NEXTERA ENERGY NYSE-NEE

RECENT PRICE **75.13** | P/E RATIO **32.8** (Trailing: 37.8 Median: 18.0) | RELATIVE P/E RATIO **1.72** | DIV'D YLD **2.0%** | VALUE LINE

TIMELINESS 3 Lowered 6/12/20
SAFETY 1 Raised 2/16/18
TECHNICAL 3 Lowered 11/13/20
BETA .90 (1.00 = Market)

High:	15.2	14.1	15.3	18.1	22.4	27.7	28.2	33.0	39.8	46.1	61.3	77.0
Low:	10.4	11.3	12.3	14.6	17.5	21.0	23.4	25.5	29.3	36.3	42.2	43.7

Target Price Range 2023 | 2024 | 2025

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$59-$134	$97 (30%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(+15%)	6%
Low	70	(-5%)	1%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	830	779	868
to Sell	666	841	753
Hld's(000)	1538656	1517488	1500844

% TOT. RETURN 10/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	25.5	0.9
3 yr.	103.1	8.2
5 yr.	225.2	39.8

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
7.07	7.50	9.69	9.37	10.03	9.45	9.10	9.22	8.41	8.70	9.61	9.48	8.63	9.13	8.75	9.82	**9.20**	**9.80**	Revenues per sh	**11.25**
1.40	1.54	1.69	1.71	2.01	2.19	2.41	2.32	2.17	2.63	3.03	3.23	3.24	3.03	3.84	4.22	**4.15**	**4.85**	"Cash Flow" per sh	**5.75**
.62	.58	.81	.82	1.02	.99	1.19	1.21	1.14	1.21	1.40	1.52	1.45	1.63	1.67	1.94	**1.85**	**2.45**	Earnings per sh A	**3.00**
.33	.36	.38	.41	.45	.47	.50	.55	.60	.66	.73	.77	.87	.98	1.11	1.25	**1.40**	**1.54**	Div'd Decl'd per sh B ■ †	**2.05**
.94	1.02	2.31	3.08	3.20	3.63	3.47	3.98	5.58	3.84	3.96	4.54	5.15	5.70	6.80	6.29	**6.60**	**7.15**	Cap'l Spending per sh	**8.50**
5.06	5.38	6.12	6.59	7.14	7.84	8.59	8.98	9.47	10.37	11.24	12.24	13.00	14.97	17.86	18.92	**19.35**	**20.25**	Book Value per sh C	**25.50**
1488.9	1579.4	1621.6	1629.4	1635.7	1654.5	1683.4	1664.0	1696.0	1740.0	1772.0	1844.0	1872.0	1884.0	1912.0	1956.0	**1960.0**	**1960.0**	Common Shs Outst'g D	**2025.0**
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	*Bold figures are*		Avg Ann'l P/E Ratio	**25.5**
.72	.95	.74	1.00	.87	.89	.69	.72	.92	.93	.91	.85	1.09	1.09	1.34	1.43	*Value Line*		Relative P/E Ratio	**1.40**
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%	*estimates*		Avg Ann'l Div'd Yield	**2.7%**

CAPITAL STRUCTURE as of 9/30/20
Total Debt $49096 mill. **Due in 5 Yrs** $20074 mill.
LT Debt $42794 mill. **LT Interest** $1669 mill.

(LT interest earned: 3.8x)

Pension Assets-12/19 $4800 mill. **Oblig** $3363 mill.

Pfd Stock None

Common Stock 1,959,074,124 shs.
(Adjusted for 4-for-1 split paid 10/27/20)
MARKET CAP: $147 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
15317	15341	14256	15136	17021	17486	16155	17195	16727	19204	**18000**	**19200**	Revenues ($mill)	**23000**
1957.0	2021.0	1911.0	2062.0	2465.0	2752.0	2693.0	3074.0	3200.0	3769.0	**3225**	**4385**	Net Profit ($mill)	**5745**
21.4%	22.4%	26.6%	26.9%	32.3%	30.8%	29.3%	24.4%	28.6%	11.7%	**3.0%**	**3.0%**	Income Tax Rate	**3.0%**
4.4%	4.4%	10.8%	7.0%	6.7%	6.9%	8.2%	6.7%	6.6%	3.9%	**5.0%**	**4.0%**	AFUDC % to Net Profit	**3.0%**
55.5%	58.2%	59.1%	57.1%	55.0%	54.2%	53.3%	52.7%	44.0%	50.4%	**52.0%**	**52.0%**	Long-Term Debt Ratio	**50.5%**
44.5%	41.8%	40.9%	42.9%	45.0%	45.8%	46.7%	47.3%	56.0%	49.6%	**48.0%**	**48.0%**	Common Equity Ratio	**49.5%**
32474	35753	39245	42009	44283	49255	52159	59671	60926	74548	**79025**	**82700**	Total Capital ($mill)	**103900**
39075	42490	49413	52720	55705	61386	66912	72416	70334	82010	**90475**	**99800**	Net Plant ($mill)	**132300**
7.4%	7.0%	6.2%	6.2%	7.0%	6.8%	6.3%	6.3%	6.3%	6.0%	**5.0%**	**6.0%**	Return on Total Cap'l	**6.5%**
13.5%	13.5%	11.9%	11.4%	12.4%	12.2%	11.1%	10.9%	9.4%	10.2%	**8.5%**	**11.0%**	Return on Shr. Equity	**11.0%**
13.5%	13.5%	11.9%	11.4%	12.4%	12.2%	11.1%	10.9%	9.4%	10.2%	**8.5%**	**11.0%**	Return on Com Equity E	**11.0%**
7.8%	7.4%	5.6%	5.2%	6.0%	6.1%	4.4%	4.4%	3.2%	3.7%	**2.5%**	**4.5%**	Retained to Com Eq	**4.0%**
42%	46%	53%	54%	51%	50%	60%	60%	66%	64%	**85%**	**69%**	All Div'ds to Net Prof	**72%**

ELECTRIC OPERATING STATISTICS F

	2017	2018	2019
% Change Retail Sales (KWH)	-.9	+1.4	+1.7
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	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
Fixed Charge Cov. (%)	278	266	230

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-0.5%	0.5%	*3.5%*
"Cash Flow"	6.5%	7.0%	*7.5%*
Earnings	6.5%	7.0%	*9.5%*
Dividends	9.5%	11.0%	*10.5%*
Book Value	9.0%	10.5%	*6.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	3972	4404	4808	4011	17195
2018	3857	4063	4416	4391	16727
2019	4075	4970	5572	4587	19204
2020	4613	4204	4785	**4398**	**18000**
2021	**4500**	**4800**	**5300**	**4600**	**19200**

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.48	.42	.45	.28	1.63
2018	.52	.41	.53	.22	1.67
2019	.35	.64	.45	.50	1.94
2020	.21	.65	.62	**.37**	**1.85**
2021	**.65**	**.65**	**.65**	**.50**	**2.45**

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.2175	.2175	.2175	.2175	.87
2017	.2456	.2456	.2456	.2456	.98
2018	.2775	.2775	.2725	.2725	1.11
2019	.3125	.3125	.3125	.3125	1.25
2020	.35	.35	.35	.35	

BUSINESS: NextEra Energy, Inc. (formerly FPL Group, Inc.) is a holding company for Florida Power & Light Company (FPL) and Gulf Power, which provide electricity to 5.6 million customers in eastern, southern, & northwestern Florida. NextEra Energy Resources is a nonregulated power generator with nuclear, gas, & renewable ownership. Has 60.8% stake in NextEra Energy Partners. Rev. breakdown: residential, 55%; commercial, 35%; industrial & other, 10%. Generating sources: gas, 73%; nuclear, 22%; other, 3%; purch., 2%. Fuel costs: 23% of revs. '19 reported depr. rate (util.): 3.9%. Has 14,800 employees. Chairman, Pres. and CEO: James L. Robo. Inc.: FL. Address: 700 Universe Blvd., Juno Beach, FL 33408. Tel.: 561-694-4000. Internet: www.nexteraenergy.com.

NextEra Energy stock has risen more than 20% in price in 2020. This is in contrast to the poor performance of most stocks in the electric utility industry. The company's utility subsidiaries, Florida Power & Light and Gulf Power, are faring well despite the effects of the recession. The utilities' earning power rises along with increases in regulatory capital employed. NextEra Energy Resources is adding renewable-energy projects, including battery storage. This subsidiary's backlog of more than 15,000 megawatts was greater than the capacity of its projects in operation as of the end of September.

The profit decline we estimate in 2020 is not troubling for investors. We include in our earnings presentation mark-to-market accounting charges and unrealized gains or losses on the decommissioning trusts of NextEra's nonregulated nuclear units because these are an ongoing part of NextEra's operations. These hurt the bottom line considerably in the first quarter. We assume no such gains or losses in our 2021 estimate. The company should experience growth in both the regulated and nonregulated sides of its business. *(Note: All per-share data are adjusted for a 4-for-1 stock split effected on October 27th.)*

NextEra has announced an asset sale. The company is selling a portfolio of renewable-energy assets for $1.3 billion in cash and tax equity. NextEra intends to redeploy the funds in additional projects that are included in the aforementioned backlog. The deal is expected to close later this quarter.

Is a utility acquisition in NextEra's future? In late September, *The Wall Street Journal* reported that the company approached Duke Energy about a possible combination. NextEra has expressed interest in expanding its utility operations, such as a bid to acquire Santee Cooper (a municipal utility in South Carolina) but has not had much success.

NextEra's prospects are good, but its stock is priced expensively. The dividend yield is slightly below the median of all dividend-paying equities under our coverage. Total return potential is attractive for the 18-month span, but low for the 3- to 5-year period.

Paul E. Debbas, CFA *November 13, 2020*

(A) Diluted EPS. Excl. nonrecur. gains (losses): '11, (6¢); '13, (20¢); '16, 12¢; '17, 23¢; '18, $1.80; gain on disc. ops.: '13, 11¢. '18 EPS don't sum due to rounding. Next earnings report due late Jan. **(B)** Div'ds historically paid in mid-Mar., mid-June, mid-Sept., & mid-Dec. ■ Div'd reinvestment plan avail. † Shareholder investment plan avail. **(C)** Incl. deferred charges. In '19: $4.56/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.

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

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DOMINION ENERGY NYSE-D

RECENT PRICE 81.66 | P/E RATIO 24.7 (Trailing: 20.2 Median: 21.0) | RELATIVE P/E RATIO 1.29 | DIV'D YLD 3.1% | VALUE LINE

TIMELINESS 3 Lowered 11/13/20
SAFETY 2 Raised 9/11/98
TECHNICAL 3 Lowered 11/13/20
BETA .80 (1.00 = Market)

High:	39.8	45.1	53.6	55.6	68.0	80.9	79.9	79.0	85.3	81.7	83.9	90.9
Low:	27.1	36.1	42.1	48.9	51.9	63.1	64.5	66.3	70.9	61.5	67.4	57.8

18-Month Target Price Range

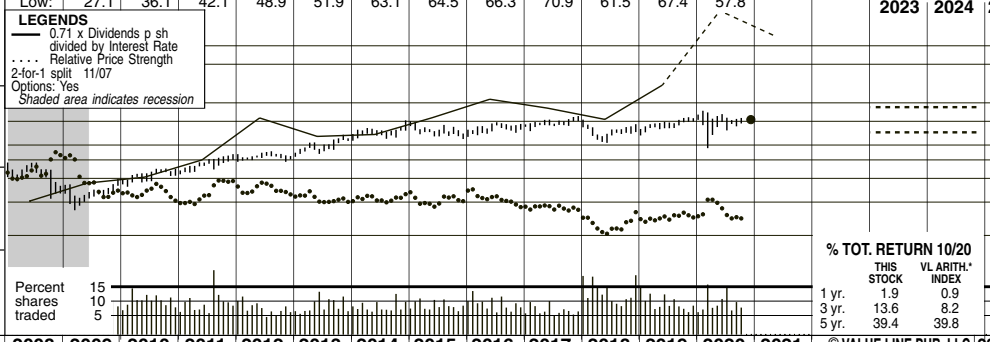
Low-High	Midpoint (% to Mid)
$60-$127	$94 (15%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	95	(+15%)	7%
Low	70	(-15%)	Nil

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	739	626	643
to Sell	545	691	626
Hld's(000)	565133	560954	562803



Target Price Range
2023 | 2024 | 2025

% TOT. RETURN 10/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	1.9	0.9
3 yr.	13.6	8.2
5 yr.	39.4	39.8

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
20.54	25.96	23.61	27.17	27.93	25.24	26.17	25.24	22.73	22.56	21.25	19.59	18.70	19.53	19.63	19.78	*18.20*	*17.20*	Revenues per sh	*18.00*
4.18	3.70	4.91	5.08	5.07	4.82	5.11	5.04	5.24	5.47	5.71	5.98	6.33	6.90	6.48	5.73	*6.85*	*7.35*	"Cash Flow" per sh	*8.25*
2.13	1.50	2.40	2.13	3.04	2.64	2.89	2.76	2.75	3.09	3.05	3.20	3.44	3.53	3.25	2.19	*3.10*	*3.70*	Earnings per sh A	*4.25*
1.30	1.34	1.38	1.46	1.58	1.75	1.83	1.97	2.11	2.25	2.40	2.59	2.80	3.04	3.34	3.67	*3.45*	*2.52*	Div'd Decl'd per sh B ■	*3.00*
3.88	4.83	5.81	6.89	6.09	6.40	5.89	6.41	7.20	7.06	9.13	9.35	9.69	8.54	6.25	5.94	*9.20*	*8.55*	Cap'l Spending per sh	*8.00*
16.79	14.96	18.50	16.31	17.28	18.66	20.66	20.09	18.34	20.02	19.74	21.24	23.26	26.59	29.53	35.33	*30.30*	*31.75*	Book Value per sh C	*37.75*
680.40	695.00	698.00	576.80	583.20	599.40	580.80	569.70	576.10	581.50	585.30	596.30	627.80	644.60	680.90	838.00	*815.00*	*819.00*	Common Shs Outst'g D	*862.00*
15.1	24.9	16.0	20.6	13.8	12.7	14.3	17.3	18.9	19.2	23.0	22.1	21.3	22.2	21.8	NMF	*Bold figures are*		Avg Ann'l P/E Ratio	*19.0*
.80	1.33	.86	1.09	.83	.85	.91	1.09	1.20	1.08	1.21	1.11	1.12	1.12	1.18	NMF	*Value Line*		Relative P/E Ratio	*1.05*
4.0%	3.6%	3.6%	3.3%	3.8%	5.2%	4.4%	4.1%	4.1%	3.8%	3.4%	3.7%	3.8%	3.9%	4.7%	4.8%	*estimates*		Avg Ann'l Div'd Yield	*3.7%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $39724 mill. **Due in 5 Yrs** $14892 mill.
LT Debt $34615 mill. **LT Interest** $1450 mill.
(LT interest earned: 2.8x)
Leases, Uncapitalized Annual rentals $72 mill.

Pension Assets-12/19 $9631 mill. **Oblig** $10446 mill.
Pfd Stock $2387 mill. **Pfd Divd** $65 mill.
2 mill. shs. 1.75%, cum., convert. in 2022. 800,000 shs. 4.65%, cum., redeemable not before 12/15/24.
Common Stock 840,135,854 shs.
as of 7/17/20
MARKET CAP: $69 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
15197	14379	13093	13120	12436	11683	11737	12586	13366	16572	*14850*	*14100*	Revenues ($mill)	*15600*
1724.0	1603.0	1594.0	1806.0	1793.0	1899.0	2123.0	2244.0	2130.0	1838.0	*2655*	*3115*	Net Profit ($mill)	*3760*
38.6%	34.6%	36.2%	33.0%	28.1%	32.0%	22.8%	27.2%	17.7%	21.8%	*21.0%*	*21.0%*	Income Tax Rate	*21.0%*
5.9%	5.3%	5.7%	3.7%	4.5%	5.3%	7.5%	10.5%	6.3%	4.8%	*3.0%*	*3.0%*	AFUDC % to Net Profit	*2.0%*
56.3%	59.8%	60.9%	61.9%	65.4%	65.1%	67.4%	64.4%	60.8%	51.4%	*53.5%*	*54.0%*	Long-Term Debt Ratio	*52.0%*
42.8%	39.3%	38.2%	37.3%	34.6%	34.9%	32.6%	35.6%	39.2%	45.0%	*42.5%*	*42.5%*	Common Equity Ratio	*47.0%*
28012	29097	27676	31229	33360	36280	44836	48090	51251	65818	*58175*	*61425*	Total Capital ($mill)	*69100*
26713	29670	30773	32628	36270	41554	49964	53758	54560	69082	*69975*	*74025*	Net Plant ($mill)	*85300*
7.7%	7.0%	7.5%	7.3%	6.6%	6.5%	6.0%	5.9%	5.5%	4.0%	*6.0%*	*6.0%*	Return on Total Cap'l	*6.5%*
14.1%	13.7%	14.7%	15.2%	15.5%	15.0%	14.5%	13.1%	10.6%	5.7%	*9.5%*	*10.5%*	Return on Shr. Equity	*11.0%*
14.2%	13.9%	14.9%	15.4%	15.4%	15.0%	14.5%	13.1%	10.6%	6.2%	*10.5%*	*11.5%*	Return on Com Equity E	*11.5%*
5.3%	4.0%	3.5%	4.2%	3.3%	2.9%	2.7%	1.8%	NMF	NMF	*NMF*	*4.0%*	Retained to Com Eq	*3.5%*
63%	71%	77%	73%	79%	81%	81%	86%	103%	NMF	*NMF*	*70%*	All Div'ds to Net Prof	*70%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	NA	NA	NA
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	287	219	166

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-3.0%	-2.5%	*-1.5%*
"Cash Flow"	2.5%	3.0%	*4.5%*
Earnings	1.5%	- -	*6.0%*
Dividends	7.5%	8.0%	*-2.0%*
Book Value	6.0%	9.5%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	3384	2813	3179	3210	12586
2018	3466	3088	3451	3361	13366
2019	3858	3970	4269	4475	16572
2020	4496	3585	*3369*	*3400*	*14850*
2021	*3600*	*3500*	*3500*	*3500*	*14100*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1.01	.62	1.03	.87	3.53
2018	.77	.82	1.22	.44	3.25
2019	d.37	.13	1.23	1.22	2.19
2020	.35	1.25	*.70*	*.80*	*3.10*
2021	*.95*	*.85*	*.95*	*.95*	*3.70*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.70	.70	.70	.70	2.80
2017	.755	.755	.755	.77	3.04
2018	.835	.835	.835	.835	3.34
2019	.9175	.9175	.9175	.9175	3.67
2020	.94	.94	.94	.63	

BUSINESS: Dominion Energy, Inc. (formerly Dominion Resources) is a holding company for Virginia Power, North Carolina Power, & South Carolina E&G, which serve 3.4 mill. customers in VA, SC, & NC. Serves 3.4 mill. gas customers in OH, WV, UT, SC, & NC. Other ops. incl. independent power production. Acq'd Questar 9/16; SCANA 1/19. Elec. rev. breakdown: residential, 46%; commercial, 32%; industrial, 7%; other, 15%. Generating sources: gas, 41%; nuclear, 29%; coal, 8%; other, 5%; purchased, 17%. Fuel costs: 28% of revs. '19 reported deprec. rates: 2.4%-4.6%. Has 19,100 empls. Chairman, President & CEO: Thomas F. Farrell II. Inc.: VA. Address: 120 Tredegar St., P.O. Box 26532, Richmond, VA 23261-6532. Tel.: 804-819-2000. Internet: www.dominionenergy.com.

Dominion Energy has completed the sale of the majority of its midstream natural gas activities. Berkshire Hathaway paid $2.7 billion and assumed $5.3 billion of debt for Dominion Energy's assets, except for the pipeline assets that came with the purchase of Questar Energy in 2016. These have experienced a delay in regulatory approval, so Dominion Energy struck a separate deal with Berkshire Hathaway that would see the latter company pay $1.3 billion and assume $430 million of debt. This is expected to close in 2021. Dominion Energy was expected to report third-quarter results shortly after our report went to press, and was planning to report its midstream gas business as discontinued operations.

The company is using much of the cash to repurchase common stock. Dominion Energy expects to buy back at least $3 billion by early 2021. As of September 30th, it had repurchased more than $500 million and executed an accelerated buyback program that will conclude in early December.

The board of directors reduced the common dividend. Dominion Energy, when announcing its intention to exit most of its midstream gas operations, had signaled that the disbursement would be slashed, effective with the payment in December. The quarterly payout was lowered from $0.94 a share to $0.63, a reduction of 33%.

