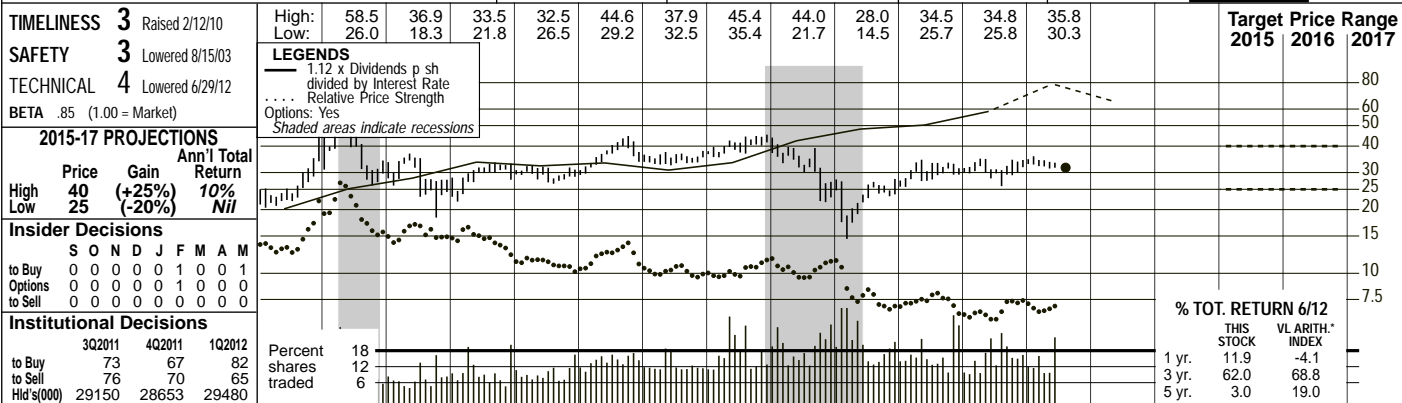


BLACK HILLS CORP. NYSE-BKH

RECENT PRICE **31.60** P/E RATIO **14.4** (Trailing: 41.0 Median: 17.0) RELATIVE P/E RATIO **1.01** DIV'D YLD **4.7%** VALUE LINE



Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	15-17	
Price	7.50	14.45	31.48	37.05	69.69	57.96	15.74	35.17	34.54	41.97	19.69	18.41	26.03	32.58	33.29	28.96	29.05	31.30	Revenues per sh	35.25
Gain	2.45	2.52	2.72	2.88	3.68	5.27	4.93	4.26	4.46	4.81	5.04	5.29	2.95	5.41	4.88	4.01	5.45	5.70	"Cash Flow" per sh	6.75
Ann'l Total Return	1.40	1.49	1.60	1.70	2.37	3.42	2.33	1.84	1.74	2.11	2.21	2.68	.18	2.32	1.66	1.01	2.20	2.20	Earnings per sh ^A	2.50
Options	.92	.95	1.00	1.04	1.08	1.12	1.16	1.20	1.24	1.28	1.32	1.37	1.40	1.42	1.44	1.46	1.48	1.50	Div'd Decl'd per sh ^B	1.60
to Buy	1.13	.98	1.18	4.89	5.79	14.07	8.65	2.80	2.80	4.18	9.24	6.92	8.51	8.90	12.04	10.03	8.95	10.60	Cap'l Spending per sh	9.00
to Sell	8.91	9.46	9.58	10.14	11.95	18.95	19.66	21.72	22.43	22.29	23.68	25.66	27.19	27.84	28.02	27.53	28.00	28.65	Book Value per sh ^C	31.00
Hld's(000)	21.68	21.70	21.58	21.37	23.30	26.89	26.93	32.30	32.48	33.16	33.37	37.80	38.64	38.97	39.27	43.92	44.20	44.40	Common Shs Outst'g ^D	45.00
to Buy	11.9	13.0	14.9	13.6	10.9	11.4	12.5	15.9	17.1	17.3	15.8	15.0	NMF	9.9	18.1	31.1	31.1	31.1	Avg Ann'l P/E Ratio	13.5
to Sell	.75	.75	.77	.78	.71	.58	.68	.91	.90	.92	.85	.80	NMF	.66	1.15	1.96	1.96	1.96	Relative P/E Ratio	.90
Hld's(000)	5.5%	4.9%	4.2%	4.5%	4.2%	2.9%	4.0%	4.1%	4.2%	3.5%	3.8%	3.4%	4.2%	6.2%	4.8%	4.6%	4.6%	4.6%	Avg Ann'l Div'd Yield	4.8%

Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	15-17
Total Debt	423.9	1136.1	1121.7	1391.6	656.9	695.9	1005.8	1269.6	1307.3	1272.2	1285	1390	Revenues (\$mill)	1590					
LT Debt	63.2	57.1	57.2	70.3	74.0	100.1	6.8	89.7	64.6	40.4	95.0	100	Net Profit (\$mill)	115					
Leases	31.9%	34.4%	31.8%	33.8%	31.3%	31.3%	33.1%	30.7%	26.4%	31.1%	32.0%	32.0%	Income Tax Rate	32.0%					
Pension Assets	18.2%	.7%	.3%	1.0%	9.7%	14.8%	173.2%	20.1%	28.0%	65.0%	10.0%	10.0%	AFUDC % to Net Profit	9.0%					
Obblig.	53.6%	55.0%	49.9%	47.6%	44.3%	36.8%	32.3%	48.4%	51.9%	51.4%	47.0%	47.0%	Long-Term Debt Ratio	50.5%					
Pfd Stock	45.9%	44.5%	49.6%	52.4%	55.7%	63.2%	67.7%	51.6%	48.1%	48.6%	53.0%	53.0%	Common Equity Ratio	49.5%					
Common Stock	1154.0	1578.2	1469.3	1409.1	1418.4	1534.2	1551.8	2100.7	2286.3	2489.7	2340	2410	Total Capital (\$mill)	2825					
MARKET CAP	1476.3	1442.4	1445.7	1435.4	1646.4	1823.5	2022.2	2160.7	2495.4	2789.6	3040	3355	Net Plant (\$mill)	4000					
ELECTRIC OPERATING STATISTICS	6.6%	4.8%	5.3%	6.6%	6.8%	7.9%	1.6%	5.9%	4.4%	3.3%	5.5%	5.5%	Return on Total Cap'l	5.5%					
% Change Retail Sales	11.8%	8.0%	7.8%	9.5%	9.4%	10.3%	.7%	8.3%	5.9%	3.3%	8.0%	7.5%	Return on Shr. Equity	8.0%					
Avg. Indust. Use (MWH)	11.9%	8.1%	7.8%	9.5%	9.4%	10.3%	.7%	8.3%	5.9%	3.3%	8.0%	7.5%	Return on Com Equity ^E	8.0%					
Avg. Indust. Revs. per KWH (c)	6.0%	2.8%	2.3%	3.8%	3.8%	5.1%	NMF	3.2%	.7%	NMF	2.5%	2.5%	Retained to Com Eq	3.0%					
Capacity at Yearend (Mw)	50%	65%	71%	60%	59%	50%	NMF	62%	87%	NMF	67%	67%	All Div'ds to Net Prof	63%					

CAPITAL STRUCTURE as of 3/31/12
 Total Debt \$1506.0 mill. Due in 5 Yrs \$911.0 mill.
 LT Debt \$1272.0 mill. LT Interest \$78.9 mill.
 (LT interest earned: 1.5x)
 Leases, Uncapitalized Annual rentals \$2.8 mill.

Pension Assets-12/11 \$221.7 mill. **Obblig.** \$325.9 mill.

Pfd Stock None

Common Stock 44.1 mill. shs.

MARKET CAP: \$1.4 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	+24.7	+2.9	+1.3
Avg. Indust. Use (MWH)	7542	8489	8113
Avg. Indust. Revs. per KWH (c)	6.34	6.95	7.58
Capacity at Yearend (Mw)	1060	1127	1315
Peak Load, Summer (Mw)	921	956	1025
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	-1.5	-1.1	+3.1

BUSINESS: Black Hills Corporation is a holding company for utilities that serve 201,000 electric customers in CO, SD, WY and MT, and 564,000 gas customers in NE, IA, KS, CO and WY. Electric revenue breakdown: res'l, 31%; comm'l, 35%; ind'l, 12%; wholesale, 13%; other, 9%. Generating sources: coal, 38%; purchased, 62%. Mines coal & has a gas & oil E&P business. Acq'd Wickford Energy Mktg. 7/97 (discontinued in '11); Mallon Resources 3/03; Cheyenne Light 1/05; utility ops. from Aquila 7/08. Discont. telecom in '05; oil mktg. in '06. Fuel costs: 45% of revs. '11 depr. rate: 3.6%. Has 2,000 empl. Chairman, President & CEO: David R. Emery, Inc.: SD. Address: P.O. Box 1400, 625 Ninth St., Rapid City, SD 57701. Tel.: 605-721-1700. Internet: www.blackhillscorp.com.

One of Black Hills' utility subsidiaries received a rate order in Wyoming. The state commission granted Cheyenne Light, Fuel & Power tariff hikes of \$2.7 million (2.7%) for electricity and \$1.6 million (4.9%) for gas, based on a return of 9.6% on a common-equity ratio of 54%. New rates took effect at the start of July.

Another regulatory matter is pending in the state. The company is asking the commission for permission to build 132 megawatts of gas-fired generating capacity at an estimated cost of \$237 million. The targeted in-service date is in 2014. A ruling is expected by yearend.

Another utility subsidiary filed a general rate case. Black Hills Energy asked the Colorado regulators for a \$1.0 million (4.9%) gas base rate increase, based on a 10.25% return on equity. When a decision will be announced is not known.

As always, mark-to-market gains or losses will affect the company's earnings. These items arise from interest-rate swaps. Because they are ongoing each quarter, we include them in our earnings presentation, but because they are impossible to predict, we don't assume any in our estimates. (Management excludes them from its earnings guidance.) Mark-to-market items hurt 2011 profits by \$0.68 a share (primarily in the third quarter), but added \$0.18 a share to March-quarter 2012 results. That's why our \$2.20-a-share earnings estimate for the full year is above Black Hills' targeted range of \$1.90-\$2.10. We estimate the same level of profits next year. Rate relief is a positive factor, but low natural gas prices are hurting the company's gas exploration and production subsidiary.

Black Hills raised \$166.3 million from the sale of its energy marketing business in the first quarter. These funds will enable the company to avoid an equity issuance this year. Black Hills recorded a \$0.12-a-share loss from discontinued operations in the period.

This stock's dividend yield is fractionally above the utility average. However, we project only modest dividend growth over the 3- to 5-year period, and with the share price already near the midpoint of our 2015-2017 Target Price Range, total return potential is unspectacular.

Paul E. Debbas, CFA August 3, 2012

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	437.9	257.4	225.8	348.5	1269.6
2010	442.3	271.3	264.4	329.3	1307.3
2011	400.8	260.7	249.5	361.2	1272.2
2012	365.9	280	275	364.1	1285
2013	420	295	290	385	1390

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.94	.64	d.10	.84	2.32
2010	.81	d.22	.22	.85	1.66
2011	.73	.09	d.29	.44	1.01
2012	.80	.35	.40	.65	2.20
2013	.70	.40	.45	.65	2.20

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.35	.35	.35	.35	1.40
2009	.355	.355	.355	.355	1.42
2010	.36	.36	.36	.36	1.44
2011	.365	.365	.365	.365	1.46
2012	.37	.37			

CMS ENERGY CORP. NYSE-CMS

RECENT PRICE **23.28** P/E RATIO **13.8** (Trailing: 16.5; Median: 15.0) RELATIVE P/E RATIO **0.91** DIV'D YLD **4.3%**

VALUE LINE

TIMELINESS **2** Raised 8/3/12
SAFETY **3** Raised 12/29/06
TECHNICAL **3** Lowered 9/14/12
BETA .75 (1.00 = Market)

High: 31.8 24.8 10.7 10.6 16.8 17.0 19.5 17.5 16.1 19.3 22.4 25.0
Low: 19.5 5.4 3.4 7.8 9.7 12.1 15.0 8.3 10.0 14.1 17.0 21.1

LEGENDS
0.80 x Dividends p sh divided by Interest Rate
Relative Price Strength
Options: Yes
Shaded areas indicate recessions

2015-17 PROJECTIONS

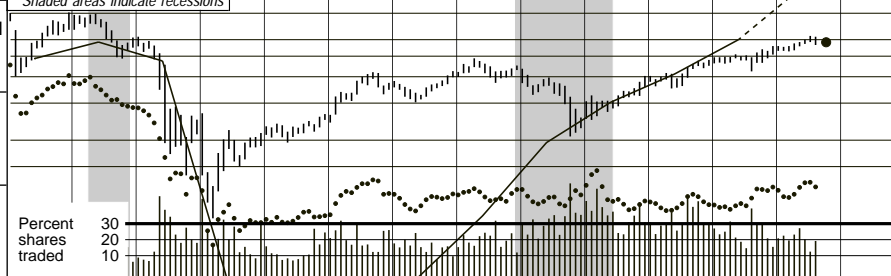
	Price	Gain	Ann'l Total Return
High	30	(+30%)	11%
Low	20	(-15%)	2%

Insider Decisions

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

Institutional Decisions

	4Q2011	1Q2012	2Q2012
to Buy	146	165	172
to Sell	157	148	162
Hlds(000)	227756	225413	200454



Target Price Range
2015 2016 2017

64
48
40
32
24
20
16
12
8
6

% TOT. RETURN 8/12

	THIS STOCK	VL ARITH. INDEX
1 yr.	22.1	11.2
3 yr.	94.7	47.4
5 yr.	70.1	27.8

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
45.70	47.49	47.56	52.59	74.24	72.16	60.28	34.21	28.06	28.52	30.57	28.95	30.13	27.23	25.77	25.59	23.45	24.25	Revenues per sh	27.00
7.18	7.39	6.60	7.87	7.61	5.24	d.09	2.39	2.87	3.43	3.22	3.08	3.88	3.47	3.70	3.65	3.75	3.90	"Cash Flow" per sh	4.25
2.45	2.61	2.24	2.85	2.53	1.27	d2.99	d.29	.74	1.10	.64	.64	1.23	.93	1.33	1.45	1.55	1.65	Earnings per sh ^A	1.85
1.02	1.14	1.26	1.39	1.46	1.46	1.09	--	--	--	--	.20	.36	.50	.66	.84	.96	1.02	Div'd Decl'd per sh ^B	1.20
6.95	7.05	11.98	9.69	8.51	9.49	5.18	3.32	2.69	2.69	3.01	5.61	3.50	3.59	3.29	3.47	5.45	4.85	Cap'l Spending per sh	4.50
17.95	19.61	20.63	21.17	19.48	14.21	7.86	9.84	10.63	10.53	10.03	9.46	10.88	11.42	11.19	11.92	12.50	13.25	Book Value per sh ^C	15.50
94.81	100.79	108.11	116.04	121.20	132.99	144.10	161.13	195.00	220.50	222.78	225.15	226.41	227.89	249.60	254.10	258.00	258.00	Common Shs Outst'g ^D	266.00
12.5	13.5	19.9	13.9	9.6	20.8	--	--	12.4	12.6	22.2	26.8	10.9	13.6	12.5	13.6	13.6	13.6	Avg Ann'l P/E Ratio	13.0
.78	.78	1.03	.79	.62	1.07	--	--	.66	.67	1.20	1.42	.66	.91	.80	.86	.86	.86	Relative P/E Ratio	.85
3.3%	3.2%	2.8%	3.5%	6.0%	5.5%	7.5%	--	--	--	--	1.2%	2.7%	4.0%	4.0%	4.3%	4.3%	4.3%	Avg Ann'l Div'd Yield	4.9%

CAPITAL STRUCTURE as of 6/30/12
Total Debt \$7684.0 mill. Due in 5 Yrs \$3309.0 mill.
LT Debt \$6378.0 mill. LT Interest \$351.0 mill.
Incl. \$157.0 mill. capitalized leases.
(LT interest earned: 2.4x)
Leases, Uncapitalized Annual rentals \$27.0 mill.
Pension Assets-12/11 \$1.63 bill.
Oblig. \$2.07 bill.

Pfd Stock \$44.0 mill. **Pfd Div'd** \$2.0 mill.
Incl. 441,599 shs. \$4.16-\$4.50 \$100 par, cum., callable at \$103.25-\$110.00.
Common Stock 263,700,000 shs.

MARKET CAP: \$6.1 billion (Large Cap)

8687.0	5513.0	5472.0	6288.0	6810.0	6519.0	6821.0	6205.0	6432.0	6503.0	6050	6300	Revenues (\$mill)	7200
d414.0	d40.0	144.0	247.0	158.0	168.0	300.0	231.0	356.0	384.0	420	455	Net Profit (\$mill)	525
--	NMF	18.6%	25.6%	--	37.6%	31.6%	34.6%	38.1%	36.8%	37.0%	37.0%	Income Tax Rate	37.0%
--	--	--	15.4%	6.3%	3.6%	1.3%	13.0%	2.2%	2.6%	2.0%	2.0%	AFUDC % to Net Profit	2.0%
84.4%	78.2%	75.3%	73.5%	71.7%	70.5%	69.4%	67.9%	70.1%	66.9%	66.0%	64.5%	Long-Term Debt Ratio	60.5%
15.0%	18.3%	21.5%	23.4%	24.9%	25.9%	27.4%	29.0%	29.5%	32.6%	33.5%	35.0%	Common Equity Ratio	39.5%
7532.0	8652.0	9640.0	9913.0	8961.0	8212.0	8993.0	8977.0	9473.0	9279.0	9600	9825	Total Capital (\$mill)	10500
5234.0	6944.0	8636.0	7845.0	7976.0	8728.0	9190.0	9682.0	10069	10633	11500	12200	Net Plant (\$mill)	14400
NMF	2.7%	4.4%	5.0%	4.5%	4.5%	5.4%	4.7%	5.8%	6.3%	6.0%	6.0%	Return on Total Cap'l	7.0%
NMF	NMF	6.1%	9.4%	6.2%	6.9%	10.9%	8.0%	12.5%	12.5%	13.0%	13.0%	Return on Shr. Equity	12.5%
NMF	NMF	6.2%	9.9%	6.4%	7.2%	11.7%	8.5%	12.5%	12.6%	13.0%	13.0%	Return on Com Equity ^E	12.5%
NMF	NMF	6.2%	9.9%	6.4%	5.1%	8.4%	4.1%	6.9%	5.6%	5.5%	5.5%	Retained to Com Eq	5.0%
NMF	NMF	11%	6%	10%	35%	31%	54%	46%	55%	59%	59%	All Div'ds to Net Prof	61%

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-4.6	+5.4	+4
Avg. Indust. Use (MWH)	1076	1027	1086
Avg. Indust. Revs. per KWH (c)	7.29	8.27	8.21
Capacity at Peak (Mw)	8954	9246	8588
Peak Load, Summer (Mw)	7421	8190	8930
Annual Load Factor (%)	55.9	55.3	50.8
% Change Customers (yr-end)	-9	-3	-1

BUSINESS: CMS Energy Corporation is a holding company for Consumers Energy, which supplies electricity and gas to lower Michigan (excluding Detroit). Has 1.8 million electric, 1.7 million gas customers. Has 1,166 megawatts of nonregulated generating capacity. Sold Palisades nuclear plant in '07. Electric revenue breakdown: residential, 42%; commercial, 31%; industrial, 20%; other, 7%. Generating sources: coal, 42%; gas, 5%; hydro, 1%; purchased, 52%. Fuel costs: 54% of revenues. '11 reported deprec. rates: 3.0% electric, 2.9% gas, 7.4% other. Has 7,700 employees. Chairman: David W. Joos. President & CEO: John G. Russell. Incorporated: Michigan. Address: One Energy Plaza, Jackson, Michigan 49201. Tel.: 517-788-0550. Internet: www.cmsenergy.com.

Fixed Charge Cov. (%) 159 215 237

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '09-'11 of change (per sh)

Revenues	-9.0%	-2.0%	.5%
"Cash Flow"	-6.5%	2.5%	3.0%
Earnings	-5.5%	8.5%	7.0%
Dividends	-7.5%	--	10.0%
Book Value	-4.5%	2.0%	5.0%

Rate increases should enable CMS Energy's earnings to advance in 2012 and 2013. In June, electric and gas tariff hikes for the company's utility subsidiary, Consumers Energy, went into effect. (Electric and gas rates were increased by \$118.5 million and \$16 million, respectively.) Our earnings estimate is at the upper end of management's targeted range of \$1.52-\$1.55 a share, despite a mild winter and a \$0.03-a-share charge that CMS took for an early retirement program in the second quarter. (A hotter-than-normal July will help in this regard.) We forecast a profit increase of 6% in 2013, in line with the company's goal of 5%-7% bottom-line growth annually.

Frequent rate hikes are needed in order to place capital investment in the rate base. Typically, these increases are modest, thanks in part to effective expense control. Consumers Energy has not yet determined the timing of its next electric and gas rate applications, but we think they will come within the next few months. (The earliest that the utility may file a gas case is December 1st, due to a stipulation in its previous rate order.) Consumers En-

ergy will be able to self-implement rate increases six months after filing its cases, and an order from the Michigan Public Service Commission is due 12 months after the filing.

Consumers Energy is spending \$235 million to add 100 megawatts of wind capacity. The project should be completed by yearend. This will bring the utility closer to meeting a state regulation of having 10% of its generating capacity from renewable sources by 2015.

Finances are adequate. The fixed-charge coverage and common-equity ratio are below those of most utilities, but at least these measures are getting better. Also, CMS is benefiting from tax-loss carryforwards. The company is far different from what it was 10 years ago, when it was in the red and cut its dividend.

By electric utility standards, this stock has a dividend yield and 3- to 5-year total return potential that are about average. It has a favorable rank for Timeliness. Like many utility issues, the share price is within our 2015-2017 Target Price Range.

Paul E. Debbas, CFA September 21, 2012

Calendar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	2104	1225	1263	1613	6205.0
2010	1967	1340	1443	1682	6432.0
2011	2055	1364	1464	1620	6503.0
2012	1743	1333	1424	1550	6050
2013	1900	1350	1450	1600	6300

Calendar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	.31	.28	.29	.05	.93
2010	.35	.26	.53	.21	1.33
2011	.51	.26	.53	.15	1.45
2012	.36	.37	.57	.25	1.55
2013	.50	.35	.55	.25	1.65

Calendar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2008	.09	.09	.09	.09	.36
2009	.125	.125	.125	.125	.50
2010	.15	.15	.15	.21	.66
2011	.21	.21	.21	.21	.84
2012	.24	.24	.24		

(A) Diluted EPS. Excl. nonrec. gains (losses): '05, (\$1.61); '06, (\$1.08); '07, (\$1.26); '09, (7c); '10, 3c; '11, 12c; '12, (14c); gains (losses) on disc. ops.: '05, 7c; '06, 3c; '07, (40c); '09, 8c; '10, (8c); '11, 1c; '12, 3c. '10 EPS don't add due to change in shs. Next earnings report due late Oct. (B) Div'ds historically paid late Feb., May, Aug. & Nov. (C) Div'd reinvestment plan avail. (C) Incl. intang. In '11: \$9.70/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '12: 10.3%; earned on avg. com. eq., '11: 12.9%. Regulatory Climate: Average.

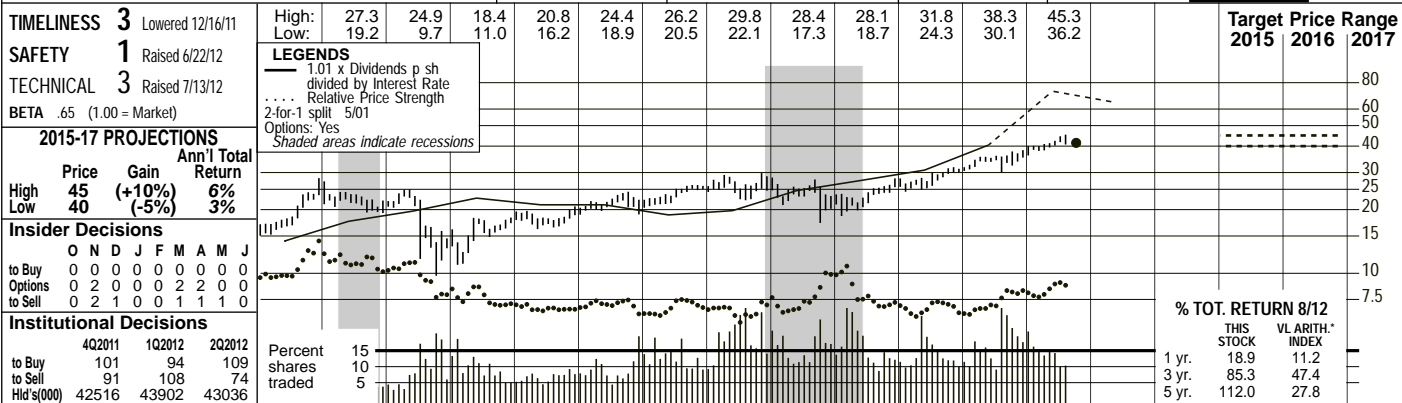
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Company's Financial Strength B+
Stock's Price Stability 100
Price Growth Persistence 95
Earnings Predictability 45

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CLECO CORPORATION NYSE-CNL

RECENT PRICE **41.49** P/E RATIO **16.0** (Trailing: 14.5; Median: 14.0) RELATIVE P/E RATIO **1.05** DIV'D YLD **3.3%** VALUE LINE



Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
Revenues per sh	9.70	10.16	11.46	17.12	18.23	23.55	15.33	18.54	15.03	18.41	17.38	17.19	17.99	14.17	18.98	18.53	16.40	17.20	Revenues per sh	21.25
"Cash Flow" per sh	2.11	2.18	2.28	2.36	2.77	2.94	3.05	2.98	2.76	2.63	2.69	3.71	3.78	5.12	5.28	5.20	5.30	"Cash Flow" per sh	6.50	
Earnings per sh ^A	1.12	1.09	1.12	1.19	1.46	1.51	1.52	1.26	1.32	1.42	1.36	1.32	1.70	1.76	2.29	2.59	2.60	2.55	Earnings per sh ^A	3.25
Div'd Decl'd per sh ^B + †	.77	.79	.81	.83	.85	.87	.90	.90	.90	.90	.90	.90	.90	.98	1.12	1.30	1.40	1.40	Div'd Decl'd per sh ^B + †	1.90
Cap'l Spending per sh	1.43	1.73	2.09	3.99	2.52	1.10	1.91	1.58	1.61	3.19	4.11	8.51	5.59	4.15	4.68	3.25	3.95	2.15	Cap'l Spending per sh	2.25
Book Value per sh ^C	8.30	8.68	9.07	9.44	10.04	10.69	11.77	10.09	10.83	13.69	15.22	16.85	17.65	18.50	21.76	23.55	24.60	25.80	Book Value per sh ^C	30.25
Common Shs Outst'g ^D	44.91	44.93	44.97	44.88	44.99	44.96	47.04	47.18	49.62	49.99	57.57	59.94	60.04	60.26	60.53	60.29	61.00	61.00	Common Shs Outst'g ^D	61.00
Avg Ann'l P/E Ratio	11.9	12.5	14.4	13.4	13.2	14.6	12.2	12.4	13.8	15.0	17.3	19.6	14.1	13.2	12.3	13.3	10.5	10.5	Avg Ann'l P/E Ratio	13.0
Relative P/E Ratio	.75	.72	.75	.76	.86	.75	.67	.71	.73	.80	.93	1.04	.85	.88	.78	.84	1.05	1.05	Relative P/E Ratio	.85
Avg Ann'l Div'd Yield	5.8%	5.8%	5.0%	5.2%	4.4%	3.9%	4.8%	5.8%	5.0%	4.2%	3.8%	3.5%	3.8%	3.9%	3.5%	3.3%	3.3%	3.3%	Avg Ann'l Div'd Yield	4.5%

CAPITAL STRUCTURE as of 6/30/12
Total Debt \$1332.9 mill. Due in 5 Yrs \$209.9 mill.
LT Debt \$1244.4 mill. LT Interest \$75.9 mill.
 Incl. \$15.7 million capitalized leases.
 (LT interest earned: 4.3x)

Leases, Uncapitalized Annual rentals \$12.4 mill.
Pension Assets-12/11 \$312.4 mill.
Oblig. \$362.0 mill.

Pfd Stock None

Common Stock 60,714,810 shs.
 as of 7/26/12
MARKET CAP: \$2.5 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-6.0	+5.9	+4.4
Avg. Indust. Use (MWH)	3532	3657	3904
Avg. Indust. Revs. per KWH (c)	6.48	7.68	7.58
Capacity at Peak (Mw)	2355	2559	2544
Peak Load, Summer (Mw)	2242	2348	2355
Annual Load Factor (%)	53.5	55.8	56.2
% Change Customers (avg.)	+7	+7	+6

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '09-'11 of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11
Revenues	-1.5%	.5%	3.5%
"Cash Flow"	6.0%	12.5%	5.5%
Earnings	5.0%	10.0%	6.5%
Dividends	1.5%	2.0%	11.5%
Book Value	8.0%	10.0%	6.0%

QUARTERLY REVENUES (\$ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	213.0	207.2	241.5	192.1	853.8
2010	272.3	275.9	343.9	256.6	1148.7
2011	253.7	272.9	351.6	239.1	1117.3
2012	222.8	240.1	312.1	225	1000
2013	235	255	320	230	1050

EARNINGS PER SHARE^A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.11	.45	.99	.21	1.76
2010	.56	.58	.82	.33	2.29
2011	.48	.52	1.08	.51	2.59
2012	.50	.77	.98	.35	2.60
2013	.50	.60	1.10	.35	2.55

QUARTERLY DIVIDENDS PAID^B + †

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.225	.225	.225	.225	.90
2009	.225	.225	.225	.225	.90
2010	.225	.25	.25	.25	.98
2011	.25	.28	.28	.3125	1.12
2012	.3125	.3125	.3375		

BUSINESS: Cleco Corporation is a holding company for Cleco Power, which supplies electricity to about 281,000 customers in central Louisiana. Through a subsidiary, has 775 megawatts of wholesale capacity. Electric revenue breakdown: residential, 47%; commercial, 29%; industrial, 14%; other, 10%. Largest industrial customers are paper mills and other wood-product industries. Generating sources: coal & lignite, 34%; gas & oil, 29%; petroleum coke, 23%; purchased, 14%. Fuel costs: 40% of revenues. '11 reported deprec. rate (utility): 2.8%. Has 1,200 employees. Chairman: J. Patrick Garrett. President & CEO: Bruce A. Williamson. Inc.: Louisiana. Address: 2030 Donahue Ferry Road, P.O. Box 5000, Pineville, LA 71361-5000. Tel.: 318-484-7400. Internet: www.cleco.com.

Cleco's board of directors has raised the dividend again. This was the fourth increase since 2010, after a span of several years without a boost. The latest dividend hike was \$0.025 a share (8%) quarterly. Cleco is targeting a payout ratio of 50%-60%. The company's cash flow is very healthy, giving the board the ability to continue raising the disbursement.

The utility is awaiting the outcome of a request for proposals (RFP). Most notably, the RFP includes a proposal to transfer Cleco's last nonregulated generating asset, the Coughlin gas-fired plant, to Cleco Power, its regulated utility subsidiary. (Cleco Power is now buying electricity from Coughlin under a three-year contract that began earlier this year.) The winning bidders, selected by an independent monitor, will probably be announced in late 2012. If the asset transfer is one of the winners, the Louisiana Public Service Commission and the Federal Energy Regulatory Commission would still have to approve it. This would probably occur in 2014.

We estimate that earnings will be about flat in 2012 and decline slightly

in 2013. In the first half of 2012, Cleco booked \$0.19 a share of income from the contractual expiration of indemnifications related to nonregulated generating units that were sold in 2010 and 2011. We include this income in our presentation, even though the company is excluding it from its earnings guidance of \$2.34-\$2.44 a share. We figure that, without any such income in 2013, profits will fall a bit. Beyond 2013, we aren't assuming that the aforementioned asset transfer will occur.

By utility standards, top-quality Cleco stock has a high valuation. The stock has outperformed most utility equities so far this year. Its dividend yield is about a percentage point below the industry average, and its price-earnings ratio is above the market multiple. The quotation is within our 2015-2017 Target Price Range, making total return potential low. In our view, the valuation reflects not only Cleco's strong dividend growth prospects, but some takeover speculation, as well. We don't advise investors to purchase this stock based on the possibility of an acquisition.

Paul E. Debbas, CFA September 21, 2012

(A) Diluted earnings. Excl. nonrec. gains (losses): '00, 5c; '02, (5c); '03, (\$2.05); '05, \$2.11; '07, \$1.22; '10, \$1.91; '11, 63c; losses from discount. ops.: '00, 14c; '01, 4c. Next earnings report due early Nov. (B) Div'ds historically paid in mid-Feb., May, Aug. and Nov. (C) Div'd reinvestment plan avail. † Shareholder investment plan avail. (D) Incl. deferred charges. In '11: \$10.61/sh. (E) In mill., adj. for split. (F) Rate base: Net orig. cost. Rate allowed on com. eq. in '09: 11.7%; earned on avg. com. eq., '11: 11.7%. Regulatory Climate: Average.

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

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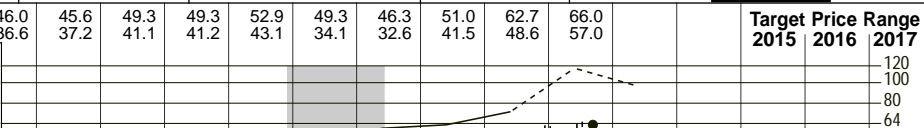
CON. EDISON NYSE-ED

RECENT PRICE **63.20** P/E RATIO **16.4** (Trailing: 17.5; Median: 14.0) RELATIVE P/E RATIO **1.12** DIV'D YLD **3.9%**

VALUE LINE

TIMELINESS 2 Raised 8/24/12
SAFETY 1 New 7/27/90
TECHNICAL 2 Raised 8/24/12
BETA .60 (1.00 = Market)

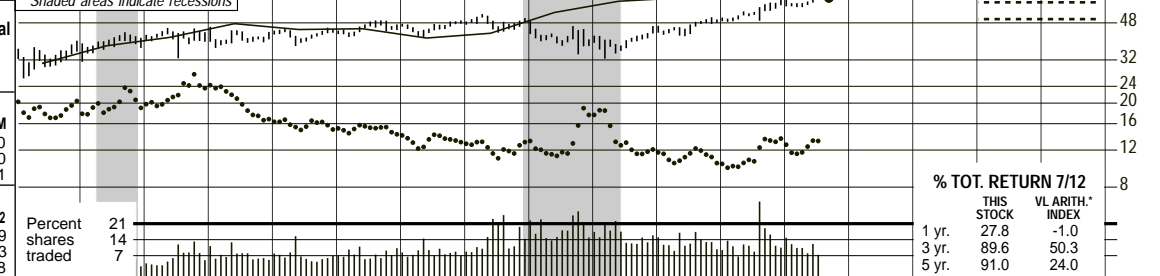
High: 43.4 45.4 46.0 45.6 49.3 49.3 52.9 49.3 46.3 51.0 62.7 66.0
 Low: 31.4 32.7 36.6 37.2 41.1 41.2 43.1 34.1 32.6 41.5 48.6 57.0



2015-17 PROJECTIONS
 Price High 60 Low 50
 Gain (-5%)
 Ann'l Total Return 3% (-1%)

Insider Decisions
 S O N D J F M A M
 to Buy 1 0 0 1 0 0 1 0 0
 Options 0 0 3 1 0 0 0 0 0
 to Sell 0 0 3 2 1 0 1 0 1

Institutional Decisions
 3Q2011 4Q2011 1Q2012
 to Buy 311 300 279
 to Sell 189 213 273
 Hlds(000) 122506 125157 121648



Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
Revenues per sh	29.62	30.24	30.46	35.04	44.48	45.41	39.65	43.51	40.24	47.66	47.14	48.23	49.62	46.36	45.69	44.17	42.30	43.70	Revenues per sh	48.25
"Cash Flow" per sh	4.97	5.08	5.29	5.74	5.51	5.70	5.44	5.12	4.54	5.27	5.28	5.77	5.99	5.86	6.24	6.61	7.00	7.35	"Cash Flow" per sh	8.50
Earnings per sh A	2.93	2.95	3.04	3.13	2.74	3.21	3.13	2.83	2.32	2.99	2.95	3.48	3.36	3.14	3.47	3.57	3.75	3.90	Earnings per sh A	4.25
Div'd Decl'd per sh B	2.08	2.10	2.12	2.14	2.18	2.20	2.22	2.24	2.26	2.28	2.30	2.32	2.34	2.36	2.38	2.40	2.42	2.44	Div'd Decl'd per sh B	2.50
Cap'l Spending per sh	2.87	2.78	2.66	3.17	4.52	5.20	5.68	5.72	5.60	6.59	7.17	7.09	8.50	7.80	6.96	6.72	7.55	7.30	Cap'l Spending per sh	7.25
Book Value per sh C	24.37	25.18	25.88	25.31	25.81	26.71	27.68	28.44	29.09	29.80	31.09	32.58	35.43	36.46	37.93	39.05	40.40	41.90	Book Value per sh C	47.00
Common Shs Outst'g D	234.99	235.49	232.83	213.81	212.03	212.15	213.93	225.84	242.51	245.29	257.46	272.02	273.72	281.12	291.62	292.89	293.00	293.00	Common Shs Outst'g D	293.00
Avg Ann'l P/E Ratio	10.1	10.9	15.3	14.0	12.0	12.0	13.3	14.3	18.2	15.1	15.5	13.8	12.3	12.5	13.3	15.1	13.0	13.0	Avg Ann'l P/E Ratio	13.0
Relative P/E Ratio	.63	.63	.80	.80	.78	.61	.73	.82	.96	.80	.84	.73	.74	.83	.85	.96	4.5%	4.5%	Relative P/E Ratio	.85
Avg Ann'l Div'd Yield	7.0%	6.5%	4.6%	4.9%	6.6%	5.7%	5.3%	5.5%	5.3%	5.0%	5.0%	4.8%	5.7%	6.0%	5.2%	4.5%	4.5%	4.5%	Avg Ann'l Div'd Yield	4.5%

CAPITAL STRUCTURE as of 6/30/12
 Total Debt \$11873 mill. Due in 5 Yrs \$3742.0 mill.
 LT Debt \$9842 mill. LT Interest \$515.0 mill.
 (LT interest earned: 3.8x)

Leases, Uncapitalized Annual rentals \$50.0 mill.

Pension Assets-12/11 \$7.80 bill. Oblig. \$11.8 bill.

Pfd Stock None

Common Stock 292,892,396 shs. as of 7/31/12

MARKET CAP: \$19 billion (Large Cap)

8482.0	9827.0	9758.0	11690	12137	13120	13583	13032	13325	12938	12400	12800	Revenues (\$mill)	14150
682.1	639.0	560.0	719.0	749.0	936.0	933.0	868.0	992.0	1062.0	1115	1155	Net Profit (\$mill)	1260
36.9%	33.7%	34.3%	33.6%	35.2%	32.6%	36.0%	34.2%	36.0%	36.1%	36.0%	36.0%	Income Tax Rate	36.0%
2.2%	4.2%	7.7%	2.2%	1.6%	1.9%	1.7%	2.6%	2.4%	1.6%	1.0%	1.0%	AFUDC % to Net Profit	1.0%
50.1%	50.4%	47.4%	49.6%	50.2%	45.6%	48.3%	48.5%	48.6%	46.5%	46.5%	46.0%	Long-Term Debt Ratio	45.5%
48.1%	48.0%	51.0%	49.0%	48.5%	53.1%	50.6%	50.4%	50.4%	52.5%	53.5%	54.0%	Common Equity Ratio	54.5%
12302	13369	13828	14921	16515	16687	19160	20330	21952	21794	22025	22725	Total Capital (\$mill)	25300
13329	15225	16106	17112	18445	19914	20874	22464	23863	25093	26350	27500	Net Plant (\$mill)	30200
7.1%	6.3%	5.6%	6.3%	6.0%	7.0%	6.2%	5.7%	5.9%	6.2%	6.5%	6.5%	Return on Total Cap'l	6.5%
11.1%	9.6%	7.7%	9.6%	9.1%	10.3%	9.4%	8.3%	8.8%	9.1%	9.5%	9.5%	Return on Shr. Equity	9.0%
11.3%	9.8%	7.8%	9.7%	9.2%	10.4%	9.5%	8.4%	8.9%	9.2%	9.0%	9.5%	Return on Com Equity E	9.0%
4.0%	2.9%	.8%	2.6%	2.6%	3.9%	3.1%	2.5%	3.2%	3.1%	3.5%	3.5%	Retained to Com Eq	4.0%
65%	71%	89%	74%	73%	63%	67%	71%	65%	66%	64%	62%	All Div'ds to Net Prof	58%

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-9	+3.6	-1.4
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (c)	NA	NA	NA
Capacity at Peak (Mw)	NMF	NMF	NMF
Peak Load, Summer (Mw)	12242	12963	14788
Annual Load Factor (%)	NMF	NMF	NMF
% Change Customers (yr-end)	NA	NA	NA

Fixed Charge Cov. (%) 296 331 360

BUSINESS: Consolidated Edison, Inc. is a holding company for Consolidated Edison Company of New York, Inc. (CECONY), which sells electricity, gas, and steam in most of New York City and Westchester County. Also owns Orange and Rockland Utilities (O&R, acquired 7/99), which operates in New York, New Jersey, and Pennsylvania. Has 3.6 million electric, 1.2 million gas customers. Pursues competitive energy opportunities through three wholly owned subsidiaries. Purchases most of its power. Fuel costs: 39% of revenues. '11 reported depreciation rates: 2.8%-3.1%. Has 15,000 employees. Chairman, President & CEO: Kevin Burke, Inc.: New York. Address: 4 Irving Place, New York, NY 10003. Tel.: 212-460-4600. Internet: www.conedison.com.

Consolidated Edison's largest utility subsidiary plans to file a general rate case in November. Consolidated Edison Company of New York's rate plan expires in 2013: at the end of March for electricity and at the end of September for gas and steam. The utility will be able to update its rate base and its operating expenses, but will likely wind up with a lower allowed return on equity, due to low interest rates. (This is especially true on the electric side, where the allowed ROE is now 10.15%.) New tariffs should take effect at the start of October, 2013, so any change in rates wouldn't have much effect on the utility until 2014.

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	3423	2845	3489	3275	13032
2010	3462	3017	3707	3139	13325
2011	3349	2993	3629	2967	12938
2012	3078	2771	3651	2900	12400
2013	3200	2900	3700	3000	12800

Orange and Rockland got an electric rate order that took effect at the start of July. The three-year rate plan calls for a total tariff increase of \$48 million. The allowed ROE is 9.4% in the first year, 9.5% in the second, and 9.6% in the third, based on a 48% common-equity ratio.

We look for respectable earnings growth this year and next. ConEd is benefiting from customer growth, especially on the gas side of its business, where customers are converting from oil to gas to heat their homes. The purchase of the solar project should help next year, too.

Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	.66	.55	1.20	.73	3.14
2010	.80	.64	1.23	.80	3.47
2011	1.06	.56	1.30	.65	3.57
2012	.94	.73	1.35	.73	3.75
2013	1.05	.67	1.38	.80	3.90

The competitive energy business made a large asset acquisition. Consolidated Edison Development paid \$266 million (from cash on hand) for a 70-megawatt solar project that is under construction in California. It is scheduled for completion in the fourth quarter of 2012.

This timely stock is up nearly 10% since our May report, far outpacing most utility issues. There isn't any obvious reason for the rise in price. The yield is a bit below the utility average, the relative price-earnings ratio is well above its historical level, and the quotation is higher than the upper level of our 2015-2017 Target Price Range.

Cal-endar	QUARTERLY DIVIDENDS PAID B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2008	.585	.585	.585	.585	2.34
2009	.59	.59	.59	.59	2.36
2010	.595	.595	.595	.595	2.38
2011	.60	.60	.60	.60	2.40
2012	.605	.605			

Paul E. Debbas, CFA August 24, 2012

Company's Financial Strength A+
Stock's Price Stability 100
Price Growth Persistence 55
Earnings Predictability 85

(A) Diluted EPS. Excl. nonrecurring losses: '02, 11c; '03, 45c; gain on discontinued operations: '08, \$1.01. Next earnings report due late Oct. (B) Dividends historically paid in mid-Mar., mid-June, mid-Sept., and mid-Dec. (C) Incl. intangibles. In '11: \$34.24/sh. (D) In millions. (E) Rate base: net original cost. Rate allowed on com. eq. for CECONY in '10: 10.15% electric, 9.6% gas and steam; O&R in '12 (electric) 9.4%, in '09 (gas) 10.3%; earned on avg. com. eq., '11: 9.5%. Regulatory Climate: Below Average.

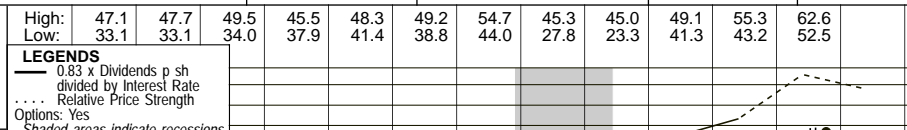
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DTE ENERGY CO. NYSE-DTE

RECENT PRICE **59.61** P/E RATIO **14.8** (Trailing: 16.0 Median: 14.0) RELATIVE P/E RATIO **0.97** DIV'D YLD **4.2%** VALUE LINE

TIMELINESS 2 Raised 8/17/12
SAFETY 3 Lowered 10/5/01
TECHNICAL 3 Lowered 9/14/12
BETA .75 (1.00 = Market)



2015-17 PROJECTIONS

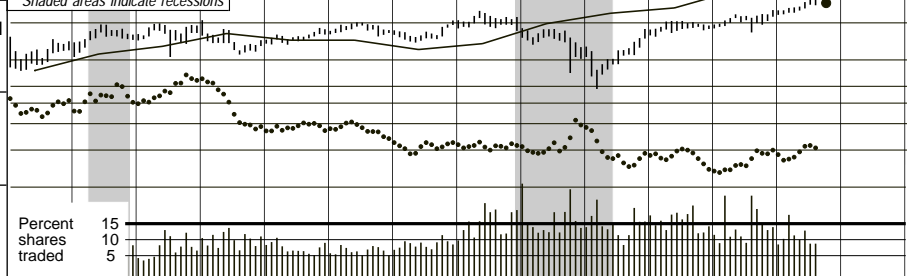
Price	Gain	Ann'l Total Return
High 70	(+15%)	8%
Low 50	(-15%)	Nil

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	4	4	0	7	3	0	6	0
to Sell	0	6	3	0	7	3	0	6	1

Institutional Decisions

	4Q2011	1Q2012	2Q2012
to Buy	167	207	180
to Sell	158	140	188
Hlds(000)	95785	98702	90537



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
25.12	25.94	29.10	32.60	39.24	48.71	40.30	41.76	40.84	50.74	50.93	54.28	57.23	48.45	50.51	52.57	51.45	53.10	Revenues per sh	59.50
7.10	7.42	7.61	8.40	8.59	6.98	8.31	6.95	6.81	8.14	8.19	8.48	8.26	9.38	9.78	9.57	9.75	10.15	"Cash Flow" per sh	12.00
2.80	2.88	3.05	3.33	3.27	2.15	3.83	2.85	2.55	3.27	2.45	2.66	2.73	3.24	3.74	3.67	3.85	3.95	Earnings per sh ^A	4.75
2.06	2.06	2.06	2.06	2.06	2.06	2.06	2.06	2.06	2.06	2.08	2.12	2.12	2.12	2.18	2.32	2.42	2.52	Div'd Decl'd per sh ^B	2.80
3.66	3.14	3.83	5.10	5.25	6.80	5.88	4.45	5.19	5.99	7.92	7.96	8.42	6.26	6.49	8.77	10.95	10.50	Cap'l Spending per sh	10.25
23.73	24.55	25.49	26.95	28.15	28.48	27.26	31.36	31.85	32.44	33.02	35.86	36.77	37.96	39.67	41.41	43.15	44.70	Book Value per sh ^C	49.75
145.12	145.10	145.07	145.04	142.65	161.13	167.46	168.61	174.21	177.81	177.14	163.23	163.02	165.40	169.43	169.25	175.00	177.00	Common Shs Outst'g ^D	181.00
11.2	10.3	13.3	11.6	10.3	19.3	11.3	13.7	16.0	13.8	17.4	18.3	14.8	10.4	12.3	13.5	15.0	15.5	Avg Ann'l P/E Ratio	12.5
.70	.59	.69	.66	.67	.99	.62	.78	.85	.73	.94	.97	.89	.69	.78	.85	1.0	1.0	Relative P/E Ratio	.85
6.6%	6.9%	5.1%	5.3%	6.1%	5.0%	4.8%	5.3%	5.0%	4.6%	4.9%	4.4%	5.2%	6.3%	4.8%	4.7%	4.7%	4.7%	Avg Ann'l Div'd Yield	4.7%

CAPITAL STRUCTURE as of 6/30/12
 Total Debt \$8099.0 mill. Due in 5 Yrs \$3232.0 mill.
 LT Debt \$7212.0 mill. LT Interest \$400.0 mill.
 Incl. \$13.0 mill. capitalized leases, \$280.0 mill.
 Trust Preferred Securities, and \$391.0 mill.
 securitized bonds.
 (LT interest earned: 3.5x)
 Leases, **Uncapitalized** Annual rentals \$37.0 mill.
 Pension Assets-12/11 \$2.89 bill. **Oblig.** \$4.20 bill.
Prd Stock None
Common Stock 171,754,812 shs.
MARKET CAP: \$10 billion (Large Cap)

6749.0	7041.0	7114.0	9022.0	9022.0	8861.0	9329.0	8014.0	8557.0	8897.0	9000	9400	Revenues (\$mill)	10750
632.0	480.0	443.0	576.0	437.0	453.0	445.0	532.0	630.0	624.0	670	710	Net Profit (\$mill)	865
--	--	27.1%	26.0%	23.9%	25.1%	34.9%	31.6%	32.7%	35.9%	35.0%	35.0%	Income Tax Rate	35.0%
4.9%	1.3%	7.1%	1.0%	5.0%	7.1%	11.2%	2.6%	1.6%	1.6%	2.0%	2.0%	AFUDC % to Net Profit	5.0%
63.0%	59.2%	57.8%	55.1%	56.1%	54.4%	56.4%	54.0%	51.3%	50.6%	50.5%	50.0%	Long-Term Debt Ratio	51.0%
37.0%	40.8%	42.2%	44.9%	43.9%	45.6%	43.6%	46.0%	48.7%	49.4%	49.5%	50.0%	Common Equity Ratio	49.0%
12350	12956	13154	12849	13323	12824	13736	13648	13811	14196	15250	15900	Total Capital (\$mill)	18500
9813.0	10324	10491	10830	11451	11408	12231	12431	12992	13746	14625	15375	Net Plant (\$mill)	17300
7.3%	5.6%	5.2%	6.3%	5.1%	5.3%	5.0%	5.7%	6.3%	5.9%	6.0%	6.0%	Return on Total Cap'l	6.0%
13.8%	9.1%	8.0%	10.0%	7.5%	7.7%	7.4%	8.5%	9.4%	8.9%	8.5%	9.0%	Return on Shr. Equity	9.5%
13.8%	9.1%	8.0%	10.0%	7.5%	7.7%	7.4%	8.5%	9.4%	8.9%	8.5%	9.0%	Return on Com Equity ^E	9.5%
6.4%	2.5%	1.6%	3.7%	1.2%	1.5%	1.7%	2.9%	4.0%	3.4%	3.0%	3.0%	Retained to Com Eq	4.0%
53%	72%	80%	63%	84%	80%	77%	65%	57%	62%	62%	63%	All Div'ds to Net Prof	58%

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-5.6	-6	+6
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (c)	NMF	NMF	NMF
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	10627	11687	12547
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	-8	-4	--

	2009	2010	2011
Fixed Charge Cov. (%)	223	262	282

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Revenues	2.5%	1.0%	3.0%
"Cash Flow"	2.0%	4.5%	4.0%
Earnings	2.0%	5.0%	5.0%
Dividends	5%	1.5%	4.0%
Book Value	3.5%	4.0%	4.0%

BUSINESS: DTE Energy Company is a holding company for The Detroit Edison Company, which supplies electricity in Detroit and a 7,600-square-mile area in southeastern Michigan, and Michigan Consolidated Gas (MichCon). Customers: 2.1 mill. electric, 1.3 mill. gas. Acquired MCN Energy 6/01. Has various nonutility operations. Electric revenue breakdown: residential, 42%; commercial, 33%; industrial, 14%; other, 11%. Generating sources: coal, 67%; nuclear, 17%; gas, 1%; purchased, 15%. Fuel costs: 40% of revenues. '11 reported deprec. rates: 3.3% electric, 2.3% gas. Has 9,800 employees. Chairman, President & CEO: Gerard M. Anderson, Inc.: Michigan. Address: One Energy Plaza, Detroit, Michigan 48226-1279. Tel.: 313-235-4000. Internet: www.dteenergy.com.

