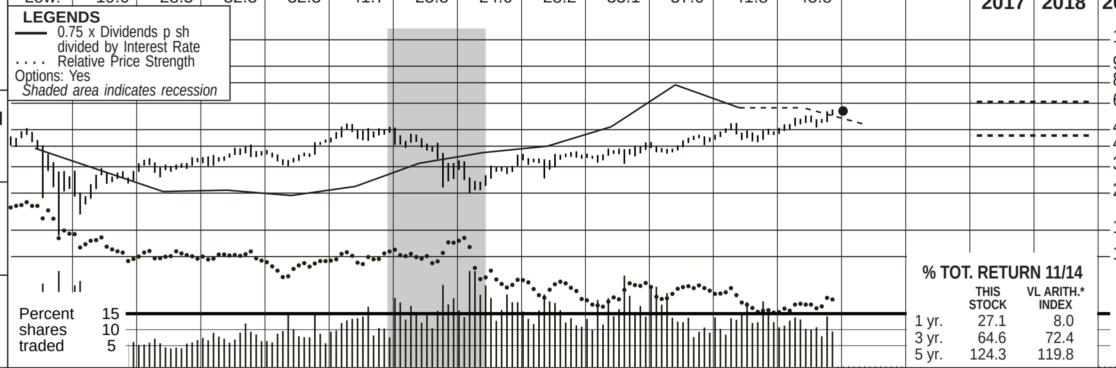
AMERICAN ELEC. PWR. NYSE-AEP

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
58.87	17.8	(Trailing: 16.5 Median: 13.0)	0.96	3.7%	VALUE LINE

TIMELINESS 3 Lowered 10/31/14
SAFETY 2 Raised 9/19/14
TECHNICAL 4 Lowered 11/14/14
BETA .70 (1.00 = Market)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
High:	31.5	35.5	40.8	43.1	51.2	49.1	36.5	37.9	41.7	45.4	51.6	59.8
Low:	19.0	28.5	32.3	32.3	41.7	25.5	24.0	28.2	33.1	37.0	41.8	45.8



Target Price Range

2017	2018	2019

2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+10%)	6%
Low	45	(-25%)	-2%

Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	12	0	0	0	0
to Sell	0	1	0	0	6	0	0	2	0

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	337	338	325
to Sell	277	267	301
Hld's(000)	317224	323714	326207

% TOT. RETURN 11/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	27.1	8.0
3 yr.	64.6	72.4
5 yr.	124.3	119.8

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	30.77	31.48	*34.70*	*34.55*	Revenues per sh	*39.50*
6.03	6.36	5.11	7.65	6.99	5.76	5.89	5.96	6.67	6.80	6.84	6.32	6.29	6.83	6.64	6.75	*7.20*	*7.45*	"Cash Flow" per sh	*8.75*
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	2.98	3.18	*3.45*	*3.50*	Earnings per sh A	*4.00*
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	1.88	1.95	*2.03*	*2.15*	Div'd Decl'd per sh B ■	*2.50*
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	6.45	7.75	*8.80*	*9.35*	Cap'l Spending per sh	*8.25*
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	31.37	32.98	*34.45*	*35.85*	Book Value per sh C	*40.25*
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	485.67	487.78	*490.00*	*492.00*	Common Shs Outst'g D	*498.00*
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	14.5	*Bold figures are*		Avg Ann'l P/E Ratio	*14.0*
.88	.82	2.23	.71	.69	.61	.66	.73	.70	.87	.79	.67	.85	.75	.88	.82	*Value Line*		Relative P/E Ratio	*.90*
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%	4.6%	4.2%	*estimates*		Avg Ann'l Div'd Yield	*4.5%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $19340 mill. **Due in 5 Yrs** $9356 mill.
LT Debt $15677 mill. **LT Interest** $713 mill.
Incl. $2230 mill. securitized bonds.
(LT interest earned: 3.7x)

Leases, Uncapitalized Annual rentals $288 mill.
Pension Assets-12/13 $4711 mill. **Oblig.** $4841 mill.

Pfd Stock None

Common Stock 489,240,481 shs.
as of 10/23/14
MARKET CAP: $29 billion (Large Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
14057	12111	12622	13380	14440	13489	14427	15116	14945	15357	*17000*	*17000*	Revenues ($mill)	*19650*
1038.0	1036.0	1131.0	1147.0	1208.0	1365.0	1248.0	1513.0	1443.0	1549.0	*1630*	*1660*	Net Profit ($mill)	*1975*
33.1%	29.3%	33.0%	31.1%	31.3%	29.7%	34.8%	31.7%	33.9%	36.2%	*36.0%*	*36.0%*	Income Tax Rate	*36.0%*
3.6%	5.4%	9.9%	9.8%	9.9%	10.9%	10.4%	10.6%	11.2%	7.3%	*9.0%*	*10.0%*	AFUDC % to Net Profit	*8.0%*
56.2%	54.8%	56.7%	58.3%	59.1%	54.4%	53.1%	50.7%	50.6%	51.1%	*50.5%*	*53.0%*	Long-Term Debt Ratio	*52.0%*
43.1%	44.9%	43.0%	41.4%	40.7%	45.4%	46.7%	49.3%	49.4%	48.9%	*49.5%*	*47.0%*	Common Equity Ratio	*48.0%*
19584	20222	21902	24342	26290	28958	29184	29747	30823	32913	*34050*	*37550*	Total Capital ($mill)	*41800*
22801	24284	26781	29870	32987	34344	35674	36971	38763	40997	*43450*	*46075*	Net Plant ($mill)	*51700*
7.0%	6.6%	6.7%	6.3%	6.2%	6.2%	5.7%	6.6%	6.1%	6.0%	*6.0%*	*5.5%*	Return on Total Cap'l	*6.0%*
12.1%	11.3%	11.9%	11.3%	11.2%	10.3%	9.1%	10.3%	9.5%	9.6%	*9.5%*	*9.5%*	Return on Shr. Equity	*10.0%*
12.2%	11.3%	12.0%	11.4%	11.3%	10.4%	9.1%	10.3%	9.5%	9.6%	*10.0%*	*10.0%*	Return on Com Equity E	*10.0%*
5.7%	5.2%	5.7%	5.1%	5.1%	4.6%	3.1%	4.2%	3.5%	3.7%	*4.0%*	*4.0%*	Retained to Com Eq	*4.0%*
54%	54%	53%	55%	55%	56%	66%	60%	63%	62%	*61%*	*63%*	All Div'ds to Net Prof	*63%*

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+1.2	-2.1	-1.5
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	4.95	4.69	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	286	280	326

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	-10.0%	-1.5%	*4.0%*
"Cash Flow"	- -	- -	*4.5%*
Earnings	.5%	1.5%	*4.5%*
Dividends	-1.5%	4.0%	*4.5%*
Book Value	3.5%	4.5%	*4.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	3730	3609	4333	3444	15116
2012	3625	3551	4156	3613	14945
2013	3826	3582	4176	3773	15357
2014	4648	4044	4302	*4006*	*17000*
2015	*4350*	*4100*	*4500*	*4050*	*17000*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.83	.73	1.17	.41	3.13
2012	.80	.75	1.00	.43	2.98
2013	.75	.73	1.10	.60	3.18
2014	1.15	.80	1.01	*.49*	*3.45*
2015	*1.00*	*.80*	*1.15*	*.55*	*3.50*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.41	.42	.42	.46	1.71
2011	.46	.46	.46	.47	1.85
2012	.47	.47	.47	.47	1.88
2013	.47	.49	.49	.50	1.95
2014	.50	.50	.50	.53	

BUSINESS: American Electric Power Company, Inc. (AEP), through 10 operating utilities, serves 5.3 mill. customers in Arkansas, Kentucky, Indiana, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia, and West Virginia. Electric revenue breakdown: residential, 40%; commercial, 23%; industrial, 19%; wholesale, 15%; 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: 36% of revenues. '13 reported deprec. rates (utility): 1.1%-7.9%. Has 18,500 employees. Chairman, President & CEO: Nicholas K. Akins. Inc.: New York. Address: 1 Riverside Plaza, Columbus, Ohio 43215-2373. Tel.: 614-716-1000. Internet: www.aep.com.

American Electric Power continues to remake itself into a more regulated, less nonregulated company. The company has transferred some of its nonregulated generating assets in Ohio to its regulated utilities in neighboring states. AEP is also asking the Ohio commission to approve a purchased-power agreement (with an effective date of June 1, 2015) for four of its generating plants, totaling 2,671 megawatts of capacity. This would help stabilize the company's income from these units. The majority of AEP's profits now come from the regulated side of its business, and this should continue.

Earnings are likely to advance at a high single-digit pace in 2014. March-quarter earnings were much higher than usual thanks to winter weather that was much colder than normal and higher market prices for power. Our estimate is at the midpoint of AEP's targeted range of $3.40-$3.50 a share.

We look for just slight profit growth in 2015. The first-quarter comparison will be difficult. Even so, there should be some positive factors, most notably rate relief. Higher income from the electric transmission business should be another plus. Our estimate is within AEP's guidance of $3.40-$3.60 a share.

As usual, the company's utilities have some regulatory activity pending. Appalachian Power is not earning an adequate return on equity in West Virginia. So, the company filed for a rate increase of $226 million, based on a 10.62% ROE. The commission's staff was scheduled to put forth its recommendation shortly after this report went to press. An order is due in late May. Kentucky Power is about to file a case. The utility should be able to implement an interim increase in mid-2015.

The board of directors has raised the dividend. The increase was $0.03 a share (6%), three times the hike declared a year earlier. AEP is targeting a payout ratio of 60%-70%.

This stock offers a dividend yield that is just slightly above the average for the electric utility industry. With the recent quotation (like most other electric utility equities) well within our 2017-2019 Target Price Range, total return potential is unspectacular.

Paul E. Debbas, CFA *December 19, 2014*

(A) Diluted EPS. Excl. nonrec. gains (losses): '02, ($3.86); '03, ($1.92); '04, 24¢; '05, (62¢); '06, (20¢); '07, (20¢); '08, 40¢; '10, (7¢); '11, 89¢; '12, (38¢); '13, (14¢); discont. ops.: '02, (57¢); '03, (32¢); '04, 15¢; '05, 7¢; '06, 2¢; '08, 3¢. '11 EPS don't add due to rounding. Next egs. report due late Jan. (B) Div'ds historically paid early Mar., June, Sept., & Dec. ■ Div'd reinvest. plan avail. (C) Incl. intang. In '13: $18.20/sh. (D) In mill. (E) Rate base: various. Rates all'd on com. eq.: 9.65%-10.9%; earned on avg. com. eq., '13: 9.9%. Regul. Clim.: Avg.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	50
Earnings Predictability	90

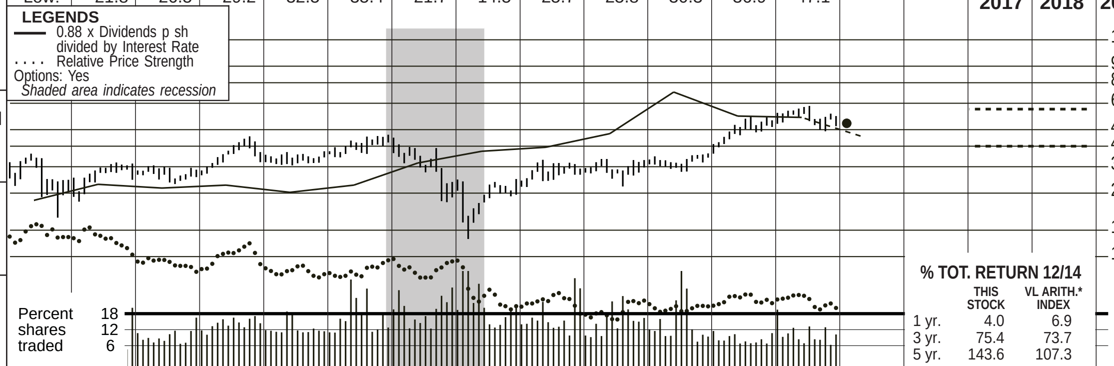
BLACK HILLS CORP. NYSE-BKH

RECENT PRICE	51.40	P/E RATIO	18.2 (Trailing: 20.2 / Median: 17.0)	RELATIVE P/E RATIO	0.99	DIV'D YLD	3.1%	VALUE LINE

TIMELINESS 1 Raised 12/12/14
SAFETY 3 Lowered 8/15/03
TECHNICAL 3 Raised 1/9/15
BETA .90 (1.00 = Market)

High:	33.5	32.5	44.6	37.9	45.4	44.0	28.0	34.5	34.8	37.0	55.1	62.1
Low:	21.8	26.5	29.2	32.5	35.4	21.7	14.5	25.7	25.8	30.3	36.9	47.1

Target Price Range
2017 | 2018 | 2019



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+15%)	7%
Low	40	(-20%)	-2%

Insider Decisions

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

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	94	85	99
to Sell	96	103	105
Hld's(000)	31901	32363	32908

% TOT. RETURN 12/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	4.0	6.9
3 yr.	75.4	73.7
5 yr.	143.6	107.3

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	26.55	28.67	30.75	30.65	Revenues per sh	33.50
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	5.59	5.93	6.40	6.55	"Cash Flow" per sh	7.50
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	1.97	2.61	2.90	2.85	Earnings per sh A	3.25
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	1.52	1.56	1.60	Div'd Decl'd per sh B ■	1.85
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	7.90	7.97	9.35	9.60	Cap'l Spending per sh	8.25
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	27.88	29.39	30.70	31.90	Book Value per sh C	35.75
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	44.21	44.50	44.75	45.00	Common Shs Outst'g D	45.75
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	NMF	17.1	18.2	19.0		Avg Ann'l P/E Ratio	15.5
.77	.78	.71	.58	.68	.91	.90	.92	.85	.80	NMF	.66	1.15	NMF	1.09	1.03	1.00		Relative P/E Ratio	.95
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%	4.4%	3.2%	2.8%		Avg Ann'l Div'd Yield	3.7%

CAPITAL STRUCTURE as of 9/30/14
Total Debt $1566.5 mill. **Due in 5 Yrs** $459.0 mill.
LT Debt $1107.5 mill. **LT Interest** $57.6 mill.
(LT interest earned: 4.1x)
Leases, Uncapitalized Annual rentals $2.8 mill.

Pension Assets-12/13 $280.4 mill.
Oblig. $321.4 mill.
Pfd Stock None

Common Stock 44,655,369 shs.
as of 10/31/14

MARKET CAP: $2.3 billion (Mid Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
1121.7	1391.6	656.9	695.9	1005.8	1269.6	1307.3	1272.2	1173.9	1275.9	1375	1380	Revenues ($mill)	1530
57.2	70.3	74.0	100.1	6.8	89.7	64.6	40.4	86.9	115.8	130	130	Net Profit ($mill)	145
31.8%	33.8%	31.3%	31.3%	33.1%	30.7%	26.4%	31.1%	35.5%	34.7%	33.5%	34.5%	Income Tax Rate	34.5%
.3%	1.0%	9.7%	14.8%	173.2%	20.1%	28.0%	65.0%	5.4%	2.4%	2.0%	2.0%	AFUDC % to Net Profit	2.0%
49.9%	47.6%	44.3%	36.8%	32.3%	48.4%	51.9%	51.4%	43.2%	51.6%	53.0%	52.0%	Long-Term Debt Ratio	53.5%
49.6%	52.4%	55.7%	63.2%	67.7%	51.6%	48.1%	48.6%	56.8%	48.4%	47.0%	48.0%	Common Equity Ratio	46.5%
1469.3	1409.1	1418.4	1534.2	1551.8	2100.7	2286.3	2489.7	2171.4	2704.7	2910	2995	Total Capital ($mill)	3500
1445.7	1435.4	1646.4	1823.5	2022.2	2160.7	2495.4	2789.6	2742.7	2990.3	3255	3520	Net Plant ($mill)	4150
5.3%	6.6%	6.8%	7.9%	1.6%	5.9%	4.4%	3.3%	5.5%	5.5%	5.5%	5.5%	Return on Total Cap'l	5.5%
7.8%	9.5%	9.4%	10.3%	.7%	8.3%	5.9%	3.3%	7.1%	8.9%	9.5%	9.0%	Return on Shr. Equity	9.0%
7.8%	9.5%	9.4%	10.3%	.7%	8.3%	5.9%	3.3%	7.1%	8.9%	9.5%	9.0%	Return on Com Equity E	9.0%
2.3%	3.8%	3.8%	5.1%	NMF	3.2%	.7%	NMF	1.8%	3.7%	4.5%	4.0%	Retained to Com Eq	4.0%
71%	60%	59%	50%	NMF	62%	87%	NMF	75%	58%	53%	55%	All Div'ds to Net Prof	57%

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+1.3	+.2	+1.0
Avg. Indust. Use (MWH)	8482	8921	9740
Avg. Indust. Revs. per KWH (¢)	7.58	8.01	8.19
Capacity at Yearend (Mw)	1315	1318	NA
Peak Load, Summer (Mw)	1025	1036	988
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.3	+.3	+.8
Fixed Charge Cov. (%)	160	205	224

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	-2.5%	5.5%	3.0%
"Cash Flow"	.5%	3.0%	6.5%
Earnings	-3.0%	2.0%	9.5%
Dividends	2.5%	1.5%	3.5%
Book Value	3.5%	2.0%	4.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	400.8	260.7	249.5	361.2	1272.2
2012	365.8	242.4	246.8	318.9	1173.9
2013	380.7	279.8	259.9	355.5	1275.9
2014	460.2	283.2	272.1	359.5	1375
2015	430	290	280	380	1380

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.73	.09	d.29	.44	1.01
2012	.80	.11	.38	.68	1.97
2013	.97	.69	.52	.43	2.61
2014	1.08	.44	.60	.78	2.90
2015	1.00	.45	.60	.80	2.85

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.365	.365	.365	.365	1.46
2012	.37	.37	.37	.37	1.48
2013	.38	.38	.38	.38	1.52
2014	.39	.39	.39	.39	1.56
2015					

BUSINESS: Black Hills Corporation is a holding company for utilities that serve 204,000 electric customers in CO, SD, WY and MT, and 574,000 gas customers in NE, IA, KS, CO and WY. Mines coal & has a gas & oil E&P business. Acq'd Mallon Resources 3/03; Cheyenne Light 1/05; utility operations from Aquila 7/08. Discontinued telecom in '05; oil marketing in '06; gas marketing in '11. Electric revenue breakdown: res'l, 31%; comm'l, 36%; ind'l, 14%; wholesale, 11%; other, 8%. Generating sources: coal, 36%; other, 4%; purchased, 60%. Fuel costs: 41% of revs. '13 depr. rate: 3.5%. Has 1,900 empls. 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.

The price of Black Hills stock has been significantly affected by the price of oil in the past two years. When oil prices were high in 2013, this equity was one of the top performers in the electric utility industry. In 2014, when oil prices declined precipitously, the share price rose just 1% in a year in which most utility issues fared extremely well. Oil and natural gas prices are continuing to decline. So far, Black Hills' oil and gas exploration and production subsidiary has not announced a cutback in its drilling or capital spending plans, but this might change when the company announces earnings in early February.

We estimate that earnings will decline slightly in 2015. In early November, Black Hills put forth 2015 profit guidance of $2.90-$3.10 a share. However, this was based on higher commodity prices than are likely to occur this year. Although the company has hedged some of its expected 2015 production, there is little doubt that it will feel the effects of lower oil and gas prices. Thus, our earnings estimate of $2.85 a share is below the low end of management's guidance.

The utility received rate increases in two states. In Kansas, the commission approved a "black box" settlement (i.e., no specified return on equity) calling for a $5.2 million raise in gas rates. In Colorado, electric rates were raised by $3 million, based on a return of 9.83% on a common-equity ratio of 50.17%. Each tariff hike took effect at the start of the new year. Black Hills is awaiting a final order in its electric rate case in South Dakota, in which the utility sought an increase of $14.6 million, based on a 10.25% return on equity.

We expect a dividend increase in the current quarter. A first-period hike in the disbursement has been the practice of the board of directors for many years. We estimate that the board will boost the quarterly dividend by a cent a share (2.6%). The company's payout ratio is low enough to allow for an increase, despite the possibility of lower earnings in 2015.

This timely stock has a dividend yield that is a cut below the utility mean. It does not stand out for its 3- to 5-year total return potential.

Paul E. Debbas, CFA *January 30, 2015*

(A) Diluted EPS. Excl. nonrec. gains (losses): '05, (99¢); '08, ($1.55); '09, (28¢); '10, 10¢; '12, 4¢ net; gains (losses) on disc. ops.: '05, (7¢); '06, 21¢; '07, (4¢); '08, $4.12; '09, 7¢; '11, 23¢; '12, (16¢). '11, '12 EPS don't add due to chng. in shs. or rounding. Next egs. due early Feb. (B) Div'ds paid early Mar., Jun., Sept., & Dec. ■ Div'd reinv. plan avail. (C) Incl. def'd chgs. In '13: $11.12/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate all'd on com. eq. in SD in '13: none specified; in CO in '15: 9.83%; earned on avg. com. eq., '13: 9.1%. Regul. Climate: Avg.

Company's Financial Strength	B+
Stock's Price Stability	85
Price Growth Persistence	65
Earnings Predictability	40

CMS ENERGY CORP. NYSE-CMS

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
34.01	20.6	(Trailing: 19.3) (Median: 14.0)	1.11	3.4%	VALUE LINE

TIMELINESS 3 Lowered 12/5/14

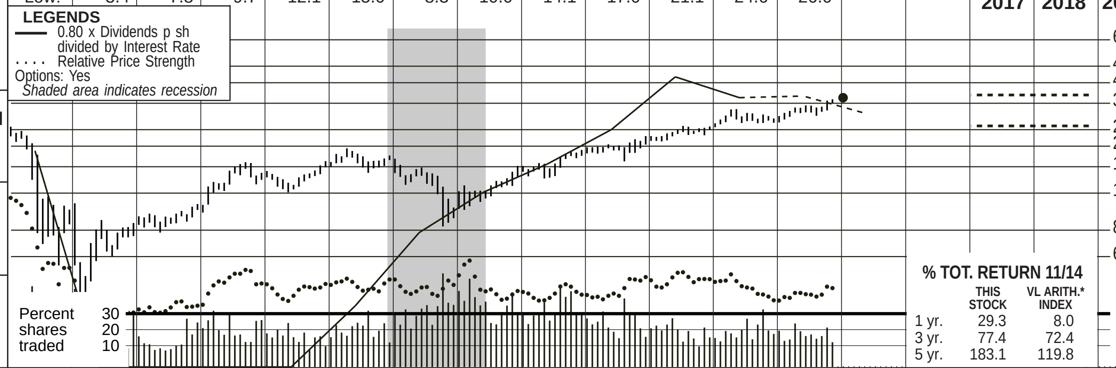
SAFETY 2 Raised 3/21/14

TECHNICAL 4 Lowered 11/14/14

BETA .70 (1.00 = Market)

High:	10.7	10.6	16.8	17.0	19.5	17.5	16.1	19.3	22.4	25.0	30.0	34.1
Low:	3.4	7.8	9.7	12.1	15.0	8.3	10.0	14.1	17.0	21.1	24.6	26.0

Target Price Range 2017 | 2018 | 2019



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	35	(+5%)	4%
Low	25	(-25%)	-3%

Insider Decisions

	J	F	M	A	M	J	J	A	S
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	1	1	0	0	0	4	0

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	193	177	174
to Sell	177	187	196
Hld's(000)	237528	234703	237560

% TOT. RETURN 11/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	29.3	8.0
3 yr.	77.4	72.4
5 yr.	183.1	119.8

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	23.90	24.68	*26.20*	*25.25*	Revenues per sh	*27.50*
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	3.82	4.06	*4.20*	*4.45*	"Cash Flow" per sh	*5.25*
2.24	2.85	2.53	1.27	d2.99	d.29	.74	1.10	.64	.64	1.23	.93	1.33	1.45	1.53	1.66	*1.75*	*1.85*	Earnings per sh A	*2.25*
1.26	1.39	1.46	1.46	1.09	- -	- -	- -	- -	.20	.36	.50	.66	.84	.96	1.02	*1.08*	*1.14*	Div'd Decl'd per sh B ■	*1.35*
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	4.65	4.98	*6.05*	*5.55*	Cap'l Spending per sh	*5.25*
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	12.09	12.98	*13.40*	*14.25*	Book Value per sh C	*17.25*
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	264.10	266.10	*275.00*	*277.00*	Common Shs Outst'g D	*283.00*
19.9	13.9	9.6	20.8	- -	- -	12.4	12.6	22.2	26.8	10.9	13.6	12.5	13.6	15.1	16.3	*Bold figures are*		Avg Ann'l P/E Ratio	*13.5*
1.03	.79	.62	1.07	- -	- -	.66	.67	1.20	1.42	.66	.91	.80	.85	.96	.92	*Value Line*		Relative P/E Ratio	*.85*
2.8%	3.5%	6.0%	5.5%	7.5%	- -	- -	- -	- -	1.2%	2.7%	4.0%	4.0%	4.3%	4.2%	3.8%	*estimates*		Avg Ann'l Div'd Yield	*4.5%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $8861 mill. **Due in 5 Yrs** $2985 mill.
LT Debt $8171 mill. **LT Interest** $420 mill.
Incl. $129 mill. capitalized leases.
(LT interest earned: 2.9x)
Leases, Uncapitalized Annual rentals $26 mill.
Pension Assets-12/13 $1964 mill. **Oblig.** $2073 mill.
Pfd Stock $37 mill. **Pfd Div'd** $2 mill.
Incl. 373,148 shs. $4.50 $100 par, cum., callable at $110.00.
Common Stock 275,100,000 shs.

MARKET CAP: $9.4 billion (Large Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
5472.0	6288.0	6810.0	6519.0	6821.0	6205.0	6432.0	6503.0	6312.0	6566.0	*7200*	*7000*	Revenues ($mill)	*7800*
144.0	247.0	158.0	168.0	300.0	231.0	356.0	384.0	413.0	454.0	*485*	*525*	Net Profit ($mill)	*665*
18.6%	25.6%	- -	37.6%	31.6%	34.6%	38.1%	36.8%	39.4%	39.9%	*39.5%*	*39.5%*	Income Tax Rate	*39.5%*
- -	15.4%	6.3%	3.6%	1.3%	13.0%	2.2%	2.6%	2.9%	2.0%	*2.0%*	*2.0%*	AFUDC % to Net Profit	*2.0%*
75.3%	73.5%	71.7%	70.5%	69.4%	67.9%	70.1%	66.9%	67.9%	67.5%	*68.5%*	*67.5%*	Long-Term Debt Ratio	*62.5%*
21.5%	23.4%	24.9%	25.9%	27.4%	29.0%	29.5%	32.6%	31.6%	32.2%	*31.0%*	*32.5%*	Common Equity Ratio	*37.0%*
9640.0	9913.0	8961.0	8212.0	8993.0	8977.0	9473.0	9279.0	10101	10730	*11925*	*12175*	Total Capital ($mill)	*13100*
8636.0	7845.0	7976.0	8728.0	9190.0	9682.0	10069	10633	11551	12246	*13225*	*14050*	Net Plant ($mill)	*16100*
4.4%	5.0%	4.5%	4.5%	5.4%	4.7%	5.8%	6.3%	5.9%	6.0%	*5.5%*	*6.0%*	Return on Total Cap'l	*6.5%*
6.1%	9.4%	6.2%	6.9%	10.9%	8.0%	12.5%	12.5%	12.8%	13.0%	*13.0%*	*13.0%*	Return on Shr. Equity	*13.5%*
6.2%	9.9%	6.4%	7.2%	11.7%	8.5%	12.5%	12.6%	12.9%	13.1%	*13.0%*	*13.5%*	Return on Com Equity E	*13.5%*
6.2%	9.9%	6.4%	5.1%	8.4%	4.1%	6.9%	5.6%	5.0%	5.2%	*5.0%*	*5.5%*	Retained to Com Eq	*6.0%*
11%	6%	10%	35%	31%	54%	46%	55%	61%	60%	*60%*	*60%*	All Div'ds to Net Prof	*58%*

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+.4	+.6	-3.1
Avg. Indust. Use (MWH)	1086	1113	1000
Avg. Indust. Revs. per KWH (¢)	8.21	8.06	8.93
Capacity at Peak (Mw)	8588	8607	8603
Peak Load, Summer (Mw)	8930	9006	8509
Annual Load Factor (%)	50.8	48.7	52.5
% Change Customers (yr-end)	-.1	- -	+.1
Fixed Charge Cov. (%)	237	268	282

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	-8.0%	-3.5%	*2.0%*
"Cash Flow"	4.5%	2.5%	*5.5%*
Earnings	- -	13.0%	*6.5%*
Dividends	1.0%	NMF	*6.0%*
Book Value	1.5%	4.0%	*6.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	2055	1364	1464	1620	6503.0
2012	1802	1333	1507	1670	6312.0
2013	1979	1406	1445	1736	6566.0
2014	2523	1468	1430	*1779*	*7200*
2015	*2200*	*1500*	*1500*	*1800*	*7000*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.51	.26	.53	.15	1.45
2012	.36	.37	.55	.25	1.53
2013	.53	.29	.46	.37	1.66
2014	.75	.30	.34	*.36*	*1.75*
2015	*.55*	*.40*	*.55*	*.35*	*1.85*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec. 31	Full Year
2010	.15	.15	.15	.21	.66
2011	.21	.21	.21	.21	.84
2012	.24	.24	.24	.24	.96
2013	.255	.255	.255	.255	1.02
2014	.27	.27	.27	.27	

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 1,034 megawatts of nonregulated generating capacity. Sold Palisades nuclear plant in '07. Electric revenue breakdown: residential, 44%; commercial, 31%; industrial, 18%; other, 7%. Generating sources: coal, 46%; gas, 4%; other, 2%; purchased, 48%. Fuel costs: 51% of revenues. '13 reported deprec. rates: 3.5% electric, 2.8% gas, 7.0% other. Has 7,500 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.

CMS Energy's utility subsidiary has a gas rate case pending. Consumers Energy is seeking a tariff increase of $88 million, based on a 10.7% return on equity. The utility is also seeking regulatory mechanisms that would recover certain expenditures currently (instead of having to wait to file a general rate case) and decouple revenues from volume. The staff of the Michigan Public Service Commission (MPSC) is recommending a boost of just $15 million, based on a 10% ROE. Under state regulatory law, Consumers will self-implement an interim rate hike in early 2015. The MPSC's order is due in mid-2015.

Consumers is buying a gas-fired generating plant. The utility has agreed to pay $155 million for a 540-megawatt facility. The purchase is scheduled for completion in late 2015. This will help offset the loss of capacity when Consumers retires 950 coal-fired megawatts in April of 2016.

Consumers has filed an electric rate application. The utility is seeking a hike of $163 million, based on a 10.7% ROE. Consumers would self-implement an interim rate hike in mid-2015, and the MPSC's decision would be due in late 2015, to coincide with the completion of the acquisition of the aforementioned gas-fired plant.

We expect steady earnings growth in 2014 and 2015. Rate relief, modest demand growth, and effective cost controls are benefiting the company. Note that our 2014 estimate of $1.75 is a bit below the company's typically narrow earnings guidance of $1.76-$1.78 a share because CMS Energy is *excluding* a $0.03-a-share charge that we have included in our presentation. The company has established a goal of 5%-7% annual profit growth, and we think CMS Energy will reach this objective this year and next.

We estimate that the board of directors will raise the quarterly dividend in early 2015. We forecast a hike of $0.015 a share (5.6%) quarterly, the same increase as in each of the past two years.

CMS Energy stock has a dividend yield that is average for a utility. Like many utility issues, the recent price is near the upper end of our 2017-2019 Target Price Range. Accordingly, total return potential is minimal.

Paul E. Debbas, CFA *December 19, 2014*

(A) Diluted EPS. Excl. nonrec. gains (losses): '05, ($1.61); '06, ($1.08); '07, ($1.26); '09, (7¢); '10, 3¢; '11, 12¢; '12, (14¢); gains (losses) on disc. ops.: '05, 7¢; '06, 3¢; '07, (40¢); '09, 8¢; '10, (8¢); '11, 1¢; '12, 3¢. '13 EPS don't add due to rounding. Next earnings report due late Jan. (B) Div'ds historically paid late Feb., May, Aug., & Nov. ■ Div'd reinvestment plan avail. (C) Incl. intang. In '13: $5.75/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '13: 10.3%; earned on avg. com. eq., '13: 13.2%. Regulatory Climate: Average.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	85
Earnings Predictability	70

CLECO CORPORATION NYSE-CNL

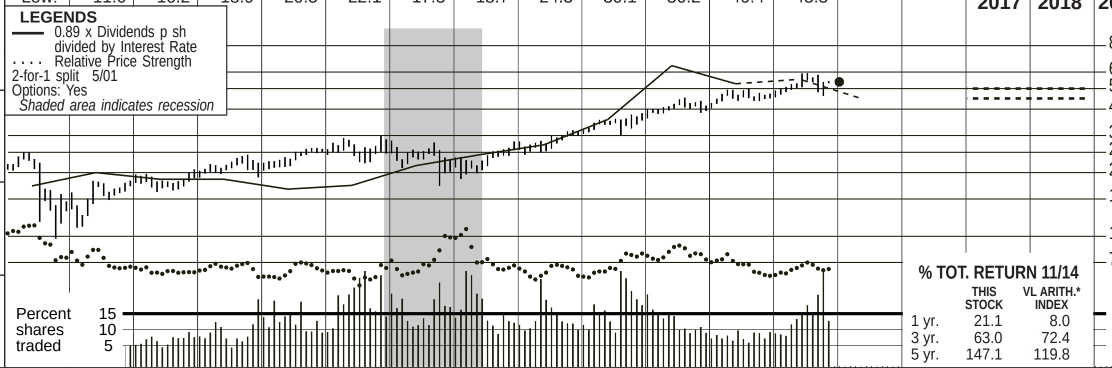
RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
53.86	21.0	(Trailing: 20.6 Median: 14.0)	1.14	3.0%	VALUE LINE

TIMELINESS – Suspended 10/31/14
SAFETY 1 Raised 6/22/12
TECHNICAL – Suspended 10/31/14
BETA .80 (1.00 = Market)

High:	18.4	20.8	24.4	26.2	29.8	28.4	28.1	31.8	38.3	45.3	50.4	59.2
Low:	11.0	16.2	18.9	20.5	22.1	17.3	18.7	24.3	30.1	36.2	40.4	45.5

Target Price Range 2017 | 2018 | 2019

LEGENDS
— 0.89 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
2-for-1 split 5/01
Options: Yes
Shaded area indicates recession



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(-5%)	2%
Low	45	(-15%)	-1%

Insider Decisions

	J	F	M	A	M	J	J	A	S
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	6	0	0	0	0	0	0

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	103	114	106
to Sell	86	112	122
Hld's(000)	44490	44575	44513

Percent shares traded 15 10 5

% TOT. RETURN 11/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	21.1	8.0
3 yr.	63.0	72.4
5 yr.	147.1	119.8

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	16.46	18.14	***21.10***	***21.50***	Revenues per sh	***24.00***
2.28	2.36	2.77	2.94	3.05	2.98	2.56	2.76	2.63	2.69	3.71	3.78	5.12	5.28	5.40	5.32	***5.45***	***5.30***	"Cash Flow" per sh	***6.50***
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	2.70	2.65	***2.70***	***2.35***	Earnings per sh A	***3.00***
.81	.83	.85	.87	.90	.90	.90	.90	.90	.90	.90	.90	.98	1.12	1.30	1.43	***1.56***	***1.60***	Div'd Decl'd per sh B ■	***2.00***
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	4.06	3.12	***3.55***	***2.60***	Cap'l Spending per sh	***3.00***
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	24.84	26.24	***27.20***	***27.95***	Book Value per sh C	***30.50***
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	60.36	60.45	***60.40***	***60.50***	Common Shs Outst'g D	***60.50***
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	15.0	17.3	*Bold figures are*		Avg Ann'l P/E Ratio	***16.0***
.75	.76	.86	.75	.67	.71	.73	.80	.93	1.04	.85	.88	.78	.83	.95	.97	*Value Line*		Relative P/E Ratio	***1.00***
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%	3.2%	3.1%	*estimates*		Avg Ann'l Div'd Yield	***4.2%***

CAPITAL STRUCTURE as of 9/30/14
Total Debt $1338.4 mill. **Due in 5 Yrs** $453.8 mill.
LT Debt $1320.2 mill. **LT Interest** $72.7 mill.
Incl. $6.9 million capitalized leases.
(LT interest earned: 4.4x)

Leases, Uncapitalized Annual rentals $10.6 mill.
Pension Assets-12/13 $384.6 mill.
Oblig. $392.5 mill.
Pfd Stock None

Common Stock 60,377,666 shs.
as of 10/22/14
MARKET CAP: $3.3 billion (Mid Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
745.8	920.2	1000.7	1030.6	1080.2	853.8	1148.7	1117.3	993.7	1096.7	***1275***	***1300***	Revenues ($mill)	***1450***
66.1	75.0	74.7	79.6	102.1	106.3	139.5	157.8	163.6	160.7	***165***	***145***	Net Profit ($mill)	***180***
35.2%	39.2%	36.0%	24.3%	15.3%	8.3%	44.1%	30.6%	28.5%	33.1%	***34.0%***	***36.0%***	Income Tax Rate	***38.5%***
7.5%	4.3%	14.2%	57.9%	82.8%	93.5%	12.2%	4.3%	5.5%	3.4%	***5.0%***	***3.0%***	AFUDC % to Net Profit	***2.0%***
44.5%	46.3%	40.9%	43.2%	51.1%	54.2%	51.5%	48.5%	45.6%	45.3%	***42.5%***	***43.0%***	Long-Term Debt Ratio	***35.5%***
53.1%	52.0%	57.8%	56.7%	48.9%	45.8%	48.5%	51.5%	54.4%	54.7%	***57.5%***	***57.0%***	Common Equity Ratio	***64.5%***
1011.6	1315.9	1515.6	1780.5	2167.7	2436.4	2717.9	2756.9	2756.5	2901.7	***2860***	***2955***	Total Capital ($mill)	***2875***
1060.0	1188.7	1304.9	1725.9	2045.3	2247.0	2784.2	2893.9	3009.5	3083.1	***3130***	***3115***	Net Plant ($mill)	***3050***
8.9%	7.1%	6.3%	5.6%	6.1%	5.9%	6.6%	7.0%	7.3%	6.8%	***7.0%***	***6.0%***	Return on Total Cap'l	***7.5%***
11.8%	10.6%	8.3%	7.9%	9.6%	9.5%	10.6%	11.1%	10.9%	10.1%	***10.0%***	***8.5%***	Return on Shr. Equity	***9.5%***
11.9%	10.7%	8.3%	7.8%	9.6%	9.5%	10.6%	11.1%	10.9%	10.1%	***10.0%***	***8.5%***	Return on Com Equity E	***9.5%***
3.9%	4.1%	3.0%	2.6%	4.5%	4.7%	6.1%	6.3%	5.7%	4.7%	***4.0%***	***3.0%***	Retained to Com Eq	***3.0%***
68%	62%	65%	68%	53%	51%	42%	43%	48%	54%	***58%***	***67%***	All Div'ds to Net Prof	***67%***

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+.4	-3.4	+1.4
Avg. Indust. Use (MWH)	3904	3814	3870
Avg. Indust. Revs. per KWH (¢)	7.58	6.83	7.50
Capacity at Peak (Mw)	2544	3315	3315
Peak Load, Summer (Mw)	2355	2282	2278
Annual Load Factor (%)	56.2	55.1	57.0
% Change Customers (avg.)	+.6	+.6	+.6
Fixed Charge Cov. (%)	415	326	360

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	-1.0%	--	*5.0%*
"Cash Flow"	6.0%	12.0%	*3.5%*
Earnings	6.5%	12.5%	*2.0%*
Dividends	3.5%	7.5%	*7.5%*
Book Value	8.5%	8.5%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	253.7	272.9	351.6	239.1	1117.3
2012	222.8	240.1	297.4	233.4	993.7
2013	240.9	263.9	328.8	263.1	1096.7
2014	284.4	309.1	371.4	***310.1***	***1275***
2015	***280***	***315***	***390***	***315***	***1300***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.48	.52	1.08	.51	2.59
2012	.50	.77	1.05	.38	2.70
2013	.45	.69	1.09	.41	2.65
2014	.43	.60	1.17	***.50***	***2.70***
2015	***.35***	***.55***	***1.10***	***.35***	***2.35***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.225	.25	.25	.25	.98
2011	.25	.28	.28	.3125	1.12
2012	.3125	.3125	.3375	.3375	1.30
2013	.3375	.3625	.3625	.3625	1.43
2014	.3625	.40	.40	.40	

BUSINESS: Cleco Corporation is a holding company for Cleco Power LLC, which supplies electricity to about 284,000 customers in central Louisiana. Electric revenue breakdown: residential, 46%; commercial, 30%; industrial, 14%; other, 10%. Largest industrial customers are paper mills and other wood-product industries. Generating sources: gas & oil, 29%; coal & lignite, 28%; petroleum coke, 27%; purchased, 16%. Fuel costs: 34% of revenues. '13 reported depreciation rate (utility): 2.7%. Has 1,200 employees. Chairman: J. Patrick Garrett. President & CEO: Bruce A. Williamson. Incorporated: Louisiana. Address: 2030 Donahue Ferry Road, P.O. Box 5000, Pineville, Louisiana 71361-5000. Telephone: 318-484-7400. Internet: www.cleco.com.

Cleco has accepted a takeover offer. The bid came as no surprise. In June, after rumors came out that the company was a target, Cleco announced that it had retained financial and legal advisors in response to a prospective buyer's expression of interest. An investor group led by Macquarie Infrastructure Partners and British Columbia Investment Management has agreed to pay $55.37 a share in cash for each Cleco share. The acquisition requires the approval of Cleco shareholders, the Louisiana Public Service Commission, and the Federal Energy Regulatory Commission. The company expects the transaction to be completed in the second half of 2015. (Note that a dividend hike appears unlikely as long as the deal is pending.) Due to the takeover agreement, we have suspended the Timeliness rank of Cleco stock.

We advise stockholders to sell their shares on the open market. The offer is very generous, at more than 20 times estimated 2015 earnings. However, with the recent price just 3% below the buyout price, there is little upside potential for investors. By selling now, shareholders can avoid the risk that the deal fails to win regulatory approval. This frequently happens in the electric utility industry, although we note that Macquarie has completed three domestic utility acquisitions (two electric and one water).

Earnings are likely to decline in 2015. Next year will be the first full year under Cleco's new formula rate plan. The new plan cut the utility's allowed return on equity significantly. This will have a far greater effect on earnings than we had estimated. The tax rate will probably be higher than in 2014. Putting it all together, we have cut our 2015 profit forecast by $0.50 a share, to $2.35. Our revised estimate is within Cleco's guidance of $2.28-$2.38 a share. Note that the company is excluding any deal-related expenses from this range, but we will include them in our earnings presentation.

Finances are solid. The fixed-charge coverage and common-equity ratio are above average for this industry. The utility should have no trouble financing its capital budget. All told, Cleco merits a Financial Strength rating of A.

Paul E. Debbas, CFA *December 19, 2014*

(A) Diluted earnings. Excl. nonrec. gains (losses): '00, 5¢; '02, (5¢), '03, ($2.05); '05, $2.11; '07, $1.22; '10, $1.91; '11, 63¢; losses from discont. ops.: '00, 14¢; '01, 4¢. '13 EPS don't add due to rounding. Next earnings report due early Feb. (B) Div'ds historically paid in mid-Feb., May, Aug. and Nov. ■ Div'd reinvestment plan avail. (C) Incl. deferred charges. In '13: $10.13/sh. (D) In mill., adj. for split. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '14: 11.24%; earned on avg. com. eq., '13: 10.4%. Regulatory Climate: Average.

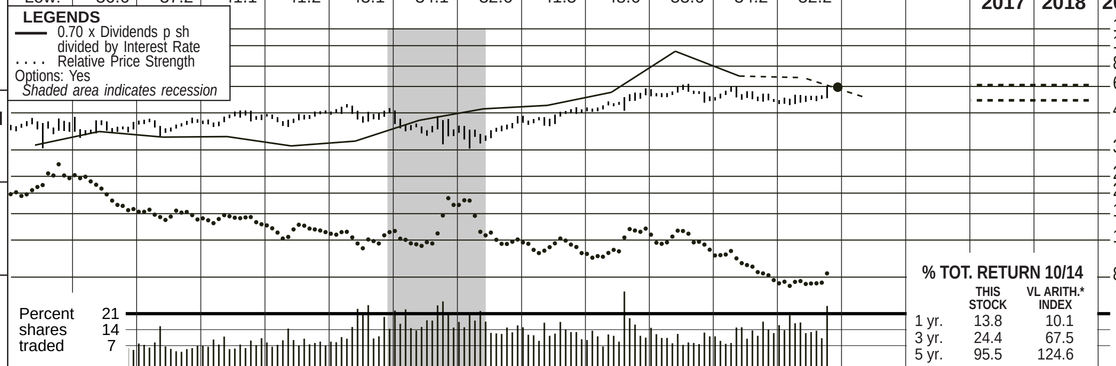
Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	85
Earnings Predictability	80

CON. EDISON NYSE-ED | RECENT PRICE **63.46** | P/E RATIO **16.4** (Trailing: 15.3 / Median: 15.0) | RELATIVE P/E RATIO **0.90** | DIV'D YLD **4.1%** | **VALUE LINE**

TIMELINESS 3 Raised 11/15/13
SAFETY 1 New 7/27/90
TECHNICAL 3 Lowered 11/7/14
BETA .60 (1.00 = Market)

High:	46.0	45.6	49.3	49.3	52.9	49.3	46.3	51.0	62.7	66.0	64.0	64.7
Low:	36.6	37.2	41.1	41.2	43.1	34.1	32.6	41.5	48.6	53.6	54.2	52.2

Target Price Range
2017 | 2018 | 2019



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(Nil)	5%
Low	55	(-15%)	1%

Insider Decisions

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

Institutional Decisions

	4Q2013	1Q2014	2Q2014
to Buy	258	309	306
to Sell	283	249	262
Hld's(000)	137375	141570	144306

% TOT. RETURN 10/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	13.8	10.1
3 yr.	24.4	67.5
5 yr.	95.5	124.6

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	41.62	42.27	*44.35*	*44.70*	Revenues per sh	*49.25*
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	7.15	7.45	*7.65*	*8.00*	"Cash Flow" per sh	*9.00*
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	3.86	3.93	*3.90*	*3.95*	Earnings per sh A	*4.25*
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	2.46	*2.52*	*2.58*	Div'd Decl'd per sh B ■	*2.75*
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	7.06	8.67	*9.70*	*10.25*	Cap'l Spending per sh	*9.50*
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	40.53	41.81	*43.25*	*44.70*	Book Value per sh C	*49.25*
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	292.87	292.87	*293.00*	*293.00*	Common Shs Outst'g D	*293.00*
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	15.4	14.7	*Bold figures are*		Avg Ann'l P/E Ratio	*14.0*
.80	.80	.78	.61	.73	.82	.96	.80	.84	.73	.74	.83	.85	.95	.98	.83	*Value Line*		Relative P/E Ratio	*.90*
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%	4.1%	4.3%	*estimates*		Avg Ann'l Div'd Yield	*4.6%*

CAPITAL STRUCTURE as of 6/30/14
Total Debt $12660 mill. **Due in 5 Yrs** $4530 mill.
LT Debt $11084 mill. **LT Interest** $543 mill.
(LT interest earned: 4.2x)

Leases, Uncapitalized Annual rentals $17 mill.

Pension Assets-12/13 $10755 mill. **Oblig.** $12197 mill.

Pfd Stock None

Common Stock 292,885,004 shs. as of 7/31/14

MARKET CAP: $19 billion (Large Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
9758.0	11690	12137	13120	13583	13032	13325	12938	12188	12381	*13000*	*13100*	Revenues ($mill)	*14450*
560.0	719.0	749.0	936.0	933.0	868.0	992.0	1062.0	1141.0	1157.0	*1145*	*1170*	Net Profit ($mill)	*1265*
34.3%	33.6%	35.2%	32.6%	36.0%	34.2%	36.0%	36.1%	34.5%	31.8%	*34.0%*	*34.0%*	Income Tax Rate	*34.0%*
7.7%	2.2%	1.6%	1.9%	1.7%	2.6%	2.4%	1.6%	.5%	.5%	*1.0%*	*1.0%*	AFUDC % to Net Profit	*1.0%*
47.4%	49.6%	50.2%	45.6%	48.3%	48.5%	48.6%	46.5%	45.9%	46.1%	*48.0%*	*48.0%*	Long-Term Debt Ratio	*49.0%*
51.0%	49.0%	48.5%	53.1%	50.6%	50.4%	50.4%	52.5%	54.1%	53.9%	*52.0%*	*52.0%*	Common Equity Ratio	*51.0%*
13828	14921	16515	16687	19160	20330	21952	21794	21933	22735	*24425*	*25125*	Total Capital ($mill)	*28200*
16106	17112	18445	19914	20874	22464	23863	25093	26939	28436	*30175*	*32000*	Net Plant ($mill)	*36300*
5.6%	6.3%	6.0%	7.0%	6.2%	5.7%	5.9%	6.2%	6.5%	6.4%	*6.0%*	*6.0%*	Return on Total Cap'l	*5.5%*
7.7%	9.6%	9.1%	10.3%	9.4%	8.3%	8.8%	9.1%	9.6%	9.4%	*9.0%*	*9.0%*	Return on Shr. Equity	*9.0%*
7.8%	9.7%	9.2%	10.4%	9.5%	8.4%	8.9%	9.2%	9.6%	9.4%	*9.0%*	*9.0%*	Return on Com Equity E	*9.0%*
.8%	2.6%	2.6%	3.9%	3.1%	2.5%	3.2%	3.1%	3.6%	3.6%	*3.0%*	*3.0%*	Retained to Com Eq	*3.0%*
89%	74%	73%	63%	67%	71%	65%	66%	62%	62%	*64%*	*64%*	All Div'ds to Net Prof	*64%*

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	-1.4	-1.1	+.1
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NMF	NMF	NMF
Peak Load, Summer (Mw)	14788	14344	14883
Annual Load Factor (%)	NMF	NMF	NMF
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	360	382	385

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	- -	-2.5%	*2.5%*
"Cash Flow"	2.5%	4.5%	*4.0%*
Earnings	2.0%	3.0%	*2.0%*
Dividends	1.0%	1.0%	*2.0%*
Book Value	4.0%	4.0%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	3349	2993	3629	2967	12938
2012	3078	2771	3438	2901	12188
2013	3306	2767	3440	2868	12381
2014	3789	2911	3390	*2910*	*13000*
2015	*3650*	*2950*	*3500*	*3000*	*13100*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	1.06	.56	1.30	.65	3.57
2012	.94	.73	1.49	.70	3.86
2013	1.16	.49	1.49	.79	3.93
2014	1.23	.64	1.49	*.54*	*3.90*
2015	*1.20*	*.65*	*1.50*	*.60*	*3.95*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.595	.595	.595	.595	2.38
2011	.60	.60	.60	.60	2.40
2012	.605	.605	.605	.605	2.42
2013	.615	.615	.615	.615	2.46
2014	.63	.63	.63		

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: 33% of revenues. '13 reported depreciation rates: 2.8%-3.2%. Has 14,600 employees. Chairman, President & CEO: John McAvoy. Inc.: New York. Address: 4 Irving Place, New York, New York 10003. Tel.: 212-460-4600. Internet: www.conedison.com.

We have raised our 2014 earnings estimate for Consolidated Edison by $0.05 a share. Third-quarter profits were greater than we expected. There have been some positive and some negative factors affecting the bottom line. Rate relief is a plus. The utility is also benefiting from conversions of heating customers from oil to natural gas. The nonregulated operations are faring well. Pension expense is down. On the other hand, other operating and maintenance costs are rising, including healthcare costs. Our revised estimate is at the upper end of the company's earnings guidance of $3.80-$3.90 a share, which is close to what the company earned in 2013. The stock is ranked 3 (Average) for Timeliness.

We are sticking with our 2015 profit forecast of $3.95 a share. Oil-to-gas conversions should continue to benefit the company. ConEd has not yet given earnings guidance for 2015.

We expect a dividend increase at the board meeting in early 2015. ConEd has a 40-year track record of hikes in the disbursement. We estimate that the directors will raise the quarterly payout by $0.015 a share (2.4%), the same increase as in 2014.

Finances are sound. The common equity ratio and fixed-charge coverage are very healthy. The company's size is another plus. ConEd merits a Financial Strength rating of A+.

There is a concern that investors need to keep in mind. In March of 2014, an explosion in Manhattan killed eight people and injured dozens more. Various investigations are pending. About 20 lawsuits have been filed against ConEd. The company believes that its insurance is adequate. It has not taken a reserve for a potential liability from the incident.

ConEd stock has a dividend yield that is about half a percentage point above the utility average. Conservative income-oriented investors might also like the equity's top rank for Safety. However, with the recent price near the upper end of our 2017-2019 Target Price Range, total return potential is unexciting. So far, the uncertainty about the explosion does not appear to have hurt the stock, which is up 15% year to date.

Paul E. Debbas, CFA *November 21, 2014*

(A) Diluted EPS. Excl. nonrec. gain (losses): '02, (11¢); '03, (45¢); '13, (32¢); '14, 9¢; gain on discontinued operations: '08, $1.01. Next earnings report due early Feb. **(B)** Div'ds historically paid in mid-Mar., June, Sept., and Dec. ■ Div'd reinvestment plan available. **(C)** Incl. intangibles. In '13: $26.83/sh. **(D)** In millions. **(E)** Rate base: net orig. cost. Rate allowed on com. eq. for CECONY in '14: 9.2% elec., 9.3% gas and steam; O&R in '12 (elec.) 9.4%, in '09 (gas) 10.3%; earned on avg. com. eq., '13: 9.5%. Regulatory Climate: Below Average.

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

DTE ENERGY CO. NYSE-DTE

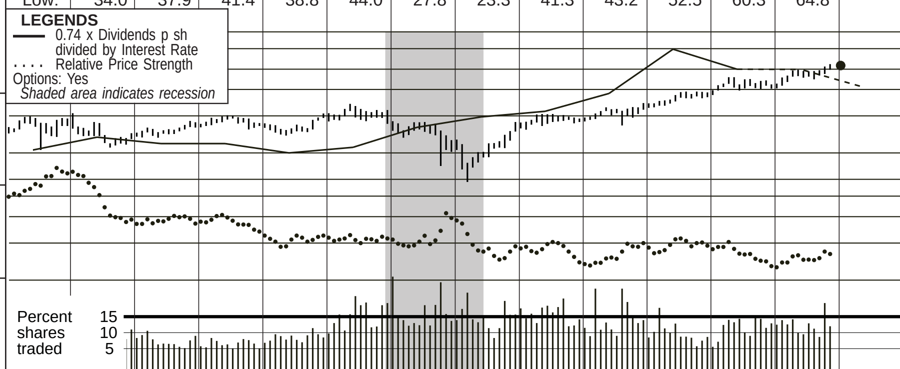
RECENT PRICE	83.31	P/E RATIO	19.3 (Trailing: 20.2 Median: 15.0)	RELATIVE P/E RATIO	1.04	DIV'D YLD	3.4%	VALUE LINE

TIMELINESS	3 Lowered 11/7/14
SAFETY	2 Raised 12/21/12
TECHNICAL	4 Raised 12/19/14
BETA .75 (1.00 = Market)	

High:	49.5	45.5	48.3	49.2	54.7	45.3	45.0	49.1	55.3	62.6	73.3	84.4
Low:	34.0	37.9	41.4	38.8	44.0	27.8	23.3	41.3	43.2	52.5	60.3	64.8

Target Price Range

2017 | 2018 | 2019



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(Nil)	4%
Low	60	(-30%)	-3%

Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	0	0	0	0	0	0	0	0
Options	0	2	0	1	1	0	0	2	0
to Sell	0	4	2	1	2	0	0	4	0

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	206	204	177
to Sell	208	191	204
Hld's(000)	110596	114784	113691

% TOT. RETURN 11/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	26.6	8.0
3 yr.	74.1	72.4
5 yr.	151.2	119.8

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	51.01	54.56	*67.80*	*62.45*	Revenues per sh	*67.50*
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	9.77	10.13	*11.20*	*11.60*	"Cash Flow" per sh	*13.25*
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	3.88	3.76	*4.45*	*4.55*	Earnings per sh A	*5.25*
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	2.59	*2.69*	*2.83*	Div'd Decl'd per sh B ■	*3.30*
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	10.56	10.59	*12.25*	*13.80*	Cap'l Spending per sh	*13.00*
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	42.78	44.73	*46.50*	*48.85*	Book Value per sh C	*55.50*
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	172.35	177.09	*177.00*	*180.00*	Common Shs Outst'g D	*191.00*
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	14.9	17.9	*Bold figures are*		Avg Ann'l P/E Ratio	*14.0*
.69	.66	.67	.99	.62	.78	.85	.73	.94	.97	.89	.69	.78	.85	.95	1.01	*Value Line*		Relative P/E Ratio	*.90*
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%	4.2%	3.8%	*estimates*		Avg Ann'l Div'd Yield	*4.5%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $8836 mill. **Due in 5 Yrs** $2919 mill.
LT Debt $7909 mill. **LT Interest** $395 mill.
Incl. $3 mill. capitalized leases and $480 mill. Trust Preferred Securities.
(LT interest earned: 3.5x)

Leases, Uncapitalized Annual rentals $35 mill.
Pension Assets-12/13 $3720 mill.
Oblig. $4380 mill.
Pfd Stock None
Common Stock 176,991,277 shs.

MARKET CAP: $15 billion (Large Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
7114.0	9022.0	9022.0	8861.0	9329.0	8014.0	8557.0	8897.0	8791.0	9661.0	*12000*	*11300*	Revenues ($mill)	*12900*
443.0	576.0	437.0	453.0	445.0	532.0	630.0	624.0	666.0	661.0	*795*	*820*	Net Profit ($mill)	*1000*
27.1%	26.0%	23.9%	25.1%	34.9%	31.6%	32.7%	35.9%	29.8%	27.5%	*29.0%*	*30.0%*	Income Tax Rate	*30.0%*
.7%	1.0%	5.0%	7.1%	11.2%	2.6%	1.6%	1.6%	3.0%	3.5%	*5.0%*	*5.0%*	AFUDC % to Net Profit	*2.0%*
57.8%	55.1%	56.1%	54.4%	56.4%	54.0%	51.3%	50.6%	48.8%	47.7%	*50.5%*	*50.5%*	Long-Term Debt Ratio	*51.0%*
42.2%	44.9%	43.9%	45.6%	43.6%	46.0%	48.7%	49.4%	51.2%	52.3%	*49.5%*	*49.5%*	Common Equity Ratio	*49.0%*
13154	12849	13323	12824	13736	13648	13811	14196	14387	15135	*16675*	*17775*	Total Capital ($mill)	*21700*
10491	10830	11451	11408	12231	12431	12992	13746	14684	15800	*16775*	*17975*	Net Plant ($mill)	*21100*
5.2%	6.3%	5.1%	5.3%	5.0%	5.7%	6.3%	5.9%	6.1%	5.7%	*6.0%*	*6.0%*	Return on Total Cap'l	*6.0%*
8.0%	10.0%	7.5%	7.7%	7.4%	8.5%	9.4%	8.9%	9.0%	8.3%	*9.5%*	*9.0%*	Return on Shr. Equity	*9.5%*
8.0%	10.0%	7.5%	7.7%	7.4%	8.5%	9.4%	8.9%	9.0%	8.3%	*9.5%*	*9.0%*	Return on Com Equity E	*9.5%*
1.6%	3.7%	1.2%	1.5%	1.7%	2.9%	4.0%	3.4%	3.5%	2.7%	*4.0%*	*3.5%*	Retained to Com Eq	*3.5%*
80%	63%	84%	80%	77%	65%	57%	62%	61%	67%	*60%*	*62%*	All Div'ds to Net Prof	*63%*

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+.6	-.5	-.6
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NMF	NMF	NMF
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	11314	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	- -	- -	NA
Fixed Charge Cov. (%)	282	286	271

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	2.0%	-.5%	*4.0%*
"Cash Flow"	3.0%	3.5%	*5.0%*
Earnings	2.5%	7.5%	*5.5%*
Dividends	1.5%	3.0%	*5.0%*
Book Value	4.0%	4.0%	*4.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	2431	2028	2265	2173	8897.0
2012	2239	2013	2190	2349	8791.0
2013	2516	2225	2387	2533	9661.0
2014	3930	2698	2595	*2777*	*12000*
2015	*3200*	*2600*	*2700*	*2800*	*11300*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	1.04	.67	1.07	.89	3.67
2012	.91	.87	1.30	.79	3.88
2013	1.34	.60	1.13	.70	3.76
2014	1.84	.70	.88	*1.03*	*4.45*
2015	*1.60*	*.80*	*1.15*	*1.00*	*4.55*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.53	.53	.53	.56	2.15
2011	.56	.56	.5875	.5875	2.30
2012	.5875	.5875	.5875	.62	2.38
2013	.62	.62	.655	.655	2.55
2014	.655	.655	.69	.69	

BUSINESS: DTE Energy Company is a holding company for DTE Electric (formerly Detroit Edison), which supplies electricity in Detroit and a 7,600-square-mile area in southeastern Michigan, and DTE Gas (formerly Michigan Consolidated Gas). Customers: 2.1 mill. electric, 1.3 mill. gas. Acquired MCN Energy 6/01. Has various nonutility operations. Electric revenue breakdown: residential, 46%; commercial, 37%; industrial, 15%; other, 2%. Generating sources: coal, 67%; nuclear, 17%; gas, 1%; purchased, 15%. Fuel costs: 37% of revenues. '13 reported deprec. rates: 3.4% electric, 2.4% gas. Has 9,900 employees. Chairman, President & CEO: Gerard M. Anderson. Inc.: Michigan. Address: One Energy Plaza, Detroit, MI 48226-1279. Tel.: 313-235-4000. Internet: www.dteenergy.com.

DTE Energy's electric utility plans to buy a gas-fired generating plant. DTE Electric would pay $240 million for a 732-megawatt peaking facility. The purchase requires the approval of the Federal Energy Regulatory Commission. The Michigan Public Service Commission will also have a say in a general rate case that DTE Electric plans to file in late 2014. The utility will self-implement a rate hike six months later, and this will enable it to place the new asset in the rate base. The final rate order will come in late 2015. DTE Electric is looking for additional generating capacity, as well.

We have cut our 2014 and 2015 earnings estimates. September-quarter profits were well below our expectation, due in part to $0.14 a share of mark-to-market charges that we *include* in our presentation. Our revised estimate for 2014, which we cut by $0.20 a share, is within DTE's targeted range of $4.42-$4.62 a share. Our previous 2015 forecast of $4.80 a share was apparently too optimistic, so we have cut it to $4.55 a share, which is in line with management's guidance of $4.43-$4.67 for 2015. Even our reduced estimates would still provide respectable year-to-year earnings growth.

There is a good deal of growth potential from the nonutility side of the business. Especially noteworthy is the Gas Storage & Pipelines unit. DTE is looking to invest $700 million-$1 billion in a proposed pipeline project, which would be in service in the fourth quarter of 2017. In all, DTE expects to invest $1.5 billion-$1.9 billion from 2015 through 2019. Other businesses include renewable energy, industrial energy services, and reduced emissions fuel, which should provide the opportunity for a $600 million-$800 million investment over the next five years. All told, DTE believes the nonutility operations can produce profit growth of 10%-15% annually.

DTE Energy stock has a dividend yield that is about equal to the industry average. Although we project solid earnings and dividend growth over the 3- to 5-year period, total return potential is minimal because the recent price is near the upper end of our 2017-2019 Target Price Range.

Paul E. Debbas, CFA *December 19, 2014*

(A) Diluted EPS. Excl. nonrec. gains (losses): '03, (16¢); '05, (2¢); '06, 1¢; '07, $1.96; '08, 50¢; '11, 51¢; gains (losses) on disc. ops.: '03, 40¢; '04, (6¢); '05, (20¢); '06, (2¢); '07, $1.20; '08, 13¢; '12, (33¢). '12 EPS don't add due to rounding. Next earnings report due mid-Feb. (B) Div'ds histor. paid in mid-Jan., Apr., July and Oct. ■ Div'd reinvest. plan avail. (C) Incl. intang. In '13: $29.41/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '11: 10.5% elec.; in '13: 10.5% gas; earned on avg. com. eq., '13: 8.6%. Regul. Clim.: Avg.

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

DOMINION RES. NYSE-D

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
73.91	21.3	(Trailing: 22.3 Median: 17.0)	1.17	3.4%	VALUE LINE

TIMELINESS	3	Raised 11/15/13
SAFETY	2	Raised 9/11/98
TECHNICAL	4	Lowered 11/21/14

BETA .70 (1.00 = Market)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
High:	33.0	34.4	43.5	42.2	49.4	48.5	39.8	45.1	53.6	55.6	68.0	74.6
Low:	25.9	30.4	33.3	34.4	39.8	31.3	27.1	36.1	42.1	48.9	51.9	63.1

Target Price Range

2017 | 2018 | 2019

2017-19 PROJECTIONS

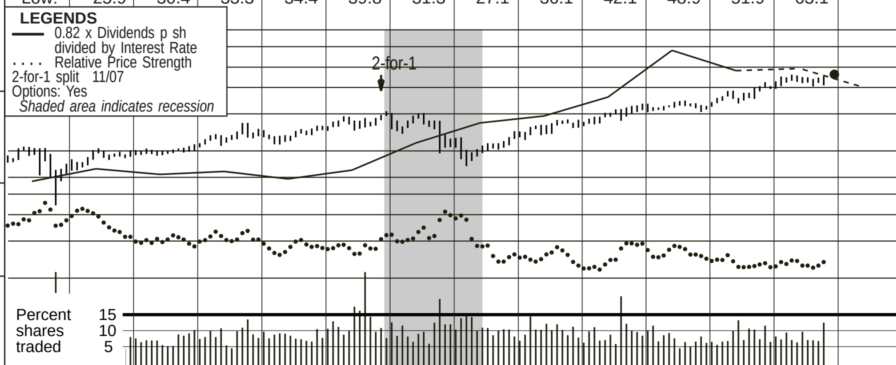
	Price	Gain	Ann'l Total Return
High	75	(Nil)	4%
Low	55	(-25%)	-3%

Insider Decisions

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

Institutional Decisions

	4Q2013	1Q2014	2Q2014
to Buy	339	350	353
to Sell	372	377	391
Hld's(000)	348186	345498	344597



% TOT. RETURN 10/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	15.8	10.1
3 yr.	55.1	67.5
5 yr.	156.2	124.6

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
15.65	14.81	18.84	19.94	16.58	18.57	20.54	25.96	23.61	27.17	27.93	25.24	26.17	25.24	22.73	22.56	***21.10***	***20.80***	Revenues per sh	***19.75***
2.99	3.68	3.71	3.92	4.45	3.97	4.18	3.70	4.91	5.08	5.07	4.82	5.11	5.04	5.24	5.47	***6.10***	***6.45***	"Cash Flow" per sh	***7.00***
.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	2.75	3.09	***3.40***	***3.65***	Earnings per sh A	***4.00***
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	2.25	***2.40***	***2.50***	Div'd Decl'd per sh B ■	***2.80***
1.60	2.16	2.82	2.31	2.17	5.20	3.88	4.83	5.81	6.89	6.09	6.40	5.89	6.41	7.20	7.06	***9.55***	***7.95***	Cap'l Spending per sh	***6.25***
13.67	12.75	14.22	15.81	16.57	16.20	16.79	14.96	18.50	16.31	17.28	18.66	20.66	20.09	18.34	20.02	***20.45***	***21.75***	Book Value per sh C	***28.00***
388.92	372.64	491.60	529.40	616.20	650.40	680.40	695.00	698.00	576.80	583.20	599.40	580.80	569.70	576.10	581.50	***583.00***	***584.00***	Common Shs Outst'g D	***636.00***
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	18.9	19.2	*Bold figures are*		Avg Ann'l P/E Ratio	***16.0***
1.28	.83	1.26	1.07	.66	.87	.80	1.33	.86	1.09	.83	.85	.91	1.09	1.20	1.08	*Value Line*		Relative P/E Ratio	***1.00***
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%	3.8%	*estimates*		Avg Ann'l Div'd Yield	***4.4%***

CAPITAL STRUCTURE as of 6/30/14
Total Debt $24418 mill. **Due in 5 Yrs** $10058 mill.
LT Debt $20473 mill. **LT Interest** $972 mill.
(LT interest earned: 4.1x)

Leases, Uncapitalized Annual rentals $63 mill.
Pension Assets-12/13 $6113 mill.
Oblig. $5625 mill.
Pfd Stock $134 mill. **Pfd Div'd** $8 mill.
1,340,140 shs. $4.04-$7.05, $100 liq. pref., redeemable at $101.00-$112.50/sh. Called in 3Q of '14.
Common Stock 582,667,882 shs.

