EXELON CORP. NYSE-EXC

RECENT PRICE **35.00** | P/E RATIO **14.4** (Trailing: 15.8 / Median: 15.0) | RELATIVE P/E RATIO **0.78** | DIV'D YLD **3.5%** | **VALUE LINE**

TIMELINESS **3** Lowered 9/5/14
SAFETY **3** Lowered 11/23/12
TECHNICAL **5** Lowered 2/6/15
BETA .70 (1.00 = Market)

High:	44.9	57.5	63.6	86.8	92.1	59.0	49.9	45.4	43.7	37.8	38.9	38.3
Low:	30.9	41.8	51.1	58.7	41.2	38.4	17.0	39.1	28.4	26.6	26.5	34.3

2018-20 PROJECTIONS

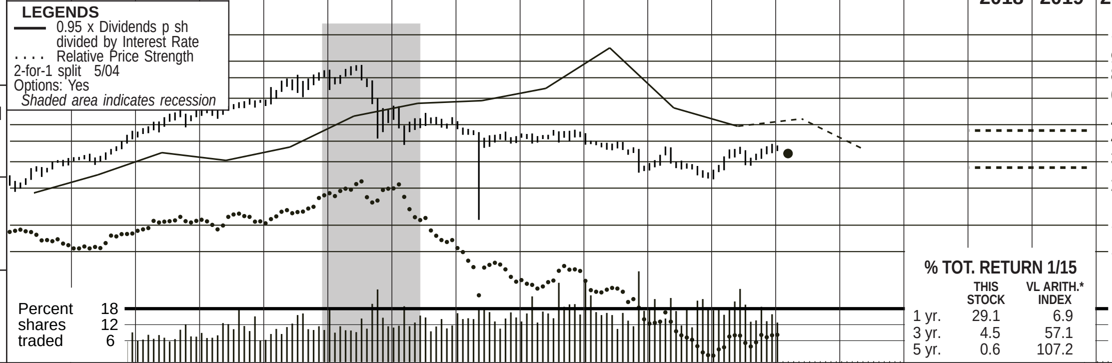
	Price	Gain	Ann'l Total Return
High	45	(+30%)	10%
Low	30	(-15%)	1%

Insider Decisions

	M	A	M	J	J	A	S	O	N
to Buy	0	0	0	0	0	0	0	0	0
Options	2	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	322	319	333
to Sell	315	327	321
Hld's(000)	630607	686965	703571



Target Price Range
2018 | 2019 | 2020

% TOT. RETURN 1/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	29.1	6.9
3 yr.	4.5	57.1
5 yr.	0.6	107.2

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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*	*30.15*	*30.95*	Revenues per sh	*33.25*
3.55	1.84	5.06	5.03	5.02	5.68	6.19	6.71	7.43	7.64	8.24	8.32	7.24	6.60	6.73	*6.50*	*6.95*	*7.10*	"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*	*2.50*	*2.60*	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*	*1.30*	Div'd Decl'd per sh B ■	*1.60*
- -	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*	*7.05*	Cap'l Spending per sh	*6.25*
- -	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*	*28.85*	*30.10*	Book Value per sh C	*34.75*
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*	*866.00*	Common Shs Outst'g D	*903.00*
- -	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	*16.0*	*Bold figures are*		Avg Ann'l P/E Ratio	*11.5*
- -	1.46	.68	.57	.67	.69	.82	.89	.97	1.08	.77	.70	.71	1.22	.75	*.85*	*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%	3.7%	*estimates*		Avg Ann'l Div'd Yield	*4.2%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $22474 mill. **Due in 5 Yrs** $7773 mill.
LT Debt $19848 mill. **LT Interest** $959 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 859,464,772 shs.

MARKET CAP: $30 billion (Large Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
15357	15655	18916	18859	17318	18644	18924	23489	24888	*26400*	*26000*	*26800*	Revenues ($mill)	*30000*
2162.0	2370.0	2730.0	2721.0	2844.0	2567.0	2499.0	1579.0	1999.0	*1935*	*2185*	*2270*	Net Profit ($mill)	*2970*
30.4%	33.7%	34.6%	32.6%	38.8%	39.2%	36.8%	32.4%	36.5%	*25.0%*	*32.0%*	*32.0%*	Income Tax Rate	*32.0%*
1.0%	1.6%	1.8%	1.3%	2.3%	2.1%	3.0%	5.8%	4.5%	*5.0%*	*4.0%*	*4.0%*	AFUDC % to Net Profit	*3.0%*
56.1%	54.2%	53.9%	53.1%	47.2%	46.8%	45.7%	45.8%	44.4%	*44.5%*	*44.0%*	*43.5%*	Long-Term Debt Ratio	*42.0%*
43.5%	45.4%	45.7%	46.6%	52.4%	52.9%	54.0%	53.5%	55.2%	*55.5%*	*55.5%*	*56.0%*	Common Equity Ratio	*58.0%*
20972	21971	22189	23726	24112	25651	26661	40057	41196	*42925*	*44725*	*46625*	Total Capital ($mill)	*54300*
21981	22775	24153	25813	27341	29941	32570	45186	47330	*49875*	*53225*	*55950*	Net Plant ($mill)	*62000*
12.1%	12.5%	14.1%	13.1%	13.3%	11.4%	10.6%	5.1%	5.9%	*5.5%*	*6.0%*	*6.0%*	Return on Total Cap'l	*6.5%*
23.5%	23.6%	26.7%	24.4%	22.3%	18.8%	17.3%	7.3%	8.7%	*7.5%*	*8.5%*	*8.5%*	Return on Shr. Equity	*9.5%*
23.6%	23.7%	26.9%	24.6%	22.5%	18.9%	17.3%	7.3%	8.7%	*7.5%*	*8.5%*	*8.5%*	Return on Com Equity E	*9.5%*
11.9%	13.0%	15.3%	12.5%	11.5%	8.7%	7.7%	NMF	3.2%	*3.0%*	*4.5%*	*4.5%*	Retained to Com Eq	*5.0%*
50%	45%	43%	49%	49%	54%	56%	109%	63%	*56%*	*49%*	*50%*	All Div'ds to Net Prof	*49%*

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 '18-'20
Revenues	2.0%	1.0%	*2.5%*
"Cash Flow"	3.0%	-1.0%	*2.0%*
Earnings	1.5%	-7.5%	*3.0%*
Dividends	7.5%	.5%	*-2.5%*
Book Value	7.0%	9.5%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	4686	5954	6565	6284	23489
2013	6082	6141	6502	6163	24888
2014	7237	6024	6912	*6227*	*26400*
2015	*7000*	*6000*	*6900*	*6100*	*26000*
2016	*7200*	*6200*	*7100*	*6300*	*26800*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.54	.33	.57	.48	1.92
2013	.30	.57	.86	.58	2.31
2014	.10	.60	.92	*.48*	*2.10*
2015	*.70*	*.55*	*.70*	*.55*	*2.50*
2016	*.70*	*.60*	*.75*	*.55*	*2.60*

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	.525	2.10
2013	.525	.31	.31	.31	1.46
2014	.31	.31	.31	.31	1.24
2015					

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.

There is good and bad news about Exelon's proposed acquisition of Pepco Holdings. Under the agreement, Exelon would pay $6.8 billion in cash for Pepco, the parent company of utilities in Washington, DC; the Delmarva Peninsula; and southern New Jersey. The Federal Energy Regulatory Commission and New Jersey Board of Public Utilities have each approved the combination. On the other hand, the regulatory process isn't going as well in Delaware, where the demands for concessions are far greater than what the companies have offered. The transaction has come under some criticism in Maryland and the District of Columbia, as well. This doesn't necessarily mean that the deal is doomed, and the companies' goal is to complete it in the second or third quarter. We will not include Pepco in our figures until the acquisition is final.

Exelon has already made some moves in anticipation of the closing of the Pepco purchase. The company executed a forward sale agreement for 57.5 million common shares and sold (or is selling) some assets to raise cash.

We estimate a strong earnings increase this year, followed by a more-moderate advance in 2016. The March-quarter comparison is easy this year, as mark-to-market accounting charges on hedges reduced profits by $0.52 a share in the first period of 2014. Exelon should benefit from moderate growth in utility income this year and next. We also think a dividend hike is possible in 2016.

Some of Exelon's nuclear plants might be closed for economic reasons. The company is working with officials in Illinois and New York to try to keep them open. Possible rule changes in the region's power markets would increase capacity payments to owners of merchant generating assets, and would thus be beneficial for Exelon. There are signs of long-term improvement in the power markets, and this helped Exelon stock rise 37% last year. Prices lately have declined, however, so the stock price has retreated 8% so far in 2015.

Exelon stock has a dividend yield that is about average for a utility. Total return potential to 2018-2020 is modest, but above that of most utility equities.

Paul E. Debbas, CFA *February 20, 2015*

(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 May. (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	65

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.

Earlier this month, the Edison Electric Institute (EEI) made its annual presentation before electric utility analysts.

We discuss the effect of interest rates on utility stocks.

Most electric utility stocks haven't moved much so far in 2015. We still think they are expensively priced.

What's On EEI's Mind

Every year (usually in the first half of February), the Edison Electric Institute (an industry group representing investor-owned electric companies) comes to New York City to make a presentation before electric utility analysts. EEI talks about the state of the industry, the major concerns facing its member companies, and what EEI is doing to respond to these concerns. This year, the electric grid and (as has been the case for the past several years) environmental regulations were areas of focus.

There are numerous concerns affecting the electric grid. Electric utilities are facing threats, both physical and through cyberattacks. As a result, the Electric Subsector Coordinating Council was formed, which includes representatives of investor-owned utilities, other industry members (e.g., public power) and other groups such as the North American Electric Reliability Corporation (NERC) and the Nuclear Energy Institute. This organization wants to enhance tools and technologies, share information, and develop plans for response and recovery. EEI is also concerned that solar customers are not paying for their use of the grid. (Some utilities are addressing this problem with their state commissions.) Current net metering rules allow these users to export excess power at *retail* rates. Transmission investment has risen significantly in recent years to make up for a long period of underinvestment, connect renewable projects, and enhance utilities' ability to transmit power. Accordingly, EEI is concerned about the lowering of allowed returns on equity for transmission, which might act as a disincentive for transmission spending. (Federally granted allowed ROEs for transmission are still higher than those granted by states for distribution, however.)

Environmental regulation has increased in recent years. Many rules and proposals from the Environmental Protection Agency have resulted in criticism and litigation. Arguably the most controversial EPA proposal yet is the one that would force states to reduce carbon emissions. Under the current proposal, each state would have final targets that must be reached by 2030, and interim goals that must be attained by 2020. In many states, the interim target is well above 50% of the final one, thereby precluding plans that would result in gradual reductions in emissions. This would force some utilities to close coal-fired plants at a time when some parts of the country (such as the Northeast) already don't have enough fuel diversity. The closing of coal-fired facilities so soon would also hurt system reliability. This has raised numerous objections, not just from EEI but from other groups such as NERC and some state governments and regulatory commissions. Another worry is an inadequate treatment of nuclear power. Already, two nonregulated nuclear plants have been shut for economic reasons, and the closing of additional units would make it harder for states to reach their targets. The EPA plans to finalize these rules this summer. There has already been litigation filed against this proposal, and about the only certainty is that more lawsuits will be put forth.

INDUSTRY TIMELINESS: 78 (of 97)

Interest Rates And Utility Stocks

Like fixed-income securities, utility stocks are sensitive to interest rates. (This is true for all utilities, not just electrics.) The environment of low interest rates in the past several years has been a boon for utility equities. This was evident in 2014, when a decline in rates from an already-low level allowed EEI's index of stocks to produce a 29% total return.

Almost every electric utility stock under our coverage (except El Paso Electric, which paid no dividend for many years) shows a line on the price chart that is derived from the dividend multiplied by a coefficient that differs from one stock to the next, divided by the interest rate on the 10-year U.S. Treasury note. We expect this rate to be slightly lower in 2015 than it was in 2014, but higher in 2016 as the Federal Reserve begins raising interest rates. Thus, the dividend line for each utility stock in Issue 1 shows a steep drop in 2016. This illustrates a possible outcome for these stocks if interest rates rise.

Conclusion

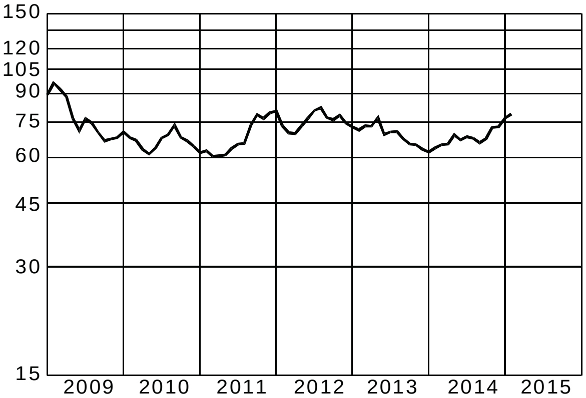
Low interest rates have lasted longer than most people expected, but few expect rates to stay this low permanently. The previous section discussed the risk that utility investors face when rates start to rise. Of course, things won't necessarily unfold this way—these stocks are also affected by other factors, including company-specific events—but utility investors must be cognizant of this.

So far in 2015, most electric utility stocks have either risen or fallen very little. The industry's average dividend yield is 3.4%. We continue to believe that most of these equities are expensively priced.

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.

Electric utility stocks, as a group, have declined sharply in value so far in 2015. We discuss why this has happened.

The earnings of some electric utilities are likely to decline this year.

Even after the falloff so far this year, electric utility equities are not cheap.

INDUSTRY TIMELINESS: 54 (of 97)

Up In 2014, Down In 2015

Last year was outstanding for electric utility stocks, as a whole. According to an index provided by the Edison Electric Institute (a group representing investor-owned electric companies), electric utility equities produced a total return of 28.9%. Moreover, this followed a solid (though less spectacular) showing in 2013, which saw a 13.0% total return. Electric utility stocks benefited from investors who are reaching for dividend yields in an environment of very low interest rates. The decline in interest rates helped, too. The yield on 10-year U.S. Treasury notes fell more than three-quarters of a percentage point. A few stocks (including *Integrys Energy* and *Cleco*) were boosted by takeover agreements.

This year has been a different story. The price of almost every electric utility issue has declined in 2015, and several have fallen by more than 10%. This is in sharp contrast to the broader market averages, which are near where they were at the start of the year. Investors are worried about the possibility that the Federal Reserve will raise interest rates later this year. Indeed, the yield on the 10-year Treasury note, which declined in early 2015, has risen to the point where it is higher than at the end of 2014. Even if interest rates had remained stable, though, it would not have been surprising to see a reversion to the mean after two years of significant outperformance.

There are also company-specific reasons why some utility stocks have weakened. For instance, the decline in oil prices since mid-2014 has hurt *CenterPoint Energy* and *OGE Energy*. Each of these companies has a stake in Enable Midstream Partners, an oil and gas master limited partnership. The decline in oil prices has reduced rig activity where Enable operates. Even in 2014, *CenterPoint* and *OGE* were outliers among utility issues, and the underperformance has continued this year.

For Some Companies, Lower Earnings

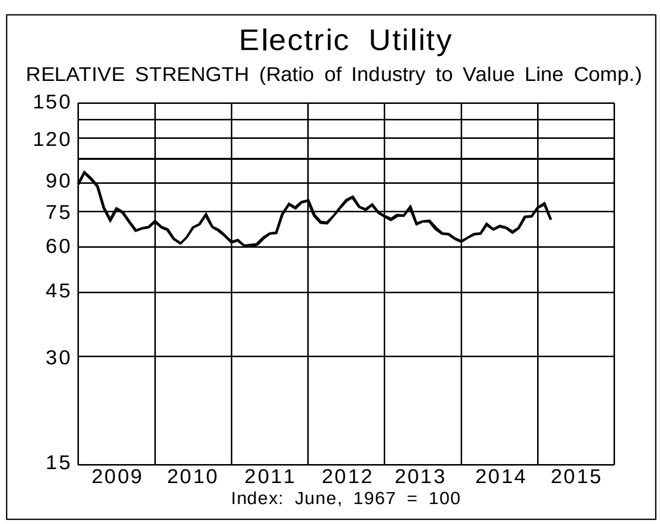
Electric utilities normally aren't fast-growing companies, but at least they post year-to-year earnings increases more often than not. For instance, *Wisconsin Energy* has seen its earnings rise for 10 consecutive years, and we expect the streak to continue in 2015 and 2016. *CMS Energy* has a five-year streak going. This year, however, there are more exceptions than usual.

The profits of *CenterPoint* and *OGE*, mentioned above, will probably wind up lower in 2015 due to the industrywide conditions affecting Enable. In some cases, regulatory lag (higher costs that aren't reflected in rates) at a utility is holding back profit growth. *OGE* is facing this problem this year. So is *Great Plains Energy*. Sometimes, the year-ago tally provides for a difficult comparison. In the first quarter of 2014, *Entergy* benefited from a spike in power prices in New England, since it had nonregulated generating assets that were well positioned to take advantage of the favorable market conditions. Because the comparison is tough, the company's profits will probably decrease in 2015. *DTE Energy* faces a tough comparison, as well, because weather patterns were favorable for its gas utility in 2014. Another problem facing utilities (or any company that has pensions) is higher pension expense. Beginning this year, the calculations are based on increased life expectancy. The decline in interest rates at the end of 2014 means that future pension benefits will be discounted at a lower rate. *Entergy* expects higher pension expense this year. There are exceptions: A few companies, such as *Ameren* in Missouri and Eversource (formerly Northeast Utilities) in Massachusetts, have regulatory mechanisms to track pension costs. Finally, subscribers should note that we *include* mark-to-market accounting gains or losses in our earnings presentation because they are an ongoing part of quarterly and annual results. This was another positive factor for *DTE*'s profits in 2014.

Conclusion

With the decline in the price of most electric utility stocks so far this year, the average dividend yield for the industry has risen. From a low of 3.2%, this figure rose to 3.7% in the week we went to press. This is well above the median for dividend-paying stocks under our coverage, but still low by historical standards (a reflection of current interest rates). Nevertheless, this doesn't mean that electric utility equities are cheap. We recommend that readers look at our projections for interest rates in the Quarterly Economic Review in *Selection & Opinion*, or in each issue of *Ratings & Reports*. We estimate that the rate on the 10-year Treasury note—which is used to calculate the dividend line in the price charts of utility stocks—will climb by more than a percentage point in 2016, and still more by 2018-2020. Such a move would likely hurt the prices of electric utility equities, which remain sensitive to interest rates.

Paul E. Debbas, CFA



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.

INDUSTRY TIMELINESS: 17 (of 97)

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.

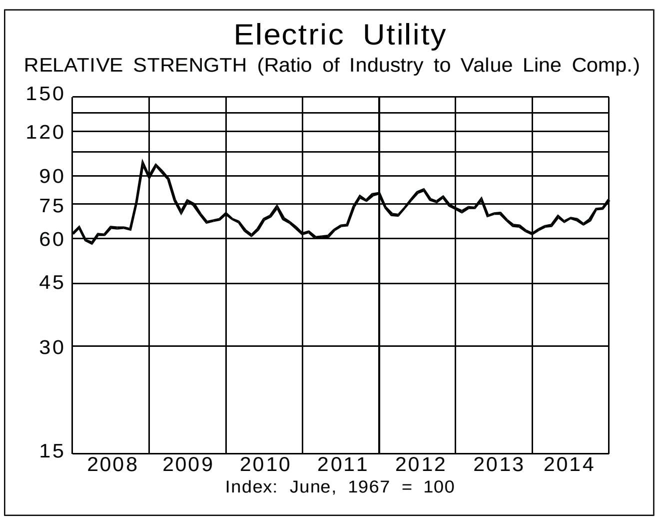
Many utility boards of directors evaluate the company's dividends annually. Often, this review occurs in the first quarter. Among stocks reviewed in Issue 11, we look for dividend increases from *Sempra Energy*, *Avista*, *Black Hills*, and *NorthWestern* this quarter. The directors of *Edison International* 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



EL PASO ELECTRIC NYSE-EE

RECENT PRICE	40.28	P/E RATIO	18.0 (Trailing: 18.4; Median: 15.0)	RELATIVE P/E RATIO	0.98	DIV'D YLD	2.9%	VALUE LINE

TIMELINESS 3 Lowered 12/5/14

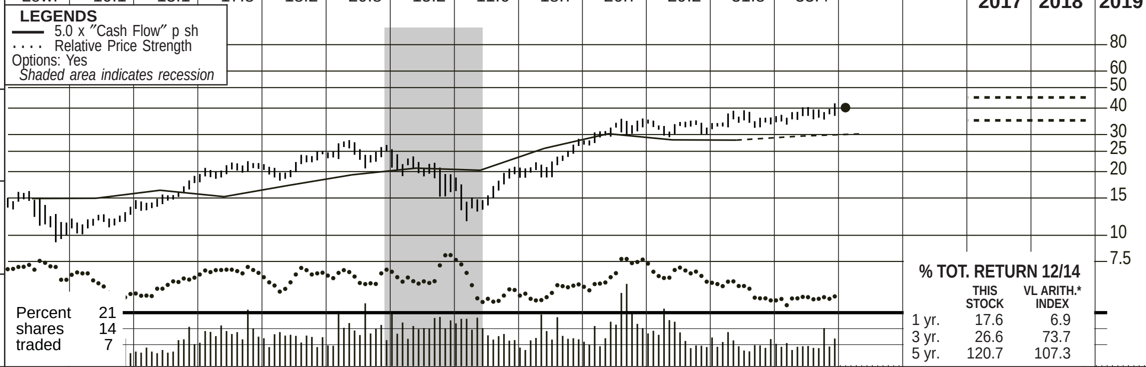
SAFETY 2 Raised 5/11/07

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



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

% 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

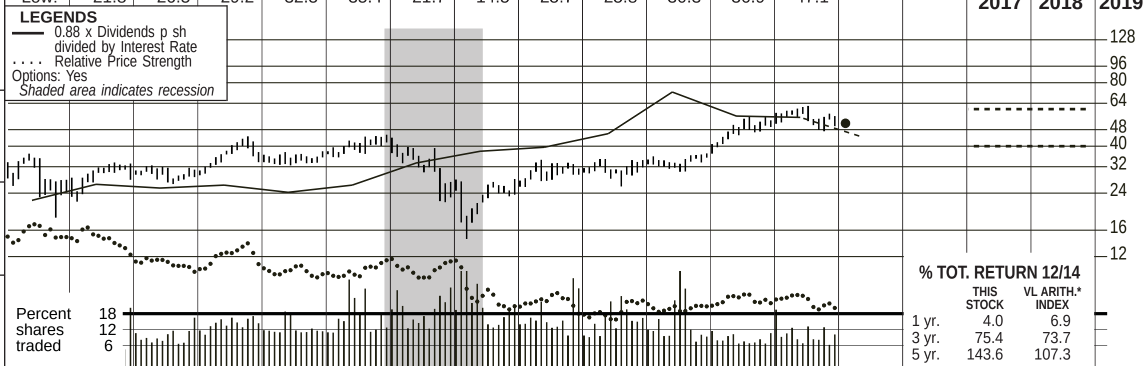
BLACK HILLS CORP. NYSE-BKH

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

LEGENDS
— 0.88 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	(+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%*

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%*

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)

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

VECTREN CORP. NYSE-VVC

RECENT PRICE **42.71** | P/E RATIO **17.7** (Trailing: 21.2 / Median: 16.0) | RELATIVE P/E RATIO **0.96** | DIV'D YLD **3.7%** | **VALUE LINE**

High:	27.1	29.5	29.3	30.5	32.2	26.9	27.8	30.7	30.8	37.9	48.3	49.5
Low:	22.9	25.0	25.2	24.8	19.5	18.1	21.7	23.7	27.5	29.5	34.6	42.5

Target Price Range 2018 | 2019 | 2020

TIMELINESS 2 Lowered 11/21/14
SAFETY 2 Lowered 1/5/01
TECHNICAL 3 Raised 3/20/15
BETA .80 (1.00 = Market)

2018-20 PROJECTIONS

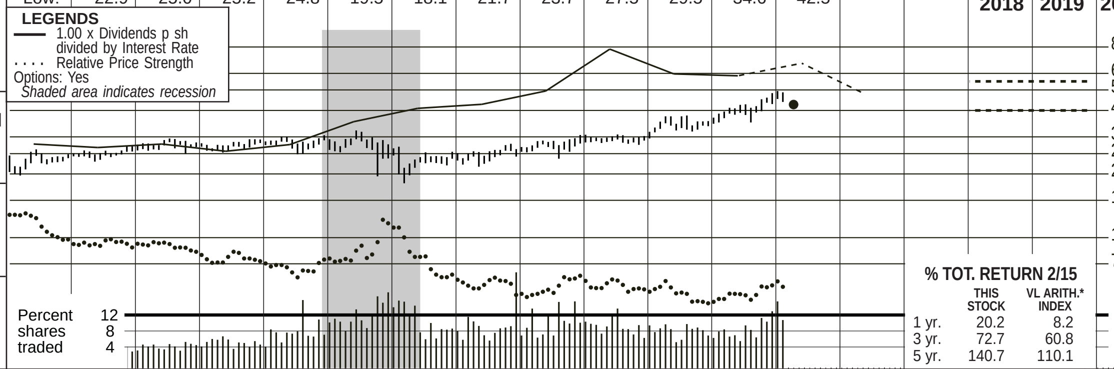
	Price	Gain	Ann'l Total Return
High	55	(+30%)	10%
Low	40	(-5%)	2%

Insider Decisions

	A	M	J	J	A	S	O	N	D
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

	2Q2014	3Q2014	4Q2014
to Buy	102	122	139
to Sell	127	112	108
Hld's(000)	48584	49433	49101



% TOT. RETURN 2/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	20.2	8.2
3 yr.	72.7	60.8
5 yr.	140.7	110.1

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.

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
26.62	26.83	29.88	30.67	25.76	26.06	28.39	27.16	30.23	31.62	*31.95*	*32.75*	Revenues per sh	*37.95*
3.87	3.69	4.29	3.97	4.40	4.44	4.71	5.03	5.03	5.33	*5.95*	*6.45*	"Cash Flow" per sh	*7.60*
1.81	1.44	1.83	1.63	1.79	1.65	1.73	1.94	1.66	2.02	*2.45*	*2.65*	Earnings per sh A	*3.20*
1.19	1.23	1.27	1.31	1.35	1.37	1.39	1.41	1.43	1.46	*1.54*	*1.62*	Div'd Decl'd per sh B■†	*1.80*
3.04	3.70	4.38	4.83	5.33	3.39	3.92	4.45	4.77	5.43	*5.70*	*6.05*	Cap'l Spending per sh	*7.20*
15.01	15.43	16.16	16.68	17.23	17.61	17.89	18.57	18.86	19.45	*19.90*	*20.25*	Book Value per sh C	*21.25*
76.19	76.10	76.36	81.03	81.10	81.70	81.90	82.20	82.40	82.60	*83.00*	*84.00*	Common Shs Outst'g D	*87.00*
15.1	18.9	15.3	16.8	12.9	15.0	15.8	15.0	20.7	20.0	*Bold figures are*		Avg Ann'l P/E Ratio	*15.0*
.80	1.02	.81	1.01	.86	.95	.99	.95	1.16	1.05	*Value Line*		Relative P/E Ratio	*.95*
4.4%	4.5%	4.5%	4.8%	5.9%	5.5%	5.1%	4.8%	4.2%	3.6%	*estimates*		Avg Ann'l Div'd Yield	*3.8%*
2028.0	2041.6	2281.9	2484.7	2088.9	2129.5	2325.2	2232.8	2491.2	2611.7	*2650*	*2750*	Revenues ($mill)	*3300*
136.8	108.8	143.1	129.0	145.0	133.7	141.6	159.0	136.6	166.9	*205*	*225*	Net Profit ($mill)	*280*
24.4%	21.8%	34.7%	37.1%	26.5%	35.8%	37.9%	34.2%	32.9%	32.7%	*35.0%*	*35.0%*	Income Tax Rate	*35.0%*
1.4%	3.8%	2.8%	2.9%	4.1%	- -	- -	- -	4.1%	4.0%	*4.0%*	*4.0%*	AFUDC % to Net Profit	*4.0%*
51.2%	50.7%	50.2%	48.0%	52.4%	49.9%	51.6%	50.4%	53.3%	46.7%	*47.5%*	*47.5%*	Long-Term Debt Ratio	*48.0%*
48.8%	49.3%	49.8%	52.0%	47.6%	50.1%	48.4%	49.6%	46.7%	53.3%	*52.5%*	*52.5%*	Common Equity Ratio	*52.0%*
2341.3	2382.2	2479.1	2599.5	2937.7	2874.1	3025.1	3079.5	3331.4	3013.9	*3150*	*3250*	Total Capital ($mill)	*3550*
2251.9	2385.5	2539.7	2720.3	2878.8	2955.4	3032.6	3119.6	3224.3	3439.0	*3550*	*3650*	Net Plant ($mill)	*4000*
7.2%	6.0%	7.2%	6.5%	6.3%	6.1%	6.2%	6.4%	5.4%	6.8%	*7.5%*	*8.0%*	Return on Total Cap'l	*9.0%*
12.0%	9.3%	11.6%	9.5%	10.4%	9.3%	9.7%	10.4%	8.8%	10.4%	*12.5%*	*13.0%*	Return on Shr. Equity	*15.0%*
12.0%	9.3%	11.6%	9.5%	10.4%	9.3%	9.7%	10.4%	8.8%	10.4%	*12.5%*	*13.0%*	Return on Com Equity E	*15.0%*
4.0%	1.3%	3.8%	2.0%	2.6%	1.6%	1.9%	2.9%	1.2%	2.9%	*4.5%*	*5.0%*	Retained to Com Eq	*6.5%*
66%	86%	67%	80%	75%	83%	80%	73%	86%	72%	*62%*	*60%*	All Div'ds to Net Prof	*56%*

CAPITAL STRUCTURE as of 12/31/14
Total Debt $1733.7 mill. **Due in 5 Yrs** $710.0 mill.
LT Debt $1407.3 mill. **LT Interest** $75.0 mill.
(LT interest earned: 4.5x)

Pension Assets-12/14 $305.6 mill.
Oblig. $371.9 mill.
Pfd Stock None

Common Stock 82,593,724 shs.
as of 1/30/14

MARKET CAP: $3.5 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2012	2013	2014
% Change Retail Sales (KWH)	-2.3	+.3	+2.0
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	1494	1384	1407
Peak Load, Summer (Mw)	1259	1102	1095
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.4	+.6	+.6
Fixed Charge Cov. (%)	367	380	363

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '12-'14 to '18-'20
Revenues	2.5%	.5%	4.0%
"Cash Flow"	4.5%	4.0%	7.0%
Earnings	2.0%	1.5%	9.5%
Dividends	2.5%	2.0%	4.0%
Book Value	3.0%	2.5%	2.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
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	676.8	2611.7
2015	*790*	*540*	*620*	*700*	*2650*
2016	*810*	*565*	*635*	*740*	*2750*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2012	.62	.31	.48	.53	1.94
2013	.61	d.07	.52	.60	1.66
2014	.62	.14	.57	.68	2.02
2015	*.70*	*.40*	*.62*	*.73*	*2.45*
2016	*.75*	*.45*	*.67*	*.78*	*2.65*

Cal-endar	QUARTERLY DIVIDENDS PAID B■† Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	1.46
2015	.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. 2014 Electricity revenues: residential, 37%; commercial, 27%; industrial, 35%; other, 1%. 2014 Gas revenues: residential, 67%; commercial, 28%; other, 5%. Also provides energy-related products and services and has an investment subsidiary. Est'd plant age: electric, 8 years. '14 deprec. rate: 4.8%. 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 pulled back somewhat in recent months. This issue had advanced steadily in recent years, though we think the stock had gotten a bit ahead of itself, following a run-up in price. The company posted a slight top-line decrease for the fourth quarter. Gas utility revenues advanced moderately for the period, but this was more than offset by declines in the electric utility and nonutility operations. Still, operating expenses fell slightly more than total revenue, and share earnings of $0.68 compared favorably with the prior-year tally.

We envision solid performance going forward. The utility group ought to report good results. The gas utility segment should benefit from returns on the Ohio infrastructure replacement programs and modest customer growth. We also expect the electric utility services line to perform well. Elsewhere, we think the nonutility group will continue to benefit from strong performance at the infrastructure business. This line will probably experience healthy demand, assuming fairly normal weather. Construction activity should remain strong, as utilities, municipalities, and pipeline operators replace aging natural gas and oil pipelines, and related infrastructure. The recent drop in energy prices is not expected to have a significant impact on results in the current year, as infrastructure services markets typically lag economic changes by up to 12 months. This might affect results next year, though long-term trends still appear favorable in this market. The absence of commodity-based nonutility businesses (following the sale of Vectren Fuels last year) will probably also be a plus. Overall, we expect a moderate top-line advance and a strong share-earnings improvement for the company for full-year 2015. Healthy growth will probably continue from 2016 onward.

This stock is favorably ranked for year-ahead performance. Conservative, income-seeking accounts may find something to like here. Vectren offers a solid dividend yield, and earns good marks for Safety, Financial Strength, Price Stability, and Earnings Predictability. But this appears to be reflected in the recent quotation, and long-term appreciation potential is subpar at this juncture.

Michael Napoli, CFA *March 20, 2015*

(A) Diluted EPS. Excl. nonrecur. gain (loss): '09, 15¢. Earnings may not sum due to rounding. Next egs report due in May.
(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 '14, $6.34/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

CMS ENERGY CORP. NYSE-CMS

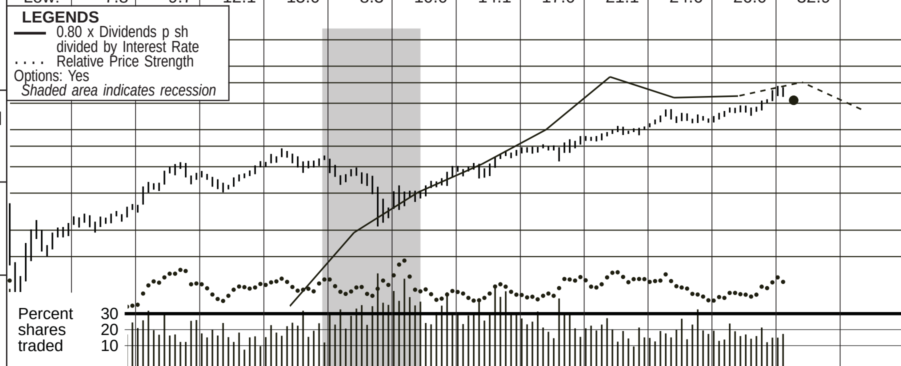
RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD
33.08	17.6 (Trailing: 19.0) (Median: 15.0)	0.96	3.6%

VALUE LINE

TIMELINESS 3 Lowered 12/5/14
SAFETY 2 Raised 3/21/14
TECHNICAL 3 Raised 3/20/15
BETA .75 (1.00 = Market)

High:	10.6	16.8	17.0	19.5	17.5	16.1	19.3	22.4	25.0	30.0	36.9	38.7
Low:	7.8	9.7	12.1	15.0	8.3	10.0	14.1	17.0	21.1	24.6	26.0	32.9

Target Price Range
2018 | 2019 | 2020



2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	40	(+20%)	9%
Low	30	(-10%)	2%

Insider Decisions

	A	M	J	J	A	S	O	N	D
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	4	0	1	0	0

Institutional Decisions

	2Q2014	3Q2014	4Q2014
to Buy	177	174	197
to Sell	187	196	184
Hld's(000)	234703	237560	237611

% TOT. RETURN 2/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	27.8	8.2
3 yr.	83.3	60.8
5 yr.	179.6	110.1

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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	26.09	***25.65***	***26.00***	Revenues per sh	***28.50***
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	4.22	***4.40***	***4.65***	"Cash Flow" per sh	***5.50***
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	1.74	***1.88***	***2.00***	Earnings per sh A	***2.25***
1.39	1.46	1.46	1.09	--	--	--	--	.20	.36	.50	.66	.84	.96	1.02	1.08	***1.16***	***1.24***	Div'd Decl'd per sh B ■	***1.50***
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	5.73	***5.75***	***5.60***	Cap'l Spending per sh	***5.50***
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	13.34	***14.15***	***15.05***	Book Value per sh C	***17.75***
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	275.20	***277.00***	***279.00***	Common Shs Outst'g D	***285.00***
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	17.3	*Bold figures are*		Avg Ann'l P/E Ratio	***15.0***
.79	.62	1.07	--	--	.66	.67	1.20	1.42	.66	.91	.80	.85	.96	.92	.92	*Value Line*		Relative P/E Ratio	***.95***
3.5%	6.0%	5.5%	7.5%	--	--	--	--	1.2%	2.7%	4.0%	4.0%	4.3%	4.2%	3.8%	3.6%	*estimates*		Avg Ann'l Div'd Yield	***4.5%***

CAPITAL STRUCTURE as of 12/31/14

Total Debt $8739 mill. **Due in 5 Yrs** $4047 mill.
LT Debt $8139 mill. **LT Interest** $371 mill.
Incl. $123 mill. capitalized leases.
(LT interest earned: 2.8x)
Leases, Uncapitalized Annual rentals $25 mill.
Pension Assets-12/14 $1979 mill. **Oblig.** $2547 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 275,200,000 shs.

MARKET CAP: $9.1 billion (Large Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
6288.0	6810.0	6519.0	6821.0	6205.0	6432.0	6503.0	6312.0	6566.0	7179.0	***7100***	***7250***	Revenues ($mill)	***8100***
247.0	158.0	168.0	300.0	231.0	356.0	384.0	413.0	454.0	479.0	***530***	***570***	Net Profit ($mill)	***690***
25.6%	--	37.6%	31.6%	34.6%	38.1%	36.8%	39.4%	39.9%	34.3%	***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%	2.3%	***2.0%***	***2.0%***	AFUDC % to Net Profit	***1.0%***
73.5%	71.7%	70.5%	69.4%	67.9%	70.1%	66.9%	67.9%	67.5%	68.7%	***68.0%***	***67.0%***	Long-Term Debt Ratio	***65.5%***
23.4%	24.9%	25.9%	27.4%	29.0%	29.5%	32.6%	31.6%	32.2%	31.0%	***32.0%***	***32.5%***	Common Equity Ratio	***34.5%***
9913.0	8961.0	8212.0	8993.0	8977.0	9473.0	9279.0	10101	10730	11846	***12300***	***12825***	Total Capital ($mill)	***14800***
7845.0	7976.0	8728.0	9190.0	9682.0	10069	10633	11551	12246	13412	***14325***	***15150***	Net Plant ($mill)	***17400***
5.0%	4.5%	4.5%	5.4%	4.7%	5.8%	6.3%	5.9%	6.0%	5.7%	***6.0%***	***6.0%***	Return on Total Cap'l	***6.0%***
9.4%	6.2%	6.9%	10.9%	8.0%	12.5%	12.5%	12.8%	13.0%	12.9%	***13.5%***	***13.5%***	Return on Shr. Equity	***13.5%***
9.9%	6.4%	7.2%	11.7%	8.5%	12.5%	12.6%	12.9%	13.1%	13.0%	***13.5%***	***13.5%***	Return on Com Equity E	***13.5%***
9.9%	6.4%	5.1%	8.4%	4.1%	6.9%	5.6%	5.0%	5.2%	5.0%	***5.5%***	***5.5%***	Retained to Com Eq	***5.0%***
6%	10%	35%	31%	54%	46%	55%	61%	60%	62%	***61%***	***61%***	All Div'ds to Net Prof	***62%***

ELECTRIC OPERATING STATISTICS

	2012	2013	2014
% Change Retail Sales (KWH)	+.6	-3.1	+1.9
Avg. Indust. Use (MWH)	1113	1000	NA
Avg. Indust. Revs. per KWH (¢)	8.06	8.93	8.79
Capacity at Peak (Mw)	8607	8603	NA
Peak Load, Summer (Mw)	9006	8509	NA
Annual Load Factor (%)	48.7	52.5	NA
% Change Customers (yr-end)	--	+.1	--
Fixed Charge Cov. (%)	268	282	278

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '12-'14 to '18-'20
Revenues	-5.0%	-3.0%	*2.5%*
"Cash Flow"	9.0%	3.0%	*5.5%*
Earnings	--	12.0%	*5.5%*
Dividends	--	23.5%	*6.5%*
Book Value	3.0%	4.0%	*5.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	1802	1333	1507	1670	6312.0
2013	1979	1406	1445	1736	6566.0
2014	2523	1468	1430	1758	7179.0
2015	***2300***	***1500***	***1500***	***1800***	***7100***
2016	***2300***	***1550***	***1550***	***1850***	***7250***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.36	.37	.55	.25	1.53
2013	.53	.29	.46	.37	1.66
2014	.75	.30	.34	.35	1.74
2015	***.68***	***.40***	***.45***	***.35***	***1.88***
2016	***.60***	***.45***	***.55***	***.40***	***2.00***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec. 31	Full Year
2011	.21	.21	.21	.21	.84
2012	.24	.24	.24	.24	.96
2013	.255	.255	.255	.255	1.02
2014	.27	.27	.27	.27	1.08
2015	.29				

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, 43%; commercial, 31%; industrial, 19%; other, 7%. Generating sources: coal, 44%; gas, 6%; other, 1%; purchased, 49%. Fuel costs: 54% of revenues. '14 reported deprec. rates: 3.5% electric, 2.8% gas, 7.7% other. Has 7,700 employees. Chairman: David W. Joos. President & CEO: John G. Russell. Incorporated: Michigan. Address: One Energy Plaza, Jackson, Michigan 49201. Tel.: 517-788-0550. Internet: www.cmsenergy.com.

CMS Energy's utility subsidiary has received a gas rate increase. Consumers Energy had filed for a tariff hike of $88 million, based on a return on equity of 10.7%. The utility reached a settlement calling for a $45 million raise, based on a 10.3% ROE. The Michigan Public Service Commission (MPSC) approved the settlement in late January.

An electric rate case is pending. Consumers Energy is seeking an increase of $163 million, based on a 10.7% ROE. Under Michigan regulatory law, the utility will self-implement a rate hike in mid-2015, and the MPSC's final order is due in late 2015. This will enable Consumers Energy to place a 540-megawatt gas-fired generating plant, which it has agreed to purchase for $155 million, in the rate base. The transaction is scheduled to close in late 2015.

We expect CMS Energy to continue to produce steady earnings growth in 2015 and 2016. The company should benefit from rate relief, reductions in operating and maintenance expenses, and moderate volume growth. Our 2015 profit estimate is within management's typically narrow range of $1.86-$1.89 a share. CMS' goal is for annual earnings growth of 5%-7%, and our 2016 forecast of $2.00 a share would produce an increase within this range.

The board of directors raised the dividend in the first quarter. The board boosted the quarterly payout by $0.02 a share (7.4%). We project continued good dividend growth through the 2018-2020 period. CMS Energy is targeting a payout ratio of 60%-70%.

Finances are adequate. Consistent earnings growth is a plus. The company's cash flow is stronger than our "cash flow" figures (which do not include deferred taxes) suggest. On the other hand, the common-equity ratio is subpar due to debt that is held at the parent level, and the fixed-charge coverage is a bit below the industry norm. CMS Energy merits a Financial Strength rating of B++.

CMS Energy's strengths are adequately reflected in the stock's quotation. This issue does not stand out among utilities for its dividend yield. Its 3- to 5-year total return potential is unspectacular.