DTE Energy's electric utility subsidiary has asked the Michigan Public Service Commission (MPSC) for an accounting order. Detroit Edison believes it will need rate relief in 2014. However, in order to delay the filing of its next general rate case, the utility proposes deferring \$127 million of regulatory liabilities (which otherwise would have been passed on to customers), and then amortizing them into pretax income starting in 2014. If the MPSC turns down Detroit Edison's request, then the utility will probably file a rate case next year.

DTE's gas utility subsidiary has a general rate case pending. MichCon filed for a tariff hike of \$76.7 million, based on a return of 11% on a common-equity ratio of 52%. The utility is also asking the MPSC to grant regulatory mechanisms for the recovery of \$387 million of infrastructure capital programs and the decoupling of revenues from volume. A recommendation from the MPSC's staff was expected shortly after this report went to press. MichCon will self-implement a rate increase in November, and the MPSC's order is due six months later.

We have raised our 2012 earnings estimate by \$0.20 a share. A hotter-than-usual second quarter raised net profit by \$21 million (\$0.12 a share), and the hot weather continued into July. Our revised estimate of \$3.85 a share is still within DTE's targeted range of \$3.65-\$3.95. We figure that rate relief at MichCon and an improved showing from the company's nonregulated activities will lead to higher income in 2013. Our estimate is \$3.95 a share.

The board of directors has raised the dividend. The increase was \$0.13 a share (5.5%) annually. We had looked for a healthy boost in the payout, but the raise was even better than we had expected.

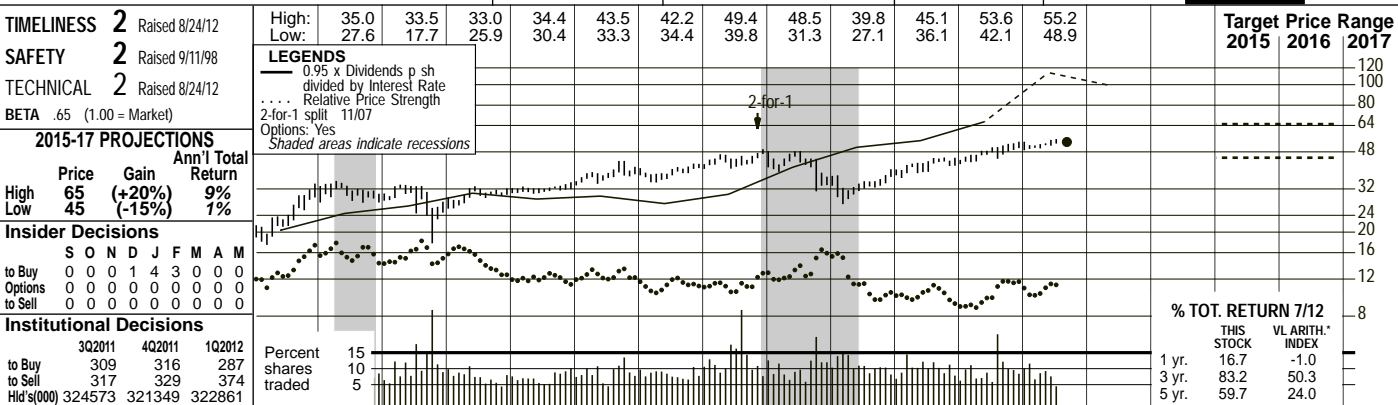
DTE expects to monetize some assets in the fourth quarter. The company is placing its Barnett Shale acreage up for sale. DTE is targeting about \$300 million of proceeds from these asset sales in 2012, which it will probably reinvest in nonregulated operations.

This timely issue has an average dividend yield for a utility. Total return potential to 2015-2017 is unimpressive. *Paul E. Debbas, CFA September 21, 2012*

(A) Diluted EPS. Excl. nonrec. gains (losses): '03, (16c); '05, (2c); '06, 1c; '07, \$1.9c; '08, 50c; '11, 51c; gains (losses) on disc. ops.: '03, 40c; '04, (6c); '05, (20c); '06, (2c); '07, \$1.20; '08, 13c. '10 EPS don't add due to rounding. Next earnings report due late Oct. (B) Div'ds historically paid in mid-Jan., Apr., July and Oct. Div'd reinvest. plan avail. (C) Incl. intang. In '11: \$42.59/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '11: 10.5% elec.; in '10: 11% gas; earned on avg. com. eq., '11: 9.1%. Regulatory Climate: Avg. Company's Financial Strength B+ Stock's Price Stability 100 Price Growth Persistence 60 Earnings Predictability 75

DOMINION RES. NYSE-D

RECENT PRICE **53.50** P/E RATIO **17.6** (Trailing: 20.3 Median: 15.0) RELATIVE P/E RATIO **1.21** DIV'D YLD **4.1%** VALUE LINE



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
13.36	20.44	15.65	14.81	18.84	19.94	16.58	18.58	20.55	26.00	23.61	27.17	27.93	25.26	26.16	25.23	23.45	24.00	Revenues per sh	26.25
3.22	3.89	2.99	3.68	3.71	3.92	4.45	3.97	4.18	3.71	4.91	5.08	5.07	4.82	5.10	5.04	5.50	5.85	"Cash Flow" per sh	7.00
1.33	1.50	.86	1.50	1.25	1.49	2.41	1.96	2.13	1.50	2.40	2.13	3.04	2.64	2.89	2.76	3.00	3.20	Earnings per sh ^A	3.75
1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.30	1.34	1.38	1.46	1.58	1.75	1.83	1.97	2.11	2.24	Div'd Decl'd per sh ^B = †	2.60
1.34	1.73	1.60	2.16	2.82	2.31	2.17	5.20	3.88	4.84	5.81	6.89	6.09	6.41	5.89	6.41	7.45	8.30	Cap'l Spending per sh	7.75
13.59	13.42	13.67	12.75	14.22	15.81	16.57	16.21	16.80	14.98	18.50	16.31	17.28	18.67	20.65	20.08	21.30	22.50	Book Value per sh ^C	26.75
362.44	375.60	388.92	372.64	491.60	529.40	616.20	650.00	680.00	694.00	698.00	576.80	583.20	599.00	581.00	570.00	576.00	581.00	Common Shs Outst'g ^D	595.00
14.8	12.5	24.6	14.5	19.4	20.9	12.0	15.2	15.1	24.9	16.0	20.6	13.8	12.7	14.3	17.3	14.0	14.0	Avg Ann'l P/E Ratio	15.0
.93	.72	1.28	.83	1.26	1.07	.66	.87	.80	1.33	.86	1.09	.83	.85	.91	1.09	1.09	1.09	Relative P/E Ratio	1.00
6.6%	6.9%	6.1%	5.9%	5.3%	4.1%	4.4%	4.3%	4.0%	3.6%	3.6%	3.3%	3.8%	5.2%	4.4%	4.1%	4.1%	4.1%	Avg Ann'l Div'd Yield	4.7%

CAPITAL STRUCTURE as of 6/30/12
 Total Debt \$20674 mill. Due in 5 Yrs \$8016.0 mill.
 LT Debt \$17003 mill. LT Interest \$884.0 mill.
 (LT interest earned: 3.5x)
 Leases, Uncapitalized Annual rentals \$111.0 mill.
 Pension Assets-12/11 \$5.15 bill. Oblig. \$4.98 bill.

Pfd Stock \$257.0 mill. Pfd Div'd \$16.0 mill.
 1,340,140 shs. \$4.04-\$7.05, \$100 liq. pref., redeemable at \$101.00-\$112.50/sh.; 2,500,000 variable rate Money Market Preferred shs.
Common Stock 573,352,279 shs.

MARKET CAP: \$31 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-1.2	+4.5	-3.4
Avg. Indust. Use (MWH)	14857	15162	14823
Avg. Indust. Revs. per KWH (c)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	15917	16563	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+7	+8	+5

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 of change (per sh)
Revenues	3.5%	2.0%	.5%
"Cash Flow"	3.0%	3.0%	6.0%
Earnings	7.0%	6.5%	5.0%
Dividends	3.5%	6.5%	6.0%
Book Value	3.5%	3.5%	5.0%

QUARTERLY REVENUES (\$ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	4778	3450	3648	3255	15131
2010	4168	3333	3950	3746	15197
2011	4057	3341	3803	3178	14379
2012	3462	3053	3850	3135	13500
2013	3650	3150	3900	3250	13950

EARNINGS PER SHARE ^A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.89	.78	1.00	d.01	2.64
2010	.51	.79	.98	.61	2.89
2011	.89	.58	.69	.60	2.76
2012	.86	.48	.91	.75	3.00
2013	.90	.60	.95	.75	3.20

QUARTERLY DIVIDENDS PAID ^B = †

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.395	.395	.395	.395	1.58
2009	.4375	.4375	.4375	.4375	1.75
2010	.4575	.4575	.4575	.4575	1.83
2011	.4925	.4925	.4925	.4925	1.97
2012	.5275	.5275			

BUSINESS: Dominion Resources, Inc. is a holding company for Virginia Power & North Carolina Power, which serve 2.4 mill. customers in Virginia & northeastern North Carolina. Acq'd Consolidated Natural Gas (1.3 mill. customers in Ohio & West Virginia) 1/00. Nonutility operations include independent power production & retail energy services. Electric rev. breakdown: residential, 46%; commercial, 31%; industrial, 7%; other, 16%. Generating sources: nuclear, 28%; coal, 26%; gas, 12%; other, 1%; purch., 33%. Fuel costs: 47% of revs. '11 reported depr. rates: 2.0%-4.7%. Has 15,800 employees. Chairman, President & CEO: Thomas F. Farrell II. Inc.: VA. Address: 120 Tredegar St., P.O. Box 26532, Richmond, VA 23261-6532. Tel.: 804-819-2000. Internet: www.dom.com.

We have cut our 2012 earnings estimate for Dominion Resources by \$0.15 a share. Second-quarter results were below our expectation. The weather was milder than normal, which hurt the bottom line by an estimated \$0.05 a share, and the company booked a \$74 million pre-tax charge (\$0.08 a share) for the cost of restoring customers following storms in mid-2012. Even so, profits should still advance over the 2011 tally, because . . .

Virginia Power is performing well. The service area's economy is faring better than the national economy. In addition, the utility's earning power is rising with the addition of generation and transmission projects. We expect growth from the regulated operations to produce higher profits in 2013, as well. Virginia Power completed gas-fired and coal-fired plants in 2011 and 2012, respectively. It earned a return on these projects through rate riders. The utility is now building a 1,329-megawatt gas-fired facility at an expected cost of \$1.1 billion. It is scheduled for completion in late 2014. The company plans to ask the Virginia regulators for permission to construct a similar plant that would be

on line in 2016. Virginia Power is building a \$350 million transmission line that is scheduled for completion in 2015, and some smaller transmission projects are under way, as well.

North Carolina Power has a rate case pending. The utility filed for a tariff hike of \$63.7 million, based on an 11.25% return on a 52.4% common-equity ratio. New rates should take effect at the start of 2013.

Weak power prices are a concern for Dominion. Hedging and effective cost controls can only do so much in such an operating environment. We expect no improvement in the nonregulated power-generation segment's profits in the next two years. At least the company's other nonutility operations are faring better. One key opportunity is a proposed expansion of its Cove Point liquefied natural gas facility—if Dominion can obtain regulatory approvals and fend off legal challenges.

This stock is ranked favorably for Timeliness. However, the yield and 3- to 5-year total return potential are only average, by utility standards.

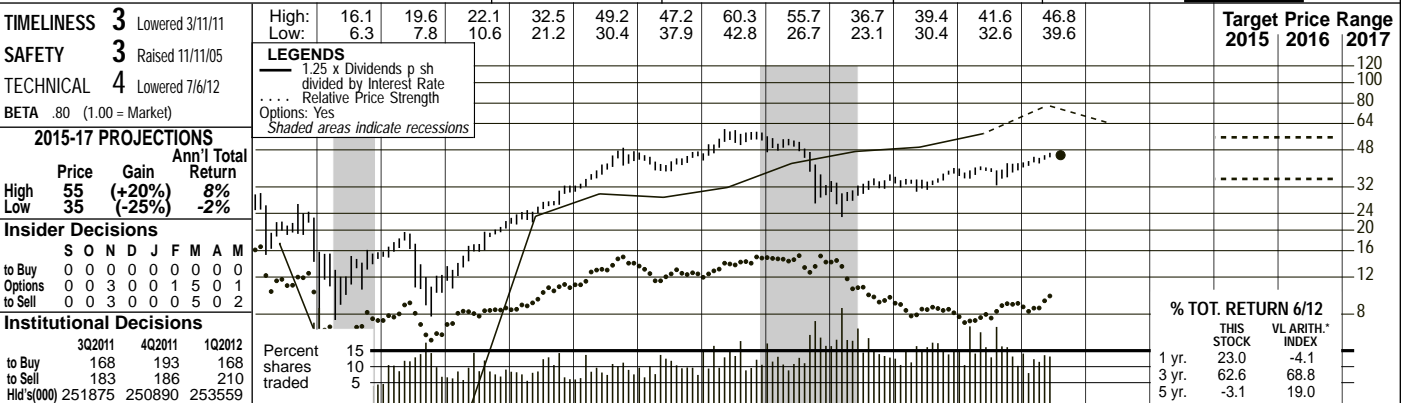
(A) Excl. nonrec. gains (losses): '01, (.42c); '03, (\$1.46); '04, (.22c); '06, (.18c); '07, \$1.67; '08, 12c; '09, (.47c); '10, \$.218; '11, (.7c); losses from disc. ops.: '04, 3c; '06, 26c; '07, 1c; '10, 26c; '12, 3c. '09 EPS don't add due to change in shares. Next earnings report due late Oct. (B) Div'ds histor. paid in mid-Mar., June, Sept., and Dec. = Div'd reinvest. plan avail. (C) Incl. intang. In '11: \$9.05/sh. (D) In mill., adj. for split. (E) Rate base: Net orig. cost, adj. Rate all'd on com. eq. in '11: 10.9%; earned on avg. com. eq., '11: 13.4%. Regulatory Climate: Avg.

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

To subscribe call 1-800-833-0046.

Paul E. Debbas, CFA August 24, 2012

EDISON INTERNAT'L NYSE-EIX RECENT PRICE **45.33** P/E RATIO **16.5** (Trailing: 15.7; Median: 12.0) RELATIVE P/E RATIO **1.16** DIV'D YLD **2.9%** VALUE LINE



	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	15-17
Revenues per sh	20.13	24.58	29.12	27.85	35.96	35.10	35.26	37.25	31.30	36.38	38.74	40.25	43.31	37.98	38.09	39.16	40.20	41.75	51.50
"Cash Flow" per sh	4.45	5.49	6.65	7.20	d.52	4.35	4.79	5.88	3.79	6.99	7.25	7.60	8.08	7.96	8.41	9.03	8.90	9.40	11.50
Earnings per sh ^A	1.64	1.75	1.86	2.03	d5.84	1.30	1.82	2.38	.69	3.34	3.28	3.32	3.68	3.24	3.35	3.23	2.75	2.80	3.50
Div'd Decl'd per sh ^B	1.00	1.00	1.04	1.08	.83	--	--	--	.80	1.02	1.10	1.18	1.23	1.25	1.27	1.29	1.31	1.33	1.55
Cap'l Spending per sh	1.75	2.08	2.75	3.55	4.57	2.86	4.88	3.95	5.32	5.73	7.78	8.67	8.67	10.07	13.94	14.76	16.65	14.15	13.75
Book Value per sh ^C	15.07	14.71	14.55	15.01	7.43	10.04	13.62	16.52	18.57	20.30	23.66	25.92	29.21	30.20	32.44	30.86	32.25	33.65	38.75
Common Shs Outst'g ^D	424.52	375.76	350.55	347.21	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81
Avg Ann'l P/E Ratio	10.8	13.7	15.1	12.9	--	10.0	7.8	7.0	37.6	11.7	13.0	16.0	12.4	9.7	10.3	11.8	12.5	12.5	12.5
Relative P/E Ratio	.68	.79	.79	.74	--	.51	.43	.40	1.99	.62	.70	.85	.75	.65	.66	.75	1.16	1.16	.85
Avg Ann'l Div'd Yield	5.7%	4.2%	3.7%	4.1%	3.9%	--	--	--	3.1%	2.6%	2.6%	2.2%	2.7%	4.0%	3.7%	3.4%	2.9%	2.9%	3.5%

CAPITAL STRUCTURE as of 3/31/12
 Total Debt \$14535 mill. Due in 5 Yrs \$3993.0 mill.
 LT Debt \$14131 mill. LT Interest \$826.0 mill.
 (LT interest earned: 2.5x)
 Leases, Uncapitalized Annual rentals \$1.25 bill.
 Pension Assets-12/11 \$3.15 bill. Oblig. \$4.49 bill.
 Prd Stock \$1374 mill. Prd Div'd \$81.0 mill.
 4,800,198 shs. 4.08%-4.78%, \$25 par, call. \$25.50-\$28.75/sh. 8,000,000 shs. 5.349%-6.125%, \$100 par; 1,250,000 shs. 6.5%, \$100 liquidation value; 350,000 shs. 6.25%, \$100 liquidation value.
 Common Stock 325,811,206 shs.
 as of 4/30/12
MARKET CAP: \$15 billion (Large Cap)

	2009	2010	2011
% Change Retail Sales (KWH)	-4.4	-2.7	+9
Avg. Indust. Use (MWH)	669	710	736
Avg. Indust. Revs. per KWH (c)	6.95	7.38	7.09
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	22112	22771	22374
Annual Load Factor (%)	53.4	50.7	50.7
% Change Customers (yr-end)	+4	+5	+4

EDISON INTERNATIONAL'S NONREGULATED GENERATING ASSETS ARE BEING HURT BY LOW POWER PRICES AND MORE-STRINGENT ENVIRONMENTAL RULES. Edison Mission Group (EMG), the company's nonutility subsidiary, lost \$0.07 a share in 2011 (excluding sizable one-time charges) and \$0.26 a share in the first quarter of 2012. EMG was unable to obtain financing for environmental upgrades to the Homer City coal-fired plant in Pennsylvania, and intends to transfer Homer City to its owner-lessors. The company also plans to close two coal-fired facilities in Chicago in September. At this juncture, management is evaluating the future of EMG.

Southern California Edison (SCE) is still waiting for an order in its general rate case. The utility is seeking rate hikes of \$809 million, \$117 million, and \$513 million in 2012, 2013, and 2014, respectively. No matter when the order comes out, new tariffs will be retroactive to the start of 2012. Management won't provide earnings guidance until the California Public Utilities Commission (CPUC) issues its decision. **A cost-of-capital application is pending.** SCE proposed an allowed return on equity of 11.1% and a 48% common-equity ratio. The allowed ROE would be adjusted if there is a significant change in interest rates. If the utility's request is granted, this would reduce annual rates by \$128 million due in part to a lower allowed ROE than the current 11.5%. The CPUC's order is expected in late 2012, and will take effect at the start of 2013.

The San Onofre nuclear station is out of service. SCE might be able to recover the replacement power costs stemming from the unplanned outage (subject to a CPUC review), but the repair costs will hurt pretax income by an estimated \$55 million-\$65 million in 2012. It is unknown when the plant will return to service. **More-attractive utility selections are available elsewhere.** The stock's yield is more than a percentage point below the industry average, and the dividend growth we project over the 3- to 5-year period probably won't be enough to provide a good total return. Moreover, the quotation is near the midpoint of our 2015-2017 Target Price Range.

Paul E. Debbas, CFA August 3, 2012

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	2812	2834	3678	3050	12374
2010	2810	2742	3788	3069	12409
2011	2782	2983	3981	3014	12760
2012	2856	3094	4050	3100	13100
2013	3025	3200	4175	3200	13600

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.78	.78	1.08	.59	3.24
2010	.70	.62	1.46	.58	3.35
2011	.62	.54	1.31	.76	3.23
2012	.28	.47	1.40	.60	2.75
2013	.60	.50	1.15	.55	2.80

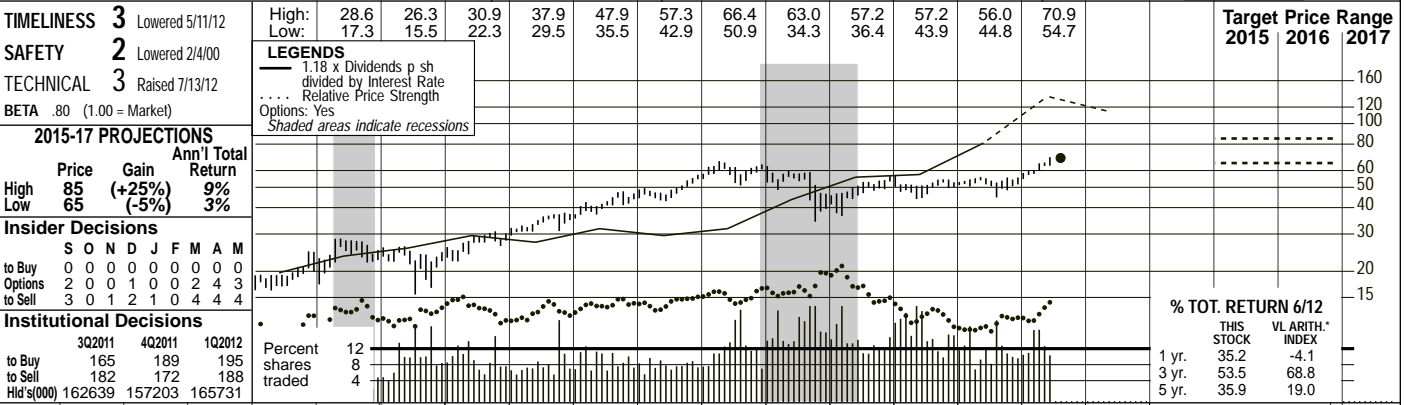
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.305	.305	.305	.305	1.22
2009	.31	.31	.31	.31	1.24
2010	.315	.315	.315	.315	1.26
2011	.32	.32	.32	.32	1.28
2012	.325	.325	.325	.325	

(A) Diluted EPS. Excl. nonrec. gains (losses): '01, \$1.88; '02, \$1.48; '03, (12c); '04, \$2.12; '09, (64c); '10, 54c; '11, (\$3.33); gain (losses) from disc. ops.: '07, (1c); '09, (2c); '10, 1c; '11, (1c). Incl. nonrec. losses: '00, \$7.58; '01, \$1.88. '09 & '10 EPS don't add due to rounding. Next egs. due early Nov. (B) Div's paid late Jan., Apr., July & Oct. = Div'd reinv. plan avail. (C) Incl. def'd charges. In '11: \$16.78/sh. (D) In mill. (E) Rate base: net orig. cost. Rate all'd on com. eq. in '08: 11.5%; earned on avg. com. eq., '11: 9.7%. Reg. Climate: Above Avg.

Company's Financial Strength B++
 Stock's Price Stability 95
 Price Growth Persistence 75
 Earnings Predictability 80

SEMPRA ENERGY NYSE-SRE

RECENT PRICE **68.77** P/E RATIO **16.6** (Trailing: 15.7; Median: 11.0) RELATIVE P/E RATIO **1.17** DIV'D YLD **3.6%** **VALUE LINE**



Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
Price	17.09	19.51	23.31	22.89	35.38	39.27	29.38	34.81	40.18	45.64	44.89	43.79	44.21	32.88	37.44	41.83	41.10	43.80	Revenues per sh	53.00
Gain	4.83	5.27	5.16	5.36	4.91	5.39	5.71	5.56	6.58	5.96	6.74	6.93	7.40	7.94	7.76	8.58	8.50	8.58	"Cash Flow" per sh	11.25
Loss	1.98	2.20	1.24	1.66	2.06	2.55	2.79	3.01	3.93	3.52	4.23	4.26	4.43	4.78	4.02	4.47	4.15	4.25	Earnings per sh ^A	5.75
Volume	1.56	1.56	1.56	1.56	1.00	1.00	1.00	1.00	1.00	1.16	1.20	1.24	1.37	1.56	1.56	1.92	2.40	2.50	Div'd Decl'd per sh ^B	2.80
Options	13.46	13.82	12.29	12.58	12.35	13.17	13.79	17.17	20.78	23.95	28.66	31.87	32.75	36.54	37.54	41.00	42.65	44.30	Cap'l Spending per sh	11.00
Dividends	116.63	113.63	237.00	237.40	201.90	204.48	204.91	226.60	234.18	257.19	262.01	261.21	243.32	246.51	240.45	239.93	241.00	242.00	Book Value per sh ^C	51.50
P/E Ratio	11.3	10.8	21.1	12.8	9.4	9.7	8.2	9.0	8.6	11.8	11.5	14.0	11.8	10.1	12.6	11.8	11.0	11.0	Common Shs Outst'g ^D	246.00
Relative P/E	.71	.62	1.10	.73	.61	.50	.45	.51	.45	.63	.62	.74	.71	.67	.80	.74	1.0	1.0	Avg Ann'l P/E Ratio	13.0
Yield	7.0%	6.6%	6.0%	7.4%	5.2%	4.1%	4.4%	3.7%	2.9%	2.8%	2.5%	2.1%	2.6%	3.2%	3.1%	3.6%	3.1%	3.6%	Relative P/E Ratio	.85
																			Avg Ann'l Div'd Yield	3.8%

Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
Total Debt	6020.0	7887.0	9410.0	11737	11761	11438	10758	8106.0	9003.0	10036	9900	10600	Revenues (\$mill)	13000						
LT Debt	586.0	655.0	930.0	898.0	1118.0	1135.0	1123.0	1193.0	1008.0	1088.0	1055	1085	Net Profit (\$mill)	1465						
LT Interest	19.9%	23.2%	17.2%	--	31.3%	33.6%	29.2%	30.5%	26.5%	25.3%	30.0%	34.0%	Income Tax Rate	34.0%						
Leases	10.8%	8.4%	2.9%	5.3%	7.2%	11.5%	13.2%	10.6%	11.3%	15.2%	15.0%	13.0%	AFUDC % to Net Profit	11.0%						
Pension Assets	58.6%	48.4%	45.3%	43.1%	37.0%	34.8%	44.5%	44.8%	49.4%	50.4%	50.5%	51.0%	Long-Term Debt Ratio	51.5%						
Prd Stock	38.6%	49.0%	52.6%	55.1%	61.4%	63.7%	54.2%	54.1%	49.6%	49.2%	49.0%	48.5%	Common Equity Ratio	48.0%						
Prd Div'd	7312.0	7931.0	9255.0	11178	12229	13071	14692	16646	18186	20015	21050	22150	Total Capital (\$mill)	26300						
Callible	6832.0	10474	11086	12101	13175	14884	16865	18281	19876	23572	25675	27000	Net Plant (\$mill)	31100						
no par	9.8%	9.8%	11.3%	9.2%	10.3%	9.6%	8.5%	8.3%	6.8%	6.7%	6.5%	6.5%	Return on Total Cap'l	7.0%						
callible	19.3%	16.0%	18.4%	14.1%	14.5%	13.3%	13.8%	13.0%	10.9%	10.9%	10.0%	9.5%	Return on Shr. Equity	11.0%						
\$25 par	20.4%	16.6%	18.9%	14.4%	14.8%	13.5%	14.0%	13.1%	11.1%	11.0%	10.0%	9.5%	Return on Com Equity ^E	11.0%						
Common Stock	13.1%	11.3%	14.9%	10.1%	11.0%	9.7%	9.7%	9.3%	7.0%	6.5%	4.0%	4.0%	Retained to Com Eq	6.0%						
as of 4/30/12	37%	33%	22%	31%	26%	29%	31%	29%	37%	41%	55%	50%	All Div'ds to Net Prof	47%						

Year	2009	2010	2011
% Change Retail Sales (KWH)	2.6	3.1	+1
Avg. Indust. Use (MWH)	4463	4224	4157
Avg. Indust. Revs. per KWH (c)	10.42	10.75	12.13
Capacity at Peak (Mw)	NMF	NMF	NMF
Peak Load, Summer (Mw)	NMF	NMF	NMF
Annual Load Factor (%)	NMF	NMF	NMF
% Change Customers (yr-end)	+5	+5	+6

Year	2009	2010	2011
Fixed Charge Cov. (%)	275	296	319

Business: Sempra Energy is a holding co. for San Diego Gas & Electric Co., which sells electricity and gas mainly in San Diego County, & Southern California Gas Co., which distributes gas to most of Southern California. Customers: 1.4 mill. electric, 6.6 mill. gas. Elec. rev. breakdown: res'l, 44%; comm'l, 37%; industrial, 9%; other, 10%. Purchases most of its power; the rest is nuclear & gas.

Sempra Energy's utilities have two rate cases pending before the California Public Utilities Commission (CPUC). One is a general rate case. Southern California Gas requested a rate hike of \$268 million. San Diego Gas & Electric filed for a total electric and gas increase of \$235 million. The latter request includes \$67 million for cost recovery of incremental wildfire insurance premiums, which stemmed from wildfires in 2007. No matter when the CPUC's order comes out, new tariffs will be retroactive to the start of 2012. Separately, the utilities made their cost of capital applications. SoCalGas and SDG&E are seeking allowed returns on equity of 10.9% and 11%, respectively, and a 52% common-equity ratio. The utilities are asking for a continuation of a regulatory mechanism that automatically adjusts the cost of capital each year, based on changes in interest rates. A ruling from the CPUC is expected in late 2012, and will take effect at the start of 2013.

We have cut our 2012 earnings estimate by \$0.05 a share. That's mainly because first-quarter profits fell short of our expectation. Our revised estimate of \$4.15

a share is still within Sempra's targeted range of \$4.00-\$4.30. (Earnings are likely to decline this year due to the expiration of a power contract in 2011.) We are sticking with our 2013 profit forecast of \$4.25 a share.

Sempra is making significant investments in both the utility and non-utility sides of its business. In June, SDG&E completed a transmission project at a cost of about \$1.9 billion. The utilities proposed a \$2.8 billion pipeline safety-enhancement program, which requires the approval of the CPUC. The CPUC has already okayed a \$435 million project to build and modernize electric substations. On the nonutility end, Sempra is developing projects in gas storage, liquefied natural gas, and renewable energy.

Sempra stock has been one of the top-performing electric utility issues so far in 2012, having risen 25% year to date. A hefty dividend increase in the first quarter helped. Following the run-up, however, the stock doesn't stand out for utility investors for either the short or long term.

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	2108	1689	1853	2456	8106
2010	2534	2008	2116	2345	9003
2011	2434	2422	2576	2604	10036
2012	2383	2300	2600	2617	9900
2013	2650	2500	2700	2750	10600

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Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	1.29	1.06	1.27	1.16	4.78
2010	.81	.89	1.18	1.15	4.02
2011	1.07	.97	1.22	1.21	4.47
2012	.97	.93	1.15	1.10	4.15
2013	1.05	.95	1.15	1.10	4.25

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Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2008	.31	.32	.35	.35	1.33
2009	.35	.39	.39	.39	1.52
2010	.39	.39	.39	.39	1.56
2011	.39	.48	.48	.48	1.83
2012	.48	.60	.60		

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(A) Diluted eqs. Excl. nonrec. gains (losses): '05, 17c; '06, (6c); '09, (26c); '10, (\$1.05); '11, \$1.15; gain (losses) from disc. ops.: '04, (10c); '05, (4c); '06, \$1.21; '07, (10c); '10 EPS don't add due to rounding. Next earnings report due early Nov. (B) Div'ds historically paid mid-Jan., Apr., July and Oct. (C) Div'd reinvest. plan avail. (C) Incl. intang. In '11: \$17.77/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq.: SDG&E in '08: 11.1%; SoCalGas in '03: 10.82%; earned on avg. com. eq., '11: 11.6%. Regulatory Climate: Above Average.	Company's Financial Strength	A
	Stock's Price Stability	95
	Price Growth Persistence	95
	Earnings Predictability	90

To subscribe call 1-800-833-0046.

Paul E. Debbas, CFA August 3, 2012

ENTERGY CORP. NYSE-ETR

RECENT PRICE **67.76** P/E RATIO **12.1** (Trailing: 9.9 Median: 14.0) RELATIVE P/E RATIO **0.80** DIV'D YLD **4.9%** VALUE LINE

TIMELINESS **3** Lowered 2/10/12
SAFETY **2** New 12/26/08
TECHNICAL **2** Raised 8/31/12
BETA .70 (1.00 = Market)

High: 44.7 46.8 57.2 68.7 79.2 94.0 125.0 127.5 86.6 84.3 74.5 74.5
Low: 32.6 32.1 42.3 50.6 64.5 66.8 89.6 61.9 59.9 68.7 57.6 63.0

LEGENDS
1.13 x Dividends p sh divided by Interest Rate
Relative Price Strength
Options: Yes
Shaded areas indicate recessions

2015-17 PROJECTIONS

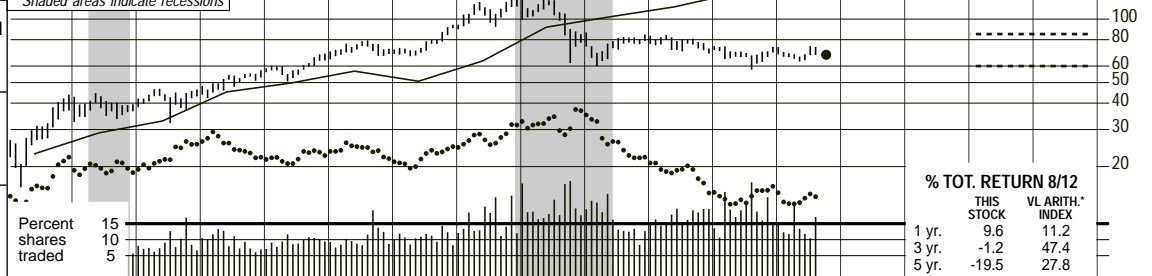
	Price	Gain	Ann'l Total Return
High	85	(+25%)	10%
Low	60	(-10%)	2%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	1	0	0	5	1	1	1	2	2
to Sell	1	0	0	5	1	1	1	2	2

Institutional Decisions

	4Q2011	1Q2012	2Q2012
to Buy	223	224	210
to Sell	197	212	213
Hlds(000)	142805	140958	134550



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
30.75	38.89	46.57	35.51	45.61	43.59	37.34	40.17	46.69	46.61	53.94	59.47	69.15	56.82	64.27	63.67	58.20	60.55	Revenues per sh	67.25
5.84	6.20	6.11	5.06	6.49	6.41	7.62	7.43	8.33	8.18	10.69	11.73	12.89	13.29	16.54	17.53	15.45	15.45	"Cash Flow" per sh	17.00
2.48	2.25	2.22	2.25	2.97	3.08	3.68	3.69	3.93	4.40	5.36	5.60	6.20	6.30	6.66	7.55	5.20	4.45	Earnings per sh ^A	5.00
1.80	1.80	1.50	1.20	1.22	1.28	1.34	1.60	1.89	2.16	2.16	2.58	3.00	3.00	3.24	3.32	3.32	3.32	Div'd Decl'd per sh ^B = †	3.40
2.45	3.45	4.63	4.84	6.80	6.25	6.88	6.85	6.51	6.72	9.44	10.29	13.92	12.99	13.33	15.21	14.05	12.30	Cap'l Spending per sh	12.50
28.51	27.23	28.79	28.81	31.89	33.78	35.24	38.02	38.26	35.71	40.45	40.71	42.07	45.54	47.53	50.81	51.30	52.25	Book Value per sh	56.75
232.96	245.84	246.83	247.08	219.60	220.73	222.42	228.90	216.83	216.83	202.67	193.12	189.36	189.12	178.75	176.36	177.00	171.00	Common Shs Outst'g ^D	171.00
11.1	11.6	12.9	13.2	10.1	12.5	11.5	13.8	15.1	16.3	14.3	19.3	16.6	12.0	11.6	9.1	7.5	7.5	Avg Ann'l P/E Ratio	14.5
.70	.67	.67	.75	.66	.64	.63	.79	.80	.87	.77	1.02	1.00	.80	.74	.57	4.9	4.9	Relative P/E Ratio	.95
6.5%	6.9%	5.2%	4.1%	4.1%	3.3%	3.2%	3.1%	3.2%	3.0%	2.8%	2.4%	2.9%	4.0%	4.2%	4.9%	4.9%	4.9%	Avg Ann'l Div'd Yield	4.7%

CAPITAL STRUCTURE as of 6/30/12
Total Debt \$12533 mill. Due in 5 Yrs \$2479.0 mill.
LT Debt \$12005 mill. LT Interest \$540.0 mill.
Incl. \$1020 mill. of securitization bonds.
(LT interest earned: 3.6x)
Leases, Uncapitalized Annual rentals \$84.9 mill.
Pension Assets-12/11 \$3.40 bill.
Obliq. \$5.19 bill.
Pfd Stock \$280.5 mill. Pfd Div'd \$20.0 mill.
6,115,105 shs. \$4.20 to \$7.88, \$100 par; 1,000,000 shs. 11.50%, all without sinking fund.
Common Stock 177,319,259 shs. as of 7/31/12
MARKET CAP: \$12 billion (Large Cap)

8305.0	9195.0	10124	10106	10932	11484	13094	10746	11488	11229	10300	10350	Revenues (\$mill)	11500
878.4	874.2	933.1	943.1	1160.9	1160.0	1240.5	1251.1	1270.3	1367.4	940	805	Net Profit (\$mill)	905
25.1%	35.9%	28.2%	37.2%	27.6%	30.7%	32.7%	33.6%	32.7%	17.3%	18.5%	34.0%	Income Tax Rate	34.0%
6.4%	8.7%	7.0%	8.0%	5.5%	5.8%	5.6%	7.4%	7.4%	8.9%	15.0%	14.0%	AFUDC % to Net Profit	12.0%
45.7%	44.8%	44.7%	51.9%	51.2%	54.3%	58.2%	55.3%	56.3%	52.2%	53.5%	55.0%	Long-Term Debt Ratio	57.5%
50.6%	53.2%	52.9%	45.5%	46.7%	43.9%	40.2%	43.1%	42.1%	46.4%	45.5%	43.5%	Common Equity Ratio	41.0%
15499	16361	15696	17013	17539	17902	19795	19985	20166	19324	20050	20550	Total Capital (\$mill)	23600
17195	18299	18696	19197	19438	20974	22429	23389	23848	25609	26350	26650	Net Plant (\$mill)	27200
7.3%	6.8%	7.4%	6.8%	8.0%	7.9%	7.5%	7.6%	7.7%	8.5%	6.0%	5.5%	Return on Total Cap'l	5.5%
10.4%	9.7%	10.8%	11.5%	13.6%	14.2%	15.0%	14.0%	14.4%	14.8%	10.0%	8.5%	Return on Shr. Equity	9.0%
10.9%	9.8%	11.0%	11.9%	13.8%	14.4%	15.3%	14.3%	14.7%	15.0%	10.0%	9.0%	Return on Com Equity ^E	9.0%
7.1%	5.6%	5.8%	6.0%	8.3%	8.0%	8.1%	7.6%	7.6%	8.4%	3.5%	2.5%	Retained to Com Eq	3.0%
37%	44%	48%	51%	41%	46%	48%	48%	49%	45%	64%	74%	All Div'ds to Net Prof	66%

25%; coal, 13%; purchased, 28%. Fuel costs: 36% of revenues. *11 reported depreciation rate: 2.6%. Has 14,700 employees. Chairman & CEO: J. Wayne Leonard. President & COO: Richard J. Smith. Incorporated: Delaware. Address: 639 Loyola Avenue, P.O. Box 61000, New Orleans, Louisiana 70161. Telephone: 504-576-4000. Internet: www.entergy.com.

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-1.5	+8.4	+1.1
Avg. Indust. Use (MWH)	874	936	991
Avg. Indust. Revs. per KWH(c)	5.60	5.70	5.65
Capacity at Peak (Mw)	23578	24310	23979
Peak Load, Summer (Mw)	21009	21799	22387
Annual Load Factor (%)	60.0	62.0	60.0
% Change Customers (yr-end)	+1.1	+9	+5

Fixed Charge Cov. (%) 355 342 339

ANNUAL RATES Past Past Est'd '09-'11
of change (per sh) 10 Yrs. 5 Yrs. to '15-'17

Revenues	4.0%	4.5%	1.5%
"Cash Flow"	10.0%	11.5%	1.0%
Earnings	9.5%	8.5%	-5.0%
Dividends	10.0%	9.0%	1.0%
Book Value	4.5%	4.5%	3.0%

Entergy has taken the first steps toward the intended sale of its transmission assets to ITC Holdings. The companies have applied for approval in Louisiana and New Orleans (which has a separate commission), and filings with the regulators in Texas, Arkansas, and the Federal Energy Regulatory Commission will probably happen in the coming weeks. Entergy decided to sell its transmission system because this business is capital-intensive and makes up less than 10% of its assets. The company would receive \$1.775 billion in cash, which it would use for debt reduction. In order to make the deal tax-free, ITC would issue enough stock to Entergy shareholders so that they would own 50.1% of ITC. ITC's stockholders must approve the transaction.

Entergy has nuclear worries. In New York, the company's license extension applications with the Nuclear Regulatory Commission for the Indian Point units have been delayed. The licenses expire in 2013 and 2015, but Entergy believes the plants may keep running while the filings are pending. The company is also embroiled in a dispute with the state, which

wants it to build cooling towers at the site. Entergy is proposing a much less costly alternative. In Vermont, litigation between the state government and Entergy concerning Vermont Yankee is ongoing. In Michigan, the NRC is conducting supplemental inspections of Palisades, which has had operating problems.

We have raised our 2012 earnings estimate. Second-quarter profits exceeded our expectation thanks to a tax benefit that boosted the bottom line by \$0.44 a share. Nevertheless, earnings will probably wind up below the 2012 tally due to low prices in the power markets, less favorable weather conditions than in 2011, and expenses associated with the asset sale to ITC. Assuming a more normal tax rate in 2013, earnings will probably decline.

This stock stands out for its dividend yield, which is above the utility average. The low valuation reflects the market's concerns about the state of the power markets and the aforementioned nuclear troubles. Even so, we think this issue is suitable for most utility accounts, except those stressing dividend growth.