Our 2020 earnings estimate is below the company's targeted range of $3.37-$3.60 a share. Management is now guiding analyst toward the upper end of this range. However, we include certain items that Dominion Energy excludes from its guidance. We did exclude an aftertax charge of $2.2 billion that the company took against June-quarter results due to the write-off of a proposed gas pipeline, which suffered from extensive delays and cost overruns stemming from litigation. We think earnings should be much improved in 2021, which ought to be a more-normal year for Dominion Energy.

We do not recommend this stock. Following the dividend reduction, the yield is below average for a utility. Total return potential doesn't stand out, either for the 18-month or 3- to 5-year period.

Paul E. Debbas, CFA *November 13, 2020*

(A) Dil. egs. Excl. nonrec. gains (losses): '07, $1.67; '08, 12¢; '09, (47¢); '10, $2.18; '11, (7¢); '12, ($1.70); '14, (76¢); '17, $1.19; '18, 43¢; '19, (58¢); '20, ($3.16); losses from disc. ops.: '06, 26¢; '10, 26¢; '12, 4¢; '13, 16¢. '19 EPS don't sum due to chng. in shs. Next egs. report due early Feb. (B) Div'ds paid mid-Mar., June, Sept., & Dec. ■ Div'd reinv. plan avail. (C) Incl. intang. In '19: $20.79/sh. (D) In mill., adj. for split. (E) Rate base: Net orig. cost, adj. Rate all'd on com. eq. in '11: 10.9%; earned on avg. com. eq., '19: 6.7%. Regulatory Climate: Avg.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	50
Earnings Predictability	45

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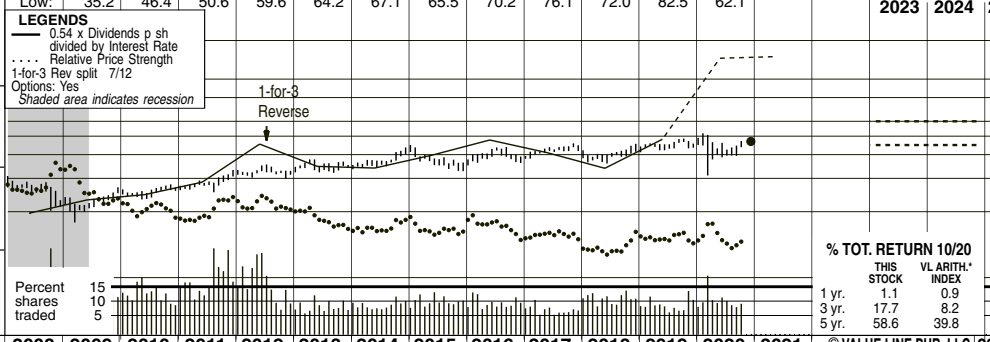
DUKE ENERGY NYSE-DUK

RECENT PRICE **93.82** | P/E RATIO **17.9** (Trailing: 18.7 / Median: 18.0) | RELATIVE P/E RATIO **0.94** | DIV'D YLD **4.2%** | VALUE LINE

TIMELINESS — Suspended 11/13/20
SAFETY 2 New 6/1/07
TECHNICAL — Suspended 11/13/20
BETA .85 (1.00 = Market)

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
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

Target Price Range 2023 | 2024 | 2025



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$62-$138	$100 (5%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	120	(+30%)	10%
Low	90	(-5%)	3%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	806	682	699
to Sell	557	723	666
Hld's(000)	476731	473369	471851

% TOT. RETURN 10/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	1.1	0.9
3 yr.	17.7	8.2
5 yr.	58.6	39.8

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	*31.55*	*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	*12.20*	*12.75*	"Cash Flow" per sh	*14.50*
- -	- -	2.76	3.60	3.03	3.39	4.02	4.14	3.71	3.98	4.13	4.10	3.71	4.22	4.13	5.07	*5.20*	*5.30*	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	*61.75*	*63.35*	Book Value per sh C	*69.00*
- -	- -	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 Outst'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*		Avg Ann'l P/E Ratio	*17.5*
- -	- -	- -	.85	1.04	.89	.81	.87	1.11	.98	.94	.92	1.12	1.00	1.05	.94	*Value Line*		Relative P/E Ratio	*.95*
- -	- -	- -	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%	*estimates*		Avg Ann'l Div'd Yield	*4.0%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $64684 mill. **Due in 5 Yrs** $22390 mill.
LT Debt $56143 mill. **LT Interest** $2190 mill.
Incl. $969 mill. capitalized leases.
(LT interest earned: 2.7x)
Leases, Uncapitalized Annual rentals $268 mill.
Pension Assets-12/19 $8910 mill. **Oblig** $8231 mill.
Pfd Stock $1962 mill. **Pfd Div'd** $58 mill.
40 mill. shs. 5.75%, cum., $25 liq. value, redeemable at $25.50 prior to 6/15/24; 1 mill. shs. 4.875%, cum., $1000 liq. value.
Common Stock 735,432,137 shs. **as of 7/31/20**
MARKET CAP: $69 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
14272	14529	19624	24598	23925	23459	22743	23565	24521	25079	*24100*	*24750*	Revenues ($mill)	*27000*
1765.0	1839.0	2136.0	2813.0	2934.0	2854.0	2560.0	2963.0	2928.0	3755.0	*3940*	*4180*	Net Profit ($mill)	*4750*
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%*
22.7%	23.2%	22.3%	8.8%	7.2%	9.2%	11.7%	12.3%	13.0%	7.9%	*8.0%*	*8.0%*	AFUDC % to Net Profit	*8.0%*
44.3%	45.1%	47.0%	48.0%	47.7%	48.6%	52.6%	54.0%	53.8%	54.0%	*53.0%*	*53.5%*	Long-Term Debt Ratio	*54.0%*
55.7%	54.9%	52.9%	52.0%	52.3%	51.4%	47.4%	46.0%	46.2%	44.1%	*45.0%*	*44.5%*	Common Equity Ratio	*44.5%*
40457	41451	77307	79482	78088	77222	86609	90774	94940	101807	*105100*	*109175*	Total Capital ($mill)	*122000*
40344	42661	68558	69490	70046	75709	82520	86391	91694	102127	*108475*	*114050*	Net Plant ($mill)	*128400*
5.5%	5.6%	3.6%	4.6%	4.8%	4.8%	4.0%	4.3%	4.2%	4.8%	*5.0%*	*5.0%*	Return on Total Cap'l	*5.0%*
7.8%	8.1%	5.2%	6.8%	7.2%	7.2%	6.2%	7.1%	6.7%	8.0%	*8.0%*	*8.0%*	Return on Shr. Equity	*8.5%*
7.8%	8.1%	5.2%	6.8%	7.2%	7.2%	6.2%	7.1%	6.7%	8.3%	*8.0%*	*8.5%*	Return on Com Equity E	*8.5%*
2.1%	2.2%	.9%	1.5%	1.7%	1.5%	.6%	1.2%	1.0%	2.4%	*2.0%*	*2.0%*	Retained to Com Eq	*2.5%*
73%	72%	82%	78%	76%	79%	91%	83%	84%	71%	*75%*	*74%*	All Div'ds to Net Prof	*71%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	-2.0	+3.9	-.9
Avg. Indust. Use (MWH)	2914	2953	2934
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	+1.3	+1.4	+1.5
Fixed Charge Cov. (%)	272	218	233

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	1.0%	1.0%	*.5%*
"Cash Flow"	3.5%	6.0%	*5.0%*
Earnings	3.0%	2.5%	*5.0%*
Dividends	3.0%	3.0%	*2.5%*
Book Value	2.0%	1.0%	*2.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) 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	5421	*6780*	*5950*	*24100*
2021	*6200*	*5650*	*6850*	*6050*	*24750*

Cal-endar	EARNINGS PER SHARE A 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	1.08	*1.88*	*1.00*	*5.20*
2021	*1.25*	*1.10*	*1.95*	*1.00*	*5.30*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.825	.825	.855	.855	3.36
2017	.855	.855	.89	.89	3.49
2018	.89	.89	.9275	.9275	3.64
2019	.9275	.9275	.945	.945	3.75
2020	.945	.945	.965		

BUSINESS: 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.

Is Duke Energy a takeover candidate? The stock price rose 7% on September 30th, after *The Wall Street Journal* reported that NextEra Energy approached Duke about a possible combination. Not surprisingly, Duke did not issue a comment about this. Even if NextEra makes a formal offer, there is no assurance that Duke will accept the proposal, and even if a deal is struck, there is no assurance that this will win regulatory approval. The price of Duke stock has strengthened further since late September, and has been trading in the low-$90 range recently (compared with the low-$80 range prior to the *Journal*'s report). The stock's Timeliness rank is suspended due to the takeover speculation.

The company took a huge nonrecurring charge for the second quarter. This was $1.6 billion ($2.21 a share) after taxes, and was for the write-off of Duke's interest in a pipeline project that was canceled due to delays and cost overruns stemming from litigation from environmental opponents. Duke expects to record additional charges of under $100 million within the next 12 months.

We estimate modest earnings increases in 2020 and 2021. Despite the effects of the recession on kilowatt-hour sales, management expects to offset this by cutting expenses by $350 million-$450 million. Rate relief is a positive factor. Duke was granted an increase in Indiana earlier this year, and has reached a settlement, subject to regulatory approval, in North Carolina (see below). Our 2020 profit estimate is within the company's targeted range of $5.05-$5.45 a share. Duke is guiding analysts toward the lower half.

Duke's utilities in North Carolina have reached settlements of their general rate cases. The company and the staff of the state commission agreed to rate hikes totaling $70 million, based on a return of 9.6% and a common-equity ratio of 52%. Interim rates (subject to refund) took effect in the third quarter. When the North Carolina commission will rule on the settlement is unknown.

Duke stock has an above-average dividend yield for a utility. Prospects for the 18-month span are attractive, but 3- to 5-year total return potential is subpar.

Paul E. Debbas, CFA *November 13, 2020*

(A) Dil. EPS. Excl. nonrec. losses: '12, 70¢; '13, 24¢; '14, 67¢; '17, 15¢; '18, 41¢; '20, $2.21; losses on disc. ops.: '14, 80¢; '16, 60¢; '18 EPS don't sum due to rounding. Next egs. report due mid-Feb. (B) Div'ds paid mid-Mar., June, 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. Rate 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 '20 in IN: 9.7%; earn. on avg. com. eq., '19: 8.3%. Reg. Clim.: NC Avg.; SC, OH, IN Above Avg.

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

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SOUTHERN COMPANY NYSE-SO

RECENT PRICE 59.01 | P/E RATIO 18.5 (Trailing: 19.3 Median: 16.0) | RELATIVE P/E RATIO 0.97 | DIV'D YLD 4.4% | VALUE LINE

TIMELINESS 3 Raised 3/2/18
SAFETY 2 Lowered 2/21/14
TECHNICAL 5 Lowered 11/13/20
BETA .90 (1.00 = Market)

High:	37.6	38.6	46.7	48.6	48.7	51.3	53.2	54.6	53.5	49.4	64.3	71.1
Low:	26.5	30.8	35.7	41.8	40.0	40.3	41.4	46.0	46.7	42.4	43.3	42.0

18-Month Target Price Range

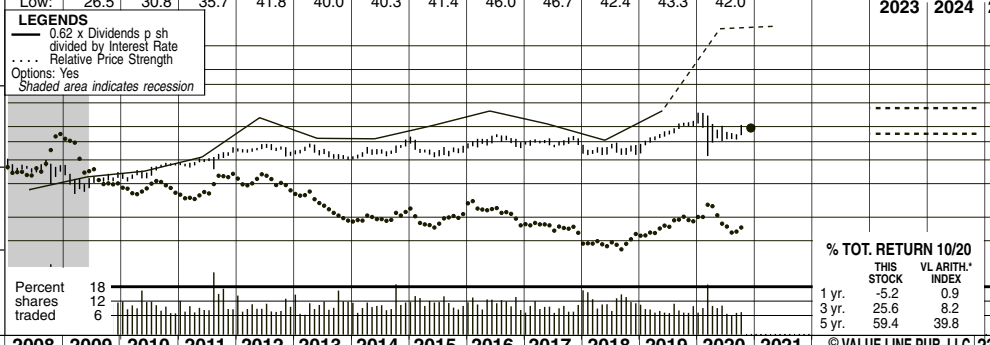
Low-High	Midpoint (% to Mid)
$42-$96	$69 (15%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+25%)	10%
Low	55	(-5%)	3%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	661	565	641
to Sell	564	730	586
Hld's(000)	633480	626906	610231



Target Price Range
2023 | 2024 | 2025

% TOT. RETURN 10/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-5.2	0.9
3 yr.	25.6	8.2
5 yr.	59.4	39.8

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
16.05	18.28	19.24	20.12	22.04	19.21	20.70	20.41	19.06	19.26	20.34	19.18	20.09	22.86	22.73	20.34	*19.15*	*19.90*	Revenues per sh	*22.50*
3.65	4.03	4.01	4.22	4.43	4.43	4.51	4.91	5.18	5.27	5.28	5.47	5.69	6.64	6.41	6.33	*6.90*	*7.15*	"Cash Flow" per sh	*8.00*
2.06	2.13	2.10	2.28	2.25	2.32	2.36	2.55	2.67	2.70	2.77	2.84	2.83	3.21	3.00	3.17	*3.15*	*3.25*	Earnings per sh A	*3.75*
1.42	1.48	1.54	1.60	1.66	1.73	1.80	1.87	1.94	2.01	2.08	2.15	2.22	2.30	2.38	2.46	*2.54*	*2.62*	Div'd Decl'd per sh B ■	*2.86*
2.85	3.20	4.01	4.65	5.10	5.70	4.85	5.23	5.54	6.16	6.58	6.22	7.38	7.37	7.74	7.17	*8.70*	*7.50*	Cap'l Spending per sh	*6.75*
13.86	14.42	15.24	16.23	17.08	18.15	19.21	20.32	21.09	21.43	21.98	22.59	25.00	23.98	23.92	26.11	*26.55*	*27.25*	Book Value per sh C	*30.75*
741.50	741.45	746.27	763.10	777.19	819.65	843.34	865.13	867.77	887.09	907.78	911.72	990.39	1007.6	1033.8	1053.3	*1056.0*	*1056.0*	Common Shs Outst'g D	*1085.0*
14.7	15.9	16.2	16.0	16.1	13.5	14.9	15.8	17.0	16.2	16.0	15.8	17.8	15.5	15.1	17.6	*Bold figures are*		Avg Ann'l P/E Ratio	*17.0*
.78	.85	.87	.85	.97	.90	.95	.99	1.08	.91	.84	.80	.93	.78	.82	.94	*Value Line*		Relative P/E Ratio	*.95*
4.7%	4.4%	4.5%	4.4%	4.6%	5.5%	5.1%	4.6%	4.3%	4.6%	4.7%	4.8%	4.4%	4.6%	5.3%	4.4%	*estimates*		Avg Ann'l Div'd Yield	*4.5%*

CAPITAL STRUCTURE as of 9/30/20
Total Debt $50130 mill. **Due in 5 Yrs** $11282 mill.
LT Debt $45581 mill. **LT Interest** $1706 mill.
(LT interest earned: 3.2x)
Leases, Uncapitalized Annual rentals $289 mill.
Pension Assets-12/19 $14057 mill. **Oblig** $14788 mill.
Pfd Stock $291 mill. **Pfd Div'd** $15 mill.
Incl. 10 mill. shs. 5.83% cum. pfd. ($25 stated value); 475,115 shs. 4.2%-5.44% cum. pfd. ($100 par).

Common Stock 1,056,241,993 shs.
MARKET CAP: $62 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
17456	17657	16537	17087	18467	17489	19896	23031	23495	21419	*20200*	*21000*	Revenues ($mill)	*24300*
2040.0	2268.0	2415.0	2439.0	2567.0	2647.0	2757.0	3269.0	3096.0	3354.0	*3355*	*3470*	Net Profit ($mill)	*4180*
33.5%	35.0%	35.6%	34.8%	33.8%	33.4%	28.5%	25.2%	21.3%	15.9%	*16.0%*	*16.0%*	Income Tax Rate	*16.0%*
13.7%	10.2%	9.4%	11.6%	13.9%	13.2%	11.9%	7.6%	6.8%	6.0%	*7.0%*	*6.0%*	AFUDC % to Net Profit	*5.0%*
51.2%	50.0%	49.9%	51.5%	49.5%	52.8%	61.5%	64.5%	62.0%	60.1%	*62.0%*	*62.5%*	Long-Term Debt Ratio	*61.0%*
45.7%	47.1%	47.3%	45.8%	47.3%	44.0%	35.7%	35.0%	37.6%	39.5%	*37.5%*	*37.0%*	Common Equity Ratio	*38.5%*
35438	37307	38653	41483	42142	46788	69359	68953	65750	69594	*74525*	*77550*	Total Capital ($mill)	*86000*
42002	45010	48390	51208	54868	61114	78446	79872	80797	83080	*88325*	*92125*	Net Plant ($mill)	*101300*
7.0%	7.2%	7.3%	6.8%	7.1%	6.6%	4.9%	5.9%	5.9%	6.0%	*5.5%*	*5.5%*	Return on Total Cap'l	*6.0%*
11.8%	12.2%	12.5%	12.1%	12.1%	12.0%	10.3%	13.3%	12.4%	12.1%	*12.0%*	*12.0%*	Return on Shr. Equity	*12.5%*
12.2%	12.5%	12.8%	12.5%	12.5%	12.6%	11.0%	13.4%	12.5%	12.1%	*12.0%*	*12.0%*	Return on Com Equity E	*12.5%*
3.0%	3.4%	3.6%	3.2%	3.2%	3.1%	2.5%	3.9%	2.6%	2.8%	*2.5%*	*2.5%*	Retained to Com Eq	*3.0%*
77%	73%	73%	75%	75%	76%	78%	72%	79%	77%	*80%*	*80%*	All Div'ds to Net Prof	*75%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	-2.6	+3.6	-8.5
Avg. Indust. Use (MWH)	3016	3048	2947
Avg. Indust. Revs. per KWH (¢)	6.18	6.04	6.03
Capacity at Yearend (Mw)	46936	45824	41940
Peak Load, Summer (Mw) F	34874	36429	34209
Annual Load Factor (%)	61.4	61.2	60.3
% Change Customers (yr-end)	+1.0	+1.0	-8.9
Fixed Charge Cov. (%)	318	280	281

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	.5%	2.5%	*.5%*
"Cash Flow"	4.0%	4.5%	*3.5%*
Earnings	3.0%	3.0%	*3.0%*
Dividends	3.5%	3.5%	*3.0%*
Book Value	3.5%	3.0%	*3.5%*

Cal-endar	QUARTERLY REVENUES (mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	5771	5430	6201	5629	23031
2018	6372	5627	6159	5337	23495
2019	5412	5098	5995	4914	21419
2020	5018	4620	5620	*4942*	*20200*
2021	*5200*	*4800*	*5800*	*5200*	*21000*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.73	.73	1.08	.67	3.21
2018	.99	.71	1.13	.17	3.00
2019	.75	.85	1.25	.32	3.17
2020	.81	.75	1.18	*.41*	*3.15*
2021	*.85*	*.75*	*1.25*	*.40*	*3.25*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.5425	.56	.56	.56	2.22
2017	.56	.58	.58	.58	2.30
2018	.58	.60	.60	.60	2.38
2019	.60	.62	.62	.62	2.46
2020	.62	.64	.64		

BUSINESS: The Southern Company, through its subs., supplies electricity to 4.3 mill. customers in GA, AL, and MS. Also has a competitive generation business. Acq'd AGL Resources (renamed Southern Company Gas, 4.3 mill. customers in GA, NJ, IL, VA, & TN) 7/16. Sold Gulf Power 1/19. Electric rev. breakdown: residential, 37%; commercial, 30%; industrial, 19%; other, 14%. Retail revs. by state: GA, 56%; AL, 38%; MS, 6%. Generating sources: gas, 47%; coal, 20%; nuclear, 15%; other, 9%; purchased, 9%. Fuel costs: 34% of revs. '19 reported depr. rates (util.): 2.6%-3.7%. Has 27,900 empls. Chairman, Pres. and CEO: Thomas A. Fanning. Inc.: DE. Address: 30 Ivan Allen Jr. Blvd., N.W., Atlanta, GA 30308. Tel.: 404-506-0747. Internet: www.southerncompany.com.

