



Control Number: 49421



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

2019 JUN 20 10:09

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

REBUTTAL TESTIMONY WORKPAPERS

OF

ROBERT B. McRAE

ON BEHALF OF

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC

June 20, 2019

¹
625

Workpaper WP R-RBM-1 is Confidential and will be provided pursuant to the terms of the Protective Order issued in Docket No. 49421.

ALLETE

NYSE-ALE

REGENT PRICE

81.64

P/E RATIO

21.5

(Trailing: 24.2)

(Median: 17.3)

RELATIVE P/E RATIO

1.26

DIV YLD

2.9%

VALUE LINE

TIMELINESS

2

Raised 2/22/19

SAFETY

2

New 1/10/14

TECHNICAL

3

Lowered 3/15/19

BETA

.65

(1.00 = Market)

2022-24 PROJECTIONS

Price

High

Low

Gain

80

60

(NII)

3%

3%

3%

In Insider Decisions

M

J

J

A

S

O

N

D

J

Institutional Decisions

2020H1

2021H1

2022H1

Percent

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

Revenues per sh

34.50

"Cash Flow" per sh

9.25

Earnings per sh A

4.35

Div'd Decl'd per sh B = f

2.85

Cap'l Spending per sh

5.35

Book Value per sh C

48.25

Common Shs Outstg D

51.50

Avg Ann'l P/E Ratio

17.0

Relative P/E Ratio

.95

Avg Ann'l Div'd Yield

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.

Obliq \$747.0 mill.

Pfd Stock None

Common Stock 51,519,442 shs.

as of 2/1/19

MARKET CAP: \$4.2 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

2016

2017

2018

% Change Retail Sales (kWh)

-2.3

+8.4

-2.2

Avg. Retail. Rate (¢/kWh)

NA

NA

NA

Avg. Indust. Rate, per kWh (¢)

NA

NA

NA

Capacity at Peak (MW)

NA

NA

NA

Peak Load, Winter (MW)

1620

1690

1589

Peak Load Factor (%)

NA

NA

NA

% Change Customers (avg.)

NA

NA

NA

Fuel Charge Cor. (%)

318

339

296

ANNUAL RATES of change (per sh)

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%

5.0%

6.0%

Book Value

6.5%

3.5%

3.0%

Cal-endar

QUARTERLY REVENUES (\$ mill.)

Mar.31

Jun.30

Sep.30

Dec.31

Full Year

2016

333.8

314.8

349.6

341.5

1339.7

2017

365.6

363.3

362.5

337.9

1419.3

2018

358.2

344.1

348.0

448.3

1498.6

2019

385

390

380

390

1445

2020

380

375

400

395

1550

Cal-endar

EARNINGS PER SHARE A

Mar.31

Jun.30

Sep.30

Dec.31

Full Year

2016

.93

.50

.81

.80

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

Cal-endar

QUARTERLY DIVIDENDS PAID = f

Mar.31

Jun.30

Sep.30

Dec.31

Full Year

2016

.505

.505

.505

.505

2.02

2017

.52

.52

.52

.52

2.08

2018

.535

.535

.535

.535

2.14

2019

.58

.56

.56

.58

2.24

2020

.5875

(A) Diluted EPS, Excl. nonrec. gain (losses): '04, '06's; '05, (\$1.84), '15, (46c); '17, 26c; (a loss) on disc. ops.; '04, \$2.57, '05, (16c); '06, (2c); '16 & '18 EPS don't sum due to rounding. Next earnings report due early May. (B) Div'd historically paid in early Mar., June, Sept. and Dec.; Div'd reinvest. plan avail.; f 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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ALLETE 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. 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 costs as it upsizes its Internet. 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. 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%. 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. Paul E. Debbas, CFA March 15, 2019

ALLIANT ENERGY NDQ-LNT					RECENT PRICE	45.90	P/E RATIO	20.5 (Trailing: 21.1; Median: 16.0)	RELATIVE P/E RATIO	1.20	DIV'D YLD	3.1%	VALUE LINE		
TIMELINESS	2	Lowered 3/8/19	High: 21.2	15.8	18.8	22.2	23.8	27.1	34.9	35.4	41.0	45.6	46.6	46.3	Target Price Range 2022 2023 2024
SAFETY	2	Raised 9/28/07	Low: 11.4	10.2	14.6	17.0	20.9	21.9	25.0	27.1	30.4	36.6	38.8	40.8	
TECHNICAL	3	Lowered 2/22/19	LEGENDS 0.90 x Dividends p.sh. Divided by Interest Rate Relative Price Strength 2-yr 1-yr 6-yr Options: Yes Shaded area indicates recession												
BETA	.65	(1.00 = Market)	2022-24 PROJECTIONS												
	Price	Gain	Ann'l Total												
	High	50	(+10%)	5%											
	Low	35	(-25%)	-2%											
Insider Decisions															
	M	J	J	A	S	O	N	D	J						
to Buy	0	0	0	0	1	0	0	0	0						
Options	0	0	0	0	0	0	0	0	0						
to Sell	0	0	0	0	0	0	0	0	0						
Institutional Decisions															
	2021H	2020H	4Q20H	Percent	24										
to Buy	226	237	251	shares	16										
to Sell	203	201	209	traded	8										
Ratio	165/135	169/458	180/932												
Alliant Energy, formerly called Interstate Energy Corporation, was formed on April 21, 1998 through the merger of WPL Holdings, IES Industries, and Interstate Power. WPL stockholders received one share of Interstate Energy stock for each WPL share, IES stockholders received 1.14 Interstate Energy shares for each IES share, and Interstate Power stockholders received 1.11 Interstate Energy shares for each Interstate Power share.															
CAPITAL STRUCTURE as of 12/31/18															
Total Debt \$5944.0 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. \$1176.0 mill.															
Pfd Stock \$400.0 mill. Pfd Div'd \$10.2 mill.															
16,000,000 shs.															
Common Stock 236,053,279 shs.															
MARKET CAP: \$10.8 billion (Large Cap)															
ELECTRIC OPERATING STATISTICS															
	2016	2017	2018												
% Change Retail Sales (RHS)	+2.0	+1.0	+2.0												
Avg. Indust. Use (KWH)	11987	12102	12340												
Avg. Indust. Revs. per KWH (¢)	7.04	7.16	7.25												
Capacity at Peak (MW)	5616	5375	5459												
Peak Load, Summer (MW)	5616	5375	5459												
Annual Load Factor (%)	NA	NA	NA												
% Change Customers (yr-nd)	+1.0	+4	+4												
Fixed Charge Cov. (%)															
	295	319	322												
ANNUAL RATES															
	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'17 to '22-'24												
Revenues	-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-ender	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	806.9	856.1	3382.2									
	2018	916.3	816.1	926.8	873.5	3634.5									
	2019	925	840	960	905	3630									
	2020	950	855	975	920	3700									
QUARTERLY DIVIDENDS PAID ^A (\$ mill.)															
	Cal-ender	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	.39	2.25									
	2020	.57	.48	.94	.41	2.40									
QUARTERLY DIVIDENDS PAID ^A (%)															
	Cal-ender	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													

(A) Diluted EPS, Excl. nonrecurr. 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. = Div'd reinvest. plan avail. † Shareholder invest. plan avail. (C) Incl. deferred chgs. in '18: \$80.7 mill., \$0.38/sh. (D) In millions, adjusted for split. (E) Rate base: Orig. cost. Rates all'd on com. eq. in IA in '18: 10.0%; in WI in '18 Regut. Cline: WI, Above Avg.; IA, Avg.

Company's Financial Strength
Stock's Price Stability 85
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	DIVID YLD	2.8%	VALUE LINE																							
TIMELINESS	2 Lowered 2/22/19	High: 54.3	54.3	35.3	28.9	34.1	35.3	37.3	48.1	46.8	54.1	84.9	70.8	72.4	Target Price	Range																	
SAFETY	2 Raised 6/20/14	Low: 25.5	25.5	19.5	23.1	25.5	28.4	30.6	35.2	37.3	41.6	51.4	51.9	63.1	2022	2023																	
TECHNICAL	2 Raised 3/7/19	LEGENDS 0.44% 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	75	Gain	(+5%)	Ann'l Total	Return	5%																											
High	75	Low	55	Gain	(-25%)	-2%																											
Insider Decisions																																	
M	J	J	A	S	O	N	D	J																									
to Buy	0	0	0	0	0	0	0	0																									
Options	0	1	0	0	0	0	1	25																									
to Sell	1	2	0	0	0	2	0	0																									
Institutional Decisions																																	
to Buy	2020	2021	2022	2023	2024	Percent	15																										
to Sell	259	232	250	250	250	shares	10																										
HK (qtr)	172559	176059	178307	178307	178307	traded	5																										
2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020																																	
28.20	28.43	33.12	33.30	36.23	30.82	29.87	31.77	31.04	28.14	24.06	24.85	25.13	25.04	25.48	26.73	26.35	27.15																
8.29	5.57	6.10	6.02	6.76	6.44	6.08	6.33	5.87	5.87	5.25	5.77	6.08	6.69	6.80	7.64	7.95	8.45																
3.14	2.82	3.13	2.86	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																
2.54	2.54	2.54	2.54	2.54	2.54	1.54	1.64	1.56	1.60	1.60	1.61	1.86	1.72	1.78	1.85	1.93	2.06																
4.19	4.13	4.63	4.59	6.86	9.75	7.51	4.66	4.50	5.49	5.87	7.86	8.12	8.78	9.05	9.56	9.90	11.65																
26.73	29.71	31.09	31.86	32.41	32.80	33.08	32.15	32.64	27.27	26.97	27.67	28.83	29.27	29.61	31.21	32.95	34.75																
162.90	195.20	204.70	206.80	208.30	212.30	237.40	240.40	242.80	242.63	242.63	242.63	242.63	244.50	246.50	248.50	248.50	248.50																
18.5	16.3	16.7	18.4	17.4	14.2	9.3	8.7	11.9	13.4	16.5	16.7	17.5	18.3	20.8	18.3	18.3	18.3																
7.7	.86	.89	1.05	.92	.85	.82	.62	.75	.85	.93	.88	.88	.96	1.04	.99	.99	.99																
8.0%	5.6%	4.9%	4.9%	4.9%	6.2%	8.0%	5.8%	5.3%	5.0%	4.6%	4.0%	4.0%	3.5%	3.1%	3.0%	3.0%	3.0%																
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: 4.0%)																																	
Leases, Uncapitalized Annual rentals	\$10 mill.																																
Pension Assets-12/31/18	\$3889 mill.	Obliq	\$4459 mill.																														
Pfd Stock \$142 mill.	Pfd Div'd \$6 mill.																																
807,595 sh. \$3.50 to \$5.50 cum. (no par), \$100																																	
stated val., redeem. \$102.17-\$110/sh.; 616,323																																	
sh. 4.00% to 6.25%, \$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																																	
% Change Retail Sales (GWH)	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002																
Avg. Retail Use (GWH)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA																
Avg. Retail Rev. per kWh (¢)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA																
Capacity at Peak (MW)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA																
Peak Load, Summer (MW)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA																
Annual Load Factor (%)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA																
% Change Customers (gross)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA																
Fixed Charge Cov. (%)	351	362	329																														
ANNUAL RATES	Past	Past	Est'd	18-19																													
of change (per sh)	10 Yrs.	5 Yrs.	1 Yr.	to '22-24																													
Revenue	-3.5%	-1.5%	2.5%																														
"Cash Flow"	1.0%	4.6%	6.5%																														
Earnings	5%	4.5%	6.5%																														
Dividends	-3.5%	2.5%	6.0%																														
Book Value	-5%	.5%	5.0%																														
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year																												
2016	1434	1427	1859	1356	6076.0																												
2017	1514	1539	1723	1402	6177.0																												
2018	1585	1563	1724	1419	6291.0																												
2019	1650	1600	1800	1450	6500																												
2020	1700	1650	1900	1500	6760																												
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year																												
2016	.43	.61	1.52	.13	2.68																												
2017	.42	.79	1.18	.39	2.77																												
2018	.62	.97	1.45	.28	3.32																												
2019	.65	.75	1.50	.40	3.30																												
2020	.70	.85	1.55	.40	3.50																												
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year																												
2015	.41	.41	.41	.425	1.68																												
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 1/00A. 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 68148, St. Louis, MO 63168-6148. 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																																	
D19. EPS. Excl. nonrec. gain (losses): '05, .11¢; '10, (\$2.19); '11, (\$2.4); '12, (\$4.82); '17, .63¢; gain (loss) from disc. ops.: '13, (.92¢); '15, .21¢. '16-'17 EPS don't span due to round-																																	
ing. Next eps. report due early May. (B) Div'ds pd. late Mar./June, Sept., & Dec. '16 Div'd reinv. plan avail. (C) Incl. interest in '18: \$6.29/ah. (D) in mill. (E) Rate base: Orig. cost depr. Rate																																	
aid'd on oom. eq. in MO in '17: elec. none; in '11: gas, none; in IL in '14: elec. 6.7%; in '18: gas, 9.87%; earned on avg. oom. eq.: '18: 6.3%. Reg. Climate: MO, Avg.; IL, Below Avg.																																	
Company's Financial Strength A Stock's Price Stability 95 Price Growth Persistence 80 Earnings Predictability 80																																	
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AMERICAN ELEC. PWR. NYSE-AEP										RECENT PRICE	81.03	P/E RATIO	20.6	(Trailing: 20.8 Median: 15.0)	RELATIVE P/E RATIO	1.20	DIV'D YLD	3.4%	VALUE LINE						
TIMELINESS	3	Lowered 3/17/19	High: 49.1	36.6	37.8	41.7	46.4	51.8	63.2	65.4	71.3	78.1	81.1	81.8	82.7	81.8	72.3			Target Price Range	2022	2023	2024		
SAFETY	1	Rated 3/17/17	Low: 25.5	24.0	28.2	33.1	37.0	41.8	45.8	52.3	56.8	61.8	62.7	62.7	62.7	62.7									
TECHNICAL	2	Rated 3/17/19	LEGENDS: 0.5% 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	95	Gain (+15%)	8%																						
Low	75	Gain (-5%)	2%																						
Insider Decisions																									
M	J	J	A	S	O	N	D	J																	
to Buy	0	0	0	0	0	0	0	0																	
Options	10	0	0	0	0	0	0	0																	
to Sell	1	0	0	0	0	0	0	0																	
Institutional Decisions																									
100% to Buy	357	397	485																						
to Sell	463	429	429																						
Holdings	358281	359124	363108																						
Percent shares traded																									
			15																						
			5																						
* % TOT. RETURN 2/19																									
STOCK INDEX																									
			1 yr.	28.2	3.9																				
			3 yr.	46.1	46.2																				
			5 yr.	93.8	36.6																				
* VALUE LINE PUB. LLC 22-24																									
2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020								
36.82	35.51	30.78	31.82	33.41	35.66	28.22	32.01	31.27	30.77	31.48	34.78	33.51	33.31	31.35	32.84	33.35	33.85	Revenues per sh					36.50		
5.76	5.89	5.96	6.67	6.80	6.84	6.32	6.09	6.83	6.92	7.02	7.57	7.98	8.47	7.95	8.77	9.20	9.80	"Cash Flow" per sh					11.00		
2.53	2.61	2.64	2.86	2.88	2.99	2.97	2.80	3.13	2.98	3.18	3.34	3.59	4.23	3.82	3.90	4.10	4.35	Earnings per sh A					5.00		
1.65	1.40	1.42	1.50	1.68	1.84	1.64	1.71	1.85	1.88	1.95	2.03	2.15	2.27	2.39	2.53	2.72	2.88	Div'd Dec'd per sh B					3.40		
3.44	4.28	6.11	8.89	8.88	9.83	6.18	5.07	5.74	6.45	7.85	8.88	9.37	9.98	11.79	12.89	13.55	12.50	Cap'l Spending per sh					12.50		
19.93	21.32	23.08	23.73	25.17	25.33	27.49	28.33	30.33	31.37	32.98	34.37	36.44	35.38	37.17	38.58	40.90	41.90	Book Value per sh C					48.00		
395.02	395.86	393.72	398.67	400.43	408.07	478.05	480.81	483.42	485.67	487.78	488.40	491.35	491.71	492.01	493.25	495.00	502.00	Common Shs Outstg D					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	19.3	18.0	Avg Ann'd P/E Ratio					17.0				
.51	.66	.73	.70	.87	.79	.67	.85	.75	.88	.61	.84	.80	.80	.97	.97	Relative P/E Ratio					.95				
6.1%	4.3%	3.9%	4.1%	3.4%	4.2%	5.5%	4.9%	5.0%	4.6%	4.2%	3.8%	3.8%	3.5%	3.4%	3.6%	Avg Ann'd Div'd Yield					4.0%				
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.																									
Inc. \$1109.2 mill. securitized bonds. Incl. \$269 mill. capitalized leases.																									
(LT Interest earned: 2.9x)																									
Leases, Uncapitalized Annual rentals \$259.6 mill.																									
Pension Assets-12M \$4695.9 mill.																									
Oblig \$4810.3 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 (RWH)		+3	-1.6	+3.0																					
% Change Indus. Use (RWH)		NA	NA	NA																					
Avg. Indus. Res. per (RWH)		NA	NA	NA																					
Capacity Factor (Kwh)		NA	NA	NA																					
Annual Load Factor (%)		NA	NA	NA																					
% Change Customers (yr-ent)		NA	NA	NA																					
Fixed Charge Cov. (%)		374	354	254																					
ANNUAL RATES of change (per sh)																									
Past 10 Yrs.		Past 5 Yrs.	Est'd '16-'18 to '22-'24																						
Revenues		-5.1%	1.0%	1.5%																					
"Cash Flow"		2.0%	4.0%	4.8%																					
Earnings		3.0%	5.0%	4.0%																					
Dividends		4.5%	5.0%	6.0%																					
Book Value		4.0%	3.6%	4.5%																					
Calendar	QUARTERLY REVENUES (\$ mill.)																				Full Year				
	Mar.31	Jun.30	Sep.30	Dec.31																					
2016	4444	3892	4652	3790																				16380	
2017	3933	3576	4104	3910																				15424	
2018	4048	4013	4333	3801																				16195	
2019	4150	4950	4500	3800																				16580	
2020	4300	4200	4650	3850																				17000	
Calendar	EARNINGS PER SHARE A																				Full Year				
	Mar.31	Jun.30	Sep.30	Dec.31																					
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																				3.80	
2019	1.00	.90	1.30	.90																				4.10	
2020	1.05	1.00	1.40	.90																				4.35	
Calendar	QUARTERLY DIVIDENDS PAID B																				Full Year				
	Mar.31	Jun.30	Sep.30	Dec.31																					
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																								
(A) Dil. EPS. Excl. nonrec. gains (losses): '03, \$1.92; '04, .24; '05, (82.4); '06, (26); '07, (206); '08, .04; '09, (10, 74); '10, 11; '11, 894; '12, (387); '13, (144); '14, (32.99); '17, 254; disc. op's: '03, (324); '04, 164; '05, 74; '06, 24; '08, 34; '15, 584; '16, (14). 18 EPS don't sum due to rounding. Next ex. report due late Apr. (B) Div'd paid early Mar., June, Sept., & Dec. & Div'd re-plan avail. (C) Incl. intang. in '18: \$12.04/m. (D) In mill. (E) Rate base: various. Rates a/ld on com. eq.: 9.3%-10.9%; earn on avg. com. eq.: '18: 10.3%. Regul. Climate: Avg.																									
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 SEEBORD (British utility) '02; Houston Pipeline '05; commercial base operation in '15. Generating sources not available. Fuel costs: 36% of revenues. '18 reported depreciation rates (utility): 1.6%-9.8%. Has 17,600 employees. Chairman, President & CEO: Nicholas K. Akins, incorporated: New York. Address: 1 Riverside Plaza, Columbus, Ohio 43215-2373. Telephone: 614-716-1000. Internet: www.aep.com.																									
American Electric Power has announced a significant acquisition. The company has agreed to buy 724 megawatts of wind capacity from Sempra Energy for a cash payment of \$551 million, the assumption of \$343 million of project debt, and \$182 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																									
Company's Financial Strength A+ Stock's Price Stability 100 Price Growth Persistence 60 Earnings Predictability 85																									
To subscribe call 1-800-VALUELINE																									