Paul E. Debbas, CFA *March 20, 2015*

(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 Apr. (B) Div'ds historically paid late Feb., May, Aug., & Nov. ■ Div'd reinvestment plan avail. (C) Incl. intang. In '14: $7.11/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '15: 10.3%; earned on avg. com. eq., '14: 13.4%. Regulatory Climate: Average.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	90
Earnings Predictability	75

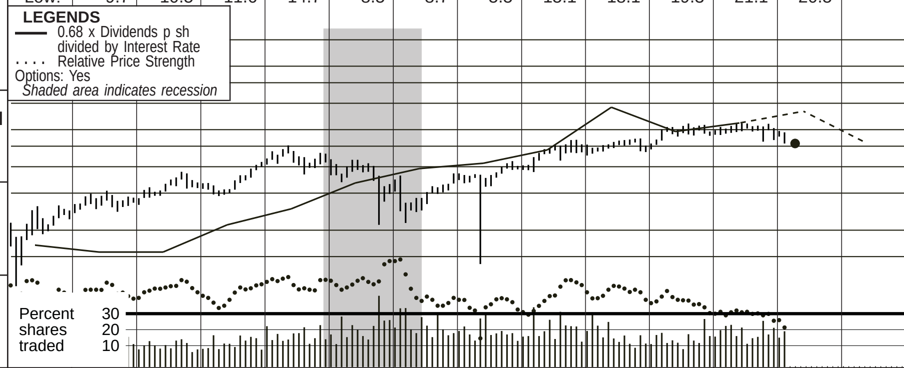
CENTERPOINT EN'RGY NYSE-CNP

RECENT PRICE	20.64	P/E RATIO	17.8 (Trailing: 14.5; Median: 15.0)	RELATIVE P/E RATIO	0.97	DIV'D YLD	4.8%	VALUE LINE

TIMELINESS 3 Raised 6/13/14
SAFETY 2 Raised 9/21/12
TECHNICAL 3 Raised 2/27/15
BETA .80 (1.00 = Market)

High:	12.3	15.1	16.9	20.2	17.3	14.9	17.0	21.5	21.8	25.7	25.8	23.7
Low:	9.7	10.5	11.6	14.7	8.5	8.7	5.5	15.1	18.1	19.3	21.1	20.5

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



Target Price Range

2018	2019	2020

64 – 48 – 40 – 32 – 24 – 20 – 16 – 12 – 8 – 6

Percent shares traded 30 20 10

% TOT. RETURN 2/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-8.4	8.2
3 yr.	19.9	60.8
5 yr.	91.7	110.1

2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	30	(+45%)	13%
Low	20	(-5%)	4%

Insider Decisions

	A	M	J	J	A	S	O	N	D
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	1	0	0	0	0	0	0

Institutional Decisions

	2Q2014	3Q2014	4Q2014
to Buy	173	178	209
to Sell	204	172	175
Hld's(000)	332822	332188	329263

1999	2000	2001A	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
--	--	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	***21.45***	***21.35***	***22.00***	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	***3.85***	***3.55***	***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	1.42	***1.05***	***1.15***	Earnings per sh B	1.45
--	--	1.50	1.07	.40	.40	.40	.60	.68	.73	.76	.78	.79	.81	.83	.95	***.99***	***1.03***	Div'd Decl'd per sh C ■	1.15
--	--	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***	***3.45***	***3.25***	Cap'l Spending per sh	3.00
--	--	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	***10.60***	***10.65***	***10.85***	Book Value per sh D	12.00
--	--	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***	***436.00***	Common Shs Outst'g E	450.00
--	--	--	5.6	6.0	17.8	19.1	10.3	15.0	11.3	11.8	13.8	14.6	14.8	18.7	17.0	*Bold figures are*		Avg Ann'l P/E Ratio	16.5
--	--	--	.31	.34	.94	1.02	.56	.80	.68	.79	.88	.92	.94	1.05	.90	*Value Line*		Relative P/E Ratio	1.05
--	--	--	14.8%	4.8%	3.7%	3.1%	4.4%	3.9%	5.0%	6.4%	5.3%	4.3%	4.0%	3.6%	3.9%	*estimates*		Avg Ann'l Div'd Yield	4.8%

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: $8.9 billion (Large Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
9722.0	9319.0	9623.0	11322	8281.0	8785.0	8450.0	7452.0	8106.0	9226.0	***9200***	***9600***	Revenues ($mill)	11000
225.0	432.0	399.0	447.0	372.0	442.0	546.0	581.0	536.0	611.0	***455***	***505***	Net Profit ($mill)	665
40.5%	12.6%	32.8%	38.3%	32.1%	37.3%	33.6%	33.4%	31.4%	31.0%	***37.0%***	***37.0%***	Income Tax Rate	37.0%
1.8%	2.3%	5.5%	2.7%	1.3%	2.7%	1.6%	2.6%	3.5%	***3.0%***	***4.0%***	***3.0%***	AFUDC % to Net Profit	2.0%
86.9%	83.4%	82.2%	83.3%	77.6%	73.8%	67.2%	66.0%	64.4%	***64.0%***	***63.5%***	***61.5%***	Long-Term Debt Ratio	58.0%
13.1%	16.6%	17.8%	16.7%	22.4%	26.2%	32.8%	34.0%	35.6%	***36.0%***	***36.5%***	***38.5%***	Common Equity Ratio	42.0%
9864.0	9358.0	10174	12218	11758	12199	12863	12658	12146	***12550***	***12525***	***12325***	Total Capital ($mill)	12900
8492.0	9204.0	9740.0	10296	10788	11732	12402	13597	9593.0	10502	***11150***	***11725***	Net Plant ($mill)	13200
5.3%	7.8%	6.9%	6.0%	5.8%	6.1%	6.4%	6.8%	6.3%	***6.5%***	***5.5%***	***5.5%***	Return on Total Cap'l	6.5%
17.4%	27.8%	22.0%	21.9%	14.1%	13.8%	12.9%	13.5%	12.4%	***13.5%***	***10.0%***	***10.5%***	Return on Shr. Equity	12.5%
17.4%	27.8%	22.0%	21.9%	14.1%	13.8%	12.9%	13.5%	12.4%	***13.5%***	***10.0%***	***10.5%***	Return on Com Equity F	12.5%
7.8%	15.7%	10.0%	9.9%	3.6%	3.8%	5.0%	5.5%	4.2%	***4.5%***	***.5%***	***1.0%***	Retained to Com Eq	3.0%
55%	43%	55%	55%	74%	72%	62%	60%	66%	***67%***	***94%***	***89%***	All Div'ds to Net Prof	77%

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 '18-'20
Revenues	-5.0%	-9.5%	4.0%
"Cash Flow"	--	1.0%	2.5%
Earnings	-1.0%	.5%	1.5%
Dividends	-2.0%	4.0%	5.0%
Book Value	-1.0%	13.0%	2.5%

QUARTERLY REVENUES ($ mill.)

Cal-endar	Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2012	2084	1525	1705	2138	7452.0
2013	2388	1894	1640	2184	8106.0
2014	3163	1884	1807	2372	9226.0
2015	***2750***	***2000***	***2000***	***2450***	***9200***
2016	***2850***	***2100***	***2100***	***2550***	***9600***

EARNINGS PER SHARE B

Cal-endar	Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2012	.34	.29	.40	.31	1.35
2013	.34	.29	.35	.26	1.24
2014	.43	.25	.33	.41	1.42
2015	***.30***	***.20***	***.25***	***.30***	***1.05***
2016	***.33***	***.22***	***.27***	***.33***	***1.15***

QUARTERLY DIVIDENDS PAID C ■

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.1975	.1975	.1975	.1975	.79
2012	.2025	.2025	.2025	.2025	.81
2013	.2075	.2075	.2075	.2075	.83
2014	.2375	.2375	.2375	.2375	.95
2015	.2475				

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.

The sharp drop in oil prices since mid-2014 has hurt CenterPoint Energy. The company has a 55.4% stake in Enable Midstream Partners, an oil and gas master limited partnership. Due to the decline in oil prices, the rig count where Enable operates has also declined. Thus, distributions (and equity income) from CenterPoint's interest in Enable this year will be less than initially expected. Accordingly, management expects earnings to fall to $1.00-$1.10 a share in 2015. CenterPoint was one of the worst-performing electric utility equities in 2014, posting a total return of just 5% in what was an outstanding year for most other utilities, and the stock price has fallen 12% so far this year.

The dividend was raised in the first quarter, but by less than previously expected. In mid-2014, CenterPoint stated its expectation of 8%-10% dividend growth annually for a three-year period. However, this happened when oil prices were well above the levels seen in early 2015. Thus, with the distribution from Enable turning out less than expected, the board of directors raised the quarterly dividend by a cent a share (4.2%) in the first quarter. This is still a decent growth rate, but not 8%-10%.

Some of CenterPoint's utility operations will seek rate relief this year. Houston Electric is underearning its allowed return on equity, so next month the utility will make a filing to recover distribution spending it has made since its last rate case under a ratemaking mechanism for electric companies in Texas. On the gas side, CenterPoint expects to put forth rate applications in Texas, Minnesota, and Arkansas.

We expect earnings to make a partial recovery in 2016. The aforementioned rate filings should help. We also look for increased equity income from Enable, based on our forecast that oil prices will be higher than in 2015.

CenterPoint stock has one of the highest dividend yields of any utility issue. It is about a percentage point above the industry mean. Total return potential to 2018-2020 is also above average for a utility. The stock is attractive for income-oriented investors.

Paul E. Debbas, CFA *March 20, 2015*

(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¢). '12 EPS don't add due to rounding. Next egs. report due early May. (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

CLECO CORPORATION NYSE-CNL

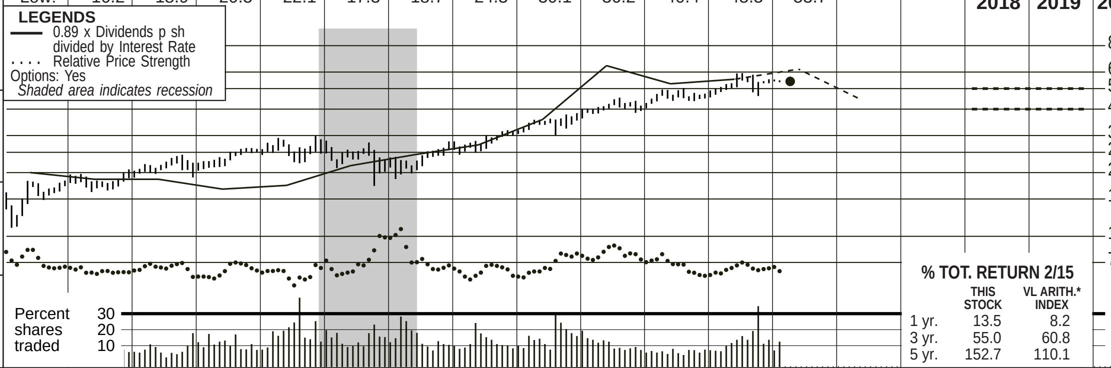
RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD
54.21	25.2 (Trailing: 21.3 Median: 14.0)	1.37	3.0%

VALUE LINE

TIMELINESS – Suspended 10/31/14
SAFETY 1 Raised 6/22/12
TECHNICAL – Suspended 10/31/14
BETA .75 (1.00 = Market)

High:	20.8	24.4	26.2	29.8	28.4	28.1	31.8	38.3	45.3	50.4	59.2	55.2
Low:	16.2	18.9	20.5	22.1	17.3	18.7	24.3	30.1	36.2	40.4	45.5	53.7

Target Price Range 2018 | 2019 | 2020



2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(-10%)	2%
Low	40	(-25%)	-3%

Insider Decisions

	A	M	J	J	A	S	O	N	D
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	1	0

Institutional Decisions

	2Q2014	3Q2014	4Q2014
to Buy	114	106	104
to Sell	112	122	135
Hld's(000)	44575	44513	44848

% TOT. RETURN 2/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	13.5	8.2
3 yr.	55.0	60.8
5 yr.	152.7	110.1

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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	21.00	21.50	22.30	Revenues per sh	24.75
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	5.30	5.00	5.50	"Cash Flow" per sh	6.50
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	2.55	2.10	2.35	Earnings per sh A	2.75
.83	.85	.87	.90	.90	.90	.90	.90	.90	.90	.90	.98	1.12	1.30	1.43	1.56	1.60	1.68	Div'd Decl'd per sh B ■	1.90
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	2.90	Cap'l Spending per sh	3.25
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	26.95	27.40	28.10	Book Value per sh C	30.50
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	60.50	Common Shs Outst'g D	60.50
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	20.5	Bold figures are		Avg Ann'l P/E Ratio	16.0
.76	.86	.75	.67	.71	.73	.80	.93	1.04	.85	.88	.78	.83	.95	.97	1.08	Value Line		Relative P/E Ratio	1.00
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%	3.0%	estimates		Avg Ann'l Div'd Yield	4.3%

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)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
920.2	1000.7	1030.6	1080.2	853.8	1148.7	1117.3	993.7	1096.7	1269.5	1300	1350	Revenues ($mill)	1500
75.0	74.7	79.6	102.1	106.3	139.5	157.8	163.6	160.7	154.7	125	145	Net Profit ($mill)	165
39.2%	36.0%	24.3%	15.3%	8.3%	44.1%	30.6%	28.5%	33.1%	30.3%	36.0%	38.5%	Income Tax Rate	38.5%
4.3%	14.2%	57.9%	82.8%	93.5%	12.2%	4.3%	5.5%	3.4%	4.5%	3.0%	3.0%	AFUDC % to Net Profit	2.0%
46.3%	40.9%	43.2%	51.1%	54.2%	51.5%	48.5%	45.6%	45.3%	45.5%	46.0%	45.0%	Long-Term Debt Ratio	43.0%
52.0%	57.8%	56.7%	48.9%	45.8%	48.5%	51.5%	54.4%	54.7%	54.5%	54.0%	55.0%	Common Equity Ratio	57.0%
1315.9	1515.6	1780.5	2167.7	2436.4	2717.9	2756.9	2756.5	2901.7	2975	3055	3100	Total Capital ($mill)	3250
1188.7	1304.9	1725.9	2045.3	2247.0	2784.2	2893.9	3009.5	3083.1	3165.5	3145	3135	Net Plant ($mill)	3050
7.1%	6.3%	5.6%	6.1%	5.9%	6.6%	7.0%	7.3%	6.8%	6.5%	5.5%	6.0%	Return on Total Cap'l	6.5%
10.6%	8.3%	7.9%	9.6%	9.5%	10.6%	11.1%	10.9%	10.1%	9.5%	7.5%	8.5%	Return on Shr. Equity	9.0%
10.7%	8.3%	7.8%	9.6%	9.5%	10.6%	11.1%	10.9%	10.1%	9.5%	7.5%	8.5%	Return on Com Equity E	9.0%
4.1%	3.0%	2.6%	4.5%	4.7%	6.1%	6.3%	5.7%	4.7%	3.5%	2.0%	2.5%	Retained to Com Eq	3.0%
62%	65%	68%	53%	51%	42%	43%	48%	54%	61%	76%	70%	All Div'ds to Net Prof	69%

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 '18-'20
Revenues	-1.0%	- -	5.0%
"Cash Flow"	6.0%	12.0%	3.0%
Earnings	6.5%	12.5%	.5%
Dividends	3.5%	7.5%	6.0%
Book Value	8.5%	8.5%	3.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	304.6	1269.5
2015	280	315	390	315	1300
2016	290	325	410	325	1350

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.50	.77	1.05	.38	2.70
2013	.45	.69	1.09	.41	2.65
2014	.43	.60	1.17	.35	2.55
2015	.30	.50	1.00	.30	2.10
2016	.35	.55	1.10	.35	2.35

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	1.56
2015	.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 Corporation's shareholders overwhelmingly approved the takeover of the company. Of the shareholders who voted, 94% (representing 77% of the shares outstanding) favored the transaction. Under the terms of the agreement, a consortium led by Macquarie Infrastructure Partners and British Columbia Energy would pay $55.37 in cash for each share of Cleco stock. The transaction still requires the approval of the Louisiana Public Service Commission (LPSC) and the Federal Energy Regulatory Commission. Cleco expects the deal to be completed in the second half of 2015. Due to the takeover agreement, the Timeliness rank of Cleco stock is suspended.

We believe stockholders should sell their shares on the open market. At more than 24 times estimated 2015 earnings, the offer is very generous. The recent price is just 2% below the buyout price, leaving little upside potential for shareholders. By selling now, shareholders eliminate the downside risk that arises from the possibility that the transaction fails to win regulatory approval. At this juncture, there does not appear to be significant regulatory risk, but given the track record of mergers and acquisitions in this industry, an unfavorable surprise cannot be ruled out.

We expect no increase in the dividend as long as the acquisition is pending. The dividend yield is low, by utility standards.

Earnings are likely to decline materially in 2015. The LPSC reduced Cleco's allowed return on equity in 2014, so the utility will operate under a full year with the lower allowed ROE this year. In addition, the tax rate is likely to be significantly higher than a year ago. Our estimate of $2.25 a share is below management's targeted range of $2.28-$2.38 because we *include* merger-related expenses, but the company excludes these costs.

We forecast higher profits in 2016. If Cleco is still a publicly traded stock next year, this indicates that the deal fell through. Accordingly, we assume no merger-related costs in our $2.35-a-share estimate. We figure that the utility will benefit from modest load growth. Finally, we expect a dividend increase.

Paul E. Debbas, CFA *March 20, 2015*

(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 discontinued operations: '00, 14¢; '01, 4¢. '13 EPS don't add due to rounding. Next earnings report due early May. (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. (E) Rate base: Net original 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	90
Earnings Predictability	80

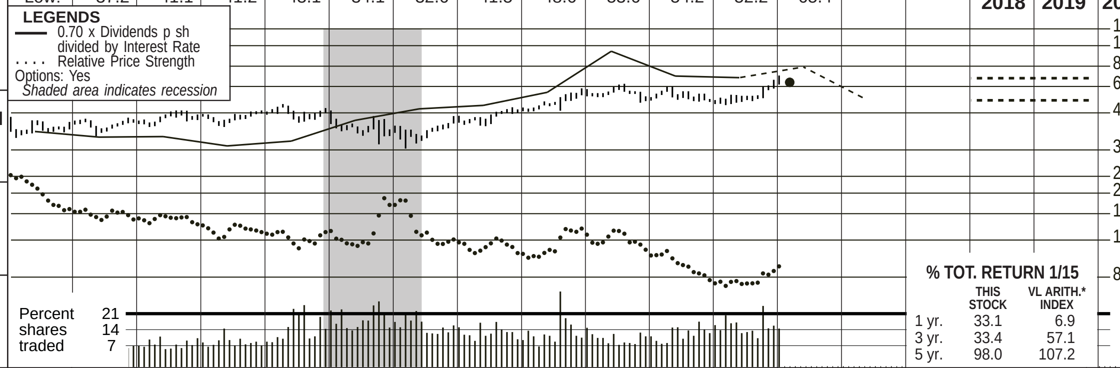
CON. EDISON NYSE-ED

RECENT PRICE **67.00** | P/E RATIO **17.2** (Trailing: 16.1 / Median: 15.0) | RELATIVE P/E RATIO **0.93** | DIV'D YLD **3.9%** | **VALUE LINE**

TIMELINESS 4 Lowered 12/5/14
SAFETY 1 New 7/27/90
TECHNICAL 5 Lowered 2/20/15
BETA .60 (1.00 = Market)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
High:	45.6	49.3	49.3	52.9	49.3	46.3	51.0	62.7	66.0	64.0	68.9	72.3
Low:	37.2	41.1	41.2	43.1	34.1	32.6	41.5	48.6	53.6	54.2	52.2	65.4

Target Price Range
2018 | 2019 | 2020



2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(+5%)	*5%*
Low	55	(-20%)	*Nil*

Insider Decisions

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

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	309	306	291
to Sell	249	262	252
Hld's(000)	141570	144306	146934

% TOT. RETURN 1/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	33.1	6.9
3 yr.	33.4	57.1
5 yr.	98.0	107.2

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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*	*46.10*	Revenues per sh	*50.25*
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*	*8.40*	"Cash Flow" per sh	*9.50*
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*	*4.10*	Earnings per sh A	*4.50*
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	*2.60*	*2.68*	Div'd Decl'd per sh B ■	*2.90*
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*	*9.80*	Cap'l Spending per sh	*9.50*
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*	*44.65*	*46.10*	Book Value per sh C	*51.00*
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*	*293.00*	Common Shs Outst'g D	*293.00*
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	*14.8*	*Bold figures are*		Avg Ann'l P/E Ratio	*14.0*
.80	.78	.61	.73	.82	.96	.80	.84	.73	.74	.83	.85	.95	.98	.83	*.75*	*Value Line*		Relative P/E Ratio	*.90*
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%	4.4%	*estimates*		Avg Ann'l Div'd Yield	*4.6%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $12620 mill. **Due in 5 Yrs** $4424 mill.
LT Debt $10985 mill. **LT Interest** $538 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 292,887,896 shs.
as of 10/31/14
MARKET CAP: $20 billion (Large Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
11690	12137	13120	13583	13032	13325	12938	12188	12381	*13000*	*13100*	*13500*	Revenues ($mill)	*14750*
719.0	749.0	936.0	933.0	868.0	992.0	1062.0	1141.0	1157.0	*1145*	*1170*	*1215*	Net Profit ($mill)	*1325*
33.6%	35.2%	32.6%	36.0%	34.2%	36.0%	36.1%	34.5%	31.8%	*34.0%*	*34.0%*	*34.0%*	Income Tax Rate	*34.0%*
2.2%	1.6%	1.9%	1.7%	2.6%	2.4%	1.6%	.5%	.5%	*1.0%*	*1.0%*	*Nil*	AFUDC % to Net Profit	*Nil*
49.6%	50.2%	45.6%	48.3%	48.5%	48.6%	46.5%	45.9%	46.1%	*48.5%*	*48.0%*	*49.5%*	Long-Term Debt Ratio	*48.0%*
49.0%	48.5%	53.1%	50.6%	50.4%	50.4%	52.5%	54.1%	53.9%	*51.5%*	*52.0%*	*50.5%*	Common Equity Ratio	*52.0%*
14921	16515	16687	19160	20330	21952	21794	21933	22735	*24525*	*25225*	*26625*	Total Capital ($mill)	*28800*
17112	18445	19914	20874	22464	23863	25093	26939	28436	*30175*	*32000*	*33625*	Net Plant ($mill)	*37700*
6.3%	6.0%	7.0%	6.2%	5.7%	5.9%	6.2%	6.5%	6.4%	*6.0%*	*6.0%*	*5.5%*	Return on Total Cap'l	*6.0%*
9.6%	9.1%	10.3%	9.4%	8.3%	8.8%	9.1%	9.6%	9.4%	*9.0%*	*9.0%*	*9.0%*	Return on Shr. Equity	*9.0%*
9.7%	9.2%	10.4%	9.5%	8.4%	8.9%	9.2%	9.6%	9.4%	*9.0%*	*9.0%*	*9.0%*	Return on Com Equity E	*9.0%*
2.6%	2.6%	3.9%	3.1%	2.5%	3.2%	3.1%	3.6%	3.6%	*3.0%*	*3.0%*	*3.0%*	Retained to Com Eq	*3.0%*
74%	73%	63%	67%	71%	65%	66%	62%	62%	*65%*	*65%*	*65%*	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 '18-'20**
Revenues	- -	-2.5%	*2.5%*
"Cash Flow"	2.5%	4.5%	*4.5%*
Earnings	2.0%	3.0%	*2.5%*
Dividends	1.0%	1.0%	*2.5%*
Book Value	4.0%	4.0%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	3078	2771	3438	2901	12188
2013	3306	2767	3440	2868	12381
2014	3789	2911	3390	*2910*	*13000*
2015	*3650*	*2950*	*3500*	*3000*	*13100*
2016	*3750*	*3050*	*3600*	*3100*	*13500*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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*
2016	*1.20*	*.70*	*1.55*	*.65*	*4.10*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	.63	2.52
2015	.65				

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.

Consolidated Edison's largest utility subsidiary has filed an electric rate case. Consolidated Edison Company of New York (CECONY) is seeking a rate hike of $368 million (7.2%), based on a return of 10% on a common-equity ratio of 48%. The application is driven by a need to recover spending to enhance system reliability. The utility is also asking for a higher allowed ROE. Electric rates are frozen through year-end 2015, so new tariffs won't take effect until the start of 2016. (Gas and steam rates are frozen through year-end 2016.) CECONY isn't requesting rate increases for 2017 and 2018, but would consider (through settlement talks) a plan that would provide for additional hikes of $310 million in 2017 and $156 million in 2018.

Orange and Rockland Utilities also has a rate application pending. O&R is seeking electric and gas rate hikes of $33.4 million and $40.7 million, respectively, based on a return of 9.75% on a common-equity ratio of 48%. New tariffs should take effect on November 1st.

We estimate just a slight earnings increase in 2015, but a greater advance in 2016. ConEd is benefiting from customer conversions from oil heat to gas heat, and even the steep drop in oil prices in recent months hasn't stopped this. We base our 2016 forecast on reasonable regulatory treatment for CECONY and O&R.

The board of directors has raised the dividend. The quarterly increase was $0.02 a share (3.2%). ConEd is targeting a payout ratio of 60%-70%.

The National Transportation Safety Board has yet to release its findings about an explosion of a gas pipeline in New York last March. Eight people were killed in the accident, and dozens more were injured. ConEd is facing litigation, but has insurance and has not taken a reserve. Despite the uncertainty . . .

The price of this untimely stock is up 6% so far this year. The explosion hasn't had much influence on the quotation, but investors should keep an eye on this matter. The dividend yield is slightly above the utility mean. However, with the recent price near the upper end of our 3- to 5-year Target Price Range, total return potential is low.

Paul E. Debbas, CFA *February 20, 2015*

(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 May. **(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	55
Earnings Predictability	85

DTE ENERGY CO. NYSE-DTE

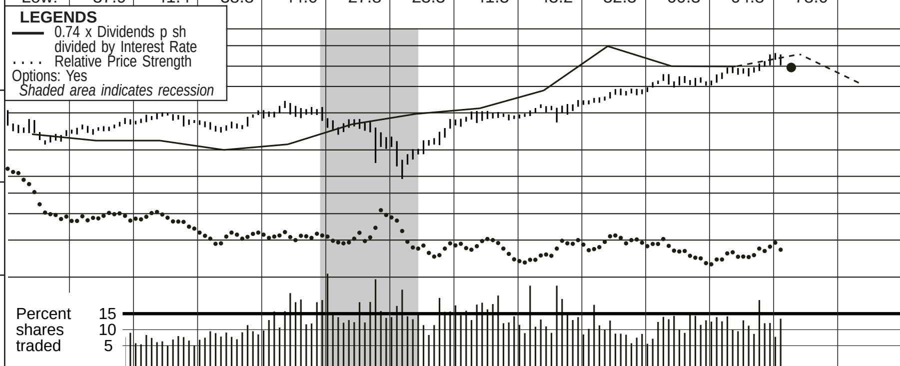
RECENT PRICE	78.78	P/E RATIO	15.5 (Trailing: 15.4 / Median: 15.0)	RELATIVE P/E RATIO	0.84	DIV'D YLD	3.6%	VALUE LINE

TIMELINESS 3 Lowered 11/7/14
SAFETY 2 Raised 12/21/12
TECHNICAL 3 Raised 3/20/15
BETA .75 (1.00 = Market)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
High:	45.5	48.3	49.2	54.7	45.3	45.0	49.1	55.3	62.6	73.3	90.8
Low:	37.9	41.4	38.8	44.0	27.8	23.3	41.3	43.2	52.5	60.3	64.8

High:	45.5, 48.3, 49.2, 54.7, 45.3, 45.0, 49.1, 55.3, 62.6, 73.3, 90.8, 92.3
Low:	37.9, 41.4, 38.8, 44.0, 27.8, 23.3, 41.3, 43.2, 52.5, 60.3, 64.8, 78.0

Target Price Range
2018 | 2019 | 2020



2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	90	(+15%)	*7%*
Low	65	(-15%)	*Nil*

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	0	0	0	0	0	0	0	0
Options	1	1	0	0	2	0	0	1	0
to Sell	1	2	0	0	4	0	0	2	1

Institutional Decisions

	2Q2014	3Q2014	4Q2014
to Buy	204	177	216
to Sell	191	204	189
Hld's(000)	114784	113691	111883

% TOT. RETURN 2/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	18.4	8.2
3 yr.	70.4	60.8
5 yr.	132.7	110.1

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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	***69.50***	***64.05***	***65.40***	**Revenues per sh**	***71.25***
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	***11.85***	***11.65***	***12.25***	**"Cash Flow" per sh**	***14.50***
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	5.10	***4.55***	***4.85***	**Earnings per sh A**	***5.75***
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***	***2.98***	**Div'd Decl'd per sh B ■**	***3.50***
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	***11.60***	***12.80***	***12.80***	**Cap'l Spending per sh**	***13.00***
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	***47.05***	***49.20***	***51.60***	**Book Value per sh C**	***59.00***
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***	***179.50***	***183.50***	**Common Shs Outst'g D**	***192.00***
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	14.9	***Bold figures are***		**Avg Ann'l P/E Ratio**	***13.5***
.66	.67	.99	.62	.78	.85	.73	.94	.97	.89	.69	.78	.85	.95	1.01	.79	***Value Line***		**Relative P/E Ratio**	***.85***
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%	3.5%	***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: $14 billion (Large Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
9022.0	9022.0	8861.0	9329.0	8014.0	8557.0	8897.0	8791.0	9661.0	12301	***11500***	***12000***	**Revenues ($mill)**	***13700***
576.0	437.0	453.0	445.0	532.0	630.0	624.0	666.0	661.0	911.0	***815***	***885***	**Net Profit ($mill)**	***1125***
26.0%	23.9%	25.1%	34.9%	31.6%	32.7%	35.9%	29.8%	27.5%	28.5%	***30.0%***	***30.0%***	**Income Tax Rate**	***30.0%***
1.0%	5.0%	7.1%	11.2%	2.6%	1.6%	1.6%	3.0%	3.5%	***4.0%***	***4.0%***	***4.0%***	**AFUDC % to Net Profit**	***3.0%***
55.1%	56.1%	54.4%	56.4%	54.0%	51.3%	50.6%	48.8%	47.7%	***50.0%***	***50.0%***	***50.0%***	**Long-Term Debt Ratio**	***51.0%***
44.9%	43.9%	45.6%	43.6%	46.0%	48.7%	49.4%	51.2%	52.3%	***50.0%***	***50.0%***	***50.0%***	**Common Equity Ratio**	***49.0%***
12849	13323	12824	13736	13648	13811	14196	14387	15135	***16675***	***17675***	***18925***	**Total Capital ($mill)**	***23200***
10830	11451	11408	12231	12431	12992	13746	14684	15800	16820	***17850***	***18825***	**Net Plant ($mill)**	***21500***
6.3%	5.1%	5.3%	5.0%	5.7%	6.3%	5.9%	6.1%	5.7%	***6.5%***	***6.0%***	***6.0%***	**Return on Total Cap'l**	***6.0%***
10.0%	7.5%	7.7%	7.4%	8.5%	9.4%	8.9%	9.0%	8.3%	***11.0%***	***9.0%***	***9.5%***	**Return on Shr. Equity**	***10.0%***
10.0%	7.5%	7.7%	7.4%	8.5%	9.4%	8.9%	9.0%	8.3%	***11.0%***	***9.0%***	***9.5%***	**Return on Com Equity E**	***10.0%***
3.7%	1.2%	1.5%	1.7%	2.9%	4.0%	3.4%	3.5%	2.7%	***5.0%***	***3.5%***	***3.5%***	**Retained to Com Eq**	***4.0%***
63%	84%	80%	77%	65%	57%	62%	61%	67%	***52%***	***62%***	***61%***	**All Div'ds to Net Prof**	***59%***

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 '18-'20**
Revenues	2.0%	-.5%	*4.5%*
"Cash Flow"	3.0%	3.5%	*5.5%*
Earnings	2.5%	7.5%	*6.0%*
Dividends	1.5%	3.0%	*5.5%*
Book Value	4.0%	4.0%	*4.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	2239	2013	2190	2349	8791.0
2013	2516	2225	2387	2533	9661.0
2014	3930	2698	2595	3078	12301
2015	***3300***	***2600***	***2700***	***2900***	***11500***
2016	***3500***	***2700***	***2800***	***3000***	***12000***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.91	.87	1.30	.79	3.88
2013	1.34	.60	1.13	.69	3.76
2014	1.84	.70	.88	1.68	5.10
2015	***1.60***	***.75***	***1.05***	***1.15***	***4.55***
2016	***1.70***	***.80***	***1.10***	***1.25***	***4.85***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.56	.56	.5875	.5875	2.30
2012	.5875	.5875	.5875	.62	2.38
2013	.62	.62	.655	.655	2.55
2014	.655	.655	.655	.69	2.66
2015	.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 subsidiary has filed a general rate case. DTE Electric is seeking a tariff hike of $370 million, based on a return of 10.75% on a common-equity ratio of 50%. Capital additions, including the purchase of a 732-megawatt gas-fired generating facility in early 2015 at a cost of $240 million, are driving the filing. Under Michigan regulatory law, the utility will self-implement an interim rate increase in June, with the final order coming in December.

Investors should not be alarmed by the earnings decline we estimate for 2015. Our presentation *includes* mark-to-market accounting gains or losses because they are an ongoing part of DTE Energy's operations. These boosted profits by $0.57 a share in 2014. Favorable weather conditions added another $0.12 a share to the bottom line. Otherwise, DTE Energy's operations are performing well. Interim rate relief and effective cost control should benefit DTE Electric. On the nonregulated side, higher income from natural gas pipelines and an improved performance from the company's portfolio of renewable-energy projects should be the key factors. Our 2015 earnings estimate is within the company's targeted range of $4.48-$4.72 a share.

We forecast higher profits in 2016. DTE Electric will have a full year of rate relief. DTE Gas will continue to benefit from a regulatory mechanism that allows for current recovery of certain kinds of capital expenditures. (Even with this mechanism, a general rate application is likely in 2016 or 2017.) We expect continued growth from some of DTE Energy's nonutility activities, particularly its pipeline and its industrial energy services (e.g., cogeneration) operations. (A proposed one-third interest in a pipeline from Michigan to the Utica Shale region would enhance this segment's long-term profit potential.) Our estimate of $4.85 a share would produce earnings growth slightly above management's annual goal of 5%-6%.

DTE Energy's strengths are reflected in the recent price. The dividend yield is about average for a utility, and with the quotation above the midpoint of our 2018-2020 Target Price Range, total return potential is low.

Paul E. Debbas, CFA *March 20, 2015*

(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 late April. (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	76.66	P/E RATIO	24.6 (Trailing: 25.2) (Median: 17.0)	RELATIVE P/E RATIO	1.34	DIV'D YLD	3.4%	VALUE LINE

TIMELINESS 3 Raised 11/15/13
SAFETY 2 Raised 9/11/98
TECHNICAL 4 Lowered 2/13/15
BETA .70 (1.00 = Market)

High:	34.4	43.5	42.2	49.4	48.5	39.8	45.1	53.6	55.6	68.0	80.9	79.9
Low:	30.4	33.3	34.4	39.8	31.3	27.1	36.1	42.1	48.9	51.9	63.1	74.7

Target Price Range 2018 | 2019 | 2020

2018-20 PROJECTIONS

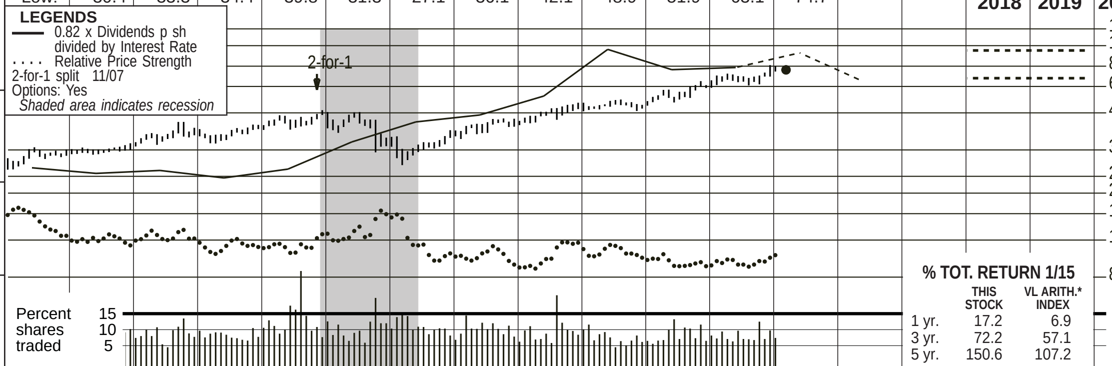
	Price	Gain	Ann'l Total Return
High	95	(+25%)	9%
Low	70	(-10%)	2%

Insider Decisions

	M	A	M	J	J	A	S	O	N
to Buy	0	0	5	0	0	1	0	0	2
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	350	353	325
to Sell	377	391	376
Hld's(000)	345498	344597	350385



% TOT. RETURN 1/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	17.2	6.9
3 yr.	72.2	57.1
5 yr.	150.6	107.2

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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	*21.30*	*20.55*	*20.30*	Revenues per sh	*21.25*
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	*5.70*	*6.40*	*6.60*	"Cash Flow" per sh	*8.25*
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	3.05	*3.55*	*3.75*	Earnings per sh A	*4.75*
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	*2.59*	*2.80*	Div'd Decl'd per sh B ■	*3.50*
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	*9.15*	*9.80*	*9.10*	Cap'l Spending per sh	*7.25*
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*	*22.40*	*24.80*	Book Value per sh C	*28.50*
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	*584.00*	*596.00*	*618.00*	Common Shs Outst'g D	*630.00*
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	23.0	*Bold figures are*		Avg Ann'l P/E Ratio	*17.5*
.83	1.26	1.07	.66	.87	.80	1.33	.86	1.09	.83	.85	.91	1.09	1.20	1.08	1.20	*Value Line*		Relative P/E Ratio	*1.10*
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%	3.4%	*estimates*		Avg Ann'l Div'd Yield	*4.2%*

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: $45 billion (Large Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
18041	16482	15674	16290	15131	15197	14379	13093	13120	12436	*12250*	*12550*	Revenues ($mill)	*13450*
1050.0	1704.0	1414.0	1781.0	1585.0	1724.0	1603.0	1594.0	1806.0	1798.0	*2135*	*2290*	Net Profit ($mill)	*3080*
35.7%	35.5%	33.4%	37.1%	33.2%	38.6%	34.6%	36.2%	33.0%	28.1%	*33.0%*	*32.5%*	Income Tax Rate	*31.0%*
9.7%	7.9%	7.3%	4.9%	4.8%	5.9%	5.3%	5.7%	3.7%	*7.0%*	*7.0%*	*6.0%*	AFUDC % to Net Profit	*4.0%*
57.9%	52.9%	57.8%	59.1%	57.5%	56.3%	59.8%	60.9%	61.9%	*64.5%*	*62.5%*	*60.5%*	Long-Term Debt Ratio	*58.0%*
41.1%	46.2%	41.1%	39.8%	41.5%	42.8%	39.3%	38.2%	37.3%	*35.5%*	*37.5%*	*39.5%*	Common Equity Ratio	*42.0%*
25307	27961	22898	25290	26923	28012	29097	27676	31229	*33750*	*35700*	*38875*	Total Capital ($mill)	*42700*
28940	29382	21352	23274	25592	26713	29670	30773	32628	36270	*40425*	*44250*	Net Plant ($mill)	*51700*
6.1%	7.9%	8.0%	8.7%	7.5%	7.7%	7.0%	7.5%	7.3%	*6.5%*	*7.5%*	*7.0%*	Return on Total Cap'l	*8.5%*
9.9%	12.9%	14.6%	17.2%	13.9%	14.1%	13.7%	14.7%	15.2%	*15.0%*	*16.0%*	*15.0%*	Return on Shr. Equity	*17.0%*
9.9%	13.1%	14.9%	17.5%	14.0%	14.2%	13.9%	14.9%	15.4%	*15.0%*	*16.0%*	*15.0%*	Return on Com Equity E	*17.0%*
1.1%	5.6%	5.0%	8.4%	4.7%	5.3%	4.0%	3.5%	4.2%	*3.0%*	*4.5%*	*4.0%*	Retained to Com Eq	*4.5%*
89%	58%	67%	52%	67%	63%	71%	77%	73%	*78%*	*72%*	*74%*	All Div'ds to Net Prof	*72%*

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 '18-'20
Revenues	2.5%	-2.0%	*-1.5%*
"Cash Flow"	2.5%	1.0%	*6.5%*
Earnings	4.0%	2.5%	*7.5%*
Dividends	5.0%	7.5%	*7.5%*
Book Value	2.0%	2.5%	*5.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	3462	3053	3411	3167	13093
2013	3523	2980	3432	3185	13120
2014	3630	2813	3050	2943	12436
2015	*3350*	*2800*	*3100*	*3000*	*12250*
2016	*3500*	*2850*	*3150*	*3050*	*12550*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.86	.48	.80	.61	2.75
2013	.86	.47	1.02	.74	3.09
2014	1.03	.60	.95	.46	3.05
2015	*.90*	*.70*	*1.05*	*.90*	*3.55*
2016	*.95*	*.75*	*1.10*	*.95*	*3.75*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	.60	2.40
2015	.6475				

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.

Significant investments in most of Dominion Resources' lines of business should drive earnings growth through the end of the decade. The company's regulated utility subsidiary, Virginia Power, is spending money on gas-fired and solar generation; electric transmission; moving some distribution lines underground; substation security; and hooking up additional customers. Some 75% of its spending is recoverable via "riders" on customers' bills, obviating the need for a general rate case. Dominion Energy, which is involved in midstream gas and gas distribution, is benefiting from gas production in the Marcellus and Utica shale regions. The company also has a joint venture in a (primarily) fee-based business that serves producers in these regions.

Our 2015 earnings estimate is near the low end of the company's guidance of $3.50-$3.85 a share. In most years, Dominion has expenses that we include in our presentation, even though the company excludes them from its definition of operating earnings. The fourth quarter of 2014, which includes charges totaling $0.42 a share for the early retirement of debt and future ash pond closure costs, is such an example. We forecast an earnings increase in 2016 in line with Dominion's near-term target of 5%-6% yearly growth.

Dominion Midstream Partners should be a good source of cash for Dominion. This master limited partnership had an initial public offering last fall. Dominion plans to drop down gas assets to Dominion Midstream, including a gas pipeline in South Carolina the company bought this quarter for $493 million. Dominion is also building a gas pipeline for $500 million and has a 45% stake in a $4.5 billion-$5.0 billion proposed pipeline. But the company's largest single investment is a project to convert a natural gas liquids terminal from an import to an export facility. All told, Dominion Midstream expects to increase its annual distributions by a whopping 22% through 2020.

The board of directors has increased the annual dividend by $0.19 a share (7.9%). Dominion is targeting annual dividend growth of 8% through 2020. The yield is average for a utility, but 3- to 5-year total return potential is modest.