The nuclear units that Southern Company's Georgia Power subsidiary is building might well be completed ahead of schedule. The utility is adding two units at the site of the Vogtle station. The project has had significant delays and cost overruns, and the company has written off some capital costs that are not recoverable in rates. There was some coronavirus-related disruption to construction earlier this year. The regulatory-approved schedule is for Unit 3 and Unit 4 to come on line in November of 2021 and November of 2022, respectively. It now appears as if there is a realistic chance of Unit 3 being completed in the third quarter of 2021, with Unit 4 completed in June of 2022. The expected capital cost of Georgia Power's 45.7% share of the project, $8.5 billion, is unchanged from the previous quarter, with $1.6 billion remaining as of September 30th. The utility is incurring an additional $3.0 billion of financing costs, with $500 million remaining.

We think earnings in 2020 will approximate the 2019 tally. Southern Company has cut costs effectively to offset the effect of the recession on kilowatt-hour sales, which management estimates will reduce revenues by $300 million this year. Unfavorable weather patterns, compared with a year earlier, hurt the year-to-year comparison by $0.21 a share in the first nine months. On the positive side, some of the company's utilities have received rate relief.

We estimate a modest profit increase in 2021. The economy should be in better shape. Georgia Power's rates will be raised $181 million in the second phase of a three-year rate plan. Atlanta Gas Light and Virginia Natural Gas have rate cases pending, and expect to get orders at the start of 2021 and in the second quarter next year (retroactive to November 1st), respectively. Atlanta Gas Light requested $37.6 million and Virginia Natural Gas filed for $49.6 million.

The dividend yield of Southern Company stock is above average for a utility. However, despite the improved prospects for the nuclear construction project, this is not without risk. Moreover, total return potential does not stand out for the 18-month or 3- to 5-year period.

Paul E. Debbas, CFA *November 13, 2020*

(A) Diluted EPS. Excl. nonrec. gain (losses): '09, (25¢); '13, (83¢); '14, (59¢); '15, (25¢); '16, (28¢); '17, ($2.37); '18, (78¢); '19, $1.30; '20, (17¢). Next earnings report due late Feb.
(B) Div'ds paid in early Mar., June, Sept., and Dec. ■ Div'd reinvest. plan avail. (C) Incl. def'd charges. In '19: $17.64/sh. (D) In mill. (E) Rate base: AL, MS, fair value; FL, GA, orig. cost. Allowed return on common equity (blended): 12.5%; earned on avg. com. eq., '19: 13.0%. Regulatory Climate: GA, AL Above Average; MS, FL Average. (F) Winter peak in '18.

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

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EXELON CORP. NDQ-EXC

RECENT PRICE **40.96** | P/E RATIO **13.6** (Trailing: 13.6 Median: 15.0) | RELATIVE P/E RATIO **0.71** | DIV'D YLD **3.9%** | VALUE LINE

TIMELINESS 3 Lowered 6/7/19
SAFETY 3 Lowered 5/15/20
TECHNICAL 5 Lowered 11/13/20
BETA .95 (1.00 = Market)

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
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

Target Price Range 2023 | 2024 | 2025

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$28-$62	$45 (10%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+45%)	13%
Low	40	(Nil)	4%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	428	361	380
to Sell	478	493	429
Hld's(000)	768153	765293	766639

% TOT. RETURN 10/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-9.8	0.9
3 yr.	8.8	8.2
5 yr.	69.3	39.8

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
21.85	23.05	23.37	28.62	28.65	26.25	28.17	28.53	27.48	29.03	31.90	32.01	33.94	34.81	37.17	35.39	*33.80*	*34.75*	Revenues per sh	*40.50*
5.68	6.19	6.71	7.43	7.64	8.25	8.32	7.23	6.61	6.72	6.61	6.80	7.01	8.37	8.24	8.96	*9.05*	*9.45*	"Cash Flow" per sh	*10.75*
2.75	3.21	3.50	4.03	4.10	4.29	3.87	3.75	1.92	2.31	2.10	2.54	1.80	2.78	2.07	3.01	*2.90*	*3.00*	Earnings per sh A	*3.50*
1.26	1.60	1.64	1.82	2.05	2.10	2.10	2.10	2.10	1.46	1.24	1.24	1.26	1.31	1.38	1.45	*1.53*	*1.61*	Div'd Decl'd per sh B ■	*1.90*
2.89	3.25	3.61	4.05	4.74	4.96	5.03	6.09	6.77	6.29	7.07	8.29	9.26	7.87	7.84	7.45	*8.45*	*7.25*	Cap'l Spending per sh	*7.50*
14.19	13.69	14.89	15.34	16.78	19.16	20.49	21.68	25.07	26.52	26.29	28.04	27.96	30.99	31.77	33.12	*33.90*	*35.30*	Book Value per sh C	*39.75*
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 Outst'g D	*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	*Bold figures are*		Avg 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	*Value Line*		Relative P/E Ratio	*.80*
3.5%	3.2%	2.8%	2.5%	2.8%	4.3%	4.9%	5.0%	5.7%	4.7%	3.7%	3.9%	3.7%	3.5%	3.3%	3.1%	*estimates*		Avg Ann'l Div'd Yield	*3.7%*

CAPITAL STRUCTURE as of 9/30/20
Total Debt $39160 mill. **Due in 5 Yrs** $12822 mill.
LT Debt $35902 mill. **LT Interest** $1513 mill.
Includes $390 mill. nonrecourse transition bonds.
(LT interest earned: 3.4x)
Leases, Uncapitalized Annual rentals $287 mill.

Pension Assets-12/19 $18590 mill. **Oblig** $22868 mill.

Pfd Stock None

Common Stock 975,572,463 shs.

MARKET CAP: $40 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
18644	18924	23489	24888	27429	29447	31360	33531	35985	34438	*33000*	*34000*	Revenues ($mill)	*40000*
2567.0	2499.0	1579.0	1999.0	1826.0	2282.0	1677.0	2636.0	2010.0	2936.0	*2845*	*2935*	Net Profit ($mill)	*3385*
39.2%	36.8%	32.4%	36.5%	27.2%	32.2%	38.5%	34.2%	5.4%	19.4%	*12.5%*	*12.5%*	Income Tax Rate	*12.5%*
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	*50.5%*
52.9%	54.0%	53.5%	55.2%	52.8%	51.3%	44.5%	47.8%	47.2%	50.4%	*48.0%*	*49.5%*	Common Equity Ratio	*49.5%*
25651	26661	40057	41196	42811	50272	58053	62422	65229	63943	*68975*	*69850*	Total Capital ($mill)	*79800*
29941	32570	45186	47330	52087	57439	71555	74202	76707	80233	*82950*	*84250*	Net Plant ($mill)	*86900*
11.4%	10.6%	5.1%	5.9%	5.3%	5.5%	4.1%	5.3%	4.2%	5.7%	*5.5%*	*5.5%*	Return on Total Cap'l	*5.5%*
18.8%	17.3%	7.3%	8.7%	8.0%	8.8%	6.5%	8.8%	6.5%	9.1%	*8.5%*	*8.5%*	Return on Shr. Equity	*8.5%*
18.9%	17.3%	7.3%	8.7%	8.0%	8.8%	6.5%	8.8%	6.5%	9.1%	*8.5%*	*8.5%*	Return on Com Equity E	*8.5%*
8.7%	7.7%	NMF	3.2%	3.3%	4.5%	1.9%	4.7%	2.2%	4.7%	*4.0%*	*4.0%*	Retained to Com Eq	*4.0%*
54%	56%	109%	63%	59%	49%	70%	47%	66%	48%	*51%*	*52%*	All Div'ds to Net Prof	*53%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	-3.0	NA	NA
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NMF	NMF	NMF
Capacity at Peak (Mw)	NA	NA	NA
Peak Load (Mw)	NA	NA	NA
Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.9	NA	NA
Fixed Charge Cov. (%)	282	236	257

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	2.5%	4.0%	*2.0%*
"Cash Flow"	1.0%	5.0%	*4.0%*
Earnings	-4.5%	4.5%	*3.5%*
Dividends	-3.5%	-3.0%	*5.5%*
Book Value	6.5%	4.0%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	8757	7623	8769	8382	33531
2018	9693	8076	9403	8813	35985
2019	9477	7689	8929	8343	34438
2020	8747	7322	8853	*8078*	*33000*
2021	*9450*	*7500*	*8850*	*8200*	*34000*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.83	.44	.95	.56	2.78
2018	.60	.56	.76	.16	2.07
2019	.93	.50	.79	.79	3.01
2020	.60	.73	.89	*.68*	*2.90*
2021	*.85*	*.60*	*.90*	*.65*	*3.00*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.31	.318	.318	.318	1.26
2017	.3275	.3275	.3275	.3275	1.31
2018	.345	.345	.345	.345	1.38
2019	.3625	.3625	.3625	.3625	1.45
2020	.3825	.3825	.3825		

BUSINESS: Exelon Corporation is a holding company for Commonwealth Edison, PECO Energy, Baltimore Gas and Electric, Pepco, Delmarva Power, & Atlantic City Electric. Has 8.9 mill. elec., 1.3 mill. gas customers. Has nonregulated generating & energy-marketing ops. Acq'd Constellation Energy 3/12; Pepco Holdings 3/16. Elec. rev. breakdown: res'l, 54%; small comm'l & ind'l, 16%; large comm'l & ind'l, 17%; other, 13%. Generating sources: nuclear, 65%; other, 10%; purch., 25%. Fuel costs: 45% of revs. '19 depr. rates: 2.8%-7.4% elec., 2.0% gas. Has 32,700 empls. Chairman: Mayo A. Shattuck III. Pres. & CEO: Christopher M. Crane. Inc.: PA. Address: 10 S. Dearborn St., P.O. Box 805379, Chicago, IL 60680-5379. Tel.: 312-394-7398. Internet: www.exeloncorp.com.

Exelon plans to close two nuclear plants in Illinois in 2021. These nonregulated units are unprofitable due to low power prices, and the company has been unable to convince the state government to grant it subsidies that would enable the plants to stay open. Our presentation excludes the resulting charge of $0.38 a share against third-quarter results.

The company is considering a corporate separation. Exelon Generation might be spun off. Conditions for the nonregulated operations have been difficult for more than a decade. This is one reason why Exelon made utility acquisitions in 2012 and 2016, thereby increasing the proportion of corporate profits generated by the regulated utility business.

We expect profits to decline in 2020. Our estimate is below Exelon's targeted range of $3.00-$3.20 a share because we include certain ongoing items that management excludes from its guidance. The recession hasn't had much effect on earnings because 70% of Exelon's utility business operates under regulatory mechanisms that decouple revenues and volume. Also, management has cut costs to offset expenses stemming from the coronavirus.

Several rate cases are pending. In Maryland, Baltimore Gas and Electric is seeking increases totaling $228.1 million over a three-year period, based on a 10.1% return on equity. An order is due in December. Pepco is asking the regulatory commission in Washington, DC for a three-year plan that would raise rates by a total of $135.9 million, based on a 9.7% ROE. An order is expected in the first quarter of 2021. Pepco is seeking a $110.1 million, three-year increase in Maryland, based on a 10.2% ROE. A ruling is due in May. In Delaware, Delmarva Power filed for hikes of $9.1 million (gas) and $23.7 million (electric), based on a 10.3% ROE, with orders due in the first and second periods of 2021, respectively. In Pennsylvania, PECO is seeking a gas increase of $68.7 million, based on 10.95% ROE. A decision is expected in June. These should help the bottom line in 2021.

The dividend yield of Exelon stock is slightly above the utility mean. However, total return potential does not stand out for the 18-month or 2023-2025 period.

Paul E. Debbas, CFA *November 13, 2020*

(A) Diluted egs. Excl. nonrec. gain (losses): '05, ($1.85); '06, ($1.15); '09, (20¢); '12, (50¢); '13, (31¢); '14, 23¢; '16, (58¢); '17, $1.19; '20, (58¢). '18 EPS don't sum due to rounding. Next earnings report due mid-Feb. (B) Div'ds historically paid in early Mar., June, Sept., & Dec. ■ Div'd reinv. plan avail. (C) Incl. deferred charges. In '19: $15.43/sh. (D) In mill. (E) Rate 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%; earned on avg. com. eq., '19: 9.3%. Reg. Climate: PA, NJ Avg.; IL, MD, Below Avg.

Company's Financial Strength	B+
Stock's Price Stability	95
Price Growth Persistence	35
Earnings Predictability	60

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AMERICAN ELEC. PWR. NYSE-AEP

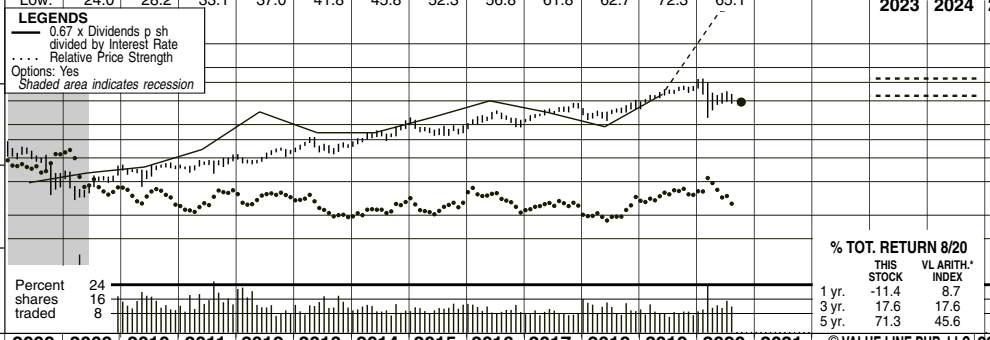
RECENT PRICE **78.83** | P/E RATIO **17.9** (Trailing: 19.5 Median: 15.0) | RELATIVE P/E RATIO **0.84** | DIV'D YLD **3.8%** | VALUE LINE

TIMELINESS 3 Lowered 9/6/19
SAFETY 1 Raised 3/17/17
TECHNICAL 3 Lowered 6/12/20
BETA .75 (1.00 = Market)

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
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

Target Price Range 2023 | 2024 | 2025

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



18-Month Target Price Range
Low-High Midpoint (% to Mid)
$66-$136 $101 (30%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	105	(+35%)	*11%*
Low	85	(+10%)	*6%*

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	549	483	496
to Sell	459	594	508
Hld's(000)	370323	370792	366307

Percent shares traded 24 16 8

% 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

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© 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	9.98	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 Outst'g D	*555.00*
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*		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	*Value Line*		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%	*estimates*		Avg Ann'l Div'd Yield	*3.7%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $31852 mill. **Due in 5 Yrs** $11290 mill.
LT Debt $26638 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.
Pfd Stock None

Common Stock 496,155,436 shs.
as of 8/6/20
MARKET CAP: $39 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
14427	15116	14945	15357	17020	16453	16380	15425	16196	15561	*15000*	*15600*	Revenues ($mill)	*17500*
1248.0	1513.0	1443.0	1549.0	1634.0	1763.4	2073.6	1783.2	1923.8	2019.0	*2120*	*2330*	Net Profit ($mill)	*3035*
34.8%	31.7%	33.9%	36.2%	37.8%	35.1%	26.8%	33.7%	5.8%	.7%	*2.0%*	*2.0%*	Income Tax Rate	*2.0%*
10.4%	10.6%	11.2%	7.3%	9.0%	11.0%	8.0%	8.0%	10.7%	12.7%	*13.0%*	*13.0%*	AFUDC % to Net Profit	*9.0%*
53.1%	50.7%	50.6%	51.1%	49.0%	49.8%	50.0%	51.5%	53.2%	56.1%	*56.0%*	*54.0%*	Long-Term Debt Ratio	*52.0%*
46.7%	49.3%	49.4%	48.9%	51.0%	50.2%	50.0%	48.5%	46.8%	43.9%	*44.0%*	*46.0%*	Common Equity Ratio	*48.0%*
29184	29747	30823	32913	33001	35633	34775	37707	40677	44759	*46975*	*50050*	Total Capital ($mill)	*61200*
35674	36971	38763	40997	44117	46133	45639	50262	55099	60138	*63575*	*69125*	Net Plant ($mill)	*79500*
5.7%	6.6%	6.1%	6.0%	6.3%	6.1%	7.2%	5.9%	5.9%	5.6%	*5.5%*	*5.5%*	Return on Total Cap'l	*6.0%*
9.1%	10.3%	9.5%	9.6%	9.7%	9.9%	11.9%	9.8%	10.1%	10.3%	*10.5%*	*10.0%*	Return on Shr. Equity	*10.5%*
9.1%	10.3%	9.5%	9.6%	9.7%	9.9%	11.9%	9.8%	10.1%	10.3%	*10.5%*	*10.0%*	Return on Com Equity E	*10.5%*
3.1%	4.2%	3.5%	3.7%	3.8%	3.9%	5.5%	3.2%	3.5%	3.4%	*3.5%*	*3.5%*	Retained to Com Eq	*3.5%*
66%	60%	63%	62%	61%	60%	54%	67%	65%	67%	*69%*	*68%*	All Div'ds to Net Prof	*67%*

ELECTRIC OPERATING STATISTICS

	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 (¢)	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
Fixed Charge Cov. (%)	354	254	234

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	- -	-.5%	*Nil*
"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%*

Cal-endar	QUARTERLY REVENUES ($ mill.) 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*

Cal-endar	EARNINGS PER SHARE A 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*	*1.60*	*.80*	*4.65*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ 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		

BUSINESS: 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 rates (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.

American Electric Power will build the wind project it proposed. 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.

Our 2020 earnings estimate is at the low end of the company's targeted range of $4.25-$4.45 a share. 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.

We raised our 2021 profit estimate by $0.10 a share, to $4.65. 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.

Rate cases are pending in three states. 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.

A dividend increase is likely in the fourth quarter. 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%.

The dividend yield of this top-quality stock is about average, by utility standards. 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*

(A) Diluted EPS. Excl. nonrec. gains (losses): '04, 24¢; '05, (62¢); '06, (20¢); '07, (20¢); '08, 40¢; '10, (7¢); '11, 89¢; '12, (38¢); '13, (14¢); '16, ($2.99); '17, 26¢; '19, (20¢); disc. ops.: '04, 15¢; '05, 7¢; '06, 2¢; '08, 3¢; '15, 58¢; '16, (1¢). Next earnings report due early Nov. (B) Div'ds paid early Mar., June, Sept., & Dec. ■ Div'd reinvestment plan avail. (C) Incl. intang. In '19: $13.39/sh. (D) In mill. (E) Rate base: various. Rates allowed on com. eq.: 9.3%-10.9%; earned on avg. com. eq., '19: 10.4%. Regulatory Climate: Average.