MARKET CAP: $43 billion (Large Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
13972	18041	16482	15674	16290	15131	15197	14379	13093	13120	***12300***	***12150***	Revenues ($mill)	***12600***
1425.0	1050.0	1704.0	1414.0	1781.0	1585.0	1724.0	1603.0	1594.0	1806.0	***1995***	***2145***	Net Profit ($mill)	***2570***
35.4%	35.7%	35.5%	33.4%	37.1%	33.2%	38.6%	34.6%	36.2%	33.0%	***32.0%***	***32.5%***	Income Tax Rate	***32.5%***
4.9%	9.7%	7.9%	7.3%	4.9%	4.8%	5.9%	5.3%	5.7%	3.7%	***6.0%***	***6.0%***	AFUDC % to Net Profit	***4.0%***
57.0%	57.9%	52.9%	57.8%	59.1%	57.5%	56.3%	59.8%	60.9%	61.9%	***64.5%***	***63.0%***	Long-Term Debt Ratio	***58.0%***
42.0%	41.1%	46.2%	41.1%	39.8%	41.5%	42.8%	39.3%	38.2%	37.3%	***35.5%***	***37.0%***	Common Equity Ratio	***42.0%***
27190	25307	27961	22898	25290	26923	28012	29097	27676	31229	***33650***	***34300***	Total Capital ($mill)	***42500***
26716	28940	29382	21352	23274	25592	26713	29670	30773	32628	***36625***	***39625***	Net Plant ($mill)	***46500***
6.9%	6.1%	7.9%	8.0%	8.7%	7.5%	7.7%	7.0%	7.5%	7.3%	***7.5%***	***7.5%***	Return on Total Cap'l	***7.5%***
12.2%	9.9%	12.9%	14.6%	17.2%	13.9%	14.1%	13.7%	14.7%	15.2%	***16.5%***	***17.0%***	Return on Shr. Equity	***14.5%***
12.3%	9.9%	13.1%	14.9%	17.5%	14.0%	14.2%	13.9%	14.9%	15.4%	***16.5%***	***17.0%***	Return on Com Equity E	***14.5%***
4.8%	1.1%	5.6%	5.0%	8.4%	4.7%	5.3%	4.0%	3.5%	4.2%	***5.0%***	***5.5%***	Retained to Com Eq	***4.5%***
62%	89%	58%	67%	52%	67%	63%	71%	77%	73%	***71%***	***68%***	All Div'ds to Net Prof	***69%***

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	-3.4	-2.3	+2.7
Avg. Indust. Use (MWH)	14823	15241	14444
Avg. Indust. Revs. per KWH (¢)	5.95	6.13	6.00
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.5	+.9	+.9
Fixed Charge Cov. (%)	318	316	339

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	2.5%	-2.0%	*-3.0%*
"Cash Flow"	2.5%	1.0%	*5.0%*
Earnings	4.0%	2.5%	*5.5%*
Dividends	5.0%	7.5%	*5.0%*
Book Value	2.0%	2.5%	*6.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	4057	3341	3803	3178	14379
2012	3462	3053	3411	3167	13093
2013	3523	2980	3432	3185	13120
2014	3630	2813	3050	***2807***	***12300***
2015	***3350***	***2800***	***3100***	***2900***	***12150***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.89	.58	.69	.60	2.76
2012	.86	.48	.80	.61	2.75
2013	.86	.47	1.02	.74	3.09
2014	1.03	.60	.95	***.82***	***3.40***
2015	***1.00***	***.70***	***1.05***	***.90***	***3.65***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.4575	.4575	.4575	.4575	1.83
2011	.4925	.4925	.4925	.4925	1.97
2012	.5275	.5275	.5275	.5275	2.11
2013	.5625	.5625	.5625	.5625	2.25
2014	.60	.60	.60		

BUSINESS: Dominion Resources, Inc. is a holding company for Virginia Power & North Carolina Power, which serve 2.5 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. Owns 68.5% of Dominion Midstream Partners. Elec. rev. breakdown: residential, 46%; commercial, 33%; industrial, 7%; other, 14%. Generating sources: nuclear, 33%; coal, 29%; gas, 16%; other, 1%; purch., 21%. Fuel costs: 41% of revs. '13 reported depr. rates: 2.4%-3.8%. Has 14,500 employees. Chairman, Pres. & 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.

Dominion Resources had an initial public offering for its natural gas master limited partnership in October. Dominion owns 68.5% of the new MLP, Dominion Midstream Partners (NYSE: DM). Dominion Midstream Partners has a preferred equity interest in the Cove Point liquefied natural gas facility, which is being converted from an import to an export terminal. This project is expected to be completed in late 2017 at a cost of $3.4 billion-$3.8 billion. The IPO raised nearly $400 million, which Dominion will use to fund construction of Cove Point. The units have fared very well in their brief history, having soared more than 60% from their IPO price.

Virginia Power is building gas-fired generating plants and expanding its transmission system. A 1,329-megawatt plant should begin commercial operation by yearend at a cost of $1.1 billion. A 1,358-mw facility is scheduled for completion in mid-2016 at a cost of $1.3 billion. The utility is earning a return on these investments through riders on customers' bills. Virginia Power also plans to ask the state commission for a certificate of need to build another gas-fired plant, which would begin operating in 2019. As for transmission, the company expects to place $900 million of assets in service in 2014, and is targeting spending of $3.2 billion through 2018. These investments are one reason why we expect higher profits this year and next. All of this capital spending requires financing, most of which has come this year in the form of mandatory convertibles or straight debt.

Dominion has numerous investment opportunities in midstream gas. The most notable is a 45% stake in a proposed $4.5 billion-$5.0 billion pipeline to transport gas from West Virginia to Virginia and North Carolina. A $500 million project in West Virginia would increase access to gas that would supply this pipeline. These projects are expected to be in service in November of 2018.

The dividend yield of Dominion Resources stock is about equal to the utility mean. With the recent price near the upper end of our 2017-2019 Target Price Range, total return potential is minimal.

Paul E. Debbas, CFA *November 21, 2014*

(A) Diluted earnings. Excl. nonrec. gains (losses): '01, (42¢); '03, ($1.46); '04, (22¢); '06, (18¢); '07, $1.67; '08, 12¢; '09, (47¢); '10, $2.18; '11, (7¢); '12, ($1.70); '14, (76¢); losses from disc. ops.: '06, 26¢; '07, 1¢; '10, 26¢; '12, 4¢; '13, 16¢. Next egs. report due late Jan. (B) Div'ds historically paid in mid-Mar., June, Sept., & Dec. ■ Div'd reinvestment plan avail. (C) Incl. intang. In '13: $8.38/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., '13: 16.0%. Regul. Climate: Avg.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	80
Earnings Predictability	75

EDISON INTERNAT'L NYSE-EIX

RECENT PRICE	68.17	P/E RATIO	17.8 (Trailing: 17.0 / Median: 12.0)	RELATIVE P/E RATIO	0.97	DIV'D YLD	2.5%	VALUE LINE

TIMELINESS 3 Lowered 11/7/14

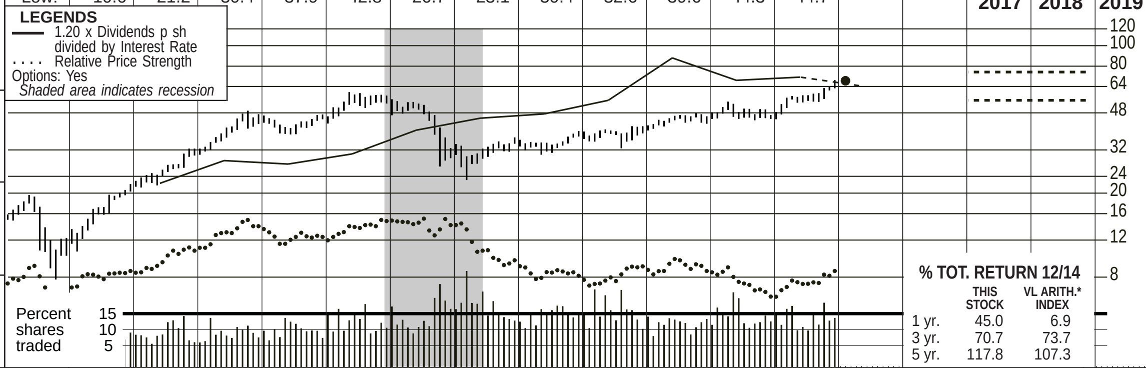
SAFETY 2 Raised 5/3/13

TECHNICAL 3 Raised 1/2/15

BETA .75 (1.00 = Market)

High:	22.1	32.5	49.2	47.2	60.3	55.7	36.7	39.4	41.6	48.0	54.2	68.7
Low:	10.6	21.2	30.4	37.9	42.8	26.7	23.1	30.4	32.6	39.6	44.3	44.7

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



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+10%)	5%
Low	55	(-20%)	-2%

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	0	0	0	0	0
Options	1	6	0	3	0	0	1	0	0
to Sell	0	5	0	3	0	0	1	0	0

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	219	200	206
to Sell	231	221	217
Hld's(000)	260616	258418	260974

% TOT. RETURN 12/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	45.0	6.9
3 yr.	70.7	73.7
5 yr.	117.8	107.3

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	36.41	38.61	*40.80*	*42.95*	Revenues per sh	*51.50*
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	9.63	8.80	*9.10*	*9.20*	"Cash Flow" per sh	*11.25*
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	4.55	3.78	*4.00*	*3.75*	Earnings per sh A	*4.50*
1.04	1.08	.83	- -	- -	- -	.80	1.02	1.10	1.18	1.23	1.25	1.27	1.29	1.31	1.37	1.48	*1.71*	Div'd Decl'd per sh B ■	*2.25*
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	12.73	11.05	*12.70*	*13.70*	Cap'l Spending per sh	*13.00*
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	28.95	30.50	*33.35*	*35.30*	Book Value per sh C	*41.50*
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*	*325.81*	Common Shs Outst'g D	*325.81*
15.1	12.9	- -	10.0	7.8	7.0	NMF	11.7	13.0	16.0	12.4	9.7	10.3	11.8	9.7	12.7	*14.1*		Avg Ann'l P/E Ratio	*14.5*
.79	.74	- -	.51	.43	.40	NMF	.62	.70	.85	.75	.65	.66	.74	.62	.71	*.75*		Relative P/E Ratio	*.90*
3.7%	4.1%	3.9%	- -	- -	- -	3.1%	2.6%	2.6%	2.2%	2.7%	4.0%	3.7%	3.4%	3.0%	2.8%	2.6%		Avg Ann'l Div'd Yield	*3.5%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $12186 mill. **Due in 5 Yrs** $2809 mill.
LT Debt $10133 mill. **LT Interest** $486 mill.
(LT interest earned: 4.8x)
Leases, Uncapitalized Annual rentals $1349 mill.
Pens. Assets-12/13 $3477 mill. **Oblig.** $4178 mill.
Pfd Stock $2022 mill. **Pfd Div'd** $115 mill.
4,800,198 sh. 4.08%-4.78%, $25 par, call. $25.50-$28.75/sh.; 3,250,000 sh. 5.07%, noncum., call. $100; 1,250,000 sh. 6.5%, cum., $100 liq. value; 350,000 sh. 6.25%, $1000 liq. value; 460,012 sh. 5.1%-5.75%, $2500 liq. value.
Common Stock 325,811,206 shs. **as of 10/24/14**
MARKET CAP: $22 billion (Large Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
10199	11852	12622	13113	14112	12374	12409	12760	11862	12581	*13300*	*14000*	Revenues ($mill)	*16750*
220.0	1132.0	1134.0	1151.0	1266.0	1115.0	1153.0	1112.0	1594.0	1344.0	*1435*	*1365*	Net Profit ($mill)	*1615*
- -	26.0%	31.4%	27.3%	30.7%	33.0%	32.1%	25.7%	14.3%	25.2%	*20.0%*	*30.0%*	Income Tax Rate	*30.0%*
11.4%	4.9%	5.1%	8.2%	8.9%	10.5%	16.9%	14.8%	8.5%	7.8%	*8.0%*	*10.0%*	AFUDC % to Net Profit	*7.0%*
60.5%	54.6%	51.3%	49.1%	51.2%	49.3%	51.8%	55.3%	45.2%	45.7%	*44.5%*	*45.0%*	Long-Term Debt Ratio	*44.5%*
37.8%	40.9%	43.5%	46.0%	44.5%	46.5%	44.3%	40.6%	46.2%	46.2%	*47.0%*	*46.5%*	Common Equity Ratio	*48.0%*
15995	16167	17725	18375	21374	21185	23861	24773	20422	21516	*23225*	*24725*	Total Capital ($mill)	*28300*
13475	14469	15913	17403	18969	21966	24778	32116	30273	30455	*32950*	*35675*	Net Plant ($mill)	*43200*
4.2%	9.4%	8.6%	8.3%	7.4%	6.9%	6.3%	6.0%	8.9%	7.3%	*7.0%*	*6.5%*	Return on Total Cap'l	*7.0%*
3.5%	15.4%	13.1%	12.3%	12.1%	10.4%	10.0%	10.0%	14.2%	11.5%	*11.0%*	*10.0%*	Return on Shr. Equity	*10.5%*
3.5%	16.7%	14.0%	13.0%	12.8%	10.8%	10.4%	10.5%	15.9%	12.5%	*12.0%*	*11.0%*	Return on Com Equity E	*11.0%*
NMF	12.2%	10.1%	9.2%	8.6%	6.7%	6.5%	6.3%	11.4%	8.1%	*7.5%*	*6.0%*	Retained to Com Eq	*5.5%*
121%	29%	31%	33%	35%	41%	40%	43%	32%	40%	*41%*	*50%*	All Div'ds to Net Prof	*53%*

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+.9	+2.6	-.3
Avg. Indust. Use (MWH)	736	763	791
Avg. Indust. Revs. per KWH (¢)	7.09	7.50	8.00
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	22374	21981	22534
Annual Load Factor (%)	50.7	52.7	52.1
% Change Customers (yr-end)	+.4	+.4	+.6
Fixed Charge Cov. (%)	209	308	295

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	.5%	-1.5%	*5.0%*
"Cash Flow"	6.0%	3.5%	*3.5%*
Earnings	7.5%	2.5%	*2.5%*
Dividends	- -	2.5%	*9.5%*
Book Value	8.5%	3.0%	*5.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	2782	2983	3981	3014	12760
2012	2415	2653	3734	3060	11862
2013	2632	3046	3960	2943	12581
2014	2926	3016	4356	*3002*	*13300*
2015	*3100*	*3400*	*4300*	*3200*	*14000*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.62	.54	1.31	.76	3.23
2012	.54	.55	1.09	2.39	4.55
2013	.78	.78	1.41	.81	3.78
2014	.61	1.07	1.52	*.80*	*4.00*
2015	*.75*	*.75*	*1.50*	*.75*	*3.75*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.32	.32	.32	.32	1.28
2012	.325	.325	.325	.325	1.30
2013	.3375	.3375	.3375	.3375	1.35
2014	.355	.355	.355	.355	1.42
2015	.4175				

BUSINESS: Edison International (formerly SCECorp) is a holding company for Southern California Edison Company (SCE), which supplies electricity to 4.9 mill. customers in a 50,000 sq. mi. area in central, coastal, and southern California (excl. Los Angeles and San Diego). Discontinued Edison Mission Energy (independent power producer) in '12. Elec. revenue breakdown: residential, 40%; commercial, 42%; industrial, 5%; other, 13%. Generating sources: gas, 7%; nuclear, 6%; coal, 5%; hydro, 3%; purchased, 79%. Fuel costs: 35% of revs. '13 reported deprec. rate: 4.2%. Has 13,700 employees. Chairman, President & CEO: Theodore F. Craver, Jr. Inc.: CA. Address: 2244 Walnut Grove Ave., P.O. Box 976, Rosemead, CA 91770. Tel.: 626-302-2222. Internet: www.edison.com.

Edison International's board of directors rewarded the company's stockholders with a large dividend increase. The board raised the annual dividend by $0.25 a share (17.6%), payable at the end of January. The company is targeting a payout ratio of 45%-55% of the profits of its utility subsidiary, Southern California Edison.

SCE's general rate case is pending. The utility is asking for rate hikes of $82 million in 2015, $295 million in 2016, and $313 million in 2017. On the other hand, the state's Office of Ratepayer Advocates and an intervenor group are proposing a *decrease* of $680 million this year, followed by increases of $98 million in 2016 and $116 million in 2017. The ruling will be retroactive to the start of 2015. No matter what happens with the rate order . . .

Earnings will probably decline in 2015. Edison International recorded some tax benefits in 2014, thereby making the profit comparison difficult. The tax rate will probably be higher this year. We expect earnings growth to resume in 2016. The utility is benefiting from its rising rate base, which is expected to climb 7%-9% annually through 2017.

The California commission approved a regulatory settlement concerning the San Onofre nuclear plant. SCE shut the two units in 2013 due to damage stemming from the replacement of the steam generators, and took a writedown. The utility will retain 5% of any insurance recoveries and 50% of any monies it gets from the manufacturer of the steam generators. SCE is involved in a dispute, which won't likely be resolved anytime soon, with the manufacturer.

Edison International was one of the top-performing electric utility stocks in 2014. The share price rose nearly 50%, as investors responded favorably to the resolution of the uncertainties surrounding San Onofre. The dividend hike helped, too. However, even though we have raised our sights for the 3- to 5-year period, with the recent price above the midpoint of our 2017-2019 Target Price Range, total return potential (like that of most utility issues) is low. The stock's dividend yield is also about a percentage point below the industry average.

Paul E. Debbas, CFA *January 30, 2015*

(A) Diluted EPS. Excl. nonrec. gains (losses): '02, $1.48; '03, (12¢); '04, $2.12; '09, (64¢); '10, 54¢; '11, ($3.33); '13, ($1.12); gains (loss) from discont. ops.: '12, ($5.11); '13, 11¢; '14, 44¢. '12 EPS don't add due to rounding. Next earnings report due late Feb. (B) Div'ds paid late Jan., Apr., July, & Oct. ■ Div'd reinvestment plan avail. (C) Incl. deferred charges. In '13: $22.22/sh. (D) In mill. (E) Rate base: net orig. cost. Rate allowed on com. eq. in '13: 10.45%; earned on avg. com. eq., '13: 12.5%. Regulatory Climate: Above Average.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	45
Earnings Predictability	65

EMPIRE DISTRICT NYSE-EDE	RECENT PRICE 28.73	P/E RATIO 20.4 (Trailing: 17.5; Median: 16.0)	RELATIVE P/E RATIO 1.10	DIV'D YLD 3.7%	VALUE LINE

TIMELINESS 4 Lowered 12/5/14

SAFETY 2 Raised 3/23/12

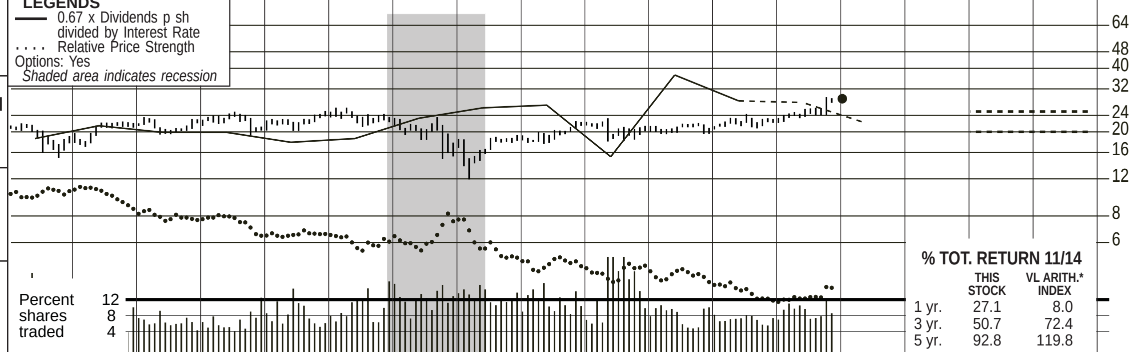
TECHNICAL 4 Lowered 12/12/14

BETA .70 (1.00 = Market)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
High:	22.5	23.5	25.0	25.1	26.1	23.5	19.4	22.5	23.3	22.0	24.3	29.2
Low:	17.0	19.5	19.3	20.3	21.1	14.9	11.9	17.6	18.0	19.5	20.6	22.0

Target Price Range 2017 | 2018 | 2019

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



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	25	(-15%)	1%
Low	20	(-30%)	-4%

Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	0	2	0	0	0	0	0	0
Options	0	5	0	0	0	0	0	4	0
to Sell	0	1	0	0	1	1	0	1	1

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	91	73	56
to Sell	42	63	69
Hld's(000)	21265	20869	20897

% TOT. RETURN 11/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	27.1	8.0
3 yr.	50.7	72.4
5 yr.	92.8	119.8

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
14.02	13.94	14.78	13.37	13.56	13.03	12.67	14.80	13.67	14.59	15.25	13.04	13.02	13.74	13.11	13.81	**15.15**	**15.45**	Revenues per sh	**16.75**
2.97	2.89	3.12	2.19	2.43	2.48	2.22	2.45	2.75	2.69	2.91	2.72	2.85	3.21	2.99	3.14	**3.45**	**3.60**	"Cash Flow" per sh	**4.25**
1.53	1.13	1.35	.59	1.19	1.29	.86	.92	1.41	1.09	1.17	1.18	1.17	1.31	1.32	1.48	**1.55**	**1.50**	Earnings per sh A	**1.75**
1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	.64	1.00	1.01	**1.03**	**1.05**	Div'd Decl'd per sh B ■ †	**1.15**
3.03	4.14	7.61	4.02	3.43	2.65	1.64	2.83	3.97	5.46	6.28	4.07	2.63	2.44	3.22	3.60	**5.15**	**4.05**	Cap'l Spending per sh	**3.50**
13.43	13.48	13.65	13.58	14.59	15.17	14.76	15.08	15.49	16.04	15.56	15.75	15.82	16.53	16.90	17.43	**17.95**	**18.35**	Book Value per sh C	**20.00**
17.11	17.37	17.60	19.76	22.57	24.98	25.70	26.08	30.25	33.61	33.98	38.11	41.58	41.98	42.48	43.04	**43.50**	**44.00**	Common Shs Outst'g D	**47.00**
14.0	21.7	17.7	33.9	16.2	15.8	24.8	24.5	15.9	21.7	17.3	14.3	16.8	15.8	15.8	15.0	*Bold figures are*		Avg Ann'l P/E Ratio	**13.0**
.73	1.24	1.15	1.74	.88	.90	1.31	1.30	.86	1.15	1.04	.95	1.07	.99	1.01	.85	*Value Line*		Relative P/E Ratio	**.80**
6.0%	5.2%	5.4%	6.4%	6.6%	6.3%	6.0%	5.7%	5.7%	5.4%	6.3%	7.6%	6.5%	3.1%	4.8%	4.5%	*estimates*		Avg Ann'l Div'd Yield	**5.0%**

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
325.5	386.2	413.5	490.2	518.2	497.2	541.3	576.9	557.1	594.3	**660**	**680**	Revenues ($mill)	**790**
21.8	23.8	39.9	33.2	39.7	41.3	47.4	55.0	55.7	63.4	**65.0**	**65.0**	Net Profit ($mill)	**85.0**
34.1%	33.4%	35.4%	30.3%	32.5%	32.5%	39.2%	38.4%	38.0%	37.1%	**36.5%**	**37.5%**	Income Tax Rate	**37.5%**
1.0%	2.4%	10.7%	23.1%	31.5%	34.2%	21.5%	.9%	3.5%	9.4%	**15.0%**	**9.0%**	AFUDC % to Net Profit	**7.0%**
51.3%	51.0%	49.7%	50.1%	53.6%	51.6%	51.3%	49.9%	49.1%	49.8%	**50.5%**	**50.5%**	Long-Term Debt Ratio	**50.0%**
48.7%	49.0%	50.3%	49.9%	46.4%	48.4%	48.7%	50.1%	50.9%	50.2%	**49.5%**	**49.5%**	Common Equity Ratio	**50.0%**
779.1	803.3	931.0	1081.1	1140.4	1240.3	1350.7	1386.2	1409.4	1493.6	**1585**	**1635**	Total Capital ($mill)	**1900**
857.0	896.0	1031.0	1178.9	1342.8	1459.0	1519.1	1563.7	1657.6	1751.9	**1895**	**1980**	Net Plant ($mill)	**2050**
4.7%	4.7%	5.9%	4.7%	5.2%	5.2%	5.1%	5.5%	5.4%	5.6%	**5.5%**	**5.5%**	Return on Total Cap'l	**6.0%**
5.8%	6.0%	8.5%	6.2%	7.5%	6.9%	7.2%	7.9%	7.8%	8.5%	**8.5%**	**8.0%**	Return on Shr. Equity	**9.0%**
5.8%	6.0%	8.5%	6.2%	7.5%	6.9%	7.2%	7.9%	7.8%	8.5%	**8.5%**	**8.0%**	Return on Com Equity E	**9.0%**
NMF	NMF	.8%	NMF	NMF	NMF	NMF	4.1%	1.9%	2.7%	**3.0%**	**2.5%**	Retained to Com Eq	**3.5%**
NMF	NMF	90%	117%	109%	109%	110%	49%	76%	68%	**66%**	**71%**	All Div'ds to Net Prof	**62%**

CAPITAL STRUCTURE as of 9/30/14
Total Debt $806.6 mill. **Due in 5 Yrs** $179.6 mill.
LT Debt $743.3 mill. **LT Interest** $39.4 mill.
Incl. $4.0 mill. capitalized leases.
(LT interest earned: 3.6x)
Leases, Uncapitalized Annual rentals $.8 mill.
Pension Assets-12/13 $186.6 mill. **Oblig.** $225.1 mill.
Pfd Stock None

Common Stock 43,439,071 shs. **as of 10/31/14**

MARKET CAP: $1.2 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	-2.3	-3.2	+1.3
Avg. Industrial Use (MWH)	2865	2913	2943
Avg. Industrial Rev/KWH (¢)	7.72	7.66	7.93
Capacity at Peak (Mw)	1392	1391	1377
Peak Load, Summer (Mw)	1198	1142	1080
Annual Load Factor (%)	52.0	52.2	56.2
% Change Customers (avg.)	-1.5	+.6	+.5
Fixed Charge Cov. (%)	307	314	331

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	- -	-1.5%	3.5%
"Cash Flow"	3.0%	2.5%	5.5%
Earnings	3.0%	2.5%	4.0%
Dividends	-3.5%	-7.0%	4.5%
Book Value	1.5%	1.5%	3.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	150.7	129.1	164.3	132.8	576.9
2012	137.2	131.6	159.2	129.1	557.1
2013	151.1	136.6	157.5	149.1	594.3
2014	179.7	149.8	171.5	***159***	***660***
2015	***170***	***160***	***180***	***170***	***680***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.29	.22	.60	.21	1.31
2012	.23	.25	.60	.23	1.32
2013	.30	.27	.56	.35	1.48
2014	.48	.26	.55	***.26***	***1.55***
2015	***.35***	***.25***	***.60***	***.30***	***1.50***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.32	.32	.32	.32	1.28
2011	.32	.32	- -	- -	.64
2012	.25	.25	.25	.25	1.00
2013	.25	.25	.25	.255	1.01
2014	.255	.255	.255	.26	

BUSINESS: The Empire District Electric Company supplies electricity to 169,000 customers in a 10,000 sq. mi. area in southwestern Missouri (90% of '13 retail elec. revs.), Kansas (5%), Oklahoma (3%), & Arkansas (2%). Acquired Missouri Gas (44,000 customers) 6/06. Supplies water service (4,000 customers) and has a small fiber-optics operation. Elec. rev. breakdown: residential, 43%; commercial, 30%; industrial, 15%; other, 12%. Generating sources: coal, 47%; gas, 24%; hydro, 1%; purch., 28%. Fuel costs: 34% of revenues. '13 reported depr. rate: 3.1%. Has about 750 employees. Chairman: D. Randy Laney. President & CEO: Bradley P. Beecher. Inc.: KS. Address: 602 S. Joplin Ave., P.O. Box 127, Joplin, MO 64802-0127. Tel.: 417-625-5100. Internet: www.empiredistrict.com.

Empire District Electric Company has a rate case pending in Missouri. The utility is seeking an electric rate increase of $24.3 million (5.5%), based on a return of 10.15% on a common-equity ratio of 51.45%. The main reason for the filing is an environmental retrofit to the 189-megawatt Asbury coal-fired plant. This project is on track for completion in early 2015. The cost is trending towards the lower end of the estimated range of $112 million-$130 million. Empire District also wants to recoup higher expenses, such as property taxes, and start recovering transmission costs through its fuel adjustment clause. An order should come in July.

The utility has filed or plans to file rate cases in its other states. This will enable it to recover the portion of the Asbury project that is allocated to each state. Empire District has asked the Kansas commission for a rider on customers' bills.

Empire District received a rate hike in Arkansas. Rates were raised by $1.4 million, based on a 9.9% ROE. New tariffs took effect on September 26th.

Next year will be a challenging one for the company. In 2014, earnings will probably advance, thanks to a strong first-quarter showing that was driven partly by favorable weather conditions. Our estimate is at the midpoint of Empire District's targeted range of $1.50-$1.60 a share. However, because the utility will incur some costs associated with the Asbury project before recovering them in rates, there will be some regulatory lag in 2015. Accordingly, we forecast a slight profit decrease.

The board of directors raised the dividend in the fourth quarter. The annual increase was modest, at $0.02 a share (2%). The dividend is still well below its level before the board suspended it in 2011, following a tornado that devastated Joplin, Missouri. (The service area has made a solid recovery since then.)

The recent price is *above* our 2017-2019 Target Price Range. We suspect that this is due to takeover speculation. Indeed, Empire District agreed to a buyout in 1999, but the deal fell through. The stock is untimely and has a lofty valuation, and we do not recommend that investors buy it for takeover possibilities.

Paul E. Debbas, CFA *December 19, 2014*

(A) Diluted earnings. Excl. loss from discontinued operations: '06, 2¢. '11 & '12 EPS don't add due to rounding. Next earnings report due early Feb. **(B)** Div'ds historically paid in mid-Mar., June, Sept. and Dec. Div'ds suspended 3Q '11, reinstated 1Q '12. ■ Div'd reinvestment plan avail. (3% discount). † Shareholder investment plan avail. **(C)** Incl. intang. In '13: $5.06/sh. **(D)** In mill. **(E)** Rate base: Deprec. orig. cost. Rate allowed on com. eq. in MO in '13: none specified; earned on avg. com. eq., '13: 8.7%. Regulatory Climate: Average.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	30
Earnings Predictability	85

SEMPRA ENERGY NYSE-SRE

RECENT PRICE	113.67	P/E RATIO	24.3 (Trailing: 24.8 / Median: 12.0)	RELATIVE P/E RATIO	1.32	DIV'D YLD	2.4%	VALUE LINE

TIMELINESS 3 Raised 9/5/14
SAFETY 2 Lowered 2/4/00
TECHNICAL 3 Raised 12/19/14
BETA .75 (1.00 = Market)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
High:	30.9	37.9	47.9	57.3	66.4	63.0	57.2	57.2	56.0	72.9	93.0	116.3
Low:	22.3	29.5	35.5	42.9	50.9	34.3	36.4	43.9	44.8	54.7	70.6	86.7

2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	105	(-10%)	*1%*
Low	80	(-30%)	*-5%*

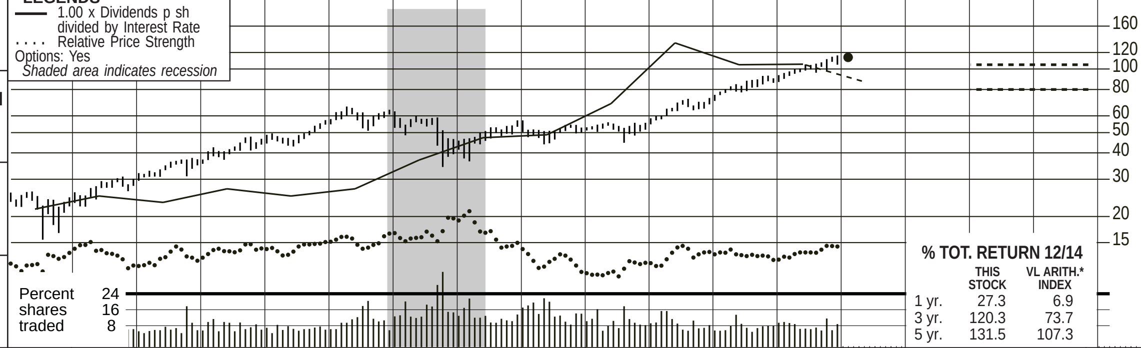
Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	1	0	0	0	0
Options	0	6	0	1	6	0	1	1	1
to Sell	0	3	0	2	6	0	1	1	1

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	234	232	239
to Sell	205	222	220
Hld's(000)	170920	172207	173962

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



% TOT. RETURN 12/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	27.3	6.9
3 yr.	120.3	73.7
5 yr.	131.5	107.3

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
23.31	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	39.80	43.18	*45.25*	*47.30*	Revenues per sh	*53.50*
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	8.92	8.87	*9.44*	*9.95*	"Cash Flow" per sh	*12.50*
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	4.35	4.22	*4.55*	*4.75*	Earnings per sh A	*6.25*
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	2.52	2.64	*2.76*	Div'd Decl'd per sh B ■	*3.20*
1.85	2.48	3.76	5.22	5.92	4.63	4.62	5.46	7.28	7.70	8.47	7.76	8.58	11.85	12.20	10.52	*13.00*	*12.15*	Cap'l Spending per sh	*12.00*
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	42.42	45.03	*46.80*	*48.70*	Book Value per sh C	*56.50*
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	242.37	244.46	*246.50*	*248.50*	Common Shs Outst'g D	*252.00*
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	14.9	19.7	*22.3*		Avg Ann'l P/E Ratio	*14.5*
1.10	.73	.61	.50	.45	.51	.45	.63	.62	.74	.71	.67	.80	.74	.95	1.11	*1.15*		Relative P/E Ratio	*.95*
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%	3.7%	3.0%	2.6%		Avg Ann'l Div'd Yield	*3.5%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $13934 mill. **Due in 5 Yrs** $5706 mill.
LT Debt $12437 mill. **LT Interest** $609 mill.
Incl. $236 mill. capitalized leases.
(LT interest earned: 3.7x)

Leases, Uncapitalized Annual rentals $85 mill.
Pension Assets-12/13 $2789 mill.
Oblig. $3459 mill.
Pfd Stock $20 mill. **Pfd Div'd** $1.2 mill.
811,073 shs. 6% cum., $25 par.
Common Stock 246,218,250 shs.
as of 10/31/14
MARKET CAP: $28 billion (Large Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
9410.0	11737	11761	11438	10758	8106.0	9003.0	10036	9647.0	10557	*11150*	*11750*	Revenues ($mill)	*13500*
930.0	898.0	1118.0	1135.0	1123.0	1193.0	1008.0	1088.0	1079.0	1060.0	*1245*	*1305*	Net Profit ($mill)	*1725*
17.2%	- -	31.3%	33.6%	29.2%	30.5%	26.5%	25.3%	18.2%	26.5%	*28.0%*	*32.0%*	Income Tax Rate	*31.0%*
2.9%	5.3%	7.2%	11.5%	13.2%	10.6%	11.3%	15.2%	17.2%	11.2%	*12.0%*	*12.0%*	AFUDC % to Net Profit	*9.0%*
45.3%	43.1%	37.0%	34.8%	44.5%	44.8%	49.4%	50.4%	52.8%	50.5%	*51.0%*	*51.0%*	Long-Term Debt Ratio	*51.5%*
52.6%	55.1%	61.4%	63.7%	54.2%	54.1%	49.6%	49.2%	46.7%	49.4%	*49.0%*	*48.5%*	Common Equity Ratio	*48.5%*
9255.0	11178	12229	13071	14692	16646	18186	20015	22002	22281	*23525*	*24825*	Total Capital ($mill)	*29500*
11086	12101	13175	14884	16865	18281	19876	23572	25191	25460	*27475*	*29225*	Net Plant ($mill)	*33400*
11.3%	9.2%	10.3%	9.6%	8.5%	8.3%	6.8%	6.7%	6.1%	6.0%	*6.5%*	*6.5%*	Return on Total Cap'l	*7.0%*
18.4%	14.1%	14.5%	13.3%	13.8%	13.0%	10.9%	10.9%	10.4%	9.6%	*10.0%*	*10.0%*	Return on Shr. Equity	*11.5%*
18.9%	14.4%	14.8%	13.5%	14.0%	13.1%	11.1%	11.0%	10.4%	9.6%	*10.0%*	*10.0%*	Return on Com Equity E	*11.5%*
14.9%	10.1%	11.0%	9.7%	9.7%	9.3%	7.0%	6.5%	5.1%	4.1%	*4.5%*	*4.5%*	Retained to Com Eq	*5.5%*
22%	31%	26%	29%	31%	29%	37%	41%	52%	58%	*57%*	*57%*	All Div'ds to Net Prof	*50%*

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+.1	+2.6	-1.3
Avg. Indust. Use (MWH)	4157	4335	4279
Avg. Indust. Revs. per KWH (¢)	12.13	12.19	13.10
Capacity at Peak (Mw)	NMF	NMF	NMF
Peak Load, Summer (Mw)	NMF	NMF	NMF
Annual Load Factor (%)	NMF	NMF	NMF
% Change Customers (yr-end)	+.6	+.5	+.5
Fixed Charge Cov. (%)	319	262	307

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	2.0%	-1.0%	*4.5%*
"Cash Flow"	4.5%	4.5%	*6.0%*
Earnings	4.5%	- -	*6.0%*
Dividends	8.5%	12.5%	*6.0%*
Book Value	11.5%	6.5%	*4.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	2434	2422	2576	2604	10036
2012	2383	2089	2507	2668	9647
2013	2650	2651	2551	2705	10557
2014	2795	2678	2815	***2862***	***11150***
2015	***2950***	***2850***	***2950***	***3000***	***11750***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	1.07	.97	1.22	1.21	4.47
2012	.97	.98	1.33	1.08	4.35
2013	.54	1.46	1.09	1.13	4.22
2014	.99	1.08	1.39	***1.09***	***4.55***
2015	***1.05***	***1.15***	***1.40***	***1.15***	***4.75***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.39	.48	.48	.48	1.83
2012	.48	.60	.60	.60	2.28
2013	.60	.63	.63	.63	2.49
2014	.63	.66	.66	.66	2.61
2015	.66				

BUSINESS: Sempra Energy is a holding co. for San Diego Gas & Electric Company, which sells electricity & gas mainly in San Diego County, & Southern California Gas Company, which distributes gas to most of Southern California. Customers: 1.4 mill. electric, 6.6 mill. gas. Elec. rev. breakdown: residential, 46%; commercial, 38%; industrial, 9%; other, 7%. Purchases most of its power; the rest is gas. Has subs. in gas pipeline & storage, power generation, & liquefied natural gas. Sold commodities business in '10. Power costs: 38% of revs. '13 reported deprec. rates: 1.6%-7.6%. Has 17,100 employees. Chairman and CEO: Debra L. Reed. President: Mark A. Snell. Inc.: CA. Address: 101 Ash St., San Diego, CA 92101-3017. Tel.: 619-696-2034. Internet: www.sempra.com.

Sempra Energy has begun construction of a large project. The company is converting its Cameron liquefied natural gas terminal from an import to an export facility. Sempra has a 50.2% stake in the project, which is expected to cost $9 billion-$10 billion. It is expected to be completed in 2018 and should provide Sempra with net profit of $325 million-$350 million annually. The project might be expanded, too; the company will file a request with the Federal Energy Regulatory Commission this year.

Sempra's utilities have filed general rate cases. Southern California Gas requested a $256 million increase, and San Diego Gas & Electric asked for a total (electric and gas) hike of $133 million. An order from the California regulators is expected by yearend, but even if it slips into 2016, it will be retroactive to the start of next year.

Earnings should improve in 2015. International investments are a particular area of focus for Sempra. The company has a lot of projects in various stages of development in Latin America and South America, especially natural gas pipelines in Mexico.

An asset sale is expected to close soon. Sempra has agreed to sell its 50% stake in a nonregulated gas-fired power plant. The company expects to book an undisclosed gain on the sale, which we will exclude from our earnings presentation as a nonrecurring item.

A new corporate structure might be in Sempra's future. The company is evaluating changes such as the formation of a "yieldco" that NRG Energy formed in 2013 or a master limited partnership and NextEra Energy formed in 2014. Sempra expects to make an announcement around the end of the current quarter. Our estimates and projections are based on the company's current configuration.

This stock is expensively priced. Like several other utility equities, it is trading *above* our 2017-2019 Target Price Range. Perhaps Wall Street is anticipating some kind of corporate structure move. The stock doesn't stand out among utilities for its dividend yield, even though we estimate a sizable increase in the payout in the current quarter.

Paul E. Debbas, CFA *January 30, 2015*

(A) Dil. EPS. Excl. nonrec. gains (losses): '05, 17¢; '06, (6¢); '09, (26¢); '10, ($1.05); '11, $1.15; '12, (98¢); '13, (30¢) net; gain (losses) from disc. ops.: '04, (10¢); '05, (4¢); '06, $1.21; '07, (10¢). '12 EPS don't add due to rounding. Next egs. report due late Feb. (B) Div'ds histor. paid mid-Jan., Apr., July & Oct. ■ Div'd reinvest. plan avail. (C) Incl. intang. In '13: $16.35/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq.: SDG&E in '13: 10.3%; SoCalGas in '13: 10.1%; earn. on avg. com. eq., '13: 9.6%. Reg. Climate: Above Avg.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	85
Earnings Predictability	95

ENTERGY CORP. NYSE-ETR

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
83.98	17.4	(Trailing: 14.3 Median: 14.0)	0.94	4.0%	VALUE LINE

TIMELINESS 4 Lowered 12/5/14
SAFETY 3 Lowered 3/22/13
TECHNICAL 4 Lowered 11/7/14
BETA .70 (1.00 = Market)

High:	57.2	68.7	79.2	94.0	125.0	127.5	86.6	84.3	74.5	74.5	72.6	85.0
Low:	42.3	50.6	64.5	66.8	89.6	61.9	59.9	68.7	57.6	61.6	60.2	60.4

Target Price Range
2017 | 2018 | 2019

2017-19 PROJECTIONS

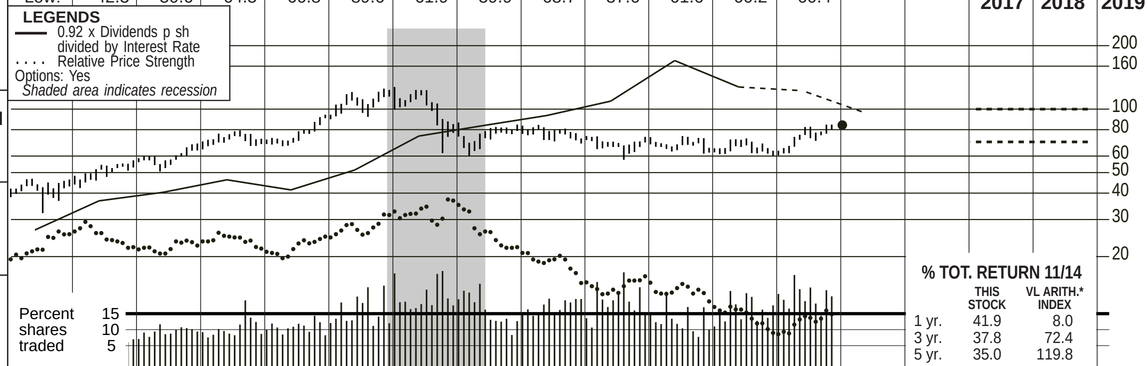
	Price	Gain	Ann'l Total Return
High	100	(+20%)	8%
Low	70	(-15%)	Nil

Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	0	0	0	0	0	0	0	0
Options	0	6	0	3	4	2	0	2	1
to Sell	0	6	0	3	4	2	0	2	1

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	245	237	241
to Sell	194	209	206
Hld's(000)	151069	156315	158821



% TOT. RETURN 11/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	41.9	8.0
3 yr.	37.8	72.4
5 yr.	35.0	119.8

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	57.94	63.86	**69.80**	**70.35**	Revenues per sh	**81.50**
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	15.98	16.25	**17.95**	**17.85**	"Cash Flow" per sh	**20.75**
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	6.02	4.96	**5.90**	**5.45**	Earnings per sh A	**6.75**
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	**3.32**	**3.32**	Div'd Decl'd per sh B ■ †	**3.80**
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	18.18	15.73	**16.70**	**15.55**	Cap'l Spending per sh	**15.50**
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	51.73	54.00	**55.85**	**58.00**	Book Value per sh C	**65.75**
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	177.81	178.37	**180.50**	**180.50**	Common Shs Outst'g D	**180.50**
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	11.2	13.2	*Bold figures are*		Avg Ann'l P/E Ratio	**12.5**
.67	.75	.66	.64	.63	.79	.80	.87	.77	1.02	1.00	.80	.74	.57	.71	.74	*Value Line*		Relative P/E Ratio	**.80**
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%	5.1%	*estimates*		Avg Ann'l Div'd Yield	**4.5%**
						10124	10106	10932	11484	13094	10746	11488	11229	10302	11391	**12600**	**12700**	Revenues ($mill)	**14700**
						933.1	943.1	1160.9	1160.0	1240.5	1251.1	1270.3	1367.4	1091.9	904.5	**1085**	**1005**	Net Profit ($mill)	**1250**
						28.2%	37.2%	27.6%	30.7%	32.7%	33.6%	32.7%	17.3%	13.0%	26.7%	**37.0%**	**33.0%**	Income Tax Rate	**35.0%**
						7.0%	8.0%	5.5%	5.8%	5.6%	7.4%	7.4%	8.9%	11.9%	10.1%	**9.0%**	**10.0%**	AFUDC % to Net Profit	**7.0%**
						44.7%	51.9%	51.2%	54.3%	58.2%	55.3%	56.3%	52.2%	55.8%	55.1%	**55.5%**	**58.0%**	Long-Term Debt Ratio	**54.5%**
						52.9%	45.5%	46.7%	43.9%	40.2%	43.1%	42.1%	46.4%	42.9%	43.6%	**43.0%**	**41.0%**	Common Equity Ratio	**44.0%**
						15696	17013	17539	17902	19795	19985	20166	19324	21432	22109	**23450**	**25550**	Total Capital ($mill)	**26900**
						18696	19197	19438	20974	22429	23389	23848	25609	27299	27882	**28775**	**29400**	Net Plant ($mill)	**30700**
						7.4%	6.8%	8.0%	7.9%	7.5%	7.6%	7.7%	8.5%	6.4%	5.4%	**6.0%**	**5.0%**	Return on Total Cap'l	**6.0%**
						10.8%	11.5%	13.6%	14.2%	15.0%	14.0%	14.4%	14.8%	11.5%	9.1%	**10.5%**	**9.5%**	Return on Shr. Equity	**10.5%**
						11.0%	11.9%	13.8%	14.4%	15.3%	14.3%	14.7%	15.0%	11.6%	9.2%	**10.5%**	**9.5%**	Return on Com Equity E	**10.5%**
						5.8%	6.0%	8.3%	8.0%	8.1%	7.6%	7.6%	8.4%	5.2%	3.0%	**4.5%**	**3.5%**	Retained to Com Eq	**4.5%**
						48%	51%	41%	46%	48%	48%	49%	45%	56%	68%	**57%**	**62%**	All Div'ds to Net Prof	**57%**

CAPITAL STRUCTURE as of 9/30/14
Total Debt $13643 mill. **Due in 5 Yrs** $4832.9 mill.
LT Debt $11635 mill. **LT Interest** $556.5 mill.
Incl. $814.2 mill. of securitization bonds.
(LT interest earned: 3.2x)
Leases, Uncapitalized Annual rentals $106.2 mill.
Pension Assets-12/13 $4429.2 mill.
Oblig. $5771.0 mill.
Pfd Stock $304.8 mill. **Pfd Div'd** $19.5 mill.
6,115,105 sh. 4.32%-8.25%, $100 par; 1,000,000 sh. 8.95%; 250,000 sh. 8.75%, all without sinking fund.
Common Stock 180,481,135 shs. **as of 10/31/14**
MARKET CAP: $15 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+1.1	-1.5	+.7
Avg. Indust. Use (MWH)	991	975	910
Avg. Indust. Revs. per KWH(¢)	5.65	4.94	5.77
Capacity at Peak (Mw)	23979	23407	23802
Peak Load, Summer (Mw)	22387	21866	21581
Annual Load Factor (%)	60.0	60.0	62.0
% Change Customers (yr-end)	+.5	+.8	+.8
Fixed Charge Cov. (%)	339	254	245

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	4.5%	.5%	*4.5%*
"Cash Flow"	9.0%	7.0%	*4.0%*
Earnings	6.0%	1.5%	*1.5%*
Dividends	9.0%	5.0%	*2.5%*
Book Value	4.0%	5.0%	*4.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	2541	2803	3396	2489	11229
2012	2384	2519	2964	2436	10302
2013	2609	2738	3352	2692	11391
2014	3209	2997	3458	**2936**	**12600**
2015	**2950**	**3050**	**3650**	**3050**	**12700**

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	1.38	1.76	3.53	.88	7.55
2012	.40	2.06	1.89	1.67	6.02
2013	.90	.92	2.31	.83	4.96
2014	2.28	1.08	1.68	**.86**	**5.90**
2015	**1.15**	**1.15**	**2.00**	**1.15**	**5.45**

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.75	.83	.83	.83	3.24
2011	.83	.83	.83	.83	3.32
2012	.83	.83	.83	.83	3.32
2013	.83	.83	.83	.83	3.32
2014	.83	.83	.83	.83	

BUSINESS: Entergy Corporation supplies electricity to 2.8 million customers through subsidiaries in Arkansas, Louisiana, Mississippi, Texas, and New Orleans (regulated separately from Louisiana). Distributes gas to 196,000 customers in Louisiana. Has a nonutility nuclear subsidiary that owns six units. Electric revenue breakdown: residential, 38%; commercial, 26%; industrial, 28%; other, 8%. Generating sources: nuclear, 33%; gas, 26%; coal, 12%; purchased, 29%. Fuel costs: 35% of revenues. '13 reported depreciation rate: 2.8%. Has 13,800 employees. Chairman & CEO: Leo Denault. Incorporated: Delaware. Address: 639 Loyola Avenue, P.O. Box 61000, New Orleans, Louisiana 70161. Telephone: 504-576-4000. Internet: www.entergy.com.

Entergy has announced a significant asset acquisition. Three of its utility subsidiaries (in Arkansas, Louisiana, and Texas) have agreed to pay $948 million for a 1,980-megawatt gas-fired generating station. The purchase would help the utilities meet the rising demand for power in their service areas. The deal requires the approval of each state's regulatory commission and the Federal Energy Regulatory Commission. It is expected to be completed in late 2015.

Entergy is about to receive an order on its rate case in Mississippi. The utility filed for a $49 million increase, based on a 10.59% return on equity, but reached a settlement calling for a $16 million hike, based on a 10.07% ROE. New tariffs will take effect in 2015.

Earnings will probably wind up significantly higher in 2014. First-quarter profits were much higher than normal due to favorable weather conditions. The weather led to high and volatile power prices in the Northeast, which benefited Entergy's nonregulated operation and added $0.90 a share to the bottom line.

We forecast lower profits in 2015. We assume normal weather patterns, which would almost certainly result in much lower earnings in the first quarter. Even so, Entergy should turn in a decent performance. The company's utilities are benefiting from growth in demand in their service territories. Entergy expects load growth of 3.0%-3.5% in 2015.

The future of the Indian Point nuclear station is still a cause for concern. Entergy wants to extend the two units' operating licenses by 20 years. However, officials in New York State want to shut down the plant, reduce its output, or force the company to install cooling towers, which would be costly.

The price of untimely Entergy stock has risen 33% in 2014. That's even better than most utility equities have fared in what has been an outstanding year for electric utilities. Despite the worries about Indian Point, there are signs that the long-term prospects of the nonregulated business are getting better. The dividend yield is about half of a percentage point above the industry average, but 3- to 5-year total return potential is unexciting.

Paul E. Debbas, CFA *December 19, 2014*

(A) Diluted EPS. Excl. nonrecurring gains (losses): '98, 78¢; '01, 15¢; '02, ($1.04); '03, 33¢ net; '05, (21¢); '12, ($1.26); '13, ($1.14); '14, (48¢). Next earnings report due early Feb. (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 '13: $29.67/sh. (D) In millions. (E) Rate base: Net original cost. Allowed return on equity (blended): 10.4%; earned on avg. com. eq., '13: 9.3%. Regulatory Climate: Average.

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

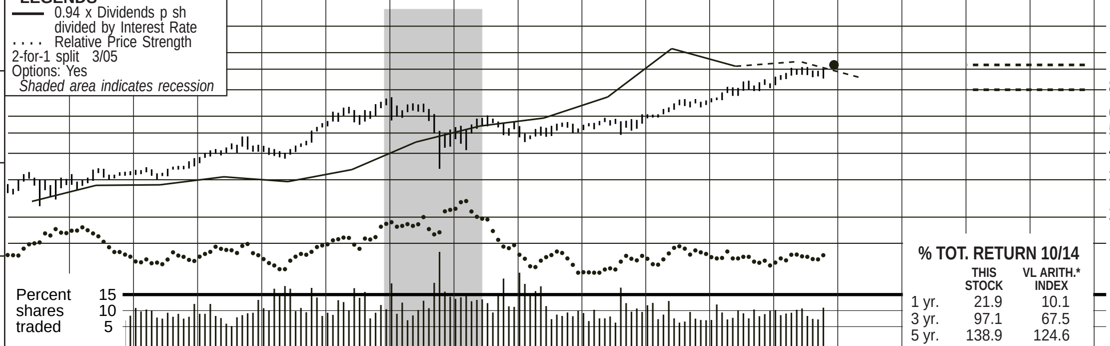
NEXTERA ENERGY NYSE-NEE

RECENT PRICE **104.80** | P/E RATIO **20.2** (Trailing: 24.1 / Median: 14.0) | RELATIVE P/E RATIO **1.11** | DIV'D YLD **2.9%** | **VALUE LINE**

TIMELINESS 3 Raised 4/25/14
SAFETY 2 Lowered 2/26/10
TECHNICAL 4 Lowered 11/14/14
BETA .70 (1.00 = Market)

High:	34.0	38.1	48.1	55.6	72.8	73.8	60.6	56.3	61.2	72.2	89.8	105.9
Low:	26.8	30.1	35.9	37.8	53.7	33.8	41.5	45.3	49.0	58.6	69.8	84.0

LEGENDS
— 0.94 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
2-for-1 split 3/05
Options: Yes
Shaded area indicates recession



Target Price Range
2017 | 2018 | 2019

2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	105	(Nil)	3%
Low	80	(-25%)	-3%

Insider Decisions

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

Institutional Decisions

	4Q2013	1Q2014	2Q2014
to Buy	397	400	404
to Sell	429	446	446
Hld's(000)	316004	318167	319782

Percent shares traded 15 10 5

% TOT. RETURN 10/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	21.9	10.1
3 yr.	97.1	67.5
5 yr.	138.9	124.6

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	33.62	34.80	**36.35**	**35.80**	Revenues per sh	**38.25**
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	8.69	10.54	**10.55**	**11.50**	"Cash Flow" per sh	**13.75**
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	4.56	4.83	**4.60**	**5.50**	Earnings per sh A	**6.75**
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	2.64	**2.90**	**3.08**	Div'd Decl'd per sh B ■ †	**3.80**
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	22.31	15.36	**12.75**	**9.30**	Cap'l Spending per sh	**10.00**
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	37.90	41.47	**44.70**	**48.35**	Book Value per sh C	**57.50**
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	424.00	435.00	**443.00**	**458.00**	Common Shs Outst'g D	**470.00**
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	14.4	16.6	*Bold figures are*		Avg Ann'l P/E Ratio	**13.5**
.84	.74	.83	.64	.78	.72	.72	.95	.74	1.00	.87	.89	.69	.72	.92	.93	*Value Line*		Relative P/E Ratio	**.85**
3.2%	3.9%	4.1%	3.9%	4.1%	3.9%	3.9%	3.4%	3.4%	2.7%	3.0%	3.5%	3.9%	4.0%	3.6%	3.3%	*estimates*		Avg Ann'l Div'd Yield	**4.1%**

CAPITAL STRUCTURE as of 9/30/14
Total Debt $29423 mill. **Due in 5 Yrs** $12584 mill.
LT Debt $24853 mill. **LT Interest** $1076 mill.

(LT interest earned: 3.0x)

Pension Assets-12/13 $3692 mill. **Oblig.** $2254 mill.

Pfd Stock None

Common Stock 436,482,306 shs.

MARKET CAP: $46 billion (Large Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
10522	11846	15710	15263	16410	15643	15317	15341	14256	15136	**16100**	**16400**	Revenues ($mill)	**18000**
887.0	901.0	1281.0	1312.0	1639.0	1615.0	1957.0	2021.0	1911.0	2062.0	**2025**	**2495**	Net Profit ($mill)	**3230**
23.1%	23.8%	23.7%	21.9%	21.5%	16.8%	21.4%	22.4%	26.6%	26.9%	**31.5%**	**30.0%**	Income Tax Rate	**30.0%**
4.2%	5.4%	3.8%	5.7%	6.6%	7.9%	4.4%	4.4%	10.8%	7.0%	**6.0%**	**7.0%**	AFUDC % to Net Profit	**7.0%**
51.6%	48.6%	49.1%	51.2%	54.2%	55.7%	55.5%	58.2%	59.1%	57.1%	**56.0%**	**53.0%**	Long-Term Debt Ratio	**48.5%**
48.4%	51.4%	50.9%	48.8%	45.8%	44.3%	44.5%	41.8%	40.9%	42.9%	**44.0%**	**47.0%**	Common Equity Ratio	**51.5%**
15564	16538	19521	22015	25514	29267	32474	35753	39245	42009	**44775**	**47175**	Total Capital ($mill)	**52500**
21226	22463	24499	28652	32411	36078	39075	42490	49413	52720	**55725**	**57200**	Net Plant ($mill)	**62100**
7.0%	6.9%	8.0%	7.5%	7.9%	6.9%	7.4%	7.0%	6.2%	6.2%	**5.5%**	**6.5%**	Return on Total Cap'l	**7.5%**
11.8%	10.6%	12.9%	12.2%	14.0%	12.5%	13.5%	13.5%	11.9%	11.4%	**10.0%**	**11.5%**	Return on Shr. Equity	**12.0%**
11.8%	10.6%	12.9%	12.2%	14.0%	12.5%	13.5%	13.5%	11.9%	11.4%	**10.0%**	**11.5%**	Return on Com Equity E	**12.0%**
5.6%	4.2%	6.9%	6.1%	7.9%	6.5%	7.8%	7.4%	5.6%	5.2%	**4.0%**	**5.0%**	Retained to Com Eq	**5.5%**
53%	60%	46%	50%	44%	47%	42%	46%	53%	54%	**63%**	**56%**	All Div'ds to Net Prof	**55%**

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	-1.4	-1.4	+.9
Avg. Indust. Use (MWH)	343	336	296
Avg. Indust. Revs. per KWH (¢)	7.40	6.87	6.51
Capacity at Peak (Mw)	26538	26020	26236
Peak Load, Summer (Mw)	21619	21440	21576
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.6	+.7	+1.8
Fixed Charge Cov. (%)	311	278	295

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	3.5%	-2.0%	*1.5%*
"Cash Flow"	6.5%	5.5%	*6.5%*
Earnings	7.5%	6.0%	*6.0%*
Dividends	7.5%	8.0%	*8.0%*
Book Value	8.0%	7.5%	*7.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	3134	3961	4382	3864	15341
2012	3371	3667	3843	3375	14256
2013	3279	3833	4394	3630	15136
2014	3674	4029	4654	***3743***	***16100***
2015	***3650***	***4150***	***4750***	***3850***	***16400***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.64	1.38	1.20	1.59	4.82
2012	1.11	1.45	.98	1.02	4.56
2013	1.00	1.44	1.64	.75	4.83
2014	.98	1.12	1.50	***1.00***	***4.60***
2015	***1.25***	***1.45***	***1.65***	***1.15***	***5.50***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.50	.50	.50	.50	2.00
2011	.55	.55	.55	.55	2.20
2012	.60	.60	.60	.60	2.40
2013	.66	.66	.66	.66	2.64
2014	.725	.725	.725		

BUSINESS: NextEra Energy, Inc. (formerly FPL Group, Inc.) is a holding company for Florida Power & Light Company (FPL), which provides electricity to 4.7 million customers in a 27,650-sq.-mi. area in eastern & southern Florida. NextEra Energy Resources is a non-regulated power generator with nuclear, gas, & wind ownership. Revenue breakdown: residential, 54%; commercial, 37%; industrial & other, 8%. Generating sources: gas, 67%; nuclear, 23%; coal, 5%; purchased, 5%. Fuel costs: 33% of revenues. '13 reported deprec. rate (utility): 3.4%. Has 13,900 employees. Chairman: Lewis Hay, III. President and CEO: James L. Robo. Inc.: Florida. Address: 700 Universe Boulevard, Juno Beach, Florida 33408. Tel.: 561-694-4000. Internet: www.nexteraenergy.com.

The earnings decline we estimate for NextEra Energy in 2014 belies the company's solid performance this year. We *include* mark-to-market accounting credits or charges in our earnings presentation because they are an ongoing part of the company's operations. These reduced profits by $0.64 a share in the first nine months of 2014, compared with a $0.04 credit in the same period of 2013. (Over time, these items even out.) Florida Power & Light is benefiting from capital investments that are being recovered in rates and the economic rebound in the utility's service area. NextEra Energy Resources is benefiting from additions to its portfolio of contracted renewable assets. We think a continuation of these trends will boost earnings in 2015. Our estimate is within NextEra's guidance of $5.40-$5.70 a share. We don't assume any mark-to-market gains or losses in our estimates because these are impossible to predict.

The initial public offering of NextEra Energy Partners has gone well. The master limited partnership for some contracted renewable assets has risen more than 40% from the IPO price. However, NextEra incurred $0.15 a share of spinoff costs in the second quarter.

FPL has a major capital project under way, and other investments are planned. A plant modernization project is on track for completion in mid-2016 at a cost of $1 billion. (Two other plant upgrades in recent years were completed ahead of schedule and below budget.) FPL is a one-third partner in a $3 billion pipeline to transport natural gas to Florida. Federal regulatory approval is needed. The pipeline is expected to be in service by mid-2017. And the utility is asking the Florida regulators for permission to invest in natural gas reserves in order to reduce gas-price volatility to its customers. A ruling is expected by early 2015.

The market is recognizing NextEra's good prospects. The stock price is up more than 20% so far in 2014. However, even when reflecting a dividend hike we estimate in the first quarter of 2015, the dividend yield is a cut below the utility average. With the recent price near the upper end of our 2017-2019 Target Price Range, total return potential is minuscule.

Paul E. Debbas, CFA *November 21, 2014*

(A) Diluted EPS. Excl. nonrecurring gain (losses): '00, (5¢); '02, (60¢); '03, 5¢; '11, (24¢); '13, (80¢); gain on disc. ops.: '13, 44¢. '11 EPS don't add due to rounding. Next earnings report due late Jan. **(B)** Div'ds historically paid in mid-Mar., mid-June, mid-Sept., & mid-Dec. ■ Div'd reinvestment plan avail. † Shareholder investment plan avail. **(C)** Incl. deferred charges. In '13: $5.18/sh. **(D)** In millions, adj. for stock split. **(E)** Rate allowed on com. eq. in '13: 9.5%-11.5%; earned on avg. com. eq., '13: 12.1%. Regulatory Climate: Average.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	70
Earnings Predictability	80

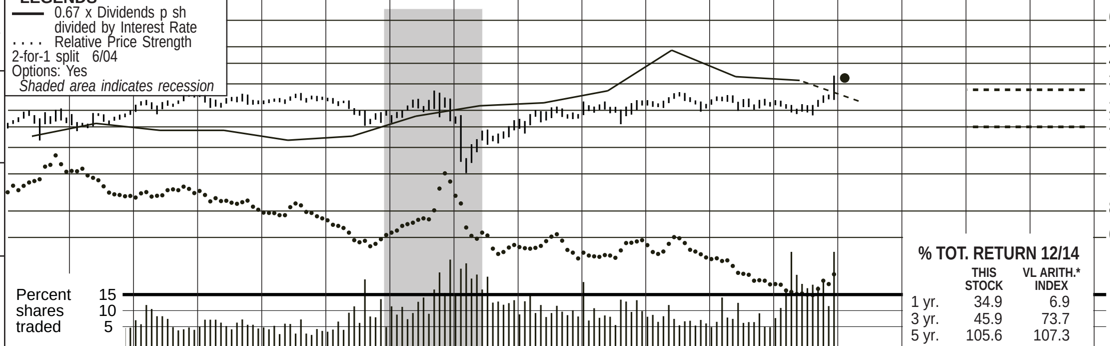
HAWAIIAN ELECTRIC NYSE-HE

RECENT PRICE	34.14	P/E RATIO	21.1 (Trailing: 20.0 Median: 19.0)	RELATIVE P/E RATIO	1.15	DIV'D YLD	3.6%	VALUE LINE

TIMELINESS – Suspended 12/12/14
SAFETY 2 Raised 11/2/12
TECHNICAL – Suspended 12/12/14
BETA .80 (1.00 = Market)

High:	24.0	29.5	29.8	28.9	27.5	29.8	22.7	25.0	26.8	29.2	28.3	35.0
Low:	19.1	23.0	24.6	25.7	20.3	21.0	12.1	18.6	20.6	23.7	23.8	22.7

LEGENDS
— 0.67 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
2-for-1 split 6/04
Options: Yes
Shaded area indicates recession



Target Price Range
2017 | 2018 | 2019

2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	30	(-10%)	1%
Low	20	(-40%)	-7%

Insider Decisions

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

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	109	118	104
to Sell	75	81	107
Hld's(000)	45986	52741	53079

Percent shares traded 15 10 5

% TOT. RETURN 12/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	34.9	6.9
3 yr.	45.9	73.7
5 yr.	105.6	107.3

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
23.12	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	34.46	31.98	*31.05*	*29.05*	Revenues per sh	*33.75*
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	3.28	3.22	*3.35*	*3.40*	"Cash Flow" per sh	*4.00*
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	1.67	1.62	*1.65*	*1.65*	Earnings per sh A	*2.00*
1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	*1.24*	Div'd Decl'd per sh B ■	*1.30*
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	3.32	3.49	*3.50*	*3.45*	Cap'l Spending per sh	*4.50*
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	16.28	17.06	*17.60*	*18.15*	Book Value per sh C	*20.50*
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	97.93	101.26	*103.00*	*105.00*	Common Shs Outst'g D	*111.00*
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	15.8	16.2	*15.8*		Avg Ann'l P/E Ratio	*12.5*
.70	.69	.84	.60	.74	.79	1.01	.97	1.10	1.15	1.40	1.32	1.18	1.07	1.01	.91	*.80*		Relative P/E Ratio	*.80*
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%	4.7%	4.7%	4.8%		Avg Ann'l Div'd Yield	*5.1%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $1668.5 mill. **Due in 5 Yrs** $421.4 mill.
LT Debt $1506.5 mill. **LT Interest** $69.9 mill.
Incl. $50 mill. 6.5% oblig. pfd. sec. of trust subsid.
(LT interest earned: 4.4x)
Leases, Uncapitalized Annual rentals $18.0 mill.
Pension Assets-12/13 $1186.7 mill.
Oblig. $1446.3 mill.
Pfd Stock $34.3 mill. **Pfd Div'd** $2.0 mill.
1,114,657 shs. 4¼% to 5¼%, $20 par. call. $20 to $21; 120,000 shs. 7⅝%, $100 par. call. $100.
Sinking fund ends 2018.
Common Stock 102,562,464 shs. **as of 10/31/14**
MARKET CAP: $3.5 billion (Mid Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
1924.1	2215.6	2460.9	2536.4	3218.9	2309.6	2665.0	3242.3	3375.0	3238.5	*3200*	*3050*	Revenues ($mill)	*3750*
109.6	120.3	109.9	93.6	92.2	84.9	115.4	140.1	164.9	163.4	*170*	*175*	Net Profit ($mill)	*235*
45.8%	36.4%	36.5%	35.4%	34.7%	34.1%	37.0%	35.1%	35.9%	34.0%	*33.0%*	*33.0%*	Income Tax Rate	*31.5%*
7.6%	5.9%	8.4%	8.3%	14.2%	20.6%	7.4%	6.0%	6.9%	4.8%	*17.0%*	*16.0%*	AFUDC % to Net Profit	*17.0%*
47.6%	45.2%	49.9%	47.6%	46.0%	48.0%	44.5%	44.9%	45.7%	44.0%	*45.0%*	*46.5%*	Long-Term Debt Ratio	*50.0%*
51.0%	53.3%	48.6%	51.0%	52.7%	50.7%	54.3%	53.9%	53.1%	55.0%	*54.0%*	*52.5%*	Common Equity Ratio	*49.0%*
2375.1	2283.9	2252.7	2501.8	2635.2	2840.8	2732.9	2841.3	3001.0	3142.9	*3355*	*3630*	Total Capital ($mill)	*4625*
2422.3	2542.8	2647.5	2743.4	2907.4	3088.6	3165.9	3334.5	3594.8	3858.9	*4045*	*4220*	Net Plant ($mill)	*4950*
6.0%	6.8%	6.4%	5.2%	4.7%	4.3%	5.6%	6.2%	6.7%	6.4%	*6.0%*	*6.0%*	Return on Total Cap'l	*6.0%*
8.8%	9.6%	9.7%	7.1%	6.5%	5.8%	7.6%	8.9%	10.1%	9.3%	*9.0%*	*9.0%*	Return on Shr. Equity	*10.0%*
8.9%	9.7%	9.9%	7.2%	6.5%	5.8%	7.7%	9.0%	10.2%	9.4%	*9.5%*	*9.0%*	Return on Com Equity E	*10.0%*
1.1%	1.5%	.7%	.8%	.5%	NMF	1.4%	2.1%	4.2%	3.7%	*2.5%*	*2.0%*	Retained to Com Eq	*4.0%*
87%	85%	93%	89%	93%	116%	82%	78%	59%	61%	*75%*	*75%*	All Div'ds to Net Prof F	*62%*

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	-.5	-3.5	-1.5
Avg. Indust. Use (MWH)	6284	6119	6112
Avg. Indust. Revs. per KWH (¢)	27.89	30.35	29.31
Capacity at Yearend (Mw)	2327	2332	2354
Peak Load, Winter (Mw)	1530	1535	1535
Annual Load Factor (%)	74.8	72.1	71.0
% Change Customers (yr-end)	+.3	+.5	+.8
Fixed Charge Cov. (%)	337	396	398

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	3.5%	1.0%	*Nil*
"Cash Flow"	-.5%	1.5%	*3.5%*
Earnings	- -	6.0%	*4.0%*
Dividends	- -	- -	*1.0%*
Book Value	1.5%	2.5%	*4.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	710.6	794.3	886.4	851.0	3242.3
2012	814.9	854.3	867.7	838.1	3375.0
2013	784.1	796.7	831.2	826.5	3238.5
2014	783.7	798.7	867.1	*750.5*	*3200*
2015	*750*	*750*	*800*	*750*	*3050*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.30	.28	.50	.36	1.44
2012	.40	.40	.49	.38	1.67
2013	.34	.41	.48	.39	1.62
2014	.45	.41	.46	*.33*	*1.65*
2015	*.39*	*.44*	*.46*	*.36*	*1.65*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.31	.31	.31	.31	1.24
2012	.31	.31	.31	.31	1.24
2013	.31	.31	.31	.31	1.24
2014	.31	.31	.31	.31	1.24
2015					

BUSINESS: Hawaiian Electric Industries, Inc. is the parent company of Hawaiian Electric Company, Inc. (HECO) & American Savings Bank (ASB). HECO & its subs., Maui Electric Co. (MECO) & Hawaii Electric Light Co. (HELCO), supply electricity to 452,000 customers on O'ahu, Maui, Molokai, Lanai, & Hawaii. Operating companies' systems are not interconnected. Disc. int'l power sub. in '01. Elec. rev. breakdown: res'l, 30%; comm'l, 35%; large light & power, 34%; other, 1%. Generating sources: oil, 56%; purchased, 44%. Fuel costs: 60% of revs. '13 reported depr. rate (util.): 3.1%. Has 4,000 empls. Chairman: Jeffrey N. Watanabe. Pres. & CEO: Constance H. Lau. Inc.: HI. Address: 1001 Bishop St., Suite 2900, Honolulu, HI 96808-0730. Tel.: 808-543-5662. Internet: www.hei.com.