Paul E. Debbas, CFA *February 20, 2015*

(A) Dil. egs. 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¢. '14 EPS don't add due to rounding. Next egs. due late Apr. (B) Div'ds histor. paid in mid-Mar., June, Sept., & Dec. ■ Div'd reinvest. 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

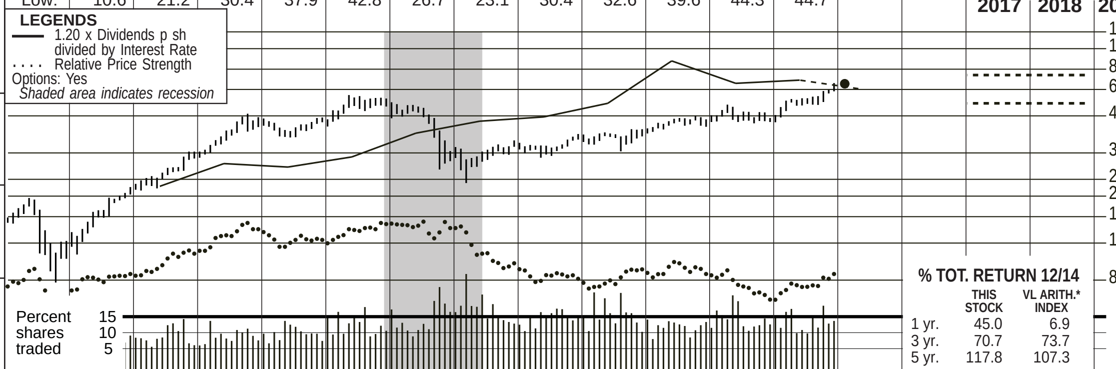
RECENT PRICE 68.17 | P/E RATIO 17.8 (Trailing: 17.0 / Median: 12.0) | RELATIVE P/E RATIO 0.97 | DIV'D YLD 2.5% | VALUE LINE

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

Target Price Range 2017 2018 2019

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

Percent shares traded 15 10 5

% 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%*
						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%*

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)

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

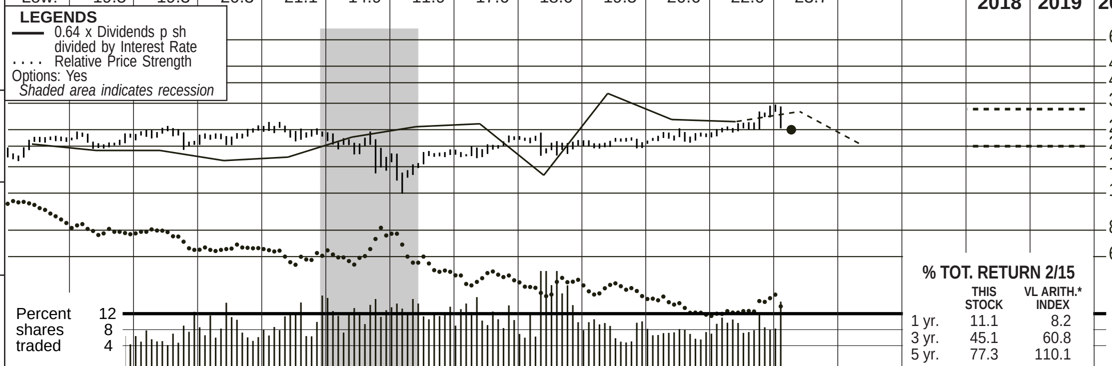
RECENT PRICE	23.96	P/E RATIO	17.0 (Trailing: 15.5 / Median: 16.0)	RELATIVE P/E RATIO	0.92	DIV'D YLD	4.4%	VALUE LINE

TIMELINESS 4 Lowered 12/5/14
SAFETY 2 Raised 3/23/12
TECHNICAL 3 Raised 3/20/15
BETA .70 (1.00 = Market)

High:	23.5	25.0	25.1	26.1	23.5	19.4	22.5	23.3	22.0	24.3	31.2	31.5
Low:	19.5	19.3	20.3	21.1	14.9	11.9	17.6	18.0	19.5	20.6	22.0	23.7

Target Price Range
2018 | 2019 | 2020

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



2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	30	(+25%)	10%
Low	20	(-15%)	1%

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	4	0	0	0	0
to Sell	0	1	1	0	1	1	0	1	0

Institutional Decisions

	2Q2014	3Q2014	4Q2014
to Buy	73	56	63
to Sell	63	69	63
Hld's(000)	20869	20897	21381

Percent shares traded 12 8 4

% TOT. RETURN 2/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	11.1	8.2
3 yr.	45.1	60.8
5 yr.	77.3	110.1

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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	15.00	*15.25*	*15.45*	Revenues per sh	*17.50*
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	*3.50*	*3.55*	"Cash Flow" per sh	*4.25*
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	*1.40*	*1.45*	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	.64	1.00	1.01	1.03	*1.05*	*1.07*	Div'd Decl'd per sh B ■ †	*1.20*
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	4.91	*4.20*	*2.55*	Cap'l Spending per sh	*3.50*
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	18.02	*18.35*	*18.85*	Book Value per sh C	*20.25*
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	43.48	*44.00*	*44.50*	Common Shs Outst'g D	*47.50*
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	16.2	*Bold figures are*		Avg Ann'l P/E Ratio	*13.5*
1.24	1.15	1.74	.88	.90	1.31	1.30	.86	1.15	1.04	.95	1.07	.99	1.01	.84	.86	*Value Line*		Relative P/E Ratio	*.85*
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%	4.1%	*estimates*		Avg Ann'l Div'd Yield	*5.0%*

CAPITAL STRUCTURE as of 12/31/14
Total Debt $847.5 mill. **Due in 5 Yrs** $160.6 mill.
LT Debt $803.2 mill. **LT Interest** $41.7 mill.
Incl. $3.9 mill. capitalized leases.
(LT interest earned: 3.4x)
Leases, Uncapitalized Annual rentals $.7 mill.
Pension Assets-12/14 $192.7 mill. **Oblig.** $251.9 mill.

Pfd Stock None

Common Stock 43,517,285 shs. **as of 2/2/15**

MARKET CAP: $1.0 billion (Mid Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
386.2	413.5	490.2	518.2	497.2	541.3	576.9	557.1	594.3	652.3	*670*	*710*	Revenues ($mill)	*830*
23.8	39.9	33.2	39.7	41.3	47.4	55.0	55.7	63.4	67.1	*60.0*	*65.0*	Net Profit ($mill)	*85.0*
33.4%	35.4%	30.3%	32.5%	32.5%	39.2%	38.4%	38.0%	37.1%	36.9%	*37.5%*	*38.0%*	Income Tax Rate	*37.5%*
2.4%	10.7%	23.1%	31.5%	34.2%	21.5%	.9%	3.5%	9.4%	14.8%	*10.0%*	*3.0%*	AFUDC % to Net Profit	*6.0%*
51.0%	49.7%	50.1%	53.6%	51.6%	51.3%	49.9%	49.1%	49.8%	50.6%	*51.0%*	*52.0%*	Long-Term Debt Ratio	*50.0%*
49.0%	50.3%	49.9%	46.4%	48.4%	48.7%	50.1%	50.9%	50.2%	49.4%	*49.0%*	*48.0%*	Common Equity Ratio	*50.0%*
803.3	931.0	1081.1	1140.4	1240.3	1350.7	1386.2	1409.4	1493.6	1586.5	*1645*	*1805*	Total Capital ($mill)	*1925*
896.0	1031.0	1178.9	1342.8	1459.0	1519.1	1563.7	1657.6	1751.9	1910.3	*2000*	*2020*	Net Plant ($mill)	*2150*
4.7%	5.9%	4.7%	5.2%	5.2%	5.1%	5.5%	5.4%	5.6%	5.5%	*5.0%*	*5.0%*	Return on Total Cap'l	*5.5%*
6.0%	8.5%	6.2%	7.5%	6.9%	7.2%	7.9%	7.8%	8.5%	8.6%	*7.5%*	*7.5%*	Return on Shr. Equity	*8.5%*
6.0%	8.5%	6.2%	7.5%	6.9%	7.2%	7.9%	7.8%	8.5%	8.6%	*7.5%*	*7.5%*	Return on Com Equity E	*8.5%*
NMF	.8%	NMF	NMF	NMF	NMF	4.1%	1.9%	2.7%	2.9%	*2.0%*	*2.0%*	Retained to Com Eq	*3.0%*
NMF	90%	117%	109%	109%	110%	49%	76%	68%	66%	*74%*	*74%*	All Div'ds to Net Prof	*68%*

ELECTRIC OPERATING STATISTICS

	2012	2013	2014
% Change Retail Sales (KWH)	-3.2	+1.3	+1.3
Avg. Industrial Use (MWH)	2913	2943	2981
Avg. Industrial Rev/KWH (¢)	7.66	7.93	8.21
Capacity at Peak (Mw)	1391	1377	1326
Peak Load, Summer (Mw)	1142	1080	1162
Annual Load Factor (%)	52.2	56.2	52.8
% Change Customers (avg.)	+.6	+.5	+.3
Fixed Charge Cov. (%)	314	331	334

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '12-'14 to '18-'20
Revenues	.5%	-.5%	*4.0%*
"Cash Flow"	3.0%	3.0%	*5.0%*
Earnings	2.5%	5.0%	*3.0%*
Dividends	-2.5%	-4.5%	*3.0%*
Book Value	1.5%	2.0%	*2.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	151.3	652.3
2015	*170*	*160*	*180*	*160*	*670*
2016	*180*	*170*	*190*	*170*	*710*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.23	.25	.60	.23	1.32
2013	.30	.27	.56	.35	1.48
2014	.48	.26	.55	.26	1.55
2015	*.30*	*.25*	*.60*	*.25*	*1.40*
2016	*.30*	*.25*	*.63*	*.27*	*1.45*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.32	.32	- -	- -	.64
2012	.25	.25	.25	.25	1.00
2013	.25	.25	.25	.255	1.01
2014	.255	.255	.255	.26	1.03
2015	.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 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, 45%; commercial, 32%; industrial, 16%; other, 7%. Generating sources: coal, 47%; gas, 27%; hydro, 1%; purch., 25%. Fuel costs: 37% of revenues. '14 reported depr. rate: 3.0%. 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 is awaiting an order on its electric rate application. The utility is seeking a rate hike of $24.3 million (5.5%), based on a 10.15% return on a 51.45% common-equity ratio. The single-biggest driver of the rate case is the need to place an environmental upgrade to the Asbury coal-fired plant in the rate base. This project was completed in December at a cost of $121 million. Empire District also wants to recover higher property taxes and the cost of a maintenance contract for Unit 12 of the Riverton gas-fired plant. In addition, the utility proposes to recover changes in transmission costs through its fuel adjustment clause. New tariffs should take effect by July, unless Empire District reaches a settlement that would allow for new rates sooner. The company has asked the Kansas and Arkansas commissions to allow it to recover the cost of this project through a rider on customers' bills, and plans to make a similar request in Oklahoma.

Due to the effects of regulatory lag, earnings will probably decline in 2015. Empire District is already booking higher depreciation expense and property taxes associated with the Asbury upgrade, but won't receive rate relief for a few more months. We underestimated the effects of regulatory lag, and have cut our 2015 earnings estimate by $0.10 a share, to $1.40. Our revised estimate is within the company's targeted range of $1.30-$1.45.

We forecast only a partial profit recovery in 2016, due to more regulatory lag. Empire District is expanding Riverton 12's capacity by 100 megawatts at an expected cost of $165 million-$175 million. The utility plans to file another rate case in Missouri once the current one is concluded, but rate relief won't come until after the project goes into service in mid-2016.

Empire District stock is untimely, and has fallen nearly 20% so far in 2015. We think the recent decline is merely a correction. For a while, the price rose above $30 a share, possibly indicating that the company was viewed as a takeover candidate. The dividend yield is a cut above the utility average, but total return potential to 2018-2020 is low, even after the pullback.

Paul E. Debbas, CFA *March 20, 2015*

(A) Diluted earnings. Excl. loss from discontinued operations: '06, 2¢. '12 EPS don't add due to rounding. Next earnings report due late April. (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. intangibles. In '14: $5.93/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., '14: 8.7%. Regulatory Climate: Average.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	35
Earnings Predictability	85

SEMPRA ENERGY NYSE-SRE

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

2017-19 PROJECTIONS

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

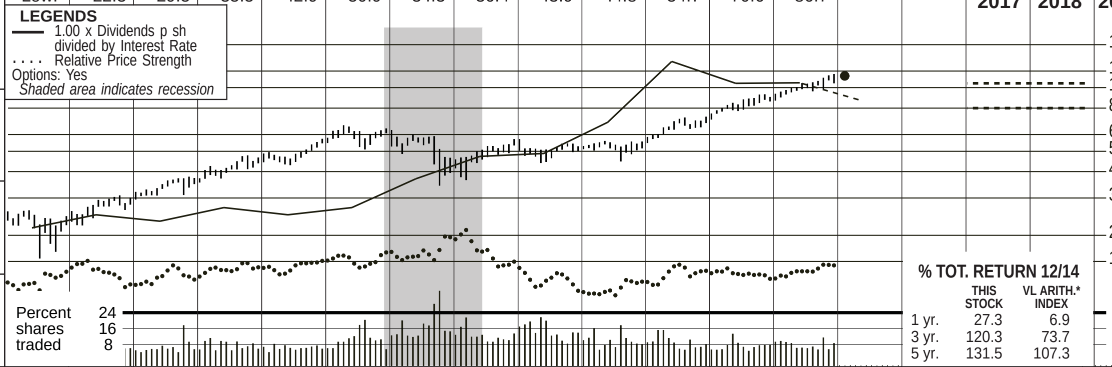
Insider Decisions

	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

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



% 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

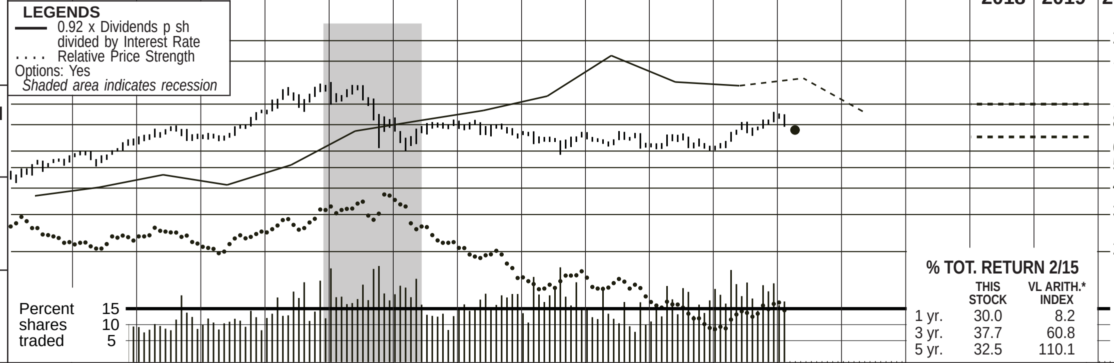
ENTERGY CORP. NYSE-ETR

RECENT PRICE	75.48	P/E RATIO	14.8 (Trailing: 13.1 Median: 14.0)	RELATIVE P/E RATIO	0.80	DIV'D YLD	4.4%	VALUE LINE

TIMELINESS 4 Lowered 12/5/14
SAFETY 3 Lowered 3/22/13
TECHNICAL 2 Raised 3/20/15
BETA .70 (1.00 = Market)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
High:	68.7	79.2	94.0	125.0	127.5	86.6	84.3	74.5	74.5	72.6	92.0	90.3
Low:	50.6	64.5	66.8	89.6	61.9	59.9	68.7	57.6	61.6	60.2	60.4	74.3

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



Target Price Range
2018 | 2019 | 2020

2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	100	(+30%)	*11%*
Low	70	(-5%)	*3%*

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	0	0	0	0	0	0	0	0
Options	3	4	2	0	2	1	1	7	4
to Sell	3	4	2	0	2	1	1	9	4

Institutional Decisions

	2Q2014	3Q2014	4Q2014
to Buy	237	241	251
to Sell	209	206	222
Hld's(000)	156315	158821	159093

% TOT. RETURN 2/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	30.0	8.2
3 yr.	37.7	60.8
5 yr.	32.5	110.1

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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	***69.70***	***68.50***	***69.90***	**Revenues per sh**	***76.50***
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	***17.70***	***17.90***	***17.95***	**"Cash Flow" per sh**	***20.75***
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	5.77	***5.50***	***5.05***	**Earnings per sh A**	***6.00***
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***	***3.32***	**Div'd Decl'd per sh B ■ †**	***3.80***
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	***14.80***	***15.65***	***13.70***	**Cap'l Spending per sh**	***16.00***
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***	***57.95***	***59.70***	**Book Value per sh C**	***65.75***
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	***179.25***	***179.50***	***179.50***	**Common Shs Outst'g D**	***179.50***
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	12.9	*Bold figures are*		**Avg Ann'l P/E Ratio**	***14.0***
.75	.66	.64	.63	.79	.80	.87	.77	1.02	1.00	.80	.74	.57	.71	.74	.68	*Value Line*		**Relative P/E Ratio**	***.90***
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%	4.5%	*estimates*		**Avg Ann'l Div'd Yield**	***4.5%***

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: $14 billion (Large Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
10106	10932	11484	13094	10746	11488	11229	10302	11391	12495	***12300***	***12550***	**Revenues ($mill)**	***13750***
943.1	1160.9	1160.0	1240.5	1251.1	1270.3	1367.4	1091.9	904.5	1060.0	***1015***	***930***	**Net Profit ($mill)**	***1095***
37.2%	27.6%	30.7%	32.7%	33.6%	32.7%	17.3%	13.0%	26.7%	37.8%	***23.0%***	***30.0%***	**Income Tax Rate**	***30.0%***
8.0%	5.5%	5.8%	5.6%	7.4%	7.4%	8.9%	11.9%	10.1%	9.3%	***10.0%***	***10.0%***	**AFUDC % to Net Profit**	***9.0%***
51.9%	51.2%	54.3%	58.2%	55.3%	56.3%	52.2%	55.8%	55.1%	***55.0%***	***55.5%***	***54.0%***	**Long-Term Debt Ratio**	***52.5%***
45.5%	46.7%	43.9%	40.2%	43.1%	42.1%	46.4%	42.9%	43.6%	***44.0%***	***43.5%***	***44.5%***	**Common Equity Ratio**	***46.5%***
17013	17539	17902	19795	19985	20166	19324	21432	22109	***22850***	***23975***	***24000***	**Total Capital ($mill)**	***25500***
19197	19438	20974	22429	23389	23848	25609	27299	27882	28723	***29375***	***29575***	**Net Plant ($mill)**	***30600***
6.8%	8.0%	7.9%	7.5%	7.6%	7.7%	8.5%	6.4%	5.4%	***6.0%***	***5.5%***	***5.05***	**Return on Total Cap'l**	***5.5%***
11.5%	13.6%	14.2%	15.0%	14.0%	14.4%	14.8%	11.5%	9.1%	***10.5%***	***9.5%***	***8.5%***	**Return on Shr. Equity**	***9.0%***
11.9%	13.8%	14.4%	15.3%	14.3%	14.7%	15.0%	11.6%	9.2%	***10.5%***	***9.5%***	***8.5%***	**Return on Com Equity E**	***9.0%***
6.0%	8.3%	8.0%	8.1%	7.6%	7.6%	8.4%	5.2%	3.0%	***4.5%***	***4.0%***	***3.0%***	**Retained to Com Eq**	***3.5%***
51%	41%	46%	48%	48%	49%	45%	56%	68%	***58%***	***61%***	***66%***	**All Div'ds to Net Prof**	***64%***

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 '18-'20
Revenues	4.5%	.5%	*3.0%*
"Cash Flow"	9.0%	7.0%	*3.0%*
Earnings	6.0%	1.5%	*-.5%*
Dividends	9.0%	5.0%	*2.0%*
Book Value	4.0%	5.0%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	2384	2518	2964	2436	10302
2013	2609	2738	3352	2692	11391
2014	3208	2997	3458	2831	12494
2015	***2850***	***2950***	***3550***	***2950***	***12300***
2016	***2900***	***3000***	***3650***	***3000***	***12550***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	.74	5.77
2015	***1.15***	***1.15***	***2.05***	***1.15***	***5.50***
2016	***1.05***	***1.05***	***1.90***	***1.05***	***5.05***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	3.32
2015	.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's earnings are likely to decline this year. Income from the company's nonregulated operations will probably be lower. In early 2014, this business benefited from a spike in power prices in New England. That did not occur this winter. Wholesale power prices have declined in recent months, too. And Entergy no longer has income ($0.20 a share last year) from the Vermont Yankee nuclear plant, which it closed at the end of 2014. Another factor is an increase in pension and nonpension benefits costs. Not everything is negative. The company's utilities are benefiting from volume growth, despite the decline in oil prices that has affected some of its industrial customers. The tax rate is likely to be much lower this year. Management's earnings guidance for 2015 is $5.10-$5.90 a share. Our estimate is at the midpoint of this range.

We look for earnings to fall again in 2016. We do not assume that Entergy will have as low a tax rate as in 2015. Operationally, we expect growth in utility income, based on continued kilowatt-hour sales growth and some rate relief, but a decline in profits from the nonregulated side of Entergy's business.

An asset purchase is pending. Three of Entergy's utility subsidiaries have agreed to pay $948 million for a 1,980-megawatt Union gas-fired generating station. The transaction requires the approval of the regulatory commissions in Arkansas, Louisiana, New Orleans, and Texas, plus that of the Federal Energy Regulatory Commission. It should be completed in late 2015. In Louisiana and Texas, the utility should be able to recover the cost of the Union plant through regulatory mechanisms.

Entergy will soon file a rate case in Arkansas. The application will seek to place the portion of the Union plant allocated to Arkansas in the rate base and improve its earned return on equity there.

The situation with the Indian Point nuclear station bears watching. Entergy wants to extend the two units' operating licenses by 20 years, but faces opposition from some officials in New York State.

Entergy stock is untimely, but offers a dividend yield and 3- to 5-year total return potential that are somewhat above the utility averages.

Paul E. Debbas, CFA *March 20, 2015*

(A) Diluted EPS. Excl. nonrecurring gains (losses): '01, 15¢; '02, ($1.04); '03, 33¢ net; '05, (21¢); '12, ($1.26); '13, ($1.14); '14, (56¢). '14 EPS don't add due to rounding. Next earnings report due late April. (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 mill. (E) Rate base: Net original cost. Allowed return on equity (blended): 10%; 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	80

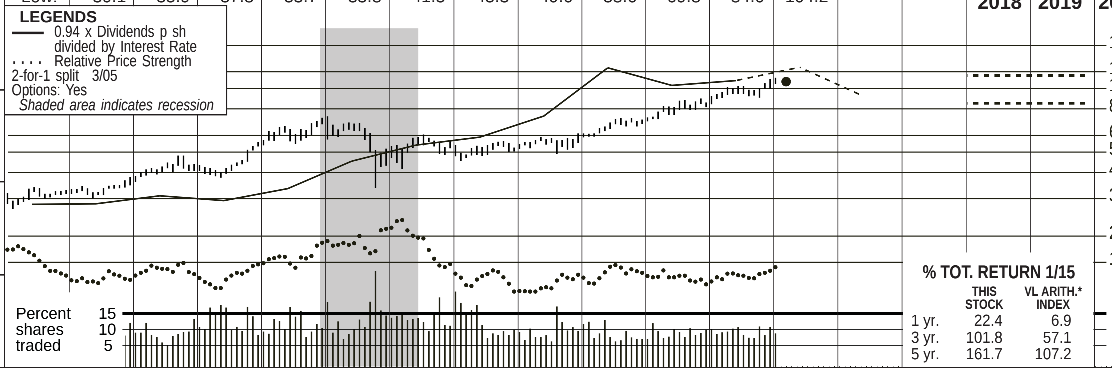
NEXTERA ENERGY NYSE-NEE

RECENT PRICE **107.83** | P/E RATIO **16.8** (Trailing: 19.3 Median: 14.0) | RELATIVE P/E RATIO **0.91** | DIV'D YLD **2.9%** | VALUE LINE

TIMELINESS **3** Raised 4/25/14
SAFETY **2** Lowered 2/26/10
TECHNICAL **4** Lowered 2/13/15
BETA .70 (1.00 = Market)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
High:	38.1	48.1	55.6	72.8	73.8	60.6	56.3	61.2	72.2	89.8	110.8	112.6
Low:	30.1	35.9	37.8	53.7	33.8	41.5	45.3	49.0	58.6	69.8	84.0	104.2

Target Price Range
2018 | 2019 | 2020



2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	115	(+5%)	5%
Low	85	(-20%)	-2%

Insider Decisions

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

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	400	404	392
to Sell	446	446	460
Hld's(000)	318167	319782	322274

% TOT. RETURN 1/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	22.4	6.9
3 yr.	101.8	57.1
5 yr.	161.7	107.2

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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	**38.40**	**37.10**	**37.65**	Revenues per sh	**42.25**
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	**12.10**	**12.10**	**12.70**	"Cash Flow" per sh	**15.25**
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	5.60	**5.55**	**5.95**	Earnings per sh A	**7.25**
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**	**3.32**	Div'd Decl'd per sh B ■ †	**4.00**
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	**15.85**	**17.25**	**15.95**	Cap'l Spending per sh	**16.00**
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	**44.95**	**48.65**	**52.05**	Book Value per sh C	**61.25**
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**	**470.00**	Common Shs Outst'g D	**470.00**
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	17.3	*Bold figures are*		Avg Ann'l P/E Ratio	**14.0**
.74	.83	.64	.78	.72	.72	.95	.74	1.00	.87	.89	.69	.72	.92	.93	.90	*Value Line*		Relative P/E Ratio	**.90**
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%	3.0%	*estimates*		Avg Ann'l Div'd Yield	**4.0%**

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: $47 billion (Large Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
11846	15710	15263	16410	15643	15317	15341	14256	15136	17021	**17000**	**17700**	Revenues ($mill)	**19900**
901.0	1281.0	1312.0	1639.0	1615.0	1957.0	2021.0	1911.0	2062.0	2469.0	**2510**	**2785**	Net Profit ($mill)	**3470**
23.8%	23.7%	21.9%	21.5%	16.8%	21.4%	22.4%	26.6%	26.9%	32.3%	**32.0%**	**32.0%**	Income Tax Rate	**32.0%**
5.4%	3.8%	5.7%	6.6%	7.9%	4.4%	4.4%	10.8%	7.0%	**5.0%**	**7.0%**	**7.0%**	AFUDC % to Net Profit	**7.0%**
48.6%	49.1%	51.2%	54.2%	55.7%	55.5%	58.2%	59.1%	57.1%	**55.0%**	**52.5%**	**50.5%**	Long-Term Debt Ratio	**47.0%**
51.4%	50.9%	48.8%	45.8%	44.3%	44.5%	41.8%	40.9%	42.9%	**45.0%**	**47.5%**	**49.5%**	Common Equity Ratio	**53.0%**
16538	19521	22015	25514	29267	32474	35753	39245	42009	**44285**	**46700**	**49500**	Total Capital ($mill)	**54200**
22463	24499	28652	32411	36078	39075	42490	49413	52720	55705	**60575**	**64875**	Net Plant ($mill)	**76800**
6.9%	8.0%	7.5%	7.9%	6.9%	7.4%	7.0%	6.2%	6.2%	**7.0%**	**6.5%**	**6.5%**	Return on Total Cap'l	**7.5%**
10.6%	12.9%	12.2%	14.0%	12.5%	13.5%	13.5%	11.9%	11.4%	**12.5%**	**11.5%**	**11.5%**	Return on Shr. Equity	**12.0%**
10.6%	12.9%	12.2%	14.0%	12.5%	13.5%	13.5%	11.9%	11.4%	**12.5%**	**11.5%**	**11.5%**	Return on Com Equity E	**12.0%**
4.2%	6.9%	6.1%	7.9%	6.5%	7.8%	7.4%	5.6%	5.2%	**6.0%**	**5.0%**	**5.0%**	Retained to Com Eq	**5.5%**
60%	46%	50%	44%	47%	42%	46%	53%	54%	**51%**	**55%**	**55%**	All Div'ds to Net Prof	**54%**

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 '18-'20
Revenues	3.5%	-2.0%	2.5%
"Cash Flow"	6.5%	5.5%	7.0%
Earnings	7.5%	6.0%	6.5%
Dividends	7.5%	8.0%	7.5%
Book Value	8.0%	7.5%	7.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	3371	3667	3843	3375	14256
2013	3279	3833	4394	3630	15136
2014	3674	4029	4654	4664	17021
2015	**4000**	**4250**	**4750**	**4000**	**17000**
2016	**4150**	**4450**	**4950**	**4150**	**17700**

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	2.00	5.60
2015	**1.30**	**1.45**	**1.65**	**1.15**	**5.55**
2016	**1.40**	**1.55**	**1.75**	**1.25**	**5.95**

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	.725	2.90
2015					

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.

NextEra Energy has agreed to acquire Hawaiian Electric Industries' three electric utility subsidiaries. NextEra would pay $2.8 billion, mostly in stock, for the utilities. The purchase requires the approval of HEI shareholders, the Hawaii Public Utilities Commission, and the Federal Energy Regulatory Commission. The companies expect the deal to be completed by yearend. NextEra would bring its expertise in renewable energy to Hawaii, which wants to use more renewables and less oil. However, NextEra would be paying a high price for utilities that have underearned their allowed returns on equity—sometimes by a wide margin.

NextEra's regulated and nonregulated businesses are performing well. Florida Power & Light is benefiting from solid customer growth and the economic recovery in its service territory. NextEra Energy Resources adds renewable projects every year (1,629 megawatts in 2014).

Investors should not be concerned about the slight earnings decline we estimate for 2015. Last year, mark-to-market accounting gains stemming from hedges boosted share net by $0.35. This will make the comparison tough, notably in the December quarter. We include these gains (or charges) in our presentation because they are an ongoing part of operations, but don't reflect them in our estimates and projections because they are impossible to predict. Our 2015 earnings estimate is within NextEra's targeted range of $5.40-$5.70 a share. We forecast a 7% earnings increase, to $5.95, in 2016.

FPL is planning some investments in natural gas. The Florida commission approved a plan to invest in gas reserves in order to reduce costs for ratepayers. The utility also plans to invest at least $2 billion in two gas pipeline joint ventures.

We think the board of directors raised the dividend shortly after this report went to press. The board has been hiking the payout at a fast pace in recent years.

NextEra's dividend yield is low for a utility. The valuation reflects the company's good track record and superior dividend growth potential. However, with the recent price above the midpoint of our 2018-2020 Target Price Range, total return potential is negligible.

Paul E. Debbas, CFA *February 20, 2015*

(A) Diluted EPS. Excl. nonrecurring gain (losses): '00, (5¢); '02, (60¢); '03, 5¢; '11, (24¢); '13, (80¢); gain on discontinued operations: '13, 44¢. Next earnings report due late April. **(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, adjusted 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.

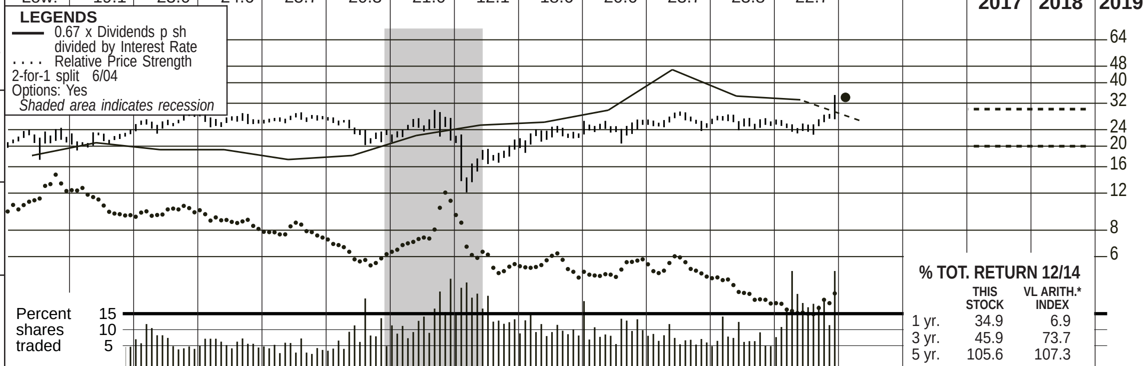
Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	70
Earnings Predictability	80

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)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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



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

% 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		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

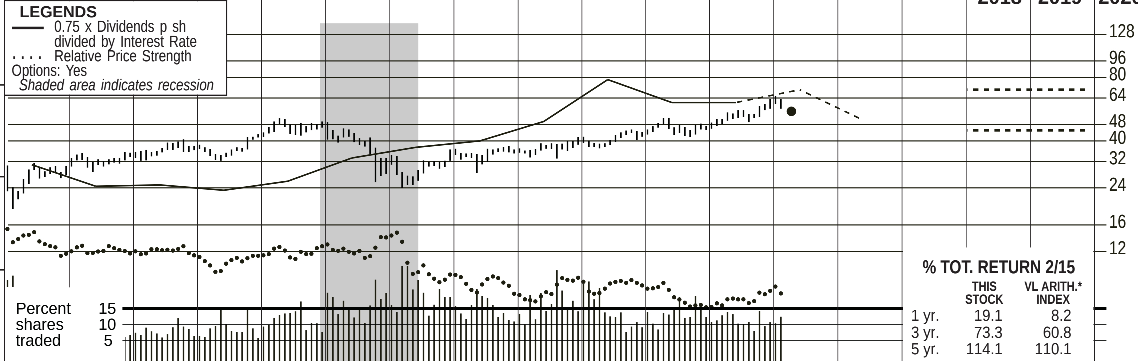
AMERICAN ELEC. PWR. NYSE-AEP

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
55.26	16.5	(Trailing: 16.1 / Median: 13.0)	0.90	3.9%	VALUE LINE

TIMELINESS 3 Raised 3/6/15
SAFETY 2 Raised 9/19/14
TECHNICAL 3 Raised 3/20/15
BETA .70 (1.00 = Market)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
High:	35.5	40.8	43.1	51.2	49.1	36.5	37.9	41.7	45.4	51.6	63.2	65.4
Low:	28.5	32.3	32.3	41.7	25.5	24.0	28.2	33.1	37.0	41.8	45.8	54.7

Target Price Range
2018 | 2019 | 2020



2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(+25%)	10%
Low	45	(-20%)	Nil

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	0	0	0	0	0	0	0	0
Options	0	12	0	0	0	0	0	0	0
to Sell	0	6	0	0	2	0	0	0	0

Institutional Decisions

	2Q2014	3Q2014	4Q2014
to Buy	338	325	361
to Sell	267	301	308
Hld's(000)	323714	326207	326985

% TOT. RETURN 2/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	19.1	8.2
3 yr.	73.3	60.8
5 yr.	114.1	110.1

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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	*34.75*	*34.55*	*35.85*	Revenues per sh	*41.00*
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	*7.25*	*7.50*	*7.85*	"Cash Flow" per sh	*9.25*
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	3.34	*3.50*	*3.65*	Earnings per sh A	*4.50*
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*	*2.27*	Div'd Decl'd per sh B ■	*2.65*
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	*8.65*	*9.30*	*8.05*	Cap'l Spending per sh	*8.50*
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	*34.35*	*35.75*	*37.25*	Book Value per sh C	*42.25*
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*	*494.00*	Common Shs Outst'g D	*500.00*
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	15.9	*Bold figures are*		Avg Ann'l P/E Ratio	*13.0*
.82	2.23	.71	.69	.61	.66	.73	.70	.87	.79	.67	.85	.75	.88	.81	.84	*Value Line*		Relative P/E Ratio	*.80*
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%	3.8%	*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: $27 billion (Large Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
12111	12622	13380	14440	13489	14427	15116	14945	15357	17020	*17000*	*17700*	Revenues ($mill)	*20450*
1036.0	1131.0	1147.0	1208.0	1365.0	1248.0	1513.0	1443.0	1549.0	1634.0	*1675*	*1755*	Net Profit ($mill)	*2185*
29.3%	33.0%	31.1%	31.3%	29.7%	34.8%	31.7%	33.9%	36.2%	37.8%	*36.0%*	*36.0%*	Income Tax Rate	*36.0%*
5.4%	9.9%	9.8%	9.9%	10.9%	10.4%	10.6%	11.2%	7.3%	*9.0%*	*10.0%*	*7.0%*	AFUDC % to Net Profit	*7.0%*
54.8%	56.7%	58.3%	59.1%	54.4%	53.1%	50.7%	50.6%	51.1%	*49.0%*	*50.0%*	*49.0%*	Long-Term Debt Ratio	*48.5%*
44.9%	43.0%	41.4%	40.7%	45.4%	46.7%	49.3%	49.4%	48.9%	*51.0%*	*50.0%*	*51.0%*	Common Equity Ratio	*51.5%*
20222	21902	24342	26290	28958	29184	29747	30823	32913	*34050*	*35300*	*36050*	Total Capital ($mill)	*41100*
24284	26781	29870	32987	34344	35674	36971	38763	40997	44117	*46750*	*48650*	Net Plant ($mill)	*54300*
6.6%	6.7%	6.3%	6.2%	6.2%	5.7%	6.6%	6.1%	6.0%	*6.0%*	*6.0%*	*6.0%*	Return on Total Cap'l	*6.5%*
11.3%	11.9%	11.3%	11.2%	10.3%	9.1%	10.3%	9.5%	9.6%	*9.5%*	*9.5%*	*9.5%*	Return on Shr. Equity	*10.5%*
11.3%	12.0%	11.4%	11.3%	10.4%	9.1%	10.3%	9.5%	9.6%	*9.5%*	*10.0%*	*10.0%*	Return on Com Equity E	*10.5%*
5.2%	5.7%	5.1%	5.1%	4.6%	3.1%	4.2%	3.5%	3.7%	*4.0%*	*4.0%*	*4.0%*	Retained to Com Eq	*4.5%*
54%	53%	55%	55%	56%	66%	60%	63%	62%	*64%*	*63%*	*64%*	All Div'ds to Net Prof	*61%*

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 '18-'20
Revenues	-10.0%	-1.5%	*4.0%*
"Cash Flow"	- -	- -	*4.5%*
Earnings	.5%	1.5%	*5.5%*
Dividends	-1.5%	4.0%	*5.0%*
Book Value	3.5%	4.5%	*4.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	3625	3551	4156	3613	14945
2013	3826	3582	4176	3773	15357
2014	4648	4044	4302	4026	17020
2015	*4350*	*4100*	*4500*	*4050*	*17000*
2016	*4550*	*4250*	*4700*	*4200*	*17700*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.80	.75	1.00	.43	2.98
2013	.75	.73	1.10	.60	3.18
2014	1.15	.80	1.01	.39	3.34
2015	*1.00*	*.80*	*1.15*	*.55*	*3.50*
2016	*1.05*	*.85*	*1.20*	*.55*	*3.65*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	2.03
2015	.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.

What will American Electric Power do with its nonregulated generating assets in Ohio? The company had proposed a purchased-power agreement with four plants, which was intended to provide these assets with a stable source of income. The state commission rejected AEP's proposal, but did not prohibit purchased-power contracts. Now, the company must decide whether to put forth a revised proposal, or sell the assets. In fact, AEP has hired an investment-banking firm to evaluate a sale. Another company with nonregulated generating units in Ohio, Duke Energy, reached an agreement to sell these plants last year. Duke fared better than it had originally expected, although the units were still sold at a loss. In any case, AEP has been striving to make itself a more regulated company in recent years. We don't know when management will announce its plans.

We estimate mid-single-digit earnings growth this year and next. We are basing our estimates on retention of AEP's nonregulated generating assets. Due to conditions in the power markets, the income from these assets will probably decline in 2015 and 2016. Even so, rising profits from the regulated operations should outweigh this falloff. Some of AEP's utilities are asking for rate increases, and the company's electric transmission operations are increasing their contribution as more capital is invested in this area. Over the next three years, AEP has budgeted more than $4.8 billion for transmission capital expenditures. Our earnings estimates for 2015 and 2016 are at the midpoint of management's targeted ranges of $3.40-$3.60 a share and $3.45-$3.85 a share, respectively.

Rate cases are pending in West Virginia and Kentucky. In West Virginia, Appalachian Power is seeking a rate hike of $226 million, based on a 10.62% return on equity. An order is due on May 26th. Kentucky Power filed for a rate increase of $70 million, based on the same 10.62% ROE. New tariffs should take effect in mid-2015.

This stock has a dividend yield and 3- to 5-year total return potential that are about average, by utility standards.

Paul E. Debbas, CFA *March 20, 2015*

(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 Apr. (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	60
Earnings Predictability	90

IDACORP, INC. NYSE-IDA

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

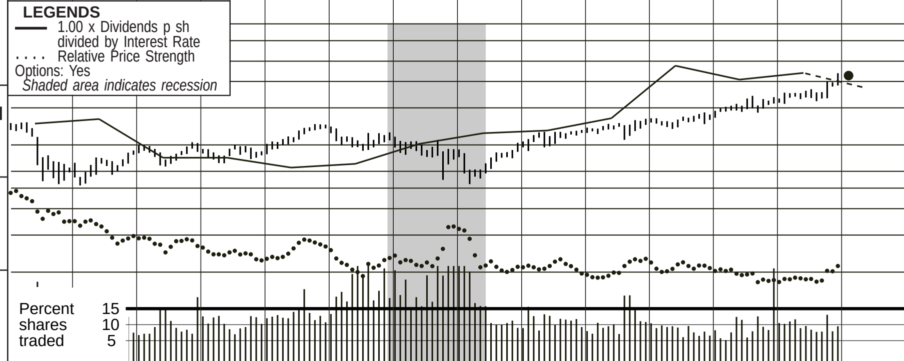
	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	1	0	0	0	0
Options	2	0	0	0	0	0	0	0	0
to Sell	2	3	0	2	2	0	4	1	1

Institutional Decisions

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

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

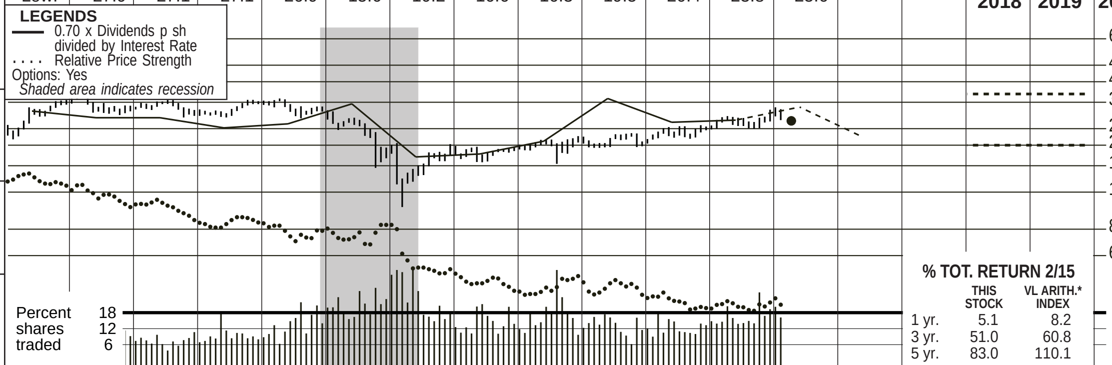
RECENT PRICE	P/E RATIO	(Trailing / Median)	RELATIVE P/E RATIO	DIV'D YLD
26.09	17.7	Trailing: 16.7; Median: 15.0	0.96	3.9%

VALUE LINE

High:	35.7	32.8	32.8	33.4	29.3	20.5	19.9	22.1	22.8	24.9	29.5	30.3
Low:	27.9	27.1	27.1	26.9	15.6	10.2	16.6	16.3	19.5	20.4	23.8	25.6

TIMELINESS 3 Lowered 9/19/14
SAFETY 3 Lowered 12/26/08
TECHNICAL 3 Raised 3/20/15
BETA .85 (1.00 = Market)

Target Price Range
2018 | 2019 | 2020



2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	35	(+35%)	11%
Low	20	(-25%)	-1%

Insider Decisions

	A	M	J	J	A	S	O	N	D
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

	2Q2014	3Q2014	4Q2014
to Buy	125	124	132
to Sell	117	122	125
Hld's(000)	118540	117299	119797

% TOT. RETURN 2/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	5.1	8.2
3 yr.	51.0	60.8
5 yr.	83.0	110.1

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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	*16.65*	*17.50*	*18.40*	Revenues per sh	*19.50*
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	*4.01*	*4.10*	*4.65*	"Cash Flow" per sh	*5.50*
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	1.57	*1.45*	*1.75*	Earnings per sh A	*2.00*
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*	*1.06*	Div'd Decl'd per sh B ■	*1.20*
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	*5.10*	*5.25*	*3.90*	Cap'l Spending per sh	*3.75*
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	*23.25*	*23.70*	*24.40*	Book Value per sh C	*26.75*
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	*154.20*	*154.50*	*154.75*	Common Shs Outst'g D	*155.50*
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	16.5	*Bold figures are*		Avg Ann'l P/E Ratio	*13.5*
1.14	.81	.81	.61	.70	.67	.75	.99	.87	1.23	1.07	.77	1.01	.99	.80	.87	*Value Line*		Relative P/E Ratio	*.85*
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%	3.6%	*estimates*		Avg Ann'l Div'd Yield	*4.6%*

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
2604.9	2675.3	3267.1	1670.1	1965.0	2255.5	2318.0	2309.9	2446.3	2568.2	*2700*	*2850*	Revenues ($mill)	*3200*
164.2	127.6	159.2	119.5	135.6	211.7	174.4	199.9	250.2	242.8	*230*	*270*	Net Profit ($mill)	*315*
18.7%	27.0%	30.7%	34.5%	25.0%	31.7%	32.7%	34.3%	34.0%	32.3%	*35.0%*	*35.0%*	Income Tax Rate	*35.0%*
2.1%	8.4%	10.6%	46.8%	57.0%	25.7%	3.9%	3.3%	10.4%	*12.0%*	*8.0%*	*2.0%*	AFUDC % to Net Profit	*2.0%*
47.5%	30.6%	40.7%	49.7%	53.2%	50.2%	47.8%	44.9%	50.0%	*49.0%*	*48.5%*	*45.0%*	Long-Term Debt Ratio	*45.5%*
50.9%	67.5%	57.9%	49.6%	46.2%	49.2%	51.6%	54.4%	49.4%	*50.5%*	*51.0%*	*54.5%*	Common Equity Ratio	*54.0%*
2403.3	1988.4	2709.8	5146.2	6044.5	5867.6	5741.2	6135.8	7029.1	*7115*	*7190*	*6920*	Total Capital ($mill)	*7725*
2765.6	3066.2	3444.5	6081.3	6651.1	6892.3	7053.5	7402.1	7746.4	8279.6	*8680*	*8835*	Net Plant ($mill)	*9000*
8.2%	7.9%	7.5%	3.5%	3.9%	5.3%	5.0%	5.0%	5.0%	*4.5%*	*4.5%*	*5.0%*	Return on Total Cap'l	*5.0%*
13.0%	9.2%	9.9%	4.6%	4.8%	7.2%	5.8%	5.9%	7.1%	*6.5%*	*6.0%*	*7.0%*	Return on Shr. Equity	*7.5%*
13.3%	9.4%	10.1%	4.6%	4.8%	7.3%	5.8%	5.9%	7.2%	*6.5%*	*6.0%*	*7.0%*	Return on Com Equity E	*7.5%*
3.2%	NMF	.9%	NMF	.9%	3.4%	2.0%	2.2%	3.2%	*2.5%*	*2.0%*	*3.0%*	Retained to Com Eq	*3.0%*
76%	104%	91%	NMF	81%	54%	66%	63%	55%	*60%*	*68%*	*61%*	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: $4.0 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 '18-'20
Revenues	-5.0%	-11.0%	3.5%
"Cash Flow"	-2.5%	-.5%	6.5%
Earnings	-3.5%	-2.0%	5.0%
Dividends	-6.5%	-12.5%	5.5%
Book Value	5.0%	3.5%	3.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	552.2	2568.2
2015	*600*	*650*	*850*	*600*	*2700*
2016	*625*	*700*	*900*	*625*	*2850*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	d.07	.41	.95	.03	1.35
2013	.17	.41	.93	.11	1.62
2014	.15	.34	.95	.12	1.57
2015	*.15*	*.30*	*.90*	*.10*	*1.45*
2016	*.20*	*.40*	*1.00*	*.15*	*1.75*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.2075	.2075	.2075	.2125	.84
2012	.2125	.2125	.2125	.2175	.86
2013	.2175	.2175	.2175	.23	.88
2014	.23	.23	.23	.245	.94
2015	.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.

