Price. Currency in USD

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Quote Lookup

128.01 +0.80 (+0.62%)

As of 1:24PM EDT. Market open.

Buy Sell

Summary Chart Conversations Statistics Historical Data Profile Financials Analysis Options Holders Sustainability

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Time Period: May 22, 2018 - May 22, 2019 Show: Historical Prices

Frequency: Daily

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Currency in USD

| Date | Open | High | Low | Close* | Adj Close** | Volume |
|--------------|--------|--------|--------|--------|-------------|-----------|
| May 22, 2019 | 127.56 | 128.07 | 127.03 | 128.01 | 128.01 | 213,336 |
| May 21, 2019 | 127.44 | 128.41 | 127.10 | 127.21 | 127.21 | 540,000 |
| May 20, 2019 | 127.89 | 128.28 | 126.88 | 127.38 | 127.38 | 603,900 |
| May 17, 2019 | 126.12 | 127.89 | 126.04 | 127.45 | 127.45 | 607,700 |
| May 16, 2019 | 125.58 | 127.00 | 125.30 | 126.76 | 126.76 | 479,300 |
| May 15, 2019 | 126.32 | 126.50 | 125.54 | 125.68 | 125.68 | 649,100 |
| May 14, 2019 | 127.06 | 127.44 | 125.79 | 126.13 | 126.13 | 970,400 |
| May 13, 2019 | 125.71 | 127.72 | 125.71 | 127.41 | 127.41 | 738,800 |
| May 10, 2019 | 123.65 | 126.05 | 123.44 | 125.98 | 125.98 | 665,900 |
| May 09, 2019 | 123.42 | 123.79 | 122.55 | 123.60 | 123.60 | 692,300 |
| May 08, 2019 | 124.42 | 124.72 | 122.71 | 123.03 | 123.03 | 615,700 |
| May 07, 2019 | 125.04 | 125.59 | 124.15 | 124.57 | 124.57 | 614,600 |
| May 06, 2019 | 125.33 | 125.67 | 124.62 | 125.08 | 125.08 | 579,200 |
| May 03, 2019 | 124.39 | 125.41 | 124.14 | 125.22 | 125.22 | 560,400 |
| May 02, 2019 | 124.20 | 124.70 | 123.22 | 124.12 | 124.12 | 668,700 |
| May 01, 2019 | 125.28 | 125.54 | 123.99 | 124.01 | 124.01 | 831,400 |
| Apr 30, 2019 | 123.88 | 125.76 | 123.39 | 125.71 | 125.71 | 801,600 |
| Apr 29, 2019 | 124.14 | 124.29 | 123.07 | 123.62 | 123.62 | 600,000 |
| Apr 26, 2019 | 124.72 | 125.58 | 124.14 | 124.34 | 124.34 | 765,000 |
| Apr 25, 2019 | 123.52 | 124.91 | 123.37 | 124.17 | 124.17 | 1,053,900 |

People Also Watch

| Symbol | Last Price | Change | % Change |
|---------------------------------|------------|--------|----------|
| CMS | 56.56 | +0.21 | +0.37% |
| CMS Energy Corporation | | | |
| ETR | 98.16 | +0.48 | +0.49% |
| Entergy Corporation | | | |
| AEE | 74.70 | +0.41 | +0.55% |
| Ameren Corporation | | | |
| FE | 42.44 | +0.06 | +0.13% |
| FirstEnergy Corp. | | | |
| PNW | 96.02 | -0.02 | -0.02% |
| Pinnacle West Capital Corporati | | | |

2019 Hyundai Santa Fe SE 2.4
 Stock #: Y109517 | [DETAILS](#)
 VIN: 5NMS23AD9KH09517 [Disclaimer](#)
 Price: \$25,246 PREV NEXT
Round Rock Hyundai
 Round Rock, TX

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*Close price adjusted for splits. **Adjusted close price adjusted for both dividends and splits.

Duke Energy Corporation (DUK)
 NYSE - Nasdaq Real Time Price. Currency in USD

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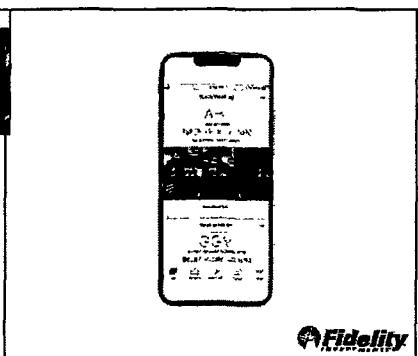
Quote Lookup

87.70 +0.62 (+0.71%)

Buy Sell

As of 1:11PM EDT. Market open.

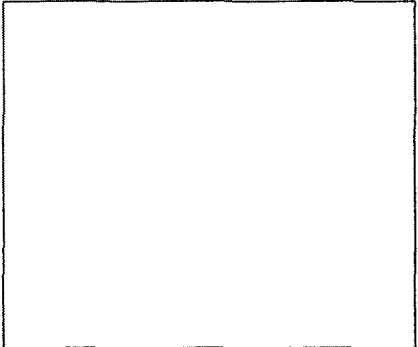
Summary Chart Conversations Statistics Historical Data Profile Financials Analysis Options Holders Sustainability



Time Period: May 22, 2018 - May 22, 2019 Show: Historical Prices
 Frequency: Daily Apply
 Currency in USD Download Data

People Also Watch

| Symbol | Last Price | Change | % Change |
|--|------------|--------|----------|
| SO Southern Company (The) | 53.97 | 0.00 | 0.00% |
| D Dominion Energy, Inc. | 77.27 | +0.54 | +0.70% |
| AEP American Electric Power Company | 86.99 | +0.38 | +0.44% |
| ED Consolidated Edison, Inc. | 87.36 | +0.67 | +0.77% |
| SE Sea Limited | 31.48 | +6.09 | +23.97% |



Yahoo Small Business

| Date | Open | High | Low | Close* | Adj Close** | Volume |
|--------------|----------------|-------|-------|--------|-------------|-----------|
| May 22, 2019 | 87.38 | 87.88 | 87.15 | 87.70 | 87.70 | 591,359 |
| May 21, 2019 | 87.19 | 88.03 | 86.87 | 87.08 | 87.08 | 2,728,300 |
| May 20, 2019 | 87.31 | 87.60 | 86.66 | 86.96 | 86.96 | 3,100,200 |
| May 17, 2019 | 85.70 | 87.44 | 85.68 | 87.20 | 87.20 | 4,428,300 |
| May 16, 2019 | 85.92 | 86.71 | 85.72 | 86.24 | 86.24 | 4,151,900 |
| May 16, 2019 | 0.928 Dividend | | | | | |
| May 15, 2019 | 87.21 | 87.56 | 86.77 | 86.79 | 85.86 | 3,653,200 |
| May 14, 2019 | 87.32 | 87.62 | 86.56 | 87.01 | 86.08 | 4,955,500 |
| May 13, 2019 | 87.70 | 88.16 | 86.80 | 88.05 | 87.11 | 4,046,600 |
| May 10, 2019 | 86.62 | 88.07 | 86.45 | 87.99 | 87.05 | 2,965,400 |
| May 09, 2019 | 88.68 | 88.68 | 86.67 | 86.83 | 85.90 | 3,165,000 |
| May 08, 2019 | 89.15 | 89.30 | 87.72 | 87.80 | 86.86 | 2,832,400 |
| May 07, 2019 | 89.50 | 89.64 | 88.83 | 89.26 | 88.31 | 2,546,200 |
| May 06, 2019 | 90.18 | 90.42 | 89.30 | 89.48 | 88.52 | 2,659,600 |
| May 03, 2019 | 90.17 | 90.45 | 89.82 | 90.16 | 89.20 | 2,988,600 |
| May 02, 2019 | 90.44 | 90.81 | 89.62 | 89.81 | 88.85 | 2,656,600 |
| May 01, 2019 | 90.68 | 91.06 | 90.10 | 90.41 | 89.44 | 2,323,400 |
| Apr 30, 2019 | 89.69 | 91.22 | 89.43 | 91.12 | 90.15 | 3,242,700 |
| Apr 29, 2019 | 89.91 | 90.29 | 89.32 | 89.58 | 88.62 | 2,370,800 |
| Apr 26, 2019 | 90.70 | 91.33 | 90.28 | 90.32 | 89.35 | 1,921,400 |

*Close price adjusted for splits. **Adjusted close price adjusted for both dividends and splits.

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EJ Paso Electric Company (EE)

NYSE - Nasdaq Real Time Price. Currency in USD

☆ Add to watchlist

Quote Lookup

59.20 -0.20 (-0.34%)

Buy

Sell

As of 1:42PM EDT. Market open.

