

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>ELECTRONIC APPLICATION OF</b>	)	
<b>KENTUCKY POWER COMPANY FOR (1) A</b>	)	
<b>GENERAL ADJUSTMENT OF ITS RATES</b>	)	
<b>FOR ELECTRIC SERVICE; (2) APPROVAL</b>	)	
<b>OF TARIFFS AND RIDERS; (3) APPROVAL</b>	)	
<b>OF ACCOUNTING PRACTICES TO</b>	)	<b>CASE NO. 2020-00174</b>
<b>ESTABLISH REGULATORY ASSETS AND</b>	)	
<b>LIABILITIES; (4) APPROVAL OF A</b>	)	
<b>CERTIFICATE OF PUBLIC CONVENIENCE</b>	)	
<b>AND NECESSITY; AND (5) ALL OTHER</b>	)	
<b>REQUIRED APPROVALS AND RELIEF</b>	)	

**POST-HEARING BRIEF OF WALMART INC.**

Walmart Inc. ("Walmart"), by its attorneys, respectfully submits its Post-Hearing Brief to the Kentucky Public Service Commission ("Commission") in the above matter and states as follows:

**INTRODUCTION**

The realities of Kentucky Power Company's ("Kentucky Power" or "Company") service territory create a conundrum for this Commission. While there is little dispute that the Company has not earned its authorized return, one cannot get blood from a stone. The Company's Opening Brief accurately describes the economic reality for its customers stating that "the economy of southeastern Kentucky, the Company's customer base, and customers' electricity usage all continue to decline."<sup>1</sup> Populations have declined in 19 of the 20 counties in the Company's service territory,<sup>2</sup> the area has been decimated by the collapse of steel and coal production in the region,<sup>3</sup> and

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<sup>1</sup> Kentucky Power Opening Brief ("Brief"), p. 1.

<sup>2</sup> *Id.*, p. 5.

<sup>3</sup> *Id.*, pp. 4-5.

unemployment exceeds both the state and national average.<sup>4</sup> The COVID-19 pandemic has only exacerbated this condition.<sup>5</sup> In light of these realities, it was not surprising that a theme running through the hearing in this matter was the impact of the Company's requested rate increase on its customers.

And yet, the reality for customers in the Company's service territory is that their rates will increase as a result of this proceeding. Even if the Company is not awarded any rate increase, because of the significant loss of customer load since its last rate case,<sup>6</sup> simply reallocating costs among the Company's remaining customers will likely result in increased rates. The question is whether any additional rate increase above and beyond that which will naturally occur by reallocating costs is appropriate, and, if it is, how it should be structured. Walmart does not disagree with the Company's statement that it must "be provided a *realistic* opportunity through its rates to earn a *fair* return,"<sup>7</sup> but Walmart believes the emphasis must be on what is realistic and fair. That determination cannot be viewed solely from the perspective of the Company as it is the Company's customers who provide the revenue upon which the Company's "fair return" is based.

### **FACTUAL AND PROCEDURAL BACKGROUND**

Kentucky Power filed its Notice of Election to Use Electronic Filings procedures on May 29, 2020, and filed its Application on June 29, 2020. The Company seeks a rate increase of \$64,692,762.<sup>8</sup> Embedded in the Company's requested rate increase is a proposed Return on Equity ("ROE") of 10.0 percent. Among other things, the Company requests a Certificate of Public Convenience and Necessity ("CPCN") to deploy advanced metering infrastructure ("AMI") meters

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<sup>4</sup> *Id.*, p. 5.

<sup>5</sup> *Id.*, p. 13.

<sup>6</sup> *Id.*, p. 5-6.

<sup>7</sup> *Id.*, p. 13 (emphasis added).

<sup>8</sup> Brief, p. 1.

and also seeks approval of a Grid Modernization Rider ("GMR") in order to recover the costs of AMI and future, unidentified grid modernization projects.

On July 2, 2020, Walmart filed its Motion to Intervene, which was granted by Commission Order dated July 9, 2020. Walmart thereafter filed the Direct Testimony and Exhibits of Lisa V. Perry, Senior Manager, Energy Services for Walmart on October 7, 2020. Ms. Perry's testimony focused on the Company's proposal to deploy AMI meters and its request to recover the cost of AMI and other grid modernization projects through the GMR. Subsequently, Ms. Perry testified during the course of the hearing conducted in this matter on November 17-24, 2020.

## ARGUMENT

### **I. The Company Should Not Recover the Cost of AMI Meters Through the GMR**

Walmart does not take a position on whether the Company has carried its burden for a CPCN.<sup>9</sup> It is the secondary issue -- the Company's proposal to recover the costs of AMI deployment through the GMR -- that Walmart opposes. Should the Commission decide to award the Company a CPCN for the deployment of AMI, the Commission should require Kentucky Power to recover the costs of AMI deployment after it is used and useful through a subsequent base rate proceeding.<sup>10</sup>

The Company concedes that it could, but it has not chosen to, recover the costs of AMI through a base rate proceeding.<sup>11</sup> A base rate proceeding is the proper mechanism for recovering the costs of AMI deployment for at least two reasons. First, riders are generally an appropriate

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<sup>9</sup> See Brief, pp. 31-45.

<sup>10</sup> This process would be consistent with the recent proposal of Kentucky Utilities Company and Louisville Gas & Electric Company to deploy AMI in Kentucky. See *Electronic Applications of Kentucky Utilities Company and Louisville Gas & Electric for an Adjustment of its Electric and Gas Rates, A Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit, Case Nos. 2020-00349 and 2020-00350*, Application, p. 14, ¶ 27 (filed Nov. 25, 2020).

<sup>11</sup> Hearing Transcript ("Tr."), p. 968, lines 5-12.

mechanism to recover costs that fluctuate frequently and occur over a short period of time such as fuel costs.<sup>12</sup> AMI is neither of these things. Instead, it is a distribution system upgrade that will be deployed over a multi-year period.<sup>13</sup> Investments of this nature are more appropriately considered as part of a larger base rate proceeding.<sup>14</sup>

Second, a base rate proceeding better balances the risk of the investment. In a base rate proceeding, customers will have the costs of AMI balanced against any savings achieved by the Company during the period under review.<sup>15</sup> Using a rider as the Company proposes here places the entirety of the risk of the project squarely on customers because they pay for the project as it is being constructed and before it is truly used and useful. The Company claims that a separate GMR true-up proceeding (as opposed to considering GMR costs as part of a base rate case) will provide the "Commission more transparency and ability to review [the Company's] projects,"<sup>16</sup> but this is misleading. Unlike a base rate proceeding, recovering AMI costs through a rider mechanism process removes the protection to ratepayers afforded by a base rate proceeding in which reductions in other expenses of the Company or increases in revenues to the Company could offset AMI costs calculated in a vacuum.

The fact that AMI will only be a cost for customers is a particular hardship in the Company's service territory at this time. Walmart certainly appreciates the Company's admission that it seeks the GMR to bolster its cash flow<sup>17</sup> because the GMR will allow it to "add additional

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<sup>12</sup> See Direct Testimony of Brian K. West ("West Direct"), p. 9, lines 16-17.

<sup>13</sup> Direct Testimony of Lisa V. Perry ("Perry Direct"), p. 15, line 11 to p. 16, line 18.

<sup>14</sup> *Id.*; see also Direct Testimony of Alex E. Vaughan ("Vaughan Direct"), p. 4, lines 1-10 (noting that "[t]hrough base rates, the Company recovers its operating expenses and a return on and of capital investments it had prudently made to provide safe and reliable electric service to its customers").

<sup>15</sup> Hearing Tr., p. 968, lines 13-18; see also Perry Direct, p. 16, lines 4-18.

<sup>16</sup> Hearing Tr., p. 968, lines 18-21.

<sup>17</sup> Brief, p. 48 (stating that the "Company needs an alternative means to obtain the cash flow necessary to modernize its grid, and the GMR provides a mechanism that makes sense: it gives the Company access to cash flow and capital that it otherwise would not have between rate cases.")

capital without reducing [the Company's] current spend" on other projects in order to increase its revenue.<sup>18</sup> In light of the Company's financial situation, Walmart understands why the Company would propose such a recovery mechanism. Walmart also generally agrees that the Company needs a realistic opportunity to earn a fair return; however, the Company's need for increased cash flow must be balanced against the economics of the Company's service territory. On balance, Kentuckians in the Company's service territory simply cannot bear the increased costs that would flow from the Company's recovery of AMI costs through the GMR. If the Company wants AMI, it should pursue it as it would most distribution upgrades: by seeking cost recovery once the AMI meters are in service.

Two additional factors warrant denial of Kentucky Power's request for rider recovery of AMI costs. If the Commission were willing to entertain rider recovery for AMI, it should have confidence in the cost estimates presented by the Company. Based on the evidence presented by the Company an appropriate level of confidence simply is not present. The Company has yet to select a vendor, and it is basing its estimated costs on estimates received from two vendors, both of whom are incentivized to downplay their ultimate costs because they want to be selected as the project vendor.<sup>19</sup> The risk that these costs were underestimated is particularly poignant when the rider recovery mechanism would ensure that customers would be burdened with these additional costs down the road. If already economically disadvantaged customers are to be asked to pay the costs of AMI upfront, the Company should be providing the Commission with concrete and dependable cost estimates. Because that has not occurred, the Commission should not grant rider recovery of AMI costs.

Second, the Commission should also consider the Company's somewhat inconsistent

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<sup>18</sup> Hearing Tr., p. 967, lines 7-12.

<sup>19</sup> *Id.*, p. 1010, lines 3-22.

positions on the need for AMI. On the one hand, the Company describes itself as being in "dire straits" with its meter program.<sup>20</sup> The Company confirmed that it is raising the issue of AMI deployment in the context of its "obligation to provide safe and reliable service."<sup>21</sup> On the other hand, the Company describes AMI as "an additional reliability project" that "improves the grid."<sup>22</sup> The Company further acknowledges that AMI is "compet[ing] internally with generation and transmission projects."<sup>23</sup> Either it is a project that must be completed in order to provide safe and reliable electric service or it is a grid improvement project that is being proposed to increase the Company's earnings. If it is the former, the project must be undertaken as a function of the Company's obligation to serve, irrespective of rider-based cost recovery. If it is the latter, the need for the project must give way to the economic realities facing the Company's ratepayers. As the party with the burden of proof,<sup>24</sup> the Company cannot be said to have carried its burden of proof on the need for AMI where it has offered conflicting and inconsistent testimony on its reasons for proposing it.

## **II. The Commission Should Not Approve the GMR.**

The Commission should deny Kentucky Power's request to create the GMR for AMI or any future project. In the event the Commission grants the Company a CPCN for AMI deployment and authorizes the Company to recover AMI costs through the GMR, it should not allow the Company to use the GMR for any future unspecified projects.

According to the Company, the GMR "provides the Company and its customers with an efficient and fair means [to] fund projects to modernize the distribution grid and to improve its

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<sup>20</sup> *Id.*, p. 979, lines 8-10.

<sup>21</sup> *Id.*, p. 1027, lines 15-17.

<sup>22</sup> *Id.*, p. 966, lines 2-14.

<sup>23</sup> *Id.*, p. 966, lines 15-19.

<sup>24</sup> Brief, p. 18.

reliability and resiliency."<sup>25</sup> In reality, the GMR provides the Company with "cash flow and capital"<sup>26</sup> without requiring it to file a full base rate case with this Commission. The GMR is particularly inappropriate here where the Company admits that aside from AMI, they are not proposing any future projects at this time.<sup>27</sup> In fact, the only thing the Company has done is describe broad categories of projects that might be included for future recovery under the GMR. They do not even set forth specific projects or a future timeline for proposing them. A desire for increased cash flow is not an adequate reason to write the Company a blank check, especially in light of the poor financial conditions facing the Company's ratepayers.

### **III. The Company's Requested ROE is Unreasonable.**

Throughout these proceedings, the Company has characterized their request for a 10.0 percent ROE as somehow being a concession to its customers.<sup>28</sup> A 30 basis point increase in the Company's currently awarded ROE is only a "concession" if the Commission finds merit in Company witness McKenzie's testimony regarding the Company's market cost of equity and his claim that the Company should be entitled to a 10.3 percent ROE. For the reasons discussed below, the Commission should give little weight to the Company's ROE analysis.

#### **A. American Electric Power's Own Estimate of its Regulated Earnings Should be Dispositive.**

When deciding an appropriate ROE, the Commission should look no further than what Kentucky Power's publicly traded parent, American Electric Power ("AEP"), reports to investors. In a presentation given mere days before this hearing, AEP reported a "Forecasted Regulated ROE"

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<sup>25</sup> *Id.*, p. 48.

<sup>26</sup> *Id.*

<sup>27</sup> Hearing Tr., p. 969, lines 15-23.

<sup>28</sup> *See* Brief, p. 3, ¶ 4 (claiming that "Company President Mattison adjusted [the ROE] downward from 10.3% to further limit the impacts of this case"); *see also* Direct Testimony of D. Brett Mattison ("Mattison Direct"), p. 13, lines 4-8 (describing the 10.0 ROE as a "third way to mitigate the rate increase in this case").

for 2021 of 9.0 percent.<sup>29</sup> With that forecast, the Company stated that it had "confidence in [a] steady and predictable earnings growth [of] 5%-7%."<sup>30</sup> There is no reason that Kentucky Power should be awarded an ROE in excess of the forecasted ROE predicted by its parent where such an ROE is sufficient to provide its parent with predictable earnings growth.

**B. The Company's Own Data Shows that ROEs are Declining.**

The Company's own data has shown that ROEs are trending downward, not upward. To award the 10.0 percent ROE requested by Kentucky Power, the Commission must ignore a more than 45-year trend of decreasing ROEs.<sup>31</sup> Indeed, ROEs have not averaged at or above 10.0 percent (let alone 10.3 percent) in more than seven years. There is nothing in the record to suggest that Kentucky Power should buck the trend and be awarded an ROE that is so contrary to other ROEs being awarded in recent years.

**C. The Final Order in Appalachian Power's Company's 2020 Rate Case in Virginia is Instructive as to the Company's Market Cost of Equity.**

Mr. McKenzie also served as the ROE witness for Appalachian Power Company ("APCo"), a sister company to Kentucky Power, in its recent Virginia rate case.<sup>32</sup> In fact, the Final Order in the APCo Virginia Rate Case was issued on November 24, 2020, the final day of the hearing in this case.<sup>33</sup> In that proceeding, Mr. McKenzie calculated APCo's cost of equity to be between 9.2 percent and 10.3 percent and proposed an ROE of 9.9 percent.<sup>34</sup> Those figures are

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<sup>29</sup> Attorney General ("AG") Kentucky Industrial Utility Customers ("KIUC") Hearing Exhibit ("Ex.") 1, p. 28.

<sup>30</sup> *Id.*, pp. 4, 6.

<sup>31</sup> Rebuttal Testimony of Adrien M. McKenzie ("McKenzie Rebuttal") at Ex. AMM-19.

<sup>32</sup> Hearing Tr., p. 904, lines 5-12; *see also Application of Appalachian Power Company For a 2020 triennial review of its base rates, terms and conditions pursuant to § 56-585.1 of the Code of Virginia*, Case No. PUR-2020-00015 ("APCo Virginia Rate Case").

<sup>33</sup> *See id.* Final Order (Order entered Nov. 24, 2020) ("APCo Virginia Rate Case Final Order") *available at* <https://scc.virginia.gov/docketsearch/DOCS/4qfj01!.PDF>. The decision in that case was appealed by APCo; that appeal remains pending as of the date of the filing.

<sup>34</sup> *Id.*, p. 27.

similar to the recommendations Mr. McKenzie made in this case of 9.3 percent to 10.4 percent.<sup>35</sup>

The Virginia State Corporation Commission ("Virginia Commission") rejected Mr. McKenzie's cost of equity range and instead found that APCo's market cost of equity was in the range of 8.3 percent to 9.3 percent,<sup>36</sup> a range which is similar to the ranges proposed by other witnesses in this proceeding. The Virginia Commission ultimately approved an ROE of 9.2 percent, a reduction of 22 basis points from its previously authorized ROE of 9.42 percent.<sup>37</sup> An ROE of 9.2 percent more closely aligns with the ROE recommendations of other witnesses in this docket.

The timing of the APCo Virginia Rate Case decision, the commonality of ownership for both APCo and Kentucky Power, and the fact Mr. McKenzie was the ROE witness in both cases suggests that the market cost of equity proposed in this proceeding is similarly too high.

**D. There is Some Concern as to the Validity of Mr. McKenzie's Data.**

At the hearing, Company witness McKenzie was asked about some of his calculations provided in support of his conclusions. One particular exhibit -- Rebuttal Exhibit AMM-13 -- purported to represent "state allowed ROEs."<sup>38</sup> Mr. McKenzie alleged that the numbers set forth in his Exhibit AMM-13 were "what Value Line is reporting to investors in their individual reports for the various companies listed."<sup>39</sup> In a post-hearing data request, Walmart requested copies of the Value Line reports that Mr. McKenzie claimed reported these state allowed ROEs to investors. Kentucky Power provided the requested documentation on December 9, 2020.<sup>40</sup>

In reviewing those Value Line reports, they do not support the numbers provided in

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<sup>35</sup> Hearing Tr., p. 897, lines 18-21.

<sup>36</sup> APCo Virginia Rate Case Final Order, p. 28.

<sup>37</sup> *Id.*

<sup>38</sup> Hearing Tr., p. 906, lines 8-16.

<sup>39</sup> *Id.*, p. 906, lines 17-23.

<sup>40</sup> See Kentucky Power's Response to Walmart's Post-Hearing Data Request 001, attached hereto as *Exhibit A*.

McKenzie's Rebuttal Exhibit AMM-13. For example, Exhibit AMM-13 identifies the "allowed ROE" for Duke Energy Corp. as being 10.1 percent; however, that number does not appear anywhere on the associated Value Line sheet.<sup>41</sup> What Value Line does report is the allowed ROEs for *each* of the jurisdictions where an entity operates. For example, the Value Line sheet for Duke Energy Corp. reports individual state allowed ROEs as follows: "in '18 in NC: 9.9%; in '19 in SC: 9.5%; in '20 in FL: 9.5%-11.5%; in '04 in IN: 10.5%."<sup>42</sup> Mr. McKenzie appears to have averaged these numbers to reach the 10.1 percent he reports to the Commission.<sup>43</sup> Thus, contrary to Mr. McKenzie's claims at the hearing, the numbers set forth in Exhibit AMM-13 are not "valid...because that's what Value Line reports to investors."<sup>44</sup> Nor could the numbers in Exhibit AMM-13 "form the basis of an expectation with respect to allowed ROEs" from an investor's standpoint.<sup>45</sup>

The evidence before this Commission only leads to one conclusion: the Company should not be awarded an ROE of 10.0 percent.

#### **IV. If the Commission Awards a Revenue Requirement Less than Requested by the Company, the Commission Could Allocate the Lesser Amount in Order to Reduce Interclass Subsidies.**

Walmart presented evidence showing that the Company's rates have embedded interclass subsidies.<sup>46</sup> As a general principle of utility ratemaking, Walmart believes that rates should reflect the costs incurred to serve a given rate class.<sup>47</sup> Where certain classes are subsidizing other classes, Walmart supports steps to move each class closer to its respective cost of service.<sup>48</sup> In this case, if

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<sup>41</sup> See Ex. A at Attachment 1, p. 9.

<sup>42</sup> *Id.* at n. E.

<sup>43</sup> By taking the average of the rates allowed in Florida of 10.5 percent ( $9.5 + 11.5 = 21/2 = 10.5$ ), plus the other identified ROEs of 9.9, 9.5, and 10.1, the average is 10.50 percent ( $10.5 + 9.9 + 9.5 + 10.5 = 40.4/4 = 10.1$ ).

<sup>44</sup> Hearing Tr., p. 908, lines 13-23.

<sup>45</sup> *Id.*, p. 908, lines 20-23.

<sup>46</sup> Perry Direct, p. 10, Table 1.

<sup>47</sup> *Id.*, p. 9, lines 8-10.

<sup>48</sup> *Id.*, p. 9, lines 10-14.

the Commission awards Kentucky Power a revenue requirement less than it requested in its Application, the Commission could choose to move rate classes closer to their cost of service by apportioning a portion of the reduced revenue requirement to only those subsidizing rate classes.<sup>49</sup> While the Commission is in no way required to take such step, Walmart offers this proposal as a mechanism to reduce interclass subsidies and move all rate classes closer to their cost of service.

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<sup>49</sup> *Id.*, p. 11, lines 11-21.

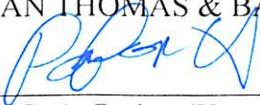
## CONCLUSION

Walmart Inc. respectfully requests that the Commission deny Kentucky Power's Company request for approval of the Grid Modernization Rider, including its request to recover the costs of deploying Advanced Metering Infrastructure through the Grid Modernization Rider. Walmart also requests that the Commission disregard the Company's evidence as to its market cost of equity and instead award a Return on Equity consistent with the recommendations of other intervenors in this docket, the Virginia State Corporation Commission's decision on the APCo Virginia Rate Case, and national trends.

Respectfully submitted,

SPILMAN THOMAS & BATTLE, PLLC

By

  
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*Counsel to Walmart Inc.*

Dated: December 14, 2020

Kentucky Power Company  
KPSC Case No. 2020-00174  
Walmart Post-Hearing Data Requests  
Dated November 30, 2020

**DATA REQUEST**

**Walmart\_PH\_001** Please provide the Value Line Investment Surveys identified as the supporting material for Ex. AMM-13 of the Rebuttal Testimony of Adrien McKenzie,

**RESPONSE**

Please see KPCO\_R\_Walmart\_PH\_1\_Attachment1 for the requested information.