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

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XCEL ENERGY NDQ-XEL

RECENT PRICE **73.62** | P/E RATIO **25.9** (Trailing: 27.6 Median: 16.0) | RELATIVE P/E RATIO **1.18** | DIV'D YLD **2.4%** | VALUE LINE

TIMELINESS 3 Lowered 9/20/19
SAFETY 1 Raised 5/1/15
TECHNICAL 3 Lowered 10/23/20
BETA .80 (1.00 = Market)

High:	21.9	24.4	27.8	29.9	31.8	37.6	38.3	45.4	52.2	54.1	66.1	74.4
Low:	16.0	19.8	21.2	25.8	26.8	27.3	31.8	35.2	40.0	41.5	47.7	46.6

Target Price Range 2023 | 2024 | 2025

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$53-$107	$80 (10%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(-5%)	2%
Low	55	(-25%)	-4%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	395	365	343
to Sell	320	378	366
Hld's(000)	409339	407479	412864

% TOT. RETURN 9/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	9.2	0.8
3 yr.	59.1	7.9
5 yr.	127.0	47.8

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	*20.80*	*22.15*	Revenues per sh	*24.75*
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	*6.55*	*7.00*	"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*	*28.50*	Book Value per sh C	*32.50*
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*		Avg Ann'l P/E Ratio	*18.0*
.72	.82	.80	.89	.82	.85	.90	.89	.94	.84	.81	.83	.97	1.02	1.02	1.19	*Value Line*		Relative P/E Ratio	*1.00*
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%	*estimates*		Avg Ann'l Div'd Yield	*3.4%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $21974 mill. **Due in 5 Yrs** $4635 mill.
LT Debt $19463 mill. **LT Interest** $797 mill.
Incl. $77 mill. capitalized leases.
(LT interest earned: 2.8x)

Leases, Uncapitalized Annual rentals $262 mill.
Pension Assets-12/19 $3184 mill. **Oblig** $3701 mill.
Pfd Stock None

Common Stock 525,342,304 shs.
as of 7/28/20
MARKET CAP: $39 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
10311	10655	10128	10915	11686	11024	11107	11404	11537	11529	*11200*	*12000*	Revenues ($mill)	*13500*
727.0	841.4	905.2	948.2	1021.3	1063.6	1123.4	1171.0	1261.0	1372.0	*1460*	*1570*	Net Profit ($mill)	*1885*
37.5%	35.8%	33.2%	33.8%	33.9%	35.8%	34.1%	30.7%	12.6%	8.5%	*Nil*	*Nil*	Income Tax Rate	*Nil*
11.7%	9.4%	10.8%	13.4%	12.5%	7.7%	7.8%	9.4%	12.4%	8.3%	*10.0%*	*9.0%*	AFUDC % to Net Profit	*8.0%*
53.1%	51.1%	53.3%	53.3%	53.0%	54.1%	56.3%	55.9%	56.4%	56.8%	*57.0%*	*57.0%*	Long-Term Debt Ratio	*57.0%*
46.3%	48.9%	46.7%	46.7%	47.0%	45.9%	43.7%	44.1%	43.6%	43.2%	*43.0%*	*43.0%*	Common Equity Ratio	*43.0%*
17452	17331	19018	20477	21714	23092	25216	25975	28025	30646	*34175*	*35925*	Total Capital ($mill)	*41200*
20663	22353	23809	26122	28757	31206	32842	34329	36944	39483	*41025*	*42600*	Net Plant ($mill)	*48400*
5.7%	6.5%	6.1%	6.0%	6.0%	5.8%	5.7%	5.8%	5.7%	5.6%	*5.5%*	*5.5%*	Return on Total Cap'l	*5.5%*
8.9%	9.9%	10.2%	9.9%	10.0%	10.0%	10.2%	10.2%	10.3%	10.4%	*10.0%*	*10.0%*	Return on Shr. Equity	*10.5%*
8.9%	9.9%	10.2%	9.9%	10.0%	10.0%	10.2%	10.2%	10.3%	10.4%	*10.0%*	*10.0%*	Return on Com Equity E	*10.5%*
3.6%	4.3%	4.7%	4.5%	4.5%	4.3%	4.0%	3.9%	4.3%	4.4%	*3.5%*	*4.0%*	Retained to Com Eq	*4.0%*
59%	56%	54%	54%	55%	57%	61%	62%	58%	58%	*63%*	*63%*	All Div'ds to Net Prof	*62%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	-.7	+3.2	-1.2
Large C & I Use (MWH)	22642	23004	NA
Large C & I Revs. per KWH (¢)	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
Fixed Charge Cov. (%)	330	281	272

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-.5%	.5%	*2.0%*
"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%	*5.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) 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	2586	*3003*	*2800*	*11200*
2021	*3100*	*2700*	*3150*	*3050*	*12000*

Cal-endar	EARNINGS PER SHARE A 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*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ 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	

BUSINESS: Xcel Energy Inc. is the parent of Northern States Power, which supplies electricity to Minnesota, Wisconsin, North Dakota, South Dakota & Michigan & gas to Minnesota, Wisconsin, North Dakota & Michigan; 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 empls. 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.

We expect a continuation of Xcel Energy's steady earnings growth in 2020 and 2021. The company will benefit from electric rate increases its Southwestern Public Service subsidiary received in Texas and New Mexico. In addition, Public Service of Colorado is awaiting a ruling (probably in the current quarter) on a settlement that would see it book a gas tariff hike of $76.9 million, based on a return on equity of 9.2% and a common-equity ratio of 55.6%, as of November of 2020. Although the company's utilities have been affected by the recession, Xcel has been able to offset weakness in kilowatt-hour sales thanks to expense reductions and regulatory mechanisms in certain jurisdictions that decouple revenues and volume. Our 2020 earnings estimate of $2.75 a share is within the company's targeted range of $2.73-$2.83. We estimate 5% growth, to $2.90 a share, in 2021. Xcel was scheduled to report earnings in late October, shortly after our report came out, and was expected to release a new five-year capital spending and financing plan and provide earnings guidance for 2021.

The company isn't as active as usual in the regulatory arena. P.S. of Colorado is seeking regulatory mechanisms to recover wildfire mitigation and grid modification plans, and expects a decision in the second quarter of 2021. Northern States Power should soon ask the Minnesota commission to either raise rates or continue regulatory mechanisms that provide some rate relief annually. We think the latter is the more likely outcome.

Finances are solid. Xcel consistently earns a healthy ROE and has a good fixed-charge coverage. The company's Financial Strength rating is A+.

Xcel Energy stock has been one of the top performers in the electric utility industry in 2020. The quotation has risen 16% in what has been a bad year for most utility equities. Wall Street likes the company's consistent profit growth, and some investors find Xcel's position in renewable energy appealing. However, the stock is now expensively priced. The dividend yield is well below the industry mean, and the recent price is above our 2023-2025 Target Price Range.

Paul E. Debbas, CFA *October 23, 2020*

(A) Diluted EPS. Excl. nonrecurring gain (losses): '10, 5¢; '15, (16¢); '17, (5¢); gains (losses) on discontinued ops.: '04, (30¢); '05, 3¢; '06, 1¢; '09, (1¢); '10, 1¢. '17 EPS don't sum due to rounding. Next earnings report due late Oct. (B) Div'ds historically paid mid-Jan., Apr., July, and Oct. ■ Div'd reinvestment plan available. (C) Incl. intangibles. In '19: $5.60/sh. (D) In mill. (E) Rate base: Varies. Rate allowed on com. eq. (blended): 9.6%; earned on avg. com. eq., '19: 10.8%. Regulatory Climate: Average.

Company's Financial Strength	A+
Stock's Price Stability	95
Price Growth Persistence	80
Earnings Predictability	100

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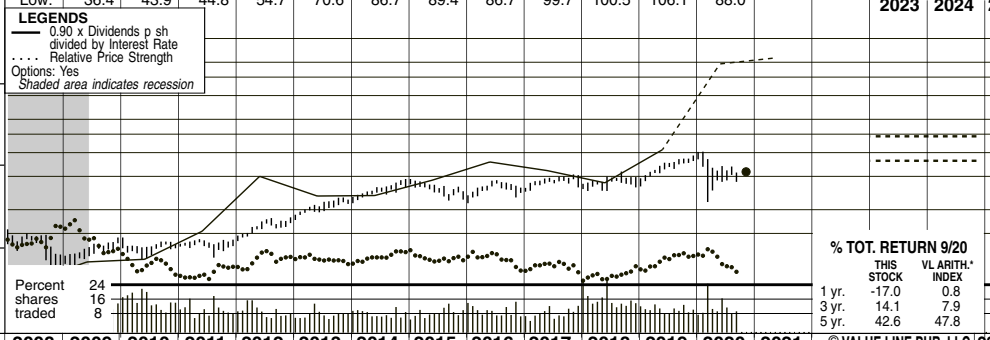
SEMPRA ENERGY NYSE-SRE

RECENT PRICE **126.78** | P/E RATIO **17.6** (Trailing: 17.6 Median: 20.0) | RELATIVE P/E RATIO **0.80** | DIV'D YLD **3.5%** | VALUE LINE

TIMELINESS 1 Raised 10/23/20
SAFETY 2 Raised 7/29/16
TECHNICAL 4 Lowered 10/23/20
BETA .95 (1.00 = Market)

High:	57.2	57.2	56.0	72.9	93.0	116.3	116.2	114.7	123.0	127.2	154.5	161.9
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

Target Price Range 2023 | 2024 | 2025



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$103-$229	$166 (30%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	195	(+55%)	14%
Low	145	(+15%)	7%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	424	331	379
to Sell	276	425	328
Hld's(000)	248880	245315	246941

% TOT. RETURN 9/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-17.0	0.8
3 yr.	14.1	7.9
5 yr.	42.6	47.8

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
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	*39.65*	*38.10*	Revenues per sh	*42.50*
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	*12.95*	*13.25*	"Cash Flow" per sh	*16.00*
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*	*7.90*	Earnings per sh A	*9.75*
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 B ■	*5.60*
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	*18.70*	*16.50*	Cap'l Spending per sh	*12.25*
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	*73.15*	*77.80*	Book Value per sh C	*90.00*
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	*290.00*	*315.00*	Common Shs Outst'g D	*330.00*
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	*Bold figures are*		Avg Ann'l P/E Ratio	*17.5*
.45	.63	.62	.74	.71	.67	.80	.74	.95	1.11	1.15	.99	1.28	1.22	1.10	1.20	*Value Line*		Relative P/E Ratio	*.95*
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%	*estimates*		Avg Ann'l Div'd Yield	*3.3%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $25963 mill. **Due in 5 Yrs** $10124 mill.
LT Debt $20535 mill. **LT Interest** $809 mill.
Incl. $1275 mill. capitalized leases.
(LT interest earned: 3.4x)
Leases, Uncapitalized Annual rentals $75 mill.
Pension Assets-12/19 $2662 mill. **Oblig** $3768 mill.
Pfd Stock $3147 mill. **Pfd Div'd** $186 mill.
17.25 mill. shs. 6% mand. conv. pfd.; 5.75 mill. shs. 6.75% mand. conv. pfd.; 811,073 shs. 6% cum., $25 par.; 900,000 shs. 4.875% cum.
Common Stock 289,259,674 shs. **as of 8/4/20**
MARKET CAP: $37 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
9003.0	10036	9647.0	10557	11035	10231	10183	11207	11687	10829	*11500*	*12000*	Revenues ($mill)	*14000*
1008.0	1088.0	1079.0	1060.0	1162.0	1314.0	1065.0	1169.0	1607.0	1825.0	*2390*	*2590*	Net Profit ($mill)	*3410*
26.5%	25.3%	18.2%	26.5%	19.7%	19.2%	14.4%	24.5%	20.1%	17.9%	*18.0%*	*18.0%*	Income Tax Rate	*18.0%*
11.3%	15.2%	17.2%	11.2%	14.4%	15.3%	22.2%	21.9%	12.6%	10.0%	*8.0%*	*7.0%*	AFUDC % to Net Profit	*6.0%*
49.4%	50.4%	52.8%	50.5%	51.7%	52.6%	52.7%	56.4%	55.7%	51.0%	*47.5%*	*48.0%*	Long-Term Debt Ratio	*48.0%*
49.6%	49.2%	46.7%	49.4%	48.2%	47.3%	47.3%	43.5%	38.4%	43.4%	*45.5%*	*50.0%*	Common Equity Ratio	*50.5%*
18186	20015	22002	22281	23513	24963	27400	29135	38769	40734	*46575*	*49050*	Total Capital ($mill)	*58900*
19876	23572	25191	25460	25902	28039	32931	36503	36796	36452	*40200*	*43625*	Net Plant ($mill)	*49900*
6.8%	6.7%	6.1%	6.0%	6.1%	6.4%	5.0%	5.1%	5.1%	5.5%	*6.0%*	*6.0%*	Return on Total Cap'l	*7.0%*
10.9%	10.9%	10.4%	9.6%	10.2%	11.1%	8.2%	9.2%	9.4%	9.1%	*9.0%*	*9.5%*	Return on Shr. Equity	*10.5%*
11.1%	11.0%	10.4%	9.6%	10.3%	11.1%	8.2%	9.2%	10.0%	9.5%	*10.0%*	*10.0%*	Return on Com Equity E	*11.0%*
7.0%	6.5%	5.1%	4.1%	5.0%	5.8%	2.9%	3.3%	4.1%	3.9%	*4.0%*	*4.0%*	Retained to Com Eq	*4.5%*
37%	41%	52%	58%	52%	48%	65%	65%	62%	62%	*61%*	*58%*	All Div'ds to Net Prof	*58%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	-.2	-3.2	-4.3
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NMF	NMF	NMF
Peak Load, Summer (Mw)	NMF	NMF	NMF
Annual Load Factor (%)	NMF	NMF	NMF
% Change Customers (yr-end)	+.8	+.9	+.8
Fixed Charge Cov. (%)	264	186	181

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	.5%	-.5%	*.5%*
"Cash Flow"	4.0%	4.0%	*6.5%*
Earnings	2.0%	4.0%	*10.5%*
Dividends	10.0%	7.5%	*7.5%*
Book Value	5.0%	4.5%	*8.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) 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	2526	*2900*	*3045*	*11500*
2021	*3200*	*2550*	*3050*	*3200*	*12000*

Cal-endar	EARNINGS PER SHARE A 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	1.58	*1.60*	*1.72*	*7.20*
2021	*2.30*	*1.08*	*1.85*	*1.95*	*7.90*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ 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	1.045	

BUSINESS: Sempra Energy is a holding co. for San Diego Gas & Electric Company, which sells electricity & gas mainly in San Diego County, & Southern California Gas Company, which distributes gas to most of Southern California. Owns 80% of Oncor (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. Martin. Inc.: CA. Address: 488 8th Ave., San Diego, CA 92101. Tel.: 619-696-2000. Internet: www.sempra.com.

Sempra Energy will probably post solidly higher earnings in 2020 and 2021. The company's utilities in California and Texas are benefiting from rate relief, and customer growth is especially strong in Texas. (Note that in California the effect of the weak economy on kilowatt-hour sales doesn't hurt profits because of a regulatory mechanism that decouples revenues and volume.) A reduction in average shares outstanding (see below) should be another positive factor. Note that our 2020 estimate does not include any income from the utilities in South America, which Sempra sold in the first half of the year and are reported as discontinued operations. Our 2021 estimate of $7.90 a share, which we raised by $0.15 because the share count will be lower than we had expected three months ago, is within the company's targeted range of $7.50-$8.10.

Sempra completed a liquefied natural gas export facility. The third of three "trains" began operating in August. Beginning in 2021, the first full year of operation, this should provide $400 million-$450 million of net profit annually. Sempra does not have commodity or volumetric risk, and has long-term contracts with creditworthy counterparties.

The company is repurchasing stock. Sempra completed an accelerated $500 million buyback (4.1 million shares) in the third quarter. It obtained board authorization to repurchase up to an additional $2 billion. Even so, the share count will rise in 2021 due to the mandatory conversion of preferred stock.

There are some causes for concern. The city of San Diego's electric franchise agreement with San Diego Gas & Electric is expiring. Our estimates and projections are based on the assumption that the utility will continue to serve San Diego, but this is a source of uncertainty until this matter gets settled. Also, in California there is an increasing hostility toward fossil fuels. This is not good for a company that has a significant presence in natural gas.

The dividend yield of this timely stock is about average, for a utility. Total return potential for the next 18 months is attractive, but prospects for the 3- to 5-year period are unspectacular.

Paul E. Debbas, CFA *October 23, 2020*

(A) Diluted EPS. Excl. nonrec. gains (losses): '09, (26¢); '10, ($1.05); '11, $1.15; '12, (98¢); '13, (30¢); '15, 14¢; '16, $1.23; '17, (17¢); '18, ($2.06); '19, 16¢; gain (losses) from disc. ops.: '06, $1.21; '07, (10¢); '19, 95¢; '20, $6.00. Next earnings report due early Nov. (B) Div'ds paid mid-Jan., Apr., July, Oct. ■ Div'd reinvestment plan avail. (C) Incl. intang. In '19: $13.37/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate all'd on com. eq.: SDG&E in '20: 10.2%; SoCalGas in '20: 10.05%; earned on avg. com. eq., '19: 10.4%. Regulatory Climate: Average.

Company's Financial Strength	A
Stock's Price Stability	90
Price Growth Persistence	80
Earnings Predictability	75

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EVERSOURCE ENERGY NYSE-ES

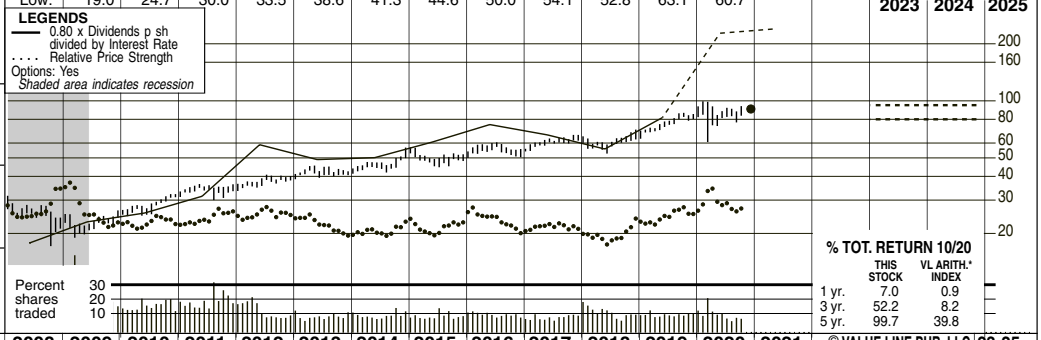
RECENT PRICE 90.59 | P/E RATIO 24.0 (Trailing: 25.7 Median: 18.0) | RELATIVE P/E RATIO 1.26 | DIV'D YLD 2.6% | VALUE LINE

TIMELINESS 1 Raised 11/13/20
SAFETY 1 Raised 5/22/15
TECHNICAL 3 Lowered 11/13/20
BETA .90 (1.00 = Market)

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
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

Target Price Range 2023 | 2024 | 2025

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



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$62-$143	$103 (15%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	95	(+5%)	4%
Low	80	(-10%)	Nil

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	390	327	343
to Sell	260	357	325
Hld's(000)	272541	263197	267514

Percent shares traded 30 20 10

% TOT. RETURN 10/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	7.0	0.9
3 yr.	52.2	8.2
5 yr.	99.7	39.8

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	*25.50*	*26.80*	Revenues per sh	*28.75*
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	*6.85*	*7.50*	"Cash Flow" per sh	*8.75*
.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*	*3.85*	Earnings per sh A	*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*	Div'd Decl'd per sh B ■	*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	*9.00*	*8.70*	Cap'l Spending per sh	*8.25*
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	*42.95*	*44.80*	Book Value per sh C	*50.75*
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*	Common Shs Outst'g D	*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	*Bold figures are*		Avg Ann'l P/E Ratio	*19.0*
1.10	1.05	1.46	.99	.82	.80	.85	.97	1.27	.95	.94	.91	.98	.98	1.01	1.18	*Value Line*		Relative P/E Ratio	*1.05*
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%	*estimates*		Avg Ann'l Div'd Yield	*3.3%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $15454 mill. **Due in 5 Yrs** $5876.6 mill.
LT Debt $14216 mill. **LT Interest** $559.4 mill.
(LT interest earned: 3.5x)
Leases, Uncapitalized Annual rentals $10.2 mill.
Pension Assets-12/19 $4968.6 mill.
Oblig $6321.7 mill.
Pfd Stock $155.6 mill. **Pfd Div'd** $7.6 mill.
Incl. 2,324,000 shs $1.90-$3.28 rates ($50 par) not subject to mandatory redemption, 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 342,667,836 shs. **as of 7/31/20**
MARKET CAP: $31 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
4898.2	4465.7	6273.8	7301.2	7741.9	7954.8	7639.1	7752.0	8448.2	8526.5	*8800*	*9350*	Revenues ($mill)	*10350*
377.8	400.3	533.0	793.7	827.1	886.0	949.8	995.5	1040.5	1121.0	*1230*	*1350*	Net Profit ($mill)	*1635*
36.6%	29.9%	34.0%	35.0%	36.2%	37.9%	36.9%	36.8%	21.7%	19.7%	*22.5%*	*20.0%*	Income Tax Rate	*20.0%*
7.1%	8.6%	2.3%	1.4%	2.4%	2.9%	3.9%	4.7%	6.1%	6.3%	*5.0%*	*5.0%*	AFUDC % to Net Profit	*4.0%*
55.1%	53.4%	43.7%	44.3%	45.9%	45.6%	44.8%	51.2%	52.4%	52.8%	*59.0%*	*59.0%*	Long-Term Debt Ratio	*59.0%*
43.6%	45.3%	55.4%	54.8%	53.2%	53.6%	54.4%	48.2%	46.9%	46.6%	*40.5%*	*40.5%*	Common Equity Ratio	*40.5%*
8741.8	8856.0	16675	17544	18738	19313	19697	23018	24474	27097	*36675*	*38600*	Total Capital ($mill)	*45200*
9567.7	10403	16605	17576	18647	19892	21351	23617	25610	27585	*32275*	*34200*	Net Plant ($mill)	*39300*
5.8%	5.9%	4.2%	5.5%	5.3%	5.5%	5.8%	5.2%	5.2%	5.1%	*4.0%*	*4.5%*	Return on Total Cap'l	*4.5%*
9.6%	9.7%	5.7%	8.1%	8.2%	8.4%	8.7%	8.9%	8.9%	8.8%	*8.0%*	*8.5%*	Return on Shr. Equity	*9.0%*
9.8%	9.8%	5.7%	8.2%	8.2%	8.5%	8.8%	8.9%	9.0%	8.8%	*8.0%*	*8.5%*	Return on Com Equity E	*9.0%*
5.0%	5.0%	1.6%	3.4%	3.5%	3.4%	3.5%	3.5%	3.4%	3.6%	*3.0%*	*3.0%*	Retained to Com Eq	*3.5%*
49%	50%	72%	59%	58%	61%	60%	61%	62%	60%	*63%*	*62%*	All Div'ds to Net Prof	*63%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	-2.6	+2.2	-3.3
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.6	+.5	+.7
Fixed Charge Cov. (%)	427	319	319

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-3.0%	2.5%	*2.0%*
"Cash Flow"	2.0%	6.5%	*5.5%*
Earnings	6.0%	7.0%	*5.5%*
Dividends	9.0%	7.0%	*6.0%*
Book Value	6.5%	3.5%	*5.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	2105	1762	1988	1895	7752.0
2018	2288	1853	2271	2034	8448.1
2019	2415	1884	2175	2050	8526.5
2020	2374	1953	2344	*2129*	*8800*
2021	*2650*	*2100*	*2350*	*2250*	*9350*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	1.01	*.83*	*3.60*
2021	*1.08*	*.85*	*1.02*	*.90*	*3.85*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.445	.445	.445	.445	1.78
2017	.475	.475	.475	.475	1.90
2018	.505	.505	.505	.505	2.02
2019	.535	.535	.535	.535	2.14
2020	.5675	.5675	.5675		

BUSINESS: Eversource Energy (formerly Northeast Utilities) is the parent of utilities with 3.2 mill. electric, 870,000 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 MA & gas to central & eastern MA; supplies water to CT, MA, & NH. Acq'd NSTAR 4/12; Aquarion 12/17; Columbia Gas 10/20. 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 employees. Chairman, President & CEO: James J. Judge. Inc.: MA. Address: 300 Cadwell Drive, Springfield, MA 01104. Tel.: 413-785-5871. Internet: www.eversource.com.