Summary Chart Conversations Statistics Historical Data Profile Financials Analysis Options Holders Sustainability

Price: **\$24,046** Disclaimer PREV NEXT

2019 Hyundai Tucson Value
 Stock #: Y964955 | [DETAILS](#)
 VIN: KMBJ33A45KU964955

Round Rock Hyundai

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Time Period: May 22, 2018 - May 22, 2019 Show: Historical Prices

Frequency: Daily

Apply

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Currency in USD

| Date | Open | High | Low | Close* | Adj Close** | Volume |
|--------------|-------|-------|-------|--------|-------------|---------|
| May 22, 2019 | 59.40 | 59.59 | 59.08 | 59.20 | 59.20 | 43,919 |
| May 21, 2019 | 59.26 | 59.77 | 59.16 | 59.40 | 59.40 | 663,400 |
| May 20, 2019 | 59.05 | 59.54 | 58.80 | 59.19 | 59.19 | 399,800 |
| May 17, 2019 | 58.99 | 59.44 | 58.78 | 59.00 | 59.00 | 189,600 |
| May 16, 2019 | 59.33 | 59.97 | 58.81 | 59.20 | 59.20 | 602,400 |
| May 15, 2019 | 59.37 | 59.82 | 59.10 | 59.29 | 59.29 | 672,900 |
| May 14, 2019 | 59.57 | 59.93 | 59.18 | 59.43 | 59.43 | 388,800 |
| May 13, 2019 | 59.25 | 59.95 | 59.14 | 59.64 | 59.64 | 275,100 |
| May 10, 2019 | 58.69 | 59.86 | 58.45 | 59.85 | 59.85 | 170,400 |
| May 09, 2019 | 58.14 | 59.25 | 58.00 | 58.75 | 58.75 | 379,000 |
| May 08, 2019 | 61.51 | 61.51 | 58.12 | 58.24 | 58.24 | 313,800 |
| May 07, 2019 | 61.55 | 62.01 | 60.78 | 61.24 | 61.24 | 255,300 |
| May 06, 2019 | 61.06 | 62.39 | 60.97 | 61.77 | 61.77 | 437,300 |
| May 03, 2019 | 59.86 | 61.44 | 59.80 | 61.37 | 61.37 | 229,100 |
| May 02, 2019 | 59.98 | 60.42 | 59.25 | 59.65 | 59.65 | 129,400 |
| May 01, 2019 | 60.99 | 61.11 | 60.11 | 60.12 | 60.12 | 306,900 |
| Apr 30, 2019 | 59.98 | 61.18 | 59.96 | 61.11 | 61.11 | 370,900 |
| Apr 29, 2019 | 60.08 | 60.30 | 59.44 | 59.97 | 59.97 | 128,500 |
| Apr 26, 2019 | 60.15 | 60.63 | 59.95 | 60.15 | 60.15 | 226,000 |
| Apr 25, 2019 | 59.51 | 60.10 | 59.24 | 59.94 | 59.94 | 186,200 |

People Also Watch

| Symbol | Last Price | Change | % Change |
|----------------------------------|------------|--------|----------|
| PNM | 47.70 | +0.36 | +0.76% |
| PNM Resources, Inc. (Holding Co) | | | |
| IDA | 103.34 | +0.64 | +0.62% |
| IDACORP, Inc. | | | |
| EDE | | | |
| Empire District Electric Compan | | | |
| BKH | 76.94 | +0.52 | +0.68% |
| Black Hills Corporation | | | |
| POR | 53.17 | +0.14 | +0.26% |
| Portland General Electric Co | | | |

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*Close price adjusted for splits. **Adjusted close price adjusted for both dividends and splits.

Evergy, Inc. (EVRG)

NYSE - Nasdaq Real Time Price. Currency in USD

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Quote Lookup

58.88 +0.12 (+0.20%)

As of 1:46PM EDT. Market open.

Buy

Sell

Summary Chart Conversations Statistics Historical Data Profile Financials Analysis Options Holders Sustainability

Price: **\$25,246** Disclaimer PREV NEXT

2019 Hyundai Santa Fe SE 2.4
 Stock #: Y109517 | [DETAILS](#)
 VIN: 5NMS23AD9KH109517

Round Rock Hyundai
 Round Rock, TX

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Cadillac

SCHEDULE SERVICE

Time Period: May 22, 2018 - May 22, 2019

Show: Historical Prices

Frequency: Daily

Apply

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Currency in USD

| Date | Open | High | Low | Close* | Adj Close** | Volume |
|--------------|-------|-------|-------|--------|-------------|-----------|
| May 22, 2019 | 58.92 | 59.03 | 58.73 | 58.88 | 58.88 | 481,282 |
| May 21, 2019 | 58.63 | 59.30 | 58.51 | 58.76 | 58.76 | 2,021,300 |
| May 20, 2019 | 58.88 | 59.09 | 58.48 | 58.68 | 58.68 | 1,398,600 |
| May 17, 2019 | 58.03 | 59.02 | 57.89 | 58.70 | 58.70 | 1,201,500 |
| May 16, 2019 | 58.08 | 58.66 | 58.05 | 58.37 | 58.37 | 1,480,700 |
| May 15, 2019 | 58.09 | 58.53 | 57.96 | 58.21 | 58.21 | 1,167,900 |
| May 14, 2019 | 58.21 | 58.30 | 57.94 | 58.02 | 58.02 | 1,322,800 |
| May 13, 2019 | 58.06 | 58.49 | 57.83 | 58.39 | 58.39 | 1,631,000 |
| May 10, 2019 | 57.02 | 58.29 | 57.02 | 58.12 | 58.12 | 1,920,100 |
| May 09, 2019 | 58.14 | 58.48 | 56.65 | 56.94 | 56.94 | 2,077,400 |
| May 08, 2019 | 57.45 | 57.72 | 56.84 | 57.11 | 57.11 | 1,660,500 |
| May 07, 2019 | 57.70 | 58.00 | 57.28 | 57.61 | 57.61 | 1,565,600 |
| May 06, 2019 | 57.78 | 57.92 | 57.52 | 57.67 | 57.67 | 1,669,000 |
| May 03, 2019 | 57.50 | 57.73 | 57.37 | 57.60 | 57.60 | 1,131,200 |
| May 02, 2019 | 57.51 | 57.96 | 57.17 | 57.54 | 57.54 | 1,560,400 |
| May 01, 2019 | 57.54 | 57.69 | 57.20 | 57.43 | 57.43 | 1,659,900 |
| Apr 30, 2019 | 57.11 | 57.85 | 56.88 | 57.82 | 57.82 | 2,161,700 |
| Apr 29, 2019 | 57.10 | 57.21 | 56.69 | 56.97 | 56.97 | 1,258,300 |
| Apr 26, 2019 | 57.50 | 57.99 | 57.06 | 57.16 | 57.16 | 1,370,600 |
| Apr 25, 2019 | 56.73 | 57.75 | 56.73 | 57.19 | 57.19 | 1,635,200 |

2019 Hyundai Tucson Limited
 Stock #: Y968863 | [DETAILS](#)
 VIN: KM8J33ALXKUG68863 Disclaimer

Price: **\$28,556** PREV NEXT

Round Rock Hyundai
 Round Rock, TX

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*Close price adjusted for splits. **Adjusted close price adjusted for both dividends and splits.

Eversource Energy (ES)

NYSE - Nasdaq Real Time Price. Currency in USD

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Quote Lookup

73.57 +0.37 (+0.50%)

As of 1:54PM EDT. Market open.

Buy

Sell

Summary Chart Conversations Statistics Historical Data Profile Financials Analysis Options Holders Sustainability



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Round Rock Hyundai
Round Rock, TX

We call it
**DECISION
TECH**



Time Period: May 22, 2018 - May 22, 2019

Show: Historical Prices

Frequency: Daily

Apply

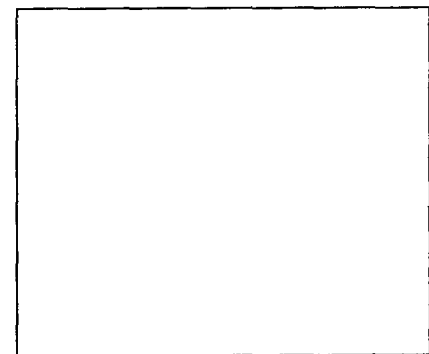
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Currency in USD

| Date | Open | High | Low | Close* | Adj Close** | Volume |
|--------------|----------------|-------|-------|--------|-------------|-----------|
| May 22, 2019 | 73.39 | 73.59 | 73.10 | 73.57 | 73.57 | 269,131 |
| May 22, 2019 | 0.535 Dividend | | | | | |
| May 21, 2019 | 73.62 | 74.16 | 73.38 | 73.74 | 73.21 | 1,003,500 |
| May 20, 2019 | 73.69 | 74.08 | 73.47 | 73.63 | 73.10 | 1,074,500 |
| May 17, 2019 | 72.60 | 73.80 | 72.53 | 73.53 | 73.00 | 1,139,900 |
| May 16, 2019 | 72.40 | 73.32 | 72.28 | 73.13 | 72.60 | 1,098,100 |
| May 15, 2019 | 72.67 | 73.04 | 72.41 | 72.60 | 72.07 | 1,067,100 |
| May 14, 2019 | 72.85 | 73.23 | 72.32 | 72.59 | 72.06 | 1,377,600 |
| May 13, 2019 | 71.63 | 73.07 | 71.28 | 72.99 | 72.46 | 1,218,600 |
| May 10, 2019 | 70.46 | 71.77 | 70.32 | 71.76 | 71.24 | 874,600 |
| May 09, 2019 | 70.50 | 70.88 | 70.06 | 70.45 | 69.94 | 984,500 |
| May 08, 2019 | 71.40 | 71.47 | 70.35 | 70.40 | 69.89 | 1,284,900 |
| May 07, 2019 | 73.18 | 73.27 | 71.23 | 71.51 | 70.99 | 1,175,000 |
| May 06, 2019 | 72.10 | 72.37 | 71.64 | 71.87 | 71.35 | 1,008,900 |
| May 03, 2019 | 71.62 | 72.11 | 71.36 | 72.08 | 71.56 | 896,500 |
| May 02, 2019 | 72.16 | 72.50 | 71.39 | 71.52 | 71.00 | 2,231,900 |
| May 01, 2019 | 71.38 | 71.85 | 71.02 | 71.13 | 70.61 | 1,644,500 |
| Apr 30, 2019 | 70.69 | 71.68 | 70.50 | 71.66 | 71.14 | 1,584,900 |
| Apr 29, 2019 | 70.86 | 71.14 | 70.37 | 70.58 | 70.07 | 1,076,700 |
| Apr 26, 2019 | 71.49 | 71.78 | 70.95 | 71.02 | 70.50 | 1,098,100 |