AVANGRID, INC. NYSE-AGR

RECENT PRICE 49.97

P/E RATIO 22.2 (Trailing: 22.8; Median: NMF)

RELATIVE P/E RATIO 1.30

DIV YLD 3.6%

VALUE LINE

TIMELINESS 3 Lowered 3/22/19

SAFETY 2 Raised 2/17/17

TECHNICAL 3 Lowered 4/12/19

BETA 40 (1.00 = Market)

LEGENDS

Relative Price Strength

Options: Yes

Shaded area indicates recession

2022-24 PROJECTIONS

Price Gain Ann'l Total

High 60 (+20%) 0%

Low 45 (-10%) 2%

Insider Decisions

J A S O N D J F M

to Buy 1 2 1 1 1 1 0 0 1

Options 0 0 0 0 0 0 0 0 0

to Sell 0 0 0 0 0 0 0 0 0

Institutional Decisions

2020H 2020H 4Q20H

to Buy 123 123 118

to Sell 112 123 123

to Buy 40366 44032 45361

Percent 9

Shares 6

Traded 3

% TOT. RETURN 4/19

THIS STOCK

1 yr. 0.6

3 yr. 40.1

5 yr. 44.9

VL ANNUAL INDEX

1 yr. 5.8

3 yr. 37.6

5 yr. 44.9

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2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020

Revenues per sh 24.25

"Cash Flow" per sh 7.00

Earnings per sh 3.25

Div'd Decl'd per sh 2.10

Cap'l Spending per sh 9.75

Book Value per sh 53.00

Common Shs Outstanding 308.00

Avg Ann'l P/E Ratio 15.5

Relative P/E Ratio .85

Avg Ann'l Div'd Yield 4.2%

CAPITAL STRUCTURE as of 3/31/19

Total Debt \$6610 mill. Due in 5 Yrs \$2680 mill.

LT Debt \$5487 mill. LT Interest \$226 mill.

Incl. \$89 mill. capitalized leases.

(LT Interest earned: 3.9%)

Leases, Uncapitalized Annual rentals \$31 mill.

2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020

Revenues (\$mill) 7300

Net Profit (\$mill) 895

Income Tax Rate 19.5%

AFUDC % to Net Profit 6.0%

Long-Term Debt Ratio 38.0%

Common Equity Ratio 62.0%

Total Capital (\$mill) 20400

Net Plant (\$mill) 33900

Return on Total Cap'l 4.6%

Return on Shr. Equity 6.0%

Return on Common Equity 6.0%

Retained to Com Eq 2.0%

All Div's to Net Prof 65%

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All Div's to Net Prof 65%

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2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020

Revenues (\$mill) 7300

Net Profit (\$mill) 895

Income Tax Rate 19.5%

AFUDC % to Net Profit 6.0%

Long-Term Debt Ratio 38.0%

Common Equity Ratio 62.0%

Total Capital (\$mill) 20400

Net Plant (\$mill) 33900

Return on Total Cap'l 4.6%

Return on Shr. Equity 6.0%

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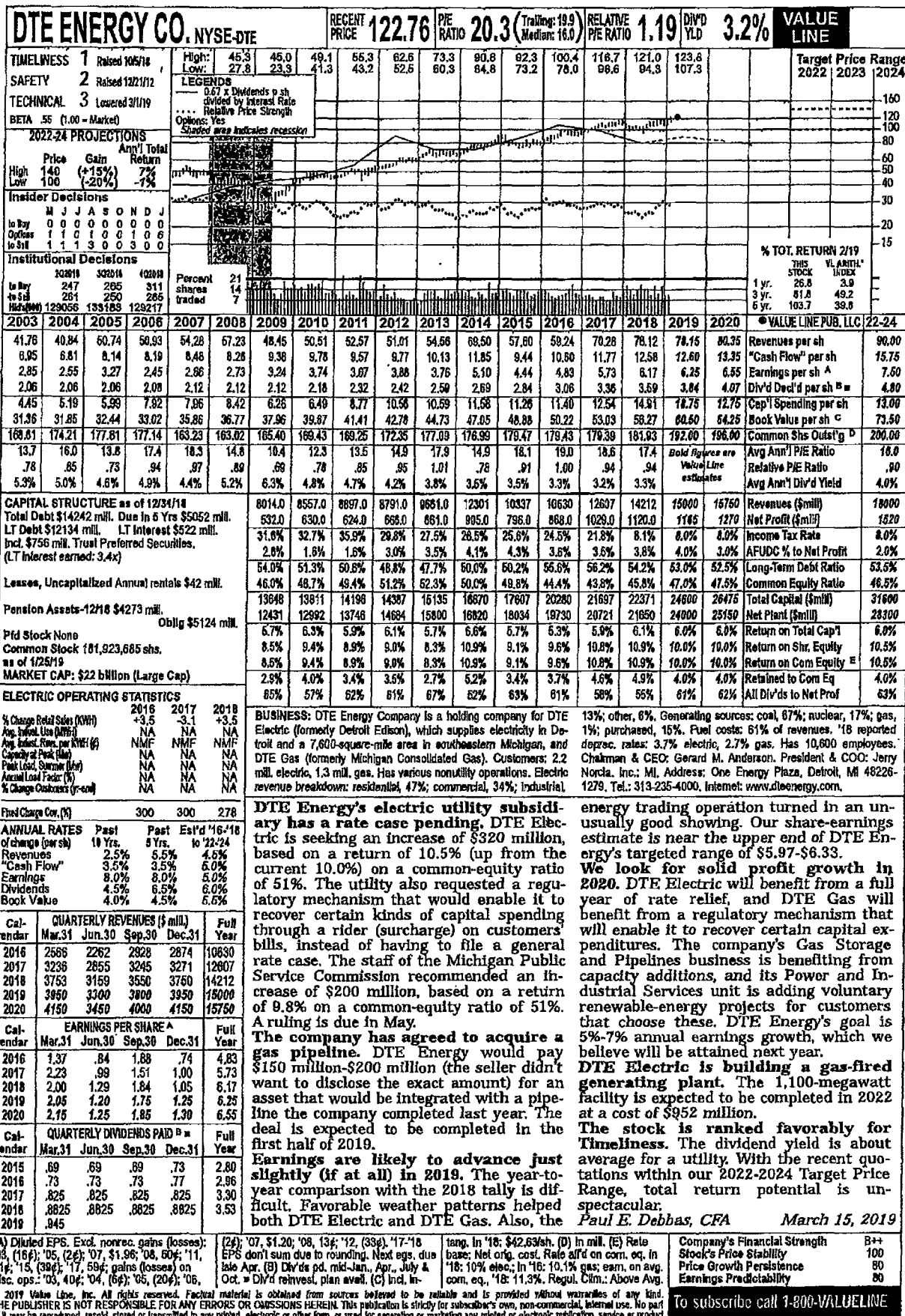
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BLACK HILLS CORP. NYSE-BKN										RECENT PRICE	71.98	P/E RATIO	20.2	(Trading: 20.7 Median: 18.0)	RELATIVE P/E RATIO	1.13	DIV YLD	2.9%	VALUE LINE						
TIMELINESS	1	Raised 3/29/19	High:	44.0	28.0	34.5	34.8	37.0	55.1	62.1	53.4	64.8	72.0	68.2	74.8				Target Price Range						
SAFETY	2	Raised 5/1/16	Low:	21.7	14.5	25.7	25.8	30.3	38.9	47.1	38.8	44.7	57.0	60.5	60.8				2022 2023 2024						
TECHNICAL	1	Raised 4/26/19	LEGENDS B77 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession																						
BETA	.90	(1.00 = Market)	2022-24 PROJECTIONS																						
			Price	Gain	Ann'l Total Return																				
			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															
Options	9	4	4	0	4	4	7	3	8																
To Sell	0	0	0	0	0	0	0	0	0	0															
Institutional Decisions			2019H	2020H	2021H	Percent shares traded	18													% TOT. RETURN 3/19 THIS STOCK VS. S&P 500					
To Buy	145	128	135													1 yr. 40.7 27									
To Sell	102	119	112													3 yr. 34.7 35.5									
Net Buy/Sell	53768	52731	52878													5 yr. 50.0 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					
35.17	34.54	41.97	19.89	18.41	26.03	32.58	33.29	28.98	26.55	25.67	31.20	25.48	29.47	31.38	29.24	29.75	30.35	Revenues per sh		32.75					
4.26	4.46	4.81	5.04	5.29	2.95	5.41	4.88	4.01	5.59	5.93	6.25	5.87	6.28	7.15	6.81	6.95	7.20	Cash Flow per sh		8.50					
1.84	1.74	2.11	2.21	2.88	.18	2.32	1.66	1.01	1.97	2.61	2.89	2.83	2.63	3.38	3.47	3.45	3.80	Earnings per sh A		4.60					
1.20	1.24	1.29	1.32	1.37	1.40	1.42	1.44	1.46	1.48	1.52	1.56	1.62	1.68	1.81	1.93	2.05	2.17	Div'd Decl'd per sh B		2.60					
2.80	2.80	4.18	9.24	6.92	8.51	8.90	12.04	10.03	7.50	7.87	8.52	8.90	8	8.89	6.09	7.52	11.05	Cap'l Spending per sh		6.75					
21.72	22.43	22.29	23.88	25.86	27.19	27.84	28.02	27.53	27.86	29.39	30.80	28.83	30.25	31.92	36.36	38.10	39.90	Book Value per sh C		45.00					
32.30	32.48	33.16	33.37	37.80	38.64	38.97	39.27	43.92	44.21	44.60	44.67	51.19	63.38	53.54	60.00	60.80	61.00	Common Shs Outst'g D		61.00					
15.9	17.1	17.3	16.8	15.0	NMF	9.9	18.1	31.1	17.1	17.2	19.0	16.1	23.3	19.5	18.8	18.0	18.0	Avg Ann'l P/E Ratio		18.5					
.91	.90	.82	.85	.80	NMF	.66	1.15	1.95	1.09	1.02	1.00	.81	1.17	.98	.91			Relative P/E Ratio		.90					
4.1%	4.2%	3.5%	3.8%	3.4%	4.2%	8.2%	4.8%	4.6%	4.4%	3.2%	2.8%	3.5%	2.9%	2.7%	3.3%			Avg Ann'l Div'd Yield		3.5%					
CAPITAL STRUCTURE as of 12/31/18																					2000				
Total Debt \$3142.2 mill. Due in 5 Yrs \$1230.6 mill.																					220				
LT Debt \$2860.8 mill. LT Interest \$112.0 mill.																					275				
(LT Interest earned: 3.0x)																									
Leases, Uncapitalized Annual rentals \$1.1 mill.																									
Pension Assets-12/18 \$390.8 mill.																									
Pfd Stock None																									
Common Stock 60,008,986 shs. as of 1/31/19																									
MARKET CAP: \$4.3 billion (Mid Cap)																									
ELECTRIC OPERATING STATISTICS																									
% Change Retail Sales (RHS)																					2016				
Avg. Retail Use (MWH)																					+3.0				
Avg. Retail Use per MWH (¢)																					+9				
Capacity (MW) (LHS)																					17321				
Peak Load Summer (MW)																					18376				
Annual Load Factor (%)																					7.60				
% Change Customers (gross)																					7.41				
Fixed Charge Cov. (%)																					NA				
Annual Rates of Change (per sh)																					1088				
Revenues																					1094				
Cash Flow																					1104				
Earnings																					NA				
Dividends																					NA				
Book Value																					NA				
ANNUAL RATES																					238				
Past 10 Yrs.																					296				
Past 5 Yrs.																					276				
Est'd '16-'18																									
Revenues																					1.2%				
Cash Flow																					1.6%				
Earnings																					1.8%				
Dividends																					1.8%				
Book Value																					1.8%				
QUARTERLY REVENUES (\$ mill.)																									
Mar.31 Jun.30 Sep.30 Dec.31 Full Year																									
2018																					1573.0				
2017																					1680.3				
2016																					1754.3				
2015																					1800				
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<p>(A) Diluted EPS, Excl. nonrec. gains (losses): '03, (46¢); '13, (32¢); '14, '9¢; '15, '16, '15¢; '17, 84¢, '18, (13¢); gain on discontinued operations: '08, \$1.01, '16 EPS not sum due to</p>	<p>rounding. Next earnings report due early Aug. (B) Divs historically paid in mid-Mar., June, Sept., and Dec. = Div'd reinvestment plan avail. (C) Incl. Intang. in '18: \$20.38/sh. (D) In</p>	<p>mill. (E) Rate base: net orig. cost. Rate allowed on com. gov. for GECONY in '17: 9.0%; O&R in '15: 9.0%; earned on avg. com. gov. '18: 8.8%. Regulatory Climate: Below Average.</p>	<p>Company's Financial Strength Stock's Price Stability Price Growth Persistence Earnings Predictability</p>	<p>A+ 100 30 95</p>
<p>© 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, stored or transmitted in any printed, electronic or other form, or used for promotional or marketing purposes without the publisher's written consent.</p>			<p>To subscribe call 1-800-VALUELINE</p>	