Paul E. Debbas, CFA September 21, 2012

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	2789	2521	2937	2499	10746
2010	2760	2863	3332	2533	11488
2011	2541	2803	3396	2489	11229
2012	2384	2519	3000	2397	10300
2013	2450	2500	3000	2400	10350

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	1.20	1.14	2.32	1.64	6.30
2010	1.12	1.65	2.62	1.26	6.66
2011	1.38	1.76	3.53	.87	7.55
2012	.40	2.06	2.00	.74	5.20
2013	.80	1.25	1.60	.80	4.45

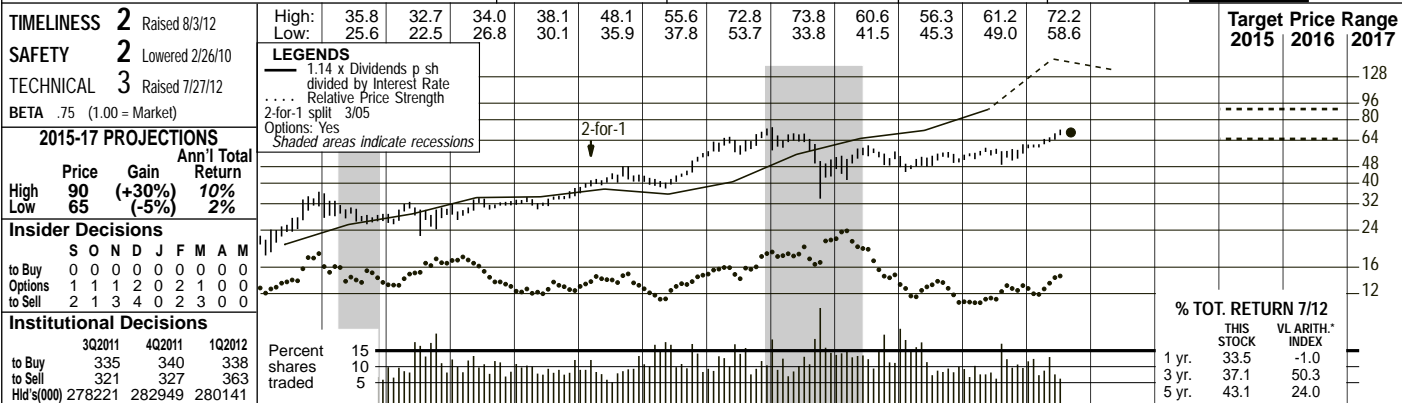
Cal-endar	QUARTERLY DIVIDENDS PAID ^B = †				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2008	.75	.75	.75	.75	3.00
2009	.75	.75	.75	.75	3.00
2010	.75	.83	.83	.83	3.24
2011	.83	.83	.83	.83	3.32
2012	.83	.83	.83		

due late Oct. (B) Div'ds historically paid in early Mar., June, Sept. and Dec. ■ Div'd reinvestment plan available. † Shareholder investment plan available. (C) Incl. deferred charges. In '11: \$34.05/sh. (D) In mill. (E) Rate base: net orig. cost. Allowed return on equity (blended): 10.5%; earned on avg. com. eq., '11: 15.4%. Regulatory Climate: Average.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	55
Earnings Predictability	95

NEXTERA ENERGY NYSE-NEE

RECENT PRICE **69.59** P/E RATIO **15.5** (Trailing: 13.5; Median: 14.0) RELATIVE P/E RATIO **1.06** DIV'D YLD **3.6%** VALUE LINE



Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
Price	16.51	17.52	18.43	18.03	20.15	24.10	22.74	26.13	28.27	30.00	38.75	37.47	40.13	37.82	36.39	36.88	35.70	36.35	Revenues per sh	40.50
Gain	4.21	4.62	5.39	4.86	4.94	5.02	4.51	5.36	5.60	6.18	6.77	6.85	8.03	8.75	9.62	9.29	8.25	9.95	"Cash Flow" per sh	11.75
Return	1.67	1.79	1.93	2.04	2.07	2.31	2.01	2.45	2.46	2.32	3.23	3.27	4.07	3.97	4.74	4.82	4.55	4.80	Earnings per sh ^A	6.00
Options	.92	.96	1.00	1.04	1.08	1.12	1.16	1.20	1.30	1.42	1.50	1.64	1.78	1.89	2.00	2.20	2.40	2.60	Div'd Decl'd per sh ^B + †	3.20
Options to Buy	1.33	1.52	1.71	2.41	3.70	3.28	3.44	3.75	3.75	4.09	9.22	12.32	12.80	14.52	13.89	15.93	13.75	13.75	Cap'l Spending per sh	13.50
Options to Sell	12.56	13.32	14.18	15.04	15.91	17.10	17.48	18.91	20.25	21.52	24.49	26.35	28.57	31.35	34.36	35.92	38.45	41.20	Book Value per sh ^C	49.25
Hlds(000)	365.63	363.63	361.42	357.11	351.53	351.71	365.51	368.53	372.24	394.85	405.40	407.35	408.92	413.62	420.86	416.00	423.00	429.00	Common Shs Outst'g ^D	430.00
to Buy	13.5	13.5	16.2	13.0	12.8	12.5	14.2	12.6	13.6	17.9	13.7	18.9	14.5	13.4	10.8	11.5	10.8	11.5	Avg Ann'l P/E Ratio	13.0
to Sell	.85	.78	.84	.74	.83	.64	.78	.72	.72	.95	.74	1.00	.87	.89	.69	.73	.69	.73	Relative P/E Ratio	.85
Hld's(000)	278221	282949	280141																Avg Ann'l Div'd Yield	4.1%

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	15-17
Total Debt \$23970 mill. Due in 5 Yrs \$9679.0 mill.	8311.0	9630.0	10522	11846	15710	15263	16410	15643	15317	15341	15100	15600	17400	17400	17400
LT Debt \$20582 mill. LT Interest \$1029.0 mill.	710.0	883.4	887.0	901.0	1281.0	1312.0	1639.0	1615.0	1957.0	2021.0	1925	2065	2620	2620	2620
Incl. \$402.5 mill. of equity units, conv. into common by 2013 at \$50/share. (LT interest earned: 3.7x)	25.6%	29.4%	23.1%	23.8%	23.7%	21.9%	21.5%	16.8%	21.4%	22.4%	25.0%	25.0%	25.0%	25.0%	25.0%
Pension Assets-12/11 \$3.12 bill. Oblig. \$2.12 bill.	46.7%	55.6%	51.6%	48.6%	49.1%	51.2%	54.2%	55.7%	55.5%	58.2%	57.0%	56.0%	52.5%	52.5%	52.5%
Pfd Stock None	51.5%	44.4%	48.4%	51.4%	50.9%	48.8%	45.8%	44.3%	44.5%	41.8%	43.0%	44.0%	47.5%	47.5%	47.5%
Common Stock 417,075,629 shs.	12406	15695	15564	16538	19521	22015	25514	29267	32474	35753	37925	40200	44400	44400	44400
MARKET CAP: \$29 billion (Large Cap)	14304	20297	21226	22463	24499	28652	32411	36078	39075	42490	46725	50450	60600	60600	60600
ELECTRIC OPERATING STATISTICS	6.6%	6.7%	7.0%	6.9%	8.0%	7.5%	7.9%	6.9%	7.4%	7.0%	6.5%	6.5%	7.5%	7.5%	7.5%
% Change Retail Sales (KWH)	10.7%	12.7%	11.8%	10.6%	12.9%	12.2%	14.0%	12.5%	13.5%	13.5%	12.0%	11.5%	12.5%	12.5%	12.5%
Avg. Indust. Use (MWH)	10.9%	12.5%	11.8%	10.6%	12.9%	12.2%	14.0%	12.5%	13.5%	13.5%	12.0%	11.5%	12.5%	12.5%	12.5%
Avg. Indust. Revs. per KWH (c)	4.6%	6.4%	5.6%	4.2%	6.9%	6.1%	7.9%	6.5%	7.8%	7.4%	5.5%	5.4%	6.0%	6.0%	6.0%
Capacity at Peak (Mw)	58%	50%	53%	60%	46%	50%	44%	47%	42%	46%	52%	52%	55%	55%	55%
Peak Load, Summer (Mw) F															
Annual Load Factor (%)															
% Change Customers (yr-end)															

BUSINESS: NextEra Energy, Inc. (formerly FPL Group, Inc.) is a holding company for Florida Power & Light (FPL), which provides electricity to 4.6 million customers in a 27,650-sq.-mi. area in eastern & southern Florida. NextEra Energy Resources is a nonregulated power generator with nuclear, gas, & wind ownership. Revenue breakdown: residential, 56%; commercial, 41%; industrial & other, 3%. Generating sources: gas, 65%; nuclear, 20%; coal, 5%; oil, 1%; purchased, 9%. Fuel costs: 41% of revs. '11 reported deprec. rates: FPL, 3.2%; NextEra, 4.0%. Has 15,000 employees. Chairman: Lewis Hay, III. President and CEO: James L. Robo. Inc.: Florida. Address: 700 Universe Blvd., Juno Beach, FL 33408. Tel.: 561-694-4000. Internet: www.nexteraenergy.com.

Year	2009	2010	2011
% Change Retail Sales (KWH)	+2.2	+1.4	+1.4
Avg. Indust. Use (MWH)	325	348	343
Avg. Indust. Revs. per KWH (c)	8.86	6.85	7.40
Capacity at Peak (Mw)	26682	25800	26538
Peak Load, Summer (Mw) F	24346	22256	21619
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	-	+6	+6

Year	2009	2010	2011	2012	2013
Fixed Charge Cov. (%)	281	315	311		
ANNUAL RATES of change (per sh)					
Revenues	6.0%	2.5%	1.5%		
"Cash Flow"	6.5%	8.5%	4.0%		
Earnings	7.5%	11.0%	5.0%		
Dividends	6.5%	7.5%	8.0%		
Book Value	8.0%	9.0%	6.5%		

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	3705	3811	4473	3654	15643
2010	3622	3591	4691	3413	15317
2011	3134	3961	4382	3864	15341
2012	3371	3667	4562	3500	15100
2013	3400	3800	4800	3600	15600

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.90	.91	1.31	.85	3.97
2010	1.36	1.01	1.74	.63	4.74
2011	.64	1.38	1.20	1.61	4.82
2012	1.11	1.26	1.28	.90	4.55
2013	1.05	1.35	1.40	1.00	4.80

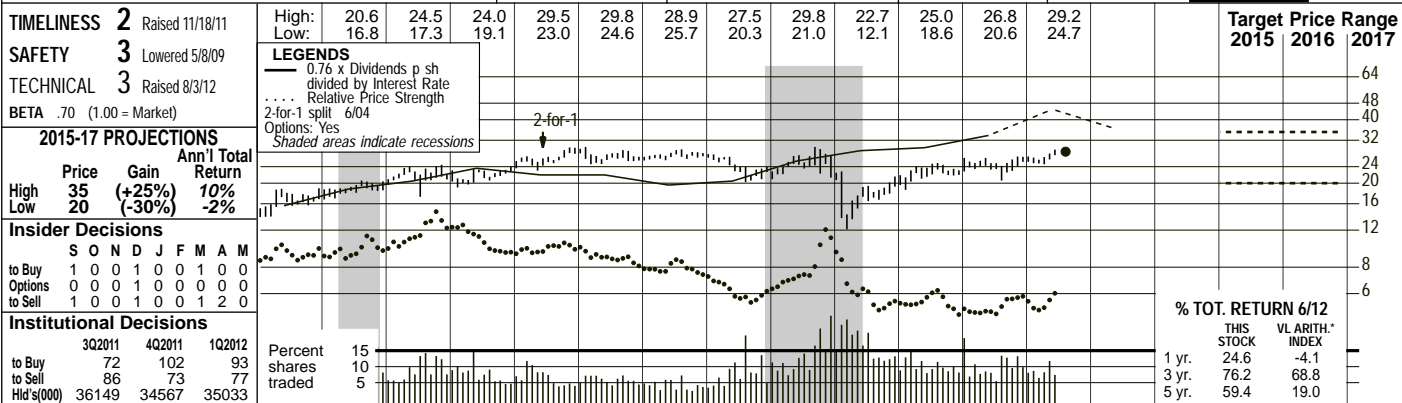
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.445	.445	.445	.445	1.78
2009	.4725	.4725	.4725	.4725	1.89
2010	.50	.50	.50	.50	2.00
2011	.55	.55	.55	.55	2.20
2012	.60	.60			

NextEra Energy's utility subsidiary has reached a settlement of its general rate case. The agreement, if approved by the Florida commission, would raise Florida Power & Light's rates by \$378 million in January. Further tariff hikes would occur when modernization projects on three gas-fired plants are completed in 2013, 2014, and 2016. The utility's allowed return on equity would be in a range with a midpoint of 10.7%. FPL could file for rate relief if it earns an ROE of less than 9.7%, and another party could seek a rate review if the utility earns an ROE above 11.7%. FPL and the intervenors asked for a commission ruling by the end of August. **Several large capital projects are in various stages of development.** The three plant modernization projects mentioned above would cost a total of about \$3.5 billion. FPL is also adding 490 mw of capacity to its existing nuclear units at an expected cost of \$3.1 billion. The utility will recover the cost of the nuclear uprate program through a regulatory mechanism, instead of in base rates. **Although we look for an earnings decline this year, this doesn't mean that**

NextEra is performing poorly. Mark-to-market accounting gains boosted the bottom line by \$0.45 a share in 2011, making for a tough comparison. Even so, utility profits are benefiting from the use of regulatory amortization (i.e., reduced depreciation because depreciation taken in the past was too high), and nonutility income is benefiting from additional generating capacity, much of it wind. **We look for higher profits in 2013,** assuming that the regulators approve FPL's settlement. **This timely stock has been one of the best-performing utility issues in 2012, having risen about 15% year to date.** Investors are attracted to NextEra's superior dividend growth potential and the fact that the company's nonregulated business has held up much better (even with weakness in the power markets) than those of most utilities with a major nonregulated presence. The dividend yield is fractionally below the industry average, however, and since the quotation is within our 2015-2017 Target Price Range, long-term total return potential isn't much better than the norm for the utility industry. *Paul E. Debbas, CFA August 24, 2012*

HAWAIIAN ELECTRIC NYSE-HE

RECENT PRICE **28.20** P/E RATIO **17.6** (Trailing: 18.3; Median: 19.0) RELATIVE P/E RATIO **1.24** DIV'D YLD **4.4%** VALUE LINE



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
22.86	22.95	23.12	23.64	26.05	24.26	22.46	23.49	23.85	27.36	30.21	30.40	35.56	24.96	28.14	33.76	34.70	33.15	Revenues per sh	32.00
2.81	3.01	3.23	3.35	3.08	3.33	3.52	3.54	3.09	3.22	3.19	3.01	2.72	2.59	2.88	3.18	3.40	3.40	"Cash Flow" per sh	3.75
1.30	1.38	1.48	1.45	1.27	1.60	1.62	1.58	1.36	1.46	1.33	1.11	1.07	.91	1.21	1.44	1.60	1.70	Earnings per sh ^A	2.00
1.21	1.22	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	Div'd Decl'd per sh ^B = †	1.40
3.33	2.31	2.60	2.09	2.04	1.77	1.74	2.15	2.66	2.76	2.58	2.62	3.12	3.29	1.92	2.45	3.55	4.15	Cap'l Spending per sh	7.50
12.52	12.77	12.87	13.16	12.72	13.06	14.21	14.36	15.01	15.02	13.44	15.29	15.35	15.58	15.67	15.95	16.45	17.45	Book Value per sh ^C	20.25
61.71	63.79	64.23	64.43	65.98	71.20	73.62	75.84	80.69	80.98	81.46	83.43	90.52	92.52	94.69	96.04	98.00	104.00	Common Shs Outst'g ^D	122.00
13.7	13.2	13.4	12.1	12.9	11.8	13.5	13.8	19.2	18.3	20.3	21.6	23.2	19.8	18.6	17.1	16.0	15.0	Avg Ann'l P/E Ratio	13.5
.86	.76	.70	.69	.84	.60	.74	.79	1.01	.97	1.10	1.15	1.40	1.32	1.18	1.08	1.18	1.08	Relative P/E Ratio	.90
6.8%	6.7%	6.2%	7.1%	7.5%	6.6%	5.7%	5.7%	4.8%	4.6%	4.6%	5.2%	5.0%	6.9%	5.5%	5.0%	5.0%	5.0%	Avg Ann'l Div'd Yield	5.1%

CAPITAL STRUCTURE as of 3/31/12

Total Debt \$1438.9 mill. Due in 5 Yrs \$369.8 mill.
 LT Debt \$1282.6 mill. LT Interest \$66.7 mill.
 Incl. \$50 mill. 6.5% oblig. pfd. sec. of trust subisd. (LT interest earned: 3.9x)
 Pension Assets-12/11 \$839.6 mill. Oblig. \$1.32 bill.

Pfd Stock \$34.3 mill. **Pfd 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 5/8%, \$100 par. call. \$100.
 Sinking fund ends 2018.
Common Stock 96,602,192 shs. as of 4/29/12

MARKET CAP: \$2.7 billion (Mid Cap)

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Revenues (\$mill)	3900
1653.7	1781.3	1924.1	2215.6	2460.9	2536.4	3218.9	2309.6	2665.0	3242.3	3400	3450	Revenues (\$mill)	3900						
120.2	120.1	109.6	120.3	109.9	93.6	92.2	84.9	115.4	140.1	160	175	Net Profit (\$mill)	250						
34.6%	34.9%	45.8%	36.4%	36.5%	35.4%	34.7%	34.1%	37.0%	35.1%	35.0%	34.0%	Income Tax Rate	29.0%						
4.8%	5.1%	7.6%	5.9%	8.4%	8.3%	14.2%	20.6%	7.4%	6.0%	5.0%	7.0%	AFUDC % to Net Profit	43.0%						
52.0%	48.6%	47.6%	45.2%	49.9%	47.6%	46.0%	48.0%	44.5%	44.9%	45.5%	40.5%	Long-Term Debt Ratio	45.0%						
46.5%	49.8%	51.0%	53.3%	48.6%	51.0%	52.7%	50.7%	54.3%	53.9%	53.5%	58.5%	Common Equity Ratio	54.0%						
2251.0	2186.9	2375.1	2283.9	2252.7	2501.8	2635.2	2840.8	2732.9	2841.3	3020	3105	Total Capital (\$mill)	4575						
2079.3	2311.9	2422.3	2542.8	2647.5	2743.4	2907.4	3088.6	3165.9	3334.5	3505	3750	Net Plant (\$mill)	5525						
7.3%	7.3%	6.0%	6.8%	6.4%	5.2%	4.7%	4.3%	5.6%	6.2%	6.5%	6.5%	Return on Total Cap'l	6.5%						
11.1%	10.7%	8.8%	9.6%	9.7%	7.1%	6.5%	5.8%	7.6%	8.9%	9.5%	9.5%	Return on Shr. Equity	10.0%						
11.3%	10.8%	8.9%	9.7%	9.9%	7.2%	6.5%	5.8%	7.7%	9.0%	10.0%	9.5%	Return on Com Equity ^E	10.0%						
4.3%	3.9%	1.1%	1.5%	.7%	.8%	.5%	NMF	1.4%	2.1%	2.5%	2.5%	Retained to Com Eq	3.5%						
63%	64%	87%	85%	93%	89%	93%	116%	82%	78%	77%	73%	All Div'ds to Net Prof ^F	67%						

BUSINESS: Hawaiian Electric Industries, Inc. is the parent company of Hawaiian Electric Company (HECO) & American Savings Bank (ASB). HECO & its subs., Maui Electric Co. (MECO) & Hawaii Electric Light Co. (HELCO), supply electricity to 446,000 customers on Oahu, Maui, Molokai, Lanai, & Hawaii. Operating companies' systems are not interconnected. Disc. intl power sub. in '01. Elec. rev. breakdown: res'l, 33%; comm'l, 34%; large light & power, 32%; other, 1%. Generating sources: oil, 60%; purchased, 40%. Fuel costs: 60% of revs. '11 reported depr. rate (util.): 3.2%. Has 3,700 empl. Chairman: Jeffrey N. Watanabe. Pres. & CEO: Constance H. Lau. Inc.: HI. Address: 900 Richards St., P.O. Box 730, Honolulu, HI 96808-0730. Tel.: 808-543-5662. Web: www.hei.com.

Each of Hawaiian Electric Industries' utilities is now operating under a new regulatory mechanism. The company's largest utility, Hawaiian Electric Company (HECO), has been benefiting from the mechanism since 2011, and Hawaii Electric Light Company (HELCO) and Maui Electric Company (MECO) began using it this year. (MECO was granted an interim rate hike of \$13.1 million, or 3.2%, based on a return of 10% on a common-equity ratio of 56.86%.) An advantage of the new mechanism is the decoupling of electric volume and revenues, so that declines in usage (stemming from the effects of the sluggish economy and conservation efforts) will no longer hurt the utilities. In addition, the utilities now benefit from annual rate adjustments for capital spending and increases in operating expenses. The new mechanism reduces, but does not eliminate, the effects of regulatory lag. HECO has a goal of earning an 8.5% return on equity in 2012. This would be an improvement over its performance in recent years, but would still fall short of its allowed ROE of 10%.

The effects of the new mechanism are the main reason why we expect earnings to improve in 2012 and climb in 2013. We estimate that share net will reach \$1.60 this year—the highest tally in a decade—despite a probable decline in profits at the American Savings Bank subsidiary. ASB is likely to have lower fee income and a narrower interest-rate spread this year. We estimate a 6% earnings increase next year. However, because the payout ratio is still high, we expect no dividend increase until mid-decade.

New regulation has not eliminated the need for general rate cases. As this report went to press, HELCO was planning to file an application. An interim rate order is due 12 months after the filing date. There is no statutory time limit for the final decision.

This timely equity's dividend yield is only slightly above the utility average. However, with the stock trading within our 3- to 5-year Target Price Range, the modest dividend growth we project over that time frame probably won't be enough to produce an attractive total return.

Paul E. Debbas, CFA August 3, 2012

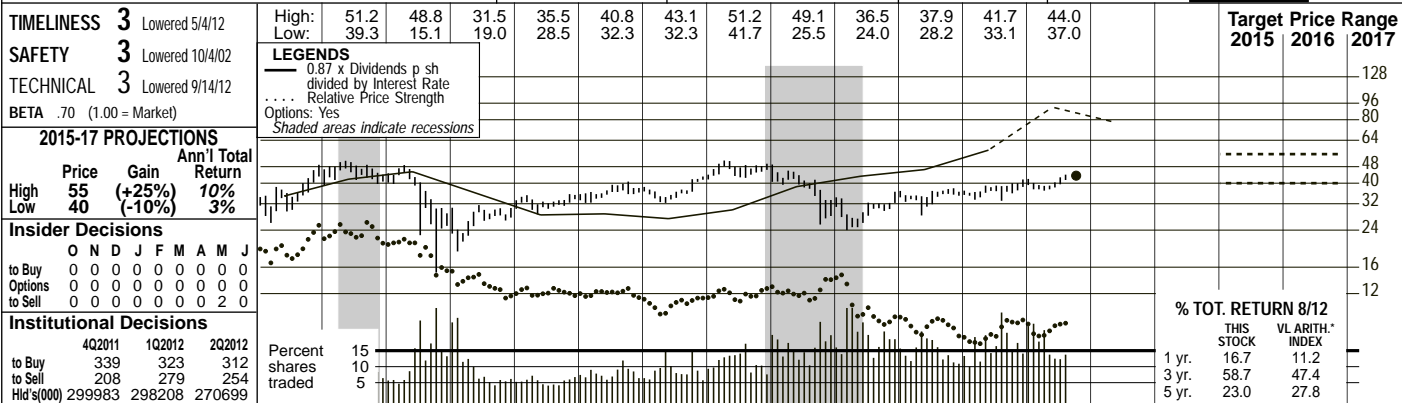
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	543.8	525.9	620.3	619.6	2309.6
2010	619.0	655.7	694.6	695.7	2665.0
2011	710.6	794.3	886.4	851.0	3242.3
2012	814.9	850	885.1	850	3400
2013	850	850	900	850	3450

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.22	.17	.37	.15	.91
2010	.29	.31	.35	.26	1.21
2011	.30	.28	.50	.36	1.44
2012	.40	.34	.49	.37	1.60
2013	.43	.36	.52	.39	1.70

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.31	.31	.31	.31	1.24
2009	.31	.31	.31	.31	1.24
2010	.31	.31	.31	.31	1.24
2011	.31	.31	.31	.31	1.24
2012	.31	.31	.31	.31	1.24

AMERICAN ELEC. PWR. NYSE-AEP

RECENT PRICE **43.43** P/E RATIO **13.8** (Trailing: 14.1; Median: 13.0) RELATIVE P/E RATIO **0.91** DIV'D YLD **4.5%** VALUE LINE



Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
Price	31.07	32.43	33.08	35.63	42.53	190.10	42.96	36.82	35.51	30.76	31.82	33.41	35.56	28.22	30.01	31.27	30.65	32.30	Revenues per sh	36.50
Dividend	6.31	6.47	6.03	6.36	5.11	7.65	6.99	5.76	5.89	5.96	6.67	6.80	6.32	6.29	6.83	6.90	7.10	“Cash Flow” per sh	8.25	
EPS	3.14	3.28	2.81	2.69	1.04	3.27	2.86	2.53	2.61	2.64	2.86	2.86	2.99	2.97	2.60	3.13	3.10	3.10	Earnings per sh ^A	3.50
Dividend Yield	2.40	2.40	2.40	2.40	2.40	2.40	2.40	1.65	1.40	1.42	1.50	1.58	1.64	1.64	1.71	1.85	1.90	1.96	Div'd Decl'd per sh ^B	2.15
Capex	3.07	4.00	4.13	4.47	5.51	5.69	5.08	3.44	4.28	6.11	8.89	8.88	9.83	6.19	5.07	5.74	6.80	7.75	Cap'l Spending per sh	7.50
Book Value	24.15	24.62	25.24	25.79	25.01	25.54	20.85	19.93	21.32	23.08	23.73	25.17	26.33	27.49	28.33	30.33	31.60	32.80	Book Value per sh	36.75
Market Cap	188.24	189.99	191.82	194.10	322.02	322.24	338.84	395.02	395.86	393.72	396.67	400.43	406.07	478.05	480.81	483.42	486.00	489.00	Common Shs Outst'g ^D	500.00
P/E Ratio	13.2	13.4	17.0	14.3	34.3	13.9	12.7	10.7	12.4	13.7	12.9	16.3	13.1	10.0	13.4	11.9	13.8	13.8	Avg Ann'l P/E Ratio	13.5
Relative P/E	.83	.77	.88	.82	2.23	.71	.69	.61	.66	.73	.70	.87	.79	.67	.85	.75	0.91	0.91	Relative P/E Ratio	.90
Dividend Yield	5.8%	5.5%	5.0%	6.2%	6.7%	5.3%	6.6%	6.1%	4.3%	3.9%	4.1%	3.4%	4.2%	5.5%	4.9%	5.0%	4.5%	4.5%	Avg Ann'l Div'd Yield	4.5%

CAPITAL STRUCTURE as of 6/30/12
 Total Debt \$18510 mill. Due in 5 Yrs \$6372 mill.
 LT Debt \$15319 mill. LT Interest \$844 mill.
 Incl. \$2389 mill. securitized bonds.
 (LT interest earned: 3.4x)

Leases, Uncapitalized Annual rentals \$316 mill.
Pension Assets-12/11 \$4.30 bill.
Oblig. \$4.99 bill.

Pfd Stock None

Common Stock 484,902,556 shs.
 as of 7/26/12
MARKET CAP: \$21 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-6.4	+4.5	+1.2
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	4.83	4.95	4.95
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

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues (\$mill)	14555	14545	14057	12111	12622	13380	14440	13489	14427	15116	14900	15800	Revenues (\$mill)	18200
Net Profit (\$mill)	976.0	984.0	1038.0	1036.0	1131.0	1147.0	1208.0	1365.0	1248.0	1513.0	1490	1500	Net Profit (\$mill)	1725
Income Tax Rate	25.2%	38.8%	33.1%	29.3%	33.0%	31.1%	31.3%	29.7%	34.8%	31.7%	35.0%	35.0%	Income Tax Rate	35.0%
AFUDC % to Net Profit	--	3.8%	3.6%	5.4%	9.9%	9.8%	9.9%	10.9%	10.4%	10.6%	12.0%	12.0%	AFUDC % to Net Profit	12.0%
Long-Term Debt Ratio	56.0%	60.6%	56.2%	54.8%	56.7%	58.3%	59.1%	54.4%	53.1%	50.7%	50.5%	50.0%	Long-Term Debt Ratio	49.0%
Common Equity Ratio	43.1%	38.7%	43.1%	44.9%	43.0%	41.4%	40.7%	45.4%	46.7%	49.3%	49.5%	50.0%	Common Equity Ratio	51.0%
Total Capital (\$mill)	16393	20333	19584	20222	21902	24342	26290	28958	29184	29747	30950	32125	Total Capital (\$mill)	35900
Net Plant (\$mill)	21684	22029	22801	24284	26781	29870	32987	34344	35674	36971	38425	40250	Net Plant (\$mill)	45100
Return on Total Cap'l	7.5%	6.6%	7.0%	6.6%	6.7%	6.3%	6.2%	6.2%	5.7%	6.6%	6.0%	6.0%	Return on Total Cap'l	6.0%
Return on Shr. Equity	13.5%	12.3%	12.1%	11.3%	11.9%	11.3%	11.2%	10.3%	9.1%	10.3%	9.5%	9.5%	Return on Shr. Equity	9.5%
Return on Com Equity ^E	13.7%	12.4%	12.2%	11.3%	12.0%	11.4%	11.3%	10.4%	9.1%	10.3%	10.0%	9.5%	Return on Com Equity ^E	9.5%
Retained to Com Eq	2.4%	4.5%	5.7%	5.2%	5.7%	5.1%	5.1%	4.6%	3.1%	4.2%	4.0%	3.5%	Retained to Com Eq	3.5%
All Div'ds to Net Prof	82%	64%	54%	54%	53%	55%	55%	56%	66%	60%	62%	64%	All Div'ds to Net Prof	62%

BUSINESS: American Electric Power Company, Inc. (AEP), through 10 operating utilities, serves about 5.3 million customers in Arkansas, Kentucky, Indiana, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia, and West Virginia. Electric revenue breakdown: residential, 37%; commercial, 23%; industrial, 21%; wholesale, 16%; other, 3%. Sold 50% stake in Yorkshire Holdings (British utility) '01; sold SEEBOARD (British utility) '02; sold Houston Pipeline '05. Generating sources not available. Fuel costs: 35% of revenues. '11 reported depr. rates: 1.3%-9.3%. Has 18,700 employees. Chairman: Michael G. Morris. President & CEO: Nicholas K. Akins. Inc.: NY. Address: 1 Riverside Plaza, Columbus, OH 43215-2373. Tel.: 614-716-1000. Internet: www.aep.com.

Fixed Charge Cov. (%) 265 257 286

ANNUAL RATES Past Past Est'd '09-'11
 of change (per sh) 10 Yrs. 5 Yrs. to '15-'17

Year	2009	2010	2011	2012	2013
Revenues	-10.5%	-2.0%	3.5%		
“Cash Flow”	--	1.0%	4.0%		
Earnings	2.0%	1.5%	3.0%		
Dividends	-3.0%	4.0%	3.5%		
Book Value	1.0%	5.0%	4.0%		

American Electric Power will be making a transition to competitive markets in Ohio in the next few years. The Public Utilities Commission of Ohio (PUCO) issued a new plan in the third quarter. The PUCO overturned the previous transition plan earlier this year after some customers complained about much higher bills. AEP's base generation rates will be frozen (but there will be a fuel adjustment clause), and the utility will be able to collect a nonbypassable retail stability rider and a capacity charge to help compensate for the effects of customer switching to other suppliers. AEP will make another filing to separate its generating units in Ohio into a nonutility affiliate, except for two units that will be transferred to two regulated companies. Management was disappointed with certain aspects of the transition plan that the PUCO ordered, and has asked the regulators for a rehearing. Because the new plan will make it easier for other providers to compete in AEP's service territory, we have lowered our 2013 earnings estimate by \$0.15 a share, to \$3.10, which would be flat with our estimated 2012 tally.

Two rate cases are pending. Indiana Michigan Power filed for a \$146.3 million rate hike in Indiana, based on an 11.15% return on equity. The commission's staff is recommending an increase of just \$28 million, based on a 9.2% ROE. An order is expected by yearend. Another AEP subsidiary, SWEPSCO, asked the Texas commission for an increase of \$83.1 million, based on an 11.25% ROE. Rates should go into effect in the first quarter of 2013.

QUARTERLY REVENUES (\$ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	3458	3202	3547	3282	13489
2010	3569	3360	4064	3434	14427
2011	3730	3609	4333	3444	15116
2012	3625	3551	4300	3424	14900
2013	3850	3750	4450	3750	15800

EARNINGS PER SHARE ^A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.89	.68	.93	.49	2.97
2010	.72	.35	1.16	.37	2.60
2011	.83	.73	1.17	.41	3.13
2012	.80	.75	1.10	.45	3.10
2013	.85	.75	1.05	.45	3.10

The regulated operations are faring well. There is less regulatory activity than usual because most of AEP's utilities are earning their allowed ROEs, or are close to doing so. In addition, the company's transmission business should increase its contribution to the bottom line in the coming years, as there are plenty of opportunities to invest capital. Because the regulated picture is generally bright, we think the board of directors will raise the dividend in the fourth quarter, as it did in each of the past two years.

This stock's yield and 2015-2017 total return potential are similar to the utility norms.
 Paul E. Debbas, CFA September 21, 2012

QUARTERLY DIVIDENDS PAID ^B

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.41	.41	.41	.41	1.64
2009	.41	.41	.41	.41	1.64
2010	.41	.42	.42	.46	1.71
2011	.46	.46	.46	.47	1.85
2012	.47	.47	.47		

Company's Financial Strength B++
Stock's Price Stability 100
Price Growth Persistence 60
Earnings Predictability 90

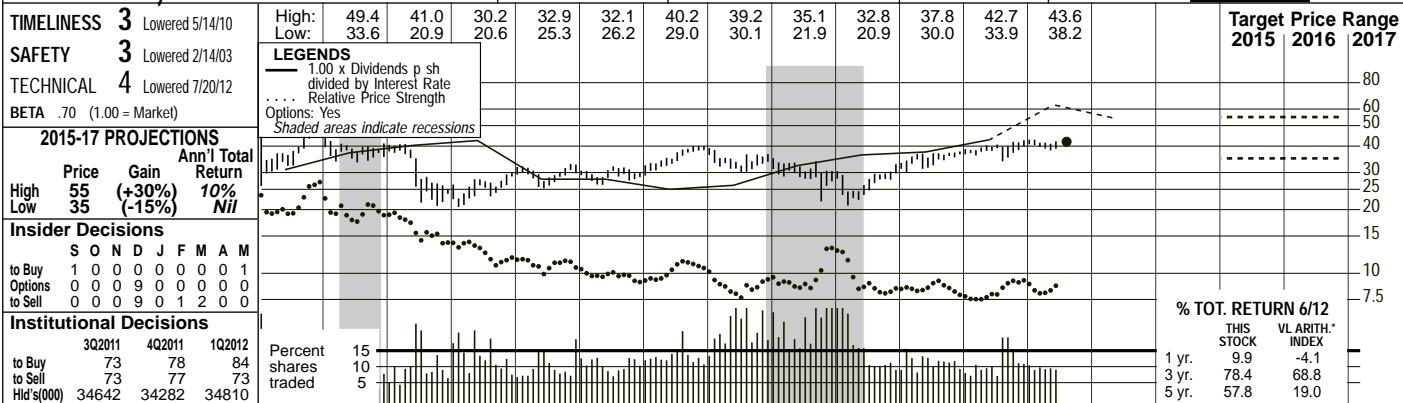
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(A) Excl. nonrec. gains (losses): '02, (\$3.86); '03, (\$1.92); '04, 24¢; '05, (62¢); '06, (20¢); '07, (20¢); '08, 40¢; '10, (7¢); '11, 89¢; gains (losses) on disc. ops.: '02, (57¢); '03, (32¢); '04, 15¢; '05, 7¢; '06, 2¢; '08, 3¢; '09, (1¢). '09 EPS don't add due to change in shs., '11 due to rounding. Next egs. due late Oct. (B) Div'ds historically paid early Mar., June, Sept. & Dec. (C) Incl. intang. In '11: \$18.77/sh. (D) In mill. (E) Rate base: various. Rates all'd on com. eq.: 9.96%-10.9%; earned on avg. com. eq., '10: 9.3%. Regul. Clim.: Avg. Div'd reinv. plan avail. (C) Incl. intang. In '11: \$18.77/sh. (D) In mill. (E) Rate base: various. Rates all'd on com. eq.: 9.96%-10.9%; earned on avg. com. eq., '10: 9.3%. Regul. Clim.: Avg.

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IDACORP, INC. NYSE-IDA

RECENT PRICE **41.90** P/E RATIO **14.0** (Trailing: 12.9; Median: 15.0) RELATIVE P/E RATIO **0.99** DIV'D YLD **3.2%** VALUE LINE



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
15.38	19.90	29.83	17.50	27.10	150.10	24.43	20.41	20.00	20.15	21.23	19.51	20.47	21.92	20.97	20.55	22.40	23.50	Revenues per sh	24.90
4.05	4.22	4.69	4.50	5.63	5.63	4.08	3.50	4.12	3.87	4.58	4.11	4.27	5.07	5.23	5.74	5.60	6.00	"Cash Flow" per sh	6.45
2.21	2.32	2.37	2.43	3.50	3.35	1.63	.96	1.90	1.75	2.35	1.86	2.18	2.64	2.95	3.36	3.00	3.20	Earnings per sh ^A	3.40
1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.70	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.32	1.40	Div'd Decl'd per sh ^{B†}	1.90
2.49	2.51	2.37	2.95	3.73	4.78	3.53	3.89	4.73	4.53	5.16	6.39	5.19	5.26	6.85	6.76	4.70	5.00	Cap'l Spending per sh	7.55
18.47	18.93	19.42	20.02	21.82	23.15	23.01	22.54	23.88	24.04	25.77	26.79	27.76	29.17	31.01	33.19	35.25	37.45	Book Value per sh ^C	40.90
37.61	37.61	37.61	37.61	37.61	37.63	38.02	38.34	42.22	42.66	43.63	45.06	46.92	47.90	49.41	49.95	50.00	50.00	Common Shs Outst'g ^D	53.00
13.7	13.6	14.4	12.7	10.9	11.4	18.9	26.5	15.5	16.7	15.1	18.2	13.9	10.2	11.8	11.5	11.5	11.5	Avg Ann'l P/E Ratio	13.0
.86	.78	.75	.72	.71	.58	1.03	1.51	.82	.89	.82	.97	.84	.68	.75	.73	.75	.73	Relative P/E Ratio	.85
6.1%	5.9%	5.4%	6.0%	4.9%	4.9%	6.0%	6.7%	4.1%	4.1%	3.4%	3.5%	4.0%	4.5%	3.4%	3.1%	3.4%	3.1%	Avg Ann'l Div'd Yield	4.2%

CAPITAL STRUCTURE as of 3/31/12		2009	2010	2011	2012	2013	15-17
Total Debt \$1487.6 mill. Due in 5 Yrs \$175.3 mill.		928.8	782.7	844.5	859.5	926.3	879.4
LT Debt \$1486.6 mill. LT Interest \$70.0 mill.		66.3	40.1	77.8	63.7	100.1	82.3
(LT interest earned: 2.5x)		--	--	--	16.9%	13.3%	14.3%
Pension Assets-12/11 \$390.1 mill.		3.0%	7.5%	3.9%	4.7%	4.0%	9.7%
Oblig. \$655.4 mill.		49.2%	50.8%	49.3%	50.0%	45.2%	48.9%
Pfd Stock None		47.9%	46.4%	50.7%	50.0%	54.8%	51.1%
Common Stock 50,095,905 shs. as of 4/27/12		1826.9	1862.5	1987.8	2048.8	2052.8	2364.2
MARKET CAP: \$2.1 billion (Mid Cap)		1906.5	2088.3	2209.5	2314.3	2419.1	2616.6
ELECTRIC OPERATING STATISTICS		5.1%	3.7%	5.3%	4.5%	6.2%	4.7%
%		7.1%	4.4%	7.7%	6.2%	8.9%	6.8%
%		7.0%	4.2%	7.2%	6.2%	8.9%	6.8%
%		NMF	NMF	2.7%	1.3%	4.3%	2.4%
%		NMF	NMF	65%	80%	51%	64%

BUSINESS: IDACORP, Inc. is the holding company for Idaho Power, a utility that operates 17 hydroelectric generation developments, 2 natural gas-fired plants, and partly owns three coal plants across Idaho, Oregon, Wyoming, and Nevada. Service territory covers 24,000 square miles with estimated population of one million. Sells electricity in Idaho (95% of revenues) and Oregon (5%). Revenue breakdown: residential, 39%; commercial, 21%; industrial, 13%; other, 27%. Fuel sources: hydro, 59%; thermal, 27%; purchased power, 14%. *11 depreciation rate: 2.4%. Has 2,058 employees. Chairman: Gary G. Michael. President & CEO: J. LaMont Keen. Incorporated: Idaho. Address: 1221 W. Idaho St., Boise, ID. 83702. Telephone: 208-388-2200. Internet: www.idacorpinc.com.

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11
of change (per sh)	10 Yrs.	5 Yrs.	to '15-'17
Revenues	-10.5%	0.5%	3.0%
"Cash Flow"	--	5.0%	3.0%
Earnings	-0.5%	8.5%	2.0%
Dividends	-4.5%	--	8.0%
Book Value	3.5%	5.0%	4.5%

Cal-endar	QUARTERLY REVENUES(\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	228.6	243.6	324.5	253.1	1049.8
2010	252.5	241.8	309.4	232.3	1036.0
2011	251.5	235.0	309.6	230.7	1026.8
2012	241.1	250	350	278.9	1120
2013	275	260	360	280	1175

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	.40	.59	1.16	.49	2.64
2010	.34	.82	1.39	.40	2.95
2011	.60	.42	2.16	.18	3.36
2012	.50	.50	1.55	.45	3.00
2013	.55	.55	1.60	.50	3.20

Cal-endar	QUARTERLY DIVIDENDS PAID ^{B†}				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2008	.30	.30	.30	.30	1.20
2009	.30	.30	.30	.30	1.20
2010	.30	.30	.30	.30	1.20
2011	.30	.30	.30	.30	1.20
2012	.33	.33			

(A) EPS diluted. Excl. nonrecurring gains (loss): '00, 22¢; '03, 26¢; '05, (24¢); '06, 17¢. Next earnings report due early Aug. **(B)** Div'ds historically paid in early March, late May, late Aug., and late Nov. **(C)** Div'd reinvestment plan avail. **(D)** Shareholder investment plan avail. **(E)** Incl. deferred debts. In '11: \$20.74/sh. **(D)** In mill. **(E)** Rate Base: Net original cost. Rate allowed on com. eq. in Idaho in '08: 10.5%; earned on avg. system com. eq., '11: 10.1%. Regulatory Climate: Above Average.

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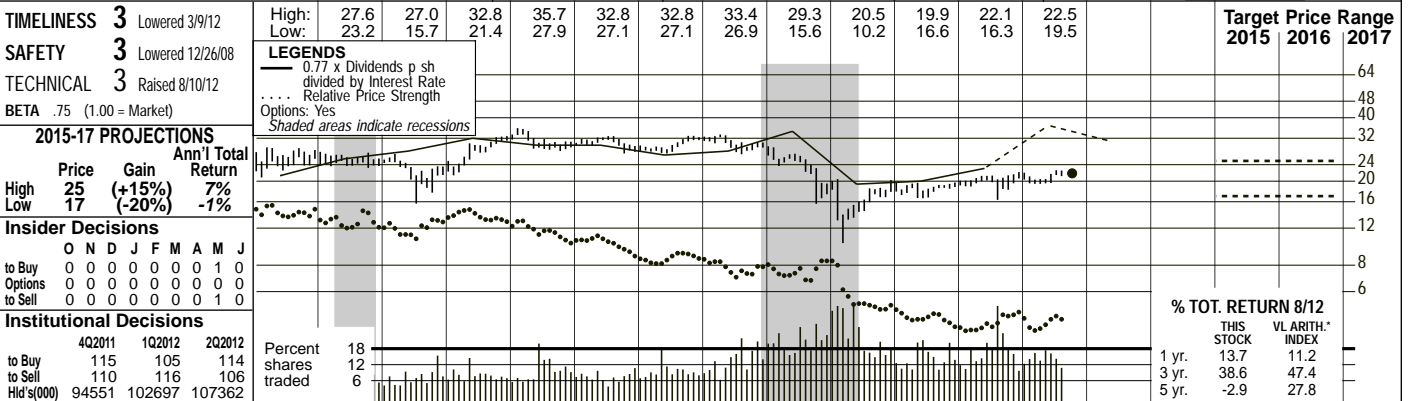
Company's Financial Strength	B+
Stock's Price Stability	100
Price Growth Persistence	50
Earnings Predictability	85

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questioned that \$336.7 million of these expenses be recognized in its rate base, which would raise its annualized revenues by \$59.9 million. However, the Idaho Public Utilities Commission (IPUC) approved a reduced amount of \$58.1 million, which was effective on July 1st. Overall, Langley Gulch will likely become a substantial part of IDA's energy portfolio, and should yield a 7.86% regulated return on investment. **Idaho Power is under contract to add more wind power, which could raise costs for customers.** In the back half of the year, the company must add another 300 megawatts of wind power to the 500 megawatts already being generated. However, the expenses that Idaho Power will likely incur to produce the alternative energy have become worrisome. As a result, IDA's customers may see higher costs if contract terms are not adjusted. **Shares of IDACORP are unappealing.** Investors may want to look elsewhere due to the low dividend yield, which remains below average compared to its industry peers. Average ranks in both Timeliness and Safety add to our lackluster outlook. *Michelle Jensen August 3, 2012*

GREAT PLAINS EN'GY NYSE-GXP

RECENT PRICE **21.76** P/E RATIO **14.3** (Trailing: 17.3; Median: 15.0) RELATIVE P/E RATIO **0.94** DIV'D YLD **4.0%** VALUE LINE



Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	15-17
Price	14.60	14.47	15.17	14.50	18.02	23.61	26.91	31.04	33.13	34.85	33.30	37.89	14.00	14.51	16.62	17.03	15.65	16.30	19.50
Gain	3.90	3.91	4.21	3.63	4.63	4.70	4.40	4.69	4.75	4.54	3.86	4.24	3.09	3.27	4.12	3.51	3.45	3.70	4.75
Ann'l Total Return	1.69	1.69	1.89	1.26	2.05	1.59	2.04	2.27	2.46	2.18	1.62	1.86	1.16	1.03	1.53	1.25	1.35	1.40	1.75
Div'd Decl'd per sh	1.59	1.62	1.64	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66	.83	.83	.84	.86	.88	1.10
Cap'l Spending per sh	1.66	2.05	1.97	2.97	6.67	4.38	1.91	2.19	2.66	4.49	6.05	6.15	8.86	6.49	4.76	3.40	4.15	5.15	4.00
Book Value per sh	14.71	14.19	14.41	13.97	14.88	12.59	13.58	13.82	15.35	16.37	16.70	18.18	21.39	20.62	21.26	21.74	21.70	22.20	24.00
Common Shs Outst'g	61.91	61.91	61.91	61.91	61.91	61.91	69.20	69.26	74.37	74.74	80.35	86.23	119.26	135.42	135.71	136.14	153.50	153.50	153.50
Avg Ann'l P/E Ratio	15.9	17.0	15.7	20.0	12.4	15.9	11.1	12.2	12.6	14.0	18.3	16.3	20.5	16.0	12.1	16.1	15.0	14.5	12.0
Relative P/E Ratio	1.00	.98	.82	1.14	.81	.81	.61	.70	.67	.75	.99	.87	1.23	1.07	.77	1.02	1.00	1.00	.80
Avg Ann'l Div'd Yield	5.9%	5.6%	5.5%	6.6%	6.5%	6.6%	7.3%	6.0%	5.4%	5.5%	5.6%	5.5%	7.0%	5.0%	4.5%	4.1%	4.1%	4.1%	5.3%

Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	15-17
Revenues per sh	14.60	14.47	15.17	14.50	18.02	23.61	26.91	31.04	33.13	34.85	33.30	37.89	14.00	14.51	16.62	17.03	15.65	16.30	19.50
"Cash Flow" per sh	3.90	3.91	4.21	3.63	4.63	4.70	4.40	4.69	4.75	4.54	3.86	4.24	3.09	3.27	4.12	3.51	3.45	3.70	4.75
Earnings per sh	1.69	1.69	1.89	1.26	2.05	1.59	2.04	2.27	2.46	2.18	1.62	1.86	1.16	1.03	1.53	1.25	1.35	1.40	1.75
Div'd Decl'd per sh	1.59	1.62	1.64	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66	.83	.83	.84	.86	.88	1.10
Cap'l Spending per sh	1.66	2.05	1.97	2.97	6.67	4.38	1.91	2.19	2.66	4.49	6.05	6.15	8.86	6.49	4.76	3.40	4.15	5.15	4.00
Book Value per sh	14.71	14.19	14.41	13.97	14.88	12.59	13.58	13.82	15.35	16.37	16.70	18.18	21.39	20.62	21.26	21.74	21.70	22.20	24.00
Common Shs Outst'g	61.91	61.91	61.91	61.91	61.91	61.91	69.20	69.26	74.37	74.74	80.35	86.23	119.26	135.42	135.71	136.14	153.50	153.50	153.50
Avg Ann'l P/E Ratio	15.9	17.0	15.7	20.0	12.4	15.9	11.1	12.2	12.6	14.0	18.3	16.3	20.5	16.0	12.1	16.1	15.0	14.5	12.0
Relative P/E Ratio	1.00	.98	.82	1.14	.81	.81	.61	.70	.67	.75	.99	.87	1.23	1.07	.77	1.02	1.00	1.00	.80
Avg Ann'l Div'd Yield	5.9%	5.6%	5.5%	6.6%	6.5%	6.6%	7.3%	6.0%	5.4%	5.5%	5.6%	5.5%	7.0%	5.0%	4.5%	4.1%	4.1%	4.1%	5.3%

Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	15-17
Revenues (\$mill)	1861.9	2149.5	2464.0	2604.9	2675.3	3267.1	1670.1	1965.0	2255.5	2318.0	2400	2500	3000	3000	3000	3000	3000	3000	3000
Net Profit (\$mill)	129.2	159.0	178.8	164.2	127.6	159.2	119.5	135.6	211.7	174.4	205	215	280	280	280	280	280	280	280
Income Tax Rate	27.2%	34.2%	24.1%	18.7%	27.0%	30.7%	34.5%	25.0%	31.7%	32.7%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%
AFUDC % to Net Profit	1.0%	1.8%	2.0%	2.1%	8.4%	10.6%	46.8%	57.0%	25.7%	3.9%	1.0%	5.0%	2.0%	4.8%	4.5%	4.5%	4.5%	4.5%	4.5%
Long-Term Debt Ratio	53.5%	53.8%	44.8%	47.5%	30.6%	40.7%	49.7%	53.2%	50.2%	47.8%	47.0%	48.0%	44.5%	44.5%	44.5%	44.5%	44.5%	44.5%	44.5%
Common Equity Ratio	44.7%	44.4%	53.4%	50.9%	67.5%	57.9%	49.6%	46.2%	49.2%	51.6%	52.5%	51.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%
Total Capital (\$mill)	2102.8	2154.6	2137.1	2403.3	1988.4	2709.8	5146.2	6044.5	5867.6	5741.2	6345	6700	6700	6700	6700	6700	6700	6700	6700
Net Plant (\$mill)	2604.1	2700.9	2734.5	2765.6	3066.2	3444.5	6081.3	6651.1	6892.3	7053.5	7365	7810	8475	8475	8475	8475	8475	8475	8475
Return on Total Cap'l	7.7%	9.0%	10.1%	8.2%	7.9%	7.5%	3.5%	3.9%	5.3%	4.8%	4.5%	4.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Return on Shr. Equity	13.2%	16.0%	15.1%	13.0%	9.2%	9.9%	4.6%	4.8%	7.2%	5.8%	6.0%	6.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Return on Com Equity	13.6%	16.4%	15.5%	13.3%	9.4%	10.1%	4.6%	4.8%	7.3%	5.8%	6.0%	6.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Retained to Com Eq	2.3%	4.4%	5.1%	3.2%	NMF	9%	NMF	9%	3.4%	2.0%	2.5%	2.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
All Div'ds to Net Prof	83%	73%	68%	76%	104%	91%	NMF	8%	54%	66%	62%	62%	62%	62%	62%	62%	62%	62%	62%

As usual, Great Plains Energy's utility subsidiaries have rate cases pending. The company's utilities have not been earning their allowed returns on equity in recent years, so they have been filing rate applications frequently in order to reduce the effects of regulatory lag and weak volume. Great Plains' utilities asked the Missouri commission for tariff hikes totaling \$189.2 million, based on a return of 10.4% on a 52.5% common-equity ratio. The company is also asking the state regulators to grant it tracking mechanisms to recover rising property taxes and earn a return on transmission expenditures. New rates are expected to go into effect in late January. Kansas City Power & Light asked the Kansas commission for a rate increase of \$63.6 million, based on a 10.4% return on a 51.8% common-equity ratio. New tariffs are expected to take effect at the start of 2013. Even if the utilities receive reasonable rate orders, they are likely to under-earn their allowed ROEs again next year. **We have raised our 2012 earnings estimate by \$0.15 a share, to \$1.35.** Favorable weather conditions helped lift June-period results, and the higher-than-normal

temperatures continued into the third quarter. Our revised estimate is still within management's targeted range of \$1.20-\$1.40. **We look for only a moderate share-earnings increase in 2013.** We assume reasonable regulatory treatment, but we also base our forecast on a return to normal weather patterns. Also, average shares outstanding will be higher due to the 17.1 million shares that Great Plains issued in June of 2012 for the conversion of some debt into equity. **The Wolf Creek nuclear unit has room for improvement.** The plant, 47%-owned by KCP&L, had a refueling outage in 2011 that was much longer than expected, and then had an unplanned outage in the first quarter of 2012. Its next refueling outage is scheduled for the first quarter of 2013. **We are not enthusiastic about this stock.** The yield (even assuming a dividend hike in the fourth quarter) is only about equal to the utility average, and with the quotation well within our 2015-2017 Target Price Range, total return potential is unimpressive.