People Also Watch

| Symbol | Last Price | Change | % Change |
|--|------------|--------|----------|
| WEC WEC Energy Group, Inc. | 81.61 | +0.75 | +0.93% |
| CMS CMS Energy Corporation | 56.56 | +0.21 | +0.37% |
| LNT Alliant Energy Corporation | 48.37 | +0.29 | +0.60% |
| EIX Edison International | 61.19 | +0.58 | +0.96% |
| DTE DTE Energy Company | 128.10 | +0.89 | +0.70% |



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*Close price adjusted for splits. **Adjusted close price adjusted for both dividends and splits.

Hawaiian Electric Industries, Inc. (HE)

NYSE - Nasdaq Real Time Price. Currency in USD

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Quote Lookup

41.80 0.00 (0.00%)

As of 1:52PM EDT, Market open.

Buy

Sell

Summary Chart Conversations Statistics Historical Data Profile Financials Analysis Options Holders Sustainability

Price: **\$24,871** Disclaimer PREV NEXT

2019 Hyundai Santa Fe SE 2.4
 Stock #: Y079632 | [DETAILS](#)
 VIN: 5NMS23AD0KH079632

Round Rock Hyundai
Round Rock, TX

Time Period: May 22, 2018 - May 22, 2019 Show: Historical Prices

Frequency: Daily

Apply

Currency in USD

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| Date | Open | High | Low | Close* | Adj Close** | Volume |
|--------------|----------------------|-------|-------|--------|-------------|---------|
| May 22, 2019 | 41.74 | 41.85 | 41.54 | 41.80 | 41.80 | 116,202 |
| May 22, 2019 | 0.32 Dividend | | | | | |
| May 21, 2019 | 42.07 | 42.39 | 42.00 | 42.12 | 41.80 | 435,900 |
| May 20, 2019 | 41.80 | 42.17 | 41.80 | 42.01 | 41.69 | 457,300 |
| May 17, 2019 | 41.71 | 42.00 | 41.70 | 41.86 | 41.54 | 356,000 |
| May 16, 2019 | 41.75 | 42.13 | 41.71 | 41.87 | 41.55 | 301,200 |
| May 15, 2019 | 41.97 | 42.12 | 41.73 | 41.75 | 41.43 | 335,400 |
| May 14, 2019 | 42.41 | 42.59 | 41.92 | 41.97 | 41.65 | 669,100 |
| May 13, 2019 | 41.94 | 42.50 | 41.90 | 42.44 | 42.12 | 609,900 |
| May 10, 2019 | 41.29 | 42.09 | 41.24 | 42.08 | 41.76 | 245,400 |
| May 09, 2019 | 41.46 | 41.68 | 41.08 | 41.33 | 41.02 | 255,200 |
| May 08, 2019 | 42.07 | 42.07 | 41.37 | 41.41 | 41.10 | 295,000 |
| May 07, 2019 | 41.95 | 42.50 | 41.85 | 42.02 | 41.70 | 347,800 |
| May 06, 2019 | 41.54 | 41.92 | 41.51 | 41.69 | 41.37 | 317,500 |
| May 03, 2019 | 41.30 | 41.72 | 41.20 | 41.63 | 41.31 | 464,400 |
| May 02, 2019 | 41.12 | 41.36 | 40.82 | 41.21 | 40.90 | 201,100 |
| May 01, 2019 | 41.41 | 41.60 | 41.19 | 41.19 | 40.88 | 334,700 |
| Apr 30, 2019 | 41.22 | 41.63 | 41.15 | 41.48 | 41.16 | 397,300 |
| Apr 29, 2019 | 41.27 | 41.32 | 40.98 | 41.20 | 40.89 | 224,900 |
| Apr 26, 2019 | 41.38 | 41.69 | 41.24 | 41.24 | 40.93 | 330,000 |

People Also Watch

| Symbol | Last Price | Change | % Change |
|---|------------|--------|----------|
| GXP GXP | | | |
| IDA IDACORP, Inc. | 103.45 | +0.75 | +0.73% |
| PNW Pinnacle West Capital Corporati | 96.01 | -0.03 | -0.03% |
| OGE OGE Energy Corp | 42.99 | +0.22 | +0.51% |
| BKH Black Hills Corporation | 76.95 | +0.53 | +0.69% |

**IT'S TIME TO TURN
ON ITS HEAD**

Trading forex carries a high level of risk

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*Close price adjusted for splits. **Adjusted close price adjusted for both dividends and splits.

NorthWestern Corporation (NWE)
NYSE - Nasdaq Real Time Price. Currency in USD

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Quote Lookup

71.63 -0.04 (-0.06%)

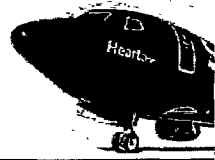
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Summary Chart Conversations Statistics Historical Data Profile Financials Analysis Options Holders Sustainability



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Time Period: May 22, 2018 - May 22, 2019 Show: Historical Prices

Frequency: Daily Apply

Currency in USD

Download Data

| Date | Open | High | Low | Close* | Adj Close** | Volume |
|--------------|-------|-------|-------|--------|-------------|---------|
| May 22, 2019 | 71.77 | 72.11 | 71.49 | 71.63 | 71.63 | 81,502 |
| May 21, 2019 | 71.75 | 72.31 | 71.48 | 71.67 | 71.67 | 200,600 |
| May 20, 2019 | 71.89 | 72.22 | 71.50 | 71.74 | 71.74 | 174,900 |
| May 17, 2019 | 71.57 | 72.42 | 70.94 | 71.96 | 71.96 | 186,000 |
| May 16, 2019 | 71.17 | 71.97 | 70.65 | 71.65 | 71.65 | 394,600 |
| May 15, 2019 | 71.39 | 71.80 | 70.74 | 71.26 | 71.26 | 154,600 |
| May 14, 2019 | 71.99 | 72.12 | 71.21 | 71.31 | 71.31 | 242,200 |
| May 13, 2019 | 70.57 | 72.09 | 70.57 | 72.01 | 72.01 | 271,900 |
| May 10, 2019 | 69.68 | 70.79 | 69.60 | 70.79 | 70.79 | 260,600 |
| May 09, 2019 | 69.57 | 70.02 | 69.23 | 69.70 | 69.70 | 199,800 |
| May 08, 2019 | 70.74 | 70.78 | 69.44 | 69.52 | 69.52 | 275,200 |
| May 07, 2019 | 70.91 | 71.17 | 70.57 | 70.86 | 70.86 | 201,100 |
| May 06, 2019 | 70.53 | 71.02 | 70.47 | 70.91 | 70.91 | 278,600 |
| May 03, 2019 | 69.46 | 70.89 | 69.21 | 70.76 | 70.76 | 212,600 |
| May 02, 2019 | 68.82 | 69.54 | 68.53 | 69.34 | 69.34 | 262,900 |
| May 01, 2019 | 69.71 | 70.05 | 68.98 | 68.98 | 68.98 | 352,200 |
| Apr 30, 2019 | 68.57 | 70.01 | 68.38 | 69.85 | 69.85 | 370,700 |
| Apr 29, 2019 | 68.94 | 69.15 | 68.37 | 68.47 | 68.47 | 379,600 |
| Apr 26, 2019 | 68.99 | 69.59 | 68.99 | 69.04 | 69.04 | 350,000 |
| Apr 25, 2019 | 68.62 | 68.97 | 68.25 | 68.53 | 68.53 | 320,700 |

Southwest **Boonin**

People Also Watch

| Symbol | Last Price | Change | % Change |
|--|------------|--------|----------|
| POR Portland General Electric Co | 53.19 | +0.16 | +0.30% |
| PNM PNM Resources, Inc. (Holding Co) | 47.75 | +0.41 | +0.87% |
| NJR New Jersey Resources Corporation | 48.98 | -0.06 | -0.12% |
| BKH Black Hills Corporation | 76.95 | +0.53 | +0.69% |
| UTL UNITIL Corporation | 57.85 | +0.40 | +0.70% |

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OGE Energy Corp. (OGE)

NYSE - Nasdaq Real Time Price. Currency in USD

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Quote Lookup

43.01 +0.24 (+0.56%)

As of 1:57PM EDT. Market open.