Hawaiian Electric Industries has agreed to be acquired by NextEra Energy. NextEra is buying HEI's three utility subsidiaries. For each of their shares, HEI stockholders would receive 0.2413 of a share of NextEra stock (valued at $26.28); a $0.50-a-share special dividend; and a share of American Savings Bank. ASB would be spun off into a publicly traded company, subject to completion of the utility takeover. HEI estimates that the value of ASB stock would be $8.00 a share. All told, the compensation to HEI stockholders would amount to $34.78 a share. NextEra would also assume a tax liability estimated at $1.60 a share stemming from the ASB spinoff. All of the compensation except the special dividend would be tax-free to HEI stockholders, who will vote on the deal. The transaction also requires the approval of the Hawaii Public Utilities Commission (PUC) and the Federal Energy Regulatory Commission. The companies expect the deal to close by late 2015.

What should HEI stockholders do? This depends on tax considerations. With the price of HEI stock just 2% below the value of NextEra's generous offer, there is little upside potential unless the price of NextEra stock continues to rise. However, selling the stock would create a capital gain. The Timeliness rank of HEI stock is suspended due to the takeover agreement.

The transformation of utilities in Hawaii is ongoing. Last year, the PUC directed the company to put forth a proposal to increase the use of renewable energy and address the problem of high oil prices. Although oil prices have come down considerably since then (and customers had seen their bills decline by 20% by the end of 2014), the state still wants to reduce its dependence on foreign sources of energy. The rates customers are paying for their power are still well above the national average, even with lower oil prices. Meanwhile, the company wants to increase the monthly fixed charge for residential ratepayers. As more customers have placed solar panels on their buildings, nonsolar customers are subsidizing solar users.

We have trimmed our 2015 earnings estimate by $0.05 a share. HEI will likely incur some merger-related costs stemming from the deal with NextEra.

Paul E. Debbas, CFA *January 30, 2015*

(A) Dil. EPS. Excl. gains (losses) from disc. ops.: '00, (56¢); '01, (36¢); '03, (5¢); '04, 2¢; '05, (1¢); nonrec. gain (losses): '05, 11¢; '07, (9¢); '12, (25¢). Next earnings report due mid-Feb. **(B)** Div'ds historically paid in early Mar., June, Sept., & Dec. ■ Div'd reinvest. plan avail. **(C)** Incl. intang. In '13: $5.81/sh. **(D)** In mill., adj. for split. **(E)** Rate base: Orig. cost. Rate allowed on com. eq. in '11: HECO, 10%; in '12: HELCO, 10%; in '13: MECO, 9%; earned on avg. com. eq., '13: 9.7%. Regul. Climate: Avg. **(F)** Excl. div'ds paid through reinvest. plan.

Company's Financial Strength	A
Stock's Price Stability	90
Price Growth Persistence	35
Earnings Predictability	75

IDACORP, INC. NYSE-IDA

RECENT PRICE	68.20	P/E RATIO	18.6 (Trailing: 18.3 / Median: 14.0)	RELATIVE P/E RATIO	1.01	DIV'D YLD	2.8%	VALUE LINE

TIMELINESS	3 Lowered 12/12/14
SAFETY	2 Raised 8/2/13
TECHNICAL	3 Raised 1/2/15
BETA .80 (1.00 = Market)	

2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(5%)	3%
Low	50	(-25%)	-4%

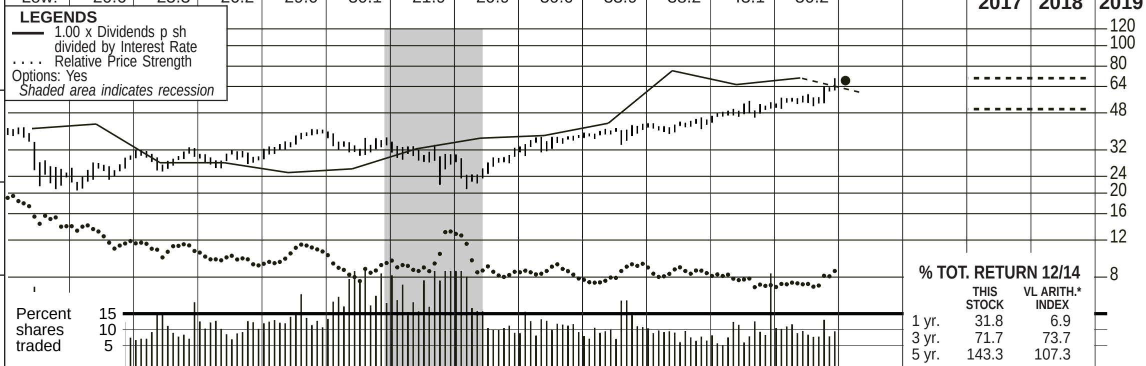
Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	1	0	0	0	0
Options	2	0	0	0	0	0	0	0	0
to Sell	2	3	0	2	2	0	4	1	1

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	92	86	70
to Sell	84	106	106
Hld's(000)	37877	36553	36655

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
High:	30.2	32.9	32.1	40.2	39.2	35.1	32.8	37.8	42.7	45.7	54.7	70.1
Low:	20.6	25.3	26.2	29.0	30.1	21.9	20.9	30.0	33.9	38.2	43.1	50.2



Target Price Range 2017 | 2018 | 2019

% TOT. RETURN 12/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	31.8	6.9
3 yr.	71.7	73.7
5 yr.	143.3	107.3

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	21.55	24.81	*24.50*	*25.10*	Revenues per sh	*27.10*
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	5.84	6.21	*6.25*	*6.40*	"Cash Flow" per sh	*6.90*
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	3.37	3.64	*3.75*	*3.60*	Earnings per sh A	*3.75*
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	1.37	1.57	1.76	*1.90*	Div'd Decl'd per sh B†■	*2.20*
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	4.78	4.68	*5.70*	*6.45*	Cap'l Spending per sh	*12.95*
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	35.07	36.84	*38.60*	*40.30*	Book Value per sh C	*44.90*
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	50.16	50.23	*50.20*	*50.20*	Common Shs Outst'g D	*50.20*
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	12.4	13.4	*15.1*		Avg Ann'l P/E Ratio	*16.0*
.75	.72	.71	.58	1.03	1.51	.82	.89	.82	.97	.84	.68	.75	.72	.79	.75	*.79*		Relative P/E Ratio	*1.00*
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%	3.3%	3.2%	3.1%		Avg Ann'l Div'd Yield	*3.6%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $1615.4 mill. **Due in 5 Yrs** $124.3 mill.
LT Debt $1614.3 mill. **LT Interest** $81.5 mill.
(LT interest earned: 6.3x)

Pension Assets-12/13 $545.1 mill. **Oblig.** $695.1 mill.

Pfd Stock None

Common Stock 50,268,748 shs. **as of 10/24/14**

MARKET CAP: $3.4 billion (Mid Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
844.5	859.5	926.3	879.4	960.4	1049.8	1036.0	1026.8	1080.7	1246.2	*1250*	*1260*	Revenues ($mill)	*1360*
77.8	63.7	100.1	82.3	98.4	124.4	142.5	166.9	168.9	182.4	*180*	*180*	Net Profit ($mill)	*190*
- -	16.9%	13.3%	14.3%	16.3%	15.2%	- -	- -	13.4%	28.3%	*24.0%*	*25.0%*	Income Tax Rate	*30.0%*
3.9%	4.7%	4.0%	9.7%	10.2%	10.5%	19.7%	22.8%	7.1%	4.2%	*7.5%*	*8.0%*	AFUDC % to Net Profit	*9.5%*
49.3%	50.0%	45.2%	48.9%	47.6%	50.2%	49.3%	45.6%	45.5%	46.6%	*48.0%*	*48.0%*	Long-Term Debt Ratio	*48.5%*
50.7%	50.0%	54.8%	51.1%	52.4%	49.8%	50.7%	54.4%	54.5%	53.4%	*52.0%*	*52.0%*	Common Equity Ratio	*51.5%*
1987.8	2048.8	2052.8	2364.2	2485.9	2807.1	3020.4	3045.2	3225.4	3465.9	*3715*	*3890*	Total Capital ($mill)	*4415*
2209.5	2314.3	2419.1	2616.6	2758.2	2917.0	3161.4	3406.6	3536.0	3665.0	*3900*	*4095*	Net Plant ($mill)	*4740*
5.3%	4.5%	6.2%	4.7%	5.3%	5.7%	6.0%	6.7%	6.5%	6.4%	*6.0%*	*5.5%*	Return on Total Cap'l	*5.0%*
7.7%	6.2%	8.9%	6.8%	7.6%	8.9%	9.3%	10.1%	9.6%	9.9%	*9.0%*	*9.0%*	Return on Shr. Equity	*8.5%*
7.2%	6.2%	8.9%	6.8%	7.6%	8.9%	9.3%	10.1%	9.6%	9.9%	*9.0%*	*9.0%*	Return on Com Equity E	*8.5%*
2.7%	1.3%	4.3%	2.4%	3.4%	4.8%	5.5%	6.5%	5.7%	5.6%	*4.5%*	*4.0%*	Retained to Com Eq	*3.5%*
65%	80%	51%	64%	55%	46%	41%	36%	41%	43%	*51%*	*53%*	All Div'ds to Net Prof	*58%*

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+1.6	+2.6	+3.8
Avg. Indust. Use (MWH)	N/A	N/A	N/A
Avg. Indust. Revs. per KWH (¢)	4.54	4.63	5.21
Capacity at Peak (Mw)	N/A	N/A	N/A
Peak Load, Summer (Mw)	2973	3245	3407
Annual Load Factor (%)	N/A	N/A	N/A
% Change Customers (yr-end)	+.7	+1.1	+1.5
Fixed Charge Cov. (%)	194	283	329

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	-10.0%	2.0%	*3.5%*
"Cash Flow"	3.0%	6.5%	*2.5%*
Earnings	5.5%	10.0%	*1.5%*
Dividends	-2.5%	3.0%	*8.0%*
Book Value	4.5%	5.5%	*4.0%*

Cal-endar	QUARTERLY REVENUES($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	251.5	235.0	309.6	230.7	1026.8
2012	241.1	254.7	334.0	250.9	1080.7
2013	264.9	303.9	381.1	296.3	1246.2
2014	292.7	317.7	382.2	*257.4*	*1250*
2015	*290*	*305*	*385*	*280*	*1260*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.60	.42	2.16	.18	3.36
2012	.50	.71	1.84	.33	3.37
2013	.70	.93	1.46	.55	3.64
2014	.55	.89	1.73	*.58*	*3.75*
2015	*.60*	*.75*	*1.85*	*.40*	*3.60*

Cal-endar	QUARTERLY DIVIDENDS PAID B†■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.30	.30	.30	.30	1.20
2012	.33	.33	.33	.38	1.37
2013	.38	.38	.38	.43	1.57
2014	.43	.43	.43	.47	1.76
2015					

BUSINESS: IDACORP, Inc. is the holding company for Idaho Power, a utility that operates 17 hydroelectric generation developments, 3 natural gas-fired plants, and partly owns three coal plants across Idaho, Oregon, Wyoming, and Nevada. Service territory covers 24,000 square miles, serving 501,000 business customers. Sells electricity in Idaho (95% of revenues) and Oregon (5%). Revenue breakdown: residential, 40%; commercial, 22%; industrial, 14%; other, 24%. Fuel sources: hydro, 45%; thermal, 34%; purchased power, 21%. '13 depr rate: 2.4%. Has 2,067 employees. Chairman: Robert A. Tinstman. President & CEO: Darrel T. Anderson. Incorp: Idaho. Address: 1221 W. Idaho St., Boise, ID 83702. Telephone: 208-388-2200. Internet: www.idacorpinc.com.

We are raising our 2014 share-net estimate for IDACORP. Third-quarter results were above our expectations. Better than expected results were due to slightly improved weather in the September period. Customer growth has also aided sales volume, as it has helped to offset lower usage among the company's residential and irrigation customer categories. However, earnings in the September period were primarily impacted by lower income tax expense. This was due to a tax method change related to Idaho Power's capitalized repairs reduction. IDACORP recently raised its guidance for 2014 to reflect the lower tax expense. The company expects 2014 earnings to be in the range of $3.70 to $3.80 per share, higher than the previous guidance of $3.50 to $3.65 per share. In accordance, we have raised our 2014 estimate to $3.75 per share. Looking ahead, the method change is expected to result in a small amount of continued benefit, depending on the nature of annual capital additions at Idaho Power. IDACORP expects more clarity on this in the next quarter.

Idaho Power is currently working on its 2015 Integrated Resource Plan. The plan is expected to indicate a modest increase in the average and peak load growth from the company's earlier IRP in 2013. The completed Integrated Resource Plan is expected to be filed with the Idaho Public Utility Commission by June 2015.

A dividend hike is likely in 2015. The company's dividend policy seeks to maintain a payout ratio between 50% and 60%. The board of directors recently increased the dividend payout in September, 2014 by 9.3%. The dividend should continue to see an improvement until IDACORP reaches the upper end of the payout range.

These shares do not stand out at this juncture. Based on the stock's current Timeliness rank, it is expected to be an average performer over the next six to 12 months. However, appreciation potential over the next 3- to 5-year period is limited, as the stock price is already at the top of our three- to five-year Target Price Range. Additionally, although further dividend increases are likely, the company's current dividend yield is presently below the average yield of 3.3% for electric utilities.

Saumya Ajila *January 30, 2015*

(A) EPS diluted. Excl. nonrecurring gains (loss): '00, 22¢; '03, 26¢; '05, (24¢); '06, 17¢. Egs. may not sum to total due to rounding. Next earnings report due in late February. (B) Div'ds historically paid in late Feb., May, Aug., and late Nov. ■ Div'd reinvestment plan avail. † Shareholder investment plan avail. (C) Incl. deferred debits. In '13: $21.06/sh. (D) In mill. (E) Rate Base: Net original cost. Rate allowed on com. eq. in Idaho in '11: 9.5%-10.5%; earned on avg. system com. eq., '13: 9.6%. Regulatory Climate: Above Average.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	80
Earnings Predictability	90

GREAT PLAINS EN'GY NYSE-GXP

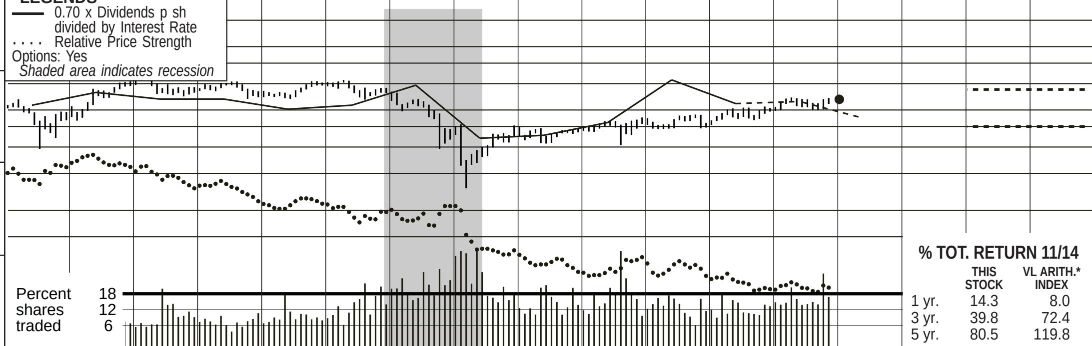
RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD	
26.95	17.1 (Trailing: 17.4 / Median: 15.0)	0.92	3.7%	VALUE LINE

TIMELINESS 3 Lowered 9/19/14
SAFETY 3 Lowered 12/26/08
TECHNICAL 3 Raised 12/19/14
BETA .85 (1.00 = Market)

High:	32.8	35.7	32.8	32.8	33.4	29.3	20.5	19.9	22.1	22.8	24.9	27.5
Low:	21.4	27.9	27.1	27.1	26.9	15.6	10.2	16.6	16.3	19.5	20.4	23.8

Target Price Range
2017 | 2018 | 2019

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



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	30	(+10%)	6%
Low	20	(-25%)	-2%

Insider Decisions

	J	F	M	A	M	J	J	A	S
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	7	0	0	0	0	0	0

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	111	125	124
to Sell	129	117	122
Hld's(000)	116846	118540	117299

% TOT. RETURN 11/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	14.3	8.0
3 yr.	39.8	72.4
5 yr.	80.5	119.8

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	15.05	15.90	*16.85*	*17.40*	Revenues per sh	*19.50*
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	4.01	*4.10*	*4.35*	"Cash Flow" per sh	*5.50*
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	1.62	*1.55*	*1.60*	Earnings per sh A	*2.00*
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	*.94*	*1.00*	Div'd Decl'd per sh B ■	*1.20*
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	4.01	4.42	*4.95*	*4.50*	Cap'l Spending per sh	*3.75*
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	21.75	22.58	*23.15*	*23.70*	Book Value per sh C	*25.75*
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	153.53	153.87	*154.50*	*155.00*	Common Shs Outst'g D	*156.50*
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	15.5	14.2	*Bold figures are*		Avg Ann'l P/E Ratio	*13.0*
.82	1.14	.81	.81	.61	.70	.67	.75	.99	.87	1.23	1.07	.77	1.01	.99	.80	*Value Line*		Relative P/E Ratio	*.80*
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%	3.8%	*estimates*		Avg Ann'l Div'd Yield	*4.7%*

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
2464.0	2604.9	2675.3	3267.1	1670.1	1965.0	2255.5	2318.0	2309.9	2446.3	*2600*	*2700*	Revenues ($mill)	*3050*
178.8	164.2	127.6	159.2	119.5	135.6	211.7	174.4	199.9	250.2	*240*	*250*	Net Profit ($mill)	*305*
24.1%	18.7%	27.0%	30.7%	34.5%	25.0%	31.7%	32.7%	34.3%	34.0%	*33.0%*	*34.0%*	Income Tax Rate	*35.0%*
2.0%	2.1%	8.4%	10.6%	46.8%	57.0%	25.7%	3.9%	3.3%	10.4%	*12.0%*	*10.0%*	AFUDC % to Net Profit	*2.0%*
44.8%	47.5%	30.6%	40.7%	49.7%	53.2%	50.2%	47.8%	44.9%	50.0%	*49.0%*	*48.5%*	Long-Term Debt Ratio	*43.5%*
53.4%	50.9%	67.5%	57.9%	49.6%	46.2%	49.2%	51.6%	54.4%	49.4%	*50.5%*	*51.0%*	Common Equity Ratio	*56.0%*
2137.1	2403.3	1988.4	2709.8	5146.2	6044.5	5867.6	5741.2	6135.8	7029.1	*7115*	*7215*	Total Capital ($mill)	*7250*
2734.5	2765.6	3066.2	3444.5	6081.3	6651.1	6892.3	7053.5	7402.1	7746.4	*8120*	*8390*	Net Plant ($mill)	*8650*
10.1%	8.2%	7.9%	7.5%	3.5%	3.9%	5.3%	5.0%	5.0%	5.0%	*4.5%*	*4.5%*	Return on Total Cap'l	*5.5%*
15.1%	13.0%	9.2%	9.9%	4.6%	4.8%	7.2%	5.8%	5.9%	7.1%	*6.5%*	*7.0%*	Return on Shr. Equity	*7.5%*
15.5%	13.3%	9.4%	10.1%	4.6%	4.8%	7.3%	5.8%	5.9%	7.2%	*6.5%*	*7.0%*	Return on Com Equity E	*7.5%*
5.1%	3.2%	NMF	.9%	NMF	.9%	3.4%	2.0%	2.2%	3.2%	*2.5%*	*2.5%*	Retained to Com Eq	*3.0%*
68%	76%	104%	91%	NMF	81%	54%	66%	63%	55%	*60%*	*62%*	All Div'ds to Net Prof	*62%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $3899.2 mill. **Due in 5 Yrs** $1339.1 mill.
LT Debt $3488.1 mill. **LT Interest** $180.3 mill.
(LT interest earned: 2.9x)

Leases, Uncapitalized Annual rentals $15.3 mill.
Pension Assets-12/13 $703.0 mill.
Oblig. $1007.4 mill.
Pfd Stock $39.0 mill. **Pfd Div'd** $1.6 mill.
390,000 shs. 3.80% to 4.50% (all $100 par & cum.), callable from $101 to $103.70.
Common Stock 154,124,361 shs.
as of 11/3/14
MARKET CAP: $4.2 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	-1.7	-1.8	+.2
Avg. Indust. Use (MWH)	1463	1443	1424
Avg. Indust. Revs. per KWH (¢)	6.11	6.23	6.80
Capacity at Peak (Mw)	6697	6719	NA
Peak Load, Summer (Mw)	5690	5653	NA
Annual Load Factor (%)	50.5	49.6	NA
% Change Customers (avg.)	- -	+.2	+.7
Fixed Charge Cov. (%)	211	235	267

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	-5.0%	-11.0%	*3.5%*
"Cash Flow"	-2.5%	-.5%	*7.0%*
Earnings	-3.5%	-2.0%	*6.0%*
Dividends	-6.5%	-12.5%	*5.5%*
Book Value	5.0%	3.5%	*2.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	492.9	565.1	773.7	486.3	2318.0
2012	479.7	603.6	746.2	480.4	2309.9
2013	542.2	600.3	765.0	538.8	2446.3
2014	585.1	648.4	782.5	*584*	*2600*
2015	*600*	*650*	*850*	*600*	*2700*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.01	.31	.91	.01	1.25
2012	d.07	.41	.95	.03	1.35
2013	.17	.41	.93	.11	1.62
2014	.15	.34	.95	*.11*	*1.55*
2015	*.17*	*.35*	*.96*	*.12*	*1.60*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.2075	.2075	.2075	.2075	.83
2011	.2075	.2075	.2075	.2125	.84
2012	.2125	.2125	.2125	.2175	.86
2013	.2175	.2175	.2175	.23	.88
2014	.23	.23	.23	.245	

BUSINESS: Great Plains Energy Incorporated is a holding company for Kansas City Power & Light and two other subsidiaries, which supply electricity to 831,000 customers in western Missouri (71% of revenues) and eastern Kansas (29%). Acq'd Aquila 7/08. Sold Strategic Energy (energy-marketing subsidiary) in '08. Electric revenue breakdown: residential, 42%; commercial, 40%; industrial, 9%; other, 9%. Generating sources: coal, 75%; nuclear, 11%; wind, 1%; gas & oil, 1%; purchased, 12%. Fuel costs: 27% of revs. '13 reported deprec. rate (utility): 3.0%. Has 3,000 employees. Chairman: Michael J. Chesser. President & CEO: Terry Bassham. Inc.: Missouri. Address: 1200 Main St., Kansas City, Missouri 64105. Tel.: 816-556-2200. Internet: www.greatplainsenergy.com.

One of Great Plains Energy's utility subsidiaries has filed a general rate case. Kansas City Power & Light asked the Missouri regulators for a tariff hike of $120.9 million (15.8%), based on a return of 10.3% on a common-equity ratio of 50.36%. The utility is seeking to place environmental and nuclear upgrades in the rate base and recover higher expenses for property taxes and electric transmission. KCP&L also wants the commission to institute a fuel adjustment clause that would include transmission costs, and is requesting other regulatory mechanisms that would track things such as property taxes. (KCP&L already has a property-tax rider in Kansas.) This would reduce regulatory lag, which has been a big problem for the company for several years and has resulted in low returns on equity. New rates are expected to go into effect in late September of 2015. KCP&L will file a rate case in Kansas in early January, with new tariffs taking effect in October. Part of the aforementioned environmental upgrade is already included in the rate base, so this requested increase won't be as large as the one in Missouri.

Earnings probably won't make much progress until 2016. That will be the first full year after KCP&L's rate increases. Until the fourth quarter of 2015, the utility will continue to be affected by regulatory lag. We have trimmed our 2014 and 2015 earnings estimates by a nickel a share each year. Our revised 2014 estimate of $1.55 a share is within the company's targeted range of $1.52-$1.62.

The board of directors raised the dividend this quarter. The quarterly disbursement was boosted by $0.015 a share (6.5%), slightly more than we had estimated. This was a bit above Great Plains' targeted dividend growth rate of 4%-6%. The company wants to maintain a payout ratio of 55%-70% through 2016, and 60%-70% thereafter. Note that the company's cash flow benefits from tax-loss carryforwards.

The dividend yield, following the increase, is somewhat above the utility mean. Like most electric company stocks, the recent price is within our 2017-2019 Target Price Range, so 3- to 5-year total return potential is unimpressive.

Paul E. Debbas, CFA *December 19, 2014*

(A) Dil. EPS. Excl. nonrec. gains (losses): '00, 49¢; '01, ($2.01); '02, (5¢); '03, 29¢; '04, (7¢); '09, 12¢; gain (losses) on disc. ops.: '03, (13¢); '04, 10¢; '05, (3¢); '08, 35¢. '11-'12 EPS don't add due to change in shs. or rounding. Next earnings report due early Feb. (B) Div'ds historically paid in mid-Mar., June, Sept. & Dec. ■ Div'd reinvest. plan avail. (C) Incl. intang. In '13: $6.62/sh. (D) In mill. (E) Rate base: Fair value. Rate all'd on com. eq. in MO in '13: 9.7%; in KS in '13: 9.5%; earned on avg. com. eq., '13: 7.3%. Regulatory Climate: Average.

Company's Financial Strength	B+
Stock's Price Stability	95
Price Growth Persistence	5
Earnings Predictability	70

MGE ENERGY INC. NDQ-MGEE

RECENT PRICE	46.25	P/E RATIO	20.2 (Trailing: 20.2; Median: 16.0)	RELATIVE P/E RATIO	1.09	DIV'D YLD	2.4%	VALUE LINE

TIMELINESS 4 Lowered 12/5/14

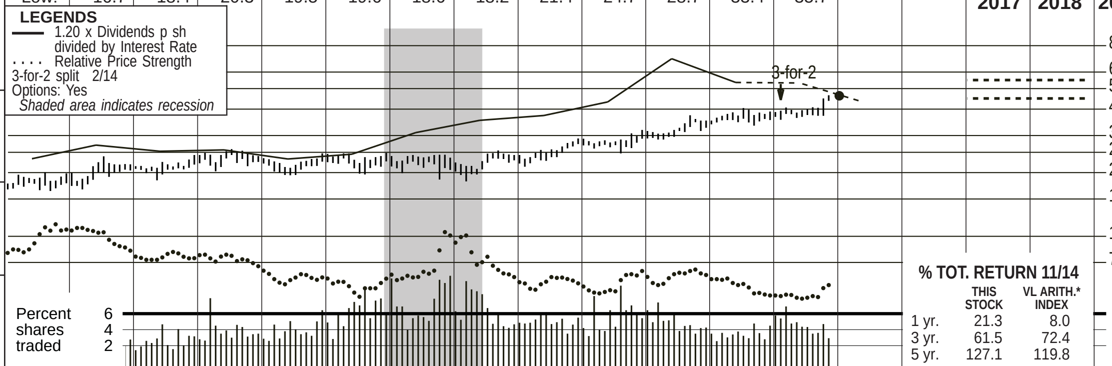
SAFETY 1 New 1/3/03

TECHNICAL 4 Lowered 12/19/14

BETA .70 (1.00 = Market)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
High:	23.9	24.3	25.8	24.7	24.8	24.3	25.5	29.1	31.9	37.4	40.5	46.5
Low:	16.7	18.4	20.3	19.5	19.6	18.6	18.2	21.4	24.7	28.7	33.4	35.7

Target Price Range 2017 | 2018 | 2019



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+20%)	7%
Low	45	(-5%)	2%

Insider Decisions

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

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	66	55	43
to Sell	49	53	62
Hld's(000)	11510	11517	11389

% TOT. RETURN 11/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	21.3	8.0
3 yr.	61.5	72.4
5 yr.	127.1	119.8

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
10.35	11.30	13.00	13.03	13.17	14.59	13.89	16.73	16.13	16.33	17.35	15.40	15.36	15.76	15.61	17.04	*17.85*	*18.55*	Revenues per sh	*21.55*
2.39	2.54	2.59	2.52	2.22	1.96	1.92	2.00	2.34	2.46	2.68	2.66	2.76	2.94	2.98	3.28	*3.45*	*3.70*	"Cash Flow" per sh	*4.85*
.92	.99	1.11	1.08	1.13	1.14	1.18	1.05	1.37	1.51	1.59	1.47	1.67	1.76	1.86	2.16	*2.25*	*2.40*	Earnings per sh A	*3.20*
.86	.87	.88	.89	.89	.90	.91	.92	.93	.94	.96	.97	.99	1.01	1.04	1.07	*1.11*	*1.15*	Div'd Decl'd per sh B ■	*1.30*
1.28	2.11	2.96	1.65	2.97	3.02	3.13	2.80	2.94	4.14	3.08	2.35	1.76	1.88	2.84	3.43	*2.55*	*3.15*	Cap'l Spending per sh	*4.70*
7.56	7.66	8.04	8.45	8.62	9.56	11.06	11.21	11.93	12.99	13.92	14.47	15.14	15.89	16.71	17.81	*18.85*	*20.00*	Book Value per sh E	*23.60*
24.12	24.24	24.93	25.61	26.36	27.52	30.59	30.68	31.46	32.93	34.36	34.67	34.67	34.67	34.67	34.67	*35.00*	*35.00*	Common Shs Outst'g C	*36.00*
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	17.2	17.0	*Bold figures are*		Avg Ann'l P/E Ratio	*15.0*
.84	.80	.76	.76	.87	1.00	.95	1.19	.86	.80	.85	1.01	.95	.99	1.09	.96	*Value Line*		Relative P/E Ratio	*.95*
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%	3.2%	2.9%	*estimates*		Avg Ann'l Div'd Yield	*2.7%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $400.5 mill. **Due in 5 Yrs** $71.5 mill.
LT Debt $396.3 mill. **LT Interest** $19.0 mill.
(LT interest earned: 7.5x)

Leases, Uncapitalized Annual rentals $1.7 mill.
Pension Assets-12/13 $277.4 mill.
Obligation $284.0 mill.
Pfd Stock None

Common Stock 34,668,370 shs.
as of 10/31/14
MARKET CAP: $1.6 billion (Mid Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
424.9	513.4	507.5	537.6	596.0	533.8	532.6	546.4	541.3	590.9	*625*	*650*	Revenues ($mill)	*775*
33.8	32.1	42.4	48.8	52.8	51.0	57.7	60.9	64.4	74.9	*80.0*	*85.0*	Net Profit ($mill)	*115*
37.9%	38.2%	37.9%	36.3%	35.5%	35.6%	36.9%	37.1%	37.7%	37.5%	*36.0%*	*35.0%*	Income Tax Rate	*35.0%*
--	--	--	--	--	--	--	--	2.2%	2.0%	*2.0%*	*2.0%*	AFUDC % to Net Profit	*2.0%*
37.4%	39.3%	38.7%	35.2%	36.3%	39.0%	38.9%	39.6%	38.2%	39.3%	*39.0%*	*38.5%*	Long-Term Debt Ratio	*36.5%*
62.6%	60.7%	61.3%	64.8%	63.7%	61.0%	61.1%	60.4%	61.8%	60.7%	*61.0%*	*61.5%*	Common Equity Ratio	*63.5%*
540.5	566.2	612.6	660.1	750.6	822.7	859.4	911.9	937.9	1016.9	*1080*	*1140*	Total Capital ($mill)	*1335*
607.4	667.7	728.4	844.0	901.2	939.8	968.0	995.6	1073.5	1160.2	*1215*	*1275*	Net Plant ($mill)	*1600*
7.1%	6.6%	7.8%	8.1%	7.7%	6.9%	7.6%	7.8%	7.9%	8.3%	*8.5%*	*8.5%*	Return on Total Cap'l	*9.5%*
10.0%	9.3%	11.3%	11.4%	11.0%	10.2%	11.0%	11.1%	11.1%	12.1%	*12.0%*	*12.0%*	Return on Shr. Equity	*13.5%*
10.0%	9.3%	11.3%	11.4%	11.0%	10.2%	11.0%	11.1%	11.1%	12.1%	*12.0%*	*12.0%*	Return on Com Equity D	*13.5%*
2.3%	1.2%	3.7%	4.3%	4.4%	3.4%	4.4%	4.7%	4.9%	6.1%	*6.0%*	*6.5%*	Retained to Com Eq	*8.0%*
77%	87%	67%	62%	60%	66%	60%	57%	56%	50%	*49%*	*47%*	All Div'ds to Net Prof	*41%*

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+0.8	-0.3	-0.8
Avg. Indust. Use (MWH)	2632	2472	2502
Avg. Indust. Revs. per KWH (¢)	7.38	7.86	7.94
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	770	766	783
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	NA	NA	NA
Fixed Charge Cov. (%)	535	579	676

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	1.5%	-.5%	*5.0%*
"Cash Flow"	3.0%	4.0%	*8.0%*
Earnings	5.5%	5.5%	*9.0%*
Dividends	1.5%	2.0%	*4.0%*
Book Value	6.5%	5.5%	*6.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	164.6	117.3	133.6	130.9	546.4
2012	149.3	117.2	137.8	137.0	541.3
2013	167.2	128.3	140.1	155.3	590.9
2014	210.2	128.8	135.1	*150.9*	*625*
2015	*215*	*135*	*145*	*155*	*650*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.51	.37	.61	.27	1.76
2012	.46	.41	.68	.31	1.86
2013	.65	.40	.70	.41	2.16
2014	.80	.41	.67	*.37*	*2.25*
2015	*.80*	*.45*	*.72*	*.43*	*2.40*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.2456	.2456	.2501	.2501	.99
2011	.2501	.2501	.2551	.2551	1.01
2012	.2551	.2551	.2634	.2634	1.04
2013	.2634	.2634	.2717	.2717	1.07
2014	.2717	.2717	.2825	.2825	

BUSINESS: MGE Energy Inc. is a holding company for Madison Gas and Electric, which provides electric service to approximately 141,000 customers in a 316-square-mile area of Dane County and gas service to 147,000 customers in 1,639 square miles in seven counties in Wisconsin. Electric revenue breakdown, '13: residential, 33%; commercial, 52%; industrial, 5%; public authorities and other, 10%. Generating sources, '13: coal, 54%; purchased power, 37%; natural gas and other, 9%. Fuel costs: 21% of revenues. '13 reported depreciation rate: 3.3%. Has 695 employees. Chairman, President & CEO: Gary J. Wolter. Incorporated: Wisconsin. Address: 133 South Blair St., Madison, WI 53788. Telephone: 608-252-7000. Internet: www.mgeenergy.com.

Shares of MGE Energy have traded higher in recent months. This occurred despite lackluster results in the recent interim. Revenues and share earnings declined modestly for the third quarter, due to cooler-than-normal temperatures. A moderate decrease in electric utility revenues was partly offset by solid growth in gas utility revenues. Operating costs declined somewhat, as well, but so did other income. We look for unimpressive performance for the December quarter, as well. Still, revenues and share earnings will probably advance at a nice pace for full-year 2014, given the strong performance achieved in the first quarter.

We expect a rate case decision shortly. Madison Gas and Electric originally filed an application with the Public Service Commission of Wisconsin in April, requesting a 2.8% increase to electric rates and a 2.3% decrease to gas rates. The company cited costs associated with the construction of emission-reduction equipment and improvements to the state's electric transmission system as reasons for the proposed electric rate increase. Since then, updates have been made to reflect greater fuel and purchased power costs, lower transmission expense, and higher pension and post-retirement costs. Including the revisions would adjust the electric rate increase requested to 4.3%, and the gas rate decrease sought to 1.4%.

We expect a measure of improvement in 2015. The company's utility operations will probably further gain from favorable demographics. A healthy local economy ought to drive population growth and demand for power in and around Madison, Wisconsin. Efforts to control operating expenses should support the bottom line.

Conservative accounts may find something to like here. The company has established a track record of stable operating results. Low exposure to economically sensitive industrial customers affords it greater earnings stability. Also, leverage appears quite manageable. Thus, MGE earns high marks for Safety, Financial Strength, Price Stability, and Earnings Predictability. But the dividend yield does not stand out for a utility, and total return potential is nothing to write home about. Moreover, the stock is untimely.

Michael Napoli, CFA *December 19, 2014*

(A) Diluted earnings. Next earnings report due late February/early March. (B) Dividends historically paid in mid-March, June, September, and December. ■ Dvd. reinvestment plan available. (C) In millions, adjusted for split.. (D) Rate allowed on common equity in '13: 10.3%; earned on common equity, '13: 12.1%. Regulatory Climate: Above Average. (E) Includes regulatory assets. In 2013: $113.5 mill., $3.27 per share.

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

NV ENERGY, INC. NYSE-NVE

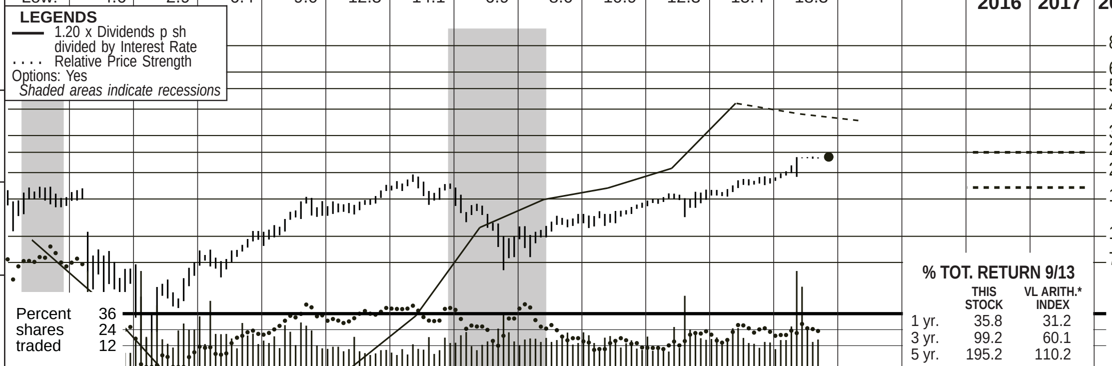
RECENT PRICE	23.74	P/E RATIO	18.1 (Trailing: 17.3 / Median: 17.0)	RELATIVE P/E RATIO	0.97	DIV'D YLD	3.4%	VALUE LINE

TIMELINESS – Suspended 6/7/13
SAFETY 3 Raised 2/10/06
TECHNICAL – Suspended 6/7/13
BETA .85 (1.00 = Market)

High:	16.8	7.5	10.6	15.4	17.5	19.6	17.0	12.8	14.4	16.6	19.2	23.8
Low:	4.6	2.9	6.4	9.0	12.5	14.1	6.9	8.0	10.9	12.3	15.4	18.3

Target Price Range 2016 | 2017 | 2018

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



2016-18 PROJECTIONS

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

Insider Decisions

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

Institutional Decisions

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

Percent shares traded 36 24 12

% TOT. RETURN 9/13

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

1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	© VALUE LINE PUB. LLC	16-18
15.86	17.04	16.69	29.75	44.94	29.28	23.79	24.04	15.09	15.18	15.41	15.06	15.27	13.94	12.47	12.67	*12.70*	*13.15*	Revenues per sh	*14.50*
3.04	3.12	2.10	1.45	1.94	d1.27	2.75	4.65	2.42	2.89	2.91	2.02	3.45	3.48	2.91	3.67	*3.70*	*3.95*	"Cash Flow" per sh	*4.50*
1.65	1.64	.83	d.63	.34	d3.00	d1.15	.40	.44	1.14	.89	.89	.78	.96	.69	1.35	*1.30*	*1.40*	Earnings per sh A	*1.65*
1.60	1.45	1.17	1.00	.40	.20	- -	- -	- -	- -	.16	.34	.41	.45	.49	.64	*.76*	*.82*	Div'd Decl'd per sh B ■	*.95*
4.41	6.31	3.95	4.58	3.28	3.91	3.19	3.68	3.42	4.46	5.12	4.54	3.69	2.79	2.68	2.16	*2.20*	*1.85*	Cap'l Spending per sh	*2.00*
16.54	16.86	18.83	17.33	16.60	12.99	12.24	12.76	10.26	11.86	12.82	13.36	13.73	14.24	14.43	15.13	*15.65*	*16.25*	Book Value per sh C	*18.25*
50.40	51.27	78.43	78.48	102.11	102.18	117.24	117.47	200.79	221.03	233.74	234.32	234.83	235.32	236.00	235.08	*236.00*	*236.00*	Common Shs Outst'g D	*236.00*
12.9	15.2	25.7	- -	NMF	- -	- -	20.9	27.5	12.6	19.1	13.3	13.9	13.2	21.7	12.8	*Bold figures are*		Avg Ann'l P/E Ratio	*13.0*
.74	.79	1.46	- -	NMF	- -	- -	1.10	1.46	.68	1.01	.80	.93	.84	1.36	.82	*Value Line*		Relative P/E Ratio	*.85*
7.5%	5.8%	5.5%	6.5%	2.7%	2.2%	- -	- -	- -	- -	.9%	2.9%	3.8%	3.6%	3.3%	3.7%	*estimates*		Avg Ann'l Div'd Yield	*4.5%*

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

Leases, Uncapitalized Annual rentals $17.4 mill.
Pension Assets-12/12 $841.5 mill.
Oblig. $935.5 mill.
Pfd Stock None

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

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		16-18
2789.2	2823.8	3030.2	3356.0	3601.0	3528.1	3585.8	3280.2	2943.3	2979.2	*3000*	*3100*	Revenues ($mill)	*3400*
d129.4	75.3	86.2	238.9	197.3	208.9	182.9	227.0	163.4	321.9	*310*	*335*	Net Profit ($mill)	*395*
- -	34.5%	33.4%	34.1%	30.7%	31.3%	29.2%	33.4%	34.7%	34.1%	*33.0%*	*33.0%*	Income Tax Rate	*33.0%*
- -	19.3%	52.2%	14.8%	29.3%	32.5%	24.3%	22.7%	12.0%	5.2%	*4.0%*	*4.0%*	AFUDC % to Net Profit	*4.0%*
70.7%	72.5%	64.4%	60.4%	58.0%	62.7%	62.2%	59.5%	59.5%	56.8%	*55.0%*	*53.5%*	Long-Term Debt Ratio	*46.0%*
28.3%	26.6%	34.8%	39.6%	42.0%	37.3%	37.8%	40.5%	40.5%	43.2%	*45.0%*	*46.5%*	Common Equity Ratio	*54.0%*
5065.1	5629.9	5927.3	6623.8	7134.4	8398.2	8527.3	8274.9	8415.0	8227.2	*8160*	*8215*	Total Capital ($mill)	*8000*
4642.7	4926.9	5397.6	6087.0	7011.0	8310.3	8665.6	8929.7	9227.1	9426.0	*9525*	*9515*	Net Plant ($mill)	*9400*
.4%	4.1%	4.0%	5.8%	4.7%	4.3%	4.1%	4.8%	3.7%	5.7%	*5.5%*	*5.5%*	Return on Total Cap'l	*6.5%*
NMF	4.9%	4.1%	9.1%	6.6%	6.7%	5.7%	6.8%	4.8%	9.1%	*8.5%*	*9.0%*	Return on Shr. Equity	*9.0%*
NMF	4.8%	4.0%	9.0%	6.6%	6.7%	5.7%	6.8%	4.8%	9.1%	*8.5%*	*9.0%*	Return on Com Equity E	*9.0%*
NMF	4.8%	4.0%	9.0%	5.4%	4.1%	2.7%	3.6%	1.4%	4.8%	*3.5%*	*3.5%*	Retained to Com Eq	*4.0%*
NMF	5%	5%	1%	18%	38%	53%	47%	71%	47%	*58%*	*57%*	All Div'ds to Net Prof	*57%*

ELECTRIC OPERATING STATISTICS

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

ANNUAL RATES

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

QUARTERLY REVENUES ($ mill.)

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

EARNINGS PER SHARE A

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

QUARTERLY DIVIDENDS PAID B ■

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

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

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

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

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

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

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

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

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

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

NORTHEAST UTILITIES NYSE-NU

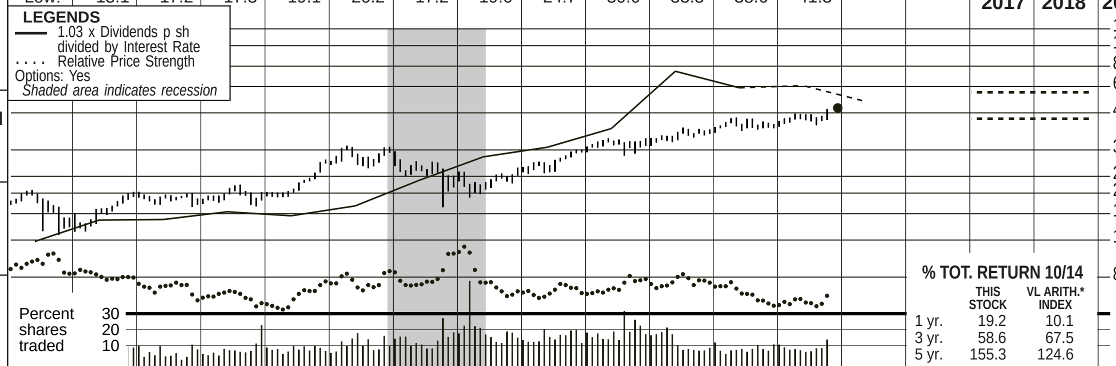
RECENT PRICE	50.54	P/E RATIO	18.0 (Trailing: 20.7 / Median: 18.0)	RELATIVE P/E RATIO	0.99	DIV'D YLD	3.3%	VALUE LINE

TIMELINESS **2** Raised 11/21/14
SAFETY **2** Raised 5/25/12
TECHNICAL **4** Lowered 11/14/14
BETA .75 (1.00 = Market)

High:	20.3	20.3	22.0	28.9	33.6	31.6	26.5	32.2	36.5	40.9	45.7	50.9
Low:	13.1	17.2	17.3	19.1	26.2	17.2	19.0	24.7	30.0	33.5	38.6	41.3

Target Price Range
2017 | 2018 | 2019

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



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+20%)	*7%*
Low	45	(-10%)	*1%*

Insider Decisions

	D	J	F	M	A	M	J	J	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	2	0	0	0	0	1	0	1
to Sell	1	2	1	2	0	0	1	0	4

Institutional Decisions

	4Q2013	1Q2014	2Q2014
to Buy	185	221	228
to Sell	221	192	187
Hld's(000)	210814	209428	211525

Percent shares traded 30 20 10

% TOT. RETURN 10/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	19.2	10.1
3 yr.	58.6	67.5
5 yr.	155.3	124.6

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
28.77	33.91	40.86	52.82	40.89	47.53	51.82	41.85	44.64	37.27	37.22	30.97	27.76	25.21	19.98	23.16	*24.35*	*24.90*	Revenues per sh	*27.00*
3.73	5.68	3.39	10.48	6.32	5.80	5.00	5.46	3.69	4.82	6.16	4.96	5.68	4.88	4.03	5.22	*4.75*	*5.20*	"Cash Flow" per sh	*6.50*
d.36	d1.14	d.20	1.37	1.08	1.24	.91	.98	.82	1.59	1.86	1.91	2.10	2.22	1.89	2.49	*2.55*	*2.85*	Earnings per sh A	*3.50*
- -	.10	.40	.45	.53	.58	.63	.68	.73	.78	.83	.95	1.03	1.10	1.32	1.47	*1.57*	*1.68*	Div'd Decl'd per sh B ■	*2.00*
1.79	2.50	2.88	3.40	3.86	4.31	4.85	5.89	5.49	7.14	8.06	5.17	5.41	6.08	4.69	4.62	*5.30*	*5.95*	Cap'l Spending per sh	*6.25*
15.63	15.80	15.43	16.27	17.33	17.73	17.80	18.46	18.14	18.65	19.38	20.37	21.60	22.65	29.41	30.49	*31.35*	*32.50*	Book Value per sh C	*36.25*
130.95	131.87	143.82	130.13	127.56	127.70	129.03	131.59	154.23	156.22	155.83	175.62	176.45	177.16	314.05	315.27	*316.50*	*317.50*	Common Shs Outst'g D	*325.00*
- -	- -	- -	14.1	16.1	13.4	20.8	19.8	27.1	18.7	13.7	12.0	13.4	15.4	19.9	16.9	*Bold figures are*		Avg Ann'l P/E Ratio	*14.5*
- -	- -	- -	.72	.88	.76	1.10	1.05	1.46	.99	.82	.80	.85	.97	1.27	.95	*Value Line*		Relative P/E Ratio	*.90*
- -	.6%	1.9%	2.3%	3.0%	3.5%	3.3%	3.5%	3.3%	2.6%	3.2%	4.2%	3.6%	3.2%	3.5%	3.5%	*estimates*		Avg Ann'l Div'd Yield	*4.0%*

CAPITAL STRUCTURE as of 6/30/14
Total Debt $9447.7 mill. **Due in 5 Yrs** $3410.1 mill.
LT Debt $8147.1 mill. **LT Interest** $360.9 mill.
(LT interest earned: 4.4x)

Leases, Uncapitalized Annual rentals $20.1 mill.
Pension Assets-12/13 $3985.9 mill.
Oblig. $4676.5 mill.
Pfd Stock $155.6 mill. **Pfd Div'd** $7.6 mill.
Incl. 2,324,000 shs $1.90-$3.28 rates ($50 par) not subject to mandatory redemption.
Common Stock 316,385,790 shs.
as of 7/31/14
MARKET CAP: $16 billion (Large Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
6686.7	5507.3	6884.4	5822.2	5800.1	5439.4	4898.2	4465.7	6273.8	7301.2	*7700*	*7900*	Revenues ($mill)	*8650*
122.1	128.5	126.2	251.5	296.2	335.6	377.8	400.3	533.0	793.7	*810*	*910*	Net Profit ($mill)	*1120*
29.8%	30.8%	- -	30.3%	29.7%	34.9%	36.6%	29.9%	34.0%	35.0%	*36.0%*	*35.0%*	Income Tax Rate	*35.0%*
6.8%	17.4%	21.5%	13.9%	15.8%	4.6%	7.1%	8.6%	2.3%	1.4%	*4.0%*	*4.0%*	AFUDC % to Net Profit	*3.0%*
64.2%	63.2%	58.7%	59.2%	60.4%	57.2%	55.1%	53.4%	43.7%	44.3%	*45.0%*	*45.5%*	Long-Term Debt Ratio	*45.5%*
34.0%	35.1%	39.7%	39.2%	38.1%	41.5%	43.6%	45.3%	55.4%	54.8%	*54.5%*	*54.0%*	Common Equity Ratio	*53.5%*
6749.4	6923.2	7052.0	7431.1	7926.2	8629.5	8741.8	8856.0	16675	17544	*18250*	*19125*	Total Capital ($mill)	*21700*
5864.2	6417.2	6242.2	7229.9	8207.9	8840.0	9567.7	10403	16605	17576	*18700*	*19975*	Net Plant ($mill)	*23900*
2.8%	3.5%	2.9%	5.0%	5.4%	5.4%	5.8%	5.9%	4.2%	5.5%	*5.5%*	*5.5%*	Return on Total Cap'l	*6.0%*
5.1%	5.0%	4.3%	8.3%	9.4%	9.1%	9.6%	9.7%	5.7%	8.1%	*8.0%*	*8.5%*	Return on Shr. Equity	*9.5%*
5.1%	5.1%	4.3%	8.4%	9.6%	9.2%	9.8%	9.8%	5.7%	8.2%	*8.0%*	*9.0%*	Return on Com Equity E	*9.5%*
1.6%	1.5%	.3%	4.3%	5.3%	4.7%	5.0%	5.0%	1.6%	3.4%	*3.0%*	*3.5%*	Retained to Com Eq	*4.0%*
70%	72%	94%	50%	45%	50%	49%	50%	72%	59%	*62%*	*59%*	All Div'ds to Net Prof	*58%*

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	-1.2	+47.0	+1.0
Avg. Indust. Use (MWH)	624	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.4	+59.8	NA
Fixed Charge Cov. (%)	291	320	427

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	-7.0%	-10.5%	*3.0%*
"Cash Flow"	-4.5%	-.5%	*5.5%*
Earnings	6.0%	9.0%	*8.0%*
Dividends	9.5%	11.0%	*7.5%*
Book Value	5.0%	8.0%	*4.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	1235	1048	1115	1068	4465.7
2012	1100	1629	1861	1684	6273.8
2013	1995	1636	1893	1777	7301.2
2014	2291	1678	1893	*1838*	*7700*
2015	*2250*	*1750*	*2000*	*1900*	*7900*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.64	.44	.51	.64	2.22
2012	.56	.15	.66	.55	1.89
2013	.72	.54	.66	.56	2.49
2014	.74	.40	.74	*.67*	*2.55*
2015	*.80*	*.60*	*.80*	*.65*	*2.85*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.25625	.25625	.25625	.25625	1.02
2011	.275	.275	.275	.275	1.10
2012	.294	.343	.343	.343	1.32
2013	.3675	.3675	.3675	.3675	1.47
2014	.3925	.3925	.3925		

BUSINESS: Northeast Utilities is the parent of utilities that have 3.1 mill. elec., 492,000 gas customers. Connecticut Light & Power (CL&P) serves most of CT; Public Service Co. of New Hampshire (PSNH) supplies power to three fourths of NH's population; Western Massachusetts Electric Co. (WMECO) serves western MA; NSTAR supplies power to parts of eastern MA & gas to central & eastern MA. Acq'd NSTAR 4/12. Elec. rev. breakdown: res'l, 49%; comm'l, 38%; ind'l, 5%; other, 8%. Generating sources not avail. Fuel costs: 34% of revs. '13 reported depr. rates: 2.5%-3.0%. Has 8,700 empls. Chairman, President & CEO: Thomas J. May. Inc.: MA. Address: One Federal St., Building 111-4, Springfield, MA 01105. Tel.: 413-785-5871. Internet: www.nu.com.

Northeast Utilities' Connecticut Light & Power subsidiary is awaiting an order on its rate case. CL&P requested a $221.1 million (5.7%) rate increase, based on a 10.2% return on a 50.38% common-equity ratio. The utility wants to recover capital investments it has made to enhance system reliability, along with $300 million of storm-related costs that were deferred. CL&P also proposed a regulatory mechanism that will decouple electric revenues and volume. New tariffs will take effect at the start of December.

Two gas rate cases are upcoming. Next month, NSTAR Gas will ask the Massachusetts commission for a rate hike. The utility is not earning an adequate ROE. Yankee Gas will file an application in Connecticut in the second quarter of 2015. New rates won't take effect until 2016.

Electric transmission is an important part of NU's business. The company's four-year capital budget calls for spending $3.7 billion through 2017. However, the Federal Energy Regulatory Commission (FERC) reduced the allowed ROE for transmission providers in New England, and this will hurt NU's earning power by $0.05-$0.06 a share annually. Even so, the company should continue to earn a higher ROE on transmission than on distribution.

The company has good earnings growth potential. NU should benefit from rate relief, cuts in operating expenses stemming from its merger with NSTAR in 2012, increased transmission investment, and customer conversions to gas heat from oil and other fuels. We think management's profit growth goal of 6%-8% annually is attainable. In fact, we expect NU to exceed this target in 2015 because the company took a $0.10-a-share charge in the second period of 2014 to reflect the aforementioned FERC ruling.

NU is an equal partner in a proposed gas pipeline joint venture with Spectra Energy. Each company's share of the project would be $1.5 billion. The pipeline is expected to be in service in November of 2018.

The profit and dividend growth that we project through 2017-2019 is reflected in the share price. Neither the dividend yield nor the long-term total return potential stands out among utilities.

Paul E. Debbas, CFA *November 21, 2014*

(A) Diluted EPS. Excl. nonrec. gains (losses): '02, 10¢; '03, (32¢); '04, (7¢); '05, ($1.36); '08, (19¢); '10, 9¢. '11 & '13 EPS don't add due to rounding, '12 due to change in shs. Next earnings report due mid-Feb. (B) Div'ds historically paid late Mar., June, Sept., & Dec. ■ Div'd reinvestment plan avail. (C) Incl. def'd chgs. In '13: $23.09/sh. (D) In mill. (E) Rate allowed on com. eq. in MA: '11, 9.6%; in CT: (elec.) '10, 9.4% (gas) '11, 8.83%; in NH: '10, 9.67%; earn. on avg. com. eq., '13: 8.3%. Regul. Clim.: CT, Below Avg.; NH, Avg.; MA, Above Avg.

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

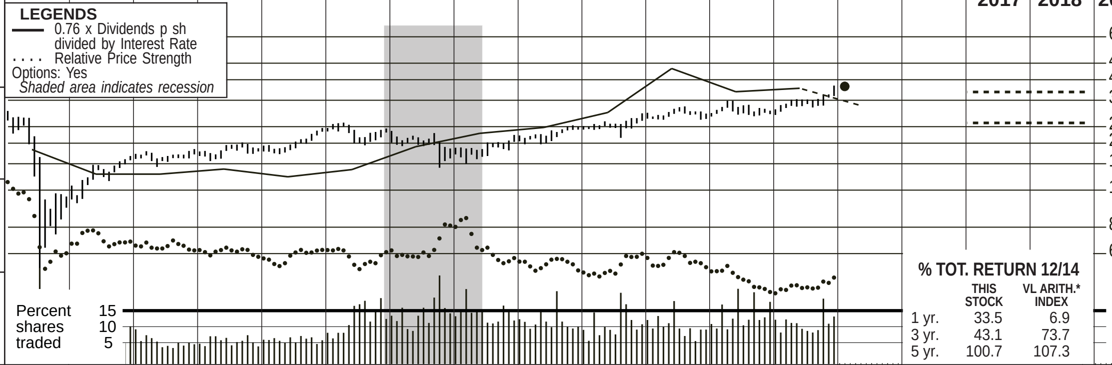
XCEL ENERGY NYSE-XEL

RECENT PRICE	37.27	P/E RATIO	18.8 (Trailing: 19.2 Median: 14.0)	RELATIVE P/E RATIO	1.02	DIV'D YLD	3.4%	VALUE LINE

TIMELINESS 3 Raised 12/27/13
SAFETY 2 Raised 5/14/04
TECHNICAL 3 Lowered 1/30/15
BETA .65 (1.00 = Market)

High:	17.4	18.8	20.2	23.6	25.0	22.9	21.9	24.4	27.8	29.9	31.8	37.6
Low:	10.4	15.5	16.5	17.8	19.6	15.3	16.0	19.8	21.2	25.8	26.8	27.3

Target Price Range
2017 | 2018 | 2019



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	35	(-5%)	2%
Low	25	(-35%)	-5%

Insider Decisions

	F	M	A	M	J	J	A	S	O
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

	1Q2014	2Q2014	3Q2014
to Buy	226	239	233
to Sell	212	181	189
Hld's(000)	342517	351983	351672

% TOT. RETURN 12/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	33.5	6.9
3 yr.	43.1	73.7
5 yr.	100.7	107.3

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	20.76	21.92	*22.85*	*23.60*	Revenues per sh	*26.25*
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	4.00	4.10	*4.20*	*4.60*	"Cash Flow" per sh	*5.25*
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	1.85	1.91	*1.95*	*2.05*	Earnings per sh A	*2.50*
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	1.20	*1.26*	Div'd Decl'd per sh B ■	*1.45*
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	5.27	6.82	*5.70*	*6.65*	Cap'l Spending per sh	*5.25*
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	18.19	19.21	*20.05*	*20.90*	Book Value per sh C	*24.00*
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	487.96	497.97	*506.00*	*508.00*	Common Shs Outst'g D	*514.00*
15.2	16.6	14.3	12.4	NMF	11.6	13.6	15.4	14.8	16.7	13.7	12.7	14.1	14.2	14.8	15.0	*16.1*		Avg Ann'l P/E Ratio	*12.5*
.79	.95	.93	.64	NMF	.66	.72	.82	.80	.89	.82	.85	.90	.89	.94	.84	*.85*		Relative P/E Ratio	*.80*
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%	3.9%	3.9%	3.8%		Avg Ann'l Div'd Yield	*4.7%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $12456 mill. **Due in 5 Yrs** $3564.6 mill.
LT Debt $11502 mill. **LT Interest** $551.8 mill.
Incl. $179.4 mill. capitalized leases.
(LT interest earned: 3.5x)

Leases, Uncapitalized Annual rentals $240.7 mill.
Pension Assets-12/13 $3010.1 mill.
Oblig. $3440.7 mill.
Pfd Stock None

Common Stock 505,685,923 shs.
as of 10/24/14
MARKET CAP: $19 billion (Large Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
8345.3	9625.5	9840.3	10034	11203	9644.3	10311	10655	10128	10915	*11550*	*12000*	Revenues ($mill)	*13500*
526.9	499.0	568.7	575.9	645.7	685.5	727.0	841.4	905.2	948.2	*985*	*1045*	Net Profit ($mill)	*1260*
23.2%	25.8%	24.2%	33.8%	34.4%	35.1%	37.5%	35.8%	33.2%	33.8%	*35.0%*	*35.0%*	Income Tax Rate	*35.0%*
10.9%	8.5%	9.8%	12.5%	15.9%	16.8%	11.7%	9.4%	10.8%	13.4%	*14.0%*	*10.0%*	AFUDC % to Net Profit	*10.0%*
55.0%	51.7%	52.1%	49.7%	52.2%	51.6%	53.1%	51.1%	53.3%	53.3%	*53.0%*	*53.5%*	Long-Term Debt Ratio	*52.5%*
44.1%	47.3%	47.0%	49.4%	47.1%	47.7%	46.3%	48.9%	46.7%	46.7%	*47.0%*	*46.5%*	Common Equity Ratio	*47.5%*
11801	11398	12371	12748	14800	15277	17452	17331	19018	20477	*21650*	*22975*	Total Capital ($mill)	*25800*
14096	14696	15549	16676	17689	18508	20663	22353	23809	26122	*27875*	*29950*	Net Plant ($mill)	*34000*
6.2%	6.2%	6.2%	6.3%	6.0%	6.2%	5.7%	6.5%	6.1%	6.0%	*6.0%*	*6.0%*	Return on Total Cap'l	*6.0%*
9.9%	9.1%	9.6%	9.0%	9.1%	9.3%	8.9%	9.9%	10.2%	9.9%	*9.5%*	*10.0%*	Return on Shr. Equity	*10.0%*
10.0%	9.2%	9.7%	9.1%	9.2%	9.4%	8.9%	9.9%	10.2%	9.9%	*9.5%*	*10.0%*	Return on Com Equity E	*10.0%*
3.9%	2.9%	3.6%	3.1%	3.8%	3.7%	3.6%	4.3%	4.7%	4.5%	*4.0%*	*4.0%*	Retained to Com Eq	*4.0%*
62%	69%	63%	66%	59%	61%	59%	56%	54%	54%	*61%*	*61%*	All Div'ds to Net Prof	*59%*

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+.4	-.3	+.3
Large C & I Use (MWH)	24286	24074	23875
Large C & I Revs. per KWH (¢)	5.90	5.60	6.23
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	21898	21429	21258
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.4	+.7	+.8
Fixed Charge Cov. (%)	298	303	321

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	-3.0%	-2.0%	*3.5%*
"Cash Flow"	.5%	2.5%	*5.0%*
Earnings	3.5%	5.5%	*5.5%*
Dividends	-.5%	3.5%	*5.0%*
Book Value	2.5%	4.5%	*4.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	2817	2438	2832	2568	10655
2012	2578	2275	2724	2551	10128
2013	2783	2579	2822	2731	10915
2014	3203	2685	2870	*2792*	*11550*
2015	*3200*	*2750*	*3100*	*2950*	*12000*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.42	.33	.69	.29	1.72
2012	.38	.38	.81	.29	1.85
2013	.48	.40	.73	.30	1.91
2014	.52	.39	.73	*.31*	*1.95*
2015	*.50*	*.44*	*.78*	*.33*	*2.05*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.253	.253	.26	.26	1.03
2012	.26	.26	.27	.27	1.06
2013	.27	.27	.28	.28	1.10
2014	.28	.30	.30	.30	1.18
2015	.30				

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: 3.5 mill. electric, 1.9 mill. gas. Elec. rev. breakdown: residential, 32%; sm. comm'l & ind'l, 36%; lg. comm'l & ind'l, 19%; other, 13%. Generating sources not available. Fuel costs: 47% of revs. '13 reported depr. rate: 2.9%. Has 11,600 employees. Chairman, Pres. & CEO: Ben Fowke. Inc.: MN. Address: 414 Nicollet Mall, Minneapolis, MN 55401. Tel.: 612-330-5500. Internet: www.xcelenergy.com.

Xcel Energy's utility subsidiary in Minnesota is awaiting an order on its multiyear rate application. Northern States Power (NSP) is seeking rate hikes of $142.2 million for 2014 and $106.0 million for 2015, based on a return of 10.25% on a 52.5% common-equity ratio. (NSP is now collecting an interim tariff hike of $127 million.) An administrative law judge has recommended increases of $73.6 million in 2014 and $122.4 million in 2015, based on a 9.77% return on a 52.5% common-equity ratio. The commission's order is expected in the second quarter.
The Minnesota commission is examining the prudence of an uprate and life extension for a nuclear plant. The original estimate of this project was $320 million; the final cost was $665 million. If any portion of this spending is disallowed, Xcel would have to take a writedown.
The company is seeking electric rate hikes in other states. Public Service of Colorado is asking for an electric increase of $107.2 million, based on a return of 10.25% on a common-equity ratio of 56%. On the other hand, the commission's staff and Office of Consumer Counsel are proposing rate *decreases*. NSP filed for $15.6 million in South Dakota, based on a 10.25% return on a 53.86% common-equity ratio. Southwestern Public Service asked the Texas commission for a $64.8 million boost, based on a 10.25% return on a 53.97% common-equity ratio. Orders on each of these filings are expected in 2015.
The company received electric rate hikes in Wisconsin and Texas. NSP was granted $14.2 million in Wisconsin and $37.0 million in Texas.
Rate relief is a significant driver of Xcel's profit growth. Our 2015 earnings estimate of $2.05 a share is within the company's targeted range of $2.00-$2.15 a share.
We look for a dividend increase this quarter. We estimate that the annual payout will be raised $0.06 a share (5%), which is within Xcel's dividend growth goal of 4%-6% a year.
The dividend yield of Xcel stock is about average for a utility. Like several other utility issues, the recent price is above our 2017-2019 Target Price Range, so total return potential is negative.
Paul E. Debbas, CFA *January 30, 2015*

(A) Diluted EPS. Excl. nonrec. gain (loss): '02, ($6.27); '10, 5¢; gains (losses) on disc. ops.: '03, 27¢; '04, (30¢); '05, 3¢; '06, 1¢; '09, (1¢); '10, 1¢. '11 & '12 EPS don't add due to rounding. Next egs. report due late Apr. (B) Div'ds histor. paid mid-Jan., Apr., July, and Oct. ■ Div'd reinvestment plan avail. (C) Incl. intang. In '13: $5.04/sh. (D) In mill. (E) Rate base: Varies. Rate all'd on com. eq.: MN '13 9.83%; WI '15 10.2%; CO '14 (elec.) 9.72%; CO '07 (gas) 10.25%; TX '14 10.4%; earned on avg. com. eq., '13: 10.3%. Regulatory Climate: Avg.