Great Plains Energy's largest utility subsidiary has rate cases pending in Missouri and Kansas. In Missouri, Kansas City Power & Light is seeking an increase of $120.9 million (15.8%), based on a 10.3% return on a 50.36% common-equity ratio. In Kansas, the utility is requesting a hike of $67.3 million (12.5%), based on a 10.3% return on a 50.48% common-equity ratio. The filings are driven by a need to place environmental spending at the La Cygne coal-fired plant and upgrades to the Wolf Creek nuclear unit in the rate base. KCP&L also wants to recover higher transmission costs and property taxes. In Missouri, the utility is asking for a fuel-adjustment clause that would include transmission expenses, along with a regulatory mechanism to track property taxes. New tariffs should go into effect around the start of the fourth quarter. Because that is a seasonally weak period for the company, any rate relief KCP&L obtains won't have a large effect on profits this year. In fact . . .

Earnings will probably decline this year. Unrecovered property taxes and transmission costs will result in a significant amount of regulatory lag for the company in 2015—even more than we had expected in our December report. Thus, we have cut our share-earnings estimate by $0.15, to $1.45. Our revised estimate is within the company's targeted (and wide) range of $1.35-$1.60. Despite our expectation of lower profits, the payout ratio is still low enough to allow for a dividend increase this year. Note that Great Plains Energy benefits from tax-loss carryforwards that aren't reflected in our "cash flow" figures.

Regulatory lag is nothing new for Great Plains Energy. This problem has persisted for the past several years. That's why returns on equity have been mediocre since 2008.

We forecast significant bottom-line improvement in 2016. We assume reasonable regulatory treatment in our estimate of $1.75 a share, which would result in an increase of more than 20%.

The dividend yield and 3- to 5-year total return potential for Great Plains Energy stock are about average, compared with most utility issues.

Paul E. Debbas, CFA *March 20, 2015*

(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¢. '12 EPS don't add due to change in shs., '14 due to rounding. Next earnings report due early May. (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

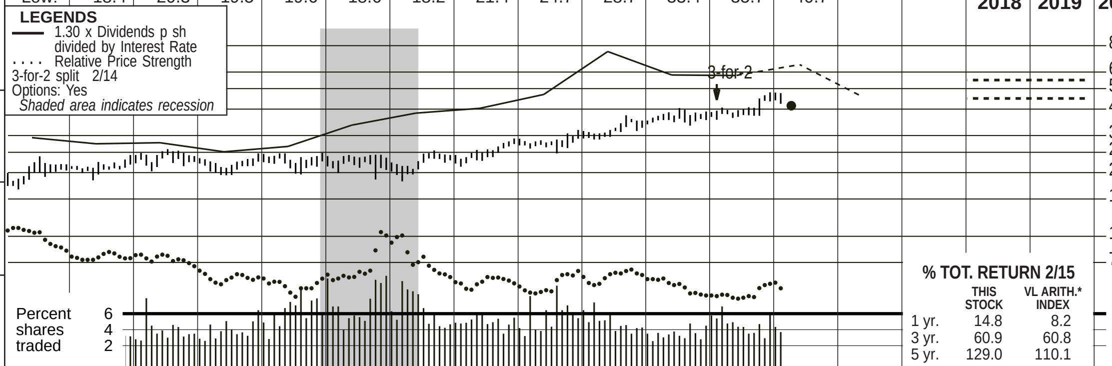
MGE ENERGY INC. NDQ-MGEE

RECENT PRICE	41.52	P/E RATIO	17.4 (Trailing: 17.9 Median: 16.0)	RELATIVE P/E RATIO	0.95	DIV'D YLD	2.8%	VALUE LINE

TIMELINESS **3** Raised 3/6/15
SAFETY **1** New 1/3/03
TECHNICAL **3** Raised 3/20/15
BETA .70 (1.00 = Market)

High:	24.3	25.8	24.7	24.8	24.3	25.5	29.1	31.9	37.4	40.5	48.0	48.0
Low:	18.4	20.3	19.5	19.6	18.6	18.2	21.4	24.7	28.7	33.4	35.7	40.7

Target Price Range
2018 | 2019 | 2020



2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+30%)	*10%*
Low	45	(+10%)	*5%*

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	1	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

	2Q2014	3Q2014	4Q2014
to Buy	55	43	42
to Sell	53	62	54
Hld's(000)	11517	11389	11590

% TOT. RETURN 2/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	14.8	8.2
3 yr.	60.9	60.8
5 yr.	129.0	110.1

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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	17.88	*18.55*	*19.45*	Revenues per sh	*22.20*
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	3.49	*3.70*	*4.00*	"Cash Flow" per sh	*5.15*
.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	2.32	*2.40*	*2.55*	Earnings per sh A	*3.30*
.87	.88	.89	.89	.90	.91	.92	.93	.94	.96	.97	.99	1.01	1.04	1.07	1.11	*1.15*	*1.19*	Div'd Decl'd per sh B ■	*1.35*
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	2.67	*2.85*	*3.15*	Cap'l Spending per sh	*4.45*
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	19.02	*20.00*	*21.15*	Book Value per sh E	*25.00*
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	34.67	*35.00*	*35.00*	Common Shs Outst'g C	*36.00*
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	17.2	*Bold figures are*		Avg Ann'l P/E Ratio	*15.0*
.80	.76	.76	.87	1.00	.95	1.19	.86	.80	.85	1.01	.95	.99	1.09	.96	.90	*Value Line*		Relative P/E Ratio	*.95*
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%	2.8%	*estimates*		Avg Ann'l Div'd Yield	*2.7%*

CAPITAL STRUCTURE as of 12/31/14
Total Debt $406.5 mill. **Due in 5 Yrs** $78.8 mill.
LT Debt $395.3 mill. **LT Interest** $19.0 mill.
(LT interest earned: 7.5x)

Leases, Uncapitalized Annual rentals $1.6 mill.
Pension Assets-12/14 $288.5 mill.
Obligation $340.2 mill.
Pfd Stock None

Common Stock 34,668,370 shs.
as of 2/1/15
MARKET CAP: $1.4 billion (Mid Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
513.4	507.5	537.6	596.0	533.8	532.6	546.4	541.3	590.9	619.9	*650*	*680*	Revenues ($mill)	*800*
32.1	42.4	48.8	52.8	51.0	57.7	60.9	64.4	74.9	80.3	*85.0*	*90.0*	Net Profit ($mill)	*120*
38.2%	37.9%	36.3%	35.5%	35.6%	36.9%	37.1%	37.7%	37.5%	37.5%	*35.0%*	*35.0%*	Income Tax Rate	*35.0%*
- -	- -	- -	- -	- -	- -	- -	- -	2.2%	2.0%	*2.0%*	*2.0%*	AFUDC % to Net Profit	*2.0%*
39.3%	38.7%	35.2%	36.3%	39.0%	38.9%	39.6%	38.2%	39.3%	37.5%	*37.5%*	*37.5%*	Long-Term Debt Ratio	*35.0%*
60.7%	61.3%	64.8%	63.7%	61.0%	61.1%	60.4%	61.8%	60.7%	62.5%	*62.5%*	*62.5%*	Common Equity Ratio	*65.0%*
566.2	612.6	660.1	750.6	822.7	859.4	911.9	937.9	1016.9	1054.7	*1120*	*1180*	Total Capital ($mill)	*1385*
667.7	728.4	844.0	901.2	939.8	968.0	995.6	1073.5	1160.2	1208.1	*1260*	*1310*	Net Plant ($mill)	*1650*
6.6%	7.8%	8.1%	7.7%	6.9%	7.6%	7.8%	7.9%	8.3%	8.5%	*8.5%*	*8.5%*	Return on Total Cap'l	*9.5%*
9.3%	11.3%	11.4%	11.0%	10.2%	11.0%	11.1%	11.1%	12.1%	12.2%	*12.0%*	*12.0%*	Return on Shr. Equity	*13.5%*
9.3%	11.3%	11.4%	11.0%	10.2%	11.0%	11.1%	11.1%	12.1%	12.2%	*12.0%*	*12.0%*	Return on Com Equity D	*13.5%*
1.2%	3.7%	4.3%	4.4%	3.4%	4.4%	4.7%	4.9%	6.1%	6.4%	*6.5%*	*6.5%*	Retained to Com Eq	*8.0%*
87%	67%	62%	60%	66%	60%	57%	56%	50%	48%	*47%*	*46%*	All Div'ds to Net Prof	*41%*

ELECTRIC OPERATING STATISTICS

	2012	2013	2014
% Change Retail Sales (KWH)	-0.3	-0.8	-0.5
Avg. Indust. Use (MWH)	2472	2502	2463
Avg. Indust. Revs. per KWH (¢)	7.86	7.94	7.78
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	766	783	783
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	NA	NA	NA
Fixed Charge Cov. (%)	579	676	702

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '12-'14 to '18-'20
Revenues	2.0%	.5%	*4.5%*
"Cash Flow"	5.0%	4.5%	*8.0%*
Earnings	6.5%	7.0%	*7.5%*
Dividends	2.0%	2.5%	*4.0%*
Book Value	6.0%	5.5%	*6.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	149.3	117.2	137.8	137.0	541.3
2013	167.2	128.3	140.1	155.3	590.9
2014	210.3	128.8	135.1	145.7	619.9
2015	*215*	*135*	*145*	*155*	*650*
2016	*220*	*142*	*153*	*165*	*680*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.46	.41	.68	.31	1.86
2013	.65	.40	.70	.41	2.16
2014	.80	.41	.67	.44	2.32
2015	*.80*	*.45*	*.70*	*.45*	*2.40*
2016	*.84*	*.48*	*.74*	*.49*	*2.55*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	1.11
2015	.2825				

BUSINESS: MGE Energy Inc. is a holding company for Madison Gas and Electric, which provides electric service to approximately 143,000 customers in a 316-square-mile area of Dane County and gas service to 149,000 customers in 1,678 square miles in seven counties in Wisconsin. Electric revenue breakdown, '14: residential, 33%; commercial, 53%; industrial, 5%; public authorities and other, 9%. Generating sources, '14: coal, 48%; purchased power, 46%; natural gas and other, 6%. Fuel costs: 19% of revenues. '14 reported depreciation rate: 3.4%. Has 699 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 somewhat lower over the past three months. The company reported mixed results for the fourth quarter of 2014. Revenue of $145.7 million declined moderately, on a year-over-year basis. But efforts to control operating expenses and lower benefits costs boosted profitability, and share earnings of $0.44 improved nicely over the prior-year tally.

A rate case has recently been resolved. In late December, the Public Service Commission of Wisconsin authorized MGE to increase 2015 rates for retail electric customers by $15.4 million (3.8%) and decrease gas rates by $3.8 million (2.0%). The increase in retail electric rates covers expenses associated with the construction of emission-reduction equipment, improvements to the state's electric transmission system, along with fuel and purchased power costs. The authorized return on equity is 10.2%.

We envision further improvement in the current year. The company's utility operations should continue to benefit from favorable demographics. A healthy local economy will likely drive population growth and demand for power in the Madison, Wisconsin area. The aforementioned rate relief should also boost revenues. Efforts to keep expenses in check ought to further benefit the bottom line. Solid growth will probably continue at Otter Tail in 2016.

The risk profile is attractive here. The company has established a track record of stable operating performance, and we expect this to continue. Low exposure to economically sensitive industrial customers increases the stability of earnings. Moreover, leverage appears manageable. As a result, MGE earns very good marks for Safety, Financial Strength, Price Stability, and Earnings Predictability.

Conservative investors with a long-time horizon might find these shares attractive. Looking out to 2018-2020, the stock offers decent total return potential, on a risk-adjusted basis. This should be supported by moderate growth in revenues, earnings, and dividends at the company over the pull to late decade. This equity is neutrally ranked for year-ahead relative price performance.

Michael Napoli, CFA *March 20, 2015*

(A) Diluted earnings. Next earnings report due early May. **(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 '14: 10.2%; earned on common equity, '14: 12.2%. Regulatory Climate: Above Average. **(E)** Includes regulatory assets. In 2014: $156.8 mill., $4.52 per share.

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

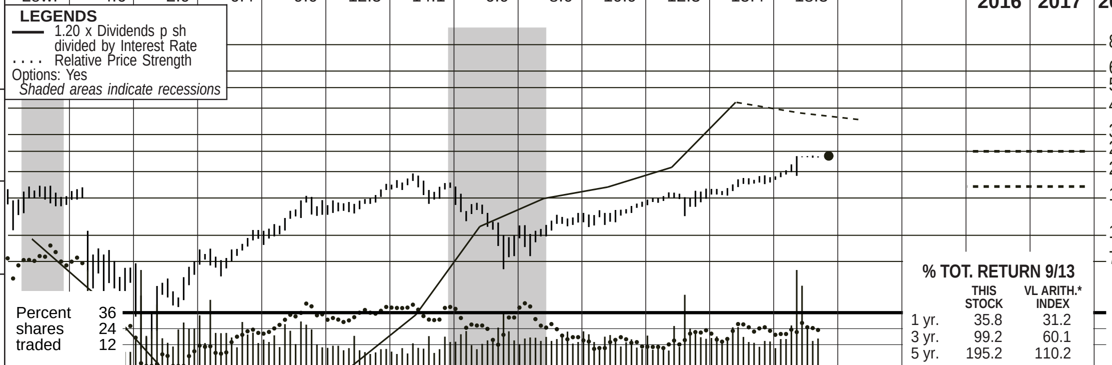
NV ENERGY, INC. NYSE-NVE

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



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

% 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%

Cal-endar	QUARTERLY REVENUES ($ mill.) 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*

Cal-endar	EARNINGS PER SHARE A 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*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ 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

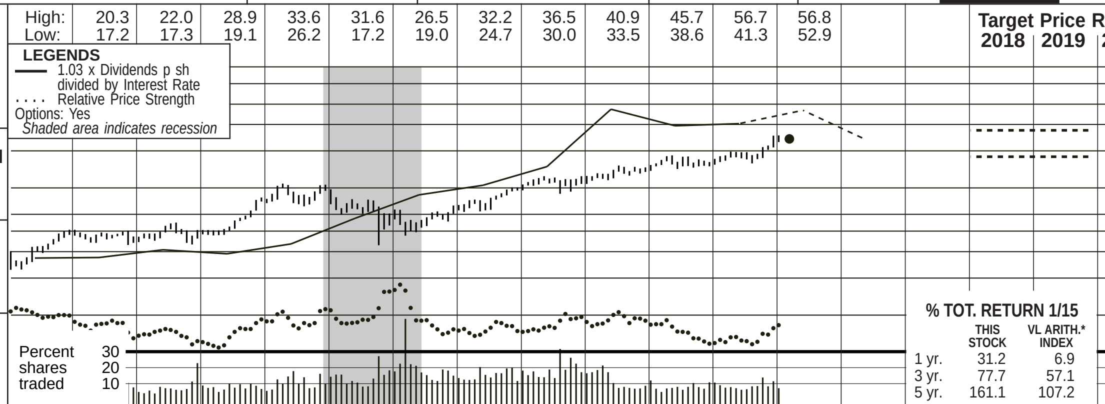
NORTHEAST UTILITIES NYSE-NU

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
54.68	18.9	(Trailing: 21.3 Median: 18.0)	1.03	3.1%	VALUE LINE

TIMELINESS 3 Lowered 12/19/14
SAFETY 2 Raised 5/25/12
TECHNICAL 4 Lowered 2/13/15
BETA .75 (1.00 = Market)

High:	20.3	22.0	28.9	33.6	31.6	26.5	32.2	36.5	40.9	45.7	56.7	56.8
Low:	17.2	17.3	19.1	26.2	17.2	19.0	24.7	30.0	33.5	38.6	41.3	52.9

Target Price Range 2018 | 2019 | 2020



2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+10%)	*6%*
Low	45	(-20%)	*-1%*

Insider Decisions

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

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	221	228	200
to Sell	192	187	213
Hld's(000)	209428	211525	215261

% TOT. RETURN 1/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	31.2	6.9
3 yr.	77.7	57.1
5 yr.	161.1	107.2

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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	*24.40*	*24.85*	*25.55*	Revenues per sh	*27.75*
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	*4.80*	*5.20*	*5.60*	"Cash Flow" per sh	*6.75*
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	2.58	*2.85*	*3.05*	Earnings per sh A	*3.75*
.10	.40	.45	.53	.58	.63	.68	.73	.78	.83	.95	1.03	1.10	1.32	1.47	1.57	*1.67*	*1.78*	Div'd Decl'd per sh B ■	*2.10*
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	*5.35*	*5.80*	*6.65*	Cap'l Spending per sh	*6.25*
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	*31.40*	*32.50*	*33.70*	Book Value per sh C	*38.00*
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	*317.00*	*318.00*	*319.00*	Common Shs Outst'g D	*322.00*
- -	- -	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	17.9	*Bold figures are*		Avg Ann'l P/E Ratio	*14.0*
- -	- -	.72	.88	.76	1.10	1.05	1.46	.99	.82	.80	.85	.97	1.27	.95	.94	*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%	3.4%	*estimates*		Avg Ann'l Div'd Yield	*4.0%*

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
5507.3	6884.4	5822.2	5800.1	5439.4	4898.2	4465.7	6273.8	7301.2	*7741.9*	*7900*	*8150*	Revenues ($mill)	*8900*
128.5	126.2	251.5	296.2	335.6	377.8	400.3	533.0	793.7	827.1	*910*	*985*	Net Profit ($mill)	*1195*
30.8%	- -	30.3%	29.7%	34.9%	36.6%	29.9%	34.0%	35.0%	36.2%	*35.0%*	*35.0%*	Income Tax Rate	*35.0%*
17.4%	21.5%	13.9%	15.8%	4.6%	7.1%	8.6%	2.3%	1.4%	*4.0%*	*4.0%*	*4.0%*	AFUDC % to Net Profit	*3.0%*
63.2%	58.7%	59.2%	60.4%	57.2%	55.1%	53.4%	43.7%	44.3%	*44.5%*	*45.0%*	*45.5%*	Long-Term Debt Ratio	*45.5%*
35.1%	39.7%	39.2%	38.1%	41.5%	43.6%	45.3%	55.4%	54.8%	*54.5%*	*54.0%*	*54.0%*	Common Equity Ratio	*54.0%*
6923.2	7052.0	7431.1	7926.2	8629.5	8741.8	8856.0	16675	17544	*18275*	*19125*	*19925*	Total Capital ($mill)	*22700*
6417.2	6242.2	7229.9	8207.9	8840.0	9567.7	10403	16605	17576	*18725*	*19975*	*21425*	Net Plant ($mill)	*25600*
3.5%	2.9%	5.0%	5.4%	5.4%	5.8%	5.9%	4.2%	5.5%	*5.5%*	*5.5%*	*6.0%*	Return on Total Cap'l	*6.5%*
5.0%	4.3%	8.3%	9.4%	9.1%	9.6%	9.7%	5.7%	8.1%	*8.0%*	*8.5%*	*9.0%*	Return on Shr. Equity	*9.5%*
5.1%	4.3%	8.4%	9.6%	9.2%	9.8%	9.8%	5.7%	8.2%	*8.0%*	*9.0%*	*9.0%*	Return on Com Equity E	*9.5%*
1.5%	.3%	4.3%	5.3%	4.7%	5.0%	5.0%	1.6%	3.4%	*3.0%*	*3.5%*	*4.0%*	Retained to Com Eq	*4.0%*
72%	94%	50%	45%	50%	49%	50%	72%	59%	*61%*	*59%*	*58%*	All Div'ds to Net Prof	*57%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $9469.5 mill. **Due in 5 Yrs** $3552.1 mill.
LT Debt $8167.0 mill. **LT Interest** $361.8 mill.
(LT interest earned: 4.5x)

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 316,799,371 shs.
as of 10/31/14
MARKET CAP: $17 billion (Large Cap)

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 '18-'20
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%	*7.0%*
Book Value	5.0%	8.0%	*4.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	1100	1629	1861	1684	6273.8
2013	1995	1636	1893	1777	7301.2
2014	2291	1678	1892	1881	7741.9
2015	*2250*	*1750*	*2000*	*1900*	*7900*
2016	*2350*	*1800*	*2050*	*1950*	*8150*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.56	.15	.66	.55	1.89
2013	.72	.54	.66	.56	2.49
2014	.74	.40	.74	.69	2.58
2015	*.80*	*.60*	*.80*	*.65*	*2.85*
2016	*.85*	*.65*	*.85*	*.70*	*3.05*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	.3925	1.57
2015	.4175				

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. Yankee Gas serves CT. Acq'd NSTAR 4/12. Electric rev. breakdown: res'l, 49%; comm'l, 38%; ind'l, 5%; other, 8%. Fuel costs: 34% of revs. '13 reported depr. rates: 2.5%-3.0%. Has 8,700 employees. Chairman, President & CEO: Thomas J. May. Inc.: MA. Address: One Federal St., Building 111-4, Springfield, MA 01105. Tel.: 413-785-5871. Internet: www.eversource.com.

Northeast Utilities changed its name to Eversource Energy shortly after this report went to press. The company wanted to brand all of its utility subsidiaries under the Eversource name, and began doing business under the new name in early February. The stock was expected to begin trading under its new name and ticker symbol (ES) on February 19th.

Connecticut Light & Power received a rate increase. Tariffs were raised by $134.1 million (13.9%), based on a return of 9.17% on a common-equity ratio of 50.38%. The utility's allowed ROE for the first 12 months following the rate order is just 9.02% as a penalty for what the regulators deemed inadequate responses to storms in 2011. New tariffs took effect on December 1st. CL&P has not been earning an adequate ROE, so rate relief was sorely needed. The order includes a regulatory mechanism that decouples revenues and volume.

NSTAR Gas has a rate case pending in Massachusetts, and another gas filing is upcoming. The utility is seeking its first base rate hike in more than 20 years. It filed for an increase of $45.9 million (10.9%), based on a return of 10.25% on a common-equity ratio of 52.94%. New tariffs will take effect at the start of 2016. Yankee Gas in Connecticut will file a rate application in the second quarter.

We estimate solid earnings increases this year and next. Rate relief should help. Capital spending on electric transmission is another factor. NU's transmission budget for 2015 through 2018 is $3.9 billion. And the company continues to effect cost reductions stemming from its merger with NSTAR three years ago. Our 2015 earnings estimate is within NU's targeted range of $2.75-$2.90 a share.

The board of directors has increased the dividend. The board boosted the annual disbursement by $0.10 a share (6.4%). This is within the company's targeted growth rate of 6%-8% a year.

This stock's dividend yield is a cut below the mean for utilities. This reflects the company's superior dividend growth prospects. Like most utility issues, the recent price is within the 2018-2020 Target Price Range, so total return potential is low.

Paul E. Debbas, CFA *February 20, 2015*

(A) Diluted EPS. Excl. nonrec. gains (losses): '02, 10¢; '03, (32¢); '04, (7¢); '05, ($1.36); '08, (19¢); '10, 9¢. '12 EPS don't add due to chng. in shs., '13 & '14 due to rounding. Next earnings report due early May. (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.) '15, 9.02% (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

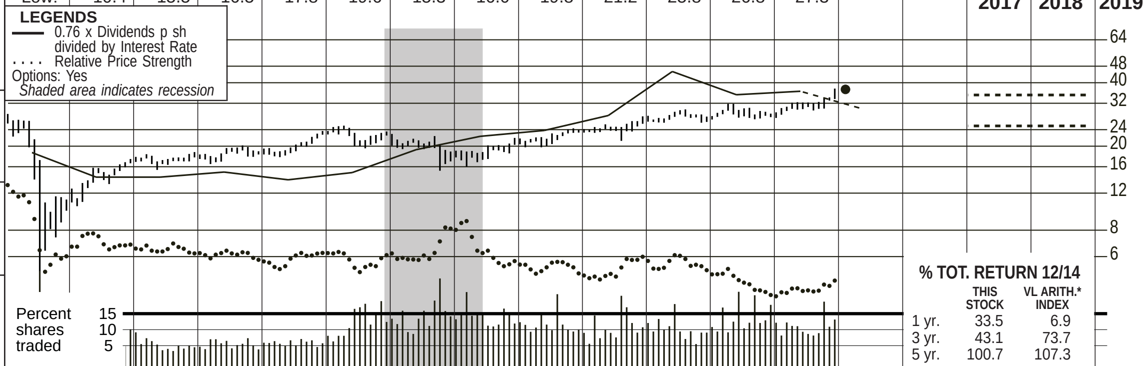
XCEL ENERGY NYSE-XEL	RECENT PRICE 37.27	P/E RATIO 18.8 (Trailing: 19.2 / Median: 14.0)	RELATIVE P/E RATIO 1.02	DIV'D YLD 3.4%	VALUE LINE

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

LEGENDS
— 0.76 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	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

Percent shares traded 15 10 5

% 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%*

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%*

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)

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

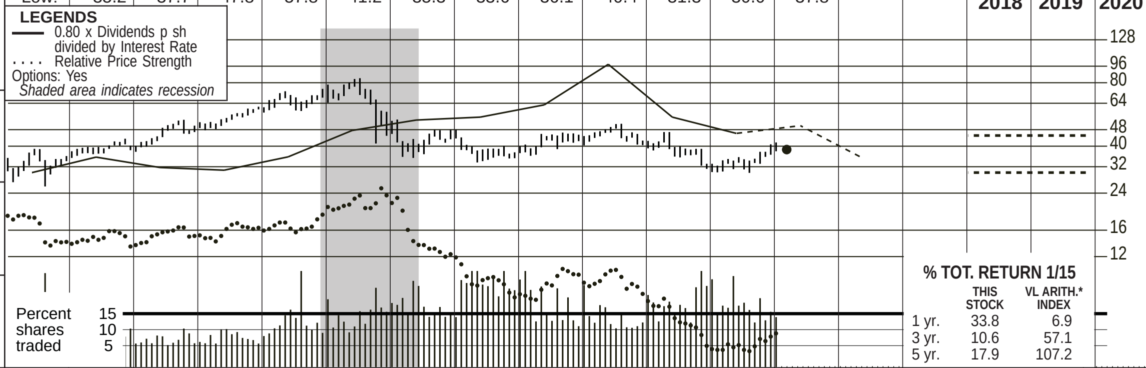
FIRSTENERGY NYSE-FE

RECENT PRICE	38.62	P/E RATIO	14.3 (Trailing: 15.4; Median: 15.0)	RELATIVE P/E RATIO	0.78	DIV'D YLD	3.7%	VALUE LINE

TIMELINESS **4** Lowered 12/12/14
SAFETY **3** Lowered 2/22/13
TECHNICAL **4** Lowered 2/6/15
BETA .70 (1.00 = Market)

High:	43.4	53.4	61.7	75.0	84.0	53.6	47.8	46.5	51.1	46.8	40.8	41.7
Low:	35.2	37.7	47.8	57.8	41.2	35.3	33.6	36.1	40.4	31.3	30.0	37.8

Target Price Range
2018 | 2019 | 2020



2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+15%)	7%
Low	30	(-20%)	-2%

Insider Decisions

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

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	211	208	178
to Sell	238	210	219
Hld's(000)	303716	300665	311569

% TOT. RETURN 1/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	33.8	6.9
3 yr.	10.6	57.1
5 yr.	17.9	107.2

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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***	***37.55***	Revenues per sh	***40.25***
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***	***6.40***	"Cash Flow" per sh	***7.00***
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***	***2.80***	Earnings per sh A	***3.00***
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***	***1.48***	Div'd Decl'd per sh B ■	***1.60***
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***	***6.80***	Cap'l Spending per sh	***7.50***
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***	***33.70***	Book Value per sh C	***37.75***
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***	***426.00***	Common Shs Outst'g D	***433.50***
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	***16.1***	*Bold figures are*		Avg Ann'l P/E Ratio	***12.5***
.64	.60	.56	.71	1.28	.74	.86	.77	.83	.94	.87	.74	1.41	1.34	.74	***.85***	*Value Line*		Relative P/E Ratio	***.80***
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%	4.3%	*estimates*		Avg Ann'l Div'd Yield	***4.3%***

CAPITAL STRUCTURE as of 9/30/14
Total Debt $21538 mill. **Due in 5 Yrs** $8875 mill.
LT Debt $18531 mill. **LT Interest** $965 mill.
Incl. $154 mill. capitalized leases.
(LT interest earned: 2.4x)

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

Common Stock 420,792,515 shs.
as of 10/31/14
MARKET CAP: $16 billion (Large Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
11989	11501	12802	13627	12712	13339	16258	15294	14903	***15200***	***15500***	***16000***	Revenues ($mill)	***17500***
951.0	1265.0	1309.0	1342.0	1015.0	991.0	752.0	891.0	1245.0	***895***	***1165***	***1190***	Net Profit ($mill)	***1340***
42.1%	38.6%	40.3%	36.7%	19.6%	38.6%	41.3%	41.1%	36.1%	***30.5%***	***37.0%***	***37.0%***	Income Tax Rate	***37.0%***
2.0%	2.1%	2.4%	3.9%	12.8%	16.6%	9.3%	8.1%	6.0%	***12.0%***	***6.0%***	***6.0%***	AFUDC % to Net Profit	***6.0%***
46.5%	48.6%	49.7%	52.4%	58.2%	59.5%	54.2%	53.7%	55.5%	***56.0%***	***55.5%***	***55.5%***	Long-Term Debt Ratio	***55.0%***
52.4%	51.4%	50.3%	47.7%	41.8%	40.5%	45.8%	46.3%	44.5%	***44.0%***	***44.5%***	***44.5%***	Common Equity Ratio	***45.0%***
17527	17570	17846	17383	20467	21124	28996	28263	28523	***29600***	***30850***	***32125***	Total Capital ($mill)	***36400***
13998	14667	15383	17723	19164	19788	30337	32903	33252	***35500***	***37025***	***38450***	Net Plant ($mill)	***43000***
7.1%	9.0%	9.0%	9.7%	6.9%	6.3%	4.0%	4.9%	6.0%	***4.5%***	***5.5%***	***5.0%***	Return on Total Cap'l	***5.0%***
10.1%	14.0%	14.6%	16.2%	11.9%	11.6%	5.7%	6.8%	9.8%	***7.0%***	***8.5%***	***8.5%***	Return on Shr. Equity	***8.0%***
10.2%	13.9%	14.6%	16.2%	11.9%	11.6%	5.7%	6.8%	9.8%	***7.0%***	***8.5%***	***8.5%***	Return on Com Equity E	***8.0%***
4.2%	7.4%	7.7%	8.1%	4.0%	3.8%	NMF	NMF	2.6%	***2.0%***	***4.0%***	***4.0%***	Retained to Com Eq	***4.0%***
59%	47%	47%	50%	66%	68%	117%	103%	74%	***68%***	***52%***	***53%***	All Div'ds to Net Prof	***52%***

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 '18-'20
Revenues	.5%	-2.0%	*1.0%*
"Cash Flow"	1.0%	-6.0%	*2.0%*
Earnings	- -	-11.0%	*3.5%*
Dividends	3.0%	- -	*-3.5%*
Book Value	2.5%	2.0%	*3.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	3986	3757	4051	3500	15294
2013	3724	3512	4020	3647	14903
2014	4189	3496	3888	***3627***	***15200***
2015	***4050***	***3750***	***4000***	***3700***	***15500***
2016	***4200***	***3850***	***4150***	***3800***	***16000***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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***
2016	***.65***	***.50***	***.90***	***.75***	***2.80***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	.36	1.44
2015	.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 revenues. '13 reported deprec. rate: 2.6%. Has 15,800 employees. Chairman: Anthony J. Alexander. President & CEO: Charles E. Jones. Inc.: Ohio. Address: 76 South Main Street, Akron, Ohio 44308-1890. Tel.: 800-736-3402. Internet: www.firstenergycorp.com.

FirstEnergy has made progress in some of its regulatory matters. The Federal Energy Regulatory Commission granted the company's request for forward-looking tariff regulation, effective at the start of 2015. (The utility's allowed return on equity in this business is now 12.38%, but this might be lowered.) The West Virginia commission approved a settlement calling for a total rate increase of $63 million for FirstEnergy's two utilities in the state, effective February 25th. The company's four utilities in Pennsylvania reached a settlement calling for rate hikes totaling $293 million. A ruling is expected by May 19th. This settlement, and the order in West Virginia, were "black box" agreements in which an allowed ROE was not specified.

Other regulatory matters are pending. FirstEnergy is asking the Ohio commission to approve a three-year extension of its Electric Security Plan. This would include 15-year agreements through which the company's utilities in the state would purchase the output of some generating assets, including the Davis-Besse nuclear unit and the Sammis coal-fired plant. Jersey Central Power & Light filed for a tariff hike of $9.1 million, based on an 11% ROE. However, an administrative law judge recommended a cut of $107.5 million. Each of these matters will probably be resolved within the next several weeks.

A dividend increase is possible next year—if not sooner. FirstEnergy is waiting for its regulatory matters to be resolved so that it can gauge the earning power of its utility operations. We estimate a dividend hike in 2016. However, we think the disbursement won't approach its previous $2.20-a-share level, even over the 3- to 5-year period.

Earnings should return to a more normal level this year, followed by a modest increase in 2016. Last year, some unusual (but not nonrecurring) charges reduced profits. FirstEnergy's earnings growth will probably be driven by its regulated utility operations.

The dividend yield of this untimely stock is a bit above the utility average. With the recent price above the midpoint of our 2018-2020 Target Price Range, total return potential is unimpressive.

Paul E. Debbas, CFA *February 20, 2015*

(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¢. '12 EPS don't add due to rounding. Next earnings report due early May. (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	31.38	P/E RATIO	16.2 (Trailing: 15.8 Median: 14.0)	RELATIVE P/E RATIO	0.88	DIV'D YLD	3.4%	VALUE LINE

TIMELINESS 3 Raised 5/9/14
SAFETY 1 Raised 9/19/14
TECHNICAL 3 Raised 2/27/15
BETA .90 (1.00 = Market)

High:	13.5	15.3	20.3	20.7	18.1	18.9	23.1	28.6	30.1	40.0	39.3	36.5
Low:	11.4	12.2	13.2	14.6	9.8	9.9	16.9	20.3	25.1	27.7	32.8	31.4

2018-20 PROJECTIONS

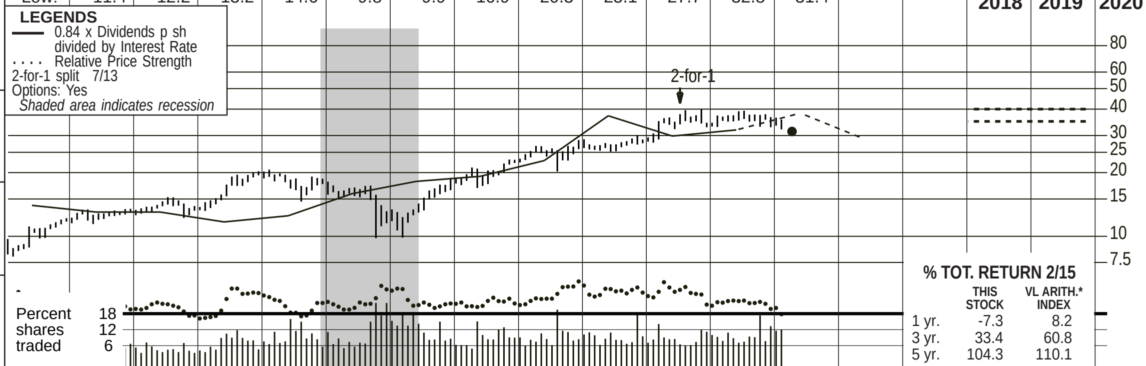
	Price	Gain	Ann'l Total Return
High	40	(+25%)	*10%*
Low	35	(+10%)	*7%*

Insider Decisions

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

Institutional Decisions

	2Q2014	3Q2014	4Q2014
to Buy	134	147	171
to Sell	141	125	134
Hld's(000)	116179	117222	122042



% TOT. RETURN 2/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-7.3	8.2
3 yr.	33.4	60.8
5 yr.	104.3	110.1

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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	*12.30*	*12.75*	*13.45*	Revenues per sh	*15.00*
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	*3.40*	*3.40*	*3.60*	"Cash Flow" per sh	*4.00*
.97	.95	.65	.72	.87	.89	.92	1.23	1.32	1.25	1.33	1.50	1.73	1.79	1.94	1.98	*1.85*	*2.00*	Earnings per sh A	*2.25*
.67	.67	.67	.67	.67	.67	.67	.67	.68	.70	.71	.73	.76	.80	.85	.95	*1.05*	*1.16*	Div'd Decl'd per sh B ■	*1.55*
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	*2.85*	*2.75*	*2.80*	Cap'l Spending per sh	*2.50*
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*	*17.10*	*17.95*	Book Value per sh C	*20.25*
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	*199.50*	*200.00*	*200.50*	Common Shs Outst'g D	*202.00*
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	18.3	*Bold figures are*		Avg Ann'l P/E Ratio	*17.0*
.69	.69	.89	.77	.67	.74	.79	.74	.73	.75	.72	.85	.90	.97	.99	.97	*Value Line*		Relative P/E Ratio	*1.05*
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%	2.6%	*estimates*		Avg Ann'l Div'd Yield	*4.1%*

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: $6.3 billion (Large Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
5948.2	4005.6	3797.6	4070.7	2869.7	3716.9	3915.9	3671.2	2867.7	2453.1	*2550*	*2700*	Revenues ($mill)	*3050*
166.1	226.1	244.2	231.4	258.3	295.3	342.9	355.0	387.6	395.8	*375*	*400*	Net Profit ($mill)	*460*
30.2%	34.8%	32.3%	30.4%	31.7%	34.9%	30.7%	26.0%	24.9%	30.4%	*30.0%*	*30.0%*	Income Tax Rate	*30.0%*
1.3%	3.8%	1.6%	1.7%	9.1%	5.7%	9.0%	2.7%	2.6%	1.7%	*4.0%*	*3.0%*	AFUDC % to Net Profit	*2.0%*
49.5%	45.6%	44.4%	53.3%	50.6%	50.8%	51.6%	50.7%	43.1%	*46.0%*	*44.5%*	*45.0%*	Long-Term Debt Ratio	*48.5%*
50.5%	54.4%	55.6%	46.7%	49.4%	49.2%	48.4%	49.3%	56.9%	*54.0%*	*55.5%*	*55.0%*	Common Equity Ratio	*51.5%*
2726.6	2950.1	3025.5	4058.6	4129.7	4652.5	5300.4	5615.8	5337.2	*6000*	*6175*	*6555*	Total Capital ($mill)	*7975*
3567.4	3867.5	4246.3	5249.8	5911.6	6464.4	7474.0	8344.8	6672.8	6979.9	*7220*	*7465*	Net Plant ($mill)	*8300*
7.6%	9.1%	9.5%	7.0%	7.9%	7.8%	7.8%	7.7%	8.6%	*8.0%*	*7.5%*	*7.5%*	Return on Total Cap'l	*7.0%*
12.1%	14.1%	14.5%	12.2%	12.7%	12.9%	13.4%	12.8%	12.8%	*12.0%*	*11.0%*	*11.0%*	Return on Shr. Equity	*11.0%*
12.1%	14.1%	14.5%	12.2%	12.7%	12.9%	13.4%	12.8%	12.8%	*12.0%*	*11.0%*	*11.0%*	Return on Com Equity E	*11.0%*
3.4%	6.6%	7.1%	5.4%	6.0%	6.7%	7.7%	7.2%	7.3%	*6.5%*	*5.0%*	*4.5%*	Retained to Com Eq	*3.5%*
72%	53%	51%	55%	53%	48%	43%	44%	43%	*47%*	*56%*	*58%*	All Div'ds to Net Prof	*68%*

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 '18-'20
Revenues	-1.5%	-4.0%	*NMF*
"Cash Flow"	6.5%	8.5%	*2.0%*
Earnings	9.5%	7.5%	*3.0%*
Dividends	2.0%	3.0%	*10.0%*
Book Value	8.0%	8.5%	*5.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	526.2	2453.1
2015	*575*	*625*	*800*	*550*	*2550*
2016	*600*	*675*	*850*	*575*	*2700*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.19	.48	.94	.20	1.79
2013	.12	.46	1.08	.29	1.94
2014	.25	.50	.94	.29	1.98
2015	*.20*	*.50*	*.95*	*.20*	*1.85*
2016	*.20*	*.55*	*1.05*	*.20*	*2.00*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.1875	.1875	.1875	.1875	.75
2012	.19675	.19675	.19675	.19675	.79
2013	.20875	.20875	.20875	.20875	.84
2014	.225	.225	.225	.25	.93
2015	.25				

BUSINESS: OGE Energy Corp. is a holding company for Oklahoma Gas and Electric Company (OG&E), which supplies electricity to 815,000 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 earnings are likely to decline this year. One reason is a probable falloff in equity income from the company's 26.3% stake in Enable Midstream Partners, an oil and gas master limited partnership. Enable has seen a decline in the rig count in its operating area, and although most of its business is fee-based, the drop in commodity prices is another negative factor. Another reason is regulatory lag at Oklahoma Gas and Electric, due to higher depreciation, unrecovered transmission costs, and the ending of a wholesale power contract. We have slashed our earnings estimate by $0.25 a share, to $1.85. Our revised estimate is within OGE's guidance of $1.76-$1.89.

The utility is awaiting a ruling from the Oklahoma Corporation Commission (OCC) on its environmental compliance plan. OG&E plans to spend $1.1 billion through 2019 to comply with EPA mandates. The utility would recover these costs through riders on customers' bills. After the OCC has issued its decision, OG&E will file a general rate case (probably in the June quarter) to address the aforementioned reasons for regulatory lag. New tariffs would take effect six months later, meaning that any rate relief the company gets this year will come too late to help lift profits much in 2015. OG&E is also planning a rate case in Arkansas, possibly by the end of the current quarter.

We look for earnings to recover next year. We assume reasonable regulatory treatment, and that the contribution from Enable will be greater than in 2015 (but not back to the 2014 level).

OGE still intends to increase the dividend at an annual rate of 10% through 2019. We note that the percentage decline in expected distributions from Enable isn't nearly as large as that of expected equity income. In addition, OGE's low payout ratio and solid finances give the board of directors the wherewithal to increase the disbursement rapidly.