DUKE ENERGY

NYSE-DUK

RECENT PRICE

89.26

P/E RATIO

18.0

(Trailing: 21.3; Median: 18.8)

RELATIVE P/E RATIO

1.05

DIVID YLD

4.2%

VALUE LINE

TIMELINESS

2

Raised 5/17/19

SAFETY

2

New 6/1/07

TECHNICAL

1

Raised 4/19/19

BETA

.50

(1.00 = Market)

2022-24 PROJECTIONS

Price

185

Gain

(+20%)

Ann'l Total Return

8%

High

80

Low

40.6

Insider Decisions

J

A

S

O

N

D

J

F

M

to Buy

0

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Institutional Decisions

302914

302918

402911

to Buy

568

537

638

to Sell

597

607

590

High/Low

431271

426795

442540

Percent shares traded

15

10

6

2003

2004

2005

2006

2007

2008

2009

2010

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2012

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2016

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3.03

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68.54

57.61

67.74

68.82

59.83

60.27

61.65

63.20

68.60

418.96

420.62

423.96

436.29

442.58

445.29

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706.00

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688.00

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727.00

733.00

736.00

755.00

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EL PASO ELECTRIC

NYSE:EE

RECENT PRICE

59.77

P/E RATIO

26.3

(Trailing: 29.8; Median: 16.0)

RELATIVE P/E RATIO

1.47

DIVID YLD

2.6%

VALUE LINE

TIMELINESS

3

Lowered 1/19/19

SAFETY

2

Raised 5/1/07

TECHNICAL

3

Raised 1/19/19

BETA

.70

(1.00 = Market)

2022-24 PROJECTIONS

Price

Gain

Ann'l Total

Return

High

60

(NII)

3%

Low

45

(-25%)

3%

Insider Decisions

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to Buy

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to Sell

0

0

0

0

0

0

0

Institutional Decisions

3Q2018

3Q2019

4Q2019

to Buy

80

84

109

to Sell

80

83

38657

4Q2018

4Q2019

3Q2019

Percent

21

14

7

shares

traded

2003

2004

2005

2006

2007

2008

2009

2010

2011

2012

2013

2014

2015

2016

2017

2018

2019

2020

VALUE LINE PUB. LLC

22-24

13.97

14.95

16.70

17.75

19.43

23.15

18.85

20.81

22.97

21.26

22.11

22.74

21.01

21.89

22.59

22.21

21.50

22.05

Revenues per sh

23.75

3.00

3.27

3.05

3.44

3.88

4.16

4.07

5.16

6.05

5.86

5.65

5.75

5.75

5.98

6.17

5.89

6.30

6.50

"Cash Flow" per sh

7.25

.84

.89

.76

1.27

1.83

1.73

1.50

2.07

2.48

2.28

2.20

2.27

2.03

2.39

2.42

2.07

2.60

2.60

Earnings per sh

3.00

.68

.97

1.05

1.11

1.17

1.23

1.32

1.42

1.52

1.62

Div'd Decl'd per sh

1.95

2.03

1.94

2.28

2.73

4.63

6.36

6.95

5.27

5.90

6.70

7.18

8.50

8.65

7.03

5.91

6.84

6.60

6.25

Cap'l Spending per sh

7.50

10.51

11.23

11.56

12.80

14.78

16.47

16.45

19.04

19.03

20.57

23.44

24.39

25.13

28.52

28.14

28.82

31.65

32.55

Book Value per sh

36.25

47.56

47.40

48.14

48.00

45.15

44.88

43.92

42.57

38.96

40.11

40.27

40.36

40.44

40.52

40.58

40.68

43.09

4

18.3

22.0

28.7

18.9

16.3

11.9

10.8

10.7

12.8

14.5

16.9

16.4

18.3

18.7

21.8

26.8

26.8

Avg Ann'l P/E Ratio

17.5

1.04

1.16

1.42

.91

.61

.72

.72

.88

.79

.82

.89

.86

.92

.98

1.10

1.44

1.44

Relative P/E Ratio

.95

2.1%

3.0%

3.0%

3.0%

3.1%

2.7%

2.6%

2.5%

2.5%

Avg Ann'l Div'd Yield

3.7%

CAPITAL STRUCTURE as of 12/31/18

Total Debt \$1434.4 mill. Due in 5 Yrs \$343.4 mill.

LT Debt \$1288.0 mill. LT Interest \$80.2 mill.

(LT Interest earned: 2.3x)

828.0

877.3

916.0

852.9

890.4

917.5

849.9

888.9

916.8

903.6

\$25

950

Revenues (\$mill)

1030

66.9

90.3

103.5

90.8

88.6

91.4

81.9

95.8

98.3

84.3

110

110

Net Profit (\$mill)

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%

Income Tax Rate

23.5%

24.3%

22.1%

17.8%

22.4%

24.1%

30.8%

27.5%

17.6%

11.2%

14.9%

12.9%

12.9%

AFUDC % to Net Profit

14.0%

62.7%

61.2%

61.8%

64.8%

61.4%

53.5%

62.7%

62.7%

51.2%

62.5%

58.5%

49.8%

Long-Term Debt Ratio

62.5%

47.3%

48.8%

48.2%

45.2%

48.6%

46.5%

47.3%

47.3%

48.8%

47.5%

49.5%

50.6%

Common Equity Ratio

47.5%

1527.7

1680.1

1576.7

1824.5

1943.5

2118.4

2150.8

2269.9

2338.2

2450.1

2745

2790

Total Capital (\$mill)

3228

1756.0

1855.8

1847.1

2102.3

2257.5

2488.4

2695.5

2821.2

2928.4

3085.0

3210

3310

Net Plant (\$mill)

3726

8.0%

7.0%

8.3%

6.5%

6.1%

5.7%

5.3%

5.8%

5.8%

6.0%

5.5%

5.5%

Return on Total Cap'l

5.5%

9.3%

11.1%

13.6%

11.0%

9.4%

9.3%

8.1%

9.0%

8.6%

7.2%

8.0%

8.0%

Return on Shr. Equity

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%

Return on Com Equity

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%

Retained to Com Eq

3.0%

26%

43%

47%

49%

57%

51%

54%

58%

62%

62%

All Div's to Net Prof

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.

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

(A) Diluted earnings. Excl. nonrecurring gains (loss). '13: \$1.04; '14: \$.44; '15: \$.26; '16: \$.13; '17: \$.10. '18 EPS don't sum due to rounding. Next earnings report due early May. (B) Initial dividend.

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Company's Financial Strength

Stock's Price Stability

Price Growth Persistence

Earnings Predictability

B++

90

70

75

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EVERGY, INC. NYSE-EVRG										RECENT PRICE	55.08	PIE RATIO	21.0 (Trailing: 23.2 Median: NMF)	RELATIVE PIE RATIO	1.23	DIVID YLD	3.5%	VALUE LINE	Target Price Range								
TIMELINESS - SAFETY 2 New 9/14/18 TECHNICAL - BETA NMF (1.00 = Market)										High: 61.1 Low: 50.9		58.9 54.6								2022 2023 2024							
2022-24 PROJECTIONS										Price 70 Gain (+25%) 10% Ann'l Total Return 4%																	
Insider Decisions										M J J A S O N D J																	
Institutional Decisions										2020 2021 2022																	
Evergy, Inc. was formed through the merger of Great Plains Energy and Westar Energy in June of 2018. Great Plains Energy holders received .5981 of a share of Evergy for each of their shares, and Westar Energy holders received one share of Evergy for each of their shares. The merger was completed on June 4, 2018. Shares of Evergy began trading on the New York Stock Exchange one day later.										2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020																	
CAPITAL STRUCTURE as of 12/31/18										Total Debt \$8526.7 mill Due in 5 Yrs \$3310.8 mill																	
Leases, Uncapitalized Annual rentals \$24.2 mill.																											
Pension Assets-12/18 \$1603.4 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																	
ANNUAL RATES										Past 10 Yrs. Past 5 Yrs. to '22-24																	
QUARTERLY REVENUES (\$ mill.)										Mar.31 Jun.30 Sep.30 Dec.31 Full Year																	
EARNINGS PER SHARE										Mar.31 Jun.30 Sep.30 Dec.31 Full Year																	
QUARTERLY DIVIDENDS PAID										Mar.31 Jun.30 Sep.30 Dec.31 Full Year																	
Diluted EPS. Next earnings report due early May. (B) Dividends paid in mid-March, June, September, and December. * Dividend reinvestment plan available. (C) Incl. intangibles. In																											
BUSINESS: Evergy, Inc. was formed through the merger of Great Plains Energy and Westar Energy in June of 2018. Through its subsidiaries, Kansas City Power & Light Company and Westar Energy, provides electric service to 1.8 million customers in Kansas and Missouri. Electric revenue breakdown: residential, 37%; commercial, 32%; industrial, 12%; wholesale, 10%; other, 9%. Generating																											
Investors reacted negatively to Evergy's fourth-quarter earnings release. It didn't matter what the company reported for the final period of 2018. The problem was that the company revised its targeted annual earnings growth rate from 6%-8% (using a 2016 base for the former Westar Energy) to 5%-7% (using the midpoint of Evergy's 2019 share-net guidance of \$2.80-\$3.00) through 2023. The majority of the growth will come in the early years through merger-related cost reductions and a declining share count. Other concerns of Wall Street stem from increased financing needs due to the effect of the new federal tax law on cash flow and Evergy's long-term expectation of rate-base growth. At 2%-3% annually, this is well below that of most other utilities. The stock price fell 8% on February 22nd, the day of the conference call, and has risen little since then.																											
Evergy is repurchasing stock. The company is buying back shares that were issued in anticipation of the acquisition of Westar Energy by Great Plains Energy. That deal was rejected, and was restructured in a way that didn't require an equity																											
ty issuance. The goal is to repurchase 80 million shares by mid-2020. As of year-end 2018, 16.4 million shares were bought back.																											
We estimate solid growth in share net in 2019 and 2020. The stock buyback is one reason. Also, Evergy is effecting merger-related expense reductions, plus lower costs associated with the retirement of two old coal-fired plants. However, this year the company will incur merger-related severance and rebranding costs of an estimated \$0.10 a share. We will include these in our earnings presentation, even though Evergy excludes them from its earnings guidance. Accordingly, we are sticking with our 2019 share-earnings estimate of \$2.80.																											
Even after the pullback in the stock price, Evergy's dividend yield is only about average for a utility. The equity doesn't stand out for 3- to 5-year total return potential, either. It is unranked for Timeliness due to its short trading history since Evergy was formed through the merger of Westar Energy and Great Plains Energy in June of 2018.																											
Paul E. Debbas, CFA March 15, 2019																											
Company's Financial Strength																											
Stock's Price Stability																											
Price Growth Persistence																											
Earnings Predictability																											
To subscribe call 1-800-VALUELINE																											

EVERSOURCE ENERGY

NYSE-ES

RECENT PRICE

71.51

P/E RATIO

20.7

(Trading: 21.2; Median: 18.8)

RELATIVE P/E RATIO

1.21

DIVID YLD

3.0%

VALUE LINE

TIMELINESS

2

Raised 5/10/19

SAFETY

1

Raised 6/22/16

TECHNICAL

2

Lowered 5/17/19

BETA

.60

(1.00 = Market)

2022-24 PROJECTIONS

Price

80

Gain (+10%)

85

Gain (-10%)