Witness: Adrien M. McKenzie



AMEREN NYSE-AEE				RECENT PRICE	79.11	P/E RATIO	22.2	(Trailing: 23.1 Median: 17.0)	RELATIVE P/E RATIO	1.04	DIV'D YLD	2.6%	VALUE LINE																																																																																																																																																																																																																											
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<b>2023-25 PROJECTIONS</b> High Price 85 Gain (+5%) 5% Ann'l Total Return 5% Low Price 60 (-25%) -3%																																																																																																																																																																																																																																								
<b>Institutional Decisions</b> 402019 102020 202020 To Buy 266 242 220 To Sell 265 273 301 Held(000) 186367 187833 196379																																																																																																																																																																																																																																								
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<b>CAPITAL STRUCTURE as of 6/30/20</b> Total Debt \$10648 mill. Due in 5 Yrs \$2165 mill. LT Debt \$10171 mill. LT Interest \$456 mill. (LT Interest earned: 3.5x) Leases, Uncapitalized Annual rentals \$8 mill. Pension Assets-12/19 \$4564 mill.																																																																																																																																																																																																																																								
<b>Pfd Stock \$142 mill. Pfd Div'd \$6 mill.</b> 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.																																																																																																																																																																																																																																								
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<b>Business:</b> Ameren Corporation is a holding company formed through the merger of Union Electric and CIPSCO. Has 1.2 million electric and 127,000 gas customers in Missouri; 1.2 million electric and 813,000 gas customers in Illinois. Discontinued nonregulated power-generation operation in '13. Electric revenue breakdown: residential, 43%; commercial, 32%; industrial, 8%; other, 17%.																																																																																																																																																																																																																																								
<b>We have boosted our 2020 and 2021 earnings estimates for Ameren by a nickel a share each year.</b> Second-quarter earnings were better than our estimate of \$0.80 a share because Ameren was able to cut expenses more than we expected in order to offset the effects of the slump in kilowatt-hour sales resulting from the weak economy. Our revised 2020 share-net estimate is at the midpoint of Ameren's targeted range of \$3.40-\$3.60. Our 2021 estimate would produce profit growth of 6%, within the company's targeted range of 6%-8% annually.																																																																																																																																																																																																																																								
<b>A gas rate case is pending in Illinois.</b> The utility is seeking a base rate increase of \$96 million (including \$46 million that would otherwise be recovered through riders in 2021), based on a 10.5% return on equity and a 54.1% common-equity ratio. The staff of the Illinois Commerce Commission is recommending a hike of \$67 million, based on a 9.32% ROE and a 50.43% common-equity ratio. Various intervenors are proposing an increase of \$66 million, based on a 9.2% ROE and a 50% common-equity ratio. A ruling is required by January, with new tariffs taking effect in February. This is one source of the profit growth that is likely in 2021.																																																																																																																																																																																																																																								
<b>Ameren is building a wind project.</b> The utility is spending \$1.2 billion to add 700 megawatts of capacity. Most of this will be in service by yearend, but about \$100 million of this spending is expected to slip into 2021. This will not affect the production tax credits associated with the project, however.																																																																																																																																																																																																																																								
<b>We expect a dividend increase in the fourth quarter.</b> This is the usual timing. We estimate an increase of \$0.025 a share (5.1%) in the quarterly disbursement, but wouldn't be surprised by a larger hike, given that the payout ratio is near the lower end of Ameren's target of 55%-70%.																																																																																																																																																																																																																																								
<b>Ameren stock is timely, but has a high valuation.</b> The stock price has risen 3% in what has been a bad year for most utility issues, as the market likes the company's status as a fully regulated utility. The dividend yield is a percentage point below the utility mean. Total return potential for the 18-month span is only about average. The recent quotation is near the upper end of our 3- to 5-year Target Price Range.																																																																																																																																																																																																																																								
Paul E. Debbas, CFA September 11, 2020																																																																																																																																																																																																																																								
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2016	425	425	425	44	1.72																																																																																																																																																																																																																																			
2017	44	44	44	4575	1.78																																																																																																																																																																																																																																			
2018	4575	4575	4575	475	1.85																																																																																																																																																																																																																																			
2019	475	475	475	495	1.92																																																																																																																																																																																																																																			
2020	495	495	495																																																																																																																																																																																																																																					
<b>(A)</b> Dil. EPS. Excl. nonrec. gain (losses): '05, (11c); '10, (\$2.19); '11, (32c); '12, (\$6.42); '17, (63c); gain (loss) from disc. ops.: '13, (92c); '15, 21c. '17 EPS don't sum due to rounding.																																																																																																																																																																																																																																								
<b>(B)</b> Divs pd. late Mar., June, Sept., & Dec. Div'd reinv.																																																																																																																																																																																																																																								
<b>(C)</b> Incl. inflang. In '19: \$5.70/sh.																																																																																																																																																																																																																																								
<b>(D)</b> In mill. (E) Rate base: Orig. cost depr. Rate																																																																																																																																																																																																																																								
all'd on com. eq. in MO in '20; elec. none: in '11; gas, none; in IL in '14; elec. 8.7%; in '18; gas, 9.87%; earned on avg. com. eq., '19: 10.5%. Reg. Climate: MO, Avg.; IL, Below Avg.																																																																																																																																																																																																																																								
Company's Financial Strength A Stock's Price Stability 95 Price Growth Persistence 80 Earnings Predictability 90																																																																																																																																																																																																																																								
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AMERICAN ELEC. PWR. NYSE-AEP										RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	VALUE LINE				
										78.83	17.9 (Trailing: 19.5 Median: 15.0)		0.84	3.8%					
<b>TIMELINESS</b> 3 Lowered 9/6/19	High: 36.5	37.9	41.7	45.4	51.6	63.2	65.4	71.3	78.1	81.1	96.2	105.0	Target Price Range 2023 2024 2025						
<b>SAFETY</b> 1 Raised 3/17/17	Low: 24.0	28.2	33.1	37.0	41.8	45.8	52.3	56.8	61.8	62.7	72.3	65.1							
<b>TECHNICAL</b> 3 Lowered 6/12/20	<b>LEGENDS</b> — 0.67 x Dividends p sh divided by Interest Rate ..... Relative Price Strength Options: Yes Shaded area indicates recession																		
<b>BETA</b> .75 (1.00 = Market)	<b>18-Month Target Price Range</b> Low-High Midpoint (% to Mid) \$66-\$136 \$101 (30%)																		
<b>2023-25 PROJECTIONS</b> High Price 105 Gain (+35%) 71% Ann'l Total Return 6% Low Price 85 Gain (+10%) 6%																			
<b>Institutional Decisions</b> 402019 102020 202020 To Buy 549 483 496 To Sell 459 594 508 Hld's(000) 370323 370792 366307																			
% TOT. RETURN 8/20 THIS STOCK VL ARITH. INDEX 1 yr. -11.4 8.7 3 yr. 17.6 17.6 5 yr. 71.3 45.6																			
<b>2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021</b> © VALUE LINE PUB. LLC 23-25																			
35.51	30.76	31.82	33.41	35.56	28.22	30.01	31.27	30.77	31.48	34.78	33.51	33.31	31.35	32.84	31.49	30.20	30.30	Revenues per sh	31.50
5.89	5.96	6.67	6.80	6.84	6.32	6.29	6.83	6.92	7.02	7.57	7.98	8.47	7.95	8.77	9.35	9.75	10.20	"Cash Flow" per sh	11.50
2.61	2.64	2.86	2.86	2.99	2.97	2.60	3.13	2.98	3.18	3.34	3.59	4.23	3.62	3.90	4.08	4.25	4.65	Earnings per sh A	5.50
1.40	1.42	1.50	1.58	1.64	1.64	1.71	1.85	1.88	1.95	2.03	2.15	2.27	2.39	2.53	2.71	2.84	3.00	Div'd Decl'd per sh B	3.55
4.28	6.11	8.89	8.88	9.83	6.19	5.07	5.74	6.45	7.75	8.68	9.37	9.96	11.79	12.89	12.43	12.40	16.45	Cap'l Spending per sh	12.00
21.32	23.08	23.73	25.17	26.33	27.49	28.33	30.33	31.37	32.98	34.37	36.44	35.38	37.17	38.58	39.73	41.40	44.45	Book Value per sh C	53.00
395.86	393.72	396.67	400.43	406.07	478.05	480.81	483.42	485.67	487.78	489.40	491.05	491.71	492.01	493.25	494.17	497.00	515.00	Common Shs Outs'tg D	575.00
12.4	13.7	12.9	16.3	13.1	10.0	13.4	11.9	13.8	14.5	15.9	15.8	15.2	19.3	18.0	21.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	17.5
.66	.73	.70	.87	.79	.67	.85	.75	.88	.81	.84	.80	.80	.97	.97	1.14			Relative P/E Ratio	.95
4.3%	3.9%	4.1%	3.4%	4.2%	5.5%	4.9%	5.0%	4.6%	4.2%	3.8%	3.8%	3.5%	3.4%	3.6%	3.1%			Avg Ann'l Div'd Yield	3.7%
<b>CAPITAL STRUCTURE as of 6/30/20</b> Total Debt \$31852 mill. Due in 5 Yrs \$11290 mill. LT Debt \$26839 mill. LT Interest \$1113 mill. Incl. \$918 mill. securitized bonds. Incl. \$307 mill. capitalized leases. (LT Interest earned: 2.5x) Leases, Uncapitalized Annual rentals \$269.9 mill. Pension Assets-12/19 \$5015.4 mill. Oblig \$5236.8 mill.																			
<b>Pfd Stock None</b>																			
<b>Common Stock 496,155,436 shs.</b>																			
<b>MARKET CAP: \$39 billion (Large Cap)</b>																			
<b>ELECTRIC OPERATING STATISTICS</b>																			
2017 2018 2019 % Change Retail Sales (KWH) -1.6 +3.0 -2.2 Avg. Indust. Use (MWH) NA NA NA Avg. Indust. Revs. per KWH (c) NA NA NA Capacity at Peak (MW) NA NA NA Peak Load (MW) NA NA NA Annual Load Factor (%) NA NA NA % Change Customers (yr-end) NA NA +3																			
<b>Business:</b> American Electric Power Company Inc. (AEP), through 10 operating utilities, serves 5.5 million customers in Arkansas, Kentucky, Indiana, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia, & West Virginia. Has a transmission subsidiary. Electric revenue breakdown: residential, 42%; commercial, 24%; industrial, 19%; wholesale, 11%; other, 4%. Sold Houston Pipeline '05; commercial barge operation in '15. Generating sources not available. Fuel costs: 33% of revenues. '19 reported depreciation rate (utility): 1.8%-9.5%. Has 17,400 employees. Chairman, President & CEO: Nicholas K. Akins. Incorporated: New York. Address: 1 Riverside Plaza, Columbus, Ohio 43215-2373. Telephone: 614-716-1000. Internet: www.aep.com.																			
<b>American Electric Power will build the wind project it proposed.</b> The company will spend \$2 billion to add 1,485 megawatts of capacity to serve Oklahoma, Louisiana, and Arkansas. (The Texas commission rejected the proposal, but the capacity that would have served the state will be used to serve customers in Louisiana and Arkansas.) The project will come on line in three phases, one in the first quarter of 2021, the other two in late 2021. AEP plans to finance this conservatively, with \$1.3 billion of common stock and \$700 million of long-term debt. We think the project will boost the company's annual earning power by \$0.25 a share, beginning in 2022.																			
<b>Our 2020 earnings estimate is at the low end of the company's targeted range of \$4.25-\$4.45 a share.</b> We include some expenses, such as an upcoming charge for an early retirement program, that AEP excludes from its guidance. Aside from this, the company is benefiting from rate relief and increased transmission spending.																			
<b>We raised our 2021 profit estimate by \$0.10 a share, to \$4.65.</b> We figure AEP will get some benefit from the wind project next year. The growth we estimate for next year is above the company's annual goal of 5%-7% due to the unusual expenses AEP booked in 2020.																			
<b>Rate cases are pending in three states.</b> In Ohio, AEP is seeking \$41 million, based on a 10.15% return on equity. The utility awaits a procedural schedule. In Kentucky, the company filed for \$65 million, based on a 10% ROE. New rates are expected to take effect in January. A decision should come by yearend. In Virginia, the utility requested \$65 million, based on a 9.9% ROE. New tariffs are expected to go into effect in the first quarter.																			
<b>A dividend increase is likely in the fourth quarter.</b> We estimate a boost of \$0.04 a share (5.7%) in the quarterly disbursement. AEP's goals are 5%-7% yearly dividend growth and a payout ratio in a range of 60%-70%.																			
<b>The dividend yield of this top-quality stock is about average, by utility standards.</b> Total return potential is above average for the next 18 months, but just modest for the 3- to 5-year period.																			
Paul E. Debbas, CFA September 11, 2020																			
<b>ANNUAL RATES</b> Past 10 Yrs. Past 5 Yrs. Est'd '17-'19 of change (per sh) 10 Yrs. 5 Yrs. to 23-'25																			
Revenues - - - 5.0% N/A "Cash Flow" 2.5% 4.0% 5.0% Earnings 3.0% 4.0% 6.0% Dividends 4.5% 5.5% 5.5% Book Value 4.0% 3.0% 5.5%																			
<b>QUARTERLY REVENUES (\$ mill.)</b> Full Year																			
Cal-ender	Mar.31	Jun.30	Sep.30	Dec.31	Full Year														
2017	3933	3576	4104	3810	15424														
2018	4048	4013	4333	3801	16195														
2019	4056	3573	4315	3616	15561														
2020	3748	3494	4258	3500	15000														
2021	4100	3600	4300	3600	15600														
<b>EARNINGS PER SHARE A</b> Full Year																			
Cal-ender	Mar.31	Jun.30	Sep.30	Dec.31	Full Year														
2017	.94	.76	1.11	.81	3.62														
2018	.92	1.07	1.17	.74	3.90														
2019	1.16	.93	1.48	.51	4.08														
2020	1.00	1.05	1.45	.75	4.25														
2021	1.15	1.10	1.80	.80	4.65														
<b>QUARTERLY DIVIDENDS PAID B</b> Full Year																			
Cal-ender	Mar.31	Jun.30	Sep.30	Dec.31	Full Year														
2016	.56	.56	.56	.59	2.27														
2017	.59	.59	.59	.62	2.39														
2018	.62	.62	.62	.67	2.53														
2019	.67	.67	.67	.70	2.71														
2020	.70	.70	.70																
(A) Diluted EPS. Excl. nonrec. gains (losses). '15e: '05, '7e; '06, '2e; '08, '3e; '15, '58e; '16, '1n '19: \$13.39/sh. (D) In mill. (E) Rate base: '04, '24e; '05, (62e); '06, (20e); '07, (20e); '08, '40e; '10, (7e); '11, '89e; '12, (38e); '13, (14e); '16, (\$2.99); '17, '26e; '19, (20e); disc. ops.: '04, '15e; '05, '7e; '06, '2e; '08, '3e; '15, '58e; '16, '1n '19: \$13.39/sh. (D) In mill. (E) Rate base: '04, '24e; '05, (62e); '06, (20e); '07, (20e); '08, '40e; '10, (7e); '11, '89e; '12, (38e); '13, (14e); '16, (\$2.99); '17, '26e; '19, (20e); disc. ops.: '04, '15e; '05, '7e; '06, '2e; '08, '3e; '15, '58e; '16, '1n '19: \$13.39/sh. (D) In mill. (E) Rate base: '04, '24e; '05, (62e); '06, (20e); '07, (20e); '08, '40e; '10, (7e); '11, '89e; '12, (38e); '13, (14e); '16, (\$2.99); '17, '26e; '19, (20e); disc. ops.: '04, '15e; '05, '7e; '06, '2e; '08, '3e; '15, '58e; '16, '1n '19: \$13.39/sh. (D) In mill. 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BLACK HILLS CORP. NYSE-BKH				RECENT PRICE	60.02	P/E RATIO	16.9	(Trailing: 18.1 Median: 19.0)	RELATIVE P/E RATIO	0.82	DIV'D YLD	3.7%	VALUE LINE																																																																																																																																																																																																																																							
<b>TIMELINESS</b> 3	Lowered 9/20/19	High: 28.0	34.5	34.8	37.0	55.1	62.1	53.4	64.6	72.0	68.2	82.0	87.1	Target Price Range 2023 2024 2025																																																																																																																																																																																																																																						
<b>SAFETY</b> 2	Raised 5/1/15	Low: 14.5	25.7	25.8	30.3	36.9	47.1	36.8	44.7	57.0	50.5	60.8	48.1		128																																																																																																																																																																																																																																					
<b>TECHNICAL</b> 4	Lowered 7/24/20	<b>LEGENDS</b> — 0.77 x Dividends p sh divided by Interest Rate - - - - - Relative Price Strength Options: Yes Shaded area indicates recession																																																																																																																																																																																																																																																		
<b>BETA</b> 1.00	(1.00 = Market)	<b>18-Month Target Price Range</b> Low-High Midpoint (% to Mid) \$46-\$114 \$80 (35%)																																																																																																																																																																																																																																																		
<b>2023-25 PROJECTIONS</b> High 90 (+50%) 74% Low 65 (+10%) 6%																																																																																																																																																																																																																																																				
<b>Institutional Decisions</b> 302019 402019 102020 to Buy 145 144 139 to Sell 133 137 143 Hld's(000) 53817 53772 54065																																																																																																																																																																																																																																																				
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Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021	2025																																																																																																																																																																																																																																
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<b>CAPITAL STRUCTURE as of 3/31/20</b> Total Debt \$3461.8 mill. Due in 5 Yrs \$861.1 mill. LT Debt \$3136.9 mill. LT Interest \$131.7 mill. (LT interest earned: 3.1x) Leases, Uncapitalized Annual rentals \$1.0 mill.																																																																																																																																																																																																																																																				
<b>Pension Assets-12/19 \$434.3 mill. Oblig \$485.4 mill.</b> Pfd Stock None																																																																																																																																																																																																																																																				
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<b>BUSINESS:</b> Black Hills Corporation is a holding company for Black Hills Energy, which serves 214,000 electric customers in CO, SD, WY and MT, and 1.1 million gas customers in NE, IA, KS, CO, WY, and AR. Has coal mining sub. Acq'd Cheyenne Light 1/05; utility ops. from Aquila 7/08; SourceGas 2/16. Discont. telecom in '05; oil marketing in '06; gas marketing in '11; gas & oil E&P in '17. Electric rev. breakdown: res'l, 30%; comm'l, 35%; ind'l, 18%; other, 17%. Generating sources: coal, 30%; other, 12%; purch., 58%. Fuel costs: 33% of revs. '19 deprec. rate: 3.2%. Has 2,900 employees. Chairman: David R. Emery. Pres. & CEO: Linn Evans. Inc. SD. Address: 7001 Mount Rushmore Rd., P.O. Box 1400, Rapid City, SD 57709-1400. Tel.: 605-721-1700. Internet: www.blackhillscorp.com.																																																																																																																																																																																																																																																				
<b>Other rate applications are probably coming.</b> Black Hills has asked for reconsideration or a rehearing for an unfavorable gas rate decision in Colorado that had a modest negative effect on earnings. Another rate case there might be coming. Black Hills hired a head of regulatory affairs for Colorado, which might help. A gas rate filing is probably upcoming in Arkansas, but the timing has not yet been determined.																																																																																																																																																																																																																																																				
<b>Black Hills has probably completed its major financing moves for 2020.</b> In February, before the market turmoil began, the company raised \$100 million through the sale of 1.2 million common shares. In June, the parent issued \$400 million of 10-year notes at an attractive rate of 2.5%.																																																																																																																																																																																																																																																				
<b>This stock has an average dividend yield for a utility.</b> The stock price has declined 24% this year, which is understandable in view of the reduction in earnings guidance. Total return potential is strong for the next 18 months, but not nearly as impressive for the 3- to 5-year period.																																																																																																																																																																																																																																																				
Paul E. Debbas, CFA July 24, 2020																																																																																																																																																																																																																																																				
<b>Upon issuing first-quarter results in early May, Black Hills Corporation trimmed its earnings guidance for 2020.</b> The company reduced its targeted range by a dime a share, from \$3.55-\$3.75 to \$3.45-\$3.65. This was largely due to the expected net effects of the coronavirus problem, which was expected to reduce share net by \$0.05-\$0.10. We are sticking with our 2020 estimate of \$3.55, which is now at the midpoint of Black Hills' targeted range.																																																																																																																																																																																																																																																				
<b>We lowered our 2021 share-profit estimate by a dime, to \$3.70.</b> We figure the economy will be in better shape next year. However, any growth from Black Hills' utility operations will come off a lower base.																																																																																																																																																																																																																																																				
<b>The company filed a gas rate case in Nebraska.</b> This followed the consolidation of Black Hills' two utilities in the state into one entity. The request was for an increase of \$17.3 million, based on a 10% return on equity and a 50% common-equity ratio. An order is expected no later than the first quarter of 2021. This might come too late for some of the seasonally strong first period.																																																																																																																																																																																																																																																				
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<b>Company's Financial Strength</b> A <b>Stock's Price Stability</b> 75 <b>Price Growth Persistence</b> 65 <b>Earnings Predictability</b> 75																																																																																																																																																																																																																																																				

(A) Dil. EPS. Excl. nonrec. gains (losses): '08 (\$1.55); '09, (28c); '10, 10c; '15, (\$3.54); '16, (\$1.26); '17, 14c; '18, \$1.31; '19, (25c); gains (losses) on disc. ops.: '08, \$4.12; '09, 7c; '11, 23c; '12, (16c); '17, (31c); '18, (12c); '19 EPS don't sum due to rounding. Next eps. due early Aug. (B) Div'ds pd. early Mar., Jun., Sept., & Dec. (C) Div'd reinv. plan avail. (D) Incl. def'd chgs. In '19: \$25.06/sh. (E) In mill. (F) Rate base: Net org. cost. Rate aff'd on com. eq. in SD in '15: none; in CO in '17: 9.37%; earn. on avg. com. eq., '19: 9.4%. Reg. Climate: Avg.

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CMS ENERGY CORP. NYSE-CMS										RECENT PRICE	60.49	P/E RATIO	23.3 (Trailing: 22.9 Median: 18.0)	RELATIVE P/E RATIO	1.09	DIV'D YLD	2.8%	VALUE LINE																																																																																																																																																																																																																																																																					
<b>TIMELINESS</b> 3 Lowered 1/11/19	<b>SAFETY</b> 2 Raised 3/21/14	<b>TECHNICAL</b> 1 Raised 9/11/20	<b>BETA</b> .80 (1.00 = Market)	High: 16.1 19.3 22.4 25.0 30.0 36.9 38.7 46.3 50.8 53.8 65.3 69.2	Low: 10.0 14.1 17.0 21.1 24.6 26.0 31.2 35.0 41.1 40.5 48.0 46.0	Target Price 2023	Range 2025	LEGENDS — 0.83 x Dividends p sh divided by Interest Rate - - - - Relative Price Strength Options: Yes Shaded area indicates recession																																																																																																																																																																																																																																																																															
<b>18-Month Target Price Range</b> Low-High Midpoint (% to Mid) \$48-\$101 \$75 (25%)										<b>2023-25 PROJECTIONS</b> High Price 75 (+25%) Low Price 55 (-10%) Ann'l Total Gain 9% Ann'l Total Return 1%																																																																																																																																																																																																																																																																													
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10.63	10.53	10.03	9.46	10.88	11.42	11.19	11.92	12.09	12.98	13.34	14.21	15.23	15.77	16.78	17.68	19.35	20.75	2.60	2.75																																																																																																																																																																																																																																																																				
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(A) Diluted EPS. Excl. nonrec. gains (losses); '05, (\$1.61); '06, (\$1.08); '07, (\$1.26); '09, (7c); '10, 3c; '11, 12c; '12, (14c); '17, (53c); gains (losses) on disc. ops.; '05, 7c; '06, 3c; '07, (40c); '09, 8c; '10, (8c); '11, 1c; '12, 3c. Next earnings report due early Nov. (B) Div'ds historically paid late Feb., May, Aug., & Nov. (C) Div'd reinvestment plan avail. (D) Incl. intang. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '18: '10, '13, '15, '16, '17, '18, '19: 9.9% gas; earned on avg. com. eq.; '19: 13.9%. Regul. Clim.: Above Avg. Company's Financial Strength B++ Stock's Price Stability 95 Price Growth Persistence 90 Earnings Predictability 85

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DTE ENERGY CO. NYSE-DTE				RECENT PRICE	118.67	P/E RATIO	17.1	(Trailing: 18.7) (Median: 17.0)	RELATIVE P/E RATIO	0.80	DIV'D YLD	3.7%	VALUE LINE																																																																																																																																																																																																																															
<b>TIMELINESS</b>	3	Lowered 6/14/19	High: 45.0	49.1	55.3	62.6	73.3	90.8	92.3	100.4	116.7	121.0	134.4	135.7	Target Price 2023	2024	2025	Range																																																																																																																																																																																																																										
<b>SAFETY</b>	2	Raised 12/21/12	Low: 23.3	41.3	43.2	52.5	60.3	64.8	73.2	78.0	96.6	94.3	107.3	71.2																																																																																																																																																																																																																														
<b>TECHNICAL</b>	4	Lowered 6/12/20	<b>LEGENDS</b> 0.67 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession																																																																																																																																																																																																																																									
<b>BETA</b>	.90	(1.00 = Market)	<b>18-Month Target Price Range</b> Low-High Midpoint (% to Mid) \$82-\$187 \$135 (15%)																																																																																																																																																																																																																																									
<b>2023-25 PROJECTIONS</b> High Price Gain Ann'l Total Return Low 120 (+35%) (Nil) 11% 4%														<b>% TOT. RETURN 8/20</b> THIS STOCK VL ARITH. INDEX 1 yr. -5.2 9.7 3 yr. 16.6 17.6 5 yr. 79.4 45.6																																																																																																																																																																																																																														
<b>Institutional Decisions</b> 4Q2019 1Q2020 2Q2020 to Buy 355 279 261 to Sell 245 345 319 Held (\$1000) 140654 140354 141501 Percent shares traded 21 14 7																																																																																																																																																																																																																																												
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<b>CAPITAL STRUCTURE as of 6/30/20</b> Total Debt \$18925 mill. Due in 5 Yrs \$7387 mill. LT Debt \$17341 mill. LT Interest \$685 mill.						8557.0 8897.0 8791.0 9661.0 12301 10337 10630 12607 14212 12669 11600 12200 Revenues (\$mill) 14000 630.0 624.0 666.0 661.0 905.0 796.0 868.0 1029.0 1120.0 1169.0 1295 1390 Net Profit (\$mill) 1755 32.7% 35.9% 29.8% 27.5% 28.5% 25.6% 24.5% 21.8% 8.1% 11.5% 8.0% 8.0% Income Tax Rate 8.0% 1.6% 1.6% 3.0% 3.5% 4.1% 4.3% 3.6% 3.5% 3.8% 3.3% 3.0% 3.0% AFUDC % to Net Profit 2.0% (LT interest earned: 3.0x) 51.3% 50.6% 48.8% 47.7% 50.0% 50.2% 55.6% 56.2% 54.2% 57.7% 60.0% 60.0% Long-Term Debt Ratio 58.5% 48.7% 49.4% 51.2% 52.3% 50.0% 49.8% 44.4% 43.8% 45.8% 42.3% 40.0% 40.0% Common Equity Ratio 41.5%																																																																																																																																																																																																																																						
<b>Leases, Uncapitalized Annual rentals \$38 mill.</b> Pension Assets-12/19 \$4993 mill. Oblig \$5810 mill.						13811 14196 14387 15135 16670 17607 20280 21697 22371 27607 30750 32525 Total Capital (\$mill) 39000 12992 13746 14684 15800 16820 18034 19730 20721 21650 25317 28275 30275 Net Plant (\$mill) 33500 6.3% 5.9% 6.1% 5.7% 6.6% 5.7% 5.3% 5.9% 6.1% 5.3% 5.5% 5.5% Return on Total Cap'l 5.5% 9.4% 8.9% 9.0% 8.3% 10.9% 9.1% 9.6% 10.8% 10.9% 10.0% 10.5% 10.5% Return on Shr. Equity 11.0% 9.4% 8.9% 9.0% 8.3% 10.9% 9.1% 9.6% 10.8% 10.9% 10.0% 10.5% 10.5% Return on Com Equity 11.0% 4.0% 3.4% 3.5% 2.7% 5.2% 3.4% 3.7% 4.6% 4.9% 4.1% 4.0% 4.0% Retained to Com Eq 4.5% 57% 62% 61% 67% 52% 63% 61% 58% 55% 59% 61% 61% All Div'ds to Net Prof 61%																																																																																																																																																																																																																																						
<b>MARKET CAP: \$23 billion (Large Cap)</b> <b>ELECTRIC OPERATING STATISTICS</b> 2017 2018 2019 % Change Retail Sales (KWH) -3.1 +3.5 -3.9 Avg. Indust. Use (MWH) NA NA NA Avg. Indust. Revs per KWH (c) NMF NMF NMF Capacity at Peak (MW) NA NA NA Peak Load, Summer (MW) NA NA NA Annual Load Factor (%) NA NA NA % Change Customers (yr-end) NA NA NA						<b>BUSINESS:</b> DTE Energy Company is a holding company for DTE Electric (formerly Detroit Edison), which supplies electricity in Detroit and a 7,600-square-mile area in southeastern Michigan, and DTE Gas (formerly Michigan Consolidated Gas). Customers: 2.2 mill. electric, 1.3 mill. gas. Has various nonutility operations. Electric revenue breakdown: residential, 46%; commercial, 34%; industrial, 13%; other, 7%. Generating sources: coal, 67%; nuclear, 17%; gas, 1%; purchased, 15%. Fuel costs: 54% of revenues. '19 reported deprec. rates: 4.0% electric, 2.7% gas. Has 10,700 employees. Chairman: Gerard M. Anderson. President & CEO: Jerry Norcia. Inc.: MI. Address: One Energy Plaza, Detroit, MI 48226-1279. Tel.: 313-235-4000. Internet: www.dteenergy.com.																																																																																																																																																																																																																																						
<b>ANNUAL RATES</b> Past 10 Yrs Past 5 Yrs Est'd '17-'19 d change (per sh) 3.0% 4.0% -1.0% Revenues 3.5% 3.5% 6.5% "Cash Flow" 8.0% 7.5% 6.0% Earnings 5.5% 7.0% 6.5% Dividends 4.5% 5.0% 5.5% Book Value						<b>DTE Energy's gas utility received a rate order.</b> The Michigan Public Service Commission approved a settlement for DTE Gas calling for an increase of \$110 million, based on a 9.9% return on equity and a 52% common-equity ratio. Earnings will also be augmented by \$20 million of accelerated amortization to income of deferred taxes. New tariffs will take effect on October 1st. Separately, DTE Electric will delay its next rate application until 2021, but will also benefit from the accelerated amortization of deferred taxes. <b>Earnings in 2020 are likely to end up near the upper end of DTE Energy's targeted range of \$6.47-\$6.75 a share.</b> The negative effects of the weak economy have been less than the company feared, as residential kilowatt-hour sales have risen even more than expected from people working from home. Favorable weather patterns have helped, too. On the non-utility side, the Gas Pipeline and Storage segment has fared better than expected as the demand for natural gas remains healthy. A pipeline began service on August 1st, completed on schedule and below the \$600 million budget. The Energy Trad-																																																																																																																																																																																																																																						
<b>Fixed Charge Cov. (%)</b> 300 278 260						<b>ing business is trending at the high end of DTE Energy's expectation.</b> Second-quarter profits exceeded our estimate, so we boosted our 2020 share-net expectation by \$0.20, to \$6.70. Note that we raised the Financial Strength rating a notch, to A. <b>Earnings will likely improve in 2021.</b> The economy should be better by then. DTE Electric and DTE Gas will benefit from a full year's effect of rate increases obtained in 2020. DTE Gas also recovers certain capital spending through a rider on customers' bills. We expect continued growth from the nonutility operations, especially Gas Pipeline and Storage. Our estimate of \$7.15 a share, which we raised by \$0.25, would produce a 7% increase. <b>We think the board of directors will boost the dividend in the fourth quarter, effective with the January payment.</b> DTE Energy's goal for dividend growth is 7%, and we estimate a hike of \$0.29 a share (7.2%) in the annual payout. <b>This stock's dividend yield is average, by utility standards.</b> Total return potential does not stand out, either for the 18-month span or the 3- to 5-year period. <i>Paul E. Debbas, CFA September 11, 2020</i>																																																																																																																																																																																																																																						
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<table border="1"> <thead> <tr> <th>Cal-endar</th><th>Mar.31</th><th>Jun.30</th><th>Sep.30</th><th>Dec.31</th><th>Full Year</th> </tr> </thead> <tbody> <tr> <td>2016</td><td>73</td><td>73</td><td>73</td><td>77</td><td>2.96</td> </tr> <tr> <td>2017</td><td>825</td><td>825</td><td>825</td><td>825</td><td>3.30</td> </tr> <tr> <td>2018</td><td>8825</td><td>8825</td><td>8825</td><td>8825</td><td>3.53</td> </tr> <tr> <td>2019</td><td>945</td><td>945</td><td>945</td><td>945</td><td>3.78</td> </tr> <tr> <td>2020</td><td>1,0125</td><td>1,0125</td><td>1,0125</td><td></td><td></td> </tr> </tbody> </table>						Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	2016	73	73	73	77	2.96	2017	825	825	825	825	3.30	2018	8825	8825	8825	8825	3.53	2019	945	945	945	945	3.78	2020	1,0125	1,0125	1,0125			<table border="1"> <thead> <tr> <th>Cal-endar</th><th>Mar.31</th><th>Jun.30</th><th>Sep.30</th><th>Dec.31</th><th>Full Year</th> </tr> </thead> <tbody> <tr> <td>2016</td><td>73</td><td>73</td><td>73</td><td>77</td><td>2.96</td> </tr> <tr> <td>2017</td><td>825</td><td>825</td><td>825</td><td>825</td><td>3.30</td> </tr> <tr> <td>2018</td><td>8825</td><td>8825</td><td>8825</td><td>8825</td><td>3.53</td> </tr> <tr> <td>2019</td><td>945</td><td>945</td><td>945</td><td>945</td><td>3.78</td> </tr> <tr> <td>2020</td><td>1,0125</td><td>1,0125</td><td>1,0125</td><td></td><td></td> </tr> </tbody> </table>												Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	2016	73	73	73	77	2.96	2017	825	825	825	825	3.30	2018	8825	8825	8825	8825	3.53	2019	945	945	945	945	3.78	2020	1,0125	1,0125	1,0125																																																																																																																																																					
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<b>(A)</b> Diluted EPS. Excl. nonrec. gains (losses): '05, '06; '07, \$1.96; '08, \$0.6; '11, \$1.6; '15, (39c); '17, \$9c; gains (losses) on disc. ops.: '04, (6c); '05, (20c); '06, (2c); '07, \$1.20; '08, 13c; '12, (33c). '17-'18 EPS don't sum due to rounding. Next earnings report due late Oct. <b>(B)</b> Div'ds pd. mid-Jan., Apr., July & Oct. ■ Div'd reinvest. plan avail. <b>(C)</b> Incl. intang. In '19: \$47.33/sh. <b>(D)</b> In mill. <b>(E)</b> Rate base: Net orig. cost. Rate all'd on com. eq. in '20: 9.9% elec.; in '20: 9.9% gas; earned on avg. com. eq., '19: 10.8%. Regulat. Climate: Above Avg.						<b>Company's Financial Strength</b> A <b>Stock's Price Stability</b> 90 <b>Price Growth Persistence</b> 95 <b>Earnings Predictability</b> 85																																																																																																																																																																																																																																						
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DUKE ENERGY NYSE-DUK										RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO		DIV'D YLD		VALUE LINE						
										83.81	16.1 (Trailing: 16.5 Median: 18.0)		0.75		4.6%								
<b>TIMELINESS</b> 3 Lowered 3/13/20	High: 53.8	55.8	66.4	71.1	75.5	87.3	90.0	87.8	91.8	91.4	97.4	103.8			Target Price	Range							
<b>SAFETY</b> 2 New 6/1/07	Low: 35.2	46.4	50.6	59.6	64.2	67.1	65.5	70.2	76.1	72.0	82.5	62.1			2023	2025							
<b>TECHNICAL</b> 3 Raised 8/14/20	<b>LEGENDS</b> - - - - 0.54 x Dividends p sh divided by Interest Rate . . . . Relative Price Strength 1-for-3 Rev split 7/12 Options: Yes Shaded area indicates recession																						
<b>BETA</b> .85 (1.00 = Market)																							
<b>18-Month Target Price Range</b>																							
Low-High Midpoint (% to Mid)																							
\$62-\$138 \$100 (20%)																							
<b>2023-25 PROJECTIONS</b>																							
High Price Gain Ann'l Total																							
Low Price Gain Ann'l Total																							
110 (+30%) 11% 11%																							
80 (-5%) 4%																							
<b>Institutional Decisions</b>																							
to Buy 302019 402019 102020																							
% Sell 711 806 682																							
Hld's(1000) 445072 476731 473369																							
Percent shares traded																							
15																							
5																							
2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC 23-25					
--	--	25.32	30.24	31.15	29.18	32.22	32.63	27.88	34.84	33.84	34.10	32.49	33.66	33.73	34.21	30.95	32.15	Revenues per sh	34.50				
--	--	7.86	8.11	7.34	7.58	8.49	8.68	6.80	8.56	9.11	9.40	9.20	10.01	10.49	12.13	12.10	12.75	"Cash Flow" per sh	14.50				
--	--	2.76	3.60	3.39	4.02	4.14	3.71	3.98	4.13	4.10	3.71	4.22	4.13	5.07	5.10	5.30	5.10	Earnings per sh A	6.00				
--	--	--	2.58	2.70	2.82	2.91	2.97	3.03	3.09	3.15	3.24	3.36	3.49	3.64	3.75	3.82	3.90	Div'd Decl'd per sh B	4.15				
--	--	8.07	7.43	10.35	9.85	10.84	9.80	7.81	7.83	7.62	9.83	11.29	11.50	12.91	15.17	15.50	14.70	Cap'l Spending per sh	13.75				
--	--	62.30	50.40	49.51	49.85	50.84	51.14	58.04	58.54	57.81	57.74	58.62	59.63	60.27	61.20	63.80	65.35	Book Value per sh C	71.00				
--	--	418.96	420.62	423.96	436.29	442.96	445.29	704.00	706.00	707.00	688.00	700.00	700.00	727.00	733.00	764.00	770.00	Common Shs Outs'g D	785.00				
--	--	--	16.1	17.3	13.3	12.7	13.8	17.5	17.4	17.9	18.2	21.3	19.9	19.4	17.7	Bold figures are Value Line estimates	15.5	Avn Ann'l P/E Ratio	15.5				
--	--	--	85	1.04	89	81	87	1.11	98	94	92	1.12	1.00	1.05	95	95	95	Relative P/E Ratio	.85				
--	--	--	4.4%	5.2%	6.2%	5.7%	5.2%	4.7%	4.4%	4.3%	4.3%	4.3%	4.2%	4.5%	4.2%	4.5%	4.5%	Avn Ann'l Div'd Yield	4.4%				
<b>CAPITAL STRUCTURE as of 3/31/20</b>										14272	14529	19624	24598	23925	23459	22743	23565	24521	25079	23650	24750	Revenues (\$mill)	27000
<b>Total Debt \$64421 mill. Due in 5 Yrs \$20638 mill.</b>										1765.0	1839.0	2136.0	2813.0	2934.0	2854.0	2560.0	2963.0	2928.0	3755.0	3865	4175	Net Profit (\$mill)	4750
<b>LT Debt \$56311 mill. LT Interest \$2191 mill.</b>										32.6%	31.3%	30.2%	32.6%	30.6%	32.2%	31.0%	30.4%	14.2%	12.7%	12.0%	12.0%	Income Tax Rate	12.0%
<b>Incl. \$969 mill. capitalized leases.</b>										22.7%	23.2%	22.3%	8.8%	7.2%	9.2%	11.7%	12.3%	13.0%	7.9%	9.0%	8.0%	AFUDC % to Net Profit	8.0%
<b>(LT interest earned: 2.8x)</b>										44.3%	45.1%	47.0%	48.0%	47.7%	48.6%	52.6%	54.0%	53.8%	54.0%	52.5%	53.0%	Long-Term Debt Ratio	53.5%
<b>Leases, Uncapitalized Annual rentals \$268 mill.</b>										55.7%	54.9%	52.9%	52.0%	52.3%	51.4%	47.4%	46.0%	46.2%	44.1%	45.5%	45.5%	Common Equity Ratio	45.0%
<b>Pension Assets-12/19 \$9910 mill.</b>										40457	41451	77307	79482	78088	77222	86609	90774	94940	101807	106650	110725	Total Capital (\$mill)	123600
<b>Pfd Stock \$1962 mill. Pfd Div'd \$58 mill.</b>										40344	42661	68558	69490	70046	75709	82520	86391	91694	102127	108475	114050	Net Plant (\$mill)	128400
<b>40 mill. sh. 5.75% cum. \$25 mil. value, redeemable at \$25.50 prior to 6/15/24; 1 mill. sh. 4.875% cum., \$100 mil. value.</b>										5.5%	5.6%	3.6%	4.6%	4.8%	4.8%	4.0%	4.3%	4.2%	4.8%	4.5%	4.8%	Return on Total Cap'l	5.0%
<b>Common Stock 734,852,532 shs. as of 4/30/20</b>										7.8%	8.1%	5.2%	6.8%	7.2%	7.2%	6.2%	7.1%	6.7%	8.0%	7.5%	8.0%	Return on Shr. Equity	8.0%
<b>MARKET CAP: \$62 billion (Large Cap)</b>										7.8%	8.1%	5.2%	6.8%	7.2%	7.2%	6.2%	7.1%	6.7%	8.3%	7.5%	8.0%	Return on Com Equity E	8.5%
<b>ELECTRIC OPERATING STATISTICS</b>										2.1%	2.2%	.9%	1.5%	1.7%	1.5%	.6%	1.2%	1.0%	2.4%	2.0%	2.0%	Returned to Com Eq	2.5%
<b>Fixed Charge Cov. (%)</b>										73%	72%	82%	78%	76%	79%	91%	83%	84%	71%	77%	74%	All Div'ds to Net Prof	71%
<b>ANNUAL RATES</b>																							
<b>of change (per sh)</b>																							
<b>Revenues</b>																							
<b>"Cash Flow"</b>																							
<b>Earnings</b>																							
<b>Dividends</b>																							
<b>Book Value</b>																							
<b>Business:</b> Duke Energy Corporation is a holding company for utilities with 7.6 mill. elec. customers in NC, FL, IN, SC, OH, & KY, and 1.6 mill. gas customers in OH, KY, NC, SC, and TN. Owns independent power plants & has 25% stake in National Methanol in Saudi Arabia. Acq'd Progress Energy 7/12; Piedmont Natural Gas 10/16; discontinued most int'l ops. in '16. Elec. rev. breakdown: residential, 44%; commercial, 28%; industrial, 14%; other, 14%. Generating sources: gas, 29%; nuclear, 29%; coal, 22%; other, 1%; purchased, 19%. Fuel costs: 30% of revs. '19 reported deprec. rate: 3.1%. Has 28,800 employees. Chairman, President & CEO: Lynn J. Good, Inc.: DE. Address: 550 South Tryon St., Charlotte, NC 28202-1803. Tel.: 704-382-3853. Internet: www.duke-energy.com.																							
<b>The Atlantic Coast Pipeline project, 47%-owned by Duke Energy, has been canceled. The project was plagued by delays and cost overruns stemming from litigation. This wasn't expected to be completed until early 2022, more than three years after the original target. The total cost had risen to an expected \$8.0 billion, from \$4.5 billion-\$5.0 billion initially. Two unfavorable rulings from U.S. courts convinced Duke and its partner, Dominion Energy, to pull the plug. As a result, the company will take a nonrecurring, non-cash pretax charge of \$2.0 billion-\$2.5 billion, most of which will be recorded against June-quarter results. However, the cancellation will also affect ongoing earnings because Duke will no longer record the Allowance for Funds Used During Construction, a noncash credit to earnings. Accordingly, management is now guiding analysts toward the low end of its 2020 earnings target of \$5.05-\$5.45 a share. The project was expected to contribute \$0.30-\$0.35 a share to profits in 2021. However, we did not change our expectations because our 2020 estimate of \$5.10 a share was already near the low end of the range.</b>																							
<b>Duke received a rate increase in Indiana and reached partial settlements in North Carolina. The commission granted the utility an increase of \$146 million, based on a return on equity of 9.7% and a common-equity ratio of 53%. About 75% of the increase took effect last month, with the remainder set to take effect in the first quarter of 2021. The company's two utilities in North Carolina reached partial settlements of their rate cases, subject to approval by the state commission. When new tariffs will take effect is unknown. The board of directors raised the dividend this quarter. The quarterly increase was two cents a share (2.1%). This growth rate is less than half the utility average, which is a result of Duke's high payout ratio. Duke stock has an above-average dividend yield for a utility. The write-off of the pipeline project did not surprise Wall Street, and the stock price has fallen at a low double-digit percentage this year—less than many utility equities. Total return potential is attractive for the 18-month span, but not for the 3- to 5-year period. Paul E. Debbas, CFA August 14, 2020</b>																							
<b>QUARTERLY REVENUES (\$ mill.)</b>																							
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year																		
2017	5729	5555	6482	5799	23565																		
2018	6135	5643	6628	6115	24521																		
2019	6163	5873	6940	6103	25079																		
2020	5949	5300	6600	5801	23650																		
2021	6200	5650	6850	6050	24750																		
<b>EARNINGS PER SHARE A</b>																							
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year																		
2017	1.02	.98	1.36	.86	4.22																		
2018	1.17	.71	1.63	.61	4.13																		
2019	1.24	1.12	1.82	.89	5.07																		
2020	1.24	1.05	1.86	.95	5.10																		
2021	1.35	1.10	1.90	.95	5.30																		
<b>QUARTERLY DIVIDENDS PAID B</b>																							
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year																		
2017	825	825	855	855	3,36																		
2018	855	855	89	89	3,49																		
2019	89	89	927	928	3,64																		
2020	927	928	945	945	3,75																		
2021	945	945	965																				
<b>Company's Financial Strength</b>																							
<b>Stock's Price Stability</b>																							
<b>Price Growth Persistence</b>																							
<b>Earnings Predictability</b>																							
																				A 90 B 90 C 90 D 90 E 90			