This high-quality stock is suitable for investors seeking dividend growth. The quotation has fallen 12% so far in 2015, which has been a weak year for most utility issues. Even after the pullback, though, the dividend yield is a cut below the utility average.

Paul E. Debbas, CFA *March 20, 2015*

(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 early May. **(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	90
Earnings Predictability	95

OTTER TAIL CORP. NDQ-OTTR

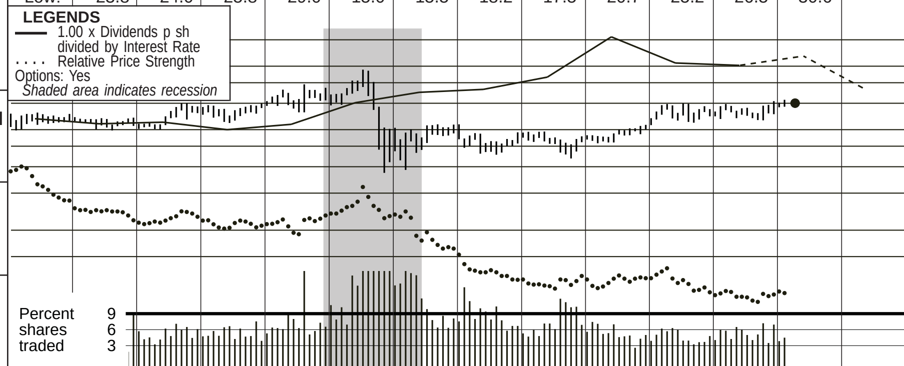
RECENT PRICE 31.95 | P/E RATIO 19.6 (Trailing: 20.4 Median: 23.0) | RELATIVE P/E RATIO 1.07 | DIV'D YLD 3.8% | VALUE LINE

TIMELINESS 3 Lowered 12/12/14
SAFETY 3 Lowered 12/24/10
TECHNICAL 3 Raised 3/20/15
BETA .90 (1.00 = Market)

High:	27.5	32.0	31.9	39.4	46.2	25.4	25.4	23.5	25.3	31.9	32.7	33.2
Low:	23.8	24.0	25.8	29.0	15.0	15.5	18.2	17.5	20.7	25.2	26.5	30.6

Target Price Range 2018 | 2019 | 2020

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



2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	40	(+25%)	9%
Low	30	(-5%)	3%

Insider Decisions

	A	M	J	J	A	S	O	N	D
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	1	0	0	1	1

Institutional Decisions

	2Q2014	3Q2014	4Q2014
to Buy	51	48	64
to Sell	55	52	41
Hld's(000)	12279	12308	12708

% TOT. RETURN 2/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	12.8	8.2
3 yr.	75.7	60.8
5 yr.	108.8	110.1

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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	21.48	*23.95*	*24.60*	Revenues per sh	*30.35*
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	3.02	3.09	*3.40*	*3.75*	"Cash Flow" per sh	*4.65*
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	1.55	*1.75*	*1.90*	Earnings per sh A	*2.35*
.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*	*1.25*	Div'd Decl'd per sh B ■	*1.32*
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	4.40	*4.45*	*4.55*	Cap'l Spending per sh	*4.75*
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	14.75	15.39	*16.05*	*16.65*	Book Value per sh C	*18.10*
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	37.22	*38.00*	*39.00*	Common Shs Outst'g D	*42.00*
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	18.8	*Bold figures are*		Avg Ann'l P/E Ratio	*15.0*
.79	.88	.84	.87	1.01	.91	.82	.93	1.01	1.81	2.08	3.51	2.98	1.38	1.19	.99	*Value Line*		Relative P/E Ratio	*.95*
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%	4.1%	*estimates*		Avg Ann'l Div'd Yield	*3.7%*

CAPITAL STRUCTURE as of 12/31/14
Total Debt $509.5 mill. **Due in 5 Yrs** $87.0 mill.
LT Debt $498.5 mill. **LT Interest** $28.0 mill.
(LT interest earned: 3.5x)

Leases, Uncapitalized Annual rentals $7 mill.
Pension Assets-12/14 $244.6 mill. **Oblig.** $311.7 mill.
Pfd Stock None

Common Stock 37,363,740 shs.
as of 2/13/15
MARKET CAP: $1.2 billion (Mid Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
1046.4	1105.0	1238.9	1311.2	1039.5	1119.1	1077.9	859.2	893.3	799.3	*910*	*960*	Revenues ($mill)	*1275*
52.9	50.8	54.0	35.1	26.0	13.6	16.4	39.0	50.2	56.9	*65.0*	*75.0*	Net Profit ($mill)	*100*
34.6%	34.8%	34.1%	30.0%	- -	- -	14.5%	5.2%	21.3%	22.5%	*25.0%*	*25.0%*	Income Tax Rate	*25.0%*
1.7%	1.9%	4.2%	6.1%	4.0%	.6%	3.8%	1.7%	1.7%	3.6%	*3.0%*	*4.0%*	AFUDC % to Net Profit	*5.0%*
35.0%	33.5%	38.9%	32.9%	38.8%	40.2%	44.6%	44.0%	42.1%	46.5%	*46.5%*	*46.5%*	Long-Term Debt Ratio	*48.0%*
62.9%	64.5%	59.4%	65.6%	59.8%	58.4%	54.0%	54.4%	57.9%	53.5%	*53.5%*	*53.5%*	Common Equity Ratio	*52.0%*
738.2	763.0	882.1	1032.5	1124.4	1083.3	1058.9	959.2	924.4	1071.3	*1135*	*1210*	Total Capital ($mill)	*1460*
697.1	718.6	854.0	1037.6	1098.6	1108.7	1077.5	1049.5	1167.0	1268.5	*1350*	*1450*	Net Plant ($mill)	*1750*
8.3%	7.7%	7.2%	4.3%	3.4%	2.7%	3.2%	5.7%	6.7%	6.7%	*7.0%*	*7.5%*	Return on Total Cap'l	*8.0%*
11.0%	10.0%	10.0%	5.1%	3.8%	2.1%	2.8%	7.3%	9.4%	9.9%	*10.5%*	*11.5%*	Return on Shr. Equity E	*13.0%*
11.2%	10.2%	10.2%	5.1%	3.8%	2.0%	2.7%	7.3%	9.3%	9.9%	*10.5%*	*11.5%*	Return on Com Equity	*13.0%*
4.2%	3.3%	3.5%	NMF	NMF	NMF	NMF	NMF	1.2%	2.2%	*3.0%*	*4.0%*	Retained to Com Eq	*6.0%*
63%	68%	66%	108%	NMF	NMF	NMF	113%	87%	78%	*73%*	*66%*	All Div'ds to Net Prof	*56%*

ELECTRIC OPERATING STATISTICS

	2012	2013	2014
% Change Retail Sales (KWH)	-1.1	+5.8	+4.6
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	257	359	336

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '12-'14 to '18-'20
Revenues	-2.0%	-8.5%	*4.5%*
"Cash Flow"	-1.0%	-0.5%	*8.0%*
Earnings	-2.0%	2.0%	*10.0%*
Dividends	1.0%	- -	*1.5%*
Book Value	1.0%	-4.5%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	219.9	211.4	215.3	212.6	859.2
2013	218.0	212.4	229.8	233.1	893.3
2014	215.0	194.4	196.5	193.4	799.3
2015	*225*	*215*	*230*	*240*	*910*
2016	*240*	*230*	*240*	*250*	*960*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.28	.19	.13	.47	1.05
2013	.41	.21	.41	.35	1.37
2014	.59	.27	.43	.28	1.55
2015	*.55*	*.30*	*.50*	*.40*	*1.75*
2016	*.58*	*.35*	*.53*	*.44*	*1.90*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	1.21
2015	.308				

BUSINESS: Otter Tail Corporation is the parent of Otter Tail Power Company, which supplies electricity to over 130,000 customers in Minnesota (50% of retail elec. revs.), North Dakota (42%), and South Dakota (8%). Electric rev. breakdown, '14: residential, 32%; commercial & farms, 37%; industrial, 25%; other, 6%. Fuel costs: 16.6% of revenues. Also has operations in manufacturing and plastics. 2014 depr. rate: 2.9%. Has 1,893 employees. Off. and dir. own 1.4% of common stock; Cascade Investment, LLC, 9.3%; Vanguard Group, Inc., 6.6%; BlackRock, Inc., 5.5% (2/15 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 increased in price over the past six months. The company performed relatively well in 2014. Healthy results were led by the electric segment, where solid execution and the regulatory cost recovery of approved power plant environmental upgrades and transmission projects drove strong bottom-line growth. This was partly offset by less favorable results in the Manufacturing and Plastics lines.

The company has sold the assets of its energy and electrical construction business, Aevenia. Otter Tail received consideration of $25 million from Primoris AV. This move reflects the company's strategy of exiting noncore operations to focus nonutility investment exclusively in manufacturing-based businesses.

We envision greater revenues and share earnings for Otter Tail in the current year. Solid growth ought to continue from 2016 onward. The Electric segment should be able to further capitalize on a favorable operating environment going forward. This business will likely continue to experience growth in retail kilowatt-hour sales and rider recovery revenue. The company anticipates $665 million in capital expenditures through 2019 and annual growth in the utility rate base of 8.6% (starting from the 2013 figure of $728 million). Meanwhile, the manufacturing line should continue to benefit from greater demand from customers in recreational, lawn and garden, and energy-related end markets, though we also expect higher costs here. Elsewhere, demand for polyvinyl chloride pipe should support results at the plastics business. However, earnings here could remain soft, as higher resin costs may not be fully be recovered through greater pipe prices.

The board of directors has increased the dividend by almost 2%. Starting with the March payout, the quarterly dividend is now $0.3075. Modest increases are likely up ahead.

Income-seeking accounts may find the healthy dividend yield attractive. But this stock is just neutrally ranked for Timeliness. Appreciation potential is nothing to write home about either, as the shares are presently trading within our Target Price Range.

Michael Napoli, CFA *March 20, 2015*

(A) Diluted earnings. Excl. nonrecurring gains (losses): '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); '13, 2¢; '14, 2¢. Earnings may not sum due to rounding. Next earnings report due in May. (B) Div'ds historically paid in early March, June, Sept., and Dec. ■ Div'd reinvestment plan avail. (C) Incl. intangibles. In '14: $42.7 mill., $1.15/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 **35.00** | P/E RATIO **14.4** (Trailing: 15.8, Median: 15.0) | RELATIVE P/E RATIO **0.78** | DIV'D YLD **3.5%** | **VALUE LINE**

TIMELINESS 3 Lowered 9/5/14
SAFETY 3 Lowered 11/23/12
TECHNICAL 5 Lowered 2/6/15
BETA .70 (1.00 = Market)

2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+30%)	*10%*
Low	30	(-15%)	*1%*

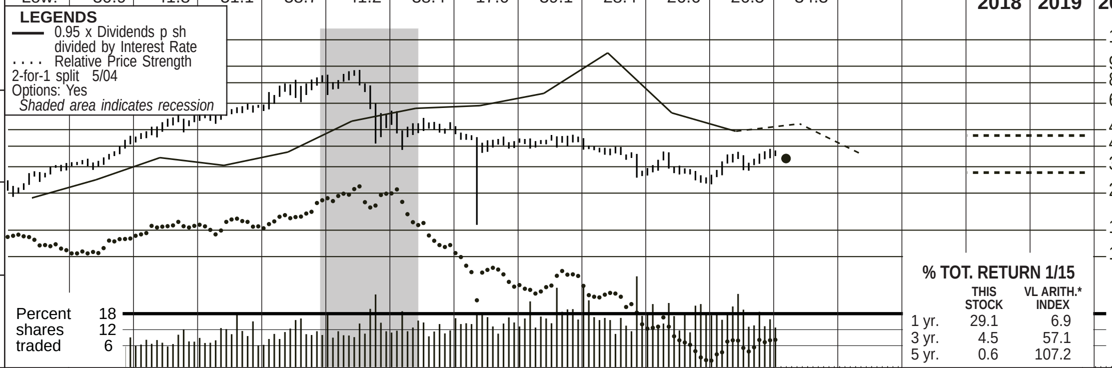
Insider Decisions

	M	A	M	J	J	A	S	O	N
to Buy	0	0	0	0	0	0	0	0	0
Options	2	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	322	319	333
to Sell	315	327	321
Hld's(000)	630607	686965	703571

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
High:	44.9	57.5	63.6	86.8	92.1	59.0	49.9	45.4	43.7	37.8	38.9	38.3
Low:	30.9	41.8	51.1	58.7	41.2	38.4	17.0	39.1	28.4	26.6	26.5	34.3



% TOT. RETURN 1/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	29.1	6.9
3 yr.	4.5	57.1
5 yr.	0.6	107.2

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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*	*30.15*	*30.95*	Revenues per sh	*33.25*
3.55	1.84	5.06	5.03	5.02	5.68	6.19	6.71	7.43	7.64	8.24	8.32	7.24	6.60	6.73	*6.50*	*6.95*	*7.10*	"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*	*2.50*	*2.60*	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*	*1.30*	Div'd Decl'd per sh B ■	*1.60*
- -	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*	*7.05*	Cap'l Spending per sh	*6.25*
- -	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*	*28.85*	*30.10*	Book Value per sh C	*34.75*
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*	*866.00*	Common Shs Outst'g D	*903.00*
- -	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	*16.0*	*Bold figures are*		Avg Ann'l P/E Ratio	*11.5*
- -	1.46	.68	.57	.67	.69	.82	.89	.97	1.08	.77	.70	.71	1.22	.75	*.85*	*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%	3.7%	*estimates*		Avg Ann'l Div'd Yield	*4.2%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $22474 mill. **Due in 5 Yrs** $7773 mill.
LT Debt $19848 mill. **LT Interest** $959 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 859,464,772 shs.

MARKET CAP: $30 billion (Large Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
15357	15655	18916	18859	17318	18644	18924	23489	24888	*26400*	*26000*	*26800*	Revenues ($mill)	*30000*
2162.0	2370.0	2730.0	2721.0	2844.0	2567.0	2499.0	1579.0	1999.0	*1935*	*2185*	*2270*	Net Profit ($mill)	*2970*
30.4%	33.7%	34.6%	32.6%	38.8%	39.2%	36.8%	32.4%	36.5%	*25.0%*	*32.0%*	*32.0%*	Income Tax Rate	*32.0%*
1.0%	1.6%	1.8%	1.3%	2.3%	2.1%	3.0%	5.8%	4.5%	*5.0%*	*4.0%*	*4.0%*	AFUDC % to Net Profit	*3.0%*
56.1%	54.2%	53.9%	53.1%	47.2%	46.8%	45.7%	45.8%	44.4%	*44.5%*	*44.0%*	*43.5%*	Long-Term Debt Ratio	*42.0%*
43.5%	45.4%	45.7%	46.6%	52.4%	52.9%	54.0%	53.5%	55.2%	*55.5%*	*55.5%*	*56.0%*	Common Equity Ratio	*58.0%*
20972	21971	22189	23726	24112	25651	26661	40057	41196	*42925*	*44725*	*46625*	Total Capital ($mill)	*54300*
21981	22775	24153	25813	27341	29941	32570	45186	47330	*49875*	*53225*	*55950*	Net Plant ($mill)	*62000*
12.1%	12.5%	14.1%	13.1%	13.3%	11.4%	10.6%	5.1%	5.9%	*5.5%*	*6.0%*	*6.0%*	Return on Total Cap'l	*6.5%*
23.5%	23.6%	26.7%	24.4%	22.3%	18.8%	17.3%	7.3%	8.7%	*7.5%*	*8.5%*	*8.5%*	Return on Shr. Equity	*9.5%*
23.6%	23.7%	26.9%	24.6%	22.5%	18.9%	17.3%	7.3%	8.7%	*7.5%*	*8.5%*	*8.5%*	Return on Com Equity E	*9.5%*
11.9%	13.0%	15.3%	12.5%	11.5%	8.7%	7.7%	NMF	3.2%	*3.0%*	*4.5%*	*4.5%*	Retained to Com Eq	*5.0%*
50%	45%	43%	49%	49%	54%	56%	109%	63%	*56%*	*49%*	*50%*	All Div'ds to Net Prof	*49%*

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

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.

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '18-'20
Revenues	2.0%	1.0%	*2.5%*
"Cash Flow"	3.0%	-1.0%	*2.0%*
Earnings	1.5%	-7.5%	*3.0%*
Dividends	7.5%	.5%	*-2.5%*
Book Value	7.0%	9.5%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	4686	5954	6565	6284	23489
2013	6082	6141	6502	6163	24888
2014	7237	6024	6912	*6227*	*26400*
2015	*7000*	*6000*	*6900*	*6100*	*26000*
2016	*7200*	*6200*	*7100*	*6300*	*26800*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.54	.33	.57	.48	1.92
2013	.30	.57	.86	.58	2.31
2014	.10	.60	.92	*.48*	*2.10*
2015	*.70*	*.55*	*.70*	*.55*	*2.50*
2016	*.70*	*.60*	*.75*	*.55*	*2.60*

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	.525	2.10
2013	.525	.31	.31	.31	1.46
2014	.31	.31	.31	.31	1.24
2015					

There is good and bad news about Exelon's proposed acquisition of Pepco Holdings. Under the agreement, Exelon would pay $6.8 billion in cash for Pepco, the parent company of utilities in Washington, DC; the Delmarva Peninsula; and southern New Jersey. The Federal Energy Regulatory Commission and New Jersey Board of Public Utilities have each approved the combination. On the other hand, the regulatory process isn't going as well in Delaware, where the demands for concessions are far greater than what the companies have offered. The transaction has come under some criticism in Maryland and the District of Columbia, as well. This doesn't necessarily mean that the deal is doomed, and the companies' goal is to complete it in the second or third quarter. We will not include Pepco in our figures until the acquisition is final.

Exelon has already made some moves in anticipation of the closing of the Pepco purchase. The company executed a forward sale agreement for 57.5 million common shares and sold (or is selling) some assets to raise cash.

We estimate a strong earnings increase this year, followed by a more-moderate advance in 2016. The March-quarter comparison is easy this year, as mark-to-market accounting charges on hedges reduced profits by $0.52 a share in the first period of 2014. Exelon should benefit from moderate growth in utility income this year and next. We also think a dividend hike is possible in 2016.

Some of Exelon's nuclear plants might be closed for economic reasons. The company is working with officials in Illinois and New York to try to keep them open. Possible rule changes in the region's power markets would increase capacity payments to owners of merchant generating assets, and would thus be beneficial for Exelon. There are signs of long-term improvement in the power markets, and this helped Exelon stock rise 37% last year. Prices lately have declined, however, so the stock price has retreated 8% so far in 2015.

Exelon stock has a dividend yield that is about average for a utility. Total return potential to 2018-2020 is modest, but above that of most utility equities.

Paul E. Debbas, CFA *February 20, 2015*

(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 May. (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	65

PPL CORPORATION NYSE-PPL

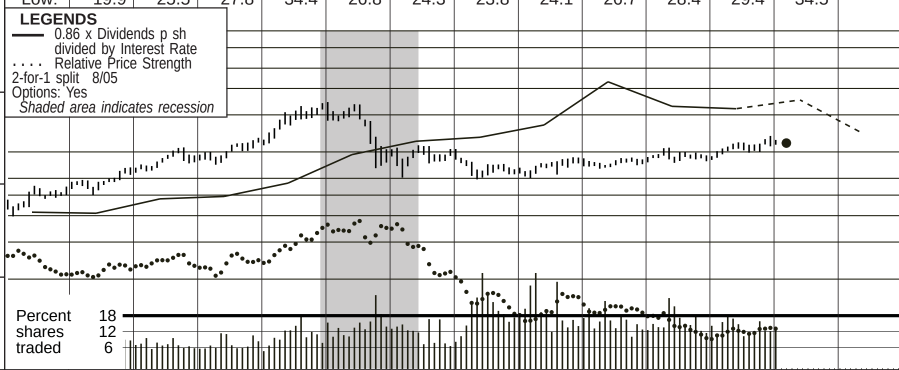
RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD
35.30	13.2 (Trailing: 14.8) (Median: 14.0)	0.72	4.3%

VALUE LINE

TIMELINESS	3 Lowered 3/28/14
SAFETY	3 Lowered 11/28/08
TECHNICAL	4 Lowered 2/20/15
BETA	.65 (1.00 = Market)

High:	27.1	33.7	37.3	54.6	55.2	34.4	33.1	30.3	30.2	33.6	38.1	36.7
Low:	19.9	25.5	27.8	34.4	26.8	24.3	23.8	24.1	26.7	28.4	29.4	34.5

LEGENDS
— 0.86 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
2-for-1 split 8/05
Options: Yes
Shaded area indicates recession



Target Price Range

2018 | 2019 | 2020

120 — 100 — 80 — 64 — 48 — 32 — 24 — 20 — 16 — 12 — 8

2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	40	(+15%)	8%
Low	30	(-15%)	1%

Insider Decisions

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

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	291	330	335
to Sell	277	238	232
Hld's(000)	429819	460755	463174

Percent shares traded 18 12 6

% TOT. RETURN 1/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	21.4	6.9
3 yr.	47.4	57.1
5 yr.	53.9	107.2

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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	17.25	18.75	19.15	Revenues per sh	20.50
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	4.60	4.65	4.80	"Cash Flow" per sh	5.25
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	2.38	2.35	2.40	Earnings per sh A	2.50
.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	1.54	Div'd Decl'd per sh B ■	1.65
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	6.15	6.10	5.55	Cap'l Spending per sh	6.00
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	20.45	21.40	22.40	Book Value per sh C	25.25
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	666.00	672.00	678.00	Common Shs Outst'g D	696.00
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	14.1	Bold figures are		Avg Ann'l P/E Ratio	14.0
.76	.58	.64	.61	.60	.66	.80	.76	.92	1.06	1.71	.76	.66	.69	.72	.74	Value Line		Relative P/E Ratio	.90
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%	4.4%	estimates		Avg Ann'l Div'd Yield	4.8%

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
6219.0	6899.0	6498.0	8044.0	7556.0	8521.0	12737	12286	11860	11499	12600	13000	Revenues ($mill)	14200
739.0	899.0	1031.0	940.0	465.0	1009.0	1456.0	1536.0	1541.0	1583.0	1570	1625	Net Profit ($mill)	1780
14.0%	23.2%	20.7%	31.8%	21.8%	22.0%	31.0%	26.2%	23.1%	33.0%	26.0%	26.0%	Income Tax Rate	26.0%
- -	- -	- -	.1%	9.5%	3.5%	4.0%	4.1%	3.7%	2.0%	2.0%	2.0%	AFUDC % to Net Profit	1.0%
57.5%	55.4%	54.1%	57.1%	55.2%	59.0%	61.9%	64.1%	62.3%	58.0%	57.5%	57.5%	Long-Term Debt Ratio	56.0%
42.0%	42.2%	43.6%	40.5%	42.5%	39.8%	37.2%	35.9%	37.7%	42.0%	42.5%	42.5%	Common Equity Ratio	44.0%
10513	12151	12747	12529	12940	20621	29071	29205	33058	32475	33900	35650	Total Capital ($mill)	40200
10916	12069	12605	12416	13174	20858	27266	30032	33087	34597	37125	39250	Net Plant ($mill)	45500
9.3%	9.3%	9.8%	9.2%	5.2%	6.1%	6.5%	7.0%	6.2%	6.5%	6.0%	6.0%	Return on Total Cap'l	6.0%
16.5%	16.6%	17.6%	17.5%	8.0%	11.9%	13.1%	14.7%	12.4%	11.5%	11.0%	10.5%	Return on Shr. Equity	10.0%
16.7%	17.3%	18.2%	18.2%	8.1%	12.0%	13.3%	14.6%	12.4%	11.5%	11.0%	10.5%	Return on Com Equity E	10.0%
8.8%	9.3%	10.0%	8.5%	NMF	5.2%	6.4%	6.7%	5.3%	4.5%	4.0%	4.0%	Retained to Com Eq	3.5%
47%	47%	46%	54%	115%	58%	52%	54%	57%	61%	64%	64%	All Div'ds to Net Prof	64%

CAPITAL STRUCTURE as of 9/30/14
Total Debt $21856 mill. **Due in 5 Yrs** $4289 mill.
LT Debt $20522 mill. **LT Interest** $934 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: 2.5x)
Leases, Uncapitalized Annual rentals $122 mill.
Pension Assets-12/13 $11440 mill.
Oblig. $12734 mill.
Pfd Stock None
Common Stock 665,072,010 shs.
as of 10/31/14
MARKET CAP: $23 billion (Large Cap)

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 '18-'20
Revenues	2.0%	2.0%	Nil
"Cash Flow"	3.0%	- -	1.5%
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
2012	4112	2549	2403	3222	12286
2013	2457	3450	3105	2848	11860
2014	F	F	F	4023	11499
2015	3350	3050	3150	3050	12600
2016	3450	3150	3250	3150	13000

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.93	.47	.61	.60	2.61
2013	.65	.63	.62	.46	2.32
2014	F	F	F	.82	2.38
2015	.80	.50	.55	.50	2.35
2016	.80	.55	.55	.50	2.40

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	1.49
2015	.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.

PPL is spinning off its nonregulated energy-supply business. The company plans to combine these assets with those of an independent power producer, Riverstone, to form Talen Energy. PPL shareholders would receive one share of Talen for each of their shares in a tax-free deal. The transaction has been approved by the Federal Energy Regulatory Commission, but still requires the approval of the Pennsylvania Public Utility Commission and Nuclear Regulatory Commission. It is expected to be completed in the second quarter. Our figures will *include* this business until the spinoff is completed.

PPL has completed the sale of its hydro assets in Montana. The price was $900 million. PPL booked a $0.20-a-share gain on the sale, which (along with the earnings from these assets) is excluded as income from discontinued operations. Note that the company's restated revenues and earnings for the first three quarters of 2014 are not yet available.

Rate cases are pending in Kentucky, and PPL plans to file an application in Pennsylvania this year. Kentucky Utilities requested an electric rate increase of $153 million (9.6%), based on a 10.5% return on a 53.02% common-equity ratio. Louisville Gas and Electric is seeking electric and gas tariff hikes of $30 million (2.7%) and $14 million (4.4%), respectively, based on a 10.5% return on a 52.75% common-equity ratio. New rates should take effect at the start of July. PPL hasn't been specific about the timing of the Pennsylvania case, but past filings have been in late March, with new rates taking effect at the start of the following year.

We estimate that earnings in 2015 and 2016 will approximate the 2014 tally. (Our estimates would be lower were we to assume the spinoff.) We aren't expecting big changes in profitability of any of the company's utilities, including its operations in the United Kingdom. Note that we are *including* costs associated with the spinoff, which amounted to $0.12 a share in 2014.

The dividend yield of PPL stock is nearly one percentage point above the utility mean. With the recent price within our 2018-2020 Target Price Range, total return potential is unexciting.

Paul E. Debbas, CFA February 20, 2015

(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, 23¢. '13 EPS don't add due to chg. in shs. Next earnings report due late April. (B) Div'ds histor. 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%; earn. on avg. com. eq., '13: 12.4%. Reg. Climate: Avg. (F) Unavailable.

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

PG&E CORP. NYSE-PCG

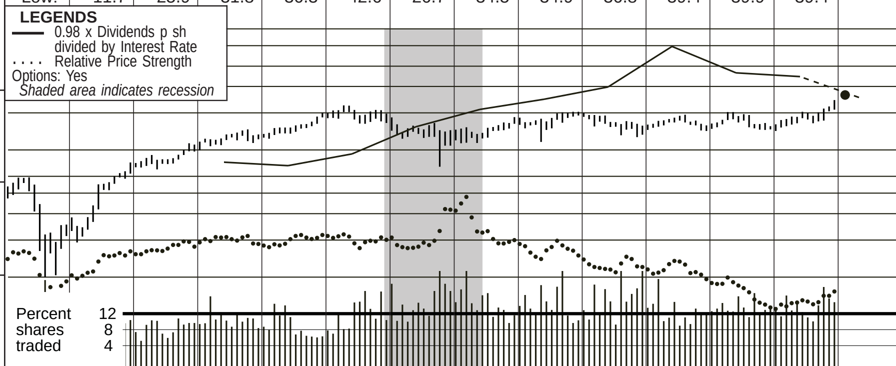
RECENT PRICE	58.30	P/E RATIO	16.9 (Trailing: 19.7 Median: 15.0)	RELATIVE P/E RATIO	0.92	DIV'D YLD	3.1%	VALUE LINE

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
Low:	11.7	25.9	31.8	36.3	42.6	26.7	34.5	34.9	36.8	39.4	39.9

High: 55.2 Low: 39.4

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



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	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

Percent shares traded: 12, 8, 4

% 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

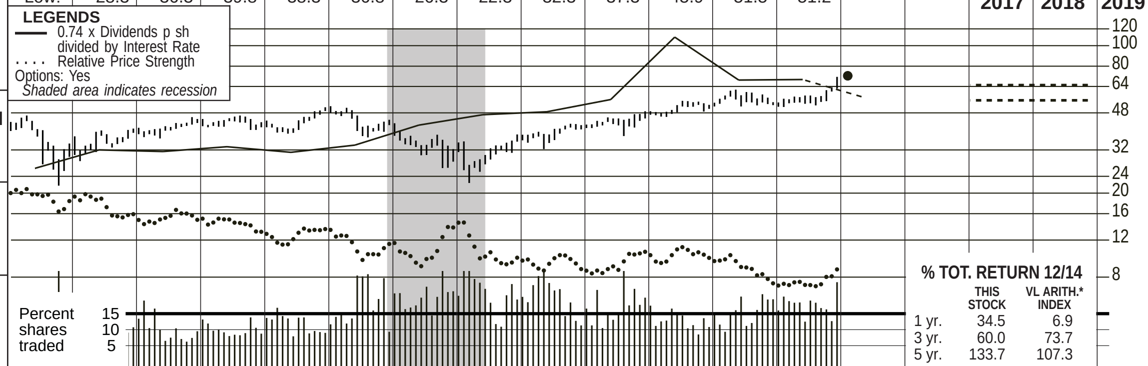
RECENT PRICE 71.96 | P/E RATIO 18.8 (Trailing: 19.2 Median: 15.0) | RELATIVE P/E RATIO 1.02 | DIV'D YLD 3.4% | VALUE LINE

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

% 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.

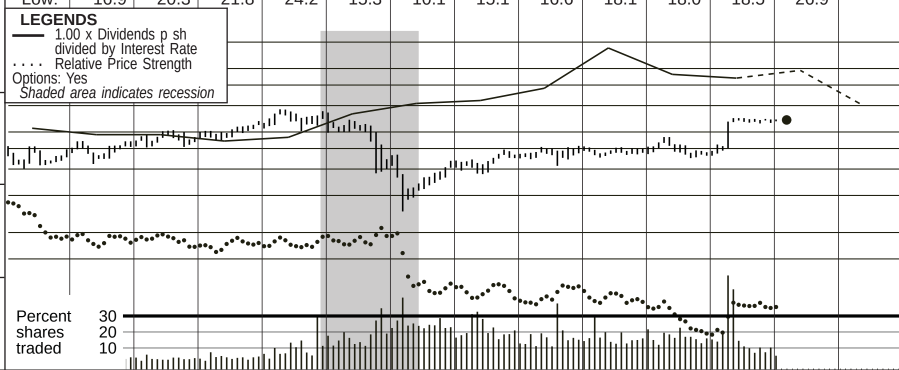
Company's Financial Strength	A+
Stock's Price Stability	100
Price Growth Persistence	55
Earnings Predictability	65

PEPCO HOLDINGS NYSE-POM

RECENT PRICE **27.35** | P/E RATIO **18.9** (Trailing: 23.0 / Median: 15.0) | RELATIVE P/E RATIO **1.03** | DIV'D YLD **3.9%** | VALUE LINE

TIMELINESS – Suspended 5/9/14
SAFETY 3 Lowered 6/6/03
TECHNICAL – Suspended 5/9/14
BETA .65 (1.00 = Market)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
High:	21.7	24.5	27.0	30.7	29.6	18.7	19.8	20.6	20.5	22.7	27.9	27.5
Low:	16.9	20.3	21.8	24.2	15.3	10.1	15.1	16.6	18.1	18.0	18.5	26.9



Target Price Range 2018 | 2019 | 2020
64, 48, 40, 32, 24, 20, 16, 12, 8, 6

2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	35	(+30%)	10%
Low	20	(-25%)	-2%

Insider Decisions

	M	A	M	J	J	A	S	O	N
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	155	160	141
to Sell	157	176	157
Hld's(000)	148709	153156	154255

% TOT. RETURN 1/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	47.5	6.9
3 yr.	62.8	57.1
5 yr.	119.6	107.2

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.

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
42.49	43.57	46.71	48.88	41.66	31.27	26.02	22.09	18.64	*19.85*	*21.25*	*20.85*	Revenues per sh	*26.15*
3.67	3.47	3.30	3.55	2.82	2.97	3.00	3.21	3.01	*3.25*	*3.45*	*3.60*	"Cash Flow" per sh	*4.30*
1.49	1.33	1.53	1.93	1.06	1.24	1.14	1.24	1.14	*1.25*	*1.45*	*1.50*	Earnings per sh A	*2.00*
1.00	1.04	1.04	1.08	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*
2.46	2.47	3.11	3.57	3.89	3.56	4.14	5.29	5.23	*5.20*	*5.20*	*5.20*	Cap'l Spending per sh	*4.00*
18.88	18.82	20.04	19.14	19.15	18.79	19.06	19.33	17.24	*19.45*	*18.20*	*18.65*	Book Value per sh C	*20.30*
189.82	191.93	200.51	218.91	222.27	225.08	227.50	230.02	250.32	*252.00*	*254.00*	*254.00*	Common Shs Outst'g D	*260.00*
14.9	18.1	18.2	12.2	13.7	14.0	16.7	15.6	17.5	*19.9*	*Bold figures are*		Avg Ann'l P/E Ratio	*14.0*
.79	.98	.97	.73	.91	.89	1.05	.99	.98	*1.04*	*Value Line*		Relative P/E Ratio	*.90*
4.5%	4.3%	3.7%	4.6%	7.4%	6.2%	5.7%	5.6%	5.4%	4.3%	*estimates*		Avg Ann'l Div'd Yield	*4.9%*
8065.5	8362.9	9366.4	10700	9259.0	7039.0	5920.0	5081.0	4666.0	*5000*	*5300*	*5400*	Revenues ($mill)	*6700*
277.4	254.4	296.5	400.0	235.0	276.0	257.0	285.0	280.0	*315*	*370*	*385*	Net Profit ($mill)	*525*
38.8%	39.1%	39.3%	29.6%	31.9%	18.8%	37.2%	35.4%	35.3%	*35.0%*	*35.0%*	*35.0%*	Income Tax Rate	*35.0%*
--	--	--	--	--	--	10.1%	7.4%	6.4%	*6.0%*	*6.0%*	*5.0%*	AFUDC % to Net Profit	*4.0%*
57.1%	54.6%	54.1%	56.2%	53.8%	49.0%	49.1%	47.3%	48.4%	*47.5%*	*51.0%*	*52.0%*	Long-Term Debt Ratio	*53.0%*
42.3%	45.1%	45.9%	43.8%	46.2%	51.0%	50.9%	52.7%	51.6%	*52.5%*	*49.5%*	*48.0%*	Common Equity Ratio	*47.0%*
8469.3	8004.0	8753.0	9568.0	9203.0	8292.0	8516.0	8432.0	8368.0	*9300*	*9505*	*9875*	Total Capital ($mill)	*11215*
7312.0	7576.6	7876.7	8314.0	8863.0	7673.0	8220.0	8846.0	9704.0	*10000*	*10000*	*10500*	Net Plant ($mill)	*12000*
5.0%	5.1%	5.1%	5.8%	4.5%	5.1%	4.5%	4.9%	4.9%	*4.5%*	*5.0%*	*5.0%*	Return on Total Cap'l	*6.0%*
7.6%	7.0%	7.4%	9.5%	5.5%	6.5%	5.9%	6.4%	6.5%	*6.5%*	*8.0%*	*8.0%*	Return on Shr. Equity	*10.0%*
7.7%	7.0%	7.4%	9.5%	5.5%	6.5%	5.9%	6.4%	6.5%	*6.5%*	*8.0%*	*8.0%*	Return on Com Equity E	*10.0%*
2.4%	1.5%	2.3%	4.2%	NMF	.8%	.3%	.8%	.2%	*.5%*	*2.1%*	*2.3%*	Retained to Com Eq	*4.5%*
69%	78%	68%	56%	101%	87%	95%	87%	96%	*90%*	*74%*	*72%*	All Div'ds to Net Prof	*53%*

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 '12-'14 to '18-'20
Revenues	-6.5%	-13.5%	*2.5%*
"Cash Flow"	-2.5%	-2.0%	*5.0%*
Earnings	-4.0%	-6.0%	*8.0%*
Dividends	8.5%	0.5%	*Nil*
Book Value	0.5%	-1.0%	*NMF*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	1292	1179	1476	1134	5081.0
2013	1178	1053	1344	1091	4666.0
2014	1330	1117	1313	*1240*	*5000*
2015	*1350*	*1200*	*1500*	*1250*	*5300*
2016	*1350*	*1200*	*1550*	*1300*	*5400*

Cal-endar	EARNINGS PER SHARE A F Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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*
2016	*.30*	*.30*	*.60*	*.30*	*1.50*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	.27	1.08
2015					

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, though facing some opposition from environmental groups. The $6.8 billion all-cash acquisition of Pepco Holdings by Chicago-based Exelon, which was announced in April of 2014, is moving toward completion. The proposed merger, in which shareholders of Pepco would receive $27.25 a share received shareholder approval on September 23, 2014. Further, the transaction received the green light from the State Corporation Commission of Virginia in November. Since our last report, the takeover has received the approval of the Federal Energy Regulatory Commission and the commission in New Jersey. Although the merger is gaining momentum, it is still subject to approval by the public service commissions in Delaware, District of Columbia, and Maryland. Additionally, the union of the two companies has been facing some resistance from environmental advocates, and ratepayers in Pepco's service territory in Washington D.C. If all goes well, the companies expect the merger to be completed by the second or third quarter of 2015.

The approvals remain complex due to the size of the combined entity. Though the Pepco and Exelon union has moved closer towards completion, there is no guarantee that the deal will go through. If the deal is endorsed, regulators could enforce conditions that might prove onerous, such as huge investments in renewable energy, or increased bill credits for customers. The conditions could prove to be an obstacle and cause Pepco and Exelon to walk away from the deal.

We are maintaining our share-net target for 2014. Our estimate of $1.25 is at the high end of management's guidance for the year. Investors should note that fourth-quarter results were expected to be announced after this Issue went to press.

This stock remains unranked for Timeliness due to the proposed acquisition. The stock has traded close to the deal price of $27.25 per share since the announcement last April. We continue to suggest that investors sell their holdings at the current price to eliminate any downside risk in the event the deal does not go through.

Saumya Ajila *February 20, 2015*

(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 early May. (B) Div'ds paid in early March, June, Sep., and Dec. ■ Div'd reinvest. plan. (C) Incl. def'd chgs: '13, $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	20
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%

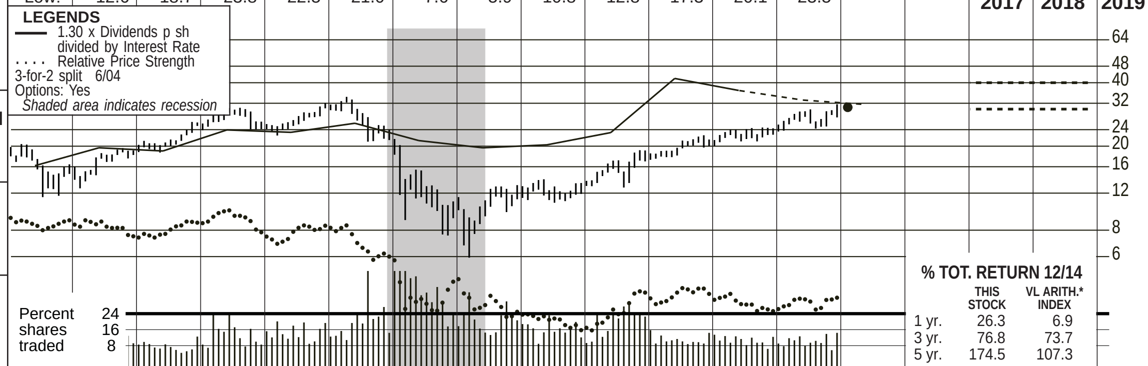
VALUE LINE

TIMELINESS	2	Lowered 9/19/14
SAFETY	3	Lowered 5/9/08
TECHNICAL	3	Raised 12/5/14

BETA .85 (1.00 = Market)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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

Target Price Range 2017 | 2018 | 2019



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

% 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 midpoint 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

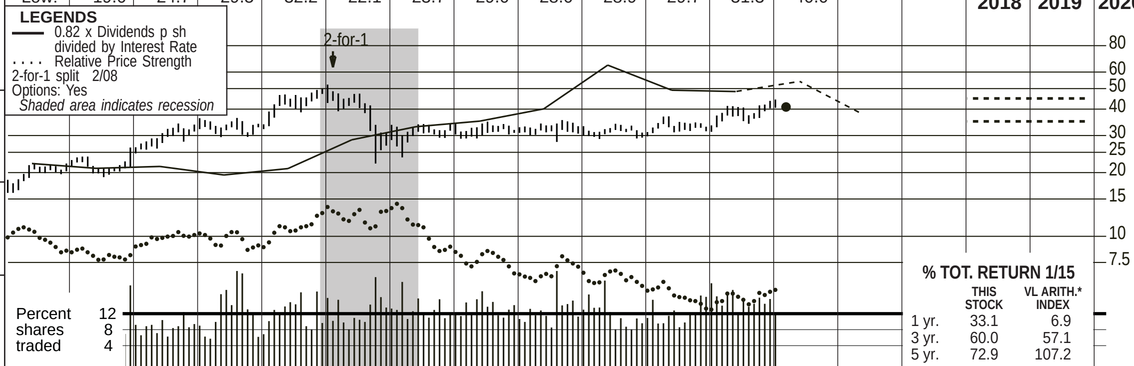
RECENT PRICE	40.95	P/E RATIO	15.5 (Trailing: 16.8; Median: 14.0)	RELATIVE P/E RATIO	0.84	DIV'D YLD	3.7%	VALUE LINE

TIMELINESS 3 Lowered 9/19/14
SAFETY 1 Raised 11/23/12
TECHNICAL 4 Raised 2/20/15
BETA .75 (1.00 = Market)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
High:	26.3	34.2	36.3	49.9	52.3	34.1	34.9	35.5	34.1	37.0	43.8	44.4
Low:	19.0	24.7	29.5	32.2	22.1	23.7	29.0	28.0	28.9	29.7	31.3	40.0

Target Price Range

2018	2019	2020



2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+10%)	6%
Low	35	(-15%)	1%

Insider Decisions

	M	A	M	J	J	A	S	O	N
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	261	278	236
to Sell	261	235	265
Hld's(000)	327280	329826	335620

% TOT. RETURN 1/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	33.1	6.9
3 yr.	60.0	57.1
5 yr.	72.9	107.2

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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	*20.65*	*20.95*	*21.45*	Revenues per sh	*23.50*
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	*5.30*	*5.70*	*5.95*	"Cash Flow" per sh	*7.00*
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	*2.45*	*2.70*	*2.80*	Earnings per sh A	*3.25*
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*	*1.56*	Div'd Decl'd per sh B ■†	*1.70*
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*	*6.50*	Cap'l Spending per sh	*5.50*
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*	*25.15*	*26.40*	Book Value per sh C	*30.75*
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*	*506.00*	Common Shs Outst'g D	*506.00*
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	*15.4*	*Bold figures are*		Avg Ann'l P/E Ratio	*12.5*
.71	.67	.61	.55	.60	.76	.88	.96	.88	.82	.67	.66	.65	.81	.76	*.80*	*Value Line*		Relative P/E Ratio	*.80*
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%	3.9%	*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)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
12430	12164	12853	14139	12431	11793	11343	9781.0	9968.0	*10450*	*10600*	*10850*	Revenues ($mill)	*11900*
862.0	934.0	1323.0	1477.0	1567.0	1557.0	1577.0	1239.0	1243.0	*1250*	*1380*	*1425*	Net Profit ($mill)	*1630*
38.6%	36.6%	44.5%	45.9%	42.3%	40.5%	40.4%	36.2%	39.5%	*40.0%*	*40.0%*	*40.0%*	Income Tax Rate	*40.0%*
11.5%	4.7%	2.7%	3.2%	3.8%	5.5%	2.7%	4.8%	4.6%	*5.0%*	*5.0%*	*4.0%*	AFUDC % to Net Profit	*4.0%*
64.9%	60.3%	54.0%	50.5%	46.3%	44.8%	42.1%	38.3%	40.4%	*41.0%*	*42.0%*	*42.5%*	Long-Term Debt Ratio	*45.5%*
34.6%	39.2%	45.5%	49.0%	53.2%	55.2%	57.9%	61.7%	59.6%	*59.0%*	*58.0%*	*57.5%*	Common Equity Ratio	*54.5%*
17381	17197	16041	15856	16513	17452	17731	17467	19470	*20575*	*21875*	*23325*	Total Capital ($mill)	*28500*
13336	13002	13275	14433	15440	16390	17849	19736	21645	*23175*	*25300*	*27075*	Net Plant ($mill)	*30700*
7.3%	7.7%	10.4%	11.2%	11.0%	10.4%	10.2%	8.1%	7.5%	*7.0%*	*7.0%*	*7.0%*	Return on Total Cap'l	*7.0%*
14.1%	13.7%	17.9%	18.8%	17.7%	16.2%	15.4%	11.5%	10.7%	*10.5%*	*11.0%*	*10.5%*	Return on Shr. Equity	*10.5%*
14.2%	13.8%	18.1%	19.0%	17.8%	16.2%	15.4%	11.5%	10.7%	*10.5%*	*11.0%*	*10.5%*	Return on Com Equity E	*10.5%*
5.3%	5.3%	9.9%	10.5%	10.1%	9.0%	8.6%	4.8%	4.4%	*4.0%*	*5.0%*	*5.0%*	Retained to Com Eq	*5.0%*
63%	62%	45%	45%	43%	45%	44%	58%	59%	*60%*	*56%*	*55%*	All Div'ds to Net Prof	*53%*

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 '18-'20
Revenues	-.5%	-4.5%	*2.0%*
"Cash Flow"	5.5%	3.5%	*4.5%*
Earnings	3.5%	2.0%	*3.0%*
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
2012	2875	2098	2402	2406	9781.0
2013	2786	2310	2554	2318	9968.0
2014	3223	2249	2641	*2337*	*10450*
2015	*3050*	*2400*	*2700*	*2450*	*10600*
2016	*3000*	*2500*	*2800*	*2550*	*10850*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.97	.42	.68	.37	2.44
2013	.63	.66	.77	.39	2.45
2014	.76	.42	.87	*.40*	*2.45*
2015	*1.05*	*.45*	*.75*	*.45*	*2.70*
2016	*1.00*	*.50*	*.80*	*.50*	*2.80*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.3425	.3425	.3425	.3425	1.37
2012	.355	.355	.355	.355	1.42
2013	.36	.36	.36	.36	1.44
2014	.37	.37	.37	.37	1.48
2015					

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 should be the driver of the company's earnings growth in the next few years. Electric transmission is 60% of Public Service Electric and Gas' capital budget. The utility expected to spend $6.8 billion on transmission from 2014 through 2018. (A new five-year expectation should be disclosed soon.) PSE&G receives current cost recovery of these expenditures, and at an allowed return on equity that is well above its 10.3% allowed ROE for distribution. The utility's allowed ROE for transmission is 11.68%, and some projects have incentive "adders" that make this figure even higher. PSE&G is also earning a return on spending for its $1.22 billion "Energy Strong" program to enhance system reliability. Finally, cost control has been effective. Note that PSEG was scheduled to report fourth-quarter results (and provide 2015 earnings guidance) shortly after this report went to press.