6%

7%

Insider Decisions

J

A

S

D

N

D

J

F

M

to Buy

0

0

0

0

0

0

0

0

0

Options

0

0

0

0

0

0

0

0

to Sell

0

1

0

0

0

0

0

5

2

Institutional Decisions

2020H1

2020H2

2020H1

2020H2

Percent Shares Traded

30

20

10

to Buy

241

241

265

265

Options

271

271

265

265

to Sell

237438

237438

237438

237438

2003

2004

2005

2006

2007

2008

2009

2010

2011

2012

2013

2014

2015

2016

2017

2018

2019

2020

VALUE LINE PUB. LLC

22-24

47.53

51.82

41.85

44.64

37.27

37.22

30.97

27.76

25.21

19.89

23.16

24.42

26.08

24.11

24.46

26.86

26.55

26.80

Revenues per sh

27.25

5.80

5.00

5.46

3.69

4.82

6.16

4.98

5.88

4.88

4.03

5.22

4.56

4.94

5.46

5.84

6.64

7.25

7.55

"Cash Flow" per sh

8.25

1.24

.91

.98

.82

1.69

1.86

1.91

2.10

2.22

1.89

2.49

2.58

2.78

2.98

3.11

3.25

3.45

3.65

Earnings per sh A

4.25

.58

.63

.68

.73

.78

.83

.95

1.03

1.10

1.32

1.47

1.57

1.67

1.78

1.90

2.02

2.14

2.26

Div'd Decl'd per sh B

2.65

4.31

4.85

5.89

5.49

7.14

8.06

5.17

5.41

6.08

4.69

4.62

5.66

5.44

6.24

7.41

7.96

9.35

8.05

Cap'l Spending per sh

6.75

17.73

17.80

18.48

18.14

18.85

19.38

20.37

21.80

22.65

28.41

30.49

31.47

32.64

33.80

34.99

36.25

37.70

38.50

Book Value per sh C

45.75

127.70

129.03

131.59

154.23

156.22

155.83

175.62

176.45

177.16

314.05

315.27

318.88

317.19

316.89

316.89

318.50

323.00

Common Shs Outst'g D

350.00

13.4

20.8

18.8

21.1

18.7

13.7

12.0

13.4

16.4

10.9

16.9

17.9

18.1

18.7

19.5

18.7

19.5

18.7

Avg Ann'l P/E Ratio

17.0

.78

1.10

1.05

1.48

.99

.82

.80

.85

.97

1.27

.95

.94

.91

.98

.98

1.01

1.01

1.01

Relative P/E Ratio

.95

3.5%

3.3%

3.5%

3.3%

2.6%

3.2%

4.2%

3.6%

3.2%

3.5%

3.5%

3.4%

3.3%

3.2%

3.1%

3

3

3

Avg Ann'l Div'd Yield

3.7%

CAPITAL STRUCTURE as of 3/31/19

Total Debt \$15173.3 mil. Due in 5 Yrs \$6683.1 mil.

LT Debt \$12846 mil. LT Interest \$513.8 mil.

(LT Interest earned: 3.6%)

Leases, Uncapitalized Annual rentals \$11.5 mil.

Pension Assets-12/18 \$4573.9 mil.

OBIG \$6520.0 mil.

Pfd Stock \$155.6 mil. Pfd Div'd \$7.6 mil.

Incl. 2,324,000 shs \$1.90-\$3.28 rates (\$50 par) not subject to mandatory redemption, call. at \$50.50-\$54.00; 430,000 shs 4.26%-4.78% not subject to mandatory redemption, call. at \$102.80-\$103.63.

Common Stock 371,461,097 shs. as of 4/30/18

MARKET CAP: \$23.3 billion (Large Cap)

2016

2017

2018

% Change Retail Sales (KWH)

-1.8

-2.6

+2.2

% Ind. Ind. Use (KWH)

NA

NA

NA

% Ind. Retail, Res. (KWH)

6.04

NA

NA

Capacity at Peak (MW)

NA

NA

NA

Peak Load (MW)

NA

NA

NA

Annual Load Factor (%)

NA

NA

NA

% Change Customers (yr-end)

NA

NA

NA

Fixed Charge Cov. (%)

436

427

319

ANNUAL RATES

Mar.31

Jun.30

Sep.30

Dec.31

Full Year

2016

2025

1787

2039

1776

7639.1

2017

2105

1762

1988

1855

7752.0

2018

2288

1853

2271

2034

8448.2

2019

2416

1834

2150

2050

8450

2020

2450

1900

2200

2100

8650

EARNINGS PER SHARE A

Mar.31

Jun.30

Sep.30

Dec.31

Full Year

2016

.77

.84

.83

.72

2.86

2017

.82

.72

.82

.75

3.11

2018

.85

.76

.91

.73

3.25

2019

.97

.77

.91

.80

3.45

2020

1.03

.82

.95

.85

3.65

QUARTERLY DIVIDENDS PAID B

Mar.31

Jun.30

Sep.30

Dec.31

Full Year

2015

.4175

.4175

.4175

.4175

1.67

2016

.445

.445

.445

.445

1.78

2017

.475

.475

.475

.475

1.90

2018

.505

.505

.505

.505

2.02

2019

.535

BUSINESS: Eversource Energy (formerly Northeast Utilities) is the parent of utilities that have 3.1 mil. electric, 504,000 gas, 230,000 water customers. Supplies power to most of Connecticut and gas to part of Connecticut; supplies power to 3/4 of New Hampshire's population; supplies power to western Massachusetts and parts of eastern Massachusetts & gas to central & eastern Massachusetts;

supplies water to CT, MA, & NH. Acq'd NSTAR 4/12; Acquisition 12/17. Electric rev. breakdown: residential, 54%; commercial, 37%; Industrial, 5%; other, 4%. Fuel costs: 37% of revs. '18 reported deprec. rate: 2.9%. Has 8,000 empis. Chairman, Pres. & CEO: James J. Judge, Inc. MA. Address: 300 Cadwell Drive, Springfield, MA 01104. Tel: 413-785-5871. Internet: www.eversource.com.

We expect Eversource Energy to continue its steady earnings growth in 2019 and 2020. Three utilities will benefit from a full year's effect of rate hikes that were granted in 2018. Eversource's utilities in Connecticut will receive additional rate increases this year and next. The company receives rate relief annually for electric transmission through a forward-looking regulatory mechanism. Reductions in operating and maintenance expenses are continuing. Our 2019 share-earnings estimate is at the midpoint of Eversource's targeted range of \$3.40-\$3.50. We look for profit growth next year in line with management's 5%-7% goal.

Public Service of New Hampshire is planning to file a rate case. In 2018, the utility (which hasn't had a tariff hike for several years) earned a return on equity nearly two percentage points below the allowed 9.67%. PSNH has already asked for an interim increase of \$33 million to take effect at the start of July, and plans to request a full increase of \$70 million (including the \$33 million interim boost) that would take effect in July of 2020.

Eversource is expanding its presence

in offshore wind. The company already had a joint venture with Orsted, and paid \$225 million for a 50% stake in some other projects with the same partner. If all goes well, this might well increase Eversource's annual earnings growth above the 5%-7% range beyond 2023. However, offshore wind entails construction risk. This prompted one of the credit-rating agencies to place Eversource's rating on a negative outlook.

Financing needs are rising. Eversource has not issued equity for several years, but plans to issue \$2 billion over the next five years, in addition to \$100 million raised annually through its dividend reinvestment plan beginning this year. Debt financing will occur, as well. This will help fund Eversource's capital budget, and the company should maintain a strong balance sheet. We note as well that (unlike many utilities), the company is a cash taxpayer.

This timely stock has a moderate dividend yield, by utility standards. With the recent quotation well within our 2022-2024 Target Price Range, total return potential is just modest.

Paul E. Debbas, CFA

May 17, 2019

Company's Financial Strength

A

Stock's Price Stability

100

Price Growth Persistence

75

Earnings Predictability

95

(A) Diluted EPS, Excl. nonrecurring gains (losses): '03, (32¢); '04, (7¢); '05, (13.3¢), '08, (19¢); '10, 9¢. Next earnings report due early Aug. (B) Divs historically paid late Mar.

(C) Divs historically paid late Mar.

(D) Divs historically paid late Mar.

(E) Divs historically paid late Mar.

(F) Divs historically paid late Mar.

(G) Divs historically paid late Mar.

(H) Divs historically paid late Mar.

(I) Divs historically paid late Mar.

(J) Divs historically paid late Mar.

(K) Divs historically paid late Mar.

(L) Divs historically paid late Mar.

(M) Divs historically paid late Mar.

(N) Divs historically paid late Mar.

(O) Divs historically paid late Mar.

(P) Divs historically paid late Mar.

(Q) Divs historically paid late Mar.

(R) Divs historically paid late Mar.

(S) Divs historically paid late Mar.

(T) Divs historically paid late Mar.

(U) Divs historically paid late Mar.

(V) Divs historically paid late Mar.

(W) Divs historically paid late Mar.

(X) Divs historically paid late Mar.

(Y) Divs historically paid late Mar.

(Z) Divs historically paid late Mar.

(AA) Divs historically paid late Mar.

(AB) Divs historically paid late Mar.

(AC) Divs historically paid late Mar.

(AD) Divs historically paid late Mar.

(AE) Divs historically paid late Mar.

(AF) Divs historically paid late Mar.

(AG) Divs historically paid late Mar.

(AH) Divs historically paid late Mar.

(AI) Divs historically paid late Mar.

(AJ) Divs historically paid late Mar.

(AK) Divs historically paid late Mar.

(AL) Divs historically paid late Mar.

(AM) Divs historically paid late Mar.

(AN) Divs historically paid late Mar.

(AO) Divs historically paid late Mar.

(AP) Divs historically paid late Mar.

(AQ) Divs historically paid late Mar.

(AR) Divs historically paid late Mar.

(AS) Divs historically paid late Mar.

(AT) Divs historically paid late Mar.

(AU) Divs historically paid late Mar.

(AV) Divs historically paid late Mar.

(AW) Divs historically paid late Mar.

(AX) Divs historically paid late Mar.

(AY) Divs historically paid late Mar.

(AZ) Divs historically paid late Mar.

(BA) Divs historically paid late Mar.

(BB) Divs historically paid late Mar.

(BC) Divs historically paid late Mar.

(BD) Divs historically paid late Mar.

(BE) Divs historically paid late Mar.

(BF) Divs historically paid late Mar.