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

FIRSTENERGY NYSE-FE	RECENT PRICE 37.29	P/E RATIO 14.1 (Trailing: 14.9 Median: 15.0)	RELATIVE P/E RATIO 0.77	DIV'D YLD 3.9%	VALUE LINE

TIMELINESS 3 Lowered 9/5/14
SAFETY 3 Lowered 2/22/13
TECHNICAL 3 Lowered 10/17/14
BETA .70 (1.00 = Market)

High:	38.9	43.4	53.4	61.7	75.0	84.0	53.6	47.8	46.5	51.1	46.8	37.7
Low:	25.8	35.2	37.7	47.8	57.8	41.2	35.3	33.6	36.1	40.4	31.3	30.0

2017-19 PROJECTIONS

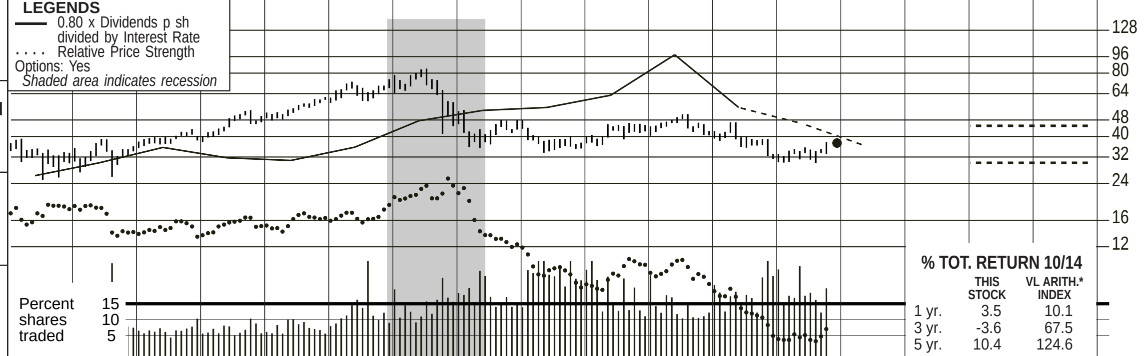
	Price	Gain	Ann'l Total Return
High	45	(+20%)	9%
Low	30	(-20%)	Nil

Insider Decisions

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

Institutional Decisions

	4Q2013	1Q2014	2Q2014
to Buy	242	211	208
to Sell	226	238	210
Hld's(000)	295953	303716	300665



Target Price Range
2017 | 2018 | 2019

% TOT. RETURN 10/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	3.5	10.1
3 yr.	-3.6	67.5
5 yr.	10.4	124.6

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	36.57	35.60	*36.10*	*36.60*	Revenues per sh	*39.00*
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	6.05	6.30	*5.55*	*6.25*	"Cash Flow" per sh	*6.75*
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	2.13	2.97	*2.10*	*2.75*	Earnings per sh A	*3.00*
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	1.65	*1.44*	*1.44*	Div'd Decl'd per sh B ■	*1.60*
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	7.09	6.90	*8.60*	*6.95*	Cap'l Spending per sh	*7.25*
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	31.29	30.32	*31.05*	*32.35*	Book Value per sh C	*36.25*
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	418.63	*421.00*	*423.50*	Common Shs Outst'g D	*431.00*
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	21.1	13.1	*Bold figures are*		Avg Ann'l P/E Ratio	*12.5*
.80	.64	.60	.56	.71	1.28	.74	.86	.77	.83	.94	.87	.74	1.41	1.34	.74	*Value Line*		Relative P/E Ratio	*.80*
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%	4.9%	4.3%	*estimates*		Avg Ann'l Div'd Yield	*4.3%*

CAPITAL STRUCTURE as of 6/30/14
Total Debt $21754 mill. **Due in 5 Yrs** $9577 mill.
LT Debt $18415 mill. **LT Interest** $965 mill.
Incl. $154 mill. capitalized leases.
(LT interest earned: 2.6x)

Leases, Uncapitalized Annual rentals $202 mill.
Pension Assets-12/13 $6171 mill. **Oblig.** $8263 mill.
Pfd Stock None

Common Stock 420,344,546 shs.
as of 7/31/14
MARKET CAP: $16 billion (Large Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
12453	11989	11501	12802	13627	12712	13339	16258	15294	14903	*15200*	*15500*	Revenues ($mill)	*16800*
932.6	951.0	1265.0	1309.0	1342.0	1015.0	991.0	752.0	891.0	1245.0	*895*	*1165*	Net Profit ($mill)	*1300*
42.2%	42.1%	38.6%	40.3%	36.7%	19.6%	38.6%	41.3%	41.1%	36.1%	*30.5%*	*37.0%*	Income Tax Rate	*35.5%*
2.7%	2.0%	2.1%	2.4%	3.9%	12.8%	16.6%	9.3%	8.1%	6.0%	*12.0%*	*6.0%*	AFUDC % to Net Profit	*6.0%*
52.8%	46.5%	48.6%	49.7%	52.4%	58.2%	59.5%	54.2%	53.7%	55.5%	*56.0%*	*55.5%*	Long-Term Debt Ratio	*55.0%*
45.4%	52.4%	51.4%	50.3%	47.7%	41.8%	40.5%	45.8%	46.3%	44.5%	*44.0%*	*44.5%*	Common Equity Ratio	*45.0%*
18938	17527	17570	17846	17383	20467	21124	28996	28263	28523	*29600*	*30850*	Total Capital ($mill)	*34800*
13478	13998	14667	15383	17723	19164	19788	30337	32903	33252	*35500*	*37025*	Net Plant ($mill)	*41400*
6.5%	7.1%	9.0%	9.0%	9.7%	6.9%	6.3%	4.0%	4.9%	6.0%	*4.5%*	*5.5%*	Return on Total Cap'l	*5.0%*
10.4%	10.1%	14.0%	14.6%	16.2%	11.9%	11.6%	5.7%	6.8%	9.8%	*7.0%*	*8.5%*	Return on Shr. Equity	*8.5%*
10.6%	10.2%	13.9%	14.6%	16.2%	11.9%	11.6%	5.7%	6.8%	9.8%	*7.0%*	*8.5%*	Return on Com Equity E	*8.5%*
4.9%	4.2%	7.4%	7.7%	8.1%	4.0%	3.8%	NMF	NMF	2.6%	*2.0%*	*4.0%*	Retained to Com Eq	*4.0%*
55%	59%	47%	47%	50%	66%	68%	117%	103%	74%	*68%*	*52%*	All Div'ds to Net Prof	*53%*

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+.1	+3.5	+.9
Avg. Indust. Use (MWH)	NMF	NMF	NMF
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	206	236	294

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	.5%	-2.0%	*1.0%*
"Cash Flow"	1.0%	-6.0%	*2.0%*
Earnings	- -	-11.0%	*4.5%*
Dividends	3.0%	- -	*-4.0%*
Book Value	2.5%	2.0%	*2.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	3576	4060	4719	3903	16258
2012	3986	3757	4051	3500	15294
2013	3724	3512	4020	3647	14903
2014	4189	3496	3888	*3627*	*15200*
2015	*4050*	*3750*	*4000*	*3700*	*15500*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.15	.48	1.27	d.09	1.88
2012	.78	.52	1.05	d.23	2.13
2013	.51	.47	.88	1.11	2.97
2014	.34	.27	.79	*.70*	*2.10*
2015	*.65*	*.50*	*.85*	*.75*	*2.75*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.55	.55	.55	.55	2.20
2011	.55	.55	.55	.55	2.20
2012	.55	.55	.55	.55	2.20
2013	.55	.55	.55	.55	2.20
2014	.36	.36	.36		

BUSINESS: FirstEnergy Corp. is a holding company for Ohio Edison, Pennsylvania Power, Cleveland Electric, Toledo Edison, Metropolitan Edison, Penelec, Jersey Central Power & Light, West Penn Power, Potomac Edison, & Mon Power. Provides electric service to over 6 million customers in OH, PA, NJ, WV, MD, & NY. Acq'd Allegheny Energy 2/11. Electric revenue breakdown by customer class not available. Generating sources: coal, 44%; nuclear, 26%; purchased, 30%. Fuel costs: 43% of revs. '13 reported deprec. rate: 2.6%. Has 15,800 employees. Chairman: George M. Smart. President & CEO: Anthony J. Alexander. COO: Richard R. Grigg. Inc.: OH. Address: 76 South Main Street, Akron, OH 44308-1890. Tel.: 800-736-3402. Internet: www.firstenergycorp.com.

FirstEnergy is active in the regulatory arena. Indeed, the company has about six million customers in five states, plus a large electric transmission system. Jersey Central Power & Light is seeking a $9.1 million rate increase, based on an 11% return on equity. The utility expects a rate order in the first quarter of 2015. FirstEnergy's four utilities in Pennsylvania filed for tariff hikes totaling $415.7 million, based on a 10.9% ROE. Orders are expected in May. The company's utilities in West Virginia reached a regulatory settlement that, if approved, would raise rates by $63 million on February 25th. In Ohio, FirstEnergy proposed a three-year extension of its rate stabilization plan that is similar to the current one, which expires on May 31, 2016. As for transmission, FirstEnergy asked the Federal Energy Regulatory Commission to regulate operations that aren't held within one of its utilities through a forward-looking rate mechanism, effective at the start of 2015. Its allowed ROE on transmission would be 12.38%, which is attractive. All told, the company expects to spend $4.2 billion on transmission from 2014 through 2017.

The focus on regulated businesses is a significant switch from a few years ago. Then, the company's main area of focus was its nonutility operations: merchant generation and retail energy services. However, declining margins in each of these businesses hurt FirstEnergy's profitability to the point where its board of directors cut the dividend, effective with the payment in the first quarter of 2014. The company is still in these businesses, but is shedding energy services customers that are small and weather-sensitive. In addition, the future of a large coal-fired station is in question after its bids in a recent auction were unsuccessful. Still, we expect the competitive operations to contribute to FirstEnergy's profit growth in 2015, and management expects them to generate cash in the next few years. Proposed changes in the PJM power pool would benefit FirstEnergy by raising capacity prices to owners of generating assets.

FirstEnergy stock has a dividend yield that is slightly above the utility norm. Like most utility stocks, 3- to 5-year total return potential is low.

Paul E. Debbas, CFA November 21, 2014

(A) Dil. EPS. Excl. nonrec. gain (losses): '05, (28¢); '09, (3¢); '10, (68¢); '11, 33¢; '12, (29¢); '13, ($2.07); '14, (17¢); gains from disc. ops.: '05, 5¢; '13, 4¢; '14, 20¢. '11-'12 EPS don't add due to rounding or chng. in shs. Next egs. due late Feb. (B) Div'ds paid early Mar., June, Sep. & Dec. 5 div'ds decl. in '04, 3 in '13. ■ Div'd reinv. avail. (C) Incl. intang.: In '13: $19.76/sh. (D) In mill. (E) Rate base: Depr. orig. cost. Rates all'd on com. eq.: 9.75%-12.9%; earned on avg. com. eq., '13: 9.3%. Reg. Climate: OH Above Avg.; PA, NJ Avg.; MD, WV Below Avg.

Company's Financial Strength	B+
Stock's Price Stability	90
Price Growth Persistence	25
Earnings Predictability	65

OGE ENERGY CORP. NYSE-OGE

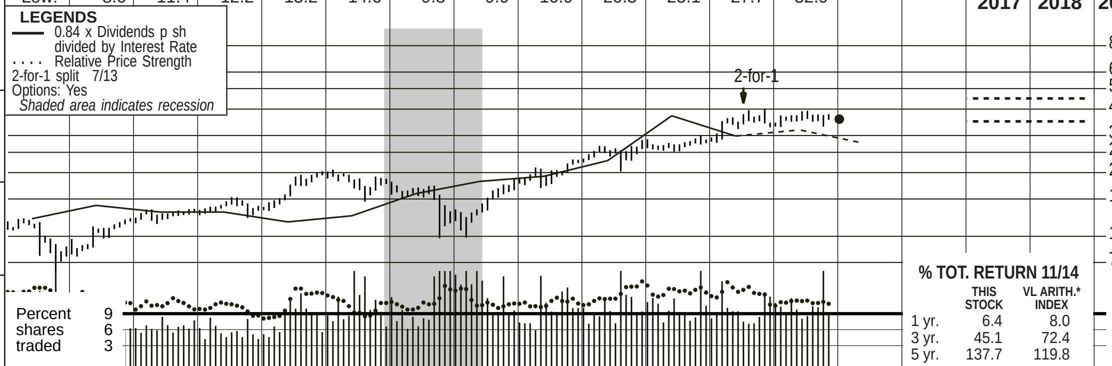
RECENT PRICE	35.82	P/E RATIO	18.4 (Trailing: 18.1 Median: 14.0)	RELATIVE P/E RATIO	0.99	DIV'D YLD	2.9%	VALUE LINE

TIMELINESS 3 Raised 5/9/14
SAFETY 1 Raised 9/19/14
TECHNICAL 3 Raised 12/19/14
BETA .90 (1.00 = Market)

High:	12.2	13.5	15.3	20.3	20.7	18.1	18.9	23.1	28.6	30.1	40.0	39.3
Low:	8.0	11.4	12.2	13.2	14.6	9.8	9.9	16.9	20.3	25.1	27.7	32.9

Target Price Range 2017 | 2018 | 2019

LEGENDS
— 0.84 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
2-for-1 split 7/13
Options: Yes
Shaded area indicates recession



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+25%)	9%
Low	35	(Nil)	3%

Insider Decisions

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

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	126	134	147
to Sell	156	141	125
Hld's(000)	115045	116179	117222

% TOT. RETURN 11/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	6.4	8.0
3 yr.	45.1	72.4
5 yr.	137.7	119.8

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
10.01	13.95	21.17	20.40	19.26	21.62	27.37	32.83	21.96	20.68	21.77	14.79	19.04	19.96	18.58	14.45	***12.25***	***12.70***	Revenues per sh	***14.50***
1.95	2.03	2.07	1.81	1.87	1.82	1.87	1.94	2.23	2.39	2.40	2.69	3.01	3.31	3.69	3.46	***3.30***	***3.50***	"Cash Flow" per sh	***4.00***
1.02	.97	.95	.65	.72	.87	.89	.92	1.23	1.32	1.25	1.33	1.50	1.73	1.79	1.94	***1.95***	***2.10***	Earnings per sh A	***2.50***
.67	.67	.67	.67	.67	.67	.67	.67	.67	.68	.70	.71	.73	.76	.80	.85	***.95***	***1.05***	Div'd Decl'd per sh B ■	***1.40***
.93	1.16	1.15	1.44	1.49	1.04	1.51	1.65	2.67	3.04	4.01	4.37	4.36	6.48	5.85	4.99	***3.05***	***2.65***	Cap'l Spending per sh	***3.75***
6.46	6.55	6.83	6.67	6.27	6.87	7.14	7.59	8.79	9.16	10.14	10.52	11.73	13.06	14.00	15.30	***16.25***	***17.30***	Book Value per sh C	***20.50***
161.60	155.73	155.84	155.98	157.00	174.80	180.00	181.20	182.40	183.60	187.00	194.00	195.20	196.20	197.60	198.50	***200.00***	***201.00***	Common Shs Outst'g D	***204.00***
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	15.2	17.7	*Bold figures are*		Avg Ann'l P/E Ratio	***16.5***
.69	.69	.69	.89	.77	.67	.74	.79	.74	.73	.75	.72	.85	.90	.97	1.00	*Value Line*		Relative P/E Ratio	***1.05***
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%	2.9%	2.5%	*estimates*		Avg Ann'l Div'd Yield	***3.4%***

CAPITAL STRUCTURE as of 9/30/14
Total Debt $2921.1 mill. **Due in 5 Yrs** $1247.0 mill.
LT Debt $2509.7 mill. **LT Interest** $145.3 mill.
(LT interest earned: 4.8x)

Leases, Uncapitalized Annual rentals $6.7 mill.

Pension Assets-12/13 $654.9 mill. **Oblig.** $658.1 mill.

Pfd Stock None

Common Stock 199,319,096 shs.

MARKET CAP: $7.1 billion (Large Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
4926.6	5948.2	4005.6	3797.6	4070.7	2869.7	3716.9	3915.9	3671.2	2867.7	***2450***	***2550***	Revenues ($mill)	***2950***
157.8	166.1	226.1	244.2	231.4	258.3	295.3	342.9	355.0	387.6	***390***	***420***	Net Profit ($mill)	***510***
34.5%	30.2%	34.8%	32.3%	30.4%	31.7%	34.9%	30.7%	26.0%	24.9%	***32.5%***	***32.5%***	Income Tax Rate	***32.5%***
1.1%	1.3%	3.8%	1.6%	1.7%	9.1%	5.7%	9.0%	2.7%	2.6%	***4.0%***	***2.0%***	AFUDC % to Net Profit	***2.0%***
52.6%	49.5%	45.6%	44.4%	53.3%	50.6%	50.8%	51.6%	50.7%	43.1%	***46.0%***	***44.0%***	Long-Term Debt Ratio	***45.5%***
47.4%	50.5%	54.4%	55.6%	46.7%	49.4%	49.2%	48.4%	49.3%	56.9%	***54.0%***	***56.0%***	Common Equity Ratio	***54.5%***
2709.7	2726.6	2950.1	3025.5	4058.6	4129.7	4652.5	5300.4	5615.8	5337.2	***6010***	***6240***	Total Capital ($mill)	***7700***
3581.0	3567.4	3867.5	4246.3	5249.8	5911.6	6464.4	7474.0	8344.8	6672.8	***7005***	***7250***	Net Plant ($mill)	***8275***
7.4%	7.6%	9.1%	9.5%	7.0%	7.9%	7.8%	7.8%	7.7%	8.6%	***7.5%***	***8.0%***	Return on Total Cap'l	***8.0%***
12.3%	12.1%	14.1%	14.5%	12.2%	12.7%	12.9%	13.4%	12.8%	12.8%	***12.0%***	***12.0%***	Return on Shr. Equity	***12.0%***
12.3%	12.1%	14.1%	14.5%	12.2%	12.7%	12.9%	13.4%	12.8%	12.8%	***12.0%***	***12.0%***	Return on Com Equity E	***12.0%***
3.4%	3.4%	6.6%	7.1%	5.4%	6.0%	6.7%	7.7%	7.2%	7.3%	***6.0%***	***6.0%***	Retained to Com Eq	***5.5%***
73%	72%	53%	51%	55%	53%	48%	43%	44%	43%	***49%***	***50%***	All Div'ds to Net Prof	***56%***

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+3.4	-1.8	+1.1
Avg. Indust. Use (MWH)	752	776	779
Avg. Indust. Revs. per KWH (¢)	5.37	5.07	5.44
Capacity at Peak (Mw)	7115	7139	NA
Peak Load, Summer (Mw)	7057	7000	6341
Annual Load Factor (%)	52.2	51.6	NA
% Change Customers (yr-end)	+.8	+1.1	+1.1
Fixed Charge Cov. (%)	427	404	367

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	-1.5%	-4.0%	*NMF*
"Cash Flow"	6.5%	8.5%	*2.5%*
Earnings	9.5%	7.5%	*5.5%*
Dividends	2.0%	3.0%	*9.5%*
Book Value	8.0%	8.5%	*6.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	840.5	978.1	1212.1	885.2	3915.9
2012	840.7	855.0	1113.4	862.1	3671.2
2013	901.4	734.2	723.2	508.9	2867.7
2014	560.4	611.8	754.7	***523.1***	***2450***
2015	***575***	***625***	***800***	***550***	***2550***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.13	.52	.90	.18	1.73
2012	.19	.47	.94	.19	1.79
2013	.12	.46	1.08	.29	1.94
2014	.25	.50	.94	***.26***	***1.95***
2015	***.20***	***.55***	***1.15***	***.20***	***2.10***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.18125	.18125	.18125	.18125	.73
2011	.1875	.1875	.1875	.1875	.75
2012	.19625	.19625	.19625	.19625	.79
2013	.20875	.20875	.20875	.20875	.84
2014	.225	.225	.225	.25	

BUSINESS: OGE Energy Corp. is a holding company for Oklahoma Gas and Electric Company (OG&E), which supplies electricity to 813,000 customers in Oklahoma (88% of electric revenues) and western Arkansas (9%); wholesale is (3%). Owns 26.3% of Enable Midstream Partners. Acquired Transok 6/99. Electric revenue breakdown: residential, 42%; commercial, 26%; industrial, 19%; other, 13%. Generating sources: coal, 42%; gas, 32%; wind, 5%; purchased, 21%. Fuel costs: 50% of revenues. '13 reported depreciation rate (utility): 2.8%. Has 2,400 employees. Chairman & CEO: Peter B. Delaney. President: Sean Trauschke. Inc.: Oklahoma. Address: 321 North Harvey, P.O. Box 321, Oklahoma City, Oklahoma 73101-0321. Tel.: 405-553-3000. Internet: www.oge.com.

OGE Energy's utility subsidiary is awaiting a ruling from the Oklahoma Corporation Commission on its environmental compliance plan. This plan calls for Oklahoma Gas and Electric to spend $1.1 billion through 2019 to comply with mandates by the U.S. Environmental Protection Agency. OG&E appealed EPA's order, but lost. The utility wants to recover these costs through a rider on customers' bills until they are reflected in base rates. The schedule calls for a decision in March of 2015. Soon thereafter — probably in the second quarter — OG&E will file a general rate case in Oklahoma, with an order due six months later. The utility also plans to file an application in Arkansas in 2015.

Earnings will likely make little (if any) progress in 2014, but we expect improvement in 2015. In most respects, things are going well for OGE. The service area's economy is strong, although it remains to be seen whether the recent drop in oil prices will have a noticeable effect. The formation of Enable Midstream Partners in 2013 and the initial public offering of Enable earlier this year have benefited the company. However, due to mild summer weather, we trimmed our share-earnings estimate by a nickel, to $1.95. That's near the low end of the company's guidance of $1.94-$2.06. We assume normal weather in our 2015 forecast.

The board of directors raised the dividend significantly. In late September, the directors raised the quarterly disbursement by $0.025 a share (11.1%). OGE also stated a goal of raising the dividend 10% annually through 2019. Rising distributions from Enable should enable the board to meet this goal. In the first nine months of 2014, these distributions amounted to $110.1 million.

OGE's share price has risen only 6% year to date. This makes the top-quality stock an outlier in a year in which many utility issues have soared more than 20%. Investors' worries (excessive, in our view) about the effects of lower oil prices on Enable is most probably responsible for the underperformance. The dividend yield is still on the low side for a utility, but 3- to 5-year total return prospects are better than those of most utility equities.

Paul E. Debbas, CFA *December 19, 2014*

(A) Diluted EPS. Excl. nonrecurring losses: '02, 20¢; '03, 7¢; '04, 3¢; gains on discontinued operations: '02, 6¢; '05, 25¢; '06, 20¢. '13 EPS don't add due to rounding. Next earnings report due late Feb. **(B)** Div'ds historically paid in late Jan., Apr., July, & Oct. ■ Div'd reinvestment plan available. **(C)** Incl. deferred charges. In '13: $1.91/sh. **(D)** In millions, adj. for split. **(E)** Rate base: Net original cost. Rate allowed on com. eq. in Oklahoma in '12: 10.2%; in Arkansas in '11: 9.95%; earned on avg. com. eq., '13: 13.2%. Regulatory Climate: Average.

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

OTTER TAIL CORP. NDQ-OTTR

RECENT PRICE	29.90	P/E RATIO	17.0 (Trailing: 18.2 Median: 23.0)	RELATIVE P/E RATIO	0.92	DIV'D YLD	4.1%	VALUE LINE

TIMELINESS 3 Lowered 12/12/14

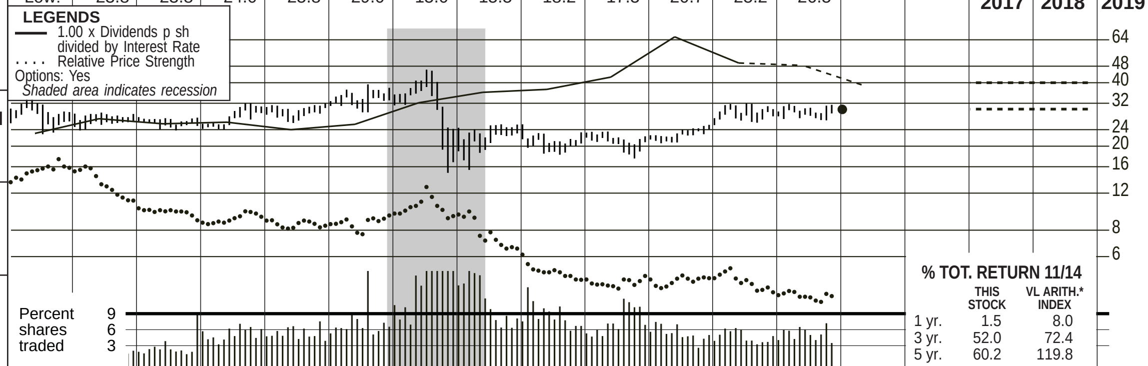
SAFETY 3 Lowered 12/24/10

TECHNICAL 4 Lowered 12/19/14

BETA .90 (1.00 = Market)

High:	28.9	27.5	32.0	31.9	39.4	46.2	25.4	25.4	23.5	25.3	31.9	31.7
Low:	23.8	23.8	24.0	25.8	29.0	15.0	15.5	18.2	17.5	20.7	25.2	26.5

Target Price Range 2017 | 2018 | 2019



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	40	(+35%)	11%
Low	30	(Nil)	4%

Insider Decisions

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

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	59	51	48
to Sell	39	55	52
Hld's(000)	12156	12279	12308

% TOT. RETURN 11/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	1.5	8.0
3 yr.	52.0	72.4
5 yr.	60.2	119.8

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
18.14	19.48	23.45	26.53	27.75	29.28	30.45	35.59	37.43	41.50	37.06	29.03	31.08	29.86	23.76	24.63	***25.95***	***26.30***	Revenues per sh	***32.50***
2.75	2.91	3.21	3.40	3.44	3.30	2.88	3.35	3.39	3.55	2.81	2.76	2.60	2.36	2.71	3.03	***3.40***	***3.70***	"Cash Flow" per sh	***4.75***
1.29	1.45	1.60	1.68	1.79	1.51	1.50	1.78	1.69	1.78	1.09	.71	.38	.45	1.05	1.37	***1.75***	***1.85***	Earnings per sh A	***2.30***
.96	.99	1.02	1.04	1.06	1.08	1.10	1.12	1.15	1.17	1.19	1.19	1.19	1.19	1.19	1.19	***1.21***	***1.23***	Div'd Decl'd per sh B ■	***1.30***
1.23	1.37	1.85	2.17	2.95	1.97	1.72	2.04	2.35	5.43	7.51	4.95	2.38	2.04	3.20	4.53	***4.45***	***4.45***	Cap'l Spending per sh	***4.75***
9.47	10.30	10.87	11.33	12.25	12.98	14.81	15.80	16.67	17.55	19.14	18.78	17.57	15.83	14.43	14.74	***15.55***	***16.05***	Book Value per sh C	***18.15***
23.76	23.85	23.85	24.65	25.59	25.72	28.98	29.40	29.52	29.85	35.38	35.81	36.00	36.10	36.17	36.27	***37.00***	***38.00***	Common Shs Outst'g D	***40.00***
14.4	13.9	13.5	16.4	16.0	17.8	17.3	15.4	17.3	19.0	30.1	31.2	55.1	47.5	21.7	21.1	*Bold figures are*		Avg Ann'l P/E Ratio	***15.0***
.75	.79	.88	.84	.87	1.01	.91	.82	.93	1.01	1.81	2.08	3.51	2.98	1.38	1.19	*Value Line*		Relative P/E Ratio	***.95***
5.2%	4.9%	4.7%	3.8%	3.7%	4.0%	4.2%	4.1%	3.9%	3.5%	3.6%	5.4%	5.7%	5.6%	5.2%	4.1%	*estimates*		Avg Ann'l Div'd Yield	***3.8%***

CAPITAL STRUCTURE as of 9/30/14
Total Debt $537.7 mill. **Due in 5 Yrs** $114.3 mill.
LT Debt $498.5 mill. **LT Interest** $27.0 mill.
(LT interest earned: 3.7x)

Leases, Uncapitalized Annual rentals $8 mill.
Pension Assets-12/13 $213.6 mill. **Oblig.** $254.0 mill.
Pfd Stock None

Common Stock 36,806,160 shs.
as of 10/31/14
MARKET CAP: $1.1 billion (Mid Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
882.3	1046.4	1105.0	1238.9	1311.2	1039.5	1119.1	1077.9	859.2	893.3	***960***	***1000***	Revenues ($mill)	***1300***
40.0	52.9	50.8	54.0	35.1	26.0	13.6	16.4	39.0	50.2	***65.0***	***70.0***	Net Profit ($mill)	***90.0***
29.8%	34.6%	34.8%	34.1%	30.0%	- -	- -	14.5%	5.2%	21.3%	***25.0%***	***25.0%***	Income Tax Rate	***25.0%***
2.4%	1.7%	1.9%	4.2%	6.1%	4.0%	.6%	3.8%	1.7%	3.6%	***3.0%***	***4.0%***	AFUDC % to Net Profit	***5.0%***
37.1%	35.0%	33.5%	38.9%	32.9%	38.8%	40.2%	44.6%	44.0%	42.1%	***47.5%***	***48.5%***	Long-Term Debt Ratio	***49.0%***
60.7%	62.9%	64.5%	59.4%	65.6%	59.8%	58.4%	54.0%	54.4%	57.9%	***52.5%***	***51.5%***	Common Equity Ratio	***51.0%***
706.5	738.2	763.0	882.1	1032.5	1124.4	1083.3	1058.9	959.2	924.4	***1100***	***1185***	Total Capital ($mill)	***1425***
682.1	697.1	718.6	854.0	1037.6	1098.6	1108.7	1077.5	1049.5	1167.0	***1275***	***1350***	Net Plant ($mill)	***1600***
6.8%	8.3%	7.7%	7.2%	4.3%	3.4%	2.7%	3.2%	5.7%	6.6%	***7.0%***	***7.0%***	Return on Total Cap'l	***7.5%***
9.0%	11.0%	10.0%	10.0%	5.1%	3.8%	2.1%	2.8%	7.3%	9.4%	***11.5%***	***11.5%***	Return on Shr. Equity E	***12.5%***
9.1%	11.2%	10.2%	10.2%	5.1%	3.8%	2.0%	2.7%	7.3%	9.4%	***11.5%***	***11.5%***	Return on Com Equity	***12.5%***
2.5%	4.2%	3.3%	3.5%	NMF	NMF	NMF	NMF	NMF	1.2%	***3.5%***	***3.5%***	Retained to Com Eq	***5.0%***
73%	63%	68%	66%	108%	NMF	NMF	NMF	113%	87%	***70%***	***68%***	All Div'ds to Net Prof	***59%***

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+.6	-1.1	+5.8
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	146	257	359

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	1.0%	-6.0%	*3.5%*
"Cash Flow"	-2.5%	-5.5%	*10.0%*
Earnings	-9.5%	-18.5%	*15.5%*
Dividends	1.5%	.5%	*1.5%*
Book Value	3.5%	-1.0%	*3.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	249.1	283.3	282.4	263.1	1077.9
2012	219.9	211.4	215.3	212.6	859.2
2013	218.0	212.4	229.8	233.1	893.3
2014	240.5	234.6	242.4	***242.5***	***960***
2015	***248***	***242***	***255***	***255***	***1000***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.14	.14	.20	d.03	.45
2012	.28	.19	.13	.47	1.05
2013	.41	.21	.41	.35	1.37
2014	.59	.27	.43	***.46***	***1.75***
2015	***.55***	***.32***	***.50***	***.48***	***1.85***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.298	.298	.298	.298	1.19
2011	.298	.298	.298	.298	1.19
2012	.298	.298	.298	.298	1.19
2013	.298	.298	.298	.298	1.19
2014	.303	.303	.303	.303	

BUSINESS: Otter Tail Corporation is the parent of Otter Tail Power Company, which supplies electricity to over 130,000 customers in Minnesota (48% of retail elec. revs.), North Dakota (43%), and South Dakota (9%). Electric rev. breakdown, '13: residential, 33%; commercial & farms, 37%; industrial, 23%; other, 7%. Fuel costs: 13.8% of revenues. Also has operations in manufacturing, construction, and plastics. 2013 depr. rate: 3.2%. Has 2,336 employees. Off. and dir. own 1.4% of common stock; Cascade Investment, LLC, 9.5%; Vanguard Group, Inc., 6.5%; BlackRock, Inc., 5.7% (2/14 Proxy). CEO: Edward McIntyre. Inc.: MN. Address: 215 South Cascade St., P.O. Box 496, Fergus Falls, Minnesota 56538-0496. Telephone: 866-410-8780. Internet: www.ottertail.com.

Shares of Otter Tail have traded somewhat higher over the past three months. The company reported solid performance for the third quarter. The electric line benefited from higher net cost recovery rider revenue, an increase in fuel clause adjustment revenue, and greater sales to pipeline customers. This was partly offset by the impact of milder weather and lower wholesale electric revenue. Meanwhile, the Manufacturing unit's BTD subsidiary reported higher sales to customers in recreational, lawn and garden, and energy-related end markets. Elsewhere, the Plastics line benefited from an increase in demand for polyvinyl chloride (PVC) pipe. The top line declined in the Construction segment, though earnings improved on higher margins. Overall, revenues and share earnings advanced moderately, on a year-over-year basis. We expect favorable comparisons for the fourth quarter, and healthy growth for the company for full-year 2014.

Revenues and earnings will probably continue to advance from 2015 onward. The Electric segment should be able to further capitalize on a healthy operating climate in the coming quarters. This line will likely continue to experience growth in retail kilowatt-hour sales and rider recovery revenue going forward. Meanwhile, good performance ought to continue at the Manufacturing unit's BTD operation, though this will likely be partly offset by less favorable results at subsidiary T.O. Plastics. Elsewhere, the Construction business ought to gain from demand for electric transmission and distribution work, more-selective bidding on projects, and improved cost control processes. In addition, the Plastics segment should further benefit from healthy customer demand for PVC pipe. However, earnings here could well remain soft, as greater resin costs may not be fully recovered through increased pipe prices.

This stock is ranked to track the broader equity market for the coming six to 12 months. Looking further out, this issue is not a standout for long-term appreciation potential, from the recent quotation. Nevertheless, income-oriented investors may find the healthy dividend yield attractive.

Michael Napoli, CFA *December 19, 2014*

(A) Diluted earnings. Excl. nonrecurring gains (losses): '98, 7¢; '99, 34¢; '10, (44¢); '11, 26¢; '13, 2¢; gains (losses) from discont. operations: '04, 8¢; '05, 33¢; '06, 1¢; '11, ($1.11); '12, ($1.22). Earnings may not sum due to rounding. Next earnings report due in February. (B) Div'ds historically paid in early March, June, Sept., and Dec. ■ Div'd reinvestment plan avail. (C) Incl. intangibles. In '13: $52.3 mill., $1.44/sh. (D) In mill. (E) Regulatory Climate: MN, ND, Average; SD, Above Average.

Company's Financial Strength	B+
Stock's Price Stability	85
Price Growth Persistence	20
Earnings Predictability	50

EXELON CORP. NYSE-EXC

RECENT PRICE	37.55	P/E RATIO	13.9 (Trailing: 17.0 / Median: 15.0)	RELATIVE P/E RATIO	0.76	DIV'D YLD	3.3%	VALUE LINE

TIMELINESS	3 Lowered 9/5/14
SAFETY	3 Lowered 11/23/12
TECHNICAL	4 Lowered 10/17/14
BETA .70 (1.00 = Market)	

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
High:	33.3	44.9	57.5	63.6	86.8	92.1	59.0	49.9	45.4	43.7	37.8	37.9
Low:	23.0	30.9	41.8	51.1	58.7	41.2	38.4	17.0	39.1	28.4	26.6	26.5

2017-19 PROJECTIONS

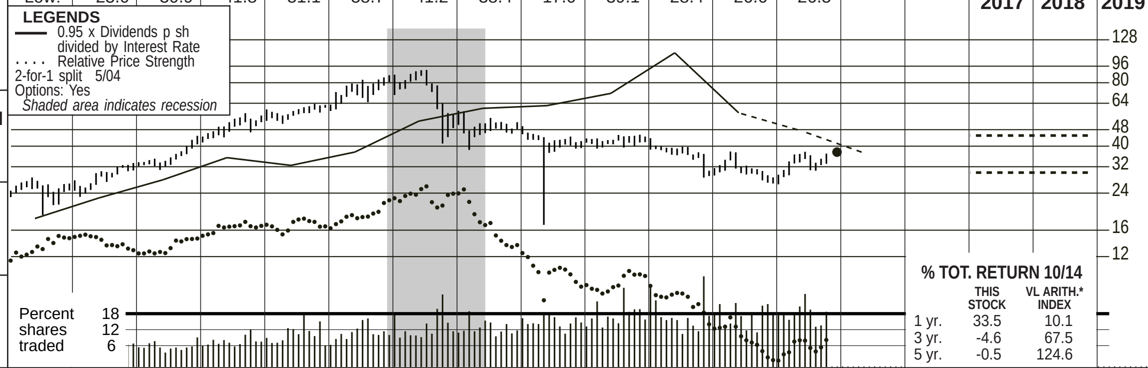
	Price	Gain	Ann'l Total Return
High	45	(+20%)	8%
Low	30	(-20%)	-1%

Insider Decisions

	D	J	F	M	A	M	J	J	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	12	2	2	0	0	0	0	0
to Sell	0	0	1	0	0	0	0	0	0

Institutional Decisions

	4Q2013	1Q2014	2Q2014
to Buy	284	322	319
to Sell	353	315	327
Hld's(000)	614658	630607	686965



% TOT. RETURN 10/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	33.5	10.1
3 yr.	-4.6	67.5
5 yr.	-0.5	124.6

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
- -	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	27.47	29.04	***30.70***	***30.70***	Revenues per sh	***32.75***
- -	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	6.60	6.73	***6.50***	***7.05***	"Cash Flow" per sh	***7.75***
- -	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	1.92	2.31	***2.10***	***2.65***	Earnings per sh A	***3.25***
- -	- -	- -	.91	.88	.96	1.26	1.60	1.64	1.82	2.05	2.10	2.10	2.10	2.10	1.46	***1.24***	***1.24***	Div'd Decl'd per sh B ■	***1.50***
- -	- -	1.18	3.18	3.33	2.95	2.89	3.25	3.61	4.05	4.74	4.96	5.02	6.10	6.77	6.30	***6.75***	***7.75***	Cap'l Spending per sh	***6.00***
- -	- -	11.31	12.82	11.97	12.84	14.19	13.70	14.89	15.34	16.79	19.15	20.48	21.70	25.07	26.53	***27.60***	***28.95***	Book Value per sh C	***33.75***
- -	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	855.00	857.00	***860.00***	***863.00***	Common Shs Outst'g D	***900.00***
- -	- -	22.4	13.2	10.5	11.8	13.0	15.4	16.5	18.2	18.0	11.5	11.0	11.3	19.1	13.4	*Bold figures are*		Avg Ann'l P/E Ratio	***11.0***
- -	- -	1.46	.68	.57	.67	.69	.82	.89	.97	1.08	.77	.70	.71	1.22	.75	*Value Line*		Relative P/E Ratio	***.70***
- -	- -	- -	3.1%	3.5%	3.4%	3.5%	3.2%	2.8%	2.5%	2.8%	4.3%	4.9%	5.0%	5.7%	4.7%	*estimates*		Avg Ann'l Div'd Yield	***4.2%***

CAPITAL STRUCTURE as of 6/30/14
Total Debt $21449 mill. **Due in 5 Yrs** $7832 mill.
LT Debt $18781 mill. **LT Interest** $901 mill.
Includes $648 mill. nonrecourse transition bonds.
(LT interest earned: 4.3x)
Leases, Uncapitalized Annual rentals $103 mill.
Pension Assets-12/13 $13571 mill.
Oblig. $15459 mill.
Pfd Stock $193 mill. **Pfd Div'd** $13 mill.
Includes $193 mill. in preferred securities of subsidiaries.
Common Stock 859,197,443 shs.

MARKET CAP: $32 billion (Large Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
14515	15357	15655	18916	18859	17318	18644	18924	23489	24888	***26400***	***26500***	Revenues ($mill)	***29500***
1844.0	2162.0	2370.0	2730.0	2721.0	2844.0	2567.0	2499.0	1579.0	1999.0	***1955***	***2285***	Net Profit ($mill)	***2865***
27.5%	30.4%	33.7%	34.6%	32.6%	38.8%	39.2%	36.8%	32.4%	36.5%	***25.0%***	***32.0%***	Income Tax Rate	***32.0%***
.9%	1.0%	1.6%	1.8%	1.3%	2.3%	2.1%	3.0%	5.8%	4.5%	***5.0%***	***4.0%***	AFUDC % to Net Profit	***3.0%***
56.1%	56.1%	54.2%	53.9%	53.1%	47.2%	46.8%	45.7%	45.8%	44.4%	***44.5%***	***44.0%***	Long-Term Debt Ratio	***41.5%***
43.5%	43.5%	45.4%	45.7%	46.6%	52.4%	52.9%	54.0%	53.5%	55.2%	***55.5%***	***55.5%***	Common Equity Ratio	***58.0%***
21658	20972	21971	22189	23726	24112	25651	26661	40057	41196	***42925***	***44825***	Total Capital ($mill)	***52300***
21482	21981	22775	24153	25813	27341	29941	32570	45186	47330	***49875***	***53225***	Net Plant ($mill)	***59900***
10.4%	12.1%	12.5%	14.1%	13.1%	13.3%	11.4%	10.6%	5.1%	5.9%	***5.5%***	***6.0%***	Return on Total Cap'l	***6.5%***
19.4%	23.5%	23.6%	26.7%	24.4%	22.3%	18.8%	17.3%	7.3%	8.7%	***7.5%***	***9.0%***	Return on Shr. Equity	***9.5%***
19.5%	23.6%	23.7%	26.9%	24.6%	22.5%	18.9%	17.3%	7.3%	8.7%	***7.5%***	***9.0%***	Return on Com Equity E	***9.5%***
10.7%	11.9%	13.0%	15.3%	12.5%	11.5%	8.7%	7.7%	NMF	3.2%	***3.0%***	***5.0%***	Retained to Com Eq	***5.0%***
45%	50%	45%	43%	49%	49%	54%	56%	109%	63%	***56%***	***47%***	All Div'ds to Net Prof	***47%***

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	-2.0	+18.9	-.5
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NMF	NMF	NMF
Capacity at Peak (Mw)	NA	NA	NA
Peak Load (Mw)	32736	32150	NA
Nuclear Capacity Factor (%)	93.3	92.7	94.1
% Change Customers (yr-end)	+.3	+23.6	+.6
Fixed Charge Cov. (%)	569	293	338

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	2.0%	1.0%	*2.5%*
"Cash Flow"	3.0%	-1.0%	*2.0%*
Earnings	1.5%	-7.5%	*3.5%*
Dividends	7.5%	.5%	*-3.5%*
Book Value	7.0%	9.5%	*5.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	5052	4587	5295	3990	18924
2012	4686	5954	6565	6284	23489
2013	6082	6141	6502	6163	24888
2014	7237	6024	6912	***6227***	***26400***
2015	***7000***	***6200***	***7000***	***6300***	***26500***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	1.01	.93	.90	.91	3.75
2012	.54	.33	.57	.49	1.92
2013	.30	.57	.86	.59	2.31
2014	.10	.60	.92	***.48***	***2.10***
2015	***.70***	***.60***	***.75***	***.60***	***2.65***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.525	.525	.525	.525	2.10
2011	.525	.525	.525	.525	2.10
2012	.525	.525	.525	.525	2.10
2013	.525	.31	.31	.31	1.46
2014	.31	.31	.31		

BUSINESS: Exelon Corporation is a holding company for Commonwealth Edison (3.9 mill. elec. customers in IL), PECO Energy, (1.6 mill. elec., 501,000 gas customers in PA), & Baltimore Gas and Electric (1.2 mill. elec., 656,000 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, 24%; large comm'l & ind'l, 7%; other, 10%. Generating sources: nuclear, 57%; other, 15%; purch., 28%. Fuel costs: 43% of revs. '13 depr. rates: 2.9%-3.4% elec., 2.1% gas. Has 25,800 empls. Chairman: Mayo A. Shattuck III. Pres. & CEO: Christopher M. Crane. Inc.: PA. Address: 10 S. Dearborn St., P.O. Box 805379, Chicago, IL 60680-5379. Tel.: 312-394-7398. Internet: www.exeloncorp.com.

Exelon's proposed acquisition of Pepco Holdings has taken a small step forward. The agreement calls for Exelon to pay $6.8 billion in cash for Pepco, which owns utilities in Washington, DC; the Delmarva Peninsula; and the southern third of New Jersey. Pepco shareholders voted in favor of the offer. The transaction still requires the approval of the regulators in DC, Delaware, Maryland, and New Jersey, along with the Federal Energy Regulatory Commission. The companies expect the takeover to be completed in the second or third quarter of 2015. Exelon anticipates the purchase to boost share net by $0.10-$0.15 in 2016 and $0.15-$0.20 in 2017, but our estimates and projections will not include Pepco until the deal has closed.

Exelon has already taken some steps to finance the acquisition. The company executed a forward sale agreement for 57.5 million common shares. It has sold and is selling some noncore generating assets to raise $1.4 billion. One sale produced a $0.23-a-share nonrecurring gain in the third quarter, but another will result in a pretax loss of $350 million-$450 million this quarter. This hardly means that Exelon is exiting the generating business—the company plans to build two gas-fired plants in Texas for $1.4 billion.

Another purchase has been completed. Exelon paid $50 million, plus net working capital, for the retail energy services operation owned by Integrys Energy. The deal almost doubled the size of its business, to 2.5 million customers.

Exelon Generation is seeing positive signs. Forward power prices for 2015 are higher than at the start of 2014. Also, proposals pending in the PJM power pool would raise capacity prices paid to owners of generating assets.

Baltimore Gas and Electric has reached a settlement of its rate case. The agreement, subject to approval of the Maryland commission, calls for a total (electric and gas) rate hike of $60 million and a $20 million reduction in depreciation and amortization.

Exelon's improved prospects are reflected in the quotation. The share price is up 37% since the start of 2014. The yield and 3- to 5-year total return potential are about average for a utility.

Paul E. Debbas, CFA *November 21, 2014*

(A) Dil. egs. Excl. nonrec. gain (losses): '02, (18¢); '03, ($1.06); '05, ($1.85); '06, ($1.15); '09, (20¢); '12, (50¢); '13, (31¢); '14, 23¢. '12 & '13 EPS don't add due to change in shares or rounding. Next earnings report due early Feb. **(B)** Div'ds historically paid in early Mar., June, Sept., & Dec. ■ Div'd reinvestment plan avail. **(C)** Incl. def'd charges. In '13: $10.79/sh. **(D)** In mill., adj. for split. **(E)** Rate allowed on com. eq. in IL in '11: 10.5%; in MD in '13: 9.75% elec., 9.6% gas; earned on avg. com. eq., '13: 9.1%. Regulat. Climate: PA, Avg.; IL, MD, Below Avg.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	15
Earnings Predictability	70

PPL CORPORATION NYSE-PPL

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
36.57	14.2	(Trailing: 18.1) (Median: 14.0)	0.78	4.1%	VALUE LINE

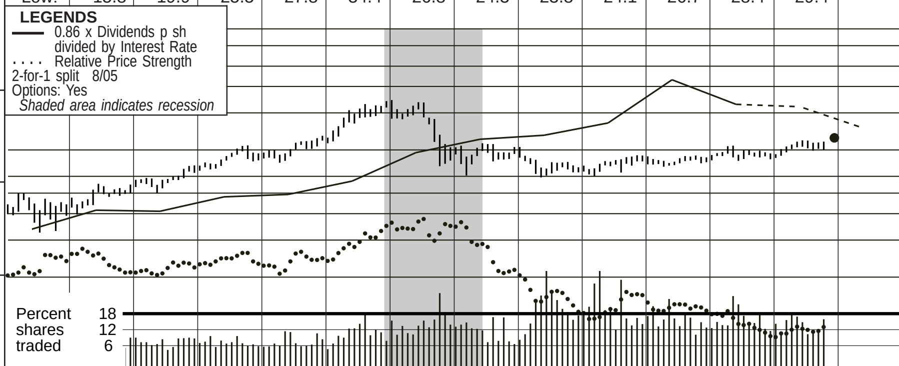
TIMELINESS 3 Lowered 3/28/14

SAFETY 3 Lowered 11/28/08

TECHNICAL 3 Lowered 8/29/14

BETA .60 (1.00 = Market)

High:	22.2	27.1	33.7	37.3	54.6	55.2	34.4	33.1	30.3	30.2	33.6	36.8
Low:	15.8	19.9	25.5	27.8	34.4	26.8	24.3	23.8	24.1	26.7	28.4	29.4



Target Price Range
2017 | 2018 | 2019
120, 100, 80, 64, 48, 32, 24, 20, 16, 12, 8

2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	40	(+10%)	6%
Low	25	(-30%)	-4%

Insider Decisions

	D	J	F	M	A	M	J	J	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	10	2	1	2	2	0	0	2
to Sell	0	6	2	3	2	4	0	0	1

Institutional Decisions

	4Q2013	1Q2014	2Q2014
to Buy	293	291	330
to Sell	252	277	238
Hld's(000)	419762	429819	460755

% TOT. RETURN 10/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	19.6	10.1
3 yr.	37.6	67.5
5 yr.	52.1	124.6

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	21.11	18.82	*15.65*	*18.80*	Revenues per sh	*20.50*
2.43	2.56	3.32	3.51	3.20	3.60	3.59	3.84	4.26	5.10	4.71	3.47	3.66	4.59	4.84	4.64	*4.30*	*4.70*	"Cash Flow" per sh	*5.25*
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	2.61	2.38	*2.10*	*2.35*	Earnings per sh A	*2.50*
.67	.50	.53	.53	.72	.77	.82	.96	1.10	1.22	1.34	1.38	1.40	1.40	1.44	1.47	*1.49*	*1.51*	Div'd Decl'd per sh B ■	*1.60*
.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	5.34	6.68	*6.25*	*5.65*	Cap'l Spending per sh	*5.50*
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	18.01	19.78	*20.65*	*21.50*	Book Value per sh C	*24.25*
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	581.94	630.32	*670.00*	*670.00*	Common Shs Outst'g D	*670.00*
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	10.9	12.8	*Bold figures are*		Avg Ann'l P/E Ratio	*13.5*
.57	.76	.58	.64	.61	.60	.66	.80	.76	.92	1.06	1.71	.76	.66	.69	.72	*Value Line*		Relative P/E Ratio	*.85*
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%	5.1%	4.8%	*estimates*		Avg Ann'l Div'd Yield	*4.8%*

CAPITAL STRUCTURE as of 6/30/14
Total Debt $21931 mill. **Due in 5 Yrs** $3998 mill.
LT Debt $20819 mill. **LT Interest** $946 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: 2.4x)
Leases, Uncapitalized Annual rentals $122 mill.
Pension Assets-12/13 $11440 mill.
Oblig. $12734 mill.
Pfd Stock None
Common Stock 664,381,143 shs.
as of 7/25/14
MARKET CAP: $24 billion (Large Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
5812.0	6219.0	6899.0	6498.0	8044.0	7556.0	8521.0	12737	12286	11860	*10500*	*12600*	Revenues ($mill)	*13750*
692.0	739.0	899.0	1031.0	940.0	465.0	1009.0	1456.0	1536.0	1541.0	*1405*	*1570*	Net Profit ($mill)	*1700*
22.8%	14.0%	23.2%	20.7%	31.8%	21.8%	22.0%	31.0%	26.2%	23.1%	*33.0%*	*26.0%*	Income Tax Rate	*26.0%*
.7%	- -	- -	- -	.1%	9.5%	3.5%	4.0%	4.1%	3.7%	*2.0%*	*2.0%*	AFUDC % to Net Profit	*1.0%*
61.6%	57.5%	55.4%	54.1%	57.1%	55.2%	59.0%	61.9%	64.1%	62.3%	*57.5%*	*57.0%*	Long-Term Debt Ratio	*57.5%*
37.9%	42.0%	42.2%	43.6%	40.5%	42.5%	39.8%	37.2%	35.9%	37.7%	*42.5%*	*43.0%*	Common Equity Ratio	*42.5%*
11171	10513	12151	12747	12529	12940	20621	29071	29205	33058	*32450*	*33500*	Total Capital ($mill)	*38000*
11209	10916	12069	12605	12416	13174	20858	27266	30032	33087	*35800*	*38025*	Net Plant ($mill)	*44600*
8.4%	9.3%	9.3%	9.8%	9.2%	5.2%	6.1%	6.5%	7.0%	6.2%	*6.0%*	*6.0%*	Return on Total Cap'l	*6.0%*
16.1%	16.5%	16.6%	17.6%	17.5%	8.0%	11.9%	13.1%	14.7%	12.4%	*10.0%*	*11.0%*	Return on Shr. Equity	*10.5%*
16.3%	16.7%	17.3%	18.2%	18.2%	8.1%	12.0%	13.3%	14.6%	12.4%	*10.0%*	*11.0%*	Return on Com Equity E	*10.5%*
9.3%	8.8%	9.3%	10.0%	8.5%	NMF	5.2%	6.4%	6.7%	5.3%	*3.0%*	*4.0%*	Retained to Com Eq	*4.0%*
43%	47%	47%	46%	54%	115%	58%	52%	54%	57%	*69%*	*64%*	All Div'ds to Net Prof	*63%*

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+81.9	+14.6	+1.2
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	304	304	288

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	2.0%	2.0%	*Nil*
"Cash Flow"	3.0%	- -	*2.0%*
Earnings	4.0%	.5%	*Nil*
Dividends	8.0%	3.5%	*2.0%*
Book Value	10.0%	6.0%	*4.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	2910	2489	3120	4218	12737
2012	4112	2549	2403	3222	12286
2013	2457	3450	3105	2848	11860
2014	1223	2874	3449	*2954*	*10500*
2015	*3350*	*3050*	*3150*	*3050*	*12600*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.82	.35	.76	.69	2.61
2012	.93	.47	.61	.60	2.61
2013	.65	.63	.62	.46	2.32
2014	.49	.34	.73	*.54*	*2.10*
2015	*.80*	*.50*	*.55*	*.50*	*2.35*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.345	.35	.35	.35	1.40
2011	.35	.35	.35	.35	1.40
2012	.35	.36	.36	.36	1.43
2013	.36	.3675	.3675	.3675	1.46
2014	.3675	.3725	.3725	.3725	

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 subsidiary in '08. The company no longer breaks out data on electric operating statistics. Fuel costs: 36% of revs. '13 reported deprec. rates: 2.6%-4.5%. Has 18,100 employees. Chairman, President & CEO: William H. Spence. Inc.: PA. Address: Two North Ninth St., Allentown, PA 18101-1179. Tel.: 800-345-3085. Internet: www.pplweb.com.

The spinoff of PPL's nonregulated energy-supply business is on track for completion in the first or second quarter of 2015. Low power prices and rising coal costs have squeezed this operation's margins in recent years. This is one of the main reasons why earnings declined in 2013, and are likely to do so again in 2014. The agreement calls for PPL to combine its merchant generating assets with those of another company, Riverstone, to form Talen Energy. PPL stockholders would get one share of Talen for each of their PPL shares in a tax-free transaction. The deal needs the approval of the Federal Energy Regulatory Commission, Pennsylvania Public Utility Commission, and Nuclear Regulatory Commission. Costs associated with the spinoff reduced earnings by $0.12 a share so far this year, and we *include* these expenses in our earnings presentation. Until the spinoff is completed, our estimates and projections will be based on PPL's current configuration. Note, too, that the board of directors won't review the dividend for a possible increase until after the move has been completed.

Once the spinoff has been effected, we expect steady annual earnings and dividend growth from PPL. The company will consist of regulated utilities in Pennsylvania (transmission and distribution only), Kentucky, and the United Kingdom.

The sale of PPL's hydro assets in Montana should close by yearend. The local utility is buying them for $895 million. PPL is now reporting these assets as discontinued operations.

The utilities in Kentucky will file rate cases at the end of this month. Kentucky Utilities expects to request an electric rate increase of $153 million (9.6%), based on a return of 10.5% on a common-equity ratio of 53.02%. Louisville Gas and Electric intends to seek electric and gas tariff hikes of $30 million (2.7%) and $14 million (4.4%), respectively, based on a return of 10.5% on a common-equity ratio of 52.75%. New rates should take effect at the start of July.

This stock offers a dividend yield that is somewhat above the utility average. Like most utility equities, 3- to 5-year total return potential is low.

Paul E. Debbas, CFA *November 21, 2014*

(A) Dil. EPS. Excl. nonrec. gain (losses): '07, (12¢); '10, (8¢); '11, 8¢; '13, (62¢); gains (losses) on disc. ops.: '05, (12¢); '07, 19¢; '08, 3¢; '09, (10¢); '10, (4¢); '12, (1¢); '14, 2¢. '11 EPS don't add due to rounding, '13 due to chg. in shs. Next egs. due early Feb. (B) Div'ds historically paid in early Jan., Apr., July, & Oct. ■ Div'd reinv. plan avail. (C) Incl. intang. In '13: $10.18/sh. (D) In mill., adj. for split. (E) Rate base: Fair val. Rate all'd on com. eq. in PA in '13: 10.4%; in KY in '13: 10.25%; earned on avg. com. eq., '13: 12.4%. Regul. Climate: Avg.

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

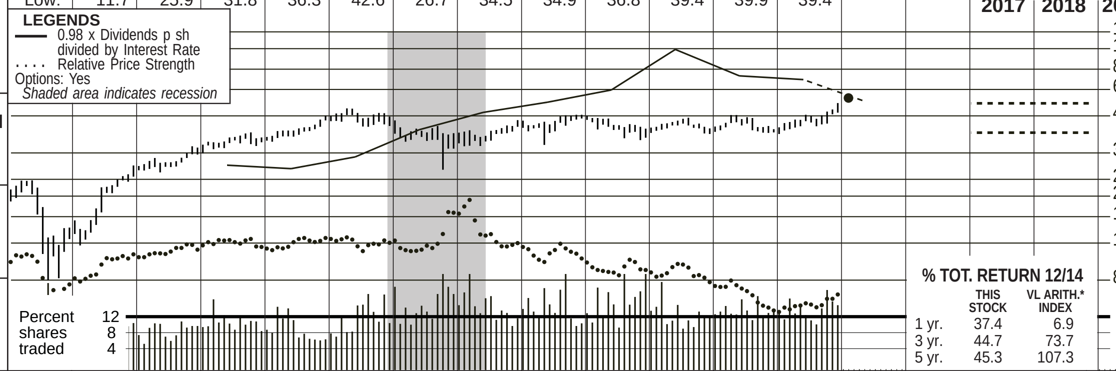
PG&E CORP. NYSE-PCG

RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD
58.30	16.9 (Trailing: 19.7, Median: 15.0)	0.92	3.1%

VALUE LINE

TIMELINESS 3 Lowered 12/19/14
SAFETY 3 Lowered 2/3/12
TECHNICAL 3 Raised 11/28/14
BETA .65 (1.00 = Market)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
High:	28.0	34.5	40.1	48.2	52.2	45.7	45.8	48.6	48.0	47.0	48.5	55.2
Low:	11.7	25.9	31.8	36.3	42.6	26.7	34.5	34.9	36.8	39.4	39.9	39.4



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(-5%)	2%
Low	40	(-30%)	-4%

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	1	0	0
to Sell	0	6	0	1	0	0	0	0	0

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	217	206	210
to Sell	203	205	186
Hld's(000)	370504	387652	390623

% TOT. RETURN 12/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	37.4	6.9
3 yr.	44.7	73.7
5 yr.	45.3	107.3

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
52.12	57.74	67.75	63.18	32.74	25.05	26.47	31.78	36.02	37.42	40.51	36.15	35.02	36.28	34.92	34.16	*35.50*	*35.90*	Revenues per sh	*41.00*
6.08	7.15	.80	5.66	1.14	4.80	5.71	7.12	7.76	8.02	8.44	8.37	8.22	8.08	7.32	6.33	*7.95*	*7.95*	"Cash Flow" per sh	*9.25*
1.88	2.24	d9.21	3.02	d2.36	2.05	2.12	2.35	2.76	2.78	3.22	3.03	2.82	2.78	2.07	1.83	*3.15*	*2.95*	Earnings per sh A	*3.50*
1.20	1.20	1.20	- -	- -	- -	- -	1.23	1.32	1.44	1.56	1.68	1.82	1.82	1.82	1.82	1.82	*1.82*	Div'd Decl'd per sh B ■ †	*2.10*
4.23	4.39	4.54	7.33	7.94	4.08	3.72	4.90	6.90	7.83	10.05	10.68	9.62	9.79	10.74	11.40	*10.70*	*11.35*	Cap'l Spending per sh	*11.25*
21.08	19.10	8.19	11.89	9.47	10.12	20.62	19.60	22.44	24.18	25.97	27.88	28.55	29.35	30.35	31.41	*33.25*	*34.60*	Book Value per sh C	*39.25*
382.60	360.59	387.19	363.38	381.67	416.52	418.62	368.27	348.14	353.72	361.06	370.60	395.23	412.26	430.72	456.67	*476.00*	*485.00*	Common Shs Outst'g D	*500.00*
16.8	13.1	- -	4.8	- -	9.5	13.8	15.4	14.8	16.8	12.1	13.0	15.8	15.5	20.7	23.7	*14.6*		Avg Ann'l P/E Ratio	*13.5*
.87	.75	- -	.25	- -	.54	.73	.82	.80	.89	.73	.87	1.01	.97	1.32	1.33	*.75*		Relative P/E Ratio	*.85*
3.8%	4.1%	4.8%	- -	- -	- -	- -	3.4%	3.2%	3.1%	4.0%	4.3%	4.1%	4.2%	4.2%	4.2%	4.0%		Avg Ann'l Div'd Yield	*4.4%*

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
11080	11703	12539	13237	14628	13399	13841	14956	15040	15598	*16900*	*17400*	Revenues ($mill)	*20500*
901.0	904.0	1005.0	1020.0	1198.0	1168.0	1113.0	1132.0	893.0	828.0	*1495*	*1445*	Net Profit ($mill)	*1830*
35.0%	37.6%	35.5%	34.6%	26.2%	31.1%	33.0%	30.3%	23.9%	24.5%	*20.0%*	*25.0%*	Income Tax Rate	*26.5%*
3.6%	5.6%	6.7%	9.4%	9.5%	11.9%	14.4%	11.2%	17.5%	17.9%	*9.0%*	*10.0%*	AFUDC % to Net Profit	*8.0%*
45.1%	48.3%	51.7%	52.6%	52.2%	51.4%	49.6%	48.8%	48.7%	46.6%	*48.0%*	*47.5%*	Long-Term Debt Ratio	*49.5%*
53.2%	50.0%	46.8%	46.1%	46.5%	47.4%	49.3%	50.2%	50.4%	52.5%	*51.5%*	*52.0%*	Common Equity Ratio	*50.0%*
16242	14446	16696	18558	20163	21793	22863	24119	25956	27311	*30850*	*32375*	Total Capital ($mill)	*39200*
18989	19955	21785	23656	26261	28892	31449	33655	37523	41252	*44050*	*47125*	Net Plant ($mill)	*56000*
7.6%	8.1%	7.6%	7.4%	7.8%	6.7%	6.2%	5.9%	4.7%	4.2%	*6.0%*	*5.5%*	Return on Total Cap'l	*6.0%*
10.1%	12.1%	12.5%	11.6%	12.4%	11.0%	9.6%	9.2%	6.7%	5.7%	*9.5%*	*8.5%*	Return on Shr. Equity	*9.0%*
10.3%	12.3%	12.7%	11.8%	12.6%	11.2%	9.7%	9.2%	6.7%	5.7%	*9.5%*	*8.5%*	Return on Com Equity E	*9.5%*
10.3%	7.7%	6.8%	6.0%	6.8%	5.5%	3.9%	3.4%	1.0%	.2%	*4.0%*	*3.5%*	Retained to Com Eq	*4.0%*
1%	39%	47%	50%	47%	52%	61%	63%	85%	96%	*58%*	*61%*	All Div'ds to Net Prof	*58%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $14981 mill. **Due in 5 yrs** $2849 mill.
LT Debt $14555 mill. **LT Interest** $720 mill.
Incl. $90 mill. capitalized leases.
(LT interest earned: 3.4x)
Pension Assets-12/13 $12527 mill. **Oblig.** $14077 mill.
Pfd Stock $252 mill. **Pfd Div'd** $14 mill.
4,534,958 shs. 4.36% to 5%, cumulative and $25 par, redeemable from $25.75 to $27.25; 5,784,825 shs. 5.00% to 6.00%, cumulative nonredeemable and $25 par.
Common Stock 475,088,027 shs. **as of 10/20/14**
MARKET CAP: $28 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	-.3	+6.0	+.5
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	9.51	9.17	9.28
Capacity at Peak (Mw)	NMF	NMF	NMF
Peak Load, Summer (Mw)	NMF	NMF	NMF
Annual Load Factor (%)	NMF	NMF	NMF
% Change Customers (yr-end)	+.4	+.5	+.3
Fixed Charge Cov. (%)	295	231	223

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	-1.5%	-1.5%	*2.5%*
"Cash Flow"	6.5%	-2.0%	*4.0%*
Earnings	9.5%	-5.5%	*8.0%*
Dividends	- -	5.0%	*2.5%*
Book Value	11.0%	4.5%	*4.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	3597	3684	3860	3815	14956
2012	3641	3593	3976	3830	15040
2013	3672	3776	4175	3975	15598
2014	3891	3952	4939	*4118*	*16900*
2015	*4150*	*4150*	*4850*	*4250*	*17400*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.50	.91	.68	.69	2.78
2012	.66	.55	.87	d.01	2.07
2013	.55	.74	.36	.19	1.83
2014	.49	.57	1.71	*.38*	*3.15*
2015	*.65*	*.70*	*1.05*	*.55*	*2.95*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.455	.455	.455	.455	1.82
2012	.455	.455	.455	.455	1.82
2013	.455	.455	.455	.455	1.82
2014	.455	.455	.455	.455	1.82
2015	.455				

BUSINESS: PG&E Corporation is a holding company for Pacific Gas and Electric Company and nonutility subsidiaries. Supplies electricity and gas to most of northern and central California. Has 5.3 million electric and 4.4 million gas customers. Electric revenue breakdown: residential, 41%; commercial, 39%; industrial, 11%; agricultural, 8%; other, 1%. Generating sources: nuclear, 24%; hydro, 11%; gas, 8%; purchased, 57%. Fuel costs: 38% of revenues. '13 reported depreciation rate (utility): 3.5%. Has 21,200 employees. Chairman, President & Chief Executive Officer: Anthony F. Earley, Jr. Incorporated: California. Address: One Market, Spear Tower, Suite 2400, San Francisco, California 94105. Telephone: 415-267-7000. Internet: www.pgecorp.com.

Will 2015 be the year in which the uncertainties surrounding the explosion of a PG&E gas pipeline in San Bruno, California are finally resolved? In September of 2010, the accident killed eight people, injured dozens more, and caused extensive property damage. Since then, the company has incurred (and continues to do so) significant pipeline-related expenses that were not recovered from customers. These costs are *included* in our earnings presentation, but a $200 million reserve PG&E took for a probable fine was excluded. All told, the company has incurred (or committed to do so) $2.7 billion in unrecovered costs. However, administrative law judges and the Safety and Enforcement Division of the California Public Utilities Commission (CPUC) are each recommending additional penalties that would raise the negative pretax impact on shareholders to more than $4.7 billion. The company is also facing an indictment from the federal government.

Earnings are tough to predict. This is due to uncertainties in the magnitude and timing of the unrecovered costs, as well as any insurance recoveries. (Note that our Earnings Predictability score includes data from years before the accident.)

Wall Street appears optimistic that this problem will be resolved without excessive harm to the company's finances. The share price rose more than 25% in 2014, and has advanced almost 10% so far in the new year.

PG&E awaits a ruling on its gas transmission and storage case. The utility requested increases of $555 million in 2015, $61 million in 2016, and $168 million in 2017. New rates will be retroactive to the start of this year. However, the discovery of some *ex parte* communications (via e-mail) between the company and the CPUC might well complicate this matter.

We believe more-attractive selections are available elsewhere. Following the run-up in the stock price, the dividend yield is a bit below average for a utility. The payout hasn't been raised since the accident, and we expect no hike again in 2015, even if the San Bruno matter with the CPUC is concluded before yearend. Finally, the recent price is above the upper end of our 2017-2019 Target Price Range.

Paul E. Debbas, CFA *January 30, 2015*

(A) Diluted EPS. Excl. nonrec. gains (losses): '99, ($2.44); '04, $6.95; '09, 18¢; '11, (68¢); '12, (15¢); gain from disc. ops.: '08, 41¢. Incl. nonrec. loss: '00, $11.83. '13 EPS don't add due to rounding. Next earnings report due mid-Feb. (B) Div'ds historically paid in mid-Jan., Apr., July, and Oct. ■ Div'd reinvest. plan avail. † Shareholder investment plan avail. (C) Incl. intang. In '13: $10.76/sh. (D) In mill. (E) Rate base: net orig. cost. Rate allowed on com. eq. in '13: 10.4%; earned on avg. com. eq., '13: 5.9%. Regulatory Climate: Above Average.