In recent years, income of PSEG's main nonutility subsidiary, PSEG Power, has been hurt by unfavorable conditions in the power markets. This is why earnings are below the 2011 level. However, proposed changes in the region would result in higher capacity prices for owners of nonregulated generating assets, such as PSEG. In addition, PSEG Power will build a nonregulated plant in Bridgeport, Connecticut if its bid into the market this year is accepted. The cost of this 450-megawatt gas-fired plant is estimated at $500 million-$700 million.

We think the board of directors raised the dividend shortly after this report went to press. We estimate that the board hiked the quarterly payout by a cent a share (2.7%), the same as a year ago.

Finances are strong. The fixed-charge coverage and common-equity ratio are well above the industry averages. The company will not need any equity for the next several years, at least. PSEG merits a Financial Strength rating of A++, which is our highest.

The dividend yield of this top-quality stock is a bit above average for a utility. Like most utility equities, the recent price is within our 2018-2020 Target Price Range, so total return potential is unspectacular.

Paul E. Debbas, CFA *February 20, 2015*

(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 early May. (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	35
Earnings Predictability	85

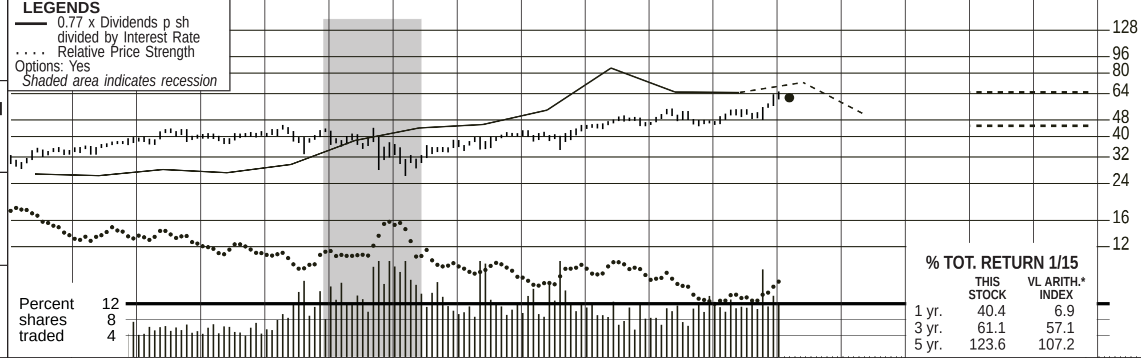
SCANA CORP. NYSE-SCG

RECENT PRICE	61.27	P/E RATIO	16.2 (Trailing: 16.2 / Median: 14.0)	RELATIVE P/E RATIO	0.88	DIV'D YLD	3.5%	VALUE LINE

TIMELINESS 3 Lowered 10/10/14
SAFETY 2 Lowered 9/10/99
TECHNICAL 4 Lowered 2/13/15
BETA .75 (1.00 = Market)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
High:	39.7	43.7	42.4	45.5	44.1	38.6	42.0	45.5	50.3	54.4	63.4	65.6	
Low:	32.8	36.6	36.9	32.9	27.8	26.0	34.2	34.6	43.3	44.7	45.6	59.8	

Target Price Range
2018 | 2019 | 2020



2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+5%)	5%
Low	45	(-25%)	-3%

Insider Decisions

	M	A	M	J	J	A	S	O	N
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	1	0	0	0	0	0	0

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	194	192	197
to Sell	153	140	154
Hld's(000)	72621	75177	77795

% TOT. RETURN 1/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	40.4	6.9
3 yr.	61.1	57.1
5 yr.	123.6	107.2

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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*	*30.70*	*31.95*	Revenues per sh	*36.50*
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*	*7.15*	*7.45*	"Cash Flow" per sh	*8.75*
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*	*3.85*	*4.00*	Earnings per sh A	*4.75*
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*	*2.22*	Div'd Decl'd per sh B ■	*2.40*
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*	*13.20*	*10.60*	Cap'l Spending per sh	*9.75*
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*	*37.00*	*39.00*	Book Value per sh C	*45.50*
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*	*145.00*	*147.00*	Common Shs Outst'g D	*149.00*
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	*13.6*	*Bold figures are*		Avg Ann'l P/E Ratio	*11.5*
1.00	.81	.65	.67	.74	.72	.77	.83	.80	.76	.77	.82	.86	.94	.81	*.70*	*Value Line*		Relative P/E Ratio	*.70*
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%	4.1%	*estimates*		Avg Ann'l Div'd Yield	*4.3%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $6220 mill. **Due in 5 Yrs** $1568 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 142,550,214 shs.
as of 10/31/14
MARKET CAP: $8.7 billion (Large Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
4777.0	4563.0	4621.0	5319.0	4237.0	4601.0	4409.0	4176.0	4495.0	*4900*	*4450*	*4700*	Revenues ($mill)	*5450*
323.0	306.0	327.0	353.0	357.0	376.0	387.0	420.0	471.0	*545*	*560*	*595*	Net Profit ($mill)	*705*
- -	26.5%	29.2%	35.4%	32.0%	29.8%	30.3%	30.2%	32.1%	*32.0%*	*31.0%*	*31.0%*	Income Tax Rate	*32.0%*
.9%	2.6%	4.6%	8.5%	14.3%	8.0%	5.4%	7.6%	8.7%	*9.0%*	*18.0%*	*13.0%*	AFUDC % to Net Profit	*3.0%*
51.4%	50.9%	48.4%	58.0%	56.8%	52.9%	54.3%	54.4%	53.6%	*54.5%*	*56.0%*	*55.5%*	Long-Term Debt Ratio	*54.0%*
46.6%	47.2%	49.7%	40.5%	43.2%	47.1%	45.7%	45.6%	46.4%	*45.5%*	*44.0%*	*44.5%*	Common Equity Ratio	*46.0%*
5739.0	6027.0	5952.0	7519.0	7891.0	7854.0	8511.0	9103.0	10059	*11000*	*12150*	*12875*	Total Capital ($mill)	*14750*
6734.0	7007.0	7538.0	8305.0	9009.0	9662.0	10047	10896	11643	*12650*	*13675*	*14750*	Net Plant ($mill)	*17575*
7.4%	6.8%	7.3%	6.2%	6.1%	6.5%	6.2%	6.3%	6.2%	*6.5%*	*6.0%*	*6.0%*	Return on Total Cap'l	*6.0%*
11.6%	10.3%	10.6%	11.2%	10.5%	10.2%	10.0%	10.1%	10.1%	*11.0%*	*10.5%*	*10.5%*	Return on Shr. Equity	*10.5%*
11.8%	10.5%	10.8%	11.4%	10.2%	10.2%	10.0%	10.1%	10.1%	*11.0%*	*10.5%*	*10.5%*	Return on Com Equity E	*10.5%*
5.3%	3.8%	4.0%	4.4%	3.6%	3.8%	3.6%	3.9%	4.1%	*5.0%*	*4.5%*	*4.5%*	Retained to Com Eq	*5.0%*
56%	65%	64%	62%	66%	63%	64%	61%	60%	*54%*	*55%*	*55%*	All Div'ds to Net Prof	*51%*

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 '18-'20
Revenues	.5%	-4.5%	*1.5%*
"Cash Flow"	3.0%	2.0%	*5.0%*
Earnings	3.0%	3.0%	*6.0%*
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
2012	1107	908	1038	1123	4176.0
2013	1311	1016	1051	1117	4495.0
2014	1590	1026	1121	*1163*	*4900*
2015	*1250*	*1025*	*1025*	*1150*	*4450*
2016	*1325*	*1075*	*1075*	*1225*	*4700*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.91	.54	.91	.79	3.15
2013	1.11	.60	.94	.74	3.39
2014	1.37	.68	1.01	*.74*	*3.80*
2015	*1.30*	*.70*	*1.05*	*.80*	*3.85*
2016	*1.40*	*.70*	*1.05*	*.85*	*4.00*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	2.08
2015	.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 has announced the sale of two noncore subsidiaries. The company has sold its interstate gas pipeline and is selling its telecommunications business for a total of about $650 million. After taxes, the proceeds are expected to amount to more than $400 million. SCANA would use the cash in place of part of its planned equity issuances in 2015 and 2016. The company expects to record a gain on the asset sales. The telecommunications sale is likely to be completed in the current quarter.

Some delays and cost overruns are affecting the two nuclear units South Carolina Electric & Gas is building. This will provide 1,340 megawatts of capacity. The cost was estimated at $6.1 billion, but the contractors expect each unit to be delayed about a year. The contractors' schedule would have the first unit coming on line in late 2018 or early 2019, the second 12 months later. The delay will probably raise the cost by more than 10%. However, SCE&G has not accepted the revised schedule or costs, and is in talks with the contractors. Once the company has accepted a new schedule, it will have to ask the South Carolina regulators to update their previous order, which was based on a shorter construction schedule.

We estimate that earnings will increase in 2015 and 2016. Last year, favorable weather conditions made the comparisons difficult. However, we think a sharp rise in the Allowance for Funds Used During Construction, a noncash credit to earnings, will outweigh the effects of an assumed return to normal weather. Also, each year SCE&G earns a return on its additional nuclear construction work in progress.

We think the directors raised the dividend shortly after this report went to press. We estimate that the annual payout was boosted by $0.06 a share (2.9%).

The uncertainty surrounding SCE&G's nuclear construction has not hurt SCANA stock. The share price climbed 29% last year, and has risen another 1% so far in 2015. The dividend yield is only about average for a utility. The recent quotation is near the top of our 2018-2020 Target Price Range, making this issue's total return potential negligible.

Paul E. Debbas, CFA *February 20, 2015*

(A) Diluted egs. Excl. nonrec. gains (losses): '99, 29¢; '00, 28¢; '01, $3.00; '02, ($3.72); '03, 31¢; '04, (23¢); '05, 3¢; '06, 9¢. '12 & '13 EPS don't add due to rounding. Next earnings report due late April. **(B)** Div'ds historically paid in early Jan., Apr., July, & Oct. ■ Div'd reinvestment plan avail. **(C)** Incl. intangibles. 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 Average.

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

SOUTHERN COMPANY NYSE-SO

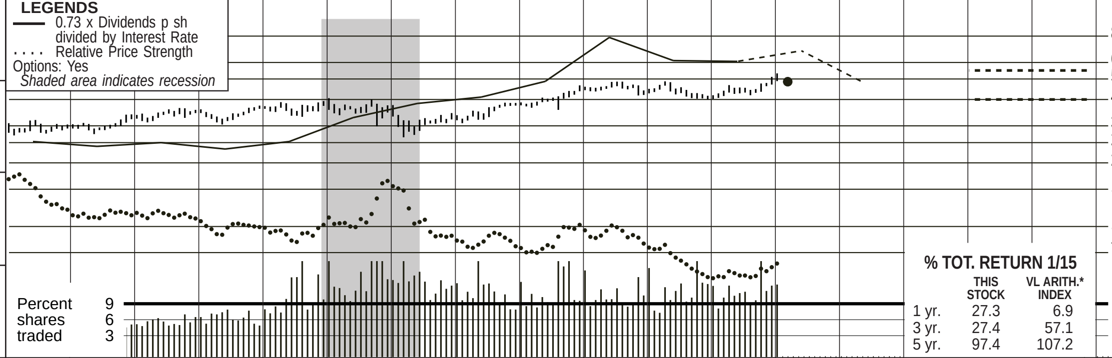
RECENT PRICE	48.68	P/E RATIO	17.2 (Trailing: 17.3 / Median: 16.0)	RELATIVE P/E RATIO	0.93	DIV'D YLD	4.5%	VALUE LINE

TIMELINESS 4 Lowered 1/30/15
SAFETY 2 Lowered 2/21/14
TECHNICAL 5 Lowered 2/13/15
BETA .55 (1.00 = Market)

High:	34.0	36.5	37.4	39.3	40.6	37.6	38.6	46.7	48.6	48.7	51.3	53.2
Low:	27.4	31.1	30.5	33.2	29.8	26.5	30.8	35.7	41.8	40.0	40.3	47.6

Target Price Range 2018 | 2019 | 2020

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



2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+15%)	7%
Low	40	(-20%)	Nil

Insider Decisions

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

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	423	485	454
to Sell	377	342	370
Hld's(000)	435514	446155	450922

% TOT. RETURN 1/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	27.3	6.9
3 yr.	27.4	57.1
5 yr.	97.4	107.2

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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	*20.35*	*20.40*	*21.20*	Revenues per sh	*24.00*
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	*5.35*	*5.60*	*5.80*	"Cash Flow" per sh	*6.75*
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	*2.85*	*2.95*	Earnings per sh A	*3.50*
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*	*2.22*	Div'd Decl'd per sh B ■ †	*2.43*
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	*7.90*	*7.45*	*6.00*	Cap'l Spending per sh	*6.50*
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	*21.90*	*22.60*	*23.30*	Book Value per sh C	*26.00*
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	*909.00*	*911.00*	*913.00*	Common Shs Outst'g D	*919.00*
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	15.9	*Bold figures are*		Avg Ann'l P/E Ratio	*13.5*
.82	.86	.75	.80	.84	.78	.85	.87	.85	.97	.90	.95	.99	1.08	.91	.83	*Value Line*		Relative P/E Ratio	*.85*
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%	4.7%	*estimates*		Avg Ann'l Div'd Yield	*5.2%*

CAPITAL STRUCTURE as of 9/30/14
Total Debt $24458 mill. **Due in 5 Yrs** $7650 mill.
LT Debt $21699 mill. **LT Interest** $801 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 899,812,716 shs.
MARKET CAP: $44 billion (Large Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
13554	14356	15353	17127	15743	17456	17657	16537	17087	18499	*18600*	*19350*	Revenues ($mill)	*22000*
1621.0	1608.0	1782.0	1807.0	1910.0	2040.0	2268.0	2415.0	2439.0	2584.0	*2690*	*2795*	Net Profit ($mill)	*3320*
26.9%	32.7%	31.9%	33.6%	31.9%	33.5%	35.0%	35.6%	34.8%	33.8%	*33.0%*	*33.0%*	Income Tax Rate	*33.0%*
4.4%	4.8%	9.5%	12.3%	14.9%	13.7%	10.2%	9.4%	11.6%	*13.0%*	*12.0%*	*11.0%*	AFUDC % to Net Profit	*10.0%*
53.2%	50.8%	51.2%	53.9%	53.2%	51.2%	50.0%	49.9%	51.5%	*53.0%*	*55.5%*	*56.0%*	Long-Term Debt Ratio	*58.5%*
44.3%	46.2%	44.9%	42.6%	43.6%	45.7%	47.1%	47.3%	45.8%	*44.5%*	*42.5%*	*41.5%*	Common Equity Ratio	*39.5%*
24131	24618	27608	31174	34091	35438	37307	38653	41483	*44575*	*48725*	*51100*	Total Capital ($mill)	*60500*
29480	31092	33327	35878	39230	42002	45010	48390	51208	*56050*	*60375*	*63300*	Net Plant ($mill)	*70400*
8.2%	8.2%	7.9%	7.1%	6.9%	7.0%	7.2%	7.3%	6.8%	*6.5%*	*6.5%*	*6.5%*	Return on Total Cap'l	*6.5%*
14.4%	13.3%	13.2%	12.6%	12.0%	11.8%	12.2%	12.5%	12.1%	*12.5%*	*12.5%*	*12.5%*	Return on Shr. Equity	*13.0%*
14.9%	13.8%	14.0%	13.1%	12.4%	12.2%	12.5%	12.8%	12.5%	*13.0%*	*12.5%*	*13.0%*	Return on Com Equity E	*13.5%*
4.6%	3.8%	4.3%	3.5%	3.2%	3.0%	3.4%	3.6%	3.2%	*3.5%*	*3.0%*	*3.5%*	Retained to Com Eq	*4.5%*
70%	73%	70%	74%	75%	77%	73%	73%	75%	*75%*	*75%*	*75%*	All Div'ds to Net Prof	*69%*

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 '18-'20
Revenues	3.0%	-1.0%	*3.0%*
"Cash Flow"	4.0%	4.0%	*4.0%*
Earnings	4.0%	3.5%	*4.0%*
Dividends	3.5%	4.0%	*3.5%*
Book Value	5.5%	5.5%	*3.0%*

Cal-endar	QUARTERLY REVENUES (mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	3604	4181	5049	3703	16537
2013	3897	4246	5017	3927	17087
2014	4644	4467	5339	4049	18499
2015	*4250*	*4650*	*5550*	*4150*	*18600*
2016	*4400*	*4850*	*5800*	*4300*	*19350*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.42	.71	1.11	.43	2.67
2013	.47	.66	1.08	.49	2.70
2014	.66	.68	1.09	.38	2.80
2015	*.55*	*.75*	*1.15*	*.40*	*2.85*
2016	*.55*	*.80*	*1.20*	*.40*	*2.95*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	.525	2.08
2015					

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.

Southern Company is experiencing delays and cost overruns in two subsidiaries' large capital projects. Mississippi Power's coal gasification plant was originally expected to be in service in May of 2014. Now, the expected time frame for completion is the first half of 2016. The company has already booked nonrecurring aftertax losses totaling more than $1.2 billion in the past two years. Separately, the contractor building two nuclear units at the Vogtle station has informed Georgia Power that each unit will be delayed by 18 months, to the second quarters of 2019 and 2020, respectively. However, the utility has not accepted the revised schedule, and believes the contractor has not done everything possible to mitigate the delay. Even if the contractor is ultimately responsible for the added construction costs (which have not been quantified), Georgia Power will incur related costs of $40 million for every month of delay.

The bad news has affected the stock price—just not lately. Southern Company was one of the poorest-performing utility issues in 2013. In 2014, it produced a 25% total return, which was below the 30% median for this industry. However, the equity has declined slightly so far in 2015, a performance that is in line with most other electric utilities.

Little (if any) earnings growth is likely this year. Southern Company's guidance is for $2.76-$2.88 a share, and our estimate is within this range. The first-quarter comparison is tough due to favorable weather patterns in early 2014.

We forecast an earnings increase in line with Southern Company's 3%-4% target next year. The company should benefit from rate relief, modest kilowatt-hour sales growth, and increased income at the Southern Power nonutility business.

Dividend growth is likely to continue at the same pace. Southern Company's board of directors has been raising the annual payout by $0.07 a share, and management has stated that it wants to maintain this consistency. We expect a dividend hike in the second quarter.

This untimely stock has one of the highest dividend yields of any electric company. Total return potential to 2018-2020 is only modest, however.

Paul E. Debbas, CFA *February 20, 2015*

(A) Diluted earnings. Excl. nonrecurring gain (losses): '03, 6¢; '09, (25¢); '13, (83¢); '14, (59¢). '14 EPS don't add due to rounding. Next earnings report due late Apr. (B) Div'ds historically paid in early Mar., June, Sept., and Dec. ■ Div'd reinvestment plan avail. † Shareholder investment plan avail. (C) Incl. deferred charges. In '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	20.79	P/E RATIO	19.8 (Trailing: 21.9 Median: 15.0)	RELATIVE P/E RATIO	1.08	DIV'D YLD	4.4%	VALUE LINE

TIMELINESS 3 Lowered 10/3/14
SAFETY 2 Raised 2/24/12
TECHNICAL 5 Lowered 2/20/15
BETA .85 (1.00 = Market)

High:	15.5	19.3	17.7	18.6	22.0	16.7	18.1	19.7	19.4	19.2	21.3	22.0
Low:	11.3	14.9	14.4	14.8	10.5	8.4	14.5	15.8	16.1	16.2	16.1	20.1

Target Price Range
2018 | 2019 | 2020

2018-20 PROJECTIONS

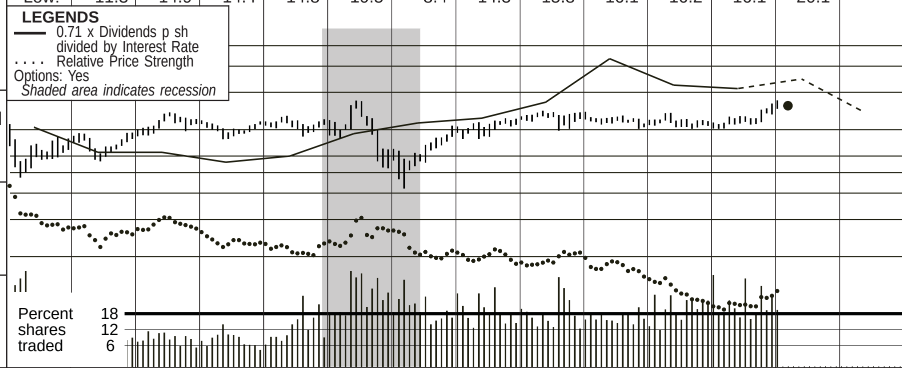
	Price	Gain	Ann'l Total Return
High	25	(+20%)	9%
Low	19	(-10%)	2%

Insider Decisions

	M	A	M	J	J	A	S	O	N
to Buy	0	0	0	0	0	0	0	0	0
Options	0	1	0	0	1	0	0	0	4
to Sell	0	0	0	0	0	0	0	0	5

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	166	155	200
to Sell	140	144	101
Hld's(000)	130939	134541	144601



% TOT. RETURN 1/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	36.9	6.9
3 yr.	37.2	57.1
5 yr.	75.3	107.2

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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	10.95	12.15	12.65	Revenues per sh	14.75
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	2.35	2.60	2.70	"Cash Flow" per sh	3.25
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	.95	1.10	1.15	Earnings per sh A	1.45
1.29	1.33	1.37	1.41	.93	.76	.76	.76	.78	.80	.80	.82	.85	.88	.88	.88	.90	.92	Div'd Decl'd per sh B ■	1.05
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	3.05	3.00	2.35	Cap'l Spending per sh	2.00
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	11.30	Book Value per sh C	12.25
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	234.90	235.00	235.00	Common Shs Outst'g D	235.00
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	18.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
.81	.77	.66	.60	- -	1.02	.91	.75	.71	1.28	.84	.93	.90	.99	1.06	.98			Relative P/E Ratio	.95
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%	4.9%			Avg Ann'l Div'd Yield	4.8%

CAPITAL STRUCTURE as of 9/30/14
Total Debt $3701.3 mill. **Due in 5 Yrs** NA
LT Debt $3354.8 mill. **LT Interest** $171.2 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 234,692,300 shs. **as of 10/27/14**
MARKET CAP: $4.9 billion (Mid Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
3010.1	3448.1	3536.1	3375.3	3310.5	3487.9	3343.4	2996.6	2851.3	2566.4	2850	2975	Revenues ($mill)	3450
211.0	244.4	265.8	162.4	213.9	242.9	272.6	246.0	197.8	213.1	260	265	Net Profit ($mill)	340
45.1%	40.4%	40.7%	36.8%	31.6%	34.8%	36.1%	35.9%	35.5%	38.3%	38.5%	38.5%	Income Tax Rate	38.5%
.0%	1.6%	2.3%	5.4%	6.5%	1.2%	.6%	1.7%	5.0%	7.4%	8.0%	4.0%	AFUDC % to Net Profit	1.0%
70.0%	65.0%	61.0%	61.5%	60.6%	59.2%	54.2%	56.5%	54.9%	56.6%	57.5%	58.0%	Long-Term Debt Ratio	58.0%
30.0%	35.0%	39.0%	38.5%	39.4%	40.8%	45.8%	43.5%	45.1%	43.4%	42.5%	42.0%	Common Equity Ratio	42.0%
5300.9	4941.6	5175.4	5214.3	5287.0	5317.8	4953.9	5264.5	5171.5	5928.7	6170	6310	Total Capital ($mill)	6825
4566.9	4766.9	4888.2	5221.3	5544.1	5841.0	5967.8	5990.1	6170.1	7088.2	7440	7630	Net Plant ($mill)	7725
6.5%	7.3%	7.3%	5.1%	6.0%	6.4%	7.4%	6.1%	5.4%	5.0%	5.5%	5.5%	Return on Total Cap'l	6.5%
13.3%	14.1%	13.2%	8.1%	10.3%	11.2%	12.0%	10.7%	8.5%	8.3%	10.0%	10.0%	Return on Shr. Equity	12.0%
13.3%	14.1%	13.2%	8.1%	10.3%	11.2%	12.0%	10.7%	8.5%	8.3%	10.0%	10.0%	Return on Com Equity E	12.0%
3.3%	5.0%	5.1%	NMF	2.1%	3.1%	3.9%	2.4%	.3%	.5%	2.0%	2.0%	Retained to Com Eq	3.0%
75%	65%	61%	104%	80%	72%	67%	77%	97%	93%	82%	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 '18-'20
Revenues	-1.5%	-3.0%	.5%
"Cash Flow"	-2.0%	2.5%	3.0%
Earnings	-2.0%	.5%	4.0%
Dividends	-3.5%	2.5%	2.5%
Book Value	-1.5%	3.0%	2.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	695.5	2566.4
2015	700	700	750	700	2850
2016	750	725	775	725	2975

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.20	.30	.42	.22	1.14
2013	.19	.24	.29	.20	.92
2014	.22	.27	.28	.18	.95
2015	.27	.28	.32	.23	1.10
2016	.29	.29	.33	.24	1.15

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.205	.215	.215	.215	.85
2012	.22	.22	.22	.22	.88
2013	.22	.22	.22	.22	.88
2014	.22	.22	.22	.22	.88
2015	.225				

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.

The sale of TECO Energy's coal-mining subsidiary has had a setback. When the company reached a deal to sell TECO Coal last year, the buyer agreed to pay $120 million in cash (plus contingent payments of up to $50 million if coal prices rise), and the deal was expected to close by the end of 2014. However, the closing has been delayed, and coal prices have continued to weaken. The revised transaction calls for TECO to receive just $80 million (plus a contingency of up to $60 million). Either party can walk away if the sale is not completed by March 13th.

We estimate significant earnings growth in 2015. The acquisition of New Mexico Gas last September should boost comparisons, especially since merger-related costs hurt earnings by $0.08 a share in 2014. In addition, Tampa Electric and Peoples Gas are experiencing solid customer growth, and Tampa Electric is benefiting from modest rate relief. Each utility is likely to earn a return on equity in the upper half of its allowed range. TECO plans to refinance high-cost debt, too. Our earnings estimate is within management's guidance of $1.08-$1.11 a share. This range is narrow because TECO is a pure utility, now that its coal-mining operation is reported as discontinued.

We forecast a more-moderate profit increase in 2016. We figure that the customer growth trends mentioned above will continue into next year. Also, the company should reap increased cost reductions stemming from the New Mexico acquisition. TECO is targeting $20 million in the first three years, half of which will be shared with customers. Our earnings estimate is $1.15 a share.

The board of directors raised the dividend. The increase was small, at $0.02 a share (2.3%) annually, but was still significant because this was the first hike in the disbursement in three years. The payout ratio is high (even by utility standards), but TECO is benefiting from tax-loss carryforwards that make its cash flow higher than our "cash flow" figures suggest.

This stock's dividend yield is a percentage point above the utility mean. Total return potential to 2018-2020 is modest, but still better than most other utility issues.

Paul E. Debbas, CFA *February 20, 2015*

(A) Diluted earnings. Excl. nonrecurring gain (losses): '99, (11¢); '03, ($4.97); '07, 63¢; '10, (2¢) net; '14, (3¢); gains (losses) on disc. ops.: '04, (77¢); '05, 31¢; '06, 1¢; '07, 7¢; '12, (15¢); '14, (34¢). Next earnings report due early May. (B) Div'ds paid in late Feb., May, Aug., & Nov. ■ Div'd reinv. plan avail. (C) Incl. def'd chgs. 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%. Regul. Climate: Avg.

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

ALLETE NYSE-ALE

RECENT PRICE	52.12	P/E RATIO	18.1 (Trailing: 18.0 Median: 16.0)	RELATIVE P/E RATIO	0.98	DIV'D YLD	3.9%	VALUE LINE

TIMELINESS 3 Lowered 9/19/14

SAFETY 2 New 10/1/04

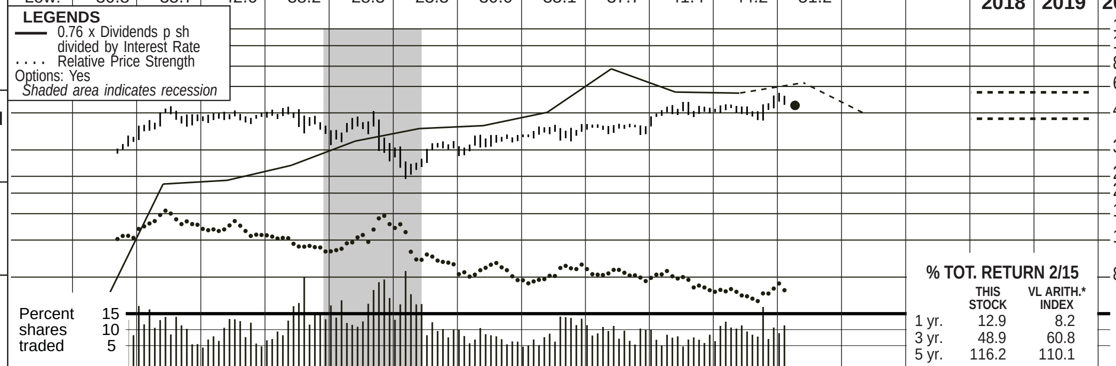
TECHNICAL 3 Raised 3/20/15

BETA .80 (1.00 = Market)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
High:	37.5	51.7	49.3	51.3	49.0	35.3	37.9	42.5	42.7	54.1	58.0	59.7
Low:	30.8	35.7	42.6	38.2	28.3	23.3	30.0	35.1	37.7	41.4	44.2	51.2

Target Price Range

2018	2019	2020



2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+15%)	8%
Low	45	(-15%)	1%

Insider Decisions

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

Institutional Decisions

	2Q2014	3Q2014	4Q2014
to Buy	98	104	97
to Sell	75	75	90
Hld's(000)	29801	29758	32344

% TOT. RETURN 2/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	12.9	8.2
3 yr.	48.9	60.8
5 yr.	116.2	110.1

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
- -	- -	- -	- -	- -	25.30	24.50	25.23	27.33	24.57	21.57	25.34	24.75	24.40	24.60	24.77	*28.20*	*30.15*	Revenues per sh	*35.00*
- -	- -	- -	- -	- -	2.97	3.85	4.14	4.42	4.23	3.57	4.35	4.91	5.01	5.35	5.68	*6.15*	*6.60*	"Cash Flow" per sh	*8.00*
- -	- -	- -	- -	- -	1.35	2.48	2.77	3.08	2.82	1.89	2.19	2.65	2.58	2.63	2.90	*3.05*	*3.25*	Earnings per sh A	*4.00*
- -	- -	- -	- -	- -	.30	1.25	1.45	1.64	1.72	1.76	1.76	1.78	1.84	1.90	1.96	*2.02*	*2.10*	Div'd Decl'd per sh B ■ †	*2.40*
- -	- -	- -	- -	- -	2.12	1.95	3.37	6.82	9.24	9.05	6.95	6.38	10.30	7.93	12.48	*5.90*	*4.90*	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	35.06	*36.55*	*37.80*	Book Value per sh C	*42.25*
- -	- -	- -	- -	- -	29.70	30.10	30.40	30.80	32.60	35.20	35.80	37.50	39.40	41.40	45.90	*47.50*	*47.75*	Common Shs Outst'g D	*48.50*
- -	- -	- -	- -	- -	25.2	17.9	16.5	14.8	13.9	16.1	16.0	14.7	15.9	18.6	17.2	*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	.91	*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%	3.9%	*estimates*		Avg Ann'l Div'd Yield	*4.5%*

CAPITAL STRUCTURE as of 12/31/14
Total Debt $1377.2 mill. **Due in 5 Yrs** $285.6 mill.
LT Debt $1272.8 mill. **LT Interest** $57.3 mill.
(LT interest earned: 3.9x)
Leases, Uncapitalized Annual rentals $13.4 mill.

Pension Assets-12/14 $544.2 mill.
Oblig. $714.5 mill.

Pfd Stock None

Common Stock 45,953,851 shs.
as of 2/1/15

MARKET CAP: $2.4 billion (Mid Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
737.4	767.1	841.7	801.0	759.1	907.0	928.2	961.2	1018.4	1136.8	*1340*	*1440*	Revenues ($mill)	*1700*
68.0	77.3	87.6	82.5	61.0	75.3	93.8	97.1	104.7	124.8	*140*	*155*	Net Profit ($mill)	*190*
28.4%	37.5%	34.8%	34.3%	33.7%	37.2%	27.6%	28.1%	21.5%	22.6%	*15.0%*	*15.0%*	Income Tax Rate	*15.0%*
.4%	1.4%	6.6%	5.8%	12.8%	8.9%	2.7%	5.3%	4.4%	6.3%	*4.0%*	*2.0%*	AFUDC % to Net Profit	*2.0%*
39.1%	35.1%	35.6%	41.6%	42.8%	44.2%	44.3%	43.7%	44.6%	44.2%	*44.0%*	*43.0%*	Long-Term Debt Ratio	*42.0%*
60.9%	64.9%	64.4%	58.4%	57.2%	55.8%	55.7%	56.3%	55.4%	55.8%	*56.0%*	*57.0%*	Common Equity Ratio	*58.0%*
990.6	1025.6	1153.5	1415.4	1625.3	1747.6	1937.2	2134.6	2425.9	2882.2	*3090*	*3155*	Total Capital ($mill)	*3525*
860.4	921.6	1104.5	1387.3	1622.7	1805.6	1982.7	2347.6	2576.5	3286.4	*3565*	*3640*	Net Plant ($mill)	*3975*
8.0%	8.6%	8.6%	6.7%	4.8%	5.4%	6.0%	5.6%	5.3%	5.2%	*5.5%*	*6.0%*	Return on Total Cap'l	*6.5%*
11.3%	11.6%	11.8%	10.0%	6.6%	7.7%	8.7%	8.1%	7.8%	7.8%	*8.0%*	*8.5%*	Return on Shr. Equity	*9.5%*
11.3%	11.6%	11.8%	10.0%	6.6%	7.7%	8.7%	8.1%	7.8%	7.8%	*8.0%*	*8.5%*	Return on Com Equity E	*9.5%*
5.2%	5.0%	5.8%	3.9%	.5%	1.5%	2.9%	2.3%	2.2%	2.5%	*2.5%*	*3.0%*	Retained to Com Eq	*3.5%*
54%	57%	51%	61%	93%	81%	66%	71%	72%	67%	*67%*	*65%*	All Div'ds to Net Prof	*61%*

ELECTRIC OPERATING STATISTICS

	2012	2013	2014
% Change Retail Sales (KWH)	+1.1	-1.1	+.5
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	5.24	5.45	6.09
Capacity at Peak (Mw)	1790	1793	1985
Peak Load, Winter (Mw) F	1633	1646	1637
Annual Load Factor (%)	79.0	NA	NA
% Change Customers (avg.)	+.5	NA	NA
Fixed Charge Cov. (%)	341	306	345

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '12-'14 to '18-'20
Revenues	-.5%	- -	*6.0%*
"Cash Flow"	6.0%	5.5%	*7.0%*
Earnings	7.0%	1.0%	*7.0%*
Dividends	NMF	2.0%	*4.0%*
Book Value	4.5%	5.0%	*4.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
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	290.7	1136.8
2015	*320*	*325*	*345*	*350*	*1340*
2016	*360*	*345*	*365*	*370*	*1440*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2012	.66	.39	.78	.75	2.58
2013	.83	.35	.63	.82	2.63
2014	.80	.40	.97	.73	2.90
2015	*.85*	*.45*	*.85*	*.90*	*3.05*
2016	*.95*	*.45*	*.90*	*.95*	*3.25*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	1.96
2015	.505				

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. Acq'd U.S. Water Services 2/15. Has real estate operation in FL. Generating sources: coal & lignite, 56%; wind, 7%; other, 3%; purchased, 34%. Fuel costs: 31% of revs. '14 deprec. rate: 2.9%. 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 in 2015. Minnesota Power, the company's primary utility subsidiary, will benefit from a full year of income from a 205-megawatt wind project that was completed in December at a cost of $333 million. The utility gets current cost recovery for certain kinds of capital spending, such as a $250 million environmental upgrade to a coal-fired generating unit. In addition, Minnesota Power is experiencing load growth as some of its large industrial customers expand their operations. Most notably, Essar Steel expects to begin producing taconite pellets in the second half of 2015. Finally, the company's real estate assets in Florida (which ALLETE intends to sell) should break even this year. It lost $2 million in 2014. Our estimate is within management's guidance of $3.00-$3.20 a share.

There is some upside potential to profits this year. Minnesota Power plans to build a wind project for a utility in North Dakota, which would then (if the state regulators approve) buy the project. Prospective income from the sale is not included in ALLETE's guidance. If the regulators do not approve the deal, then Minnesota Power will sell the output under a long-term purchased-power contract.

ALLETE has made an acquisition. The company paid $168 million for an 87% interest in U.S. Water Services, which provides water management for industrial customers. Revenues were about $120 million last year, and the company expects top-line growth of 10%-15% annually. However, due to amortization that ALLETE will record under purchase accounting rules, the deal isn't likely to contribute to profits this year.

We forecast solid earnings growth in 2016. Current recovery of some capital spending and the ongoing effects of industrial expansion should help. We figure U.S. Water Services will also make a contribution.

The board of directors raised the dividend this quarter. The board increased the annual disbursement by $0.06 a share (3.1%).

The dividend yield and 3- to 5-year total return potential for ALLETE are about average, by utility standards.