Buy

Sell

Summary Chart Conversations Statistics Historical Data Profile Financials Analysis Options Holders Sustainability

Price: **\$16,565** Discarder PREV NEXT

2019 Hyundai Accent SEL
 Stock #: Y069230 | [DETAILS](#)
 VIN: 3KPC24A36KE069230

Round Rock Hyundai
 Round Rock, TX

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- Trading tools that can help provide clear action steps
 - Online U.S. equity trades for just \$4



Time Period: May 22, 2018 - May 22, 2019 Show: Historical Prices

Frequency: Daily

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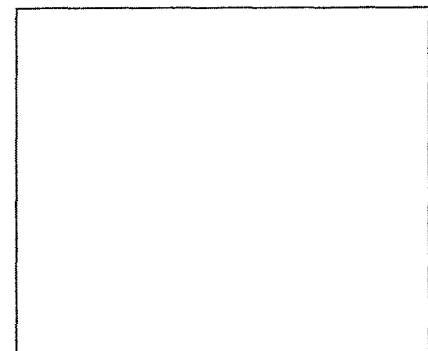
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Currency in USD

| Date | Open | High | Low | Close* | Adj Close** | Volume |
|--------------|-------|-------|-------|--------|-------------|-----------|
| May 22, 2019 | 42.69 | 43.01 | 42.53 | 43.01 | 43.01 | 733,523 |
| May 21, 2019 | 42.34 | 42.83 | 42.22 | 42.77 | 42.77 | 3,286,400 |
| May 20, 2019 | 42.35 | 42.46 | 42.11 | 42.33 | 42.33 | 681,000 |
| May 17, 2019 | 41.57 | 42.39 | 41.55 | 42.26 | 42.26 | 1,015,300 |
| May 16, 2019 | 41.61 | 42.03 | 41.48 | 41.70 | 41.70 | 1,027,400 |
| May 15, 2019 | 41.80 | 41.98 | 41.51 | 41.62 | 41.62 | 1,219,800 |
| May 14, 2019 | 42.16 | 42.35 | 41.70 | 41.77 | 41.77 | 1,470,000 |
| May 13, 2019 | 41.24 | 42.24 | 41.24 | 42.19 | 42.19 | 1,236,400 |
| May 10, 2019 | 40.69 | 41.55 | 40.49 | 41.52 | 41.52 | 953,400 |
| May 09, 2019 | 40.86 | 40.90 | 40.42 | 40.65 | 40.65 | 1,244,200 |
| May 08, 2019 | 41.66 | 41.72 | 40.75 | 40.81 | 40.81 | 1,505,200 |
| May 07, 2019 | 41.70 | 42.12 | 41.65 | 41.84 | 41.84 | 1,348,500 |
| May 06, 2019 | 41.56 | 41.98 | 41.56 | 41.72 | 41.72 | 1,785,200 |
| May 03, 2019 | 41.15 | 41.75 | 40.98 | 41.61 | 41.61 | 1,386,200 |
| May 02, 2019 | 41.26 | 41.98 | 40.63 | 41.18 | 41.18 | 1,741,300 |
| May 01, 2019 | 42.32 | 42.34 | 41.68 | 41.68 | 41.68 | 1,464,300 |
| Apr 30, 2019 | 41.72 | 42.37 | 41.50 | 42.34 | 42.34 | 1,383,400 |
| Apr 29, 2019 | 42.19 | 42.24 | 41.69 | 41.79 | 41.79 | 907,000 |
| Apr 26, 2019 | 42.49 | 42.69 | 42.24 | 42.24 | 42.24 | 1,915,400 |
| Apr 25, 2019 | 41.81 | 42.42 | 41.81 | 42.28 | 42.28 | 1,240,000 |

People Also Watch

| Symbol | Last Price | Change | % Change |
|--|------------|--------|----------|
| LNT Alliant Energy Corporation | 48.37 | +0.29 | +0.60% |
| PNW Pinnacle West Capital Corporati | 96.00 | -0.04 | -0.04% |
| GXP GXP | | | |
| PNM PNM Resources, Inc. (Holding Co) | 47.75 | +0.41 | +0.87% |
| IDA IDACORP, Inc. | 103.40 | +0.70 | +0.68% |



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Otter Tail Corporation (OTTR)

NasdaqGS - NasdaqGS Real Time Price. Currency in USD

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Quote Lookup

51.22 +0.06 (+0.12%)

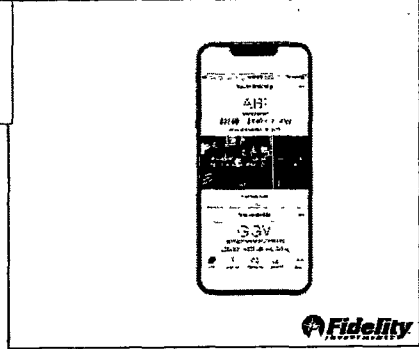
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Buy Sell

Summary Chart Conversations Statistics Historical Data Profile Financials Analysis Options Holders Sustainability

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Round Rock Hyundai
Round Rock, TX



Time Period: May 22, 2018 - May 22, 2019 Show: Historical Prices

Frequency: Daily

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Currency in USD

| Date | Open | High | Low | Close* | Adj Close** | Volume |
|--------------|---------------|-------|-------|--------|-------------|--------|
| May 22, 2019 | 51.20 | 51.42 | 50.57 | 51.22 | 51.22 | 34,650 |
| May 21, 2019 | 51.12 | 51.59 | 50.90 | 51.16 | 51.16 | 50,200 |
| May 20, 2019 | 51.00 | 51.50 | 50.43 | 51.06 | 51.06 | 72,600 |
| May 17, 2019 | 50.95 | 51.28 | 50.82 | 51.01 | 51.01 | 42,200 |
| May 16, 2019 | 50.57 | 51.34 | 50.57 | 51.10 | 51.10 | 45,700 |
| May 15, 2019 | 50.51 | 50.82 | 50.38 | 50.68 | 50.68 | 51,100 |
| May 14, 2019 | 50.74 | 51.20 | 50.40 | 50.51 | 50.51 | 73,200 |
| May 14, 2019 | 0.35 Dividend | | | | | |
| May 13, 2019 | 50.39 | 51.17 | 50.16 | 51.08 | 50.73 | 70,800 |
| May 10, 2019 | 50.45 | 50.88 | 50.16 | 50.64 | 50.29 | 93,600 |
| May 09, 2019 | 50.38 | 50.69 | 49.94 | 50.49 | 50.14 | 81,700 |
| May 08, 2019 | 50.72 | 51.15 | 50.02 | 50.30 | 49.96 | 82,500 |
| May 07, 2019 | 52.01 | 53.20 | 50.56 | 50.70 | 50.35 | 81,000 |
| May 06, 2019 | 52.25 | 53.15 | 52.25 | 52.38 | 52.02 | 77,100 |
| May 03, 2019 | 50.80 | 52.37 | 50.80 | 52.36 | 52.00 | 87,700 |
| May 02, 2019 | 50.49 | 50.87 | 50.10 | 50.81 | 50.46 | 94,100 |
| May 01, 2019 | 51.32 | 51.32 | 50.39 | 50.47 | 50.12 | 84,200 |
| Apr 30, 2019 | 50.92 | 51.37 | 50.70 | 51.30 | 50.95 | 95,000 |
| Apr 29, 2019 | 50.97 | 51.16 | 50.69 | 50.88 | 50.53 | 45,400 |
| Apr 26, 2019 | 50.83 | 51.28 | 50.80 | 50.94 | 50.59 | 58,600 |

People Also Watch

| Symbol | Last Price | Change | % Change |
|--|------------|--------|----------|
| BKH Black Hills Corporation | 76.95 | +0.53 | +0.69% |
| ALE Allele, Inc. | 82.42 | +0.48 | +0.59% |
| PNM PNM Resources, Inc. (Holding Co) | 47.75 | +0.41 | +0.87% |
| MGEE MGE Energy Inc. | 71.55 | +0.85 | +1.20% |
| IDA IDACORP, Inc. | 103.46 | +0.76 | +0.74% |

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Pinnacle West Capital Corporation (PNW)

NYSE - Nasdaq Real Time Price. Currency in USD

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Quote Lookup

96.08 +0.04 (+0.04%)

As of 2:03PM EDT. Market open.