(A) Diluted EPS. Excl. nonrec. losses: '12, 70c; '13, 24c; '14, 67c; '17, 15c; '18, 41c; losses on Sept. & Dec. Div'd reinv. plan avail. (C) Incl. intang. in '19: \$44.37/sh. (D) In mill., adj. for rev. split. (E) Rate base: Net orig. cost. Rates early Nov. (B) Div'ds paid mid-Mar. June, all'd on com. eq. in '18 in NC: 9.9%; in '19 in SC: 9.5%; in '20 in FL: 9.5%-11.5%; in '04 in IN: 10.5%; earned on avg. com. eq., '19: 8.3%. Reg. Clim.: NC Avg.; SC, OH, IN Above Avg.

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ENTERGY CORP. NYSE-ETR										RECENT PRICE	99.14	P/E RATIO	19.6	(Trailing: 16.1 Median: 13.0)	RELATIVE P/E RATIO	0.92	DIV'D YLD	3.8%	VALUE LINE				
<b>TIMELINESS</b>	3	Raised 10/26/18	High: 86.6	84.3	74.5	74.5	72.6	92.0	90.3	82.1	87.9	90.8	122.1	135.5						Target Price 2023	Price 2024	Range 2025	
<b>SAFETY</b>	2	Raised 12/13/19	Low: 59.9	68.7	57.6	61.6	60.2	60.4	61.3	65.4	69.6	71.9	83.2	75.2									
<b>TECHNICAL</b>	3	Raised 9/11/20	<b>LEGENDS</b> - - - - - 0.7x Dividends p sh divided by Interest Rate ..... Relative Price Strength Options: Yes Shaded area indicates recession																				
<b>BETA</b>	.95	(1.00 = Market)	<b>18-Month Target Price Range</b> Low-High Midpoint (% to Mid) \$74-\$169 \$122 (25%)																				
<b>2023-25 PROJECTIONS</b> High Price Gain Ann'l Total Return Low 140 (+40%) 12% 105 (+5%) 6%																							
<b>Institutional Decisions</b> 4Q2019 1Q2020 2Q2020 to Buy 348 281 283 to Sell 242 349 315 Held(\$1000) 176392 172217 173722 Percent shares traded 30 20 10																							
2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021	2021	2021	2021	2021	
46.69	46.61	53.94	59.47	69.15	56.82	64.27	63.67	57.94	63.86	69.71	64.54	60.55	61.35	58.23	54.63	51.00	50.50	50.50	50.50	50.50	50.50	50.50	50.50
8.33	8.18	10.69	11.73	12.89	13.29	16.54	17.53	15.98	16.25	17.68	17.71	18.72	16.70	16.50	17.19	16.50	18.10	18.10	18.10	18.10	18.10	18.10	18.10
3.93	4.40	5.36	5.60	6.20	6.30	6.66	7.55	6.02	4.96	5.77	5.81	6.88	5.19	5.88	6.30	5.00	5.95	5.95	5.95	5.95	5.95	5.95	5.95
1.89	2.16	2.16	2.58	3.00	3.00	3.24	3.32	3.32	3.32	3.32	3.34	3.42	3.50	3.58	3.66	3.74	3.86	3.86	3.86	3.86	3.86	3.86	3.86
6.51	6.72	9.44	10.29	13.92	12.99	13.33	15.21	18.18	15.73	14.82	16.79	17.28	22.07	22.45	21.72	20.60	19.15	19.15	19.15	19.15	19.15	19.15	19.15
38.26	35.71	40.45	40.71	42.07	45.54	47.53	50.81	51.73	54.00	55.83	51.89	45.12	44.28	46.78	51.34	52.90	55.70	55.70	55.70	55.70	55.70	55.70	55.70
216.83	216.83	202.67	193.12	189.36	189.12	178.75	176.36	177.81	178.37	179.24	178.39	179.13	180.52	189.06	199.15	201.00	204.00	204.00	204.00	204.00	204.00	204.00	204.00
15.1	16.3	14.3	19.3	16.6	12.0	11.6	9.1	11.2	13.2	12.9	12.5	10.9	15.0	13.8	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5
.80	.87	.77	1.02	1.00	8.0	.74	.57	.71	.74	.68	.63	.57	.75	.75	.88	.88	.88	.88	.88	.88	.88	.88	.88
3.2%	3.0%	2.8%	2.4%	2.9%	4.0%	4.2%	4.9%	4.9%	5.1%	4.5%	4.6%	4.6%	4.5%	4.4%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
<b>CAPITAL STRUCTURE as of 6/30/20</b> Total Debt \$21430 mill. Due in 5 Yrs \$8321.8 mill. LT Debt \$18278 mill. LT Interest \$800.0 mill. Incl. \$231.9 mill. of securitization bonds. Leases, Uncapitalized Annual rentals \$62.1 mill. Pension Assets-12/19 \$6271.2 mill. Oblig \$8406.2 mill. Pfd Stock \$254.4 mill. Pfd Div'd \$18.3 mill. 200,000 shs. 6.25%-7.5%, \$100 par; 250,000 shs. 8.75%, 1.4 mill. shs. 5.375%; all cum., without sinking fund. Common Stock 200,211,323 shs. as of 7/31/20																							
11488	11229	10302	11391	12495	11513	10846	11074	11009	10879	10250	10300	10250	10300	10250	10300	10250	10300	10250	10300	10250	10300	10250	
1270.3	1367.4	1091.9	904.5	1060.0	1061.2	1249.8	950.7	1092.1	1258.2	1020	1230	1258.2	1020	1230	1258.2	1020	1230	1258.2	1020	1230	1258.2	1020	
32.7%	17.3%	13.0%	26.7%	37.8%	2.2%	11.3%	1.8%	1.8%	NMF	18.0%	21.0%	18.0%	21.0%	18.0%	21.0%	18.0%	21.0%	18.0%	21.0%	18.0%	21.0%	18.0%	
7.4%	8.9%	11.9%	10.1%	9.3%	7.4%	8.1%	14.7%	17.5%	16.7%	18.0%	14.0%	18.0%	14.0%	18.0%	14.0%	18.0%	14.0%	18.0%	14.0%	18.0%	14.0%	18.0%	
56.3%	52.2%	55.8%	55.1%	54.9%	57.8%	63.6%	63.6%	63.2%	62.0%	63.0%	63.0%	63.2%	62.0%	63.0%	63.0%	63.0%	63.0%	63.0%	63.0%	63.0%	63.0%	63.0%	63.0%
42.1%	46.4%	42.9%	43.6%	43.8%	40.8%	35.5%	35.5%	35.9%	37.1%	36.0%	36.0%	36.0%	37.1%	36.0%	36.0%	36.0%	36.0%	36.0%	36.0%	36.0%	36.0%	36.0%	36.0%
20166	19324	21432	22109	22842	22714	22777	22528	24602	27557	29600	31425	29600	31425	29600	31425	29600	31425	29600	31425	29600	31425	29600	
23848	25609	27299	27882	28723	27824	27921	29664	31974	35183	37075	38550	37075	38550	37075	38550	37075	38550	37075	38550	37075	38550	37075	
7.7%	8.5%	6.4%	5.4%	6.0%	6.0%	6.9%	5.7%	5.8%	5.9%	5.0%	5.0%	5.0%	5.9%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
14.4%	14.8%	11.5%	9.1%	10.3%	11.1%	15.1%	11.6%	12.0%	12.0%	9.5%	10.5%	10.5%	12.0%	12.0%	9.5%	10.5%	10.5%	12.0%	12.0%	9.5%	10.5%	10.5%	
14.7%	15.0%	11.6%	9.2%	10.4%	11.2%	15.2%	11.7%	12.2%	12.1%	9.5%	10.5%	10.5%	12.2%	12.1%	9.5%	10.5%	10.5%	12.2%	12.1%	9.5%	10.5%	10.5%	
7.6%	8.4%	5.2%	3.0%	4.4%	4.8%	7.7%	3.9%	4.9%	5.2%	2.5%	4.0%	4.0%	5.2%	2.5%	4.0%	4.0%	5.2%	2.5%	4.0%	4.0%	5.2%	2.5%	
49%	45%	56%	68%	58%	58%	50%	68%	61%	58%	75%	65%	65%	58%	61%	58%	65%	65%	58%	61%	58%	65%	65%	
<b>ELECTRIC OPERATING STATISTICS</b> 2017 2018 2019 % Change Retail Sales (KWh) +2 +4.1 -1.4 Avg. Indust. Use (MWh) 1034 946 1070 Avg. Indust. Revs per KWh(c) 5.41 5.16 5.24 Capacity at Peak (MW) 24279 23121 23887 Peak Load, Summer (MW) 21671 21587 21598 Annual Load Factor (%) 62 65 64 % Change Customers (yr-end) +6 +6 +8 Fixed Charge Cov. (%) 169 95 165																							
<b>ANNUAL RATES</b> Past 10 Yrs Past 5 Yrs Est'd '17-'19 of change (per sh) -5% -2.0% -2.5% Revenues 3.0% - - 4.0% "Cash Flow" -5% -5% 3.0% Earnings 2.5% 1.5% 4.0% Dividends 1.0% -2.5% 5.0% Book Value																							
Cal-ender	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	<b>BUSINESS:</b> Entergy Corporation supplies electricity to 2.9 million customers through subsidiaries in Arkansas, Louisiana, Mississippi, Texas, and New Orleans (regulated separately from Louisiana). Distributes gas to 202,000 customers in Louisiana. Has a nonutility subsidiary that owns four nuclear units (two no longer operating). Electric revenue breakdown: residential, 38%; commercial, 26%; industrial, 27%; other, 9%. Generating sources: gas, 40%; nuclear, 28%; coal, 6%; purchased, 26%. Fuel costs: 30% of revenues. '19 reported depreciation rate: 2.8%. Has 13,600 employees. Chairman & CEO: Leo P. Denaut. Incorporated: Delaware. Address: 639 Loyola Avenue, P.O. Box 61000, New Orleans, Louisiana 70161. Telephone: 504-576-4000. Internet: www.entergy.com.																	
2017	2588	2618	3244	2624	11074	<b>Entergy continues to exit most of its nonregulated power-generating activities.</b> Nonregulated nuclear units have not fared well for the past several years because of unfavorable conditions in the power markets, so the company has gradually been shutting and selling these facilities. Earlier this year, Entergy shut Indian Point Unit 2 in New York, and will close Unit 3 in 2021. In 2022, the company will shut the Palisades plant in Michigan. We are including the results of this business in our earnings presentation, even though Entergy excludes this from its share-net targets of \$5.45-\$5.75 in 2020 and \$5.80-\$6.10 in 2021. Entergy estimates that this business will lose \$0.55 a share this year, so our 2020 profit estimate is \$5.00 a share. Note that the company has cut operating and maintenance expenses by \$100 million to offset the effects of the weak economy on commercial and industrial kilowatt-hour sales.																	
2018	2724	2669	3104	2512	11009	<b>Entergy faces a regulatory risk.</b> Its System Energy subsidiary, which has ownership and leasehold interests in the Grand Gulf nuclear plant, sells power to Entergy's utilities. System Energy is																	
2019	2610	2666	3141	2462	10879	<b>Entergy stock's yield is about average for a utility.</b> The equity offers solid total return potential for the next 18 months, but unspectacular prospects for the 3- to 5-year period.																	
2020	2427	2413	3010	2400	10250	<b>Paul E. Debbas, CFA September 11, 2020</b>																	
2021	2600	2500	2900	2300	10300																		
Cal-ender	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	<b>EARNINGS PER SHARE</b> 2017 .46 2.27 2.21 .25 5.19 2018 .73 1.34 3.42 .39 5.88 2019 1.32 1.22 1.82 1.94 6.30 2020 .59 1.79 1.95 .67 5.00 2021 1.15 1.50 2.60 .70 5.95																	
Cal-ender	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	<b>QUARTERLY DIVIDENDS PAID</b> 2016 85 85 85 87 3.42 2017 87 87 87 89 3.50 2018 89 89 89 91 3.58 2019 91 91 91 93 3.66 2020 93 93 93																	
(A) Diluted EPS. Excl. nonrec. losses: '05, 21c; '12, \$1.28; '13, \$1.14; '14, 56c; '15, \$6.99; '16, 10.14; '17, \$2.91; '18, \$1.25. Next earnings report due late Oct. (B) Div'ds historically paid in early Mar., June, Sept., & Dec. (C) Div'd reinvestment plan avail. (D) Shareholder investment plan avail. (E) Incl. def'd charges. In '19: Regulatory Climate: Average.																							
original cost. Allowed ROE (blended): 9.95%; earned on avg. com. eq., '19: 13.0%. Regulatory Climate: Average.																							
Company's Financial Strength 90 Stock's Price Stability 25 Price Growth Persistence 25 Earnings Predictability 60																							
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EVERGY, INC. NYSE:EVRG		RECENT PRICE	53.22	P/E RATIO	18.4 (Trailing: 19.4 Median: NMF)	RELATIVE P/E RATIO	0.86	DIV'D YLD	4.0%	VALUE LINE							
<b>TIMELINESS</b> 3	New 9/11/20			High:	61.1	67.8	76.6			Target Price	2023	2024	2025				
<b>SAFETY</b> 2	New 9/14/18			Low:	50.9	54.6	42.0										
<b>TECHNICAL</b> 5	New 9/11/20			<b>LEGENDS</b> Relative Price Strength Options: Yes Shaded area indicates recession													
<b>BETA</b> 1.00	(1.00 = Market)																
<b>18-Month Target Price Range</b>																	
<b>Low-High</b>	<b>Midpoint (% to Mid)</b>																
\$39-\$95	\$67 (25%)																
<b>2023-25 PROJECTIONS</b>																	
<b>High</b>	<b>Price</b>	<b>Gain</b>	<b>Ann'l Total Return</b>														
80	80	+50%	14%														
60	60	+15%	7%														
<b>Institutional Decisions</b>																	
to Buy	263	232	216	Percent	36												
to Sell	278	302	312	shares	24												
Held(000)	191230	185949	184926	traded	12												
				% TOT. RETURN 8/20 THIS STOCK INDEX 1 yr: -15.3 8.7 3 yr: 17.6 5 yr: 45.6													
				© VALUE LINE PUB. LLC 23-25													
Evergy, Inc. was formed through the merger of Great Plains Energy and Westar Energy in June of 2018. Great Plains Energy holders received .5981 of a share of Evergy for each of their shares, and Westar Energy holders received one share of Evergy for each of their shares. The merger was completed on June 4, 2018. Shares of Evergy began trading on the New York Stock Exchange one day later.		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
		--	--	--	--	--	--	--	--	16.75	22.71	21.80	22.25	Revenues per sh	24.50		
		--	--	--	--	--	--	--	--	4.89	7.18	7.05	7.65	"Cash Flow" per sh	9.00		
		--	--	--	--	--	--	--	--	2.50	2.79	2.75	3.10	Earnings per sh <sup>A</sup>	3.50		
		--	--	--	--	--	--	--	--	1.74	1.93	2.05	2.17	Div'd Decl'd per sh <sup>B</sup>	2.55		
		--	--	--	--	--	--	--	--	4.19	5.34	7.00	7.60	Cap'l Spending per sh	6.50		
		--	--	--	--	--	--	--	--	39.28	37.82	38.45	39.40	Book Value per sh <sup>C</sup>	42.25		
		--	--	--	--	--	--	--	--	255.33	226.64	227.00	227.00	Common Shs Outst'g <sup>D</sup>	227.00		
		--	--	--	--	--	--	--	--	22.7	21.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	19.5		
		--	--	--	--	--	--	--	--	1.23	1.17			Relative P/E Ratio	1.10		
		--	--	--	--	--	--	--	--	3.1%	3.2%			Avg Ann'l Div d Yield	3.7%		
<b>CAPITAL STRUCTURE as of 6/30/20</b>																	
Total Debt \$10415 mill. Due in 5 Yrs \$3294.4 mill.																	
LT Debt \$9281.2 mill. LT Interest \$378.3 mill.																	
Incl. \$47.9 mill. capitalized leases.																	
(LT interest earned: 3.1x)																	
		--	--	--	--	--	--	--	--	4275.9	5147.8	4950	5050	Revenues (\$mill)	5550		
		--	--	--	--	--	--	--	--	535.8	669.9	640	685	Net Profit (\$mill)	775		
		--	--	--	--	--	--	--	--	9.8%	12.6%	13.0%	13.0%	Income Tax Rate	13.0%		
		--	--	--	--	--	--	--	--	2.5%	2.5%	2.0%	2.0%	AFUDC % to Net Profit	2.0%		
<b>Leases, Uncapitalized</b> Annual rentals \$20.5 mill.																	
		--	--	--	--	--	--	--	--	40.0%	50.6%	51.5%	52.5%	Long-Term Debt Ratio	53.5%		
		--	--	--	--	--	--	--	--	60.0%	49.4%	48.5%	47.5%	Common Equity Ratio	46.5%		
<b>Pension Assets-12/19</b> \$1732.8 mill.																	
Oblig \$2718.2 mill.																	
		--	--	--	--	--	--	--	--	16716	17337	17950	18750	Total Capital (\$mill)	20500		
		--	--	--	--	--	--	--	--	18952	19346	19950	20650	Net Plant (\$mill)	22700		
<b>Pfd Stock</b> None																	
		--	--	--	--	--	--	--	--	4.0%	4.8%	4.5%	5.0%	Return on Total Cap'l	5.0%		
		--	--	--	--	--	--	--	--	5.3%	7.8%	7.0%	8.0%	Return on Shr. Equity	8.5%		
		--	--	--	--	--	--	--	--	5.3%	7.8%	7.0%	8.0%	Return on Com Equity <sup>E</sup>	8.5%		
<b>Common Stock</b> 226,827,540 shs. as of 7/31/20																	
MARKET CAP: \$12 billion (Large Cap)																	
		--	--	--	--	--	--	--	--	.6%	2.4%	2.0%	2.5%	Retained to Com Eq	2.5%		
		--	--	--	--	--	--	--	--	89%	69%	73%	68%	All Div'ds to Net Prof	71%		
<b>ELECTRIC OPERATING STATISTICS</b>																	
		2017	2018	2019													
% Change Retail Sales (KWH)		NA	NA	NA													
Avg. Indust. Use (MWH)		NA	NA	NA													
Avg. Indust. Pkgs per KWH (¢)		NA	7.11	7.25													
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													
<b>Fuel Change Cov. (%)</b>		NA	322	305													
<b>ANNUAL RATES</b> Past 10 Yrs. Past 5 Yrs. Est'd 2019 to 22-25																	
Revenues		--	--	1.5%													
"Cash Flow"		--	--	4.5%													
Earnings		--	--	4.5%													
Dividends		--	--	5.5%													
Book Value		--	--	2.0%													
<b>QUARTERLY REVENUES (\$ mill.)</b>																	
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year												
2017	--	--	--	--	--												
2018	600.2	893.4	1582.5	1199.8	4275.9												
2019	1216.9	1221.7	1577.6	1131.6	5147.8												
2020	1117	1185	1548	1100	4950												
2021	1200	1200	1550	1100	5050												
<b>EARNINGS PER SHARE <sup>A</sup></b>																	
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year												
2017	--	--	--	--	--												
2018	.42	.56	1.32	.07	2.50												
2019	.39	.57	1.56	.28	2.79												
2020	.31	.59	1.55	.30	2.75												
2021	.45	.65	1.65	.35	3.10												
<b>QUARTERLY DIVIDENDS PAID <sup>B</sup></b>																	
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year												
2016	--	--	--	--	--												
2017	--	--	--	--	--												
2018	.40	.40	.46	.475	1.74												
2019	.475	.475	.475	.505	1.93												
2020	.505	.505															
<b>BUSINESS:</b> Evergy, Inc. was formed through the merger of Great Plains Energy and Westar Energy in June of 2018. Through its subsidiaries (now doing business under the Evergy name), provides electric service to 1.6 million customers in Kansas and Missouri, including the greater Kansas City area. Electric revenue breakdown: residential, 37%; commercial, 35%; industrial, 12%; wholesale, 7%; other, 9%. Generating sources: coal, 54%; nuclear, 17%; purchased, 29%. Fuel costs: 25% of revenues. '19 reported deprec. rate: 3%. Has 4,600 employees. Chairman: Mark A. Ruelle. President & Chief Executive Officer: Terry Bassham. Incorporated: Missouri. Address: 1200 Main Street, Kansas City, Missouri 64105. Tel.: 816-556-2200. Internet: www.evergyinc.com.																	
<b>Evergy has announced the result of its strategic review.</b> This arose from the stake (equivalent to 11.3 million shares) Elliott Management, an activist investor group, took in January. Elliott pushed Evergy to explore options such as a sale or merger of the company, or an increase in capital spending aimed at adding renewable generation. Evergy chose the latter option. The company increased its five-year capital budget by \$1.4 billion, to \$8.9 billion. This will boost annual rate-base growth to 5%-6% from 3%-4% previously, which is lower than that of most utilities. <b>Wall Street was disappointed by the news.</b> It's not that increased capital spending, and much-greater rate-base growth, is bad. The problem is that the market was hoping for a takeover. The stock price has declined 15% since August 3rd, the day before news broke about the company's decision. This is unrelated to the upcoming retirement of Evergy's chief executive officer, Terry Bassham. <b>The regulatory commissions in Missouri and Kansas have opened investigations into Evergy's plan.</b> The regulators want to ensure this won't lead to un-																	
necessarily higher rates or a lower quality of service. Whether this will affect the plan remains to be seen. <b>We raised our 2020 and 2021 share-earnings estimates by \$0.10 and \$0.15, respectively.</b> June-quarter profits topped our estimate by \$0.10 a share, due in part to favorable weather patterns. Our revised estimate of \$2.75 a share is within Evergy's targeted range of \$2.66-\$2.96 a share (on a GAAP basis). Our estimate, and this guidance, includes adviser fees and a charge for an early retirement program, which together are expected to amount to \$0.24 a share. Without these costs in 2021, profits should top the \$3.00-a-share mark. <b>We expect a dividend hike in the fourth quarter.</b> We look for a boost of \$0.03 a share (5.9%) in the quarterly payout, and project healthy dividend growth over the 3- to 5-year period. <b>The stock's dividend yield is about average for a utility.</b> Total return potential is more attractive for the 18-month span than for the 2023-2025 period. Note that the equity has a Timeliness rank now that its trading history is long enough. <i>Paul E. Debbas, CFA September 11, 2020</i>																	
<b>(A)</b> Diluted EPS. '19 earnings don't sum to full-year total due to rounding. Next earnings report due early Nov. <b>(B)</b> Dividends paid in mid-March, June, September, and December. <b>(C)</b> Dividend reinvestment plan available. <b>(D)</b> In Missouri in '18: none specified; in Kansas in '18: 9.3%. Earned on average common equity, '19: 7.2%. Regulatory Climate: Average. <b>(E)</b> Rate base: Original cost depreciated. Rate allowed on common equity.																	
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<b>Company's Financial Strength</b> B++																	
<b>Stock's Price Stability</b> 60																	
<b>Price Growth Persistence</b> NMF																	
<b>Earnings Predictability</b> NMF																	
<b>To subscribe call 1-800-VALUELINE</b>																	