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	419.2	480.5	587.7	477.6	1965.0
2010	506.9	552.0	728.8	467.8	2255.5
2011	492.9	565.1	773.7	486.3	2318.0
2012	479.7	603.6	816.7	500	2400
2013	550	600	800	550	2500

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.05	.28	.57	.10	1.03
2010	.15	.47	.96	d.04	1.53
2011	.01	.31	.91	.01	1.25
2012	d.07	.41	.91	.10	1.35
2013	.10	.30	.90	.10	1.40

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.415	.415	.415	.415	1.66
2009	.2075	.2075	.2075	.2075	.83
2010	.2075	.2075	.2075	.2075	.83
2011	.2075	.2075	.2075	.2125	.84
2012	.2125	.2125	.2125		

(A) Excl. nonrec. gains (losses): '00, 49¢; '01, (\$2.01); '02, (5¢); '03, 29¢; '04, (7¢); '09, 12¢; gain (losses) on discount ops.: '03, (13¢); '04, 10¢; '05, (3¢); '08, 35¢; '09, (1¢); '09-'11 EPS don't add due to change in shares or rounding. Next earnings report due early Nov. (B) Div'ds historically paid in mid-Mar., June, Sept. & Dec. Div'd reinvest. plan avail. (C) Incl. intang. In '11: \$9.01/sh. (D) In mill. (E) Rate base: Fair value. Rate allowed on com. eq. in MO in '11: 10%; in KS in '10: 10%; earned on avg. com. eq., '11: 6.0%. Regulatory Climate: Average.

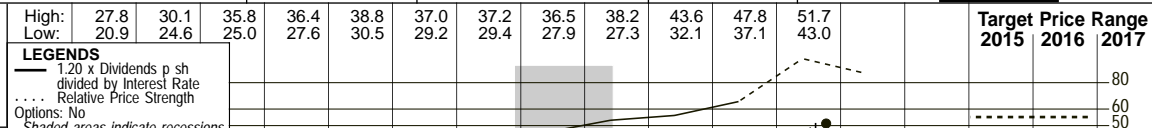
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Company's Financial Strength	B+
Stock's Price Stability	90
Price Growth Persistence	5
Earnings Predictability	70

MGE ENERGY INC. NDQ-MGEE

RECENT PRICE **51.23** P/E RATIO **18.2** (Trailing: 19.5) (Median: 16.0) RELATIVE P/E RATIO **1.20** DIV'D YLD **3.1%** VALUE LINE

TIMELINESS **2** Raised 9/7/12
 SAFETY **1** New 1/3/03
 TECHNICAL **3** Raised 7/27/12
 BETA .60 (1.00 = Market)



2015-17 PROJECTIONS

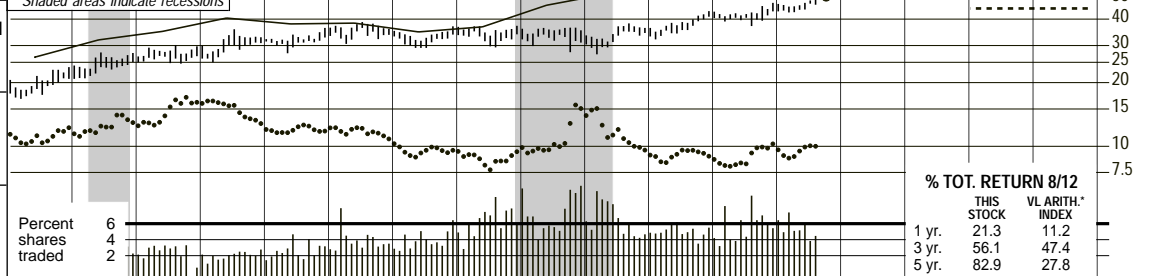
	Price	Gain	Ann'l Total Return
High	55	(+5%)	5%
Low	45	(-10%)	1%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	1	3	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

	4Q2011	1Q2012	2Q2012
to Buy	35	38	44
to Sell	51	46	38
Hlds(000)	7491	7553	7542



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
15.75	16.46	15.53	16.96	19.50	19.55	19.75	21.89	20.84	25.10	24.20	24.49	26.02	23.10	23.04	23.64	23.05	23.80	Revenues per sh	27.65
2.41	3.26	3.59	3.81	3.89	3.78	3.33	2.94	2.88	3.00	3.52	3.69	4.02	3.98	4.14	4.41	4.55	4.85	"Cash Flow" per sh	5.85
.82	1.40	1.38	1.48	1.67	1.62	1.69	1.71	1.77	1.57	2.06	2.27	2.38	2.21	2.50	2.64	2.75	2.90	Earnings per sh A	3.30
1.28	1.29	1.30	1.31	1.32	1.33	1.34	1.35	1.36	1.37	1.39	1.41	1.43	1.46	1.49	1.52	1.56	1.62	Div'd Decl'd per sh B	1.84
1.36	1.35	1.92	3.16	4.44	2.47	4.45	4.52	4.70	4.19	4.41	6.21	4.62	3.53	2.63	2.82	3.45	3.65	Cap'l Spending per sh	4.25
11.14	11.25	11.34	11.49	12.05	12.67	12.94	14.34	16.59	16.81	17.89	19.49	20.88	21.71	22.72	23.84	25.00	26.20	Book Value per sh	30.65
16.08	16.08	16.08	16.16	16.62	17.07	17.57	18.34	20.39	20.45	20.98	21.95	22.90	23.11	23.11	23.11	23.20	23.30	Common Shs Outst'g C	23.50
28.1	14.5	16.2	14.0	11.7	14.8	16.0	17.5	18.0	22.4	15.9	15.0	14.2	15.1	15.0	15.8	15.8	15.8	Avg Ann'l P/E Ratio	15.0
1.76	.84	.84	.80	.76	.76	.87	1.00	.95	1.19	.86	.80	.85	1.01	.95	.99	.99	.99	Relative P/E Ratio	1.00
5.5%	6.3%	5.8%	6.3%	6.7%	5.5%	5.0%	4.5%	4.3%	3.9%	4.3%	4.1%	4.2%	4.4%	4.0%	3.6%	3.6%	3.6%	Avg Ann'l Div'd Yield	3.7%

CAPITAL STRUCTURE as of 6/30/12
 Total Debt \$362.8 mill. Due in 5 Yrs \$18.2 mill.
 LT Debt \$360.2 mill. LT Interest \$20.0 mill.
 (LT interest earned: 5.8x)

Leases, Uncapitalized Annual rentals \$2.4 mill.
 Pension Assets-12/11 \$173.3 mill.
 Obligation \$283.7 mill.

Pfd Stock None

Common Stock 23,113,638 shs.
 as of 7/31/12

MARKET CAP: \$1.2 billion (Mid-Cap)

347.1	401.5	424.9	513.4	507.5	537.6	596.0	533.8	532.6	546.4	535	555	Revenues (\$mill)	650
29.2	30.6	33.8	32.1	42.4	48.8	52.8	51.0	57.7	60.9	65.0	67.5	Net Profit (\$mill)	77.5
39.1%	39.4%	37.9%	38.2%	37.9%	36.3%	35.5%	35.6%	36.9%	37.1%	38.0%	35.0%	Income Tax Rate	35.0%
--	--	--	--	--	--	--	--	2.2%	2.0%	2.0%	2.0%	AFUDC % to Net Profit	2.0%
45.8%	43.5%	37.4%	39.3%	38.7%	35.2%	36.3%	39.0%	38.9%	39.6%	38.5%	36.5%	Long-Term Debt Ratio	34.0%
54.2%	56.5%	62.6%	60.7%	61.3%	64.8%	63.7%	61.0%	61.1%	60.4%	61.5%	63.5%	Common Equity Ratio	66.0%
419.5	465.3	540.5	566.2	612.6	660.1	750.6	822.7	859.4	911.9	940	960	Total Capital (\$mill)	1095
451.5	537.5	607.4	667.7	728.4	844.0	901.2	939.8	968.0	995.6	1050	1100	Net Plant (\$mill)	1200
8.1%	7.8%	7.1%	6.6%	7.8%	8.1%	7.7%	6.9%	7.6%	7.8%	8.0%	8.0%	Return on Total Cap'l	8.0%
12.8%	11.6%	10.0%	9.3%	11.3%	11.4%	11.0%	10.2%	11.0%	11.1%	8.5%	8.5%	Return on Shr. Equity	8.5%
12.8%	11.6%	10.0%	9.3%	11.3%	11.4%	11.0%	10.2%	11.0%	11.1%	11.0%	11.0%	Return on Com Equity D	11.0%
2.6%	2.5%	2.3%	1.2%	3.7%	4.3%	4.4%	3.4%	4.4%	4.7%	2.5%	2.5%	Retained to Com Eq	3.0%
79%	79%	77%	87%	67%	62%	60%	66%	60%	57%	77%	77%	All Div'ds to Net Prof	74%

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-6.0	+4.1	+0.8
Avg. Indust. Use (MWH)	2536	2679	2632
Avg. Indust. Revs. per KWH (¢)	6.67	7.51	7.38
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	802	770
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	NA	NA	NA

BUSINESS: MGE Energy Inc. is a holding company for Madison Gas and Electric, which provides electric service to approximately 139,000 customers in a 316-square-mile area of Dane County and gas service to 144,000 customers in 1,631 square miles in seven counties in Wisconsin. Electric revenue breakdown, '11: residential, 33%; commercial, 52%; industrial, 5%; public authorities and other,

10%. Generating sources, '11: coal, 55%; purchased power, 38%; natural gas and other, 7%. Fuel costs: 23% of revenues. '11 reported depreciation rate: electric, 3.2%; gas, 1.6%. Has 712 employees. Chairman, President & CEO: Gary J. Wolter. Inc.: Wisconsin. Address: 133 South Blair St., Madison, WI 53703. Telephone: 608-252-7000. Internet: www.mge.com.

ANNUAL RATES

	Past 10 Yrs	Past 5 Yrs	Est'd '09-'11 to '15-'17
Revenues	2.0%	--	2.5%
"Cash Flow"	1.0%	6.0%	6.0%
Earnings	4.5%	6.5%	5.0%
Dividends	1.0%	1.5%	3.5%
Book Value	6.5%	6.0%	5.0%

Shares of MGE Energy have advanced nicely in value over the past three months. The company reported solid results for the second quarter. The top line roughly matched the prior-year results, supported by a modest increase in electric sales volume, as warmer-than-normal weather drove customer demand higher. Growth in the electric and nonregulated lines was roughly offset by a decrease in gas revenue. Regardless, operating expenses declined, and share earnings increased roughly 13%.

regulatory front. MGE has requested a 5.8% hike in electric rates and a 2.6% increase in gas rates. The company cited costs associated with infrastructure and environmental improvements as reasons for the request. It has asked that these rates become effective on January 1st of 2013.

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	181.1	107.6	109.3	135.8	533.8
2010	159.7	109.1	127.9	135.9	532.6
2011	164.6	117.3	133.6	130.9	546.4
2012	149.3	117.2	132	136.5	535
2013	160	120	135	140	555

Healthy performance will probably continue going forward. The utility should continue to benefit from favorable demographics within its service territory. A relatively strong economy ought to drive population growth and demand for power in and around Madison, Wisconsin. We expect favorable results from the electric business going forward, though the company's gas operations should continue to experience weakness. Overall, we look for solid bottom-line growth for the current year. This trend will probably continue from 2013 onward.

The board of directors has increased the dividend by about 3%. Beginning with the September payout, the quarterly dividend is now \$0.3951. Moderate dividend growth will probably continue in the coming years.

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.65	.43	.55	.58	2.21
2010	.62	.50	.86	.52	2.50
2011	.77	.55	.91	.41	2.64
2012	.69	.62	.86	.58	2.75
2013	.75	.62	.90	.63	2.90

This stock is ranked to outperform the broader equity markets for the coming six to 12 months. Looking further out, we anticipate higher revenues and share earnings for the company by 2015-2017. Moreover, MGE earns good marks for Safety, Financial Strength, Price Stability, and Earnings Predictability. The stock also has below-average volatility (Beta: 0.60). However, despite the solid profits and steady dividends we expect 3 to 5 years out, total return potential is below the Value Line median.

QUARTERLY DIVIDENDS PAID B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.355	.355	.3617	.3617	1.43
2009	.3617	.3617	.3684	.3684	1.46
2010	.3684	.3684	.3751	.3751	1.49
2011	.3751	.3751	.3826	.3826	1.52
2012	.3826	.3826	.3951		

The company has been active on the

Michael Napoli, CFA September 21, 2012

(A) Excl. nonrecurring loss: '96, 42¢. Next earnings report due in November. (B) Dividends historically paid in mid-March, June, September, and December. ■ Dvd. reinvestment plan available. (C) In millions. (D) Rate allowed on common equity in '11: 10.4%; earned on average common equity, '11: 10.3%. Regulatory Climate: Above Average.

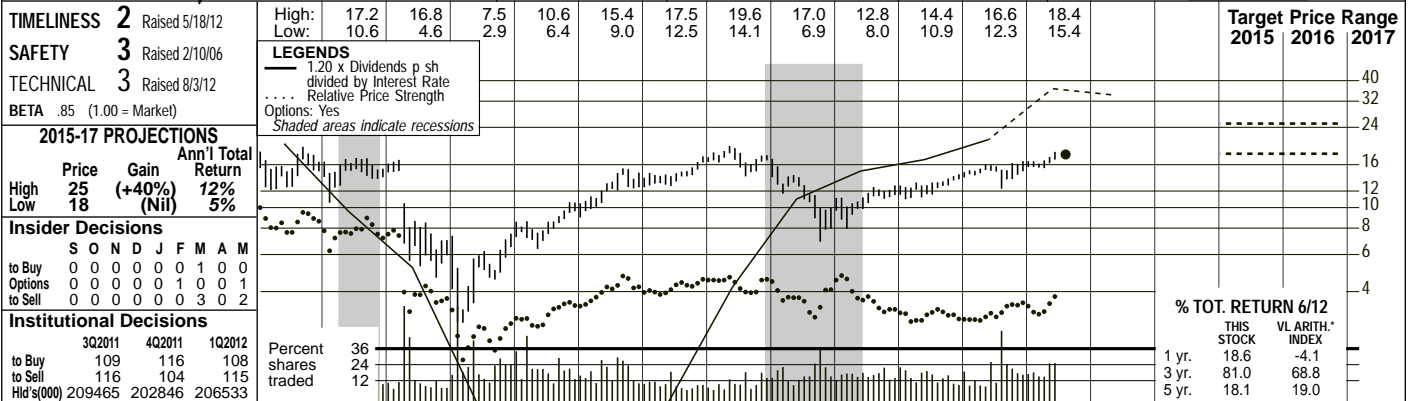
Company's Financial Strength

Stock's Price Stability	A
Price Growth Persistence	100
Earnings Predictability	55
	90

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NV ENERGY, INC. NYSE-NVE

RECENT PRICE **17.86** P/E RATIO **14.9** (Trailing: 24.8; Median: 19.0) RELATIVE P/E RATIO **1.05** DIV'D YLD **3.9%** VALUE LINE



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
16.51	15.86	17.04	16.69	29.75	44.94	29.28	23.79	24.04	15.09	15.18	15.41	15.06	15.27	13.94	12.47	12.10	12.50	Revenues per sh	13.25
2.97	3.04	3.12	2.10	1.45	1.94	d1.27	2.75	4.65	2.42	2.89	2.91	2.02	3.45	3.48	2.91	3.55	3.65	"Cash Flow" per sh	4.25
1.56	1.65	1.64	.83	d.63	.34	d3.00	d1.15	.40	.44	1.14	.89	.89	.78	.96	.69	1.20	1.25	Earnings per sh ^A	1.55
1.60	1.60	1.45	1.17	1.00	.40	.20	--	--	--	--	.16	.34	.41	.45	.49	.64	.74	Div'd Decl'd per sh ^B	1.00
3.84	4.41	6.31	3.95	4.58	3.28	3.91	3.19	3.68	3.42	4.46	5.12	4.54	3.69	2.79	2.68	2.15	1.90	Cap'l Spending per sh	1.50
16.40	16.54	16.86	18.83	17.33	16.60	12.99	12.24	12.76	10.26	11.86	12.82	13.36	13.73	14.24	14.43	15.00	15.55	Book Value per sh ^C	17.25
48.79	50.40	51.27	78.43	78.48	102.11	102.18	117.24	117.47	200.79	221.03	233.74	234.32	234.83	235.32	236.00	236.00	236.00	Common Shs Outst'g ^D	236.00
13.3	12.9	15.2	25.7	--	NMF	--	--	20.9	27.5	12.6	19.1	13.3	13.9	13.2	21.7	13.7	13.7	Avg Ann'l P/E Ratio	14.5
.83	.74	.79	1.46	--	NMF	--	--	1.10	1.46	.68	1.01	.80	.93	.84	1.37	1.37	1.37	Relative P/E Ratio	.95
7.7%	7.5%	5.8%	5.5%	6.5%	2.7%	2.2%	--	--	--	--	.9%	2.9%	3.8%	3.6%	3.3%	3.3%	3.3%	Avg Ann'l Div'd Yield	4.5%

CAPITAL STRUCTURE as of 3/31/12
 Total Debt \$5173.1 mill. Due in 5 Yrs \$1626.9 mill.
 LT Debt \$5035.1 mill. LT Interest \$286.4 mill.
 Incl. \$51.3 mill. capitalized leases.
 (LT interest earned: 1.8x)

Leases, Uncapitalized Annual rentals \$18.0 mill.
Pension Assets-12/11 \$811.5 mill.
Oblig. \$842.1 mill.

Pfd Stock None

Common Stock 235,999,750 shs.
 as of 5/7/12
MARKET CAP: \$4.2 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-2.7	-1.4	-1.9
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (c)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	7140	7215	7052
Annual Load Factor (%) ^F	43.0	43.0	NA
% Change Customers (yr-end)	+1	+3	-2.8

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 of change (per sh)
Revenues	-7.5%	-5.0%	-1.0%
"Cash Flow"	6.0%	--	4.5%
Earnings	16.0%	4.0%	11.5%
Dividends	-6.0%	--	14.0%
Book Value	-2.0%	4.0%	3.5%

QUARTERLY REVENUES (\$ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	755.3	838.6	1219.0	772.9	3585.8
2010	714.5	782.7	1128.0	655.0	3280.2
2011	641.0	674.9	1017.8	609.6	2943.3
2012	611.4	650	1000	588.6	2850
2013	600	700	1050	600	2950

EARNINGS PER SHARE ^A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	d.09	.08	.78	.02	.78
2010	d.01	.16	.75	.06	.96
2011	.01	.05	.73	d.11	.69
2012	.05	.25	.85	.05	1.20
2013	.06	.26	.87	.06	1.25

QUARTERLY DIVIDENDS PAID ^B

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.08	.08	.08	.10	.34
2009	.10	.10	.10	.11	.41
2010	.11	.11	.11	.12	.45
2011	.12	.12	.12	.13	.49
2012	.13	.17			

BUSINESS: NV Energy, Inc. (formerly Sierra Pacific Resources) is a holding company formed through the 7/99 merger of Sierra Pacific (now NV Energy North) and Nevada Power (now NV Energy South). Sells electricity in west central & southern Nevada & eastern California; provides gas to Reno & Sparks, NV & environs. Customers: 1.2 mill. elec., 152,000 gas. Elec. rev. breakdown: res'l, 45%; comm'l, 25%; ind'l, 27%; other, 3%. Generating sources: gas, 49%; coal, 15%; purchased, 36%. Fuel costs: 47% of revs. '11 reported depr. rates: South, 3.0%; North, 2.9%. Has 2,800 employees. Chairman: Philip G. Satre. President & CEO: Michael W. Yackira. Inc.: NV. Address: 6226 West Sahara Ave., Las Vegas, NV 89146. Tel.: 702-402-5000. Internet: www.nvenergy.com.

NV Energy's board of directors raised the dividend significantly. The increase was \$0.04 a share (30.8%) in the second quarter. The company is targeting a payout ratio of 55%-65%, and expects to be able to boost the disbursement "by about 10% annually for the next few years". Our estimates and projections indicate that NV will attain its goal.

Dividend hikes are one way that NV can use its free cash flow. The company's declining capital budget and its tax-loss carryforwards create a happy situation for management. Debt reduction is another objective. More than \$1.6 billion of debt is due through 2016. NV wants to raise its common-equity ratio to approximately 50%.

Earnings are likely to advance materially this year. The key factor is a \$158.6 million rate hike at NV Energy South that took effect at the start of 2012. Declining interest expense should help, too. In addition, the comparison in the second half of the year is easy. Expenses associated with a gas-fired plant that began operating in 2011 hurt the bottom line by \$0.12 a share last year. Our estimate,

which we've raised by a dime a share, is at the midpoint of NV's guidance of \$1.15-\$1.25 a share.

We forecast just modest profit growth in 2013. The service area's economy isn't growing, due to the hangover effects of the housing crisis. At least NV Energy should benefit from another reduction in interest expense. Our estimate of \$1.25 a share would produce a 4% earnings increase.

NV Energy has a 25% stake in a transmission project that is under construction in Nevada. The line will connect the company's northern and southern utilities, and will enable them to be merged into one entity (with the approval of the state commission). However, it has been delayed by as much as a year, to the end of 2013. NV Energy's share of the cost is estimated at \$138 million.

This timely stock is up 10% in price since our May report, which is understandable in view of the hefty dividend boost. Compared with the average for utilities, the dividend yield is a bit below average, but 3- to 5-year total return potential is above average.

Paul E. Debbas, CFA August 3, 2012

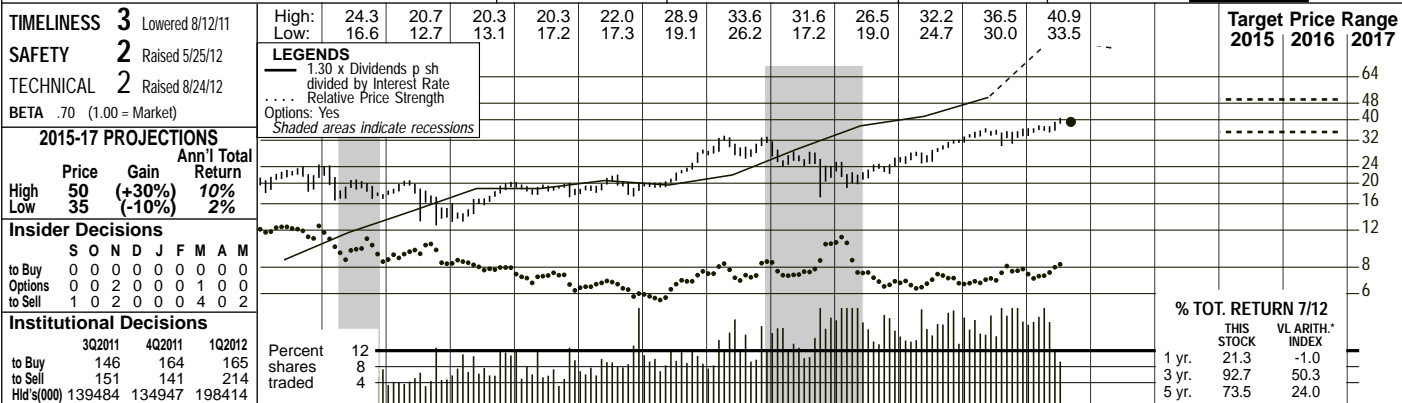
(A) Diluted EPS. Excl. gains (losses) from disc. ops.: '00, 8¢; '01, 31¢; '03, (5¢); '04, (3¢); non-rec. gain (loss): '04, (21¢); '06, 20¢. '09 & '11 EPS don't add due to rounding. Next earnings report due early Nov. (B) Div'd reinstated 7/07. Div'ds historically paid mid-Mar., June, Sept., & Dec. ■ Div'd reinv. plan avail. (C) Incl. intang. In '11: \$6.69/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. for NV Energy North in '08: 10.6%; NV Energy South in '12: 10%; earned on avg. com. eq., '11: 4.8%. Reg. Climate: Avg. (F) NV Energy South only.

Company's Financial Strength B
Stock's Price Stability 80
Price Growth Persistence 95
Earnings Predictability 60

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NORTHEAST UTILITIES NYSE-NU

RECENT PRICE **39.15** P/E RATIO **18.3** (Trailing: 21.0; Median: 16.0) RELATIVE P/E RATIO **1.25** DIV'D YLD **3.6%** VALUE LINE



Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues per sh	40.86	52.82	40.89	47.53	51.82	41.85	44.64	37.27	37.22	30.97	27.76	25.21	21.00	25.00	27.75
"Cash Flow" per sh	3.39	10.48	6.32	5.80	5.00	5.46	3.69	4.82	6.16	4.96	5.68	4.88	4.50	5.45	6.50
Earnings per sh ^A	1.37	1.37	1.08	1.24	.91	.98	.82	1.59	1.86	1.91	2.10	2.22	2.00	2.60	3.25
Div'd Decl'd per sh ^B	.40	.45	.53	.58	.63	.68	.73	.78	.83	.95	1.03	1.10	1.32	1.44	1.70
Cap'l Spending per sh	2.88	3.40	3.86	4.31	4.85	5.89	5.49	7.14	8.06	5.17	5.41	6.08	4.65	4.40	4.50
Book Value per sh ^C	15.43	16.27	17.33	17.73	17.80	18.46	18.14	18.65	19.38	20.37	21.60	22.65	29.00	30.15	34.50
Common Shs Outst'g ^D	143.82	130.13	127.56	127.70	129.03	131.59	154.23	156.22	155.83	175.62	176.45	177.16	314.00	314.00	314.00
Avg Ann'l P/E Ratio	14.1	16.1	13.4	20.8	19.8	27.1	18.7	13.7	12.0	13.4	15.4	15.4	13.0	13.0	13.0
Relative P/E Ratio	.72	.88	.76	1.10	1.05	1.46	1.05	.99	.82	.80	.85	.97	1.30	1.30	1.30
Avg Ann'l Div'd Yield	1.9%	2.3%	3.0%	3.5%	3.3%	3.5%	3.3%	2.6%	3.2%	4.2%	3.6%	3.2%	4.0%	4.0%	4.0%

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Debt	\$5998.8 mill.	\$5998.8 mill.	\$5998.8 mill.	\$5998.8 mill.	\$5998.8 mill.	\$5998.8 mill.	\$5998.8 mill.	\$5998.8 mill.	\$5998.8 mill.	\$5998.8 mill.	\$5998.8 mill.	\$5998.8 mill.	\$5998.8 mill.	\$5998.8 mill.	\$5998.8 mill.
LT Debt	\$5071.5 mill.	\$5071.5 mill.	\$5071.5 mill.	\$5071.5 mill.	\$5071.5 mill.	\$5071.5 mill.	\$5071.5 mill.	\$5071.5 mill.	\$5071.5 mill.	\$5071.5 mill.	\$5071.5 mill.	\$5071.5 mill.	\$5071.5 mill.	\$5071.5 mill.	\$5071.5 mill.
LT Interest	\$243.4 mill.	\$243.4 mill.	\$243.4 mill.	\$243.4 mill.	\$243.4 mill.	\$243.4 mill.	\$243.4 mill.	\$243.4 mill.	\$243.4 mill.	\$243.4 mill.	\$243.4 mill.	\$243.4 mill.	\$243.4 mill.	\$243.4 mill.	\$243.4 mill.
Incl. \$94.4 mill. of rate reduction bonds.															
(LT interest earned: 3.0x)															
Leases, Uncapitalized Annual rentals	\$7.7 mill.	\$7.7 mill.	\$7.7 mill.	\$7.7 mill.	\$7.7 mill.	\$7.7 mill.	\$7.7 mill.	\$7.7 mill.	\$7.7 mill.	\$7.7 mill.	\$7.7 mill.	\$7.7 mill.	\$7.7 mill.	\$7.7 mill.	\$7.7 mill.
Pension Assets-12/11	\$2.01 bill.	\$2.01 bill.	\$2.01 bill.	\$2.01 bill.	\$2.01 bill.	\$2.01 bill.	\$2.01 bill.	\$2.01 bill.	\$2.01 bill.	\$2.01 bill.	\$2.01 bill.	\$2.01 bill.	\$2.01 bill.	\$2.01 bill.	\$2.01 bill.
Pfd Stock	\$116.2 mill.	\$116.2 mill.	\$116.2 mill.	\$116.2 mill.	\$116.2 mill.	\$116.2 mill.	\$116.2 mill.	\$116.2 mill.	\$116.2 mill.	\$116.2 mill.	\$116.2 mill.	\$116.2 mill.	\$116.2 mill.	\$116.2 mill.	\$116.2 mill.
Pfd Div'd	\$5.6 mill.	\$5.6 mill.	\$5.6 mill.	\$5.6 mill.	\$5.6 mill.	\$5.6 mill.	\$5.6 mill.	\$5.6 mill.	\$5.6 mill.	\$5.6 mill.	\$5.6 mill.	\$5.6 mill.	\$5.6 mill.	\$5.6 mill.	\$5.6 mill.
Incl. 2,324,000 shs \$1.90-\$3.28 rates (\$50 par) not subject to mandatory redemption.															
Common Stock	313,604,078 shs.	313,604,078 shs.	313,604,078 shs.	313,604,078 shs.	313,604,078 shs.	313,604,078 shs.	313,604,078 shs.	313,604,078 shs.	313,604,078 shs.	313,604,078 shs.	313,604,078 shs.	313,604,078 shs.	313,604,078 shs.	313,604,078 shs.	313,604,078 shs.
as of 4/30/12															
MARKET CAP: \$12 billion (Large Cap)															

Year	2009	2010	2011	2012	2013	2014
% Change Retail Sales (KWH)	-3.5	+1.7	-1.2	-1.2	-1.2	-1.2
Avg. Indust. Use (MWH)	614	627	624	624	624	624
Avg. Indust. Revs. per KWH (c)	NA	NA	NA	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA	NA	NA	NA
Peak Load, Winter (Mw)	NA	NA	NA	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA	NA	NA	NA
% Change Customers (yr-end)	-1	+5	+4	+4	+4	+4

Year	2009	2010	2011	2012	2013	2014
Fixed Charge Cov. (%)	255	284	291	291	291	291
ANNUAL RATES						
of change (per sh)	10 Yrs.	Past 5 Yrs.	Past 2 Yrs.	Est'd '09-'11		
Revenues	-4.0%	-9.5%	2.0%	4.0%		
"Cash Flow"	-2.5%	2.0%	4.0%	8.0%		
Earnings	-	8.0%	8.5%	8.5%		
Dividends	12.5%	8.5%	8.5%	8.5%		
Book Value	3.0%	3.5%	3.5%	3.5%		

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	1594	1224	1306	1315	5439.4
2010	1339	1112	1243	1204	4898.2
2011	1235	1048	1115	1068	4465.7
2012	1100	1629	2021	1850	6600
2013	2050	1700	2175	1925	7850

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.60	.47	.37	.48	1.91
2010	.49	.41	.57	.64	2.10
2011	.64	.44	.51	.64	2.22
2012	.56	.15	.75	.54	2.00
2013	.70	.55	.80	.55	2.60

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.20	.20	.2125	.2125	.83
2009	.2375	.2375	.2375	.2375	.95
2010	.25625	.25625	.25625	.25625	1.02
2011	.275	.275	.275	.275	1.10
2012	.29375	.343			

(A) Diluted EPS. Excl. nonrec. gains (losses): '02, 10c; '03, (32c); '04, (7c); '05, (\$1.36); '08, (19c); '10, 9c. '09, '10 & '11 EPS don't add due to rounding. Next earnings report due early Nov. (B) Div'ds historically paid late Mar., June, Sept. & Dec. ■ Div'd reinvestment plan avail. (C) Incl. deferred charges. In '11: \$20.07/sh. (D) In mill. (E) Rate all'd on com. eq. in MA: '11, 9.6%; in CT: (elec.) '10, 9.4% (gas) '11, 8.83%; in NH: '10, 9.67%; earned on avg. com. eq., '11: 10.1%. Regulatory Climate: CT, Below Avg.; NH, Avg.; MA, Above Avg.

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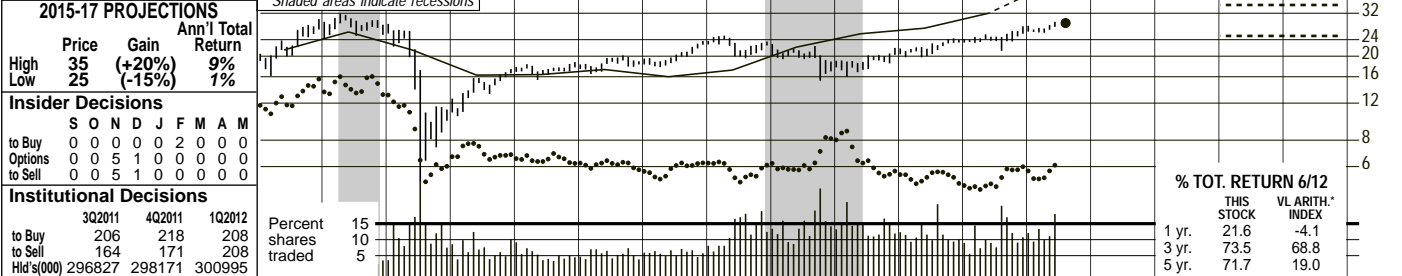
The profits we estimate for Northeast Utilities in 2012 aren't indicative of the company's earning potential. NU incurred expenses and reserves for customer rate credits associated with its merger with NSTAR, which was completed in April. These amounted to \$0.24 a share in the first half. In addition, due to criticism following lengthy storm-related outages in 2011, Connecticut Light & Power wrote off \$40 million of restoration costs and agreed to fund some energy initiatives in the state. This lowered first-half profits by \$0.14 a share. At least the second half of 2012 should be much better. Most merger-related costs have already been booked, and moderate rate hikes took effect in mid-2012 at Public Service of New Hampshire and Yankee Gas. **Next year should be much better.** The combined company is achieving merger-related cost reductions, which are ramping up quarter by quarter. NU is retaining these savings because electric tariffs are frozen in Connecticut through November of 2014 and in Massachusetts through December of 2015. Also, we estimate that the board will raise the quarterly dividend by

5% in the first period of 2013. **CL&P is still dealing with repercussions from the aforementioned storm-related outages.** The state regulators issued a report that criticized some aspects of the utility's performance. In fact, they suggested that its allowed return on equity might be cut when rates are reset after the freeze ends. Even before the report was released, the utility proposed a five-year, \$300 million system resiliency plan. CL&P is hoping for a ruling from the commission in time for the work to begin in 2013. **Transmission is an important part of NU's business.** The company earns a higher ROE on transmission than on distribution. Its five-year transmission capital budget is over \$3 billion. However, the Federal Energy Regulatory Commission is reviewing NU's allowed return on equity, due to complaints that it is too high. **This stock is up more than 10% since our May report.** Its valuation is not compelling for either the near or long term. The subpar regulatory climate in Connecticut is another cause for concern. *Paul E. Debbas, CFA August 24, 2012*

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	80
Earnings Predictability	60

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TIMELINESS 3 Lowered 2/17/12	High: 31.8	28.5	17.4	18.8	20.2	23.6	25.0	22.9	21.9	24.4	27.8	29.3	Target Price Range 2015 2016 2017	
SAFETY 2 Raised 5/14/04	Low: 24.2	5.1	10.4	15.5	16.5	17.8	19.6	15.3	16.0	19.8	21.2	25.9		64
TECHNICAL 4 Raised 7/27/12	LEGENDS 0.87 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded areas indicate recessions											48		
BETA .65 (1.00 = Market)												40		



2015-17 PROJECTIONS		2015-17 PROJECTIONS											© VALUE LINE PUB. LLC 15-17									
Price	Gain	Ann'l Total Return	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Revenues per sh	25.25
High 35	(+20%)	9%	19.22	18.32	18.46	18.42	34.11	43.56	23.89	19.90	20.84	23.86	24.16	23.40	24.69	21.08	21.38	21.90	21.35	22.20	"Cash Flow" per sh	4.75
Low 25	(-15%)	1%	4.33	3.92	4.30	4.13	4.12	5.09	3.14	3.35	3.27	3.28	3.61	3.45	3.50	3.48	3.51	3.79	3.95	4.10	Earnings per sh ^A	2.25
			1.91	1.61	1.84	1.43	1.60	2.27	.42	1.23	1.27	1.20	1.35	1.35	1.46	1.49	1.56	1.72	1.75	1.85	Div'd Decl'd per sh ^B	1.35
			1.37	1.40	1.43	1.45	1.48	1.50	1.13	.75	.81	.85	.88	.91	.94	.97	1.00	1.03	1.07	1.11	Cap'l Spending per sh	4.75
			2.99	2.90	2.99	13.87	3.63	7.40	6.04	2.49	3.19	3.25	4.00	4.89	4.66	3.91	4.60	4.53	5.40	6.50	Book Value per sh ^C	21.75
			15.46	15.89	16.25	16.42	16.37	17.95	11.70	12.95	12.99	13.37	14.28	14.70	15.35	15.92	16.76	17.44	18.15	19.25	Common Shs Outst'g ^D	515.00
			138.13	149.24	152.70	155.73	339.79	345.02	398.71	398.96	400.46	403.39	407.30	428.78	453.79	457.51	482.33	486.49	490.00	507.00	Avg Ann'l P/E Ratio	13.0
			12.5	15.5	15.2	16.6	14.3	12.4	40.8	11.6	13.6	15.4	14.8	16.7	13.7	12.7	14.1	14.2	14.2	14.2	Relative P/E Ratio	.85
			.78	.89	.79	.95	.93	.64	2.23	.66	.72	.82	.80	.89	.82	.85	.90	.90	.90	.90	Avg Ann'l Div'd Yield	4.7%
			5.7%	5.6%	5.1%	6.1%	6.4%	5.3%	6.6%	5.2%	4.7%	4.6%	4.4%	4.0%	4.7%	5.1%	4.5%	4.2%	4.2%	4.2%		

CAPITAL STRUCTURE as of 3/31/12		CAPITAL STRUCTURE as of 3/31/12											CAPITAL STRUCTURE as of 3/31/12	
Total Debt \$10247 mill. Due in 5 Yrs \$2082.4 mill.	9524.4	7937.5	8345.3	9625.5	9840.3	10034	11203	9644.3	10311	10655	10450	11250	Revenues (\$mill)	13000
LT Debt \$8598.4 mill. LT Interest \$584.7 mill.	177.6	510.0	526.9	499.0	568.7	575.9	645.7	685.5	727.0	841.4	860	930	Net Profit (\$mill)	1110
Incl. \$191.4 mill. capitalized leases. (LT interest earned: 3.0x)	32.7%	23.7%	23.2%	25.8%	24.2%	33.8%	34.4%	35.1%	37.5%	35.8%	35.0%	35.0%	Income Tax Rate	35.0%
Leases, Uncapitalized Annual rentals \$185.6 mill. Pension Assets-12/11 \$2.67 bill. Oblig. \$3.23 bill.	46.7%	8.9%	10.9%	8.5%	9.8%	12.5%	15.9%	16.8%	11.7%	9.4%	12.0%	12.0%	AFUDC % to Net Profit	8.0%
Pfd Stock None	59.6%	55.3%	55.0%	51.7%	52.1%	49.7%	52.2%	51.6%	53.1%	51.1%	53.5%	52.5%	Long-Term Debt Ratio	50.0%
Common Stock 486,943,183 shs. as of 4/19/12	39.5%	43.8%	44.1%	47.3%	47.0%	49.4%	47.1%	47.7%	46.3%	48.9%	46.5%	47.5%	Common Equity Ratio	50.0%
MARKET CAP: \$14 billion (Large Cap)	11815	11790	11801	11398	12371	12748	14800	15277	17452	17331	19250	20550	Total Capital (\$mill)	22400
ELECTRIC OPERATING STATISTICS	18816	13667	14096	14696	15549	16676	17689	18508	20663	22353	23925	26100	Net Plant (\$mill)	29700
% Change Retail Sales (KWH)	5.4%	6.1%	6.2%	6.2%	6.2%	6.3%	6.0%	6.2%	5.7%	6.5%	6.0%	6.0%	Return on Total Cap'l	6.5%
Large C & I Use (MWH)	3.7%	9.7%	9.9%	9.1%	9.6%	9.0%	9.1%	9.3%	8.9%	9.9%	9.5%	9.5%	Return on Shr. Equity	10.0%
Large C & I Revs. per KWH (¢)	3.7%	9.8%	10.0%	9.2%	9.7%	9.1%	9.2%	9.4%	8.9%	9.9%	9.5%	9.5%	Return on Com Equity ^E	10.0%
Capacity at Peak (Mw)	NM F	3.9%	3.9%	2.9%	3.6%	3.1%	3.8%	3.7%	3.6%	4.3%	4.0%	4.0%	Retained to Com Eq	3.5%
Peak Load, Summer (Mw)	NM F	60%	62%	69%	63%	66%	59%	61%	59%	56%	61%	60%	All Div'ds to Net Prof	62%
Annual Load Factor (%)														
% Change Customers (yr-end)														

BUSINESS: Xcel Energy Inc. is the parent of Northern States Power, which supplies electricity to Minnesota, Wisconsin, North Dakota, South Dakota, & Michigan & gas to Minnesota, Wisconsin, North Dakota, & Michigan; Public Service of Colorado, which supplies electricity & gas to Colorado; & Southwestern Public Service, which supplies electricity to Texas & New Mexico. Customers: 3.4 mill. electric, 1.9 mill. gas. Elec. rev. breakdown: residential, 31%; sm. commercial & industrial, 35%; lg. commercial & industrial, 18%; other, 16%. Generating sources not avail. Fuel costs: 48% of revs. *11 reported depr. rate: 2.9%. Has 11,300 empl. Chairman, Pres. & CEO: Ben Fowke. Inc.: MN. Address: 414 Nicollet Mall, Minneapolis, MN 55401. Tel.: 612-330-5500. Web: www.xcelenergy.com.

ANNUAL RATES		ANNUAL RATES			ANNUAL RATES	
of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11	2009	2010	2011
Revenues	-4.0%	-1.5%	3.0%	3.0	+3.0	+4
"Cash Flow"	-2.0%	1.0%	5.0%	24225	24431	24286
Earnings	-1.0%	4.5%	6.0%	5.34	5.65	5.90
Dividends	-4.0%	3.5%	5.0%	NA	NA	NA
Book Value	-	4.5%	4.5%	21108	20517	21898
				NA	NA	NA
				+5	-	+4

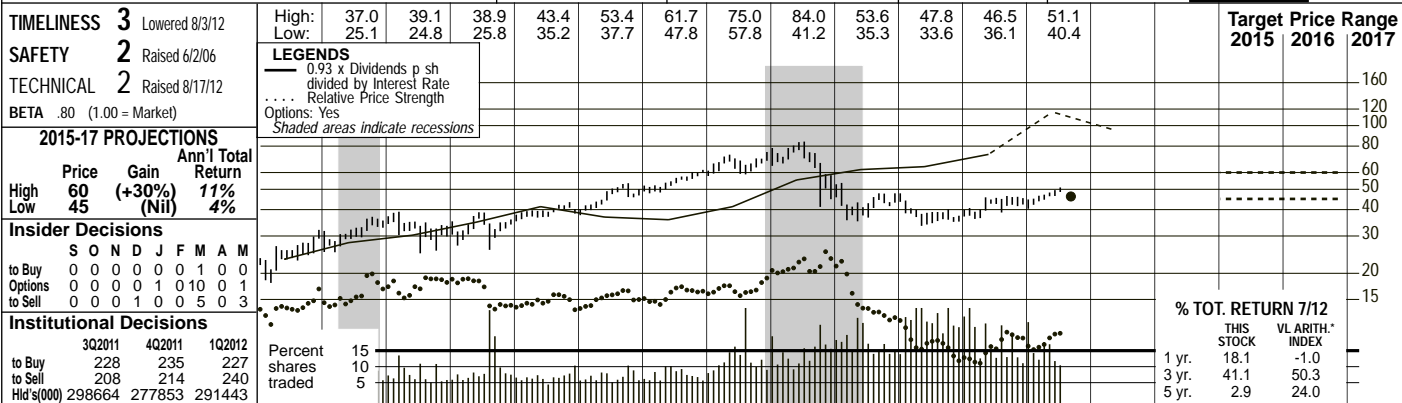
QUARTERLY REVENUES (\$ mill.)		QUARTERLY REVENUES (\$ mill.)				Full Year
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	2009	9644.3
	2695	2016	2315	2618	2010	10311
	2807	2308	2629	2567	2011	10655
	2817	2438	2832	2568	2012	10450
	2578	2422	2850	2600	2013	11250
	2900	2650	3000	2700		

EARNINGS PER SHARE ^A		EARNINGS PER SHARE ^A				Full Year
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	2009	1.49
	.38	.25	.48	.37	2010	1.56
	.36	.29	.62	.29	2011	1.72
	.42	.33	.69	.28	2012	1.75
	.38	.36	.69	.32	2013	1.85
	.42	.36	.71	.36		

QUARTERLY DIVIDENDS PAID ^B		QUARTERLY DIVIDENDS PAID ^B				Full Year
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	2008	.94
	.23	.23	.2375	.2375	2009	.97
	.2375	.2375	.245	.245	2010	1.00
	.245	.245	.2525	.2525	2011	1.03
	.2525	.2525	.26	.26	2012	
	.26	.26	.27			

One of Xcel Energy's utility subsidiaries is taking steps to deal with disappointing regulatory rulings in two states. The Minnesota commission denied Northern States Power's request for an accounting order that would have allowed it to defer (for future recovery) \$24 million of incremental property taxes in 2012. The decision will make it tougher for the company to attain even the low end of its targeted profit range of \$1.75-\$1.85 a share this year. (Even so, we're keeping our estimate at \$1.75 a share for now.) The company was planning to file an electric application in Minnesota in November, but is considering accelerating its rate case. The South Dakota regulators granted NSP a final electric rate hike of about \$8 million (less than the interim tariff increase of \$12.7 million), based on a 9.25% return on a 53.04% common-equity ratio. Considering the order, and the low ROE that NSP has been earning in the state, the utility filed another rate case shortly thereafter. It requested a \$19.4 million tariff hike, based on a return of 10.65% on a common-equity ratio of 52.89%. New rates should take effect in late 2012 or early 2013.