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HAWAIIAN ELECTRIC NYSE:HE										RECENT PRICE	41.05	P/E RATIO	21.3	(Trading: 22.3)	RELATIVE P/E RATIO	1.19	DIVID YLD	3.1%	VALUE LINE			
TIMELINESS 1 Raised 11/23/18										High: 29.8	22.7	25.0	28.8	29.2	28.8	35.0	34.9	35.0	38.7	39.3	41.7	Target Price Range
SAFETY 2 Raised 10/2/12										Low: 21.0	12.1	18.9	20.6	23.7	23.8	22.7	27.0	27.3	31.7	31.7	35.1	2022 2023 2024
TECHNICAL 2 Raised 4/26/19										LEGENDS												
BETA .60 (1.00 = Market)										0.51 x Dividends p sh												
										Divided by Interest Rate												
										Relative Price Strength												
										Options: Yes												
										Shaded area indicates recession												
2022-24 PROJECTIONS																						
Price Gain																						
40 (-5%) 3%																						
30 (-25%) -3%																						
Insider Decisions																						
J J A S O N D J F																						
Buy 0 0 0 0 0 0 0 0																						
Options 0 0 0 0 0 0 0 0																						
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Buy 132 135 122																						
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23.49 23.85 27.36 30.21 30.40 35.58 24.95 28.14 33.76 34.46 31.98 31.50 24.22 21.02 23.49 28.28 30.30										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										5.25												
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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% 3.6%										4.2%												
CAPITAL STRUCTURE as of 12/31/18																						
Total Debt \$2063.7 mill. Due in 5 Yrs \$592.0 mill.																						
LT Debt \$1865.7 mill. LT Interest \$82.3 mill.																						
Incl. \$50 mill. 6.5% oblig. pld. sec. of trust subaid.																						
(LT Interest earned: 3.9%)																						
Leases, Uncapitalized Annual rentals \$11.0 mill.																						
Pension Assets-12/18 \$1479.1 mill.																						
Oblig \$1991.4 mill.																						
Pld Stock \$34.3 mill. Pld Div'd \$2.0 mill.																						
1,114,657 shs. 4 1/4% to 5 1/4%, \$20 par, call. \$20 to \$21; 120,000 shs. 7 1/4%, \$100 par, call. \$100.																						
Sinking fund ends 2018.																						
Common Stock 108,936,902 shs. as of 2/13/19																						
MARKET CAP: \$4.5 billion (Mkt Cap)																						
ELECTRIC OPERATING STATISTICS																						
2018 2017 2016																						
% Change Retail Sales (RWS) 4.5% 1.9% 1.9%																						
Avg. Indust. Use (RWS) 5.3% 5.1% 5.0%																						
Avg. Indust. Rate, per RWS (\$) 20.28 22.68 25.76																						
Capacity at Year-end (MW) 2220 2224 2258																						
Peak Load (MW) 1593 1584 1598																						
Annual Load Factor (%) 66.6 65.8 65.0																						
% Change Customers (Yr-end) +5 +4 +2																						
Fixed Charge Cov. (%) 437 409 361																						
ANNUAL RATES																						
Past 1 Yrs. Past 5 Yrs. Past 10 Yrs.																						
Revenue 3.0% 4.5% 5.5%																						
"Cash Flow" 3.0% 4.5% 5.5%																						
Earnings 5.0% 4.0% 4.0%																						
Dividends 3.0% 3.5% 4.0%																						
Book Value 3.0% 3.5% 4.0%																						
QUARTERLY REVENUES (\$mill.)																						
Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year																						
2016 551.0 586.2 646.1 617.4 2380.7																						
2017 591.5 632.3 673.2 658.6 2655.6																						
2018 645.9 685.3 786.0 761.6 2860.8																						
2019 800 825 850 825 3300																						
2020 825 850 875 850 3400																						
EARNINGS PER SHARE																						
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																						
QUARTERLY DIVIDENDS PAID																						
Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year																						
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2018 .31 .31 .31 .31 1.24																						
2019 .32																						
DIL. EPS. Excl. gain (losses) from disc. ops., '03, '04, '05, '16; nonrec. gain (losses): '05, '11, '07, '09, '12, '25; '17, '18. '18 EPS don't sum due to rounding. Next eps. report due early May. (B) Divs pd. early Mar., June, Sept., & Dec. = Div'd relv. avail. (C) Incl. Intang. in '18: \$7.78/sh. (D) In mill. adj. for split. (E) Rate base: Orig. cost. Rate ei-										lowed 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. divs paid through reinv. plan.												
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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 2/2/18	High: 73.8	60.6	58.3	51.2	72.2	89.8	110.8	112.6	132.0	159.4	184.2	195.5		Target Price Range				
SAFETY	1	Raised 2/1/18	Low: 33.8	41.5	45.3	49.0	58.6	69.8	84.0	93.7	102.2	117.3	146.1	168.7		2022 2023 2024				
TECHNICAL	2	Raised 4/19/19	LEGENDS 0.01 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	215	Gain (+15%)																		
Low	175	Loss (-10%)																		
Insider Decisions																				
J	A	S	O	N	D	J	F	M												
to Buy	0	0	0	0	0	0	0	0												
Options	0	1	2	2	1	1	0	2												
to Sell	0	2	3	2	2	1	1	4												
Institutional Decisions																				
to Buy	30418	30281	40218																	
to Sell	807	612	712																	
Value (\$ mil)	358698	365576	365784																	
Percent shares traded	15	10	6																	
2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2024																				
26.13	28.27	30.00	36.75	37.47	40.13	37.82	38.38	36.88	33.82	34.80	38.42	37.93	34.52	36.51	34.99	35.50	38.30	Revenues per sh	45.75	
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	17.36	"Cash Flow" per sh	21.00	
2.45	2.46	2.32	3.23	3.27	4.07	3.97	4.74	4.82	4.58	4.83	5.80	6.06	5.78	6.50	6.67	7.50	9.00	Earnings per sh	11.25	
1.20	1.30	1.42	1.50	1.84	1.78	1.89	2.00	2.20	2.40	2.64	2.80	3.08	3.48	3.93	4.44	5.00	5.65	Div'd Decl'd per sh	7.00	
3.75	3.75	4.09	9.22	12.32	12.80	14.52	13.80	15.93	22.31	15.36	16.84	18.17	20.60	22.80	27.21	18.70	18.70	Cap'l Spending per sh	18.75	
18.91	20.25	21.52	24.43	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	Book Value per sh	84.50	
368.53	372.24	394.85	405.40	407.35	408.92	413.62	420.86	416.60	424.00	435.00	443.00	461.00	468.00	471.00	478.00	535.00	535.00	Common Shs Outst'g	535.00	
12.6	13.6	17.9	13.7	18.9	14.5	13.4	10.8	11.5	14.4	16.8	17.3	16.9	20.7	21.6	24.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	17.6	
.72	.72	.95	.74	1.00	.87	.89	.69	.72	.92	.93	.91	.85	1.09	1.09	1.34			Relative P/E Ratio	.95	
3.9%	3.9%	3.4%	3.4%	2.7%	3.0%	3.5%	3.9%	4.0%	3.8%	3.3%	3.0%	3.0%	2.9%	2.8%	2.7%			Avg Ann'l Div'd Yield	3.6%	
CAPITAL STRUCTURE as of 3/31/19																				
Total Debt \$40213 mill. Due in 5 Yrs \$19747 mill.																				
LT Debt \$29883 mill. LT Interest \$1255 mill.																				
(LT Interest earned: 3.0%)																				
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																				
2016 2017 2018																				
% Change Retail Sales (KWH)																				
Avg. Indust. Use (MWH)																				
Avg. Indust. Use per MWH (\$)																				
Capacity at Peak (sh)																				
Peak Load, Summer (sh)																				
Average Load Factor (%)																				
% Change Customers (yr-avg)																				
Fixed Charge Cov. (%)																				
ANNUAL RATES																				
of change (per sh)																				
Revenues																				
"Cash Flow"																				
Earnings																				
Dividends																				
Book Value																				
QUARTERLY REVENUES (\$ mil.)																				
Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year																				
2016 3835 3817 4805 3898 16155																				
2017 3972 4404 4808 4011 17195																				
2018 3857 4063 4416 4391 16727																				
2019 4075 4825 5500 4600 19000																				
2020 4400 5200 5950 4950 20500																				
EARNINGS PER SHARE																				
Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year																				
2016 1.41 .93 1.62 1.82 5.78																				
2017 1.90 1.68 1.79 1.13 6.50																				
2018 2.06 1.64 2.10 .88 6.67																				
2019 1.41 2.20 2.25 1.64 7.50																				
2020 2.35 2.35 2.45 1.85 9.00																				
QUARTERLY DIVIDENDS PAID																				
Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year																				
2015 .77 .77 .77 .77 3.08																				
2016 .87 .87 .87 .87 3.48																				
2017 .982 .982 .983 .983 3.93																				
2018 1.11 1.11 1.11 1.11 4.44																				
2019 1.25																				
BUSINESS: NextEra Energy, Inc. (formerly FPL Group, Inc.) is a holding company for Florida Power & Light Company (FPL) and Gulf Power, which provide electricity to 5.5 million customers in eastern, southern, and 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, 65%; 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.: 561-894-4000. 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																				
S8.70-\$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. nonrecurr. gains (losses): 2015, \$1.11; 2016, \$1.11; 2017, \$1.11; 2018, \$1.11; 2019, \$1.11; 2020, \$1.11; 2021, \$1.11; 2022, \$1.11; 2023, \$1.11; 2024, \$1.11. (B) Div's historically paid in mid-Mar., mid-June, mid-Sept., & mid-Dec. (C) Div'd reinvestment plan available. (D) Shareholder investment plan avail. (C) Incl. deferred charges. In '18: \$0.57/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																				
To subscribe call 1-800-VALUELINE																				

NORTHWESTERN NYSE:NWE			RECENT PRICE	69.14	P/E RATIO	19.4	(Trailing: 20.3 Median: 16.0)	RELATIVE P/E RATIO	1.08	DIVID YLD	3.4%	VALUE LINE								
TIMELINESS	3	Raised 8/2/18	High: 29.7	26.8	30.6	36.6	38.0	47.2	58.7	59.7	63.8	64.5	65.7	71.6	Target Price	Range				
SAFETY	2	Raised 7/27/18	Low: 18.5	18.5	23.8	27.4	33.0	35.1	42.6	48.4	52.2	55.7	50.0	57.3	2022	2023				
TECHNICAL	1	Raised 4/26/19	LEGENDS										120							
BETA	.50	(1.00 = Market)	0.51 x Dividends p sh										100							
2022-24 PROJECTIONS		 Relative Price Strength										80							
Price	Gain	Ann'l Total	Options: Yes										64							
High	80	(+15%)	Shaded area indicates recession										48							
Low	55	(-20%)											32							
Insider Decisions													24							
J	A	S	O	N	D	J	F									16				
to Buy	0	0	0	0	0	0	0									12				
Options	0	1	0	0	0	0	0									8				
to Sell	0	1	0	0	0	2	0									12				
Institutional Decisions													8							
2020H1	2020H2	2020H3	Percent	30												% TOT. RETURN 3/19				
to Buy	153	126	shares	118												VS. S&P 500				
to Sell	117	111	traded	20												1 yr. 35.7 2.7				
(H&M)	48589	49333	48945	10												3 yr. 26.9 35.5				
																	6 yr. 77.2 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	
--	29.18	32.57	31.49	30.79	35.09	31.72	30.68	30.80	28.76	29.80	25.88	25.21	26.01	26.45	23.81	24.75	25.05	Revenues per sh	28.50	
--	3.20	4.00	3.62	3.70	4.40	4.82	4.76	5.42	6.18	5.45	5.39	5.92	6.74	6.78	6.98	7.20	7.45	"Cash Flow" per sh	8.25	
--	d14.32	1.71	1.31	1.44	1.77	2.02	2.14	2.63	2.26	2.46	2.99	2.90	3.39	3.34	3.40	3.50	3.69	Earnings per sh A	4.00	
--	--	1.00	1.24	1.28	1.32	1.34	1.36	1.44	1.48	1.62	1.80	1.92	2.00	2.10	2.20	2.30	2.40	Div'd Decl'd per sh B=+	2.70	
--	2.25	2.26	2.81	3.00	3.47	5.26	6.30	5.20	5.89	5.95	5.76	5.89	5.95	5.80	5.84	6.65	6.65	Cap'l Spending per sh	8.00	
--	19.82	20.60	20.65	21.12	21.25	21.86	22.64	23.68	25.09	26.60	31.50	33.22	34.68	36.44	38.80	39.70	40.80	Book Value per sh C	44.00	
--	35.60	35.78	35.97	38.57	35.93	38.00	36.23	36.28	37.22	36.76	46.91	48.17	48.33	49.37	50.32	50.50	50.65	Common Shs Outst'g D	51.10	
--	--	17.1	26.0	21.7	13.9	11.5	12.9	12.6	16.7	16.9	18.2	18.4	17.2	17.8	16.8	16.8	16.8	Avg Ann'l P/E Ratio	17.0	
--	--	.91	1.40	1.15	.84	.77	.82	.79	1.00	.95	.85	.93	.90	.90	.91	.91	.91	Relative P/E Ratio	.95	
--	--	3.4%	3.6%	4.1%	6.4%	5.7%	4.9%	4.6%	4.2%	3.7%	3.3%	3.8%	3.4%	3.5%	3.9%	3.9%	3.9%	Avg Ann'l Div'd Yield	4.0%	
CAPITAL STRUCTURE as of 12/31/18			1141.8	1110.7	1117.3	1070.3	1154.5	1204.9	1214.3	1257.2	1305.7	1198.1	1250	1300	1300	1300	1300	Revenues (\$mil)	1450	
Total Debt \$1224.6 mil. Due in 5 Yrs \$321.5 mil.			73.4	77.4	82.6	83.7	94.0	120.7	138.4	164.2	182.7	171.1	180	185	185	185	185	Net Profit (\$mil)	200	
LT Debt \$2122.3 mil. LT Interest \$76.1 mil.			17.2%	25.0%	9.8%	9.6%	13.2%	--	13.7%	--	7.8%	7.6%	2.5%	5.0%	5.0%	5.0%	5.0%	Income Tax Rate	10.0%	
Incl. \$19.9 mil. capitalized leases.			4.4%	14.2%	3.3%	9.4%	8.7%	8.9%	9.8%	4.3%	5.2%	3.4%	4.0%	4.0%	4.0%	4.0%	4.0%	AFUDC % to Net Profit	3.0%	
(LT Interest earned: 3.0x)			56.4%	57.2%	52.2%	53.8%	53.5%	53.4%	53.1%	52.0%	50.2%	52.2%	51.5%	50.5%	50.5%	50.5%	50.5%	Long-Term Debt Ratio	48.5%	
Pension Assets-12/18 \$526.3 mil.			43.6%	42.8%	47.6%	46.2%	48.5%	46.8%	48.0%	48.0%	49.8%	47.8%	48.5%	48.5%	48.5%	48.5%	48.5%	Common Equity Ratio	51.5%	
Oblig \$649.6 mil.			1803.9	1916.4	1797.1	2020.7	2215.7	3163.0	3408.6	3493.9	3814.5	4064.6	4125	4185	4185	4185	4185	Total Capital (\$mil)	4375	
Pfd Stock None			1964.1	2118.0	2213.3	2435.8	2899.1	3759.0	4059.5	4214.9	4358.3	4521.3	4670	4810	4810	4810	4810	Net Plant (\$mil)	5100	
Common Stock 50,347,571 shs.			6.0%	5.3%	7.0%	5.5%	5.5%	4.8%	5.2%	5.9%	5.6%	5.2%	5.5%	6.5%	6.5%	6.5%	6.5%	Return on Total Cap'l	6.8%	
as of 2/8/19			9.3%	9.4%	10.8%	9.0%	9.1%	8.2%	8.6%	9.8%	9.0%	8.8%	9.0%	9.0%	9.0%	9.0%	9.0%	Return on Shr. Equity	9.0%	
MARKET CAP: \$3.6 billion (Mid Cap)			9.3%	9.4%	10.8%	9.0%	9.1%	8.2%	8.6%	9.8%	9.0%	8.8%	9.0%	9.0%	9.0%	9.0%	9.0%	Return on Com Equity E	9.0%	
ELECTRIC OPERATING STATISTICS			3.2%	3.5%	4.7%	3.2%	3.5%	3.8%	3.0%	4.1%	3.4%	3.2%	3.0%	3.0%	3.0%	3.0%	3.0%	Retained to Com Eq	3.0%	
			66%	63%	56%	65%	61%	64%	85%	58%	82%	64%	65%	66%	66%	66%	66%	All Div's to Net Prof	68%	
Fixed Charge Cov. (%)			253	275	275															
ANNUAL RATES			Past	Past	Est'd '16-'18															
of change (per sh)			10 Yrs.	5 Yrs.	to '22-'24															
Revenues			-2.6%	-3.0%	2.0%															
"Cash Flow"			5.6%	5.0%	3.0%															
Earnings			8.6%	7.0%	3.0%															
Dividends			5.0%	7.0%	4.6%															
Book Value			5.5%	6.0%	3.0%															
QUARTERLY REVENUES (\$ mil.)			Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year												
			2016	332.5	293.1	301.0	330.8	1257.2												
			2017	387.3	283.9	309.9	344.8	1305.7												
			2018	341.5	261.8	279.9	314.9	1198.1												
			2019	355	275	285	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	.68	1.08	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																
(A) Diluted EPS. Excl. gain (loss) on discout.																				
(B) Div's historically paid in late Mar., June,																				
(C) Incl. def'd changes. In '18: \$16.80/sh. (D) In																				
(E) Rate base: Net orig. cost. Rate allowed																				
on com. eq. in NY 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.																				
We estimate a moderate earnings incre-																				
ase in 2019. We base this on reason-																				
able 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 pro-																				
viding 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 annu-																				
al dividend \$0.10 a share (4.5%) in																				
the first quarter. This was the same in-																				
crease 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 indus-																				
try. 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																				
Company's Financial Strength			B++																	
Stock's Price Stability			95																	
Price Growth Persistence			75																	
Earnings Predictability			85																	
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OGE ENERGY CORP. NYSE-OGE										RECENT PRICE	42.05	P/E RATIO	19.8	(Trailing: 19.9 Median: 17.0)	RELATIVE P/E RATIO	1.16	DIVID YLD	3.8%	VALUE LINE							
TIMELINESS	3	Raised 10/19/18	High: 18.1	Low: 9.8	23.1	26.6	30.1	40.0	39.3	36.5	34.2	37.4	41.8	42.9	38.0				Target Price Range							
SAFETY	2	Lowered 12/18/15																	2022 2023 2024							
TECHNICAL	2	Lowered 2/22/19	LEGENDS																							
BETA	.85	(1.00 = Market)	0.76 x Dividends p sh divided by Interest Rate																							
2022-24 PROJECTIONS																										
Price	50	Gain	20%	Ann'l Total	Return	6%																				
High	50	Low	40	Gain	20%	Ann'l Total	Return	6%																		
Insider Decisions																										
M	J	J	A	S	O	N	D	J																		
to Buy	0	0	0	0	0	0	0	1																		
to Sell	0	0	0	0	0	0	0	0																		
Net Buy	0	0	0	0	0	0	0	1																		
Institutional Decisions																										
to Buy	172	205	210																							
to Sell	192	163	186																							
Net Buy	122835	124911	136275																							
2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUBL. LLC 22-24								
21.82	27.37	32.83	21.86	20.88	21.77	14.79	18.04	19.96	18.58	14.45	12.30	11.00	11.31	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	3.33	3.31	3.34	3.74	4.05	"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	Earnings per sh	2.75								
.87	.87	.67	.67	.68	.70	.71	.73	.76	.80	.85	.85	1.05	1.18	1.27	1.40	1.54	Div'd Dec'd per sh	1.95								
1.04	1.51	1.85	2.67	3.04	4.01	4.37	4.36	8.48	5.85	4.99	2.88	2.74	3.31	4.13	2.87	3.75	Cap'l Spending per sh	3.00								
6.87	7.14	7.59	8.79	9.16	10.14	10.62	11.73	13.06	14.00	15.30	16.27	16.68	17.24	19.28	20.06	20.70	Book Value per sh	23.50								
174.80	180.00	181.20	182.40	183.60	187.00	194.00	195.20	196.20	197.80	198.50	199.40	199.70	199.70	199.70	199.70	199.70	Common Shs Outst'g	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	18.5	18.5	18.5	Avg Ann'l P/E Ratio	16.6								
.87	.74	.79	.74	.73	.75	.72	.85	.90	.97	.99	.96	.89	.93	.92	.89	.89	Relative P/E Ratio	.90								
6.5%	5.3%	4.9%	4.0%	3.8%	4.5%	5.0%	3.7%	3.1%	2.8%	2.5%	2.6%	3.5%	3.9%	3.6%	4.0%	4.0%	Avg Ann'l Div'd Yield	4.3%								
CAPITAL STRUCTURE as of 12/31/18																										
Total Debt \$3147.0 mill. Due in 5 Yrs \$250.5 mill.																										
LT Debt \$2896.9 mill. LT Interest \$134.9 mill.																										
(LT Interest earned: 3.9%)																										
Leases, Uncapitalized Annual rentals \$22.1 mill.																										
Pension Assets-12/18 \$522.8 mill. Oblig \$615.9 mill.																										
Pfd Stock None																										
Common Stock 199,732,315 shs. as of 1/31/19																										
MARKET CAP: \$8.4 billion (Large Cap)																										
ELECTRIC OPERATING STATISTICS																										