EVERSOURCE ENERGY NYSE-ES										RECENT PRICE	89.49	P/E RATIO	24.6 (Trailing: 25.5 Median: 18.0)	RELATIVE P/E RATIO	1.15	DIV'D YLD	2.6%	VALUE LINE													
<b>TIMELINESS</b> 2	Raised 8/14/20	High: 26.5	32.2	36.5	40.9	45.7	56.7	56.8	60.4	66.1	70.5	86.6	99.4					Target Price	2023	2024	2025										
<b>SAFETY</b> 1	Raised 5/22/15	Low: 19.0	24.7	30.0	33.5	38.6	41.3	44.6	50.0	54.1	52.8	63.1	60.7																		
<b>TECHNICAL</b> 2	Lowered 6/19/20	<b>LEGENDS</b> - - - - 0.80 x Dividends p sh divided by Interest Rate . . . . Relative Price Strength Options: Yes Shaded area indicates recession																													
<b>BETA</b> .90	(1.00 = Market)	<b>18-Month Target Price Range</b> Low-High Midpoint (% to Mid) \$57-\$137 \$97 (10%)																													
<b>2023-25 PROJECTIONS</b> High Price Gain Ann'l Total Return Low 75 90 75 (Nil) 3% (-15%) -7%																															
<b>Institutional Decisions</b> 3Q2019 4Q2019 1Q2020 to Buy 357 390 327 to Sell 258 260 357 Held(1000) 265386 272541 263197 Percent shares traded 30 20 10																															
2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC		23-25											
51.82	41.85	44.64	37.27	37.22	30.97	27.76	25.21	19.98	23.16	24.42	25.08	24.11	24.46	26.66	25.85	24.65	25.20	24.65	25.20	25.20	27.25										
5.00	5.46	3.69	4.82	6.16	4.96	5.68	4.88	4.03	5.22	4.56	4.94	5.46	5.84	6.64	6.65	6.80	7.20	6.80	7.20	7.20	8.25										
.91	.98	.82	1.59	1.86	1.91	2.10	2.22	1.89	2.49	2.58	2.76	2.96	3.11	3.25	3.45	3.60	3.75	3.60	3.75	3.75	4.50										
.63	.68	.73	.78	.83	.95	1.03	1.10	1.32	1.47	1.57	1.67	1.78	1.90	2.02	2.14	2.27	2.40	2.27	2.40	2.40	2.85										
4.85	5.89	5.49	7.14	8.06	5.17	5.41	6.08	4.69	4.62	5.06	5.44	6.24	7.41	7.96	8.83	8.90	8.10	8.90	8.10	8.10	7.75										
17.80	18.46	18.14	18.65	19.38	20.37	21.60	22.65	29.41	30.49	31.47	32.64	33.80	34.99	36.25	38.29	41.55	43.55	41.55	43.55	43.55	49.00										
129.03	131.59	154.23	156.22	155.83	175.62	176.45	177.16	314.05	315.27	316.98	317.19	316.89	316.89	316.89	329.88	345.00	349.00	345.00	349.00	349.00	361.00										
20.8	19.8	27.1	18.7	13.7	12.0	13.4	15.4	19.9	16.9	17.9	18.1	18.7	19.5	18.7	22.1	22.1	22.1	22.1	22.1	22.1	18.0										
1.10	1.05	1.46	.99	.82	.80	.85	.97	1.27	.95	.94	.91	.98	.98	1.01	1.19	1.19	1.19	1.19	1.19	1.19	1.00										
3.3%	3.5%	3.3%	2.6%	3.2%	4.2%	3.6%	3.2%	3.5%	3.5%	3.4%	3.3%	3.2%	3.1%	3.3%	2.8%	3.0%	2.8%	3.0%	2.8%	2.8%	3.5%										
<b>CAPITAL STRUCTURE as of 3/31/20</b> Total Debt \$15654 mill. Due in 5 Yrs \$5969.5 mill. LT Debt \$14417 mill. LT Interest \$569.5 mill. (LT interest earned: 3.5x) Leases, Uncapitalized Annual rentals \$10.2 mill. Pension Assets-12/19 \$4968.6 mill. Oblig \$6321.7 mill.						4898.2	4465.7	6273.8	7301.2	7741.9	7954.8	7639.1	7752.0	8448.2	8526.5	8500	8800	8800	8800	8800	8800	8800	8800	9800							
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, call. at \$50.50-\$54.00. 430,000 shs 4.25%-4.78% not subject to mandatory redemption, call. at \$102.80-\$103.63. Common Stock 336,442,541 shs. as of 4/30/20 MARKET CAP: \$30 billion (Large Cap)						377.8	400.3	533.0	793.7	827.1	886.0	949.8	995.5	1040.5	1121.0	1225	1320	1320	1320	1320	1320	1320	1320	1320	1600						
<b>ELECTRIC OPERATING STATISTICS</b>						36.6%	29.9%	34.0%	35.0%	36.2%	37.9%	36.9%	36.8%	21.7%	19.7%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%								
% Change Retail Sales (KWh) -2.6 +2.2 -3.3 Avg. Indust. Use (MWH) NA NA NA Avg. Indust. Revs per KWH (c) NA NA NA Capacity at Peak (Mw) NA NA NA Peak Load, Winter (Mw) NA NA NA Annual Load Factor (%) NA NA NA % Change Customers (Yr-end) +6 +5 +7						7.1%	8.6%	2.3%	1.4%	2.4%	2.9%	3.9%	4.7%	6.1%	6.3%	6.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%						
<b>ANNUAL RATES</b>						55.1%	53.4%	43.7%	44.3%	45.9%	45.6%	44.8%	51.2%	52.4%	52.8%	51.5%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	53.0%								
of change (per sh) 10 Yrs. Past 5 Yrs. Past Est'd '17-'19 to '23-'25 Revenues -3.0% 2.5% 1.0% "Cash Flow" 2.0% 6.5% 4.5% Earnings 6.0% 7.0% 5.5% Dividends 9.0% 7.0% 6.0% Book Value 6.5% 3.5% 5.0%						43.6%	45.3%	55.4%	54.8%	53.2%	53.6%	54.4%	48.2%	46.9%	46.6%	48.0%	47.5%	47.5%	47.5%	47.5%	47.5%	47.5%	47.5%	47.5%	46.5%						
<b>QUARTERLY REVENUES (\$ mill.)</b>						8741.8	8856.0	16675	17544	18738	19313	19697	23018	24474	27097	29800	31700	31700	31700	31700	31700	31700	38200								
Cal-ender	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	9567.7	10403	16605	17576	18647	19892	21351	23617	25610	27585	29675	31450	31450	31450	31450	36200										
<b>QUARTERLY DIVIDENDS PAID \$</b>						5.8%	5.9%	4.2%	5.5%	5.3%	5.5%	5.8%	5.2%	5.2%	5.1%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.5%								
Cal-ender	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	9.6%	9.7%	5.7%	8.1%	8.2%	8.4%	8.7%	8.9%	8.9%	8.8%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	9.0%									
<b>QUARTERLY REVENUES (\$ mill.)</b>						9.8%	9.8%	5.7%	8.2%	8.2%	8.5%	8.8%	8.9%	9.0%	8.8%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	9.0%								
Cal-ender	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	5.0%	5.0%	1.6%	3.4%	3.5%	3.4%	3.5%	3.5%	3.4%	3.6%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%										
2017	.82	.72	.82	.75	3.11	49%	50%	72%	59%	58%	61%	60%	61%	62%	60%	63%	64%	64%	64%	64%	65%										
2018	.85	.76	.91	.73	3.25	<b>BUSINESS:</b> Eversource Energy (formerly Northeast Utilities) is the parent of utilities that have 3.2 mill. electric, 540,000 gas, 229,000 water customers. Supplies power to most of Connecticut and gas to part of Connecticut; supplies power to 3/4 of New Hampshire's population; supplies power to western Massachusetts and parts of eastern Massachusetts & gas to central & eastern Massachusetts; supplies water to CT, MA, & NH. Acq'd NSTAR 4/12; Aquanor 12/17. Electric rev. breakdown: residential, 54%; commercial, 37%; industrial, 5%; other, 4%. Fuel costs: 36% of revs. '19 reported deprec. rate: 3.0%. Has 8,200 emp. Chairman, Pres. & CEO: James J. Judge, Inc.: MA. Address: 300 Cadwell Drive, Springfield, MA 01104. Tel.: 413-785-5871. Internet: www.eversource.com.																									
2019	.97	.74	.98	.76	3.45	<b>Eversource reached a regulatory settlement regarding its proposed acquisition of a gas utility in Massachusetts.</b> The company agreed to pay \$1.1 billion in cash to NiSource for a utility with some 330,000 customers. Eversource raised over \$500 million through the sale of six million common shares, and will finance the remainder of the purchase with debt. This is expected to be accretive to earnings in the first 12 months after completion. The settlement, if approved by the state commission, would raise rates by \$13 million in November of 2021 and \$11 million in November of 2022. The allowed return on equity would be 9.7%, and the common-equity ratio would be 53.25%. Eversource has asked for an order by September 30th. Note that NiSource would be responsible for any liabilities resulting from an explosion in September of 2018.																									
2020	1.01	.75	.99	.85	3.60	<b>Our 2020 and 2021 earnings estimates require an explanation.</b> These include the dilutive effect of the shares that were issued for the gas utility acquisition, but won't include that utility's operations until the transaction is completed. Thus, we have reduced our 2020 and 2021 share-net																									
2021	1.05	.80	1.02	.88	3.75	<b>estimates by \$0.05 and \$0.10, respectively.</b> The weak economy has had little effect on Eversource's results because most of its utilities operate under regulatory mechanisms that decouple revenues and volume. <b>Rate cases are pending in New Hampshire and Massachusetts.</b> P.S. of New Hampshire is seeking an electric hike of \$70.4 million, based on a 10.4% ROE and a 54.85% common-equity ratio. A ruling is expected in November, retroactive to July 1, 2019 (when an interim hike of \$28.3 million took effect). NSTAR Gas filed for \$38 million, based on a 10.45% ROE and a 54.85% equity ratio. New tariffs are expected to take effect on November 1st. <b>Offshore wind projects offer long-term profit potential.</b> Eversource plans to add 1,714 megawatts of capacity from 2022 through 2024. Note, though, that offshore wind entails construction risk. <b>The price of this timely stock is up 5% this year.</b> This is unusual in what is shaping up as a bad year for utility issues. The dividend yield is well below the utility mean, and 3- to 5-year total return potential is low.																									
<b>QUARTERLY DIVIDENDS PAID \$</b>						2017 2105 1762 1988 1895 7752.0 2018 2288 1853 2271 2034 8448.1 2019 2415 1884 2175 2050 8526.5 2020 2374 1953 2173 2000 8500 2021 2450 2000 2250 2100 8800						2017 .82 .72 .82 .75 3.11 2018 .85 .76 .91 .73 3.25 2019 .97 .74 .98 .76 3.45 2020 1.01 .75 .99 .85 3.60 2021 1.05 .80 1.02 .88 3.75						2017 445 445 445 445 1.78 2018 475 475 475 475 1.90 2019 505 505 505 505 2.02 2020 535 535 535 535 2.14 2021 5675 5675						Paul E. Debbas, CFA August 14, 2020							
<b>COMPANY'S FINANCIAL STRENGTH</b>						(A) Diluted EPS, Excl. nonrecurring gains (losses): '04, (7c); '05, (\$1.36); '08, (13c); '10, 9c; '19, (64c). Next earnings report due early Nov. (B) Div'd historically paid late Mar., June, Sept., & Dec. ■ Div'd reinvestment plan avail. (C) Incl. deferred charges. In '19, \$28.16/sh. (D) In mill. (E) Rate allowed on com. eq. in MA: (elec.) '18, 10.0%; (gas) '16, 9.8%; in CT: (elec.) '18, 9.25%; (gas) '18, 9.3%; in NH: '10, 9.67%; earned on avg. com. eq., '19: 9.2%. Regulatory Climate: CT, Below Average; NH, Average; MA, Above Average.						Company's Financial Strength A Stock's Price Stability 85 Price Growth Persistence 80 Earnings Predictability 100																			
© 2020 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.																															

EXELON CORP. NDQ-EXC										RECENT PRICE	37.99	P/E RATIO	12.9 (Trailing: 13.1 Median: 15.0)	RELATIVE P/E RATIO	0.60	DIV'D YLD	4.1%	VALUE LINE																																																																																																																																																																																																																			
<b>TIMELINESS</b>	3	Lowered 6/7/19	High: 59.0	49.9	45.4	43.7	37.8	38.9	38.3	37.7	42.7	47.4	51.2	50.5				Target Price	2023	2024	2025																																																																																																																																																																																																																
<b>SAFETY</b>	3	Lowered 5/15/20	Low: 38.4	17.0	39.1	28.4	26.6	26.5	25.1	26.3	33.3	35.6	43.4	29.3																																																																																																																																																																																																																							
<b>TECHNICAL</b>	3	Raised 8/14/20	<b>LEGENDS</b> 0.81 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession																																																																																																																																																																																																																																		
<b>BETA</b>	.95	(1.00 = Market)	<b>18-Month Target Price Range</b> Low-High Midpoint (% to Mid) \$29-\$61 \$45 (20%)										<b>2023-25 PROJECTIONS</b> High Price Gain Ann'l Total Return Low 40 60 (+60%) 15% 40 40 (+5%) 6%																																																																																																																																																																																																																								
<b>Institutional Decisions</b>										<table border="1"> <thead> <tr> <th>302019</th> <th>402019</th> <th>102020</th> <th>Percent</th> <th>30</th> </tr> </thead> <tbody> <tr> <td>to Buy</td> <td>423</td> <td>428</td> <td>361</td> <td>30</td> </tr> <tr> <td>to Sell</td> <td>451</td> <td>478</td> <td>493</td> <td>20</td> </tr> <tr> <td>Held(1000)</td> <td>767278</td> <td>768153</td> <td>765293</td> <td>10</td> </tr> </tbody> </table>										302019	402019	102020	Percent	30	to Buy	423	428	361	30	to Sell	451	478	493	20	Held(1000)	767278	768153	765293	10																																																																																																																																																																																														
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664.19	666.37	669.86	660.88	658.15	659.76	661.85	663.37	854.78	857.29	859.83	919.92	924.04	963.34	968.19	973.00	976.00	979.00	Common Shs Outstanding	990.00																																																																																																																																																																																																																		
13.0	15.4	16.5	18.2	18.0	11.5	11.0	11.3	19.1	13.4	16.0	12.6	18.7	13.4	20.1	15.7	15.0	14.5	Avn'g Ann'l P/E Ratio	14.5																																																																																																																																																																																																																		
.69	.82	.89	.97	1.08	.77	.70	.71	1.22	.75	.84	.63	.98	.67	1.09	.84	1.00	.84	Relative P/E Ratio	.80																																																																																																																																																																																																																		
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<b>CAPITAL STRUCTURE as of 3/31/20</b> Total Debt \$40025 mill. Due in 5 Yrs \$13745 mill. LT Debt \$35198 mill. LT Interest \$1478 mill. Includes \$390 mill. nonrecourse transition bonds. Leases, Uncapitalized Annual rentals \$287 mill. LT interest earned: 3.3%										<table border="1"> <tbody> <tr> <td>18644</td> <td>18924</td> <td>23489</td> <td>24888</td> <td>27429</td> <td>29447</td> <td>31360</td> <td>33531</td> <td>35985</td> <td>34438</td> <td>32000</td> <td>34000</td> <td>Revenues (\$mill)</td> <td>40000</td> </tr> <tr> <td>2567.0</td> <td>2499.0</td> <td>1579.0</td> <td>1999.0</td> <td>1826.0</td> <td>2282.0</td> <td>1677.0</td> <td>2636.0</td> <td>2010.0</td> <td>2936.0</td> <td>2615</td> <td>2925</td> <td>Net Profit (\$mill)</td> <td>3510</td> </tr> <tr> <td>39.2%</td> <td>36.8%</td> <td>32.4%</td> <td>36.5%</td> <td>27.2%</td> <td>32.2%</td> <td>38.5%</td> <td>34.2%</td> <td>5.4%</td> <td>19.4%</td> <td>19.5%</td> <td>19.5%</td> <td>Income Tax Rate</td> <td>19.5%</td> </tr> <tr> <td>2.1%</td> <td>3.0%</td> <td>5.8%</td> <td>4.5%</td> <td>5.5%</td> <td>5.4%</td> <td>12.3%</td> <td>6.5%</td> <td>7.0%</td> <td>5.3%</td> <td>5.0%</td> <td>5.0%</td> <td>AFUDC % to Net Profit</td> <td>4.0%</td> </tr> <tr> <td>46.8%</td> <td>45.7%</td> <td>45.8%</td> <td>44.4%</td> <td>46.7%</td> <td>48.3%</td> <td>55.5%</td> <td>52.2%</td> <td>52.8%</td> <td>49.6%</td> <td>52.0%</td> <td>50.5%</td> <td>Long-Term Debt Ratio</td> <td>50.0%</td> </tr> <tr> <td>52.9%</td> <td>54.0%</td> <td>53.5%</td> <td>55.2%</td> <td>52.8%</td> <td>51.3%</td> <td>44.5%</td> <td>47.8%</td> <td>47.2%</td> <td>50.4%</td> <td>48.0%</td> <td>48.5%</td> <td>Common Equity Ratio</td> <td>50.0%</td> </tr> <tr> <td>25651</td> <td>26661</td> <td>40057</td> <td>41196</td> <td>42811</td> <td>50272</td> <td>58053</td> <td>62422</td> <td>65229</td> <td>63943</td> <td>68075</td> <td>70000</td> <td>Total Capital (\$mill)</td> <td>80300</td> </tr> <tr> <td>29941</td> <td>32570</td> <td>45186</td> <td>47330</td> <td>52087</td> <td>57439</td> <td>71555</td> <td>74202</td> <td>76707</td> <td>80233</td> <td>82800</td> <td>84025</td> <td>Net Plant (\$mill)</td> <td>86400</td> </tr> </tbody> </table>										18644	18924	23489	24888	27429	29447	31360	33531	35985	34438	32000	34000	Revenues (\$mill)	40000	2567.0	2499.0	1579.0	1999.0	1826.0	2282.0	1677.0	2636.0	2010.0	2936.0	2615	2925	Net Profit (\$mill)	3510	39.2%	36.8%	32.4%	36.5%	27.2%	32.2%	38.5%	34.2%	5.4%	19.4%	19.5%	19.5%	Income Tax Rate	19.5%	2.1%	3.0%	5.8%	4.5%	5.5%	5.4%	12.3%	6.5%	7.0%	5.3%	5.0%	5.0%	AFUDC % to Net Profit	4.0%	46.8%	45.7%	45.8%	44.4%	46.7%	48.3%	55.5%	52.2%	52.8%	49.6%	52.0%	50.5%	Long-Term Debt Ratio	50.0%	52.9%	54.0%	53.5%	55.2%	52.8%	51.3%	44.5%	47.8%	47.2%	50.4%	48.0%	48.5%	Common Equity Ratio	50.0%	25651	26661	40057	41196	42811	50272	58053	62422	65229	63943	68075	70000	Total Capital (\$mill)	80300	29941	32570	45186	47330	52087	57439	71555	74202	76707	80233	82800	84025	Net Plant (\$mill)	86400																																																																																																		
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<b>Fixed Charge Cov. (%)</b> 282 236 257										<b>Exelon's Commonwealth Edison unit reached a deal with the U.S. Attorney's Office to resolve an investigation of lobbying activities in Illinois.</b> As part of a deferred prosecution agreement, ComEd will pay a \$200 million fine as a result of a bribery allegation involving the state government. This resolved some uncertainty that was overhanging the stock, although investors should note that an SEC investigation is ongoing. We excluded the fine from our earnings presentation as a nonrecurring item. <b>This has been a difficult year for Exelon for other reasons.</b> Unusually mild winter weather hurt the company's earnings — not just at the utility, but at the nonutility operations as well. The coronavirus will have just a modest negative effect on the bottom line because 70% of Exelon's utility businesses operate under regulatory mechanisms that decouple revenues and volume. Management has cut capital and operating costs in response. All told, we think earnings will fall well short of the 2019 tally. Note that our estimate is well below Exelon's guidance of \$2.80-\$3.10 a share (reduced from the initial																																																																																																																																																																																																																											
<b>ANNUAL RATES of change (per sh)</b> Past 10 Yrs. Past 5 Yrs. Past Est'd '17-'19 to '23-'25										<b>\$3.00-\$3.30) because we include some items that the company excludes from its definition of operating earnings. As usual, some rate cases are pending.</b> In Maryland, Baltimore G&E is seeking multiyear increases totaling \$235.0 million, based on a 10.1% return on equity. An order is expected in December. In Washington, D.C., Pepco is seeking multiyear increases totaling \$135.9 million, based on a 9.7% ROE. A ruling is expected in November or December. In Delaware, Delmarva filed for electric and gas hikes totaling \$32.8 million, based on a 10.3% ROE. Decisions are due in 2021. Rate relief and a better economy should produce higher profits in 2021. We figure share net will rebound to about the 2019 level. <b>We suggest investors look elsewhere.</b> Exelon's nonregulated businesses are operating in a tough environment. The dividend yield, just slightly above the industry average, does not offer enough compensation for the risks. The stock price has declined 17% this year, in line with many electric companies. Total return potential is just modest to 2023-2025. <i>Paul E. Debbas, CFA August 14, 2020</i>																																																																																																																																																																																																																											
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<b>ANNUAL RATES of change (per sh)</b> Past 10 Yrs. Past 5 Yrs. Past Est'd '17-'19 to '23-'25 Revenues 2.5% 4.0% 2.0% "Cash Flow" 1.0% 5.0% 4.5% Earnings -4.5% 4.5% 5.0% Dividends -3.5% -3.0% 5.5% Book Value 6.5% 4.0% 4.0%										<b>Company's Financial Strength</b> B- <b>Stock's Price Stability</b> 90 <b>Price Growth Persistence</b> 25 <b>Earnings Predictability</b> 60																																																																																																																																																																																																																											
<b>(A)</b> Diluted eps. Excl. nonrec. gain (losses). '05, (\$1.85); '06, (\$1.15); '09, (20c); '12, (50c); '13, (31c); '14, 23c; '16, (58c); '17, \$1.19; '20 '20, (20c). '18 EPS don't sum due to rounding.										<b>(B)</b> Div'ds all'd on com. eq. in IL in '15: 9.25%; in MD in '16: 9.75% elec., 9.65% gas; in NJ in '16: 9.75% elec., 9.65% gas; in NY in '16: 9.75%; earned on avg. com. eq., '19: 9.3%; Reg. Climate: PA, NJ Avg.; IL, MD, Below Avg.																																																																																																																																																																																																																											
<b>(C)</b> Div'd reinv. plan avail. (C) Incl. deferred charges. In '19: \$15.43/sh. (D) In mill. (E) Rate										<b>(F)</b> Next earnings report due late Oct. Historically paid in early Mar., June, Sept., & Dec.																																																																																																																																																																																																																											
© 2020 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.										<b>To subscribe call 1-800-VALUeline</b>																																																																																																																																																																																																																											

FORTIS INC. TSE-FTS.TO <sup>A</sup>										RECENT PRICE	P/E RATIO	Trailing: 19.6 Median: 19.0	RELATIVE P/E RATIO	DIV'D YLD	VALUE LINE																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
<b>TIMELINESS</b> 2	Raised 9/11/20	High: 29.2	34.5	35.4	40.7	35.1	40.5	42.1	45.1	48.7	47.4	56.9	59.3		Target Price	Range																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
<b>SAFETY</b> 2	Raised 7/17/15	Low: 21.5	21.6	28.2	30.5	29.6	29.8	34.5	36.0	40.6	39.4	44.0	41.6		2023	2025																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
<b>TECHNICAL</b> 2	Lowered 6/5/20	<b>LEGENDS</b> - - - 0.74 x Dividends p sh divided by Interest Rate ..... Relative Price Strength Options: Yes Shaded area indicates recession																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
<b>BETA</b> .80	(1.00 = Market)	<b>18-Month Target Price Range</b> Low-High Midpoint (% to Mid) \$43-\$85 \$64 (25%)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
<b>2023-25 PROJECTIONS</b> High Price 80 Gain (+55%) 14% Low Price 55 Gain (+5%) 6%																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
<b>Institutional Decisions</b> 402019 102020 202020 to Buy 133 120 120 to Sell 118 131 125 Held(000) 245710 238041 224494																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
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LLC</th> <th>23-25</th> </tr> </thead> <tbody> <tr> <td>Revenues per sh</td> <td>11.99</td><td>13.86</td><td>14.14</td><td>17.48</td><td>23.07</td><td>21.24</td><td>21.01</td><td>19.84</td><td>19.07</td><td>18.99</td><td>19.57</td><td>23.89</td><td>17.03</td><td>19.71</td><td>19.58</td><td>18.96</td><td>19.10</td><td>19.60</td><td>21.25</td> <td></td> <td></td> </tr> <tr> <td>"Cash Flow" per sh</td> <td>2.23</td><td>2.73</td><td>3.05</td><td>2.96</td><td>3.51</td><td>3.66</td><td>3.99</td><td>3.90</td><td>4.10</td><td>4.10</td><td>3.62</td><td>5.21</td><td>3.91</td><td>5.43</td><td>5.40</td><td>5.44</td><td>5.60</td><td>5.90</td><td>7.00</td> <td></td> <td></td> </tr> <tr> <td>Earnings per sh <sup>B</sup></td> <td>1.01</td><td>1.19</td><td>1.36</td><td>1.29</td><td>1.52</td><td>1.51</td><td>1.62</td><td>1.74</td><td>1.65</td><td>1.63</td><td>1.38</td><td>2.11</td><td>1.89</td><td>2.66</td><td>2.52</td><td>2.68</td><td>2.50</td><td>2.60</td><td>3.00</td> <td></td> <td></td> </tr> <tr> <td>Div'd Decl'd per sh <sup>C</sup></td> <td>.54</td><td>.59</td><td>.67</td><td>.82</td><td>1.00</td><td>1.04</td><td>1.12</td><td>1.17</td><td>1.21</td><td>1.25</td><td>1.30</td><td>1.43</td><td>1.55</td><td>1.65</td><td>1.75</td><td>1.86</td><td>1.97</td><td>2.08</td><td>2.50</td> <td></td> <td></td> </tr> <tr> <td>Cap'l Spending per sh</td> <td>2.92</td><td>4.93</td><td>4.80</td><td>5.16</td><td>5.34</td><td>5.79</td><td>5.89</td><td>5.91</td><td>5.68</td><td>5.32</td><td>6.00</td><td>7.97</td><td>5.13</td><td>7.18</td><td>7.51</td><td>8.03</td><td>9.30</td><td>8.00</td><td>6.75</td> <td></td> <td></td> </tr> <tr> <td>Book Value per sh <sup>D</sup></td> <td>10.47</td><td>11.76</td><td>12.26</td><td>16.72</td><td>18.00</td><td>18.57</td><td>18.95</td><td>20.53</td><td>20.84</td><td>22.39</td><td>24.90</td><td>28.63</td><td>32.32</td><td>31.77</td><td>34.80</td><td>36.49</td><td>37.86</td><td>39.20</td><td>43.75</td> <td></td> <td></td> </tr> <tr> <td>Common Shs Outst'g <sup>E</sup></td> <td>95.53</td><td>103.20</td><td>104.09</td><td>155.52</td><td>169.19</td><td>171.26</td><td>174.39</td><td>188.83</td><td>191.57</td><td>213.17</td><td>276.00</td><td>281.56</td><td>401.49</td><td>421.10</td><td>428.50</td><td>463.30</td><td>466.00</td><td>469.00</td><td>478.00</td> <td></td> <td></td> </tr> <tr> <td>Avg Ann'l P/E Ratio</td> <td>15.3</td><td>17.2</td><td>17.7</td><td>21.1</td><td>17.5</td><td>16.4</td><td>18.2</td><td>18.8</td><td>20.1</td><td>20.0</td><td>24.3</td><td>18.0</td><td>21.6</td><td>16.8</td><td>17.1</td><td>19.2</td><td>19.2</td><td>19.2</td><td>22.5</td> <td></td> <td></td> </tr> <tr> <td>Relative P/E Ratio</td> <td>.81</td><td>.92</td><td>.96</td><td>1.12</td><td>1.05</td><td>1.09</td><td>1.16</td><td>1.18</td><td>1.28</td><td>1.12</td><td>1.28</td><td>.91</td><td>1.13</td><td>.84</td><td>.92</td><td>1.03</td><td>1.03</td><td>1.03</td><td>1.25</td> <td></td> <td></td> </tr> <tr> <td>Avg Ann'l Div'd Yield</td> <td>3.5%</td><td>2.9%</td><td>2.8%</td><td>3.0%</td><td>3.8%</td><td>4.2%</td><td>3.8%</td><td>3.6%</td><td>3.6%</td><td>3.6%</td><td>3.9%</td><td>3.8%</td><td>3.8%</td><td>3.7%</td><td>4.1%</td><td>3.6%</td><td>3.6%</td><td>3.6%</td><td>3.7%</td> <td></td> <td></td> </tr> <tr> <td colspan="17"> <b>CAPITAL STRUCTURE as of 6/30/20</b>                      Total Debt \$25002 mill. Due in 5 Yrs \$5510 mill.                      LT Debt \$23887 mill. LT Interest \$950 mill.                      Incl. \$326 mill. capitalized leases.                      Leases, Uncapitalized Annual rentals \$10 mill.                      (LT interest earned: 2.6x)                 </td> </tr> <tr> <td colspan="17"> <table border="1"> <thead> <tr> <th>Year</th> <th>2008</th><th>2009</th><th>2010</th><th>2011</th><th>2012</th><th>2013</th><th>2014</th><th>2015</th><th>2016</th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th> </tr> </thead> <tbody> <tr> <td>Revenues (\$mill)</td> <td>3664.0</td><td>3747.0</td><td>3654.0</td><td>4047.0</td><td>5401.0</td><td>6727.0</td><td>6838.0</td><td>8301.0</td><td>8390.0</td><td>8783.0</td><td>8900</td><td>9200</td><td>10200</td> </tr> <tr> <td>Net Profit (\$mill)</td> <td>313.0</td><td>347.0</td><td>362.0</td><td>390.0</td><td>374.0</td><td>672.0</td><td>660.0</td><td>1174.0</td><td>1136.0</td><td>1238.0</td><td>1350</td><td>1405</td><td>1655</td> </tr> <tr> <td>Income Tax Rate</td> <td>17.2%</td><td>18.3%</td><td>14.1%</td><td>7.4%</td><td>14.6%</td><td>21.3%</td><td>16.9%</td><td>25.8%</td><td>13.4%</td><td>12.5%</td><td>14.0%</td><td>14.0%</td><td>14.0%</td> </tr> <tr> <td>Common Shs Outst'g <sup>E</sup></td> <td>4.2%</td><td>5.5%</td><td>5.0%</td><td>5.9%</td><td>7.2%</td><td>7.4%</td><td>10.0%</td><td>9.5%</td><td>8.4%</td><td>9.2%</td><td>9.0%</td><td>8.0%</td><td>7.0%</td> </tr> <tr> <td>Long-Term Debt Ratio</td> <td>60.5%</td><td>57.5%</td><td>55.1%</td><td>53.5%</td><td>54.8%</td><td>53.3%</td><td>59.3%</td><td>58.4%</td><td>58.8%</td><td>54.2%</td><td>54.5%</td><td>54.5%</td><td>53.0%</td> </tr> <tr> <td>Common Equity Ratio</td> <td>33.5%</td><td>36.9%</td><td>35.1%</td><td>37.0%</td><td>35.7%</td><td>38.1%</td><td>36.2%</td><td>37.1%</td><td>37.2%</td><td>41.8%</td><td>41.5%</td><td>41.5%</td><td>43.5%</td> </tr> <tr> <td>Total Capital (\$mill)</td> <td>9868.0</td><td>10513</td><td>11358</td><td>12892</td><td>19235</td><td>21151</td><td>35874</td><td>36108</td><td>40082</td><td>40445</td><td>42450</td><td>44075</td><td>48100</td> </tr> <tr> <td>Net Plant (\$mill)</td> <td>8762.0</td><td>9281.0</td><td>10249</td><td>12267</td><td>17816</td><td>19595</td><td>29337</td><td>29668</td><td>32654</td><td>33988</td><td>36875</td><td>39075</td><td>44500</td> </tr> <tr> <td>Return on Total Cap'l</td> <td>5.0%</td><td>5.0%</td><td>4.8%</td><td>4.6%</td><td>3.4%</td><td>4.5%</td><td>2.8%</td><td>4.5%</td><td>4.1%</td><td>4.4%</td><td>4.5%</td><td>4.5%</td><td>4.5%</td> </tr> <tr> <td>Return on Shr. 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No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.</b> </td> </tr> </tbody> </table>																	Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25	Revenues per sh	11.99	13.86	14.14	17.48	23.07	21.24	21.01	19.84	19.07	18.99	19.57	23.89	17.03	19.71	19.58	18.96	19.10	19.60	21.25			"Cash Flow" per sh	2.23	2.73	3.05	2.96	3.51	3.66	3.99	3.90	4.10	4.10	3.62	5.21	3.91	5.43	5.40	5.44	5.60	5.90	7.00			Earnings per sh <sup>B</sup>	1.01	1.19	1.36	1.29	1.52	1.51	1.62	1.74	1.65	1.63	1.38	2.11	1.89	2.66	2.52	2.68	2.50	2.60	3.00			Div'd Decl'd per sh <sup>C</sup>	.54	.59	.67	.82	1.00	1.04	1.12	1.17	1.21	1.25	1.30	1.43	1.55	1.65	1.75	1.86	1.97	2.08	2.50			Cap'l Spending per sh	2.92	4.93	4.80	5.16	5.34	5.79	5.89	5.91	5.68	5.32	6.00	7.97	5.13	7.18	7.51	8.03	9.30	8.00	6.75			Book Value per sh <sup>D</sup>	10.47	11.76	12.26	16.72	18.00	18.57	18.95	20.53	20.84	22.39	24.90	28.63	32.32	31.77	34.80	36.49	37.86	39.20	43.75			Common Shs Outst'g <sup>E</sup>	95.53	103.20	104.09	155.52	169.19	171.26	174.39	188.83	191.57	213.17	276.00	281.56	401.49	421.10	428.50	463.30	466.00	469.00	478.00			Avg Ann'l P/E Ratio	15.3	17.2	17.7	21.1	17.5	16.4	18.2	18.8	20.1	20.0	24.3	18.0	21.6	16.8	17.1	19.2	19.2	19.2	22.5			Relative P/E Ratio	.81	.92	.96	1.12	1.05	1.09	1.16	1.18	1.28	1.12	1.28	.91	1.13	.84	.92	1.03	1.03	1.03	1.25			Avg Ann'l Div'd Yield	3.5%	2.9%	2.8%	3.0%	3.8%	4.2%	3.8%	3.6%	3.6%	3.6%	3.9%	3.8%	3.8%	3.7%	4.1%	3.6%	3.6%	3.6%	3.7%			<b>CAPITAL STRUCTURE as of 6/30/20</b> Total Debt \$25002 mill. Due in 5 Yrs \$5510 mill. LT Debt \$23887 mill. LT Interest \$950 mill. Incl. \$326 mill. capitalized leases. Leases, Uncapitalized Annual rentals \$10 mill. (LT interest earned: 2.6x)																	<table border="1"> <thead> <tr> <th>Year</th> <th>2008</th><th>2009</th><th>2010</th><th>2011</th><th>2012</th><th>2013</th><th>2014</th><th>2015</th><th>2016</th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th> </tr> </thead> <tbody> <tr> <td>Revenues (\$mill)</td> <td>3664.0</td><td>3747.0</td><td>3654.0</td><td>4047.0</td><td>5401.0</td><td>6727.0</td><td>6838.0</td><td>8301.0</td><td>8390.0</td><td>8783.0</td><td>8900</td><td>9200</td><td>10200</td> </tr> <tr> <td>Net Profit (\$mill)</td> <td>313.0</td><td>347.0</td><td>362.0</td><td>390.0</td><td>374.0</td><td>672.0</td><td>660.0</td><td>1174.0</td><td>1136.0</td><td>1238.0</td><td>1350</td><td>1405</td><td>1655</td> </tr> <tr> <td>Income Tax Rate</td> <td>17.2%</td><td>18.3%</td><td>14.1%</td><td>7.4%</td><td>14.6%</td><td>21.3%</td><td>16.9%</td><td>25.8%</td><td>13.4%</td><td>12.5%</td><td>14.0%</td><td>14.0%</td><td>14.0%</td> </tr> <tr> <td>Common Shs Outst'g <sup>E</sup></td> <td>4.2%</td><td>5.5%</td><td>5.0%</td><td>5.9%</td><td>7.2%</td><td>7.4%</td><td>10.0%</td><td>9.5%</td><td>8.4%</td><td>9.2%</td><td>9.0%</td><td>8.0%</td><td>7.0%</td> </tr> <tr> <td>Long-Term Debt Ratio</td> <td>60.5%</td><td>57.5%</td><td>55.1%</td><td>53.5%</td><td>54.8%</td><td>53.3%</td><td>59.3%</td><td>58.4%</td><td>58.8%</td><td>54.2%</td><td>54.5%</td><td>54.5%</td><td>53.0%</td> </tr> <tr> <td>Common Equity Ratio</td> <td>33.5%</td><td>36.9%</td><td>35.1%</td><td>37.0%</td><td>35.7%</td><td>38.1%</td><td>36.2%</td><td>37.1%</td><td>37.2%</td><td>41.8%</td><td>41.5%</td><td>41.5%</td><td>43.5%</td> </tr> <tr> <td>Total Capital (\$mill)</td> <td>9868.0</td><td>10513</td><td>11358</td><td>12892</td><td>19235</td><td>21151</td><td>35874</td><td>36108</td><td>40082</td><td>40445</td><td>42450</td><td>44075</td><td>48100</td> </tr> <tr> <td>Net Plant (\$mill)</td> <td>8762.0</td><td>9281.0</td><td>10249</td><td>12267</td><td>17816</td><td>19595</td><td>29337</td><td>29668</td><td>32654</td><td>33988</td><td>36875</td><td>39075</td><td>44500</td> </tr> <tr> <td>Return on Total Cap'l</td> <td>5.0%</td><td>5.0%</td><td>4.8%</td><td>4.6%</td><td>3.4%</td><td>4.5%</td><td>2.8%</td><td>4.5%</td><td>4.1%</td><td>4.4%</td><td>4.5%</td><td>4.5%</td><td>4.5%</td> </tr> <tr> <td>Return on Shr. 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Cap'l Spending per sh	2.92	4.93	4.80	5.16	5.34	5.79	5.89	5.91	5.68	5.32	6.00	7.97	5.13	7.18	7.51	8.03	9.30	8.00	6.75																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Book Value per sh <sup>D</sup>	10.47	11.76	12.26	16.72	18.00	18.57	18.95	20.53	20.84	22.39	24.90	28.63	32.32	31.77	34.80	36.49	37.86	39.20	43.75																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Common Shs Outst'g <sup>E</sup>	95.53	103.20	104.09	155.52	169.19	171.26	174.39	188.83	191.57	213.17	276.00	281.56	401.49	421.10	428.50	463.30	466.00	469.00	478.00																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Avg Ann'l P/E Ratio	15.3	17.2	17.7	21.1	17.5	16.4	18.2	18.8	20.1	20.0	24.3	18.0	21.6	16.8	17.1	19.2	19.2	19.2	22.5																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Relative P/E Ratio	.81	.92	.96	1.12	1.05	1.09	1.16	1.18	1.28	1.12	1.28	.91	1.13	.84	.92	1.03	1.03	1.03	1.25																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Avg Ann'l Div'd Yield	3.5%	2.9%	2.8%	3.0%	3.8%	4.2%	3.8%	3.6%	3.6%	3.6%	3.9%	3.8%	3.8%	3.7%	4.1%	3.6%	3.6%	3.6%	3.7%																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
<b>CAPITAL STRUCTURE as of 6/30/20</b> Total Debt \$25002 mill. Due in 5 Yrs \$5510 mill. LT Debt \$23887 mill. LT Interest \$950 mill. Incl. \$326 mill. capitalized leases. Leases, Uncapitalized Annual rentals \$10 mill. (LT interest earned: 2.6x)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
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<b>BUSINESS:</b> Fortis Inc.'s main focus is electricity, hydroelectric, and gas utility operations (both regulated and nonregulated) in the United States, Canada, and the Caribbean. Has 2 mill. electric, 1.3 mill. gas customers. Owns UNS Energy (Arizona), Central Hudson (New York), FortisBC Energy (British Columbia), FortisAlbera (Central Alberta), and Eastern Canada (Newfoundland). Sold commercial real estate and hotel property assets in 2015. Acquired ITC Holdings 10/16. Fuel costs: 29% of revenues. '19 reported deprec. rate: 2.6%. Has 9,000 employees. Chairman: Douglas J. Haughey. President & CEO: Barry V. Perry. Inc.: Canada. Address: Fortis Place, Suite 1100, 5 Springdale St., PO Box 8837, St. John's, NL, Canada, A1B 3T2. Tel.: 709-737-2800. Internet: www.fortisinc.com.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
<b>proceeding is upcoming.</b> Tucson Electric Power is seeking a hike of \$99 million, based on a return on equity of 10% and a common-equity ratio of 53%. Originally, the utility expected new tariffs to take effect in May of 2020, but coronavirus-related disruptions have delayed the proceedings. Now, an order is expected by yearend. Central Hudson plans to file a rate application in New York.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
<b>We estimate that Fortis' earnings will decline in 2020.</b> The fourth-quarter comparison is difficult because last year the company booked a \$0.19-a-share credit to reverse a reserve its ITC subsidiary took for a possible refund of previously collected revenues. Also, the average share count is up significantly due to stock that was issued in 2019. Another negative factor is a delay in receiving rate relief in Arizona (see below). The effects of the weak economy have had just a modest effect on Fortis, since only 18% of its revenues are sensitive to fluctuations in commercial and industrial volume. Because second-quarter profits were slightly above our estimate, we raised our full-year expectation a nickel-a share, to \$2.50.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
<b>We expect a dividend increase at the board meeting later this month, payable in December.</b> An announcement was possible shortly after this report went to press. We expect the directors to boost the annual payout \$0.11 a share (5.8%). Fortis' goal for annual dividend growth is 6% through 2024.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
<b>Timely Fortis stock has outperformed most utility equities in 2020.</b> The price has declined just 3%. Investors like the fact that Fortis has less exposure than most utilities to the effects of the weak economy. The dividend yield is about average for a utility. Total return potential is more attractive for the 18-month span than for the 3- to 5-year period.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
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<b>Paul E. Debbas, CFA</b> September 11, 2020																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
<b>Company's Financial Strength</b> B+ <b>Stock's Price Stability</b> 100 <b>Price Growth Persistence</b> 35 <b>Earnings Predictability</b> 75																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
<b>© 2020 Value Line, Inc. All rights reserved. Factual material is included and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.</b>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				