Company's Financial Strength	B+
Stock's Price Stability	100
Price Growth Persistence	45
Earnings Predictability	70

PINNACLE WEST NYSE-PNW

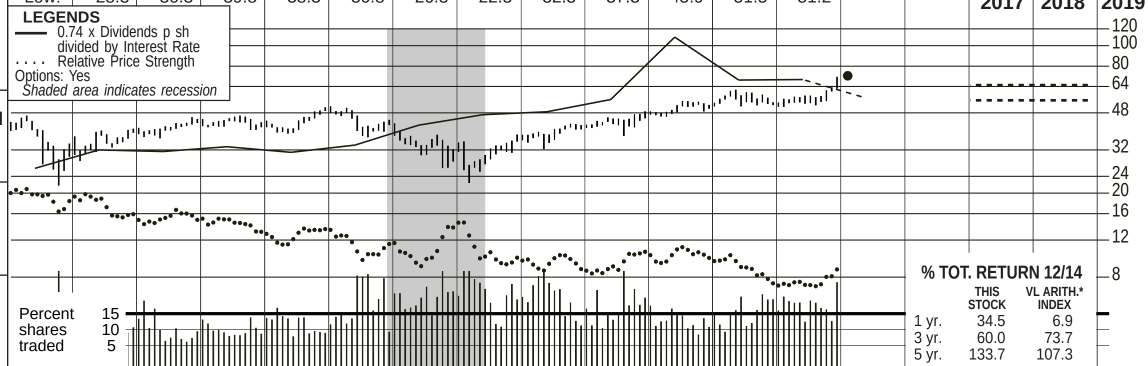
RECENT PRICE	P/E RATIO	(Trailing / Median)	RELATIVE P/E RATIO	DIV'D YLD	
71.96	18.8	(Trailing: 19.2, Median: 15.0)	1.02	3.4%	VALUE LINE

TIMELINESS 3 Lowered 10/10/14
SAFETY 1 Raised 5/3/13
TECHNICAL 3 Raised 12/12/14
BETA .70 (1.00 = Market)

High:	40.5	45.8	46.7	51.0	51.7	42.9	38.0	42.7	48.9	54.7	61.9	71.1
Low:	28.3	36.3	39.8	38.3	36.8	26.3	22.3	32.3	37.3	45.9	51.5	51.2

Target Price Range 2017 2018 2019

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



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(-10%)	*1%*
Low	55	(-25%)	*-2%*

Insider Decisions

	F	M	A	M	J	J	A	S	O
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

	1Q2014	2Q2014	3Q2014
to Buy	160	169	171
to Sell	177	171	163
Hld's(000)	87519	87807	88791

Percent shares traded 15 10 5

% TOT. RETURN 12/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	34.5	6.9
3 yr.	60.0	73.7
5 yr.	133.7	107.3

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	30.09	31.35	*31.40*	*32.35*	Revenues per sh	*35.25*
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	7.92	8.15	*8.35*	*8.75*	"Cash Flow" per sh	*9.75*
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	3.50	3.66	*3.70*	*3.85*	Earnings per sh A	*4.25*
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	2.67	2.23	2.33	*2.44*	Div'd Decl'd per sh B ■	*2.80*
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	8.24	9.36	*9.10*	*9.55*	Cap'l Spending per sh	*9.25*
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	36.20	38.07	*39.45*	*40.85*	Book Value per sh C	*45.50*
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	109.74	110.18	*110.75*	*111.25*	Common Shs Outst'g D	*117.50*
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	14.3	15.3	*15.4*		Avg Ann'l P/E Ratio	*13.5*
.79	.68	.73	.61	.79	.80	.83	1.02	.74	.79	.97	.91	.80	.92	.91	.86	*.80*		Relative P/E Ratio	*.85*
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%	5.3%	4.0%	4.1%		Avg Ann'l Div'd Yield	*4.8%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $3525.8 mill. **Due in 5 Yrs** $1528.1 mill.
LT Debt $3037.8 mill. **LT Interest** $159.6 mill.
Incl. $13.4 mill. Palo Verde sale leaseback lessor notes.
(LT interest earned: 4.5x)
Leases, Uncapitalized Annual rentals $20.0 mill.
Pension Assets-12/13 $2264.1 mill. **Oblig.** $2646.5 mill.
Pfd Stock None

Common Stock 110,450,009 shs. **as of 10/24/14**
MARKET CAP: $7.9 billion (Large Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
2899.7	2988.0	3401.7	3523.6	3367.1	3297.1	3263.6	3241.4	3301.8	3454.6	*3475*	*3600*	Revenues ($mill)	*4150*
235.2	223.2	317.1	298.8	213.6	229.2	330.4	328.2	387.4	406.1	*415*	*430*	Net Profit ($mill)	*505*
35.4%	36.2%	33.0%	33.6%	23.4%	36.9%	31.9%	34.0%	36.2%	34.4%	*34.0%*	*35.0%*	Income Tax Rate	*35.0%*
6.9%	10.4%	11.1%	14.8%	17.5%	11.2%	11.7%	12.8%	9.7%	10.0%	*10.0%*	*9.0%*	AFUDC % to Net Profit	*8.0%*
46.7%	43.2%	48.4%	47.0%	46.8%	50.4%	45.3%	44.1%	44.6%	40.0%	*42.0%*	*46.5%*	Long-Term Debt Ratio	*41.0%*
53.3%	56.8%	51.6%	53.0%	53.2%	49.6%	54.7%	55.9%	55.4%	60.0%	*58.0%*	*53.5%*	Common Equity Ratio	*59.0%*
5535.2	6033.4	6678.7	6658.7	6477.6	6686.6	6729.1	6840.9	7171.9	6990.9	*7545*	*8465*	Total Capital ($mill)	*9100*
7535.5	7577.1	7881.9	8436.4	8916.7	9257.8	9578.8	9962.3	10396	10889	*11385*	*11910*	Net Plant ($mill)	*13575*
5.6%	5.0%	6.2%	5.9%	4.7%	4.8%	6.5%	6.4%	6.8%	7.1%	*6.5%*	*6.0%*	Return on Total Cap'l	*6.5%*
8.0%	6.5%	9.2%	8.5%	6.2%	6.9%	9.0%	8.6%	9.8%	9.7%	*9.5%*	*9.5%*	Return on Shr. Equity	*9.5%*
8.0%	6.5%	9.2%	8.5%	6.2%	6.9%	9.0%	8.6%	9.8%	9.7%	*9.5%*	*9.5%*	Return on Com Equity E	*9.5%*
2.3%	1.0%	3.4%	2.5%	.3%	.7%	3.1%	2.8%	4.1%	4.1%	*3.5%*	*3.5%*	Retained to Com Eq	*3.5%*
71%	85%	63%	70%	96%	89%	66%	68%	58%	58%	*62%*	*63%*	All Div'ds to Net Prof	*65%*

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+1.8	-.2	-.2
Avg. Indust. Use (MWH)	632	647	644
Avg. Indust. Revs. per KWH (¢)	7.78	7.86	8.21
Capacity at Peak (Mw)	8577	8864	8398
Peak Load, Summer (Mw)	7087	7207	6927
Annual Load Factor (%)	50.0	48.8	50.0
% Change Customers (yr-end)	+.8	+1.3	+1.4
Fixed Charge Cov. (%)	308	397	419

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	-2.0%	-2.5%	*2.5%*
"Cash Flow"	- -	-3.0%	*3.5%*
Earnings	1.5%	4.0%	*4.0%*
Dividends	3.5%	2.5%	*3.0%*
Book Value	2.0%	1.0%	*4.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	648.9	799.8	1124.8	667.9	3241.4
2012	620.6	878.6	1109.5	693.1	3301.8
2013	686.6	915.8	1152.4	699.8	3454.6
2014	686.3	906.3	1172.7	*709.7*	*3475*
2015	*700*	*950*	*1200*	*750*	*3600*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	d.15	.78	2.24	.11	2.99
2012	d.07	1.12	2.21	.24	3.50
2013	.22	1.18	2.04	.22	3.66
2014	.14	1.19	2.20	*.17*	*3.70*
2015	*.20*	*1.25*	*2.20*	*.20*	*3.85*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.525	.525	.525	.525	2.10
2012	.525	.525	.525	.545	2.12
2013	.545	.545	.545	.5675	2.20
2014	.5675	.5675	.5675	.595	2.30
2015					

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, 49%; commercial, 39%; industrial, 5%; other, 7%. Generating sources: coal, 33%; nuclear, 27%; gas & other, 18%; purchased, 22%. Fuel costs: 32% of revenues. Has 6,400 employees. '13 reported deprec. rate: 3.0%. Chairman, President & CEO: Donald E. Brandt. Inc.: AZ. Address: 400 North Fifth St., P.O. Box 53999, Phoenix, AZ 85072-3999. Tel.: 602-250-1000. Internet: www.pinnaclewest.com.

Pinnacle West's utility subsidiary received a rate increase that took effect at the start of the new year. Arizona Public Service paid $182 million for a 739-megawatt stake in Units 4 and 5 of the Four Corners coal-fired plant. (It retired Units 1, 2, and 3.) In order to place these assets into the rate base, the utility's tariffs were raised by $57.1 million (2.0%). The increase was below the $65.4 million that APS had sought.

The utility will put forth a regulatory filing this year to address rate design. Like many utilities, APS believes customers that have installed solar panels on their buildings are not paying for their use of the electric grid. The Arizona Corporation Commission (ACC) has opened a generic docket to address this matter. The ACC has two new members, but this isn't likely to slow the regulatory process.

We estimate that earnings will increase 4% this year. The aforementioned rate increase should help. APS also receives rate relief annually for certain kinds of capital spending, such as for transmission. Customer growth is improving as the state's economy recovers from the real estate collapse that occurred several years ago. Our 2015 share-earnings estimate is at the midpoint of Pinnacle West's targeted range of $3.75-$3.95.

The utility is planning to add some gas-fired generating capacity. APS intends to build 510 mw and retire 220 mw, for net incremental capacity of 290 mw. The ACC has approved the project. The company expects the project to be completed in the second quarter of 2018 at a cost of $60 million-$70 million.

Finances are strong. The fixed-charge coverage and common-equity ratio are well above the utility norms. Earned returns on equity have improved in recent years, too.

The dividend yield of Pinnacle West stock is about average for a utility. We project that, for at least the next few years, the company will maintain the 5% annual dividend growth rate that was established last fall. However, like several other electric utility equities, the recent price is above our 2017-2019 Target Price Range. Accordingly, total return potential is negative.

Paul E. Debbas, CFA *January 30, 2015*

(A) Diluted EPS. Excl. nonrec. losses: '02, 77¢; '09, $1.45; excl. gains (losses) from disc. ops.: '00, 22¢; '05, (36¢); '06, 10¢; '08, 28¢; '09, (13¢); '10, 18¢; '11, 10¢; '12, (5¢). '11 EPS don't add due to rounding. Next earnings report due late Feb. (B) Div'ds historically paid in early Mar., June, Sept., & Dec. There were 5 declarations in '12. ■ Div'd reinvestment plan avail. (C) Incl. deferred charges. In '13: $7.71/sh. (D) In mill. (E) Rate base: Fair value. Rate allowed on com. eq. in '12: 10%; earned on avg. com. eq., '13: 9.9%. Regulatory Climate: Avg.

Company's Financial Strength	A+
Stock's Price Stability	100
Price Growth Persistence	55
Earnings Predictability	65

PEPCO HOLDINGS NYSE-POM

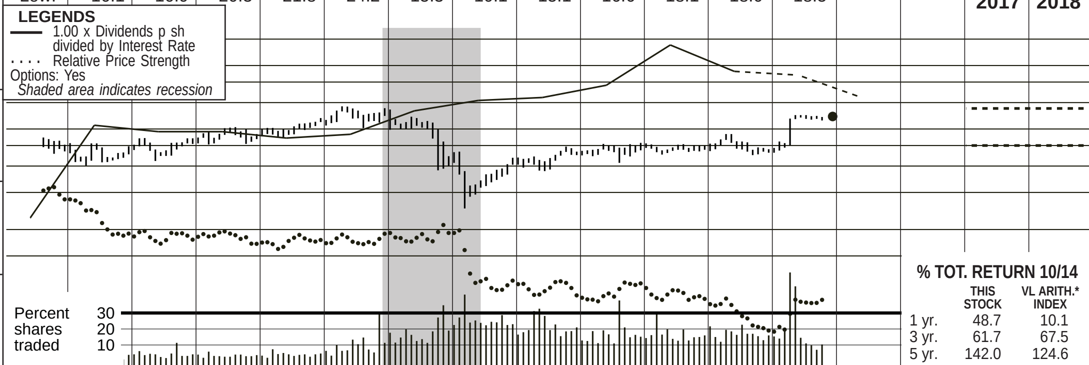
RECENT PRICE	27.51	P/E RATIO	20.5 (Trailing: 21.5 / Median: 15.0)	RELATIVE P/E RATIO	1.13	DIV'D YLD	3.9%	VALUE LINE

TIMELINESS – Suspended 5/9/14
SAFETY 3 Lowered 6/6/03
TECHNICAL – Suspended 5/9/14
BETA .70 (1.00 = Market)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
High:	20.6	21.7	24.5	27.0	30.7	29.6	18.7	19.8	20.6	20.5	22.7	27.9
Low:	16.1	16.9	20.3	21.8	24.2	15.3	10.1	15.1	16.6	18.1	18.0	18.5

Target Price Range 2017 | 2018 | 2019

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



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	30	(+10%)	5%
Low	20	(-25%)	-3%

Insider Decisions

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

Institutional Decisions

	4Q2013	1Q2014	2Q2014
to Buy	167	155	160
to Sell	138	157	176
Hld's(000)	144455	148709	153156

% TOT. RETURN 10/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	48.7	10.1
3 yr.	61.7	67.5
5 yr.	142.0	124.6

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
	38.35	42.49	43.57	46.71	48.88	41.66	31.27	26.02	22.09	18.64	***19.85***	***21.25***	Revenues per sh	***25.40***
	3.71	3.67	3.47	3.30	3.55	2.82	2.97	3.00	3.21	3.01	***3.25***	***3.45***	"Cash Flow" per sh	***3.75***
	1.46	1.49	1.33	1.53	1.93	1.06	1.24	1.14	1.24	1.14	***1.25***	***1.45***	Earnings per sh A	***1.75***
	1.00	1.00	1.04	1.04	1.08	1.08	1.08	1.08	1.08	1.08	***1.08***	***1.08***	Div'd Decl'd per sh B ■	***1.08***
	2.75	2.46	2.47	3.11	3.57	3.89	3.56	4.14	5.29	5.23	***5.20***	***5.20***	Cap'l Spending per sh	***4.00***
	17.87	18.88	18.82	20.04	19.14	19.15	18.79	19.06	19.33	17.24	***19.45***	***20.10***	Book Value per sh C	***21.90***
	188.33	189.82	191.93	200.51	218.91	222.27	225.08	227.50	230.02	250.32	***252.00***	***254.00***	Common Shs Outst'g D	***260.00***
	13.6	14.9	18.1	18.2	12.2	13.7	14.0	16.7	15.6	17.5	*Bold figures are*		Avg Ann'l P/E Ratio	***14.0***
	.72	.79	.98	.97	.73	.91	.89	1.05	.99	.98	*Value Line*		Relative P/E Ratio	***.90***
	5.0%	4.5%	4.3%	3.7%	4.6%	7.4%	6.2%	5.7%	5.6%	5.4%	*estimates*		Avg Ann'l Div'd Yield	***4.9%***
	7221.8	8065.5	8362.9	9366.4	10700	9259.0	7039.0	5920.0	5081.0	4666.0	***5000***	***5400***	Revenues ($mill)	***6600***
	261.3	277.4	254.4	296.5	400.0	235.0	276.0	257.0	285.0	280.0	***315***	***370***	Net Profit ($mill)	***455***
	38.7%	38.8%	39.1%	39.3%	29.6%	31.9%	18.8%	37.2%	35.4%	35.3%	***35.0%***	***35.0%***	Income Tax Rate	***35.0%***
	- -	- -	- -	- -	- -	- -	- -	10.1%	7.4%	6.4%	***6.0%***	***5.0%***	AFUDC % to Net Profit	***4.0%***
	59.7%	57.1%	54.6%	54.1%	56.2%	53.8%	49.0%	49.1%	47.3%	48.4%	***47.5%***	***47.5%***	Long-Term Debt Ratio	***49.5%***
	39.6%	42.3%	45.1%	45.9%	43.8%	46.2%	51.0%	50.9%	52.7%	51.6%	***52.5%***	***52.5%***	Common Equity Ratio	***50.5%***
	8494.0	8469.3	8004.0	8753.0	9568.0	9203.0	8292.0	8516.0	8432.0	8668.0	***9300***	***9700***	Total Capital ($mill)	***11500***
	7088.0	7312.0	7576.6	7876.7	8314.0	8863.0	7673.0	8220.0	8846.0	9704.0	***10000***	***10500***	Net Plant ($mill)	***12000***
	5.0%	5.0%	5.1%	5.1%	5.8%	4.5%	5.1%	4.5%	4.9%	4.9%	***4.5%***	***5.0%***	Return on Total Cap'l	***5.5%***
	7.6%	7.6%	7.0%	7.4%	9.5%	5.5%	6.5%	5.9%	6.4%	6.5%	***6.5%***	***7.5%***	Return on Shr. Equity	***8.0%***
	7.7%	7.7%	7.0%	7.4%	9.5%	5.5%	6.5%	5.9%	6.4%	6.5%	***6.5%***	***7.5%***	Return on Com Equity E	***8.0%***
	2.5%	2.4%	1.5%	2.3%	4.2%	NMF	.8%	.3%	.8%	.2%	***.5%***	***1.5%***	Retained to Com Eq	***2.5%***
	68%	69%	78%	68%	56%	101%	87%	95%	87%	96%	***90%***	***77%***	All Div'ds to Net Prof	***69%***

CAPITAL STRUCTURE as of 9/30/14
Total Debt $5750 mill. **Due in 5 Yrs** $1612 mill.
LT Debt $4691 mill. **LT Interest** $260 mill.
(LT interest earned: 3.7x)

Pension Assets-12/13 $2.0 bill. **Oblig.** $2.2 bill.

Pfd Stock None

Common Stock 251,907,108 shs.
as of 10/20/14

MARKET CAP: $6.9 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	-2.8	NA	NA
Avg. Resid'l Use (KWH)	10836	10451	10405
Avg. Resid'l Revs. per KWH(¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.7	+.3	+.6
Fixed Charge Cov. (%)	251	253	246

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	-6.5%	-13.5%	*2.0%*
"Cash Flow"	-2.5%	-2.0%	*3.5%*
Earnings	-4.0%	-6.0%	*7.0%*
Dividends	8.5%	.5%	*0.0%*
Book Value	.5%	-1.0%	*3.0%*

QUARTERLY REVENUES ($ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	1634	1409	1643	1234	5920.0
2012	1292	1179	1476	1134	5081.0
2013	1178	1053	1344	1091	4666.0
2014	1330	1117	1313	***1240***	***5000***
2015	***1350***	***1200***	***1500***	***1350***	***5400***

EARNINGS PER SHARE AF

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.28	.42	.35	.09	1.14
2012	.30	.27	.49	.18	1.24
2013	.24	.22	.44	.24	1.14
2014	.30	.21	.44	***.30***	***1.25***
2015	***.30***	***.30***	***.55***	***.30***	***1.45***

QUARTERLY DIVIDENDS PAID B ■

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.27	.27	.27	.27	1.08
2011	.27	.27	.27	.27	1.08
2012	.27	.27	.27	.27	1.08
2013	.27	.27	.27	.27	1.08
2014	.27	.27	.27		

BUSINESS: Pepco Holdings, Inc. consists mainly of three electric utility subsidiaries: Potomac Electric Power Co., serving Washington, D.C. and adjoining areas of Maryland; Delmarva Power, which serves the peninsula area of Delaware, Maryland and Virginia; and Atlantic City Electric, serving southern New Jersey. In July 2010, Pepco sold competitive energy business (Conectiv Energy) to Calpine Corp. Electricity customers: 1.8 million; gas customers: 125,000. Electricity breakdown: residential, 40%; commercial, 41%; other, 19%. 2013 depreciation rate: 2.5%. Has approximately 5,025 employees as of 12/31/12. 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.

The takeover of Pepco Holdings by Exelon Corporation is making progress, and it is expected to be completed by the second or third quarter of 2015. The all-cash transaction of approximately $6.8 billion, in which Chicago-based Exelon will pay Pepco Holdings owners $27.25 a share was announced earlier in April. The proposed merger was approved by shareholders of Pepco on September 23rd. Further, the State Corporation Commission of Virginia also endorsed the union earlier this month, allowing the deal to move another step closer toward completion. However, the transaction is still subject to certain closing conditions and remaining regulatory approval by the Federal Energy Regulatory Commission, and public service commissions in New Jersey, Maryland, Delaware, and the District of Columbia. The State Commission of Maryland is currently expected to begin hearings starting in January 2015.

Multi-jurisdictional merger approvals are complex. Pepco Holdings currently owns utilities in Delaware, Maryland, New Jersey, and the District of Columbia. It is expected to complement the utilities that Exelon owns including Philadelphia's PECO Energy Co. and Baltimore Gas and Electric. In order to gain regulatory approval the two companies have agreed to offer $100 million in customer benefits. Still, there is no guarantee that the deal will go through. The combined entity would serve approximately 10 million customers in the midwest and mid-Atlantic regions, and state regulators would have to find that the new company will provide direct and tangible benefits to the customers.

Management has narrowed its guidance for 2014. The earlier guidance range for 2014 of $1.12-$1.27 per share was revised to $1.17-$1.27 per share. Our share net estimate of $1.25 is at the higher end of this range.

Due to the impending acquisition by Exelon Corporation, the Timeliness rank for this equity stays suspended. This stock is currently trading above the purchase price of $27.25. To eliminate any downside risk in case the deal falls through, we suggest investors sell their holdings at the prevailing price.

Saumya Ajila *November 21, 2014*

(A) Based on dil. shs. Excl. nonrecur. items: '03, d69¢; '04, 1¢; '05, 47¢; '06, d1¢; '08, 46¢; '10, 62¢ '13, 69¢. Next egs. rpt. due late Feb. (B) Div'ds paid in early March, June, Sep., and Dec. ■ Div'd reinvest. plan. (C) Incl. def'd chgs: '12, $4.8 bill. or $20.87/sh. (D) In mill. (E) Rate allowed in MD: 9.36% ('13-Pepco), 10.0% ('09-Delmarva); DC: 9.6% ('10-Pep.); DEL: 10.0% ('06-Del.); NJ: 9.75% ('13-ACE); Earned on '13 avg. com. eq., 6.5%. Reg. Clim.: Avg. (F) Qtrly egs. may not add due to chng. in shs.

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

PNM RESOURCES NYSE-PNM

RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD
30.59	20.0 (Trailing: 21.0 Median: 16.0)	1.09	2.6%

VALUE LINE

TIMELINESS 2 Lowered 9/19/14
SAFETY 3 Lowered 5/9/08
TECHNICAL 3 Raised 12/5/14
BETA .85 (1.00 = Market)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
High:	19.6	26.1	30.5	32.1	34.3	21.7	13.1	14.0	19.2	22.5	24.5	31.6
Low:	12.6	18.7	23.8	22.5	21.0	7.6	5.9	10.8	12.8	17.3	20.1	23.5

2017-19 PROJECTIONS

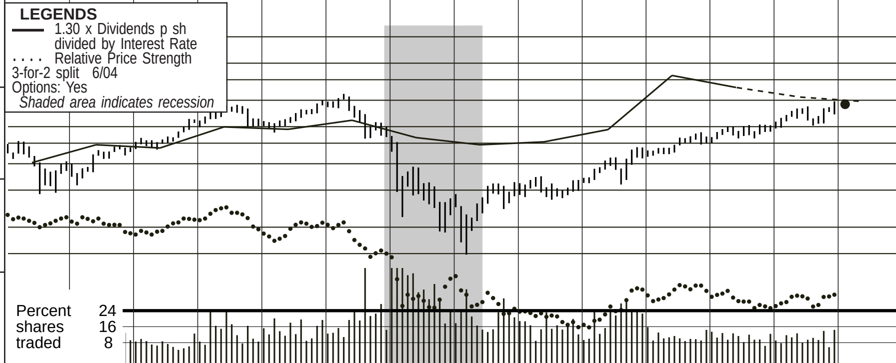
	Price	Gain	Ann'l Total Return
High	40	(+30%)	9%
Low	30	(Nil)	3%

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	0	0	0	0	0
Options	0	10	0	0	0	0	0	0	0
to Sell	0	6	0	0	0	0	0	0	0

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	91	102	86
to Sell	101	90	101
Hld's(000)	69601	69780	71291



Target Price Range
2017 | 2018 | 2019
64
48
40
32
24
20
16
12
8
6

% TOT. RETURN 12/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	26.3	6.9
3 yr.	76.8	73.7
5 yr.	174.5	107.3

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	16.85	17.42	*17.90*	*18.25*	Revenues per sh	*19.80*
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	3.38	3.51	*3.65*	*3.70*	"Cash Flow" per sh	*4.60*
1.50	1.29	1.55	2.61	1.07	1.15	1.43	1.56	1.72	.76	.11	.58	.87	1.08	1.31	1.41	*1.50*	*1.55*	Earnings per sh A	*2.35*
.51	.53	.53	.53	.57	.61	.63	.79	.86	.91	.61	.50	.50	.50	.58	.68	.74	*.80*	Div'd Decl'd per sh B ■†	*1.15*
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	3.88	4.37	*4.25*	*4.75*	Cap'l Spending per sh	*4.15*
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	20.05	20.87	*21.50*	*22.10*	Book Value per sh C	*24.50*
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	79.65	79.65	*80.00*	*80.00*	Common Shs Outst'g D	*80.00*
9.8	9.5	8.5	7.3	15.1	14.7	15.0	17.4	15.6	35.6	NMF	18.1	14.0	14.5	15.0	16.1	*18.1*		Avg Ann'l P/E Ratio	*15.0*
.51	.54	.55	.37	.82	.84	.79	.93	.84	1.89	NMF	1.21	.89	.91	.95	.90	*.94*		Relative P/E Ratio	*.95*
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%	3.0%	3.0%	2.7%		Avg Ann'l Div'd Yield	*3.3%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $1624.1 mill. **Due in 5 Yrs** $740.1 mill.
LT Debt $1542.1 mill. **LT Interest** $120 mill.
(LT interest earned: 2.4x)
Pension Assets-12/13 $556.4 mill.
Oblig. $599.5 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 10/24/14
MARKET CAP: $2.4 billion (Mid Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
1604.8	2076.8	2471.7	1914.0	1959.5	1647.7	1673.5	1700.6	1342.4	1387.9	*1430*	*1460*	Revenues ($mill)	*1585*
88.3	106.6	122.1	59.9	8.1	53.5	80.0	96.6	105.6	113.5	*120*	*125*	Net Profit ($mill)	*190*
28.2%	31.1%	24.7%	5.1%	40.4%	30.4%	32.6%	38.8%	31.4%	31.6%	*33.0%*	*35.0%*	Income Tax Rate	*35.0%*
5.6%	15.6%	4.1%	- -	- -	6.4%	7.1%	8.8%	7.2%	1.3%	*1.5%*	*2.5%*	AFUDC % to Net Profit	*8.0%*
47.1%	57.4%	50.9%	42.0%	45.6%	48.7%	50.4%	51.5%	50.9%	50.0%	*51.5%*	*52.0%*	Long-Term Debt Ratio	*53.5%*
52.4%	42.3%	48.8%	57.6%	54.0%	51.0%	49.2%	48.1%	48.7%	49.7%	*48.5%*	*48.0%*	Common Equity Ratio	*46.5%*
2098.9	3044.4	3470.7	2935.8	3025.4	3214.9	3100.3	3245.6	3277.9	3344.0	*3560*	*3695*	Total Capital ($mill)	*4195*
2324.6	2984.1	3761.9	2935.4	3192.0	3332.4	3444.4	3627.1	3746.5	3933.9	*4130*	*4335*	Net Plant ($mill)	*5020*
5.3%	4.7%	4.9%	3.4%	1.9%	3.1%	4.2%	4.5%	5.1%	5.2%	*5.0%*	*5.0%*	Return on Total Cap'l	*6.0%*
7.9%	8.2%	7.2%	3.5%	.5%	3.2%	5.2%	6.1%	6.6%	6.8%	*7.0%*	*7.0%*	Return on Shr. Equity	*9.5%*
8.0%	8.2%	7.2%	3.5%	.5%	3.2%	5.2%	6.1%	6.6%	6.8%	*7.0%*	*7.0%*	Return on Com Equity E	*9.5%*
4.5%	4.3%	3.7%	NMF	NMF	.4%	2.2%	3.3%	3.8%	3.7%	*3.5%*	*3.5%*	Retained to Com Eq	*5.0%*
44%	48%	49%	117%	NMF	86%	58%	47%	43%	45%	*50%*	*51%*	All Div'ds to Net Prof	*49%*

ELECTRIC OPERATING STATISTICS F

	2011	2012	2013
% Change Retail Sales (KWH)	+3.4	-1.6	-2.9
Avg. Indust. Use (MWH)	N/A	N/A	N/A
Avg. Indust. Revs. per KWH (¢)	N/A	N/A	N/A
Capacity at Peak (Mw)	2547	2537	2572
Peak Load, Summer (Mw)	1938	1948	2008
Annual Load Factor (%)	N/A	N/A	N/A
% Change Customers (yr-end)	+.4	+.4	+.7
Fixed Charge Cov. (%)	204	225	241

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	-4.0%	-7.0%	*1.0%*
"Cash Flow"	- -	5.0%	*5.5%*
Earnings	-2.5%	8.0%	*11.0%*
Dividends	0.5%	-6.0%	*12.0%*
Book Value	1.5%	-1.0%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	387.7	415.5	549.5	347.9	1700.6
2012	305.4	323.9	390.4	322.7	1342.4
2013	317.7	347.6	399.7	322.9	1387.9
2014	328.9	346.2	413.9	*341*	*1430*
2015	*335*	*355*	*440*	*330*	*1460*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.04	.20	.61	.22	1.08
2012	.17	.33	.69	.13	1.31
2013	.18	.38	.64	.21	1.41
2014	.18	.39	.68	*.25*	*1.50*
2015	*.25*	*.35*	*.70*	*.25*	*1.55*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■† Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.125	.125	.125	.125	.50
2012	.145	.145	.145	.145	.58
2013	.145	.165	.165	.165	.64
2014	.185	.185	.185	.185	.74
2015	.20				

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 generate, transmit, and distribute electricity in New Mexico and Texas. Sold First Choice Energy (9/11) and gas utility operations (1/09). Electric rev. breakdown '13: residential, 37%; commercial, 37%; industrial, 7%; other, 19%. Fuels: coal, 56.8%; nuclear, 30.4%; gas/oil, 12.2%; solar, .5%. Fuel costs: 49% of revs. '13 depr. rate: 3.0%. Has 1,924 employees. Chrmn., Pres. & CEO: Patricia K. Collawn. Inc.: NM. Address: 414 Silver Ave. SW, Albuquerque, NM. 87102. Tel.: 505-241-2700. Internet: www.pnmresources.com.

PNM Resources has filed a general rate case in New Mexico for rates to be effective January 1, 2016. The rate request, which is based on a future test year of 2016, seeks a revenue increase of $107.4 million along with a ROE of 10.5%. PNM Resources is filing the increase to address the investments the company has made to reduce its reliance on coal and additional funds needed to maintain dependable service to its retail customers. It also seeks to highlight the declining sales growth within the company's service territory. The rate base of $2.4 billion includes the costs for 40 mw of solar facilities, the 40 mw natural gas-fired La Luz plant, emission-control technology at units 1 and 4 of the San Juan generating station, the purchase of the Rio Bravo generating station natural gas plant, and the purchase of Palo Verde Unit 2 leases. The company is also recommending changes to rate design to create fair distribution of costs. If approved, the rate increase is expected to affect customers by an average increase of 7.7% across rate classes.

The board of directors recently raised the dividend. The hike was $0.015 a share, bringing the annualized dividend to $0.80 an increase of approximately 8%. PNM is targeting a payout ratio of 50%-60% over the long term.

Our 2015 share-net call is at the mid-point of the company's guidance. We expect earnings to increase modestly in 2015. The company's Texas New Mexico Power Company continues to perform well, fueled by strong economic growth within its service territory. Sales advanced by 3.2%, driven by an increase in residential and commercial categories. Although load growth in the area has been of concern recently, results in New Mexico were better than expected as residential sales increased by 1.7%. Further, PNM Resources met a significant regulatory milestone earlier in October, with the approval of the revised state implementation plan for the San Juan generating station. The New Mexico Public Regulation Commission is expected to issue a final order in the first quarter of 2015.

This stock retains a favorable Timeliness rank (2). However, the current yield is below the utility average of 3.3%

Saumya Ajila *January 30, 2015*

(A) EPS dil. Excl. n/r gains (losses): '98, (24¢); '99, 8¢; '00, 21¢; '01, (15¢); '03, 67¢; '05, (56¢); '08, ($3.77); '10, ($1.36); '11, 88¢. '13,(16); Excl. disc. ops.: '08, 42¢; '09, 78¢. Egs. may not sum due to rounding. Next egs. rpt. due late Feb. (B) Div'ds hist. pd. in Feb., May, Aug., Nov. ■ Div'd reinvest. plan avail. † Shareholder invest. plan avail. (C) Incl. intang. '13: $3.49/sh. (D) In mill., adjust. for split. (E) Rate base: net orig. cost. ROE allowed in '11: 10.0%; earned on avg. com. eq., '13: 10.0%. Reg. Climate: Avg. (F) Excl. First Choice.

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

P.S. ENTERPRISE GP. NYSE-PEG

RECENT PRICE	40.95	P/E RATIO	14.8 (Trailing: 16.8 Median: 14.0)	RELATIVE P/E RATIO	0.81	DIV'D YLD	3.7%	VALUE LINE

TIMELINESS **3** Lowered 9/19/14

SAFETY **1** Raised 11/23/12

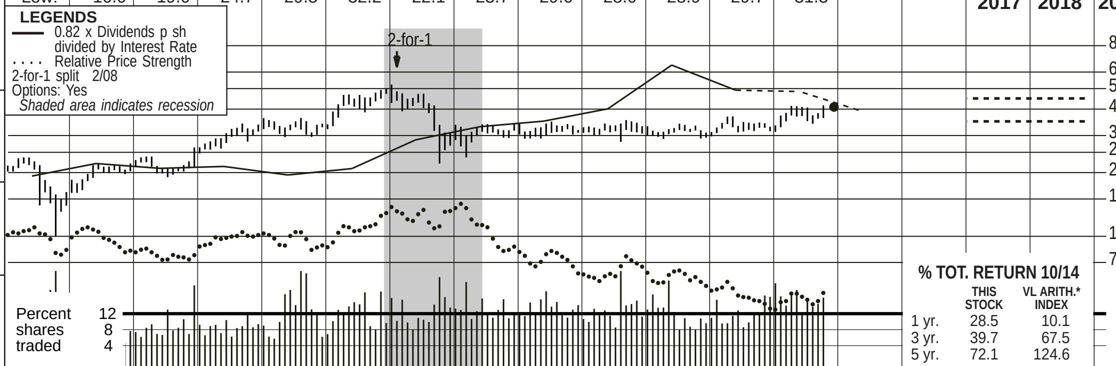
TECHNICAL **5** Lowered 11/21/14

BETA .75 (1.00 = Market)

High:	22.3	26.3	34.2	36.3	49.9	52.3	34.1	34.9	35.5	34.1	37.0	42.1
Low:	16.0	19.0	24.7	29.5	32.2	22.1	23.7	29.0	28.0	28.9	29.7	31.3

Target Price Range
2017 | 2018 | 2019

LEGENDS
— 0.82 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
2-for-1 split 2/08
Options: Yes
Shaded area indicates recession



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+10%)	6%
Low	35	(-15%)	Nil

Insider Decisions

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

Institutional Decisions

	4Q2013	1Q2014	2Q2014
to Buy	293	261	278
to Sell	214	261	235
Hld's(000)	330450	327280	329826

% TOT. RETURN 10/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	28.5	10.1
3 yr.	39.7	67.5
5 yr.	72.1	124.6

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
12.78	15.01	22.83	23.84	18.62	23.54	23.09	24.74	24.07	25.28	27.94	24.57	23.31	22.42	19.33	19.71	*20.75*	*20.75*	Revenues per sh	*22.75*
2.83	2.82	2.71	3.14	3.01	2.92	3.02	3.42	3.91	4.36	4.68	4.98	5.27	5.36	4.87	5.17	*5.35*	*5.65*	"Cash Flow" per sh	*6.50*
1.40	1.56	1.78	1.85	1.88	1.88	1.52	1.79	1.85	2.59	2.90	3.08	3.07	3.11	2.44	2.45	*2.50*	*2.65*	Earnings per sh A	*3.00*
1.08	1.08	1.08	1.08	1.08	1.08	1.10	1.12	1.14	1.17	1.29	1.33	1.37	1.37	1.42	1.44	*1.48*	*1.52*	Div'd Decl'd per sh B ■†	*1.65*
1.15	1.34	2.31	4.99	4.03	2.86	2.64	2.04	2.01	2.65	3.50	3.55	4.27	4.12	5.09	5.56	*5.75*	*7.10*	Cap'l Spending per sh	*5.25*
10.99	9.23	9.61	10.05	8.85	11.71	12.05	11.99	13.35	14.35	15.36	17.37	19.04	20.30	21.31	22.95	*23.95*	*25.10*	Book Value per sh C	*29.00*
463.92	432.83	415.94	411.68	450.53	472.27	476.20	502.33	505.29	508.52	506.02	505.99	505.97	505.95	505.89	505.86	*506.00*	*506.00*	Common Shs Outst'g D	*506.00*
12.7	12.5	10.3	12.0	10.0	10.6	14.3	16.5	17.8	16.5	13.6	10.0	10.4	10.4	12.8	13.5	*Bold figures are*		Avg Ann'l P/E Ratio	*13.0*
.66	.71	.67	.61	.55	.60	.76	.88	.96	.88	.82	.67	.66	.65	.81	.76	*Value Line*		Relative P/E Ratio	*.80*
6.1%	5.5%	5.9%	4.9%	5.7%	5.4%	5.1%	3.8%	3.5%	2.7%	3.3%	4.3%	4.3%	4.2%	4.6%	4.4%	*estimates*		Avg Ann'l Div'd Yield	*4.2%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $8963 mill. **Due in 5 Yrs** $3380 mill.
LT Debt $8389 mill. **LT Interest** $372 mill.
Incl. $68 mill. securitized bonds.
(LT interest earned: 5.8x)

Leases, Uncapitalized Annual rentals $13 mill.
Pension Assets-12/13 $5116 mill. **Oblig.** $4812 mill.
Pfd Stock None

Common Stock 505,959,967 shs.
as of 10/15/14
MARKET CAP: $21 billion (Large Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
10996	12430	12164	12853	14139	12431	11793	11343	9781.0	9968.0	*10500*	*10500*	Revenues ($mill)	*11500*
725.0	862.0	934.0	1323.0	1477.0	1567.0	1557.0	1577.0	1239.0	1243.0	*1260*	*1355*	Net Profit ($mill)	*1550*
38.1%	38.6%	36.6%	44.5%	45.9%	42.3%	40.5%	40.4%	36.2%	39.5%	*40.0%*	*40.0%*	Income Tax Rate	*40.0%*
15.9%	11.5%	4.7%	2.7%	3.2%	3.8%	5.5%	2.7%	4.8%	4.6%	*5.0%*	*5.0%*	AFUDC % to Net Profit	*4.0%*
69.0%	64.9%	60.3%	54.0%	50.5%	46.3%	44.8%	42.1%	38.3%	40.4%	*41.0%*	*42.0%*	Long-Term Debt Ratio	*44.5%*
30.6%	34.6%	39.2%	45.5%	49.0%	53.2%	55.2%	57.9%	61.7%	59.6%	*59.0%*	*58.0%*	Common Equity Ratio	*55.5%*
18744	17381	17197	16041	15856	16513	17452	17731	17467	19470	*20575*	*21875*	Total Capital ($mill)	*26600*
13750	13336	13002	13275	14433	15440	16390	17849	19736	21645	*23175*	*25300*	Net Plant ($mill)	*29700*
6.3%	7.3%	7.7%	10.4%	11.2%	11.0%	10.4%	10.2%	8.1%	7.5%	*7.0%*	*7.0%*	Return on Total Cap'l	*7.0%*
12.5%	14.1%	13.7%	17.9%	18.8%	17.7%	16.2%	15.4%	11.5%	10.7%	*10.5%*	*10.5%*	Return on Shr. Equity	*10.5%*
12.6%	14.2%	13.8%	18.1%	19.0%	17.8%	16.2%	15.4%	11.5%	10.7%	*10.5%*	*10.5%*	Return on Com Equity E	*10.5%*
3.5%	5.3%	5.3%	9.9%	10.5%	10.1%	9.0%	8.6%	4.8%	4.4%	*4.0%*	*4.5%*	Retained to Com Eq	*5.0%*
73%	63%	62%	45%	45%	43%	45%	44%	58%	59%	*59%*	*57%*	All Div'ds to Net Prof	*54%*

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	-2.6	-2.1	-.9
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH(¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	+.2	NA	NA
Fixed Charge Cov. (%)	580	504	529

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	-.5%	-4.5%	*2.0%*
"Cash Flow"	5.5%	3.5%	*4.0%*
Earnings	3.5%	2.0%	*2.0%*
Dividends	2.5%	3.5%	*2.5%*
Book Value	7.5%	8.5%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	3354	2469	2884	2636	11343
2012	2875	2098	2402	2406	9781
2013	2786	2310	2554	2318	9968
2014	3223	2249	2641	*2387*	*10500*
2015	*2950*	*2400*	*2700*	*2450*	*10500*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.91	.63	.86	.71	3.11
2012	.97	.42	.68	.37	2.44
2013	.63	.66	.77	.39	2.45
2014	.76	.42	.87	*.45*	*2.50*
2015	*1.00*	*.45*	*.75*	*.45*	*2.65*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.343	.343	.343	.343	1.37
2011	.343	.343	.343	.343	1.37
2012	.355	.355	.355	.355	1.42
2013	.36	.36	.36	.36	1.44
2014	.37	.37	.37		

BUSINESS: Public Service Enterprise Group Incorporated is a holding company for Public Service Electric and Gas Company (PSE&G), which serves 2.2 million electric and 1.8 million gas customers in New Jersey, and PSEG Power LLC, a nonregulated power generator with nuclear, gas, and coal-fired plants in the Northeast. PSEG Energy Holdings is involved in renewable energy. The company no longer breaks out data on electric and gas operating statistics. Fuel costs: 35% of revenues. '13 reported depreciation rate (utility): 2.5%. Has 9,900 employees. Chairman, President & Chief Executive Officer: Dr. Ralph Izzo. Inc.: New Jersey. Address: 80 Park Plaza, P.O. Box 1171, Newark, New Jersey 07101-1171. Telephone: 973-430-7000. Internet: www.pseg.com.

Public Service Enterprise Group's utility subsidiary is benefiting from its investment in electric transmission. Public Service Electric and Gas expects to spend $6.8 billion on transmission from 2014 through 2018. The utility receives current cost recovery on this spending through a formula rate plan, and at an allowed return on equity that is more than one percentage point higher than its allowed ROE on distribution. In the first nine months of 2014, increased transmission income boosted the company's earnings by $0.10 a share. Under the formula rate plan, PSE&G has asked the Federal Energy Regulatory Commission for a $182 million rate increase, effective at the start of 2015.

There are other factors benefiting PSEG, too. PSE&G has investment opportunities beyond transmission — most notably, its $1.22 billion "Energy Strong" plan to enhance system reliability. (This arose from the effects of Hurricane Sandy in the fall of 2012.) The company is benefiting from its contract to run the electric utility on Long Island. Finally, lower pension expense is helping the bottom line.

We expect corporate profits to advance this year and next, despite margin pressure at PSEG Power. This nonutility subsidiary continues to face the effects of lower prices, so income here is headed down in 2014. We also include mark-to-market accounting losses, which were greater in the first nine months of 2014 than in the same period a year earlier. It appears that the worst is over, however. In addition, proposed changes to the wholesale markets in PSEG's region would benefit owners of generating assets. Note that PSEG Power will build a $600 million, 450-megawatt gas-fired plant in Connecticut if the company's bid into the market in 2015 is accepted.

High-quality PSEG stock has been one of the top-performing utility equities in 2014. Year to date, the price has risen 28%. The utility's prospects are good, and investors are also attracted to the prospects for a long-term recovery at PSEG Power. Following the stock's run-up, however, the dividend yield is only about average for a utility, and 3- to 5-year total return potential is negligible.

Paul E. Debbas, CFA November 21, 2014

(A) Dil. EPS. Excl. nonrecur. gain (losses): '99, ($1.75); '02, ($1.30); '05, (3¢); '06, (35¢); '08, (96¢); '09, 6¢; '11, (34¢); '12, 7¢; gains (loss) from disc. ops.: '05, (33¢); '06, 12¢; '07, 3¢; '08, 40¢; '11, 13¢. Next egs. report due late Feb. (B) Div'ds historically paid in late Mar., June, Sept., and Dec. ■ Div'd reinvestment plan avail. † Shareholder investment plan avail. (C) Incl. intang. In '13: $6.20/sh. (D) In mill., adj. for split. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '10: 10.3%; earned on avg. com. eq., '13: 11.2%. Reg. Climate: Avg.

Company's Financial Strength	A++
Stock's Price Stability	95
Price Growth Persistence	30
Earnings Predictability	85

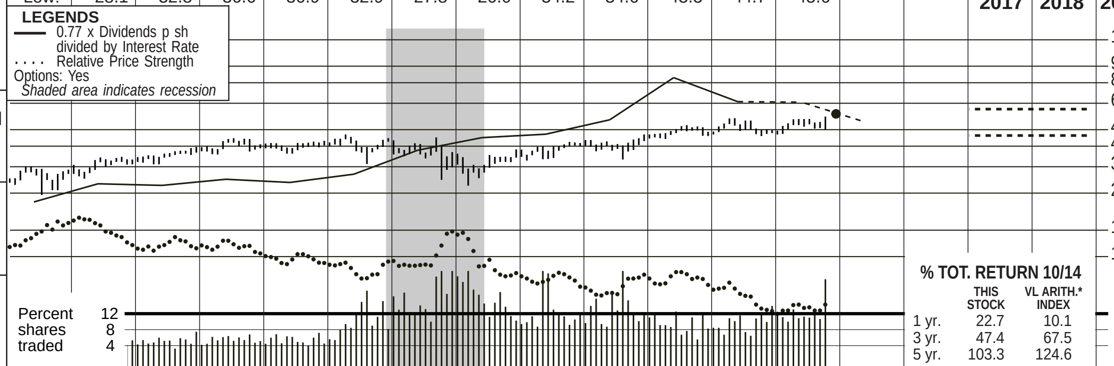
SCANA CORP. NYSE-SCG

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
57.01	15.0	(Trailing: 15.0 Median: 14.0)	0.82	3.8%	VALUE LINE

TIMELINESS 3 Lowered 10/10/14
SAFETY 2 Lowered 9/10/99
TECHNICAL 4 Lowered 11/14/14
BETA .75 (1.00 = Market)

	High:	Low:
2003	35.7	28.1
2004	39.7	32.8
2005	43.7	36.6
2006	42.4	36.9
2007	45.5	32.9
2008	44.1	27.8
2009	38.6	26.0
2010	42.0	34.2
2011	45.5	34.6
2012	50.3	43.3
2013	54.4	44.7
2014	57.1	45.6

Target Price Range 2017 | 2018 | 2019



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+5%)	5%
Low	45	(-20%)	-1%

Insider Decisions

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

Institutional Decisions

	4Q2013	1Q2014	2Q2014
to Buy	168	194	192
to Sell	174	153	140
Hld's(000)	71165	72621	75177

% TOT. RETURN 10/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	22.7	10.1
3 yr.	47.4	67.5
5 yr.	103.3	124.6

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
15.76	15.93	32.78	32.95	26.65	30.85	34.53	41.66	39.11	39.61	45.16	34.35	36.10	33.95	31.63	31.88	**34.25**	**32.90**	Revenues per sh	**36.00**
3.62	3.15	4.43	4.55	4.56	4.95	5.28	7.43	5.68	5.73	5.86	5.63	5.91	6.01	6.30	6.53	**7.15**	**7.20**	"Cash Flow" per sh	**8.00**
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	3.39	**3.80**	**3.90**	Earnings per sh A	**4.25**
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	2.03	**2.10**	**2.16**	Div'd Decl'd per sh B ■	**2.35**
2.87	2.37	3.28	4.99	6.41	6.94	4.86	3.38	4.52	6.21	7.68	7.41	6.87	6.81	8.16	7.84	**10.30**	**12.85**	Cap'l Spending per sh	**9.25**
16.86	20.27	19.40	20.95	19.64	20.82	21.78	23.35	24.39	25.37	25.85	27.63	29.05	29.94	31.47	33.08	**35.05**	**37.60**	Book Value per sh C	**43.75**
103.57	103.57	104.73	104.73	110.83	110.74	112.52	114.67	116.67	116.67	117.78	123.34	127.45	129.88	132.01	141.00	**143.00**	**149.00**	Common Shs Outst'g D	**157.00**
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	14.8	14.4	*Bold figures are*		Avg Ann'l P/E Ratio	**12.5**
.75	1.00	.81	.65	.67	.74	.72	.77	.83	.80	.76	.77	.82	.86	.94	.81	*Value Line*		Relative P/E Ratio	**.80**
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%	4.2%	4.2%	*estimates*		Avg Ann'l Div'd Yield	**4.5%**
						3885.0	4777.0	4563.0	4621.0	5319.0	4237.0	4601.0	4409.0	4176.0	4495.0	**4900**	**4900**	Revenues ($mill)	**5650**
						305.0	323.0	306.0	327.0	353.0	357.0	376.0	387.0	420.0	471.0	**545**	**575**	Net Profit ($mill)	**685**
						32.5%	- -	26.5%	29.2%	35.4%	32.0%	29.8%	30.3%	30.2%	32.1%	**32.0%**	**31.0%**	Income Tax Rate	**32.0%**
						8.5%	.9%	2.6%	4.6%	8.5%	14.3%	8.0%	5.4%	7.6%	8.7%	**9.0%**	**17.0%**	AFUDC % to Net Profit	**2.0%**
						55.4%	51.4%	50.9%	48.4%	58.0%	56.8%	52.9%	54.3%	54.4%	53.6%	**54.5%**	**55.5%**	Long-Term Debt Ratio	**53.5%**
						42.6%	46.6%	47.2%	49.7%	40.5%	43.2%	47.1%	45.7%	45.6%	46.4%	**45.5%**	**44.5%**	Common Equity Ratio	**46.5%**
						5752.0	5739.0	6027.0	5952.0	7519.0	7891.0	7854.0	8511.0	9103.0	10059	**11000**	**12550**	Total Capital ($mill)	**14700**
						6762.0	6734.0	7007.0	7538.0	8305.0	9009.0	9662.0	10047	10896	11643	**12650**	**14050**	Net Plant ($mill)	**16950**
						7.1%	7.4%	6.8%	7.3%	6.2%	6.1%	6.5%	6.2%	6.3%	6.1%	**6.5%**	**6.0%**	Return on Total Cap'l	**6.0%**
						11.9%	11.6%	10.3%	10.6%	11.2%	10.5%	10.2%	10.0%	10.1%	10.1%	**11.0%**	**10.5%**	Return on Shr. Equity	**10.0%**
						12.2%	11.8%	10.5%	10.8%	11.4%	10.2%	10.2%	10.0%	10.1%	10.1%	**11.0%**	**10.5%**	Return on Com Equity E	**10.0%**
						5.6%	5.3%	3.8%	4.0%	4.4%	3.6%	3.8%	3.6%	3.9%	4.1%	**5.0%**	**4.5%**	Retained to Com Eq	**4.5%**
						55%	56%	65%	64%	62%	66%	63%	64%	61%	60%	**54%**	**55%**	All Div'ds to Net Prof	**54%**

CAPITAL STRUCTURE as of 6/30/14
Total Debt $6129 mill. **Due in 5 Yrs** $1478 mill.
LT Debt $5681 mill. **LT Interest** $297 mill.
(LT interest earned: 3.6x)

Leases, Uncapitalized Annual rentals $7 mill.
Pension Assets-12/13 $870.1 mill. **Oblig.** $823.0 mill.

Pfd Stock None

Common Stock 142,052,888 shs.
as of 7/31/14
MARKET CAP: $8.1 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	-3.4	-3.9	+.3
Avg. Indust. Use (MWH)	8129	8055	8180
Avg. Indust. Revs. per KWH (¢)	6.87	7.09	7.27
Capacity at Yearend (Mw)	5642	5533	5237
Peak Load, Summer (Mw)	4885	4761	4574
Annual Load Factor (%)	57.3	56.8	58.8
% Change Customers (yr-end)	+.5	+.9	+1.2
Fixed Charge Cov. (%)	279	281	293

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	.5%	-4.5%	*1.5%*
"Cash Flow"	3.0%	2.0%	*4.0%*
Earnings	3.0%	3.0%	*5.0%*
Dividends	4.5%	2.5%	*3.0%*
Book Value	4.5%	4.5%	*5.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	1281	1000	1092	1036	4409.0
2012	1107	908	1038	1123	4176.0
2013	1311	1016	1051	1117	4495.0
2014	1590	1026	1121	***1163***	***4900***
2015	***1500***	***1075***	***1125***	***1200***	***4900***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	1.00	.43	.81	.75	2.97
2012	.91	.54	.91	.78	3.15
2013	1.11	.60	.94	.73	3.39
2014	1.37	.68	1.01	***.74***	***3.80***
2015	***1.35***	***.70***	***1.05***	***.80***	***3.90***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.47	.475	.475	.475	1.90
2011	.475	.485	.485	.485	1.93
2012	.485	.495	.495	.495	1.97
2013	.495	.5075	.5075	.5075	2.02
2014	.5075	.525	.525	.525	

BUSINESS: SCANA Corporation is a holding company for South Carolina Electric & Gas Company, which supplies electricity to 675,000 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, 44%; commercial, 33%; industrial, 18%; other, 5%. Generating sources: coal, 48%; oil & gas, 28%; nuclear, 19%; hydro, 3%; purchased, 2%. Fuel costs: 51% of revenues. '13 reported deprec. rate: 2.9%. Has 6,000 employees. Chairman, CEO & President: Kevin B. Marsh. Incorporated: South Carolina. Address: 100 SCANA Parkway, Cayce, South Carolina 29033. Tel.: 803-217-9000. Internet: www.scana.com.

SCANA is still evaluating the cost of delays in its utility subsidiary's nuclear construction. The two units that South Carolina Electric & Gas is building at its Summer plant will add 1,340 megawatts of capacity. The contractors building the plant estimate that each unit will be delayed about a year—the first one until late 2018 or early 2019, the second 12 months later. The cost of SCE&G's share of the plant was $6.1 billion, but this will rise by more than 10%. However, the company has not yet accepted the revised schedule or costs, and is in talks with the contractors that management described as "fruitful to date." Once SCE&G has accepted a revised schedule and cost estimate, it will have to ask the South Carolina commission to update its previous order, which it issued based on a shorter construction schedule. Despite the cost increase, SCANA stock has fared well in 2014, having risen 18% year to date.

Earnings are likely to wind up significantly higher in 2014. Favorable weather patterns have added $0.23 a share to the company's profits this year. Accordingly, SCANA raised its share-earnings target from $3.45-$3.65 to $3.70-$3.90. Our estimate, which we raised by a nickel, is at the midpoint of the company's guidance. We look for a slight earnings increase in 2015, based on an increase in the Allowance for Funds Used During Construction, a noncash credit to income.

SCE&G received a rate hike under the state's Base Load Review Act. This act enables the utility to receive rate relief annually to place construction work in progress for the new nuclear units in the rate base. This year's increase was $66.2 million (2.8%). It took effect in late October. Note that SCE&G earns a return on equity of 11% on its new nuclear construction, which is very attractive.

We expect a dividend boost in the first quarter of 2015. Our estimate is for a $0.06-a-share (2.9%) raise in the annual disbursement.

The stock's dividend yield is just slightly above the industry average. With the recent price near the upper end of our 2017-2019 Target Price Range, total return potential over that time frame is low.

Paul E. Debbas, CFA *November 21, 2014*

(A) Dil egs. Excl. nonrec. gains (losses): '99, 29¢; '00, 28¢; '01, $3.00; '02, ($3.72); '03, 31¢; '04, (23¢); '05, 3¢; '06, 9¢. '11 EPS don't add due to change in shs., '12 & '13 due to rounding. Next earnings report due mid-Feb. **(B)** Div'ds historically paid in early Jan., Apr., July, and Oct. ■ Div'd reinv. plan avail. **(C)** Incl. intang. In '13: $9.65/sh. **(D)** In mill. **(E)** Rate base: Net orig. cost. Rate allowed on com. eq. in SC: 10.25% elec. in '13, 10.25% gas in '05; in NC: 10.6% in '08; earned on avg. com. eq., '13: 10.7%. Regulatory Climate: Above Avg.

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

SOUTHERN COMPANY NYSE-SO

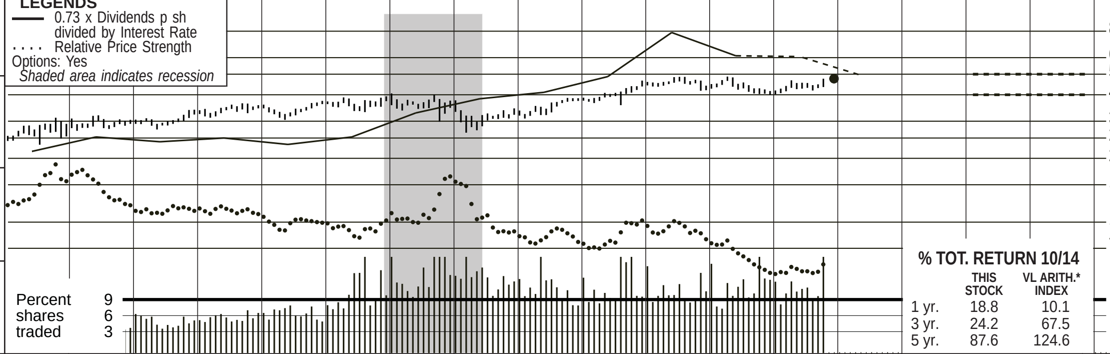
RECENT PRICE	47.58	P/E RATIO	17.6 (Trailing: 16.3 Median: 16.0)	RELATIVE P/E RATIO	0.97	DIV'D YLD	4.5%	VALUE LINE

TIMELINESS 3 Lowered 3/21/14
SAFETY 2 Lowered 2/21/14
TECHNICAL 4 Lowered 11/14/14
BETA .55 (1.00 = Market)

High:	32.0	34.0	36.5	37.4	39.3	40.6	37.6	38.6	46.7	48.6	48.7	48.0
Low:	27.0	27.4	31.1	30.5	33.2	29.8	26.5	30.8	35.7	41.8	40.0	40.3

Target Price Range
2017 | 2018 | 2019

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



2017-19 PROJECTIONS

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

Insider Decisions

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

Institutional Decisions

	4Q2013	1Q2014	2Q2014
to Buy	419	423	485
to Sell	412	377	342
Hld's(000)	423718	435514	446155

Percent shares traded 9 6 3

% TOT. RETURN 10/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	18.8	10.1
3 yr.	24.2	67.5
5 yr.	87.6	124.6

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	19.06	19.26	*20.60*	*20.70*	Revenues per sh	*22.50*
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	5.18	5.27	*5.50*	*5.75*	"Cash Flow" per sh	*6.50*
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	2.67	2.70	*2.80*	*2.90*	Earnings per sh A	*3.25*
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	2.01	*2.08*	*2.15*	Div'd Decl'd per sh B ■ †	*2.36*
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	5.54	6.16	*8.00*	*6.40*	Cap'l Spending per sh	*6.50*
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	21.09	21.43	*21.95*	*22.65*	Book Value per sh C	*26.00*
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	867.77	887.09	*902.00*	*904.00*	Common Shs Outst'g D	*940.00*
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	17.0	16.2	*Bold figures are*		Avg Ann'l P/E Ratio	*14.0*
.82	.82	.86	.75	.80	.84	.78	.85	.87	.85	.97	.90	.95	.99	1.08	.91	*Value Line*		Relative P/E Ratio	*.90*
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%	4.3%	4.6%	*estimates*		Avg Ann'l Div'd Yield	*5.2%*

CAPITAL STRUCTURE as of 6/30/14
Total Debt $24523 mill. **Due in 5 Yrs** $9106 mill.
LT Debt $22121 mill. **LT Interest** $816 mill.
(LT interest earned: 5.6x)
Leases, Uncapitalized Annual rentals $101 mill.
Pension Assets-12/13 $8733 mill. **Obl.** $8863 mill.
Pfd Stock $1131 mill. **Pfd Div'd** $68 mill.
Incl. 1 mill. shs. 4.2%-5.44% cum. pfd. ($100 par); 12 mill. shs. 5.2%-5.83% cum. pfd. ($1 par); 2 mill. shs. 6.0% noncum. pfd. ($25 par); 4 mill. shs. 5.6%-6.5% noncum. pfd. ($100 par); 14 mill. shs. 5.63%-6.5% noncum. pfd. ($1 par).
Common Stock 895,696,608 shs.
MARKET CAP: $43 billion (Large Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
11902	13554	14356	15353	17127	15743	17456	17657	16537	17087	*18600*	*18700*	Revenues ($mill)	*21250*
1589.0	1621.0	1608.0	1782.0	1807.0	1910.0	2040.0	2268.0	2415.0	2439.0	*2600*	*2700*	Net Profit ($mill)	*3145*
27.0%	26.9%	32.7%	31.9%	33.6%	31.9%	33.5%	35.0%	35.6%	34.8%	*35.5%*	*35.5%*	Income Tax Rate	*35.5%*
5.2%	4.4%	4.8%	9.5%	12.3%	14.9%	13.7%	10.2%	9.4%	11.6%	*13.0%*	*12.0%*	AFUDC % to Net Profit	*12.0%*
53.5%	53.2%	50.8%	51.2%	53.9%	53.2%	51.2%	50.0%	49.9%	51.5%	*53.0%*	*55.5%*	Long-Term Debt Ratio	*56.5%*
44.1%	44.3%	46.2%	44.9%	42.6%	43.6%	45.7%	47.1%	47.3%	45.8%	*44.5%*	*42.5%*	Common Equity Ratio	*41.5%*
23288	24131	24618	27608	31174	34091	35438	37307	38653	41483	*44450*	*48275*	Total Capital ($mill)	*58600*
28361	29480	31092	33327	35878	39230	42002	45010	48390	51208	*55975*	*59225*	Net Plant ($mill)	*67600*
8.1%	8.2%	8.2%	7.9%	7.1%	6.9%	7.0%	7.2%	7.3%	6.8%	*7.0%*	*6.5%*	Return on Total Cap'l	*6.5%*
14.7%	14.4%	13.3%	13.2%	12.6%	12.0%	11.8%	12.2%	12.5%	12.1%	*12.5%*	*12.5%*	Return on Shr. Equity	*12.5%*
14.9%	14.9%	13.8%	14.0%	13.1%	12.4%	12.2%	12.5%	12.8%	12.5%	*13.0%*	*13.0%*	Return on Com Equity E	*12.5%*
4.7%	4.6%	3.8%	4.3%	3.5%	3.2%	3.0%	3.4%	3.6%	3.2%	*3.5%*	*3.5%*	Retained to Com Eq	*3.5%*
69%	70%	73%	70%	74%	75%	77%	73%	73%	75%	*74%*	*74%*	All Div'ds to Net Prof	*72%*

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	-2.7	-2.3	+.3
Avg. Indust. Use (MWH)	3438	3445	3495
Avg. Indust. Revs. per KWH (¢)	6.37	5.94	6.08
Capacity at Yearend (Mw)	43555	45750	45502
Peak Load, Summer (Mw)	36956	35479	33557
Annual Load Factor (%)	59.0	59.5	63.2
% Change Customers (yr-end)	-.1	+.5	+.7
Fixed Charge Cov. (%)	397	416	423

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	3.0%	-1.0%	*2.5%*
"Cash Flow"	4.0%	4.0%	*4.0%*
Earnings	4.0%	3.5%	*3.5%*
Dividends	3.5%	4.0%	*3.5%*
Book Value	5.5%	5.5%	*3.5%*

Cal-endar	QUARTERLY REVENUES (mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	4012	4521	5428	3696	17657
2012	3604	4181	5049	3703	16537
2013	3897	4246	5017	3927	17087
2014	4644	4467	5339	*4150*	*18600*
2015	*4250*	*4650*	*5550*	*4250*	*18700*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.49	.70	1.06	.30	2.55
2012	.42	.71	1.11	.43	2.67
2013	.47	.66	1.08	.49	2.70
2014	.66	.68	1.09	*.37*	*2.80*
2015	*.50*	*.75*	*1.20*	*.45*	*2.90*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.4375	.455	.455	.455	1.80
2011	.455	.4725	.4725	.4725	1.87
2012	.4725	.49	.49	.49	1.94
2013	.49	.5075	.5075	.5075	2.01
2014	.5075	.525	.525		

BUSINESS: The Southern Company, through its subsidiaries, supplies electricity to 4.5 million customers in about 120,000 square miles of Georgia, Alabama, Florida, and Mississippi. Also has competitive generation business. Electric revenue breakdown: residential, 37%; commercial, 32%; industrial, 19%; other, 12%. Retail revenues by state: Georgia, 50%; Alabama, 34%; Florida, 9%; Mississippi, 7%. Generating sources: oil & gas, 37%; coal, 37%; nuclear, 16%; hydro, 4%; purchased, 6%. Fuel costs: 35% of revenues. '13 reported deprec. rate (utility): 3.3%. Has 26,300 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.

The coal gasification plant being built by Southern Company's Mississippi Power unit continues to have delays. The facility is generating power from natural gas, but the gasifier has been delayed. The 495-megawatt project was originally expected to be completed in May of 2014, but the revised target is the first half of 2016. The overruns above a cost cap of $2.88 billion are not recoverable in rates, so the company took a nonrecurring charge of $258 million after taxes ($0.29 a share) in the September quarter, after having taken a writedown in the first period. So far, aftertax charges in 2013 and 2014 have totaled more than $1.2 billion.
The company's Georgia Power subsidiary is building two nuclear units. This would provide the utility with 1,005 mw of capacity at a projected cost of $6.8 billion. The project has been delayed a year, to the fourth quarters of 2017 and 2018. There is an ongoing dispute with contractors about which party is responsible for the additional costs stemming from the delay, but the problems haven't been nearly as severe as for the coal gasification plant. The revised in-service dates are still achievable, but management concedes that there is "ongoing pressure on this construction schedule."
We estimate that earnings will rise moderately in 2014 and 2015. Southern Company is benefiting from rate relief at Georgia Power and Gulf Power. Weather patterns were favorable in the first quarter of this year. Our 2014 estimate is at the upper end of management's guidance of $2.72-$2.80 a share. We forecast that profits will rise to $2.90 a share in 2015, in line with its 3%-4% growth target.
Southern Company stock has a dividend yield that is a percentage point above the utility mean. The ongoing delays about the coal gasification plant have hurt the stock: It was one of the worst-performing utility issues in 2013. Although construction of the nuclear units has not been as problematic, so far, there is also some worry here. Although Southern Company offers decent dividend growth potential, 3- to 5-year total returns will likely be unspectacular because the recent price is above the midpoint of our 2017-2019 Target Price Range.

Paul E. Debbas, CFA *November 21, 2014*

(A) Diluted earnings. Excl. nonrecurring gain (losses): '03, 6¢; '09, (25¢); '13, (83¢); '14, (55¢). Next earnings report due early Feb. **(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 '13: $5.59/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., '13: 12.5%. Regulatory Climate: GA, AL Above Average; MS, FL Average.

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

TECO ENERGY, INC. NYSE-TE

RECENT PRICE	P/E RATIO	(Trailing / Median)	RELATIVE P/E RATIO	DIV'D YLD	
19.62	18.5	(Trailing: 19.4 / Median: 15.0)	1.02	4.5%	VALUE LINE

TIMELINESS 3 Lowered 10/3/14

SAFETY 2 Raised 2/24/12

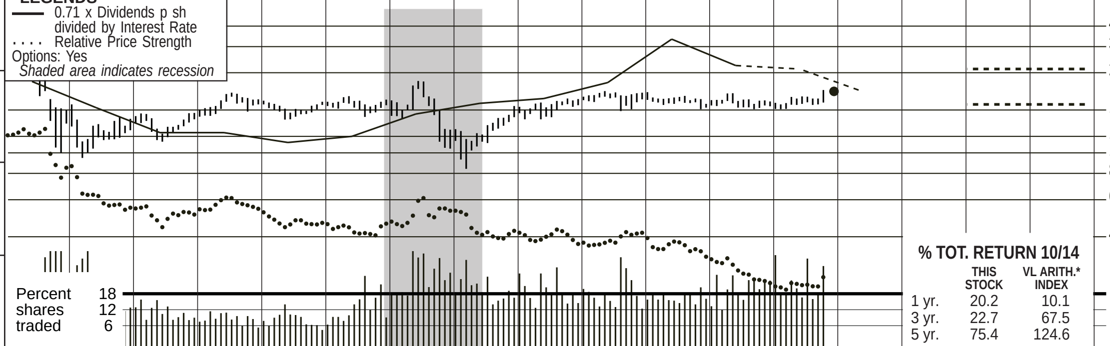
TECHNICAL 4 Lowered 11/14/14

BETA .85 (1.00 = Market)

High:	17.0	15.5	19.3	17.7	18.6	22.0	16.7	18.1	19.7	19.4	19.2	20.2
Low:	9.5	11.3	14.9	14.4	14.8	10.5	8.4	14.5	15.8	16.1	16.2	16.1

Target Price Range 2017 | 2018 | 2019

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



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	25	(+25%)	10%
Low	17	(-15%)	1%

Insider Decisions

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

Institutional Decisions

	4Q2013	1Q2014	2Q2014
to Buy	145	166	155
to Sell	154	140	144
Hld's(000)	133931	130939	134541

Percent shares traded 18 12 6

% TOT. RETURN 10/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	20.2	10.1
3 yr.	22.7	67.5
5 yr.	75.4	124.6

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
14.83	15.01	18.17	18.97	15.22	14.59	13.37	14.46	16.46	16.77	15.85	15.48	16.23	15.49	13.83	13.12	**10.85**	**12.15**	Revenues per sh	**14.25**
3.25	3.28	4.11	4.31	3.20	1.96	2.14	2.37	2.51	2.51	2.01	2.35	2.59	2.77	2.69	2.43	**2.30**	**2.55**	"Cash Flow" per sh	**3.25**
1.52	1.53	1.97	2.24	1.95	d.08	.71	1.00	1.17	1.27	.77	1.00	1.13	1.27	1.14	.92	**1.00**	**1.10**	Earnings per sh A	**1.40**
1.23	1.29	1.33	1.37	1.41	.93	.76	.76	.76	.78	.80	.80	.82	.85	.88	.88	**.88**	**.88**	Div'd Decl'd per sh B ■	**1.00**
2.24	3.23	5.45	6.92	6.06	3.14	1.37	1.42	2.18	2.34	2.77	2.99	2.28	2.10	2.33	2.45	**3.15**	**3.00**	Cap'l Spending per sh	**2.00**
11.42	10.73	11.93	14.12	14.86	8.93	6.43	7.65	8.25	9.56	9.43	9.75	10.10	10.50	10.58	10.74	**10.95**	**11.10**	Book Value per sh C	**12.00**
132.00	132.10	126.30	139.60	175.80	187.80	199.70	208.20	209.50	210.90	212.90	213.90	214.90	215.80	216.60	217.30	**234.60**	**234.60**	Common Shs Outst'g D	**234.60**
17.8	14.2	11.9	12.9	11.0	- -	19.3	17.1	13.8	13.3	21.2	12.6	14.6	14.4	15.5	18.9	*Bold figures are*		Avg Ann'l P/E Ratio	**14.5**
.93	.81	.77	.66	.60	- -	1.02	.91	.75	.71	1.28	.84	.93	.90	.99	1.06	*Value Line*		Relative P/E Ratio	**.90**
4.5%	5.9%	5.7%	4.8%	6.6%	7.4%	5.5%	4.4%	4.7%	4.6%	4.9%	6.3%	4.9%	4.6%	5.0%	5.1%	*estimates*		Avg Ann'l Div'd Yield	**5.0%**

CAPITAL STRUCTURE as of 6/30/14
Total Debt $3137.6 mill. **Due in 5 Yrs** $1295.4 mill.
LT Debt $2863.1 mill. **LT Interest** $150.7 mill.
(LT interest earned: 3.0x)

Leases, Uncapitalized Annual rentals $5.0 mill.

Pension Assets-12/13 $593.0 mill. **Oblig.** $666.0 mill.