OTTER TAIL CORP. NDQ-OTTR										RECENT PRICE	50.21	P/E RATIO	23.9	(Trailing: 24.4 Median: 22.2)	RELATIVE P/E RATIO	1.40	DIVID YLD	2.8%	VALUE LINE						
TIMELINESS	3	Lowered 3/1/19	High:	48.2	25.4	25.4	23.5	25.3	31.0	32.7	33.4	42.6	48.7	51.9	51.0	45.9			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					2022 2023 2024						
TECHNICAL	3	Lowered 3/15/19	LEGENDS																						
BETA	.70	(1.00 = Market)	0.11 Offsets p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession																						
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																
to Sell	0	0	0	0	0	0	0	0	0																
Institutional Decisions																									
	2020	2021	2022	Percent																					
to Buy	64	60	59	shares																					
to Sell	64	64	61	traded																					
to Buy	17002	17089	17343	3																					
2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015							2016	2017	2018	2019	2020	VALUE LINE PUBL. LLC	
29.28	30.45	35.59	37.43	41.50	37.06	29.03	31.08	29.86	23.76	24.63	21.48	20.80	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	2.78	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	.71	.38	.45	1.05	1.37	1.55	1.58	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	Dy'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	2.68	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	28.88	29.40	29.82	35.38	35.81	35.81	36.00	36.10	36.17	36.27	37.22	37.86	39.35	39.56	39.68	39.75	40.25	Common Shs Outst'g D		41.75					
17.8	17.3	16.4	17.3	19.0	30.1	31.2	NMF	NMF	21.7	21.1	18.8	18.2	20.2	22.1	22.2	Bold figures are Value Line estimates		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			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%			Avg Ann'l Div'd Yield		3.5%					
CAPITAL STRUCTURE as of 12/31/18																									
Total Debt \$808.9 mill. Due in 5 Yrs \$189.1 mill.										1039.5	1119.1	1077.9	869.2	893.3	799.3	779.8	803.5	849.4	916.4	960	1010	Revenues (\$mill)	1160		
LT Debt \$590.0 mill. LT Interest \$28.8 mill.										26.0	13.6	18.4	39.0	50.2	58.9	58.6	62.0	73.9	82.3	85.0	90.0	Net Profit (\$mill)	105		
(LT Interest earned: 4.3%)										---	---	14.6%	6.2%	21.3%	22.5%	27.0%	24.5%	25.5%	15.0%	19.0%	19.0%	Income Tax Rate	19.0%		
Leases, Uncapitalized Annual rentals \$6.2 mill.										38.8%	40.2%	44.8%	44.0%	42.1%	46.5%	42.4%	43.0%	41.3%	44.7%	49.5%	61.5%	Long-Term Debt Ratio	50.5%		
Pension Assets-12/18 \$269.8 mill.										59.8%	58.4%	64.0%	54.4%	57.9%	53.5%	57.6%	57.0%	58.7%	55.3%	50.5%	48.5%	Common Equity Ratio	49.5%		
Oblig \$328.4 mill.										1124.4	1063.3	1058.9	959.2	924.4	1071.3	1051.0	1175.4	1187.3	1318.9	1510	1870	Total Capital (\$mill)	1950		
Pfd Stock None										1086.6	1108.7	1077.5	1049.5	1167.0	1288.6	1387.8	1477.2	1539.6	1581.1	1705	2040	Net Plant (\$mill)	2225		
Common Stock 39,729,708 shs.										3.4%	2.7%	3.2%	5.7%	6.8%	6.7%	6.8%	6.6%	7.3%	7.3%	7.0%	6.6%	6.6%	Return on Total Cap'l	6.5%	
as of 2/15/19										3.8%	2.1%	2.9%	7.3%	9.4%	9.9%	9.7%	9.3%	10.6%	11.3%	11.5%	11.0%	Return on Shr. Equity E	10.5%		
MARKET CAP: \$2.0 billion (Mid Cap)										3.8%	2.0%	2.7%	7.3%	9.3%	9.9%	9.7%	9.3%	10.6%	11.3%	11.5%	11.0%	Return on Com Equity	10.5%		
ELECTRIC OPERATING STATISTICS										NMF	NMF	NMF	NMF	113%	87%	78%	79%	76%	69%	65%	64%	64%	All Div'ds to Net Prof	66%	
2016 2017 2018										NMF	NMF	NMF	NMF	113%	87%	78%	79%	76%	69%	65%	64%				
% Change Retail Sales (NMI)										+3.4	+1.4	+4.4													
Avg. Retail Rate per kWh (¢)										6.24	6.26	5.97													
Capacity (MW)										903	917	912													
Peak Load (MW)										903	917	912													
Annual Load Factor (%)										NA	NA	NA													
% Change Customers (year)										+3	+5	+2													
Fixed Charge Cov. (%)										512	608	409													
ANNUAL RATES										Past	Past	Est'd '18-'19													
of change (per sh)										10 Yrs	5 Yrs	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	198.6	803.5											
2017										214.1	212.1	216.5	206.7	849.4											
2018										241.2	226.3	227.7	221.2	918.4											
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	1.80											
2017										49	.42	.45	.50	1.86											
2018										66	.47	.58	.35	2.06											
2019										.66	.50	.60	.40	2.16											
2020										.70	.52	.63	.40	2.26											
QUARTERLY DIVIDENDS PAID B =										Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year										
2016										.3075	.3075	.3075	.3075	1.23											
2017										.3125	.3125	.3125	.3125	1.25											
2018										.32	.32	.32	.32	1.28											
2019										.335	.335	.335	.335	1.34											
2020										.35															
[A] Diluted earnings. Excl. nonrecurring gains (losses) '10, (.44); '11, .26; '13, .24; gains (losses) from discount operations: '04, .04; '05, .33; '06, .14; '11, (.11); '12, (.12); '13, .24.																									
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[B] Div'ds historically paid due early May. [C] Div'ds historically earned on avg. com. eq., '18: 11.5%. Regul. Clim.: MN, ND, Average; SD, Above Average.																									
[D] In mil. [E] Rate all'd on com. eq. in MN in '17: 8.41%; in ND in '18: 9.77%;																									
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	DIVID YLD	3.2%	VALUE LINE						
TIMELINESS 3 Lowered 4/12/19	SAFETY 1 Raised 5/2/13	TECHNICAL 1 Raised 4/19/19	BETA .55 (1.00 = Market)	High: 42.9 Low: 26.3	38.0 22.3	42.7 32.3	48.9 37.3	54.7 45.9	61.9 51.5	71.1 61.2	73.3 66.0	82.8 62.5	92.5 75.8	92.8 73.4	97.3 81.6	Target Price Range 2022 2023 2024			
<div>LEGENDS</div> <div>0.33 x Dividends p sh divided by Interest Rate Relative Price Strength</div> <div>Options: Yes Shaded area indicates recession</div>																			
2022-24 PROJECTIONS																			
Price	Gain	Ann'l Total Return																	
High 105	(+10%)	6%																	
Low 85	(-10%)	7%																	
Insider Decisions																			
J	J	A	S	O	N	D	J	F											
to Buy	0	0	0	0	0	0	0	0											
to Sell	0	0	0	0	0	0	0	1											
to Hold	0	0	0	0	1	0	1	0											
Institutional Decisions																			
2022H1	2022H2	2022H3	Percent	30															
to Buy	198	219	shares	traded															
to Sell	231	219	182	10															
to Hold	91916	92477	95077																
2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	VALUE LINE PUB, LLC 22-24	
36.87	31.59	30.16	34.03	35.07	33.37	32.50	30.01	29.87	30.09	31.35	31.58	31.50	31.42	31.90	32.93	34.65	36.30	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	8.39	9.79	11.41	10.95	11.50	*Cash Flow* per sh	13.60
2.52	2.58	2.24	3.17	2.96	2.12	2.26	3.08	2.99	3.50	3.86	3.58	3.92	3.95	4.43	4.64	4.95	5.10	Earnings per sh A	5.75
1.73	1.83	1.93	2.03	2.10	2.10	2.10	2.10	2.10	2.67	2.23	2.33	2.44	2.56	2.70	2.87	3.04	3.22	Div'd Decl'd per sh B	3.80
7.60	6.86	6.39	7.59	9.37	9.46	7.64	7.03	8.26	8.24	9.36	8.38	9.84	11.84	12.90	10.73	11.25	11.09	Cap'l Spending per sh	11.75
31.00	32.14	34.57	34.48	35.15	34.16	32.89	33.86	34.38	36.20	38.07	39.50	41.30	43.15	44.80	46.59	48.30	50.00	Book Value per sh C	55.50
91.29	91.79	90.08	90.96	100.49	100.89	101.43	108.77	108.25	109.74	110.18	110.57	110.98	111.34	111.76	112.10	112.50	113.00	Common Shs Outst'g D	114.50
14.0	16.8	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	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	Relative P/E Ratio	.90
4.9%	4.5%	4.5%	4.7%	4.8%	8.2%	6.8%	5.4%	4.8%	5.3%	4.0%	4.1%	3.9%	3.5%	3.2%	3.2%	3.5%	3.5%	Avg Ann'l Div'd Yield	4.0%
CAPITAL STRUCTURE as of 12/31/18																			
Total Debt \$5214.8 mil. Due in 5 Yrs \$1276.4 mil.																			
LT Debt \$4638.2 mil. LT Interest \$183.2 mil.																			
Incl. \$13.4 mil. Palo Verde sale leaseback lessor notes.																			
(LT Interest earned: 3.6%)																			
Leases, Uncapitalized Annual rentals \$13.8 mil.																			
Pension Assets-12/18 \$2733.5 mil.																			
Pfd Stock None																			
Common Stock 112,146,511 sh.																			
as of 2/15/19																			
MARKET CAP: \$11 billion (Large Cap)																			
ELECTRIC OPERATING STATISTICS																			
Fixed Charge Cov. (%) 416 425 316																			
ANNUAL RATES																			
of change (per sh) 10 Yrs. Past 1 Yr. Est'd '16-'18																			
Revenues 1.0% 5.5% 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 (\$ mil.)																			
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	769.7	3565.3														
2018	692.7	974.1	1288.0	756.4	3681.2														
2019	750	1025	1326	800	3900														
2020	800	1075	1375	850	4100														
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	.28	4.88														
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	.665	2.59														
2017	.655	.655	.655	.695	2.66														
2018	.685	.685	.685	.7375	2.82														
2019	.7375																		

BUSINESS: Pinnacle West Capital Corporation is a holding company for Arizona Public Service Company (APS), which supplies electricity to 1.3 million customers in most of Arizona, except about half of the Phoenix metro area, the Tucson metro area, and Mohave County in northwestern Arizona. Discontinued SunCor real estate subsidiary in '10. Electric revenue breakdown: residential, 51%; commercial, 39%; industrial, 5%; other, 5%. Generating sources: nuclear, 28%; gas & other, 26%; coal, 24%; purchased, 22%. Fuel costs: 29% of revenues. '18 reported decr. rate: 2.6%. Has 6,300 employees. Chairman, President & CEO: Donald E. Brandt, Inc. AZ. Address: 400 North Fifth St., P.O. Box 53989, Phoenix, AZ 85072-3999. Tel.: 602-250-1000. Internet: www.pinnaclewest.com.

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.

Paul E. Debbas, CFA April 26, 2019

(A) Diluted EPS, Excl. nonrec. gain (loss); '08, (\$1.45); '17, 8¢; gains (losses) from disc. ops.: '05, (36¢); '06, 10¢; '08, 26¢; '09, (13¢); '10, 16¢; '11, 10¢; '12, (4¢); '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 rel'n. plan avail. (C) Incl. div'd chgs. in '18: \$14.34/sh. (D) In mill. (E) Rate base: Fair value. Rate allowed on com. eq. in '17: 10.0%; earned on avg. com. eq.: '17: 10.0%. Regulatory Climate: Average.