NEXTERA ENERGY NYSE-NEE										RECENT PRICE	P/E RATIO	Trailing: 38.3 Median: 18.0	RELATIVE P/E RATIO	DIV'D YLD	VALUE LINE																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
<b>TIMELINESS</b> 3 Lowered 6/12/20 <b>SAFETY</b> 1 Raised 2/16/18 <b>TECHNICAL</b> 3 Lowered 8/14/20 <b>BETA</b> .85 (1.00 = Market) <b>18-Month Target Price Range</b> Low-High Midpoint (% to Mid) \$189-\$424 \$307 (10%)										277.59	29.7	1.39	2.1%																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
<b>LEGENDS</b> --- 0.87 x Dividends p sh divided by Interest Rate ..... Relative Price Strength Options: Yes Shaded area indicates recession										60.6 41.5	56.3 45.3	61.2 49.0	72.2 58.6	89.8 69.8	110.8 84.0	112.6 93.7	132.0 102.2	159.4 117.3	184.2 145.1	245.0 168.7	285.6 174.8	Target Price Range 2023 2024																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
<b>2023-25 PROJECTIONS</b> Price Ann'l Total High 320 (+15%) Low 265 (-5%) Gain 6% Return 2%																						% TOT. RETURN 7/20 THIS STOCK VS. ARTH. INDEX 1 yr. 38.5 -1.7 3 yr. 107.0 9.9 5 yr. 205.0 31.7																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
<b>Institutional Decisions</b> 302019 402019 102020 To Buy 790 830 779 To Sell 616 666 841 Hlds(000) 382169 384664 379372										<table border="1"> <thead> <tr> <th>Year</th><th>2004</th><th>2005</th><th>2006</th><th>2007</th><th>2008</th><th>2009</th><th>2010</th><th>2011</th><th>2012</th><th>2013</th><th>2014</th><th>2015</th><th>2016</th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th> </tr> </thead> <tbody> <tr> <td>Revenues per sh</td><td>28.27</td><td>30.00</td><td>38.75</td><td>37.47</td><td>40.13</td><td>37.82</td><td>36.39</td><td>36.88</td><td>33.62</td><td>34.80</td><td>38.42</td><td>37.93</td><td>34.52</td><td>36.51</td><td>34.99</td><td>39.27</td><td>40.30</td><td>42.85</td><td>49.50</td> </tr> <tr> <td>"Cash Flow" per sh</td><td>5.60</td><td>6.18</td><td>6.77</td><td>6.85</td><td>8.03</td><td>8.75</td><td>9.62</td><td>9.29</td><td>8.69</td><td>10.54</td><td>12.10</td><td>12.92</td><td>12.97</td><td>12.11</td><td>15.37</td><td>16.87</td><td>17.40</td><td>20.00</td><td>23.75</td> </tr> <tr> <td>Earnings per sh A</td><td>2.46</td><td>2.32</td><td>3.23</td><td>3.27</td><td>4.07</td><td>3.97</td><td>4.74</td><td>4.82</td><td>4.56</td><td>4.83</td><td>5.60</td><td>6.06</td><td>5.78</td><td>6.50</td><td>6.67</td><td>7.76</td><td>7.65</td><td>9.75</td><td>12.25</td> </tr> <tr> <td>Div'd Decl'd per sh B = †</td><td>1.30</td><td>1.42</td><td>1.50</td><td>1.64</td><td>1.78</td><td>1.89</td><td>2.00</td><td>2.20</td><td>2.40</td><td>2.64</td><td>2.90</td><td>3.08</td><td>3.48</td><td>3.93</td><td>4.44</td><td>5.00</td><td>5.60</td><td>6.16</td><td>8.20</td> </tr> <tr> <td>Cap'l Spending per 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Ratio</td><td>13.6</td><td>17.9</td><td>13.7</td><td>18.9</td><td>14.5</td><td>13.4</td><td>10.8</td><td>11.5</td><td>14.4</td><td>16.6</td><td>17.3</td><td>16.9</td><td>20.7</td><td>21.6</td><td>24.8</td><td>26.8</td><td>26.8</td><td>26.5</td><td>22.0</td> </tr> <tr> <td>Relative P/E Ratio</td><td>.72</td><td>.95</td><td>.74</td><td>1.00</td><td>.87</td><td>.89</td><td>69</td><td>.72</td><td>.92</td><td>.93</td><td>.91</td><td>.85</td><td>1.09</td><td>1.09</td><td>1.34</td><td>1.44</td><td>1.44</td><td>1.44</td><td>1.20</td> </tr> <tr> <td>Avg Ann'l Div'd Yield</td><td>3.9%</td><td>3.4%</td><td>3.4%</td><td>2.7%</td><td>3.0%</td><td>3.5%</td><td>3.9%</td><td>4.0%</td><td>3.6%</td><td>3.3%</td><td>3.0%</td><td>3.0%</td><td>2.9%</td><td>2.8%</td><td>2.7%</td><td>2.4%</td><td>2.4%</td><td>2.4%</td><td>3.0%</td> </tr> <tr> <td>Revenues (\$mill)</td><td>15317</td><td>15341</td><td>14256</td><td>15136</td><td>17021</td><td>17486</td><td>16155</td><td>17195</td><td>16727</td><td>19204</td><td>19750</td><td>21000</td><td>21000</td><td>21000</td><td>21000</td><td>21000</td><td>21000</td><td>21000</td><td>25000</td> </tr> <tr> <td>Net Profit (\$mill)</td><td>1957.0</td><td>2021.0</td><td>1911.0</td><td>2062.0</td><td>2465.0</td><td>2752.0</td><td>2693.0</td><td>3074.0</td><td>3200.0</td><td>3769.0</td><td>3765</td><td>4805</td><td>4805</td><td>4805</td><td>4805</td><td>4805</td><td>4805</td><td>4805</td><td>6270</td> </tr> <tr> <td>Income Tax Rate</td><td>21.4%</td><td>22.4%</td><td>26.6%</td><td>26.9%</td><td>32.3%</td><td>30.8%</td><td>29.3%</td><td>24.4%</td><td>28.6%</td><td>11.7%</td><td>9.0%</td><td>9.0%</td><td>9.0%</td><td>9.0%</td><td>9.0%</td><td>9.0%</td><td>9.0%</td><td>9.0%</td><td>9.0%</td> </tr> <tr> <td>AFUDC % to Net Profit</td><td>4.4%</td><td>4.4%</td><td>10.8%</td><td>7.0%</td><td>6.7%</td><td>6.9%</td><td>8.2%</td><td>6.7%</td><td>6.6%</td><td>3.9%</td><td>4.0%</td><td>3.0%</td><td>4.0%</td><td>3.9%</td><td>6.6%</td><td>6.6%</td><td>6.6%</td><td>6.6%</td><td>3.0%</td> </tr> <tr> <td>Long-Term Debt Ratio</td><td>55.5%</td><td>58.2%</td><td>59.1%</td><td>57.1%</td><td>55.0%</td><td>54.2%</td><td>53.3%</td><td>52.7%</td><td>44.0%</td><td>50.4%</td><td>50.5%</td><td>51.0%</td><td>51.0%</td><td>51.0%</td><td>50.4%</td><td>49.5%</td><td>49.5%</td><td>49.5%</td><td>49.5%</td> </tr> <tr> <td>Common Equity Ratio</td><td>44.5%</td><td>41.8%</td><td>40.9%</td><td>42.9%</td><td>45.0%</td><td>45.8%</td><td>46.7%</td><td>47.3%</td><td>56.0%</td><td>49.6%</td><td>49.5%</td><td>49.5%</td><td>49.5%</td><td>49.5%</td><td>49.6%</td><td>49.5%</td><td>49.5%</td><td>49.5%</td><td>50.5%</td> </tr> <tr> <td>Total Capital (\$mill)</td><td>32474</td><td>35753</td><td>39245</td><td>42009</td><td>44283</td><td>49255</td><td>52159</td><td>59671</td><td>60926</td><td>74548</td><td>77175</td><td>80850</td><td>80850</td><td>80850</td><td>80850</td><td>80850</td><td>80850</td><td>80850</td><td>98400</td> </tr> <tr> <td>Net Plant (\$mill)</td><td>39075</td><td>42490</td><td>49413</td><td>52720</td><td>55705</td><td>61386</td><td>66912</td><td>72416</td><td>70334</td><td>82010</td><td>90175</td><td>98200</td><td>98200</td><td>98200</td><td>98200</td><td>98200</td><td>98200</td><td>98200</td><td>128800</td> </tr> <tr> <td>Return on Total Cap'l</td><td>7.4%</td><td>7.0%</td><td>6.2%</td><td>6.2%</td><td>7.0%</td><td>6.8%</td><td>6.3%</td><td>6.3%</td><td>6.3%</td><td>6.0%</td><td>6.0%</td><td>7.0%</td><td>6.0%</td><td>6.0%</td><td>6.0%</td><td>6.0%</td><td>6.0%</td><td>6.0%</td><td>7.5%</td> </tr> <tr> <td>Return on Shr. Equity</td><td>13.5%</td><td>13.5%</td><td>11.9%</td><td>11.4%</td><td>12.4%</td><td>12.2%</td><td>11.1%</td><td>10.9%</td><td>9.4%</td><td>10.2%</td><td>10.0%</td><td>12.0%</td><td>12.0%</td><td>12.0%</td><td>10.9%</td><td>9.4%</td><td>10.2%</td><td>10.0%</td><td>12.5%</td> </tr> <tr> <td>Return on Com Equity E</td><td>13.5%</td><td>13.5%</td><td>11.9%</td><td>11.4%</td><td>12.4%</td><td>12.2%</td><td>11.1%</td><td>10.9%</td><td>9.4%</td><td>10.2%</td><td>10.0%</td><td>12.0%</td><td>12.0%</td><td>12.0%</td><td>10.9%</td><td>9.4%</td><td>10.2%</td><td>10.0%</td><td>12.5%</td> </tr> <tr> <td>Retained to Com Eq</td><td>7.8%</td><td>7.4%</td><td>5.6%</td><td>5.2%</td><td>6.0%</td><td>6.1%</td><td>4.4%</td><td>4.4%</td><td>3.2%</td><td>3.7%</td><td>2.5%</td><td>4.5%</td><td>4.5%</td><td>4.5%</td><td>3.2%</td><td>3.7%</td><td>2.5%</td><td>4.5%</td><td>4.5%</td> </tr> <tr> <td>All Div's to Net Prof</td><td>42%</td><td>46%</td><td>53%</td><td>54%</td><td>51%</td><td>50%</td><td>60%</td><td>60%</td><td>66%</td><td>64%</td><td>73%</td><td>73%</td><td>73%</td><td>73%</td><td>66%</td><td>64%</td><td>73%</td><td>73%</td><td>66%</td> </tr> </tbody> </table>												Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Revenues per sh	28.27	30.00	38.75	37.47	40.13	37.82	36.39	36.88	33.62	34.80	38.42	37.93	34.52	36.51	34.99	39.27	40.30	42.85	49.50	"Cash Flow" per sh	5.60	6.18	6.77	6.85	8.03	8.75	9.62	9.29	8.69	10.54	12.10	12.92	12.97	12.11	15.37	16.87	17.40	20.00	23.75	Earnings per sh A	2.46	2.32	3.23	3.27	4.07	3.97	4.74	4.82	4.56	4.83	5.60	6.06	5.78	6.50	6.67	7.76	7.65	9.75	12.25	Div'd Decl'd per sh B = †	1.30	1.42	1.50	1.64	1.78	1.89	2.00	2.20	2.40	2.64	2.90	3.08	3.48	3.93	4.44	5.00	5.60	6.16	8.20	Cap'l Spending per sh	3.75	4.09	9.22	12.32	12.80	14.52	13.89	15.93	22.31	15.36	15.84	18.17	20.59	22.80	27.21	25.15	26.40	26.55	25.75	Book Value per sh C	20.25	21.52	24.49	26.35	28.57	31.35	34.36	35.92	37.90	41.47	44.96	48.97	52.01	59.89	71.43	75.67	77.60	81.25	98.75	Common Shs Outst'g D	372.24	394.85	405.40	407.35	408.92	413.62	420.86	416.00	424.00	435.00	443.00	461.00	468.00	471.00	478.00	489.00	490.00	490.00	505.00	Avg Ann'l P/E Ratio	13.6	17.9	13.7	18.9	14.5	13.4	10.8	11.5	14.4	16.6	17.3	16.9	20.7	21.6	24.8	26.8	26.8	26.5	22.0	Relative P/E Ratio	.72	.95	.74	1.00	.87	.89	69	.72	.92	.93	.91	.85	1.09	1.09	1.34	1.44	1.44	1.44	1.20	Avg Ann'l Div'd Yield	3.9%	3.4%	3.4%	2.7%	3.0%	3.5%	3.9%	4.0%	3.6%	3.3%	3.0%	3.0%	2.9%	2.8%	2.7%	2.4%	2.4%	2.4%	3.0%	Revenues (\$mill)	15317	15341	14256	15136	17021	17486	16155	17195	16727	19204	19750	21000	21000	21000	21000	21000	21000	21000	25000	Net Profit (\$mill)	1957.0	2021.0	1911.0	2062.0	2465.0	2752.0	2693.0	3074.0	3200.0	3769.0	3765	4805	4805	4805	4805	4805	4805	4805	6270	Income Tax Rate	21.4%	22.4%	26.6%	26.9%	32.3%	30.8%	29.3%	24.4%	28.6%	11.7%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	AFUDC % to Net Profit	4.4%	4.4%	10.8%	7.0%	6.7%	6.9%	8.2%	6.7%	6.6%	3.9%	4.0%	3.0%	4.0%	3.9%	6.6%	6.6%	6.6%	6.6%	3.0%	Long-Term Debt Ratio	55.5%	58.2%	59.1%	57.1%	55.0%	54.2%	53.3%	52.7%	44.0%	50.4%	50.5%	51.0%	51.0%	51.0%	50.4%	49.5%	49.5%	49.5%	49.5%	Common Equity Ratio	44.5%	41.8%	40.9%	42.9%	45.0%	45.8%	46.7%	47.3%	56.0%	49.6%	49.5%	49.5%	49.5%	49.5%	49.6%	49.5%	49.5%	49.5%	50.5%	Total Capital (\$mill)	32474	35753	39245	42009	44283	49255	52159	59671	60926	74548	77175	80850	80850	80850	80850	80850	80850	80850	98400	Net Plant (\$mill)	39075	42490	49413	52720	55705	61386	66912	72416	70334	82010	90175	98200	98200	98200	98200	98200	98200	98200	128800	Return on Total Cap'l	7.4%	7.0%	6.2%	6.2%	7.0%	6.8%	6.3%	6.3%	6.3%	6.0%	6.0%	7.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	7.5%	Return on Shr. Equity	13.5%	13.5%	11.9%	11.4%	12.4%	12.2%	11.1%	10.9%	9.4%	10.2%	10.0%	12.0%	12.0%	12.0%	10.9%	9.4%	10.2%	10.0%	12.5%	Return on Com Equity E	13.5%	13.5%	11.9%	11.4%	12.4%	12.2%	11.1%	10.9%	9.4%	10.2%	10.0%	12.0%	12.0%	12.0%	10.9%	9.4%	10.2%	10.0%	12.5%	Retained to Com Eq	7.8%	7.4%	5.6%	5.2%	6.0%	6.1%	4.4%	4.4%	3.2%	3.7%	2.5%	4.5%	4.5%	4.5%	3.2%	3.7%	2.5%	4.5%	4.5%	All Div's to Net Prof	42%	46%	53%	54%	51%	50%	60%	60%	66%	64%	73%	73%	73%	73%	66%	64%	73%	73%	66%
Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
Revenues per sh	28.27	30.00	38.75	37.47	40.13	37.82	36.39	36.88	33.62	34.80	38.42	37.93	34.52	36.51	34.99	39.27	40.30	42.85	49.50																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
"Cash Flow" per sh	5.60	6.18	6.77	6.85	8.03	8.75	9.62	9.29	8.69	10.54	12.10	12.92	12.97	12.11	15.37	16.87	17.40	20.00	23.75																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Earnings per sh A	2.46	2.32	3.23	3.27	4.07	3.97	4.74	4.82	4.56	4.83	5.60	6.06	5.78	6.50	6.67	7.76	7.65	9.75	12.25																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Div'd Decl'd per sh B = †	1.30	1.42	1.50	1.64	1.78	1.89	2.00	2.20	2.40	2.64	2.90	3.08	3.48	3.93	4.44	5.00	5.60	6.16	8.20																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Cap'l Spending per sh	3.75	4.09	9.22	12.32	12.80	14.52	13.89	15.93	22.31	15.36	15.84	18.17	20.59	22.80	27.21	25.15	26.40	26.55	25.75																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Book Value per sh C	20.25	21.52	24.49	26.35	28.57	31.35	34.36	35.92	37.90	41.47	44.96	48.97	52.01	59.89	71.43	75.67	77.60	81.25	98.75																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Common Shs Outst'g D	372.24	394.85	405.40	407.35	408.92	413.62	420.86	416.00	424.00	435.00	443.00	461.00	468.00	471.00	478.00	489.00	490.00	490.00	505.00																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Avg Ann'l P/E Ratio	13.6	17.9	13.7	18.9	14.5	13.4	10.8	11.5	14.4	16.6	17.3	16.9	20.7	21.6	24.8	26.8	26.8	26.5	22.0																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Relative P/E Ratio	.72	.95	.74	1.00	.87	.89	69	.72	.92	.93	.91	.85	1.09	1.09	1.34	1.44	1.44	1.44	1.20																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Avg Ann'l Div'd Yield	3.9%	3.4%	3.4%	2.7%	3.0%	3.5%	3.9%	4.0%	3.6%	3.3%	3.0%	3.0%	2.9%	2.8%	2.7%	2.4%	2.4%	2.4%	3.0%																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Revenues (\$mill)	15317	15341	14256	15136	17021	17486	16155	17195	16727	19204	19750	21000	21000	21000	21000	21000	21000	21000	25000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Net Profit (\$mill)	1957.0	2021.0	1911.0	2062.0	2465.0	2752.0	2693.0	3074.0	3200.0	3769.0	3765	4805	4805	4805	4805	4805	4805	4805	6270																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Income Tax Rate	21.4%	22.4%	26.6%	26.9%	32.3%	30.8%	29.3%	24.4%	28.6%	11.7%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
AFUDC % to Net Profit	4.4%	4.4%	10.8%	7.0%	6.7%	6.9%	8.2%	6.7%	6.6%	3.9%	4.0%	3.0%	4.0%	3.9%	6.6%	6.6%	6.6%	6.6%	3.0%																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Long-Term Debt Ratio	55.5%	58.2%	59.1%	57.1%	55.0%	54.2%	53.3%	52.7%	44.0%	50.4%	50.5%	51.0%	51.0%	51.0%	50.4%	49.5%	49.5%	49.5%	49.5%																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Common Equity Ratio	44.5%	41.8%	40.9%	42.9%	45.0%	45.8%	46.7%	47.3%	56.0%	49.6%	49.5%	49.5%	49.5%	49.5%	49.6%	49.5%	49.5%	49.5%	50.5%																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Total Capital (\$mill)	32474	35753	39245	42009	44283	49255	52159	59671	60926	74548	77175	80850	80850	80850	80850	80850	80850	80850	98400																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Net Plant (\$mill)	39075	42490	49413	52720	55705	61386	66912	72416	70334	82010	90175	98200	98200	98200	98200	98200	98200	98200	128800																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Return on Total Cap'l	7.4%	7.0%	6.2%	6.2%	7.0%	6.8%	6.3%	6.3%	6.3%	6.0%	6.0%	7.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	7.5%																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Return on Shr. Equity	13.5%	13.5%	11.9%	11.4%	12.4%	12.2%	11.1%	10.9%	9.4%	10.2%	10.0%	12.0%	12.0%	12.0%	10.9%	9.4%	10.2%	10.0%	12.5%																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Return on Com Equity E	13.5%	13.5%	11.9%	11.4%	12.4%	12.2%	11.1%	10.9%	9.4%	10.2%	10.0%	12.0%	12.0%	12.0%	10.9%	9.4%	10.2%	10.0%	12.5%																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Retained to Com Eq	7.8%	7.4%	5.6%	5.2%	6.0%	6.1%	4.4%	4.4%	3.2%	3.7%	2.5%	4.5%	4.5%	4.5%	3.2%	3.7%	2.5%	4.5%	4.5%																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
All Div's to Net Prof	42%	46%	53%	54%	51%	50%	60%	60%	66%	64%	73%	73%	73%	73%	66%	64%	73%	73%	66%																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
<b>CAPITAL STRUCTURE as of 6/30/20</b> Total Debt \$46544 mill. Due in 5 Yrs \$20425 mill. LT Debt \$42667 mill. LT Interest \$1668 mill. (LT interest earned: 3.5x)										<table border="1"> <thead> <tr> <th>Year</th><th>2004</th><th>2005</th><th>2006</th><th>2007</th><th>2008</th><th>2009</th><th>2010</th><th>2011</th><th>2012</th><th>2013</th><th>2014</th><th>2015</th><th>2016</th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th> </tr> </thead> <tbody> <tr> <td>Revenues (\$mill)</td><td>15317</td><td>15341</td><td>14256</td><td>15136</td><td>17021</td><td>17486</td><td>16155</td><td>17195</td><td>16727</td><td>19204</td><td>19750</td><td>21000</td><td>21000</td><td>21000</td><td>21000</td><td>21000</td><td>21000</td><td>21000</td><td>25000</td> </tr> <tr> <td>Net Profit (\$mill)</td><td>1957.0</td><td>2021.0</td><td>1911.0</td><td>2062.0</td><td>2465.0</td><td>2752.0</td><td>2693.0</td><td>3074.0</td><td>3200.0</td><td>3769.0</td><td>3765</td><td>4805</td><td>4805</td><td>4805</td><td>4805</td><td>4805</td><td>4805</td><td>4805</td><td>6270</td> </tr> <tr> <td>Income Tax Rate</td><td>21.4%</td><td>22.4%</td><td>26.6%</td><td>26.9%</td><td>32.3%</td><td>30.8%</td><td>29.3%</td><td>24.4%</td><td>28.6%</td><td>11.7%</td><td>9.0%</td><td>9.0%</td><td>9.0%</td><td>9.0%</td><td>9.0%</td><td>9.0%</td><td>9.0%</td><td>9.0%</td><td>9.0%</td> </tr> <tr> <td>AFUDC % to Net Profit</td><td>4.4%</td><td>4.4%</td><td>10.8%</td><td>7.0%</td><td>6.7%</td><td>6.9%</td><td>8.2%</td><td>6.7%</td><td>6.6%</td><td>3.9%</td><td>4.0%</td><td>3.0%</td><td>4.0%</td><td>3.9%</td><td>6.6%</td><td>6.6%</td><td>6.6%</td><td>6.6%</td><td>3.0%</td> </tr> <tr> <td>Long-Term Debt Ratio</td><td>55.5%</td><td>58.2%</td><td>59.1%</td><td>57.1%</td><td>55.0%</td><td>54.2%</td><td>53.3%</td><td>52.7%</td><td>44.0%</td><td>50.4%</td><td>50.5%</td><td>51.0%</td><td>51.0%</td><td>51.0%</td><td>50.4%</td><td>49.5%</td><td>49.5%</td><td>49.5%</td><td>49.5%</td> </tr> <tr> <td>Common Equity Ratio</td><td>44.5%</td><td>41.8%</td><td>40.9%</td><td>42.9%</td><td>45.0%</td><td>45.8%</td><td>46.7%</td><td>47.3%</td><td>56.0%</td><td>49.6%</td><td>49.5%</td><td>49.5%</td><td>49.5%</td><td>49.5%</td><td>49.6%</td><td>49.5%</td><td>49.5%</td><td>49.5%</td><td>50.5%</td> </tr> <tr> <td>Total Capital (\$mill)</td><td>32474</td><td>35753</td><td>39245</td><td>42009</td><td>44283</td><td>49255</td><td>52159</td><td>59671</td><td>60926</td><td>74548</td><td>77175</td><td>80850</td><td>80850</td><td>80850</td><td>80850</td><td>80850</td><td>80850</td><td>80850</td><td>98400</td> </tr> <tr> <td>Net Plant (\$mill)</td><td>39075</td><td>42490</td><td>49413</td><td>52720</td><td>55705</td><td>61386</td><td>66912</td><td>72416</td><td>70334</td><td>82010</td><td>90175</td><td>98200</td><td>98200</td><td>98200</td><td>98200</td><td>98200</td><td>98200</td><td>98200</td><td>128800</td> </tr> <tr> <td>Return on Total Cap'l</td><td>7.4%</td><td>7.0%</td><td>6.2%</td><td>6.2%</td><td>7.0%</td><td>6.8%</td><td>6.3%</td><td>6.3%</td><td>6.3%</td><td>6.0%</td><td>6.0%</td><td>7.0%</td><td>6.0%</td><td>6.0%</td><td>6.0%</td><td>6.0%</td><td>6.0%</td><td>6.0%</td><td>7.5%</td> </tr> <tr> <td>Return on Shr. 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Equity	13.5%	13.5%	11.9%	11.4%	12.4%	12.2%	11.1%	10.9%	9.4%	10.2%	10.0%	12.0%	12.0%	12.0%	10.9%	9.4%	10.2%	10.0%	12.5%	Return on Com Equity E	13.5%	13.5%	11.9%	11.4%	12.4%	12.2%	11.1%	10.9%	9.4%	10.2%	10.0%	12.0%	12.0%	12.0%	10.9%	9.4%	10.2%	10.0%	12.5%	Retained to Com Eq	7.8%	7.4%	5.6%	5.2%	6.0%	6.1%	4.4%	4.4%	3.2%	3.7%	2.5%	4.5%	4.5%	4.5%	3.2%	3.7%	2.5%	4.5%	4.5%	All Div's to Net Prof	42%	46%	53%	54%	51%	50%	60%	60%	66%	64%	73%	73%	73%	73%	66%	64%	73%	73%	66%																																																																																																																																																																																																								
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Long-Term Debt Ratio	55.5%	58.2%	59.1%	57.1%	55.0%	54.2%	53.3%	52.7%	44.0%	50.4%	50.5%	51.0%	51.0%	51.0%	50.4%	49.5%	49.5%	49.5%	49.5%																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
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<b>Pension Assets-12/19 \$4800 mill.</b> <b>Pfd Stock None</b> <b>Common Stock 489,647,761 shs.</b>										<table border="1"> <thead> <tr> <th>Year</th><th>2004</th><th>2005</th><th>2006</th><th>2007</th><th>2008</th><th>2009</th><th>2010</th><th>2011</th><th>2012</th><th>2013</th><th>2014</th><th>2015</th><th>2016</th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th> </tr> </thead> <tbody> <tr> <td>Total Capital (\$mill)</td><td>32474</td><td>35753</td><td>39245</td><td>42009</td><td>44283</td><td>49255</td><td>52159</td><td>59671</td><td>60926</td><td>74548</td><td>77175</td><td>80850</td><td>80850</td><td>80850</td><td>80850</td><td>80850</td><td>80850</td><td>80850</td><td>98400</td> </tr> <tr> <td>Net Plant (\$mill)</td><td>39075</td><td>42490</td><td>49413</td><td>52720</td><td>55705</td><td>61386</td><td>66912</td><td>72416</td><td>70334</td><td>82010</td><td>90175</td><td>98200</td><td>98200</td><td>98200</td><td>98200</td><td>98200</td><td>98200</td><td>98200</td><td>128800</td> </tr> <tr> <td>Return on Total Cap'l</td><td>7.4%</td><td>7.0%</td><td>6.2%</td><td>6.2%</td><td>7.0%</td><td>6.8%</td><td>6.3%</td><td>6.3%</td><td>6.3%</td><td>6.0%</td><td>6.0%</td><td>7.0%</td><td>6.0%</td><td>6.0%</td><td>6.0%</td><td>6.0%</td><td>6.0%</td><td>6.0%</td><td>7.5%</td> </tr> <tr> <td>Return on Shr. Equity</td><td>13.5%</td><td>13.5%</td><td>11.9%</td><td>11.4%</td><td>12.4%</td><td>12.2%</td><td>11.1%</td><td>10.9%</td><td>9.4%</td><td>10.2%</td><td>10.0%</td><td>12.0%</td><td>12.0%</td><td>12.0%</td><td>10.9%</td><td>9.4%</td><td>10.2%</td><td>10.0%</td><td>12.5%</td> </tr> <tr> <td>Return on Com Equity E</td><td>13.5%</td><td>13.5%</td><td>11.9%</td><td>11.4%</td><td>12.4%</td><td>12.2%</td><td>11.1%</td><td>10.9%</td><td>9.4%</td><td>10.2%</td><td>10.0%</td><td>12.0%</td><td>12.0%</td><td>12.0%</td><td>10.9%</td><td>9.4%</td><td>10.2%</td><td>10.0%</td><td>12.5%</td> </tr> <tr> <td>Retained to Com Eq</td><td>7.8%</td><td>7.4%</td><td>5.6%</td><td>5.2%</td><td>6.0%</td><td>6.1%</td><td>4.4%</td><td>4.4%</td><td>3.2%</td><td>3.7%</td><td>2.5%</td><td>4.5%</td><td>4.5%</td><td>4.5%</td><td>3.2%</td><td>3.7%</td><td>2.5%</td><td>4.5%</td><td>4.5%</td> </tr> <tr> <td>All Div's to Net Prof</td><td>42%</td><td>46%</td><td>53%</td><td>54%</td><td>51%</td><td>50%</td><td>60%</td><td>60%</td><td>66%</td><td>64%</td><td>73%</td><td>73%</td><td>73%</td><td>73%</td><td>66%</td><td>64%</td><td>73%</td><td>73%</td><td>66%</td> </tr> </tbody> </table>												Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total Capital (\$mill)	32474	35753	39245	42009	44283	49255	52159	59671	60926	74548	77175	80850	80850	80850	80850	80850	80850	80850	98400	Net Plant (\$mill)	39075	42490	49413	52720	55705	61386	66912	72416	70334	82010	90175	98200	98200	98200	98200	98200	98200	98200	128800	Return on Total Cap'l	7.4%	7.0%	6.2%	6.2%	7.0%	6.8%	6.3%	6.3%	6.3%	6.0%	6.0%	7.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	7.5%	Return on Shr. Equity	13.5%	13.5%	11.9%	11.4%	12.4%	12.2%	11.1%	10.9%	9.4%	10.2%	10.0%	12.0%	12.0%	12.0%	10.9%	9.4%	10.2%	10.0%	12.5%	Return on Com Equity E	13.5%	13.5%	11.9%	11.4%	12.4%	12.2%	11.1%	10.9%	9.4%	10.2%	10.0%	12.0%	12.0%	12.0%	10.9%	9.4%	10.2%	10.0%	12.5%	Retained to Com Eq	7.8%	7.4%	5.6%	5.2%	6.0%	6.1%	4.4%	4.4%	3.2%	3.7%	2.5%	4.5%	4.5%	4.5%	3.2%	3.7%	2.5%	4.5%	4.5%	All Div's to Net Prof	42%	46%	53%	54%	51%	50%	60%	60%	66%	64%	73%	73%	73%	73%	66%	64%	73%	73%	66%																																																																																																																																																																																																																																																																																																																																
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<b>MARKET CAP: \$136 billion (Large Cap)</b> <b>ELECTRIC OPERATING STATISTICS F</b> 2017 2018 2019 % Change Retail Sales (KWH) -9 +1.4 +1.7 Avg. Indust. Use (MWH) NA NA NA Avg. Indust. Revs. per KWH (c) NA 6.40 6.39 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 +1.8										<p><b>NextEra Energy stock is an outlier in what has been a poor year for most utility issues.</b> The prices of most equities in this industry have declined, and in many cases by more than 10%. By contrast, NextEra's quotation has surged more than 15%. Investors like the company's combination of solid utility operations that are earning healthy returns on equity, a growing nonutility subsidiary that is focused on renewable energy, and strong finances (Financial Strength: A+). NextEra's acquisition of Gulf Power, in northern Florida, is expected to add \$0.15 and \$0.20 to share net this year and next, respectively. Although we expect a modest decline in share profits in 2020, this is because of first-quarter mark-to-market accounting charges and losses on the nuclear decommissioning trusts for NextEra's non-regulated nuclear units. We estimate much-greater profits in 2021, in line with management's targeted range of \$9.40-\$9.95 a share.</p> <p><b>The weak economy hasn't affected NextEra much.</b> The stay-at-home orders boosted residential kilowatt-hour sales. On the commercial side, even businesses that were shut had to keep the air conditioning on for building maintenance. And Florida Power &amp; Light has regulatory mechanisms to offset the effects of any slump in kilowatt-hour sales or increases in bad-debt expense. Meanwhile, the coronavirus has not hampered NextEra Energy Resources' renewable-energy efforts. In the second quarter, this subsidiary added 1,730 megawatts to its backlog, which is now 14,400 mw. This business now has 21,900 mw of generating capacity.</p> <p><b>NextEra expects the Mountain Valley Pipeline to be in service in early 2021.</b> The 31%-owned project has had significant delays and cost increases due to litigation. The company is now saying the total cost is expected to be \$5.4 billion-\$5.7 billion, up from \$5.4 billion previously.</p> <p><b>This top-quality stock is expensively priced.</b> The dividend yield is well below the utility average, and not significantly different from the median of all dividend-paying issues under our coverage. With the recent quotation within our 2023-2025 Target Price Range, total return potential is low.</p> <p>Paul E. Debbas, CFA August 14, 2020</p>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										
<b>ANNUAL RATES</b> Past 10 Yrs. Past 5 Yrs. Est'd '17-'19 of change (per sh) Revenues -5% 5% 5.0% "Cash Flow" 6.5% 7.0% 8.0% Earnings 6.5% 7.0% 10.0% Dividends 9.5% 11.0% 10.5% Book Value 9.0% 10.5% 6.0%										<table border="1"> <thead> <tr> <th>Cal-endar</th><th>QUARTERLY REVENUES (\$ mill.)</th><th>Full Year</th> </tr> <tr> <th></th><th>Mar.31 Jun.30 Sep.30 Dec.31</th><th></th> </tr> </thead> <tbody> <tr> <td>2017</td><td>3972 4404 4808 4011</td><td>17195</td> </tr> <tr> <td>2018</td><td>3857 4063 4416 4391</td><td>16727</td> </tr> <tr> <td>2019</td><td>4075 4970 5572 4587</td><td>19204</td> </tr> <tr> <td>2020</td><td>4613 4204 6000 4933</td><td>19750</td> </tr> <tr> <td>2021</td><td>4800 4800 6300 5100</td><td>21000</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Cal-endar</th><th>EARNINGS PER SHARE A</th><th>Full Year</th> </tr> <tr> <th></th><th>Mar.31 Jun.30 Sep.30 Dec.31</th><th></th> </tr> </thead> <tbody> <tr> <td>2017</td><td>1.90 1.68 1.79 1.13</td><td>6.50</td> </tr> <tr> <td>2018</td><td>2.06 1.64 2.10 .88</td><td>6.67</td> </tr> <tr> <td>2019</td><td>1.41 2.56 1.81 1.99</td><td>7.76</td> </tr> <tr> <td>2020</td><td>.86 2.59 2.45 1.75</td><td>7.65</td> </tr> <tr> <td>2021</td><td>2.55 2.70 2.65 1.85</td><td>9.75</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Cal-endar</th><th>QUARTERLY DIVIDENDS PAID B = †</th><th>Full Year</th> </tr> <tr> <th></th><th>Mar.31 Jun.30 Sep.30 Dec.31</th><th></th> </tr> </thead> <tbody> <tr> <td>2016</td><td>.87 .87 .87 .87</td><td>3.48</td> </tr> <tr> <td>2017</td><td>.9825 .9825 .9825 .9825</td><td>3.93</td> </tr> <tr> <td>2018</td><td>1.11 1.11 1.11 1.11</td><td>4.44</td> </tr> <tr> <td>2019</td><td>1.25 1.25 1.25 1.25</td><td>5.00</td> </tr> <tr> <td>2020</td><td>1.40 1.40</td><td></td> </tr> </tbody> </table>												Cal-endar	QUARTERLY REVENUES (\$ mill.)	Full Year		Mar.31 Jun.30 Sep.30 Dec.31		2017	3972 4404 4808 4011	17195	2018	3857 4063 4416 4391	16727	2019	4075 4970 5572 4587	19204	2020	4613 4204 6000 4933	19750	2021	4800 4800 6300 5100	21000	Cal-endar	EARNINGS PER SHARE A	Full Year		Mar.31 Jun.30 Sep.30 Dec.31		2017	1.90 1.68 1.79 1.13	6.50	2018	2.06 1.64 2.10 .88	6.67	2019	1.41 2.56 1.81 1.99	7.76	2020	.86 2.59 2.45 1.75	7.65	2021	2.55 2.70 2.65 1.85	9.75	Cal-endar	QUARTERLY DIVIDENDS PAID B = †	Full Year		Mar.31 Jun.30 Sep.30 Dec.31		2016	.87 .87 .87 .87	3.48	2017	.9825 .9825 .9825 .9825	3.93	2018	1.11 1.11 1.11 1.11	4.44	2019	1.25 1.25 1.25 1.25	5.00	2020	1.40 1.40																																																																																																																																																																																																																																																																																																																																																																																																																																	
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<b>(A)</b> Diluted EPS. Excl. nonrecurr. gains (losses): '11, (24c); '13, (80c); '16, 47c; '17, 91c; '18, \$7.19; gain on disc. ops.: '13, 44c; '18 & '19 EPS don't sum due to rounding. Next earnings report due late Oct. (B) Div's historically paid in mid-Mar., mid-June, mid-Sept., & mid-Dec. Div'd reinvestment plan avail. † Shareholder investment plan avail. (C) Incl. deferred charges.										<p>In '19: \$18.26/sh. (D) In mill., adj. for stock split. (E) Rate allowed on com. eq. in '17 (FPL): 9.6%-11.6%; earned on avg. com. eq.: '19: 10.6%. Regulatory Climate: Avg. (F) FPL only.</p>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										
© 2020 Value Line, Inc. All rights reserved. Factual material is based on sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.										<p>Company's Financial Strength A+                      Stock's</p>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										