Pfd Stock None

Common Stock 233,407,893 shs. **as of 7/28/14**

MARKET CAP: $4.6 billion (Mid Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
2669.1	3010.1	3448.1	3536.1	3375.3	3310.5	3487.9	3343.4	2996.6	2851.3	**2550**	**2850**	Revenues ($mill)	**3350**
137.4	211.0	244.4	265.8	162.4	213.9	242.9	272.6	246.0	197.8	**220**	**255**	Net Profit ($mill)	**320**
38.5%	45.1%	40.4%	40.7%	36.8%	31.6%	34.8%	36.1%	35.9%	35.5%	**35.5%**	**35.5%**	Income Tax Rate	**35.5%**
.7%	.0%	1.6%	2.3%	5.4%	6.5%	1.2%	.6%	1.7%	5.0%	**7.0%**	**6.0%**	AFUDC % to Net Profit	**2.0%**
75.1%	70.0%	65.0%	61.0%	61.5%	60.6%	59.2%	54.2%	56.5%	54.9%	**56.0%**	**57.5%**	Long-Term Debt Ratio	**57.5%**
24.9%	30.0%	35.0%	39.0%	38.5%	39.4%	40.8%	45.8%	43.5%	45.1%	**44.0%**	**42.5%**	Common Equity Ratio	**42.5%**
5163.9	5300.9	4941.6	5175.4	5214.3	5287.0	5317.8	4953.9	5264.5	5171.5	**5865**	**6105**	Total Capital ($mill)	**6600**
4657.9	4566.9	4766.9	4888.2	5221.3	5544.1	5841.0	5967.8	5990.1	6170.1	**6955**	**7305**	Net Plant ($mill)	**7600**
5.6%	6.5%	7.3%	7.3%	5.1%	6.0%	6.4%	7.4%	6.1%	5.4%	**5.0%**	**5.5%**	Return on Total Cap'l	**6.5%**
10.7%	13.3%	14.1%	13.2%	8.1%	10.3%	11.2%	12.0%	10.7%	8.5%	**8.5%**	**9.5%**	Return on Shr. Equity	**11.5%**
10.7%	13.3%	14.1%	13.2%	8.1%	10.3%	11.2%	12.0%	10.7%	8.5%	**8.5%**	**9.5%**	Return on Com Equity E	**11.5%**
NMF	3.3%	5.0%	5.1%	NMF	2.1%	3.1%	3.9%	2.4%	.3%	**1.0%**	**2.0%**	Retained to Com Eq	**3.0%**
106%	75%	65%	61%	104%	80%	72%	67%	77%	97%	**90%**	**82%**	All Div'ds to Net Prof	**73%**

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	-3.4	-.8	- -
Avg. Indust. Use (Mw)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	8.94	8.84	8.50
Capacity at Peak (Mw)	4684	4668	4668
Peak Load, Winter (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	+.7	+1.3	+1.5
Fixed Charge Cov. (%)	302	301	272

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	-1.5%	-3.0%	*Nil*
"Cash Flow"	-2.0%	2.5%	*3.5%*
Earnings	-2.0%	.5%	*4.0%*
Dividends	-3.5%	2.5%	*2.5%*
Book Value	-1.5%	3.0%	*2.0%*

QUARTERLY REVENUES ($ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	796.1	885.7	911.4	750.2	3343.4
2012	697.1	752.5	858.6	688.4	2996.6
2013	661.1	735.9	765.9	688.4	2851.3
2014	578.0	605.7	687.2	**679.1**	**2550**
2015	**700**	**700**	**750**	**700**	**2850**

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.24	.36	.42	.25	1.27
2012	.20	.30	.42	.22	1.14
2013	.19	.24	.29	.20	.92
2014	.22	.27	.32	**.19**	**1.00**
2015	**.27**	**.28**	**.33**	**.22**	**1.10**

QUARTERLY DIVIDENDS PAID B ■

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.20	.205	.205	.205	.82
2011	.205	.215	.215	.215	.85
2012	.22	.22	.22	.22	.88
2013	.22	.22	.22	.22	.88
2014	.22	.22	.22		

BUSINESS: TECO Energy, Inc. is a holding company for Tampa Electric, which serves 700,000 customers in west central Florida, and Peoples Gas, which serves 350,000 customers in Florida. Acq'd New Mexico Gas (513,000 customers) 9/14. Sold TECO Transport 12/07; discontinued generation investments in Guatemala in '12; discontinued TECO Coal in '14. Electric revenue breakdown: residential, 49%; commercial, 31%; industrial, 9%; other, 11%. Generating sources: coal, 56%; gas, 36%; purchased, 8%. Fuel costs: 31% of revs. '13 reported deprec. rate (utility): 3.7%. Has 3,900 employees. Chairman: Sherrill W. Hudson. Pres. & CEO: John B. Ramil. Inc.: FL. Address: TECO Plaza, 702 N. Franklin St., Tampa, FL 33602. Tel.: 813-228-1111. Web: www.tecoenergy.com.

TECO Energy has agreed to sell its coal mining subsidiary. TECO Coal was once a solid contributor to corporate profits, but has been hurt lately by weaker demand. TECO will receive $120 million in cash once the deal closes (probably by yearend), plus up to $50 million more through 2019, depending on any improvement in coal prices. TECO Coal's results (including a $64.8 million aftertax loss on the sale) are now *excluded* from our presentation as discontinued operations. TECO will record additional one-time charges in the fourth quarter. We have restated revenues in the first two quarters of 2014 to exclude TECO Coal. Its effect on profits in that time frame was insignificant.

The market reaction to the sale has been favorable. TECO Coal's declining results were hurting the stock for much of 2014, but since the sale announcement in October, the share price is up 8%.

TECO completed the acquisition of New Mexico Gas in early September. The company paid $750 million in cash and assumed $200 million in debt for the utility, which serves 513,000 customers. TECO financed the deal with a combination of debt and equity. The purchase should be modestly accretive to earnings in the fourth quarter of 2014 and in 2015. We have raised our 2014 and 2015 share-earnings estimates by $0.05 and $0.10, respectively. TECO should benefit from the absence of acquisition costs ($5.7 million in the first nine months of 2014) and expense reductions arising from merger-related synergies.

The utilities in Florida are performing well. Tampa Electric and Peoples Gas are likely to earn above the midpoint of their allowed returns on equity (shown in the footnotes) this year. The economic recovery in Florida has stimulated customer growth of 1.6% (electric) and 1.9% (gas).

When will the next dividend increase occur? We aren't estimating a hike in 2015, due to the company's high payout ratio, but don't rule one out, either. TECO benefits from tax-loss carryforwards.

TECO stock offers a dividend yield that is a percentage point above the utility average. Total return potential to 2017-2019 is modest, but well above the norm for utility equities.

Paul E. Debbas, CFA *November 21, 2014*

(A) Diluted earnings. Excl. nonrecurring gain (losses): '99, (11¢); '03, ($4.97); '07, 63¢; '10, (2¢) net; gains (losses) on discont. ops.: '04, (77¢); '05, 31¢; '06, 1¢; '07, 7¢; '12, (15¢). Next earnings report due early Feb. (B) Div'ds paid in late Feb., May, Aug., & Nov. ■ Div'd reinv. plan avail. (C) Incl. def'd charges. In '13: $1.93/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '13 (elec.): 10.25%-12.25%; in '09 (gas): 9.75%-11.75%; in NM in '12: 10% (implied); earned on avg. com. eq., '13: 8.6%. Regulatory Climate: Avg.

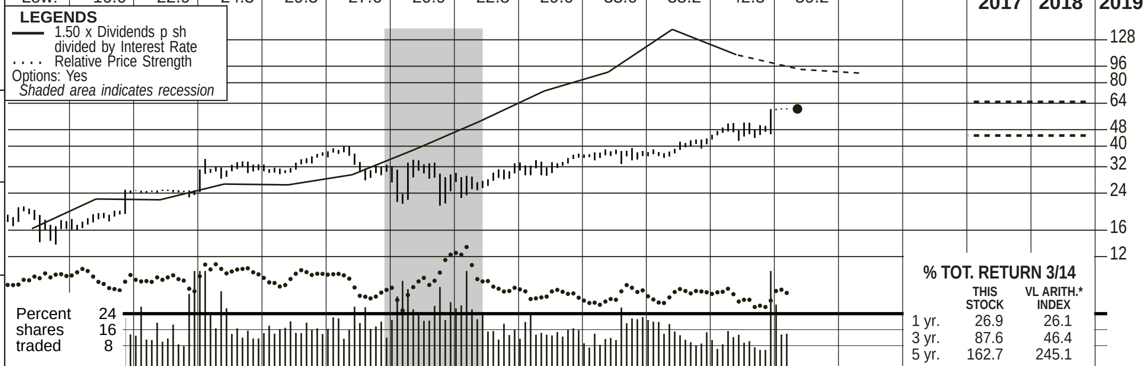
Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	40
Earnings Predictability	75

UNS ENERGY NYSE-UNS

RECENT PRICE 60.23 | P/E RATIO 20.1 (Trailing: 19.8 Median: 18.0) | RELATIVE P/E RATIO 1.05 | DIV'D YLD 3.2% | VALUE LINE

TIMELINESS – Suspended 12/20/13
SAFETY 3 New 12/31/04
TECHNICAL – Suspended 12/20/13
BETA .70 (1.00 = Market)

High:	24.9	24.9	34.8	37.5	40.0	34.5	33.3	36.9	39.3	43.6	60.0	60.6
Low:	16.0	22.9	24.3	29.5	27.6	20.9	22.8	29.0	33.0	35.2	42.5	59.2



Target Price Range
2017 | 2018 | 2019

2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+10%)	7%
Low	45	(-25%)	-8%

Insider Decisions

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

Institutional Decisions

	2Q2013	3Q2013	4Q2013
to Buy	105	109	96
to Sell	79	80	109
Hld's(000)	37355	37570	38280

% TOT. RETURN 3/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	26.9	26.1
3 yr.	87.6	46.4
5 yr.	162.7	245.1

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
23.83	24.85	31.12	43.12	25.50	28.71	34.13	35.26	37.42	39.12	39.41	38.89	39.78	40.89	35.36	35.74	*36.40*	*37.60*	Revenues per sh	*41.20*
3.48	3.96	4.23	5.41	4.80	5.20	5.29	5.21	5.68	5.64	4.56	7.82	7.33	7.44	6.48	7.33	*7.35*	*7.60*	"Cash Flow" per sh	*8.00*
.68	1.08	1.27	1.79	.97	1.30	1.31	1.30	1.85	1.55	.39	2.69	2.82	2.75	2.20	3.04	*3.12*	*3.40*	Earnings per sh A	*3.80*
- -	- -	.32	.40	.50	.60	.64	.76	.84	.90	.96	1.16	1.56	1.68	1.72	1.74	*1.85*	*1.95*	Div'd Decl'd per sh B ■ †	*2.28*
2.52	2.87	3.19	3.63	3.36	4.06	4.49	5.83	6.77	6.95	9.85	8.01	7.26	10.13	7.43	7.85	*9.45*	*8.05*	Cap'l Spending per sh	*7.85*
7.65	10.02	11.20	12.68	13.05	15.97	16.95	17.68	18.59	19.54	19.16	20.94	22.46	24.07	25.77	27.22	*27.00*	*28.20*	Book Value per sh	*32.70*
32.26	32.35	33.22	33.50	33.58	33.79	34.26	34.87	35.19	35.32	35.46	35.85	36.54	36.92	41.34	41.54	*41.50*	*42.00*	Common Shs Outst'g C	*42.50*
23.3	10.8	11.8	10.8	18.2	14.6	18.7	23.9	17.7	22.0	73.8	10.4	11.6	13.3	17.8	15.9	*Bold figures are*		Avg Ann'l P/E Ratio	*14.0*
1.21	.62	.77	.55	.99	.83	.99	1.27	.96	1.17	4.44	.69	.74	.83	1.13	.89	*Value Line*		Relative P/E Ratio	*.90*
- -	- -	2.1%	2.1%	2.8%	3.2%	2.6%	2.5%	2.6%	2.6%	3.3%	4.1%	4.8%	4.6%	4.4%	3.6%	*estimates*		Avg Ann'l Div'd Yield	*4.1%*

CAPITAL STRUCTURE as of 12/31/13
Total Debt $1806.6 mill. **Due in 5 Yrs** $477.0 mill.
LT Debt $1656.8 mill. **LT Interest** $71.0 mill.
Incl. $149.8 mill. capitalized leases.

(LT interest earned: 3.0x)

Pension Assets-12/13 $323 mill. **Oblig.** $352 mill.
Pfd Stock None

Common Stock 41,633,535 shs.
as of 2/14/14
MARKET CAP: $2.5 billion (Mid Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
1169.0	1229.5	1316.9	1381.4	1397.5	1394.4	1453.7	1509.5	1461.8	1484.6	*1510*	*1580*	Revenues ($mill)	*1750*
45.9	46.1	69.2	58.4	14.0	104.3	111.5	110.0	90.9	127.5	*125*	*140*	Net Profit ($mill)	*160*
42.5%	41.4%	38.8%	40.1%	54.8%	38.2%	41.2%	37.8%	38.0%	31.4%	*38.0%*	*38.0%*	Income Tax Rate	*40.0%*
- -	- -	2.9%	3.4%	- -	- -	- -	- -	- -	- -	*Nil*	*Nil*	AFUDC % to Net Profit	*Nil*
77.1%	75.3%	72.9%	68.8%	72.9%	70.5%	68.5%	67.8%	62.3%	59.4%	*62.0%*	*62.5%*	Long-Term Debt Ratio	*63.0%*
22.9%	24.7%	27.1%	31.2%	27.1%	29.5%	31.5%	32.2%	37.7%	40.6%	*38.0%*	*37.5%*	Common Equity Ratio	*37.0%*
2540.3	2494.9	2414.1	2214.9	2506.4	2547.0	2602.8	2758.6	2826.0	2787.6	*2950*	*3180*	Total Capital ($mill)	*3740*
2081.1	2171.5	2259.6	2407.3	2617.7	2785.7	2961.5	3182.3	3300.4	3534.8	*3450*	*3625*	Net Plant ($mill)	*4200*
5.1%	5.1%	5.9%	5.7%	3.0%	5.2%	5.5%	5.3%	4.5%	5.8%	*6.0%*	*6.0%*	Return on Total Cap'l	*5.5%*
7.9%	7.5%	10.6%	8.5%	2.1%	13.9%	13.6%	12.4%	8.5%	11.3%	*11.0%*	*12.0%*	Return on Shr. Equity	*11.5%*
7.9%	7.5%	10.6%	8.5%	2.1%	13.9%	13.6%	12.4%	8.5%	11.3%	*11.0%*	*12.0%*	Return on Com Equity D	*11.5%*
4.1%	3.2%	6.1%	3.9%	NMF	8.4%	6.7%	5.4%	2.0%	4.9%	*4.5%*	*5.5%*	Retained to Com Eq	*4.5%*
48%	57%	43%	54%	NMF	40%	51%	56%	77%	57%	*58%*	*53%*	All Div'ds to Net Prof	*60 %*

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+.4	-.7	+.1
Avg. Indust. Use (MWH)	5060	5086	5090
Avg. Indust. Revs. per KWH (¢)	7.10	7.20	7.20
Capacity at Peak (Mw)	3271	2950	3015
Peak Load, Summer (Mw)	2334	2290	2230
Annual Load Factor (%)	N/A	N/A	N/A
% Change Customers (yr-end)	+.4	+.5	+.8
Fixed Charge Cov. (%)	251	239	291

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	1.5%	-0.5%	*1.0%*
"Cash Flow"	3.5%	6.0%	*2.0%*
Earnings	7.0%	16.0%	*6.5%*
Dividends	13.0%	13.5%	*5.5%*
Book Value	6.5%	6.0%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	344.8	369.7	450.9	344.1	1509.5
2012	315.4	364.0	434.1	348.3	1461.8
2013	332.1	365.2	437.0	350.2	1484.6
2014	*325*	*370*	*450*	*365*	*1510*
2015	*350*	*375*	*485*	*370*	*1580*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.35	.71	1.46	.22	2.75
2012	.17	.64	1.21	.18	2.20
2013	.27	.83	1.62	.32	3.04
2014	*.25*	*.75*	*1.67*	*.45*	*3.12*
2015	*.45*	*.80*	*1.65*	*.50*	*3.40*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.39	.39	.39	.39	1.56
2011	.42	.42	.42	.42	1.68
2012	.43	.43	.43	.43	1.72
2013	.435	.435	.435	.435	1.74
2014	.48				

BUSINESS: UNS Energy Corporation, through its subsidiaries, operates as an electric utility in Arizona. Subsidiaries include Tucson Electric Power (TEP), UNS Gas, and UNS Electric. '13 retail customers: TEP, 413,000 (in southeastern Arizona); UNS Gas, 149,000; UNS Electric, 93,000. Revenue sources: residential, 42%; commercial, 23%; industrial, 35%. Copper mining is largest industry served. Fuels: coal, 75%; gas, 8%; purchased power, 17%. '13 TEP reported depreciation rate: 4.0%. Has 1,977 employees: TEP, 1,398; UNS Gas, 188; UNS Electric, 143; Other, 248. Chrmn. & CEO: Paul J. Bonavia. Pres.: David G. Hutchens. Inc.: AZ. Address: 88 E. Broadway Blvd., Tucson, AZ 85701. Telephone: 520-571-4000. Internet: www.uns.com.

The Federal Energy Regulatory Commission has approved the acquisition of UNS Energy Corporation by Fortis. UNS stockholders would receive $60.25 in cash for each of their shares. The offer is generous, at 19 times estimated 2014 earnings. Indeed, the proposed purchase has been deemed consistent with the interest of the public, which moves the acquisition one step closer to completion. In addition, the shareholders of UNS Energy approved the transaction on March 26, 2014. The acquisition is expected to be completed by the end of 2014. It is now subject to approval by the Arizona Corporation Commission (ACC). The deal will give UNS much needed capital access to meet clean energy requirements. UNS will remain as a stand-alone company headquartered in Tucson, Arizona. One-third of Fortis' assets will be in the United States once the deal closes, and it will gain approximately 65,000 customers in Arizona.

UNS Energy had a profitable year. The electric utility reported net income of $127 million and share earnings of $3.04. The significant increase in net income was mainly due to higher revenue at UNS Energy's primary subsidiary, Tucson Electric Power (TEP). The subsidiary was able to report higher revenues for the year thanks to a non-fuel base rate increase which became effective on July 1, 2013, combined with a reduction in capital lease interest expense. The company also declared a first quarter dividend of $0.48 per share for common shareholders.

Tucson Electric Power (TEP) has started to work on a new transmission line. The 138 KV is expected to reduce electrical outages and provide more capacity for TEP. The project is expected to cost $4.5 million and was approved by the Arizona Corporation Commission in March, 2011. The transmission line is expected to be completed in 2014.

The Timeliness rank for this issue is suspended due to the impending acquisition. There is minimal potential for capital gains at this juncture as the stock is trading just below the takeover price. We advise investors to sell their holdings at the current level in order to avoid downside risk in case the deal falls through.

Saumya Ajila *May 2, 2014*

(A) EPS diluted. Excl. nonrecur. gains: '98, 19¢; '99, $1.35; '00, 48¢; '03, $2.00. Next earnings report due early May. Earnings may not sum due to rounding. **(B)** Div'ds historically paid in early Mar., June, Sept., and Dec. ■ Div'd reinvest. plan avail. † Shareholder invest. plan avail. **(C)** In millions. **(D)** Rate base: fair value. Rate allowed on com. eq. in '13: 10.0%; earned on avg. com. eq., '13: 8.5%. Regulatory Climate: Avg.

Company's Financial Strength	B+
Stock's Price Stability	90
Price Growth Persistence	80
Earnings Predictability	40

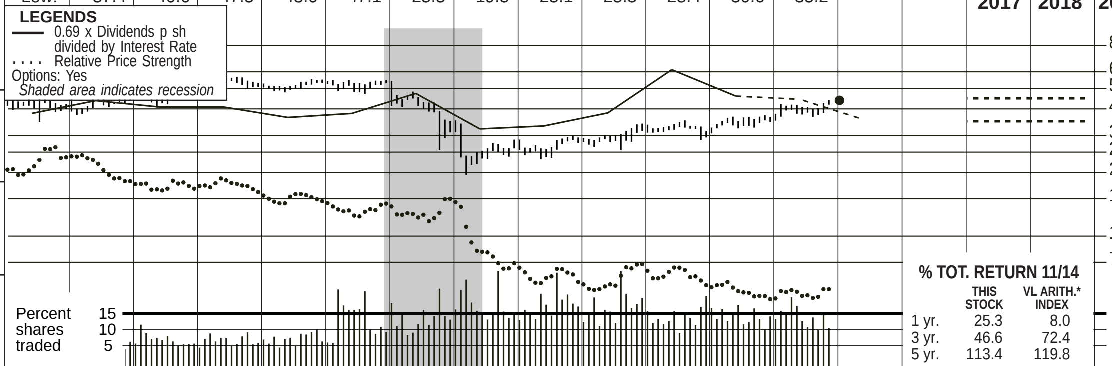
AMEREN NYSE-AEE

RECENT PRICE	43.87	P/E RATIO	18.8 (Trailing: 18.2 / Median: 15.0)	RELATIVE P/E RATIO	1.02	DIV'D YLD	3.8%	VALUE LINE

TIMELINESS 4 Lowered 12/12/14
SAFETY 2 Raised 6/20/14
TECHNICAL 4 Lowered 11/14/14
BETA .75 (1.00 = Market)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
High:	46.5	50.4	56.8	55.2	55.0	54.3	35.3	29.9	34.1	35.3	37.3	44.2
Low:	37.4	40.6	47.5	48.0	47.1	25.5	19.5	23.1	25.5	28.4	30.6	35.2

Target Price Range 2017 | 2018 | 2019



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+5%)	4%
Low	35	(-20%)	-1%

Insider Decisions

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

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	187	178	167
to Sell	184	189	197
Hld's(000)	154456	159084	160810

% TOT. RETURN 11/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	25.3	8.0
3 yr.	46.6	72.4
5 yr.	113.4	119.8

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	28.14	24.06	**24.95**	**26.15**	Revenues per sh	**28.50**
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	5.87	5.25	**5.70**	**6.10**	"Cash Flow" per sh	**7.00**
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	2.41	2.10	**2.35**	**2.55**	Earnings per sh A	**3.00**
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	1.60	1.60	**1.61**	**1.65**	Div'd Decl'd per sh B ■	**1.80**
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	5.49	5.87	**7.50**	**7.10**	Cap'l Spending per sh	**6.00**
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	27.27	26.97	**27.70**	**28.65**	Book Value per sh C	**32.00**
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	242.63	242.63	**242.65**	**242.65**	Common Shs Outst'g D	**252.00**
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	13.4	16.5	*Bold figures are*		Avg Ann'l P/E Ratio	**13.5**
.74	.77	.72	.62	.86	.77	.86	.89	1.05	.92	.85	.62	.62	.75	.85	.93	*Value Line*		Relative P/E Ratio	**.85**
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%	4.6%	*estimates*		Avg Ann'l Div'd Yield	**4.5%**

CAPITAL STRUCTURE as of 9/30/14
Total Debt $6697 mill. **Due in 5 Yrs** $2276 mill.
LT Debt $5825 mill. **LT Interest** $317 mill.
(LT interest earned: 3.6x)
Leases, Uncapitalized Annual rentals $14 mill.
Pension Assets-12/13 $3461 mill. **Oblig.** $3900 mill.
Pfd Stock $142 mill. **Pfd Div'd** $8 mill.
807,595 sh. $3.50 to $5.50 cum. (no par), $100 stated val., redeem. $102.176-$110/sh.; 616,323 sh. 4.00% to 6.625%, $100 par, redeem. $100-$104/sh.
Common Stock 242,634,798 shs. **as of 10/31/14**
MARKET CAP: $11 billion (Large Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
5160.0	6780.0	6880.0	7546.0	7839.0	7090.0	7638.0	7531.0	6828.0	5838.0	**6050**	**6350**	Revenues ($mill)	**7200**
541.0	628.0	547.0	629.0	615.0	624.0	669.0	602.0	589.0	518.0	**580**	**630**	Net Profit ($mill)	**775**
34.3%	35.6%	32.7%	33.5%	33.7%	34.7%	36.8%	37.3%	36.9%	37.5%	**39.5%**	**38.5%**	Income Tax Rate	**38.0%**
1.8%	2.9%	.7%	.8%	4.6%	5.8%	7.8%	5.6%	6.1%	7.1%	**7.0%**	**6.0%**	AFUDC % to Net Profit	**5.0%**
45.5%	44.9%	43.8%	45.0%	47.8%	49.7%	48.2%	45.3%	49.5%	45.2%	**47.0%**	**46.0%**	Long-Term Debt Ratio	**46.0%**
52.6%	53.3%	54.6%	53.4%	50.8%	49.1%	50.9%	53.7%	49.4%	53.7%	**52.0%**	**53.0%**	Common Equity Ratio	**53.0%**
11036	11932	12063	12654	13712	15991	15185	14738	13384	12190	**13000**	**13125**	Total Capital ($mill)	**15200**
13297	13572	14286	15069	16567	17610	17853	18127	16096	16205	**17225**	**18100**	Net Plant ($mill)	**20000**
6.0%	6.5%	5.7%	6.2%	5.7%	5.3%	6.0%	5.6%	6.0%	5.6%	**5.5%**	**6.0%**	Return on Total Cap'l	**6.5%**
9.0%	9.5%	8.1%	9.0%	8.6%	7.8%	8.5%	7.5%	8.7%	7.7%	**8.5%**	**9.0%**	Return on Shr. Equity	**9.5%**
9.1%	9.7%	8.1%	9.2%	8.7%	7.8%	8.6%	7.5%	8.8%	7.8%	**8.5%**	**9.0%**	Return on Com Equity E	**9.5%**
.9%	1.7%	.2%	1.3%	1.0%	3.5%	3.8%	2.8%	3.0%	1.9%	**2.5%**	**3.0%**	Retained to Com Eq	**4.0%**
91%	83%	97%	86%	88%	56%	56%	63%	66%	76%	**68%**	**64%**	All Div'ds to Net Prof	**59%**

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	-1.9	-.7	-.5
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	4.93	4.80	4.96
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	295	291	289

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	-.5%	-5.0%	.5%
"Cash Flow"	-.5%	-2.5%	3.5%
Earnings	-2.5%	-4.0%	4.5%
Dividends	-4.5%	-9.0%	2.0%
Book Value	1.5%	-2.0%	1.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	1904	1781	2268	1578	7531.0
2012	1658	1660	2001	1509	6828.0
2013	1475	1403	1638	1322	5838.0
2014	1594	1419	1670	***1367***	***6050***
2015	***1650***	***1475***	***1800***	***1425***	***6350***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.29	.57	1.50	.10	2.47
2012	d.11	.87	1.54	.11	2.41
2013	.22	.44	1.25	.19	2.10
2014	.40	.62	1.20	***.13***	***2.35***
2015	***.30***	***.70***	***1.35***	***.20***	***2.55***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.385	.385	.385	.385	1.54
2011	.385	.385	.385	.40	1.56
2012	.40	.40	.40	.40	1.60
2013	.40	.40	.40	.40	1.60
2014	.40	.40	.40	.41	

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 mill. electric and 127,000 gas customers in Missouri; 1.2 mill. electric and 811,000 gas customers in Illinois. Discont. power-generation op. in '13. Electric rev. breakdown: residential, 46%; commercial, 33%; industrial, 12%; other, 9%. Generating sources: coal, 70%; nuclear, 11%; hydro, 2%; gas, 1%; purchased, 16%. Fuel costs: 32% of revs. '13 reported depr. rates: 3%-4%. Has 8,500 employees. Chairman: Thomas R. Voss. President & CEO: Warner L. Baxter. Inc.: MO. Address: One Ameren Plaza, 1901 Chouteau Ave., P.O. Box 66149, St. Louis, MO 63166-6149. Tel.: 314-621-3222. Internet: www.ameren.com.

Ameren has an electric rate case pending in Missouri. The utility is seeking a rate increase of $264 million (9.7%), based on a 10.4% return on a 51.6% common-equity ratio. The application is driven by higher net energy costs, infrastructure investments, and increases in certain expenses. The staff of the Missouri Public Service Commission is recommending a $113 million increase, based on an ROE range with a midpoint of 9.25%. A decision is expected in May of 2015, with new tariffs taking effect by June.

Earnings will probably rise materially in 2014 and 2015. Profits in the first half of this year rose sharply, due in part to favorable weather patterns. (The weather turned unfavorable in the third quarter, however.) Ameren is also benefiting from the refinancing of high-cost debt at the parent level earlier this year. In 2015, rate relief and the absence of a refueling outage at the Callaway nuclear plant should boost the bottom line. All told, Ameren is targeting annual earnings growth in a range of 7%-10% through 2018.

Ameren is increasing its focus on electric transmission. The company's five-year capital budget calls for spending $2.25 billion on transmission. Ameren is now allowed a 12.38% ROE on its federally regulated transmission assets, but the Federal Energy Regulatory Commission (FERC) is reviewing the allowed ROEs for transmission owners in the region. In anticipation of a possible reduction in the allowed ROE, Ameren is asking FERC for a half percentage point "adder" to whatever its revised ROE turns out to be because the utility is participating in a regional transmission organization.

The board of directors raised the dividend in the fourth quarter. The quarterly increase was one cent a share (2.5%). This was Ameren's first dividend hike in three years. We project that annual boosts in the disbursement will continue over the 3- to 5-year period. Ameren is targeting a payout ratio in a range of 55%-70%.

Like many utility stocks, Ameren is trading near the upper end of its 2017-2019 Target Price Range. The dividend yield is just slightly above the industry mean, and 3- to 5-year total return potential is low. The stock is untimely.

Paul E. Debbas, CFA *December 19, 2014*

(A) Diluted EPS. Excl. nonrecur. gain (losses): '03, 11¢; '05, (11¢); '10, ($2.19); '11, (32¢); '12, ($6.42); loss from disc. ops.: '13, 92¢. '11 EPS don't add due to rounding. Next egs. report due late Feb. (B) Div'ds histor. paid in late Mar., June, Sept., & Dec. ■ Div'd reinvest. plan avail. (C) Incl. intang. In '13: $6.90/sh. (D) In mill. (E) Rate base: Orig. cost deprec. Rate allowed on com. eq. in MO in '13: 9.8% elec., in '11: none specified gas; in IL in '14: 8.7% elec., 9.06% gas; earned on avg. com. eq., '13: 7.6%. Regulatory Climate: MO, Avg.; IL, Below Avg.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	5
Earnings Predictability	90

UIL HOLDINGS NYSE-UIL

RECENT PRICE	41.63	P/E RATIO	16.5 (Trailing: 21.2 / Median: 17.0)	RELATIVE P/E RATIO	0.91	DIV'D YLD	4.2%	VALUE LINE

TIMELINESS **3** Lowered 4/4/14

SAFETY **2** Raised 2/29/08

TECHNICAL **3** Lowered 10/24/14

BETA .80 (1.00 = Market)

High:	27.6	32.8	33.7	43.8	43.0	37.8	31.2	31.3	35.8	37.7	42.1	42.6
Low:	18.5	25.1	27.4	27.4	27.0	25.1	17.0	23.8	28.6	32.3	35.9	34.3

Target Price Range

2017 | 2018 | 2019

2017-19 PROJECTIONS

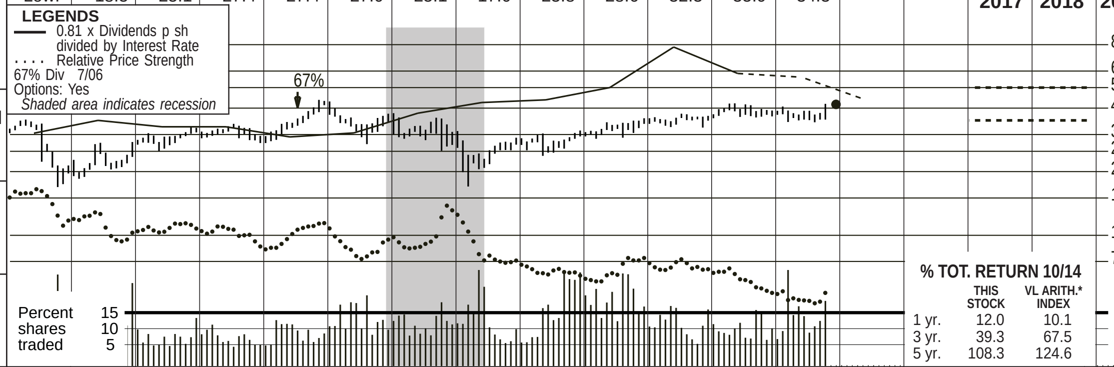
	Price	Gain	Ann'l Total Return
High	50	(+20%)	8%
Low	35	(-15%)	Nil

Insider Decisions

	D	J	F	M	A	M	J	J	A
to Buy	0	0	0	1	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

	4Q2013	1Q2014	2Q2014
to Buy	95	111	93
to Sell	70	69	86
Hld's(000)	37878	40064	38533



% TOT. RETURN 10/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	12.0	10.1
3 yr.	39.3	67.5
5 yr.	108.3	124.6

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	29.22	28.52	*29.05*	*29.95*	Revenues per sh	*33.50*
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	5.65	5.51	*5.70*	*5.90*	"Cash Flow" per sh	*6.45*
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	1.96	2.02	2.28	*2.20*	*2.50*	Earnings per sh A	*2.75*
1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	*1.73*	*1.73*	Div'd Decl'd per sh B ■	*1.73*
1.63	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	5.67	5.38	*5.20*	*5.45*	Cap'l Spending per sh	*7.90*
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	23.85	*24.45*	*25.30*	Book Value per sh C	*29.05*
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	50.87	56.75	*56.75*	*56.75*	Common Shs Outst'g E	*56.75*
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	16.4	17.2	16.9	*Bold figures are*		Avg Ann'l P/E Ratio	*16.0*
.85	.72	.70	.59	.82	1.03	.99	1.25	1.01	.98	1.01	.85	.89	1.03	1.09	.95	*Value Line*		Relative P/E Ratio	*1.00*
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%	4.9%	4.5%	*estimates*		Avg Ann'l Div'd Yield	*3.6%*

CAPITAL STRUCTURE as of 9/30/14

Total Debt $1720 mill. **Due in 5 Yrs.** $131.9 mill.
LT Debt $1714 mill. **LT Interest** $75.0 mill.
(LT interest earned: 3.0x)
Leases, Uncapitalized: Ann. rentals $4.5 mill.

Pension Assets-12/13 $688 mill. **Oblig.** $859 mill.

Pfd Stock None

Common Stock 56,546,266 shs. **as of 10/31/14**

MARKET CAP: $2.4 billion (Mid Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
1101.3	1213.1	846.0	982.0	948.7	896.6	997.7	1570.4	1486.5	1618.7	*1650*	*1700*	Revenues ($mill)	*1900*
36.9	31.4	45.4	46.7	48.1	54.3	70.3	99.7	103.7	120.3	*120*	*135*	Net Profit ($mill)	*165*
45.4%	44.1%	31.2%	39.5%	42.2%	38.0%	38.6%	38.5%	41.9%	37.7%	*38.0%*	*40.0%*	Income Tax Rate	*40.0%*
1.1%	9.0%	8.0%	8.3%	8.3%	10.0%	26.3%	12.1%	12.1%	10.0%	*10.0%*	*10.0%*	AFUDC % to Net Profit	*10.0%*
47.2%	47.2%	47.0%	50.8%	53.6%	54.0%	58.4%	58.6%	58.9%	56.0%	*58.0%*	*58.0%*	Long-Term Debt Ratio	*58.0%*
52.8%	52.8%	53.0%	49.2%	46.4%	46.0%	41.6%	41.4%	41.1%	44.0%	*42.0%*	*42.0%*	Common Equity Ratio	*42.0%*
1039.6	1031.5	869.2	943.6	1023.6	1247.7	2587.9	2642.7	2716.9	3077.7	*3285*	*3430*	Total Capital ($mill)	*3955*
563.9	592.1	647.0	878.4	1073.6	1153.0	2327.5	2570.4	2787.4	3068.7	*3220*	*3365*	Net Plant ($mill)	*3915*
4.5%	4.1%	6.5%	6.2%	6.1%	5.8%	3.7%	5.2%	5.4%	5.3%	*5.5%*	*5.5%*	Return on Total Cap'l	*6.0%*
6.7%	5.8%	9.9%	10.1%	10.1%	9.5%	6.5%	9.1%	9.3%	8.9%	*9.0%*	*9.5%*	Return on Shr. Equity	*10.0%*
6.7%	5.8%	9.9%	10.1%	10.1%	9.5%	6.5%	9.1%	9.3%	8.9%	*9.0%*	*9.5%*	Return on Com Equity D	*10.0%*
NMF	NMF	NMF	3.1%	1.0%	1.2%	1.7%	1.1%	1.5%	2.4%	*2.5%*	*3.5%*	Retained to Com Eq	*4.5%*
112%	NMF	117%	70%	90%	88%	74%	88%	84%	73%	*70%*	*65%*	All Div'ds to Net Prof	*55%*

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	-2.8	-2.6	-.16
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	6.4	7.1	7.8
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	Nil	+.2	+1.6
Fixed Charge Cov. (%)	230	249	262

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	-4.0%	-4.5%	*2.0%*
"Cash Flow"	-.5%	.5%	*2.5%*
Earnings	1.0%	2.0%	*4.5%*
Dividends	- -	- -	*Nil*
Book Value	1.0%	4.0%	*4.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	561.1	314.0	321.4	373.9	1570.4
2012	458.3	283.5	323.8	420.9	1486.5
2013	548.0	319.1	316.5	435.1	1618.7
2014	571.2	334.8	293.0	*451*	*1650*
2015	*590*	*330*	*360*	*420*	*1700*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	1.02	.28	.24	.42	1.96
2012	.92	.23	.31	.56	2.02
2013	1.01	.35	.31	.61	2.28
2014	.97	.16	.22	*.85*	*2.20*
2015	*1.10*	*.35*	*.40*	*.65*	*2.50*

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.432	.432	.432	.432	1.73
2011	.432	.432	.432	.432	1.73
2012	.432	.432	.432	.432	1.73
2013	.432	.432	.432	.432	1.73
2014	.432	.432	.432		

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, 49%; commercial, 24%; industrial, 6%; other, 21%. Fuel costs: 36% of revenues; O&M costs, 24%. Has 1,895 employees as of 12/13. President & Chief Executive Officer: James P. Torgerson. Inc.: CT. Address: 157 Church Street, P.O. Box 1564, New Haven, CT. 06506-0901. Telephone: 203-499-2000. Internet: www.uil.com.

UIL Holdings has decided to continue to pursue its asset purchase agreement with the City of Philadelphia. On October 27th, the proposed acquisition of Philadelphia Gas Works (PGW), which was subject to approvals by the Pennsylvania Public Utility Commission and the Philadelphia City Council, was rejected by the city's regulators. The Council announced that it would not sanction the planned asset purchase agreement, according to which UIL Holdings would acquire Philadelphia Gas Works for a cash price of $1.86 billion. The transaction was expected to enhance the scope of UIL's operations by expanding its natural gas business. That said, the utility company recently announced that it intends to continue pursuing the Philadelphia Gas Works transaction, as the deal would be strategically beneficial for UIL Holdings in the long term. The City Council still has time to consider its decision in its upcoming meetings. However, without the council's approval the purchase agreement will terminate automatically on December 31st, 2014,

We have lowered our full-year share-net estimate. Management recently narrowed its guidance for 2014 to $2.17-$2.33 per share, from its earlier guidance of $2.15-$2.35. So far in 2014, earnings have been impacted by higher-than-anticipated uncollectible expenses. This is largely due to higher customer bills owing to a cold winter and a bankruptcy in the electric business. Our share-net estimate for 2014 of $2.20 is at the lower end of the company's new target range. Additionally, even though the PGW transaction would be accretive to earnings in the long term, our estimates do not reflect the potential Philadelphia Gas Works acquisition.

This equity is currently an attractive selection for income-oriented investors. This neutrally ranked stock offers a strong dividend compared to others in the utility industry. Its dividend yield of approximately 4.2% is currently above the utility industry average. Moreover, this equity bears an Above-Average rank for Safety (2) and Financial Strength (B++). Income oriented accounts looking for a conservative investment may want to consider this stock.

Saumya Ajila *November 21, 2014*

(A) EPS basic. Excl. nonrecur. gains (losses): '00, 4¢; '03, (26¢); '04, $2.14; '06, ($5.07); '10, (47¢). Next egs. report due in late Feb. (B) Div'ds historically paid in early March, June, Sept., and Dec. ■ Div'd reinvest. plan avail. (C) Incl. deferred charges. In '13: $339.2 mill. or $5.98/sh. (D) Rate base: orig. cost. Rate allowed on common equity in '13: 9.15%. Earned on average common equity in '13: 8.5%. Regul. Clim.: Below Average. (E) In millions. Adjusted for stock dividend.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	45
Earnings Predictability	85

UNITIL CORP. AMEX--UTL

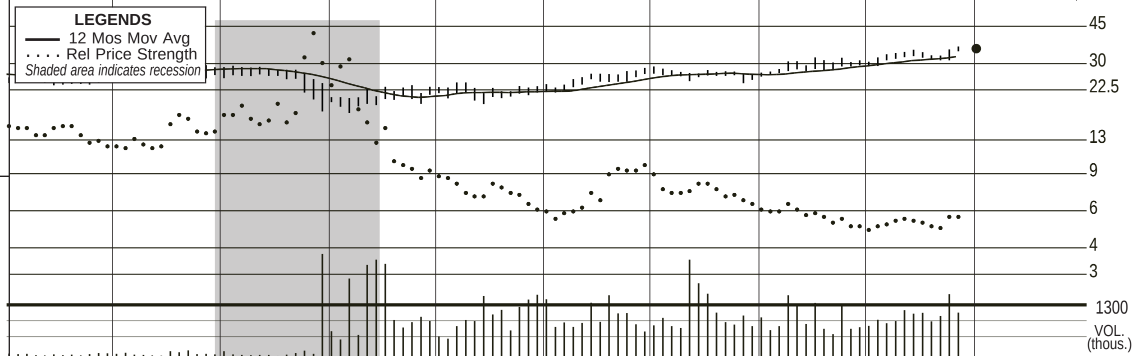
RECENT PRICE	TRAILING P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD	VALUE LINE
35.32	19.1	1.00	3.9%	

RANKS

PERFORMANCE	4	Below Average
Technical	4	Below Average
SAFETY	3	Average
BETA .60		(1.00 = Market)

Financial Strength	B+
Price Stability	95
Price Growth Persistence	40
Earnings Predictability	45

	2006	2007	2008	2009	2010	2011	2012	2013	2014	
High	26.45	34.60	29.26	23.67	24.40	28.60	29.00	32.07	36.49	
Low	23.63	25.08	17.75	17.50	19.28	21.84	24.15	26.01	29.05	



© VALUE LINE PUBLISHING LLC	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015/2016
SALES PER SH	46.17	45.80	36.99	33.87	32.91	32.21	25.62	26.51	--	
"CASH FLOW" PER SH	4.27	4.60	3.68	3.44	3.52	4.16	3.86	4.28	--	
EARNINGS PER SH	1.41	1.52	1.65	1.03	.88	1.50	1.43	1.57	***1.78*** [A,B]	***1.90*** [C]***/NA***
DIV'DS DECL'D PER SH	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	--	
CAP'L SPENDING PER SH	5.95	5.66	3.63	5.42	4.55	5.21	4.97	6.47	--	
BOOK VALUE PER SH	17.30	17.49	17.90	17.82	17.36	17.50	18.90	19.15	--	
COMMON SHS OUTST'G (MILL)	5.65	5.74	7.79	10.84	10.89	10.95	13.78	13.84	--	
AVG ANN'L P/E RATIO	17.6	18.4	15.8	20.3	25.1	16.8	18.7	18.5	***19.8***	***18.6/NA***
RELATIVE P/E RATIO	.95	.98	.95	1.35	1.60	1.05	1.20	1.04	--	
AVG ANN'L DIV'D YIELD	5.6%	4.9%	5.3%	6.6%	6.2%	5.5%	5.2%	4.8%	--	
SALES ($MILL)	260.9	262.9	288.2	367.0	358.4	352.8	353.1	366.9	--	***Bold figures are consensus earnings estimates and, using the recent prices, P/E ratios.***
OPERATING MARGIN	17.4%	19.0%	18.5%	20.2%	22.7%	27.8%	27.4%	28.9%	--	
DEPRECIATION ($MILL)	16.1	17.8	19.1	27.4	28.9	29.3	35.1	37.7	--	
NET PROFIT ($MILL)	8.0	8.7	9.7	10.0	9.6	16.4	18.2	21.6	--	
INCOME TAX RATE	34.7%	34.1%	31.2%	34.2%	31.9%	37.9%	37.7%	37.0%	--	
NET PROFIT MARGIN	3.1%	3.3%	3.4%	2.7%	2.7%	4.6%	5.2%	5.9%	--	
WORKING CAP'L ($MILL)	d6.8	4.8	d38.3	d22.9	d9.8	d23.2	7.2	d4.7	--	
LONG-TERM DEBT ($MILL)	140.2	160.1	250.0	249.8	289.0	288.5	287.7	284.8	--	
SHR. EQUITY ($MILL)	99.9	102.5	141.5	195.1	191.0	193.7	260.6	265.2	--	
RETURN ON TOTAL CAP'L	5.3%	5.4%	4.0%	4.3%	4.1%	5.5%	5.2%	5.8%	--	
RETURN ON SHR. EQUITY	8.0%	8.5%	6.9%	5.1%	5.0%	8.5%	7.0%	8.1%	--	
RETAINED TO COM EQ	.1%	.8%	1.1%	NMF	NMF	.6%	.4%	.9%	--	
ALL DIV'DS TO NET PROF	98%	91%	84%	NMF	NMF	93%	95%	88%	--	

[A]No. of analysts changing earn. est. in last 12 days: 0 up, 0 down, consensus 5-year earnings growth not available. [B]Based upon 2 analysts' estimates. [C]Based upon 2 analysts' estimates.

ANNUAL RATES

of change (per share)	5 Yrs.	1 Yr.
Sales	-8.0%	3.5%
"Cash Flow"	-0.5%	11.0%
Earnings	-0.5%	10.0%
Dividends	--	--
Book Value	1.0%	1.5%

Fiscal Year	QUARTERLY SALES ($mill.) 1Q	2Q	3Q	4Q	Full Year
12/31/12	114.2	68.8	71.3	98.8	353.1
12/31/13	118.2	66.4	72.5	109.8	366.9
12/31/14	156.1	73.3	76.6		
12/31/15					

Fiscal Year	EARNINGS PER SHARE 1Q	2Q	3Q	4Q	Full Year
12/31/11	.81	d.08	d.15	.92	1.50
12/31/12	.83	d.03	.03	.66	1.43
12/31/13	.79	d.01	.04	.75	1.57
12/31/14	.91	.08	.11	***.68***	
12/31/15					

Cal-endar	QUARTERLY DIVIDENDS PAID 1Q	2Q	3Q	4Q	Full Year
2011	.345	.345	.345	.345	1.38
2012	.345	.345	.345	.345	1.38
2013	.345	.345	.345	.345	1.38
2014	.345	.345	.345	.345	

INSTITUTIONAL DECISIONS

	1Q'14	2Q'14	3Q'14
to Buy	51	53	46
to Sell	38	38	49
Hld's(000)	6459	6669	6823

ASSETS ($mill.)	2012	2013	9/30/14
Cash Assets	9.8	9.4	10.1
Receivables	104.0	108.8	73.0
Inventory (Avg cost)	14.6	17.0	22.1
Other	4.2	4.8	7.2
Current Assets	132.6	140.0	112.4
Property, Plant & Equip, at cost	831.6	909.1	- -
Accum Depreciation	230.4	243.5	- -
Net Property	601.2	665.6	706.0
Other	152.8	115.0	98.1
Total Assets	886.6	920.6	916.5
LIABILITIES ($mill.)			
Accts Payable	30.9	38.1	19.3
Debt Due	50.5	62.7	3.9
Other	44.0	43.9	52.8
Current Liab	125.4	144.7	76.0

LONG-TERM DEBT AND EQUITY as of 9/30/14

Total Debt $337.3 mill. **Due in 5 Yrs.** NA
LT Debt $333.4 mill.
Including Cap. Leases NA
(55% of Cap'l)

Leases, Uncapitalized Annual rentals NA

Pension Liability $77.3 mill. in '13 vs. $103.7 mill. in '12

Pfd Stock $.2 mill. **Pfd Div'd Paid** Nil

Common Stock 13,906,964 shares
(45% of Cap'l)

INDUSTRY: Electric Utility (East)

BUSINESS: Unitil Corporation engages in the retail distribution of electricity in the southeastern seacoast and state capital regions of New Hampshire. The company also is involved in the retail distribution of electricity and natural gas in the greater Fitchburg area of north central Massachusetts. In addition, it provides natural gas service in southeastern New Hampshire and portions of southern and central Maine, including the city of Portland and the Lewiston-Auburn area. Further, the company provides energy brokering and advisory services to commercial and industrial customers in the northeastern United States. Unitil Corporation operates 87 miles of underground gas transmission pipeline, primarily in Maine and New Hampshire. In addition, it provides energy brokering and advisory services to commercial and industrial customers. As of April 23, 2014, the company served approximately 102,400 electric customers and 75,900 natural gas customers. Has 477 employees. Chairman, C.E.O. & President: Robert G. Schoenberger. Inc.: NH. Address: 6 Liberty Lane West, Hampton, NH 03842. Tel.: (603) 772-0775. Internet: http://www.unitil.com. *N.A.*

December 26, 2014

TOTAL SHAREHOLDER RETURN

Dividends plus appreciation as of 11/30/2014

3 Mos.	6 Mos.	1 Yr.	3 Yrs.	5 Yrs.
9.15%	7.39%	20.05%	44.43%	112.56%

ALLIANT ENERGY NYSE-LNT

RECENT PRICE	64.63	P/E RATIO	19.2 (Trailing: 18.6 / Median: 14.0)	RELATIVE P/E RATIO	1.04	DIV'D YLD	3.2%	VALUE LINE

TIMELINESS 3 Lowered 8/22/14

SAFETY 2 Raised 9/28/07

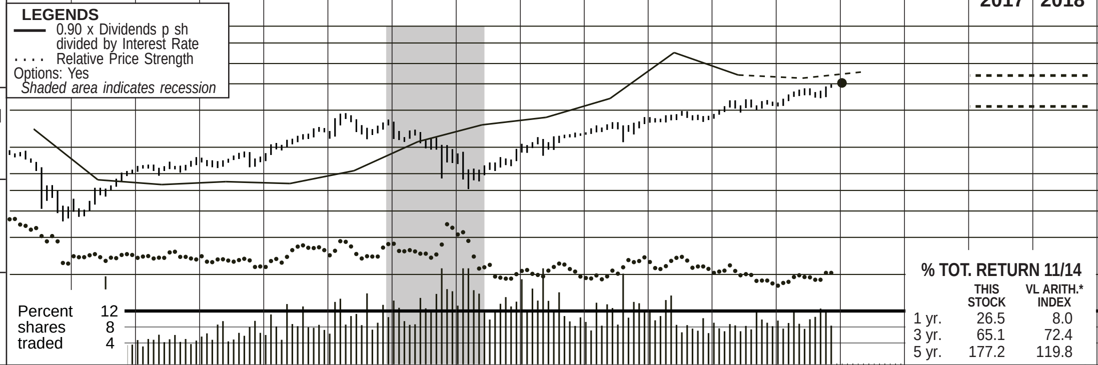
TECHNICAL 4 Lowered 11/14/14

BETA .80 (1.00 = Market)

High:	25.1	28.8	30.6	40.0	46.5	42.4	31.5	37.7	44.5	47.7	54.2	64.9
Low:	15.0	23.5	25.6	27.5	34.9	22.8	20.3	29.2	33.9	41.9	43.7	50.0

Target Price Range 2017 | 2018 | 2019

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



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(+10%)	5%
Low	50	(-25%)	-2%

Insider Decisions

	J	F	M	A	M	J	J	A	S
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	1	0	0	0	0	1	0

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	159	160	152
to Sell	145	134	151
Hld's(000)	65696	67528	67088

% TOT. RETURN 11/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	26.5	8.0
3 yr.	65.1	72.4
5 yr.	177.2	119.8

Alliant Energy, formerly called Interstate Energy Corporation, was formed on April 21, 1998 through the merger of WPL Holdings, IES Industries, and Interstate Power. WPL stockholders received one share of Interstate Energy stock for each WPL share, IES stockholders received 1.14 Interstate Energy shares for each IES share, and Interstate Power stockholders received 1.11 Interstate Energy shares for each Interstate Power share.

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
25.56	28.02	28.93	31.15	33.33	31.02	30.81	33.02	27.88	29.54	**30.20**	**31.25**	Revenues per sh	**34.80**
4.69	5.46	4.33	5.12	4.56	4.21	5.21	5.51	5.90	6.68	**6.85**	**6.85**	"Cash Flow" per sh	**7.75**
1.85	2.21	2.06	2.69	2.54	1.89	2.75	2.75	3.05	3.29	**3.45**	**3.60**	Earnings per sh A	**4.10**
1.02	1.05	1.15	1.27	1.40	1.50	1.58	1.70	1.80	1.88	**2.04**	**2.20**	Div'd Decl'd per sh B ■ †	**2.80**
5.55	4.51	3.42	4.91	7.96	10.87	7.82	6.07	10.43	6.63	**7.50**	**8.85**	Cap'l Spending per sh	**9.80**
22.13	20.85	22.83	24.30	25.56	25.07	26.09	27.14	28.25	29.58	**30.50**	**31.35**	Book Value per sh C	**34.65**
115.74	117.04	116.13	110.36	110.45	110.66	110.89	111.02	110.99	110.94	**111.00**	**112.00**	Common Shs Outst'g D	**115.00**
14.0	12.6	16.8	15.1	13.4	13.9	12.5	14.5	14.5	15.3	*Bold figures are*	*Value Line estimates*	Avg Ann'l P/E Ratio	**15.0**
.74	.67	.91	.80	.81	.93	.80	.91	.92	.86			Relative P/E Ratio	**.95**
3.9%	3.8%	3.3%	3.1%	4.1%	5.7%	4.6%	4.3%	4.1%	3.7%			Avg Ann'l Div'd Yield	**4.2%**
2958.7	3279.6	3359.4	3437.6	3681.7	3432.8	3416.1	3665.3	3094.5	3276.8	**3350**	**3500**	Revenues ($mill)	**4000**
229.5	337.8	260.1	320.8	280.0	208.6	303.9	304.4	337.8	364.9	**380**	**405**	Net Profit ($mill)	**470**
26.7%	19.0%	43.8%	44.4%	33.4%	- -	30.1%	19.0%	21.5%	12.4%	**15.0%**	**20.0%**	Income Tax Rate	**30.0%**
8.1%	3.0%	3.1%	2.4%	- -	- -	- -	- -	8.8%	6.5%	**7.0%**	**7.0%**	AFUDC % to Net Profit	**8.0%**
45.0%	41.6%	31.4%	32.4%	36.3%	44.3%	46.3%	45.7%	48.4%	46.1%	**47.5%**	**47.5%**	Long-Term Debt Ratio	**46.0%**
50.2%	53.1%	62.9%	61.9%	58.6%	51.2%	49.5%	50.9%	48.4%	50.8%	**49.5%**	**49.5%**	Common Equity Ratio	**51.5%**
5104.7	4599.1	4218.4	4329.5	4815.6	5423.0	5840.8	5921.2	6476.6	6461.0	**6650**	**6850**	Total Capital ($mill)	**7800**
5284.6	4866.2	4944.9	4679.9	5353.5	6203.0	6730.6	7037.1	7838.0	7147.3	**8200**	**8500**	Net Plant ($mill)	**9500**
6.1%	8.9%	7.5%	8.6%	7.0%	5.1%	6.6%	6.4%	6.3%	7.0%	**7.0%**	**7.0%**	Return on Total Cap'l	**7.0%**
8.2%	12.6%	9.0%	11.0%	9.1%	6.9%	9.7%	9.5%	10.1%	11.0%	**11.0%**	**11.0%**	Return on Shr. Equity	**11.5%**
8.2%	13.1%	9.1%	11.3%	9.3%	6.8%	9.9%	9.5%	10.3%	11.3%	**11.5%**	**11.5%**	Return on Com Equity E	**12.0%**
3.8%	8.1%	4.0%	5.9%	3.8%	.9%	3.8%	3.3%	3.9%	4.9%	**4.0%**	**4.5%**	Retained to Com Eq	**5.0%**
58%	42%	59%	50%	62%	88%	64%	67%	64%	57%	**59%**	**61%**	All Div'ds to Net Prof	**68%**

CAPITAL STRUCTURE as of 9/30/14
Total Debt $1984.0 mill. **Due in 5 Yrs** $772.6 mill.
LT Debt $1796.0 mill. **LT Interest** $90.0 mill.
(LT interest earned: 4.2x)

Pension Assets-12/13 $965.6 mill. **Oblig.** $1113.4 mill.
Pfd Stock $200.0 mill. **Pfd Div'd** $10.2 mill.
8,000,000 shs.

Common Stock 110,935,680 shs.

MARKET CAP: $7.2 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+.9	+.3	+.1
Avg. Indust. Use (MWH)	11504	11555	11471
Avg. Indust. Revs. per KWH (¢)	6.51	6.42	6.75
Capacity at Peak (Mw)	5734	5886	5820
Peak Load, Summer (Mw)	5734	5886	5820
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.2	+.3	+.4
Fixed Charge Cov. (%)	302	332	295

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	.5%	-.5%	4.0%
"Cash Flow"	2.0%	5.5%	6.0%
Earnings	6.0%	4.5%	6.0%
Dividends	.5%	7.0%	4.5%
Book Value	3.0%	3.0%	4.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	945.0	819.5	1021.6	879.2	3665.3
2012	765.7	690.3	887.6	750.9	3094.5
2013	859.6	718.0	866.6	832.6	3276.8
2014	952.8	750.3	843.0	**803.9**	**3350**
2015	**950**	**800**	**950**	**800**	**3500**

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.68	.44	1.12	.51	2.75
2012	.50	.58	1.34	.63	3.05
2013	.72	.59	1.43	.55	3.29
2014	.97	.56	1.40	**.52**	**3.45**
2015	**.85**	**.60**	**1.55**	**.60**	**3.60**

Cal-endar	QUARTERLY DIVIDENDS PAID B ■† Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.395	.395	.395	.395	1.58
2011	.425	.425	.425	.425	1.70
2012	.45	.45	.45	.45	1.80
2013	.47	.47	.47	.47	1.88
2014	.51	.51	.51	.51	

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, 38%; commercial, 24%; industrial, 29%; wholesale, 7%; other, 2%. Fuel sources, 2013: coal, 48%; nuclear, 17%; gas, 4%; other, 31%. Fuel costs: 50% of revs. 2013 depreciation rate: 5.5%. Estimated plant age: 11 years. Has 3,950 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.

Alliant Energy had a decent third quarter. The Wisconsin-based utility earned $1.40 a share, on $843 million in revenue. Both of those figures failed to surpass last year's comparable period. Lower profits were driven by the enhanced capital expenditures program, and revenues were dragged down by cooler-than-normal weather, which put a dent in electric sales.

Capital expenditures are going to continue at a brisk pace. Management updated its CapEx plan for 2014-2018 and raised the figure to $5.2 billion (this number includes the new natural gas facility that it plans to build, discussed in the below paragraph). Alliant is building out its electric and gas distribution systems, partly due to a new set of regulatory rules that will be issued in 2015. These new provisions will likely require an acceleration of older pipeline replacements. Moreover, Alliant is also interested in building out its natural gas service. That will help it down the road once carbon emission restrictions become tougher to comply with.

The company is planning to build a 650-megawatt natural gas facility that could replace some of its older units. The new facility would be built alongside the Riverside Energy Center and will cost about $750 million, according to management. The investment in new, highly efficient natural gas generation will provide several significant environmental benefits to the region, and could power more than half a million homes once finished. If regulators approve of the new compound, which is expected, construction will begin in 2016, and the plant should be up and running by early 2019.

A dividend increase of 8% was slightly more than we anticipated. The annualized dividend was raised to $2.20, from $2.04. Based on our earnings projections, we think the dividend can grow 6%-10% a year, due to Alliant's current payout ratio of just below 60%, and its stated payout target of 60%-70%. The company will likely reach the high end of that target within the next 3 to 5 years.

These shares, with their Above-Average Safety rank (2) and low Beta (.80), are best suited for income-oriented investors.

Daniel Henigson *December 19, 2014*

(A) Diluted EPS. Excl. nonrecur. gains (losses): '03, net 24¢; '04, (58¢); '05, ($1.05); '06, 83¢; '07, $1.09; '08, 7¢; '09, (88¢); '10, (15¢); '11, (1¢); '12, (16¢). Next egs. rpt. due early Feb. (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 '13: $85.8 mill., $0.77/sh. (D) In mill. (E) Rate base: Orig. cost. Rates all'd on com. eq. in IA in '13: 9.5%; in WI in '13 Regul. Clim.: WI, Above Avg.; IA, Avg.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	90
Earnings Predictability	75

INTEGRYS ENERGY NYSE-TEG

RECENT PRICE	76.03	P/E RATIO	25.0 (Trailing: 18.7, Median: 15.0)	RELATIVE P/E RATIO	1.35	DIV'D YLD	3.6%	VALUE LINE

TIMELINESS – Suspended 7/4/14
SAFETY 2 Raised 6/24/11
TECHNICAL – Suspended 7/4/14
BETA .80 (1.00 = Market)

High:	46.8	50.5	60.0	57.8	60.6	53.9	45.1	54.4	54.6	61.9	63.6	76.2
Low:	36.8	43.5	47.7	47.4	48.1	36.9	19.4	40.5	42.8	50.8	52.6	52.1

Target Price Range
2017 | 2018 | 2019

2017-19 PROJECTIONS

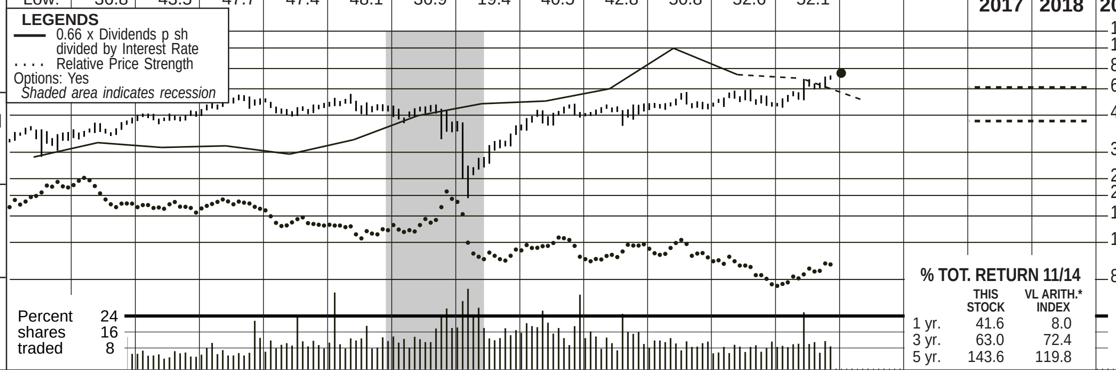
	Price	Gain	Ann'l Total Return
High	65	(-15%)	Nil
Low	45	(-40%)	-7%

Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	0	0	0	0	0	0	0	0
Options	0	10	0	1	0	3	0	1	5
to Sell	0	0	2	1	0	3	0	2	5

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	168	140	138
to Sell	142	170	148
Hld's(000)	42754	43525	44422



% TOT. RETURN 11/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	41.6	8.0
3 yr.	63.0	72.4
5 yr.	143.6	119.8

Integrys Energy Group was created as a holding company on February 21, 2007 to oversee the entire operations of the recently merged WPS Resources and Peoples Energy. WPS acquired Peoples in an agreement under which each common share of Peoples was converted into .825 share of WPS common. The combination took the new name of Integrys Energy Group. All data on this page prior to 2/21/07 are for WPS Resources only.

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
131.26	173.37	160.01	135.44	184.86	98.71	67.27	60.44	54.07	70.92	*82.50*	*48.15*	Revenues per sh	*53.75*
6.98	7.40	6.33	5.19	4.69	5.34	6.70	6.13	6.95	7.72	*6.85*	*6.75*	"Cash Flow" per sh	*8.00*
4.07	4.09	3.51	2.48	1.58	2.28	3.24	2.88	3.67	4.33	*3.35*	*3.15*	Earnings per sh A	*3.75*
2.20	2.24	2.28	2.56	2.68	2.72	2.72	2.72	2.72	2.72	*2.72*	*2.72*	Div'd Decl'd per sh B ■	*2.72*
7.78	10.31	7.94	5.17	7.01	5.85	3.35	4.00	7.63	8.42	*13.15*	*11.55*	Cap'l Spending per sh	*11.25*
29.30	32.47	35.61	42.58	40.79	37.62	37.57	38.01	38.84	41.05	*42.00*	*42.45*	Book Value per sh C	*45.00*
37.26	40.16	43.06	75.99	75.99	75.98	77.35	77.91	77.90	79.45	*80.00*	*80.00*	Common Shs Outst'g D	*80.00*
11.5	13.4	14.7	21.4	30.7	14.8	14.7	17.5	14.8	13.3	*Bold figures are*		Avg Ann'l P/E Ratio	*14.5*
.61	.71	.79	1.14	1.85	.99	.94	1.10	.94	.75	*Value Line*		Relative P/E Ratio	*.95*
4.7%	4.1%	4.4%	4.8%	5.5%	8.1%	5.7%	5.4%	5.0%	4.7%	*estimates*		Avg Ann'l Div'd Yield	*5.0%*
4890.6	6962.7	6890.7	10292	14048	7499.8	5203.2	4708.7	4212.4	5634.6	*6600*	*3850*	Revenues ($mill)	*4300*
156.2	157.4	151.6	181.1	124.8	178.2	255.9	230.9	294.2	350.1	*270*	*255*	Net Profit ($mill)	*310*
16.1%	22.9%	22.9%	32.2%	29.1%	41.5%	40.4%	36.7%	33.8%	37.6%	*37.0%*	*37.0%*	Income Tax Rate	*37.0%*
1.7%	1.0%	.5%	.7%	5.8%	4.5%	.7%	.4%	1.3%	4.3%	*2.0%*	*2.0%*	AFUDC % to Net Profit	*2.0%*
43.1%	39.0%	44.8%	40.8%	42.1%	45.1%	42.2%	38.3%	38.6%	47.2%	*46.5%*	*47.0%*	Long-Term Debt Ratio	*48.5%*
54.4%	58.7%	53.4%	58.3%	57.0%	53.9%	56.8%	60.6%	60.4%	52.0%	*53.0%*	*52.0%*	Common Equity Ratio	*50.5%*
2008.6	2222.4	2871.9	5552.0	5438.7	5304.4	5118.5	4884.5	5008.6	6268.6	*6365*	*6530*	Total Capital ($mill)	*7125*
2002.6	2049.4	2534.8	4463.8	4773.3	4945.1	5013.4	5199.1	5501.9	6410.5	*6990*	*7625*	Net Plant ($mill)	*9500*
8.8%	8.0%	6.4%	4.5%	3.5%	4.6%	6.2%	5.9%	6.9%	6.5%	*5.5%*	*5.0%*	Return on Total Cap'l	*5.5%*
13.7%	11.6%	9.6%	5.5%	4.0%	6.1%	8.7%	7.7%	9.6%	10.6%	*8.0%*	*7.5%*	Return on Shr. Equity	*8.5%*
14.0%	11.8%	9.7%	5.5%	3.9%	6.1%	8.7%	7.7%	9.6%	10.6%	*8.0%*	*7.5%*	Return on Com Equity E	*8.5%*
6.6%	5.3%	3.4%	- -	NMF	NMF	2.3%	.7%	2.6%	4.4%	*1.5%*	*1.0%*	Retained to Com Eq	*2.5%*
54%	56%	65%	99%	NMF	118%	74%	91%	73%	59%	*81%*	*86%*	All Div'ds to Net Prof	*71%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $3348.8 mill. **Due in 5 Yrs** $780.7 mill.
LT Debt $2956.3 mill. **LT Interest** $147.8 mill.
(LT interest earned: 4.9x)
Leases, Uncapitalized Annual rentals $6.7 mill.
Pension Assets-12/13 $1527.7 mill.
Oblig. $1641.7 mill.
Pfd Stock $51.1 mill. **Pfd Div'd** $3.1 mill.
510,626 shs. 5.00% to 6.88%, callable $101 to $107.50; sinking fund began 11/1/79. All cumulative, $100 par.
Common Stock 79,963,091 shs.
as of 11/4/14
MARKET CAP: $6.1 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+.9	+.2	-.4
Avg. C & I Use (KWH)	NA	NA	NA
Avg. C & I Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	3312	3173	3344
Peak Load, Summer (Mw)	2465	2347	2400
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.4	+.4	+.4
Fixed Charge Cov. (%)	302	367	410

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	-4.5%	-17.5%	*NMF*
"Cash Flow"	2.0%	5.0%	*2.5%*
Earnings	3.0%	7.5%	*.5%*
Dividends	2.5%	1.5%	*Nil*
Book Value	4.5%	- -	*2.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	1627.1	1010.8	938.7	1132.1	4708.7
2012	1247.9	839.6	927.7	1197.2	4212.4
2013	1678.2	1116.0	1129.7	1710.7	5634.6
2014	2925	1433	1188	*1054*	*6600*
2015	*1250*	*850*	*650*	*1100*	*3850*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	1.56	.38	.47	.48	2.88
2012	1.24	.65	.93	.86	3.67
2013	2.29	d.06	.47	1.63	4.33
2014	1.89	.17	.37	*.92*	*3.35*
2015	*1.35*	*.40*	*.45*	*.95*	*3.15*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.68	.68	.68	.68	2.72
2011	.68	.68	.68	.68	2.72
2012	.68	.68	.68	.68	2.72
2013	.68	.68	.68	.68	2.72
2014	.68	.68	.68	.68	

BUSINESS: Integrys Energy Group, Inc. is a holding company for Wisconsin Public Service, Peoples Gas, and four other utility subsidiaries. Has 497,000 electric customers in WI and MI, 1.7 million gas customers in WI, IL, MN, and MI. Also has retail electric and gas marketing ops. in the Northeast and Midwest. Elec. rev. breakdown: residential, 29%; small commercial & industrial, 29%; large commercial & industrial, 19%; other, 23%. Generating sources: coal, 53%; gas, 9%; wind, 2%; hydro, 2%; purch., 34%. Fuel costs: 62% of revs. '13 depr. rates (utility): 1.9%-3.3%. Has 4,900 empls. Chairman & CEO: Charles A. Schrock. Pres. & COO: Lawrence T. Borgard. Inc.: WI. Address: 130 East Randolph St., Chicago, IL 60601-6207. Tel.: 312-228-5400. Internet: www.integrysgroup.com.

Integrys Energy shareholders have approved the sale of the company to Wisconsin Energy. The agreement calls for Integrys holders to receive $18.58 in cash and 1.128 shares of Wisconsin Energy stock for each of their shares, making the value of the deal $76.05 a share at Wisconsin Energy's recent price. The deal requires the approval of the regulatory commissions in Wisconsin, Illinois, and Michigan (and perhaps Minnesota, too), plus the Federal Energy Regulatory Commission. The company expects the transaction to close in the summer of 2015. Due to the takeover agreement, the Timeliness rank of Integrys stock is suspended.

We think Integrys holders should sell their stock on the open market. The recent price is almost equal to the value of the deal, leaving no upside potential for stockholders unless the price of Wisconsin Energy stock continues to rise. On the other hand, the stock price will likely drop sharply if the transaction falls through.

Integrys has completed the sale of its retail energy services business. Heavy competition has squeezed margins here. The company received over $300 million. Integrys will report this as a discontinued operation effective with the fourth-quarter earnings release, but we haven't yet restated results for the first three quarters of 2014. This segment earned $0.33 a share in the first nine months of 2014 (excluding a goodwill impairment and including some small assets that Integrys is retaining). Note that our earnings presentation includes costs related to the buyout, estimated at $0.09 a share in 2014.