Paul E. Debbas, CFA *March 20, 2015*

(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 early May. (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 '14: $7.78/sh. (D) In mill. (E) Rate base: Orig. cost deprec. Rate allowed on com. eq. in '10: 10.38%; earned on avg. com. eq., '14: 8.6%. Reg. Clim.: Avg. (F) Summer peak in '12 & '13.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	35
Earnings Predictability	80

UNS ENERGY NYSE-UNS

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

TIMELINESS – Suspended 12/20/13

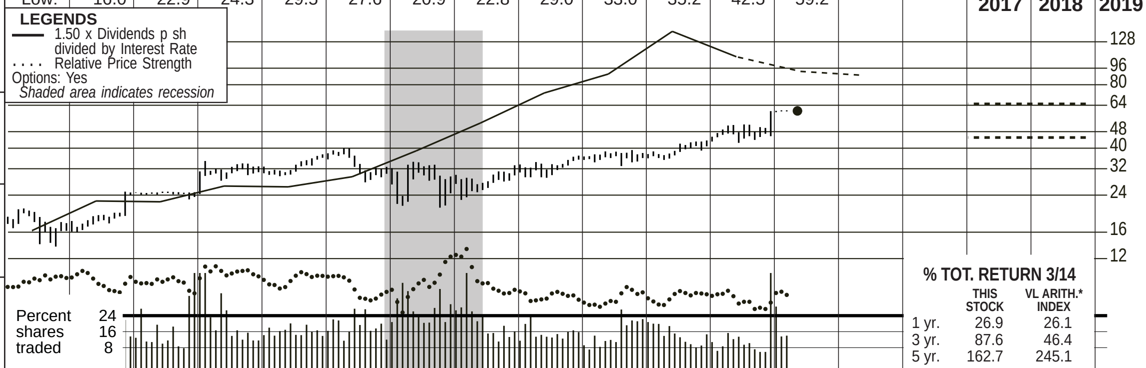
SAFETY 3 New 12/31/04

TECHNICAL – Suspended 12/20/13

BETA .70 (1.00 = Market)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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

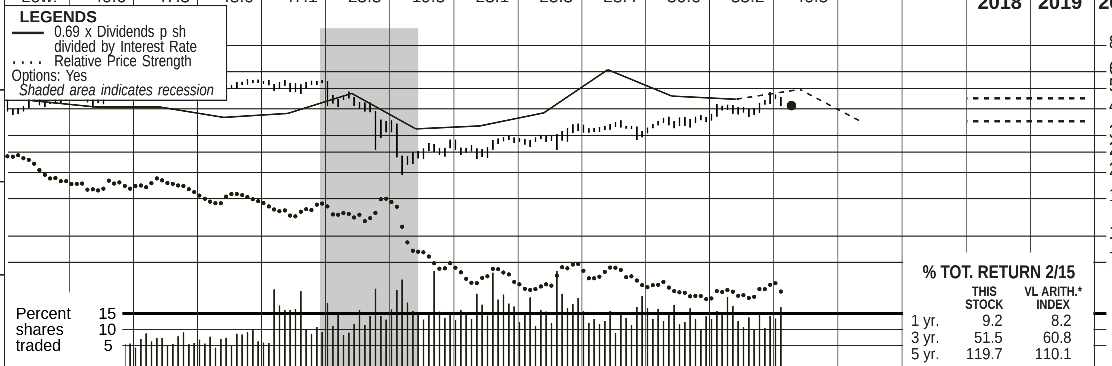
AMEREN NYSE-AEE

RECENT PRICE	41.47	P/E RATIO	16.7 (Trailing: 17.2, Median: 15.0)	RELATIVE P/E RATIO	0.91	DIV'D YLD	4.0%	VALUE LINE

TIMELINESS 3 Raised 3/6/15
SAFETY 2 Raised 6/20/14
TECHNICAL 2 Raised 3/20/15
BETA .75 (1.00 = Market)

High:	50.4	56.8	55.2	55.0	54.3	35.3	29.9	34.1	35.3	37.3	48.1	46.8
Low:	40.6	47.5	48.0	47.1	25.5	19.5	23.1	25.5	28.4	30.6	35.2	40.5

Target Price Range 2018 | 2019 | 2020



2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+10%)	6%
Low	35	(-15%)	1%

Insider Decisions

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

Institutional Decisions

	2Q2014	3Q2014	4Q2014
to Buy	178	167	180
to Sell	189	197	199
Hld's(000)	159084	160810	157366

% TOT. RETURN 2/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	9.2	8.2
3 yr.	51.5	60.8
5 yr.	119.7	110.1

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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	27.20	Revenues per sh	30.00
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	5.75	6.10	6.50	"Cash Flow" per sh	7.75
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	2.40	2.55	2.75	Earnings per sh A	3.25
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	1.69	Div'd Decl'd per sh B ■	1.85
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	7.65	8.10	7.15	Cap'l Spending per sh	7.00
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	27.65	28.60	29.65	Book Value per sh C	34.00
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	242.65	Common Shs Outst'g D	250.00
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	16.7	Bold figures are		Avg Ann'l P/E Ratio	12.5
.77	.72	.62	.86	.77	.86	.89	1.05	.92	.85	.62	.62	.75	.85	.93	.88	Value Line		Relative P/E Ratio	.80
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%	4.0%	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: $10.1 billion (Large Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
6780.0	6880.0	7546.0	7839.0	7090.0	7638.0	7531.0	6828.0	5838.0	6053.0	6350	6600	Revenues ($mill)	7500
628.0	547.0	629.0	615.0	624.0	669.0	602.0	589.0	518.0	593.0	630	675	Net Profit ($mill)	830
35.6%	32.7%	33.5%	33.7%	34.7%	36.8%	37.3%	36.9%	37.5%	38.9%	38.0%	38.5%	Income Tax Rate	38.5%
2.9%	.7%	.8%	4.6%	5.8%	7.8%	5.6%	6.1%	7.1%	6.0%	7.0%	6.0%	AFUDC % to Net Profit	4.0%
44.9%	43.8%	45.0%	47.8%	49.7%	48.2%	45.3%	49.5%	45.2%	47.0%	47.0%	45.5%	Long-Term Debt Ratio	45.0%
53.3%	54.6%	53.4%	50.8%	49.1%	50.9%	53.7%	49.4%	53.7%	51.5%	52.0%	53.0%	Common Equity Ratio	54.0%
11932	12063	12654	13712	15991	15185	14738	13384	12190	12975	13300	13525	Total Capital ($mill)	15700
13572	14286	15069	16567	17610	17853	18127	16096	16205	17424	18525	19350	Net Plant ($mill)	21500
6.5%	5.7%	6.2%	5.7%	5.3%	6.0%	5.6%	6.0%	5.6%	5.5%	6.0%	6.0%	Return on Total Cap'l	6.5%
9.5%	8.1%	9.0%	8.6%	7.8%	8.5%	7.5%	8.7%	7.7%	8.5%	9.0%	9.0%	Return on Shr. Equity	9.5%
9.7%	8.1%	9.2%	8.7%	7.8%	8.6%	7.5%	8.8%	7.8%	8.5%	9.0%	9.5%	Return on Com Equity E	9.5%
1.7%	.2%	1.3%	1.0%	3.5%	3.8%	2.8%	3.0%	1.9%	3.0%	3.0%	3.5%	Retained to Com Eq	4.5%
83%	97%	86%	88%	56%	56%	63%	66%	76%	67%	64%	61%	All Div'ds to Net Prof	56%

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 '18-'20
Revenues	-.5%	-5.0%	1.0%
"Cash Flow"	-.5%	-2.5%	4.5%
Earnings	-2.5%	-4.0%	5.0%
Dividends	-4.5%	-9.0%	2.0%
Book Value	1.5%	-2.0%	2.5%

QUARTERLY REVENUES ($ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	1658	1660	2001	1509	6828.0
2013	1475	1403	1638	1322	5838.0
2014	1594	1419	1670	1370	6053.0
2015	1650	1475	1800	1425	6350
2016	1725	1550	1850	1475	6600

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	d.11	.87	1.54	.11	2.41
2013	.22	.44	1.25	.19	2.10
2014	.40	.62	1.20	.19	2.40
2015	.25	.70	1.35	.25	2.55
2016	.30	.70	1.45	.30	2.75

QUARTERLY DIVIDENDS PAID B ■

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	1.61
2015	.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 rate cases pending in Missouri and Illinois. In Missouri, the utility is seeking an electric rate increase of $190 million, based on a return of 10.4% on a common-equity ratio of 51.8%. Ameren is asking for a continuation of various regulatory mechanisms, such as a fuel adjustment clause and a tracker for storm costs. The staff of the Missouri commission is recommending an allowed ROE of just 9.25%, and intervenor groups are proposing similar figures. A decision is expected in May, with new tariffs taking effect in June. In Illinois, Ameren is asking for a gas rate hike of $53 million, based on a 10.0%-10.5% return on a 50% common-equity ratio. The utility is also requesting a regulatory mechanism to decouple revenues from volume for small customers. An order is expected by December, with new tariffs taking effect in January.

Earnings will probably advance this year. Ameren will benefit from the absence of a refueling outage at the Callaway nuclear plant, a full year's benefit from the refinancing of high-cost debt last May, and (assuming reasonable regulatory treatment) a partial year of rate relief in Missouri. Spending on electric transmission is another plus, as Ameren earns a return on its current investment through a federally regulated formula rate plan. Our estimate is at the midpoint of management's guidance of $2.45-$2.65 a share.

We forecast high single-digit profit growth in 2016. Additional rate relief should be the primary factor.

Electric transmission is a key growth area for Ameren. The company's capital budget calls for spending of $2.3 billion through 2019. Although it appears almost certain that its allowed ROE on transmission will be cut from 12.38% currently (in fact, Ameren took an undisclosed reserve in the fourth quarter of 2014), the utility will be able to make up for part of the reduction through a half-percentage-point incentive "adder." Moreover, the allowed ROE will probably still be above its allowed ROEs in Missouri and Illinois.

The dividend yield of Ameren stock is about average for a utility. The company has good earnings growth prospects through 2018-2020, but in our view, these are reflected in the quotation.

Paul E. Debbas, CFA *March 20, 2015*

(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¢. '14 EPS don't add due to rounding. Next egs. report due early May. (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	10
Earnings Predictability	85

UIL HOLDINGS NYSE-UIL

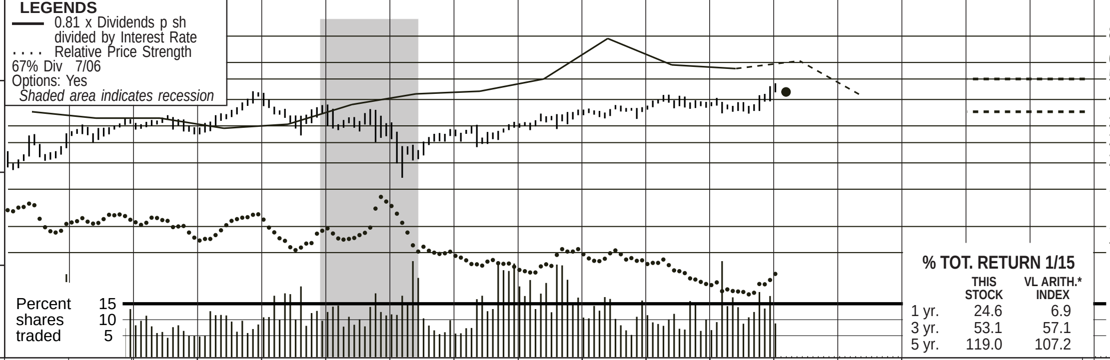
RECENT PRICE	43.44	P/E RATIO	16.7 (Trailing: 22.2 / Median: 17.0)	RELATIVE P/E RATIO	0.91	DIV'D YLD	4.0%	VALUE LINE

TIMELINESS 4 Lowered 12/5/14
SAFETY 2 Raised 2/29/08
TECHNICAL 5 Lowered 2/20/15
BETA .80 (1.00 = Market)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
High:	32.8	33.7	43.8	43.0	37.8	31.2	31.3	35.8	37.7	42.1	46.3
Low:	25.1	27.4	27.4	27.0	25.1	17.0	23.8	28.6	32.3	35.9	34.3

(High/Low row continues: 2015 column 47.8 / 42.4)

LEGENDS
— 0.81 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
67% Div 7/06
Options: Yes
Shaded area indicates recession



Target Price Range
2018 | 2019 | 2020
80 – 60 – 50 – 40 – 30 – 25 – 20 – 15 – 10 – 7.5

2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+15%)	8%
Low	35	(-20%)	Nil

Insider Decisions

	M	A	M	J	J	A	S	O	N
to Buy	1	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	1

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	111	93	85
to Sell	69	86	89
Hld's(000)	40064	38533	38638

Percent shares traded 15 10 5

% TOT. RETURN 1/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	24.6	6.9
3 yr.	53.1	57.1
5 yr.	119.0	107.2

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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*	*31.70*	Revenues per sh	*37.00*
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*	*6.00*	*6.30*	"Cash Flow" per sh	*6.90*
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	2.04	2.28	*2.20*	*2.50*	*2.60*	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*
1.48	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*	*6.15*	Cap'l Spending per sh	*7.90*
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*	*25.40*	*26.50*	Book Value per sh C	*30.45*
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*	*56.75*	Common Shs Outst'g E	*56.75*
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	*17.3*	*Bold figures are*		Avg Ann'l P/E Ratio	*16.0*
.72	.70	.59	.82	1.03	.99	1.25	1.01	.98	1.01	.85	.89	1.03	1.09	.95	*.90*	*Value Line*		Relative P/E Ratio	*1.00*
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%	4.6%	*estimates*		Avg Ann'l Div'd Yield	*3.9%*

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: $2.5 billion (Mid Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
1213.1	846.0	982.0	948.7	896.6	997.7	1570.4	1486.5	1618.7	*1650*	*1700*	*1800*	Revenues ($mill)	*2100*
31.4	45.4	46.7	48.1	54.3	70.3	99.7	103.7	120.3	*120*	*140*	*150*	Net Profit ($mill)	*170*
44.1%	31.2%	39.5%	42.2%	38.0%	38.6%	38.5%	41.9%	37.7%	*38.0%*	*38.0%*	*38.0%*	Income Tax Rate	*40.0%*
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%	47.0%	50.8%	53.6%	54.0%	58.4%	58.6%	58.9%	56.0%	*58.0%*	*58.0%*	*58.0%*	Long-Term Debt Ratio	*58.0%*
52.8%	53.0%	49.2%	46.4%	46.0%	41.6%	41.4%	41.1%	44.0%	*42.0%*	*42.0%*	*42.0%*	Common Equity Ratio	*42.0%*
1031.5	869.2	943.6	1023.6	1247.7	2587.9	2642.7	2716.9	3077.7	*3285*	*3430*	*3595*	Total Capital ($mill)	*4145*
592.1	647.0	878.4	1073.6	1153.0	2327.5	2570.4	2787.4	3068.7	*3200*	*3380*	*3550*	Net Plant ($mill)	*4110*
4.1%	6.5%	6.2%	6.1%	5.8%	3.7%	5.2%	5.4%	5.3%	*5.0%*	*5.5%*	*5.5%*	Return on Total Cap'l	*5.5%*
5.8%	9.9%	10.1%	10.1%	9.5%	6.5%	9.1%	9.3%	8.9%	*9.0%*	*10.0%*	*10.0%*	Return on Shr. Equity	*10.0%*
5.8%	9.9%	10.1%	10.1%	9.5%	6.5%	9.1%	9.3%	8.9%	*9.0%*	*10.0%*	*10.0%*	Return on Com Equity D	*10.0%*
NMF	NMF	3.1%	1.0%	1.2%	1.7%	1.1%	1.5%	2.4%	*2.5%*	*3.5%*	*4.0%*	Retained to Com Eq	*4.5%*
NMF	117%	70%	90%	88%	74%	88%	84%	73%	*70%*	*65%*	*60%*	All Div'ds to Net Prof	*50%*

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	-2.8	-2.6	-1.6
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 '18-'20
Revenues	-4.0%	-4.5%	*2.0%*
"Cash Flow"	-0.5%	0.5%	*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
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*
2016	*605*	*350*	*370*	*475*	*1800*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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*	*.30*	*.35*	*.75*	*2.50*
2016	*1.00*	*.40*	*.45*	*.75*	*2.60*

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	.432	1.73
2015					

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 discontinue its asset purchase agreement with the city of Philadelphia. The $1.86 billion deal to buy Philadelphia Gas Works, which faced opposition from the city council, has been terminated following UIL's announcement on December 4th. The fallout was widely expected, as the Philadelphia city council did not pass an ordinance to approve the transaction. The shares of UIL Holdings have reacted positively following this event and are currently trending higher since prior to the announcement.

We are introducing our share-net estimate for 2016 at $2.60. Growth is likely to be driven by the strengthening of the overall economy and an increase in the company's customer base. Additionally, UIL's strong capital expenditure plan should drive bottom line expansion through rate recognition in the near term.

UIL Holdings is targeting growth through investments related to regulated electric and gas infrastructure. The company has been making changes to its infrastructure and expects to continue to invest in its distribution and transmission businesses. Over the next five years, UIL will work on enhancing its liquefied natural gas facilities and expanding its capabilites through investments of approximately $113 million. UIL is also increasing its stake in renewable generation. Further, UIL has been an active participant in the New England State Committee on Energy, which is working with six New England states to increase the pipeline capacity for natural gas and electric transmission capacity. This could very likely translate into an investment opportunity for UIL Holdings over the next three to five years.

This equity is currently unfavorably ranked (4) for Timeliness. Based on the stock's rank, it is expected to lag the market over the next six to 12 months. Still, the current dividend yield remains favorable when compared to others in the utility industry. Hence, investors looking for income might find this stock appealing. However, due to the high payout ratio (approximately 70%), we do not expect any dividend increases over the next 3 to 5 years.

Saumya Ajila *February 20, 2015*

(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	50
Earnings Predictability	85

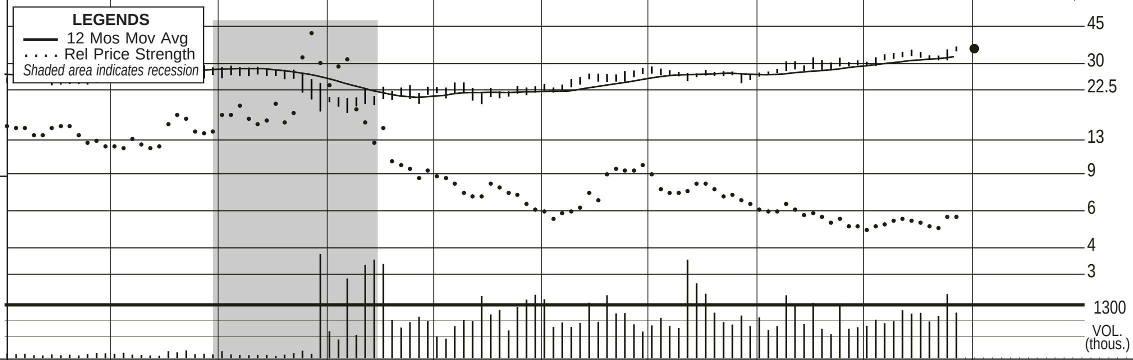
UNITIL CORP. AMEX--UTL	RECENT PRICE 35.32	TRAILING P/E RATIO 19.1	RELATIVE P/E RATIO 1.00	DIV'D YLD 3.9%	VALUE LINE

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	High
Low	23.63	25.08	17.75	17.50	19.28	21.84	24.15	26.01	29.05	Low



© 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%

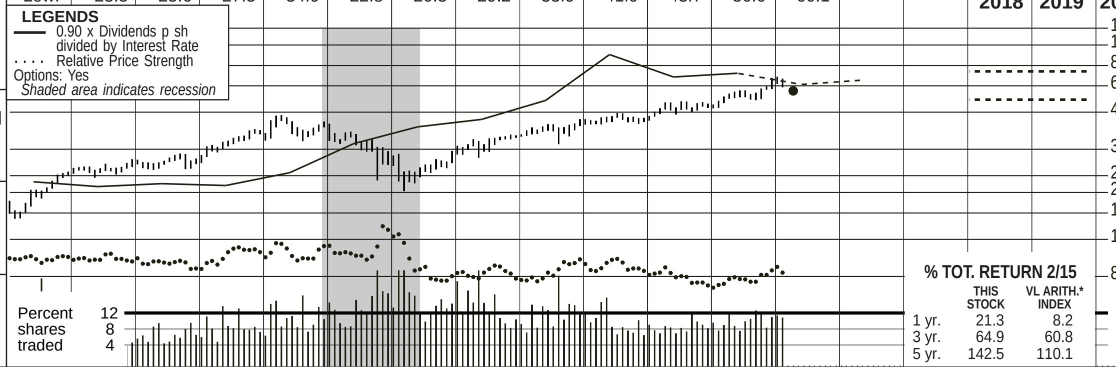
ALLIANT ENERGY NYSE-LNT

RECENT PRICE	60.67	P/E RATIO	17.1 (Trailing: 17.5 / Median: 14.0)	RELATIVE P/E RATIO	0.93	DIV'D YLD	3.6%	VALUE LINE

TIMELINESS 3 Lowered 8/22/14
SAFETY 2 Raised 9/28/07
TECHNICAL 3 Raised 3/20/15
BETA .80 (1.00 = Market)

High:	28.8	30.6	40.0	46.5	42.4	31.5	37.7	44.5	47.7	54.2	69.8	70.8
Low:	23.5	25.6	27.5	34.9	22.8	20.3	29.2	33.9	41.9	43.7	50.0	60.1

Target Price Range 2018 | 2019 | 2020



2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+25%)	9%
Low	55	(-10%)	2%

Insider Decisions

	A	M	J	J	A	S	O	N	D
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	1	0	0	1	0

Institutional Decisions

	2Q2014	3Q2014	4Q2014
to Buy	160	152	154
to Sell	134	151	158
Hld's(000)	67528	67088	68200

% TOT. RETURN 2/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	21.3	8.2
3 yr.	64.9	60.8
5 yr.	142.5	110.1

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.

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
28.02	28.93	31.15	33.33	31.02	30.81	33.02	27.88	29.54	30.20	*31.55*	*32.15*	Revenues per sh	34.80
5.46	4.33	5.12	4.56	4.21	5.21	5.51	5.90	6.68	6.88	*7.05*	*7.45*	"Cash Flow" per sh	8.00
2.21	2.06	2.69	2.54	1.89	2.75	2.75	3.05	3.29	3.48	*3.60*	*3.85*	Earnings per sh A	4.25
1.05	1.15	1.27	1.40	1.50	1.58	1.70	1.80	1.88	2.04	*2.20*	*2.36*	Div'd Decl'd per sh B ■ †	2.85
4.51	3.42	4.91	7.96	10.87	7.82	6.07	10.43	6.63	7.56	*8.85*	*9.00*	Cap'l Spending per sh	9.80
20.85	22.83	24.30	25.56	25.07	26.09	27.14	28.25	29.58	31.09	*31.75*	*32.45*	Book Value per sh C	34.65
117.04	116.13	110.36	110.45	110.66	110.89	111.02	110.99	110.94	110.94	*111.00*	*112.00*	Common Shs Outst'g D	115.00
12.6	16.8	15.1	13.4	13.9	12.5	14.5	14.5	15.3	16.6	*Bold figures are*		Avg Ann'l P/E Ratio	15.0
.67	.91	.80	.81	.93	.80	.91	.92	.86	.88	*Value Line*		Relative P/E Ratio	.95
3.8%	3.3%	3.1%	4.1%	5.7%	4.6%	4.3%	4.1%	3.7%	3.5%	*estimates*		Avg Ann'l Div'd Yield	4.0%
3279.6	3359.4	3437.6	3681.7	3432.8	3416.1	3665.3	3094.5	3276.8	3350.3	*3500*	*3600*	Revenues ($mill)	4000
337.8	260.1	320.8	280.0	208.6	303.9	304.4	337.8	382.1	385.5	*400*	*430*	Net Profit ($mill)	490
19.0%	43.8%	44.4%	33.4%	- -	30.1%	19.0%	21.5%	12.4%	10.1%	*15.0%*	*20.0%*	Income Tax Rate	20.0%
3.0%	3.1%	2.4%	- -	- -	- -	- -	- -	8.8%	6.5%	*7.0%*	*7.0%*	AFUDC % to Net Profit	7.0%
41.6%	31.4%	32.4%	36.3%	44.3%	46.3%	45.7%	48.4%	46.1%	49.7%	*47.5%*	*47.5%*	Long-Term Debt Ratio	47.5%
53.1%	62.9%	61.9%	58.6%	51.2%	49.5%	50.9%	48.4%	50.8%	47.5%	*49.5%*	*49.5%*	Common Equity Ratio	49.5%
4599.1	4218.4	4329.5	4815.6	5423.0	5840.8	5921.2	6476.6	6461.0	7257.2	*7500*	*7500*	Total Capital ($mill)	7800
4866.2	4944.9	4679.9	5353.5	6203.0	6730.6	7037.1	7838.0	7147.3	6442.0	*8000*	*8000*	Net Plant ($mill)	9000
8.9%	7.5%	8.6%	7.0%	5.1%	6.6%	6.4%	6.3%	7.0%	6.3%	*6.5%*	*6.5%*	Return on Total Cap'l	7.0%
12.6%	9.0%	11.0%	9.1%	6.9%	9.7%	9.5%	10.1%	11.0%	10.6%	*11.0%*	*11.0%*	Return on Shr. Equity	11.5%
13.1%	9.1%	11.3%	9.3%	6.8%	9.9%	9.5%	10.3%	11.3%	10.9%	*11.5%*	*11.5%*	Return on Com Equity E	12.0%
8.1%	4.0%	5.9%	3.8%	.9%	3.8%	3.3%	3.9%	4.9%	4.3%	*4.5%*	*4.5%*	Retained to Com Eq	5.0%
42%	59%	50%	62%	88%	64%	67%	64%	57%	61%	*61%*	*61%*	All Div'ds to Net Prof	67%

CAPITAL STRUCTURE as of 12/31/14
Total Debt $3789.7 mill. **Due in 5 Yrs** $1100.0 mill.
LT Debt $3606.7 mill. **LT Interest** $60.0 mill.
(LT interest earned: 10.0x)

Pension Assets-12/14 $1022.9 mill. **Oblig.** $1301.5 mill.
Pfd Stock $200.0 mill. **Pfd Div'd** $10.2 mill.
8,000,000 shs.

Common Stock 110,935,680 shs.

MARKET CAP: $6.7 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2012	2013	2014
% Change Retail Sales (KWH)	+.3	+.1	+.1
Avg. Indust. Use (MWH)	11555	11471	11821
Avg. Indust. Revs. per KWH (¢)	6.42	6.75	6.85
Capacity at Peak (Mw)	5886	5820	5426
Peak Load, Summer (Mw)	5886	5820	5426
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.3	+.4	+.4
Fixed Charge Cov. (%)	332	295	320

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '12-'14 to '18-'20
Revenues	0.5%	-1.5%	*4.0%*
"Cash Flow"	4.0%	7.0%	*6.0%*
Earnings	8.0%	6.5%	*6.0%*
Dividends	3.5%	6.5%	*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
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	843.1	804.1	3350.3
2015	*950*	*800*	*950*	*800*	*3500*
2016	*975*	*850*	*975*	*800*	*3600*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.50	.58	1.34	.63	3.05
2013	.72	.59	1.43	.55	3.29
2014	.97	.56	1.40	.55	3.48
2015	*.85*	*.60*	*1.55*	*.60*	*3.60*
2016	*.90*	*.65*	*1.65*	*.65*	*3.85*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■† Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	2.04
2015	.55				

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, 44%; IA, 55%; MN, 1%. Elect. rev.: residential, 39%; commercial, 24%; industrial, 30%; wholesale, 6%; other, 1%. Fuel sources, 2014: coal, 47%; nuclear, 17%; gas, 4%; other, 32%. Fuel costs: 50% of revs. 2014 depreciation rate: 5.5%. Estimated plant age: 12 years. Has 4,200 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 is investing heavily in infrastructure. The Madison, Wisconsin-based utility deployed roughly $1 billion in capital expenditures last year. According to management, it was one of the most active construction years in company history, with over $335 million poured into energy delivery systems alone. The goal of that considerable investment was to keep pace with customer growth, and bring natural gas services to communities which did not have access before.

Carbon emission reductions remain a top priority. During 2014, Alliant made significant progress transitioning its coal-fired facilities to produce higher levels of natural gas fueled generation (which is safer for the environment). The company also increased its use of renewable energy in many of its plants. Additionally, Alliant is constructing several new installations known as wetland systems that will improve the treatment of wastewater around its facilities.

We estimate earnings growth will be in the low-to mid-single-digit range over the next two years. Our 2015 forecast is at the midpoint of management's share-net guidance of $3.45–$3.75, reflecting a slight increase in revenue and further CapEx plans. Moreover, Alliant should benefit from the certainty of several rate settlements that it achieved during the past year for its retail division. For 2016, we think the company will try for further rate increases. We're basing our forecast on reasonable regulatory treatment from state officials.

The board of directors has raised the dividend. The quarterly distribution was increased $0.04 a share (8%), and the annualized payout is now $2.20. For the utility sector, the equity's current yield of around 3.6% is about average for the industry. The company is targeting a payout ratio of 60%-70%.

These shares may appeal to some income-oriented investors. The dividend is well supported by Alliant's predictable cash flows, and the yield is decent, though unspectacular. However, at its most recent quotation, the issue offers below average long-term capital appreciation potential. As such, subscribers seeking upside may want to look elsewhere.

Daniel Henigson *March 20, 2015*

(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 May. (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 '14: $90.0 mill., $0.77/sh. (D) In mill. (E) Rate base: Orig. cost. Rates all'd on com. eq. in IA in '14: 10.9%; in WI in '14 Regul. Clim.: WI, Above Avg.; IA, Avg.

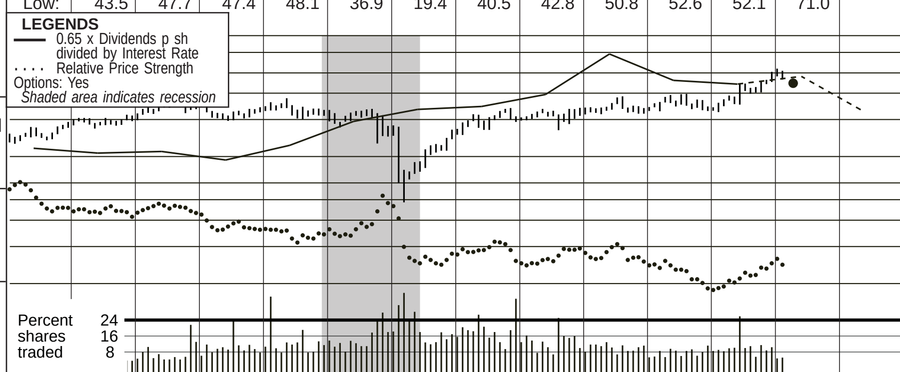
Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	95
Earnings Predictability	75

INTEGRYS ENERGY NYSE-TEG

RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD	
71.30	24.9 (Trailing: 25.8 / Median: 15.0)	1.35	3.8%	VALUE LINE

TIMELINESS – Suspended 7/4/14
SAFETY 2 Raised 6/24/11
TECHNICAL – Suspended 7/4/14
BETA .80 (1.00 = Market)

High:	50.5	60.0	57.8	60.6	53.9	45.1	54.4	54.6	61.9	63.6	80.9	83.7
Low:	43.5	47.7	47.4	48.1	36.9	19.4	40.5	42.8	50.8	52.6	52.1	71.0



Target Price Range

2018	2019	2020
120	100	80
64	48	32
24	20	16
12	8	

2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(-10%)	2%
Low	50	(-30%)	-4%

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	0	0	0	0	0	0	0	0
Options	1	0	3	0	1	5	5	11	12
to Sell	1	0	3	0	2	5	5	11	10

Institutional Decisions

	2Q2014	3Q2014	4Q2014
to Buy	140	138	146
to Sell	170	148	160
Hld's(000)	43525	44422	44744

% TOT. RETURN 2/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	35.9	8.2
3 yr.	64.9	60.8
5 yr.	117.2	110.1

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.

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
173.37	160.01	135.44	184.86	98.71	67.27	60.44	54.07	70.92	52.11	*52.85*	*55.35*	Revenues per sh	*61.00*
7.40	6.33	5.19	4.69	5.34	6.70	6.13	6.95	7.72	6.46	*6.80*	*7.50*	"Cash Flow" per sh	*8.50*
4.09	3.51	2.48	1.58	2.28	3.24	2.88	3.67	4.33	2.77	*3.05*	*3.25*	Earnings per sh A	*4.00*
2.24	2.28	2.56	2.68	2.72	2.72	2.72	2.72	2.72	2.72	*2.72*	*2.72*	Div'd Decl'd per sh B ■	*2.80*
10.31	7.94	5.17	7.01	5.85	3.35	4.00	7.63	8.42	10.88	*12.35*	*12.30*	Cap'l Spending per sh	*13.25*
32.47	35.61	42.58	40.79	37.62	37.57	38.01	38.84	41.05	41.49	*41.85*	*42.40*	Book Value per sh C	*45.50*
40.16	43.06	75.99	75.99	75.98	77.35	77.91	77.90	79.45	79.53	*79.50*	*79.50*	Common Shs Outst'g D	*79.50*
13.4	14.7	21.4	30.7	14.8	14.7	17.5	14.8	13.3	23.1	*Bold figures are*		Avg Ann'l P/E Ratio	*14.0*
.71	.79	1.14	1.85	.99	.94	1.10	.94	.75	1.22	*Value Line*		Relative P/E Ratio	*.90*
4.1%	4.4%	4.8%	5.5%	8.1%	5.7%	5.4%	5.0%	4.7%	4.2%	*estimates*		Avg Ann'l Div'd Yield	*5.0%*
6962.7	6890.7	10292	14048	7499.8	5203.2	4708.7	4212.4	5634.6	4144.2	*4200*	*4400*	Revenues ($mill)	*4850*
157.4	151.6	181.1	124.8	178.2	255.9	230.9	294.2	350.1	227.0	*245*	*265*	Net Profit ($mill)	*335*
22.9%	22.9%	32.2%	29.1%	41.5%	40.4%	36.7%	33.8%	37.6%	41.2%	*41.0%*	*41.0%*	Income Tax Rate	*41.0%*
1.0%	.5%	.7%	5.8%	4.5%	.7%	.4%	1.3%	4.3%	7.8%	*6.0%*	*6.0%*	AFUDC % to Net Profit	*5.0%*
39.0%	44.8%	40.8%	42.1%	45.1%	42.2%	38.3%	38.6%	47.2%	46.9%	*49.5%*	*49.5%*	Long-Term Debt Ratio	*49.0%*
58.7%	53.4%	58.3%	57.0%	53.9%	56.8%	60.6%	60.4%	52.0%	52.3%	*50.0%*	*49.5%*	Common Equity Ratio	*50.0%*
2222.4	2871.9	5552.0	5438.7	5304.4	5118.5	4884.5	5008.6	6268.6	6307.1	*6685*	*6805*	Total Capital ($mill)	*7225*
2049.4	2534.8	4463.8	4773.3	4945.1	5013.4	5199.1	5501.9	6410.5	6859.8	*7550*	*8190*	Net Plant ($mill)	*10325*
8.0%	6.4%	4.5%	3.5%	4.6%	6.2%	5.9%	6.9%	6.5%	4.8%	*5.0%*	*5.0%*	Return on Total Cap'l	*6.0%*
11.6%	9.6%	5.5%	4.0%	6.1%	8.7%	7.7%	9.6%	10.6%	6.8%	*7.5%*	*7.5%*	Return on Shr. Equity	*9.0%*
11.8%	9.7%	5.5%	3.9%	6.1%	8.7%	7.7%	9.6%	10.6%	6.8%	*7.5%*	*8.0%*	Return on Com Equity E	*9.0%*
5.3%	3.4%	.0%	NMF	NMF	2.3%	.7%	2.6%	4.4%	.2%	*1.0%*	*1.5%*	Retained to Com Eq	*3.0%*
56%	65%	99%	NMF	118%	74%	91%	73%	59%	97%	*89%*	*83%*	All Div'ds to Net Prof	*68%*

CAPITAL STRUCTURE as of 12/31/14
Total Debt $3398.9 mill. **Due in 5 Yrs** $752.6 mill.
LT Debt $2956.3 mill. **LT Interest** $147.8 mill.
(LT interest earned: 3.4x)
Leases, Uncapitalized Annual rentals $4.7 mill.
Pension Assets-12/14 $1495.6 mill.
Oblig. $1705.7 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 2/25/15
MARKET CAP: $5.7 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2012	2013	2014
% Change Retail Sales (KWH)	+.2	-.4	+6.0
Avg. C & I Use (KWH)	NA	NA	NA
Avg. C & I Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	3173	3344	NA
Peak Load, Summer (Mw)	2347	2400	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.4	+.4	-9.5
Fixed Charge Cov. (%)	367	410	254

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '12-'14 to '18-'20
Revenues	-6.0%	-16.0%	*.5%*
"Cash Flow"	1.0%	7.0%	*3.0%*
Earnings	1.0%	11.0%	*2.0%*
Dividends	2.5%	.5%	*.5%*
Book Value	4.0%	- -	*2.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	1247.9	839.6	927.7	1197.2	4212.4
2013	1678.2	1116.0	1129.7	1710.7	5634.6
2014	1638.0	836.8	657.1	1012.3	4144.2
2015	*1600*	*850*	*700*	*1050*	*4200*
2016	*1700*	*875*	*725*	*1100*	*4400*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	1.24	.65	.93	.86	3.67
2013	2.29	d.06	.47	1.63	4.33
2014	1.73	.10	.27	.66	2.77
2015	*1.80*	*.10*	*.30*	*.85*	*3.05*
2016	*1.90*	*.10*	*.35*	*.90*	*3.25*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	2.72
2015	.68				

BUSINESS: Integrys Energy Group, Inc. is a holding company for Wisconsin Public Service, Peoples Gas, and four other utility subsidiaries. Has 450,000 electric customers in WI, 1.7 million gas customers in WI, IL, MN, and MI. Sold Upper Peninsula Power and retail electric and gas marketing operations in '14. Elec. rev. breakdown: residential, 29%; small commercial & industrial, 29%; large commercial & industrial, 19%; other, 23%. Generating sources: coal, 49%; gas, 12%; other, 5%; purchased, 34%. Fuel costs: 51% of revs. '14 depr. rates (utility): 2.2%-3.2%. Has 4,600 employees. Chairman & CEO: Charles A. Schrock. President & 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 is awaiting regulatory approval for the company to be acquired by Wisconsin Energy. Integrys stockholders would receive $18.58 in cash and 1.128 shares of Wisconsin Energy stock for each of their shares, making the deal worth $73.12 a share at Wisconsin Energy's recent price. The transaction requires the approval of the regulators in Wisconsin, Illinois, Michigan, and Minnesota, plus that of the Federal Energy Regulatory Commission. The companies expect it to close in the second half of 2015. The Timeliness rank of Integrys stock is suspended due to the takeover agreement.

We continue to advise Integrys holders to sell their shares on the open market. The recent price is less than 3% below the value of the buyout price, so there is little upside potential unless the price of Wisconsin Energy stock rises. By selling, Integrys holders avoid downside risk in case the deal fails to win regulatory approval or utility stocks weaken—as they have so far in 2015.

Integrys' utilities received some rate hikes in the first quarter. Wisconsin Public Service's electric rates were raised by $24.6 million and its gas tariffs were lowered by $15.4 million, based on a 10.2% return on equity. The Illinois commission granted Peoples Gas and North Shore Gas a total of $74.6 million, based on a 9.05% ROE. Rate relief should help Integrys' earnings advance this year and next, since the orders in Illinois didn't take effect until late February.

Wisconsin Public Service is seeking a certificate of need to build a gas-fired generating unit. The utility wants to add a 400-megawatt facility at the site of an existing plant at an expected cost of $517 million. A ruling from the state commission is expected in the second half of 2015.

Other major capital projects are already under way. A coal-fired unit is undergoing an environmental upgrade at a cost of $345 million. A system modernization and reliability project is budgeted for $220 million. In Illinois, the company expects to spend $2.2 billion-$2.6 billion over a 10-year period to replace aging gas pipelines. The utility receives current cost recovery of these expenditures through a regulatory mechanism.

Paul E. Debbas, CFA *March 20, 2015*

(A) Dil. EPS. Excl. nonrecur. gain (losses): '09, ($3.24); '10, (41¢); '14, 64¢; gains (losses) from disc. ops.: '07, $1.02; '08, 6¢; '09, 4¢; '11, (1¢); '12, (12¢); '13, 6¢; '14, 2¢. '12 & '14 EPS don't add due to rounding. Next egs. due early May. (B) Div'ds histor. paid mid-Mar., June, Sept., & Dec. ■ Div'd reinv. plan avail. (C) Incl. intang. In '14: $27.27/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate all'd on com. eq. in WI in '15: 10.2%; in IL in '15: 9.05%; in MN in '14: 9.35%; earn. on avg. com. eq, '14: 6.8%. Regul. Climate: WI, Above Avg.; IL, Below Avg.

Company's Financial Strength	A
Stock's Price Stability	90
Price Growth Persistence	45
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)

	High:	Low:
2003	18.7	9.8
2004	19.4	15.4
2005	20.2	16.3
2006	27.5	17.6
2007	25.8	18.2
2008	23.6	15.5
2009	22.4	12.7
2010	22.8	18.5
2011	26.5	21.1
2012	28.0	22.8
2013	29.3	24.1
2014	37.4	27.7

Target Price Range 2017 | 2018 | 2019

2017-19 PROJECTIONS

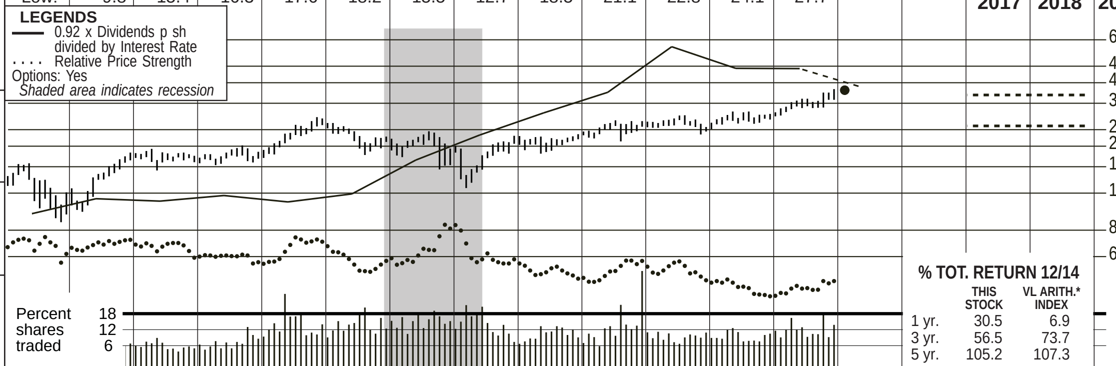
	Price	Gain	Ann'l Total Return
High	35	(-5%)	3%
Low	25	(-30%)	-4%

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



% 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

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.

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					

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

ITC HOLDINGS CORP. NYSE-ITC

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
36.32	20.2	(Trailing: 23.6 Median: NMF)	1.10	2.0%	VALUE LINE

TIMELINESS **3** Lowered 3/6/15
SAFETY **2** Raised 6/24/11
TECHNICAL **4** Lowered 2/27/15
BETA .65 (1.00 = Market)

2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+80%)	17%
Low	45	(+25%)	8%

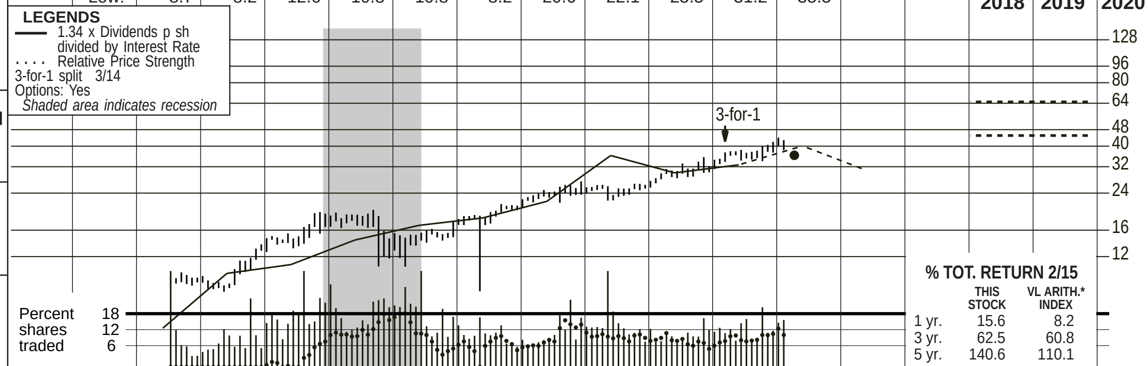
Insider Decisions

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

Institutional Decisions

	2Q2014	3Q2014	4Q2014
to Buy	164	147	165
to Sell	141	156	151
Hld's(000)	143907	141050	139110

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
High:	10.1	13.7	19.5	20.0	17.6	21.3	27.3	26.6	35.6	42.0	44.0
Low:	8.7	8.2	12.6	10.8	10.8	8.2	20.6	22.1	25.5	31.2	35.5



% TOT. RETURN 2/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	15.6	8.2
3 yr.	62.5	60.8
5 yr.	140.6	110.1

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
- -	- -	- -	- -	- -	1.37	2.06	1.76	3.31	4.15	4.13	4.58	4.92	5.30	5.98	6.60	7.60	8.00	Revenues per sh	10.75
- -	- -	- -	- -	- -	.35	.68	.58	1.10	1.37	1.44	1.53	1.73	1.88	2.24	2.40	2.95	3.15	"Cash Flow" per sh	4.25
- -	- -	- -	- -	- -	.03	.35	.31	.56	.73	.86	.95	1.10	1.20	1.47	1.54	2.00	2.05	Earnings per sh A	2.75
- -	- -	- -	- -	- -	- -	.18	.36	.38	.40	.42	.44	.46	.49	.54	.61	.69	.78	Div'd Decl'd per sh B ■ †	1.10
- -	- -	- -	- -	- -	.83	1.19	1.32	2.23	2.70	2.69	2.55	3.62	5.12	5.22	4.75	5.10	6.40	Cap'l Spending per sh	6.25
- -	- -	- -	- -	- -	2.14	2.64	4.18	4.37	6.24	6.73	7.34	8.18	9.03	10.25	10.75	12.20	13.50	Book Value per sh C	18.50
- -	- -	- -	- -	- -	92.04	99.69	127.19	128.75	148.96	150.25	152.15	153.97	156.75	157.50	155.10	155.50	156.50	Common Shs Outst'g D	159.50
- -	- -	- -	- -	- -	- -	26.3	33.0	27.6	23.2	17.1	20.0	21.4	20.7	20.4	23.8	*Bold figures are*		Avg Ann'l P/E Ratio	20.0
- -	- -	- -	- -	- -	- -	1.40	1.78	1.47	1.40	1.14	1.27	1.34	1.32	1.15	1.26	*Value Line*		Relative P/E Ratio	1.25
- -	- -	- -	- -	- -	- -	1.9%	3.5%	2.4%	2.3%	2.8%	2.3%	1.9%	2.0%	1.8%	1.7%	*estimates*		Avg Ann'l Div'd Yield	2.0%

CAPITAL STRUCTURE as of 9/30/14
Total Debt $4040.1 mill. **Due in 5 Yrs** $1616.2 mill.
LT Debt $3840.1 mill. **LT Interest** $178.6 mill.
(LT interest earned: 3.2x)

Pension Assets-12/13 $48.9 mill. **Oblig.** $73.5 mill.