OGE ENERGY CORP. NYSE-OGE										RECENT PRICE	PIE RATIO		RELATIVE PIE RATIO	DIV'D YLD	VALUE LINE
<b>TIMELINESS</b> 3 Lowered 3/6/20 <b>SAFETY</b> 2 Lowered 12/18/15 <b>TECHNICAL</b> 3 Lowered 5/1/20 <b>BETA</b> 1.05 (1.00 = Market) <b>18-Month Target Price Range</b> Low-High Midpoint (% to Mid) \$23-\$61 \$42 (30%) <b>2023-25 PROJECTIONS</b> High Price Gain Ann'l Total Return Low 40 (+25%) 18% 10%										31.86	15.0	0.70	5.1%		
<b>LEGENDS</b> 0.76 x Dividends p sh divided by Interest Rate Relative Price Strength 2-for-1 split 7/13 Options: Yes Shaded area indicates recession										31.86	15.0	0.70	5.1%		
<b>High:</b> 18.9 23.1 28.6 30.1 40.0 39.3 36.5 34.2 37.4 41.8 45.8 46.4 <b>Low:</b> 9.9 16.9 20.3 25.1 27.7 32.8 24.2 23.4 32.6 29.6 38.0 23.0										31.86	15.0	0.70	5.1%		
<b>Target Price Range</b> 2023 2024 2025										31.86	15.0	0.70	5.1%		
<b>2023-25 PROJECTIONS</b> High Price Gain Ann'l Total Return Low 40 (+25%) 18% 10%										31.86	15.0	0.70	5.1%		
<b>Institutional Decisions</b> 402619 102028 202028 to Buy 205 176 203 to Sell 185 221 182 Hld's(000) 133273 128589 129209										31.86	15.0	0.70	5.1%		
<b>Percent</b> 18 <b>shares</b> 12 <b>traded</b> 6										31.86	15.0	0.70	5.1%		
<b>% TOT. RETURN 8/20</b> THIS STOCK VL ARTH. INDEX 1 yr. -23.1 8.7 3 yr. -0.5 17.6 5 yr. 36.7 45.6										31.86	15.0	0.70	5.1%		
<b>2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021</b>										31.86	15.0	0.70	5.1%		
<b>Revenues per sh</b> 13.75 <b>"Cash Flow" per sh</b> 5.00 <b>Earnings per sh</b> 2.50 <b>Div'd Decl'd per sh</b> 1.95 <b>Cap'l Spending per sh</b> 3.75 <b>Book Value per sh</b> 20.50 <b>Common Shs Outst'g</b> 200.00 <b>Avg Ann'l P/E Ratio</b> 19.5 <b>Relative P/E Ratio</b> 1.10 <b>Avg Ann'l Div'd Yield</b> 4.0%										31.86	15.0	0.70	5.1%		
<b>Revenues (\$mill)</b> 2750 <b>Net Profit (\$mill)</b> 505 <b>Income Tax Rate</b> 13.0% <b>AFUDC % to Net Profit</b> 2.0% <b>Long-Term Debt Ratio</b> 49.0% <b>Common Equity Ratio</b> 51.0% <b>Total Capital (\$mill)</b> 8050 <b>Net Plant (\$mill)</b> 10325 <b>Return on Total Cap'l</b> 7.5% <b>Return on Shr. Equity</b> 12.0% <b>Return on Com Eq</b> 12.0% <b>Retained to Com Eq</b> 2.5% <b>All Div's to Net Prof</b> 78%										31.86	15.0	0.70	5.1%		
<b>Leases, Uncapitalized Annual rentals \$6.2 mill.</b> <b>Pension Assets-12/19 \$530.3 mill. Oblig \$616.9 mill.</b> <b>Pfd Stock None</b> <b>Common Stock 200,169,838 shs.</b>										31.86	15.0	0.70	5.1%		
<b>MARKET CAP: \$6.4 billion (Large Cap)</b> <b>ELECTRIC OPERATING STATISTICS</b> 2017 2018 2019 % Change Retail Sales (KWh) -2.2 +6.8 +1.1 Avg. Indust. Use (KWh) NA NA NA Avg. Indust. Rev. per KWh (c) 5.30 4.96 4.69 Capacity at Peak (Mw) NA NA NA Peak Load, Summer (Mw) 6456 6863 6817 Annual Load Factor (%) NA NA NA % Change Customers (yrend) +1.0 +9 +1.0										31.86	15.0	0.70	5.1%		
<b>Fixed Charge Cov. (%)</b> 315 292 335 <b>ANNUAL RATES</b> Past 5 Yrs. Past 5 Yrs. Est'd 17-'19 of change (per sh) 10 Yrs. to 23-'25 Revenues -5.0% -5.5% 3.5% "Cash Flow" 4.0% 1.0% 5.0% Earnings 5.0% 2.0% 3.0% Dividends 7.0% 10.0% 6.0% Book Value 7.0% 5.5% .5%										31.86	15.0	0.70	5.1%		
<b>QUARTERLY REVENUES (\$ mill.)</b> Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2017 456.0 586.4 716.8 501.9 2261.1 2018 492.7 567.0 698.8 511.8 2270.3 2019 490.0 513.7 755.4 472.5 2231.6 2020 431.3 503.5 715.2 450 2100 2021 500 550 750 500 2300										31.86	15.0	0.70	5.1%		
<b>EARNINGS PER SHARE</b> Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2017 .18 .52 .32 .30 1.92 2018 .27 .55 1.02 .27 2.12 2019 .24 .50 1.25 .26 2.24 2020 .23 .51 1.13 .23 2.10 2021 .25 .55 1.20 .25 2.25										31.86	15.0	0.70	5.1%		
<b>QUARTERLY DIVIDENDS PAID</b> Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2016 .275 .275 .275 .3025 1.13 2017 .3025 .3025 .3025 .3325 1.24 2018 .3325 .3325 .3325 .365 1.36 2019 .365 .365 .365 .3875 1.48 2020 .3875 .3875 .3875										31.86	15.0	0.70	5.1%		
<b>COMPANY FINANCIAL STRENGTH</b> A 80 <b>Stock's Price Stability</b> 40 <b>Price Growth Persistence</b> 80 <b>Earnings Predictability</b> 85										31.86	15.0	0.70	5.1%		
<b>Business:</b> OGE Energy Corp. is a holding company for Oklahoma Gas and Electric Company (OG&E), which supplies electricity to 858,000 customers in Oklahoma (84% of electric revenues) and western Arkansas (8%); wholesale is (8%). Owns 25.5% of Enable Midstream Partners. Electric revenue breakdown: residential, 40%; commercial, 23%; industrial, 10%; oilfield, 9%; other, 18%. Generation sources: gas, 35%; coal, 15%; wind, 5%; purchased, 45%. Fuel costs: 35% of revenues. '19 reported depreciation rate (utility): 2.7%. Has 2,400 employees. Chairman, President and Chief Executive Officer: Sean Trauschke. Incorporated: Oklahoma. Address: 321 North Harvey, P.O. Box 321, Oklahoma City, Oklahoma 73101-0321. Telephone: 405-553-3000. Internet: www.oge.com.										31.86	15.0	0.70	5.1%		
<b>The price of Enable Midstream Partners stock continues to affect the price of OGE Energy stock.</b> OGE has a 25.5% stake in the midstream natural gas master limited partnership. Enable has been hurt by reduced activity in the gas and oil sector this year, so its units have lost nearly 50% of their value since the start of 2020. The distributions that OGE receives from Enable have been halved. In addition, OGE took a pretax charge of \$780 million in the first quarter to write down the value of its stake in Enable. (There will be tax adjustments throughout the remainder of 2020, and the company expects the aftertax nonrecurring charge for the full year to amount to \$590 million.) The price of OGE stock has fallen 28% this year, making this one of the worst-performing equities in the electric utility industry.										31.86	15.0	0.70	5.1%		
<b>We cut our 2020 earnings estimate by \$0.05 a share, to \$2.10.</b> June-quarter profits were a bit below our estimate. Our revised estimate is near the low end of OGE's targeted range of \$2.08-\$2.18 a share, which is unchanged. Earnings are likely to fall short of the 2019 tally due to										31.86	15.0	0.70	5.1%		
<b>OG&amp;E is awaiting a regulatory decision in Oklahoma.</b> The utility is asking the state regulators to approve an \$810 million grid modernization plan. The company wants to recover the costs through a rider (surcharge) on customers' bills. A ruling is expected by yearend.										31.86	15.0	0.70	5.1%		
<b>A dividend increase is likely later this month, effective with the October payment.</b> We estimate a boost of \$0.09 a share (5.8%) in the annual disbursement, and project similar dividend growth over the 3- to 5-year period.										31.86	15.0	0.70	5.1%		
<b>This stock has an attractive yield.</b> This is more than one percentage point above the utility average. Total return potential is strong for the 18-month period and respectable for the pull to 2023-2025.										31.86	15.0	0.70	5.1%		
Paul E. Debbas, CFA September 11, 2020										31.86	15.0	0.70	5.1%		
<b>Next earnings report due early Nov.</b> (A) Diluted EPS. Excl. nonrecurring gain (losses): '04, (3c); '15, (33c); '17, \$1.18; '19, (8c); '20, (\$2.95); gains on discont. ops: '05, '20c; '06, '20c. '18 & '19 EPS don't sum due to rounding. Next earnings report due early Nov. (B) Div's historically paid in late Jan., Apr., July, & Oct. = Div'd reinvestment plan avail. (C) Inc'l. deferred charges. In '19: \$1.53/sh. (D) In mill., adj. for split. (E) Rate base: Net original cost. Rate allowed on com. eq. in OK in '19: 9.5%; in AR in '18: 9.5%; earned on avg. com. eq., '19: 11.0%. Regulatory Climate: Average.										31.86	15.0	0.70	5.1%		
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<b>To subscribe call 1-800-VALUELINE</b>										31.86	15.0	0.70	5.1%		