Eversource Energy completed its acquisition of Columbia Gas. It paid $1.1 billion in cash for a utility with some 330,000 gas customers in Massachusetts. Eversource financed the deal with debt and common stock. This should be accretive to earnings in the first full year. As part of the regulatory order approving the purchase, rates were increased $13.1 million at the start of November, based on a return on equity of 9.7% and a common-equity ratio of 53.25%, and will be raised another $10.0 million in November of 2021. Our 2020 share-net estimate remains $3.60 because Eversource is incurring merger-related costs, but we raised our 2021 expectation by $0.10, to $3.85. The recession hasn't had much effect on Eversource's earnings because most of its utilities operate under regulatory mechanisms that decouple revenues and volume.

The Connecticut regulators are investigating Eversource's performance regarding a tropical storm in August. This caused damage estimated at $275 million, which is being deferred for the time being. A ruling is expected in April.

Public Service of New Hampshire has reached a settlement of its rate case. The agreement with the staff of the state Public Utilities Commission and some intervenor groups calls for a hike of $45 million (including an interim hike of $28 million that took effect on July 1, 2019) based on an ROE of 9.3% and a common-equity ratio of 54.4%. There would be three "step" increases in 2021 and 2022. The utility is hoping for a ruling by November 28th.

A rate hike for NSTAR Gas took effect on November 1st. The utility was granted an increase of $22.7 million, based on a 9.9% ROE and a 54.77% common-equity ratio. The order included a performance-based ratemaking mechanism.

Eversource plans to invest in offshore wind. The company has joint ventures that would add 1,714 megawatts of capacity. This offers profit potential, but also has significant construction risk.

This stock is timely, but expensively priced. The stock price is up 6% in what has been a bad year for most utility issues. The dividend yield is well below the utility mean, and the recent quotation is within our 2023-2025 Target Price Range.

Paul E. Debbas, CFA *November 13, 2020*

(A) Diluted EPS. Excl. nonrecurring gains (losses): '04, (7¢); '05, ($1.36); '08, (19¢); '10, 9¢; '19, (64¢); '20, *(25¢)*. Next earnings report due late Feb. (B) Div'ds 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	65
Earnings Predictability	100

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WEC ENERGY GROUP NYSE-WEC

RECENT PRICE 94.08 | P/E RATIO 24.6 (Trailing: 25.4 Median: 18.0) | RELATIVE P/E RATIO 1.15 | DIV'D YLD 2.8% | VALUE LINE

TIMELINESS 3 Lowered 8/16/19
SAFETY 1 Raised 3/23/12
TECHNICAL 3 Lowered 9/11/20
BETA .80 (1.00 = Market)

High:	25.3	30.5	35.4	41.5	45.0	55.4	58.0	66.1	70.1	75.5	98.2	109.5
Low:	18.2	23.4	27.0	33.6	37.0	40.2	44.9	50.4	56.1	58.5	67.2	68.0

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$68-$153	$111 (15%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	105	(+10%)	6%
Low	85	(-10%)	1%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	403	383	334
to Sell	361	426	453
Hld's(000)	246035	234743	231336

Target Price Range
2023 | 2024 | 2025
160 120 100 80 60 50 40 30 20 15

% 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

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
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*	Revenues per sh	*27.00*
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*	"Cash Flow" per sh	*9.00*
.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*	Earnings per sh A	*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*	Div'd Decl'd per sh B ■	*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*	Cap'l Spending per sh	*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*	Book Value per sh C	*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*	Common Shs Outst'g D	*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	*Bold figures are*		Avg Ann'l P/E Ratio	*20.0*
.92	.77	.86	.88	.89	.89	.89	.89	1.01	.93	.93	1.07	1.04	1.01	1.06	1.26	*Value Line*		Relative P/E Ratio	*1.10*
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%	*estimates*		Avg Ann'l Div'd Yield	*3.4%*

4202.5	4486.4	4246.4	4519.0	4997.1	5926.1	7472.3	7648.5	7679.5	7523.1	*7100*	*7400*	Revenues ($mill)	*8500*
455.6	514.0	547.5	578.6	589.5	640.3	940.2	998.2	1060.5	1134.2	*1190*	*1245*	Net Profit ($mill)	*1485*
35.4%	33.9%	35.9%	36.9%	38.0%	40.4%	37.6%	37.2%	13.8%	9.9%	*16.5%*	*16.5%*	Income Tax Rate	*16.5%*
18.6%	16.8%	9.4%	4.5%	1.3%	4.5%	3.8%	1.6%	2.1%	1.8%	*2.0%*	*2.0%*	AFUDC % to Net Profit	*2.0%*
50.6%	53.6%	51.7%	50.6%	48.5%	51.2%	50.5%	48.0%	50.4%	52.5%	*50.5%*	*53.0%*	Long-Term Debt Ratio	*52.0%*
49.0%	46.0%	48.0%	49.1%	51.2%	48.6%	49.3%	51.9%	49.4%	47.4%	*49.5%*	*47.0%*	Common Equity Ratio	*48.0%*
7764.5	8608.0	8619.3	8626.6	8636.5	17809	18118	18238	19813	21355	*21100*	*23050*	Total Capital ($mill)	*25000*
9601.5	10160	10572	10907	11258	19190	19916	21347	22001	23620	*25775*	*27825*	Net Plant ($mill)	*31700*
7.5%	7.5%	7.9%	8.1%	8.1%	4.5%	6.3%	6.6%	6.5%	6.5%	*7.0%*	*6.5%*	Return on Total Cap'l	*7.0%*
11.9%	12.9%	13.1%	13.6%	13.2%	7.4%	10.5%	10.5%	10.8%	11.2%	*11.5%*	*11.5%*	Return on Shr. Equity	*12.5%*
12.0%	12.9%	13.2%	13.6%	13.3%	7.4%	10.5%	10.5%	10.8%	11.2%	*11.5%*	*11.5%*	Return on Com Equity E	*12.5%*
7.0%	6.8%	6.5%	5.9%	5.3%	2.1%	3.5%	3.6%	3.7%	3.8%	*3.5%*	*3.5%*	Retained to Com Eq	*4.0%*
41%	47%	51%	57%	60%	71%	67%	66%	66%	66%	*67%*	*68%*	All Div'ds to Net Prof	*68%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $12828 mill. **Due in 5 Yrs** $4369.2 mill.
LT Debt $10722 mill. **LT Interest** $503.1 mill.
Incl. $12.1 mill. capitalized leases.
(LT interest earned: 3.6x)
Leases, Uncapitalized Annual rentals $6.8 mill.
Pension Assets-12/19 $3007.0 mill. **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.
Common Stock 315,434,531 shs.

MARKET CAP: $30 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	-3.0	+2.5	-2.5
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Lg. C&I Revs. per KWH (¢)	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
Fixed Charge Cov. (%)	422	323	300

ANNUAL RATES of change (per sh)	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%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	2304	1631	1657	2055	7648.5
2018	2286	1672	1643	2076	7679.5
2019	2377	1590	1608	1947	7523.1
2020	2109	1549	*1542*	*1900*	*7100*
2021	*2250*	*1600*	*1600*	*1950*	*7400*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1.12	.63	.68	.71	3.14
2018	1.23	.73	.74	.65	3.34
2019	1.33	.74	.74	.77	3.58
2020	1.43	.76	*.76*	*.80*	*3.75*
2021	*1.50*	*.80*	*.80*	*.85*	*3.95*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.495	.495	.495	.495	1.98
2017	.52	.52	.52	.52	2.08
2018	.5525	.5525	.5525	.5525	2.21
2019	.59	.59	.59	.59	2.36
2020	.6325	.6325	.6325		

BUSINESS: 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. elec., 2.9 mill. gas. Acq'd Integrys 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.

We estimate that WEC Energy's earnings will advance 5% in 2020 and 2021. The company's Peoples Gas subsidiary in Chicago is replacing gas mains. For now, the utility's annual capital spending of $280 million-$300 million on this program is recovered contemporaneously through a rider (surcharge) on customers' bills, but there is a risk that the law providing for this mechanism will be amended. WEC Energy has cut costs effectively to offset the effects of the decline in commercial and industrial volume stemming from the weak economy. The company's utilities have received permission from regulatory commissions to defer for future recovery most of their coronavirus-related expenses. Our 2020 earnings estimate is at the upper end of WEC Energy's typically narrow range of $3.71-$3.75 a share. We think a better economy points to higher profits in 2021. The company's goal for annual earnings growth is 5%-7%.

The company is adding renewable generating capacity at the utility and nonutility level. Wisconsin Electric and Wisconsin Public Service have two-thirds stakes (100 megawatts each) in solar projects that are coming on line in 2020, 2021, and 2022. The utilities' investment is $130 million for each facility. A nonregulated subsidiary is investing in wind projects. Three are already operating, and three are under construction for some 705 mw at a cost of $1 billion. These will begin operating in 2020 and 2021 and are expected to produce greater returns on investment than the regulated utility business.

The company has requested regulatory approval to build two liquefied natural gas facilities in Wisconsin. The expected investment is $370 million. If the commission grants approval (an order is expected in late 2020 or early 2021), construction is expected to begin next summer, with an in-service date in late 2023.

This high-quality stock has risen 2% in price this year. This makes WEC Energy unusual among utility issues. The dividend yield is below average for the group, and total return potential to 2023-2025 is negligible. The equity offers above-average total return prospects for the next 18 months, however.

Paul E. Debbas, CFA *September 11, 2020*

(A) Diluted EPS. Excl. gains on discont. ops.: '04, 77¢; '11, 6¢; nonrecurring gain: '17, 65¢. '18 EPS don't sum due to rounding. Next earnings report due early Nov. (B) Div'ds paid 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 orig. 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.

Company's Financial Strength	A+
Stock's Price Stability	85
Price Growth Persistence	90
Earnings Predictability	95

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P.S. ENTERPRISE GP. NYSE-PEG

RECENT PRICE **58.49** | P/E RATIO **16.1** (Trailing: 16.2 / Median: 14.0) | RELATIVE P/E RATIO **0.84** | DIV'D YLD **3.5%** | VALUE LINE

TIMELINESS 2 Raised 11/13/20
SAFETY 1 Raised 11/23/12
TECHNICAL 4 Lowered 6/19/20
BETA .90 (1.00 = Market)

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
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

Target Price Range 2023 | 2024 | 2025

LEGENDS
— 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

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$42-$87	$65 (10%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(+20%)	8%
Low	55	(-5%)	3%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	415	352	360
to Sell	315	423	368
Hld's(000)	351159	339220	345831

Percent shares traded 30 20 10

% TOT. RETURN 10/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-5.7	0.9
3 yr.	29.7	8.2
5 yr.	66.9	39.8

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	*19.00*	*19.80*	Revenues per sh	*22.50*
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	*7.75*
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*	*3.65*	Earnings per sh A	*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 B ■†	*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	*31.50*	*33.10*	Book Value per sh C	*38.75*
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 D	*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	*Bold figures are*		Avg Ann'l P/E Ratio	*14.5*
.76	.88	.96	.88	.82	.67	.66	.65	.81	.76	.66	.62	.80	.82	1.01	.80	*Value Line*		Relative 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%	*estimates*		Avg Ann'l Div'd Yield	*3.7%*

CAPITAL STRUCTURE as of 9/30/20
Total Debt $17185 mill. **Due in 5 Yrs** $7918 mill.
LT Debt $14792 mill. **LT Interest** $514 mill.
(LT interest earned: 5.2x)

Leases, Uncapitalized Annual rentals $44 mill.

Pension Assets-12/19 $5929 mill. **Oblig** $6892 mill.

Pfd Stock None

Common Stock 505,847,992 shs.
as of 10/20/20
MARKET CAP: $30 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
11793	11343	9781.0	9968.0	10886	10415	9198.0	9161.0	9696.0	10076	*9600*	*10000*	Revenues ($mill)	*11350*
1557.0	1577.0	1239.0	1243.0	1518.0	1679.0	1436.0	1431.0	1399.0	1979.0	*1730*	*1850*	Net Profit ($mill)	*2170*
40.5%	40.4%	36.2%	39.5%	38.2%	37.4%	31.7%	37.3%	22.3%	15.9%	*14.5%*	*14.5%*	Income Tax Rate	*14.5%*
5.5%	2.7%	4.8%	4.6%	4.5%	5.5%	8.4%	10.6%	9.8%	5.5%	*8.0%*	*7.0%*	AFUDC % to Net Profit	*6.0%*
44.8%	42.1%	38.3%	40.4%	40.4%	40.3%	45.3%	46.6%	47.8%	47.7%	*48.0%*	*48.5%*	Long-Term Debt Ratio	*49.5%*
55.2%	57.9%	61.7%	59.6%	59.6%	59.7%	54.7%	53.4%	52.2%	52.3%	*52.0%*	*51.5%*	Common Equity Ratio	*50.5%*
17452	17731	17467	19470	20446	21900	24025	25915	27545	28832	*30550*	*32375*	Total Capital ($mill)	*38800*
16390	17849	19736	21645	23589	26539	29286	31797	34363	35844	*37300*	*38475*	Net Plant ($mill)	*41700*
10.4%	10.2%	8.1%	7.5%	8.4%	8.6%	6.8%	6.4%	6.0%	7.8%	*6.5%*	*6.5%*	Return on Total Cap'l	*6.5%*
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 Shr. 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 E	*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'ds to Net Prof	*54%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	-2.0	+2.8	-2.9
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH(¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	9567	9978	9753
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	NA	NA	NA
Fixed Charge Cov. (%)	503	413	361

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-3.0%	-1.0%	*3.0%*
"Cash Flow"	2.0%	2.0%	*5.0%*
Earnings	1.0%	4.0%	*5.0%*
Dividends	3.5%	4.5%	*4.0%*
Book Value	6.0%	4.5%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) 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	2370	*2399*	*9600*
2021	*2900*	*2100*	*2500*	*2500*	*10000*

Cal-endar	EARNINGS PER SHARE A 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*	*.85*	*1.00*	*.65*	*3.65*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■† 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	.49		

BUSINESS: 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. The company no longer breaks out data on electric and gas operating statistics. Fuel costs: 33% of revenues. '19 reported depreciation rates (utility): 1.9%-2.5%. Has 13,000 employees. Chairman, President & Chief Executive Officer: Dr. Ralph Izzo. Inc.: New Jersey. Address: 80 Park Plaza, P.O. Box 1171, Newark, New Jersey 07101-1171. Telephone: 973-430-7000. Internet: www.pseg.com.

Public Service Enterprise Group is exploring strategic alternatives for its non-nuclear generating assets. The company wants to reduce its business risk by increasing the proportion of income that comes from its regulated utility subsidiary, Public Service Electric and Gas. By yearend, PSEG plans to begin marketing a sale of these assets (6,750 megawatts of fossil generation and 467 mw of solar capacity) in one or more transactions. The company expects to complete the process in 2021, and would use the proceeds for debt reduction. There is no guarantee that a deal or deals will be reached, however.

PSE&G has good growth prospects. The company is upgrading its electric and gas system by replacing old equipment. Separately, the New Jersey Board of Public Utilities (BPU) approved an energy-efficiency program that will see the utility spend $1 billion over a three-year span. PSE&G is also investing heavily in its transmission system. Note that the utility has been able to offset the weak economy's effect on kilowatt-hour sales thanks to effective cost control, and is deferring coronavirus-related expenses for future recovery. Investors should not be troubled by the earnings decline we expect in 2020 because the comparison is difficult. Mark-to-market accounting income and gains on the nuclear decommissioning trusts in 2019 make the year-to-year comparison tough. We *include* these in our earnings presentation because they are an ongoing part of PSEG's results. We expect earnings to improve in 2021, and added a nickel a share to our estimate due in part to the energy-efficiency program.

PSEG Power's nuclear plants are operating in a difficult environment. Margins are stressed due to weaker demand for power, low gas prices, and ample generating capacity in the region. Even with financial support provided by Zero Emission Certificates issued by New Jersey, the units are unprofitable. The company has asked the BPU to increase the amount of the subsidy and extend this to 2025. A ruling is expected in April.

This top-quality stock has a dividend yield that is about equal to the utility mean. Total return potential is low for the 18-month and 3- to 5-year periods.

Paul E. Debbas, CFA *November 13, 2020*

(A) Dil. EPS. Excl. nonrec. gains (losses): '06, (35¢); '08, (96¢); '09, 6¢; '11, (34¢); '12, 7¢; '16, (30¢); '17, 28¢ (net); '18, 8¢; '19, (62¢); '20, (15¢); gains (loss) from disc. ops.: '05, (33¢); '06, 12¢; '07, 3¢; '08, 40¢; '11, 13¢. '17 EPS don't sum due to rounding. Next egs. report due late Feb. **(B)** Div'ds histor. paid in late Mar., June, Sept., & Dec. ■ Div'd reinv. plan avail. **(C)** Incl. intang. In '19: $7.59/sh. **(D)** In mill., adj. for split. **(E)** Rate base: Net orig. cost. Rate all'd on com. eq. in '18: 9.6%; earned on avg. com. eq., '19: 13.2%. Reg. Climate: Avg.