Some of Integrys' utilities are awaiting rate orders. A gas rate hike of $7.6 million was granted in Minnesota, with an allowed return on equity of 9.35%. Wisconsin Public Service should soon get a written order calling for an electric rate increase of $25 million and a gas rate decrease of $15 million, based on a 10.2% ROE. The utility has asked the Michigan regulators for a $5.7 million electric tariff hike, based on a 10.6% ROE. Interim rates should take effect in mid-April, with a final order in mid-October. The company's two gas utilities in Illinois are seeking a total of $107.0 million, based on a 10.25% ROE. A decision is expected next month.

Paul E. Debbas, CFA *December 19, 2014*

(A) Dil. EPS. Excl. nonrecur. gain (losses): '09, ($3.24); '10, (41¢); '14, 56¢ net; gains (losses) from disc. ops.: '07, $1.02; '08, 6¢; '09, 4¢; '11, (1¢); '12, (12¢); '13, 6¢; '14, 1¢. '11 & '12 EPS don't add due to rounding. Next egs. report due late Feb. (B) Div'ds histor. paid mid-Mar., June, Sept., & Dec. ■ Div'd reinv. plan avail. (C) Incl. intang. In '13: $26.11/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate all'd on com. eq. in WI in '13: 10.3%; in IL in '13: 9.28%; in MN in '14: 9.35%; earn. on avg. com. eq, '13: 10.8%. Reg. Clim.: WI, Above Avg.; IL, Below Avg.

Company's Financial Strength	A
Stock's Price Stability	90
Price Growth Persistence	40
Earnings Predictability	45

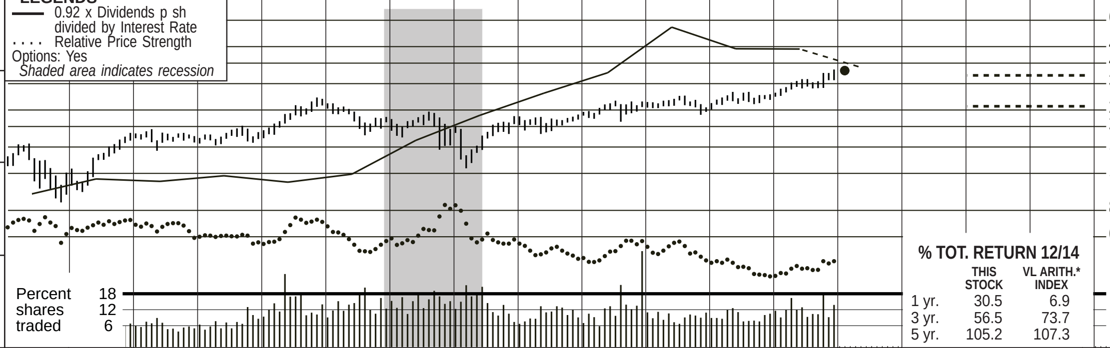
AVISTA CORP. NYSE-AVA

RECENT PRICE	36.87	P/E RATIO	18.2 (Trailing: 19.3 Median: 16.0)	RELATIVE P/E RATIO	0.99	DIV'D YLD	3.6%	VALUE LINE

TIMELINESS 3 Lowered 11/14/14
SAFETY 2 Raised 5/7/10
TECHNICAL 2 Raised 1/16/15
BETA .80 (1.00 = Market)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
High:	18.7	19.4	20.2	27.5	25.8	23.6	22.4	22.8	26.5	28.0	29.3	37.4
Low:	9.8	15.4	16.3	17.6	18.2	15.5	12.7	18.5	21.1	22.8	24.1	27.7

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



Target Price Range
2017 | 2018 | 2019

2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	35	(-5%)	3%
Low	25	(-30%)	-4%

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	6	0	1	1	0

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	118	97	99
to Sell	76	92	107
Hld's(000)	41191	40836	41104

Percent shares traded 18 12 6

% TOT. RETURN 12/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	30.5	6.9
3 yr.	56.5	73.7
5 yr.	105.2	107.3

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	25.86	26.94	*23.70*	*25.00*	Revenues per sh	*28.25*
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	3.70	4.36	*4.50*	*4.65*	"Cash Flow" per sh	*5.25*
1.28	.12	1.76	1.20	.67	1.02	.73	.92	1.47	.72	1.36	1.58	1.65	1.72	1.32	1.85	*1.95*	*2.00*	Earnings per sh A	*2.25*
1.05	.48	.48	.48	.48	.49	.52	.55	.57	.60	.69	.81	1.00	1.10	1.16	1.22	1.27	*1.32*	Div'd Decl'd per sh B ■	*1.50*
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	4.61	5.05	*5.90*	*5.85*	Cap'l Spending per sh	*6.00*
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	21.06	21.61	*23.90*	*24.80*	Book Value per sh C	*26.75*
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	59.81	60.08	*62.25*	*63.00*	Common Shs Outst'g D	*64.50*
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	19.3	14.6	*16.3*		Avg Ann'l P/E Ratio	*14.0*
.86	NMF	.88	.70	1.05	.79	1.29	1.03	.83	1.64	.90	.76	.81	.88	1.23	.82	*.85*		Relative P/E Ratio	*.90*
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%	4.6%	4.5%	4.0%		Avg Ann'l Div'd Yield	*4.8%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $1510.9 mill. **Due in 5 Yrs** $528.2 mill.
LT Debt $1463.8 mill. **LT Interest** $73.2 mill.
Incl. $51.5 mill. debt to affiliated trusts.
(LT interest earned: 3.6x)

Leases, Uncapitalized Annual rentals $6.7 mill.
Pension Assets-12/13 $481.5 mill.
Oblig. $527.0 mill.
Pfd Stock None

Common Stock 62,239,441 shs.
as of 10/31/14
MARKET CAP: $2.3 billion (Mid Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
1151.6	1359.6	1506.3	1417.8	1676.8	1512.6	1558.7	1619.8	1547.0	1618.5	*1475*	*1575*	Revenues ($mill)	*1825*
37.8	47.2	75.1	38.5	73.6	87.1	92.4	100.2	78.2	111.1	*120*	*125*	Net Profit ($mill)	*145*
36.4%	35.4%	35.9%	38.7%	38.3%	34.3%	35.0%	35.4%	34.4%	36.0%	*36.5%*	*36.5%*	Income Tax Rate	*36.5%*
3.7%	3.6%	3.9%	22.4%	14.0%	4.2%	4.0%	5.2%	8.3%	8.8%	*10.0%*	*9.0%*	AFUDC % to Net Profit	*8.0%*
56.5%	58.0%	53.7%	41.0%	48.1%	50.9%	51.6%	51.4%	50.8%	51.4%	*50.0%*	*49.0%*	Long-Term Debt Ratio	*51.0%*
41.9%	40.6%	46.3%	59.0%	51.9%	49.1%	48.4%	48.6%	49.2%	48.6%	*50.0%*	*51.0%*	Common Equity Ratio	*49.0%*
1796.2	1900.8	1980.1	1548.9	1919.5	2139.0	2325.3	2439.9	2561.2	2669.7	*2990*	*3070*	Total Capital ($mill)	*3525*
1956.1	2126.4	2215.0	2351.3	2492.2	2607.0	2714.2	2860.8	3023.7	3202.4	*3520*	*3720*	Net Plant ($mill)	*4275*
4.3%	4.8%	6.1%	5.2%	5.8%	5.5%	5.4%	5.5%	4.3%	5.4%	*5.0%*	*5.5%*	Return on Total Cap'l	*5.5%*
4.8%	5.9%	8.2%	4.2%	7.4%	8.3%	8.2%	8.5%	6.2%	8.6%	*8.0%*	*8.0%*	Return on Shr. Equity	*8.5%*
4.7%	5.9%	8.0%	4.2%	7.4%	8.3%	8.2%	8.5%	6.2%	8.6%	*8.0%*	*8.0%*	Return on Com Equity E	*8.5%*
1.4%	2.4%	4.9%	.8%	3.7%	4.1%	3.3%	3.1%	.8%	2.9%	*3.0%*	*3.0%*	Retained to Com Eq	*3.0%*
72%	60%	40%	82%	50%	51%	60%	64%	88%	66%	*65%*	*65%*	All Div'ds to Net Prof	*66%*

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+2.0	-1.8	+.4
Avg. Indust. Use (MWH)	1556	1505	1428
Avg. Indust. Revs. per KWH (¢)	5.71	5.69	5.74
Capacity at Peak (Mw)	2923	3060	2767
Peak Load, Winter (Mw) F	2381	2485	2223
Annual Load Factor (%)	61.0	58.0	59.0
% Change Customers (yr-end)	+.4	+.6	+1.1
Fixed Charge Cov. (%)	318	245	308

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	-7.0%	-1.5%	*1.0%*
"Cash Flow"	4.5%	1.0%	*5.0%*
Earnings	5.5%	6.5%	*5.5%*
Dividends	9.0%	13.5%	*4.5%*
Book Value	3.5%	3.5%	*4.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	476.6	360.6	343.7	438.9	1619.8
2012	452.3	343.6	340.6	410.5	1547.0
2013	482.9	352.0	335.9	447.7	1618.5
2014	446.6	312.6	301.6	*414.2*	*1475*
2015	*490*	*335*	*325*	*425*	*1575*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.73	.39	.18	.42	1.72
2012	.65	.31	.10	.26	1.32
2013	.71	.43	.19	.53	1.85
2014	.79	.43	.16	*.57*	*1.95*
2015	*.85*	*.45*	*.15*	*.55*	*2.00*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.275	.275	.275	.275	1.10
2012	.29	.29	.29	.29	1.16
2013	.305	.305	.305	.305	1.22
2014	.3175	.3175	.3175	.3175	1.27
2015					

BUSINESS: Avista Corporation (formerly The Washington Water Power Company) supplies electricity & gas in eastern Washington & northern Idaho. Supplies electricity to part of Alaska & gas to part of Oregon. Customers: 383,000 electric, 326,000 gas. Acq'd Alaska Electric Light and Power 7/14. Sold Ecova energy-management sub. 6/14. Electric rev. breakdown: residential, 32%; commercial, 28%; industrial, 11%; wholesale, 12%; other, 17%. Generating sources: hydro, 27%; gas, 14%; coal, 9%; wood waste, 2%; purchased, 48%. Fuel costs: 43% of revs. '13 reported deprec. rate (utility): 2.9%. Has 1,800 employees. Chairman, President & CEO: Scott L. Morris. Inc.: WA. Address: 1411 E. Mission Ave., Spokane, WA 99202-2600. Tel.: 509-489-0500. Web: www.avistacorp.com.

Avista's regulatory settlement was approved in Washington. Electric and gas rates were raised by $12.3 million (2.5%) and $8.5 million (5.6%), respectively, at the start of 2015. The order didn't address the cost of capital, but it did decouple revenues and volume. Accordingly, top-line advances will now track customer growth (currently at about 1% for electricity and gas), instead of sales changes.

Avista has reached a settlement of its gas rate case in Oregon. If approved by the state regulatory commission, rates will be raised (effective March 1st) by $5.0 million (5.1%), based on a 9.5% return on a 51% common-equity ratio.

More rate applications are probably on the way. Avista will likely file cases in Washington and Idaho for new tariffs in 2016. Alaska Electric Light and Power, which the company acquired in mid-2014, is also considering filing a petition.

We estimate that earnings will increase slightly in 2015. Avista should benefit from rate relief and a full year of income from the Alaska utility acquisition. On the other hand, a favorable swing in power costs helped Avista in Washington in 2014, and we do not assume that this will happen this year. Our 2015 earnings estimate is within the company's targeted range of $1.86-$2.06 a share.

Avista has repurchased some stock, and might buy back more. Through mid-December, the company repurchased 2.5 million shares for $79.9 million. The board authorized a buyback for up to 800,000 more shares in the first quarter of 2015. Later this year, however, Avista will need some equity, so the company expects to issue about $30 million. The company's financing needs also include about $100 million of long-term debt.

We expect a dividend increase this quarter. That has been the pattern in recent years. We estimate that the board of directors will boost the annual payout by $0.05 a share (3.9%). Avista is targeting yearly dividend growth of 4%-5%.

Avista stock offers a dividend yield that is slightly above the utility mean. Like several utility stocks, the recent price is above the upper end of our 2017-2019 Target Price Range. Accordingly, total return potential is low.

Paul E. Debbas, CFA *January 30, 2015*

(A) Dil. EPS. Excl. nonrec. gain (losses): '00, (27¢); '02, (9¢); '03, (3¢); '14, 9¢; gains (losses) on disc. ops.: '01, ($1.00); '02, 2¢; '03, (10¢); '14, $1.17. '13 EPS don't add due to rounding. Next egs. due late Feb. (B) Div'ds histor. paid in mid-Mar., June, Sept. & Dec. ■ Div'd reinv. plan avail. (C) Incl. def'd chgs. In '13: $8.08/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate all'd on com. eq. in WA in '15: none; in ID in '13: 9.8%; in OR in '14: 9.65%; earn. on avg. com. eq., '13: 8.7%. Reg. Clim.: WA, Avg.; ID, Above Avg. (F) Summer pk. '12.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	60
Earnings Predictability	75

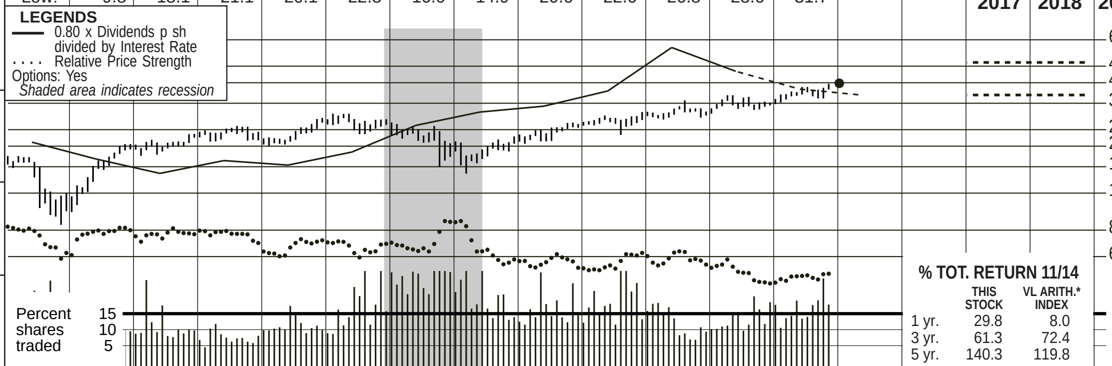
WESTAR ENERGY NYSE-WR

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
39.79	16.4	(Trailing: 16.8 / Median: 14.0)	0.89	3.5%	VALUE LINE

TIMELINESS 3 Lowered 12/12/14
SAFETY 2 Raised 4/1/05
TECHNICAL 4 Lowered 11/28/14
BETA .75 (1.00 = Market)

High:	20.5	22.9	25.0	27.2	28.6	25.9	22.3	25.9	29.0	33.0	35.0	39.8
Low:	9.8	18.1	21.1	20.1	22.8	16.0	14.9	20.6	22.6	26.8	28.6	31.7

Target Price Range 2017 | 2018 | 2019



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+25%)	9%
Low	35	(-10%)	1%

Insider Decisions

	J	F	M	A	M	J	J	A	S
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	5	0	0	0	0	1	0

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	150	161	155
to Sell	133	116	117
Hld's(000)	88851	93488	95815

% TOT. RETURN 11/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	29.8	8.0
3 yr.	61.3	72.4
5 yr.	140.3	119.8

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	17.88	18.48	*19.70*	*19.85*	Revenues per sh	*20.75*
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	4.30	4.41	*4.55*	*4.70*	"Cash Flow" per sh	*5.10*
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	2.15	2.27	*2.35*	*2.45*	Earnings per sh A	*2.90*
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	*1.39*	*1.44*	Div'd Decl'd per sh B■†	*1.60*
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	6.40	6.08	*6.50*	*7.00*	Cap'l Spending per sh	*8.15*
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	22.03	22.89	23.88	*24.00*	*25.60*	Book Value per sh C	*29.65*
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	126.50	128.25	*130.00*	*130.00*	Common Shs Outst'g E	*135.00*
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	13.4	14.0	*Bold figures are*		Avg Ann'l P/E Ratio	*15.0*
.96	.98	1.34	- -	.76	.62	.92	.79	.66	.75	1.02	.99	.83	.93	.85	.79	*Value Line*		Relative P/E Ratio	*.95*
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%	4.6%	4.3%	*estimates*		Avg Ann'l Div'd Yield	*3.7%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $3417.8 mill. **Due in 5 Yrs** $675.0 mill.
LT Debt $3215.4 mill. **LT Interest** $160.0 mill.
(LT interest earned: 3.3x)

Pension Assets 12/13 $548 mill. **Oblig.** $929 mill.

Pfd Stock None

Common Stock 130,196,193 shs.
MARKET CAP: $5.2 billion (Large Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
1464.5	1583.3	1605.7	1726.8	1839.0	1858.2	2056.2	2171.0	2261.5	2370.7	*2560*	*2580*	Revenues ($mill)	*2800*
100.1	134.9	165.3	168.4	136.8	141.3	203.9	214.0	275.1	292.5	*305*	*320*	Net Profit ($mill)	*390*
25.0%	31.0%	25.4%	27.5%	24.8%	29.4%	29.0%	35.2%	30.9%	33.1%	*30.0%*	*30.0%*	Income Tax Rate	*30.0%*
- -	- -	- -	10.4%	- -	- -	- -	- -	10.4%	10.0%	*10.0%*	*10.0%*	AFUDC % to Net Profit	*10.0%*
53.8%	52.1%	50.0%	50.6%	49.8%	53.4%	53.6%	49.5%	51.2%	50.0%	*50.5%*	*50.5%*	Long-Term Debt Ratio	*50.0%*
45.5%	47.2%	49.3%	48.9%	49.7%	46.1%	46.0%	50.1%	48.8%	50.0%	*49.0%*	*49.5%*	Common Equity Ratio	*50.0%*
3049.2	3000.4	3124.2	3738.3	4400.1	4866.8	5180.9	5531.0	5938.2	6131.1	*6275*	*6650*	Total Capital ($mill)	*8000*
3911.0	3947.7	4071.6	4803.7	5533.5	5771.7	6309.5	6745.4	7335.7	7848.5	*8000*	*8200*	Net Plant ($mill)	*9200*
5.5%	6.2%	6.7%	5.8%	4.2%	4.4%	5.5%	5.3%	6.0%	6.1%	*5.0%*	*5.0%*	Return on Total Cap'l	*6.0%*
7.1%	9.4%	10.6%	9.1%	6.2%	6.2%	8.5%	7.7%	9.5%	9.6%	*9.5%*	*9.5%*	Return on Shr. Equity	*10.0%*
7.1%	9.5%	10.7%	9.2%	6.2%	6.3%	8.5%	7.7%	9.4%	9.6%	*9.5%*	*9.5%*	Return on Com Equity D	*9.5%*
3.2%	4.3%	5.5%	4.3%	1.2%	.8%	3.1%	2.7%	4.0%	4.2%	*4.0%*	*4.0%*	Retained to Com Eq	*4.5%*
56%	55%	49%	53%	80%	87%	63%	65%	57%	56%	*59%*	*59%*	All Div'ds to Net Prof	*55%*

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+1.0	-1.5	+3.6
Avg. Indust. Use (MWH)	5589	5588	5407
Avg. Indust. Revs. per KWH (¢)	6.22	6.60	6.47
Capacity at Peak (Mw)	6784	6557	6671
Peak Load, Summer (Mw)	5549	5411	5489
Annual Load Factor (%)	55.5	56.0	55.9
% Change Customers (yr-end)	+.1	+.2	+.2
Fixed Charge Cov. (%)	297	319	323

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	-3.5%	- -	2.5%
"Cash Flow"	-1.0%	3.0%	4.5%
Earnings	12.5%	4.5%	6.0%
Dividends	2.0%	4.0%	3.0%
Book Value	2.5%	4.0%	5.0%

QUARTERLY REVENUES ($ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	481.7	524.9	678.2	486.2	2171.0
2012	475.7	566.3	695.8	523.7	2261.5
2013	546.2	569.6	695.0	559.9	2370.7
2014	628.6	612.7	764.0	*554.7*	*2560*
2015	*630*	*620*	*750*	*580*	*2580*

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.27	.38	.98	.16	1.79
2012	.21	.48	1.09	.37	2.15
2013	.40	.52	1.04	.31	2.27
2014	.52	.40	1.10	*.33*	*2.35*
2015	*.50*	*.50*	*1.10*	*.35*	*2.45*

QUARTERLY DIVIDENDS PAID B■†

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.30	.31	.31	.31	1.23
2011	.31	.32	.32	.32	1.27
2012	.32	.33	.33	.33	1.31
2013	.33	.34	.34	.34	1.35
2014	.34	.35	.35	.35	

BUSINESS: Westar Energy, Inc., formerly Western Resources, is the parent of Kansas Gas & Electric Company. Westar supplies electricity to 700,000 customers in Kansas. Electric revenue sources: residential and rural, 34%; commercial, 38%; industrial, 28%. Sold investment in ONEOK in 2003 and 85% ownership in Protection One in 2004. 2013 depreciation rate: 3.8%. Estimated plant age: 15 years. Fuels: coal, 52%; nuclear, 8%; gas, 40%. Has 2,302 employees. BlackRock Inc owns 7.0% of common; The Vanguard Group owns 5.8%; JP Morgan owns 5.2% (3/14 proxy). CEO and Pres.: Mark A. Ruelle. Inc.: Kansas. Addr.: 818 South Kansas Avenue, Topeka, Kansas 66612. Telephone: 785-575-6300. Internet: www.westarenergy.com.

Westar Energy reported third-quarter results that topped our forecasts. The Topeka, Kansas-based company posted earnings of $1.10 a share, on revenue of $764 million. Greater profits were driven largely by higher prices and lower operating and maintenance costs at the company's power plants. The electric utility's various investments on transmission infrastructure and air quality control are finally coming to fruition, with additional projects such as the LaCygne air-quality retrofit set to be completed next year.

Meanwhile, going forward, carbon control measures are a cause for concern. New rules put out by the Environmental Protection Agency (and backed by the current administration), will be tough to comply with in the future. Coal-based generation still represents about 65% of the fuel mix for Westar (as of the third quarter), but the company has worked hard to reduce that figure by about 8% when compared to last year. Importantly, the newly elected Republican Senate will likely put pressure on the government agency to either delay or repeal the new measures, and a compromise could be reached between the two parties at some time. However, as of right now, regulatory risk is still a big problem going forward for the entire industry.

The new year ought to have a number of upcoming catalysts. Management's guidance, which we believe is conservative, calls for retail sales to climb 150 basis points next year. Retail sales have risen roughly 3% through the first nine months of 2014. Moreover, operating and maintenance costs, as well as SG&A expenses, should continue to trend lower, as Westar focuses on keeping its overhead in check. Finally, management pointed to price increases in transmission and environmental cost recovery, which was approved by regulators, thereby allowing the utility to raise rates on certain residents in order to cover much of its environmental regulation outlay.

Utilities have done well this year, and Westar Energy is no exception. The stock has good marks for both Price Stability (100) and Safety (2), and would be a fine choice for investors in need of some income.

Daniel Henigson *December 19, 2014*

(A) EPS diluted from 2010 onward. Excl. nonrecur. gains (losses): '98, ($1.45); '99, ($1.31); '00, $1.07; '01, 27¢; '02, ($12.06); '03, 77¢; '08, 39¢; '11, 14¢. Earnings may not sum due to rounding. Next egs. rep't due early February. (B) Div'ds paid in early Jan., April, July, and Oct. ■ Div'd reinvest. plan avail. † Shareholder invest. plan avail. (C) Incl. reg. assets. In 2013: $4.92/sh. (D) Rate base determined: fair value; Rate allowed on common equity in '13: 10.0%; earned on avg. com. eq., '13: 9.5%. Regul. Clim.: Avg. (E) In mill.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	65
Earnings Predictability	80

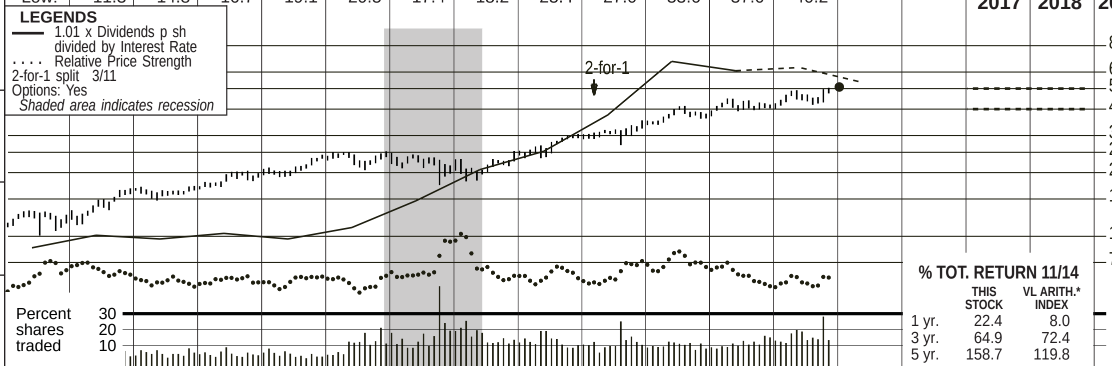
WISCONSIN ENERGY NYSE-WEC

RECENT PRICE 50.95 | P/E RATIO 20.5 (Trailing: 19.0 Median: 15.0) | RELATIVE P/E RATIO 1.11 | DIV'D YLD 3.3% | VALUE LINE

TIMELINESS 3 Lowered 9/19/14
SAFETY 1 Raised 3/23/12
TECHNICAL 4 Raised 12/12/14
BETA .65 (1.00 = Market)

High:	16.8	17.3	20.4	24.3	25.2	24.8	25.3	30.5	35.4	41.5	45.0	51.4
Low:	11.3	14.8	16.7	19.1	20.5	17.4	18.2	23.4	27.0	33.6	37.0	40.2

Target Price Range 2017 | 2018 | 2019



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(Nil)	3%
Low	40	(-20%)	-1%

Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	0	0	0	0	0	0	0	0
Options	2	4	0	0	0	0	0	2	0
to Sell	2	4	0	0	0	0	0	4	0

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	231	257	220
to Sell	200	186	224
Hld's(000)	168816	166724	174180

% TOT. RETURN 11/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	22.4	8.0
3 yr.	64.9	72.4
5 yr.	158.7	119.8

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	18.54	20.00	*22.15*	*22.15*	Revenues per sh	*25.50*
2.06	2.26	2.24	2.72	2.84	2.86	2.58	2.89	2.90	2.98	2.95	3.11	3.30	3.68	4.01	4.33	*4.50*	*4.65*	"Cash Flow" per sh	*5.50*
.83	.94	.54	.92	1.16	1.13	.93	1.28	1.32	1.42	1.52	1.60	1.92	2.18	2.35	2.51	*2.60*	*2.70*	Earnings per sh A	*3.25*
.78	.78	.69	.40	.40	.40	.42	.44	.46	.50	.54	.68	.80	1.04	1.20	1.45	*1.56*	*1.69*	Div'd Decl'd per sh B ■	*2.10*
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	3.09	3.04	*3.30*	*3.65*	Cap'l Spending per sh	*3.75*
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	18.05	18.73	*19.65*	*20.60*	Book Value per sh C	*21.50*
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	229.04	225.96	*225.50*	*225.50*	Common Shs Outst'g D	*220.00*
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	15.8	16.5	*Bold figures are*		Avg Ann'l P/E Ratio	*14.5*
.94	.76	1.22	.62	.57	.71	.92	.77	.86	.88	.89	.89	.89	.89	1.01	.93	*Value Line*		Relative P/E Ratio	*.90*
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%	3.2%	3.5%	*estimates*		Avg Ann'l Div'd Yield	*4.5%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $5093.1 mill. **Due in 5 Yrs** $1625.5 mill.
LT Debt $4569.6 mill. **LT Interest** $251.3 mill.
Incl. $84.5 mill. capitalized leases.
(LT interest earned: 5.0x)
Leases, Uncapitalized Annual rentals $3.9 mill.
Pension Assets-12/13 $1451.0 mill.
Oblig. $1410.2 mill.
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 225,517,341 shs.

MARKET CAP: $11 billion (Large Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
3431.1	3815.5	3996.4	4237.8	4431.0	4127.9	4202.5	4486.4	4246.4	4519.0	*5000*	*5000*	Revenues ($mill)	*5600*
221.2	304.8	313.7	337.7	359.8	378.4	455.6	514.0	547.5	578.6	*595*	*610*	Net Profit ($mill)	*730*
37.5%	32.9%	35.8%	39.1%	37.6%	36.5%	35.4%	33.9%	35.9%	36.9%	*38.0%*	*38.0%*	Income Tax Rate	*38.0%*
10.0%	12.5%	19.0%	23.8%	27.2%	25.0%	18.6%	16.8%	9.4%	4.5%	*6.0%*	*6.0%*	AFUDC % to Net Profit	*5.0%*
56.2%	52.8%	51.3%	50.3%	54.8%	51.9%	50.6%	53.6%	51.7%	50.6%	*48.5%*	*49.5%*	Long-Term Debt Ratio	*49.0%*
43.3%	46.7%	48.2%	49.2%	44.8%	47.7%	49.0%	46.0%	48.0%	49.1%	*51.0%*	*50.5%*	Common Equity Ratio	*50.5%*
5762.3	5741.5	5992.8	6302.1	7442.0	7473.1	7764.5	8608.0	8619.3	8626.6	*8650*	*9245*	Total Capital ($mill)	*9400*
5903.1	6362.9	7052.5	7681.2	8517.0	9070.5	9601.5	10160	10572	10907	*11225*	*11625*	Net Plant ($mill)	*12575*
5.6%	7.0%	6.6%	7.0%	6.3%	6.4%	7.5%	7.5%	7.9%	8.1%	*8.0%*	*8.0%*	Return on Total Cap'l	*9.0%*
8.8%	11.2%	10.7%	10.8%	10.7%	10.5%	11.9%	12.9%	13.1%	13.6%	*13.5%*	*13.0%*	Return on Shr. Equity	*15.0%*
8.8%	11.3%	10.8%	10.9%	10.7%	10.6%	12.0%	12.9%	13.2%	13.6%	*13.5%*	*13.0%*	Return on Com Equity E	*15.5%*
4.9%	7.5%	7.1%	7.1%	7.0%	6.2%	7.0%	6.8%	6.5%	5.9%	*5.5%*	*5.0%*	Retained to Com Eq	*5.5%*
45%	34%	35%	35%	35%	42%	41%	47%	51%	57%	*59%*	*63%*	All Div'ds to Net Prof	*64%*

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	-.5	-.6	-4.5
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	7.64	7.66	8.21
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.2	+.3	+.2
Fixed Charge Cov. (%)	336	377	414

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	1.5%	1.5%	*4.5%*
"Cash Flow"	3.5%	6.5%	*5.5%*
Earnings	8.0%	10.5%	*5.5%*
Dividends	12.0%	19.5%	*9.5%*
Book Value	7.0%	6.0%	*3.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	1328.7	991.7	1052.8	1113.2	4486.4
2012	1191.2	944.7	1039.3	1071.2	4246.4
2013	1275.2	1012.3	1053.2	1178.3	4519.0
2014	1695.0	1043.7	1033.3	*1228*	*5000*
2015	*1500*	*1100*	*1150*	*1250*	*5000*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.72	.41	.55	.49	2.18
2012	.74	.51	.67	.43	2.35
2013	.76	.52	.60	.63	2.51
2014	.91	.58	.56	*.55*	*2.60*
2015	*.78*	*.59*	*.68*	*.65*	*2.70*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.20	.20	.20	.20	.80
2011	.26	.26	.26	.26	1.04
2012	.30	.30	.30	.30	1.20
2013	.34	.34	.3825	.3825	1.45
2014	.39	.39	.39	.39	

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. Elec. revenue breakdown: residential, 36%; small commercial & industrial, 32%; large commercial & industrial, 22%; other, 10%. Generating sources: coal, 54%; gas, 10%; renewables, 3%; purchased, 33%. Fuel costs: 40% of revs. '13 reported deprec. rate (utility): 2.9%. Has 4,300 employees. Chairman & CEO: Gale E. Klappa. President: Allen L. Leverett. Inc.: WI. Address: 231 W. Michigan St., P.O. Box 1331, Milwaukee, WI 53201. Tel.: 414-221-2345. Internet: www.wisconsinenergy.com.

The takeover of Integrys Energy by Wisconsin Energy has been approved by each company's shareholders. Under the agreement, Wisconsin Energy would buy Integrys for $4.6 billion in common stock and $1.5 billion in cash (to be financed with debt). Integrys would be a good fit, since it provides electric and gas service in Wisconsin, and would expand the service area to Illinois. (Integrys also serves parts of Michigan and Minnesota.) The transaction requires the approval of the regulatory commissions in Wisconsin, Illinois, and Michigan (and perhaps Minnesota, also), plus the Federal Energy Regulatory Commission. The companies expect the deal to be completed in the second half of 2015. Wisconsin Energy would then change its name to WEC Energy.

Management believes that the acquisition would enhance the company's growth rate. Wisconsin Energy's current goal is 4%-6% annually, and the combination with Integrys would boost this target to 5%-7%. Wisconsin Energy's free cash flow would be used to fund some of Integrys' capital projects.

Shareholders can look forward to a hefty dividend hike in early 2015. Wisconsin Energy has signaled that it plans to raise the annual payout by $0.11 a share (8.3%), subject to approval by the board of directors. Shareholders can expect another increase when the Integrys deal closes.

We estimate 4% earnings growth in 2014 and 2015. Note that our figures exclude Integrys, but include merger-related expenses, which are estimated at $0.05 a share this year.

The company should soon get an order in its general rate case. Some issues have been settled. A nonfuel electric rate hike of $41.5 million will take effect in January, and Wisconsin Electric and Wisconsin Gas will have allowed returns on equity of 10.2% and 10.3%, respectively. Still to be determined is what the fuel-cost recovery will be in 2015.

High-quality Wisconsin Energy stock offers a respectable yield and good 3- to 5-year dividend growth potential. The recent price is above the upper end of our 2017-2019 Target Price Range, but if the Integrys deal goes through, our projections might well prove conservative.

Paul E. Debbas, CFA December 19, 2014

(A) Diluted EPS. Excl. nonrec. gains (losses): '99, (5¢); '00, 10¢ net; '02, (44¢); '03, (10¢) net; '04, (42¢); gains on disc. ops.: '04, 77¢; '05, 2¢; '06, 2¢; '09, 2¢; '10, 1¢; '11, 6¢. '11 EPS don't add due to rounding. Next earnings report due early Feb. (B) Div'ds historically paid in early Mar., June, Sept. & Dec. ■ Div'd reinvestment plan avail. (C) Incl. intang. In '13: $6.86/sh. (D) In mill., adj. for split. (E) Rate base: Net orig. cost. Rates all'd on com. eq. in WI in '13: 10.4%-10.5%; earned on avg. com. eq., '13: 13.6%. Regulat. Climate: Above Avg.

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

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

Low prices for wholesale electricity have hurt merchant power generators in recent years. We examine this factor, and the possibility that capacity prices will rise.

A few utilities have been involved in the formation of master limited partnerships in 2014.

There have been other transactions beyond master limited partnerships this year.

Most electric utility stocks have risen at a double-digit pace so far in 2014. This has made these equities even more expensively priced.

Capacity Prices

When owners of generating assets sell power on the wholesale market, they are compensated not only for the energy they sell, but for the capacity they provide to the market. Organizations such as PJM that conduct power auctions in competitive markets and coordinate the markets must ensure that generating capacity in their region is sufficient. (PJM stands for Pennsylvania-New Jersey-Maryland, but covers an area broader than just these three states.) However, with wholesale power prices having declined in recent years, some owners of merchant generating units believe the market structures are flawed, and do not compensate them adequately for the capacity their plants bring to the market. This has even led to plant closings. In 2013, *Dominion Resources* shut its Kewaunee nuclear plant in Wisconsin, even though the facility was operating effectively. The decline in power prices made running Kewaunee uneconomic. Other plants are facing similar concerns. Entergy will shut the Vermont Yankee nuclear unit at the end of 2014 for economic reasons. (Heavy political opposition to the plant might have played a part, as well.) Some other nonregulated nuclear units owned by the company might have an identical outcome if prices don't improve. In Illinois, two nuclear units owned by *Exelon* were unsuccessful in a power auction earlier this year (i.e., they failed to "clear the market"). A third *Exelon* unit, in New Jersey, also failed to clear the market, but this unit was already slated for closing in 2019. Owners of nuclear plants also want to see the environmental benefits of their assets (i.e., no carbon emissions) reflected in capacity prices. Low capacity prices don't just affect nuclear units. A coal-fired station in Pennsylvania owned by *FirstEnergy* did not clear the market this year, so the company must decide whether to spend capital on environmental upgrades needed to keep the plant running beyond 2016.

Changes have been proposed in PJM that, if adopted, would benefit owners of merchant generating assets such as *Exelon*, *FirstEnergy*, and *Public Service Enterprise Group*. *Exelon* is also talking to officials in Illinois to try to find a way to recognize the value that its nuclear units provide to the state.

Master Limited Partnerships

This year, a few companies in the Electric Utility Industry have formed master limited partnerships for a portion of their assets. (For more on MLPs, see our industry report in Issue 3.) The creation of the MLPs was followed by initial public offerings. CenterPoint Energy and OGE Energy had already contributed their midstream gas assets to a joint venture, which then had an IPO. *Dominion Resources* also did the same for some of its midstream gas assets. *NextEra Energy* also made such a move, but did so for some of its contracted renewable (wind and solar) assets. Each of these MLPs has fared very well since its IPO earlier in 2014.

INDUSTRY TIMELINESS: 38 (of 97)

Other Dealmaking

There have been other, more-traditional mergers, acquisitions, and asset sales in this industry so far this year. *Exelon* is buying *Pepco Holdings*, and Wisconsin Energy is purchasing Integrys Energy. Cleco is being taken over by a consortium of companies. *Exelon* bought Integrys' retail energy supply business. *TECO Energy* and Avista each bought a utility and sold a nonutility operation.

Conclusion

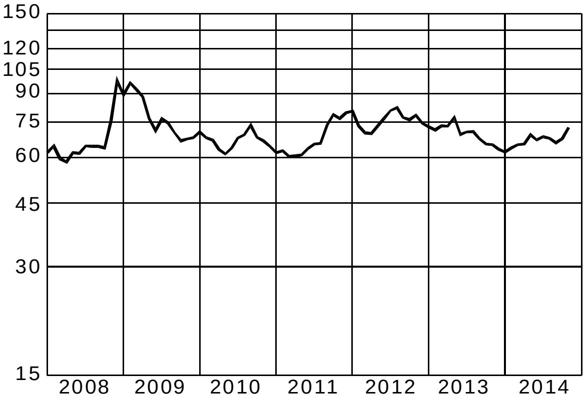
This has been an outstanding year for electric utility stocks. Interest rates were already low as 2014 began, and the yield on the 10-year U.S. Treasury note has fallen more than half a percentage point so far this year. Thus, income-seeking investors have poured money into electric utility stocks.

Utility stocks have fared so well this year that the ones that have advanced at "just" a single-digit percentage are exceptions to the rule. Numerous utility issues have soared by more than 20%. Even before such a significant move, utility equities weren't cheap. Almost every electric utility stock under our coverage is trading within its 2017-2019 Target Price Range—many near the upper end of this range—and a few are trading *above* the upper bound. We note that our Quarterly Economic Review projects that the yield on the 10-year Treasury note will rise to 4.3% by 2017-2019, which is why we aren't optimistic about this industry's long-term total return potential. On average, electric utility stocks yield 3.5% and offer 3- to 5-year total return prospects of just 2%.

Paul E. Debbas, CFA

Electric Utility

RELATIVE STRENGTH (Ratio of Industry to Value Line Comp.)



Index: June, 1967 = 100

All of the major electric utilities located in the central region of the United States are reviewed in this Issue; eastern electrics, in Issue 1; and the remaining utilities, in Issue 11.

The U.S. Supreme Court will hear an appeal of an Environmental Protection Agency rule. Another proposed EPA rule has come under a lot of criticism.

We examine the effect of declining oil prices on utilities.

Another utility combination was announced earlier this month.

Most electric utility stocks have turned in an outstanding performance in 2014.

EPA Rules

In recent years, the Environmental Protection Agency has issued rules concerning cross-state air pollution and mercury emissions. Another proposed regulation governing carbon emissions was put forth in June of 2014, and the EPA took comments on this proposal through early December. There has been criticism of the rules from companies and states that are affected, as well as from the coal industry. It is hardly a surprise that this has led to litigation. The EPA has also issued a proposal that would reduce ozone, which would also be costly for utilities.

The U.S. Supreme Court has agreed to hear an appeal of the EPA's rule reducing allowable mercury emissions. There were complaints that the EPA didn't consider the cost of its regulation. The Supreme Court's decision is due in June. Note that the EPA's cross-state air pollution rule also faced litigation, but was ultimately upheld.

Meanwhile, the EPA was hit with a lot of criticism about its proposal to reduce carbon emissions. Companies, state governments and regulatory commissions, and industry groups expressed concern that the closing of coal-fired units would hurt the reliability of the electric grid. Many parties are also worried about the potential effect of the new rule on customers' rates. Some complainants believe the EPA's assumptions justifying its proposed rule are unrealistic. On the other hand, some environmental groups think the EPA didn't go far enough. Litigation has already been filed about this rule, even though it has not yet been finalized, and more lawsuits are sure to come.

Falling Oil Prices

Since June, oil prices have declined significantly. The effect of falling prices on the electric utility industry isn't as great as some people think. Only one company, Hawaiian Electric Industries, uses oil to produce a significant proportion of its electricity. The company passes changes in prices through to its ratepayers. Even this company is reducing its exposure to oil in favor of renewable energy. Elsewhere, there is still some oil-fired capacity in New England, but most of the power generated there is from nuclear or gas-fired plants. Some utilities use much less oil than they once did. For example, Florida Power & Light used more than 41 million barrels of oil in 2001, but fewer than one million in 2001. The utility's parent, NextEra Energy, is acquiring Hawaiian Electric (subject to regulatory approval).

The drop in oil prices might well have an indirect

INDUSTRY TIMELINESS: 55 (of 97)

effect on electric companies. To the extent that this strengthens the economy of a utility's service area, it's clearly beneficial. Utilities that have oil exploration and production in their service territories would be hurt if companies reduce their activity, however. There is some investor concern that some midstream gas master limited partnerships will be hurt by lowered drilling activity. We believe this has held back the stock prices of *CenterPoint Energy* and *OGE Energy*, which have stakes in Enable Midstream Partners.

Merger And Acquisition Update

Earlier this month, the aforementioned deal between NextEra and Hawaiian Electric was announced. Thus, seven of the 46 companies we cover in the Electric Utility Industry are involved in M&A activity. Exelon is buying Pepco Holdings; *Wisconsin Energy* is acquiring *Integrys Energy*; and *Cleco* is being taken over by a consortium of investors.

Whether each of these transactions is completed remains to be seen. There is a high failure rate when it comes to proposed utility combinations. Many have broken up because they failed to win regulatory approval, even when utilities have offered various concessions to customers.

Conclusion

This has been a terrific year for electric utility stocks, in general. Every stock price has risen in 2014. In fact, most have soared more than 20%, and some (including *Entergy* and *Integrys Energy*) are up more than 30%. Following this move, many share prices are near the upper end of their 2017-2019 Target Price Range. A few stocks, including *Empire District Electric*, are trading *above* this range. Lately, the group's average dividend yield has been 3.5%.

All of this means that electric utility equities are expensively priced. Investors should note that our long-term interest rate projection is for a yield of 4.3% on the 10-year U.S. Treasury note. That's about two percentage points higher than the yield today. Such a significant rise in interest rates would most likely not be good for electric utility equities.

Paul E. Debbas, CFA

Electric Utility

RELATIVE STRENGTH (Ratio of Industry to Value Line Comp.)

Index: June, 1967 = 100

All of the major electric utilities located in the western region of the United States are reviewed in this Issue; eastern electrics, in Issue 1; and the remaining utilities, in Issue 5.

We look back at the year that just ended and ahead to the new year.

Electric utility stocks had a stellar performance in 2014. We do not expect a repeat in 2015.

A Look Back At 2014 And A Look Ahead To 2015

Most electric utility stocks turned in an outstanding performance in 2014. According to an index compiled by the Edison Electric Institute (an organization representing investor-owned utilities), the group provided a total return of 28.9% in 2014. This was more than twice the 13.7% return of the Standard and Poor's 500 Index. Moreover, this followed a strong 2013, in which the overall total return was 13.0%. In 2014, The median total return of the individual stocks in this index was 30.5%.

The stock of every electric company we cover (in Issues 1, 5, and 11) had a double-digit total return, with three exceptions: OGE Energy, CenterPoint Energy, and *Black Hills Corporation*. The steep decline in oil prices in the second half of 2014 hurt these companies because *Black Hills* has an exploration and production subsidiary, and the other two companies each own a stake in Enable Midstream Partners, a master limited partnership that declined along with a lot of other MLPs, as investors are worried about cutbacks in drilling for oil and gas.

Why was last year so good for electric utility equities? A decline in interest rates—from an already low level—helped. The yield on the 10-year U.S. Treasury note fell more than three-quarters of a percentage point. With many income-oriented investors reaching for yield, money was poured into utility stocks. Another positive factor for some companies were signs of a long-term recovery in wholesale power prices. This helped lift the stocks of Entergy, Exelon, and Public Service Enterprise Group. Finally, takeover targets usually see a run-up in their share prices. Indeed, Integrys Energy and Pepco Holdings—each of which is being acquired—were the top-two performers last year. Empire District Electric Company, also regarded as a takeover target, was in the top quartile for total returns. The stock of *Edison International* benefited from the resolution of some uncertainties facing the company and its Southern California Edison subsidiary.

What's in line for 2015? It is highly unlikely that investors will see a repeat of the run-ups that most stocks in this industry experienced in 2014. These advances accelerated late in the year. As the new year began, interest rates continued to decline, but we note that our Quarterly Economic Review estimates that interest rates will be higher this year. If so, that would probably hurt these stocks, all else equal.

Electric utility investors should also keep their eyes on environmental regulations, and the litigation surrounding them. The Environmental Protection Agency's proposal to reduce carbon emissions is shaping up to be even more controversial than previous EPA proposals. Another concern facing some utilities is net metering rules that have benefited users of solar power. Utilities feel that these customers are not paying for their use of the electric grid, so nonsolar customers are subsidizing them. Among other things, utilities want to increase the monthly fixed charge that each customer pays so that it comes closer to covering the companies' actual fixed costs. This is an important matter for the utility subsidiaries of *Pinnacle West* and *Hawaiian Electric Industries*. Southern California Edison, the *Edison International* unit, is also addressing this concern.

INDUSTRY TIMELINESS: 17 (of 97)

Many utility boards of directors evaluate the company's dividends annually. Often, this review occurs in the first quarter. Among stocks reviewed in Issue 11, we look for dividend increases from *Sempra Energy*, *Avista*, *Black Hills*, and *NorthWestern* this quarter. The directors of *Edison International* and *PNM Resources* raised their companies' payouts in the fourth period of 2014. (*Edison International's* is actually being paid in the first quarter of 2015.) Note that the dividend yields we show are based on estimated year-ahead dividend payments, not the annualized rate of the most recently paid quarterly disbursement.

Conclusion

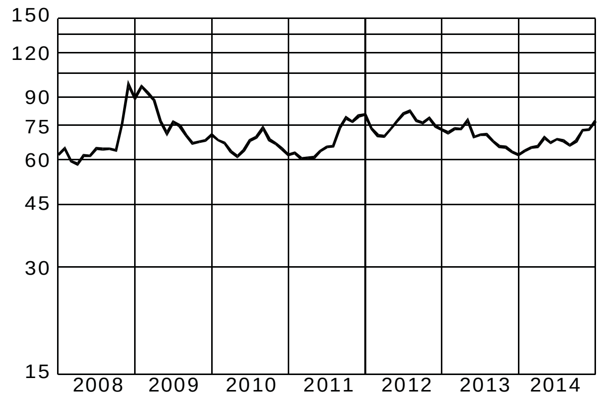
After two years of excellent share-price performance, these equities have become expensive, in our view. The group's dividend yield is 3.3%, higher than the market median but low by historical standards.

Our long-term economic projections are for interest rates to be significantly above today's level. As mentioned, higher interest rates are normally a negative factor for utility equities. The stocks of some utilities, including *Portland General*, *Pinnacle West*, *Xcel Energy*, *Sempra Energy*, *Avista*, and *PG&E*, are trading above the upper bound of their 3- to 5-year Target Price Range. All told, this group's total return potential to 2017-2019 is just 2%.

Paul E. Debbas, CFA

Electric Utility

RELATIVE STRENGTH (Ratio of Industry to Value Line Comp.)



Index: June, 1967 = 100

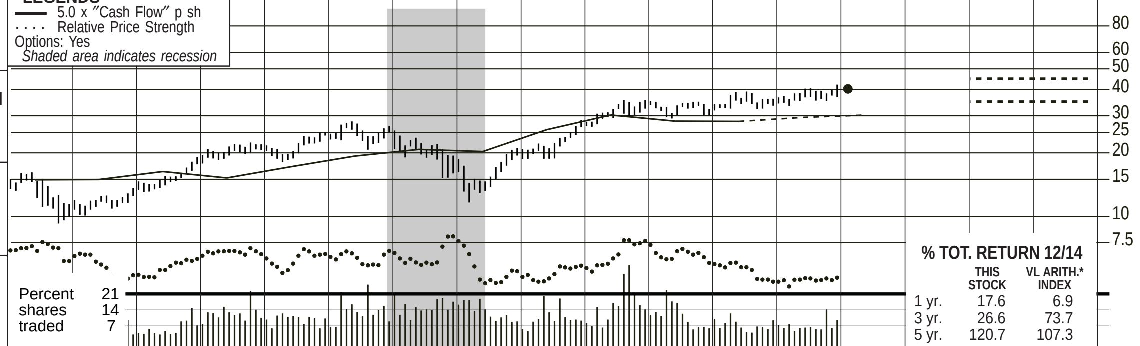
EL PASO ELECTRIC NYSE-EE

RECENT PRICE	P/E RATIO	(Trailing / Median)	RELATIVE P/E RATIO	DIV'D YLD	VALUE LINE
40.28	18.0	(Trailing: 18.4 Median: 15.0)	0.98	2.9%	

TIMELINESS 3 Lowered 12/5/14
SAFETY 2 Raised 5/11/07
TECHNICAL 3 Raised 11/28/14
BETA .70 (1.00 = Market)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
High:	13.6	19.1	22.4	25.0	28.2	25.5	21.1	28.7	35.7	35.3	39.1	42.2
Low:	10.1	13.1	17.8	18.2	20.8	15.2	11.6	18.7	26.7	29.2	31.8	33.4

LEGENDS
— 5.0 x "Cash Flow" p sh
.... Relative Price Strength
Options: Yes
Shaded area indicates recession



Target Price Range
2017 | 2018 | 2019

2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+10%)	6%
Low	35	(-15%)	Nil

Insider Decisions

	F	M	A	M	J	J	A	S	O
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	1	1	0	2	0	0

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	83	72	69
to Sell	75	90	76
Hld's(000)	39582	39656	40115

Percent shares traded 21 14 7

% TOT. RETURN 12/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	17.6	6.9
3 yr.	26.6	73.7
5 yr.	120.7	107.3

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
9.99	9.96	13.70	15.40	13.91	13.97	14.95	16.70	17.75	19.43	23.15	18.85	20.61	22.97	21.26	22.11	*22.85*	*23.35*	Revenues per sh	*26.75*
2.34	2.79	3.21	3.43	2.99	3.00	3.27	3.05	3.44	3.86	4.16	4.07	5.15	6.05	5.66	5.65	*5.90*	*6.05*	"Cash Flow" per sh	*7.25*
.70	.86	1.09	1.27	.57	.64	.69	.76	1.27	1.63	1.73	1.50	2.07	2.48	2.26	2.20	*2.30*	*2.05*	Earnings per sh A	*2.50*
--	--	--	--	--	--	--	--	--	--	--	--	--	.66	.97	1.05	1.11	*1.17*	Div'd Decl'd per sh B	*1.35*
1.08	1.28	1.70	1.85	1.75	2.03	1.94	2.28	2.73	4.63	5.36	5.95	5.27	5.90	6.70	7.18	*9.65*	*7.85*	Cap'l Spending per sh	*7.00*
6.92	7.36	8.05	9.01	9.20	10.51	11.23	11.56	12.60	14.76	15.47	16.45	19.04	19.03	20.57	23.44	*24.50*	*25.30*	Book Value per sh C	*28.25*
60.27	57.26	51.20	49.99	49.61	47.56	47.40	48.14	46.00	45.15	44.88	43.92	42.57	39.96	40.11	40.27	*40.50*	*40.70*	Common Shs Outst'g D	*41.30*
12.3	9.9	10.6	11.0	23.0	18.3	22.0	26.7	16.9	15.3	11.9	10.8	10.7	12.6	14.5	15.9	*16.2*		Avg Ann'l P/E Ratio	*15.5*
.64	.56	.69	.56	1.26	1.04	1.16	1.42	.91	.81	.72	.72	.68	.79	.92	.89	*.85*		Relative P/E Ratio	*.95*
--	--	--	--	--	--	--	--	--	--	--	--	--	2.1%	3.0%	3.0%	3.0%		Avg Ann'l Div'd Yield	*3.5%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $1089.2 mill. **Due in 5 Yrs** $187.7 mill.
LT Debt $984.7 mill. **LT Interest** $60.6 mill.
(LT interest earned: 2.7x)

Leases, Uncapitalized Annual rentals $1.1 mill.
Pension Assets-12/13 $257.8 mill. **Oblig.** $317.8 mill.
Pfd Stock None

Common Stock 40,357,982 shs. **as of 10/31/14**

MARKET CAP: $1.6 billion (Mid Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
708.6	803.9	816.5	877.4	1038.9	828.0	877.3	918.0	852.9	890.4	*925*	*950*	Revenues ($mill)	*1100*
33.4	36.6	61.4	74.8	77.6	66.9	90.3	103.5	90.8	88.6	*95.0*	*85.0*	Net Profit ($mill)	*105*
21.6%	33.7%	29.8%	31.6%	32.8%	33.1%	36.1%	34.2%	34.1%	33.0%	*30.5%*	*33.0%*	Income Tax Rate	*33.0%*
10.3%	15.8%	8.0%	15.9%	20.4%	24.3%	22.1%	17.6%	22.4%	24.1%	*30.0%*	*24.0%*	AFUDC % to Net Profit	*19.0%*
41.6%	52.3%	51.5%	49.6%	53.8%	52.7%	51.2%	51.8%	54.8%	51.4%	*53.5%*	*56.0%*	Long-Term Debt Ratio	*56.5%*
58.4%	47.7%	48.5%	50.4%	46.2%	47.3%	48.8%	48.2%	45.2%	48.6%	*46.5%*	*44.0%*	Common Equity Ratio	*43.5%*
911.8	1167.5	1195.8	1321.6	1503.9	1527.7	1660.1	1576.7	1824.5	1943.5	*2145*	*2330*	Total Capital ($mill)	*2700*
1283.0	1291.7	1332.2	1450.6	1595.6	1756.0	1865.8	1947.1	2102.3	2257.5	*2500*	*2660*	Net Plant ($mill)	*2975*
6.4%	4.9%	6.6%	7.1%	6.7%	6.0%	7.0%	8.3%	6.5%	6.1%	*6.0%*	*5.0%*	Return on Total Cap'l	*5.5%*
6.3%	6.6%	10.6%	11.2%	11.2%	9.3%	11.1%	13.6%	11.0%	9.4%	*9.5%*	*8.0%*	Return on Shr. Equity	*9.0%*
6.3%	6.6%	10.6%	11.2%	11.2%	9.3%	11.1%	13.6%	11.0%	9.4%	*9.5%*	*8.0%*	Return on Com Equity E	*9.0%*
6.3%	6.6%	10.6%	11.2%	11.2%	9.3%	11.1%	10.0%	6.3%	4.9%	*5.0%*	*3.5%*	Retained to Com Eq	*4.5%*
--	--	--	--	--	--	--	26%	43%	47%	*48%*	*56%*	All Div'ds to Net Prof	*53%*

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+3.1	+.7	+.4
Avg. Indust. Use (MWH)	21921	21659	21908
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	1785	1765	1852
Peak Load, Summer (Mw)	1714	1688	1750
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.7	+1.5	+1.3
Fixed Charge Cov. (%)	346	302	280

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	4.5%	2.0%	*3.0%*
"Cash Flow"	6.5%	8.5%	*4.0%*
Earnings	11.0%	8.5%	*1.5%*
Dividends	--	--	*7.0%*
Book Value	8.0%	8.0%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	176.1	242.6	307.6	191.7	918.0
2012	168.6	228.3	267.2	188.8	852.9
2013	177.3	240.1	282.7	190.3	890.4
2014	185.5	251.8	283.6	*204.1*	*925*
2015	*195*	*255*	*295*	*205*	*950*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.16	.78	1.40	.13	2.48
2012	.08	.77	1.29	.12	2.26
2013	.19	.72	1.26	.03	2.20
2014	.11	.75	1.30	*.14*	*2.30*
2015	*.15*	*.65*	*1.15*	*.10*	*2.05*

Cal-endar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	--	.22	.22	.22	.66
2012	.22	.25	.25	.25	.97
2013	.25	.265	.265	.265	1.05
2014	.265	.28	.28	.28	1.11
2015					

BUSINESS: El Paso Electric Company (EPE) provides electric service to 398,000 customers in an area of approximately 10,000 square miles in the Rio Grande valley in western Texas (68% of revenues) and southern New Mexico (19% of revenues), including El Paso, Texas and Las Cruces, New Mexico. Wholesale is 13% of revenues. Electric revenue breakdown by customer class not available. Generating sources: nuclear, 46%; gas, 34%; coal, 6%; purchased, 14%. Fuel costs: 32% of revenues. '13 reported depreciation rate: 2.6%. Has about 1,000 employees. Chairman: Michael K. Parks. CEO: Thomas V. Shockley, III. President: Mary Kipp. Inc.: Texas. Address: Stanton Tower, 100 North Stanton, El Paso, Texas 79901. Telephone: 915-543-5711. Internet: www.epelectric.com.

The effects of regulatory lag for El Paso Electric in 2015 will be greater than we had expected. The company is building four 88-megawatt gas-fired peaking units. Two are expected to be in service by the end of the current quarter. A third unit will be on line in 2016, and a fourth in late 2016 or early 2017. (The total cost is estimated at $370 million.) The utility is planning to file rate cases in New Mexico in April and in Texas in August, with new tariffs taking effect in each state in March of 2016. This means that EPE won't get any rate relief this year, but will incur costs associated with the new units. In addition, the Allowance for Funds Used During Construction (a noncash credit to income) that the company will record in 2015 will be well below the 2014 level due to the completion of the first two units. All of this is will hurt earnings this year by an estimated $0.31-$0.37 a share. There will be some positive factors, too, such as customer growth that has been at 1.4% lately, but the negative will almost certainly outweigh the positive. All told, we have cut our 2015 earnings estimate by $0.15 a share, to $2.05.

We forecast higher profits in 2016. EPE should benefit from rate relief and continued growth in its service area (see below).

The company is financing its construction budget with debt. EPE issued $150 million of 30-year debt in December, and will probably issue the same amount (although with a shorter maturity) in late 2015.

The economy of the utility's service area is in good shape. For a few years, growth was driven by the expansion of the army base at Fort Bliss. Now, other factors are helping. Some companies have announced plans for new facilities and will hire workers. Other expansions are occurring at medical facilities and at the University of Texas at El Paso. All of this should help boost the demand for power.

The stock's dividend yield is a cut below the utility average. Although we project strong dividend growth over the 3- to 5-year period, total return prospects are unspectacular, given that the recent price is well within our 2017-2019 Target Price Range.

Paul E. Debbas, CFA *January 30, 2015*

(A) Diluted earnings. Excl. nonrecurring gains (losses): '98, 6¢; '99, (38¢); '01, (4¢); '03, 81¢; '04, 4¢; '05, (2¢); '06, 13¢; '10, 24¢. '11 earnings don't add to full-year total due to rounding. Next earnings report due late Feb. (B) Initial dividend declared 4/11; payment dates in late March, June, Sept., and Dec. (C) Incl. deferred charges. In '13: $101.0 mill., $2.51/sh. (D) In millions. (E) Rate allowed on common equity in '12: none specified; earned on average common equity, '13: 10.0%. Regulatory Climate: Average.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	80
Earnings Predictability	85

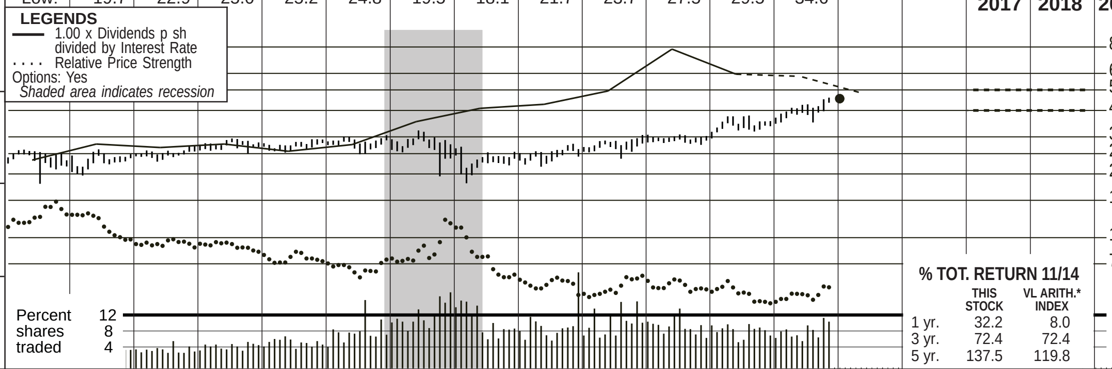
VECTREN CORP. NYSE-VVC

RECENT PRICE	45.46	P/E RATIO	19.9 (Trailing: 23.6 / Median: 16.0)	RELATIVE P/E RATIO	1.08	DIV'D YLD	3.3%	VALUE LINE

TIMELINESS 2 Lowered 11/21/14
SAFETY 2 Lowered 1/5/01
TECHNICAL 3 Raised 12/5/14
BETA .80 (1.00 = Market)

High:	26.1	27.1	29.5	29.3	30.5	32.2	26.9	27.8	30.7	30.8	37.9	46.0
Low:	19.7	22.9	25.0	25.2	24.8	19.5	18.1	21.7	23.7	27.5	29.5	34.6

Target Price Range
2017 | 2018 | 2019



2017-19 PROJECTIONS

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

Insider Decisions

	J	F	M	A	M	J	J	A	S
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

	1Q2014	2Q2014	3Q2014
to Buy	121	102	122
to Sell	115	127	112
Hld's(000)	47921	48584	49433

% TOT. RETURN 11/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	32.2	8.0
3 yr.	72.4	72.4
5 yr.	137.5	119.8

Vectren was formed on March 31, 2000 through the merger of Indiana Energy and SIGCORP. The merger was consummated with a tax-free exchange of shares and has been accounted for as a pooling of interests. Indiana Energy common stockholders received one Vectren common share for each share held. SIGCORP stockholders exchanged each common share for 1.333 common shares of Vectren.

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
22.26	26.62	26.83	29.88	30.67	25.76	26.06	28.39	27.16	30.23	***31.65***	***32.75***	Revenues per sh	***39.55***
3.27	3.87	3.69	4.29	3.97	4.40	4.44	4.71	5.03	5.03	***5.55***	***6.15***	"Cash Flow" per sh	***7.45***
1.42	1.81	1.44	1.83	1.63	1.79	1.65	1.73	1.94	1.66	***2.05***	***2.40***	Earnings per sh A	***3.00***
1.15	1.19	1.23	1.27	1.31	1.35	1.37	1.39	1.41	1.43	***1.45***	***1.54***	Div'd Decl'd per sh B■†	***1.75***
3.66	3.04	3.70	4.38	4.83	5.33	3.39	3.92	4.45	4.77	***4.80***	***5.25***	Cap'l Spending per sh	***7.00***
14.42	15.01	15.43	16.16	16.68	17.23	17.61	17.89	18.57	18.86	***19.30***	***19.95***	Book Value per sh C	***21.50***
75.90	76.19	76.10	76.36	81.03	81.10	81.70	81.90	82.20	82.40	***83.00***	***84.00***	Common Shs Outst'g D	***86.00***
17.6	15.1	18.9	15.3	16.8	12.9	15.0	15.8	15.0	20.7	***Bold figures are***		Avg Ann'l P/E Ratio	***15.0***
.93	.80	1.02	.81	1.01	.86	.95	.99	.95	1.16	***Value Line***		Relative P/E Ratio	***.95***
4.6%	4.4%	4.5%	4.5%	4.8%	5.9%	5.5%	5.1%	4.8%	4.2%	***estimates***		Avg Ann'l Div'd Yield	***3.9%***
1689.8	2028.0	2041.6	2281.9	2484.7	2088.9	2129.5	2325.2	2232.8	2491.2	***2625***	***2750***	Revenues ($mill)	***3400***
108.0	136.8	108.8	143.1	129.0	145.0	133.7	141.6	159.0	136.6	***170***	***200***	Net Profit ($mill)	***260***
26.5%	24.4%	21.8%	34.7%	37.1%	26.5%	35.8%	37.9%	34.2%	32.9%	***35.0%***	***35.0%***	Income Tax Rate	***35.0%***
3.0%	1.4%	3.8%	2.8%	2.9%	4.1%	- -	- -	4.1%	4.0%	***4.0%***	***4.0%***	AFUDC % to Net Profit	***4.0%***
48.1%	51.2%	50.7%	50.2%	48.0%	52.4%	49.9%	51.6%	50.4%	53.3%	***51.0%***	***52.0%***	Long-Term Debt Ratio	***53.0%***
51.8%	48.8%	49.3%	49.8%	52.0%	47.6%	50.1%	48.4%	49.6%	46.7%	***49.0%***	***48.0%***	Common Equity Ratio	***47.0%***
2111.5	2341.3	2382.2	2479.1	2599.5	2937.7	2874.1	3025.1	3079.5	3331.4	***3250***	***3500***	Total Capital ($mill)	***3950***
2156.2	2251.9	2385.5	2539.7	2720.3	2878.8	2955.4	3032.6	3119.6	3224.3	***3400***	***3550***	Net Plant ($mill)	***4000***
6.4%	7.2%	6.0%	7.2%	6.5%	6.3%	6.1%	6.2%	6.4%	5.4%	***6.5%***	***7.0%***	Return on Total Cap'l	***8.0%***
9.9%	12.0%	9.3%	11.6%	9.5%	10.4%	9.3%	9.7%	10.4%	8.8%	***10.5%***	***12.0%***	Return on Shr. Equity	***14.0%***
9.9%	12.0%	9.3%	11.6%	9.5%	10.4%	9.3%	9.7%	10.4%	8.8%	***10.5%***	***12.0%***	Return on Com Equity E	***14.0%***
1.9%	4.0%	1.3%	3.8%	2.0%	2.6%	1.6%	1.9%	2.9%	1.2%	***3.0%***	***4.5%***	Retained to Com Eq	***7.0%***
81%	66%	86%	67%	80%	75%	83%	80%	73%	86%	***71%***	***65%***	All Div'ds to Net Prof	***58%***

CAPITAL STRUCTURE as of 9/30/14
Total Debt $1639.7 mill. **Due in 5 Yrs** $710.0 mill.
LT Debt $1572.3 mill. **LT Interest** $85.0 mill.
(LT interest earned: 3.7x)

Pension Assets-12/13 $323.9 mill.
Oblig. $338.4 mill.
Pfd Stock None

Common Stock 82,537,902 shs.
as of 10/31/14

MARKET CAP: $3.8 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	-.3	-2.3	+.3
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	1494	1494	1384
Peak Load, Summer (Mw)	1220	1259	1102
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	- -	+.4	+.6
Fixed Charge Cov. (%)	347	367	380

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	1.0%	-.5%	*5.5%*
"Cash Flow"	4.5%	4.5%	*7.0%*
Earnings	2.0%	1.5%	*9.0%*
Dividends	3.0%	2.0%	*3.5%*
Book Value	3.5%	3.0%	*2.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2011	682.6	475.8	539.4	627.4	2325.2
2012	604.6	470.6	513.5	644.1	2232.8
2013	700.6	531.0	579.6	680.0	2491.2
2014	796.8	542.5	595.6	***690.1***	***2625***
2015	***810***	***575***	***625***	***740***	***2750***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2011	.55	.18	.43	.57	1.73
2012	.62	.31	.48	.53	1.94
2013	.61	d.07	.52	.60	1.66
2014	.62	.14	.57	***.72***	***2.05***
2015	***.68***	***.32***	***.62***	***.78***	***2.40***

Cal-endar	QUARTERLY DIVIDENDS PAID B■† Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.340	.340	.340	.345	1.37
2011	.345	.345	.345	.350	1.39
2012	.350	.350	.350	.355	1.41
2013	.355	.355	.355	.360	1.43
2014	.360	.360	.360	.380	

BUSINESS: Vectren is a holding company formed through the merger of Indiana Energy and SIGCORP. Supplies electricity and gas to an area nearly two-thirds of the state of Indiana. Owns gas distribution assets in Ohio. Has a customer base exceeding 1.1 million. 2013 Electricity revenues: residential, 36%; commercial, 27%; industrial, 35%; other, 2%. 2013 Gas revenues: residential, 67%; commercial, 24%; other, 9%. Also provides energy-related products and services and has an investment subsidiary. Est'd plant age: electric, 8 years. '13 deprec. rate: 5.2%. Has 5,500 employees. Chairman, President, & CEO: Carl Chapman. Incorporated: IN. Address: One Vectren Square, Evansville, Indiana 47708. Telephone: 812-491-4000. Internet: www.vectren.com.

Shares of Vectren have advanced nicely in price since the beginning of the year. We think investors have been pleased with the sale of Vectren Fuels to Sunrise Coal, LLC. This move completes the company's exit from commodity-based nonutility businesses. Its remaining operations should provide better growth potential with less volatility. Moreover, Vectren has reported healthy results in recent quarters. In the September period, the Nonutility group reported significant earnings growth, thanks to strength in the infrastructure services business. Meanwhile, the Utility group posted solid results, as well. Looking forward, we expect a favorable comparison for the fourth quarter and greater revenues and share net for full-year 2014.