Company's Financial Strength A+
Stock's Price Stability 100
Price Growth Persistence 65
Earnings Predictability 95

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PNM RESOURCES NYSE:PNM										RECENT PRICE	45.15	P/E RATIO	25.4 (Trading: 27.2 Median: 18.8)	RELATIVE P/E RATIO	1.42	DIVID YLD	2.6%	VALUE LINE	
TIMELINESS	3	Lowered 4/24/19	High: 21.7	13.1	14.0	19.2	22.5	24.5	31.6	31.2	36.2	46.0	45.3	47.9				Target Price Range 2022 2023 2024	
SAFETY	3	Lowered 5/9/19	Low: 7.6	5.9	10.6	12.8	17.3	20.1	23.5	24.4	29.2	33.3	33.8	39.7					
TECHNICAL	1	Raised 4/19/19	LEGENDS																
BETA	.65	(1.00 = Market)	0.94 x Dividends p.sh. divided by Interest Rate																
2022-24 PROJECTIONS																			
Price	50	Gain	50	Gain	50	Gain	50	Gain	50	Gain	50	Gain	50	Gain	50	Gain	50	Gain	
Low	35	(-20%)	35	(-20%)	35	(-20%)	35	(-20%)	35	(-20%)	35	(-20%)	35	(-20%)	35	(-20%)	35	(-20%)	
Insider Decisions																			
J	A	S	O	N	D	J	F												
to Buy	0	0	0	0	0	0	0												
Options	0	0	0	0	0	0	0												
to Sell	0	0	0	0	0	0	0												
Institutional Decisions																			
to Buy	137	129	116																
to Sell	117	128	141																
Net Buy	20	1	-25																
Percent	137	129	116																
Shares	73262	71604	71732																
2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020																			
24.11	26.54	30.19	32.25	24.92	22.85	19.01	19.31	21.35	16.85	17.42	18.03	18.07	17.11	18.14	18.04	18.85	19.15	19.15	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	6.90	6.90	7.00
1.15	1.43	1.56	1.72	.76	.11	.58	.87	1.08	1.31	1.41	1.45	1.48	1.48	1.92	1.68	2.15	2.25	2.25	2.75
.81	.83	.79	.86	.91	.61	.50	.50	.50	.58	.68	.76	.82	.82	.99	.99	1.09	1.24	1.24	1.60
2.78	2.25	3.07	4.04	6.94	9.99	3.32	3.25	4.10	3.88	4.37	5.78	7.01	7.53	6.28	6.29	8.80	8.10	8.10	6.00
17.84	18.19	18.70	22.09	22.03	16.89	18.90	17.80	19.62	20.06	20.87	22.39	20.78	21.04	21.28	21.20	22.05	23.30	23.30	27.50
60.39	60.46	68.79	76.85	76.81	66.63	66.67	66.67	79.65	79.65	79.65	79.65	79.65	79.65	79.65	79.65	79.65	81.00	81.00	84.00
14.7	15.0	17.4	16.6	35.5	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	23.4	15.5
.84	.79	.83	.84	1.89	NMF	1.21	.89	.91	.95	.90	.98	.94	1.18	1.03	1.26	1.26	1.26	1.26	.85
3.6%	2.9%	3.2%	3.2%	4.9%	NMF	4.8%	4.1%	3.2%	3.0%	3.0%	2.8%	3.0%	2.8%	2.5%	2.8%	2.8%	2.8%	2.8%	3.6%
CAPITAL STRUCTURE as of 12/31/18																			
Total Debt	\$2906.0 mill.	Due in 5 Yrs	\$1229.2 mill.			1647.7	1673.5	1700.6	1342.4	1387.9	1435.9	1439.1	1363.0	1445.0	1438.6	1500	1550	1550	1775
LT Debt	\$2670.1 mill.	LT Interest	\$122.8 mill.			54.0	80.5	97.1	106.1	114.0	116.8	118.8	117.4	154.4	133.4	185	195	195	240
(LT Interest earned: 2.4x)						30.4%	32.6%	36.8%	31.4%	31.6%	34.8%	35.9%	32.4%	33.0%	33.8%	33.5%	33.5%	33.5%	23.5%
Leases, Uncapitalized Annual rentals	\$31.8 mill.					6.3%	7.1%	8.7%	7.1%	1.3%	10.7%	17.0%	11.0%	11.9%	14.5%	13.0%	10.9%	10.9%	8.0%
Pension Assets: 12/18 \$545.0 mill.						48.7%	50.4%	51.5%	50.8%	50.0%	47.8%	54.1%	55.7%	58.1%	61.1%	62.0%	56.5%	56.5%	57.5%
Pfd Stock \$11.5 mill. Pfd Div'd \$5 mill.						51.8%	49.2%	48.1%	48.7%	49.7%	51.9%	45.5%	44.0%	43.6%	38.6%	38.0%	43.5%	43.5%	42.0%
115,293 shs. 4.58%, \$100 par without mandatory redemption. Sinking fund began 2/1/04.						3214.9	3100.9	3245.8	3277.9	3344.0	3437.1	3633.3	3806.8	3887.5	4370.0	4640	4365	4365	5475
Common Stock 79,653,624 shs. as of 2/22/19						3332.4	3444.4	3627.1	3746.5	3933.9	4270.0	4635.4	4904.7	4980.2	5234.8	5585	5940	5940	6800
MARKET CAP: \$3.6 billion (Mid Cap)						3.2%	4.2%	4.5%	5.1%	5.2%	5.1%	4.8%	4.7%	5.3%	4.3%	5.5%	6.0%	6.0%	6.0%
ELECTRIC OPERATING STATISTICS																			
% Change Retail Sales (YoY)	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Avg. Retail Rate (YoY)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Avg. Retail Rate (YoY) (excl. fuel)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Capacity at Peak (MW)	2791	2580	2681																
Peak Load, Summer (MW)	1908	1843	1885																
Annual Load Factor (%)	NA	NA	NA																
% Change Customers (YoY)	+9	+8	+11																
Fixed Charge Cov. (%)	202	243	218																
ANNUAL RATES of change (per sh)																			
Revenues	-4.0%	-1.0%	3.0%																
"Cash Flow"	6.5%	8.0%	6.0%																
Earnings	7.0%	8.0%	6.5%																
Dividends	2.5%	11.0%	7.0%																
Book Value	1.0%	4.5%																	
QUARTERLY REVENUES (\$ mill.)																			
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year														
2016	311.0	315.4	400.4	336.2	1363.0														
2017	330.2	382.3	419.9	332.6	1445.0														
2018	317.9	352.3	422.7	343.7	1438.6														
2019	340	370	440	350	1600														
2020	350	385	465	360	1550														
EARNINGS PER SHARE																			
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year														
2016	.13	.34	.68	.31	1.46														
2017	.29	.47	.92	.25	1.92														
2018	.19	.48	1.09	d.10	1.68														
2019	.12	.54	1.22	.27	2.16														
2020	.12	.57	1.28	.28	2.25														
QUARTERLY DIVIDENDS PAID																			
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year														
2015	.20	.20	.20	.20	.80														
2016	.22	.22	.22	.22	.88														
2017	.242	.242	.243	.243	.97														
2018	.285	.285	.285	.285	1.06														
2019	.29																		
BUSINESS: PNM Resources, Inc. is a holding company with two regulated electric utilities. Public Service Company of New Mexico (PNM) serves 528,000 customers in north central New Mexico, incl. Albuquerque and Santa Fe. Texas-New Mexico Power Company (TNMP) transmits and distributes power to 263,000 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. Colewa. Incorporated: New Mexico. Address: 414 Silver Ave. SW, Albuquerque, New Mexico 87102-3288. Telephone: 505-241-2700. Internet: www.pnmresources.com.																			
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 benefitting 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																			
(A) Div. EPS. Excl. nonrec. gain (losses): '05, (\$66); '06, (\$3.77); '10, (\$1.38); '11, \$8.4; '13, May, Aug., & Nov. = Div'd reinv. plan avail. (C) Incl. intang. in '18: \$12.15sh. (D) In mill. adj. for split. (E) Rate base: net orig. cost. Rate aff'd on com. eq. in NM in '18: \$5.75%; in TX in '11: 10.125%; earned on avg. com. eq., '18: 7.7%. Regulatory Climate: NM, Below Avg.; TX, Avg.																			
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SOUTHERN COMPANY NYSE:SO										RECENT PRICE	52.86	P/E RATIO	17.3	(Trailing: 19.2 Median: 16.0)	RELATIVE P/E RATIO	1.01	DIVID YLD	4.7%	VALUE LINE				
TIMELINESS	3	Raised 3/2/18	High: 40.6	37.6	38.6	46.7	48.8	48.7	51.3	53.2	54.8	53.5	49.4	53.4					Target Price Range	2022	2023	2024	
SAFETY	2	Lowered 2/2/14	Low: 28.8	26.5	30.8	35.7	41.8	40.0	40.3	41.4	46.0	46.7	42.4	43.3									
TECHNICAL	3	Lowered 5/17/19	LEGENDS																				
BETA	.50	(1.00 = Market)	0.62 x Dividends p sh divided by Interest Rate																				
2022-24 PROJECTIONS																							
Price	65	Gain	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%					
Low	50	Gain	(-5%)	(-5%)	(-5%)	(-5%)	(-5%)	(-5%)	(-5%)	(-5%)	(-5%)	(-5%)	(-5%)	(-5%)	(-5%)	(-5%)	(-5%)	(-5%)					
Insider Decisions																							
J	A	S	O	N	D	J	F	M															
to Buy	0	0	0	0	0	0	0	0	1														
Options	1	0	0	0	0	1	2	1	2														
to Sell	0	1	0	0	0	3	0	2	1														
Institutional Decisions																							
K229H	K229H	K229H								Percent	18												
to Buy	509	501	630							shares	12												
to Sell	530	556	559							traded	6												
to Buy	582212	583272	582043																				
2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021					
15.31	18.05	18.28	19.24	20.12	22.04	19.21	20.70	20.41	19.06	19.26	20.34	19.18	20.09	22.86	22.73	21.90	22.75	22.75	Revenues per sh			26.50	
3.53	3.65	4.03	4.01	4.22	4.43	4.43	4.51	4.81	5.18	5.27	5.26	5.47	5.69	6.64	6.41	6.40	6.65	6.65	"Cash Flow" per sh			7.50	
1.97	2.06	2.13	2.10	2.28	2.25	2.32	2.35	2.55	2.67	2.70	2.77	2.84	3.21	3.00	3.05	3.05	3.20	3.20	Earnings per sh			3.75	
1.39	1.42	1.48	1.54	1.60	1.66	1.73	1.80	1.87	1.94	2.01	2.08	2.15	2.22	2.30	2.38	2.48	2.54	2.54	Div'd Dec'd per sh			2.78	
2.72	2.85	3.20	4.01	4.85	5.10	5.70	4.85	5.23	5.54	6.16	6.58	6.22	7.38	7.37	7.74	7.70	7.20	6.45	Cap'l Spending per sh			6.25	
13.13	13.86	14.42	15.24	16.23	17.08	18.15	19.21	20.32	21.09	21.43	21.98	22.59	25.00	23.98	23.92	26.00	26.80	26.80	Book Value per sh			38.00	
734.83	741.50	741.45	746.27	763.10	777.19	819.65	843.34	865.13	867.77	887.09	907.78	911.72	990.39	1007.6	1033.8	1045.0	1053.0	1053.0	Common Shs Outst'g			1095.0	
14.8	14.7	15.9	16.2	16.0	16.1	13.5	14.9	15.8	17.0	16.2	16.0	15.8	17.8	15.5	16.1	16.1	16.1	16.1	Avg Ann'l P/E Ratio			15.0	
.84	.78	.85	.87	.85	.97	.90	.95	.99	1.08	.91	.84	.80	.93	.78	.81	.81	.81	.81	Relative P/E Ratio			.85	
4.7%	4.7%	4.4%	4.5%	4.4%	4.6%	5.5%	5.1%	4.0%	4.3%	4.7%	4.7%	4.8%	4.4%	4.6%	5.3%	5.3%	5.3%	5.3%	Avg Ann'l Div'd Yield			4.9%	
CAPITAL STRUCTURE as of 3/31/19																							
Total Debt \$44023 mil. Due in 5 Yrs \$15155 mil.										15743	17458	17657	16537	17087	18467	17489	18996	23031	23495	22900	24000	27800	
LT Debt \$40457 mil. LT Interest \$1416 mil.										19100	20400	22680	24160	24390	25870	26470	27570	32690	30950	3265	3475	4125	
(LT Interest earned: 3.4x)										31.9%	33.5%	35.0%	35.6%	34.8%	33.8%	33.4%	28.5%	25.2%	21.3%	19.0%	19.0%	19.0%	19.0%
Leases, Uncapitalized Annual rentals \$156 mil.										14.9%	13.7%	10.2%	9.4%	11.6%	13.9%	13.2%	11.9%	7.6%	6.8%	6.0%	6.0%	6.0%	6.0%
Pension Assets-12/18 \$11611 mil.										53.2%	51.2%	50.0%	49.9%	51.5%	49.5%	52.8%	61.5%	64.5%	62.0%	60.0%	60.0%	60.0%	58.0%
Pfd Stock \$281 mil. Pfd Div'd \$15 mil.										43.6%	45.7%	47.1%	47.3%	45.8%	47.3%	44.0%	35.7%	35.0%	37.6%	39.6%	39.6%	41.5%	
incl. 10 mil. shs. 5.83% cum. pfd. (\$25 stated value); 475,115 shs. 4.2%-5.44% cum. pfd. (\$100 par).										34091	35438	37307	38853	41483	42142	46788	88959	88953	85750	88000	71550		
Common Stock 1,040,295,732 shs.										36230	42002	45010	48390	51208	54868	61114	78446	78672	80797	84825	88000	93800	
MARKET CAP: \$56 billion (Large Cap)										6.9%	7.0%	7.2%	7.3%	6.8%	7.1%	6.6%	4.9%	5.9%	5.9%	6.0%	6.0%	6.5%	
ELECTRIC OPERATING STATISTICS										12.0%	11.8%	12.2%	12.5%	12.1%	12.1%	12.0%	10.3%	13.3%	12.4%	11.5%	12.0%	12.5%	
Fixed Charge Cov. (%)										12.4%	12.2%	12.5%	12.8%	12.5%	12.5%	12.0%	11.0%	13.4%	12.5%	11.5%	12.0%	12.5%	
ANNUAL RATES										3.2%	3.0%	3.4%	3.6%	3.2%	3.2%	3.1%	2.5%	3.9%	2.6%	2.5%	2.5%	3.0%	
of change (per sh)										75%	77%	73%	73%	75%	75%	75%	75%	72%	79%	79%	77%	73%	
Revenues																							
"Cash Flow"																							
Earnings																							
Dividends																							
Book Value																							
Cal-endar	QUARTERLY REVENUES (mil.)																						
	Mar.31	Jun.30	Sep.30	Dec.31	Full Year																		
2016	3992	4459	6264	5181	19896																		
2017	5771	5430	6201	5629	23031																		
2018	6372	5627	6159	5337	23495																		
2019	5412	5559	6188	5750	22900																		
2020	5700	5800	6500	6000	24000																		
Cal-endar	EARNINGS PER SHARE																						
	Mar.31	Jun.30	Sep.30	Dec.31	Full Year																		
2016	.57	.71	1.22	.33	2.83																		
2017	.73	.73	1.08	.67	3.21																		
2018	.99	.71	1.13	.17	3.00																		
2019	.74	.70	1.10	.40	3.05																		
2020	.85	.75	1.15	.45	3.20																		
Cal-endar	QUARTERLY DIVIDENDS PAID																						
	Mar.31	Jun.30	Sep.30	Dec.31	Full Year																		
2015	.525	.543	.543	.543	2.15																		
2016	.543	.56	.58	.56	2.22																		
2017	.56	.58	.58	.58	2.30																		
2018	.58	.60	.60	.60	2.38																		
2019	.60	.62																					
(A) Diluted EPS, Excl. nonrec. gain (losses): '08, (25%); '13, (83%); '14, (59%); '15, (25%); '16, (28%); '17, (62.37%); '18, (76%); '19, \$1.25. Next earnings report due early Aug. (B) Div'ds paid																							
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In early Mar., June, Sept., and Dec., a Div'd reinvest. plan avail. (C) Incl. div'd chgs. In '18: \$15.85/sh. (D) In mill. (E) Rate base: AL, MS, fair value; FL, GA, orig. cost. AFD returned on																							
com. eq. (blended): 12.5%; earn. on avg. com. eq., '18: 12.4%. Regul. Climate: GA, AL Above Avg.; MS, FL Avg. (F) Winter peak in '16.																							
Company's Financial Strength																							
Stock's Price Stability																							
Price Growth Persistence																							
Earnings Predictability																							
A																							
100																							
20																							
90																							
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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	DIVID YLD	3.1%	VALUE LINE						
TIMELINESS	3	Lowered 11/9/18	High: 24.8	25.3	30.5	35.4	41.5	45.0	55.4	58.0	66.1	70.1	75.5	78.7	Target Price Range	2022	2023	2024	
SAFETY	1	Rated 3/23/12	Low: 17.4	19.2	23.4	27.0	33.6	37.0	40.2	44.9	50.4	56.1	58.5	67.2					
TECHNICAL	2	Rated 3/9/19	LEGENDS 0.31 x DM depends p sh divided by interest Rate Relative Price Strength 2-for-1 split 3/11 Options: Yes Shaded area indicates recession																
BETA	.55	(1.00 = Market)	2022-24 PROJECTIONS Price Gain Ann'l Total High 85 (+10%) 6% Low 70 (-10%) 2%																
Insider Decisions															128				
to Buy 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0															80				
to Sell 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0															48				
to Buy 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0															32				
to Sell 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0															24				
Institutional Decisions															16				
2020H1 2020H2 2020H3															12				
to Buy 322 310 371																			
to Sell 807 348 321																			
Net Buy 232040 230392 236513																			
Percent shares traded 30 20 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				
17.12	14.68	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	28.50
2.86	2.58	2.89	2.90	2.98	2.95	3.11	3.30	3.88	4.01	4.33	4.47	3.87	5.39	5.69	6.04	6.25	6.70	"Cash Flow" per sh	8.25
1.13	.93	1.28	1.32	1.42	1.52	1.80	1.92	2.18	2.35	2.51	2.59	2.34	2.98	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	1.58	1.74	1.98	2.08	2.21	2.35	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	3.28	4.01	4.51	6.21	6.71	9.45	10.70	Cap'l Spending per sh	7.75
9.96	10.65	11.48	12.35	13.25	14.27	15.26	16.26	17.20	18.05	18.73	18.60	27.42	28.29	29.88	31.02	32.00	33.05	Book Value per sh C	36.75
236.85	233.97	233.96	233.94	233.88	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	19.8	19.6	19.6	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	1.01	1.06	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%	3.4%	3.4%	Avg Ann'l Div'd Yield	4.0%
CAPITAL STRUCTURE as of 12/31/18 Total Debt \$11799 mill. Due in 5 Yrs \$3932.8 mill. LT Debt \$9994.0 mill. LT Interest \$489.7 mill. Inc'd \$18.4 mill. capitalized leases. (LT Interest earned: 3.7%) Leases, Uncapitalized Annual rentals \$8.7 mill. Pension Assets-12/18 \$2660.8 mill. Oblig \$2927.2 mill. Pld Stock \$30.4 mill. Pld Div'd \$1.2 mill. 260,000 shs. 3.80%, \$100 par, callable. \$101; 44,498 shs. 6%, \$100 par. Common Stock 315,455,323 shs. as of 1/31/19 MARKET CAP: \$24 billion (Large Cap)																			
ELECTRIC OPERATING STATISTICS 2016 2017 2018 % Change Retail Sales (KWH) +18.5 -3.0 +2.5 Avg. Indust. Use (KWH) NA NA NA Avg. Lt. C&I Ret. per KWH (\$) 7.08 7.13 7.05 Capacity at Peak (MW) NA NA NA Peak Load, Summer (MW) NA NA NA Annual Load Factor (%) NA NA NA % Change Customers (yr-end) +5 +7 +7																			
FINANCIAL RATIOS 2016 2017 2018 Fund Charge Cov. (%) 404 422 323 ANNUAL RATES of change (per sh) Past 10 Yrs. Past 5 Yrs. Est'd '16-'18 Revenues 3.0% 4.5% 3.5% "Cash Flow" 7.0% 7.5% 6.5% Earnings 8.5% 8.0% 6.0% Dividends 15.5% 11.0% 6.0% Book Value 8.5% 10.5% 3.5%																			
QUARTERLY REVENUES (\$ mil.) Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2016 2194 1602 1712 1963 7472.3 2017 2304 1832 1657 2055 7648.5 2018 2287 1672 1644 2077 7679.5 2019 2350 1700 1700 2150 7900 2020 2450 1750 1750 2250 8200																			
EARNINGS PER SHARE A Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2016 1.09 .57 .68 .61 2.96 2017 1.12 .63 .68 .71 3.14 2018 1.23 .73 .74 .85 3.34 2019 1.25 .76 .80 .70 3.50 2020 1.30 .80 .85 .76 3.70																			
QUARTERLY DIVIDENDS PAID B Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2016 .4225 .4225 .44 .4575 1.74 2017 .495 .495 .495 .495 1.98 2018 .52 .52 .52 .52 2.08 2019 .5525 .5525 .5525 .5525 2.21 2020 .59																			
COMPANY'S FINANCIAL STRENGTH Stock's Price Stability A+ Price Growth Persistence 95 Earnings Predictability 90																			
TO SUBSCRIBE CALL 1-800-VALUELINE																			