P.S. ENTERPRISE GP, NYSE-PEG				RECENT PRICE	54.47	P/E RATIO	14.8	(Trailing: 15.9 Median: 14.0)	RELATIVE P/E RATIO	0.69	DIV'D YLD	3.7%	VALUE LINE																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
<b>TIMELINESS</b>	3	Lowered 5/29/20	High: 34.1	34.9	35.5	34.1	37.0	43.8	44.4	47.4	53.3	56.7	63.9	62.1	Target Price 2023	2024	2025																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
<b>SAFETY</b>	1	Raised 11/23/12	Low: 23.7	29.0	28.0	28.9	29.7	31.3	36.8	37.8	41.7	46.2	50.0	34.8																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
<b>TECHNICAL</b>	5	Lowered 8/14/20	<b>LEGENDS</b> - - - - - 0.72 x Dividends p sh divided by Interest Rate ..... Relative Price Strength 2-for-1 split 2/08 Options: Yes Shaded area indicates recession																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
<b>BETA</b>	.90	(1.00 = Market)	<b>18-Month Target Price Range</b> Low-High Midpoint (% to Mid) \$39-\$82 \$61 (10%)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
<b>2023-25 PROJECTIONS</b> High Price 65 Gain (+20%) 8% Low Price 55 (Nil) 4%																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
<b>Institutional Decisions</b> 302019 402019 102020 to Buy 336 415 352 to Sell 365 315 423 Held(1000) 353397 351159 339220 Percent shares traded 30 20																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
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LLC</th><th>23-25</th> </tr> </thead> <tbody> <tr> <td>23.09</td><td>24.74</td><td>24.07</td><td>25.28</td><td>27.94</td><td>24.57</td><td>23.31</td><td>22.42</td><td>19.33</td><td>19.71</td><td>21.52</td><td>20.61</td><td>18.22</td><td>18.14</td><td>19.24</td><td>19.99</td><td>18.60</td><td>19.40</td><td>Revenues per sh</td><td>22.00</td> </tr> <tr> <td>3.02</td><td>3.42</td><td>3.91</td><td>4.36</td><td>4.68</td><td>4.98</td><td>5.27</td><td>5.36</td><td>4.87</td><td>5.17</td><td>5.82</td><td>6.15</td><td>5.07</td><td>5.30</td><td>5.44</td><td>6.76</td><td>6.35</td><td>6.65</td><td>"Cash Flow" per sh<sup>A</sup></td><td>7.50</td> </tr> <tr> <td>1.52</td><td>1.79</td><td>1.85</td><td>2.59</td><td>2.90</td><td>3.08</td><td>3.07</td><td>3.11</td><td>2.44</td><td>2.45</td><td>2.99</td><td>3.30</td><td>2.83</td><td>2.82</td><td>2.76</td><td>3.90</td><td>3.40</td><td>3.60</td><td>Earnings per sh<sup>A</sup></td><td>4.25</td> </tr> <tr> <td>1.10</td><td>1.12</td><td>1.14</td><td>1.17</td><td>1.29</td><td>1.33</td><td>1.37</td><td>1.37</td><td>1.42</td><td>1.44</td><td>1.48</td><td>1.56</td><td>1.64</td><td>1.72</td><td>1.80</td><td>1.88</td><td>1.96</td><td>2.04</td><td>Div'd Decl'd per sh<sup>B</sup> =</td><td>2.30</td> </tr> <tr> <td>2.64</td><td>2.04</td><td>2.01</td><td>2.65</td><td>3.50</td><td>3.55</td><td>4.27</td><td>4.12</td><td>5.09</td><td>5.56</td><td>5.58</td><td>7.65</td><td>8.32</td><td>8.30</td><td>7.76</td><td>6.28</td><td>5.65</td><td>5.25</td><td>Cap'l Spending per sh</td><td>5.25</td> </tr> <tr> <td>12.05</td><td>11.99</td><td>13.35</td><td>14.35</td><td>15.36</td><td>17.37</td><td>19.04</td><td>20.30</td><td>21.31</td><td>22.95</td><td>24.09</td><td>25.86</td><td>26.01</td><td>27.42</td><td>28.53</td><td>29.94</td><td>31.35</td><td>32.90</td><td>Book Value per sh<sup>C</sup></td><td>38.50</td> </tr> <tr> <td>476.20</td><td>502.33</td><td>505.29</td><td>508.52</td><td>506.02</td><td>505.99</td><td>505.97</td><td>505.95</td><td>505.89</td><td>505.86</td><td>505.84</td><td>505.28</td><td>504.87</td><td>505.00</td><td>504.00</td><td>504.00</td><td>505.00</td><td>505.00</td><td>Common Shs Outst'g<sup>D</sup></td><td>505.00</td> </tr> <tr> <td>14.3</td><td>16.5</td><td>17.8</td><td>16.5</td><td>13.6</td><td>10.0</td><td>10.4</td><td>10.4</td><td>12.8</td><td>13.5</td><td>12.6</td><td>12.4</td><td>15.3</td><td>16.3</td><td>18.7</td><td>15.1</td><td>18.1</td><td>15.1</td><td>Bold figures are Value Line estimates</td><td>14.0</td> </tr> <tr> <td>.76</td><td>.88</td><td>.96</td><td>.88</td><td>.82</td><td>.67</td><td>.66</td><td>.65</td><td>.81</td><td>.76</td><td>.66</td><td>.80</td><td>.82</td><td>1.01</td><td>.81</td><td>.81</td><td>.81</td><td>.81</td><td>Avn Ann'l P/E Ratio</td><td>.80</td> </tr> <tr> <td>5.1%</td><td>3.8%</td><td>3.5%</td><td>2.7%</td><td>3.3%</td><td>4.3%</td><td>4.3%</td><td>4.2%</td><td>4.6%</td><td>4.4%</td><td>3.9%</td><td>3.8%</td><td>3.8%</td><td>3.7%</td><td>3.5%</td><td>3.2%</td><td></td><td></td><td>Avn Ann'l Div'd Yield</td><td>3.8%</td> </tr> <tr> <td colspan="18"> <b>CAPITAL STRUCTURE as of 6/30/20</b>                      Total Debt \$16838 mill. Due in 5 Yrs \$8233 mill.                      LT Debt \$13580 mill. LT Interest \$505 mill.                      (LT interest earned: 5.1x)                 </td> </tr> <tr> <td colspan="18"> <table border="1"> <thead> <tr> <th>2004</th><th>2005</th><th>2006</th><th>2007</th><th>2008</th><th>2009</th><th>2010</th><th>2011</th><th>2012</th><th>2013</th><th>2014</th><th>2015</th><th>2016</th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th><th></th><th></th> </tr> </thead> <tbody> <tr> <td>11793</td><td>11343</td><td>9781.0</td><td>9968.0</td><td>10886</td><td>10415</td><td>9198.0</td><td>9161.0</td><td>9696.0</td><td>10076</td><td>9400</td><td>9800</td><td>Revenues (\$mill)</td><td>11500</td> </tr> <tr> <td>1557.0</td><td>1577.0</td><td>1239.0</td><td>1243.0</td><td>1518.0</td><td>1679.0</td><td>1436.0</td><td>1431.0</td><td>1399.0</td><td>1979.0</td><td>1730</td><td>1825</td><td>Net Profit (\$mill)</td><td>2145</td> </tr> <tr> <td>40.5%</td><td>40.4%</td><td>36.2%</td><td>39.5%</td><td>38.2%</td><td>37.4%</td><td>31.7%</td><td>37.3%</td><td>22.3%</td><td>15.9%</td><td>14.5%</td><td>14.5%</td><td>Income Tax Rate</td><td>9.0%</td> </tr> <tr> <td>5.5%</td><td>2.7%</td><td>4.8%</td><td>4.6%</td><td>4.5%</td><td>5.5%</td><td>8.4%</td><td>10.6%</td><td>9.8%</td><td>5.5%</td><td>8.0%</td><td>7.0%</td><td>AFUDC % to Net Profit</td><td>6.0%</td> </tr> <tr> <td>44.8%</td><td>42.1%</td><td>38.3%</td><td>40.4%</td><td>40.4%</td><td>40.3%</td><td>45.3%</td><td>46.6%</td><td>47.8%</td><td>47.7%</td><td>48.0%</td><td>48.5%</td><td>Long-Term Debt Ratio</td><td>50.0%</td> </tr> <tr> <td>55.2%</td><td>57.9%</td><td>61.7%</td><td>59.6%</td><td>59.6%</td><td>59.7%</td><td>53.4%</td><td>52.2%</td><td>52.3%</td><td>52.0%</td><td>51.5%</td><td>51.5%</td><td>Common Equity Ratio</td><td>50.0%</td> </tr> <tr> <td>17452</td><td>17731</td><td>17467</td><td>19470</td><td>20446</td><td>21900</td><td>24025</td><td>25915</td><td>27545</td><td>28832</td><td>30475</td><td>32275</td><td>Total Capital (\$mill)</td><td>38700</td> </tr> <tr> <td>16390</td><td>17849</td><td>19736</td><td>21645</td><td>23589</td><td>26539</td><td>29286</td><td>31797</td><td>34363</td><td>35844</td><td>37300</td><td>38475</td><td>Net Plant (\$mill)</td><td>41700</td> </tr> <tr> <td>10.4%</td><td>10.2%</td><td>8.1%</td><td>7.5%</td><td>8.4%</td><td>8.6%</td><td>6.8%</td><td>6.4%</td><td>6.0%</td><td>7.8%</td><td>6.5%</td><td>6.5%</td><td>Return on Total Cap'l</td><td>6.5%</td> </tr> <tr> <td>16.2%</td><td>15.4%</td><td>11.5%</td><td>10.7%</td><td>12.5%</td><td>12.9%</td><td>10.9%</td><td>10.3%</td><td>9.7%</td><td>13.1%</td><td>11.0%</td><td>11.0%</td><td>Return on Shr. 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PSEG Energy Holdings is involved in renewable energy.                 </td> </tr> <tr> <td colspan="18"> <b>Public Service Enterprise Group is exploring strategic alternatives for the non-nuclear generating assets of its PSEG Power nonutility subsidiary.</b> This includes more than 6,750 megawatts of fossil-fueled (mainly gas) plants and a 467 mw solar portfolio. PSEG Power is expected to produce roughly 20% of corporate profits this year. How much of this amount comes from the non-nuclear plants is unknown. A sale of these assets would be appealing to management because this would reduce the company's business risk and earnings volatility. PSEG expects the process to be completed in 2021, and that it would use the sale proceeds to retire debt at PSEG Power. 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Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.                 </td> </tr> <tr> <td colspan="18"> <b>To subscribe call 1-800-VALUeline</b> </td> </tr> </tbody> </table>																		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25	23.09	24.74	24.07	25.28	27.94	24.57	23.31	22.42	19.33	19.71	21.52	20.61	18.22	18.14	19.24	19.99	18.60	19.40	Revenues per sh	22.00	3.02	3.42	3.91	4.36	4.68	4.98	5.27	5.36	4.87	5.17	5.82	6.15	5.07	5.30	5.44	6.76	6.35	6.65	"Cash Flow" per sh <sup>A</sup>	7.50	1.52	1.79	1.85	2.59	2.90	3.08	3.07	3.11	2.44	2.45	2.99	3.30	2.83	2.82	2.76	3.90	3.40	3.60	Earnings per sh <sup>A</sup>	4.25	1.10	1.12	1.14	1.17	1.29	1.33	1.37	1.37	1.42	1.44	1.48	1.56	1.64	1.72	1.80	1.88	1.96	2.04	Div'd Decl'd per sh <sup>B</sup> =	2.30	2.64	2.04	2.01	2.65	3.50	3.55	4.27	4.12	5.09	5.56	5.58	7.65	8.32	8.30	7.76	6.28	5.65	5.25	Cap'l Spending per sh	5.25	12.05	11.99	13.35	14.35	15.36	17.37	19.04	20.30	21.31	22.95	24.09	25.86	26.01	27.42	28.53	29.94	31.35	32.90	Book Value per sh <sup>C</sup>	38.50	476.20	502.33	505.29	508.52	506.02	505.99	505.97	505.95	505.89	505.86	505.84	505.28	504.87	505.00	504.00	504.00	505.00	505.00	Common Shs Outst'g <sup>D</sup>	505.00	14.3	16.5	17.8	16.5	13.6	10.0	10.4	10.4	12.8	13.5	12.6	12.4	15.3	16.3	18.7	15.1	18.1	15.1	Bold figures are Value Line estimates	14.0	.76	.88	.96	.88	.82	.67	.66	.65	.81	.76	.66	.80	.82	1.01	.81	.81	.81	.81	Avn Ann'l P/E Ratio	.80	5.1%	3.8%	3.5%	2.7%	3.3%	4.3%	4.3%	4.2%	4.6%	4.4%	3.9%	3.8%	3.8%	3.7%	3.5%	3.2%			Avn Ann'l Div'd Yield	3.8%	<b>CAPITAL STRUCTURE as of 6/30/20</b> Total Debt \$16838 mill. 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Equity	11.0%	16.2%	15.4%	11.5%	10.7%	12.5%	12.9%	10.9%	10.3%	9.7%	13.1%	11.0%	11.0%	Return on Com Equity <sup>E</sup>	11.0%	9.0%	8.6%	4.8%	4.4%	6.3%	6.8%	4.6%	4.1%	3.4%	6.8%	4.5%	5.0%	Retained to Com Eq	5.0%	45%	44%	58%	59%	49%	47%	58%	61%	65%	48%	57%	56%	All Div's to Net Prof	54%	<b>MARKET CAP: \$28 billion (Large Cap)</b>																		<b>ELECTRIC OPERATING STATISTICS</b> <table border="1"> <thead> <tr> <th></th><th>2017</th><th>2018</th><th>2019</th> </tr> </thead> <tbody> <tr> <td>% Change Retail Sales (KWh)</td><td>-2.0</td><td>+2.8</td><td>-2.9</td> </tr> <tr> <td>Avg. Indust. Use (MWh)</td><td>NA</td><td>NA</td><td>NA</td> </tr> <tr> <td>Avg. Indust. 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PSE&G is deferring for future recovery coronavirus-related expenses. Much of the utility's capital expenditures are recoverable contemporaneously through regulatory mechanisms, instead of by filing a general rate																		<b>case. These stem from programs to harden the electric and gas system and modernize the gas operations. Increased spending on electric transmission is also benefiting the company's earning power. Unrealized gains on PSEG's nuclear decommissioning trusts made June-quarter results better than we expected, so we raised our earnings estimate by \$0.20 a share, to \$3.40. We look for a 6% profit increase in 2021, as continued growth at PSE&amp;G should outweigh the effects of difficult market conditions at PSEG Power. Note that our estimates include the assets that PSEG wants to sell.</b>																		<b>Finances are strong.</b> The common-equity ratio is healthy, and PSEG has no need to issue equity over the 3- to 5-year period. The fixed-charge coverage is well above the norm for utilities. The company's Financial Strength rating is A+, our highest.																		<b>This high-quality equity has a dividend yield that is average for a utility.</b> Total return potential is about average for the next 18 months, but unexciting for the 3- to 5-year period.																		Paul E. Debbas, CFA August 14, 2020																		<table border="1"> <thead> <tr> <th>Cal-endar</th><th>Mar.31</th><th>Jun.30</th><th>Sep.30</th><th>Dec.31</th><th>Full Year</th> </tr> </thead> <tbody> <tr> <td>2017</td><td>2647</td><td>2155</td><td>2263</td><td>2096</td><td>9161.0</td> </tr> <tr> <td>2018</td><td>2818</td><td>2016</td><td>2394</td><td>2468</td><td>9696.0</td> </tr> <tr> <td>2019</td><td>2980</td><td>2316</td><td>2302</td><td>2478</td><td>10076</td> </tr> <tr> <td>2020</td><td>2781</td><td>2050</td><td>2200</td><td>2369</td><td>9400</td> </tr> <tr> <td>2021</td><td>2900</td><td>2100</td><td>2300</td><td>2500</td><td>9800</td> </tr> </tbody> </table>																		Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	2017	2647	2155	2263	2096	9161.0	2018	2818	2016	2394	2468	9696.0	2019	2980	2316	2302	2478	10076	2020	2781	2050	2200	2369	9400	2021	2900	2100	2300	2500	9800	<table border="1"> <thead> <tr> <th>Cal-endar</th><th>Mar.31</th><th>Jun.30</th><th>Sep.30</th><th>Dec.31</th><th>Full Year</th> </tr> </thead> <tbody> <tr> <td>2017</td><td>.94</td><td>.69</td><td>.78</td><td>.42</td><td>2.82</td> </tr> <tr> <td>2018</td><td>1.10</td><td>.53</td><td>.81</td><td>.32</td><td>2.76</td> </tr> <tr> <td>2019</td><td>1.38</td><td>.86</td><td>.80</td><td>.86</td><td>3.90</td> </tr> <tr> <td>2020</td><td>.88</td><td>.89</td><td>.98</td><td>.65</td><td>3.40</td> </tr> <tr> <td>2021</td><td>1.15</td><td>.80</td><td>1.00</td><td>.65</td><td>3.60</td> </tr> </tbody> </table>																		Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	2017	.94	.69	.78	.42	2.82	2018	1.10	.53	.81	.32	2.76	2019	1.38	.86	.80	.86	3.90	2020	.88	.89	.98	.65	3.40	2021	1.15	.80	1.00	.65	3.60	<table border="1"> <thead> <tr> <th>Cal-endar</th><th>Mar.31</th><th>Jun.30</th><th>Sep.30</th><th>Dec.31</th><th>Full Year</th> </tr> </thead> <tbody> <tr> <td>2016</td><td>.41</td><td>.41</td><td>.41</td><td>.41</td><td>1.64</td> </tr> <tr> <td>2017</td><td>.43</td><td>.43</td><td>.43</td><td>.43</td><td>1.72</td> </tr> <tr> <td>2018</td><td>.45</td><td>.45</td><td>.45</td><td>.45</td><td>1.80</td> </tr> <tr> <td>2019</td><td>.47</td><td>.47</td><td>.47</td><td>.47</td><td>1.88</td> </tr> <tr> <td>2020</td><td>.49</td><td>.49</td><td></td><td></td><td></td> </tr> </tbody> </table>																		Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	2016	.41	.41	.41	.41	1.64	2017	.43	.43	.43	.43	1.72	2018	.45	.45	.45	.45	1.80	2019	.47	.47	.47	.47	1.88	2020	.49	.49				<b>(A)</b> Diluted EPS. Excl. nonrecurr. gains (losses); '06, '12c; '07, '3c; '08, '40c; '11, '13c; '17 EPS avail. (C) Incl. intang. In '19: \$7.50/sh. (D) In '05, (35c); '08, (66c); '09, 6c; '11, (34c); '12, don't sum due to rounding. Next eqs. report mill. adj. for split. (E) Rate base: Net org. cost due late Oct. (B) Div'ds histor. paid in rate. Rate all'd on com. eq. in '18: 9.6%; earned on avg. com. eq., '19: 13.2%. Regu. Climate: Avg. (62c); gains (loss) from disc. ops.: '05, (33c); '06, '12c; '07, '3c; '08, '40c; '11, '13c; '17 EPS avail. (C) Incl. intang. In '19: \$7.50/sh. (D) In '05, (35c); '08, (66c); '09, 6c; '11, (34c); '12, don't sum due to rounding. Next eqs. report mill. adj. for split. (E) Rate base: Net org. cost due late Oct. (B) Div'ds histor. paid in rate. Rate all'd on com. eq. in '18: 9.6%; earned on avg. com. eq., '19: 13.2%. Regu. Climate: Avg.																		© 2020 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.																		<b>To subscribe call 1-800-VALUeline</b>																	
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3.02	3.42	3.91	4.36	4.68	4.98	5.27	5.36	4.87	5.17	5.82	6.15	5.07	5.30	5.44	6.76	6.35	6.65	"Cash Flow" per sh <sup>A</sup>	7.50																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
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<b>CAPITAL STRUCTURE as of 6/30/20</b> Total Debt \$16838 mill. Due in 5 Yrs \$8233 mill. LT Debt \$13580 mill. LT Interest \$505 mill. (LT interest earned: 5.1x)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
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Equity	11.0%	16.2%	15.4%	11.5%	10.7%	12.5%	12.9%	10.9%	10.3%	9.7%	13.1%	11.0%	11.0%	Return on Com Equity <sup>E</sup>	11.0%	9.0%	8.6%	4.8%	4.4%	6.3%	6.8%	4.6%	4.1%	3.4%	6.8%	4.5%	5.0%	Retained to Com Eq	5.0%	45%	44%	58%	59%	49%	47%	58%	61%	65%	48%	57%	56%	All Div's to Net Prof	54%																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
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<b>Business:</b> Public Service Enterprise Group Incorporated is a holding company for Public Service Electric and Gas Company (PSE&G), which serves 2.3 million electric and 1.8 million gas customers in New Jersey, and PSEG Power LLC, a nonregulated power generator with nuclear, gas, and coal-fired plants in the Northeast. PSEG Energy Holdings is involved in renewable energy.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
<b>Public Service Enterprise Group is exploring strategic alternatives for the non-nuclear generating assets of its PSEG Power nonutility subsidiary.</b> This includes more than 6,750 megawatts of fossil-fueled (mainly gas) plants and a 467 mw solar portfolio. PSEG Power is expected to produce roughly 20% of corporate profits this year. How much of this amount comes from the non-nuclear plants is unknown. A sale of these assets would be appealing to management because this would reduce the company's business risk and earnings volatility. PSEG expects the process to be completed in 2021, and that it would use the sale proceeds to retire debt at PSEG Power. PSEG does not expect the move to affect its dividend policy. <b>Public Service Electric and Gas, the regulated utility, has good prospects.</b> Although lockdowns and economic slump have hurt kilowatt-hour sales, the utility has cut costs to offset this. PSE&G is deferring for future recovery coronavirus-related expenses. Much of the utility's capital expenditures are recoverable contemporaneously through regulatory mechanisms, instead of by filing a general rate																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
<b>case. These stem from programs to harden the electric and gas system and modernize the gas operations. Increased spending on electric transmission is also benefiting the company's earning power. Unrealized gains on PSEG's nuclear decommissioning trusts made June-quarter results better than we expected, so we raised our earnings estimate by \$0.20 a share, to \$3.40. We look for a 6% profit increase in 2021, as continued growth at PSE&amp;G should outweigh the effects of difficult market conditions at PSEG Power. Note that our estimates include the assets that PSEG wants to sell.</b>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
<b>Finances are strong.</b> The common-equity ratio is healthy, and PSEG has no need to issue equity over the 3- to 5-year period. The fixed-charge coverage is well above the norm for utilities. The company's Financial Strength rating is A+, our highest.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
<b>This high-quality equity has a dividend yield that is average for a utility.</b> Total return potential is about average for the next 18 months, but unexciting for the 3- to 5-year period.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
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<b>(A)</b> Diluted EPS. Excl. nonrecurr. gains (losses); '06, '12c; '07, '3c; '08, '40c; '11, '13c; '17 EPS avail. (C) Incl. intang. In '19: \$7.50/sh. (D) In '05, (35c); '08, (66c); '09, 6c; '11, (34c); '12, don't sum due to rounding. Next eqs. report mill. adj. for split. (E) Rate base: Net org. cost due late Oct. (B) Div'ds histor. paid in rate. Rate all'd on com. eq. in '18: 9.6%; earned on avg. com. eq., '19: 13.2%. Regu. Climate: Avg. (62c); gains (loss) from disc. ops.: '05, (33c); '06, '12c; '07, '3c; '08, '40c; '11, '13c; '17 EPS avail. (C) Incl. intang. In '19: \$7.50/sh. (D) In '05, (35c); '08, (66c); '09, 6c; '11, (34c); '12, don't sum due to rounding. Next eqs. report mill. adj. for split. (E) Rate base: Net org. cost due late Oct. (B) Div'ds histor. paid in rate. Rate all'd on com. eq. in '18: 9.6%; earned on avg. com. eq., '19: 13.2%. Regu. Climate: Avg.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
© 2020 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
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SEMPRA ENERGY NYSE-SRE										RECENT PRICE	P/E RATIO	Trailing: 17.9 Median: 20.0	RELATIVE P/E RATIO	DIV'D YLD	VALUE LINE			
<b>TIMELINESS</b> 1	Raised 7/24/20	High: 57.2	36.4	43.9	56.0	72.9	93.0	116.3	116.2	114.7	123.0	127.2	154.5	161.9	Target Price 2023	Range 2025		
<b>SAFETY</b> 2	Raised 7/29/16	Low: 36.4	43.9	44.8	54.7	70.6	86.7	89.4	86.7	99.7	100.5	106.1	88.0		2023	2024	2025	
<b>TECHNICAL</b> 3	Raised 6/5/20	<b>LEGENDS</b> 0.90 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession																
<b>BETA</b> .95	(1.00 = Market)	<b>18-Month Target Price Range</b> Low-High Midpoint (% to Mid) \$96-\$219 \$158 (30%)																
<b>2023-25 PROJECTIONS</b> High Price 190 (+60%) Low Price 140 (+15%) Gain 15% Ann'l Total Return 8%																		
<b>Institutional Decisions</b> 302019 402019 102020 to Buy 368 424 331 to Sell 233 425 Held(1000) 253080 248880 245315 Percent shares traded 24 16 8																		
2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	% TOT. RETURN 6/20 THIS STOCK VS. S&P 500
40.18	45.64	44.89	43.79	44.21	32.88	37.44	41.83	39.80	43.18	44.80	41.20	40.71	44.59	42.69	37.12	38.00	36.90	Revenues per sh
6.58	5.96	6.74	6.93	7.40	7.94	7.76	8.58	8.92	8.87	9.41	10.32	9.50	10.57	11.07	11.14	12.65	12.95	"Cash Flow" per sh
3.93	3.52	4.23	4.26	4.43	4.78	4.02	4.47	4.35	4.22	4.63	5.23	4.24	4.63	5.48	5.97	7.20	7.75	Earnings per sh
1.00	1.16	1.20	1.24	1.37	1.56	1.56	1.92	2.40	2.52	2.64	2.80	3.02	3.29	3.58	3.87	4.18	4.50	Div'd Decl'd per sh
4.62	5.46	7.28	7.70	8.47	7.76	8.58	11.85	12.20	10.52	12.68	12.71	16.85	15.71	13.82	12.71	18.10	16.00	Cap'l Spending per sh
20.78	23.95	28.66	31.87	32.75	36.54	37.54	41.00	42.42	45.03	45.98	47.56	51.77	50.41	54.35	60.58	72.40	77.00	Book Value per sh
234.18	257.19	262.01	261.21	243.32	246.51	240.45	239.93	242.37	244.46	246.33	248.30	250.15	251.36	273.77	291.71	300.00	325.00	Common Shs Outst'g
8.6	11.8	11.5	14.0	11.8	10.1	12.6	11.8	14.9	19.7	21.9	19.7	24.4	24.3	20.4	22.5	20.4	22.5	Avn Ann'l P/E Ratio
.45	.63	.62	.74	.71	.67	.80	.74	.95	1.11	1.15	.99	1.28	1.22	1.10	1.21	1.10	1.21	Relative P/E Ratio
2.9%	2.8%	2.5%	2.1%	2.6%	3.2%	3.1%	3.6%	3.7%	3.0%	2.6%	2.7%	2.9%	2.9%	3.2%	2.9%	3.2%	2.9%	Avn Ann'l Div'd Yield
<b>CAPITAL STRUCTURE as of 3/31/20</b> Total Debt \$28019 mill. Due in 5 Yrs \$12723 mill. LT Debt \$20198 mill. LT Interest \$798 mill. Leases, Uncapitalized Annual rentals \$75 mill. Pension Assets-12/19 \$2682 mill.																		
<b>Business</b> : 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. Owns 80% of Anco (acq'd 3/18), which distributes electricity in Texas. Customers: 5.2 million electric, 6.9 million gas. Electric revenue breakdown not available. Purchases most of its power; the rest is gas. Has nonutility subsidiaries, incl. iEnova (67% owned) in Mexico. Sold commodities business in '10. Power costs: 25% of revenues. '19 reported deprec. rates: 2.5%-6.6%. Has 14,000 employees. Chairman, President & CEO: Jeffrey W. Marin. Inc. CA. Address: 488 8th Ave., San Diego, CA 92101. Tel.: 619-696-2000. Internet: www.sempra.com.																		
<b>MARKET CAP: \$38 billion (Large Cap)</b> <b>ELECTRIC OPERATING STATISTICS</b> % Change Retail Sales (KWh) 2017 2018 2019 Avg. Indus. Use (MWh) NA NA NA Capacity at Peak (MW) NMF NMF NMF Peak Load, Summer (MW) NMF NMF NMF Annual Load Factor (%) NMF NMF NMF % Change Customers (y-rnd) +8 +9 +8																		
<b>ANNUAL RATES</b> Past 10 Yrs. Past 5 Yrs. Past Est'd '17-'19 to '23-'25 Revenues +5% -5% N/A "Cash Flow" 4.0% 4.0% 6.5% Earnings 2.0% 4.0% 10.0% Dividends 10.0% 7.5% 7.5% Book Value 5.0% 4.5% 8.5%																		
<b>QUARTERLY REVENUES (\$ mill.)</b> Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2017 3031 2533 2679 2964 11207 2018 2962 2564 2940 3221 11687 2019 2898 2230 2758 2943 10829 2020 3029 2371 2900 3100 11400 2021 3200 2500 3050 3250 12000																		
<b>EARNINGS PER SHARE</b> Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2017 1.75 1.20 .22 1.46 4.63 2018 1.43 1.27 1.23 1.55 5.48 2019 1.78 .85 2.00 1.34 5.97 2020 2.30 1.55 1.60 1.75 7.20 2021 2.25 1.75 1.80 1.95 7.75																		
<b>QUARTERLY DIVIDENDS PAID</b> Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2016 70 755 755 755 2.97 2017 755 8225 8225 8225 3.22 2018 8225 895 895 895 3.51 2019 895 9675 9675 9675 3.80 2020 9675 1,045 1,045																		
<b>Business</b> : Sempra Energy has completed the sales of its South American utilities. For the past two years, the company has been selling assets in order to narrow its operational and geographic focus, concentrating on the United States and Mexico. The divestitures of the utilities in Chile and Peru completed this process. The two sales raised \$5.8 billion, which will be used for debt reduction at the parent level and capital spending. The aftertax gain on the sales is estimated at \$1.7 billion-\$1.8 billion. This will be excluded from our earnings presentation as income from discontinued operations. The profits from these utilities while Sempra still owned them is also included in discontinued operations, but the company is including this in its 2020 earnings guidance of \$6.70-\$7.50 a share. This will probably contribute \$0.25 a share, give or take a few cents. Management is guiding Wall Street toward the upper end of the range. Note that the weak economy does not have a major effect on Sempra's results because utilities in California operate under a regulatory mechanism that decouples sales and volume.																		
<b>The Cameron liquefied natural gas facility on the Gulf Coast is close to completion.</b> The first two trains are up and running, and the third should begin operating in the current quarter. This is expected to provide net profit of \$400 million-\$450 million annually, beginning in 2021. In this segment, Sempra does not take commodity or volumetric risk, and has long-term contracts with creditworthy counterparties.																		
<b>Earnings will likely advance solidly this year and next.</b> Sempra's utilities in California and Texas are benefiting from rate relief. As mentioned above, the Cameron facility will make a significant contribution next year. Our 2021 earnings estimate of \$7.75 a share is within the company's targeted range of \$7.50-\$8.10. The share count will likely rise in 2021.																		
<b>This timely stock has a dividend yield that is about average for a utility.</b> The share price has fallen 21% this year, more than most utility issues. Total return potential is above average for the 18-month span but unspectacular for the 3- to 5-year period.																		
Paul E. Debbas, CFA July 24, 2020																		
<b>Company's Financial Strength</b> A <b>Stock's Price Stability</b> 85 <b>Price Growth Persistence</b> 75 <b>Earnings Predictability</b> 70																		
<b>To subscribe call 1-800-VALUeline</b>																		

(A) Diluted EPS. Excl. nonrec. gains (losses); '06, \$1.21; '07, (10c); '19, 95c; '20, \$6.65. Next earnings report due early Aug. (B) Div'ds paid mid-Jan., Apr., July, Oct. (C) Div't investment plan avail. (C) Inc't. Inaug. In '19: \$13.37/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate all'd on com. eq.; SD&E in '20: 10.2%; SoCalGas in '20: 10.0%; earned on avg. com. eq., '19: 10.4%. Regulatory Climate: Average. © 2020 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.



WEC ENERGY GROUP NYSE-WEC				RECENT PRICE	P/E RATIO	Trailing: 25.4 Median: 18.0	RELATIVE P/E RATIO	DIV'D YLD	VALUE LINE																																																																																																																																																																																																																																																																																																										
<b>TIMELINESS</b> 3 Lowered 8/16/19 <b>SAFETY</b> 1 Raised 3/23/12 <b>TECHNICAL</b> 3 Lowered 9/11/20 <b>BETA</b> .80 (1.00 = Market) <b>18-Month Target Price Range</b> Low-High Midpoint (% to Mid) \$68-\$153 \$111 (15%)				94.08	24.6		1.15	2.8%																																																																																																																																																																																																																																																																																																											
<b>LEGENDS</b> 0.81 x Dividends p sh divided by Interest Rate --- Relative Price Strength 2-for-1 split 3/11 Options: Yes Shaded area indicates recession										<b>Target Price Range 2023-2025</b> 2023 2024 2025 160 120 100 80 60 50 40 30 20 15																																																																																																																																																																																																																																																																																																									
<b>2023-25 PROJECTIONS</b> Price Gain Ann'l Total Return High 1.05 (+10%) 6% 6% Low 85 (-10%) 1% 1%				<b>Institutional Decisions</b> 402019 102020 202020 To Buy 403 383 334 To Sell 361 426 453 Held(000) 246035 234743 231336						% TOT. RETURN 8/20 THIS STOCK VL ARITH. INDEX 1 yr. 0.3 8.7 3 yr. 56.9 17.6 5 yr. 130.0 45.6																																																																																																																																																																																																																																																																																																									
<b>CAPITAL STRUCTURE as of 6/30/20</b> Total Debt \$12928 mill. Due in 5 Yrs \$4369.2 mill. LT Debt \$10722 mill. LT Interest \$503.1 mill. (LT interest earned, capitalized leases. (LT interest earned, 3.6x) <b>Leases, Un capitalized Annual rentals \$6.6 mill.</b> <b>Pension Assets-12/19 \$3007.0 mill.</b> Oblig \$3123.7 mill. Pfd Stock \$30.4 mill. Pfd Div'd \$1.2 mill. 260,000 shs. 3.60%, \$100 par, callable. \$101; 44,498 shs. 6%, \$100 par. <b>Common Stock 315,434,531 shs.</b>				<table border="1"> <thead> <tr> <th>2004</th><th>2005</th><th>2006</th><th>2007</th><th>2008</th><th>2009</th><th>2010</th><th>2011</th><th>2012</th><th>2013</th><th>2014</th><th>2015</th><th>2016</th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th><th>2021</th></tr> </thead> <tbody> <tr> <td>14.66</td><td>16.31</td><td>17.08</td><td>18.12</td><td>18.95</td><td>17.65</td><td>17.98</td><td>19.46</td><td>18.54</td><td>20.00</td><td>22.16</td><td>18.77</td><td>23.68</td><td>24.24</td><td>24.34</td><td>23.85</td><td>22.50</td><td>23.45</td><td>23.45</td></tr> <tr> <td>2.58</td><td>2.89</td><td>2.90</td><td>2.98</td><td>2.95</td><td>3.11</td><td>3.30</td><td>3.68</td><td>4.01</td><td>4.33</td><td>4.47</td><td>3.87</td><td>5.39</td><td>5.69</td><td>6.04</td><td>6.53</td><td>6.85</td><td>7.30</td><td>7.30</td></tr> <tr> <td>.93</td><td>1.28</td><td>1.32</td><td>1.42</td><td>1.52</td><td>1.60</td><td>1.92</td><td>2.18</td><td>2.35</td><td>2.51</td><td>2.59</td><td>2.34</td><td>2.96</td><td>3.14</td><td>3.34</td><td>3.58</td><td>3.75</td><td>3.95</td><td>4.75</td></tr> <tr> <td>.42</td><td>.44</td><td>.46</td><td>.50</td><td>.54</td><td>.68</td><td>.80</td><td>1.04</td><td>1.20</td><td>1.45</td><td>1.56</td><td>1.74</td><td>1.98</td><td>2.08</td><td>2.21</td><td>2.36</td><td>2.53</td><td>2.70</td><td>3.20</td></tr> <tr> <td>2.85</td><td>3.40</td><td>4.17</td><td>5.28</td><td>4.86</td><td>3.50</td><td>3.41</td><td>3.60</td><td>3.09</td><td>3.04</td><td>3.26</td><td>4.01</td><td>4.51</td><td>6.21</td><td>6.71</td><td>7.17</td><td>9.95</td><td>9.85</td><td>7.75</td></tr> <tr> <td>10.65</td><td>11.46</td><td>12.35</td><td>13.25</td><td>14.27</td><td>15.26</td><td>16.26</td><td>17.20</td><td>18.05</td><td>18.73</td><td>19.60</td><td>27.42</td><td>28.29</td><td>29.98</td><td>31.02</td><td>32.06</td><td>33.15</td><td>34.25</td><td>38.00</td></tr> <tr> <td>233.97</td><td>233.96</td><td>233.94</td><td>233.89</td><td>233.84</td><td>233.82</td><td>233.77</td><td>230.49</td><td>229.04</td><td>225.96</td><td>225.52</td><td>315.68</td><td>315.62</td><td>315.57</td><td>315.52</td><td>315.43</td><td>315.50</td><td>315.50</td><td>315.50</td></tr> <tr> <td>17.5</td><td>14.5</td><td>16.0</td><td>16.5</td><td>14.8</td><td>13.3</td><td>14.0</td><td>14.2</td><td>15.8</td><td>16.5</td><td>17.7</td><td>21.3</td><td>19.9</td><td>20.0</td><td>19.6</td><td>23.5</td><td>23.5</td><td>23.5</td><td>23.5</td></tr> <tr> <td>.92</td><td>.77</td><td>.86</td><td>.88</td><td>.89</td><td>.89</td><td>.89</td><td>.89</td><td>1.01</td><td>.93</td><td>.93</td><td>1.07</td><td>1.04</td><td>1.01</td><td>1.06</td><td>1.26</td><td>1.26</td><td>1.26</td><td>1.26</td></tr> <tr> <td>2.6%</td><td>2.4%</td><td>2.2%</td><td>2.1%</td><td>2.4%</td><td>3.2%</td><td>3.0%</td><td>3.3%</td><td>3.2%</td><td>3.5%</td><td>3.4%</td><td>3.5%</td><td>3.4%</td><td>3.3%</td><td>3.4%</td><td>2.8%</td><td>2.8%</td><td>2.8%</td><td>2.8%</td></tr> </tbody> </table>						2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021	14.66	16.31	17.08	18.12	18.95	17.65	17.98	19.46	18.54	20.00	22.16	18.77	23.68	24.24	24.34	23.85	22.50	23.45	23.45	2.58	2.89	2.90	2.98	2.95	3.11	3.30	3.68	4.01	4.33	4.47	3.87	5.39	5.69	6.04	6.53	6.85	7.30	7.30	.93	1.28	1.32	1.42	1.52	1.60	1.92	2.18	2.35	2.51	2.59	2.34	2.96	3.14	3.34	3.58	3.75	3.95	4.75	.42	.44	.46	.50	.54	.68	.80	1.04	1.20	1.45	1.56	1.74	1.98	2.08	2.21	2.36	2.53	2.70	3.20	2.85	3.40	4.17	5.28	4.86	3.50	3.41	3.60	3.09	3.04	3.26	4.01	4.51	6.21	6.71	7.17	9.95	9.85	7.75	10.65	11.46	12.35	13.25	14.27	15.26	16.26	17.20	18.05	18.73	19.60	27.42	28.29	29.98	31.02	32.06	33.15	34.25	38.00	233.97	233.96	233.94	233.89	233.84	233.82	233.77	230.49	229.04	225.96	225.52	315.68	315.62	315.57	315.52	315.43	315.50	315.50	315.50	17.5	14.5	16.0	16.5	14.8	13.3	14.0	14.2	15.8	16.5	17.7	21.3	19.9	20.0	19.6	23.5	23.5	23.5	23.5	.92	.77	.86	.88	.89	.89	.89	.89	1.01	.93	.93	1.07	1.04	1.01	1.06	1.26	1.26	1.26	1.26	2.6%	2.4%	2.2%	2.1%	2.4%	3.2%	3.0%	3.3%	3.2%	3.5%	3.4%	3.5%	3.4%	3.3%	3.4%	2.8%	2.8%	2.8%	2.8%																																																																																									
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2.58	2.89	2.90	2.98	2.95	3.11	3.30	3.68	4.01	4.33	4.47	3.87	5.39	5.69	6.04	6.53	6.85	7.30	7.30																																																																																																																																																																																																																																																																																																	
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.42	.44	.46	.50	.54	.68	.80	1.04	1.20	1.45	1.56	1.74	1.98	2.08	2.21	2.36	2.53	2.70	3.20																																																																																																																																																																																																																																																																																																	
2.85	3.40	4.17	5.28	4.86	3.50	3.41	3.60	3.09	3.04	3.26	4.01	4.51	6.21	6.71	7.17	9.95	9.85	7.75																																																																																																																																																																																																																																																																																																	
10.65	11.46	12.35	13.25	14.27	15.26	16.26	17.20	18.05	18.73	19.60	27.42	28.29	29.98	31.02	32.06	33.15	34.25	38.00																																																																																																																																																																																																																																																																																																	
233.97	233.96	233.94	233.89	233.84	233.82	233.77	230.49	229.04	225.96	225.52	315.68	315.62	315.57	315.52	315.43	315.50	315.50	315.50																																																																																																																																																																																																																																																																																																	
17.5	14.5	16.0	16.5	14.8	13.3	14.0	14.2	15.8	16.5	17.7	21.3	19.9	20.0	19.6	23.5	23.5	23.5	23.5																																																																																																																																																																																																																																																																																																	
.92	.77	.86	.88	.89	.89	.89	.89	1.01	.93	.93	1.07	1.04	1.01	1.06	1.26	1.26	1.26	1.26																																																																																																																																																																																																																																																																																																	
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Q&R Revs per KWH (c)	7.13	7.05	7.25	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	+7	+6	<table border="1"> <thead> <tr> <th>2004</th><th>2005</th><th>2006</th><th>2007</th><th>2008</th><th>2009</th><th>2010</th><th>2011</th><th>2012</th><th>2013</th><th>2014</th><th>2015</th><th>2016</th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th><th>2021</th></tr> </thead> <tbody> <tr> <td>4202.5</td><td>4486.4</td><td>4246.4</td><td>4519.0</td><td>4997.1</td><td>5926.1</td><td>7472.3</td><td>7648.5</td><td>7679.5</td><td>7523.1</td><td>7100</td><td>7400</td><td>7400</td><td>7400</td><td>7400</td><td>7400</td><td>7400</td><td>7400</td><td>7400</td></tr> <tr> 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<b>ANNUAL RATES</b> Past 10 Yrs. Past 5 Yrs. Est'd '17-'19 to '23-'25 Revenues 3.0% 3.5% 2.0% "Cash Flow" 7.5% 7.5% 6.5% Earnings 8.5% 6.0% 6.0% Dividends 14.5% 9.5% 6.5% Book Value 8.0% 10.5% 3.5%				<b>BUSINESS:</b> WEC Energy Group, Inc. (formerly Wisconsin Energy) is a holding company for utilities that provide electric, gas & steam service in WI & gas service in IL, MN, & MI. Customers: 1.6 mill. eq., 2.9 mill. gas. Acq'd Integrs Energy 6/15. Sold Point Beach nuclear plant in '07. Electric revenue breakdown: residential, 35%; small commercial & industrial, 32%; large commercial & industrial, 21%; other, 12%. Generating sources: coal, 36%; gas, 29%; renewables, 4%; purchased, 31%. Fuel costs: 36% of revenues; '19 reported deprec. rates: 2.3%-3.2%. Has 7,500 employees. Chairman: Gale E. Klappa. President & CEO: Kevin Fletcher, Inc.; WI. Address: 231 W. Michigan St., P.O. Box 1331, Milwaukee, WI 53201. Tel.: 414-221-2345. Internet: www.wecenergygroup.com.																																																																																																																																																																																																																																																																																																															
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<b>COMPANY'S FINANCIAL STRENGTH</b> Stock's Price Stability 85 Price Growth Persistence 90 Earnings Predictability 95				in early Mar., June, Sept. & Dec. ■ Div'd reinvest. plan avail. (C) Incl. intang. In '19: \$20.80/sh. (D) In mill. adj. for split. (E) Rate base: Net org. cost. Rates all'd on com. eq. in WI in '15: 10.0%-10.3%; in IL in '15: 9.05%; in MN in '19: 9.7%; in MI in '16: 9.9%; earned on avg. com. eq., '19: 11.4%. Regulatory Climate: WI, Above Avg.; IL, Below Avg.; MN & MI, Avg.																																																																																																																																																																																																																																																																																																															
(A) Diluted EPS. Excl. gains on discount. ops.: '04, '77; '11, '6; nonrecurring gain: '17, '65c. '18 EPS don't sum due to rounding. Next earnings report due early Nov. (B) Div'd paid © 2020 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.				To subscribe call 1-800-VALUELINE																																																																																																																																																																																																																																																																																																															