A rate case is pending in Wisconsin, and a few more filings are expected by yearend. Regulatory activity is standard operating procedure for Xcel's utilities so that they can place their capital investments into the rate base and recover rising expenses. In Wisconsin, NSP asked for electric and gas increases of \$39.1 million (6.7%) and \$5.3 million, respectively, based on a return of 10.4% on a common-equity ratio of 52.5%. New tariffs are likely to take effect in early 2013. The company also plans to file electric rate cases in Texas, New Mexico, and North Dakota. Rate relief should boost earnings in 2013, and a return to normal winter weather conditions would be a plus, as well. **The board of directors boosted the common dividend by one cent a share (3.8%) quarterly.** The increase was near the upper end of Xcel's dividend growth target of 2%-4% annually. We think dividend hikes will accelerate by mid-decade. **Xcel stock does not stand out among utility equities.** The dividend yield and 3- to 5-year total return potential are below average for the industry. *Paul E. Debbas, CFA August 3, 2012*



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
16.19	12.26	24.72	27.19	31.31	26.88	40.83	37.31	37.76	36.35	36.03	42.00	44.70	41.70	43.76	38.87	38.75	39.20	Revenues per sh	45.50
4.83	3.66	5.33	6.89	7.28	5.48	6.45	4.79	7.60	7.55	7.22	8.34	9.04	8.80	8.50	5.75	6.75	7.10	"Cash Flow" per sh	8.00
2.10	1.94	1.95	2.50	2.69	2.84	2.54	1.47	2.77	2.84	3.82	4.22	4.38	3.32	3.25	1.88	2.80	3.10	Earnings per sh ^A	3.75
1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.91	1.71	1.85	2.05	2.20	2.20	2.20	2.20	2.20	2.20	Div'd Decl'd per sh ^B	2.40
.97	.89	2.75	2.69	2.74	2.86	3.35	2.60	2.57	3.66	4.12	5.36	9.47	7.23	6.44	5.45	5.80	6.40	Cap'l Spending per sh	6.00
16.41	18.07	18.77	19.63	20.72	24.86	23.92	25.13	26.04	27.86	28.30	29.45	27.17	28.08	28.03	31.75	32.35	33.30	Book Value per sh ^C	37.00
152.57	230.21	237.07	232.45	224.53	297.64	297.64	329.84	329.84	329.84	319.21	304.84	304.84	304.84	304.84	418.22	418.22	418.22	Common Shs Outst'g ^D	418.22
10.4	11.8	15.4	11.3	9.2	10.9	13.0	22.5	14.1	16.1	14.2	15.6	15.6	13.0	11.7	22.4	22.4	22.4	Avg Ann'l P/E Ratio	13.5
.65	.68	.80	.64	.60	.56	.71	1.28	.74	.86	.77	.83	.94	.87	.74	1.41	1.41	1.41	Relative P/E Ratio	.90
6.9%	6.6%	5.0%	5.3%	6.1%	4.8%	4.6%	4.5%	4.9%	3.7%	3.4%	3.1%	3.2%	5.1%	5.8%	5.2%	5.2%	5.2%	Avg Ann'l Div'd Yield	4.7%

CAPITAL STRUCTURE as of 3/31/12		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	© VALUE LINE PUB. LLC	15-17
Total Debt \$18374 mill. Due in 5 Yrs \$7641.0 mill.		12152	12307	12453	11989	11501	12802	13627	12712	13339	16258	16200	16400	16000	15800	15500	15000	14500	Revenues (\$mill)	19000
LT Debt \$15527 mill. LT Interest \$916.0 mill.		827.6	490.8	932.6	951.0	1265.0	1309.0	1342.0	1015.0	991.0	752.0	1180	1305	1305	1305	1305	1305	1305	Net Profit (\$mill)	1580
Incl. \$284.8 mill. 9% (\$25 par) cumulative mandatorily redeemable preferred securities.		41.5%	43.9%	42.2%	42.1%	38.6%	40.3%	36.7%	19.6%	38.6%	41.3%	42.0%	42.0%	42.0%	42.0%	42.0%	42.0%	42.0%	Income Tax Rate	42.0%
(LT interest earned: 2.8x)		3.0%	6.5%	2.7%	2.0%	2.1%	2.4%	3.9%	12.8%	16.6%	9.3%	6.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	AFUDC % to Net Profit	6.0%
Leases, Uncapitalized Annual rentals \$258.0 mill.		60.2%	53.1%	52.8%	46.5%	48.6%	49.7%	52.4%	58.2%	59.5%	54.2%	54.5%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	Long-Term Debt Ratio	55.0%
Pension Assets-12/11 \$5.87 bill.		38.0%	45.0%	45.4%	52.4%	51.4%	50.3%	47.7%	41.8%	40.5%	45.8%	45.5%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	Common Equity Ratio	45.0%
Oblig. \$7.98 bill.		18756	18414	18938	17527	17570	17846	17383	20467	21124	28996	29800	30800	30800	30800	30800	30800	30800	Total Capital (\$mill)	34400
Pfd Stock None		12680	13269	13478	13998	14667	15383	17723	19164	19788	30337	31175	32250	32250	32250	32250	32250	32250	Net Plant (\$mill)	34800
Common Stock 418,216,437 shs. as of 4/30/12		6.3%	4.6%	6.5%	7.1%	9.0%	9.0%	9.7%	6.9%	6.3%	4.0%	5.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	Return on Total Cap'l	6.0%
MARKET CAP: \$19 billion (Large Cap)		11.1%	5.7%	10.4%	10.1%	14.0%	14.6%	16.2%	11.9%	11.6%	5.7%	8.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	Return on Shr. Equity	10.0%
ELECTRIC OPERATING STATISTICS		10.5%	5.4%	10.6%	10.2%	13.9%	14.6%	16.2%	11.9%	11.6%	5.7%	8.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	Return on Com Equity ^E	10.0%
2009		4.3%	NMF	4.9%	4.2%	7.4%	7.7%	8.1%	4.0%	3.8%	NMF	2.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	Retained to Com Eq	3.5%
2010		63%	101%	55%	59%	47%	47%	50%	66%	68%	NMF	78%	71%	71%	71%	71%	71%	71%	All Div'ds to Net Prof	64%
2011																				
2012																				

	2009	2010	2011
% Change Retail Sales (KWH)	-8.3	+5.6	+1.1
Avg. Indust. Use (MWH)	NMF	NMF	NMF
Avg. Indust. Revs. per KWH (c)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	--	NA	NA

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11
of change (per sh)			
Revenues	4.0%	2.5%	1.5%
"Cash Flow"	1.5%	.5%	.5%
Earnings	.5%	-2.0%	5.0%
Dividends	4.0%	4.0%	1.5%
Book Value	3.0%	1.5%	4.0%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	Year
2009	3334	3017	3408	2953	12712
2010	3299	3128	3693	3219	13339
2011	3576	4060	4719	3903	16258
2012	4078	3869	4400	3853	16200
2013	4200	3950	4300	3950	16400

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	Year
2009	.94	.84	.77	.77	3.32
2010	.59	.87	1.19	.61	3.25
2011	.15	.48	1.27	d.09	1.88
2012	.73	.45	.82	.80	2.80
2013	.80	.65	.85	.80	3.10

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	Year
2008	.55	.55	.55	.55	2.20
2009	.55	.55	.55	.55	2.20
2010	.55	.55	.55	.55	2.20
2011	.55	.55	.55	.55	2.20
2012	.55	.55	.55	.55	2.20

Unfavorable conditions in the power markets continue to hurt FirstEnergy. That's partly why the company's share earnings have fallen significantly since 2008. Low power prices are squeezing margins from its nonregulated generating assets. June-period profits fell short of our expectation, and we have lowered our 2012 earnings estimate by \$0.50 a share, to \$2.80. This figure is still well above the depressed 2011 tally, but mainly because the company incurred sizable merger-related expenses, stemming from its takeover of Allegheny Energy, last year.

Various uncertainties prompted management to withdraw its earnings guidance for 2013. (The company's targeted range for 2012, on a GAAP basis, is \$2.80-\$3.10 a share.) The aforementioned conditions in the power markets, as well as the state of the economy, have raised uncertainty for FirstEnergy. Withdrawal of guidance usually concerns Wall Street, and the stock price is down 6% since the company reported second-quarter results in early August. We've trimmed our 2013 share-net forecast from \$3.25 to \$3.10.

FirstEnergy received some good news

in Ohio. The company was disappointed with American Electric Power's initial plan for transition to competitive markets in the state, which FirstEnergy believed was anticompetitive. (FirstEnergy has a retail energy-supply operation that competes in Ohio and other states that allow customers to choose their provider.) AEP's revised plan, which the state regulators approved, is more competitive. In addition, FirstEnergy's own regulatory plan was extended by two years, through May of 2016.

Jersey Central Power & Light must file a rate case by November 1st. After the state's Rate Counsel complained that JCP&L was overearning its allowed return on equity of 9.75%, the Board of Public Utilities ordered the utility to file a rate case. We assume no change in rates in our estimates and projections, but this doesn't mean that we are ruling out the possibility of an unfavorable regulatory outcome.

We have a neutral stance on this equity. Its dividend yield is above average for a utility, but subpar dividend growth to 2015-2017 will likely produce a total return that is only average for the industry.

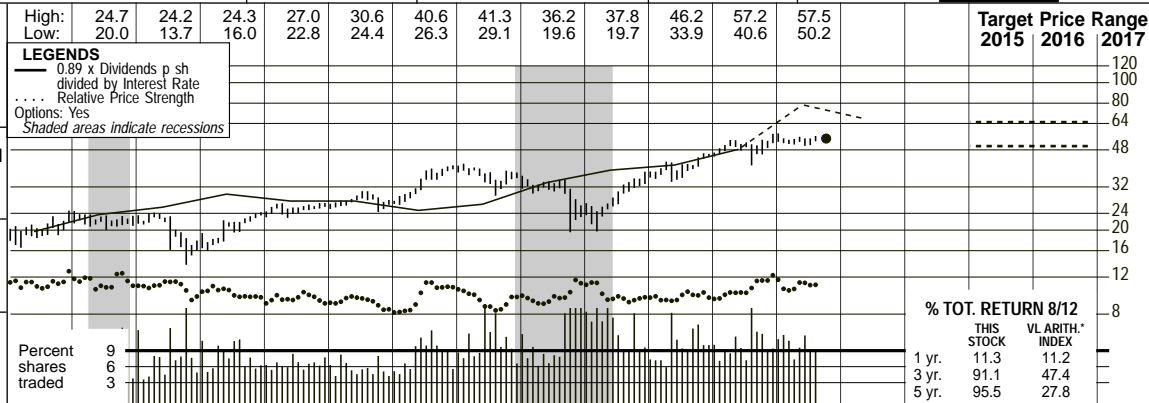
Paul E. Debbas, CFA August 24, 2012

(A) Dil. EPS. Excl. nonrec. gain (losses): '04, (11c); '05, (28c); '09, (3c); '10, (68c); '11, 33c; gain (loss) from disc. ops.: '03, (33c); '05, 5c. '10 EPS don't add due to rounding, '11 due to chg. in shs. Next egs. report due early Nov. (B) Div'ds paid early Mar., June, Sept. & Dec. Five div'ds declared in '04. ■ Div'd reinvest. plan avail. (C) Incl. intang.: In '11: \$20.25/sh. (D) In mill. (E) Rate base: Deprec. orig. cost. Rates all'd on com. eq.: 9.75%-12.9%; earn. on avg. com. eq., '11: 11.4%. Regulatory Climate: OH Above Avg.; PA, NJ Avg.; MD, WV Below Avg.

OGE ENERGY CORP. NYSE-OGE

RECENT PRICE **54.32** P/E RATIO **15.7** (Trailing: 15.5, Median: 14.0) RELATIVE P/E RATIO **1.03** DIV'D YLD **3.0%** VALUE LINE

TIMELINESS 3 Lowered 4/27/12
SAFETY 2 Raised 7/1/05
TECHNICAL 3 Lowered 9/14/12
BETA .75 (1.00 = Market)



2015-17 PROJECTIONS

	High	Price	Gain	Ann'l Total Return
Low	50	65	(+20%)	8%
			(-10%)	-1%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options to Buy	3	0	0	0	0	0	0	0	0
to Sell	0	8	0	0	0	0	0	0	0

Institutional Decisions

	4Q2011	1Q2012	2Q2012
to Buy	118	116	125
to Sell	118	119	112
Hlds(000)	50222	52502	50733

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC 15-17	
17.18	18.23	20.02	27.90	42.33	40.80	38.52	43.24	54.74	65.65	43.92	41.37	43.54	29.58	38.08	39.92	37.90	38.70	Revenues per sh	45.50
3.31	3.38	3.90	4.06	4.15	3.61	3.75	3.65	3.74	3.89	4.47	4.79	4.80	5.37	6.02	6.63	6.85	7.25	"Cash Flow" per sh	8.25
1.62	1.61	2.04	1.94	1.89	1.29	1.43	1.73	1.78	1.83	2.45	2.64	2.49	2.66	2.99	3.45	3.50	3.65	Earnings per sh A	4.00
1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.34	1.37	1.40	1.43	1.46	1.52	1.59	1.66	Div'd Decl'd per sh B	1.90
2.00	2.03	1.86	2.33	2.30	2.89	2.99	2.07	3.02	3.30	5.34	6.08	8.02	8.74	8.73	12.95	11.20	11.40	Cap'l Spending per sh	4.50
11.91	12.19	12.91	13.09	13.66	13.34	12.53	13.75	14.28	15.19	17.59	18.31	20.29	21.04	23.46	26.13	27.95	29.95	Book Value per sh C	35.75
80.76	80.77	80.80	77.86	77.92	77.99	78.50	87.40	90.00	90.60	91.20	91.80	93.50	97.00	97.60	98.10	99.00	99.50	Common Shs Outst'g D	101.00
12.3	14.0	13.3	12.1	10.6	17.4	14.1	11.8	14.1	14.9	13.7	13.8	12.4	10.8	13.3	14.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.0
.77	.81	.69	.69	.69	.89	.77	.67	.74	.79	.74	.73	.75	.72	.85	.91			Relative P/E Ratio	.95
6.7%	5.9%	4.9%	5.7%	6.6%	5.9%	6.6%	6.5%	5.3%	4.9%	4.0%	3.8%	4.5%	5.0%	3.7%	3.1%			Avg Ann'l Div'd Yield	3.5%

CAPITAL STRUCTURE as of 6/30/12
Total Debt \$3334.2 mill. Due in 5 Yrs \$1156.7 mill.
LT Debt \$2737.5 mill. **LT Interest** \$155.6 mill.
 (LT interest earned: 4.4x)

Leases, Uncapitalized Annual rentals \$6.8 mill.

Pension Assets-12/11 \$589.8 mill. **Oblig.** \$697.7 mill.

Pfd Stock None

Common Stock 98,656,135 shs.

MARKET CAP: \$5.4 billion (Large Cap)

2009	2010	2011	2012	2013
3023.9	3779.0	4926.6	5948.2	4005.6
111.7	141.8	157.8	166.1	226.1
36.4%	35.4%	34.5%	30.2%	34.8%
8%	4%	1.1%	1.3%	3.8%
60.4%	54.4%	52.6%	49.5%	45.6%
39.6%	45.6%	47.4%	50.5%	54.4%
2485.8	2637.7	2709.7	2726.6	2950.1
3204.3	3309.5	3581.0	3567.4	3867.5
6.6%	7.1%	7.4%	7.6%	9.1%
11.4%	11.8%	12.3%	12.1%	14.1%
11.4%	11.8%	12.3%	12.1%	14.1%
1.2%	3.6%	3.4%	3.4%	6.6%
89%	70%	73%	72%	53%

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-3.4	+6.6	+3.4
Avg. Indust. Use (MWH)	684	729	752
Avg. Indust. Revs. per KWH (c)	4.69	5.44	5.37
Capacity at Peak (Mw)	7084	7029	7115
Peak Load, Summer (Mw)	6418	6626	7057
Annual Load Factor (%)	52.0	53.8	52.2
% Change Customers (yr-end)	+8	+8	+8

Fixed Charge Cov. (%) 338 409 427

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11
Revenues	-5%	-8.0%	4.0%
"Cash Flow"	4.5%	8.5%	5.5%
Earnings	6.0%	8.5%	4.5%
Dividends	1.0%	2.0%	4.5%
Book Value	6.0%	8.5%	7.0%

BUSINESS: OGE Energy Corp. is a holding company for Oklahoma Gas and Electric Company (OG&E), which supplies electricity to 794,000 customers in Oklahoma (88% of electric revenues) and western Arkansas (9%); wholesale is (3%). Owns 81.3% of Enogex pipeline subsidiary. Acquired Transok 6/99. Electric revenue breakdown: residential, 43%; commercial, 24%; industrial, 18%; other, 15%. Generating sources: coal, 49%; gas, 33%; wind, 2%; purchased, 16%. Fuel costs: 58% of revenues. '11 reported depreciation rate (utility): 2.9%. Has 3,500 employees. Chairman, President & CEO: Peter B. Delaney. Incorporated: Oklahoma. Address: 321 North Harvey, P.O. Box 321, Oklahoma City, Oklahoma 73101-0321. Telephone: 405-553-3000. Internet: www.oge.com.

plans to invest another \$250 million in midstream gas infrastructure there through the end of next year. Enogex expects its minority partner to invest \$60 million in the fourth quarter of 2012. This would reduce OGE's stake in Enogex to about 80%, from 81.3% today.

OGE Energy's utility subsidiary has received a rate increase. Oklahoma Gas and Electric's tariffs were raised by \$4.3 million (less than 1%), based on a 10.2% return on a 53% common-equity ratio. The rate hike was well below the \$73.3 million OG&E had requested. Still, the decision wasn't as unfavorable as it might appear. The utility will now be able to file for recovery of some transmission projects through a rate rider, similar to the regulatory mechanisms it has for other kinds of capital expenditures (such as wind capacity). OG&E expects to spend nearly \$1 billion on transmission in the next five years.

The utility isn't earning its allowed ROE in Arkansas. OG&E will soon seek recovery of a wind project through a surcharge on customers' bills. If this doesn't narrow the gap between its allowed and earned ROEs, the utility will probably file a general rate case. **The Enogex pipeline subsidiary acquired some gas-gathering assets earlier this month.** It paid \$80.5 million for properties in northwestern Oklahoma and the Texas panhandle. This is a key growth region for Enogex. In fact, the company

We estimate an earnings increase this year and next. The economy in OG&E's service area is stronger than the national economy, and OGE is benefiting from on-going investment at Enogex. The bottom-line growth this year will likely be slight, however, because the extremely hot summer of 2011 makes for a tough comparison.

The utility isn't earning its allowed ROE in Arkansas. OG&E will soon seek recovery of a wind project through a surcharge on customers' bills. If this doesn't narrow the gap between its allowed and earned ROEs, the utility will probably file a general rate case. **The Enogex pipeline subsidiary acquired some gas-gathering assets earlier this month.** It paid \$80.5 million for properties in northwestern Oklahoma and the Texas panhandle. This is a key growth region for Enogex. In fact, the company

We expect a dividend increase at the board meeting in the fourth quarter. This is when the directors usually review the disbursement. We estimate a 4.5% raise in the annual payout, to \$1.64 a share. **This stock's yield is more than a percentage point below the utility average.** With the quotation within our 2015-2017 Target Price Range, total return potential is low.

This stock's yield is more than a percentage point below the utility average. With the quotation within our 2015-2017 Target Price Range, total return potential is low.

Cal-endar	Quarterly Revenues (\$ mill.)	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2009	606.6 644.1 845.3 773.7	2869.7
2010	875.8 887.2 1125.4 828.5	3716.9
2011	840.5 978.1 1212.1 885.2	3915.9
2012	840.7 855.0 1200 854.3	3750
2013	850 850 1250 900	3850

Cal-endar	Earnings per Share A	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2009	.18 .72 1.40 .35	2.66
2010	.25 .78 1.65 .31	2.99
2011	.25 1.04 1.80 .37	3.45
2012	.38 .95 1.82 .35	3.50
2013	.35 1.00 1.95 .35	3.65

Cal-endar	Quarterly Dividends Paid B	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2008	.3475 .3475 .3475 .3475	1.39
2009	.355 .355 .355 .355	1.42
2010	.3625 .3625 .3625 .3625	1.45
2011	.375 .375 .375 .375	1.50
2012	.3925 .3925 .3925 .3925	1.57

(A) Diluted EPS. Excl. nonrecurring losses: '02, 39c; '03, 14c; '04, 6c; gains on discontinued ops.: '02, 12c; '04, 1c; '05, 49c; '06, 39c. '09 & '11 EPS don't add to total due to rounding. Next earnings report due early Nov. (B) Div's historically paid in late Jan., Apr., July & Oct. (C) Div'd reinvestment plan avail. (D) In mill., adj. for split. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in OK in '12: 10.2%; in AR in '09: 10.25%; earned on avg. com. eq., '11: 13.1%. Regulatory Climate: Average.

To subscribe call 1-800-833-0046.

EXELON CORP. NYSE-EXC

RECENT PRICE **38.04** P/E RATIO **17.1** (Trailing: 12.9; Median: 13.0) RELATIVE P/E RATIO **1.17** DIV'D YLD **5.5%** VALUE LINE

TIMELINESS **3** Raised 11/26/10
SAFETY **2** Lowered 11/26/10
TECHNICAL **2** Raised 8/17/12
BETA .80 (1.00 = Market)

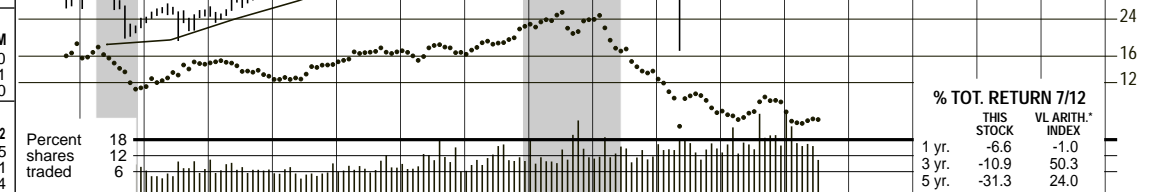
High: 35.1, 28.5, 33.3, 44.9, 57.5, 63.6, 86.8, 92.1, 59.0, 49.9, 45.4, 43.7
Low: 19.4, 18.9, 23.0, 30.9, 41.8, 51.1, 58.7, 41.2, 38.4, 17.0, 39.1, 36.3

LEGENDS
1.00 x Dividends p sh divided by Interest Rate
Relative Price Strength
2-for-1 split 5/04
Options: Yes
Shaded areas indicate recessions

2015-17 PROJECTIONS
Ann'l Total
Price Gain Return
High 55 (+45%) 14%
Low 40 (+5%) 6%

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

Institutional Decisions
3Q2011 4Q2011 1Q2012
to Buy 372 407 425
to Sell 318 318 421
Hld's(000) 430605 437821 513584



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
--	--	--	19.40	11.75	23.58	23.13	23.89	21.85	23.06	23.37	28.62	28.66	26.24	28.16	28.54	27.80	30.40	Revenues per sh	35.25
--	--	--	3.55	1.84	5.06	5.03	5.02	5.68	6.19	6.71	7.43	7.64	8.24	8.32	7.24	6.75	8.10	"Cash Flow" per sh	9.75
--	--	--	1.86	1.39	2.20	2.40	2.44	2.75	3.21	3.50	4.03	4.10	4.29	3.87	3.75	2.00	2.85	Earnings per sh ^A	3.50
--	--	--	--	.91	.88	.96	1.26	1.60	1.64	1.82	2.05	2.10	2.10	2.10	2.10	2.10	2.10	Div'd Decl'd per sh ^B	2.10
--	--	--	--	1.18	3.18	3.33	2.95	2.89	3.25	3.61	4.05	4.74	4.96	5.02	6.10	7.30	7.10	Cap'l Spending per sh	8.00
--	--	--	--	11.31	12.82	11.97	12.84	14.19	13.70	14.89	15.34	16.79	19.15	20.48	21.70	25.30	26.05	Book Value per sh ^C	28.75
--	--	--	630.20	638.01	642.01	646.63	662.00	664.20	666.00	670.00	661.00	658.00	660.00	662.00	663.00	854.00	855.00	Common Shs Outst'g ^D	820.00
--	--	--	--	22.4	13.2	10.5	11.8	13.0	15.4	16.5	18.2	18.0	11.5	11.0	11.3	11.3	11.3	Avg Ann'l P/E Ratio	13.5
--	--	--	--	1.46	.68	.57	.67	.69	.82	.89	.97	1.08	.77	.70	.71	.71	.71	Relative P/E Ratio	.90
--	--	--	--	--	3.1%	3.5%	3.4%	3.5%	3.2%	2.8%	2.5%	2.8%	4.3%	4.9%	5.0%	5.0%	5.0%	Avg Ann'l Div'd Yield	4.5%

CAPITAL STRUCTURE as of 3/31/12
Total Debt \$18757 mill. Due in 5 Yrs \$6500 mill.
LT Debt \$17458 mill. LT Interest \$978 mill.
Includes \$648 mill. nonrecourse transition bonds.
(LT interest earned: 6.7x)

Leases, Uncapitalized Annual rentals \$65.0 mill.
Pension Assets-12/11 \$11.3 bill.

Pfd Stock \$280.0 mill. **Pfd Div'd** \$17.0 mill.
Includes \$280 mill. in preferred securities of subsidiaries.

Common Stock 852,410,272 shs.
MARKET CAP: \$32 billion (Large Cap)

14955	15812	14515	15357	15655	18916	18859	17318	18644	18924	23750	26000	Revenues (\$mill)	29000
1599.0	1641.0	1844.0	2162.0	2370.0	2730.0	2721.0	2844.0	2567.0	2499.0	1645	2455	Net Profit (\$mill)	2920
36.7%	32.9%	27.5%	30.4%	33.7%	34.6%	32.6%	38.8%	39.2%	36.8%	32.0%	37.0%	Income Tax Rate	37.0%
1.2%	1.9%	.9%	1.0%	1.6%	1.8%	1.3%	2.3%	2.1%	3.0%	4.0%	3.0%	AFUDC % to Net Profit	3.0%
61.2%	61.1%	56.1%	56.1%	54.2%	53.9%	53.1%	47.2%	46.8%	45.7%	45.5%	45.5%	Long-Term Debt Ratio	47.0%
36.1%	38.5%	43.5%	43.5%	45.4%	45.7%	46.6%	52.4%	52.9%	54.0%	54.0%	53.5%	Common Equity Ratio	52.5%
21464	22079	21658	20972	21971	22189	23726	24112	25651	26661	40075	41525	Total Capital (\$mill)	45100
17134	20630	21482	21981	22775	24153	25813	27341	29941	32570	44150	46225	Net Plant (\$mill)	52000
9.4%	9.2%	10.4%	12.1%	12.5%	14.1%	13.1%	13.3%	11.4%	10.6%	5.0%	7.0%	Return on Total Cap'l	8.0%
19.2%	19.1%	19.4%	23.5%	23.6%	26.7%	24.4%	22.3%	18.8%	17.3%	7.5%	11.0%	Return on Shr. Equity	12.0%
20.1%	18.8%	19.5%	23.6%	23.7%	26.9%	24.6%	22.5%	18.9%	17.3%	7.5%	11.0%	Return on Com Equity ^E	12.5%
12.8%	11.5%	10.7%	11.9%	13.0%	15.3%	12.5%	11.5%	8.7%	7.7%	NMF	3.0%	Retained to Com Eq	5.0%
38%	40%	45%	50%	45%	43%	49%	49%	54%	56%	98%	74%	All Div'ds to Net Prof	60%

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-4.9	+4.8	-2.0
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (c)	8.09	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load (Mw)	30150	30778	NA
Nuclear Capacity Factor (%)	93.6	93.9	93.3
% Change Customers (yr-end)	-2	+4	+3

Fixed Charge Cov. (%) 622 546 569

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '09-'11 of change (per sh)

Revenues	4.0%	4.0%	4.0%
"Cash Flow"	8.5%	5.0%	3.5%
Earnings	8.0%	4.5%	-2.0%
Dividends	--	7.0%	Nil
Book Value	5.5%	7.5%	6.0%

BUSINESS: Exelon Corporation is a holding company for Commonwealth Edison (3.8 mill. elec. customers in IL), PECO Energy, (1.6 mill. elec., 495,000 gas customers in PA), & Baltimore Gas and Electric (1.2 mill. elec., 655,000 gas customers in MD). Has nonregulated generating & energy-marketing ops. Acq'd Constellation Energy 3/12. Elec. rev. breakdown: res'l, 59%; small comm'l & ind'l,

23%; large comm'l & ind'l, 8%; other, 10%. Generating sources: nuclear, 82%; other, 7%; purch., 11%. Fuel costs: 38% of revs. '11 depr. rates: 2.6%-3.1% elec., 1.7% gas. Has 19,300 empls. Chairman: Mayo A. Shattuck III. Pres. & CEO: Christopher M. Crane. Inc.: PA. Address: 10 S. Dearborn St., P.O. Box 805379, Chicago, IL 60680-5379. Tel.: 312-394-7398. Internet: www.exeloncorp.com.

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	4722	4141	4339	4116	17318
2010	4461	4398	5291	4494	18644
2011	5052	4587	5295	3990	18924
2012	4686	5954	7000	6110	23750
2013	6500	6100	7100	6300	26000

EARNINGS PER SHARE ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	1.28	.99	1.14	.88	4.29
2010	1.13	.67	1.27	.79	3.87
2011	1.01	.93	.90	.91	3.75
2012	.53	.33	.60	.54	2.00
2013	.75	.65	.75	.70	2.85

QUARTERLY DIVIDENDS PAID ^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.50	.50	.50	.525	2.03
2009	.525	.525	.525	.525	2.10
2010	.525	.525	.525	.525	2.10
2011	.525	.525	.525	.525	2.10
2012	.525	.525	.525	.525	2.10

Exelon's earnings will almost certainly decline considerably this year. The acquisition of Constellation Energy in March is one reason. Exelon estimates that its merger-related expenses in 2012 will amount to \$325 million, but merger-related expense reductions will be \$170 million. (Over time, the former will decline and the latter will increase.) We are including these costs in our earnings presentation. Even were it not for the Constellation deal, however, profits were headed down. Until 2012, Exelon's hedging program had insulated its nonregulated generating subsidiary from the effects of worsening conditions in the power markets, but low power prices have finally caught up with the company.

Despite the fact that Exelon might not earn the dividend in 2012, the payout is secure, in our view. The board of directors isn't considering merger-related costs when declaring dividends. Exelon's finances remain sound, too.

The benefits of the Constellation takeover should be more apparent beginning in 2013. The merger-related costs are expected to decline to \$80 million,

while the merger-related savings are estimated to advance to \$305 million. In 2014, further improvement is likely in each of these measures, and management expects its nonregulated businesses to generate an additional \$100 million of operating income through synergies. Exelon's generating business is a good fit with Constellation's retail energy-supply unit. Rate relief at Baltimore Gas and Electric should be another plus. However, weak prices in the power markets will offset these positive factors to some extent.

Baltimore G&E has filed a general rate case. The utility is seeking increases of \$150.8 million for electricity and \$53.4 million for gas, based on a 10.5% return on a 48.4% common-equity ratio. New tariffs are expected to take effect in February.

We think this stock has appeal for income-oriented investors. The dividend yield is more than one percentage point above the utility mean. Total return potential to 2015-2017 is also above the group average, despite the fact that we project no dividend increase over that time frame.

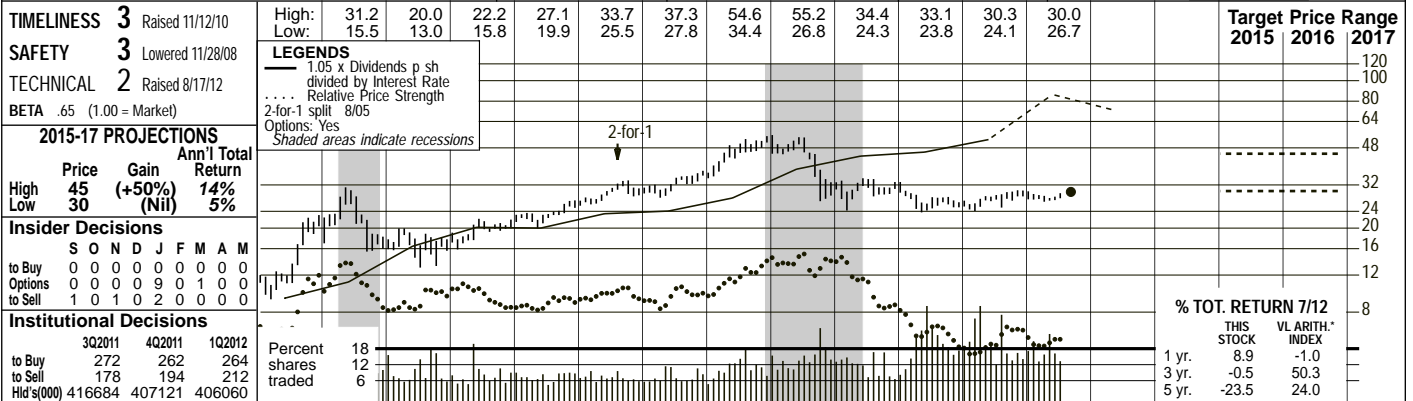
Paul E. Debbas, CFA August 24, 2012

(A) Diluted earnings. Excludes nonrecurring gain (losses): '02, (18c); '03, (\$1.06); '04, 3c; '05, (\$1.85); '06, (\$1.15); '09, (20c); '12, (25c); gains from disc. ops.: '07, 2c; '08, 3c. '10 EPS don't add due to rounding. Next earnings report due early Nov. (B) Div'ds historically paid in early Mar., June, Sept., and Dec. ■ Div'd reinvest. program avail. (C) Incl. deferred charges. In '11: \$11.26/sh. (D) In mill., adj. for split. (E) Rate all'd on com. eq. in IL in '11: 10.5%; earned on avg. com. eq., '11: 17.9%. Regulatory Climate: PA, Avg.; IL, MD, Below Avg.

Company's Financial Strength A
Stock's Price Stability 95
Price Growth Persistence 40
Earnings Predictability 90

PPL CORPORATION NYSE-PPL

RECENT PRICE **29.74** P/E RATIO **12.5** (Trailing: 10.4 Median: 13.0) RELATIVE P/E RATIO **0.86** DIV'D YLD **4.9%** VALUE LINE



Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
Revenues per sh	8.94	9.17	12.03	15.97	19.59	19.53	16.38	15.75	15.37	16.36	17.92	17.41	21.47	20.03	17.63	22.02	21.20	19.25	Revenues per sh	20.25
"Cash Flow" per sh	2.14	2.11	2.43	2.56	3.32	3.51	3.20	3.60	3.59	3.84	4.26	5.10	3.47	3.66	4.59	4.70	4.45	"Cash Flow" per sh	5.25	
Earnings per sh ^A	1.03	.99	1.12	1.01	1.64	1.79	1.54	1.84	1.87	1.92	2.29	2.63	2.45	1.19	2.29	2.61	2.55	2.40	Earnings per sh ^A	3.00
Div'd Decl'd per sh ^B	.84	.84	.67	.50	.53	.53	.72	.77	.82	.96	1.10	1.22	1.34	1.38	1.40	1.40	1.44	1.48	Div'd Decl'd per sh ^B	1.70
Cap'l Spending per sh	1.11	.93	.97	1.11	1.59	2.99	2.74	2.17	1.94	2.13	3.62	4.51	3.79	3.25	3.30	4.30	5.95	6.60	Cap'l Spending per sh	4.25
Book Value per sh ^C	8.44	8.45	5.69	5.61	6.94	6.33	6.71	9.19	11.21	11.62	13.30	14.88	13.55	14.57	16.98	18.72	20.05	21.40	Book Value per sh ^C	25.50
Common Shs Outst'g ^D	325.33	332.50	314.82	287.39	290.08	293.16	331.47	354.72	378.14	380.15	385.04	373.27	374.58	377.18	483.39	578.41	590.00	637.00	Common Shs Outst'g ^D	695.00
Avg Ann'l P/E Ratio	11.4	10.8	10.9	13.4	8.9	12.4	11.1	10.6	12.5	15.1	14.1	17.3	17.6	25.7	11.9	10.5	12.0	11.0	Avg Ann'l P/E Ratio	12.0
Relative P/E Ratio	.71	.62	.57	.76	.58	.64	.61	.60	.66	.80	.76	.92	1.06	1.71	.76	.66	1.00	0.86	Relative P/E Ratio	.86
Avg Ann'l Div'd Yield	7.1%	7.8%	5.5%	3.7%	3.6%	2.4%	4.2%	4.0%	3.5%	3.3%	3.4%	2.7%	3.1%	4.5%	5.1%	5.1%	4.9%	4.0%	Avg Ann'l Div'd Yield	4.7%

Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
Revenues (\$mill)	5429.0	5587.0	5812.0	6219.0	6899.0	6498.0	8044.0	7556.0	8521.0	12737	12500	12250	Revenues (\$mill)	14000						
Net Profit (\$mill)	536.0	667.0	692.0	739.0	899.0	1031.0	940.0	465.0	1009.0	1456.0	1495	1465	Net Profit (\$mill)	2020						
Income Tax Rate	25.7%	27.1%	22.8%	14.0%	23.2%	20.7%	31.8%	21.8%	22.0%	31.0%	30.0%	30.0%	Income Tax Rate	30.0%						
AFUCDE % to Net Profit	3.4%	1.2%	.7%	--	--	--	.1%	.2%	.5%	.5%	Nil	Nil	AFUCDE % to Net Profit	Nil						
Long-Term Debt Ratio	66.5%	71.1%	61.6%	57.5%	55.4%	54.1%	57.1%	55.2%	59.0%	61.9%	59.5%	56.0%	Long-Term Debt Ratio	49.0%						
Common Equity Ratio	25.1%	28.5%	37.9%	42.0%	42.2%	43.6%	40.5%	42.5%	39.8%	37.2%	40.5%	44.0%	Common Equity Ratio	51.0%						
Total Capital (\$mill)	8868.0	11455	11171	10513	12151	12747	12529	12940	20621	29071	29350	30875	Total Capital (\$mill)	34700						
Net Plant (\$mill)	9566.0	10446	11209	10916	12069	12605	12416	13174	20858	27266	29475	32325	Net Plant (\$mill)	38400						
Return on Total Cap'l	8.8%	7.6%	8.4%	9.3%	9.3%	9.8%	9.2%	5.0%	6.1%	6.4%	6.5%	6.0%	Return on Total Cap'l	7.0%						
Return on Shr. Equity	18.1%	20.2%	16.1%	16.5%	16.6%	17.6%	17.5%	8.0%	11.9%	13.1%	12.5%	10.5%	Return on Shr. Equity	11.5%						
Return on Com Equity ^E	21.1%	19.6%	16.3%	16.7%	17.3%	18.2%	18.2%	8.1%	12.0%	13.3%	12.5%	10.5%	Return on Com Equity ^E	11.5%						
Retained to Com Eq	12.4%	11.7%	9.3%	8.8%	9.3%	10.0%	8.5%	NMF	5.2%	6.4%	5.5%	4.0%	Retained to Com Eq	5.0%						
All Div'ds to Net Prof	49%	43%	43%	47%	47%	46%	54%	115%	58%	52%	57%	62%	All Div'ds to Net Prof	58%						

CAPITAL STRUCTURE as of 3/31/12
Total Debt \$18750 mill. Due in 5 Yrs \$3831.0 mill.
LT Debt \$18076 mill. LT Interest \$904.0 mill.
 Incl. 23 mill. units 7.75%, \$25 liq. value; 82,000 units 8.23%, \$1000 face value; 23 mill. units 4.625%, \$50 stated value, conv. into com. in 2013. (LT interest earned: 3.7x)
Leases, Uncapitalized Annual rentals \$125.0 mill.
Pension Assets-12/11 \$9.82 bill. **Oblig.** \$11.0 bill.
Pfd Stock \$250.0 mill. **Pfd Div'd** \$16.0 mill.
 2,500,000 shs. 6.25%, \$100 liq. preference, will be redeemed on 6/18/12.
Common Stock 580,021,834 shs. as of 4/30/12
MARKET CAP: \$17 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-3.5	+15.3	+60.7
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (c)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+3	+22.5	NA

BUSINESS: PPL Corporation (formerly PP&L Resources, Inc.) is a holding company for PPL Electric Utilities (formerly Pennsylvania Power & Light Company), which distributes electricity to 1.4 mill. customers in eastern & central PA. Acq'd Kentucky Utilities and Louisville Gas and Electric (1.2 mill. customers) 11/10. Has subs. in power generation & marketing, electricity distribution in U.K. (7.6 million customers). Sold gas distribution sub. in '08. Electric rev. breakdown: res'l, 50%; comm'l & ind'l, 37%; other, 13%. Generating sources unavailable. Fuel costs: 44% of revs. '10 reported depr. rates: 2.3%-3.3%. Has 13,800 empl. Chairman, Pres. & CEO: William H. Spence, Inc.: PA. Address: Two North Ninth St., Allentown, PA 18101-1179. Tel.: 800-345-3085. Internet: www.pplweb.com.

PPL Corporation's utility subsidiaries in Pennsylvania and Kentucky have rate cases pending. In Pennsylvania, PPL Electric Utilities filed for a rate hike of \$104.6 million, based on a return of 11.25% on a common-equity ratio of 51.03%. In Kentucky, Louisville Gas and Electric requested electric and gas increases of \$62.1 million and \$17.2 million, respectively, based on an 11% return on a 55.64% common-equity ratio. Kentucky Utilities filed for an electric hike of \$82.1 million, based on an 11% return on a 53.74% common-equity ratio. Orders in each state are expected in December, with new tariffs taking effect in January.

Profits from the company's utilities in the United Kingdom are up significantly. These businesses contributed \$0.62 a share in the first half of 2012, compared with \$0.18 a year earlier. Part of the improvement is due to an acquisition that PPL made there in 2011, but the utilities are also faring well on their own. With income from PPL's nonregulated business under pressure (see below) and the company's domestic utilities needing rate relief because they aren't earning adequate re-

turns on equity, the U.K. operations have become even more important for PPL.

Declining margins from the nonregulated side of the business will probably lead to lower earnings in 2012 and 2013. The combination of weak power prices and higher coal costs is problematic for PPL. Management is looking for ways to cut costs. Note that mark-to-market gains or losses, which we include in our presentation but not in our estimates (because they are impossible to predict), will skew reported earnings.

Despite the profit squeeze, the board of directors boosted the dividend earlier this year, and we look for another increase in 2013. Although overall earnings are down, utility income is up—and is likely to keep rising as the company's rate base expands.

We think this stock is worthy of consideration by income-oriented investors. Compared with the average electric utility, the dividend yield is above average. Projected total returns to 2015-2017 also compare favorably with those of most other utility issues.

Paul E. Debbas, CFA August 24, 2012

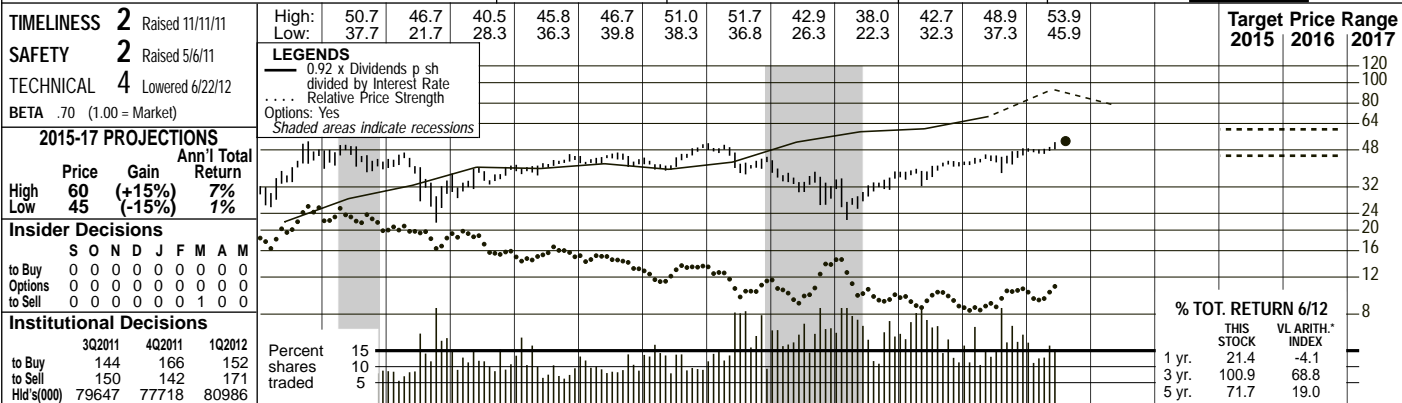
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	2351	1673	1805	1727	7556.0
2010	3006	1473	2179	1863	8521.0
2011	2910	2489	3120	4218	12737
2012	4112	2549	3100	2739	12500
2013	3550	2700	3200	2800	12250

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.64	.07	.12	.37	1.19
2010	.74	.22	.62	.69	2.29
2011	.82	.35	.76	.69	2.61
2012	.93	.48	.65	.49	2.55
2013	.75	.45	.68	.52	2.40

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.305	.335	.335	.335	1.31
2009	.335	.345	.345	.345	1.37
2010	.345	.35	.35	.35	1.40
2011	.35	.35	.35	.35	1.40
2012	.35	.36	.36		

PINNACLE WEST NYSE-PNW

RECENT PRICE **52.86** P/E RATIO **16.5** (Trailing: 17.3; Median: 14.0) RELATIVE P/E RATIO **1.16** DIV'D YLD **4.1%** VALUE LINE



Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
Price	20.77	23.52	25.12	28.57	43.50	53.66	28.90	30.87	31.59	30.16	34.03	35.07	33.37	32.50	30.01	29.67	30.90	32.00	Revenues per sh	33.00
Gain	5.90	7.12	7.34	7.73	7.99	8.72	7.01	7.33	6.93	5.76	9.70	9.29	8.13	8.08	6.85	7.52	7.80	8.15	"Cash Flow" per sh	8.75
Div'd	2.47	2.76	2.85	3.18	3.35	3.68	2.53	2.52	2.58	2.24	3.17	2.96	2.12	2.26	3.08	2.99	3.20	3.45	Earnings per sh ^A	3.75
Yield	1.03	1.13	1.23	1.33	1.43	1.53	1.63	1.73	1.83	1.93	2.03	2.10	2.10	2.10	2.10	2.10	2.12	2.20	Div'd Decl'd per sh ^B	2.45
Capex	2.95	3.63	3.76	4.05	7.76	12.27	9.81	7.60	5.86	6.39	7.59	9.37	9.46	7.64	7.03	8.26	8.45	9.60	Cap'l Spending per sh	8.50
Book Value	22.51	23.90	25.50	26.00	28.09	29.46	29.44	31.00	32.14	34.57	34.48	35.15	34.16	32.69	33.86	34.98	36.00	37.10	Book Value per sh ^C	41.00
Market Cap	87.52	84.83	84.83	84.83	84.83	84.83	91.26	91.29	91.79	99.08	99.96	100.49	100.89	101.43	108.77	109.25	110.00	111.00	Common Shs Outst'g ^D	118.50
P/E Ratio	11.8	11.8	15.2	11.9	11.3	12.0	14.4	14.0	15.8	19.2	13.7	14.9	16.1	13.7	12.6	14.6	13.5	13.5	Avg Ann'l P/E Ratio	13.5
Relative P/E	.74	.68	.79	.68	.73	.61	.79	.80	.83	1.02	.74	.79	.97	.91	.80	.92	.90	.90	Relative P/E Ratio	.90
Div'd Yield	3.5%	3.5%	2.8%	3.5%	3.8%	3.5%	4.5%	4.9%	4.5%	4.5%	4.7%	4.8%	6.2%	6.8%	5.4%	4.8%	4.8%	4.8%	Avg Ann'l Div'd Yield	4.8%

2015-17 PROJECTIONS

Price	High 60	Low 45	Gain (+15%)	Ann'l Total Return 7%
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Insider Decisions

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

Institutional Decisions

	3Q2011	4Q2011	1Q2012
to Buy	144	166	152
to Sell	150	142	171
Hlds(000)	79647	77718	80986

Percent shares traded: 15, 10, 5

CAPITAL STRUCTURE as of 3/31/12

Total Debt \$3659.5 mill. Due in 5 Yrs \$1739.3 mill.
 LT Debt \$3341.2 mill. LT Interest \$192.5 mill.
 Incl. \$65.5 mill. Palo Verde sale leaseback lessor notes.
 (LT interest earned: 3.4x)
 Leases, Uncapitalized Annual rentals \$21.0 mill.
 Pension Assets-12/11 \$1.85 bill. Oblig. \$2.70 bill.

Pfd Stock None

Common Stock 109,477,427 shs. as of 4/27/12

MARKET CAP: \$5.8 billion (Large Cap)

2637.3	2817.9	2899.7	2988.0	3401.7	3523.6	3367.1	3297.1	3263.6	3241.4	3400	3550	Revenues (\$mill)	3900
215.2	230.6	235.2	223.2	317.1	298.8	213.6	229.2	330.4	328.2	350	385	Net Profit (\$mill)	445
39.1%	31.4%	35.4%	36.2%	33.0%	33.6%	23.4%	36.9%	31.9%	34.0%	34.0%	34.0%	Income Tax Rate	34.0%
20.5%	6.2%	6.9%	10.4%	11.1%	14.8%	17.5%	11.2%	11.7%	12.8%	13.0%	12.0%	AFUDC % to Net Profit	9.0%
51.8%	50.6%	46.7%	43.2%	48.4%	47.0%	46.8%	50.4%	45.3%	44.1%	47.5%	44.0%	Long-Term Debt Ratio	42.5%
48.2%	49.4%	53.3%	56.8%	51.6%	53.0%	53.2%	49.6%	54.7%	55.9%	52.5%	56.0%	Common Equity Ratio	57.5%
5567.9	5727.5	5535.2	6033.4	6678.7	6658.7	6477.6	6686.6	6729.1	6840.9	7565	7365	Total Capital (\$mill)	8450
6479.4	7480.1	7535.5	7577.1	7881.9	8436.4	8916.7	9257.8	9578.8	9962.3	10385	10930	Net Plant (\$mill)	12450
5.4%	5.5%	5.6%	5.0%	6.2%	5.9%	4.7%	4.8%	6.5%	6.4%	6.0%	6.5%	Return on Total Cap'l	6.5%
8.0%	8.1%	8.0%	6.5%	9.2%	8.5%	6.2%	6.9%	9.0%	8.6%	9.0%	9.5%	Return on Shr. Equity	9.0%
8.0%	8.1%	8.0%	6.5%	9.2%	8.5%	6.2%	6.9%	9.0%	8.6%	9.0%	9.5%	Return on Com Equity ^E	9.0%
2.9%	2.6%	2.3%	1.0%	3.4%	2.5%	.3%	.7%	3.1%	2.8%	3.0%	3.5%	Retained to Com Eq	3.0%
64%	68%	71%	85%	63%	70%	96%	89%	66%	68%	66%	63%	All Div'ds to Net Prof	65%

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-2.2	-1.6	+1.8
Avg. Indust. Use (MWH)	619	619	632
Avg. Indust. Revs. per KWH (c)	8.11	7.83	7.78
Capacity at Peak (Mw)	8635	8682	8577
Peak Load, Summer (Mw)	7218	6396	7087
Annual Load Factor (%)	49.3	50.0	50.0
% Change Customers (yr-end)	+5	+4	+8

Fixed Charge Cov. (%) 248 296 308

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '09-'11 of change (per sh)

Revenues	-3.0%	-1.0%	1.0%
"Cash Flow"	-1.0%	-	2.5%
Earnings	-2.0%	1.0%	5.0%
Dividends	4.0%	1.5%	2.5%
Book Value	2.0%	-	3.0%

BUSINESS: Pinnacle West Capital Corporation is a holding company for Arizona Public Service Company (APS), which supplies electricity to 1.1 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, 47%; commercial, 39%; industrial, 5%; other, 9%. Generating sources: coal, 37%; nuclear, 27%; gas, 17%; purchased, 19%. Fuel costs: 31% of revenues. Has 6,700 employees. '11 reported decr. rate: 3.0%. Chairman, President & CEO: Donald E. Brandt, Inc.: Arizona. Address: 400 North Fifth Street, P.O. Box 53999, Phoenix, Arizona 85072-3999. Tel.: 602-250-1000. Internet: www.pinnaclewest.com.