Buy

Sell

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Price: \$31,730 Erscia mer PREV NEXT

2019 Hyundai Kona Ultimate
 Stock #: Y318976 | [DETAILS](#)
 VIN: KMBK53A56KU318976

Round Rock Hyundai
 Round Rock, TX

Time Period: May 22, 2018 - May 22, 2019 Show: Historical Prices

Frequency: Daily

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Currency in USD

| Date | Open | High | Low | Close* | Adj Close** | Volume |
|--------------|-----------------|-------|-------|--------|-------------|-----------|
| May 22, 2019 | 96.34 | 96.36 | 95.72 | 96.08 | 96.08 | 446,130 |
| May 21, 2019 | 96.67 | 97.21 | 95.98 | 96.04 | 96.04 | 709,800 |
| May 20, 2019 | 96.40 | 96.94 | 96.04 | 96.59 | 96.59 | 658,400 |
| May 17, 2019 | 95.38 | 96.67 | 95.23 | 96.06 | 96.06 | 722,400 |
| May 16, 2019 | 95.00 | 96.10 | 94.75 | 95.82 | 95.82 | 554,800 |
| May 15, 2019 | 95.30 | 95.72 | 94.68 | 95.19 | 95.19 | 613,400 |
| May 14, 2019 | 96.21 | 96.52 | 94.78 | 94.98 | 94.98 | 924,000 |
| May 13, 2019 | 94.61 | 96.48 | 94.58 | 96.31 | 96.31 | 983,700 |
| May 10, 2019 | 92.70 | 94.72 | 92.46 | 94.72 | 94.72 | 574,200 |
| May 09, 2019 | 92.41 | 93.12 | 92.05 | 92.57 | 92.57 | 638,700 |
| May 08, 2019 | 93.08 | 93.08 | 91.95 | 92.18 | 92.18 | 728,400 |
| May 07, 2019 | 93.47 | 94.11 | 92.93 | 93.35 | 93.35 | 742,200 |
| May 06, 2019 | 94.39 | 94.46 | 93.35 | 93.47 | 93.47 | 798,800 |
| May 03, 2019 | 93.20 | 94.30 | 93.20 | 94.12 | 94.12 | 670,900 |
| May 02, 2019 | 93.76 | 94.19 | 92.52 | 93.07 | 93.07 | 1,492,200 |
| May 01, 2019 | 94.56 | 95.89 | 93.86 | 94.08 | 94.08 | 1,486,500 |
| Apr 30, 2019 | 93.41 | 95.28 | 93.25 | 95.27 | 95.27 | 1,063,000 |
| Apr 30, 2019 | 0.7375 Dividend | | | | | |
| Apr 29, 2019 | 94.96 | 94.98 | 93.78 | 94.37 | 93.63 | 772,400 |
| Apr 26, 2019 | 96.27 | 96.31 | 94.97 | 95.09 | 94.35 | 946,700 |

People Also Watch

| Symbol | Last Price | Change | % Change |
|--|------------|--------|----------|
| NI NiSource Inc | 28.40 | +0.28 | +1.01% |
| SCG SCG | | | |
| DTE DTE Energy Company | 128.14 | +0.93 | +0.73% |
| PEG Public Service Enterprise Group | 61.12 | +0.43 | +0.71% |
| XEL Xcel Energy Inc. | 58.27 | +0.19 | +0.33% |

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PNM Resources, Inc. (PNM)

NYSE - Nasdaq Real Time Price. Currency in USD

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Quote Lookup

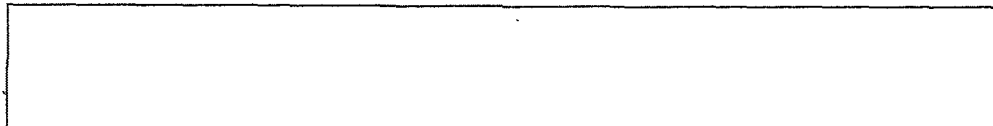
47.77 +0.43 (+0.91%)

As of 2:00PM EDT. Market open.

Buy

Sell

Summary Chart Conversations Statistics Historical Data Profile Financials Analysis Options Holders Sustainability



Time Period: May 22, 2018 - May 22, 2019

Show: Historical Prices

Frequency: Daily

Apply

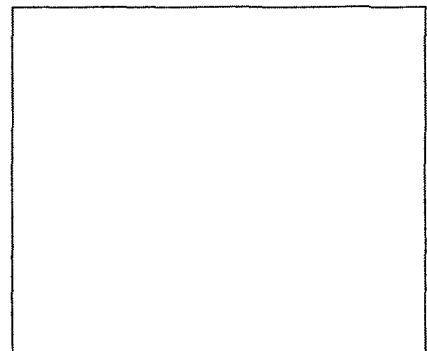
Currency in USD

Download Data

| Date | Open | High | Low | Close* | Adj Close** | Volume |
|--------------|---------------|-------|-------|--------|-------------|---------|
| May 22, 2019 | 47.34 | 47.77 | 47.33 | 47.77 | 47.77 | 72,095 |
| May 21, 2019 | 46.91 | 47.56 | 46.91 | 47.34 | 47.34 | 339,700 |
| May 20, 2019 | 47.15 | 47.59 | 46.86 | 47.10 | 47.10 | 456,000 |
| May 17, 2019 | 47.49 | 47.70 | 46.89 | 47.14 | 47.14 | 886,600 |
| May 16, 2019 | 47.73 | 48.21 | 47.46 | 47.80 | 47.80 | 266,500 |
| May 15, 2019 | 47.63 | 48.03 | 47.58 | 47.71 | 47.71 | 203,800 |
| May 14, 2019 | 48.20 | 48.35 | 47.72 | 47.74 | 47.74 | 213,700 |
| May 13, 2019 | 47.73 | 48.31 | 47.68 | 48.28 | 48.28 | 302,100 |
| May 10, 2019 | 47.11 | 48.01 | 46.82 | 48.01 | 48.01 | 502,900 |
| May 09, 2019 | 46.37 | 46.87 | 46.23 | 46.55 | 46.55 | 349,300 |
| May 08, 2019 | 46.97 | 46.98 | 46.28 | 46.33 | 46.33 | 279,900 |
| May 07, 2019 | 47.38 | 47.95 | 46.43 | 46.79 | 46.79 | 499,200 |
| May 06, 2019 | 46.96 | 47.65 | 46.96 | 47.45 | 47.45 | 527,900 |
| May 03, 2019 | 46.21 | 47.28 | 46.21 | 47.10 | 47.10 | 412,100 |
| May 02, 2019 | 45.70 | 46.24 | 45.57 | 46.11 | 46.11 | 381,600 |
| May 01, 2019 | 46.10 | 46.34 | 45.61 | 45.86 | 45.86 | 310,900 |
| May 01, 2019 | 0.29 Dividend | | | | | |
| Apr 30, 2019 | 45.60 | 46.57 | 45.41 | 46.44 | 46.15 | 397,100 |
| Apr 29, 2019 | 45.58 | 45.64 | 45.25 | 45.53 | 45.25 | 247,600 |
| Apr 26, 2019 | 45.76 | 46.00 | 45.61 | 45.67 | 45.38 | 245,000 |

People Also Watch

| Symbol | Last Price | Change | % Change |
|---|------------|--------|----------|
| EE El Paso Electric Company | 59.29 | -0.11 | -0.19% |
| PNW Pinnacle West Capital Corporati | 96.05 | +0.01 | +0.01% |
| IDA IDACORP, Inc. | 103.46 | +0.76 | +0.74% |
| POR Portland General Electric Co | 53.24 | +0.21 | +0.40% |
| OGE OGE Energy Corp | 43.04 | +0.27 | +0.63% |



Yahoo Small Business

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*Close price adjusted for splits. **Adjusted close price adjusted for both dividends and splits.

Portland General Electric Company (POR)

NYSE - Nasdaq Real Time Price. Currency in USD

☆ Add to watchlist

Quote Lookup

53.24 +0.21 (+0.40%)

Buy Sell

As of 2:01PM EDT. Market open.

Summary Chart Conversations Statistics Historical Data Profile Financials Analysis Options Holders Sustainability



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Round Rock Hyundai

Time Period: May 22, 2018 - May 22, 2019 Show: Historical Prices

Frequency: Daily

Apply

Currency in USD

Download Data

| Date | Open | High | Low | Close* | Adj Close** | Volume |
|--------------|-------|-------|-------|--------|-------------|---------|
| May 22, 2019 | 53.10 | 53.35 | 52.82 | 53.24 | 53.24 | 113,272 |
| May 21, 2019 | 53.31 | 53.72 | 52.98 | 53.03 | 53.03 | 430,100 |
| May 20, 2019 | 53.35 | 53.78 | 53.11 | 53.25 | 53.25 | 266,000 |
| May 17, 2019 | 53.22 | 53.77 | 53.01 | 53.36 | 53.36 | 303,400 |
| May 16, 2019 | 53.04 | 53.61 | 52.84 | 53.28 | 53.28 | 268,600 |
| May 15, 2019 | 53.27 | 53.48 | 53.11 | 53.19 | 53.19 | 255,500 |
| May 14, 2019 | 53.59 | 53.76 | 53.19 | 53.27 | 53.27 | 553,500 |
| May 13, 2019 | 52.91 | 53.77 | 52.65 | 53.71 | 53.71 | 462,900 |
| May 10, 2019 | 52.03 | 53.08 | 51.87 | 53.06 | 53.06 | 335,200 |
| May 09, 2019 | 51.74 | 52.18 | 51.66 | 51.97 | 51.97 | 285,800 |
| May 08, 2019 | 52.59 | 52.67 | 51.67 | 51.70 | 51.70 | 483,900 |
| May 07, 2019 | 52.55 | 52.74 | 52.35 | 52.55 | 52.55 | 325,900 |
| May 06, 2019 | 52.48 | 52.75 | 52.33 | 52.60 | 52.60 | 335,800 |
| May 03, 2019 | 51.83 | 52.51 | 51.75 | 52.49 | 52.49 | 448,500 |
| May 02, 2019 | 52.03 | 52.28 | 51.69 | 51.88 | 51.88 | 318,000 |
| May 01, 2019 | 52.29 | 52.47 | 51.89 | 52.11 | 52.11 | 480,700 |
| Apr 30, 2019 | 51.70 | 52.40 | 51.65 | 52.31 | 52.31 | 776,100 |
| Apr 29, 2019 | 52.03 | 52.15 | 51.57 | 51.72 | 51.72 | 742,300 |
| Apr 26, 2019 | 52.00 | 52.55 | 51.89 | 52.12 | 52.12 | 708,000 |
| Apr 25, 2019 | 51.01 | 51.62 | 50.89 | 51.48 | 51.48 | 638,000 |