XCEL ENERGY NDQ-XEL										RECENT PRICE	P/E RATIO 23.3 (Trailing: 24.8 Median: 16.0)					RELATIVE P/E RATIO	DIV'D YLD	VALUE LINE																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
<b>TIMELINESS</b> 3 Lowered 9/20/19	<b>SAFETY</b> 1 Raised 5/1/15	<b>TECHNICAL</b> 1 Raised 7/24/20	<b>BETA</b> .75 (1.00 = Market)	High: 21.9 Low: 16.0	24.4 19.8	27.8 21.2	29.9 25.8	31.8 26.8	37.6 27.3	38.3 31.8	45.4 35.2	52.2 40.0	54.1 41.5	66.1 47.7	72.1 46.6	Target Price Range 2023-2025																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
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LLC</th><th>23-25</th></tr> </thead> <tbody> <tr> <td>20.84</td><td>23.86</td><td>24.16</td><td>23.40</td><td>24.69</td><td>21.08</td><td>21.38</td><td>21.90</td><td>20.76</td><td>21.92</td><td>23.11</td><td>21.72</td><td>21.90</td><td>22.46</td><td>22.44</td><td>21.98</td><td>19.10</td><td>20.30</td><td>Revenues per sh</td><td>22.75</td></tr> <tr> <td>3.27</td><td>3.28</td><td>3.61</td><td>3.45</td><td>3.50</td><td>3.48</td><td>3.51</td><td>3.79</td><td>4.00</td><td>4.10</td><td>4.28</td><td>4.56</td><td>5.04</td><td>5.47</td><td>5.92</td><td>6.25</td><td>6.50</td><td>7.05</td><td>"Cash Flow" per sh</td><td>8.50</td></tr> <tr> <td>1.27</td><td>1.20</td><td>1.35</td><td>1.35</td><td>1.46</td><td>1.49</td><td>1.56</td><td>1.72</td><td>1.85</td><td>1.91</td><td>2.03</td><td>2.10</td><td>2.21</td><td>2.30</td><td>2.47</td><td>2.64</td><td>2.75</td><td>2.90</td><td>Earnings per sh A</td><td>3.50</td></tr> <tr> <td>.81</td><td>.85</td><td>.88</td><td>.91</td><td>.94</td><td>.97</td><td>1.00</td><td>1.03</td><td>1.07</td><td>1.11</td><td>1.20</td><td>1.28</td><td>1.36</td><td>1.44</td><td>1.52</td><td>1.62</td><td>1.72</td><td>1.82</td><td>Div'd Decl'd per sh B</td><td>2.15</td></tr> <tr> <td>3.19</td><td>3.25</td><td>4.00</td><td>4.89</td><td>4.66</td><td>3.91</td><td>4.60</td><td>4.53</td><td>5.27</td><td>6.82</td><td>6.33</td><td>7.26</td><td>6.42</td><td>6.54</td><td>7.70</td><td>8.05</td><td>6.70</td><td>7.05</td><td>Cap'l Spending per sh</td><td>8.50</td></tr> <tr> <td>12.99</td><td>13.37</td><td>14.28</td><td>14.70</td><td>15.35</td><td>15.92</td><td>16.76</td><td>17.44</td><td>18.19</td><td>19.21</td><td>20.20</td><td>20.89</td><td>21.73</td><td>22.56</td><td>23.78</td><td>25.24</td><td>27.20</td><td>28.45</td><td>Book Value per sh C</td><td>32.25</td></tr> <tr> <td>400.46</td><td>403.39</td><td>407.30</td><td>428.78</td><td>453.79</td><td>457.51</td><td>482.33</td><td>486.49</td><td>487.96</td><td>497.97</td><td>505.73</td><td>507.54</td><td>507.22</td><td>507.76</td><td>514.04</td><td>524.54</td><td>539.00</td><td>542.00</td><td>Common Shs Outst'g D</td><td>548.00</td></tr> <tr> <td>13.6</td><td>15.4</td><td>14.8</td><td>16.7</td><td>13.7</td><td>12.7</td><td>14.1</td><td>14.2</td><td>14.8</td><td>15.0</td><td>15.4</td><td>16.5</td><td>18.5</td><td>20.2</td><td>18.9</td><td>22.3</td><td>Bold figures are Value Line estimates</td><td>1.02</td><td>1.21</td><td>Avg Ann'l P/E Ratio</td><td>17.0</td></tr> <tr> <td>.72</td><td>.82</td><td>.80</td><td>.89</td><td>.82</td><td>.85</td><td>.90</td><td>.89</td><td>.94</td><td>.84</td><td>.81</td><td>.83</td><td>.97</td><td>1.02</td><td>1.02</td><td>1.21</td><td>1.02</td><td>1.21</td><td>Relative P/E Ratio</td><td>.95</td></tr> <tr> <td>4.7%</td><td>4.6%</td><td>4.4%</td><td>4.0%</td><td>4.7%</td><td>5.1%</td><td>4.5%</td><td>4.2%</td><td>3.9%</td><td>3.9%</td><td>3.8%</td><td>3.7%</td><td>3.3%</td><td>3.1%</td><td>3.3%</td><td>2.7%</td><td>3.3%</td><td>2.7%</td><td>Avg Ann'l Div'd Yield</td><td>3.6%</td></tr> <tr> <td colspan="17"> <b>CAPITAL STRUCTURE as of 3/31/20</b>                      Total Debt \$19377 mill. Due in 5 Yrs \$4990 mill.                      LT Debt \$17010 mill. LT Interest \$721 mill.                      Incl. \$77 mill. capitalized leases.                      (LT interest earned: 2.9x)                 </td> </tr> <tr> <td colspan="17"> <b>Leases, Uncapitalized Annual rentals \$262 mill.</b>  <b>Pension Assets-12/19 \$3184 mill.</b>  <b>Pfd Stock None</b>  <b>Common Stock 525,170,820 shs. as of 4/30/20</b>  <b>MARKET CAP: \$34 billion (Large Cap)</b> </td> </tr> <tr> <td colspan="17"> <b>LEASING</b>                      2017 2018 2019                      % Change Retail Sales (KWH) -7 -3.2 -1.2                      Large C &amp; I Use (MWH) 22642 23004 NA                      Large C &amp; I Hrs. per KWH (h) 6.36 5.91 5.96                      Capacity at Peak (Mw) NA NA NA                      Peak Load, Summer (Mw) 19591 20293 20146                      Annual Load Factor (%) NA NA NA                      % Change Customers (yr-end) +9 +1.1 +1.0                 </td> </tr> <tr> <td colspan="17"> <b>FIXED CHARGE COV. (%)</b>                      330 281 272                 </td> </tr> <tr> <td colspan="17"> <b>ANNUAL RATES</b> Past 10 Yrs Past 5 Yrs Est'd '17-'19 of change (per sh) 10 Yrs 5 Yrs to '23-'25                      Revenues -5.5% 5.5% 5.5%                      "Cash Flow" 5.5% 7.5% 6.5%                      Earnings 5.5% 5.0% 6.0%                      Dividends 5.0% 6.5% 6.0%                      Book Value 4.5% 4.5% 5.0%                 </td> </tr> <tr> <td colspan="17"> <b>QUARTERLY REVENUES (\$ mill.)</b>  <table border="1"> <thead> <tr> <th>Cal-endar</th><th>Mar.31</th><th>Jun.30</th><th>Sep.30</th><th>Dec.31</th><th>Full Year</th></tr> </thead> <tbody> <tr><td>2017</td><td>2946</td><td>2645</td><td>3017</td><td>2796</td><td>11404</td></tr> <tr><td>2018</td><td>2951</td><td>2658</td><td>3048</td><td>2880</td><td>11537</td></tr> <tr><td>2019</td><td>3141</td><td>2577</td><td>3013</td><td>2798</td><td>11529</td></tr> <tr><td>2020</td><td>2811</td><td>2189</td><td>2700</td><td>2600</td><td>10300</td></tr> <tr><td>2021</td><td>3000</td><td>2400</td><td>2850</td><td>2750</td><td>11000</td></tr> </tbody> </table> </td> </tr> <tr> <td colspan="17"> <b>EARNINGS PER SHARE A</b>  <table border="1"> <thead> <tr> <th>Cal-endar</th><th>Mar.31</th><th>Jun.30</th><th>Sep.30</th><th>Dec.31</th><th>Full Year</th></tr> </thead> <tbody> <tr><td>2017</td><td>.47</td><td>.45</td><td>.97</td><td>.42</td><td>2.30</td></tr> <tr><td>2018</td><td>.57</td><td>.52</td><td>.96</td><td>.42</td><td>2.47</td></tr> <tr><td>2019</td><td>.61</td><td>.46</td><td>1.01</td><td>.56</td><td>2.64</td></tr> <tr><td>2020</td><td>.56</td><td>.54</td><td>1.10</td><td>.55</td><td>2.75</td></tr> <tr><td>2021</td><td>.65</td><td>.55</td><td>1.15</td><td>.55</td><td>2.90</td></tr> </tbody> </table> </td> </tr> <tr> <td colspan="17"> <b>QUARTERLY DIVIDENDS PAID B</b>  <table border="1"> <thead> <tr> <th>Cal-endar</th><th>Mar.31</th><th>Jun.30</th><th>Sep.30</th><th>Dec.31</th><th>Full Year</th></tr> </thead> <tbody> <tr><td>2016</td><td>.32</td><td>.34</td><td>.34</td><td>.34</td><td>1.34</td></tr> <tr><td>2017</td><td>.34</td><td>.36</td><td>.36</td><td>.36</td><td>1.42</td></tr> <tr><td>2018</td><td>.36</td><td>.38</td><td>.38</td><td>.38</td><td>1.50</td></tr> <tr><td>2019</td><td>.38</td><td>.405</td><td>.405</td><td>.405</td><td>1.60</td></tr> <tr><td>2020</td><td>.405</td><td>.43</td><td>.43</td><td>.43</td><td>1.60</td></tr> </tbody> </table> </td> </tr> <tr> <td colspan="17"> <b>BUSINESS:</b> Xcel Energy Inc. is the parent of Northern States Power, which supplies electricity to Minnesota, Wisconsin, North Dakota, South Dakota &amp; Michigan &amp; gas to Minnesota, Wisconsin, North Dakota &amp; Michigan; P.S. of Colorado, which supplies electricity &amp; gas to Colorado; &amp; Southwestern Public Service, which supplies electricity to Texas &amp; New Mexico. Customers: 3.7 mill. elec., 2.1 mill. gas. Elec. rev. breakdown: res'l, 31%; sm. comm'l &amp; ind'l, 36%; lg. comm'l &amp; ind'l, 18%; other, 15%. Generating sources not avail. Fuel costs: 39% of revs. '19 reported depr. rate: 3.3%. Has 11,300 empl. Chairman &amp; CEO: Ben Fowke. President &amp; COO: Bob Frenzel. Inc.: MN. Address: 414 Nicollet Mall, Minneapolis, MN 55401. Tel.: 612-330-5500. Internet: www.xcelenergy.com.                 </td> </tr> <tr> <td colspan="17"> <b>Xcel Energy's utilities have reached settlements on pending rate cases.</b> The New Mexico commission approved a settlement calling for a \$31 million electric increase for Southwestern Public Service, based on a 9.45% return on equity and a 54.8% common-equity ratio. New tariffs took effect on May 28th. In Texas, SPS reached a "black box" agreement calling for an \$88 million hike without specifying an allowed ROE or common-equity ratio. A ruling from the state regulators is expected in the current quarter, with the increase retroactive to September of 2019. Public Service of Colorado, the state commission's staff, and intervenors have reached a settlement calling for a gas rate increase of \$76.9 million, based on a 9.2% ROE and a 55.6% common-equity ratio. If the regulators approve the agreement, new tariffs will be implemented on April 1, 2021, retroactive to November of 2020. <b>Xcel believes it can reduce expenses enough to offset the effects of the recession on kilowatt-hour sales.</b> Cost cuts should enable operating and maintenance expenses to decline 4%-5% in 2020. Accordingly, management did not adjust                 </td> </tr> <tr> <td colspan="17"> <b>its earnings guidance of \$2.73-\$2.83 a share for this year.</b> Our estimate of \$2.75 a share is unchanged. We have also stuck with our 2021 estimate of \$2.90 a share. This would produce profit growth of 5%, which is within the company's annual goal of 5%-7%. <b>At least one rate case is upcoming.</b> P.S. of Colorado plans to put forth an electric application later this summer. Northern States Power is considering filing for new electric and gas tariffs in Minnesota in November, but might well postpone its case if it can reach an agreement with the commission that compensates the utility for the decline in volume. <b>This high-quality stock has been one of the top performers in the electric utility industry in 2020.</b> While the prices of most electric equities have fallen more than 10%, Xcel is almost unchanged from yearend 2019, thanks in part to its maintaining profit guidance. The dividend yield is a percentage point below the industry average, and with the recent quotation near the top of our 2023-2025 Target Price Range, total return potential is low. <i>Paul E. Debbas, CFA July 24, 2020</i> </td> </tr> <tr> <td colspan="17"> <b>Company's Financial Strength</b> A+  <b>Stock's Price Stability</b> 95  <b>Price Growth Persistence</b> 60  <b>Earnings Predictability</b> 100                 </td> </tr> <tr> <td colspan="17"> <b>(A)</b> Diluted EPS. Excl. nonrecurring gain (losses): '10, '5; '15, (16c); '17, (5c); gains (losses) on discontinued ops.: '04, (30c); '05, 3c; '06, 1c; '09, (1c); '10, 1c; '17 EPS don't sum due to rounding. Next earnings report due late July. <b>(B)</b> Div'ds historically paid mid-Jan., Apr., July, and Oct. <b>(C)</b> Div'd reinvestment plan available. <b>(C)</b> Incl. intangibles. In '19: \$5.60/sh. <b>(D)</b> In mill. <b>(E)</b> Rate base: Varies. Rate allowed on com. eq. (blended): 9.6%; earned on avg. com. eq., '19: 10.8%. Regulatory Climate: Average.                 </td> </tr> <tr> <td colspan="17">                     © 2020 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.                 </td> </tr> <tr> <td colspan="17"> <b>To subscribe call 1-800-VALUELINE</b> </td> </tr> </tbody> </table>																	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25	20.84	23.86	24.16	23.40	24.69	21.08	21.38	21.90	20.76	21.92	23.11	21.72	21.90	22.46	22.44	21.98	19.10	20.30	Revenues per sh	22.75	3.27	3.28	3.61	3.45	3.50	3.48	3.51	3.79	4.00	4.10	4.28	4.56	5.04	5.47	5.92	6.25	6.50	7.05	"Cash Flow" per sh	8.50	1.27	1.20	1.35	1.35	1.46	1.49	1.56	1.72	1.85	1.91	2.03	2.10	2.21	2.30	2.47	2.64	2.75	2.90	Earnings per sh A	3.50	.81	.85	.88	.91	.94	.97	1.00	1.03	1.07	1.11	1.20	1.28	1.36	1.44	1.52	1.62	1.72	1.82	Div'd Decl'd per sh B	2.15	3.19	3.25	4.00	4.89	4.66	3.91	4.60	4.53	5.27	6.82	6.33	7.26	6.42	6.54	7.70	8.05	6.70	7.05	Cap'l Spending per sh	8.50	12.99	13.37	14.28	14.70	15.35	15.92	16.76	17.44	18.19	19.21	20.20	20.89	21.73	22.56	23.78	25.24	27.20	28.45	Book Value per sh C	32.25	400.46	403.39	407.30	428.78	453.79	457.51	482.33	486.49	487.96	497.97	505.73	507.54	507.22	507.76	514.04	524.54	539.00	542.00	Common Shs Outst'g D	548.00	13.6	15.4	14.8	16.7	13.7	12.7	14.1	14.2	14.8	15.0	15.4	16.5	18.5	20.2	18.9	22.3	Bold figures are Value Line estimates	1.02	1.21	Avg Ann'l P/E Ratio	17.0	.72	.82	.80	.89	.82	.85	.90	.89	.94	.84	.81	.83	.97	1.02	1.02	1.21	1.02	1.21	Relative P/E Ratio	.95	4.7%	4.6%	4.4%	4.0%	4.7%	5.1%	4.5%	4.2%	3.9%	3.9%	3.8%	3.7%	3.3%	3.1%	3.3%	2.7%	3.3%	2.7%	Avg Ann'l Div'd Yield	3.6%	<b>CAPITAL STRUCTURE as of 3/31/20</b> Total Debt \$19377 mill. 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(%)</b> 330 281 272																	<b>ANNUAL RATES</b> Past 10 Yrs Past 5 Yrs Est'd '17-'19 of change (per sh) 10 Yrs 5 Yrs to '23-'25 Revenues -5.5% 5.5% 5.5% "Cash Flow" 5.5% 7.5% 6.5% Earnings 5.5% 5.0% 6.0% Dividends 5.0% 6.5% 6.0% Book Value 4.5% 4.5% 5.0%																	<b>QUARTERLY REVENUES (\$ mill.)</b> <table border="1"> <thead> <tr> <th>Cal-endar</th><th>Mar.31</th><th>Jun.30</th><th>Sep.30</th><th>Dec.31</th><th>Full Year</th></tr> </thead> <tbody> <tr><td>2017</td><td>2946</td><td>2645</td><td>3017</td><td>2796</td><td>11404</td></tr> <tr><td>2018</td><td>2951</td><td>2658</td><td>3048</td><td>2880</td><td>11537</td></tr> <tr><td>2019</td><td>3141</td><td>2577</td><td>3013</td><td>2798</td><td>11529</td></tr> <tr><td>2020</td><td>2811</td><td>2189</td><td>2700</td><td>2600</td><td>10300</td></tr> <tr><td>2021</td><td>3000</td><td>2400</td><td>2850</td><td>2750</td><td>11000</td></tr> </tbody> </table>																	Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	2017	2946	2645	3017	2796	11404	2018	2951	2658	3048	2880	11537	2019	3141	2577	3013	2798	11529	2020	2811	2189	2700	2600	10300	2021	3000	2400	2850	2750	11000	<b>EARNINGS PER SHARE A</b> <table border="1"> <thead> <tr> <th>Cal-endar</th><th>Mar.31</th><th>Jun.30</th><th>Sep.30</th><th>Dec.31</th><th>Full Year</th></tr> </thead> <tbody> <tr><td>2017</td><td>.47</td><td>.45</td><td>.97</td><td>.42</td><td>2.30</td></tr> <tr><td>2018</td><td>.57</td><td>.52</td><td>.96</td><td>.42</td><td>2.47</td></tr> <tr><td>2019</td><td>.61</td><td>.46</td><td>1.01</td><td>.56</td><td>2.64</td></tr> <tr><td>2020</td><td>.56</td><td>.54</td><td>1.10</td><td>.55</td><td>2.75</td></tr> <tr><td>2021</td><td>.65</td><td>.55</td><td>1.15</td><td>.55</td><td>2.90</td></tr> </tbody> </table>																	Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	2017	.47	.45	.97	.42	2.30	2018	.57	.52	.96	.42	2.47	2019	.61	.46	1.01	.56	2.64	2020	.56	.54	1.10	.55	2.75	2021	.65	.55	1.15	.55	2.90	<b>QUARTERLY DIVIDENDS PAID B</b> <table border="1"> <thead> <tr> <th>Cal-endar</th><th>Mar.31</th><th>Jun.30</th><th>Sep.30</th><th>Dec.31</th><th>Full Year</th></tr> </thead> <tbody> <tr><td>2016</td><td>.32</td><td>.34</td><td>.34</td><td>.34</td><td>1.34</td></tr> <tr><td>2017</td><td>.34</td><td>.36</td><td>.36</td><td>.36</td><td>1.42</td></tr> <tr><td>2018</td><td>.36</td><td>.38</td><td>.38</td><td>.38</td><td>1.50</td></tr> <tr><td>2019</td><td>.38</td><td>.405</td><td>.405</td><td>.405</td><td>1.60</td></tr> <tr><td>2020</td><td>.405</td><td>.43</td><td>.43</td><td>.43</td><td>1.60</td></tr> </tbody> </table>																	Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	2016	.32	.34	.34	.34	1.34	2017	.34	.36	.36	.36	1.42	2018	.36	.38	.38	.38	1.50	2019	.38	.405	.405	.405	1.60	2020	.405	.43	.43	.43	1.60	<b>BUSINESS:</b> 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; P.S. of Colorado, which supplies electricity & gas to Colorado; & Southwestern Public Service, which supplies electricity to Texas & New Mexico. Customers: 3.7 mill. elec., 2.1 mill. gas. Elec. rev. breakdown: res'l, 31%; sm. comm'l & ind'l, 36%; lg. comm'l & ind'l, 18%; other, 15%. Generating sources not avail. Fuel costs: 39% of revs. '19 reported depr. rate: 3.3%. Has 11,300 empl. Chairman & CEO: Ben Fowke. President & COO: Bob Frenzel. Inc.: MN. Address: 414 Nicollet Mall, Minneapolis, MN 55401. Tel.: 612-330-5500. Internet: www.xcelenergy.com.																	<b>Xcel Energy's utilities have reached settlements on pending rate cases.</b> The New Mexico commission approved a settlement calling for a \$31 million electric increase for Southwestern Public Service, based on a 9.45% return on equity and a 54.8% common-equity ratio. New tariffs took effect on May 28th. In Texas, SPS reached a "black box" agreement calling for an \$88 million hike without specifying an allowed ROE or common-equity ratio. A ruling from the state regulators is expected in the current quarter, with the increase retroactive to September of 2019. Public Service of Colorado, the state commission's staff, and intervenors have reached a settlement calling for a gas rate increase of \$76.9 million, based on a 9.2% ROE and a 55.6% common-equity ratio. If the regulators approve the agreement, new tariffs will be implemented on April 1, 2021, retroactive to November of 2020. <b>Xcel believes it can reduce expenses enough to offset the effects of the recession on kilowatt-hour sales.</b> Cost cuts should enable operating and maintenance expenses to decline 4%-5% in 2020. Accordingly, management did not adjust																	<b>its earnings guidance of \$2.73-\$2.83 a share for this year.</b> Our estimate of \$2.75 a share is unchanged. We have also stuck with our 2021 estimate of \$2.90 a share. This would produce profit growth of 5%, which is within the company's annual goal of 5%-7%. <b>At least one rate case is upcoming.</b> P.S. of Colorado plans to put forth an electric application later this summer. Northern States Power is considering filing for new electric and gas tariffs in Minnesota in November, but might well postpone its case if it can reach an agreement with the commission that compensates the utility for the decline in volume. <b>This high-quality stock has been one of the top performers in the electric utility industry in 2020.</b> While the prices of most electric equities have fallen more than 10%, Xcel is almost unchanged from yearend 2019, thanks in part to its maintaining profit guidance. The dividend yield is a percentage point below the industry average, and with the recent quotation near the top of our 2023-2025 Target Price Range, total return potential is low. <i>Paul E. Debbas, CFA July 24, 2020</i>																	<b>Company's Financial Strength</b> A+ <b>Stock's Price Stability</b> 95 <b>Price Growth Persistence</b> 60 <b>Earnings Predictability</b> 100																	<b>(A)</b> Diluted EPS. 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<b>EARNINGS PER SHARE A</b> <table border="1"> <thead> <tr> <th>Cal-endar</th><th>Mar.31</th><th>Jun.30</th><th>Sep.30</th><th>Dec.31</th><th>Full Year</th></tr> </thead> <tbody> <tr><td>2017</td><td>.47</td><td>.45</td><td>.97</td><td>.42</td><td>2.30</td></tr> <tr><td>2018</td><td>.57</td><td>.52</td><td>.96</td><td>.42</td><td>2.47</td></tr> <tr><td>2019</td><td>.61</td><td>.46</td><td>1.01</td><td>.56</td><td>2.64</td></tr> <tr><td>2020</td><td>.56</td><td>.54</td><td>1.10</td><td>.55</td><td>2.75</td></tr> <tr><td>2021</td><td>.65</td><td>.55</td><td>1.15</td><td>.55</td><td>2.90</td></tr> </tbody> </table>																	Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	2017	.47	.45	.97	.42	2.30	2018	.57	.52	.96	.42	2.47	2019	.61	.46	1.01	.56	2.64	2020	.56	.54	1.10	.55	2.75	2021	.65	.55	1.15	.55	2.90																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
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<b>BUSINESS:</b> 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; P.S. of Colorado, which supplies electricity & gas to Colorado; & Southwestern Public Service, which supplies electricity to Texas & New Mexico. Customers: 3.7 mill. elec., 2.1 mill. gas. Elec. rev. breakdown: res'l, 31%; sm. comm'l & ind'l, 36%; lg. comm'l & ind'l, 18%; other, 15%. Generating sources not avail. Fuel costs: 39% of revs. '19 reported depr. rate: 3.3%. Has 11,300 empl. Chairman & CEO: Ben Fowke. President & COO: Bob Frenzel. Inc.: MN. Address: 414 Nicollet Mall, Minneapolis, MN 55401. Tel.: 612-330-5500. Internet: www.xcelenergy.com.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
<b>Xcel Energy's utilities have reached settlements on pending rate cases.</b> The New Mexico commission approved a settlement calling for a \$31 million electric increase for Southwestern Public Service, based on a 9.45% return on equity and a 54.8% common-equity ratio. New tariffs took effect on May 28th. In Texas, SPS reached a "black box" agreement calling for an \$88 million hike without specifying an allowed ROE or common-equity ratio. A ruling from the state regulators is expected in the current quarter, with the increase retroactive to September of 2019. Public Service of Colorado, the state commission's staff, and intervenors have reached a settlement calling for a gas rate increase of \$76.9 million, based on a 9.2% ROE and a 55.6% common-equity ratio. If the regulators approve the agreement, new tariffs will be implemented on April 1, 2021, retroactive to November of 2020. <b>Xcel believes it can reduce expenses enough to offset the effects of the recession on kilowatt-hour sales.</b> Cost cuts should enable operating and maintenance expenses to decline 4%-5% in 2020. Accordingly, management did not adjust																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
<b>its earnings guidance of \$2.73-\$2.83 a share for this year.</b> Our estimate of \$2.75 a share is unchanged. We have also stuck with our 2021 estimate of \$2.90 a share. This would produce profit growth of 5%, which is within the company's annual goal of 5%-7%. <b>At least one rate case is upcoming.</b> P.S. of Colorado plans to put forth an electric application later this summer. Northern States Power is considering filing for new electric and gas tariffs in Minnesota in November, but might well postpone its case if it can reach an agreement with the commission that compensates the utility for the decline in volume. <b>This high-quality stock has been one of the top performers in the electric utility industry in 2020.</b> While the prices of most electric equities have fallen more than 10%, Xcel is almost unchanged from yearend 2019, thanks in part to its maintaining profit guidance. The dividend yield is a percentage point below the industry average, and with the recent quotation near the top of our 2023-2025 Target Price Range, total return potential is low. <i>Paul E. Debbas, CFA July 24, 2020</i>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
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<b>(A)</b> Diluted EPS. Excl. nonrecurring gain (losses): '10, '5; '15, (16c); '17, (5c); gains (losses) on discontinued ops.: '04, (30c); '05, 3c; '06, 1c; '09, (1c); '10, 1c; '17 EPS don't sum due to rounding. Next earnings report due late July. <b>(B)</b> Div'ds historically paid mid-Jan., Apr., July, and Oct. <b>(C)</b> Div'd reinvestment plan available. <b>(C)</b> Incl. intangibles. In '19: \$5.60/sh. <b>(D)</b> In mill. <b>(E)</b> Rate base: Varies. Rate allowed on com. eq. (blended): 9.6%; earned on avg. com. eq., '19: 10.8%. Regulatory Climate: Average.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
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## CERTIFICATE OF SERVICE

I hereby certify that Walmart's December 14, 2020, electronic filing is a true and accurate copy of the Post-Hearing Brief of Walmart Inc.; and that on December 14, 2020, the electronic filing has been transmitted to the Commission. Pursuant to the Commission's Order dated March 24, 2020, in Case No. 2020-00085, and in accordance with all other applicable law, counsel certifies that an electronic copy of the foregoing was served by email to the following. A physical copy of the filing will be submitted to the Commission within 30 days after the Governor lifts the current State of Emergency.

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Certificate of Service  
Case No. 2020-00174  
Page 2

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