Pinnacle West's utility subsidiary received a base rate increase in mid-2012. Arizona Public Service's tariffs were raised by \$116.3 million (4%), based on a return of 10% on a common-equity ratio of 53.94%. In addition, APS' fuel adjustment clause will now reflect the entire change in fuel and purchased-power costs, compared with 90% of any changes previously. Base rates will be frozen until mid-2016, except for a moderate increase that would occur in mid-2013. This would place the Four Corners asset acquisition (see below) in the rate base, provided that the purchase is approved by the Federal Energy Regulatory Commission and the utility reaches a new coal supply contract.

The utility hopes to complete the Four Corners purchase in December. APS would pay \$294 million for another utility's 739-megawatt stake in units 4 and 5 of the coal-fired station. It would have to spend \$300 million on environmental upgrades for these two units, but would avoid \$600 million of environmental improvements that would have been required for units 1, 2, and 3, which would be shut down. The company would finance

the purchase with debt. Note that our figures will not reflect the Four Corners acquisition until after it has been completed. **Earnings are likely to rise in 2012 and 2013.** Rate relief should be the key factor each year. Management wasn't providing earnings guidance until June-quarter results were released, which was expected shortly after this report went to press. **We look for a dividend increase later this year.** The rate case has been concluded, Pinnacle's earning power is improving, and the payout ratio is low enough to allow the board of directors to raise the disbursement. We estimate that the board will hike the quarterly dividend by \$0.02 a share (3.8%). This would be Pinnacle's first dividend increase since the fourth quarter of 2006. **The price of this timely stock has risen 10% so far this year,** far outperforming most utility equities. We think this is due to the outcome of the rate case and the prospective dividend increase. This issue's yield is about average for a utility, but total return potential to 2015-2017 is low.

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	625.9	836.0	1142.2	693.0	3297.1
2010	620.3	820.6	1139.1	683.6	3263.6
2011	648.9	799.8	1124.8	667.9	3241.4
2012	620.6	879.4	1200	700	3400
2013	650	875	1300	725	3550

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	d.36	.74	2.07	d.19	2.26
2010	.07	.83	2.08	.06	3.08
2011	d.15	.78	2.24	.11	2.99
2012	d.07	.90	2.30	.07	3.20
2013	Nil	1.00	2.35	.10	3.45

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2008	.525	.525	.525	.525	2.10
2009	.525	.525	.525	.525	2.10
2010	.525	.525	.525	.525	2.10
2011	.525	.525	.525	.525	2.10
2012	.525	.525	.525	.525	2.10

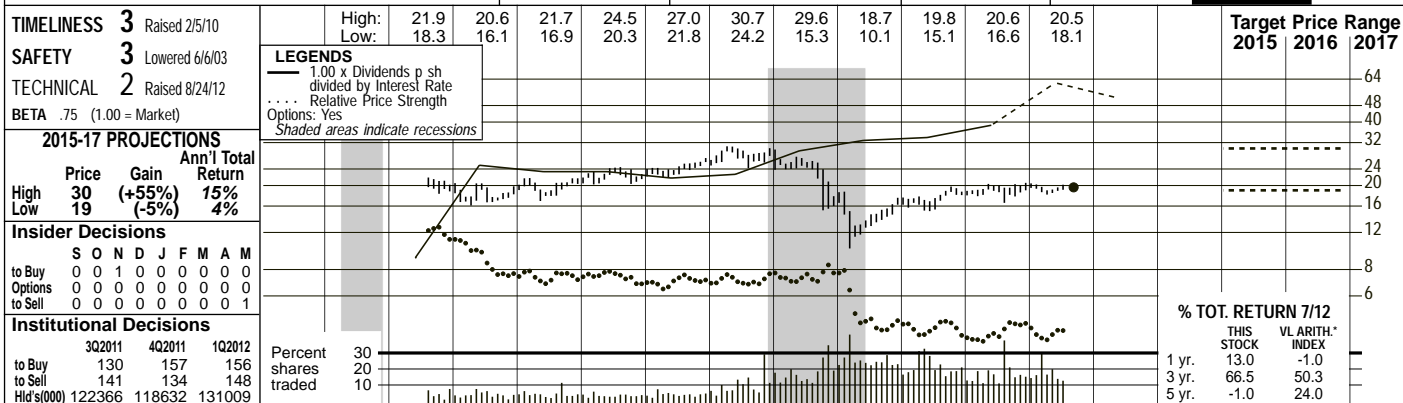
Paul E. Debbas, CFA August 3, 2012

Company's Financial Strength B++
 Stock's Price Stability 100
 Price Growth Persistence 35
 Earnings Predictability 65

(A) Diluted eqs. Excl. nonrec. losses: '02, 77c; '09, \$1.45; excl. gains (losses) from disc. ops.: '00, 22c; '05, (36c); '06, 10c; '08, 28c; '09, (13c); '10, 18c; '11, 10c. '10 EPS don't add due to change in shares, '11 due to rounding. Next earnings report due early Nov. (B) Div's historically paid in early Mar., June, Sept., and Dec. ■ Div'd reinvestment plan avail. (C) Incl. deferred charges. In '11: \$14.32/sh. (D) In mill. (E) Rate base: Fair value. Rate allowed on com. eq. in '12: 10%; earned on avg. com. eq., '11: 8.8%. Regulatory Climate: Average.

PEPCO HOLDINGS NYSE-POM

RECENT PRICE **19.62** P/E RATIO **16.4** (Trailing: 19.8 Median: 14.0) RELATIVE P/E RATIO **1.12** DIV'D YLD **5.5%** VALUE LINE



2015-17 PROJECTIONS		2002	2003F	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17	
Price	30	41.11	42.33	38.35	42.49	43.57	46.71	48.88	41.66	31.27	26.02	25.55	25.60	Revenues per sh	27.45	
Gain	(+55%)	3.12	3.80	3.71	3.67	3.47	3.30	3.55	2.82	2.97	3.00	3.00	3.10	"Cash Flow" per sh	3.70	
Return	15%	1.79	1.35	1.46	1.49	1.33	1.53	1.93	1.06	1.24	1.14	1.20	1.30	Earnings per sh A	1.70	
Ann'l Total	4%	.42	1.00	1.00	1.00	1.04	1.04	1.08	1.08	1.08	1.08	1.08	1.12	Div'd Decl'd per sh B	1.16	
High	30	3.06	3.48	2.75	2.46	2.47	3.11	3.57	3.89	3.56	4.14	4.00	4.00	Cap'l Spending per sh	3.90	
Low	19	18.17	17.48	17.87	18.88	18.82	20.04	19.14	19.15	18.79	19.06	19.40	19.70	Book Value per sh C	21.50	
Insider Decisions		164.85	171.77	188.33	189.82	191.93	200.51	218.91	222.27	225.08	227.50	235.00	242.00	Common Shs Outst'g D	255.00	
Options		11.3	13.4	13.6	14.9	18.1	18.2	12.2	13.7	14.0	16.7	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.0	
to Buy	0	.62	.76	.72	.79	.98	.97	.73	.91	.89	1.05			Relative P/E Ratio	.95	
to Sell	0	2.1%	5.5%	5.0%	4.5%	4.3%	3.7%	4.6%	7.4%	6.2%	5.7%			Avg Ann'l Div'd Yield	4.9%	
to Sell	0															
Institutional Decisions																
to Buy	130															
to Sell	141															
Hld's(000)	122366															

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

CAPITAL STRUCTURE as of 6/30/12		2009	2010	2011	2012	2013	Revenues (\$mill)		
Total Debt	\$5127 mill. Due in 5 Yrs \$1560 mill.	6777.3	7271.3	7221.8	8065.5	8362.9	9366.4	10700	9259.0
LT Debt	\$4203 mill. LT Interest \$250 mill. (LT interest earned: 2.5x)	294.9	245.2	261.3	277.4	254.4	296.5	400.0	235.0
Pension Assets-12/11	\$1.7 bill. Oblig. \$2.1 bill.	17.0%	18.3%	38.7%	38.8%	39.1%	39.3%	29.6%	31.9%
Pfd Stock	None	--	--	--	--	--	--	--	--
Common Stock	228,885,730 shs. as of 7/25/12	58.7%	63.1%	59.7%	57.1%	54.6%	54.1%	56.2%	53.8%
MARKET CAP:	\$4.5 billion (Mid Cap)	36.4%	35.6%	39.6%	42.3%	45.1%	45.9%	43.8%	46.2%
ELECTRIC OPERATING STATISTICS		8228.9	8439.3	8494.0	8469.3	8004.0	8753.0	9568.0	9203.0
		6798.0	6964.9	7088.0	7312.0	7576.6	7876.7	8314.0	8863.0
		4.6%	4.8%	5.0%	5.0%	5.1%	5.1%	5.8%	4.5%
		8.7%	7.9%	7.6%	7.6%	7.0%	7.4%	9.5%	5.5%
		9.2%	7.7%	7.7%	7.7%	7.0%	7.4%	9.5%	5.5%
		5.3%	2.0%	2.5%	2.4%	1.5%	2.3%	4.2%	NMF
		46%	75%	68%	69%	78%	68%	56%	101%

BUSINESS: Pepeco Holdings, Inc. consists mainly of three electric utility subsidiaries: Potomac Electric Power Co., serving Washington, D.C. and adjoining areas of Maryland; Delmarva Power, which serves the peninsula area of Delaware, Maryland and Virginia; and Atlantic City Electric, serving southern New Jersey. In July 2010, Pepeco sold competitive energy business (Conectiv Energy) to Calpine Corp. Electricity customers: 1.8 million; gas customers: 124,000. Electricity breakdown: residential, 30%; commercial, 49%; other, 21%. 2011 depreciation rate: 2.6%. Has approximately 5,104 employees as of 12/31/11. Chrmn., Pres. & CEO: Joseph M. Rigby, Inc.: DE. Address: 701 Ninth Street, N.W., Wash., D.C. 20068. Telephone.: 202-872-2000. Internet: www.pepcoholdings.com.

ANNUAL RATES		Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11
of change (per sh)				
Revenues	-3.5%	-4.5%	-3.0%	
"Cash Flow"	-4.5%	-4.0%	4.0%	
Earnings	-4.5%	-4.5%	7.0%	
Dividends	-	1.5%	1.0%	
Book Value	0.5%	0.5%	2.0%	

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	2520	2065	2539	2135	9259
2010	1819	1636	2067	1517	7039
2011	1634	1409	1643	1234	5920
2012	1292	1179	1900	1629	6000
2013	1300	1200	2000	1700	6200

Cal-endar	EARNINGS PER SHARE AG				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	.21	.11	.56	.18	1.06
2010	.16	.34	.52	.25	1.24
2011	.27	.42	.35	.10	1.14
2012	.30	.27	.43	.20	1.20
2013	.30	.35	.45	.20	1.30

Cal-endar	QUARTERLY DIVIDENDS PAID B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2008	.27	.27	.27	.27	1.08
2009	.27	.27	.27	.27	1.08
2010	.27	.27	.27	.27	1.08
2011	.27	.27	.27	.27	1.08
2012	.27	.27	.27	.27	1.08

Pepeco Holdings turned in a soft second-quarter showing. The Washington, DC-based utility reported earnings of \$0.27 a share, below our \$0.33 estimate. The miss was primarily driven by higher-than-expected operating costs related to reliability and system improvement efforts. Although we believe Pepeco's heightened spending habits will provide some benefit down the road, they are likely to continue to suppress earnings growth in the near term. As a result, we have reduced our 2012 earnings estimate by \$0.05 a share, to \$1.20. Despite the weak second-quarter performance, management reiterated its full-year share-net guidance range of \$1.15-\$1.30.

The company recently received disappointing rulings in its Maryland rate cases. On July 20th, both Pepeco and Delmarva Power received decisions in their distribution rate cases in Maryland. For Pepeco, the commission approved an \$18 million annual rate increase based on an ROE of 9.31%, while Delmarva was approved for an \$11 million increase on an ROE of 9.81%. Combined, the utilities were only granted about 50% of their requested hikes.

There are currently three rate cases pending. Looking past the unfavorable regulatory treatment in Maryland, the company still has ongoing cases in DC, Delaware, and New Jersey where it is requesting a total of \$154 million of incremental revenues. A decision in DC is expected sometime in the coming months, while rulings in New Jersey and Delaware are pegged for the fourth quarter.

The stock's dividend remains among the highest in the utility sector. Shares of Pepeco are currently yielding an attractive 5.5%, well above the industry's 4.1% average. Encouragingly, management reiterated its commitment to maintaining its quarterly payout in Pepeco's most recent conference call (August 7th). For investors seeking to add a consistent income play to their portfolios, this stock remains a top selection.

These neutrally ranked shares are well-suited for long-term accounts. Based on our current projections, total return potential to 2015-2017 is above average by utility standards.

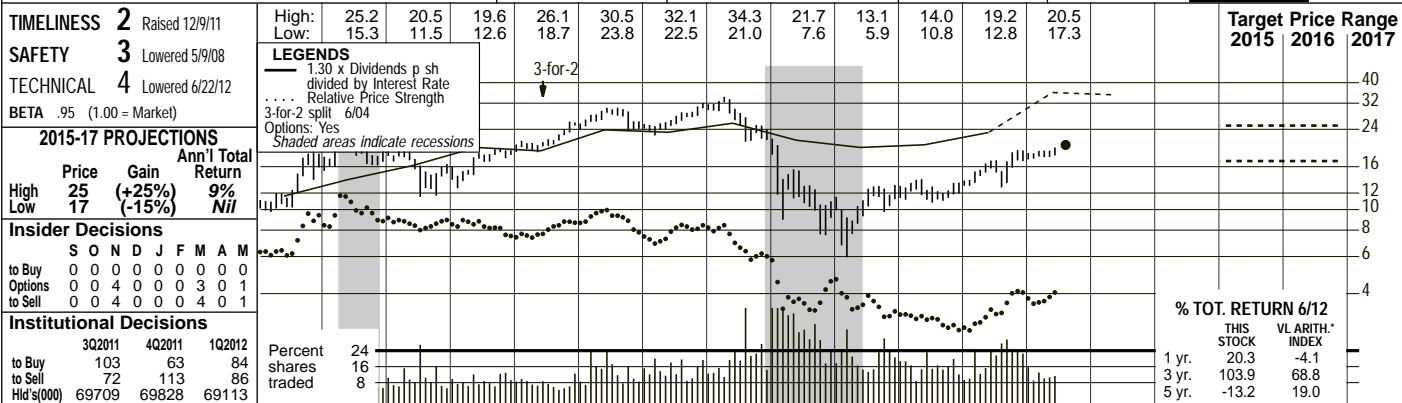
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Company's Financial Strength		B
Stock's Price Stability		95
Price Growth Persistence		30
Earnings Predictability		70

To subscribe call 1-800-833-0046.

August 24, 2012

Michael Ratty



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Revenues per sh	22.35
14.10	18.12	17.43	18.96	27.46	40.09	19.92	24.11	26.54	30.19	32.25	24.92	22.65	19.01	19.31	21.35	16.35	16.90	"Cash Flow" per sh	3.80
2.61	2.58	3.04	2.82	3.16	4.31	2.83	3.05	3.14	3.56	3.57	2.54	1.76	2.32	2.67	3.18	3.20	3.30	Earnings per sh A	2.05
1.15	1.25	1.50	1.29	1.55	2.61	1.07	1.15	1.43	1.59	1.72	.76	.11	.58	.87	1.08	1.25	1.40	Div'd Decl'd per sh B,†	1.00
.24	.42	.51	.53	.53	.53	.57	.61	.63	.79	.86	.91	.61	.50	.50	.50	.58	.70	Cap'l Spending per sh	2.60
1.42	2.05	2.06	1.56	2.50	4.51	4.09	2.78	2.25	3.07	4.04	5.94	3.99	3.32	3.25	4.10	3.55	3.15	Book Value per sh C	22.20
12.04	12.84	13.75	14.74	15.76	17.25	16.60	17.84	18.19	18.70	22.09	22.03	18.89	18.90	17.60	19.62	20.20	20.95	Common Shs Outst'g D	85.00
62.66	62.66	62.66	61.05	58.68	58.68	58.68	60.39	60.46	68.79	76.65	76.81	86.53	86.67	86.67	79.65	80.00	80.00	Avg Ann'l P/E Ratio	10.5
11.0	10.0	9.8	9.5	8.5	7.3	15.1	14.7	15.0	17.1	15.6	35.6	NMF	18.1	14.0	14.5			Relative P/E Ratio	.70
.69	.58	.51	.54	.55	.37	.82	.84	.79	.91	.84	1.89	NMF	1.21	.89	.91			Avg Ann'l Div'd Yield	4.5%
1.9%	3.3%	3.5%	4.4%	4.1%	2.8%	3.5%	3.6%	2.9%	2.9%	3.2%	3.4%	4.9%	4.8%	4.1%	3.2%				

CAPITAL STRUCTURE as of 3/31/12
 Total Debt \$1671.8 mill. Due in 5 Yrs \$236.8 mill.
 LT Debt \$1824.0 mill. LT Interest \$100 mill.
 (LT interest earned: 2.8x)
 Pension Assets-12/11 \$427.4 mill.
 Oblig. \$588.9 mill.

Pfd Stock \$11.5 mill. Pfd Div'd \$.5 mill.
 115,293 shs. 4.58%, \$100 par w/o mandatory redemption. Sinking fund began 2/1/84.

Common Stock 79,653,624 shs.
 As of 4/27/12
MARKET CAP: \$1.6 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-1.2	-5.7	+2.5
Avg. Indust. Use (MWH)	N/A	N/A	N/A
Avg. Indust. Revs. per KWH (c)	N/A	N/A	N/A
Capacity at Peak (Mw)	2711	2631	2547
Peak Load, Summer (Mw)	1866	1973	1938
Annual Load Factor (%)	N/A	N/A	N/A
% Change Customers (yr-end)	-.9	-.7	--

ANNUAL RATES

Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11	
Revenues	-3.5%	-7.5%	2.0%
"Cash Flow"	-2.5%	-4.5%	5.5%
Earnings	-7.5%	-12.0%	16.0%
Dividends	-5%	-8.0%	12.0%
Book Value	1.5%	-1.0%	3.0%

QUARTERLY REVENUES (\$ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	385.9	401.1	477.7	383.0	1647.7
2010	383.5	405.8	503.7	380.5	1673.5
2011	387.7	415.5	549.5	347.9	1700.6
2012	305.4	315	395	294.6	1310
2013	310	325	410	305	1350

EARNINGS PER SHARE A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.15	.01	.60	d.18	.58
2010	.06	.21	.63	d.03	.87
2011	.04	.20	.61	.22	1.08
2012	.17	.30	.60	.18	1.25
2013	.20	.35	.65	.20	1.40

QUARTERLY DIVIDENDS PAID B,†

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.23	.23	.125	.125	.71
2009	.125	.125	.125	.125	.50
2010	.125	.125	.125	.125	.50
2011	.125	.125	.125	.125	.50
2012	.145	.145			

BUSINESS: PNM Resources is an investor-owned holding company of energy and energy related businesses. Primary subsidiaries include Public Service Company of New Mexico (PNM) and Texas-New Mexico Power Company (TNMP) which engage in the generation, transmission, and distribution of electricity in New Mexico and Texas. Sold competitive energy business First Choice Energy

PNM Resources posted a decent start to the year. The company's top-and bottom-line results of \$305 million and \$0.17 a share were in line with expectations. Earnings more than doubled from the year-ago tally, largely due to the sale of its competitive energy businesses, First Choice Power and Optim Energy, which put pressure on PNMR's performance last year. Moreover, share repurchases in 2011, totaling approximately \$125 million, helped to boost share earnings in this year. Looking forward, we reiterate our 2012 share-net estimate of \$1.25; however, we increased our 2013 projection by a nickel, to \$1.40.

The Environmental Protection Agency's (EPA) best available retrofit technology (BART) requirements have led to an uphill battle. Recall, the court decided to deny PNMR's request to suspend installation of selective catalytic reduction (SCR) technology, which could cost the company more than \$750 million over the next five years. Too, the governor of New Mexico sent a similar request, asking the EPA to permit a 90-day stay to allow PNMR to create an alternative plan.

The motion was granted in July, and we expect a final decision later this year. **The electric utility remains engaged regarding other regulatory activity.** Although PNMR is not anticipating another general rate case filing this year, the company is focused on its pending FERC rate cases, its renewable energy rider, and its 2013 renewable energy plan. **Shares of PNM Resources picked up steam since our last review.** The stock price climbed to over \$20 a share, hitting a high not seen since 2008. Thus, this issue is ranked to outperform the broader market averages over the coming six to 12 months.

However, PNM Resources' lackluster dividend yield may offset any positive sentiment. Despite the company's 16% quarterly dividend increase, to \$0.145 a share, we are still unimpressed. PNMR's 2.9% yield is significantly below the utility industry average of 4.1%. Thus, income-seeking investors should look elsewhere right now. Moreover, PNMR's stock price is within our Target Price Range, limiting capital gains potential.

(A) EPS diluted. Excl. nonrecurr. gains (losses): '97, 3c; '98, net (16c); '99, 5c; '00, 14c; '01, (10c); '03, 45c; '05, (56c); '07, 14c; '08, (\$3.77); '10, (\$1.36). Egs. may not sum due to rounding. Next egs. report due early Aug. (B) Div'ds hist. paid in mid Feb., May, Aug., Nov. (C) Div'd reinvest. plan avail. † Shareholder invest. plan avail. (D) Incl. intang. '11: \$3.21/sh. (E) In mill., adjust. for split. (F) Rate base: net orig. cost. Elect. ROE allowed in '08: 10.1%; earned on avg. com. eq., '11: 6.1%. Regulatory Climate: Avg.

SCANA CORP. NYSE:SCG

RECENT PRICE **49.02** P/E RATIO **14.9** (Trailing: 16.3) (Median: 13.0) RELATIVE P/E RATIO **1.02** DIV'D YLD **4.1%**

VALUE LINE

TIMELINESS 3 Raised 9/24/10
SAFETY 2 Lowered 9/10/99
TECHNICAL 3 Raised 8/10/12
BETA .65 (1.00 = Market)

High: 30.0 32.1 35.7 39.7 43.7 42.4 45.5 44.1 38.6 42.0 45.5 50.3
 Low: 24.3 23.5 28.1 32.8 36.6 36.9 32.9 27.8 26.0 34.2 34.6 43.3

LEGENDS
 0.90 x Dividends p sh divided by Interest Rate
 Relative Price Strength
 Options: Yes
 Shaded areas indicate recessions

2015-17 PROJECTIONS

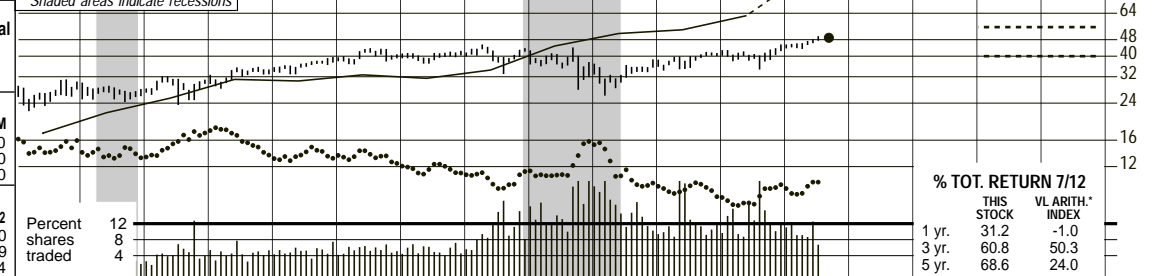
Price	55	40
Gain	(+10%)	(-20%)
Ann'l Total Return	7%	Nil

Insider Decisions

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

Institutional Decisions

	3Q2011	4Q2011	1Q2012
to Buy	154	150	160
to Sell	136	144	139
Hlds(000)	62605	61078	64854



Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
Revenues per sh	14.25	14.19	15.76	15.93	32.78	32.95	26.65	30.85	34.38	41.54	39.00	39.50	45.08	34.45	36.23	33.92	30.95	30.35	Revenues per sh	33.75
"Cash Flow" per sh	3.75	3.53	3.62	3.15	4.43	4.55	4.56	4.95	5.26	7.41	5.67	5.72	5.85	5.65	5.93	6.01	6.20	6.15	"Cash Flow" per sh	7.00
Earnings per sh A	2.05	1.90	2.12	1.44	2.12	2.15	2.38	2.50	2.67	2.78	2.59	2.74	2.95	2.85	2.98	2.97	3.15	3.35	Earnings per sh A	3.75
Div'd Decl'd per sh B	1.47	1.51	1.54	1.32	1.15	1.20	1.30	1.38	1.46	1.56	1.68	1.76	1.84	1.88	1.90	1.94	1.98	2.02	Div'd Decl'd per sh B	2.15
Cap'l Spending per sh	2.34	2.45	2.87	2.37	3.28	4.99	6.41	6.94	4.84	3.37	4.50	6.20	7.66	7.43	6.90	6.80	10.00	11.10	Cap'l Spending per sh	9.50
Book Value per sh C	15.86	16.66	16.86	20.27	19.40	20.95	19.64	20.82	21.69	23.28	24.32	25.30	25.81	27.71	29.15	29.92	31.30	33.90	Book Value per sh C	39.75
Common Shs Outst'g D	106.18	107.32	103.57	103.57	104.73	104.73	110.83	110.74	113.00	115.00	117.00	117.00	118.00	123.00	127.00	130.00	132.50	145.00	Common Shs Outst'g D	155.00
Avg Ann'l P/E Ratio	13.1	13.4	14.5	17.5	12.5	12.6	12.2	13.0	13.6	14.4	15.4	15.0	12.7	11.6	12.9	13.7	10.00	11.10	Avg Ann'l P/E Ratio	12.5
Relative P/E Ratio	.82	.77	.75	1.00	.81	.65	.67	.74	.72	.77	.83	.80	.76	.77	.82	.86	10.00	11.10	Relative P/E Ratio	.85
Avg Ann'l Div'd Yield	5.5%	5.9%	5.0%	5.2%	4.3%	4.4%	4.5%	4.2%	4.0%	3.9%	4.2%	4.3%	4.9%	5.7%	4.9%	4.8%	4.0%	4.0%	Avg Ann'l Div'd Yield	4.5%

CAPITAL STRUCTURE as of 3/31/12
 Total Debt \$5477.0 mill. Due in 5 Yrs \$864.0 mill.
 LT Debt \$4862.0 mill. LT Interest \$259.0 mill.
 (LT interest earned: 2.9x)

Leases, Uncapitalized Annual rentals \$11.0 mill.
Pension Assets-12/11 \$755.0 mill.
Oblig. \$830.1 mill.

Pfd Stock None

Common Stock 130,792,209 shs.
 as of 4/30/12
MARKET CAP: \$6.4 billion (Large Cap)

2954.0	3416.0	3885.0	4777.0	4563.0	4621.0	5319.0	4237.0	4601.0	4409.0	4100	4400	Revenues (\$mill)	5250
259.0	285.0	305.0	323.0	306.0	327.0	353.0	357.0	376.0	387.0	420	470	Net Profit (\$mill)	580
32.2%	31.5%	32.5%	--	26.5%	29.2%	35.4%	32.0%	29.8%	30.3%	31.0%	31.0%	Income Tax Rate	31.0%
13.5%	10.5%	8.5%	9%	2.6%	4.6%	8.5%	14.3%	8.0%	5.4%	6.0%	10.0%	AFUDC % to Net Profit	6.0%
55.7%	57.1%	55.4%	51.4%	50.9%	48.4%	58.0%	56.8%	52.9%	54.3%	55.0%	53.0%	Long-Term Debt Ratio	53.0%
42.1%	40.8%	42.6%	46.6%	47.2%	49.7%	40.5%	43.2%	47.1%	45.7%	45.0%	47.0%	Common Equity Ratio	47.0%
5176.0	5646.0	5752.0	5739.0	6027.0	5952.0	7519.0	7891.0	7854.0	8511.0	9220	10435	Total Capital (\$mill)	13075
5474.0	6417.0	6762.0	6734.0	7007.0	7538.0	8305.0	9009.0	9662.0	10047	10965	12150	Net Plant (\$mill)	15375
7.0%	6.9%	7.1%	7.4%	6.8%	7.3%	6.2%	6.1%	6.5%	6.2%	6.0%	6.0%	Return on Total Cap'l	6.0%
11.3%	11.8%	11.9%	11.6%	10.3%	10.6%	11.2%	10.5%	10.2%	10.0%	10.0%	9.5%	Return on Shr. Equity	9.5%
11.6%	12.1%	12.2%	11.8%	10.5%	10.8%	11.4%	10.2%	10.2%	10.0%	10.0%	9.5%	Return on Com Equity E	9.5%
5.5%	5.5%	5.6%	5.3%	3.8%	4.0%	4.4%	3.6%	3.8%	3.6%	4.0%	4.0%	Retained to Com Eq	4.0%
54%	55%	55%	56%	65%	64%	62%	66%	63%	64%	62%	60%	All Div'ds to Net Prof	57%

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	4.0	+8.5	+3.4
Avg. Indust. Use (MWH)	7071	7923	8129
Avg. Indust. Revs. per KWH (c)	6.65	6.72	6.87
Capacity at Yearend (Mw)	5611	5645	5642
Peak Load, Summer (Mw)	4557	4735	4885
Annual Load Factor (%)	58.7	60.9	57.3
% Change Customers (yr-end)	+8	+9	+5

Fixed Charge Cov. (%) 255 278 279

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '09-'11 of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11
Revenues	2.5%	-2.0%	-5%
"Cash Flow"	4.0%	-1.0%	3.0%
Earnings	4.5%	2.0%	4.0%
Dividends	4.5%	4.0%	2.0%
Book Value	3.5%	4.5%	5.5%

BUSINESS: SCANA Corporation is a holding company for South Carolina Electric & Gas Company, which supplies electricity to 669,000 customers in South Carolina. Supplies gas and transmission service to 1.3 million customers in North and South Carolina and Georgia. Owns gas pipelines. Acquired PSNC Energy 2/00. Electric revenue breakdown: residential, 42%; commercial, 31%; industrial, 17%; other, 10%. Generating sources: coal, 49%; oil & gas, 28%; nuclear, 19%; hydro, 3%; purchased, 1%. Fuel costs: 54% of revenues. '11 reported deprec. rate: 2.9%. Has 5,900 employees. Chairman, CEO & President: Kevin B. Marsh, Inc.: South Carolina. Address: 100 SCANA Parkway, Cayce, South Carolina 29033. Tel.: 803-217-9000. Internet: www.scana.com.

SCANA's utility subsidiary in South Carolina has filed an electric rate case. South Carolina Electric & Gas is seeking a rate hike of \$151.5 million (6.6%), based on a return of 10.95% on a common-equity ratio of 52.18%. (This application excludes the two nuclear units that are under construction, which are dealt with in separate regulatory proceedings.) SCE&G's electric rate base isn't earning an adequate return on equity, having earned an ROE of below 9% for the 12 months ended in mid-2012. In recent years, the utility has been able to settle its general rate cases. SCE&G expects to obtain a rate order in time for new tariffs to take effect at the start of 2013.

The utility has a separate filing for its nuclear construction costs under the state's Base Load Review Act (BLRA). SCE&G's 55% share of the two units it is building are projected to cost \$5.8 billion. In order to avoid rate shock and enable the utility to earn a return on construction work in progress, SCE&G files for a modest rate hike each year under the BLRA for these costs. The latest petition is for an increase of \$56.7 million (2.5%). New rates

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	Year
2009	1343	878	921	1095	4237.0
2010	1428	939	1088	1146	4601.0
2011	1281	1000	1092	1036	4409.0
2012	1107	908	1085	1000	4100
2013	1250	950	1150	1050	4400

Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	Year
2009	.94	.45	.84	.62	2.85
2010	1.02	.43	.79	.74	2.98
2011	1.00	.43	.81	.75	2.97
2012	.91	.55	.85	.84	3.15
2013	1.05	.50	.90	.90	3.35

Cal-endar	QUARTERLY DIVIDENDS PAID B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	Year
2008	.44	.46	.46	.46	1.82
2009	.46	.47	.47	.47	1.87
2010	.47	.475	.475	.475	1.90
2011	.475	.485	.485	.485	1.93
2012	.485	.495	.495		

are expected to take effect in October. **SCE&G is seeking an adjustment in gas rates, too.** Each year, the utility files if it is overearning or underearning its allowed ROE by at least half a percentage point. Because SCE&G is now underearning its allowed ROE for gas, it requested a boost of \$8.8 million (2.4%). New tariffs should take effect in November.

We have raised our 2012 share-net estimate by a nickel, to \$3.15. June-quarter profits were better than we expected, as the company is benefiting from economic improvement in its service territory. Our revised estimate is at the mid-point of SCANA's guidance of \$3.05-\$3.25. **We forecast further bottom-line growth in 2013.** We assume reasonable regulatory treatment in the aforementioned rate cases and a return to normal weather patterns in Georgia. The mild winter hurt SCANA's gas-supply operation there in the first quarter of 2012. **We aren't enthusiastic about this stock.** The yield is only average for a utility, and 3- to 5-year total return potential is low.

Paul E. Debbas, CFA August 24, 2012

SOUTHERN CO. NYSE-SO

RECENT PRICE **46.60** P/E RATIO **17.4** (Trailing: 18.7; Median: 15.0) RELATIVE P/E RATIO **1.19** DIV'D YLD **4.3%**

VALUE LINE

TIMELINESS 2 Raised 8/24/12
SAFETY 1 Raised 6/3/05
TECHNICAL 3 Raised 8/10/12
BETA .55 (1.00 = Market)

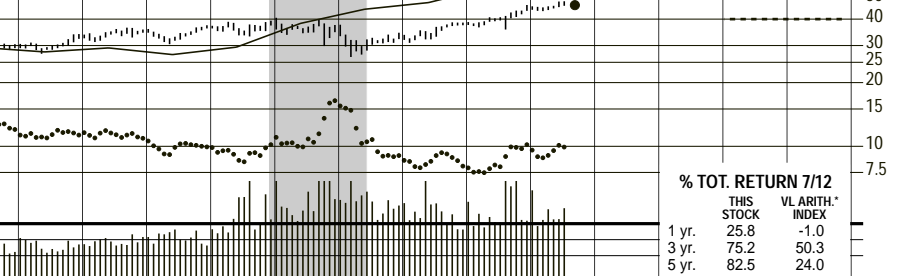
High: 35.7 31.1 32.0 34.0 36.5 37.4 39.3 40.6 37.6 38.6 46.7 48.6
 Low: 20.9 23.2 27.0 27.4 31.1 30.5 33.2 29.8 26.5 30.8 35.7 43.7

Target Price Range
 2015 2016 2017

2015-17 PROJECTIONS

Price	50	Gain	(+5%)	Ann'l Total Return	6%
High	50	Low	40	Gain	(-15%)
Low	40	Gain	(-15%)	Return	1%

LEGENDS
 0.85 x Dividends p sh divided by Interest Rate
 Relative Price Strength
 Options: Yes
 Shaded areas indicate recessions



Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	1	0	0	1	0
Options	1	2	1	0	1	0	1	2	3
to Sell	1	2	1	0	1	0	1	2	3

Institutional Decisions

	3Q2011	4Q2011	1Q2012
to Buy	435	435	385
to Sell	271	307	387
Hlds(000)	373196	374903	372243

Percent shares traded

9
6
3

Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
Revenues per sh	15.30	18.19	16.34	17.40	14.78	14.54	14.73	15.31	16.05	18.28	19.24	20.12	22.04	19.21	20.70	20.41	19.00	19.55	Revenues per sh	21.75
"Cash Flow" per sh	3.64	3.86	4.26	4.17	3.89	3.55	3.46	3.53	3.65	4.03	4.01	4.22	4.43	4.43	4.51	4.91	5.10	5.45	"Cash Flow" per sh	6.25
Earnings per sh ^A	1.68	1.58	1.73	1.83	2.01	1.61	1.85	1.97	2.06	2.13	2.10	2.28	2.25	2.32	2.36	2.55	2.60	2.80	Earnings per sh ^A	3.25
Div'd Decl'd per sh ^B = †	1.26	1.30	1.34	1.34	1.34	1.34	1.36	1.39	1.42	1.48	1.54	1.60	1.66	1.73	1.80	1.87	1.94	2.02	Div'd Decl'd per sh ^B = †	2.25
Cap'l Spending per sh	1.82	2.68	2.87	3.85	3.27	3.75	3.79	2.72	2.85	3.20	4.01	4.65	5.10	5.70	4.85	5.23	6.25	5.65	Cap'l Spending per sh	6.75
Book Value per sh ^C	13.61	13.91	14.04	13.82	15.69	11.43	12.16	13.13	13.86	14.42	15.24	16.23	17.08	18.15	19.21	20.32	20.95	21.70	Book Value per sh ^C	25.50
Common Shs Outst'g ^D	677.04	693.42	697.75	665.80	681.16	698.34	716.40	734.83	741.50	741.45	746.27	763.10	777.19	819.65	843.34	865.13	868.00	870.00	Common Shs Outst'g ^D	915.00
Avg Ann'l P/E Ratio	13.8	14.0	15.7	14.3	13.2	14.6	14.6	14.8	14.7	15.9	16.2	16.0	16.1	13.5	14.9	15.8	14.0	14.0	Avg Ann'l P/E Ratio	14.0
Relative P/E Ratio	.86	.81	.82	.82	.86	.75	.80	.84	.78	.85	.87	.85	.97	.90	.95	1.00	1.00	1.00	Relative P/E Ratio	.95
Avg Ann'l Div'd Yield	5.5%	5.9%	4.9%	5.1%	5.0%	5.7%	5.0%	4.7%	4.7%	4.4%	4.5%	4.4%	4.6%	5.5%	5.1%	4.6%	4.6%	4.6%	Avg Ann'l Div'd Yield	5.0%

CAPITAL STRUCTURE as of 3/31/12
 Total Debt \$21961 mill. Due in 5 Yrs \$7695.0 mill.
 LT Debt \$19051 mill. LT Interest \$848.0 mill.
 (LT interest earned: 4.8x)
 Leases, Uncapitalized Annual rentals \$121.0 mill.
 Pension Assets-12/11 \$6.80 bill. Oblig. \$8.08 bill.
 Pfd Stock \$1082 mill. Pfd Div'd \$65.0 mill.
 Incl. 1 mill. shs. 4.20%-5.44% cum. pfd. (\$100 par);
 12 mill. shs. 4.95%-5.83% cum. pfd. (\$1 par); 2
 mill. shs. 6.0% noncum. pfd. (\$25 par); 3 mill. shs.
 6.0%-6.5% noncum. pfd. (\$100 par); 14 mill. shs.
 5.63%-6.5% noncum. pfd. (\$1 par).
Common Stock 868,690,126 shs.
MARKET CAP: \$40 billion (Large Cap)

10549	11251	11902	13554	14356	15353	17127	15743	17456	17657	16500	17000	Revenues (\$mill)	20000
1510.0	1602.1	1589.0	1621.0	1608.0	1782.0	1807.0	1910.0	2040.0	2268.0	2340	2510	Net Profit (\$mill)	3040
25.9%	27.0%	27.0%	26.9%	32.7%	31.9%	33.6%	31.9%	33.5%	35.0%	32.0%	32.0%	Income Tax Rate	32.0%
5.4%	4.6%	5.2%	4.4%	4.8%	9.5%	12.3%	14.9%	13.7%	10.2%	13.0%	13.0%	AFUDC % to Net Profit	13.0%
43.1%	45.9%	53.5%	53.2%	50.8%	51.2%	53.9%	53.2%	51.2%	50.0%	52.0%	52.0%	Long-Term Debt Ratio	53.0%
43.4%	43.6%	44.1%	44.3%	46.2%	44.9%	42.6%	43.6%	45.7%	47.1%	45.5%	45.0%	Common Equity Ratio	45.0%
20086	22135	23288	24131	24618	27608	31174	34091	35438	37307	40000	41700	Total Capital (\$mill)	52200
24642	27534	28361	29480	31092	33327	35878	39230	42002	45010	48275	50900	Net Plant (\$mill)	61500
8.6%	8.4%	8.1%	8.2%	8.2%	7.9%	7.1%	6.9%	7.0%	7.2%	7.0%	7.0%	Return on Total Cap'l	7.0%
13.2%	13.4%	14.7%	14.4%	13.3%	13.2%	12.6%	12.0%	11.8%	12.2%	12.0%	12.5%	Return on Shr. Equity	12.5%
15.1%	14.8%	14.9%	14.9%	13.8%	14.0%	13.1%	12.4%	12.2%	12.5%	12.5%	13.0%	Return on Com Equity ^E	12.5%
4.1%	4.4%	4.7%	4.6%	3.8%	4.3%	3.5%	3.2%	3.0%	3.4%	3.5%	3.5%	Retained to Com Eq	4.0%
76%	73%	69%	70%	73%	70%	74%	75%	77%	73%	75%	72%	All Div'ds to Net Prof	69%

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-4.8	+7.6	-2.7
Avg. Indust. Use (MWH)	3095	3332	3438
Avg. Indust. Revs. per KWH (c)	6.04	6.20	6.37
Capacity at Yearend (Mw)	42932	42963	43555
Peak Load, Summer (Mw)	34471	36321	36956
Annual Load Factor (%)	60.6	62.2	59.0
% Change Customers (yr-end)	-	+3	-1

BUSINESS: The Southern Company, through its subsidiaries, supplies electricity to 4.4 million customers in about 120,000 square miles of Georgia, Alabama, Florida, and Mississippi. Also has competitive generation business. Electric revenue breakdown: residential, 35%; commercial, 30%; industrial, 19%; wholesale, 11%; other, 5%. Retail revenues by state: Georgia, 51%; Alabama, 33%; Florida, 9%; Mississippi, 7%. Generating sources: coal, 49%; oil & gas, 28%; nuclear, 15%; hydro, 2%; purchased, 6%. Fuel costs: 39% of revenues. '11 reported deprec. rate (utility): 3.2%. Has 26,400 employees. Chairman, President and CEO: Thomas A. Fanning, Inc.: Delaware. Address: 30 Ivan Allen Jr. Blvd., N.W., Atlanta, Georgia 30308. Tel.: 404-506-5000. Internet: www.southerncompany.com.

Southern Company has two major projects under construction. Georgia Power is building two nuclear units that are scheduled to begin commercial operation in 2016 and 2017. The utility's 45.7% share of the project (about 1,000 megawatts) has a certified cost of \$6.1 billion. However, some \$400 million of cost overruns are in dispute between the company and the construction firms. If the final cost is above the certified cost, Georgia Power would have to seek recovery for the overage from the state commission. Mississippi Power is building a 582-mw coal gasification plant, which is scheduled for completion in 2014. The projected cost has risen to \$2.88 billion (including a \$62 million contingency), which is the cost cap there. The utility would have to ask the state regulators for approval to recover any costs above the cost cap.

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Revenues	2.5%	2.5%	1.0%
"Cash Flow"	2.0%	3.5%	5.0%
Earnings	3.0%	3.0%	5.0%
Dividends	3.0%	4.0%	4.0%
Book Value	3.5%	6.0%	5.0%

We now estimate that earnings will advance slightly in 2012. Second-quarter profits were better than we expected, so we have raised our earnings estimate by \$0.05 a share, to \$2.60. Our revised estimate is now within Southern Company's guidance of \$2.58-\$2.70 a

We expect profits to increase in 2013. Georgia Power will benefit from the final increase of its three-year rate hike. In addition, the service area's economy is growing moderately. We have raised our earnings estimate by \$0.05 a share because average shares outstanding will be lower than we had expected.

Southern Company won't need additional common equity this year or next. That's because the cost of environmental compliance will be less than the company had expected. Whatever equity is issued through the exercise of options will be bought back on the open market. There will be a small net increase in shares outstanding, however, because options are exercised at below-market prices.

This high-quality stock is timely. However, it is trading at an above-market price-earnings ratio, which is unusual for a utility issue. The yield is average for a utility, but with the share price near the upper bound of our 2015-2017 Target Price Range, total return potential over that time frame is minimal.

QUARTERLY REVENUES (mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	3666	3885	4682	3510	15743
2010	4157	4208	5320	3771	17456
2011	4012	4521	5428	3696	17657
2012	3604	4181	5015	3700	16500
2013	3800	4200	5200	3800	17000

Shareholder investment plan available. (C) Incl. deferred charges. In '11: \$6.27/sh. (D) In mill. (E) Rate base: AL, MS, fair value; FL, GA, orig. cost. Allowed return on com. eq. (blended): 12.5%. Earned on avg. com. eq., '11: 13.0%. Regulatory Climate: AL Above Average; GA, MS, FL Average.

Paul E. Debbas, CFA August 24, 2012

EARNINGS PER SHARE^A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.41	.61	.99	.31	2.32
2010	.60	.62	.98	.18	2.36
2011	.49	.70	1.06	.30	2.55
2012	.42	.70	1.12	.36	2.60
2013	.50	.75	1.20	.35	2.80

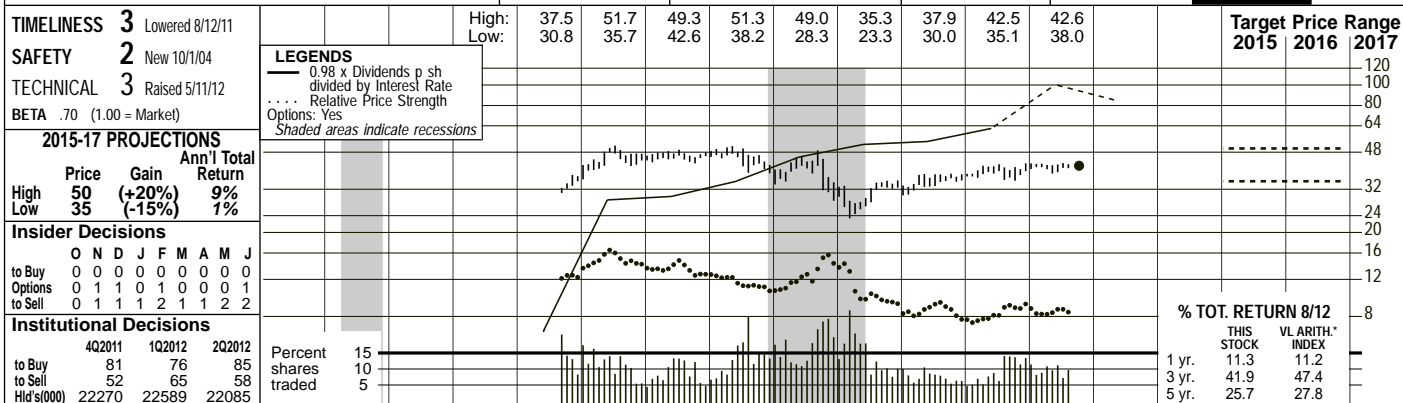
(A) Diluted earnings. Excl. nonrecurring gain (loss): '03, 6c; '09, (25c). '10 EPS don't add due to change in shares. Next earnings report due late Oct. (B) Div'ds historically paid in early

Mar., June, Sept., and Dec. ■ Div'd reinvestment plan avail. † Shareholder investment plan avail. (C) Incl. deferred charges. In '11: \$6.27/sh. (D) In mill. (E) Rate base: AL, MS, fair value; FL, GA, orig. cost. Allowed return on com. eq. (blended): 12.5%. Earned on avg. com. eq., '11: 13.0%. Regulatory Climate: AL Above Average; GA, MS, FL Average.