46

Shop now

People Also Watch

| Symbol | Last Price | Change | % Change |
|--|------------|--------|----------|
| NWE NorthWestern Corporation | 71.65 | -0.01 | -0.02% |
| PNM PNM Resources, Inc. (Holding Co) | 47.77 | +0.43 | +0.91% |
| IDA IDACORP, Inc. | 103.46 | +0.76 | +0.74% |
| PNW Pinnacle West Capital Corporati | 96.05 | +0.01 | +0.01% |
| BKH Black Hills Corporation | 77.01 | +0.59 | +0.77% |

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Round Rock Hyundai
Round Rock, TX

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*Close price adjusted for splits. **Adjusted close price adjusted for both dividends and splits.

WEC Energy Group, Inc. (WEC)
NYSE - Nasdaq Real Time Price. Currency in USD

☆ Add to watchlist

Quote Lookup

81.65 +0.79 (+0.98%)

Buy Sell

As of 2:03PM EDT. Market open.

Summary Chart Conversations Statistics Historical Data Profile Financials Analysis Options Holders Sustainability

Price: **\$22,941** Disclaimer PREV NEXT

2019 Hyundai Kona SEL
Stock #: Y285571 | [DETAILS](#)
VIN: KM8K62AA5KU285571

Round Rock Hyundai
Round Rock, TX

FOREX.com

Expand your horizon

Time Period: May 22, 2018 - May 22, 2019 Show: Historical Prices

Frequency: Daily Apply

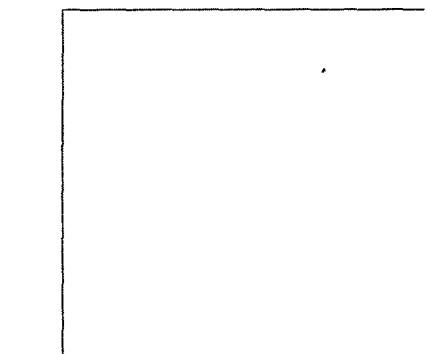
Download Data

Currency in USD

| Date | Open | High | Low | Close* | Adj Close** | Volume |
|--------------|---------------|-------|-------|--------|-------------|-----------|
| May 22, 2019 | 81.07 | 81.67 | 80.86 | 81.65 | 81.65 | 482,415 |
| May 21, 2019 | 81.31 | 81.91 | 80.82 | 80.86 | 80.86 | 1,273,900 |
| May 20, 2019 | 81.13 | 81.54 | 80.90 | 81.27 | 81.27 | 1,285,300 |
| May 17, 2019 | 80.05 | 81.36 | 80.05 | 80.90 | 80.90 | 1,559,900 |
| May 16, 2019 | 79.52 | 80.44 | 79.11 | 80.25 | 80.25 | 1,163,800 |
| May 15, 2019 | 79.69 | 80.01 | 79.36 | 79.64 | 79.64 | 1,054,000 |
| May 14, 2019 | 79.77 | 80.04 | 79.31 | 79.52 | 79.52 | 1,852,900 |
| May 13, 2019 | 78.60 | 80.02 | 78.28 | 79.86 | 79.86 | 2,092,800 |
| May 13, 2019 | 0.59 Dividend | | | | | |
| May 10, 2019 | 77.18 | 79.25 | 77.18 | 79.21 | 78.62 | 1,281,100 |
| May 09, 2019 | 76.91 | 77.67 | 76.61 | 77.47 | 76.89 | 1,235,700 |
| May 08, 2019 | 78.22 | 78.27 | 77.33 | 77.40 | 76.82 | 1,500,400 |
| May 07, 2019 | 78.22 | 78.64 | 77.95 | 78.36 | 77.78 | 1,635,900 |
| May 06, 2019 | 78.43 | 78.55 | 77.90 | 78.10 | 77.52 | 1,201,800 |
| May 03, 2019 | 77.65 | 78.43 | 77.58 | 78.31 | 77.73 | 879,900 |
| May 02, 2019 | 77.74 | 78.16 | 77.24 | 77.61 | 77.03 | 1,416,300 |
| May 01, 2019 | 78.08 | 78.44 | 77.62 | 77.65 | 77.07 | 1,240,300 |
| Apr 30, 2019 | 77.01 | 78.48 | 76.90 | 78.43 | 77.85 | 1,333,400 |
| Apr 29, 2019 | 77.45 | 77.46 | 76.75 | 76.94 | 76.37 | 1,201,800 |
| Apr 26, 2019 | 78.36 | 78.77 | 77.59 | 77.64 | 77.06 | 1,425,600 |

People Also Watch

| Symbol | Last Price | Change | % Change |
|---|------------|--------|----------|
| XEL Xcel Energy Inc. | 58.28 | +0.20 | +0.34% |
| LNT Alliant Energy Corporation | 48.40 | +0.32 | +0.67% |
| SCG SCG | | | |
| PNW Pinnacle West Capital Corporati | 96.08 | +0.04 | +0.04% |
| CMS CMS Energy Corporation | 56.62 | +0.27 | +0.48% |



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*Close price adjusted for splits. **Adjusted close price adjusted for both dividends and splits.

Xcel Energy Inc. (XEL)

NasdaqGS - NasdaqGS Real Time Price. Currency in USD

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Quote Lookup

58.26 +0.17 (+0.30%)

As of 2:04PM EDT. Market open.

Buy

Sell

Summary Chart Conversations Statistics Historical Data Profile Financials Analysis Options Holders Sustainability

Price: **\$22,756** Disclaimer PREV NEXT

2019 Hyundai Tucson SE
 Stock #: Y973581 | [DETAILS](#)
 VIN: KM8J23A49KU973581

Round Rock Hyundai
 Round Rock, TX



Time Period: May 22, 2018 - May 22, 2019 Show: Historical Prices

Frequency: Daily

Apply

Download Data

Currency in USD

| Date | Open | High | Low | Close* | Adj Close** | Volume |
|--------------|-------|-------|-------|--------|-------------|-----------|
| May 22, 2019 | 58.34 | 58.34 | 58.04 | 58.26 | 58.26 | 1,990,425 |
| May 21, 2019 | 58.42 | 58.74 | 57.97 | 58.08 | 58.08 | 2,272,500 |
| May 20, 2019 | 58.27 | 58.69 | 58.20 | 58.39 | 58.39 | 2,323,100 |
| May 17, 2019 | 57.62 | 58.48 | 57.46 | 58.21 | 58.21 | 2,532,400 |
| May 16, 2019 | 57.04 | 57.93 | 56.97 | 57.73 | 57.73 | 1,793,000 |
| May 15, 2019 | 57.33 | 57.58 | 57.10 | 57.22 | 57.22 | 2,952,300 |
| May 14, 2019 | 57.71 | 57.85 | 57.22 | 57.31 | 57.31 | 2,648,800 |
| May 13, 2019 | 56.90 | 57.82 | 56.90 | 57.78 | 57.78 | 3,695,800 |
| May 10, 2019 | 55.90 | 57.23 | 55.86 | 57.21 | 57.21 | 2,468,100 |
| May 09, 2019 | 55.78 | 56.20 | 55.26 | 56.06 | 56.06 | 2,446,800 |
| May 08, 2019 | 56.47 | 56.49 | 55.84 | 55.88 | 55.88 | 3,093,400 |
| May 07, 2019 | 56.37 | 56.94 | 56.32 | 56.58 | 56.58 | 4,438,900 |
| May 06, 2019 | 56.63 | 56.78 | 56.28 | 56.51 | 56.51 | 3,295,500 |
| May 03, 2019 | 56.02 | 56.65 | 55.82 | 56.58 | 56.58 | 1,636,100 |
| May 02, 2019 | 55.87 | 56.20 | 55.45 | 55.92 | 55.92 | 2,123,200 |
| May 01, 2019 | 56.19 | 56.58 | 55.88 | 55.90 | 55.90 | 2,340,900 |
| Apr 30, 2019 | 55.43 | 56.53 | 55.34 | 56.50 | 56.50 | 2,777,900 |
| Apr 29, 2019 | 55.69 | 55.92 | 54.94 | 55.45 | 55.45 | 1,851,800 |
| Apr 26, 2019 | 56.20 | 56.71 | 55.87 | 55.92 | 55.92 | 2,228,100 |
| Apr 25, 2019 | 55.09 | 56.29 | 54.71 | 55.99 | 55.99 | 2,094,400 |

People Also Watch

| Symbol | Last Price | Change | % Change |
|---|------------|--------|----------|
| WEC WEC Energy Group, Inc. | 81.65 | +0.79 | +0.98% |
| PNW Pinnacle West Capital Corporati | 96.08 | +0.04 | +0.04% |
| CNP CenterPoint Energy, Inc (Holdin | 29.59 | +0.07 | +0.24% |
| PEG Public Service Enterprise Group | 61.11 | +0.42 | +0.70% |
| TE TECO Energy, Inc. | | | |

Yahoo Small Business

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*Close price adjusted for splits. **Adjusted close price adjusted for both dividends and splits.