XCEL ENERGY				NDQ:XEL		RECENT PRICE	54.86	P/E RATIO	21.5	Trailing: 22.2 Median: 15.8	RELATIVE P/E RATIO	1.20	DIVID YLD	3.0%	VALUE LINE																	
TIMELINESS	1	Rated 3/22/19	High: 22.9 Low: 15.3	21.9 16.0	24.4 19.8	27.8 21.2	29.9 25.8	31.8 28.8	37.6 27.3	38.3 31.8	45.4 35.2	52.2 40.0	54.1 41.5	57.5 47.7	Target Price 2022 2023 2024																	
SAFETY	1	Rated 5/1/15	LEGENDS 0.05 x Dividends p sh Added by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession												80 60 40 20 15 10 7.5																	
TECHNICAL	1	Rated 4/26/19	2022-24 PROJECTIONS																													
BETA	.50	(1.00 = Market)	Price Gain Return High 60 (+10%) 5% Low 50 (-10%) 1%																													
Insider Decisions				J J A S O N D J F																												
Institutional Decisions				Percent shares traded																												
CAPITAL STRUCTURE as of 12/31/18				2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020																												
Total Debt \$17247 mil. Due in 5 Yrs \$4681 mil.				19.90	20.84	23.86	24.16	23.40	24.69	21.08	21.38	21.90	20.76	21.92	23.11	21.80	22.46	22.44	23.00	23.60	Revenues per sh	26.50										
LT Debt \$15803 mil. LT Interest \$661 mil.				3.35	3.27	3.28	3.61	3.45	3.50	3.48	3.51	3.79	4.00	4.10	4.26	4.56	5.04	5.47	5.92	6.30	"Cash Flow" per sh	8.00										
Incl. \$145 mil. capitalized leases.				1.23	1.27	1.20	1.35	1.36	1.48	1.49	1.56	1.72	1.85	1.91	2.03	2.10	2.21	2.30	2.47	2.60	Earnings per sh	3.25										
(LT Interest earned: 2.9x)				.75	.81	.85	.88	.91	.94	.97	1.00	1.03	1.07	1.11	1.20	1.28	1.36	1.44	1.62	1.62	Div'd Decl'd per sh	2.05										
Leases, Uncapitalized Annual rentals \$239 mil.				2.49	3.19	3.25	4.00	4.89	4.66	3.91	4.80	4.83	5.27	6.82	6.33	7.26	8.42	6.54	7.70	8.20	Cap'l Spending per sh	7.25										
Pension Assets-12/18 \$2742 mil.				12.95	12.99	13.37	14.28	14.70	15.35	15.92	16.78	17.44	18.19	19.21	20.20	20.89	21.73	22.58	23.78	24.85	Book Value per sh	23.50										
Oblig \$3477 mil.				398.96	400.46	403.39	407.30	428.78	453.79	457.81	482.33	486.49	487.96	497.37	505.73	507.54	507.22	514.04	515.50	517.90	Common Shs Outst'g	821.50										
Pfd Stock None				11.6	13.6	15.4	14.8	16.7	13.7	12.7	14.1	14.2	14.8	15.0	15.4	16.5	18.5	20.2	18.9	18.9	Avg Ann'l P/E Ratio	16.5										
Common Stock 514,211,366 shs.				.66	.72	.82	.80	.89	.82	.85	.90	.89	.94	.84	.81	.83	.97	1.02	1.02	1.02	Relative P/E Ratio	.90										
as of 2/14/19				5.2%	4.7%	4.5%	4.4%	4.0%	4.7%	5.1%	4.5%	4.2%	3.9%	3.9%	3.7%	3.3%	3.1%	3.3%	3.1%	3.3%	Avg Ann'l Div'd Yield	3.5%										
MARKET CAP: \$28 billion (Large Cap)				ELECTRIC OPERATING STATISTICS																												
				2016 2017 2018																												
				% Change Retail Sales (kWh)	2016	2017	2018	BUSINESS: Xcel Energy Inc. is the parent of Northern States																								
				Large C&I Use (MWh)	22519	22642	23004	Power, which supplies electricity to Minnesota, Wisconsin, North																								
				Large C&I Use, per kWh (¢)	6.17	6.36	5.91	Dakota, South Dakota & Michigan & gas to Minnesota, Wisconsin,																								
				Capacity at Peak (MW)	NA	NA	NA	North Dakota & Michigan; Public Service of Colorado, which sup-																								
				Peak Load, Summer (MW)	20423	19591	20293	plies electricity & gas to Colorado; & Southwestern Public Service,																								
				Annual Load Factor (%)	NA	NA	NA	which supplies electricity to Texas & New Mexico. Customers: 3.6																								
				% Change Customers (yr-avg)	+9	+9	+1.1	mill. electric, 2.0 mill. gas, Elec. rev. breakdown: residential, 31%;																								
				Fixed Charge Cov. (%)	342	330	281	sm. comm'l & ind'l, 36%; lg. comm'l & ind'l, 18%; other, 15%. Gen-																								
				ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'19	Service of Colorado plans to file an electric																								
				Revenues	-1.0%	5.5%	3.0%	case this spring. SPS intends to file ap-																								
				"Cash Flow"	4.5%	6.6%	6.5%	plications in Texas and New Mexico this																								
				Earnings	5.5%	5.0%	5.6%	summer. Northern States Power will put																								
				Dividends	4.5%	6.0%	6.0%	forth a petition in Minnesota in November.																								
				Book Value	4.5%	4.5%	4.5%	Rate relief is a key factor that is increas-																								
				QUARTERLY REVENUES (\$ mil.)	Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	ing Xcel's earning power. This should en-																					
				2016	2772	2500	3040	2795	11107	able the company to attain its annual																						
				2017	2946	2645	3017	2798	11404	earnings growth target of 5%-7% in 2019																						
				2018	2951	2658	3048	2880	11537	and 2020. Our estimate for this year is at																						
				2019	3000	2700	3150	3000	11850	the midpoint of the company's guidance of																						
				2020	3100	2750	3250	3100	12200	\$2.55-\$2.65 a share, which would produce																						
				EARNINGS PER SHARE	Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	an increase of 5%.																					
				2016	.47	.39	.90	.45	2.21	The board of directors raised the an-																						
				2017	.47	.45	.97	.42	2.30	nual dividend \$0.10 a share (6.6%), ef-																						
				2018	.57	.52	.96	.42	2.47	fective with the April payment. This																						
				2019	.60	.50	1.03	.47	2.60	increase was greater than in recent years,																						
				2020	.63	.52	1.10	.50	2.75	but the payout ratio is still near the low																						
				QUARTERLY DIVIDENDS PAID	Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	end of Xcel's target of 60%-70%. The com-																					
				2015	.30	.32	.32	.32	1.26	pany's goal for annual dividend growth is																						
				2016	.32	.34	.34	.34	1.34	5%-7%, the same as for earnings growth.																						
				2017	.34	.36	.36	.36	1.42	Xcel Energy stock has our top ranks																						
				2018	.36	.38	.38	.38	1.50	for Timeliness and Safety, but a di-																						
				2019	.38	.405				vidend yield that is low for a utility.																						
				(A) Diluted EPS. Excl. nonrecurring gain																												
				(losses): '10, 5¢; '15, (16¢); '17, (6¢); gains																												
				(losses) on discontinued ops.: '03, 27¢; '04,																												
				(30¢); '05, 3¢; '06, 1¢; '09, (1¢); '10, 1¢; '17																												
				EPS don't sum due to rounding. Next earnings																												
				report due late July. (B) Div's historically paid																												
				mid-Jan, Apr, July, and Oct. Div'd reinvest-																												
				ment plan available. (C) Incl. Intangibles. In																												
				'18: \$5.92/sh. (D) In mil. (E) Rate base: Varies.																												
				Rate allowed on com. eq. (blended): 9.6%;																												
				earned on avg. com. eq. '18: 10.4%. Regu-																												
				latory Climate: Average.																												
				Company's Financial Strength																												
				Stock's Price Stability																												
				Price Growth Persistence																												
				Earnings Predictability																												
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SOAH DOCKET 473-19-3864
PUC DOCKET NO. 49421
OPUC's Response to CenterPoint Energy Houston Electric LLC's
Third Request for Information

3-10. Please refer to the Direct Testimony of Anjuli Winker at page 43, lines 5-12.

- a. Has Ms. Winker performed any quantitative analysis to determine what CenterPoint Houston's ratio of Cash Flow from Operations pre-Working Capital to Debt would be under Ms. Winker's capital structure recommendation? If so, please provide that analysis.
- b. Has Ms. Winker performed any quantitative analysis to determine what CenterPoint Houston's ratio of Debt to Earnings Before Interest, Taxes, Depreciation, and Amortization would be under Ms. Winker's capital structure recommendation? If so, please provide that analysis.
- c. Has Ms. Winker performed any quantitative analysis to determine what CenterPoint Houston's ratio of Funds from Operations to Debt would be under Ms. Winker's capital structure recommendation? If so, please provide that analysis.

RESPONSE:

- a. No.
- b. No.
- c. No.

Prepared By: Anjuli Winker
Sponsored By: Anjuli Winker