Company's Financial Strength

Stock's Price Stability	A
Price Growth Persistence	100
Earnings Predictability	60
	100

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2015-17 PROJECTIONS	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC 15-17																																																			
Price	35	40	45	50	55	60	65	70	75	80	85	90	Revenues per sh																																																			
Gain	+20%	+15%	+10%	+5%	+5%	+5%	+5%	+5%	+5%	+5%	+5%	+5%	"Cash Flow" per sh																																																			
Ann'l Total Return	9%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	Earnings per sh A																																																			
High	50	55	60	65	70	75	80	85	90	95	100	105	Div'd Decl'd per sh B = †																																																			
Low	35	40	45	50	55	60	65	70	75	80	85	90	Cap'l Spending per sh																																																			
Insider Decisions	<table border="1"> <tr> <th></th> <th>O</th> <th>N</th> <th>D</th> <th>J</th> <th>F</th> <th>M</th> <th>A</th> <th>M</th> <th>J</th> <th>J</th> <th></th> <th></th> </tr> <tr> <td>to Buy</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Options</td> <td>0</td> <td>1</td> <td>1</td> <td>0</td> <td>1</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>to Sell</td> <td>0</td> <td>1</td> <td>1</td> <td>1</td> <td>2</td> <td>1</td> <td>1</td> <td>2</td> <td>1</td> <td>2</td> <td>2</td> <td>2</td> </tr> </table>													O	N	D	J	F	M	A	M	J	J			to Buy	0	0	0	0	0	0	0	0	0	0	0	0	Options	0	1	1	0	1	0	0	0	0	0	0	0	to Sell	0	1	1	1	2	1	1	2	1	2	2	2
	O	N	D	J	F	M	A	M	J	J																																																						
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Options	0	1	1	0	1	0	0	0	0	0	0	0																																																				
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CAPITAL STRUCTURE as of 6/30/12	<p>Total Debt \$875.8 mill. Due in 5 Yrs \$221.0 mill. LT Debt \$808.4 mill. LT Interest \$41.0 mill. (LT interest earned: 3.6x) Leases, Uncapitalized Annual rentals \$10.9 mill.</p>																																																															
Pension Assets-12/11	<p>\$432.4 mill. Oblig. \$597.5 mill.</p>																																																															
Pfd Stock	None																																																															
Common Stock	38,288,789 shs.																																																															
MARKET CAP:	\$1.6 billion (Mid Cap)																																																															
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ALLETE, in its current configuration, began trading on September 21, 2004, the day after it spun off its automotive services business, ADESA (now KAR Auction Services, NYSE: KAR), to shareholders and effected a 1-for-3 reverse stock split. ALLETE shareholders received one share of ADESA for each ALLETE share held. Data for the "old" ALLETE are not shown because they are not comparable.

BUSINESS: ALLETE, Inc. is the parent company of Minnesota Power, which supplies electricity to 146,000 customers in north-eastern MN, & Superior Water, Light & Power in northwestern WI. Electric revenue breakdown: taconite mining/processing, 24%; paper/wood products, 9%; other industrial, 10%; residential, 13%; commercial, 14%; wholesale, 13% other, 17%. Has real estate op-

eration in FL. Discont. water-utility ops. in '01. Spun off automotive remarketing operation in '04. Generating sources: coal & lignite, 60%; hydro, 3%; other, 2%; purchased, 35%. '11 deprec. rate: 3.0%. Has 1,400 employees. Chairman, President & CEO: Alan R. Hodnik. Inc.: MN. Address: 30 West Superior St., Duluth, MN 55802-2093. Tel.: 218-279-5000. Internet: www.allete.com.

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 of change (per sh)
Revenues	--	-1.0%	3.0%
"Cash Flow"	--	3.0%	8.0%
Earnings	--	5.0%	9.0%
Dividends	--	12.0%	3.0%
Book Value	--	5.5%	4.0%

ALLETE's earnings are likely to be much better in the second half of 2012 than they were in the first half. The company's main utility subsidiary, Minnesota Power, gets current cost recovery for about half of its capital expenditures. This includes the two wind projects that are under construction. Each will provide 105 megawatts of capacity at an expected cost of \$160 million. The bulk of the capital spending will be in the second half of 2012, and this will be reflected in the bottom line. In addition, this year Minnesota Power's operating and maintenance expenses were skewed towards the first half. Our 2012 earnings estimate is at the midpoint of ALLETE's targeted range of \$2.45-\$2.65 a share. (Note: If the Minnesota commission grants the utility a pension tracking mechanism that it requested, that would likely prompt management to raise its guidance.) Earnings will probably fall short of last year's tally because ALLETE recorded tax benefits of \$0.26 a share in the first half of 2011. **We estimate that profits will advance in 2013.** We assume a return to normal weather conditions in the first quarter; a

mild winter in 2012 cost the company about \$0.05 a share. A full year of income from the aforementioned wind projects will be a plus, too. We estimate a 6% earnings increase, to \$2.70 a share. **ALLETE has some avenues for further earnings growth by mid-decade.** Minnesota Power's mining customers are running at full capacity. Some of them have projects in various stages of development. This should boost the utility's load in the next few years. Minnesota Power has proposed a \$350 million-\$400 million environmental upgrade to a coal-fired unit, for which it needs the approval of the state commission. And there are significant opportunities for transmission investment, both on the utility's own and through its 8% equity interest in American Transmission Company. **This stock's dividend yield is slightly above average for a utility.** We project strong earnings growth, and moderate dividend growth, over the 3- to 5-year period, but total return potential over that time frame is only about equal to the industry average.

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	199.6	164.7	178.8	216.0	759.1
2010	233.6	211.2	224.1	238.1	907.0
2011	242.2	219.9	226.9	239.2	928.2
2012	240.0	216.4	243.6	250	950
2013	255	235	250	260	1000

Our 2012 earnings estimate is at the midpoint of ALLETE's targeted range of \$2.45-\$2.65 a share. (Note: If the Minnesota commission grants the utility a pension tracking mechanism that it requested, that would likely prompt management to raise its guidance.) Earnings will probably fall short of last year's tally because ALLETE recorded tax benefits of \$0.26 a share in the first half of 2011. **We estimate that profits will advance in 2013.** We assume a return to normal weather conditions in the first quarter; a

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Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	.55	.29	.49	.56	1.89
2010	.68	.57	.56	.38	2.19
2011	1.07	.48	.57	.53	2.65
2012	.66	.39	.80	.70	2.55
2013	.75	.50	.75	.70	2.70

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Cal-endar	QUARTERLY DIVIDENDS PAID B = †				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2008	.43	.43	.43	.43	1.72
2009	.44	.44	.44	.44	1.76
2010	.44	.44	.44	.44	1.76
2011	.445	.445	.445	.445	1.78
2012	.46	.46	.46		

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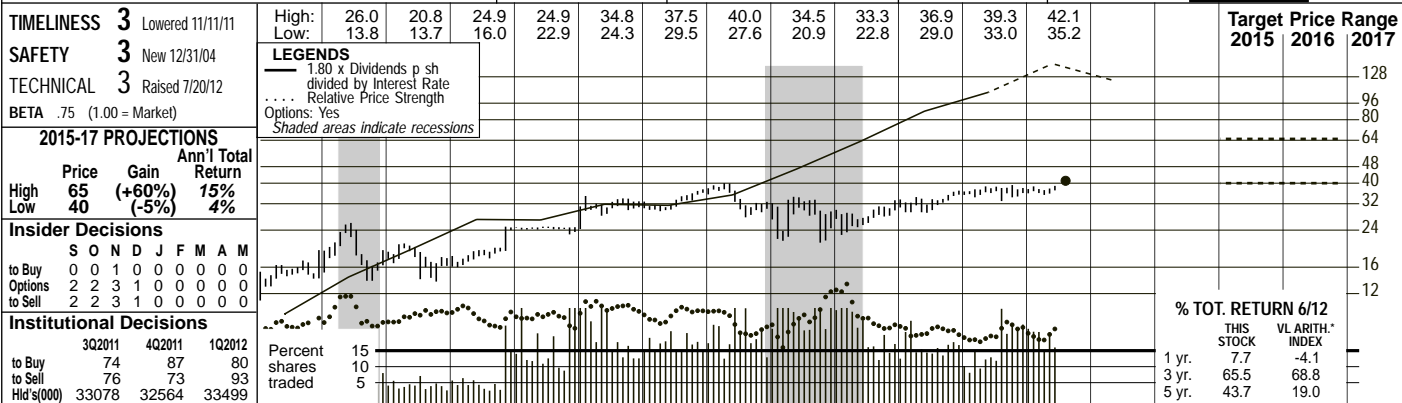
(A) Diluted EPS. Excl. nonrec. gain (loss): '04, 2c; '05, (\$1.84); gain (losses) on disc. ops.: '04, \$2.57, '05, (16c); '06, (2c); loss from accounting change: '04, 27c. Next egs. report due late Oct. (B) Div'ds historically paid in early Mar., June, Sept. and Dec. = Div'd investment plan avail. † Shareholder reinvestment plan avail. (C) Incl. deferred chgs. In '11: \$9.22/sh. (D) In mill. (E) Rate base: Original cost deprec. Rate allowed on com. eq. in '10: 10.38%; earned on avg. com. eq. '11: 9.1%. Regulatory Climate: Average. (F) Summer peak in '10.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	50
Earnings Predictability	75

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UNS ENERGY NYSE-UNS

RECENT PRICE **41.08** P/E RATIO **18.7** (Trailing: 16.0 Median: 17.0) RELATIVE P/E RATIO **1.32** DIV'D YLD **4.2%** VALUE LINE



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
22.28	22.71	23.83	24.85	31.12	43.12	25.50	28.71	34.13	35.26	37.42	39.12	39.41	38.89	39.78	40.89	38.15	39.45	Revenues per sh	42.50
6.82	5.29	3.48	3.96	4.23	5.41	4.80	5.20	5.29	5.21	5.68	5.64	4.56	7.82	7.33	7.44	6.60	7.10	"Cash Flow" per sh	8.00
3.76	2.60	.68	1.08	1.27	1.79	.97	1.30	1.31	1.30	1.85	1.55	.39	2.69	2.82	2.75	2.20	2.75	Earnings per sh ^A	3.75
--	--	--	--	.32	.40	.50	.60	.64	.76	.84	.90	.96	1.16	1.56	1.68	1.72	1.76	Div'd Decl'd per sh ^B = †	2.25
2.07	2.22	2.52	2.87	3.19	3.63	3.36	4.06	4.49	5.83	6.77	6.95	9.85	8.01	7.26	10.13	8.80	10.50	Cap'l Spending per sh	11.70
4.15	6.75	7.65	10.02	11.20	12.68	13.05	15.97	16.95	17.68	18.59	19.54	19.16	20.94	22.46	24.07	23.90	24.90	Book Value per sh	27.45
32.13	32.14	32.26	32.35	33.22	33.50	33.58	33.79	34.26	34.87	35.19	35.32	35.46	35.85	36.54	36.92	38.00	38.00	Common Shs Outst'g ^C	40.00
4.3	6.1	23.3	10.8	11.8	10.8	18.2	14.6	18.7	23.9	17.7	22.0	73.8	10.4	11.6	13.3	10.4	13.3	Avg Ann'l P/E Ratio	14.0
.27	.35	1.21	.62	.77	.55	.99	.83	.99	1.27	.96	1.17	4.44	.69	.74	.84	.69	.84	Relative P/E Ratio	.95
--	--	--	--	2.1%	2.1%	2.8%	3.2%	2.6%	2.5%	2.6%	2.6%	3.3%	4.1%	4.8%	4.6%	4.8%	4.6%	Avg Ann'l Div'd Yield	4.3%

CAPITAL STRUCTURE as of 3/31/12		2009	2010	2011	Pension Assets-12/11		2009	2010	2011	Common Stock		2009	2010	2011
Total Debt	\$1446.7 mill. Due in 5 Yrs	\$770.0 mill.			2009	2011	2009	2010	2011	40,260,270 shs.	as of 4/18/12	2009	2010	2011
LT Debt	\$1913.0 mill.	LT Interest	\$75.0 mill.		856.2	969.9	1169.0	1229.5	1316.9	MARKET CAP: \$1.7 billion (Mid Cap)		81.5%	79.2%	77.1%
Incl.	\$352.7 mill. capitalized leases.				33.3	45.2	45.9	46.1	69.2			18.5%	20.8%	22.9%
(LT interest earned: 3.4x)					33.7%	19.7%	42.5%	41.4%	38.8%			2368.8	2589.0	2540.3
					--	2.2%	--	--	2.9%			1668.4	2069.2	2081.1
					8.1%	79.2%	77.1%	75.3%	72.9%			2.8%	4.9%	5.1%
					18.5%	20.8%	22.9%	24.7%	27.1%			7.6%	8.4%	7.9%
					2368.8	2589.0	2540.3	2494.9	2414.1			7.6%	8.4%	7.9%
					1668.4	2069.2	2081.1	2171.5	2259.6			3.8%	4.6%	4.1%
					2.8%	4.9%	5.1%	5.1%	5.9%			51%	45%	48%
					7.6%	8.4%	7.9%	7.5%	10.6%			232	268	251
					7.6%	8.4%	7.9%	7.5%	10.6%					
					3.8%	4.6%	4.1%	3.2%	6.1%					
					51%	45%	48%	57%	43%					

BUSINESS: UNS Energy Corporation, through its subsidiaries, operates as an electric utility in Arizona. Subsidiaries include Tuscon Electric Power (TEP), UNS Gas, and UNS Electric. TEP segment serves about 404,000 retail customers in southern Arizona and accounted for 77% of '11 net income. Revenue sources: residential, 42%; commercial, 21%; industrial, 34%; other, 3%. Copper mining is largest industry served. Fuels: coal, 92%; gas, 8%. '11 TEP reported depreciation rate: 3.2%. Has 2,004 employees: TEP, 1,391; UNS Gas, 187; UNS Electric, 154; Other, 272. Chrmn. & CEO: Paul J. Bonavia. Pres.: David G. Hutchens. Inc.: AZ. Address: 88 E. Broadway Blvd., Tucson, AZ. 85701. Telephone: 520-571-4000. Internet: www.unisourceenergy.com.

UNS Energy, formerly known as UniSource Energy, has filed for rate increases. The company's largest subsidiary, Tuscon Electric Power (TEP), has been in a four-year base-rate freeze, which is scheduled to end December 1, 2012, according to its 2008 settlement agreement. As anticipated, TEP filed for a rate hike on July 2nd, and expects the settlement to be completed within 13 months, with an August 1, 2013 start date. TEP is requesting \$128 million in annual revenue increases, which is based on an original cost rate base of approximately \$1.5 billion. All told, an increase would likely result in a 15% base-rate hike, which should help boost earnings in 2013. As a result, however, customers will see costs rise a little over 15%, as the average bill will increase by \$13 a month.

The new rates are needed to provide TEP with an appropriate rate of return, which has been lacking due to significant cost changes since its last test year in 2006. Indeed, the requested rate hikes will likely cover rising service costs and the significant amount of capital investments the company incurred over the past five years. Too, the rate increases will help pay for renewable power and energy efficiency expenditures mandated by environmental regulations. Also, management hopes to see growth and demand improve, which have lagged since the recession.

In other news, the company reported overwhelming first-quarter results. In fact, both the top and bottom lines were below expectations. Revenues were \$319 million, and earnings contracted over 50% from the year-ago figure. We now anticipate the full-year performance will be lackluster, as UNS is hindered by TEP's rate freeze. As a result, we have tempered our 2012 share-net estimate by a nickel, to \$2.20.

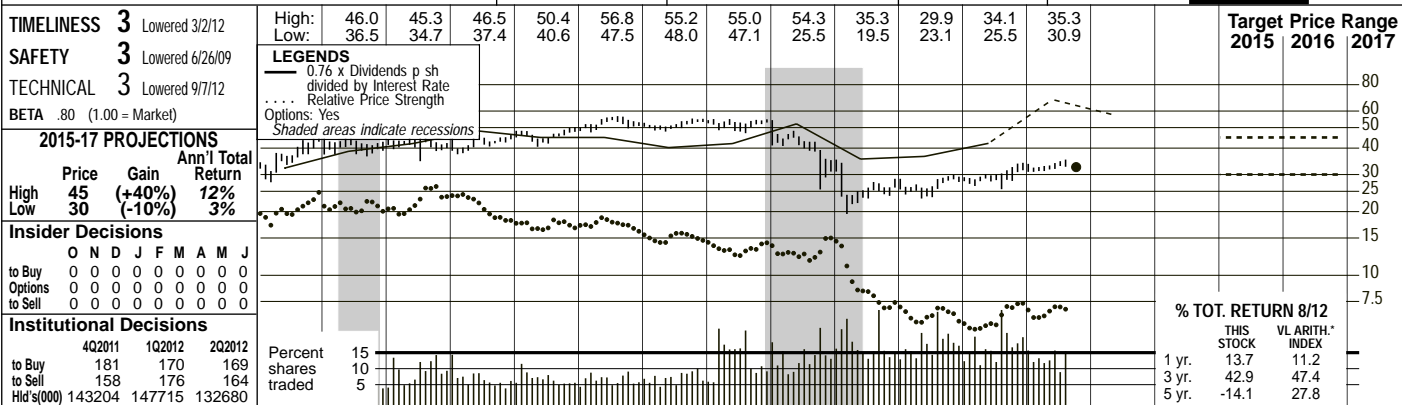
These shares are best suited for income-oriented investors. Although this issue is ranked to mirror the broader market averages over the coming six to 12 months, UNS Energy's 4.2% dividend yield is impressive. Moreover, we expect management to further boost the dividend in the coming 3 to 5 years, to achieve its target payout ratio, which is 60%-70% of its net income.

Michelle Jensen August 3, 2012

(A) EPS diluted. Excl. nonrecur. gains (losses): '98, 19¢; '99, \$1.35; '00, 48¢; '03, \$2.00. Next earnings report due early Aug. Earnings may not sum due to rounding. (B) Div'ds historically paid in early Mar., June, Sept., and Dec. Div'd reinvest. plan avail. † Shareholder invest. plan avail. (C) In millions. (D) Rate base: fair value. Rate allowed on com. eq. in '08: 10.25%; earned on avg. com. eq., '11: 12.4%. Regulatory Climate: Avg.	Company's Financial Strength B+
	Stock's Price Stability 95
	Price Growth Persistence 85
	Earnings Predictability 35

AMEREN NYSE-AEE

RECENT PRICE **32.50** P/E RATIO **11.6** (Trailing: 9.6 Median: 15.0) RELATIVE P/E RATIO **0.76** DIV'D YLD **5.0%** VALUE LINE



Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
Price	22.13	24.24	24.18	25.68	28.10	32.64	24.93	28.20	26.43	33.12	33.30	36.23	36.92	29.87	31.77	31.04	28.45	28.65	Revenues per sh	30.50
Gain	5.12	4.96	5.36	5.36	6.11	6.33	5.28	6.29	5.57	6.10	6.02	6.76	6.44	6.06	6.33	5.87	5.90	5.85	"Cash Flow" per sh	6.50
Div'd	2.86	2.44	2.82	2.81	3.33	3.41	2.66	3.14	2.82	3.13	2.66	2.98	2.88	2.78	2.77	2.47	2.40	2.25	Earnings per sh ^A	2.50
Vol	2.51	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	1.54	1.54	1.56	1.61	1.65	Div'd Decl'd per sh ^B	1.80
Spending	3.18	2.77	2.37	4.16	6.77	7.99	5.11	4.19	4.13	4.63	4.99	6.96	9.75	7.51	4.66	4.50	5.75	5.50	Cap'l Spending per sh	6.00
Book Value	23.06	22.00	22.27	22.52	23.30	24.26	24.93	26.73	29.71	31.09	31.86	32.41	32.80	33.08	32.15	32.64	31.90	32.40	Book Value per sh ^C	34.50
Outst'g	102.12	137.22	137.22	137.22	137.22	138.05	154.10	162.90	195.20	204.70	206.60	208.30	212.30	237.40	240.40	242.60	242.65	246.00	Common Shs Outst'g ^D	255.00
P/E Ratio	13.8	15.5	14.2	13.5	11.0	12.1	15.8	13.5	16.3	16.7	19.4	17.4	14.2	9.3	9.7	11.9	14.5	14.5	Avg Ann'l P/E Ratio	14.5
Relative P/E	.86	.89	.74	.77	.72	.62	.86	.77	.86	.89	1.05	.92	.85	.62	.62	.75	5.8%	5.3%	Relative P/E Ratio	.95
Div'd Yield	6.3%	6.7%	6.3%	6.7%	6.9%	6.2%	6.1%	6.0%	5.5%	4.9%	4.9%	4.9%	6.2%	6.0%	5.8%	5.3%	5.0%	5.0%	Avg Ann'l Div'd Yield	5.0%

CAPITAL STRUCTURE as of 6/30/12

Total Debt \$6887.0 mill. Due in 5 Yrs \$1664.0 mill.
 LT Debt \$6678.0 mill. LT Interest \$430.0 mill.
 (LT interest earned: 3.1x)

Leases, Uncapitalized Annual rentals \$38.0 mill.
 Pension Assets-12/11 \$2.88 bill. Oblig. \$3.87 bill.
 Prd Stock \$142.0 mill. Prd Div'd \$8.0 mill.
 807,595 shs. \$3.50 to \$5.50 cost. (no par), \$100
 stated value, redeemable at \$102.176-\$110/sh.;
 616,323 shs. 4.00% to 6.625%, \$100 par,
 redeemable at \$100-\$104/sh.
 Common Stock 242,634,671 shs.
 as of 7/31/12

MARKET CAP: \$7.9 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-4.1	+8.5	-1.9
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (c)	4.45	4.63	4.93
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11
of change (per sh)			
Revenues	5%	-	Nil
"Cash Flow"	5%	5%	1.0%
Earnings	-1.5%	-1.5%	-1.0%
Dividends	-5.0%	-9.5%	2.5%
Book Value	3.5%	1.0%	1.0%

QUARTERLY REVENUES (\$ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	1916	1684	1815	1675	7090.0
2010	1940	1725	2267	1706	7638.0
2011	1904	1781	2268	1578	7531.0
2012	1658	1660	2050	1532	6900
2013	1750	1700	2000	1600	7050

EARNINGS PER SHARE ^A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.66	.77	1.04	.34	2.78
2010	.43	.64	1.49	.21	2.77
2011	.29	.57	1.50	.11	2.47
2012	d.11	.87	1.39	.25	2.40
2013	.30	.55	1.15	.25	2.25

QUARTERLY DIVIDENDS PAID ^B

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.635	.635	.635	.635	2.54
2009	.385	.385	.385	.385	1.54
2010	.385	.385	.385	.385	1.54
2011	.385	.385	.385	.40	1.56
2012	.40	.40			

BUSINESS: Ameren Corp. is a holding company formed through the merger of Union Electric and CIPSCO. Acquired CILCORP 1/03; Illinois Power 10/04. Has 1.2 million electric and 127,000 gas customers in Missouri; 1.2 million electric and 811,000 gas customers in Illinois. Electric revenue breakdown: residential, 48%; commercial, 31%; industrial, 11%; other, 10%. Generating sources:

Ameren is awaiting an order on its electric rate case in Missouri. The utility is seeking a rate increase of \$376 million (14.6%), based on a return of 10.75% on a common-equity ratio of 52%. Ameren also wants the commission to establish a tracking mechanism for storm costs and an accrual mechanism for assets that are in service, but not yet reflected in customer rates. The commission's staff is recommending a \$210 million tariff hike, based on a 9% ROE, but is against the two regulatory mechanisms. The staff also recommends a change to the fuel adjustment clause so that only 85% of these costs would be reflected (versus 95% now). The commission's order is due in December, with new rates taking effect in January.

An electric rate case is pending in Illinois, too. This is the first one under a new state law that provides for recovery of electric distribution spending through a formula. The commission's decision is due in late September, and earnings this year will reflect a true-up for the 2012 rate base and the actual cost of service.

More-frequent rate cases in Missouri and the new law in Illinois should re-

duce the effects of regulatory lag. This has been a problem for the past several years, which is one reason why returns on equity have generally been mediocre.

The merchant-generation subsidiary is dealing with unfavorable industry-wide conditions. Low wholesale power prices are hurting owners of non-regulated generating assets. In addition, coal-fired facilities are facing more-stringent emissions rules. As a result, this segment has closed some units, reduced the employee headcount, and cut its capital budget. This business is still covering its cash needs, but is only slightly profitable. Next year will likely be worse, due to lower hedged prices. All told, we estimate lower earnings in 2012 and 2013, even if the outcome of the aforementioned rate matters is reasonable for Ameren.

This stock has appeal for income-oriented investors. The yield is nearly a percentage point above the utility average. Although we project little overall earnings improvement between now and 2015-2017, dividends will likely be raised over that time thanks to growth in utility income.

Paul E. Debbas, CFA September 21, 2012

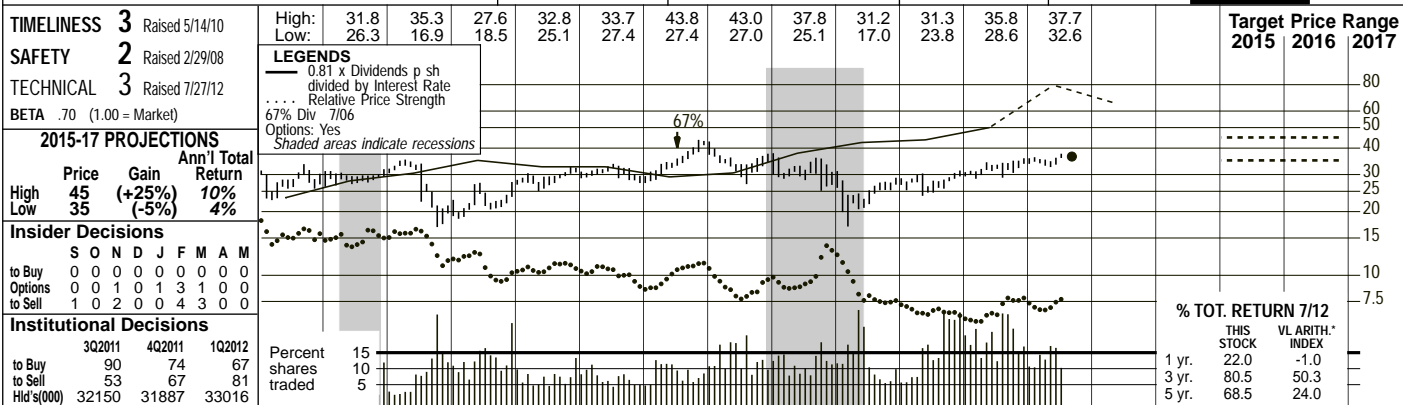
(A) Diluted EPS. Excl. nonrecurr. gain (losses): '03, 11c; '05, (11c); '10, (22.19); '11, (32c); '12, (1.55). '09 EPS don't add due to change in shs., '11 due to rounding. Next earnings report due early Nov. (B) Div'ds historically paid in late Mar., June, Sept. & Dec. Div'd reinvestment plan avail. (C) Incl. intang. In '11: \$8.33/sh. (D) In mill. (E) Rate base: Orig. cost 10.1%; in IL in '10: 9.9%-10.3% electric, in '12: 9.06% gas; earned on avg. com. eq., '11: 7.6%. Reg. Climate: MO, Avg.; IL, Below Avg.

Company's Financial Strength B++
Stock's Price Stability 95
Price Growth Persistence 10
Earnings Predictability 90

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UIL HOLDINGS NYSE-UIL

RECENT PRICE **36.44** P/E RATIO **17.1** (Trailing: 20.2 Median: 17.0) RELATIVE P/E RATIO **1.17** DIV'D YLD **4.7%** VALUE LINE



Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
Revenues per sh	30.89	30.64	29.34	29.01	37.54	46.15	47.55	40.39	45.87	49.88	34.03	39.23	37.69	29.91	19.75	31.01	30.00	31.35	Revenues per sh	36.25
"Cash Flow" per sh	4.81	5.40	5.34	4.67	5.53	6.61	5.89	4.69	4.37	4.13	4.65	5.48	5.93	5.09	3.65	5.33	5.35	5.55	"Cash Flow" per sh	5.80
Earnings per sh ^A	1.90	1.96	1.80	2.23	2.56	2.53	1.85	1.24	1.54	1.30	1.86	1.87	1.89	1.94	1.99	1.95	2.10	2.30	Earnings per sh ^A	2.45
Div'd Decl'd per sh ^B	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	Div'd Decl'd per sh ^B	1.73
Cap'l Spending per sh	2.01	1.44	1.63	1.48	2.31	2.01	2.41	2.19	2.04	2.25	3.09	9.92	8.57	4.12	4.03	6.48	5.20	5.10	Cap'l Spending per sh	5.00
Book Value per sh ^C	18.72	18.94	19.05	19.55	20.42	21.25	20.28	20.65	22.84	22.39	18.53	18.55	18.85	19.15	21.31	21.61	21.95	22.55	Book Value per sh ^C	25.50
Common Shs Outst'g ^E	23.50	23.18	23.39	23.44	23.46	23.53	23.79	23.86	24.01	24.32	24.86	25.03	25.17	29.98	50.51	50.65	51.00	51.00	Common Shs Outst'g ^E	51.00
Avg Ann'l P/E Ratio	11.4	10.1	16.3	12.6	10.8	11.5	15.0	18.0	18.7	23.5	18.7	18.4	16.7	12.7	14.0	16.5	16.0	16.0	Avg Ann'l P/E Ratio	16.0
Relative P/E Ratio	.71	.58	.85	.72	.70	.59	.82	1.03	.99	1.25	1.01	.98	1.01	.85	.89	1.04	1.04	1.04	Relative P/E Ratio	1.05
Avg Ann'l Div'd Yield	8.0%	8.8%	5.9%	6.2%	6.2%	5.9%	6.2%	7.7%	6.0%	5.7%	5.0%	5.0%	5.5%	7.0%	6.2%	5.4%	5.4%	5.4%	Avg Ann'l Div'd Yield	4.4%

CAPITAL STRUCTURE as of 6/30/12
 Total Debt \$1754 mill. Due in 5 Yrs. \$310.0 mill.
 LT Debt \$1645 mill. LT Interest \$75.0 mill.
 (LT interest earned: 3.0x)
 Leases, Uncapitalized: Ann. rentals \$10.6 mill.

Pension Assets-12/11 \$548 mill. **Oblig.** \$792 mill.

Pfd Stock None

Common Stock 50,665,114 shs. as of 7/31/12

MARKET CAP: \$1.8 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-4.1	+4.4	-2.8
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (c)	6.7	6.3	6.4
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1	-1	Nil

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Debt	1131.0	963.7	1101.3	1213.1	846.0	982.0	948.7	896.6	997.7	1570.4	1530	1600	1600	1600
LT Debt	44.0	29.5	36.9	31.4	45.4	46.7	48.1	54.3	70.3	99.7	105	115	115	115
Income Tax Rate	45.2%	53.1%	45.4%	44.1%	31.2%	39.5%	42.2%	38.0%	38.6%	38.5%	40.0%	40.0%	40.0%	40.0%
AFUDC % to Net Profit	5.1%	8.5%	1.1%	9.0%	8.0%	8.3%	8.3%	10.0%	26.3%	12.1%	10.0%	10.0%	10.0%	10.0%
Long-Term Debt Ratio	45.0%	50.1%	47.2%	47.2%	47.0%	50.8%	53.6%	54.0%	58.4%	58.6%	58.0%	57.0%	57.0%	57.0%
Common Equity Ratio	55.0%	49.9%	52.8%	52.8%	53.0%	49.2%	46.4%	46.0%	41.6%	41.4%	42.0%	43.0%	43.0%	43.0%
Total Capital (\$mill)	877.8	988.2	1039.6	1031.5	869.2	943.6	1023.6	1247.7	2587.9	2642.7	2670	2700	2700	2700
Net Plant (\$mill)	517.1	548.8	563.9	592.1	647.0	878.4	1073.6	1153.0	2327.5	2570.4	2700	2800	2800	2800
Return on Total Cap'l	7.3%	4.3%	4.5%	4.1%	6.5%	6.2%	6.1%	5.8%	3.7%	5.2%	5.5%	5.5%	5.5%	5.5%
Return on Shr. Equity	9.1%	6.0%	6.7%	5.8%	9.9%	10.1%	10.1%	9.5%	6.5%	9.1%	9.5%	10.0%	10.0%	10.0%
Return on Com Equity ^D	9.1%	6.0%	6.7%	5.8%	9.9%	10.1%	10.1%	9.5%	6.5%	9.1%	9.5%	10.0%	10.0%	10.0%
Retained to Com Eq	.6%	NMF	NMF	NMF	NMF	3.1%	1.0%	1.2%	1.7%	1.1%	1.5%	2.0%	2.0%	2.0%
All Div'ds to Net Prof	93%	NMF	112%	NMF	117%	70%	90%	88%	74%	88%	84%	77%	77%	77%

BUSINESS: UIL Holdings, through its subsidiaries, operates as one of the largest regulated utility companies in Connecticut. Business consists of electric distribution/transmission operations of The United Illuminating Company and natural gas transportation/distribution operations of The Southern Connecticut Gas Company, The Connecticut Natural Gas Company, and The Berkshire Gas Company. Revenue distribution by class: residential, 48%; commercial, 28%; industrial, 5%; other, 19%. Fuel costs: 39% of revenues; O&M costs, 24%. Has 1,868 employees as of 12/11. President & Chief Executive Officer: James P. Torgerson, Inc. CT. Address: 157 Church Street, P.O. Box 1564, New Haven, CT. 06506-0901. Telephone: 203-499-2000. Internet: www.uil.com.

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '09-'11 of change (per sh)

Year	2009	2010	2011
Revenues	-3.5%	-9.0%	5.0%
"Cash Flow"	-2.0%	1.5%	3.5%
Earnings	-2.0%	4.5%	4.0%
Dividends	-	-	Nil
Book Value	-	-5%	3.5%

UIL Holdings reported weaker-than-expected second-quarter results. The Connecticut-based utility posted earnings of \$0.23 a share during the period, significantly below our \$0.33 estimate. The miss was primarily driven by unfavorable weather conditions, which has seemed to be a recurring theme among several utilities this earnings season. Despite the soft quarterly showing, management reaffirmed its full-year earnings guidance range of \$2.00-\$2.15 a share. We have lowered our 2012 share-net estimate by a nickel, to \$2.10.

Continued progress in gas conversions is a positive. UIL has converted nearly 4,700 customers through the first half of 2012, roughly a 46% increase over the comparable period of 2011. Management noted it remains on pace to hit its goal of 10,200 by year's end, as well as its 30,000-35,000 target by the end of 2013. We look for gas conversions and other cost savings to help the gas utilities earn their allowed ROEs by 2014.

QUARTERLY REVENUES (\$ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	235.5	200.2	255.2	205.7	896.6
2010	220.3	207.1	236.3	334.0	997.7
2011	561.1	314.0	321.4	373.9	1570.4
2012	458.3	283.5	360	428.2	1530
2013	470	300	380	450	1600

Given recent regulatory uncertainty, UIL is still considering when to file its electric distribution rate case. Since the restructuring last year of Connecticut's utility regulatory body (PURA), UIL has been reluctant to file its electric rate case due to a lack of visibility. Now that the composition of the board has been settled, we anticipate the company will make the filing sometime in the first half of 2013. However, nothing has been officially stated at this juncture. Based on our current estimates, we assume UIL's electric business will earn its allowed ROE in 2012

The stock maintains a neutral ranking for Timeliness (3). In our view, the equity remains an attractive selection for investors seeking to add some stability to their portfolios. With Above-Average rankings for Safety (2) and Financial Strength (B++), UIL represents a solid low-risk play within the utility sector. Indeed, its dividend yield also ranks among the best in the industry, offering shareholders a nice income component, as well.

QUARTERLY DIVIDENDS PAID^B (\$ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.432	.432	.432	.432	1.73
2009	.432	.432	.432	.432	1.73
2010	.432	.432	.432	.432	1.73
2011	.432	.432	.432	.432	1.73
2012	.432	.432			1.73

Based on our current projections, total return potential for UIL to 2015-2017 is right around the utility industry average.

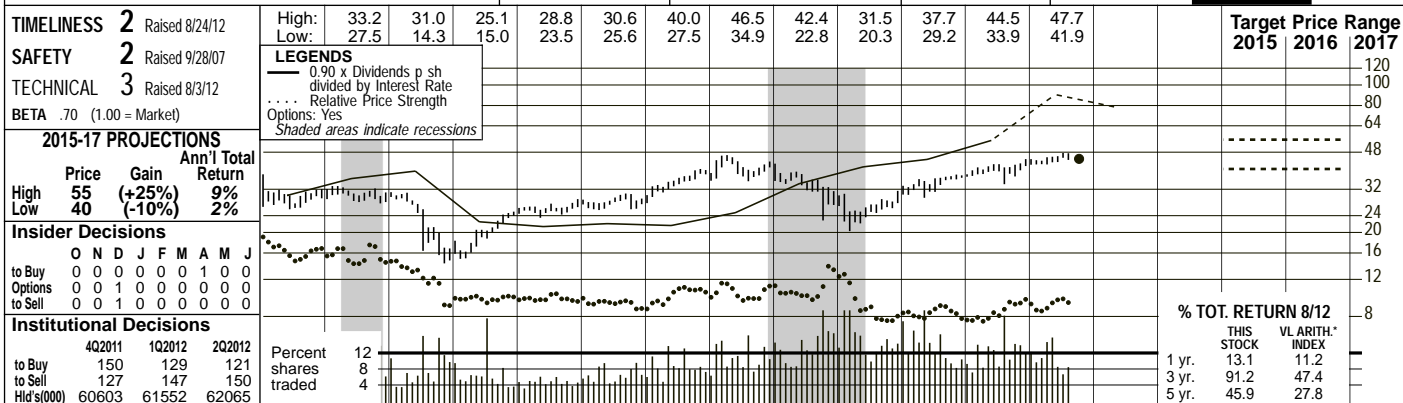
Based on our current projections, total return potential for UIL to 2015-2017 is right around the utility industry average.
 Michael Ratty
 August 24, 2012

(A) EPS basic. Excl. nonrecur. gains (losses): '96, 17c; '00, 4c; '03, (26c); '04, \$2.14; '06, (\$5.07); '10, (47c). Next eqs. report due early Nov. (B) Div'ds historically paid in early Jan., early April, early July, and early Oct. (C) Div'd reinvest. plan avail. (D) Incl. deferred charges. In '11: \$370.2 mill. or \$7.32/sh. (E) Rate base: orig. cost. Rate allowed on common equity in '09: 8.75%. Earned on average common equity in '11: 9.1%. Regul. Clim.: Below Average. (F) In millions. Adjust for stock dividend.

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ALLIANT ENERGY NYSE-LNT

RECENT PRICE **44.64** P/E RATIO **14.9** (Trailing: 16.5 Median: 14.0) RELATIVE P/E RATIO **0.98** DIV'D YLD **4.1%** VALUE LINE



2015-17 PROJECTIONS	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC 15-17
Price	28.26	28.19	25.56	28.02	28.93	31.15	33.33	31.02	30.81	33.02	28.85	30.35	Revenues per sh
Gain	4.52	4.19	4.69	5.46	4.33	5.12	4.56	4.21	5.21	5.65	5.90	6.20	"Cash Flow" per sh
Return	1.18	1.57	1.85	2.21	2.06	2.69	2.54	1.89	2.75	2.75	2.95	3.10	Earnings per sh ^A
Ann'l Total	2.00	1.00	1.02	1.05	1.15	1.27	1.40	1.50	1.58	1.70	1.80	1.90	Div'd Decl'd per sh ^B + †
High	7.12	7.69	5.55	4.51	3.42	4.91	7.96	10.87	7.82	6.22	9.00	6.95	Cap'l Spending per sh ^C
Low	19.89	21.37	22.13	20.85	22.83	24.30	25.56	25.07	26.09	27.14	29.75	30.80	Book Value per sh ^D
Options to Buy	92.30	110.96	115.74	117.04	116.13	110.36	110.45	110.66	110.89	111.02	111.00	112.00	Common Shs Outst'g ^D
Options to Sell	19.9	12.7	14.0	12.6	16.8	15.1	13.4	13.9	12.5	14.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio
Hld's(000)	1.09	.72	.74	.67	.91	.80	.81	.93	.80	.92			Relative P/E Ratio
	8.5%	5.0%	3.9%	3.8%	3.3%	3.1%	4.1%	5.7%	4.6%	4.3%			Avg Ann'l Div'd Yield

CAPITAL STRUCTURE as of 6/30/12	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Revenues (\$mill)
Total Debt \$2917.0 mill. Due in 5 Yrs \$649.2 mill.	2608.8	3128.2	2958.7	3279.6	3359.4	3437.6	3681.7	3432.8	3416.1	3665.3	3200	3400	4500
LT Debt \$2752.8 mill. LT Interest \$155.0 mill. (LT interest earned: 4.4x)	113.1	176.6	229.5	337.8	260.1	320.8	280.0	208.6	303.9	304.4	325	345	420
	24.2%	28.9%	26.7%	19.0%	43.8%	44.4%	33.4%	--	30.1%	14.7%	30.0%	30.0%	Income Tax Rate
	6.8%	11.7%	8.1%	3.0%	3.1%	2.4%	--	--	8.8%	6.0%	6.0%	6.0%	AFUDC % to Net Profit
	56.4%	44.8%	45.0%	41.6%	31.4%	32.4%	36.3%	44.3%	46.3%	45.7%	45.5%	46.0%	Long-Term Debt Ratio
	39.2%	50.0%	50.2%	53.1%	62.9%	61.9%	58.6%	51.2%	49.5%	50.9%	51.5%	51.0%	Common Equity Ratio
	4679.1	4738.4	5104.7	4599.1	4218.4	4329.5	4815.6	5423.0	5840.8	5921.2	6405	6755	Total Capital (\$mill)
	3729.2	4432.6	5284.6	4866.2	4944.9	4679.9	5353.5	6203.0	6730.6	7037.1	7400	7600	Net Plant (\$mill)
	4.1%	5.7%	6.1%	8.9%	7.5%	8.6%	7.0%	5.1%	6.6%	6.7%	6.5%	6.5%	Return on Total Cap'l
	5.5%	6.8%	8.2%	12.6%	9.0%	11.0%	9.1%	6.9%	9.7%	9.5%	9.5%	9.5%	Return on Shr. Equity
	5.8%	6.7%	8.2%	13.1%	9.1%	11.3%	9.3%	6.8%	9.9%	10.1%	10.0%	10.0%	Return on Com Equity ^E
	NMF	2.5%	3.8%	8.1%	4.0%	5.9%	3.8%	.9%	3.8%	3.4%	3.5%	3.5%	Retained to Com Eq
	NMF	67%	58%	42%	59%	50%	62%	88%	64%	66%	66%	66%	All Div'ds to Net Prof

BUSINESS: Alliant Energy Corp., formerly named Interstate Energy, is a holding company formed through the merger of WPL Holdings, IES Industries, and Interstate Power. Supplies electricity, gas, and other services in Wisconsin, Iowa, and Minnesota. Elect. revs. by state: WI, 47%; IA, 50%; MN, 3%. Elect. rev.: residential, 37%; commercial, 23%; industrial, 28%; wholesale, 7%; other, 5%. Fuel sources, 2011: coal, 52%; nuclear, 17%; gas, 2%; other, 29%. Fuel costs: 45% of revs. 2011 depreciation rate: 4.6%. Estimated plant age: 10 years. Has 4,262 employees. Chairman & Chief Executive Officer: Patricia L. Kampling, Incorporated: Wisconsin. Address: 4902 N. Biltmore Lane, Madison, Wisconsin 53718. Telephone: 608-458-3311. Internet: www.alliantenergy.com.

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11
of change (per sh)	10 Yrs.	5 Yrs.	to '15-'17
Revenues	1.0%	3.0%	3.5%
"Cash Flow"	-2.0%	-5%	6.5%
Earnings	2.0%	5.0%	6.5%
Dividends	-3.0%	8.0%	5.5%
Book Value	.5%	3.5%	4.0%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	949.9	742.3	885.7	854.9	3432.8
2010	890.2	741.6	951.7	832.6	3416.1
2011	945.0	819.5	1021.6	879.2	3665.3
2012	765.7	690.3	1020	724	3200
2013	790	750	1100	760	3400

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	.30	.34	.77	.48	1.89
2010	.45	.44	1.31	.55	2.75
2011	.68	.44	1.12	.51	2.75
2012	.50	.58	1.30	.57	2.95
2013	.55	.55	1.35	.65	3.10

Cal-endar	QUARTERLY DIVIDENDS PAID ^B + †				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2008	.35	.35	.35	.35	1.40
2009	.375	.375	.375	.375	1.50
2010	.395	.395	.395	.395	1.58
2011	.425	.425	.425	.425	1.70
2012	.45	.45	.45		

(A) Diluted EPS. Excl. nonrecr. gains (losses): '01, (.28c); '03, net 24c; '04, (.58c); '05, (\$1.05); '06, 83c; '07, \$1.09; '08, 7c; '09, (.88c); '10, (15c); '11, (1c). Next egs. rpt. due in November. (B) Div'ds historically paid in mid-Feb., May, Aug., and Nov. + Div'd reinvest. plan avail. † shareholder invest. plan avail. (C) Incl. deferred chgs. in '11: \$92.1 mill., \$0.83/sh. (D) In mill. (E) Rate base: Orig. cost. Regul. Clim.: WI, Above Avg.; IA, Avg.

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

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recover natural gas system improvements and to compensate for higher costs. Elsewhere, subsidiary Wisconsin Power and Light has received approval from the Public Service Commission of Wisconsin to reduce retail gas base rates by 7% in 2013 and freeze gas rates in the following year. The utility has also requested to reduce overall retail electric rates by 2.5% next year, due to lower expected electric fuel costs. It will probably receive approval for the plan by yearend.

This stock is ranked to outperform the broader market for the coming six to 12 months. Looking further out, we anticipate higher revenues and share earnings for the company by 2015-2017. In addition, Alliant earns favorable marks for Safety, Financial Strength, and Price Stability. From the recent quotation, this issue has unimpressive, though fairly well-defined, total return potential for the coming years. Income-oriented investors may find this equity's healthy dividend yield attractive. However, investors seeking strong capital appreciation potential are probably better served elsewhere.

Michael Napoli, CFA September 21, 2012

AVISTA CORP. NYSE-AVA

RECENT PRICE **26.90** P/E RATIO **14.9** (Trailing: 16.4 Median: 16.0) RELATIVE P/E RATIO **1.05** DIV'D YLD **4.4%**

VALUE LINE

TIMELINESS 3 Lowered 8/12/11	High: 24.0	16.6	18.7	19.4	20.2	27.5	25.8	23.6	22.4	22.8	26.5	27.8	Target Price Range 2015 2016 2017	
SAFETY 2 Raised 5/7/10	Low: 10.6	8.8	9.8	15.4	16.3	17.6	18.2	15.5	12.7	18.5	21.1	24.5		64
TECHNICAL 3 Raised 7/13/12	LEGENDS 1.15 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded areas indicate recessions													

2015-17 PROJECTIONS

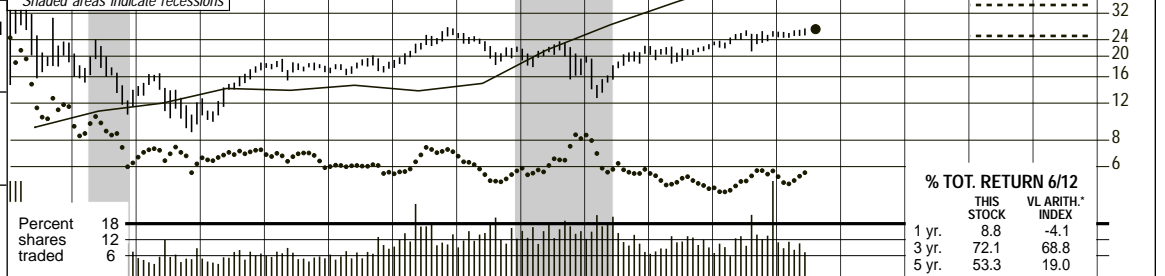
Price	Gain	Ann'l Total Return
High 35	(+30%)	10%
Low 25	(-5%)	3%

Insider Decisions

S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0
Options to Buy	1	0	1	0	5	1	0	0
to Sell	2	0	3	1	0	7	3	0

Institutional Decisions

to Buy	3Q2011	4Q2011	1Q2012
	88	82	77
to Sell	85	93	85
Hlds(000)	40696	40895	41881



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
16.89	23.27	91.07	221.75	167.59	126.17	20.41	23.24	23.76	27.98	28.68	26.80	30.77	27.58	27.29	27.73	26.65	28.10	Revenues per sh	32.25
2.64	3.20	3.47	2.28	3.31	2.71	2.19	2.63	2.35	2.72	4.27	2.93	3.98	4.45	3.62	3.78	3.90	4.15	"Cash Flow" per sh	5.00
1.35	1.96	1.28	.12	1.76	1.20	.67	1.02	.73	.92	1.47	.72	1.36	1.58	1.65	1.72	1.80	1.90	Earnings per sh ^A	2.25
1.24	1.24	1.05	.48	.48	.48	.48	.49	.52	.55	.57	.60	.69	.81	1.00	1.10	1.16	1.22	Div'd Decl'd per sh ^B = †	1.40
1.67	1.82	2.70	3.30	4.24	5.92	1.74	2.21	2.47	3.23	3.14	4.04	4.09	3.86	3.64	4.20	4.40	4.25	Cap'l Spending per sh	4.50
12.70	13.38	11.76	10.69	15.34	15.12	14.84	15.54	15.54	15.87	17.46	17.27	18.30	19.17	19.71	20.30	21.10	21.80	Book Value per sh ^C	24.00
55.96	55.96	40.45	35.65	47.21	47.63	48.04	48.34	48.47	48.59	52.51	52.91	54.49	54.84	57.12	58.42	60.00	60.50	Common Shs Outst'g ^D	62.00
13.8	10.0	16.5	NMF	13.6	13.7	19.3	13.8	24.4	19.4	15.4	30.9	15.0	11.4	12.7	14.1	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	13.0
.86	.58	.86	NMF	.88	.70	1.05	.79	1.29	1.03	.83	1.64	.90	.76	.81	.89			Relative P/E Ratio	.85
6.7%	6.4%	5.0%	2.8%	2.0%	2.9%	3.7%	3.5%	2.9%	3.0%	2.5%	2.7%	3.4%	4.5%	4.8%	4.5%			Avg Ann'l Div'd Yield	4.8%

CAPITAL STRUCTURE as of 3/31/12
Total Debt \$1369.3 mill. Due in 5 Yrs \$201.0 mill.
LT Debt \$1300.9 mill. LT Interest \$68.2 mill.
 Incl. \$51.5 mill. debt to affiliated trusts; \$29.2 mill. nonrecourse debt.
 (LT interest earned: 3.2x)
Leases, Uncapitalized Annual rentals \$5.0 mill.
Pension Assets-12/11 \$328.2 mill.
 Oblig. \$494.2 mill.