Company's Financial Strength	A++
Stock's Price Stability	95
Price Growth Persistence	60
Earnings Predictability	75

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CON. EDISON NYSE-ED

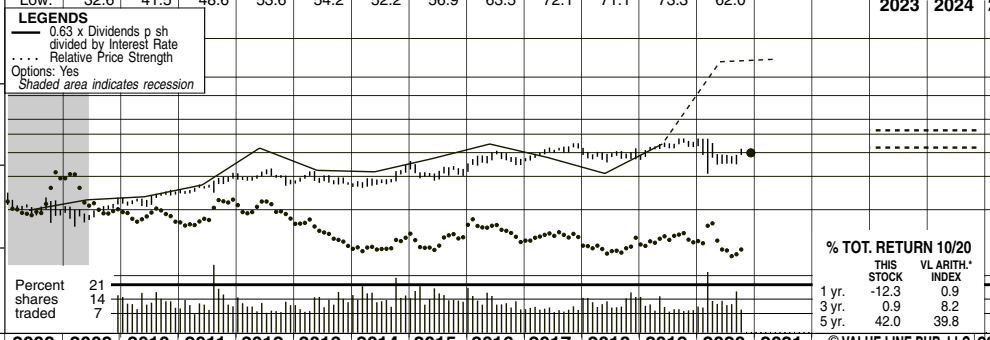
RECENT PRICE **79.78** | P/E RATIO **18.6** (Trailing: 19.9 Median: 16.0) | RELATIVE P/E RATIO **0.97** | DIV'D YLD **4.0%** | VALUE LINE

TIMELINESS 3 Lowered 3/8/19
SAFETY 1 New 7/27/90
TECHNICAL 5 Lowered 11/13/20
BETA .75 (1.00 = Market)

High:	46.3	51.0	62.7	66.0	64.0	68.9	72.3	81.9	89.7	84.9	95.0	95.1
Low:	32.6	41.5	48.6	53.6	54.2	52.2	56.9	63.5	72.1	71.1	73.3	62.0

Target Price Range 2023 | 2024 | 2025

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



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$56-$128	$92 (15%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	105	(+30%)	10%
Low	85	(+5%)	6%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	413	372	355
to Sell	368	464	437
Hld's(000)	200729	200493	198319

Percent shares traded 21 14 7

% TOT. RETURN 10/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-12.3	0.9
3 yr.	0.9	8.2
5 yr.	42.0	39.8

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
40.24	47.66	47.14	48.23	49.62	46.36	45.69	44.17	41.62	42.27	44.11	42.85	39.59	38.82	38.43	37.76	*35.70*	*35.90*	Revenues per sh	*37.75*
4.54	5.27	5.28	5.77	5.99	5.86	6.24	6.61	7.15	7.45	7.30	7.93	7.89	8.41	8.92	9.09	*9.45*	*10.10*	"Cash Flow" per sh	*11.25*
2.32	2.99	2.95	3.48	3.36	3.14	3.47	3.57	3.86	3.93	3.62	4.05	3.94	4.10	4.55	4.08	*4.00*	*4.45*	Earnings per sh A	*5.00*
2.26	2.28	2.30	2.32	2.34	2.36	2.38	2.40	2.42	2.46	2.52	2.60	2.68	2.76	2.86	2.96	*3.06*	*3.16*	Div'd Decl'd per sh B ■	*3.50*
5.60	6.59	7.17	7.09	8.50	7.80	6.96	6.72	7.06	8.67	8.26	10.42	12.07	11.11	10.89	10.47	*11.50*	*11.20*	Cap'l Spending per sh	*11.00*
29.09	29.80	31.09	32.58	35.43	36.46	37.93	39.05	40.53	41.81	42.94	44.55	46.88	49.74	52.11	54.12	*55.60*	*57.40*	Book Value per sh C	*62.50*
242.51	245.29	257.46	272.02	273.72	281.12	291.62	292.89	292.87	292.87	292.88	293.00	305.00	310.00	321.00	333.00	*343.00*	*351.00*	Common Shs Outst'g D	*365.00*
18.2	15.1	15.5	13.8	12.3	12.5	13.3	15.1	15.4	14.7	15.9	15.6	18.8	19.8	17.1	21.1	*Bold figures are*		Avg Ann'l P/E Ratio	*19.0*
.96	.80	.84	.73	.74	.83	.85	.95	.98	.83	.84	.79	.99	1.00	.92	1.12	*Value Line*		Relative P/E Ratio	*1.05*
5.3%	5.0%	5.0%	4.8%	5.7%	6.0%	5.2%	4.5%	4.1%	4.3%	4.4%	4.1%	3.6%	3.4%	3.7%	3.4%	*estimates*		Avg Ann'l Div'd Yield	*3.7%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $22927 mill. **Due in 5 Yrs** $6364 mill.
LT Debt $19149 mill. **LT Interest** $852 mill.
(LT interest earned: 2.5x)

Leases, Uncapitalized Annual rentals $78 mill.

Pension Assets-12/19 $15608 mill. **Oblig** $16792 mill.

Pfd Stock None

Common Stock 334,496,595 shs. as of 7/31/20
MARKET CAP: $27 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
13325	12938	12188	12381	12919	12554	12075	12033	12337	12574	*12250*	*12600*	Revenues ($mill)	*13800*
992.0	1062.0	1141.0	1157.0	1066.0	1193.0	1189.0	1266.0	1424.0	1343.0	*1360*	*1555*	Net Profit ($mill)	*1825*
36.0%	36.1%	34.5%	31.8%	34.0%	33.6%	35.3%	36.6%	20.1%	17.1%	*20.0%*	*17.0%*	Income Tax Rate	*17.0%*
2.4%	1.6%	.5%	.5%	.3%	.7%	1.3%	1.5%	1.5%	2.0%	*2.0%*	*2.0%*	AFUDC % to Net Profit	*2.0%*
48.6%	46.5%	45.9%	46.1%	48.0%	47.9%	50.8%	48.9%	51.1%	50.7%	*49.5%*	*50.0%*	Long-Term Debt Ratio	*50.0%*
50.4%	52.5%	54.1%	53.9%	52.0%	52.1%	49.2%	51.1%	48.9%	49.3%	*50.5%*	*50.0%*	Common Equity Ratio	*50.0%*
21952	21794	21933	22735	24207	25058	29033	30149	34221	36549	*37625*	*40175*	Total Capital ($mill)	*45400*
23863	25093	26939	28436	29827	32209	35216	37600	41749	43889	*45950*	*47900*	Net Plant ($mill)	*53000*
5.9%	6.2%	6.5%	6.4%	5.6%	6.0%	5.3%	5.4%	5.3%	4.9%	*5.0%*	*5.0%*	Return on Total Cap'l	*5.5%*
8.8%	9.1%	9.6%	9.4%	8.5%	9.1%	8.3%	8.2%	8.5%	7.5%	*7.0%*	*7.5%*	Return on Shr. Equity	*8.0%*
8.9%	9.2%	9.6%	9.4%	8.5%	9.1%	8.3%	8.2%	8.5%	7.5%	*7.0%*	*7.5%*	Return on Com Equity E	*8.0%*
3.2%	3.1%	3.6%	3.6%	2.6%	3.5%	3.0%	3.0%	3.5%	2.3%	*1.5%*	*2.5%*	Retained to Com Eq	*2.5%*
65%	66%	62%	62%	69%	61%	64%	63%	59%	69%	*73%*	*68%*	All Div'ds to Net Prof	*68%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	-2.8	+2.8	-2.9
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	13731	14156	13835
Annual Load Factor (%)	NMF	NMF	NMF
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	354	306	267

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-2.0%	-2.0%	*-.5%*
"Cash Flow"	4.0%	4.0%	*4.0%*
Earnings	2.5%	2.0%	*3.0%*
Dividends	2.0%	3.0%	*3.5%*
Book Value	4.0%	4.5%	*3.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	3228	2633	3211	2961	12033
2018	3364	2696	3328	2949	12337
2019	3514	2744	3365	2951	12574
2020	3234	2719	*3350*	*2947*	*12250*
2021	*3450*	*2750*	*3400*	*3000*	*12600*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1.27	.57	1.48	.78	4.10
2018	1.37	.60	1.52	1.06	4.55
2019	1.31	.46	1.42	.88	4.08
2020	1.13	.57	*1.55*	*.75*	*4.00*
2021	*1.40*	*.60*	*1.60*	*.85*	*4.45*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.67	.67	.67	.67	2.68
2017	.69	.69	.69	.69	2.76
2018	.715	.715	.715	.715	2.86
2019	.74	.74	.74	.74	2.96
2020	.765	.765	.765		

BUSINESS: Consolidated Edison, Inc. is a holding company for Consolidated Edison Company of New York, Inc. (CECONY), which sells electricity, gas, and steam in most of New York City and Westchester County. Also owns Orange and Rockland Utilities (O&R), which operates in New York and New Jersey. Has 3.7 million electric, 1.2 million gas customers. Pursues competitive energy opportunities through three wholly owned subsidiaries. Entered into midstream gas joint venture 6/16. Purchases most of its power. Fuel costs: 21% of revenues. '19 reported depreciation rates: 3.0%-3.2%. Has 14,900 employees. Chairman, President & CEO: John McAvoy. Inc.: New York. Address: 4 Irving Place, New York, New York 10003. Tel.: 212-460-4600. Internet: www.conedison.com.

We estimate that Consolidated Edison's earnings will decline slightly in 2020. The company's earnings target of $4.15-$4.35 a share would produce a modest profit increase, but we note that management excludes from its guidance mark-to-market accounting items and the effects of accounting for tax equity investments in certain renewable-energy projects. These reduced the bottom line by $0.26 a share in the first six months of 2020. We *include* them in our earnings presentation. For the time being, we are not including any costs associated with a tropical storm in August (see below) because the company's utilities may defer these expenses for future recovery. Also, the coronavirus has had little effect on income because (except for ConEd's steam business) the utilities operate under a regulatory mechanism that decouples revenues from volume.

We expect higher earnings in 2021. We assume no mark-to-market items because these are impossible to predict. Also, ConEd's largest utility, Consolidated Edison Company of New York, will book electric and gas tariff hikes of $370 million and $122 million, respectively. On the downside, interest expense and average shares outstanding will probably be higher due to financing moves that ConEd is making in 2020.

The service area was hit by a tropical storm in early August. About 525,000 customers lost power. The operating and capital costs associated with the storm were about $150 million (mostly operating). The New York State Department of Public Service has issued a Notice of Apparent Violations to ConEd's utilities in the wake of the storm because they allegedly failed to follow their emergency response plans. Accordingly, the New York State Public Service Commission may penalize the utilities.

We expect a dividend increase in early 2021. We estimate a boost of $0.10 a share (3.3%) in the annual disbursement, the same as in each of the past two years.

This high-quality equity has a dividend yield that is slightly above the mean for the electric utility industry. However, total return potential does not stand out, either for the 18-month or 3- to 5-year period.

Paul E. Debbas, CFA *November 13, 2020*

(A) Diluted EPS. Excl. nonrec. gains (losses): '13, (32¢); '14, 9¢; '16, 15¢; '17, 84¢; '18, (13¢); gain on discontinued operations: '08, $1.01. '19 EPS don't sum due to rounding. Next earnings report due mid-Feb. (B) Div'ds historically paid in mid-Mar., June, Sept., and Dec. ■ Div'd reinvestment plan avail. (C) Incl. intangibles. In '19: $21.01/sh. (D) In mill. (E) Rate base: net orig. cost. Rate allowed on com. eq. for CECONY in '20: 8.8%; O&R in '19: 9.0%; earned on avg. com. eq., '19: 8.2%. Regulatory Climate: Below Average.

Company's Financial Strength	A+
Stock's Price Stability	85
Price Growth Persistence	45
Earnings Predictability	95

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AMERICAN WATER NYSE-AWK

RECENT PRICE **144.55** | P/E RATIO **37.2** (Trailing: 41.1 / Median: 22.0) | RELATIVE P/E RATIO **1.78** | DIV'D YLD **1.6%** | VALUE LINE

TIMELINESS 1 Raised 10/9/20
SAFETY 3 New 7/25/08
TECHNICAL 3 Lowered 10/9/20
BETA .85 (1.00 = Market)

High:	23.0	25.8	32.8	39.4	45.1	56.2	61.2	85.2	92.4	98.2	129.9	150.5
Low:	16.2	19.4	25.2	31.3	37.0	41.1	48.4	58.9	70.0	76.0	88.0	92.0

Target Price Range 2023 | 2024 | 2025

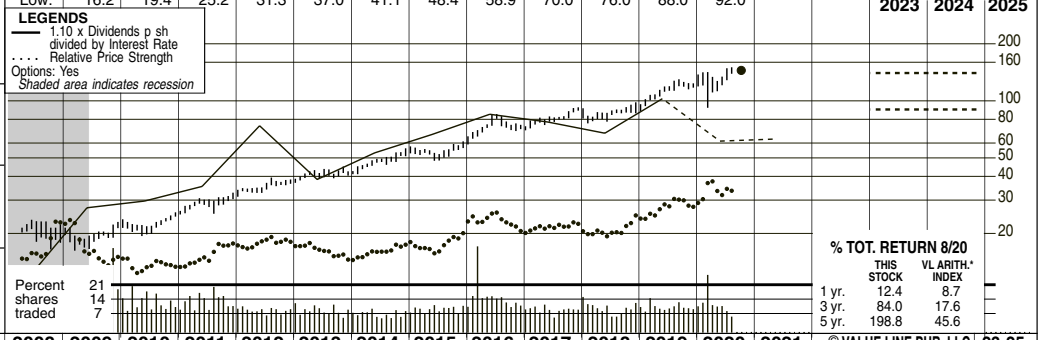
18-Month Target Price Range
Low-High: $104-$236 — Midpoint (% to Mid): $170 (20%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	140	(-5%)	1%
Low	90	(-40%)	-9%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	393	333	363
to Sell	361	415	371
Hld's(000)	155435	151948	151102



% TOT. RETURN 8/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	12.4	8.7
3 yr.	84.0	17.6
5 yr.	198.8	45.6

2004	2005	2006E	2007E	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
- -	- -	13.08	13.84	14.61	13.98	15.49	15.18	16.25	16.28	16.78	17.72	18.54	18.81	19.04	19.97	*20.95*	*21.85*	Revenues per sh	*24.75*
- -	- -	.65	d.47	2.87	2.89	3.56	3.73	4.27	4.36	4.75	5.13	5.26	5.14	6.15	6.65	*8.00*	*8.15*	"Cash Flow" per sh	*8.75*
- -	- -	d.97	d2.14	1.10	1.25	1.53	1.72	2.11	2.06	2.39	2.64	2.62	2.38	3.15	3.43	*3.85*	*4.20*	Earnings per sh A	*4.90*
- -	- -	- -	- -	.40	.82	.86	.90	1.21	.84	1.21	1.33	1.47	1.62	1.78	1.96	*2.15*	*2.35*	Div'd Decl'd per sh B■	*2.90*
- -	- -	4.31	4.74	6.31	4.50	4.38	5.27	5.25	5.50	5.33	6.51	7.36	8.04	8.78	9.15	*8.70*	*9.20*	Cap'l Spending per sh	*9.00*
- -	- -	23.86	28.39	25.64	22.91	23.59	24.11	25.11	26.52	27.39	28.25	29.24	30.13	32.42	33.83	*35.40*	*36.95*	Book Value per sh D	*42.50*
- -	- -	160.00	160.00	160.00	174.63	175.00	175.66	176.99	178.25	179.46	178.28	178.10	178.44	180.68	180.81	*181.50*	*182.00*	Common Shs Outst'g C	*189.00*
- -	- -	- -	- -	18.9	15.6	14.6	16.8	16.7	19.9	20.0	20.5	27.7	33.8	27.3	32.9	*Bold figures are*		Avg Ann'l P/E Ratio	*23.5*
- -	- -	- -	- -	1.14	1.04	.93	1.05	1.06	1.12	1.05	1.03	1.45	1.70	1.47	1.79	*Value Line*		Relative P/E Ratio	*1.30*
- -	- -	- -	- -	1.9%	4.2%	3.8%	3.1%	3.4%	2.0%	2.5%	2.5%	2.0%	2.0%	2.1%	1.7%	*estimates*		Avg Ann'l Div'd Yield	*2.5%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $10578 mil. **Due in 5 Yrs** $2500 mil.
LT Debt $9589 mil. **LT Interest** $354 mil.
(60% of Cap'l)

Leases, Uncapitalized: Annual rentals $14.0 mill.
Pension Assets12/19 $1747.0 mill
Oblig. $2161.0 mill.
Pfd Stock $5.0 mill. **Pfd Div'd** $.4 mill

Common Stock 181,204,068 shares
as of 7/31/20

MARKET CAP: $26.2 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
2710.7	2666.2	2876.9	2901.9	3011.3	3159.0	3302.0	3357.0	3440.0	3610.0	*3800*	*3975*	Revenues ($mill)	*4675*
267.8	304.9	374.3	369.3	429.8	476.0	468.0	426.0	567.0	621.0	*700*	*765*	Net Profit ($mill)	*925*
40.4%	39.5%	40.7%	39.1%	39.4%	39.1%	39.2%	53.3%	28.2%	25.5%	*21.0%*	*21.0%*	Income Tax Rate	*21.0%*
- -	- -	6.2%	5.1%	- -	- -	- -	- -	5.1%	4.0%	*5.0%*	*5.0%*	AFUDC % to Net Profit	*5.0%*
56.8%	55.7%	53.9%	52.4%	52.4%	53.7%	52.4%	54.7%	56.3%	58.5%	*61.0%*	*60.5%*	Long-Term Debt Ratio	*59.0%*
43.2%	44.2%	46.1%	47.6%	47.4%	46.2%	47.5%	45.3%	43.6%	41.4%	*39.0%*	*39.5%*	Common Equity Ratio	*41.0%*
9561.3	9580.3	9635.5	9940.7	10364	10911	10967	11875	13433	14760	*15800*	*17050*	Total Capital ($mill)	*20000*
11059	11021	11739	12391	12900	13933	14992	16246	17409	18232	*19100*	*20000*	Net Plant ($mill)	*22200*
4.4%	4.8%	5.4%	5.1%	5.5%	5.7%	5.6%	4.9%	5.4%	5.4%	*5.5%*	*5.5%*	Return on Total Cap'l	*6.0%*
6.5%	7.2%	8.4%	7.8%	8.7%	9.4%	9.0%	7.9%	9.7%	10.1%	*11.0%*	*11.5%*	Return on Shr. Equity	*11.5%*
6.5%	7.2%	8.4%	7.8%	8.7%	9.4%	9.0%	7.9%	9.7%	10.1%	*11.9%*	*11.5%*	Return on Com Equity	*11.5%*
2.8%	3.5%	3.6%	4.7%	4.3%	4.7%	4.0%	2.5%	4.2%	4.4%	*5.0%*	*4.5%*	Retained to Com Eq	*4.5%*
56%	52%	57%	40%	50%	50%	56%	68%	56%	57%	*56%*	*59%*	All Div'ds to Net Prof	*59%*

CURRENT POSITION ($MILL.)	2018	2019	6/30/20
Cash Assets	158	91	569
Accts Receivable	301	294	298
Other	322	900	1029
Current Assets	781	1285	1896
Accts Payable	175	203	169
Debt Due	1035	814	989
Other	884	1028	955
Current Liab.	2094	2045	2113

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	3.0%	3.0%	*4.5%*
"Cash Flow"	13.0%	6.0%	*6.5%*
Earnings	45.5%	6.5%	*8.5%*
Dividends	16.0%	10.5%	*8.5%*
Book Value	2.5%	4.0%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2017	756	844	936	821	3357
2018	761	853	976	850	3440
2019	813	882	1013	902	3610
2020	844	931	*1090*	*935*	*3800*
2021	*885*	*970*	*1120*	*1000*	*3975*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2017	.52	.73	1.12	.01	2.38
2018	.59	.91	1.03	.62	3.15
2019	.62	.94	1.33	.54	3.43
2020	.68	.97	*1.40*	*.80*	*3.85*
2021	*.72*	*1.05*	*1.60*	*.83*	*4.20*

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.34	.375	.375	.375	1.47
2017	.375	.415	.415	.415	1.62
2018	.415	.455	.455	.455	1.78
2019	.455	.50	.50	.50	1.96
2020	.50	.55	.55		

BUSINESS: American Water Works Company, Inc. is the largest investor-owned water and wastewater utility in the U.S., providing services to approximately 15 million people in 46 states. Nonregulated business assists municipalities and military bases with the maintenance and upkeep as well. Regulated operations made up 86% of 2019 revenues. New Jersey is its largest market accounting for 24.6% of regulated revenues; Pennsylvania, 22.3%; Missouri, 10.5%. Has 6,800 employees. The Vanguard Grp, owns 12.4% of outstanding shares; BlackRock, Inc., 8.7%; officers & directors, less than 1.0%. (3/20 Proxy). President & CEO: Susan N. Story. Chairman: George MacKenzie. Address: 1 Water Street, Camden, NJ 08102. Tel.: 856-346-8200. Internet: www.amwater.com.

Shares of American Water Works continue to outperform the broader market, as well as that of its peers. Since our last report three months ago, the equity has increased nearly 14% in value, versus about a 6% rise in the S&P 500 Index. In addition, most of the other stocks in this group have actually posted negative returns averaging in the double digits over the same time span.

Earnings and dividend growth prospects are bright. Due to its bolt-on acquisition strategy, a constructive relationship with its many different state regulators, and the ability to cut costs, we estimate that American Water's share-net and annual payout may well rise 9%-11% in 2020 and 2021. This is far superior to most others in the industry. Much of the expense control is related to its merger policy. Because the water industry is very fragmented, significant economies of scale are very attainable. So, American Water can purchase other water districts and increase the margins on the purchased assets. Through July of this year, more than 60,000 new customers were added, with another 43,600 under agreement.

The construction budget remain massive. As is the case with most water utilities, the company is investing heavily to upgrade and modernize its pipeline and water treatment assets. Approximately $28 billion has been spent over the past decade, with about another $20 billion projected to be used over the next decade. Still, we expect American Water's balance sheet to remain in decent shape even though a fair amount of new debt will probably be needed to finance the building program.

Investors will likely have to continue to pay a hefty premium for these timely shares. As we have pointed out in previous reports, by a metric such as the Price/Earnings ratio, AWK is trading at levels well above the market averages and its group. We attribute this to the company's well-defined earnings and dividend growth prospects. The equity also seems to benefit from it large size, as well as the lack of options in this space for institutions seeking to take large positions. Over the pull to 2023-2025, these shares have subpar total return prospects.