Good performance ought to continue from 2015 onward. The Nonutility group should further benefit from strong results at the infrastructure services business. This operation will likely experience robust demand going forward, assuming relatively normal weather. The absence of Vectren Fuels should also be a plus for the Nonutility group. Elsewhere, the Utility group will probably post solid results. In particular, we expect the electric utility services line will perform well. Greater operating expenses will likely constrain earnings at the gas utility business, though modest customer growth and returns from Ohio infrastructure replacement programs are expected to provide some support.

The board of directors has increased the dividend by roughly 6%. Beginning with the December payout, the quarterly dividend is now $0.38 a share. Dividend growth will probably continue at Vectren going forward.

This issue is favorably ranked for year-ahead relative price performance. The equity's solid dividend yield may appeal to income-oriented accounts. Moreover, Vectren earns good marks for Safety, Financial Strength, Price Stability, and Earnings Predictability. However, long-term appreciation potential is below average here, as the stock is trading well within our Target Price Range. Investors seeking long-term capital appreciation should probably look elsewhere.

Michael Napoli, CFA *December 19, 2014*

(A) Diluted EPS. Excl. nonrecur. gain (loss): '03, (6¢); '09, 15¢. Next egs report due in February. (B) Div'ds historically paid in early March, June, September, and December. ■Div'd reinvest. plan avail. † Shareholder invest. plan avail. (C) Incl. intang. In '13, $5.53/sh. (D) In millions. (E) Electric rate base determination: fair value. Rates allowed on elect. common equity range from 10.15% to 10.4%; earned on common equity in '13: 8.8%. Regulatory Climate: Above Average.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	60
Earnings Predictability	85

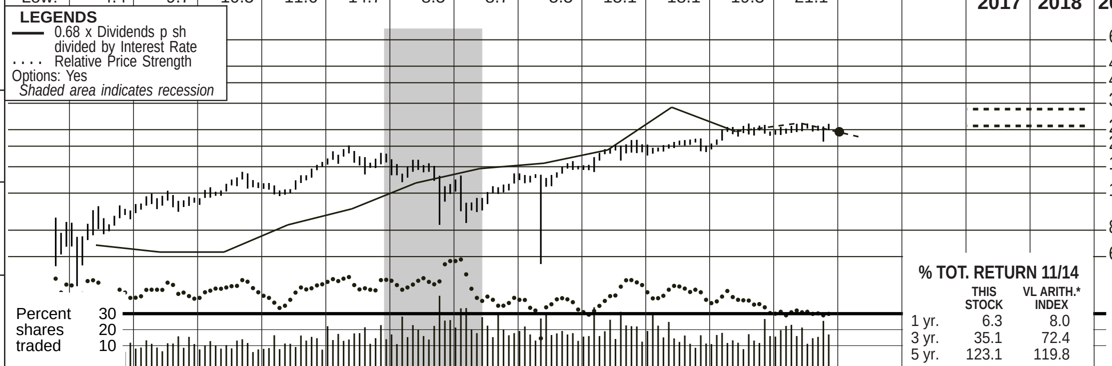
CENTERPOINT EN'RGY NYSE-CNP

RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD
23.45	18.5 (Trailing: 18.5, Median: 15.0)	1.00	4.4%

VALUE LINE

TIMELINESS 3 Raised 6/13/14
SAFETY 2 Raised 9/21/12
TECHNICAL 3 Raised 12/19/14
BETA .75 (1.00 = Market)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
High:	10.5	12.3	15.1	16.9	20.2	17.3	14.9	17.0	21.5	21.8	25.7	25.8
Low:	4.4	9.7	10.5	11.6	14.7	8.5	8.7	5.5	15.1	18.1	19.3	21.1



Target Price Range 2017 | 2018 | 2019: 64, 48, 40, 32, 24, 20, 16, 12, 8, 6

2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	30	(+30%)	11%
Low	25	(+5%)	7%

Insider Decisions

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

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	184	173	178
to Sell	192	204	172
Hld's(000)	326992	332822	332188

% TOT. RETURN 11/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	6.3	8.0
3 yr.	35.1	72.4
5 yr.	123.1	119.8

1998	1999	2000	2001[A]	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
- -	- -	- -	35.18	26.40	31.87	27.63	31.33	29.71	29.82	32.71	21.14	20.69	19.83	17.43	18.90	***21.40***	***21.35***	Revenues per sh	***24.50***
- -	- -	- -	3.69	3.34	3.98	2.56	2.72	3.47	3.39	3.42	2.94	3.14	3.43	3.89	3.54	***3.60***	***3.70***	"Cash Flow" per sh	***4.25***
- -	- -	- -	1.54	1.29	1.37	.61	.67	1.33	1.17	1.30	1.01	1.07	1.27	1.35	1.24	***1.30***	***1.30***	Earnings per sh [B]	***1.75***
- -	- -	- -	1.50	1.07	.40	.40	.40	.60	.68	.73	.76	.78	.79	.81	.83	***.95***	***1.03***	Div'd Decl'd per sh [C] ■	***1.30***
- -	- -	- -	6.78	2.85	2.11	1.72	2.23	3.21	3.45	2.95	2.96	3.55	3.06	2.84	3.00	***3.20***	***3.25***	Cap'l Spending per sh	***2.75***
- -	- -	- -	22.24	4.74	5.75	3.59	4.18	4.96	5.61	5.89	6.74	7.53	9.91	10.06	10.09	***10.40***	***10.70***	Book Value per sh [D]	***11.75***
- -	- -	- -	302.94	300.10	306.30	308.05	310.33	313.65	322.72	346.09	391.75	424.70	426.03	427.44	429.00	***430.00***	***431.00***	Common Shs Outst'g [E]	***434.00***
- -	- -	- -	- -	5.6	6.0	17.8	19.1	10.3	15.0	11.3	11.8	13.8	14.6	14.8	18.7	*Bold figures are*		Avg Ann'l P/E Ratio	***16.0***
- -	- -	- -	- -	.31	.34	.94	1.02	.56	.80	.68	.79	.88	.92	.94	1.06	*Value Line*		Relative P/E Ratio	***1.00***
- -	- -	- -	- -	14.8%	4.8%	3.7%	3.1%	4.4%	3.9%	5.0%	6.4%	5.3%	4.3%	4.0%	3.6%	*estimates*		Avg Ann'l Div'd Yield	***4.7%***

CAPITAL STRUCTURE as of 9/30/14
Total Debt $8599 mill. **Due in 5 Yrs** $3988 mill.
LT Debt $7797 mill. **LT Interest** $398 mill.
Incl. $2736 mill. securitized transition & system restoration bonds.
(LT interest earned: 2.6x)
Leases, Uncapitalized Annual rentals $6 mill.
Pension Assets-12/13 $1803 mill. **Oblig.** $2153 mill.

Pfd Stock None
Common Stock 429,795,830 shs.
as of 10/22/14
MARKET CAP: $10 billion (Large Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
8510.4	9722.0	9319.0	9623.0	11322	8281.0	8785.0	8450.0	7452.0	8106.0	***9200***	***9200***	Revenues ($mill)	***10650***
205.7	225.0	432.0	399.0	447.0	372.0	442.0	546.0	581.0	536.0	***555***	***565***	Net Profit ($mill)	***770***
40.2%	40.5%	12.6%	32.8%	38.3%	32.1%	37.3%	33.6%	33.4%	31.4%	***37.0%***	***37.0%***	Income Tax Rate	***37.0%***
1.9%	1.8%	2.3%	5.5%	2.7%	1.3%	2.7%	1.6%	2.6%	3.5%	***4.0%***	***4.0%***	AFUDC % to Net Profit	***2.0%***
86.7%	86.9%	83.4%	82.2%	83.3%	77.6%	73.8%	67.2%	66.0%	64.4%	***63.0%***	***62.0%***	Long-Term Debt Ratio	***58.0%***
13.3%	13.1%	16.6%	17.8%	16.7%	22.4%	26.2%	32.8%	34.0%	35.6%	***37.0%***	***38.0%***	Common Equity Ratio	***42.0%***
8298.5	9864.0	9358.0	10174	12218	11758	12199	12863	12658	12146	***12100***	***12150***	Total Capital ($mill)	***12300***
8186.4	8492.0	9204.0	9740.0	10296	10788	11732	12402	13597	9593.0	***10225***	***10825***	Net Plant ($mill)	***12000***
6.8%	5.3%	7.8%	6.9%	6.0%	5.8%	6.1%	6.4%	6.8%	6.3%	***6.0%***	***6.0%***	Return on Total Cap'l	***8.0%***
18.6%	17.4%	27.8%	22.0%	21.9%	14.1%	13.8%	12.9%	13.5%	12.4%	***12.5%***	***12.5%***	Return on Shr. Equity	***15.0%***
18.6%	17.4%	27.8%	22.0%	21.9%	14.1%	13.8%	12.9%	13.5%	12.4%	***12.5%***	***12.5%***	Return on Com Equity [F]	***15.0%***
7.5%	7.8%	15.7%	10.0%	9.9%	3.6%	3.8%	5.0%	5.5%	4.2%	***3.5%***	***2.5%***	Retained to Com Eq	***4.0%***
60%	55%	43%	55%	55%	74%	72%	62%	60%	66%	***73%***	***78%***	All Div'ds to Net Prof	***73%***

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+3.9	-1.8	+1.8
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	+2.1	+2.0	+2.0
Fixed Charge Cov. (%)	221	223	204

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	-5.0%	-9.5%	*4.5%*
"Cash Flow"	- -	1.0%	*3.5%*
Earnings	-1.0%	.5%	*5.0%*
Dividends	-2.0%	4.0%	*8.0%*
Book Value	-1.0%	13.0%	*2.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2011	2587	1837	1881	2145	8450.0
2012	2084	1525	1705	2138	7452.0
2013	2388	1894	1640	2184	8106.0
2014	3163	1884	1807	***2346***	***9200***
2015	***2750***	***2000***	***2000***	***2450***	***9200***

Cal-endar	EARNINGS PER SHARE [B] Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2011	.35	.28	.38	.27	1.27
2012	.34	.29	.40	.31	1.35
2013	.34	.29	.35	.26	1.24
2014	.43	.25	.33	***.29***	***1.30***
2015	***.37***	***.28***	***.35***	***.30***	***1.30***

Cal-endar	QUARTERLY DIVIDENDS PAID [C] ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.195	.195	.195	.195	.78
2011	.1975	.1975	.1975	.1975	.79
2012	.2025	.2025	.2025	.2025	.81
2013	.2075	.2075	.2075	.2075	.83
2014	.2375	.2375	.2375	.2375	

BUSINESS: CenterPoint Energy, Inc. is a holding company for Houston Electric, which serves 2.1 million customers in Houston and environs, and gas utilities with 3.3 million customers: Entex (Texas, Louisiana, Mississippi); Arkla (Arkansas, Louisiana, Oklahoma, Texas); and Minnegasco (Minnesota). Owns 55.4% of Enable Midstream Partners. Discontinued Texas Genco Holdings in '04. Electric rev. breakdown: residential, 52%; commercial, 31%; industrial, 15%; other, 2%. Does not own generating assets. Gas costs: 48% of revs. '13 deprec. rate: 7.0%. Has 8,600 employees. Chairman: Milton Carroll. Pres. & CEO: Scott M. Prochazka. Inc.: TX. Address: 1111 Louisiana, P.O. Box 4567, Houston, TX 77210-4567. Tel.: 713-207-1111. Internet: www.centerpointenergy.com.

CenterPoint Energy's shareholders can expect a solid dividend increase in the first quarter of 2015. The company has established a goal of annual dividend hikes of 8%-10% over the next three years. This is based on paying out 60%-70% of its "sustainable" income from its utility operations and 90%-100% of its net aftertax distributions from its 55.4% ownership of Enable Midstream Partners. (Enable distributed $227 million to CenterPoint in the first nine months of 2014.) We estimate that the board of directors will raise the annual disbursement by $0.08 a share (8.4%), to $1.03 a share.

We estimate that earnings will rise 5% in 2014. The transaction that formed the Enable master limited partnership was dilutive to CenterPoint's earnings, but the company benefited from $0.10 a share of mark-to-market gains in the first three quarters.

We forecast flat profits in 2015. The first-quarter earnings comparison is difficult because the winter weather was much colder than normal. We assume a return to normal weather patterns next year.

The Texas Public Utility Commission ruled that CenterPoint may have a 50% stake in a transmission line that will be built by the summer of 2018. CenterPoint had wanted to build the entire project, which has a preliminary cost estimate of $600 million. A certificate of need and other approvals are required before construction can begin. The approval process should take about 12 months.

Otherwise, all is quiet on the regulatory front. Most of CenterPoint's utilities benefit from regulatory mechanisms that enable them to offset regulatory lag and thus earn adequate returns on equity. The one exception is the gas company in Minnesota, which received a $33 million rate increase earlier this year.

CenterPoint stock has risen just 1% so far in 2014. This is far below most electric utility equities, many of which have soared more than 20%. Investor concerns (excessive, in our view) about the effect of falling oil prices on Enable have hurt CenterPoint's stock. The dividend yield is above average for a utility, as is the 3- to 5-year total return potential.

Paul E. Debbas, CFA *December 19, 2014*

(A) Pro forma data. (B) Diluted EPS. Excl. extraordinary gains (losses): '04, ($2.72); '05, 9¢; '11, $1.89; '12, (38¢) net; '13, (52¢); gain (losses) on disc. ops.: '03, 2¢; '04, (37¢); '05, (1¢). '11 & '12 EPS don't add due to rounding. Next egs. report due late Feb. (C) Div'ds historically paid in early Mar., June, Sept. & Dec. ■ Div'd reinvest. plan avail. (D) Incl. intang. In '13: $10.64/sh. (E) In mill. (F) Rate base: Net orig. cost. Rate all'd on com. eq. (elec.) in '11: 10%; (gas): 9.45%-11.25%; earned on avg. com. eq., '13: 12.0%. Regulatory Climate: Avg.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	80
Earnings Predictability	90

ALLETE NYSE-ALE

RECENT PRICE	53.22	P/E RATIO	17.4 (Trailing: 17.8 Median: NMF)	RELATIVE P/E RATIO	0.94	DIV'D YLD	3.8%	VALUE LINE

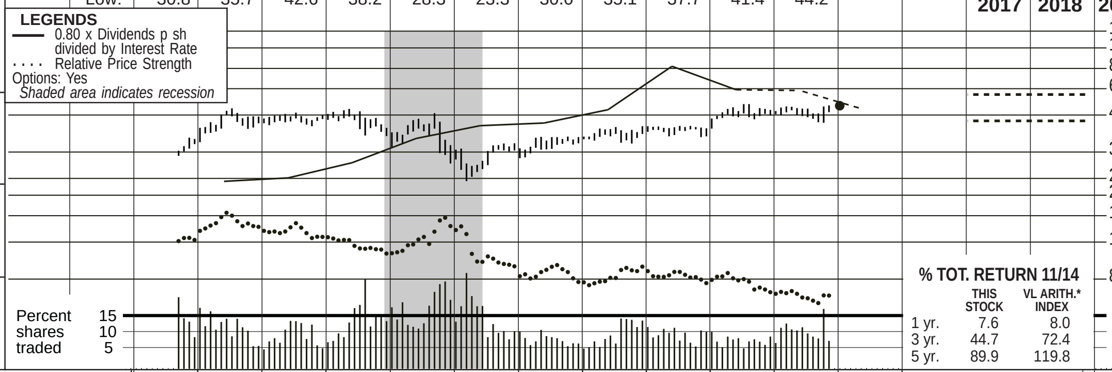
TIMELINESS 3 Lowered 9/19/14

SAFETY 2 New 10/1/04

TECHNICAL 4 Lowered 12/12/14

BETA .80 (1.00 = Market)

High:	37.5	51.7	49.3	51.3	49.0	35.3	37.9	42.5	42.7	54.1	53.3
Low:	30.8	35.7	42.6	38.2	28.3	23.3	30.0	35.1	37.7	41.4	44.2



Target Price Range 2017 | 2018 | 2019

2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+15%)	7%
Low	45	(-15%)	1%

Insider Decisions

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

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	92	98	104
to Sell	66	75	75
Hld's(000)	29252	29801	29758

% TOT. RETURN 11/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	7.6	8.0
3 yr.	44.7	72.4
5 yr.	89.9	119.8

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.

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
25.30	24.50	25.23	27.33	24.57	21.57	25.34	24.75	24.40	24.60	*25.25*	*25.30*	Revenues per sh	28.25
2.97	3.85	4.14	4.42	4.23	3.57	4.35	4.91	5.01	5.35	*5.65*	*6.10*	"Cash Flow" per sh	7.25
1.35	2.48	2.77	3.08	2.82	1.89	2.19	2.65	2.58	2.63	*2.85*	*3.20*	Earnings per sh A	3.75
.30	1.25	1.45	1.64	1.72	1.76	1.76	1.78	1.84	1.90	*1.96*	*2.04*	Div'd Decl'd per sh B ■ †	2.30
2.12	1.95	3.37	6.82	9.24	9.05	6.95	6.38	10.30	7.93	*14.05*	*6.65*	Cap'l Spending per sh	5.50
21.23	20.03	21.90	24.11	25.37	26.41	27.26	28.78	30.48	32.44	*34.70*	*36.60*	Book Value per sh C	40.50
29.70	30.10	30.40	30.80	32.60	35.20	35.80	37.50	39.40	41.40	*45.50*	*48.00*	Common Shs Outst'g D	49.50
25.2	17.9	16.5	14.8	13.9	16.1	16.0	14.7	15.9	18.6	*Bold figures are*		Avg Ann'l P/E Ratio	13.5
1.33	.95	.89	.79	.84	1.07	1.02	.92	1.01	1.05	*Value Line*		Relative P/E Ratio	.85
.9%	2.8%	3.2%	3.6%	4.4%	5.8%	5.0%	4.6%	4.5%	3.9%	*estimates*		Avg Ann'l Div'd Yield	4.5%
751.4	737.4	767.1	841.7	801.0	759.1	907.0	928.2	961.2	1018.4	*1150*	*1215*	Revenues ($mill)	1400
38.5	68.0	77.3	87.6	82.5	61.0	75.3	93.8	97.1	104.7	*120*	*150*	Net Profit ($mill)	180
38.8%	28.4%	37.5%	34.8%	34.3%	33.7%	37.2%	27.6%	28.1%	21.5%	*22.0%*	*15.0%*	Income Tax Rate	15.0%
1.8%	.4%	1.4%	6.6%	5.8%	12.8%	8.9%	2.7%	5.3%	4.4%	*7.0%*	*3.0%*	AFUDC % to Net Profit	2.0%
38.2%	39.1%	35.1%	35.6%	41.6%	42.8%	44.2%	44.3%	43.7%	44.6%	*46.0%*	*45.5%*	Long-Term Debt Ratio	42.0%
61.8%	60.9%	64.9%	64.4%	58.4%	57.2%	55.8%	55.7%	56.3%	55.4%	*54.0%*	*54.5%*	Common Equity Ratio	58.0%
1020.7	990.6	1025.6	1153.5	1415.4	1625.3	1747.6	1937.2	2134.6	2425.9	*2935*	*3210*	Total Capital ($mill)	3475
883.1	860.4	921.6	1104.5	1387.3	1622.7	1805.6	1982.7	2347.6	2576.5	*3080*	*3255*	Net Plant ($mill)	3475
5.1%	8.0%	8.6%	8.6%	6.7%	4.8%	5.4%	6.0%	5.6%	5.3%	*5.0%*	*5.5%*	Return on Total Cap'l	6.0%
6.1%	11.3%	11.6%	11.8%	10.0%	6.6%	7.7%	8.7%	8.1%	7.8%	*7.5%*	*8.5%*	Return on Shr. Equity	9.0%
6.1%	11.3%	11.6%	11.8%	10.0%	6.6%	7.7%	8.7%	8.1%	7.8%	*7.5%*	*8.5%*	Return on Com Equity E	9.0%
4.7%	5.2%	5.0%	5.8%	3.9%	.5%	1.5%	2.9%	2.3%	2.2%	*2.5%*	*3.0%*	Retained to Com Eq	3.5%
23%	54%	57%	51%	61%	93%	81%	66%	71%	72%	*70%*	*65%*	All Div'ds to Net Prof	63%

CAPITAL STRUCTURE as of 9/30/14

Total Debt $1377.2 mill. **Due in 5 Yrs** $246.0 mill.
LT Debt $1289.2 mill. **LT Interest** $57.7 mill.
(LT interest earned: 3.8x)
Leases, Uncapitalized Annual rentals $12.1 mill.

Pension Assets-12/13 $501.6 mill.
Oblig. $622.8 mill.

Pfd Stock None

Common Stock 44,499,229 shs.

MARKET CAP: $2.4 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+5.6	+1.1	-1.1
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	5.30	5.24	5.45
Capacity at Peak (Mw)	1789	1790	1793
Peak Load, Winter (Mw) F	1599	1633	1646
Annual Load Factor (%)	79.0	79.0	NA
% Change Customers (avg.)	+.5	+.5	NA
Fixed Charge Cov. (%)	344	341	306

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	- -	-1.0%	2.5%
"Cash Flow"	- -	3.5%	6.0%
Earnings	- -	-2.0%	6.0%
Dividends	- -	3.0%	4.0%
Book Value	- -	5.0%	5.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2011	242.2	219.9	226.9	239.2	928.2
2012	240.0	216.4	248.8	256.0	961.2
2013	263.8	235.6	251.0	268.0	1018.4
2014	296.5	260.7	288.9	*303.9*	*1150*
2015	*300*	*290*	*305*	*320*	*1215*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2011	1.07	.48	.57	.53	2.65
2012	.66	.39	.78	.75	2.58
2013	.83	.35	.63	.82	2.63
2014	.80	.40	.97	*.68*	*2.85*
2015	*.95*	*.45*	*.85*	*.95*	*3.20*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.44	.44	.44	.44	1.76
2011	.445	.445	.445	.445	1.78
2012	.46	.46	.46	.46	1.84
2013	.475	.475	.475	.475	1.90
2014	.49	.49	.49	.49	

BUSINESS: ALLETE, Inc. is the parent of Minnesota Power, which supplies electricity to 146,000 customers in northeastern MN, & Superior Water, Light & Power in northwestern WI. Electric rev. breakdown: taconite mining/processing, 27%; paper/wood products, 9%; other industrial, 7%; residential, 12%; commercial, 13%; wholesale, 10% other, 22%. ALLETE Clean Energy owns renewable energy projects. Has real estate operation in FL. Spun off automotive remarketing operation in '04. Generating sources: coal & lignite, 63%; wind, 6%; hydro, 1%; biomass, 1%; purch., 29%. '13 deprec. rate: 3.0%. Has 1,600 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.

ALLETE's earnings are likely to advance significantly this year. The company's main utility subsidiary, Minnesota Power, benefits from current cost recovery for certain kinds of capital projects (renewable, environmental, and transmission). The utility is building a 205-megawatt wind project that should be completed soon at a cost of $345 million. Another project, an environmental upgrade to a 585-mw coal-fired unit, should be completed by April of 2016 at a cost of $250 million. Management is guiding investors towards the upper end of its 2014 earnings target of $2.75-$2.95 a share. Note that our $2.85 estimate *includes* $0.09 of costs that ALLETE is excluding from its guidance.

We forecast another solid profit increase in 2015. Minnesota Power will have a full year of income from the aforementioned wind project. The environmental upgrade will be ongoing. We assume no unusual expenses. Finally, in the fourth quarter of 2015, the company should record a profit (which has not been disclosed) on a $200 million wind project that the its ALLETE Clean Energy subsidiary is developing in North Dakota for Montana-Dakota Utilities.

There should be another boost to the bottom line in 2016. A large industrial customer, Essar Steel, is expanding its production capacity. Originally, production was expected to begin in late 2013, but the project was delayed. Production should finally begin by the second half of 2015, but full production won't be reached until early 2016.

We look for a dividend hike in early 2015. This has been the pattern in recent years. We estimate that the board will boost the quarterly payout by two cents a share (4.1%).

ALLETE's share price has risen just 7% so far this year. This is well below the performance of most electric utility equities in 2014, many of which have surged more than 20%. Perhaps investors were concerned about the delay at Essar Steel. The yield, reflecting the expected dividend hike, is slightly above the utility mean. Total return potential to 2017-2019 is low, but still somewhat better than the industry average.

Paul E. Debbas, CFA *December 19, 2014*

(A) Diluted EPS. Excl. nonrec. gain (loss): '04, 2¢; '05, ($1.84); gain (losses) on disc. ops.: '04, $2.57, '05, (16¢); '06, (2¢); loss from accounting change: '04, 27¢. Next egs. report due mid-Feb. (B) Div'ds historically paid in early Mar., June, Sept. and Dec. ■ Div'd reinvestment plan avail. † Shareholder investment plan avail. (C) Incl. deferred chgs. In '12: $6.37/sh. (D) In mill. (E) Rate base: Original cost deprec. Rate allowed on com. eq. in '10: 10.38%; earned on avg. com. eq., '13: 8.3%. Regulatory Climate: Avg. (F) Summer peak in '12 & '13.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	35
Earnings Predictability	85

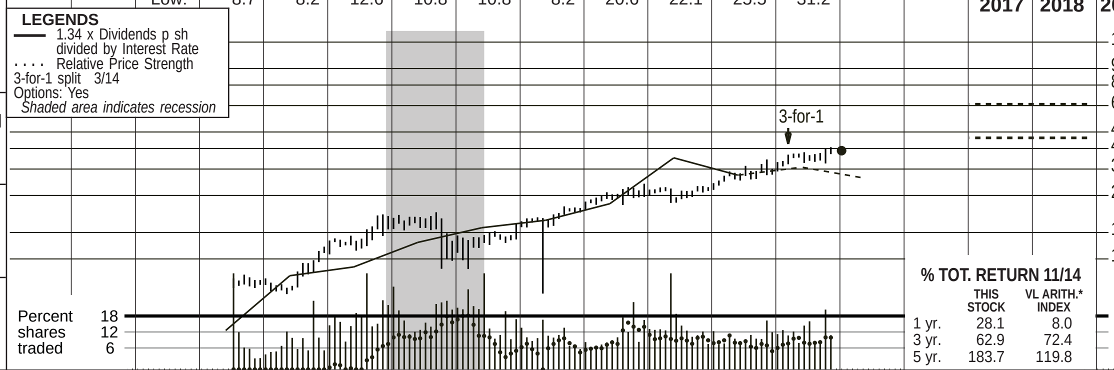
ITC HOLDINGS CORP. NYSE-ITC

RECENT PRICE	39.12	P/E RATIO	19.6 (Trailing: 22.7 Median: NMF)	RELATIVE P/E RATIO	1.06	DIV'D YLD	1.8%	VALUE LINE

TIMELINESS 2 Raised 9/26/14
SAFETY 2 Raised 6/24/11
TECHNICAL 5 Lowered 12/12/14
BETA .65 (1.00 = Market)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
High:	10.1	13.7	19.5	20.0	17.6	21.3	27.3	26.6	35.6	40.7
Low:	8.7	8.2	12.6	10.8	10.8	8.2	20.6	22.1	25.5	31.2

Target Price Range 2017 | 2018 | 2019



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+65%)	15%
Low	45	(+15%)	6%

Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	4	3	0	1	1
to Sell	0	0	0	0	4	4	0	2	1

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	161	164	147
to Sell	126	141	156
Hld's(000)	146632	143907	141050

% TOT. RETURN 11/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	28.1	8.0
3 yr.	62.9	72.4
5 yr.	183.7	119.8

ITC Holdings was incorporated in the state of Michigan in 2002 for the purpose of acquiring ITC Transmission, which was a subsidiary of The Detroit Edison Company. The acquisition was completed in 2003. ITC Holdings went public on July 26, 2005, via an initial public offering of 37.5 million shares at $7.67 a share (adjusted for split). The deal was underwritten by Lehman Brothers, Morgan Stanley, and Credit Suisse First Boston.

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
1.37	2.06	1.76	3.31	4.15	4.13	4.58	4.92	5.30	5.98	*6.95*	*7.75*	Revenues per sh	*10.50*
.35	.68	.58	1.10	1.37	1.44	1.53	1.73	1.88	2.24	*2.70*	*3.15*	"Cash Flow" per sh	*4.50*
.03	.35	.31	.56	.73	.86	.95	1.10	1.20	1.47	*1.75*	*2.10*	Earnings per sh A	*3.00*
- -	.18	.36	.38	.40	.42	.44	.46	.49	.54	*.61*	*.69*	Div'd Decl'd per sh B ■ †	*1.00*
.83	1.19	1.32	2.23	2.70	2.69	2.55	3.62	5.12	5.22	*5.45*	*5.20*	Cap'l Spending per sh	*6.50*
2.14	2.64	4.18	4.37	6.24	6.73	7.34	8.18	9.03	10.25	*10.60*	*11.60*	Book Value per sh C	*17.25*
92.04	99.69	127.19	128.75	148.96	150.25	152.15	153.97	156.75	157.50	*154.50*	*152.50*	Common Shs Outst'g D	*155.50*
- -	26.3	33.0	27.6	23.2	17.1	20.0	21.4	20.7	20.4	*Bold figures are*		Avg Ann'l P/E Ratio	*18.5*
- -	1.40	1.78	1.47	1.40	1.14	1.27	1.34	1.32	1.14	*Value Line*		Relative P/E Ratio	*1.15*
- -	1.9%	3.5%	2.4%	2.3%	2.8%	2.3%	1.9%	2.0%	1.8%	*estimates*		Avg Ann'l Div'd Yield	*1.8%*
126.4	205.3	223.6	426.2	617.9	621.0	696.8	757.4	830.5	941.3	*1070*	*1185*	Revenues ($mill)	*1650*
2.6	34.7	33.2	73.3	109.2	130.9	145.7	171.7	187.9	233.5	*270*	*325*	Net Profit ($mill)	*470*
39.0%	35.3%	29.2%	33.3%	38.1%	37.2%	36.1%	35.6%	36.6%	33.7%	*38.0%*	*38.0%*	Income Tax Rate	*38.0%*
80.2%	10.1%	15.0%	14.7%	13.8%	13.1%	11.9%	12.5%	16.0%	16.3%	*13.0%*	*11.0%*	AFUDC % to Net Profit	*8.0%*
71.1%	66.3%	70.3%	72.4%	70.8%	70.6%	69.1%	67.8%	63.8%	67.9%	*69.0%*	*67.5%*	Long-Term Debt Ratio	*61.0%*
28.9%	33.7%	29.7%	27.6%	29.2%	29.4%	30.9%	32.2%	36.2%	32.1%	*31.0%*	*32.5%*	Common Equity Ratio	*39.0%*
680.0	780.6	1794.5	2041.5	3177.3	3445.9	3614.3	3903.9	3910.2	5025.8	*5300*	*5470*	Total Capital ($mill)	*6825*
513.7	603.6	1197.9	1960.4	2304.4	2542.1	2872.3	3415.8	4134.6	4846.5	*5550*	*6185*	Net Plant ($mill)	*8625*
2.3%	6.2%	3.0%	5.7%	5.4%	5.7%	6.1%	6.3%	6.7%	6.2%	*6.5%*	*7.5%*	Return on Total Cap'l	*8.5%*
1.3%	13.2%	6.2%	13.0%	11.8%	12.9%	13.0%	13.6%	13.3%	14.5%	*16.5%*	*18.5%*	Return on Shr. Equity	*17.5%*
1.3%	13.2%	6.2%	13.0%	11.8%	12.9%	13.0%	13.6%	13.3%	14.5%	*16.5%*	*18.5%*	Return on Com Equity E	*17.5%*
1.3%	6.5%	NMF	4.5%	5.4%	6.8%	7.1%	8.0%	8.0%	9.3%	*11.0%*	*12.5%*	Retained to Com Eq	*12.0%*
- -	50%	115%	66%	54%	48%	45%	41%	40%	36%	*35%*	*33%*	All Div'ds to Net Prof	*33%*

CAPITAL STRUCTURE as of 6/30/14
Total Debt $4005.5 mill. **Due in 5 Yrs** $1616.2 mill.
LT Debt $3755.5 mill. **LT Interest** $174.1 mill.
(LT interest earned: 3.1x)
Pension Assets-12/13 $48.9 mill. **Oblig.** $73.5 mill.

Pfd Stock None

Common Stock 155,585,300 shs. **as of 8/1/14**

MARKET CAP: $6.1 billion (Large Cap)

CURRENT POSITION ($MILL.)	2012	2013	6/30/14
Cash Assets	26.2	34.3	9.0
Receivables	72.2	89.3	123.5
Inventory (FIFO)	37.4	32.0	29.4
Other	62.4	35.9	45.5
Current Assets	198.2	191.5	207.4
Accts Payable	102.5	111.1	126.9
Debt Due	651.9	200.0	250.0
Other	228.4	188.3	184.0
Current Liab.	982.8	499.4	560.9
Fix Chg. Cov.	265%	281%	304%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	- -	12.0%	*11.5%*
"Cash Flow"	- -	14.0%	*15.0%*
Earnings	- -	19.0%	*15.5%*
Dividends	- -	5.5%	*12.5%*
Book Value	- -	13.0%	*11.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	179.4	185.1	191.3	201.6	757.4
2012	196.7	197.4	214.8	221.6	830.5
2013	217.3	229.8	238.8	255.4	941.3
2014	258.6	263.2	270.1	*278.1*	*1070*
2015	*285*	*290*	*300*	*310*	*1185*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.27	.28	.28	.27	1.10
2012	.29	.27	.33	.31	1.20
2013	.32	.30	.37	.48	1.47
2014	.43	.34	.47	*.51*	*1.75*
2015	*.50*	*.52*	*.54*	*.54*	*2.10*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.107	.107	.112	.112	.44
2011	.112	.112	.118	.118	.46
2012	.117	.117	.126	.126	.49
2013	.126	.126	.1425	.1425	.54
2014	.1425	.1425	.1625	.1625	

BUSINESS: ITC Holdings Corp. engages in the transmission of electricity in the United States. The company operates primarily as a conduit, moving power from generators to local distribution systems either through its own system or in conjunction with neighboring transmission systems. Acquired Michigan Electric Transmission Company 10/06; Interstate Power & Light's transmission assets 12/07. Has assets in Michigan, Iowa, Minnesota, Illinois, Missouri, and Kansas. Operations are regulated by the Federal Energy Regulatory Commission (FERC). '13 reported depreciation rate: 2.2%. Has about 500 employees. Chairman, President & CEO: Joseph L. Welch. Inc.: Michigan. Address: 27175 Energy Way, Novi, Michigan 48377. Tel.: 248-946-3000. Internet: www.itctransco.com.

ITC Holdings is not like other electric utilities. ITC is the sole publicly traded transmission-only company. It benefits from a forward-looking regulatory mechanism that enables it to recover expected capital spending and increases in most kinds of operating expenses. ITC is regulated by the Federal Energy Regulatory Commission (FERC) and is allowed to earn returns on equity that are well above those allowed by most state regulatory commissions. However . . .

FERC is reviewing the allowed ROEs for transmission in ITC's region. Some groups representing large customers have complained that the allowed ROEs are too generous. Already, transmission owners in New England have seen their allowed ROEs lowered, although they are still comfortably above ROEs granted by state regulatory commissions. Based on ITC's projected rate base at the end of 2014, a cut of one percentage point in the company's allowed ROE would reduce net profit by $26 million. (Note that our estimates and projections do not reflect any such reduction.) This matter might not be resolved until 2016.

We continue to estimate strong earnings growth in 2014 and 2015. This year, the comparisons in the first three quarters were easy because in 2013 ITC incurred expenses associated with an unsuccessful attempt to purchase another company's transmission assets. Our 2014 estimate of $1.75 a share is below management's targeted range of $1.83-$1.90 because our presentation *includes* a $0.12-a-share charge in the second quarter for the early retirement of debt. We have trimmed our 2015 forecast by $0.05 a share, but continue to expect strong growth, based on ITC's capital spending plans. Our estimate is within the company's targeted range of $2.00-$2.15 a share.

ITC is repurchasing stock. The company plans to buy back $250 million by the end of 2015, and has begun an accelerated share repurchase of up to $150 million. Through September 30th, it had bought back 2.9 million shares.

ITC stock is timely, and offers respectable 3- to 5-year total return potential. Unlike most utilities, however, its doesn't stand out for its dividend yield.

Paul E. Debbas, CFA *December 19, 2014*

(A) Diluted earnings. Next earnings report due late February. (B) Dividends historically paid in early March, June, Sept., and Dec. ■ Dividend reinvestment plan available. † Shareholder investment plan available. (C) Includes intangibles. In '13: $1.2 billion, $7.65/sh. (D) In millions, adjusted for stock split. (E) Rates allowed on common equity: 12.16%-13.88%. Earned on avg. com. eq., '13: 15.2%. Regulatory Climate: Above Average.

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

PORTLAND GENERAL NYSE-POR

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
39.76	18.2	(Trailing: 17.9 Median: NMF)	0.99	2.9%	VALUE LINE

TIMELINESS 3 Lowered 12/5/14

SAFETY 2 Raised 5/4/12

TECHNICAL 3 Raised 1/9/15

BETA .80 (1.00 = Market)

2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	35	(-10%)	*Nil*
Low	25	(-35%)	*-7%*

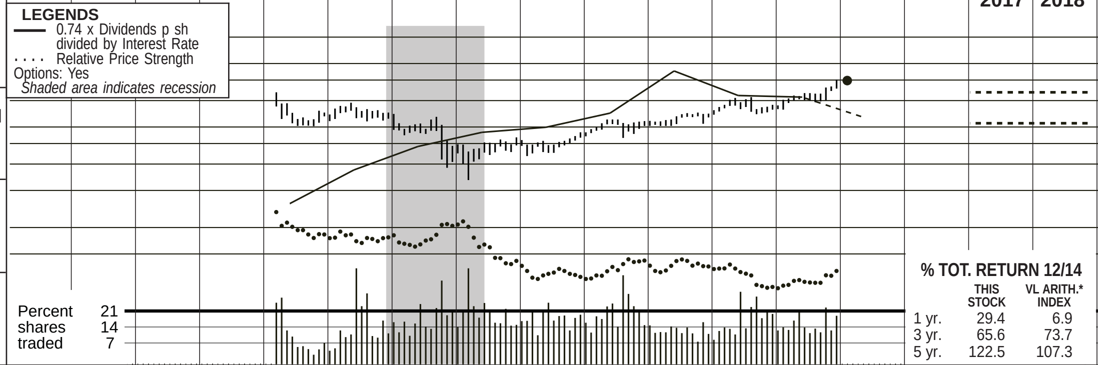
Insider Decisions

	F	M	A	M	J	J	A	S	O
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	1	0	0	0	0	0

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	121	127	123
to Sell	116	107	116
Hld's(000)	82774	82449	83632

	2006	2007	2008	2009	2010	2011	2012	2013	2014
High:	35.0	31.3	27.7	21.4	22.7	26.0	28.1	33.3	40.3
Low:	24.2	25.5	15.4	13.5	17.5	21.3	24.3	27.4	29.0



Target Price Range

2017 | 2018 | 2019

% TOT. RETURN 12/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	29.4	6.9
3 yr.	65.6	73.7
5 yr.	122.5	107.3

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.

2004	2005G	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
--	23.14	24.32	27.87	27.89	23.99	23.67	24.06	23.89	23.18	*24.30*	*22.20*	Revenues per sh	*24.25*
--	4.75	4.64	5.21	4.71	4.07	4.82	4.96	5.15	4.93	*6.00*	*5.75*	"Cash Flow" per sh	*6.50*
--	1.02	1.14	2.33	1.39	1.31	1.66	1.95	1.87	1.77	*2.15*	*2.25*	Earnings per sh A	*2.50*
--	--	.68	.93	.97	1.01	1.04	1.06	1.08	1.10	1.12	*1.14*	Div'd Decl'd per sh B ■ †	*1.40*
--	4.08	5.94	7.28	6.12	9.25	5.97	3.98	4.01	8.40	*13.20*	*6.85*	Cap'l Spending per sh	*3.25*
--	19.15	19.58	21.05	21.64	20.50	21.14	22.07	22.87	23.30	*24.30*	*25.60*	Book Value per sh C	*29.00*
--	62.50	62.50	62.53	62.58	75.21	75.32	75.36	75.56	78.09	*78.25*	*89.00*	Common Shs Outst'g D	*89.75*
--	--	23.4	11.9	16.3	14.4	12.0	12.4	14.0	16.9	*15.5*		Avg Ann'l P/E Ratio	*12.5*
--	--	1.26	.63	.98	.96	.76	.78	.89	.95	*.80*		Relative P/E Ratio	*.80*
--	--	2.5%	3.3%	4.3%	5.4%	5.2%	4.4%	4.1%	3.7%	3.4%		Avg Ann'l Div'd Yield	*4.4%*
1454.0	1446.0	1520.0	1743.0	1745.0	1804.0	1783.0	1813.0	1805.0	1810.0	*1900*	*1975*	Revenues ($mill)	*2175*
92.0	64.0	71.0	145.0	87.0	95.0	125.0	147.0	141.0	137.0	*170*	*195*	Net Profit ($mill)	*225*
37.0%	40.2%	33.6%	33.8%	28.7%	28.8%	30.5%	28.3%	31.4%	23.2%	*26.0%*	*24.0%*	Income Tax Rate	*24.0%*
9.8%	18.8%	33.8%	17.9%	17.2%	31.6%	17.6%	5.4%	7.1%	14.6%	*31.0%*	*12.0%*	AFUDC % to Net Profit	*4.0%*
41.1%	42.3%	43.4%	49.9%	46.2%	50.3%	53.0%	49.6%	47.1%	51.3%	*53.5%*	*45.0%*	Long-Term Debt Ratio	*45.5%*
58.9%	57.7%	56.6%	50.1%	53.8%	49.7%	47.0%	50.4%	52.9%	48.7%	*46.5%*	*55.0%*	Common Equity Ratio	*54.5%*
2171.0	2076.0	2161.0	2629.0	2518.0	3100.0	3390.0	3298.0	3264.0	3735.0	*4110*	*4140*	Total Capital ($mill)	*4775*
2275.0	2436.0	2718.0	3066.0	3301.0	3858.0	4133.0	4285.0	4392.0	4880.0	*5610*	*5900*	Net Plant ($mill)	*5875*
5.6%	4.6%	4.7%	6.9%	5.0%	4.5%	5.4%	6.2%	5.9%	5.1%	*5.5%*	*6.0%*	Return on Total Cap'l	*6.0%*
7.2%	5.3%	5.8%	11.0%	6.4%	6.2%	7.9%	8.8%	8.2%	7.5%	*9.0%*	*8.5%*	Return on Shr. Equity	*9.0%*
7.2%	5.3%	5.8%	11.0%	6.4%	6.2%	7.9%	8.8%	8.2%	7.5%	*9.0%*	*8.5%*	Return on Com Equity E	*9.0%*
7.2%	5.3%	3.5%	6.6%	2.0%	1.5%	3.0%	4.1%	3.5%	2.9%	*4.5%*	*4.5%*	Retained to Com Eq	*4.0%*
--	--	39%	40%	69%	76%	62%	54%	57%	61%	*51%*	*49%*	All Div'ds to Net Prof	*55%*

CAPITAL STRUCTURE as of 9/30/14

Total Debt $2321 mill. **Due in 5 Yrs** $270 mill.
LT Debt $2251 mill. **LT Interest** $104 mill.
(LT interest earned: 2.8x)
Leases, Uncapitalized Annual rentals $11 mill.

Pension Assets-12/13 $596 mill. **Oblig.** $705 mill.

Pfd Stock None

Common Stock 78,209,672 shs. **as of 10/23/14**

MARKET CAP: $3.1 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+3.3	-.8	+1.2
Avg. Indust. Use (MWH)	16573	16409	16258
Avg. Indust. Revs. per KWH (¢)	5.44	5.26	4.84
Capacity at Peak (Mw)	4162	4173	4398
Peak Load, Winter (Mw) F	3555	3597	3869
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.2	+.7	+.9
Fixed Charge Cov. (%)	273	270	239

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	--	-2.5%	*.5%*
"Cash Flow"	--	.5%	*4.5%*
Earnings	--	3.0%	*5.0%*
Dividends	--	4.5%	*4.5%*
Book Value	--	2.0%	*4.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	484	411	439	479	1813
2012	479	413	450	463	1805
2013	473	403	435	499	1810
2014	493	423	484	*500*	*1900*
2015	*525*	*445*	*485*	*520*	*1975*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.92	.29	.36	.38	1.95
2012	.65	.34	.50	.38	1.87
2013	.65	.13	.40	.59	1.77
2014	.73	.43	.47	*.52*	*2.15*
2015	*.75*	*.45*	*.50*	*.55*	*2.25*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.26	.26	.265	.265	1.05
2012	.265	.265	.27	.27	1.07
2013	.27	.27	.275	.275	1.09
2014	.275	.275	.28	.28	1.11
2015	.28				

BUSINESS: Portland General Electric Company (PGE) provides electricity to 843,000 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, 34%; industrial, 13%; other, 5%. Generating sources: coal, 19%; gas, 16%; hydro, 16%; wind, 6%; purchased, 43%. Fuel costs: 42% of revenues. '13 reported depreciation rate: 3.7%. Has 2,600 employees. Chairman: Jack E. Davis. President and Chief Executive Officer: James J. Piro. Incorporated: Oregon. Address: 121 SW Salmon Street, Portland, Oregon 97204. Telephone: 503-464-8000. Internet: www.portlandgeneral.com.

A rate increase for Portland General Electric Company took effect at the start of 2015. Tariffs were raised by $15 million (about 1%), based on a return of 9.68% on a common-equity ratio of 50%. The new allowed return on equity is slightly below the previous one of 9.75%. The rate order enabled PGE to place two projects, which began commercial operation in late 2014, in the rate base. A 267-megawatt wind farm was completed at a cost that was expected to be $500 million, and a 220-mw gas-fired peaking plant was built at a cost expected to be $296 million. The rate hike was small because cost reductions and customer credits offset most of what would have been a much larger increase.

Another generating plant is under construction. The 440-mw base-load gas-fired facility is expected to begin commercial operation in mid-2016 at a cost of $450 million. PGE will file a rate application next month in order to receive rate relief in 2016. Part of the increase will take effect at the start of the year, with the remainder coming when the new plant is completed.

Following what was almost certainly its much-improved earnings tally in 2014, we estimate earnings will climb at a mid-single-digit pace this year. Our 2014 estimate is at the midpoint of PGE's targeted range of $2.10-$2.20 a share. This year, the aforementioned rate order will help boost the company's profits. In addition, PGE's service territory is experiencing load growth, despite the effects of energy efficiency measures. The industrial sector is increasing its electricity usage. Our 2015 earnings estimate is $2.25 a share.

The share count will rise significantly this year. PGE expects to settle a forward equity sale for $278 million in the second quarter. The company intends to use the proceeds to pay down borrowings from its credit facilities.

This stock's dividend yield is somewhat below the industry average. The share price has already risen 5% this year. Like several other utility equities, the recent price is *above* our 2017-2019 Target Price Range. Thus, total return potential is negative.

Paul E. Debbas, CFA *January 30, 2015*

(A) Diluted EPS. Excl. nonrecurring loss: '13, 42¢. Next earnings report due mid-Feb. (B) Dividends paid mid-Jan., Apr., July, and Oct. ■ Dividend reinvestment plan avail. † Shareholder investment plan avail. (C) Incl. deferred charges. In '13: $5.94/sh. (D) In mill. (E) Rate base: Net original cost. Rate allowed on com. eq. in '15: 9.68%; earned on avg. com. eq., '13: 7.6%. Regulatory Climate: Below Average. (F) Summer peak in '12. (G) '05 per-share data are pro forma, based on shares outstanding when stock began trading in '06.

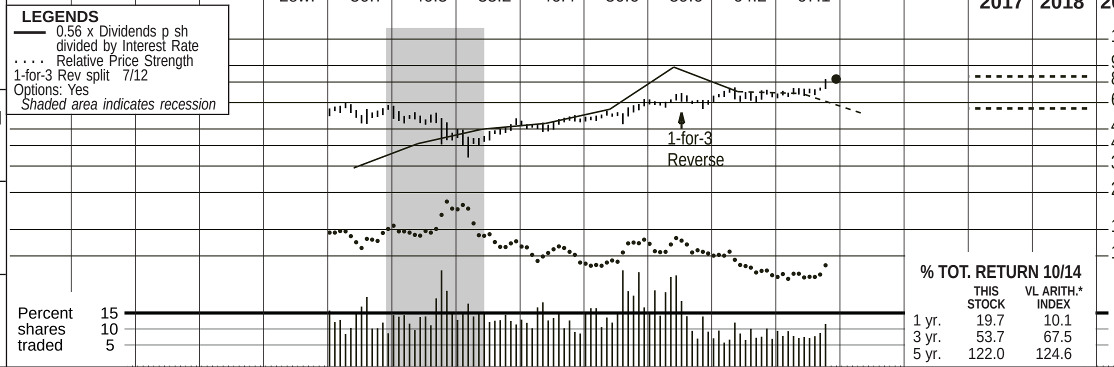
Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	50
Earnings Predictability	65

DUKE ENERGY NYSE-DUK

RECENT PRICE	82.66	P/E RATIO	19.6 (Trailing: 20.0 / Median: NMF)	RELATIVE P/E RATIO	1.08	DIV'D YLD	3.9%	VALUE LINE

TIMELINESS 3 Lowered 10/24/14
SAFETY 2 New 6/1/07
TECHNICAL 4 Lowered 11/21/14
BETA .60 (1.00 = Market)

	2007	2008	2009	2010	2011	2012	2013	2014
High:	63.9	61.8	53.8	55.8	66.4	71.1	75.5	83.9
Low:	50.7	40.5	35.2	46.4	50.6	59.6	64.2	67.1



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(+5%)	5%
Low	60	(-25%)	-3%

Insider Decisions

	D	J	F	M	A	M	J	J	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	9	0	0	0	0	0	1
to Sell	2	2	6	2	1	6	1	1	3

Institutional Decisions

	4Q2013	1Q2014	2Q2014
to Buy	410	435	434
to Sell	458	470	441
Hld's(000)	372545	379686	386233

% TOT. RETURN 10/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	19.7	10.1
3 yr.	53.7	67.5
5 yr.	122.0	124.6

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). 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.

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
- -	- -	25.32	30.24	31.15	29.18	32.22	32.63	27.88	34.84	*34.10*	*34.90*	Revenues per sh	*39.00*
- -	- -	7.86	8.11	7.34	7.58	8.49	8.68	6.80	8.56	*8.85*	*9.40*	"Cash Flow" per sh	*10.50*
- -	- -	2.76	3.60	3.03	3.39	4.02	4.14	3.71	3.98	*4.20*	*4.65*	Earnings per sh A	*5.25*
- -	- -	- -	2.58	2.70	2.82	2.91	2.97	3.03	3.09	*3.15*	*3.21*	Div'd Decl'd per sh B ■	*3.45*
- -	- -	8.07	7.43	10.35	9.85	10.84	9.80	7.81	7.83	*8.45*	*10.50*	Cap'l Spending per sh	*11.25*
- -	- -	62.30	50.40	49.51	49.85	50.84	51.14	58.04	58.54	*58.30*	*59.70*	Book Value per sh C	*64.50*
- -	- -	418.96	420.62	423.96	436.29	442.96	445.29	704.00	706.00	*707.00*	*708.00*	Common Shs Outst'g D	*711.00*
- -	- -	- -	16.1	17.3	13.3	12.7	13.8	17.5	17.4	*Bold figures are*		Avg Ann'l P/E Ratio	*14.0*
- -	- -	- -	.85	1.04	.89	.81	.87	1.11	.98	*Value Line*		Relative P/E Ratio	*.90*
- -	- -	- -	4.4%	5.2%	6.2%	5.7%	5.2%	4.7%	4.4%	*estimates*		Avg Ann'l Div'd Yield	*4.7%*
- -	- -	10607	12720	13207	12731	14272	14529	19624	24598	*24100*	*24700*	Revenues ($mill)	*27800*
- -	- -	1080.0	1522.0	1279.0	1461.0	1765.0	1839.0	2136.0	2813.0	*2970*	*3315*	Net Profit ($mill)	*3730*
- -	- -	29.4%	31.9%	32.5%	34.4%	32.6%	31.3%	30.2%	32.6%	*32.5%*	*34.5%*	Income Tax Rate	*34.5%*
- -	- -	6.9%	7.2%	16.0%	17.5%	22.7%	23.2%	22.3%	8.8%	*7.0%*	*8.0%*	AFUDC % to Net Profit	*8.0%*
- -	- -	41.0%	30.9%	38.7%	42.6%	44.3%	45.1%	47.0%	48.0%	*49.5%*	*50.5%*	Long-Term Debt Ratio	*52.5%*
- -	- -	59.0%	69.1%	61.3%	57.4%	55.7%	54.9%	52.9%	52.0%	*50.5%*	*49.5%*	Common Equity Ratio	*47.5%*
- -	- -	44220	30697	34238	37863	40457	41451	77307	79482	*81525*	*85025*	Total Capital ($mill)	*96300*
- -	- -	41447	31110	34036	37950	40344	42661	68558	69490	*70775*	*74875*	Net Plant ($mill)	*88400*
- -	- -	3.1%	6.0%	4.8%	4.9%	5.5%	5.6%	3.6%	4.6%	*4.5%*	*5.0%*	Return on Total Cap'l	*5.0%*
- -	- -	4.1%	7.2%	6.1%	6.7%	7.8%	8.1%	5.2%	6.8%	*7.0%*	*8.0%*	Return on Shr. Equity	*8.0%*
- -	- -	4.1%	7.2%	6.1%	6.7%	7.8%	8.1%	5.2%	6.8%	*7.0%*	*8.0%*	Return on Com Equity E	*8.0%*
- -	- -	4.1%	2.0%	.6%	1.1%	2.1%	2.2%	.9%	1.5%	*2.0%*	*2.5%*	Retained to Com Eq	*3.0%*
- -	- -	- -	72%	89%	84%	73%	72%	82%	78%	*75%*	*69%*	All Div'ds to Net Prof	*66%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $41645 mill. **Due in 5 Yrs** $14077 mill.
LT Debt $38702 mill. **LT Interest** $1684 mill.
Incl. $1516 mill. capitalized leases. Incl. $1265 mill. nonrecourse LT debt of variable interest entities.
(LT interest earned: 3.6x)

Leases, Uncapitalized Annual rentals $175 mill.
Pension Assets-12/13 $8142 mill. **Oblig.** $7361 mill.
Pfd Stock None
Common Stock 707,290,608 shs. **as of 11/4/14**
MARKET CAP: $58 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	-2.1	-2.8	+1.3
Avg. Indust. Use (MWH)	3062	2675	2687
Avg. Indust. Revs. per KWH (¢)	4.89	5.84	5.89
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	+.3	+.8	+.8
Fixed Charge Cov. (%)	292	263	327

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	- -	2.0%	3.5%
"Cash Flow"	- -	.5%	4.5%
Earnings	- -	4.5%	5.0%
Dividends	- -	11.5%	2.0%
Book Value	- -	.5%	2.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	3663	3534	3964	3368	14529
2012	3630	3577	6722	5695	19624
2013	5898	5879	6709	6112	24598
2014		11971F	6395	*5734*	*24100*
2015	*6000*	*5700*	*6900*	*6100*	*24700*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	1.14	.99	1.35	.66	4.14
2012	.86	.99	1.01	.59	3.71
2013	.89	.74	1.40	.94	3.98
2014		2.08F	1.25	*.87*	*4.20*
2015	*1.20*	*.90*	*1.60*	*.95*	*4.65*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.72	.72	.735	.735	2.91
2011	.735	.735	.75	.75	2.97
2012	.75	.75	.765	.765	3.03
2013	.765	.765	.78	.78	3.09
2014	.78	.78	.795		

BUSINESS: Duke Energy Corporation is a holding company for utilities with 7.1 mill. elec. 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 ops. Acq'd Cinergy 4/06; spun off midstream gas ops. 1/07; acq'd Progress Energy 7/12. Elec. rev. breakdown: residential, 43%; commercial, 31%; industrial, 15%; other, 11%. Generating sources: coal, 36%; nuclear, 29%; gas, 21%; other, 1%; purchased, 13%. Fuel costs: 37% of revs. '13 reported deprec. rates: 2.4%-3.3%. Has 27,900 empls. Chairman: Ann Gray. Pres. & CEO: Lynn J. Good. Inc.: DE. Address: 550 South Tryon St., Charlotte, NC 28202-1803. Tel.: 704-382-3853. Web: www.duke-energy.com.

Duke Energy has reached an agreement to sell its nonregulated generating assets in the Midwest. The company will receive $2.8 billion in cash for its ownership interests in 11 plants and its retail energy marketing business in Ohio. Duke took a $1.23-a-share writedown in the first quarter to reflect an expected loss on the sale, but reversed $0.43 in the third period. (This operation is now treated as discontinued.) The sale is likely to close by the end of the first quarter of 2015. Duke expects the move to be accretive to earnings by 2016. It will use the proceeds for capital spending, to replace debt financing, or to buy back stock.

Duke's regulated utilities plan to buy some power plants. The company has agreed to pay $1.2 billion for another utility's minority stake (about 700 megawatts) in nuclear and coal-fired units in North Carolina that Duke operates. This requires regulatory approval.

The company has other investment opportunities. In South Carolina, Duke is adding 650 mw of gas-fired capacity at a cost of $600 million. In Florida, the utility plans to build a 1,685-mw gas-fired plant at a cost of $1.5 billion. In Indiana, Duke is proposing a seven-year, $1.9 billion plan to modernize its electric grid. Finally, the company has a 40% stake in a proposed $4.5 billion-$5.0 billion pipeline to transport gas from West Virginia to North Carolina.

The aforementioned projects should help produce earnings growth. Note that our earnings presentation *includes* integration costs, which Duke is still incurring, associated with the takeover of Progress Energy in 2012. These expenses reduced earnings by $0.15 a share in the first nine months of 2014.

Duke continues to review its international operations. It expects to complete this in late 2014 or early 2015.

Duke stock is mainly of interest for its dividend yield. The yield is slightly above the utility average. With the recent price near the upper end of our 2017-2019 Target Price Range, total return potential is low. Note that Duke is facing litigation, regulation, and costs associated with the accidental release of coal ash into a river in North Carolina in February of 2014.

Paul E. Debbas, CFA *November 21, 2014*

(A) Dil. EPS. Excl. nonrec. losses: '12, 70¢; '13, 24¢; gains (loss) on disc. ops.: '12, 6¢; '13, 2¢; '14, (81¢). '12 EPS don't add due to chg. in shs., '13 due to rounding. Next egs. report due mid-Feb. (B) Div'ds paid mid-Mar., June, Sept., & Dec. ■ Div'd reinv. avail. (C) Incl. intang. In '13: $36.42/sh. (D) In mill., adj. for rev. split. (E) Rate base: Net orig. cost. Rates all'd on com. eq. in '13 in NC/SC: 10.2%; in '09 in OH: 10.63% (elec.); in '04 in IN: 10.3%; earned avg. com. eq., '13: 6.8%. Reg. Clim.: NC Avg.; SC, OH, IN Above Avg. (F) Restated 6-month total.

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

NORTHWESTERN NYSE-NWE

RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD	
58.02	18.0 (Trailing: 20.6 Median: NMF)	0.98	3.3%	VALUE LINE

TIMELINESS **2** Raised 9/19/14

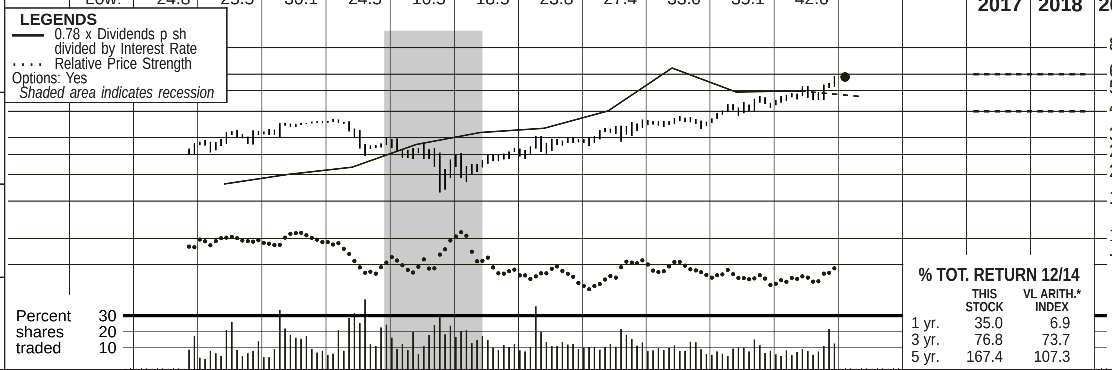
SAFETY **3** New 5/4/12

TECHNICAL **3** Raised 12/5/14

BETA .70 (1.00 = Market)

High:	28.2	32.5	35.8	36.7	29.7	26.8	30.6	36.6	38.0	47.2	58.7
Low:	24.8	25.5	30.1	24.5	16.5	18.5	23.8	27.4	33.0	35.1	42.6

Target Price Range
2017 | 2018 | 2019



2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+5%)	4%
Low	40	(-30%)	-4%

Insider Decisions

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

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	87	88	79
to Sell	92	84	93
Hld's(000)	37582	38301	38766

% TOT. RETURN 12/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	35.0	6.9
3 yr.	76.8	73.7
5 yr.	167.4	107.3

NorthWestern Corporation filed for protection under Chapter 11 of the Federal Bankruptcy Code on September 14, 2003. On November 1, 2004, the company emerged from a bankruptcy reorganization. All old common shares were canceled and 35,500,000 new shares (along with 4,620,333 warrants) were issued. The stock initially traded on NASDAQ under the symbol NWEC and moved to the NYSE under the symbol NWE in May of 2008.

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
	29.18	32.57	31.49	30.79	35.09	31.72	30.66	30.80	28.76	29.80	*25.55*	*29.25*	Revenues per sh	*32.25*
	3.20	4.00	3.62	3.70	4.40	4.62	4.76	5.42	5.18	5.45	*5.20*	*6.45*	"Cash Flow" per sh	*7.25*
	d14.32	1.71	1.31	1.44	1.77	2.02	2.14	2.53	2.26	2.46	*2.95*	*3.20*	Earnings per sh A	*3.50*
	--	1.00	1.24	1.28	1.32	1.34	1.36	1.44	1.48	1.52	1.60	*1.92*	Div'd Decl'd per sh B ■ †	*2.15*
	2.25	2.26	2.81	3.00	3.47	5.26	6.30	5.20	5.89	5.95	*5.80*	*6.50*	Cap'l Spending per sh	*5.50*
	19.92	20.60	20.65	21.12	21.25	21.86	22.64	23.68	25.09	26.60	*31.75*	*33.00*	Book Value per sh C	*37.00*
	35.60	35.79	35.97	38.97	35.93	36.00	36.23	36.28	37.22	38.75	*47.00*	*47.00*	Common Shs Outst'g D	*47.00*
	--	17.1	26.0	21.7	13.9	11.5	12.9	12.6	15.7	16.9	*16.5*		Avg Ann'l P/E Ratio	*14.5*
	--	.91	1.40	1.15	.84	.77	.82	.79	1.00	.95	*.85*		Relative P/E Ratio	*.90*
	--	3.4%	3.6%	4.1%	5.4%	5.7%	4.9%	4.5%	4.2%	3.7%	3.3%		Avg Ann'l Div'd Yield	*4.3%*
	1039.0	1165.8	1132.7	1200.1	1260.8	1141.9	1110.7	1117.3	1070.3	1154.5	*1200*	*1375*	Revenues ($mill)	*1515*
	41.1	61.5	49.2	53.2	67.6	73.4	77.4	92.6	83.7	94.0	*115*	*150*	Net Profit ($mill)	*170*
	--	38.5%	40.3%	37.8%	37.3%	17.2%	25.0%	9.8%	9.6%	13.2%	*NMF*	*17.0%*	Income Tax Rate	*20.0%*
	2.9%	2.1%	3.3%	2.5%	2.3%	7.2%	22.7%	5.4%	15.2%	14.1%	*13.0%*	*10.0%*	AFUDC % to Net Profit	*6.0%*
	51.8%	44.3%	49.9%	50.1%	46.8%	56.4%	57.2%	52.2%	53.8%	53.5%	*53.0%*	*50.0%*	Long-Term Debt Ratio	*45.5%*
	48.2%	55.7%	50.1%	49.9%	53.2%	43.6%	42.8%	47.8%	46.2%	46.5%	*47.0%*	*50.0%*	Common Equity Ratio	*54.5%*
	1472.9	1324.0	1482.2	1648.4	1434.3	1803.9	1916.4	1797.1	2020.7	2215.7	*3185*	*3095*	Total Capital ($mill)	*3175*
	1379.1	1409.2	1491.9	1770.9	1839.7	1964.1	2118.0	2213.3	2435.6	2690.1	*3705*	*3855*	Net Plant ($mill)	*4225*
	5.7%	7.0%	5.2%	5.0%	7.0%	6.0%	6.0%	7.1%	5.5%	5.5%	*5.0%*	*6.0%*	Return on Total Cap'l	*6.5%*
	5.8%	8.3%	6.6%	6.5%	8.9%	9.3%	9.4%	10.8%	9.0%	9.1%	*8.0%*	*9.5%*	Return on Shr. Equity	*9.5%*
	5.8%	8.3%	6.6%	6.5%	8.9%	9.3%	9.4%	10.8%	9.0%	9.1%	*8.0%*	*9.5%*	Return on Com Equity E	*9.5%*
	5.8%	3.5%	.7%	.7%	2.3%	3.2%	3.5%	4.7%	3.2%	3.5%	*3.0%*	*4.0%*	Retained to Com Eq	*4.0%*
	--	58%	90%	89%	74%	66%	63%	56%	65%	61%	*59%*	*60%*	All Div'ds to Net Prof	*60%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $1382.3 mill. **Due in 5 Yrs** $384.2 mill.
LT Debt $1210.7 mill. **LT Interest** $64.2 mill.
Incl. $28.6 mill. capitalized leases.
(LT interest earned: 2.4x)

Leases, Uncapitalized Annual rentals $1.7 mill.
Pension Assets-12/13 $516.4 mill. **Oblig.** $567.9 mill.

Pfd Stock None

Common Stock 39,143,732 shs.
as of 10/17/14
MARKET CAP: $2.3 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+2.3	+.3	+1.3
Avg. Indust. Use (MWH)	39347	38865	39486
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	2014	2108	2056
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.6	+.8	+.7
Fixed Charge Cov. (%)	237	210	217

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	--	-1.5%	*1.5%*
"Cash Flow"	--	6.5%	*5.0%*
Earnings	--	10.0%	*6.5%*
Dividends	--	3.0%	*6.5%*
Book Value	--	3.5%	*6.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	338.3	251.8	244.0	283.2	1117.3
2012	309.1	244.6	235.8	280.8	1070.3
2013	313.0	260.2	262.2	319.1	1154.5
2014	369.7	270.3	251.9	*308.1*	*1200*
2015	*400*	*310*	*305*	*360*	*1375*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.89	.30	.41	.93	2.53
2012	.88	.31	.30	.78	2.26
2013	1.01	.37	.40	.68	2.46
2014	1.17	.20	.77	*.81*	*2.95*
2015	*1.20*	*.45*	*.55*	*1.00*	*3.20*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.36	.36	.36	.36	1.44
2012	.37	.37	.37	.37	1.48
2013	.38	.38	.38	.38	1.52
2014	.40	.40	.40	.40	1.60
2015					

BUSINESS: NorthWestern Corporation (doing business as NorthWestern Energy) supplies electricity & gas in the Upper Midwest and Northwest, serving 407,000 electric customers in Montana and South Dakota and 272,000 gas customers in Montana (83% of gross margin), South Dakota (15%), and Nebraska (2%). Electric revenue breakdown: residential, 41%; commercial, 50%; industrial, 5%; other, 4%. Generating sources are not provided by company. Fuel costs: 42% of revenues. '13 reported depreciation rate: 3.2%. Has 1,600 employees. Chairman: Dr. E. Linn Draper Jr. President & CEO: Robert C. Rowe. Incorporated: Delaware. Address: 3010 West 69th Street, Sioux Falls, South Dakota 57108. Telephone: 605-978-2900. Internet: www.northwesternenergy.com.

NorthWestern has completed the purchase of some hydro assets. The company paid $903 million for 633 megawatts of hydro capacity. NorthWestern wants to increase the proportion of its power that comes from its own generating assets (instead of being purchased). The transaction was completed in mid-November. A rate increase of $117 million took effect at that time in order to place the newly purchased assets in the rate base. NorthWestern issued $400 million of common stock and $450 million of long-term debt to finance the deal.

Thanks to the purchase, earnings will likely rise significantly in 2015. This should occur even though the company booked $0.43 a share of tax benefits in the third quarter of 2014. NorthWestern's preliminary 2015 earnings guidance is $3.07-$3.32 a share.

Shareholders can expect a sizable dividend increase soon. NorthWestern is targeting a 60% payout ratio. We estimate that the board of directors will raise the quarterly payout by $0.08 a share (20%).

The company is seeking an electric rate hike in South Dakota. NorthWestern filed for an increase of $26.5 million (20.2%), based on a 10% return on a 53.6% common-equity ratio. The requested rate boost is large, but the utility hasn't had a base rate hike in 35 years. New tariffs are expected to take effect in mid-2015.

NorthWestern is involved in a dispute with the Federal Energy Regulatory Commission (FERC). The company believes that 80% of the costs associated with one of its gas-fired plants should be allocated to its customers in Montana, with the remainder allocated to its FERC-regulated wholesale customers. FERC says only 4% should be allocated to wholesale users, and ordered NorthWestern to make a refund to customers. The company already took a $0.12-a-share charge in the June quarter of 2012. FERC has agreed to a rehearing, but when this matter will be resolved is not known.

This timely stock's dividend yield (reflecting the estimated increase) is average for a utility. With the recent price near the upper end of our 2017-2019 Target Price Range, total return potential is nonexistent.

Paul E. Debbas, CFA *January 30, 2015*

(A) Diluted EPS. Excl. gain (loss) on disc. ops.: '05, (6¢); '06, 1¢; nonrec. gain: '12, 39¢ net. '12 EPS don't add due to rounding. Next earnings report due mid-Feb. **(B)** Div'ds historically paid in late Mar., June, Sept. & Dec. ■ Div'd reinvestment plan avail. † Shareholder investment plan avail. **(C)** Incl. def'd charges. In '13: $17.34/sh. **(D)** In mill. **(E)** Rate base: Net orig. cost. Rate allowed on com. eq. in MT in '14 (elec.): 9.8%; in '13 (gas): 9.8%; in SD in '11: none specified; in NE in '07: 10.4%; earned on avg. com. eq., '13: 9.6%. Regul. Climate: Avg.

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