Market Results
Through 2015

2016

Valuation Handbook

DUFF PHELPS

Key Things to Remember about Cost of Capital

- The cost of capital is the expected rate of return that market participants require in order to attract funds to a particular investment. The cost of capital is an opportunity cost.
- The cost of capital is also commonly called the discount rate, the expected return, or the required return.
- There are three broad valuation approaches: the (i) income approach, (ii) the market approach, and (iii) the asset-based approach. We focus on income-based methods in this book, since these are the methodologies that require cost of capital estimates.
- Capitalizing and discounting are two ways to bring expected cash flows back to present value under the income approach. In capitalizing, we focus on the cash flow of just a single normalized period. In discounting, we project the annual expected cash flows from the subject investment over the life of that investment.
- The cost of capital (like all valuation inputs) is forward-looking. Cost of capital is used to discount expected *future* cash flows to present value. Because the future cannot be predicted with anything approaching certainty, estimates of cost of capital are inherently imprecise.
- Past returns may provide some guidance as to what returns in the future will be, but there is no guarantee that the past will "repeat itself".
- Cost of capital is a function of the investment, not the investor.
- Cost of capital is based on market value, and is usually stated in nominal, after-tax terms (after corporate taxes, but before individual investor taxes).
- The data used in the *Valuation Handbook* are drawn from information on public companies and, therefore, the resulting cost of capital estimates developed using this book are "as if public". Valuation analysts may deem additional adjustments to be necessary.
- The cost of capital to the overall business is commonly called the WACC. WACC represents the market-capitalization-weighted cost of capital for both equity holders (both common and preferred) and debt holders.
- The data and methodology in the *Valuation Handbook* can be used to estimate cost of common equity capital.

Chapter 2

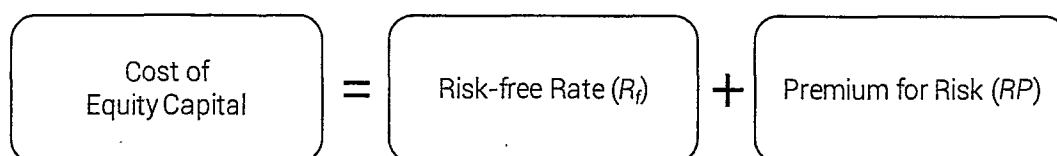
Methods for Estimating the Cost of Equity Capital

Capital

Basic Framework^{2,1}

All of the methods commonly used to estimate the cost of equity capital have the same basic framework: they start with a "risk-free" rate, and then add a premium for "risk", as summarized in Exhibit 2.1.

Exhibit 2.1: The Basic Framework of the Models Used to Estimate the Cost of Equity Capital



Two of the most widely used methods of estimating the cost of equity capital are the build-up method and the capital asset pricing model (CAPM). Both methods are predicated on this basic framework. In this book we focus on how to use the two valuation data sets (CRSP Deciles Size Premia Study exhibits and Risk Premium Report Study exhibits) contained herein to estimate the cost of equity capital using these two methods.

The nominal risk-free rate (R_f) is in theory a function of the real (risk-free) rate of interest plus expected inflation. The risk-free rate is the return available on a security that the market generally regards as free of the risk of default.^{2,2} The nominal risk-free rate serves as an inflation adjustment mechanism, increasing or decreasing the cost of equity capital as inflation estimates change. During periods of increased inflation expectations, nominal risk-free rates increase, thereby increasing the expected returns estimated through cost of equity capital models. Similarly, during periods of decreased inflation expectations, nominal risk-free rates decrease, thereby decreasing the expected returns estimated through cost of equity capital models.

As the market's perception of an investment's riskiness increases, the risk premium, RP , also increases; accordingly, the rate of return that the market requires (the discount rate) will likewise increase for a given set of expected cash flows. The *greater* the market's required rate of return, the *lower* the present value of the investment, and the *lower* the market's required rate of return, the *greater* the present value of the investment.

^{2,1} This chapter is excerpted in part from Shannon P. Pratt and Roger J. Grabowski, *Cost of Capital: Applications and Examples* 5th ed. (Hoboken, NJ: John Wiley & Sons, 2014)

^{2,2} The yield on a 20-year constant maturity U.S. government bond is used as a proxy for the risk-free rate in the *2016 Valuation Handbook – Guide to Cost of Capital*, unless otherwise noted.

Summary Statistics of Annual Total Returns, Income Returns, and Capital
Appreciation Returns of Basic U.S. Asset Classes
1926-2017

| 1926-2017 | Geometric Mean Returns (%) | Arithmetic Mean Returns (%) | Standard Deviation of Returns (%) |
|---|-------------------------------------|--------------------------------------|--|
| Large Company Stocks | | | |
| Total Return | 10.2 | 12.1 | 19.8 |
| Income Return | 4.0 | 4.0 | 1.6 |
| Capital Appreciation Return | 6.0 | 7.8 | 19.1 |
| Small Company Stocks | | | |
| Total Return | 12.1 | 16.5 | 31.7 |
| Mid-cap Stocks (Decile 3-5) | | | |
| Total Return | 11.2 | 13.9 | 24.3 |
| Income Return | 3.7 | 3.8 | 1.8 |
| Capital Appreciation Return | 7.2 | 9.9 | 23.6 |
| Low-cap Stocks (Decile 6-8) | | | |
| Total Return | 11.6 | 15.3 | 28.5 |
| Income Return | 3.4 | 3.4 | 2.0 |
| Capital Appreciation Return | 8.0 | 11.7 | 27.9 |
| Micro-cap Stocks (Decile 9-10) | | | |
| Total Return | 12.2 | 18.0 | 38.6 |
| Income Return | 2.5 | 2.5 | 1.7 |
| Capital Appreciation Return | 9.7 | 15.4 | 37.8 |
| Long-term Corporate Bonds | | | |
| Total Return | 6.1 | 6.4 | 8.3 |
| Long-term Government Bonds | | | |
| Total Return | 5.5 | 6.0 | 9.9 |
| Income Return | 5.0 | 5.0 | 2.6 |
| Capital Appreciation Return | 0.4 | 0.8 | 8.9 |
| Intermediate-term Government Bonds | | | |
| Total Return | 5.1 | 5.2 | 5.6 |
| Income Return | 4.4 | 4.4 | 2.9 |
| Capital Appreciation Return | 0.6 | 0.7 | 4.4 |
| US Treasury Bills | | | |
| Total Return | 3.4 | 3.4 | 3.1 |
| Inflation | | | |
| | 2.9 | 3.0 | 4.0 |

Source of underlying data: (i) Stocks, Bonds, Bills and Inflation[®] (S&BBI) return series from the Morningstar Direct database Series used: Large Company Stocks (IA S&BBI US Large Stock TR USD Ext), The "S&BBI US Large Stock" return series is essentially the S&P 500 index. Small Company Stocks (IA S&BBI US Small Stock TR USD), Long-term Corp. Bonds (IA S&BBI US LT Corp TR USD), Long-term Gov't Bonds (IA S&BBI US LT Govt TR USD), Intermediate-term Gov't Bonds (IA S&BBI US-IT Govt TR USD), T-bills (IA S&BBI US 30 Day TBill TR USD), Inflation (IA S&BBI US Inflation). All rights reserved. Used with permission. (ii) CRSP U.S. Stock Database and CRSP U.S. Indices Database © 2018 Center for Research in Security Prices (CRSP[®]), University of Chicago Booth School of Business. CRSP standard market-cap-weighted NYSE/NASDAQ deciles 1-10. Mid-cap stocks represented by a market-capitalization weighted portfolio comprised of CRSP deciles 3-5. Low-cap stocks represented by a market-capitalization weighted portfolio comprised of CRSP deciles 6-8. Micro-cap stocks represented by a market-capitalization weighted portfolio comprised of CRSP deciles 9-10. Total return is equal to sum of three components returns, income return, capital appreciation, and reinvestment return. Used with permission. All rights reserved. Calculations performed by Duff & Phelps, LLC

FEDERAL RESERVE press release



For release at 2 p.m. EDT

May 1, 2019

Information received since the Federal Open Market Committee met in March indicates that the labor market remains strong and that economic activity rose at a solid rate. Job gains have been solid, on average, in recent months, and the unemployment rate has remained low. Growth of household spending and business fixed investment slowed in the first quarter. On a 12-month basis, overall inflation and inflation for items other than food and energy have declined and are running below 2 percent. On balance, market-based measures of inflation compensation have remained low in recent months, and survey-based measures of longer-term inflation expectations are little changed.