Pfd Stock None

Common Stock 155,734,925 shs. **as of 10/24/14**

MARKET CAP: $5.7 billion (Large Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
205.3	223.6	426.2	617.9	621.0	696.8	757.4	830.5	941.3	1023.1	1185	1250	Revenues ($mill)	1700
34.7	33.2	73.3	109.2	130.9	145.7	171.7	187.9	233.5	244.1	315	330	Net Profit ($mill)	460
35.3%	29.2%	33.3%	38.1%	37.2%	36.1%	35.6%	36.6%	33.7%	38.1%	38.0%	38.0%	Income Tax Rate	38.0%
10.1%	15.0%	14.7%	13.8%	13.1%	11.9%	12.5%	16.0%	16.3%	11.0%	11.0%	12.0%	AFUDC % to Net Profit	9.0%
66.3%	70.3%	72.4%	70.8%	70.6%	69.1%	67.8%	63.8%	67.9%	70.0%	67.5%	66.5%	Long-Term Debt Ratio	61.5%
33.7%	29.7%	27.6%	29.2%	29.4%	30.9%	32.2%	36.2%	32.1%	30.0%	32.5%	33.5%	Common Equity Ratio	38.5%
780.6	1794.5	2041.5	3177.3	3445.9	3614.3	3903.9	3910.2	5025.8	5600	5860	6330	Total Capital ($mill)	7650
603.6	1197.9	1960.4	2304.4	2542.1	2872.3	3415.8	4134.6	4846.5	5496.9	6145	6985	Net Plant ($mill)	9400
6.2%	3.0%	5.7%	5.4%	5.7%	6.1%	6.3%	6.7%	6.2%	6.0%	7.0%	6.5%	Return on Total Cap'l	7.5%
13.2%	6.2%	13.0%	11.8%	12.9%	13.0%	13.6%	13.3%	14.5%	14.5%	16.5%	15.5%	Return on Shr. Equity	15.5%
13.2%	6.2%	13.0%	11.8%	12.9%	13.0%	13.6%	13.3%	14.5%	14.5%	16.5%	15.5%	Return on Com Equity E	15.5%
6.5%	NMF	4.5%	5.4%	6.8%	7.1%	8.0%	8.0%	9.3%	9.0%	11.0%	10.0%	Retained to Com Eq	9.5%
50%	115%	66%	54%	48%	45%	41%	40%	36%	39%	34%	37%	All Div'ds to Net Prof	38%

CURRENT POSITION ($MILL.)	2012	2013	9/30/14
Cash Assets	26.2	34.3	11.6
Receivables	72.2	89.3	119.4
Inventory (FIFO)	37.4	32.0	30.6
Other	62.4	35.9	39.9
Current Assets	198.2	191.5	201.5
Accts Payable	102.5	111.1	115.9
Debt Due	651.9	200.0	200.0
Other	228.4	188.3	154.5
Current Liab.	982.8	499.4	470.4
Fix Chg. Cov.	265%	281%	322%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '18-'20
Revenues	- -	12.0%	10.5%
"Cash Flow"	- -	14.0%	12.0%
Earnings	- -	19.0%	12.0%
Dividends	- -	5.5%	12.0%
Book Value	- -	13.0%	10.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	231.1	1023.0
2015	285	290	300	310	1185
2016	305	310	315	320	1250

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.29	.27	.33	.31	1.20
2013	.32	.30	.37	.48	1.47
2014	.43	.34	.47	.30	1.54
2015	.48	.50	.52	.50	2.00
2016	.49	.51	.53	.52	2.05

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.112	.112	.118	.118	.46
2012	.117	.117	.126	.126	.49
2013	.126	.126	.1425	.1425	.54
2014	.1425	.1425	.1625	.1625	.61
2015	.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.

Our 2014 earnings presentation for ITC Holdings requires an explanation. In the fourth quarter, the company took a reserve of $28.9 million after taxes ($0.18 a share) for a possible refund of transmission revenues. This also affected revenues by $46.9 million. Transmission users in ITC's region have complained to the Federal Energy Regulatory Commission (FERC) that transmission companies' allowed returns on equity are too high. FERC's ruling isn't expected until 2016, but, based on what it did in New England, it appears probable that allowed ROEs will be reduced. We aren't assuming any additional charges in our estimates and projections, but these cannot be ruled out. Separately, ITC took a $0.12-a-share charge in the second quarter for the early retirement of debt, and our presentation includes this item, as well.

The possibility of lower allowed ROEs has not hurt the stock much in 2015. The share price is down 6% year to date, but this is hardly noteworthy in what has been a weak year for electric utility equities. The risk to allowed transmission ROEs did not come as a surprise—it has been anticipated for a few years, at least.

Assuming no additional charges, earnings should amount to at least $2.00 a share this year. ITC has several projects under way, and operates under a formula rate plan that enables it to earn a current return on capital investment and recover expected increases in most kinds of expenses. Our earnings estimate is at the low end of the company's targeted range of $2.00-$2.15 a share, which is based on currently allowed ROEs. Note that we have not included an additional share repurchase in our estimate, although ITC has $120 million remaining (through yearend) from a $250 million board authorization.

We forecast just modest profit growth in 2016. We are now assuming a reduction in the company's allowed ROEs, effective next year, that would reduce ITC's annual earning power by $0.25 a share. Still . . .

ITC has solid growth potential through 2018-2020. The stock has decent total return prospects over that time frame. Income-oriented investors should note that, unlike most utility stocks, ITC does not offer an above-average yield.

Paul E. Debbas, CFA *March 20, 2015*

(A) Diluted earnings. Next earnings report due late April. (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	100
Price Growth Persistence	90
Earnings Predictability	100

PORTLAND GENERAL NYSE-POR

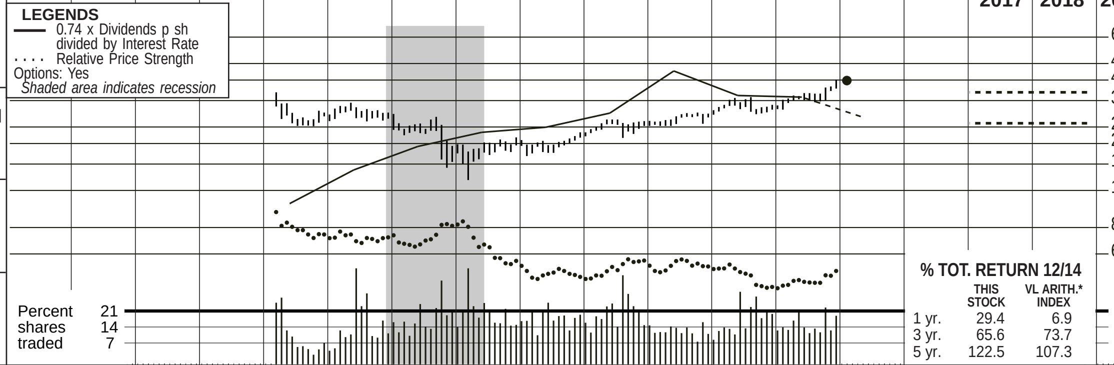
RECENT PRICE	39.76	P/E RATIO	18.2 (Trailing: 17.9 Median: NMF)	RELATIVE P/E RATIO	0.99	DIV'D YLD	2.9%	VALUE LINE

TIMELINESS 3 Lowered 12/5/14
SAFETY 2 Raised 5/4/12
TECHNICAL 3 Raised 1/9/15
BETA .80 (1.00 = Market)

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

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	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

% 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	84.18	P/E RATIO	19.3 (Trailing: 20.3 Median: NMF)	RELATIVE P/E RATIO	1.05	DIV'D YLD	3.8%	VALUE LINE

TIMELINESS	4 Lowered 12/5/14
SAFETY	2 New 6/1/07
TECHNICAL	5 Lowered 2/20/15
BETA .60 (1.00 = Market)	

2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	90	(+5%)	6%
Low	65	(-25%)	-1%

Insider Decisions

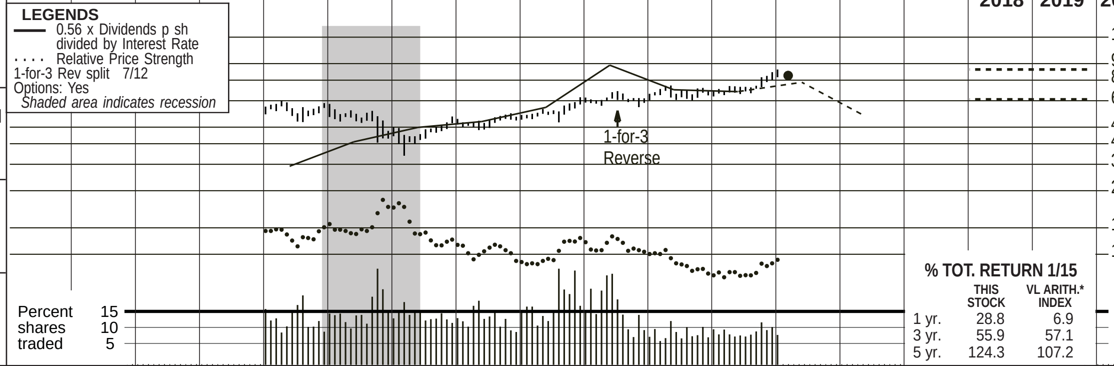
	M	A	M	J	J	A	S	O	N
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	1	0	0	0
to Sell	2	1	6	1	1	3	0	0	4

Institutional Decisions

	1Q2014	2Q2014	3Q2014
to Buy	435	434	431
to Sell	470	441	423
Hld's(000)	379686	386233	392694

	2007	2008	2009	2010	2011	2012	2013	2014	2015
High:	63.9	61.8	53.8	55.8	66.4	71.1	75.5	87.3	90.0
Low:	50.7	40.5	35.2	46.4	50.6	59.6	64.2	67.1	82.2

Target Price Range 2018 | 2019 | 2020



% TOT. RETURN 1/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	28.8	6.9
3 yr.	55.9	57.1
5 yr.	124.3	107.2

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.

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
- -	25.32	30.24	31.15	29.18	32.22	32.63	27.88	34.84	**33.95**	**34.45**	**35.85**	Revenues per sh	**40.50**
- -	7.86	8.11	7.34	7.58	8.49	8.68	6.80	8.56	**8.85**	**9.25**	**9.65**	"Cash Flow" per sh	**10.75**
- -	2.76	3.60	3.03	3.39	4.02	4.14	3.71	3.98	**4.15**	**4.50**	**4.75**	Earnings per sh A	**5.50**
- -	- -	2.58	2.70	2.82	2.91	2.97	3.03	3.09	3.15	**3.21**	**3.27**	Div'd Decl'd per sh B ■	**3.55**
- -	8.07	7.43	10.35	9.85	10.84	9.80	7.81	7.83	**8.45**	**10.50**	**11.55**	Cap'l Spending per sh	**11.25**
- -	62.30	50.40	49.51	49.85	50.84	51.14	58.04	58.54	**58.25**	**59.50**	**60.95**	Book Value per sh C	**66.00**
- -	418.96	420.62	423.96	436.29	442.96	445.29	704.00	706.00	**707.00**	**708.00**	**709.00**	Common Shs Outst'g D	**712.00**
- -	- -	16.1	17.3	13.3	12.7	13.8	17.5	17.4	**17.8**	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	**14.5**
- -	- -	.85	1.04	.89	.81	.87	1.11	.98	**.95**			Relative P/E Ratio	**.90**
- -	- -	4.4%	5.2%	6.2%	5.7%	5.2%	4.7%	4.4%	4.3%			Avg Ann'l Div'd Yield	**4.5%**
- -	10607	12720	13207	12731	14272	14529	19624	24598	**24000**	**24400**	**25400**	Revenues ($mill)	**28800**
- -	1080.0	1522.0	1279.0	1461.0	1765.0	1839.0	2136.0	2813.0	**2955**	**3205**	**3390**	Net Profit ($mill)	**3870**
- -	29.4%	31.9%	32.5%	34.4%	32.6%	31.3%	30.2%	32.6%	**32.5%**	**34.5%**	**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%**	**9.0%**	**9.0%**	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%**	**51.0%**	Long-Term Debt Ratio	**53.0%**
- -	59.0%	69.1%	61.3%	57.4%	55.7%	54.9%	52.9%	52.0%	**50.5%**	**49.5%**	**49.0%**	Common Equity Ratio	**47.0%**
- -	44220	30697	34238	37863	40457	41451	77307	79482	**81500**	**84900**	**88475**	Total Capital ($mill)	**100100**
- -	41447	31110	34036	37950	40344	42661	68558	69490	**70775**	**74875**	**79600**	Net Plant ($mill)	**92700**
- -	3.1%	6.0%	4.8%	4.9%	5.5%	5.6%	3.6%	4.6%	**4.5%**	**5.0%**	**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%**	**7.5%**	**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%**	**7.5%**	**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%**	**2.0%**	**2.5%**	Retained to Com Eq	**3.0%**
- -	- -	72%	89%	84%	73%	72%	82%	78%	**75%**	**71%**	**68%**	All Div'ds to Net Prof	**65%**

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: $60 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 '18-'20
Revenues	- -	2.0%	3.5%
"Cash Flow"	- -	.5%	4.5%
Earnings	- -	4.5%	5.0%
Dividends	- -	11.5%	2.5%
Book Value	- -	.5%	2.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	3630	3577	6722	5695	19624
2013	5898	5879	6709	6112	24598
2014		11971F	6395	**5634**	**24000**
2015	**5900**	**5600**	**6800**	**6100**	**24400**
2016	**6100**	**5850**	**7100**	**6350**	**25400**

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.86	.99	1.01	.59	3.71
2013	.89	.74	1.40	.95	3.98
2014		2.08F	1.25	**.82**	**4.15**
2015	**1.15**	**.85**	**1.55**	**.95**	**4.50**
2016	**1.20**	**.90**	**1.65**	**1.00**	**4.75**

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	.795	3.15
2015					

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.

The sale of Duke Energy's nonregulated generating assets has been delayed. The transaction would enable the company to receive $2.8 billion in cash for its ownership interests in 11 plants in the Midwest and its retail energy marketing business in Ohio. This operation is now treated as discontinued. However, the Federal Energy Regulatory Commission (FERC) has asked for additional information about the transaction, which will delay the closing beyond the current quarter. If the deal goes through, Duke will use the proceeds for capital spending, offsetting debt financing, or repurchasing stock. We will not reflect this until the deal closes.

FERC approved an asset purchase. Duke agreed to pay $1.2 billion for another utility's 700-megawatt stake in nuclear and coal-fired units in North Carolina. The transaction still requires the approval of state regulators and the Nuclear Regulatory Commission. It has a year-end 2016 deadline for completion.

Some other large capital projects are in various stages of development. In Florida, Duke plans to build a 1,685-mw gas-fired plant at a cost of $1.5 billion, uprate an existing facility to add 220 mw, and build or buy another plant. In South Carolina, the utility is adding 650 mw of gas-fired capacity at a cost of $600 million. In Indiana, the company is asking the state commission to approve a seven-year, $1.9 billion system modernization plan. And Duke has a 40% stake in a proposed $4.5 billion-$5.0 billion pipeline to transport gas from West Virginia to North Carolina, beginning in 2018.

Duke is reviewing its international operations. This began before oil prices plummeted and the dollar strengthened. These factors will hurt this segment's profitability, so we have cut our 2015 earnings estimate by $0.15 a share. We expect modest profit growth in 2016. Note that our estimates and projections *include* the international businesses, as well as costs that Duke is incurring to integrate Progress Energy, which it acquired in 2012.

This untimely stock's dividend yield is somewhat above average for a utility. With the recent price near the upper end of our 2018-2020 Target Price Range, total return potential is unappealing.

Paul E. Debbas, CFA February 20, 2015

(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 early May. **(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%; 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	55
Earnings Predictability	75

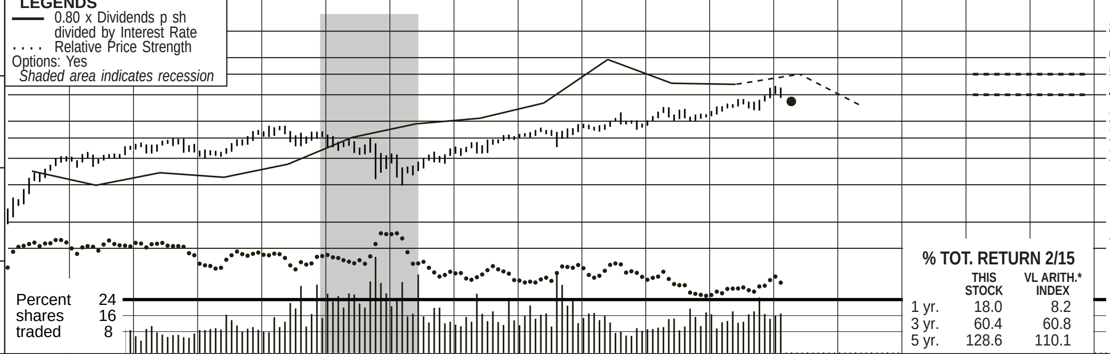
WESTAR ENERGY NYSE-WR

RECENT PRICE **37.20** | P/E RATIO **16.0** (Trailing: 15.8 / Median: 14.0) | RELATIVE P/E RATIO **0.87** | DIV'D YLD **3.9%** | VALUE LINE

High:	22.9	25.0	27.2	28.6	25.9	22.3	25.9	29.0	33.0	35.0	43.2	44.0
Low:	18.1	21.1	20.1	22.8	16.0	14.9	20.6	22.6	26.8	28.6	31.7	36.6

TIMELINESS 3 Lowered 12/12/14
SAFETY 2 Raised 4/1/05
TECHNICAL 3 Raised 3/20/15
BETA .75 (1.00 = Market)

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



Target Price Range

2018 | 2019 | 2020

2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+35%)	*11%*
Low	40	(+10%)	*6%*

Insider Decisions

	A	M	J	J	A	S	O	N	D
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	1	0	0	1	0

Institutional Decisions

	2Q2014	3Q2014	4Q2014
to Buy	161	155	157
to Sell	116	117	136
Hld's(000)	93488	95815	96912

% TOT. RETURN 2/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	18.0	8.2
3 yr.	60.4	60.8
5 yr.	128.6	110.1

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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	19.76	*19.85*	*19.75*	Revenues per sh	*20.75*
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*	*4.95*	"Cash Flow" per sh	*5.25*
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	*2.35*	*2.55*	Earnings per sh A	*3.00*
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	1.40	*1.44*	*1.50*	Div'd Decl'd per sh B■†	*1.65*
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	6.47	*7.00*	*7.20*	Cap'l Spending per sh	*8.15*
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	25.02	*25.60*	*26.35*	Book Value per sh C	*29.25*
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	131.69	*130.00*	*135.00*	Common Shs Outst'g E	*140.00*
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	15.4	*Bold figures are*		Avg Ann'l P/E Ratio	*15.0*
.98	1.34	- -	.76	.62	.92	.79	.66	.75	1.02	.99	.83	.93	.85	.79	.81	*Value Line*		Relative P/E Ratio	*.95*
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%	3.9%	*estimates*		Avg Ann'l Div'd Yield	*3.7%*

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
1583.3	1605.7	1726.8	1839.0	1858.2	2056.2	2171.0	2261.5	2370.7	2601.7	*2580*	*2665*	Revenues ($mill)	*2800*
134.9	165.3	168.4	136.8	141.3	203.9	214.0	275.1	292.5	313.3	*305*	*345*	Net Profit ($mill)	*420*
31.0%	25.4%	27.5%	24.8%	29.4%	29.0%	35.2%	30.9%	33.1%	31.9%	*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%*
52.1%	50.0%	50.6%	49.8%	53.4%	53.6%	49.5%	51.2%	50.0%	50.0%	*50.0%*	*50.0%*	Long-Term Debt Ratio	*50.0%*
47.2%	49.3%	48.9%	49.7%	46.1%	46.0%	50.1%	48.8%	50.0%	50.0%	*50.0%*	*50.0%*	Common Equity Ratio	*50.0%*
3000.4	3124.2	3738.3	4400.1	4866.8	5180.9	5531.0	5938.2	6131.1	6596.2	*6650*	*6800*	Total Capital ($mill)	*7500*
3947.7	4071.6	4803.7	5533.5	5771.7	6309.5	6745.4	7335.7	7848.5	8441.5	*8500*	*8500*	Net Plant ($mill)	*9000*
6.2%	6.7%	5.8%	4.2%	4.4%	5.5%	5.3%	6.0%	6.1%	6.0%	*6.0%*	*6.0%*	Return on Total Cap'l	*6.0%*
9.4%	10.6%	9.1%	6.2%	6.2%	8.5%	7.7%	9.5%	9.6%	9.5%	*9.5%*	*9.5%*	Return on Shr. Equity	*9.5%*
9.5%	10.7%	9.2%	6.2%	6.3%	8.5%	7.7%	9.4%	9.6%	9.5%	*9.5%*	*9.5%*	Return on Com Equity D	*9.5%*
4.3%	5.5%	4.3%	1.2%	.8%	3.1%	2.7%	4.0%	4.2%	4.3%	*4.0%*	*4.0%*	Retained to Com Eq	*4.0%*
55%	49%	53%	80%	87%	63%	65%	57%	56%	55%	*61%*	*59%*	All Div'ds to Net Prof	*55%*

CAPITAL STRUCTURE as of 12/31/14
Total Debt $3667.6 mill. **Due in 5 Yrs** $725.0 mill.
LT Debt $3382.1 mill. **LT Interest** $170.0 mill.
(LT interest earned: 2.8x)

Pension Assets 12/14 $661 mill. **Oblig.** $914 mill.

Pfd Stock None

Common Stock 132,137,563 shs.
MARKET CAP: $4.9 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2012	2013	2014
% Change Retail Sales (KWH)	-1.5	+3.6	+1.5
Avg. Indust. Use (MWH)	5588	5407	5747
Avg. Indust. Revs. per KWH (¢)	6.60	6.47	6.72
Capacity at Peak (Mw)	6557	6671	6698
Peak Load, Summer (Mw)	5411	5489	5226
Annual Load Factor (%)	56.0	55.9	56.2
% Change Customers (yr-end)	+.2	+.2	+.2
Fixed Charge Cov. (%)	319	323	332

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '12-'14 to '18-'20
Revenues	-1.0%	1.5%	*2.5%*
"Cash Flow"	1.5%	5.0%	*4.5%*
Earnings	6.5%	9.0%	*6.0%*
Dividends	3.5%	3.5%	*3.0%*
Book Value	5.0%	3.5%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	596.4	2601.7
2015	*630*	*620*	*750*	*580*	*2580*
2016	*650*	*645*	*775*	*595*	*2665*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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*	*.40*	*1.10*	*.35*	*2.35*
2016	*.55*	*.45*	*1.15*	*.40*	*2.55*

Cal-endar	QUARTERLY DIVIDENDS PAID B■† Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	1.40
2015	.36				

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 announced 2014 results. The Topeka, Kansas-based utility posted profits of $2.35 a share for the year just ended. Higher net income was driven by greater pricing power, resulting from investments in air quality controls and transmission infrastructure. An increase in retail sales, led by industrial customers, also contributed to the underlying results.

The company filed a report to increase rates. The request was submitted in early February. Management believes that the magnitude of the investments it has made over the past few years justifies a meaningful rate increase in the upper single-digit percent range. If granted, the schedule calls for an adjustment to prices in November of this year, allowing the utility to take full advantage of the rate hike in 2016.

We expect the bottom line to be flat in 2015, followed by a strong up-tick in 2016. Our profit forecast for the current year matches the midpoint of management's share-net guidance of $2.25–$2.45. Westar Energy should continue to benefit from higher electric retail sales, driven by increasing demand from an improving business environment. Our 2016 forecast is based on the expectation of reasonable treatment from regulators, pending the submitted rate request.

The board of directors authorized a dividend increase. The quarterly distribution was raised $0.01 a share, to an annualized rate of $1.44. The yield of 3.9% is slightly above the median yield for the electric utility industry. Westar Energy is targeting a payout ratio of 50%-60%.

Capital expenditures could total $3.5 billion over the next five years. Transmission investments, the largest component, will likely exceed $1 billion. That should allow Westar to more efficiently deliver electricity to customers.

This neutrally ranked issue is a decent choice for income-oriented investors. Although future capital appreciation is muted, we think income-focused accounts would do well owning this stock for its decent dividend yield. And, the stock's lower-than-market Beta, combined with its good marks for Price Stability and Earnings Predictability, provides some added peace of mind.

Daniel Henigson *March 20, 2015*

(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 May. (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 2014: $6.48/sh. (D) Rate base determined: fair value; Rate allowed on common equity in '14: 10.0%; earned on avg. com. eq., '14: 9.5%. Regul. Clim.: Avg. (E) In mill.

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

NORTHWESTERN NYSE-NWE

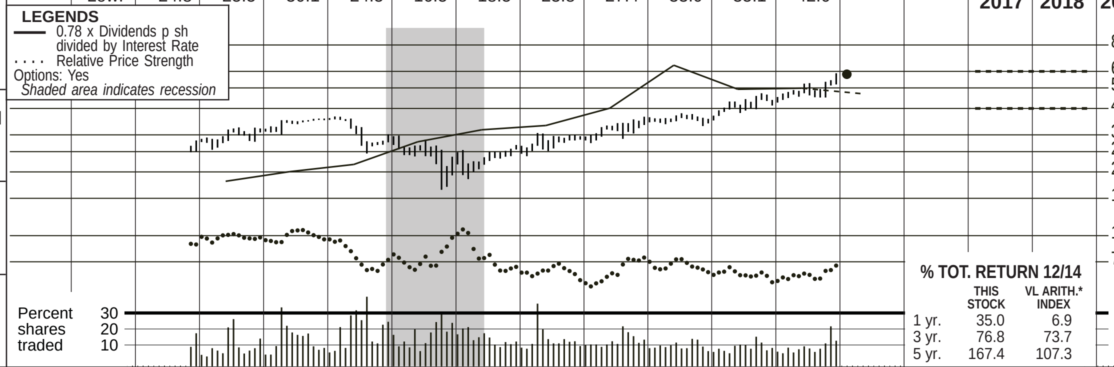
RECENT PRICE	58.02	P/E RATIO	18.0 (Trailing: 20.6 / Median: NMF)	RELATIVE P/E RATIO	0.98	DIV'D YLD	3.3%	VALUE LINE

TIMELINESS 2 Raised 9/19/14
SAFETY 3 New 5/4/12
TECHNICAL 3 Raised 12/5/14
BETA .70 (1.00 = Market)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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

LEGENDS
— 0.78 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	(+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

Percent shares traded 30 20 10

% 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.

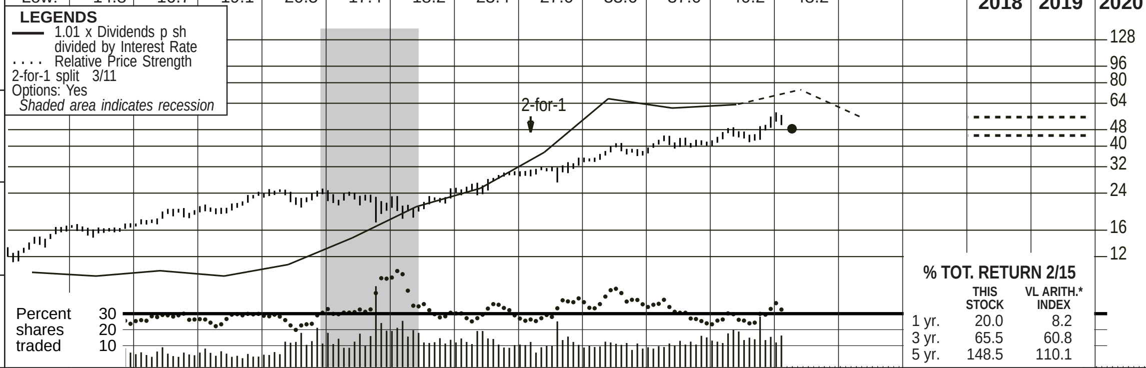
Company's Financial Strength	B+
Stock's Price Stability	100
Price Growth Persistence	70
Earnings Predictability	95

WISCONSIN ENERGY NYSE-WEC

RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD	VALUE LINE
48.35	19.0 (Trailing: 18.7, Median: 15.0)	1.03	3.6%	

TIMELINESS 3 Raised 3/20/15
SAFETY 1 Raised 3/23/12
TECHNICAL 3 Raised 3/13/15
BETA .65 (1.00 = Market)

High:	17.3	20.4	24.3	25.2	24.8	25.3	30.5	35.4	41.5	45.0	55.4	58.0
Low:	14.8	16.7	19.1	20.5	17.4	18.2	23.4	27.0	33.6	37.0	40.2	48.2



2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+15%)	7%
Low	45	(-5%)	3%

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	2	0	3	3	0
to Sell	0	0	0	0	4	0	3	4	0

Institutional Decisions

	2Q2014	3Q2014	4Q2014
to Buy	257	220	244
to Sell	186	224	226
Hld's(000)	166724	174180	171841

% TOT. RETURN 2/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	20.0	8.2
3 yr.	65.5	60.8
5 yr.	148.5	110.1

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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**	**23.20**	Revenues per sh	**26.50**
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	**4.45**	**4.60**	**4.95**	"Cash Flow" per sh	**6.00**
.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	2.59	**2.65**	**2.80**	Earnings per sh A	**3.50**
.78	.69	.40	.40	.40	.42	.44	.46	.50	.54	.68	.80	1.04	1.20	1.45	1.56	**1.69**	**1.82**	Div'd Decl'd per sh B ■	**2.25**
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	**3.25**	**3.65**	**3.35**	Cap'l Spending per sh	**3.75**
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	**19.60**	**20.55**	**20.85**	Book Value per sh C	**22.00**
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**	**224.00**	Common Shs Outst'g D	**218.00**
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	17.7	*Bold figures are*		Avg Ann'l P/E Ratio	**14.5**
.76	1.22	.62	.57	.71	.92	.77	.86	.88	.89	.89	.89	.89	1.01	.93	.94	*Value Line*		Relative P/E Ratio	**.90**
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%	3.4%	*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)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
3815.5	3996.4	4237.8	4431.0	4127.9	4202.5	4486.4	4246.4	4519.0	4997.1	**5000**	**5200**	Revenues ($mill)	**5800**
304.8	313.7	337.7	359.8	378.4	455.6	514.0	547.5	578.6	589.5	**605**	**640**	Net Profit ($mill)	**780**
32.9%	35.8%	39.1%	37.6%	36.5%	35.4%	33.9%	35.9%	36.9%	38.0%	**37.5%**	**38.0%**	Income Tax Rate	**38.0%**
12.5%	19.0%	23.8%	27.2%	25.0%	18.6%	16.8%	9.4%	4.5%	**6.0%**	**7.0%**	**5.0%**	AFUDC % to Net Profit	**5.0%**
52.8%	51.3%	50.3%	54.8%	51.9%	50.6%	53.6%	51.7%	50.6%	**48.5%**	**49.5%**	**49.0%**	Long-Term Debt Ratio	**49.0%**
46.7%	48.2%	49.2%	44.8%	47.7%	49.0%	46.0%	48.0%	49.1%	**51.0%**	**50.0%**	**50.5%**	Common Equity Ratio	**51.0%**
5741.5	5992.8	6302.1	7442.0	7473.1	7764.5	8608.0	8619.3	8626.6	**8625**	**9220**	**9265**	Total Capital ($mill)	**9450**
6362.9	7052.5	7681.2	8517.0	9070.5	9601.5	10160	10572	10907	11258	**11650**	**11925**	Net Plant ($mill)	**12825**
7.0%	6.6%	7.0%	6.3%	6.4%	7.5%	7.5%	7.9%	8.1%	**8.0%**	**8.0%**	**8.5%**	Return on Total Cap'l	**9.5%**
11.2%	10.7%	10.8%	10.7%	10.5%	11.9%	12.9%	13.1%	13.6%	**13.0%**	**13.0%**	**13.5%**	Return on Shr. Equity	**16.0%**
11.3%	10.8%	10.9%	10.7%	10.6%	12.0%	12.9%	13.2%	13.6%	**13.5%**	**13.0%**	**13.5%**	Return on Com Equity E	**16.0%**
7.5%	7.1%	7.1%	7.0%	6.2%	7.0%	6.8%	6.5%	5.9%	**5.5%**	**5.0%**	**5.0%**	Retained to Com Eq	**6.0%**
34%	35%	35%	35%	42%	41%	47%	51%	57%	**60%**	**63%**	**64%**	All Div'ds to Net Prof	**63%**

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 '18-'20
Revenues	1.5%	1.5%	4.5%
"Cash Flow"	3.5%	6.5%	6.0%
Earnings	8.0%	10.5%	6.0%
Dividends	12.0%	19.5%	9.0%
Book Value	7.0%	6.0%	3.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	1225.1	4997.1
2015	*1500*	*1100*	*1150*	*1250*	*5000*
2016	*1550*	*1150*	*1200*	*1300*	*5200*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.74	.51	.67	.43	2.35
2013	.76	.52	.60	.63	2.51
2014	.91	.58	.56	.53	2.59
2015	*.77*	*.56*	*.68*	*.64*	*2.65*
2016	*.82*	*.59*	*.72*	*.67*	*2.80*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	1.56
2015	.4225				

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.

Wisconsin Energy is seeking regulatory approval for its takeover of Integrys Energy. The company would buy Integrys for $4.4 billion in stock and $1.5 billion in cash (which would be financed with debt). Integrys would fit well with Wisconsin Energy because it provides electric and gas service in the state, and would provide the company with gas service in Illinois and Minnesota. In addition, Wisconsin Energy would wind up with a 60% stake in American Transmission Company, up from 26% now. The acquisition requires the approval of the commissions in Wisconsin, Illinois, Michigan, and Minnesota, plus that of the Federal Energy Regulatory Commission. The companies are targeting the second half of 2015 for completion of the deal. Wisconsin Energy would change its name to WEC Energy upon closing.

Management believes the combination would enhance the company's growth rate, now 4%-6%. Wisconsin Energy expects 5%-7% with the addition of Integrys. Wisconsin Energy shareholders (who saw an 8.3% dividend hike in early 2015) can expect another increase upon closing, so that Integrys shareholders can maintain their dividend income.

A rate order was issued in late 2014. Base electric rates will rise by $43.2 million this year. Gas rates will rise by $6.4 million in 2015 and $21.4 million in 2016. Steam rates will climb by $1.7 million this year. This should help Wisconsin Energy's profits improve in 2015. Note that our estimate of $2.65 a share is below the company's guidance of $2.67-$2.77, which excludes merger-related costs that we include. Moreover, our estimates and projections will not include Integrys until the takeover has been completed.

We estimate higher earnings in 2016. Gas rate relief and modest volume growth should benefit the utility. Also, we assume no merger-related costs and a resumption of a share-repurchase plan in our forecast. Our profit estimate is $2.80 a share.

Top-quality Wisconsin Energy stock has a dividend yield that is about average for a utility. Total return potential to 2018-2020 is unspectacular, but our projections might well be raised with the addition of Integrys.

Paul E. Debbas, CFA *March 20, 2015*

(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¢. '14 EPS don't add due to rounding. Next earnings report due early May. (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 '15: 10.2%-10.3%; 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	95
Earnings Predictability	95

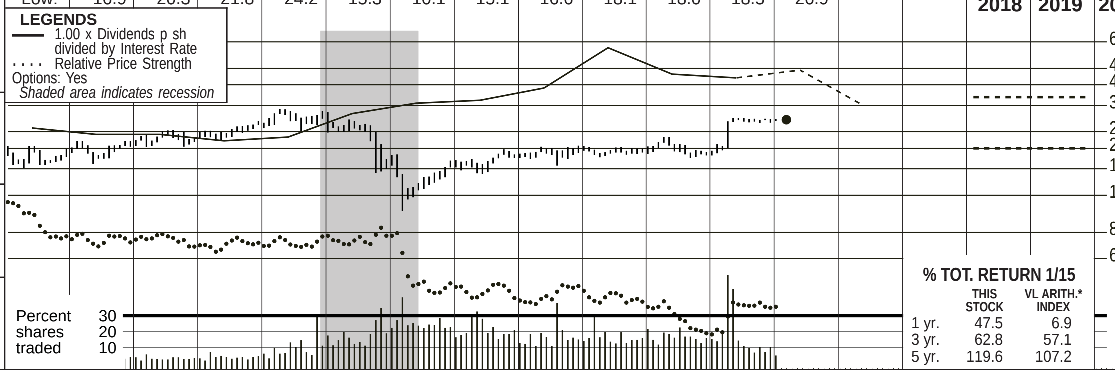
PEPCO HOLDINGS NYSE-POM

RECENT PRICE **27.35** | P/E RATIO **18.9** (Trailing: 23.0; Median: 15.0) | RELATIVE P/E RATIO **1.03** | DIV'D YLD **3.9%** | VALUE LINE

TIMELINESS – Suspended 5/9/14
SAFETY 3 Lowered 6/6/03
TECHNICAL – Suspended 5/9/14
BETA .65 (1.00 = Market)

High:	21.7	24.5	27.0	30.7	29.6	18.7	19.8	20.6	20.5	22.7	27.9	27.5
Low:	16.9	20.3	21.8	24.2	15.3	10.1	15.1	16.6	18.1	18.0	18.5	26.9

Target Price Range 2018 | 2019 | 2020



% TOT. RETURN 1/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	47.5	6.9
3 yr.	62.8	57.1
5 yr.	119.6	107.2

2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	35	(+30%)	*10%*
Low	20	(-25%)	*-2%*

Insider Decisions

	M	A	M	J	J	A	S	O	N
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	155	160	141
to Sell	157	176	157
Hld's(000)	148709	153156	154255

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.

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
42.49	43.57	46.71	48.88	41.66	31.27	26.02	22.09	18.64	*19.85*	*21.25*	*20.85*	Revenues per sh	*26.15*
3.67	3.47	3.30	3.55	2.82	2.97	3.00	3.21	3.01	*3.25*	*3.45*	*3.60*	"Cash Flow" per sh	*4.30*
1.49	1.33	1.53	1.93	1.06	1.24	1.14	1.24	1.14	*1.25*	*1.45*	*1.50*	Earnings per sh A	*2.00*
1.00	1.04	1.04	1.08	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*
2.46	2.47	3.11	3.57	3.89	3.56	4.14	5.29	5.23	*5.20*	*5.20*	*5.20*	Cap'l Spending per sh	*4.00*
18.88	18.82	20.04	19.14	19.15	18.79	19.06	19.33	17.24	*19.45*	*18.20*	*18.65*	Book Value per sh C	*20.30*
189.82	191.93	200.51	218.91	222.27	225.08	227.50	230.02	250.32	*252.00*	*254.00*	*254.00*	Common Shs Outst'g D	*260.00*
14.9	18.1	18.2	12.2	13.7	14.0	16.7	15.6	17.5	*19.9*	*Bold figures are*		Avg Ann'l P/E Ratio	*14.0*
.79	.98	.97	.73	.91	.89	1.05	.99	.98	*1.04*	*Value Line*		Relative P/E Ratio	*.90*
4.5%	4.3%	3.7%	4.6%	7.4%	6.2%	5.7%	5.6%	5.4%	4.3%	*estimates*		Avg Ann'l Div'd Yield	*4.9%*
8065.5	8362.9	9366.4	10700	9259.0	7039.0	5920.0	5081.0	4666.0	*5000*	*5300*	*5400*	Revenues ($mill)	*6700*
277.4	254.4	296.5	400.0	235.0	276.0	257.0	285.0	280.0	*315*	*370*	*385*	Net Profit ($mill)	*525*
38.8%	39.1%	39.3%	29.6%	31.9%	18.8%	37.2%	35.4%	35.3%	*35.0%*	*35.0%*	*35.0%*	Income Tax Rate	*35.0%*
- -	- -	- -	- -	- -	- -	10.1%	7.4%	6.4%	*6.0%*	*6.0%*	*5.0%*	AFUDC % to Net Profit	*4.0%*
57.1%	54.6%	54.1%	56.2%	53.8%	49.0%	49.1%	47.3%	48.4%	*47.5%*	*51.0%*	*52.0%*	Long-Term Debt Ratio	*53.0%*
42.3%	45.1%	45.9%	43.8%	46.2%	51.0%	50.9%	52.7%	51.6%	*52.5%*	*49.5%*	*48.0%*	Common Equity Ratio	*47.0%*
8469.3	8004.0	8753.0	9568.0	9203.0	8292.0	8516.0	8432.0	8368.0	*9300*	*9505*	*9875*	Total Capital ($mill)	*11215*
7312.0	7576.6	7876.7	8314.0	8863.0	7673.0	8220.0	8846.0	9704.0	*10000*	*10000*	*10500*	Net Plant ($mill)	*12000*
5.0%	5.1%	5.1%	5.8%	4.5%	5.1%	4.5%	4.9%	4.9%	*4.5%*	*5.0%*	*5.0%*	Return on Total Cap'l	*6.0%*
7.6%	7.0%	7.4%	9.5%	5.5%	6.5%	5.9%	6.4%	6.5%	*6.5%*	*8.0%*	*8.0%*	Return on Shr. Equity	*10.0%*
7.7%	7.0%	7.4%	9.5%	5.5%	6.5%	5.9%	6.4%	6.5%	*6.5%*	*8.0%*	*8.0%*	Return on Com Equity E	*10.0%*
2.4%	1.5%	2.3%	4.2%	NMF	.8%	.3%	.8%	.2%	*.5%*	*2.1%*	*2.3%*	Retained to Com Eq	*4.5%*
69%	78%	68%	56%	101%	87%	95%	87%	96%	*90%*	*74%*	*72%*	All Div'ds to Net Prof	*53%*

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 '12-'14 to '18-'20
Revenues	-6.5%	-13.5%	*2.5%*
"Cash Flow"	-2.5%	-2.0%	*5.0%*
Earnings	-4.0%	-6.0%	*8.0%*
Dividends	8.5%	0.5%	*Nil*
Book Value	0.5%	-1.0%	*NMF*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	1292	1179	1476	1134	5081.0
2013	1178	1053	1344	1091	4666.0
2014	1330	1117	1313	*1240*	*5000*
2015	*1350*	*1200*	*1500*	*1250*	*5300*
2016	*1350*	*1200*	*1550*	*1300*	*5400*

Cal-endar	EARNINGS PER SHARE AF Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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*
2016	*.30*	*.30*	*.60*	*.30*	*1.50*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	.27	1.08
2015					

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, though facing some opposition from environmental groups. The $6.8 billion all-cash acquisition of Pepco Holdings by Chicago-based Exelon, which was announced in April of 2014, is moving toward completion. The proposed merger, in which shareholders of Pepco would receive $27.25 a share received shareholder approval on September 23, 2014. Further, the transaction received the green light from the State Corporation Commission of Virginia in November. Since our last report, the takeover has received the approval of the Federal Energy Regulatory Commission and the commission in New Jersey. Although the merger is gaining momentum, it is still subject to approval by the public service commissions in Delaware, District of Columbia, and Maryland. Additionally, the union of the two companies has been facing some resistance from environmental advocates, and ratepayers in Pepco's service territory in Washington D.C. If all goes well, the companies expect the merger to be completed by the second or third quarter of 2015.

The approvals remain complex due to the size of the combined entity. Though the Pepco and Exelon union has moved closer towards completion, there is no guarantee that the deal will go through. If the deal is endorsed, regulators could enforce conditions that might prove onerous, such as huge investments in renewable energy, or increased bill credits for customers. The conditions could prove to be an obstacle and cause Pepco and Exelon to walk away from the deal.

We are maintaining our share-net target for 2014. Our estimate of $1.25 is at the high end of management's guidance for the year. Investors should note that fourth-quarter results were expected to be announced after this Issue went to press.

This stock remains unranked for Timeliness due to the proposed acquisition. The stock has traded close to the deal price of $27.25 per share since the announcement last April. We continue to suggest that investors sell their holdings at the current price to eliminate any downside risk in the event the deal does not go through.

Saumya Ajila *February 20, 2015*

(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 early May. **(B)** Div'ds paid in early March, June, Sep., and Dec. ■ Div'd reinvest. plan. **(C)** Incl. def'd chgs: '13, $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	20
Earnings Predictability	70