James A. Flood *October 9, 2020*

(A) Diluted earnings. Excludes nonrecur. losses: '08, $4.62; '09, $2.63; '11, $0.07. Disc. oper.: '06, ($0.04); '11, $0.03; '12, ($0.10); '13,($0.01). GAAP used as of 2014. Next earnings report due early Nov.
(B) Dividends paid in March, June, September, and December. ■ Div. reinvestment available.
(C) In millions. (D) Includes intangibles. On 6/30/20: $1.567 billion, $8.65/share.
(E) Pro forma numbers for '06 & '07.

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

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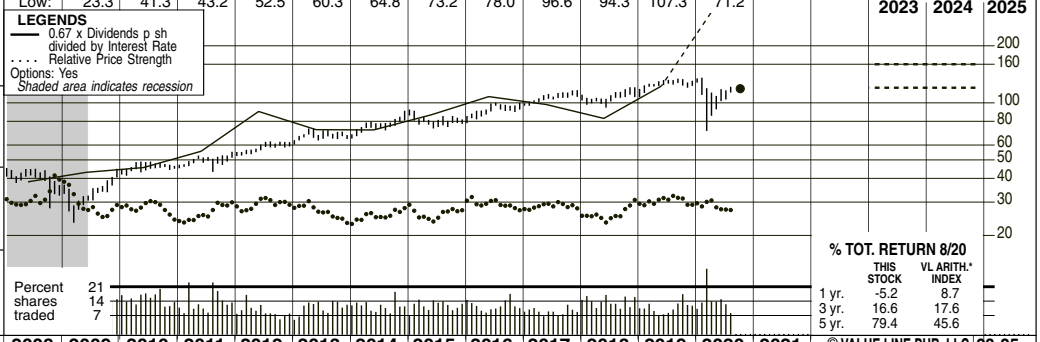
DTE ENERGY CO. NYSE-DTE

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

TIMELINESS 3 Lowered 6/14/19
SAFETY 2 Raised 12/21/12
TECHNICAL 4 Lowered 6/12/20
BETA .90 (1.00 = Market)

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
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

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



Target Price Range
2023 | 2024 | 2025

18-Month Target Price Range
Low-High: $82-$187 — Midpoint (% to Mid): $135 (15%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	160	(+35%)	11%
Low	120	(Nil)	4%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	355	279	261
to Sell	245	345	318
Hld's(000)	140654	140354	141501

Percent shares traded 21 14 7

% TOT. RETURN 8/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-5.2	8.7
3 yr.	16.6	17.6
5 yr.	79.4	45.6

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
40.84	50.74	50.93	54.28	57.23	48.45	50.51	52.57	51.01	54.56	69.50	57.60	59.24	70.28	78.12	65.91	*60.10*	*62.55*	Revenues per sh	*68.25*
6.81	8.14	8.19	8.48	8.26	9.38	9.78	9.57	9.77	10.13	11.85	9.44	10.60	11.77	12.58	12.97	*14.45*	*15.30*	"Cash Flow" per sh	*18.00*
2.55	3.27	2.45	2.66	2.73	3.24	3.74	3.67	3.88	3.76	5.10	4.44	4.83	5.73	6.17	6.31	*6.70*	*7.15*	Earnings per sh A	*8.50*
2.06	2.06	2.08	2.12	2.12	2.12	2.18	2.32	2.42	2.59	2.69	2.84	3.06	3.36	3.59	3.85	*4.12*	*4.42*	Div'd Decl'd per sh B ■	*5.20*
5.19	5.99	7.92	7.96	8.42	6.26	6.49	8.77	10.56	10.59	11.58	11.26	11.40	12.54	14.91	15.59	*19.95*	*18.45*	Cap'l Spending per sh	*13.50*
31.85	32.44	33.02	35.86	36.77	37.96	39.67	41.41	42.78	44.73	47.05	48.88	50.22	53.03	56.27	60.73	*63.60*	*66.95*	Book Value per sh C	*79.25*
174.21	177.81	177.14	163.23	163.02	165.40	169.43	169.25	172.35	177.09	176.99	179.47	179.43	179.39	181.93	192.21	*193.00*	*195.00*	Common Shs Outst'g D	*205.00*
16.0	13.8	17.4	18.3	14.8	10.4	12.3	13.5	14.9	17.9	14.9	18.1	19.0	18.6	17.4	19.9	*Bold figures are*		Avg Ann'l P/E Ratio	*16.5*
.85	.73	.94	.97	.89	.69	.78	.85	.95	1.01	.78	.91	1.00	.94	.94	1.06	*Value Line*		Relative P/E Ratio	*.90*
5.0%	4.6%	4.9%	4.4%	5.2%	6.3%	4.8%	4.7%	4.2%	3.8%	3.5%	3.5%	3.3%	3.2%	3.3%	3.1%	*estimates*		Avg Ann'l Div'd Yield	*3.7%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $18925 mill. **Due in 5 Yrs** $7387 mill.
LT Debt $17341 mill. **LT Interest** $685 mill.

(LT interest earned: 3.0x)

Leases, Uncapitalized Annual rentals $38 mill.

Pension Assets-12/19 $4993 mill. **Oblig** $5810 mill.

Pfd Stock None
Common Stock 192,650,741 shs.

MARKET CAP: $23 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
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%*
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%*
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 E	*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%*	*62%*	All Div'ds to Net Prof	*61%*

ELECTRIC OPERATING STATISTICS

	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 (¢)	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
Fixed Charge Cov. (%)	300	278	260

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	3.0%	4.0%	*-1.0%*
"Cash Flow"	3.5%	3.5%	*6.5%*
Earnings	8.0%	7.5%	*6.0%*
Dividends	5.5%	7.0%	*6.5%*
Book Value	4.5%	5.0%	*5.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	3236	2855	3245	3271	12607
2018	3753	3159	3550	3750	14212
2019	3514	2888	3119	3148	12669
2020	3022	2583	*2950*	*3045*	*11600*
2021	*3300*	*2700*	*3050*	*3150*	*12200*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	2.23	.99	1.51	1.00	5.73
2018	2.00	1.29	1.84	1.05	6.17
2019	2.19	.99	1.73	1.40	6.31
2020	1.76	1.44	*2.00*	*1.50*	*6.70*
2021	*2.00*	*1.55*	*2.10*	*1.50*	*7.15*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ 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		

BUSINESS: DTE Energy Company is a holding company for DTE Electric (formerly Detroit Edison), which supplies electricity in Detroit and a 7,600-square-mile area in southeastern Michigan, and DTE Gas (formerly Michigan Consolidated Gas). Customers: 2.2 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.

DTE Energy's gas utility received a rate order. 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.

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. 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 nonutility 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 Trading business is trending at the high end of DTE Energy's expectation. 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.

Earnings will likely improve in 2021. 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.

We think the board of directors will boost the dividend in the fourth quarter, effective with the January payment. 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.

This stock's dividend yield is average, by utility standards. Total return potential does not stand out, either for the 18-month span or the 3- to 5-year period.

Paul E. Debbas, CFA *September 11, 2020*

(A) Diluted EPS. Excl. nonrec. gains (losses): '05, (2¢); '07, $1.96; '08, 50¢; '11, 51¢; '15, (39¢); '17, 59¢; gains (losses) on disc. ops.: '04, (6¢); '05, (20¢); '06, (2¢); '07, $1.20; '08, 13¢; '12, (33¢). '17-'18 EPS don't sum due to rounding. Next earnings report due late Oct. (B) Div'ds pd. mid-Jan., Apr., July & Oct. ■ Div'd reinvest. plan avail. (C) Incl. intang. In '19: $47.33/sh. (D) In mill. (E) 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.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	90
Earnings Predictability	85

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PPL CORPORATION NYSE-PPL

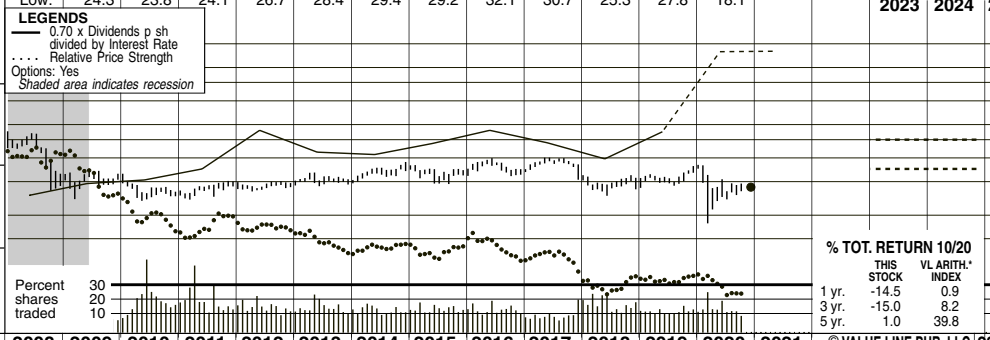
RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
28.11	11.8	(Trailing: 12.2) (Median: 13.0)	0.62	5.9%	VALUE LINE

TIMELINESS 3 Lowered 4/3/20
SAFETY 2 Raised 8/21/15
TECHNICAL 4 Raised 11/13/20
BETA 1.15 (1.00 = Market)

High:	34.4	33.1	30.3	30.2	33.6	38.1	36.7	39.9	40.2	32.5	36.3	36.8
Low:	24.3	23.8	24.1	26.7	28.4	29.4	29.2	32.1	30.7	25.3	27.8	18.1

Target Price Range 2023 | 2024 | 2025

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



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$19-$52	$36 (25%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+80%)	19%
Low	35	(+25%)	11%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	425	356	330
to Sell	349	435	400
Hld's(000)	526640	514761	515005

Percent shares traded 30 20 10

% TOT. RETURN 10/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-14.5	0.9
3 yr.	-15.0	8.2
5 yr.	1.0	39.8

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
15.37	16.36	17.92	17.41	21.47	20.03	17.63	22.02	21.11	18.82	17.27	11.38	11.06	10.74	10.81	10.13	*9.85*	*10.05*	Revenues per sh	*11.00*
3.59	3.84	4.26	5.10	4.71	3.47	3.66	4.59	4.84	4.64	4.58	3.78	4.28	3.68	4.16	3.94	*4.15*	*4.30*	"Cash Flow" per sh	*5.00*
1.87	1.92	2.29	2.63	2.45	1.19	2.29	2.61	2.61	2.38	2.38	2.37	2.79	2.11	2.58	2.37	*2.35*	*2.40*	Earnings per sh A	*2.75*
.82	.96	1.10	1.22	1.34	1.38	1.40	1.40	1.44	1.47	1.49	1.50	1.52	1.58	1.64	1.65	*1.66*	*1.67*	Div'd Decl'd per sh B ■	*1.80*
1.94	2.13	3.62	4.51	3.79	3.25	3.30	4.30	5.34	6.68	6.14	5.24	4.30	4.52	4.50	4.02	*4.30*	*3.85*	Cap'l Spending per sh	*3.25*
11.21	11.62	13.30	14.88	13.55	14.57	16.98	18.72	18.01	19.78	20.47	14.72	14.56	15.52	16.18	16.93	*17.65*	*18.45*	Book Value per sh C	*21.25*
378.14	380.15	385.04	373.27	374.58	377.18	483.39	578.41	581.94	630.32	665.85	673.86	679.73	693.40	720.32	767.23	*771.00*	*775.00*	Common Shs Outst'g D	*780.00*
12.5	15.1	14.1	17.3	17.6	25.7	11.9	10.5	10.9	12.8	14.1	13.9	12.8	17.6	11.3	13.3	*Bold figures are*		Avg Ann'l P/E Ratio	*15.0*
.66	.80	.76	.92	1.06	1.71	.76	.66	.69	.72	.74	.70	.67	.89	.61	.71	*Value Line*		Relative P/E Ratio	*.85*
3.5%	3.3%	3.4%	2.7%	3.1%	4.5%	5.1%	5.1%	5.1%	4.8%	4.4%	4.5%	4.2%	4.2%	5.6%	5.2%	*estimates*		Avg Ann'l Div'd Yield	*4.3%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $23984 mill. **Due in 5 Yrs** $8034 mill.
LT Debt $21098 mill. **LT Interest** $877 mill.
Incl. 23 mill. units 7.75%, $25 liq. value; 82,000 units 8.23%, $1000 face value.
(LT interest earned: 3.1x)

Leases, Uncapitalized Annual rentals $29 mill.
Pension Assets-12/19 $12530 mill. **Oblig** $12661 mill.
Pfd Stock None
Common Stock 768,783,540 shs. **as of 7/31/20**
MARKET CAP: $22 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
8521.0	12737	12286	11860	11499	7669.0	7517.0	7447.0	7785.0	7769.0	*7600*	*7800*	Revenues ($mill)	*8500*
1009.0	1456.0	1536.0	1541.0	1583.0	1603.0	1902.0	1449.0	1827.0	1746.0	*1815*	*1875*	Net Profit ($mill)	*2085*
22.0%	31.0%	26.2%	23.1%	33.0%	22.5%	25.4%	24.2%	20.0%	19.0%	*19.0%*	*19.0%*	Income Tax Rate	*19.0%*
3.5%	4.0%	4.1%	3.7%	2.8%	1.6%	1.6%	1.9%	2.0%	1.9%	*2.0%*	*2.0%*	AFUDC % to Net Profit	*2.0%*
59.0%	61.9%	64.1%	62.3%	58.0%	65.2%	64.3%	64.8%	63.3%	61.5%	*60.5%*	*59.5%*	Long-Term Debt Ratio	*58.0%*
39.8%	37.2%	35.9%	37.7%	42.0%	34.8%	35.7%	35.2%	36.7%	38.5%	*39.5%*	*40.5%*	Common Equity Ratio	*42.0%*
20621	29071	29205	33058	32484	28482	27707	30608	31726	33712	*34625*	*35425*	Total Capital ($mill)	*39100*
20858	27266	30032	33087	34597	30382	30074	33092	34458	36482	*38400*	*39950*	Net Plant ($mill)	*42400*
6.1%	6.5%	7.0%	6.2%	6.5%	7.1%	8.4%	6.2%	7.2%	6.6%	*6.5%*	*6.5%*	Return on Total Cap'l	*7.0%*
11.9%	13.1%	14.7%	12.4%	11.6%	16.2%	19.2%	13.5%	15.7%	13.4%	*13.5%*	*13.0%*	Return on Shr. Equity	*12.5%*
12.0%	13.3%	14.6%	12.4%	11.6%	16.2%	19.2%	13.5%	15.7%	13.4%	*13.5%*	*13.0%*	Return on Com Equity E	*12.5%*
5.2%	6.4%	6.7%	5.3%	4.5%	6.0%	8.8%	3.5%	6.0%	4.3%	*4.0%*	*4.0%*	Retained to Com Eq	*4.0%*
58%	52%	54%	57%	61%	63%	54%	74%	62%	68%	*70%*	*69%*	All Div'ds to Net Prof	*67%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	-1.5	+2.0	-3.4
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	336	292	283

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-6.0%	-11.0%	*.5%*
"Cash Flow"	-1.0%	-3.5%	*4.0%*
Earnings	1.0%	-1.0%	*2.5%*
Dividends	2.0%	2.0%	*2.0%*
Book Value	1.0%	-3.5%	*4.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1951	1725	1845	1926	7447.0
2018	2126	1848	1872	1939	7785.0
2019	2079	1803	1933	1954	7769.0
2020	2054	1739	*1907*	*1900*	*7600*
2021	*2100*	*1800*	*1950*	*1950*	*7800*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.59	.43	.51	.58	2.11
2018	.65	.73	.62	.57	2.58
2019	.64	.60	.65	.48	2.37
2020	.72	.45	*.63*	*.55*	*2.35*
2021	*.65*	*.55*	*.65*	*.55*	*2.40*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.3775	.38	.38	.38	1.52
2017	.38	.395	.395	.395	1.57
2018	.395	.41	.41	.41	1.63
2019	.41	.4125	.4125	.4125	1.65
2020	.4125	.415	.415	.415	

BUSINESS: PPL Corporation (formerly PP&L Resources, Inc.) is a holding company for PPL Electric Utilities (formerly Pennsylvania Power & Light Company), which distributes electricity to 1.4 million customers in eastern & central PA. Acq'd Kentucky Utilities and Louisville Gas and Electric (1.3 mill. customers) 11/10. Has electric distribution sub. in U.K. (7.9 mill. customers). Sold gas distribution subsidiary in '08. Spun off power-generating subsidiary in '15. The company no longer breaks out data on electric operating statistics. Fuel costs: 18% of revs. '19 reported depr. rate: 2.8%. Has 12,300 empls. Chairman: William H. Spence. President & CEO: Vincent Sorgi. Inc.: PA. Address: Two North Ninth St., Allentown, PA 18101-1179. Tel.: 800-345-3085. Internet: www.pplweb.com.

PPL Corporation plans to sell its operations in the United Kingdom. The company's U.K. utilities are performing well, but have been a drag on the stock price in recent years. At times, investors have worried about political uncertainty, and remain concerned about an upcoming change in the regulatory scheme in the U.K. in April of 2023. Currency fluctuations are another source of risk. Management expects to announce a deal in the first half of 2021. PPL is exploring cash offers or an exchange of utility assets in the United States. The company would use the proceeds to return cash to shareholders or acquire assets in the U.S. Changes in tax laws make a sale of the U.K. business feasible. Before, the company was dissuaded from selling the U.K. assets because this would create a large tax liability.

The stock reacted favorably to the announcement. The price rose 6% that day, and is up 9% since our August report. However, the equity performed so poorly prior to the announcement that the quotation is still down almost 20% this year, worse than most utility issues.

Our estimates and projections will include the U.K. operations until a deal is completed. We think the dividend will be maintained at the current level (or perhaps even raised nominally) until after a transaction is announced. This might well be dilutive to share net. If so, a dividend reduction is possible. Until then . . .

We estimate share net in 2020 and 2021 will approximate the 2019 tally. Our presentation includes unrealized losses on foreign currency hedges. The effects of the coronavirus hurt share earnings by $0.06 in the first six months of 2020. With the economies in the U.S. and U.K. likely to improve in 2021, earnings ought to advance accordingly. PPL was expected to report third-quarter results shortly after our report went to press.

We think this equity is worthwhile for income-oriented investors. The dividend yield is some two percentage points above the average for the electric utility industry. Total return potential is appealing for the 18-month span and respectable for the 3- to 5-year period. Note that there is no assurance that PPL will get an acceptable offer for the U.K. operations.

Paul E. Debbas, CFA *November 13, 2020*

(A) Diluted EPS. Excl. nonrec. gain (losses): '07, (12¢); '10, (8¢); '11, 8¢; '13, (62¢); gains (losses) on discontinued ops.: '07, 19¢; '08, 3¢; '09, (10¢); '10, (4¢); '12, (1¢); '14, 23¢; '15, ($1.36). '18 EPS don't sum due to rounding. Next earnings report due mid-Feb. (B) Div'ds paid in early Jan., Apr., July, & Oct. ■ Div'd reinvest. plan avail. (C) Incl. intang. In '19: $7.08/sh. (D) In millions. (E) Rate base: Fair value. Rate all'd on com. eq. in PA in '16: none specified; in KY in '19: 9.725%; earned on avg. com. eq., '19: 14.3%. Regulatory Climate: Avg.