Pfd Stock None

Common Stock 58,674,851 shs. as of 4/23/12
MARKET CAP: \$1.6 billion (Mid Cap)

980.4	1123.4	1151.6	1359.6	1506.3	1417.8	1676.8	1512.6	1558.7	1619.8	1600	1700	Revenues (\$mill)	2000
34.3	51.8	37.8	47.2	75.1	38.5	73.6	87.1	92.4	100.2	110	120	Net Profit (\$mill)	140
46.6%	40.5%	36.4%	35.4%	35.9%	38.7%	38.3%	34.3%	35.0%	35.4%	36.0%	36.0%	Income Tax Rate	36.0%
21.8%	2.1%	3.7%	3.6%	3.9%	22.4%	14.0%	4.2%	4.0%	5.2%	5.0%	5.0%	AFUDC % to Net Profit	5.0%
57.3%	57.1%	56.5%	58.0%	53.7%	41.0%	48.1%	50.9%	51.6%	51.4%	50.5%	50.5%	Long-Term Debt Ratio	52.0%
40.8%	41.3%	41.9%	40.6%	46.3%	59.0%	51.9%	49.1%	48.4%	48.6%	49.5%	49.5%	Common Equity Ratio	48.0%
1748.7	1819.4	1796.2	1900.8	1980.1	1548.9	1919.5	2139.0	2325.3	2439.9	2550	2665	Total Capital (\$mill)	3100
1563.7	1944.6	1956.1	2126.4	2215.0	2351.3	2492.2	2607.0	2714.2	2860.8	3000	3120	Net Plant (\$mill)	3475
4.8%	5.2%	4.3%	4.8%	6.1%	5.2%	5.8%	5.5%	5.4%	5.5%	5.5%	5.5%	Return on Total Cap'l	6.0%
4.6%	6.6%	4.8%	5.9%	8.2%	4.2%	7.4%	8.3%	8.2%	8.5%	8.5%	9.0%	Return on Shr. Equity	9.0%
4.5%	6.6%	4.7%	5.9%	8.0%	4.2%	7.4%	8.3%	8.2%	8.5%	8.5%	9.0%	Return on Com Equity ^E	9.0%
1.2%	3.4%	1.4%	2.4%	4.9%	.8%	3.7%	4.1%	3.3%	3.1%	3.0%	3.5%	Retained to Com Eq	3.5%
74%	50%	72%	60%	40%	82%	50%	51%	60%	64%	63%	62%	All Div'ds to Net Prof	62%

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-8	+1	+2.0
Avg. Indust. Use (MWH)	1397	1525	1556
Avg. Indust. Revs. per KWH (c)	5.53	5.47	5.71
Capacity at Peak (Mw)	2514	2905	2923
Peak Load, Winter (Mw)	2371	2507	2381
Annual Load Factor (%)	61.0	60.0	61.0
% Change Customers (yr-end)	+5	+7	+4

BUSINESS: Avista Corporation (formerly The Washington Water Power Company) supplies electricity & gas in eastern Washington & northern Idaho. Supplies gas to part of Oregon. Customers: 360,000 electric, 321,000 gas. Has nonutility subsidiary (Ecova) involved in energy-management services. Electric revenue breakdown: residential, 33%; commercial, 28%; industrial, 12%;

wholesale, 8%; other, 19%. Generating sources: hydro, 37%; coal, 11%; gas, 6%; wood waste, 2%; purchased, 44%. Fuel costs: 49% of revenues. '11 reported deprec. rate (utility): 2.9%. Has 2,800 employees. Chairman, President & CEO: Scott L. Morris. Inc.: Washington. Address: 1411 E. Mission Ave., Spokane, Washington 99202-2600. Tel.: 509-489-0500. Internet: www.avistacorp.com.

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11
of change (per sh)			
Revenues	-16.5%	.5%	2.5%
"Cash Flow"	3.5%	5.0%	4.0%
Earnings	5.0%	9.5%	5.5%
Dividends	7.5%	12.5%	6.5%
Book Value	3.5%	4.0%	3.5%

Avista has a general rate case pending in Washington. The utility requested an electric tariff hike of \$41.0 million (8.8%) and a gas rate increase of \$10.1 million (6.8%). Avista based its application on a 10.9% return on a 48.4% common-equity ratio. Unless the utility is able to reach a settlement, new rates will go into effect in early March.

and next. The aforementioned rate hike in Washington (\$20 million electric, \$3.75 million gas) is a key reason. Our 2012 profit estimate is within Avista's targeted range of \$1.65-\$1.85 a share. Rate relief should help boost the bottom line in 2013, as well. On the nonregulated side of the business, the Ecova energy-services subsidiary should continue to benefit from acquisitions that are enabling it to provide a new array of services to its customers. Avista's guidance includes \$0.16-\$0.19 a share of income from Ecova, at least as much as the \$0.16 a share it contributed in 2011.

Avista plans to file a rate case in Idaho, as well. Tariffs there are frozen until April 1, 2013. We expect the utility to put forth its petition in September, so that any rate hike can go into effect as soon as possible.

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	487.5	307.1	314.7	403.3	1512.6
2010	456.4	360.7	367.2	374.4	1558.7
2011	476.6	360.6	343.7	438.9	1619.8
2012	452.3	350	350	447.7	1600
2013	475	375	375	475	1700

There is a good reason for all of this regulatory activity. Due to the effects of regulatory lag, Avista has not earned an adequate return on equity for many years. In fact, the utility's petition in Washington occurred just three months after electric and gas rate increases took effect in the state. At least, earned ROEs are showing signs of improvement. These have exceeded 8% in each of the past three years, and we figure that they will continue to get better.

Financing needs are modest. Avista entered into a purchase agreement to issue \$80 million of bonds in November. This will probably be the company's only long-term debt financing this year. The company also expects to issue up to \$45 million of common equity in 2012 through its "dribble" program.

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	.57	.47	.15	.40	1.58
2010	.52	.46	.22	.45	1.65
2011	.73	.39	.18	.42	1.72
2012	.65	.45	.20	.50	1.80
2013	.70	.48	.22	.50	1.90

Earnings should increase this year

We regard this stock as an average utility selection. The dividend yield and 3- to 5-year total return potential are comparable with the industry averages.

Cal-endar	QUARTERLY DIVIDENDS PAID ^B = †				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2008	.165	.165	.18	.18	.69
2009	.18	.21	.21	.21	.81
2010	.25	.25	.25	.25	1.00
2011	.275	.275	.275	.275	1.10
2012	.29	.29			

Paul E. Debbas, CFA
 August 3, 2012

Company's Financial Strength A
Stock's Price Stability 100
Price Growth Persistence 75
Earnings Predictability 65

(A) Dil. EPS. Excl. nonrec. losses: '00, 27c; '02, 9c; '03, 3c; gain (losses) on disc. ops.: '01, \$1.00; '02, 2c; '03, (10c). '09 EPS don't add due to rounding. Next eqs. report due early Aug. (B) Div'ds historically paid in mid-Mar., June, Sept. & Dec. = Div'd reinvest. plan avail. † Shareholder invest. plan avail. (C) Incl. def'd chgs. In '11: \$9.69/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in WA in '12: none specified; in ID in '10: none specified; earned on avg. com. eq., '11: 8.7%. Regulatory Climate: WA, Avg.; ID, Above Avg.

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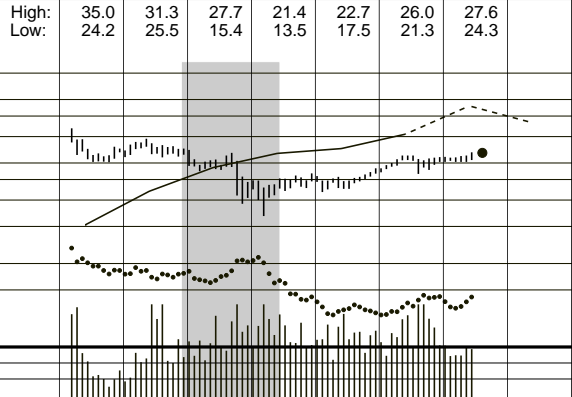
PORTLAND GENERAL NYSE-POR

RECENT PRICE **26.81** P/E RATIO **14.1** (Trailing: 16.0 Median: NMF) RELATIVE P/E RATIO **0.99** DIV'D YLD **4.1%**

VALUE LINE

TIMELINESS 3 Lowered 8/19/11
SAFETY 2 Raised 5/4/12
TECHNICAL 3 Raised 7/13/12
BETA .75 (1.00 = Market)

LEGENDS
 — 0.87 x Dividends p sh divided by Interest Rate
 Relative Price Strength
 Options: Yes
 Shaded areas indicate recessions



Target Price	2015	2016	2017
64			
48			
40			
32			
24			
20			
16			
12			
8			
6			

2015-17 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	30	(+10%)	7%
Low	25	(-5%)	3%

Insider Decisions

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

Institutional Decisions

	3Q2011	4Q2011	1Q2012	Percent shares traded
to Buy	119	100	124	15
to Sell	119	122	105	10
Hld's(000)	69437	67569	67722	5

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

	2002	2003	2004	2005 ^e	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
Revenues per sh	--	--	--	23.14	24.32	27.87	27.89	23.99	23.67	24.06	24.50	25.10		27.50
"Cash Flow" per sh	--	--	--	4.75	4.64	5.21	4.71	4.07	4.82	4.96	5.10	5.30		6.25
Earnings per sh ^A	--	--	--	1.02	1.14	2.33	1.39	1.31	1.66	1.95	1.90	1.90		2.25
Div'd Decl'd per sh ^B = †	--	--	--	.68	.93	.97	1.01	1.04	1.06	1.06	1.08	1.11		1.25
Cap'l Spending per sh ^C	--	--	--	4.08	5.94	7.28	6.12	9.25	5.97	3.98	3.95	3.30		4.00
Book Value per sh ^D	--	--	--	19.15	19.58	21.05	21.64	20.50	21.14	22.07	22.85	23.60		26.25
Common Shs Outst'g ^D	--	--	--	62.50	62.50	62.53	62.58	75.21	75.32	75.36	75.55	75.75		76.50
Avg Ann'l P/E Ratio	--	--	--	23.4	11.9	16.3	14.4	12.0	12.4	12.4	12.4	12.4		12.0
Relative P/E Ratio	--	--	--	1.26	.63	.98	.96	.76	.78	.78	1.00	1.00		.80
Avg Ann'l Div'd Yield	--	--	--	2.5%	3.3%	4.3%	5.4%	5.2%	4.4%	4.4%	4.4%	4.4%		4.6%
Revenues (\$mill)	--	--	1454.0	1446.0	1520.0	1743.0	1745.0	1804.0	1783.0	1813.0	1850	1900		2100
Net Profit (\$mill)	--	--	92.0	64.0	71.0	145.0	87.0	95.0	125.0	147.0	145	145		175
Income Tax Rate	--	--	37.0%	40.2%	33.6%	33.8%	28.7%	28.8%	30.5%	28.3%	30.0%	30.0%		30.0%
AFUDC % to Net Profit	--	--	9.8%	18.8%	33.8%	17.9%	17.2%	31.6%	17.6%	5.4%	3.0%	3.0%		3.0%
Long-Term Debt Ratio	--	--	41.1%	42.3%	43.4%	49.9%	46.2%	50.3%	53.0%	49.6%	47.0%	47.0%		45.5%
Common Equity Ratio	--	--	58.9%	57.7%	56.6%	50.1%	53.8%	49.7%	47.0%	50.4%	53.0%	52.5%		54.5%
Total Capital (\$mill)	--	--	2171.0	2076.0	2161.0	2629.0	2518.0	3100.0	3390.0	3298.0	3260	3425		3725
Net Plant (\$mill)	--	--	2275.0	2436.0	2718.0	3066.0	3301.0	3858.0	4133.0	4285.0	4345	4340		4350
Return on Total Cap'l	--	--	5.6%	4.6%	4.7%	6.9%	5.0%	4.5%	5.4%	6.2%	6.0%	6.0%		6.0%
Return on Shr. Equity	--	--	7.2%	5.3%	5.8%	11.0%	6.4%	6.2%	7.9%	8.8%	8.5%	8.0%		8.5%
Return on Com Equity ^E	--	--	7.2%	5.3%	5.8%	11.0%	6.4%	6.2%	7.9%	8.8%	8.5%	8.0%		8.5%
Retained to Com Eq	--	--	7.2%	5.3%	3.5%	6.6%	2.0%	1.5%	3.0%	4.1%	3.5%	3.5%		4.0%
All Div'ds to Net Prof	--	--	--	--	39%	40%	69%	76%	62%	54%	56%	57%		55%

CAPITAL STRUCTURE as of 3/31/12
 Total Debt \$1735.0 mill. Due in 5 Yrs \$337.0 mill.
 LT Debt \$1635.0 mill. LT Interest \$94.0 mill.
 (LT interest earned: 2.5x)
 Leases, Uncapitalized Annual rentals \$9.0 mill.

Pension Assets-12/11 \$487.0 mill.
 Oblig. \$634.0 mill.

Pfd Stock None

Common Stock 75,506,040 shs. as of 4/26/12

MARKET CAP: \$2.0 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-3.3	-3.1	+3.3
Avg. Indust. Use (MWH)	9343	12986	14932
Avg. Indust. Revs. per KWH (¢)	7.07	6.62	6.16
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw) ^F	3949	3582	3555
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+7	+5	+2

Fixed Charge Cov. (%)	179	224	273
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ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 of change (per sh)	15-'17
Revenues	--	--	2.5%	
"Cash Flow"	--	--	5.0%	
Earnings	--	--	8.5%	
Dividends	--	--	NMF	
Book Value	--	--	2.0%	

QUARTERLY REVENUES (\$ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	485.0	389.0	445.0	485.0	1804.0
2010	449.0	415.0	464.0	455.0	1783.0
2011	484.0	411.0	439.0	479.0	1813.0
2012	479.0	431	460	480	1850
2013	495	440	470	495	1900

EARNINGS PER SHARE ^A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.47	.31	.43	.11	1.31
2010	.36	.32	.65	.34	1.66
2011	.92	.29	.36	.38	1.95
2012	.65	.35	.50	.40	1.90
2013	.68	.37	.50	.40	1.95

QUARTERLY DIVIDENDS PAID ^B = †

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.235	.245	.245	.245	.97
2009	.245	.245	.255	.255	1.00
2010	.255	.255	.26	.26	1.03
2011	.26	.26	.265	.265	1.05
2012	.265	.265	.27		

BUSINESS: Portland General Electric Company (PGE) provides electricity to 825,000 customers in 52 cities in a 4,000-square-mile area of Oregon, including Portland and Salem. The company is in the process of decommissioning the Trojan nuclear plant, which it closed in 1993. Electric revenue breakdown: residential, 48%; commercial, 35%; industrial, 12%; other, 5%. Generating sources: coal, 19%; gas, 10%; hydro, 9%; wind, 6%; purchased, 56%. Fuel costs: 42% of revenues. '11 reported depreciation rate: 3.7%. Has 2,600 employees. Chairman: Corbin A. McNeill, Jr. Chief Executive Officer and President: Jim Piro. Incorporated: Oregon. Address: 121 SW Salmon Street, Portland, Oregon 97204. Telephone: 503-464-8000. Internet: www.portlandgeneral.com.

Portland General Electric has issued a request for proposals for generating resources, and another RFP is coming. The utility needs generating resources for the 2013-2017 time frame. PGE will propose building some units, and an independent evaluator hired by the state commission will review PGE's bid against proposals submitted by other companies that want to build units themselves or sell power to the company. The winning bidders will likely be announced in late 2012 or early 2013. PGE, with the approval of the Oregon commission, will also issue a separate RFP for renewable energy resources. If everything proceeds as expected, the winners of the latter RFP will be announced in late 2012 or early 2013, too.

The importance of the RFPs is that they will determine PGE's capital spending and financing plans for the next few years. We are not assuming in our figures that the company builds any major projects over that time frame, but if any of its bids are successful, then PGE's profits will probably wind up higher than our estimates and projections suggest.

We estimate that earnings will decline slightly in 2012, recover in 2013, and improve in 2014. Favorable hydro and weather conditions helped PGE in the first quarter of 2011, making the year-to-year profit comparison difficult. Our 2012 estimate of \$1.90 a share is within PGE's guidance of \$1.85-\$2.00. Without much impetus for higher income in 2013, except for modest volume growth, only a slight bottom-line increase is probable next year. (The company has not yet provided earnings guidance for 2013.) PGE will probably file a general rate application in early 2013, with new tariffs taking effect in 2014. If this occurs, earnings growth in 2014 should be greater than in 2013. **As we had expected, the board of directors raised the dividend in the second quarter.** The board boosted the annual disbursement by \$0.02 cents a share (1.9%), the same increase as in each of the past two years. **This stock's dividend yield is about equal to the utility average.** Our 3- to 5-year projections indicate subpar total return potential.

Paul E. Debbas, CFA August 3, 2012

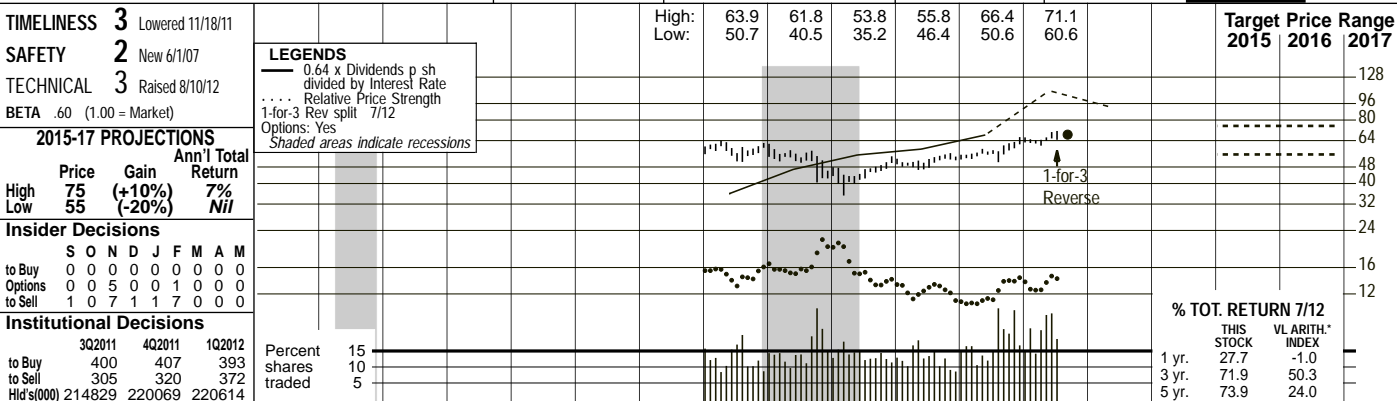
(A) Diluted EPS. '09 & '10 EPS don't add due to rounding. Next earnings report due early Aug. (B) Div'd paid mid-Jan., Apr., July, and Oct. (C) Div'd reinvestment plan avail. (D) Shareholder investment plan avail. (E) Incl. deferred charges. In '11: \$7.88/sh. (F) In mill. (G) Rate base: Net original cost. Rate allowed on common equity in '11: 10.0%; earned on average com. eq., '11: 9.0%. Regulatory Climate: Below Average. (H) Summer peak in '09. (I) '05 per-share data are pro forma, based on shares outstanding when the stock began trading in '06.	Company's Financial Strength	B++
	Stock's Price Stability	100
	Price Growth Persistence	50
	Earnings Predictability	45

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DUKE ENERGY NYSE-DUK

RECENT PRICE **68.20** P/E RATIO **18.2** (Trailing: 16.0 Median: NMF) RELATIVE P/E RATIO **1.25** DIV'D YLD **4.5%** VALUE LINE



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
Duke Energy Corporation, in its current configuration, began trading on January 3, 2007, the day after it spun off its midstream gas operations into a new company, Spectra Energy (NYSE: SE), to shareholders. Duke Energy shareholders received half a share of Spectra Energy for each Duke share held. In July of 2012, Duke acquired Progress Energy and effected a 1-for-3 reverse split. Data for the "old" Duke are not shown because they are not comparable.	--	--	--	--	25.32	30.24	31.15	29.18	32.22	32.63	28.55	36.45	Revenues per sh	41.25
	--	--	--	--	7.86	8.11	7.34	7.58	8.49	8.68	6.90	9.00	"Cash Flow" per sh	10.00
	--	--	--	--	2.76	3.60	3.03	3.39	4.02	4.14	3.80	4.45	Earnings per sh ^A	5.00
	--	--	--	--	--	2.58	2.70	2.82	2.91	2.97	3.03	3.09	Div'd Decl'd per sh ^B = †	3.30
	--	--	--	--	8.07	7.43	10.35	9.85	10.84	9.80	7.95	9.00	Cap'l Spending per sh	3.30
	--	--	--	--	62.30	50.40	49.51	49.85	50.84	51.14	56.75	58.10	Book Value per sh ^C	19.50
	--	--	--	--	418.96	420.62	423.96	436.29	442.96	445.29	704.00	705.00	Common Shs Outst'g ^D	1340.0
	--	--	--	--	--	16.1	17.3	13.3	12.7	13.8	Bold figures are Value Line estimates	13.8	Avg Ann'l P/E Ratio	12.5
	--	--	--	--	--	.85	1.04	.89	.81	.87			Relative P/E Ratio	.85
	--	--	--	--	--	4.4%	5.2%	6.2%	5.7%	5.2%			Avg Ann'l Div'd Yield	5.2%
CAPITAL STRUCTURE as of 6/30/12	--	--	--	--	10607	12720	13207	12731	14272	14529	20100	25700	Revenues (\$mill)	29200
Total Debt \$21386 mill. Due in 5 Yrs \$9364.0 mill.	--	--	--	--	1080.0	1522.0	1279.0	1461.0	1765.0	1839.0	2195	3145	Net Profit (\$mill)	3570
LT Debt \$18454 mill. LT Interest \$1052.0 mill.	--	--	--	--	--	29.4%	31.9%	32.5%	34.4%	32.6%	31.5%	31.5%	Income Tax Rate	31.5%
Incl. \$283.0 mill. capitalized leases. Incl. \$915.0 mill. nonrecourse LT debt of variable interest entities.	--	--	--	--	--	6.9%	7.2%	16.0%	17.5%	22.7%	20.0%	13.0%	AFUDC % to Net Profit	11.0%
(LT interest earned: 3.3x)	--	--	--	--	--	41.0%	30.9%	38.7%	42.6%	44.3%	46.5%	48.0%	Long-Term Debt Ratio	51.5%
Leases, Uncapitalized Annual rentals \$81.0 mill.	--	--	--	--	--	59.0%	69.1%	61.3%	57.4%	55.7%	53.0%	52.0%	Common Equity Ratio	48.5%
Pension Assets-12/11 \$4.74 bill. Oblig. \$4.88 bill.	--	--	--	--	44220	30697	34238	37863	40457	41451	75100	79075	Total Capital (\$mill)	91500
Pfd Stock None	--	--	--	--	41447	31110	34036	37950	40344	42661	68800	71950	Net Plant (\$mill)	82400
Common Stock 704,125,200 shs.	--	--	--	--	--	3.1%	6.0%	4.8%	4.9%	5.5%	4.0%	4.0%	Return on Total Cap'l	5.5%
as of 8/3/12	--	--	--	--	--	4.1%	7.2%	6.1%	6.7%	7.8%	5.5%	7.5%	Return on Shr. Equity	8.0%
MARKET CAP: \$48 billion (Large Cap)	--	--	--	--	--	4.1%	7.2%	6.1%	6.7%	7.8%	5.5%	7.5%	Return on Com Equity ^E	8.0%
	--	--	--	--	--	4.1%	2.0%	6.1%	1.1%	2.1%	1.0%	2.5%	Retained to Com Eq	3.0%
	--	--	--	--	--	72%	89%	84%	73%	72%	80%	69%	All Div'ds to Net Prof	66%

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-5.9	+7.0	-2.1
Avg. Indust. Use (MWH)	2406	2440	3062
Avg. Indust. Revs. per KWH (¢)	4.31	4.86	4.89
Capacity at Peak (Mw) ^F	19894	19908	19356
Peak Load, Summer (Mw) ^F	16246	16712	NA
Annual Load Factor (%) ^F	56.0	58.0	NA
% Change Customers (avg.)	+2	+4	+3

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Past Est'd '09-'11 of change (per sh)

	10 Yrs.	5 Yrs.	Est'd '09-'11
Revenues	--	4.5%	4.5%
"Cash Flow"	--	1.0%	3.5%
Earnings	--	7.0%	4.5%
Dividends	--	--	2.0%
Book Value	--	-4.0%	3.5%

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	3312	2913	3396	3110	12731
2010	3594	3287	3946	3445	14272
2011	3663	3534	3964	3368	14529
2012	3630	3577	6950	5943	20100
2013	6000	6100	7250	6350	25700

EARNINGS PER SHARE ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.81	.63	1.17	.78	3.39
2010	1.02	.87	1.53	.60	4.02
2011	1.14	.99	1.35	.66	4.14
2012	1.26	.99	1.10	.45	3.80
2013	1.20	1.00	1.50	.75	4.45

QUARTERLY DIVIDENDS PAID ^B = †

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.66	.66	.69	.69	2.70
2009	.69	.69	.72	.72	2.82
2010	.72	.72	.735	.735	2.91
2011	.735	.735	.75	.75	2.97
2012	.75	.75	.765		

BUSINESS: Duke Energy Corporation is a holding company for utilities with 7.1 mill. electric customers in North Carolina, Florida, Indiana, South Carolina, Ohio, & Kentucky, and over 500,000 gas customers in Ohio & Kentucky. Owns independent power plants & has international operations. Acq'd Cinergy 4/06; spun off midstream gas ops. 1/07; acq'd Progress Energy 7/12. Elec. rev. breakdown:

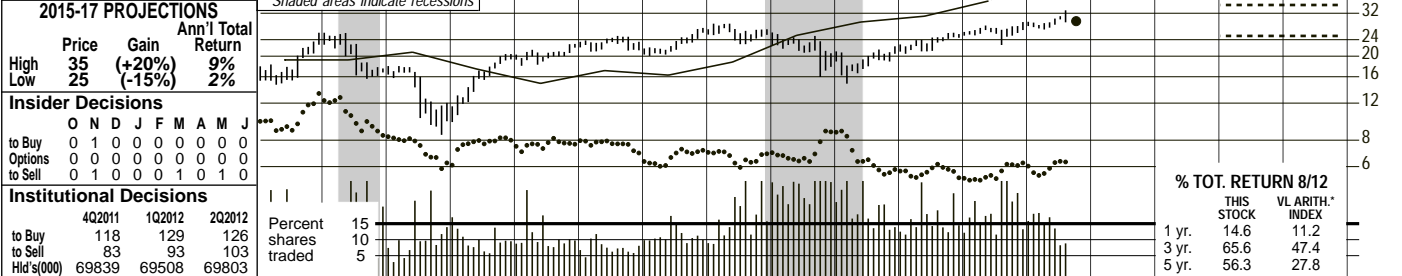
Duke Energy's takeover of Progress Energy created more controversy after completion than while awaiting regulatory approval. In early July, Duke issued about \$17 billion in stock for Progress, which has utilities in North and South Carolina and in Florida. (Note: All per-share data have been adjusted for a 1-for-3 reverse split paid July 3rd.) As Duke announced the completion of the deal, it also stated that Bill Johnson (the former Progress CEO who was slated to take over as CEO of Duke) had "resigned . . . by mutual agreement." Jim Rogers remained CEO. Subsequently, some former Progress officers and directors resigned, as well. The North Carolina commission held hearings about the unexpected management change, and a rating agency lowered its corporate credit ratings on Duke. **The controversy doesn't seem to have hurt Duke's stock — so far.** It has performed in line with most electric utility equities since the closing of the deal. However, that's not to say that there won't eventually be any repercussions. The company is planning rate filings in the Carolinas later in 2012. Rate orders there have

been reasonable in recent years, but it remains to be seen whether this will continue when the commissions issue their rulings next year. The merger integration process might also be hampered, too. **Duke has other worries.** The Crystal River 3 nuclear unit remains out of service, as it has been since September of 2009. Repair costs would probably be more than \$1 billion. Whether this is covered by insurance is in dispute. A coal gasification plant that Duke is building in Indiana went over budget by nearly \$1 billion, resulting in writedowns in 2011 and 2012, and the start-up date has been delayed from September until early 2013. **Duke expects to incur \$450 million-\$550 million of merger-related expenses in the second half of 2012.** We are including these in our presentation. Earnings should be much higher in 2013. **This stock's yield is about half a percentage point above the utility mean.** In our view, this isn't enough to compensate investors for the uncertainties that Duke is facing. Furthermore, total return potential to 2015-2017 is unappealing. *Paul E. Debbas, CFA August 24, 2012*

WESTAR ENERGY NYSE-WR

RECENT PRICE **29.31** P/E RATIO **14.7** (Trailing: 16.0 Median: 14.0) RELATIVE P/E RATIO **0.97** DIV'D YLD **4.6%** VALUE LINE

TIMELINESS 2 Raised 8/24/12	High: 25.9 18.0 20.5 22.9 25.0 27.2 28.6 25.9 22.3 25.9 29.0 33.0	Target Price Range 2015 2016 2017
SAFETY 2 Raised 4/1/05	Low: 15.6 8.5 9.8 18.1 21.1 20.1 22.8 16.0 14.9 20.6 22.6 26.8	64 48 40 32 24 20 16 12 8 6
TECHNICAL 3 Raised 8/10/12	LEGENDS 0.80 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded areas indicate recessions	
BETA .75 (1.00 = Market)		



2015-17 PROJECTIONS		© VALUE LINE PUB. LLC 15-17																		
Price	Gain	Ann'l Total Return	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
High 35	(+20%)	9%	31.67	32.90	30.86	30.21	33.80	31.20	24.77	20.06	17.02	18.23	18.37	18.09	16.98	17.04	18.34	17.27	17.70	18.30
Low 25	(-15%)	2%	5.52	3.47	6.35	7.51	6.96	5.32	4.77	3.77	3.12	3.28	3.94	3.77	3.14	3.59	4.24	3.97	4.20	4.40
			2.60	d.46	2.13	1.48	.89	d.58	1.00	1.48	1.17	1.55	1.88	1.84	1.31	1.28	1.80	1.79	1.95	2.05
			2.07	2.10	2.14	2.14	1.44	1.20	1.20	.87	.80	.92	.98	1.08	1.16	1.20	1.24	1.28	1.32	1.36
			3.09	3.22	2.77	4.09	4.40	3.37	1.89	2.06	2.19	2.45	3.95	7.84	8.65	5.26	4.82	5.55	6.70	7.05
			25.14	30.79	29.40	27.83	27.20	25.97	13.68	14.23	16.13	16.31	17.62	19.14	20.18	20.59	21.25	22.20	23.60	25.40
			64.63	65.41	65.91	67.40	70.08	70.08	71.51	72.84	86.03	86.84	87.39	95.46	108.31	109.07	112.13	125.70	127.00	128.00
			11.7	--	18.4	17.2	20.6	--	14.0	10.8	17.4	14.8	12.2	14.1	17.0	14.9	13.0	14.8		
			.73	--	.96	.98	1.34	--	.76	.62	.92	.79	.66	.75	1.02	.99	.83	.94		
			6.8%	6.3%	5.5%	8.4%	7.9%	5.8%	8.6%	5.5%	3.9%	4.0%	4.3%	4.2%	5.2%	6.3%	5.3%	4.8%		
			Revenues per sh 20.15																	
			"Cash Flow" per sh 5.05																	
			Earnings per sh ^A 2.40																	
			Div'd Decl'd per sh ^{B=†} 1.48																	
			Cap'l Spending per sh 7.85																	
			Book Value per sh ^C 28.35																	
			Common Shs Outst'g ^E 134.00																	
			Avg Ann'l P/E Ratio 12.5																	
			Relative P/E Ratio .85																	
			Avg Ann'l Div'd Yield 4.9%																	

CAPITAL STRUCTURE as of 6/30/12		© VALUE LINE PUB. LLC 15-17																		
Total Debt \$3436.7 mill. Due in 5 Yrs \$753.9 mill.		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
LT Debt \$3042.5 mill. LT Interest \$160.0 mill. (LT interest earned: 3.1x)		1771.1	1461.1	1464.5	1583.3	1605.7	1726.8	1839.0	1858.2	2056.2	2171.0	2250	2340	2340	2340	2340	2340	2340	2340	2340
Pension Assets-12/11 \$481 mill. Oblig. \$876 mill.		72.0	108.1	100.1	134.9	165.3	168.4	136.8	141.3	203.9	214.0	250	265	265	265	265	265	265	265	265
Pfd Stock None		53.4%	43.1%	25.0%	31.0%	25.4%	27.5%	24.8%	29.4%	29.0%	30.4%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Common Stock 126,315,391 shs. as of 7/31/12		--	5.0%	--	--	--	10.4%	--	--	10.4%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
MARKET CAP: \$3.7 billion (Mid Cap)		71.6%	66.2%	53.8%	52.1%	50.0%	50.6%	49.8%	53.4%	53.6%	49.5%	49.0%	49.5%	49.5%	49.5%	49.5%	49.5%	49.5%	49.5%	49.5%
ELECTRIC OPERATING STATISTICS		22.9%	33.2%	45.5%	47.2%	49.3%	48.9%	49.7%	46.1%	46.0%	50.0%	51.0%	50.5%	50.5%	50.5%	50.5%	50.5%	50.5%	50.5%	50.5%
% Change Retail Sales (KWH)		4272.4	3127.3	3049.2	3000.4	3124.2	3738.3	4400.1	4866.8	5180.9	5531.0	5900	6450	6450	6450	6450	6450	6450	6450	6450
Avg. Indust. Use (MWH)		3995.4	3909.5	3911.0	3947.7	4071.6	4803.7	5533.5	5771.7	6309.5	6745.4	7200	7500	7500	7500	7500	7500	7500	7500	7500
Avg. Indust. Revs. per KWH (¢)		4.4%	7.0%	5.5%	6.2%	6.7%	5.8%	4.2%	4.4%	5.5%	5.2%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Capacity at Peak (Mw)		5.9%	10.2%	7.1%	9.4%	10.6%	9.1%	6.2%	6.2%	8.5%	7.6%	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Peak Load, Summer (Mw)		7.3%	10.3%	7.1%	9.5%	10.7%	9.2%	6.2%	6.3%	8.5%	7.7%	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Annual Load Factor (%)		NMF	4.9%	3.2%	4.3%	5.5%	4.3%	1.2%	.8%	3.1%	2.2%	2.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
% Change Customers (yr-end)		120%	53%	56%	55%	49%	53%	80%	87%	63%	72%	67%	66%	66%	66%	66%	66%	66%	66%	66%
Fixed Charge Cov. (%)		226	267	297																

BUSINESS: Westar Energy, Inc., formerly Western Resources, is the parent of Kansas Gas & Electric Company. Westar supplies electricity to 688,000 customers in Kansas. Electric revenue sources: residential and rural, 42%; commercial, 37%; industrial, 21%. Sold investment in ONEOK in 2003 and 85% ownership in Protection One in 2004. 2011 depreciation rate: 4.2%. Estimated plant age: 14 years. Fuels: coal, 51%; nuclear, 8%; gas, 41%. Has 2,424 employees. BlackRock, Inc. owns 5.9% of common; off. & dir., less than 1% (3/12 proxy). Chairman: Charles Q. Chandler IV. Chief Executive Officer and President: Mark A. Ruelle. Inc.: Kansas. Address: 818 South Kansas Avenue, Topeka, Kansas 66612. Telephone: 785-575-6300. Internet: www.westarenergy.com.

ANNUAL RATES		EARNINGS PER SHARE ^A				QUARTERLY DIVIDENDS PAID ^{B=†}			
of change (per sh)	Past 10 Yrs	Past 5 Yrs	Est'd '09-'11	to '15-'17	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
Revenues	-6.0%	-1.0%	2.5%		.10	.35	.73	.10	1.28
"Cash Flow"	-6.0%	1.5%	4.5%		.27	.47	1.01	.05	1.80
Earnings	--	1.0%	6.5%		.27	.38	.98	.16	1.79
Dividends	-4.5%	7.0%	3.0%		.21	.48	1.02	.24	1.95
Book Value	-3.0%	6.0%	5.0%		.25	.46	1.08	.26	2.05

Westar Energy reported strong results for the second quarter. The top line advanced at a moderate clip. The company benefited from healthy demand resulting from warmer weather during the period. Solid growth from the Retail businesses and an impressive advance in Transmission revenue more than offset a decline in Wholesale revenue. Healthy top-line results were partly offset by greater operating costs, however. Even so, share net of \$0.48 compared favorably with the prior-year tally.

Favorable comparisons ought to continue in the coming quarters. A rate increase of \$50 million was approved and implemented earlier in the year. This ought give retail sales a boost. Healthy growth should continue in the Transmission business, though weakness may well persist in the Wholesale line. Overall, we expect higher revenues and share earnings for the company for full-year 2012. Growth ought to continue in 2013.

Investment in operations ought to pay off going forward. All of the company's large projects remain on schedule and within budget. Westar has finished an up-grade of air quality equipment at its Lawrence Energy Center, and an additional improvement is slated for completion by the end of the year. Major environmental projects at the Jeffrey and LaCygne energy centers are also progressing well. The Prairie Wind joint venture is also coming along nicely. Westar has acquired the majority of the rights of way, and has begun clearing. The project is expected to be completed in late 2014.

This stock is favorably ranked for year-ahead performance. Looking further out, we anticipate higher revenues and share earnings for the company by 2015-2017. Moreover, Westar earns good marks for Safety, Price Stability, and Earnings Predictability. In addition, the stock has below-average volatility (Beta: 0.75). Overall, Westar has unimpressive, but fairly well-defined, total return potential for the pull to 2015-2017. Conservative, income-seeking investors may find this issue attractive, considering the healthy dividend yield. Subscribers looking for strong capital appreciation can probably find better choices elsewhere.

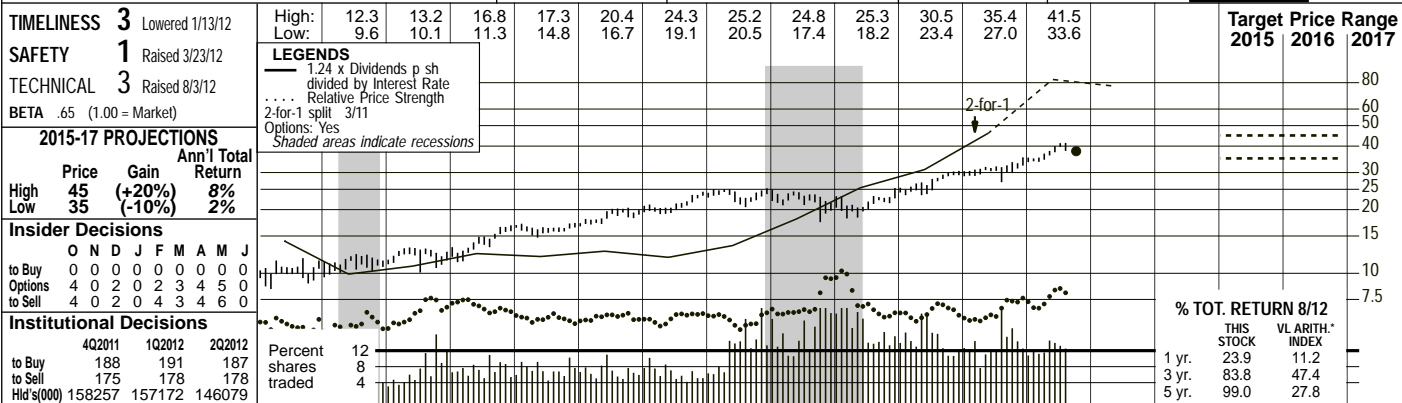
Michael Napoli, CFA September 21, 2012

(A) EPS diluted from 2010 onward. Excl. non-recur gains (losses): '96, (\$0.19); '97, \$7.97; '98, (\$1.45); '99, (\$1.31); '00, \$1.07; '01, 27¢; '02, (\$12.06); '03, 77¢; '08, 39¢; '11, 14¢. Next reg. rpt due in November.	(B) Div'ds paid in early Jan., April, July, and Oct. Div'd reinvest. plan avail. † Shareholder invest. plan avail.	(C) Incl. reg. assets. In 2011: \$8.32/sh.	(D) Rate base determined: fair value; Rate allowed on common equity in '12: 10.0%; earned on avg. com. eq., '11: 8.2%. Regul. Clim.: Avg. (E) In mill.	Company's Financial Strength B++	Stock's Price Stability 100	Price Growth Persistence 75	Earnings Predictability 80
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WISCONSIN ENERGY NYSE-WEC

RECENT PRICE **37.87** P/E RATIO **16.0** (Trailing: 16.5; Median: 14.0) RELATIVE P/E RATIO **1.05** DIV'D YLD **3.5%** VALUE LINE



TIMELINESS 3 Lowered 1/13/12
SAFETY 1 Raised 3/23/12
TECHNICAL 3 Raised 8/3/12
BETA .65 (1.00 = Market)

2015-17 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+20%)	8%
Low	35	(-10%)	2%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	4	0	2	0	2	3	4	5	0
to Sell	4	0	2	0	4	3	4	6	0

Institutional Decisions

	4Q2011	1Q2012	2Q2012
to Buy	188	191	187
to Sell	175	178	178
Hlds(000)	158257	157172	146079

Percent shares traded: 12, 8, 4

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
7.94	7.93	8.56	9.56	14.14	17.02	16.10	17.12	14.66	16.31	17.08	18.12	18.95	17.65	17.98	19.46	18.45	19.75	Revenues per sh	22.50
2.13	1.48	2.06	2.26	2.24	2.72	2.84	2.86	2.58	2.89	2.98	2.95	3.11	3.30	3.68	3.90	4.15	4.15	"Cash Flow" per sh	5.00
.99	.27	.83	.94	.54	.92	1.16	1.13	.93	1.28	1.32	1.42	1.52	1.60	1.92	2.18	2.30	2.35	Earnings per sh A	2.75
.75	.77	.78	.78	.69	4.0	4.0	4.0	4.2	4.4	4.6	5.0	5.4	.68	.80	1.04	1.20	1.36	Div'd Decl'd per sh B	1.80
1.77	1.56	1.76	2.22	2.64	3.01	2.54	2.95	2.85	3.40	4.17	5.28	4.86	3.50	3.41	3.60	3.30	3.10	Cap'l Spending per sh	3.00
8.71	8.25	8.23	8.44	8.50	8.91	9.22	9.96	10.65	11.46	12.35	13.25	14.27	15.26	16.26	17.20	18.00	18.65	Book Value per sh C	20.50
223.36	225.73	231.21	237.81	237.29	230.84	232.06	236.85	233.97	233.96	233.94	233.89	233.84	233.82	233.77	230.49	230.50	230.50	Common Shs Outst'g D	230.50
14.3	NMF	18.0	13.3	18.7	12.1	10.5	12.4	17.5	14.5	16.0	16.5	14.8	13.3	14.0	14.2	14.2	14.2	Avg Ann'l P/E Ratio	14.5
.90	NMF	.94	.76	1.22	.62	.57	.71	.92	.77	.86	.88	.89	.89	.89	.90	.90	.90	Relative P/E Ratio	.95
5.4%	6.0%	5.2%	6.3%	6.8%	3.6%	3.3%	2.8%	2.6%	2.4%	2.2%	2.1%	2.4%	3.2%	3.0%	3.3%	3.3%	3.3%	Avg Ann'l Div'd Yield	4.5%

CAPITAL STRUCTURE as of 6/30/12

LT Debt \$5191.8 mill. Due in 5 Yrs \$1802.6 mill.
 LT Debt \$4297.5 mill. LT Interest \$244.3 mill.
 Incl. \$120.0 mill. capitalized leases.
 (LT interest earned: 3.9x)

Leases, Uncapitalized Annual rentals \$16.3 mill.
Pension Assets-12/11 \$1.26 bill.

Oblig. \$1.33 bill.
Pfd Stock \$30.4 mill. Pfd Div'd \$1.2 mill.
 260,000 shs. 3.60%, \$100 par, callable at \$101;
 44,498 shs. 6%, \$100 par.
Common Stock 230,447,077 shs.

MARKET CAP: \$8.7 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-8.1	+6.0	-5
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (c)	6.57	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	5812	5908	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+2	+3	+2

Fixed Charge Cov. (%) 281 312 339

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Revenues	3.0%	3.0%	3.5%
"Cash Flow"	3.5%	4.0%	7.0%
Earnings	9.0%	10.0%	6.5%
Dividends	3.0%	14.0%	13.5%
Book Value	6.5%	7.0%	4.0%

QUARTERLY REVENUES (\$ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	1396.2	842.5	821.9	1067.3	4127.9
2010	1248.6	890.9	973.3	1089.8	4202.5
2011	1328.7	991.7	1052.8	1113.2	4486.4
2012	1191.2	944.7	964.1	1150	4250
2013	1350	1000	1000	1200	4550

EARNINGS PER SHARE A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.60	.27	.25	.48	1.60
2010	.55	.37	.47	.53	1.92
2011	.72	.41	.55	.49	2.18
2012	.74	.51	.56	.49	2.30
2013	.80	.45	.56	.54	2.35

QUARTERLY DIVIDENDS PAID B

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.135	.135	.135	.135	.54
2009	.169	.169	.169	.169	.68
2010	.20	.20	.20	.20	.80
2011	.26	.26	.26	.26	1.04
2012	.30	.30	.30		

Business: Wisconsin Energy Corporation is a holding company for We Energies, which provides electric, gas & steam service in Wisconsin. Customers: 1.1 mill. elec., 1.1 mill. gas. Acq'd WICOR 4/00. Discontinued pump-manufacturing operations in '04. Sold Point Beach nuclear plant in '07. Electric revenue breakdown: residential, 36%; small commercial & industrial, 31%; large commercial & industrial, 24%; other, 9%. Generating sources: coal, 54%; gas, 7%; hydro, 1%; wind, 1%; purchased, 37%. Fuel costs: 42% of revs. '11 reported deprec. rate (utility): 2.8%. Has 4,600 employees. Chairman, President & CEO: Gale E. Klappa, Inc.: WI. Address: 231 W. Michigan St., P.O. Box 1331, Milwaukee, WI 53201. Tel.: 414-221-2345. Internet: www.wisconsinenergy.com.

Wisconsin Energy has a rate case pending in Wisconsin. The company's utilities in the state are seeking electric rate increases of \$172.6 million (6.2%) in 2013 and \$37.1 million in 2014, a gas rate decrease of \$17.1 million in 2013, and small tariff hikes for steam. The staff of the Wisconsin commission is not contesting the 10.4%-10.5% returns on equity that the utilities are requesting. New rates should go into effect at the start of 2013.

An electric rate hike in Michigan took effect in late June. The regulators boosted Wisconsin Electric's tariffs by \$9.2 million (5.2%), based on a 10.1% ROE. This was above the \$7.7 million raise that the utility self-implemented six months earlier.

Earnings will likely advance at a mid-single-digit clip in 2012. This year, the utility avoided a rate increase by suspending \$140.1 million of regulatory amortization. Average shares outstanding are down slightly, as well. We have raised our earnings estimate by a nickel a share due to favorable weather conditions. Our revised estimate is at the midpoint of Wisconsin Energy's targeted range of \$2.28-\$2.32 a

share.

We have cut our 2013 earnings estimate by \$0.05 a share. Wisconsin Energy's stock-repurchase authorization has \$200 million remaining. We had estimated that the stock would be bought back next year, but are no longer doing so due to the high share price, which is up about 10% so far this year.

Wisconsin Energy has signaled that its dividends will probably be raised by more than 10% in 2013 and 2014. Over the past several years, the company has had a payout ratio that is well below the industry average. The board wants to change this, and is targeting a payout ratio of about 60% by 2014.

The high expected dividend growth is reflected in this stock's valuation. The dividend yield is nearly a full percentage point below the utility mean, and the relative price-earnings ratio is higher than it has been historically. Despite the strong dividend growth we project over the 3- to 5-year period, total return potential is unexciting because the quotation is already within our 2015-2017 Target Price Range.

Paul E. Debbas, CFA September 21, 2012

(A) Diluted EPS. Excl. nonrec. gains (losses): '99, (5c); '00, 10c net; '02, (44c); '03, (10c) net; '04, (42c); gains on disc. ops.: '04, 77c; '05, 2c; '06, 2c; '09, 2c; '10, 1c; '11, 6c. '11

EPS don't add due to rounding. Next earnings report due early Nov. (B) Div'ds historically paid in early Mar., June, Sept. & Dec. Div'd reinvestment plan avail. (C) Incl. intang. In '11: \$7.29/sh. (D) In mill., adj. for split. (E) Rate base: Net orig. cost. Rates all'd on com. eq. in WI in '10: 10.4%-10.5%; earned on avg. com. eq., '11: 13.1%. Regulat. Climate: Above Avg.

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