Consistent with its statutory mandate, the Committee seeks to foster maximum employment and price stability. In support of these goals, the Committee decided to maintain the target range for the federal funds rate at 2-1/4 to 2-1/2 percent. The Committee continues to view sustained expansion of economic activity, strong labor market conditions, and inflation near the Committee's symmetric 2 percent objective as the most likely outcomes. In light of global economic and financial developments and muted inflation pressures, the Committee will be patient as it determines what future adjustments to the target range for the federal funds rate may be appropriate to support these outcomes.

In determining the timing and size of future adjustments to the target range for the federal funds rate, the Committee will assess realized and expected economic conditions relative to its maximum employment objective and its symmetric 2 percent inflation objective. This assessment will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial and international developments.

Voting for the FOMC monetary policy action were: Jerome H. Powell, Chair; John C. Williams, Vice Chair; Michelle W. Bowman; Lael Brainard; James Bullard; Richard H. Clarida; Charles L. Evans; Esther L. George; Randal K. Quarles; and Eric S. Rosengren.

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Decisions Regarding Monetary Policy Implementation

The Federal Reserve has made the following decisions to implement the monetary policy stance announced by the Federal Open Market Committee in its statement on May 1, 2019:

- The Board of Governors of the Federal Reserve System voted unanimously to set the interest rate paid on required and excess reserve balances at 2.35 percent, effective May 2, 2019. Setting the interest rate paid on required and excess reserve balances 15 basis points below the top of the target range for the federal funds rate is intended to foster trading in the federal funds market at rates well within the FOMC's target range.
- As part of its policy decision, the Federal Open Market Committee voted to authorize and direct the Open Market Desk at the Federal Reserve Bank of New York, until instructed otherwise, to execute transactions in the System Open Market Account in accordance with the following domestic policy directive:

“Effective May 2, 2019, the Federal Open Market Committee directs the Desk to undertake open market operations as necessary to maintain the federal funds rate in a target range of 2-1/4 to 2-1/2 percent, including overnight reverse repurchase operations (and reverse repurchase operations with maturities of more than one day when necessary to accommodate weekend, holiday, or similar trading conventions) at an offering rate of 2.25 percent, in amounts limited only by the value of Treasury securities held outright in the System Open Market Account that are available for such operations and by a per-counterparty limit of \$30 billion per day.

Effective May 2, 2019, the Committee directs the Desk to roll over at auction the amount of principal payments from the Federal Reserve's holdings of Treasury securities maturing during each calendar month that exceeds \$15 billion. The Committee directs the Desk to continue reinvesting in agency mortgage-backed securities the amount of principal payments from the Federal Reserve's holdings of agency debt and agency mortgage-backed securities received during each calendar month that exceeds \$20 billion. Small deviations from these amounts for operational reasons are acceptable.

The Committee also directs the Desk to engage in dollar roll and coupon swap transactions as necessary to facilitate settlement of the Federal Reserve's agency mortgage-backed securities transactions.”

- In a related action, the Board of Governors of the Federal Reserve System voted unanimously to approve the establishment of the primary credit rate at the existing level of 3.00 percent.

(more)

- 2 -

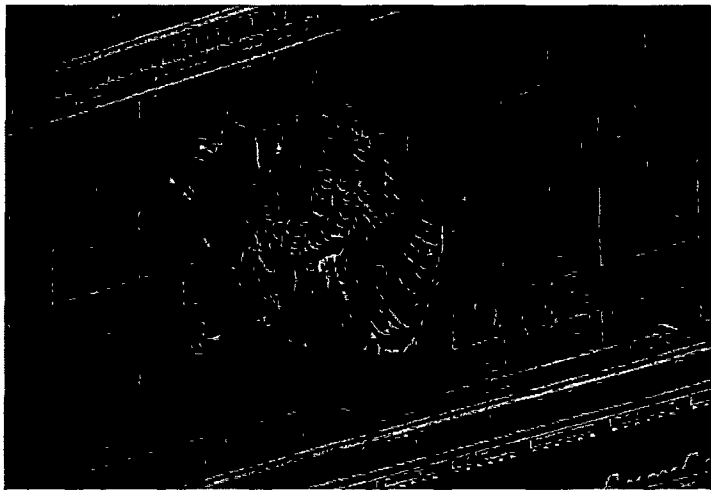
This information will be updated as appropriate to reflect decisions of the Federal Open Market Committee or the Board of Governors regarding details of the Federal Reserve's operational tools and approach used to implement monetary policy.

More information regarding open market operations and reinvestments may be found on the Federal Reserve Bank of New York's website.

CENTRAL BANKS

Fed Expects to Keep Raising Rates, Ending Years of Stimulus

Economy's recent strength has moved the Fed to a point at which it could soon seek to cool growth



An eagle statue stands on the facade of the Federal Reserve building in Washington. The central bank has raised its benchmark interest rate twice this year, including at its last meeting in June. Its next policy meeting is July 31-Aug. 1. PHOTO: ANDREW HARRER/BLOOMBERG NEWS

By *Nick Timiraos*

Updated July 5, 2018 4:56 p.m. ET

WASHINGTON—Federal Reserve officials at their meeting last month signaled they could raise interest rates over the next year to a level that no longer seeks to spur growth, formally ending the long postcrisis chapter in which the central bank rewrote its policy playbook to provide unprecedented economic stimulus.

In a sign of the economy's changing fortunes, officials intensified their discussions over how to manage rates if growth accelerates so much that unsustainable price pressures or financial bubbles emerge, according to the minutes of the Fed's June 12-13 meeting, which were released Thursday.

"Some participants raised the concern that a prolonged period in which the economy operated beyond potential could give rise to heightened inflationary pressures or to financial imbalances that could lead eventually to a significant economy downturn," the minutes said.

The Fed raised its benchmark federal-funds rate at the June meeting by a quarter percentage point to a range between 1.75% and 2%, the second such increase this year. Most of the officials penciled in a total of at least four rate increases this year, up from three in forecasts released in March.

The discussions reflected how the economy's recent strength has moved the Fed to a point at which it could soon seek to cool growth.

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“Participants generally judged that...it would likely to be appropriate to continue gradually raising the target rate for the federal-funds rate to a setting that was at or somewhat above their estimates of its longer-run level by 2019 or 2020,” the minutes said.

The officials' discussions framed the big questions shaping policy over the next few years: They must determine the neutral setting for the fed-funds rate—the level that neither spurs nor slows growth—now that they expect the economy to grow faster than is sustainable over the long run. Then they must decide how much to push rates above neutral to slow growth and prevent the economy from overheating.

The minutes didn't suggest, however, that most officials think they need to pick up the pace of rate increases.

“These minutes don't give the impression that a clear majority is ready now to abandon the idea that the risks are ‘roughly balanced’ or that ‘gradual’ rate hikes are no longer enough,” said Ian Shepherdson, chief economist at Pantheon Macroeconomics, in a note to clients.

The minutes did reveal one potential source of caution: concern that trade policy could hold back business investment and weaken economic growth relative to officials' forecasts for a sustained upturn this year and next.

President Donald Trump is in the process of increasing tariffs and other penalties against major trading partners, which could fuel uncertainty among U.S. businesses that rely on global suppliers and markets for their goods and services. A new round of tariffs against China, for example, is set to take effect Friday.

A slowdown in trade could hinder business confidence, weigh on financial markets and reverse a recent synchronized upturn in global growth. The minutes said some businesses contacts have scaled back or shelved plans for new investments in the face of uncertain trade policy changes.

Contacts in the steel and aluminum industries, where the U.S. already has imposed tariffs, told officials they hadn't planned “any new investments” to boost domestic production capacity, the minutes said.

Officials flagged other international risks to growth, including from turbulence that has hit some emerging markets as the dollar strengthens and from political turmoil that could weigh on investment sentiment in Europe.

Still, concerns over trade and a potential weakening in global growth don't appear to have shaken the Fed from its view that more rate increases will be needed to keep the economy on an even keel.

Fiscal policy is one reason why. Tax cuts and government spending increases approved late last year and earlier this year are expected to stimulate growth and push unemployment down to half-century lows. The jobless rate dropped to 3.8% in May, matching its lowest level in 18 years. It hasn't been lower since 1969.

The Labor Department is set to report Friday on hiring in June.

Fed officials have now spent several meetings discussing the prospect of monetary policy moving from stimulating growth to possibly restricting it. Their June projections show most of them expect the fed-funds rate would settle over the long run between 2.75% and 3%—an approximation of neutral.

Some officials have said they aren't looking to increase rates to a level that would try to cool down the economy because they don't want to push short-term rates higher than long-term rates, a so-called inversion of the yield curve that typically has preceded a recession by a year or so.

But officials reviewed staff research at the June meeting that offered reasons why the shape of the yield curve might be less meaningful now. For example, long-term yields could be depressed by recent bond-buying campaigns by the Fed and other major central banks.

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