Company's Financial Strength	B++
Stock's Price Stability	75
Price Growth Persistence	20
Earnings Predictability	75

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EDISON INTERNAT'L NYSE-EIX

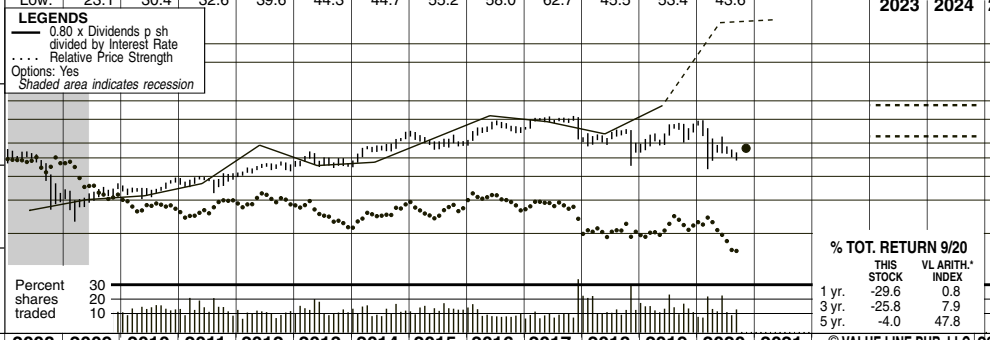
RECENT PRICE **56.27** | P/E RATIO **37.5** (Trailing: 17.9 Median: 14.0) | RELATIVE P/E RATIO **1.70** | DIV'D YLD **4.7%** | VALUE LINE

TIMELINESS 3 Raised 8/30/19
SAFETY 3 Lowered 11/23/18
TECHNICAL 4 Lowered 10/23/20
BETA .90 (1.00 = Market)

High:	36.7	39.4	41.6	48.0	54.2	68.7	69.6	78.7	83.4	71.0	76.4	78.9
Low:	23.1	30.4	32.6	39.6	44.3	44.7	55.2	58.0	62.7	45.5	53.4	43.6

Target Price Range 2023 | 2024 | 2025

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



18-Month Target Price Range
Low-High Midpoint (% to Mid)
$43-$109 $76 (35%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	95	(+70%)	*17%*
Low	65	(+15%)	*8%*

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	328	274	294
to Sell	243	304	264
Hld's(000)	325429	318333	329959

% TOT. RETURN 9/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-29.6	0.8
3 yr.	-25.8	7.9
5 yr.	-4.0	47.8

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
31.30	36.38	38.74	40.25	43.31	37.98	38.09	39.16	36.41	38.61	41.17	35.37	36.43	37.81	38.85	34.11	*33.00*	*34.55*	Revenues per sh	*40.25*
3.79	6.99	7.25	7.60	8.08	7.96	8.41	9.03	9.63	8.80	9.95	10.35	10.43	11.03	4.69	9.15	*7.50*	*10.90*	"Cash Flow" per sh	*12.75*
.69	3.34	3.28	3.32	3.68	3.24	3.35	3.23	4.55	3.78	4.33	4.15	3.94	4.51	d1.26	3.98	*1.25*	*4.30*	Earnings per sh A	*5.25*
.80	1.02	1.10	1.18	1.23	1.25	1.27	1.29	1.31	1.37	1.48	1.73	1.98	2.23	2.43	2.48	*2.58*	*2.68*	Div'd Decl'd per sh B ■	*3.00*
5.32	5.73	7.78	8.67	8.67	10.07	13.94	14.76	12.73	11.05	11.99	12.97	11.46	11.75	13.84	13.47	*13.20*	*14.25*	Cap'l Spending per sh	*14.25*
18.57	20.30	23.66	25.92	29.21	30.20	32.44	30.86	28.95	30.50	33.64	34.89	36.82	35.82	32.10	36.75	*36.20*	*37.80*	Book Value per sh C	*43.75*
325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	361.99	*379.00*	*379.00*	Common Shs Outst'g D	*379.00*
37.6	11.7	13.0	16.0	12.4	9.7	10.3	11.8	9.7	12.7	13.0	14.8	17.9	17.2	- -	16.7	*Bold figures are*		Avg Ann'l P/E Ratio	*15.0*
1.99	.62	.70	.85	.75	.65	.66	.74	.62	.71	.68	.75	.94	.87	- -	.89	*Value Line*		Relative P/E Ratio	*.85*
3.1%	2.6%	2.6%	2.2%	2.7%	4.0%	3.7%	3.4%	3.0%	2.8%	2.6%	2.8%	2.8%	2.9%	3.8%	3.7%	*estimates*		Avg Ann'l Div'd Yield	*3.8%*

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
12409	12760	11862	12581	13413	11524	11869	12320	12657	12347	*12500*	*13100*	Revenues ($mill)	*15300*
1153.0	1112.0	1594.0	1344.0	1539.0	1480.0	1422.0	1603.0	d290.0	1477.0	*585*	*1730*	Net Profit ($mill)	*2070*
32.1%	25.7%	14.3%	25.2%	22.4%	6.6%	11.1%	5.0%	- -	NMF	*NMF*	*Nil*	Income Tax Rate	*Nil*
16.9%	14.8%	8.5%	7.8%	5.8%	8.0%	6.8%	7.2%	- -	11.1%	*29.0%*	*10.0%*	AFUDC % to Net Profit	*8.0%*
51.8%	55.3%	45.2%	45.7%	44.1%	45.0%	41.8%	45.6%	53.6%	53.5%	*56.0%*	*57.0%*	Long-Term Debt Ratio	*60.0%*
44.3%	40.6%	46.2%	46.2%	47.2%	46.7%	49.2%	45.8%	38.3%	39.9%	*39.0%*	*38.0%*	Common Equity Ratio	*36.5%*
23861	24773	20422	21516	23216	24352	24362	25506	27284	33360	*34975*	*37525*	Total Capital ($mill)	*45700*
24778	32116	30273	30455	32981	35085	37000	39050	41348	44285	*46900*	*49800*	Net Plant ($mill)	*57700*
6.3%	6.0%	8.9%	7.3%	7.7%	7.1%	6.9%	7.3%	.1%	5.6%	*3.0%*	*6.0%*	Return on Total Cap'l	*6.0%*
10.0%	10.0%	14.2%	11.5%	11.9%	11.1%	10.0%	11.6%	NMF	9.5%	*4.0%*	*11.0%*	Return on Shr. Equity	*11.5%*
10.4%	10.5%	15.9%	12.5%	13.0%	12.0%	10.8%	12.7%	NMF	10.2%	*3.5%*	*11.5%*	Return on Com Equity E	*12.0%*
6.5%	6.3%	11.4%	8.1%	8.8%	7.2%	5.6%	6.6%	NMF	4.1%	*NMF*	*4.5%*	Retained to Com Eq	*5.0%*
40%	43%	32%	40%	37%	44%	53%	52%	NMF	63%	*NMF*	*64%*	All Div'ds to Net Prof	*60%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $20742 mill. **Due in 5 Yrs** $4847 mill.
LT Debt $19238 mill. **LT Interest** $904 mill.
(LT interest earned: 2.3x)
Leases, Uncapitalized Annual rentals $107 mill.
Pens. Assets-12/19 $3755 mill. **Oblig** $4139 mill.
Pfd Stock $2193 mill. **Pfd Div'd** $121 mill.
4,800,198 sh. 4.08%-4.78%, $25 par, call. $25.50-$28.75/sh.; 3,250,000 sh. variable, noncum., call. $100; 1,250,000 sh. 6.5%, cum., $100 liq. value; 350,000 sh. 6.25%, $1000 liq. value; 460,012 sh. 5.1%-5.75%, $2500 liq. value.
Common Stock 378,220,989 shs. **as of 7/23/20**
MARKET CAP: $21 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	+.2	-.4	-2.7
Avg. Indust. Use (MWH)	643	667	657
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	23508	23766	22009
Annual Load Factor (%)	48.8	48.0	49.6
% Change Customers (yr-end)	+.7	+.6	+.5
Fixed Charge Cov. (%)	241	NMF	172

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-1.0%	-1.0%	*1.5%*
"Cash Flow"	.5%	-2.5%	*7.5%*
Earnings	-3.5%	-10.5%	*NMF*
Dividends	7.0%	11.5%	*4.0%*
Book Value	2.0%	2.5%	*4.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	2463	2965	3672	3220	12320
2018	2564	2815	4269	3009	12657
2019	2824	2812	3741	2970	12347
2020	2790	2987	*3800*	*2923*	*12500*
2021	*2900*	*3100*	*4000*	*3100*	*13100*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1.11	.85	1.43	1.12	4.51
2018	.82	.84	1.57	d4.49	d1.26
2019	.64	1.57	1.35	.45	3.98
2020	.50	.85	*d.90*	*.80*	*1.25*
2021	*.75*	*1.20*	*1.50*	*.85*	*4.30*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.48	.48	.48	.48	1.92
2017	.5425	.5425	.5425	.5425	2.17
2018	.605	.605	.605	.605	2.42
2019	.6125	.6125	.6125	.6125	2.45
2020	.6375	.6375	.6375		

BUSINESS: Edison International (formerly SCECorp) is a holding company for Southern California Edison Company (SCE), which supplies electricity to 5.1 mill. customers in a 50,000-sq.-mi. area in central, coastal, & southern CA (excl. Los Angeles & San Diego). Edison Energy is an energy svcs. co. Disc. Edison Mission Energy (independent power producer) in '12. Elec. rev. breakdown: residential, 39%; commercial, 43%; industrial, 4%; other, 14%. Generating sources: nuclear, 8%; gas, 7%; hydro, 5%; purchased, 80%. Fuel costs: 39% of revs. '19 reported depr. rate: 3.6%. Has 12,500 empls. Chairman: William P. Sullivan. Pres. & CEO: Pedro J. Pizzaro. Inc.: CA. Address: 2244 Walnut Grove Ave., P.O. Box 976, Rosemead, CA 91770. Tel.: 626-302-2222. Web: www.edison.com.

Edison International will take a big charge for the third quarter. The company's utility subsidiary, Southern California Edison, has faced huge liabilities stemming from wildfires in its service area in the past few years. This prompted the company to take a sizable charge in the fourth quarter of 2018 and a smaller one in the same period of 2019. Based on settlements reached with plaintiffs for wildfires in 2017 and 2018 (and a mudslide in 2018), SCE's best estimate of its total expected losses is $6.2 billion, up $1.3 billion from the previous figure. Accordingly, the company plans to take an aftertax charge of $878 million when it reports earnings in late October. We will *include* this in our earnings presentation, even though Edison International excludes this from its 2020 earnings guidance of $4.37-$4.62 a share. The company also excludes the amortization of wildfire insurance fund expenses ($60 million quarterly after taxes), which we include. Hence, our 2020 earnings estimate is well below the company's guidance. Note that California's revenue decoupling mechanism protects SCE from the effects of a decline in volume.

The utility is awaiting an order in its general rate case. SCE is seeking increases of $1.1 billion (11.3%) in 2021, $434 million in 2022, and $500 million in 2023. Even if a decision comes after the start of 2021, the increase will be retroactive to January 1st.

Earnings should wind up much higher in 2021. We assume no additional wildfire-related liability charges, although SCE will continue to book amortization costs for the wildfire insurance fund. Also, SCE will benefit from rate relief.

We expect the board to raise the dividend in December, effective with the January payment. We estimate a hike of $0.025 a share (3.9%) in the quarterly disbursement. The directors consider adjusted profits when making their decision.

This stock has an above-average dividend yield, even for a utility. The price has fallen 25% this year, probably due to concerns about wildfires. The equity has appeal for 18-month total return potential, but prospects for 2023-2025 are just average. Conservative utility accounts should look elsewhere.

Paul E. Debbas, CFA *October 23, 2020*

(A) Dil. EPS. Excl. nonrec. gains (losses): '04, $2.12; '09, (64¢); '10, 54¢; '11, ($3.33); '13, ($1.12); '15, ($1.18); '17, ($1.37); '18, (15¢); '19, (21¢); gains (loss) from disc. ops.: '12, ($5.11); '13, 11¢; '14, 57¢; '15, 11¢; '18, 10¢. '19 EPS don't sum due to chng. in shs. Next earnings report due late Oct. (B) Div'ds paid late Jan., Apr., July, & Oct. ■ Div'd reinv. plan avail. (C) Incl. def'd charges. In '19: $16.82/sh. (D) In mill. (E) Rate base: net orig. cost. Rate all'd on com. eq. in '20: 10.3%; earned on avg. com. eq., '19: 11.5%. Regulatory Climate: Avg.

Company's Financial Strength	B+
Stock's Price Stability	80
Price Growth Persistence	70
Earnings Predictability	5

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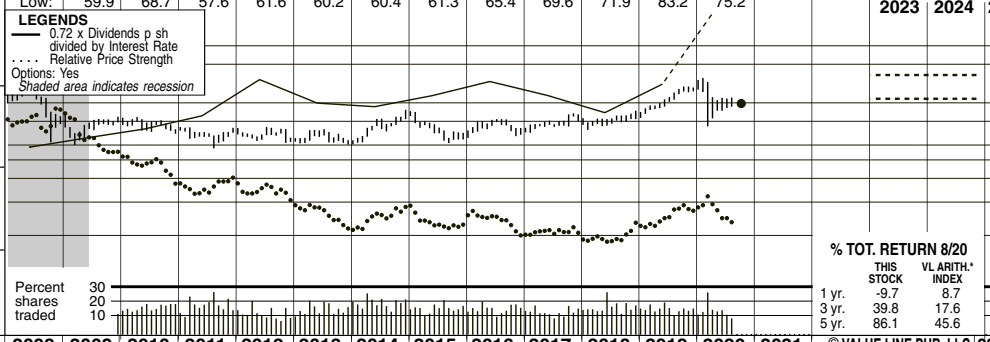
ENTERGY CORP. NYSE-ETR

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

TIMELINESS 3 Raised 10/26/18
SAFETY 2 Raised 12/13/19
TECHNICAL 3 Raised 9/11/20
BETA .95 (1.00 = Market)

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
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

Target Price Range
2023 | 2024 | 2025



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$74-$169	$122 (25%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	140	(+40%)	12%
Low	105	(+5%)	6%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	348	281	283
to Sell	242	349	315
Hld's(000)	176392	172217	173722

% TOT. RETURN 8/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-9.7	8.7
3 yr.	39.8	17.6
5 yr.	86.1	45.6

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
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*	Revenues per sh	*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*	"Cash Flow" per sh	*21.25*
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*	Earnings per sh A	*7.00*
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*	Div'd Decl'd per sh B ■ †	*4.55*
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*	Cap'l Spending per sh	*19.00*
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*	Book Value per sh C	*64.00*
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*	Common Shs Outst'g D	*210.00*
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	*Bold figures are*		Avg Ann'l P/E Ratio	*17.5*
.80	.87	.77	1.02	1.00	.80	.74	.57	.71	.74	.68	.63	.57	.75	.75	.88	*Value Line*		Relative P/E Ratio	*.95*
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%	*estimates*		Avg Ann'l Div'd Yield	*3.7%*

CAPITAL STRUCTURE as of 6/30/20
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.
(LT interest earned: 1.9x)
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**
MARKET CAP: $20 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
11488	11229	10302	11391	12495	11513	10846	11074	11009	10879	*10250*	*10300*	Revenues ($mill)	*10600*
1270.3	1367.4	1091.9	904.5	1060.0	1061.2	1249.8	950.7	1092.1	1258.2	*1020*	*1230*	Net Profit ($mill)	*1490*
32.7%	17.3%	13.0%	26.7%	37.8%	2.2%	11.3%	1.8%	1.8%	NMF	*18.0%*	*21.0%*	Income Tax Rate	*22.0%*
7.4%	8.9%	11.9%	10.1%	9.3%	7.4%	8.1%	14.7%	17.5%	16.7%	*18.0%*	*14.0%*	AFUDC % to Net Profit	*13.0%*
56.3%	52.2%	55.8%	55.1%	54.9%	57.8%	63.6%	63.6%	63.2%	62.0%	*63.0%*	*63.0%*	Long-Term Debt Ratio	*59.5%*
42.1%	46.4%	42.9%	43.6%	43.8%	40.8%	35.5%	35.5%	35.9%	37.1%	*36.0%*	*36.0%*	Common Equity Ratio	*39.5%*
20166	19324	21432	22109	22842	22714	22777	22528	24602	27557	*29600*	*31425*	Total Capital ($mill)	*33800*
23848	25609	27299	27882	28723	27824	27921	29664	31974	35183	*37075*	*38550*	Net Plant ($mill)	*41700*
7.7%	8.5%	6.4%	5.4%	6.0%	6.0%	6.9%	5.7%	5.8%	5.9%	*5.0%*	*5.0%*	Return on Total Cap'l	*5.5%*
14.4%	14.8%	11.5%	9.1%	10.3%	11.1%	15.1%	11.6%	12.0%	12.0%	*9.5%*	*10.5%*	Return on Shr. Equity	*11.0%*
14.7%	15.0%	11.6%	9.2%	10.4%	11.2%	15.2%	11.7%	12.2%	12.1%	*9.5%*	*10.5%*	Return on Com Equity E	*11.0%*
7.6%	8.4%	5.2%	3.0%	4.4%	4.8%	7.7%	3.9%	4.9%	5.2%	*2.5%*	*4.0%*	Retained to Com Eq	*4.0%*
49%	45%	56%	68%	58%	58%	50%	68%	61%	58%	*75%*	*65%*	All Div'ds to Net Prof	*65%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	+.2	+4.1	-1.4
Avg. Indust. Use (MWH)	1034	946	1070
Avg. Indust. Revs. per KWH(¢)	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

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-.5%	-2.0%	*-2.5%*
"Cash Flow"	3.0%	- -	*4.0%*
Earnings	-.5%	.5%	*3.0%*
Dividends	2.5%	1.5%	*4.0%*
Book Value	1.0%	-2.5%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	2588	2618	3244	2624	11074
2018	2724	2669	3104	2512	11009
2019	2610	2666	3141	2462	10879
2020	2427	2413	*3010*	*2400*	*10250*
2021	*2600*	*2500*	*2900*	*2300*	*10300*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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		

BUSINESS: 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. Denault. Incorporated: Delaware. Address: 639 Loyola Avenue, P.O. Box 61000, New Orleans, Louisiana 70161. Telephone: 504-576-4000. Internet: www.entergy.com.

Entergy continues to exit most of its nonregulated power-generating activities. 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.

Entergy faces a regulatory risk. 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 facing challenges by state regulatory commissions to its allowed return on equity, which is set by the Federal Energy Regulatory Commission. Our estimates and projections are based on no change to the allowed ROE, although Entergy has already taken a reserve for a possible refund. When this matter will be resolved is unknown.

We expect a dividend increase at the board meeting in the fourth quarter. We think the directors will hike the quarterly payout two cents a share (2.2%), the same as in recent years. This is less than half the norm for utilities, but we expect growth to accelerate beginning in 2021.

Entergy's service area was hit by a hurricane in late August. As we went to press, the amount of the damage was still being tallied. It is likely that the company will defer most of the costs for future recovery.

Entergy stock's yield is about average for a utility. The equity offers solid total return potential for the next 18 months, but unspectacular prospects for the 3- to 5-year period.

Paul E. Debbas, CFA *September 11, 2020*

(A) Diluted EPS. Excl. nonrec. losses: '05, 21¢; '12, $1.26; '13, $1.14; '14, 56¢; '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. ■ Div'd reinvestment plan avail. † Shareholder investment plan avail. (C) Incl. def'd charges. In '19: $29.67/sh. (D) In millions. (E) Rate base: Net original cost. Allowed ROE (blended): 9.95%; earned on avg. com. eq., '19: 13.0%. Regulatory Climate: Average.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	25
Earnings Predictability	60

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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

TIMELINESS 2 Raised 9/11/20
SAFETY 2 Raised 6/20/14
TECHNICAL 2 Lowered 6/19/20
BETA .80 (1.00 = Market)

High:	35.3	29.9	34.1	35.3	37.3	48.1	46.8	54.1	64.9	70.9	80.9	87.7
Low:	19.5	23.1	25.5	28.4	30.6	35.2	37.3	41.5	51.4	51.9	63.1	58.7

Target Price Range 2023 | 2024 | 2025

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$61-$123	$92 (15%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(+5%)	5%
Low	60	(-25%)	-3%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	266	242	220
to Sell	265	273	301
Hld's(000)	186367	187833	196379

% TOT. RETURN 8/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	5.2	8.7
3 yr.	43.3	17.6
5 yr.	129.2	45.6

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
26.43	33.12	33.30	36.23	36.92	29.87	31.77	31.04	28.14	24.06	24.95	25.13	25.04	25.46	25.73	24.00	*22.85*	*23.65*	Revenues per sh	*25.50*
5.57	6.10	6.02	6.76	6.44	6.06	6.33	5.87	5.87	5.25	5.77	6.08	6.59	6.80	7.64	7.83	*8.20*	*8.75*	"Cash Flow" per sh	*10.75*
2.82	3.13	2.66	2.98	2.88	2.78	2.77	2.47	2.41	2.10	2.40	2.38	2.68	2.77	3.32	3.35	*3.50*	*3.70*	Earnings per sh A	*4.50*
2.54	2.54	2.54	2.54	2.54	1.54	1.54	1.56	1.60	1.60	1.61	1.66	1.72	1.78	1.85	1.92	*2.01*	*2.11*	Div'd Decl'd per sh B ■	*2.45*
4.13	4.63	4.99	6.96	9.75	7.51	4.66	4.50	5.49	5.87	7.66	8.12	8.78	9.05	9.56	9.92	*15.85*	*11.65*	Cap'l Spending per sh	*11.00*
29.71	31.09	31.86	32.41	32.80	33.08	32.15	32.64	27.27	26.97	27.67	28.63	29.27	29.61	31.21	32.73	*35.75*	*37.75*	Book Value per sh C	*44.50*
195.20	204.70	206.60	208.30	212.30	237.40	240.40	242.60	242.63	242.63	242.63	242.63	242.63	242.63	244.50	246.20	*254.00*	*258.00*	Common Shs Outst'g D	*270.00*
16.3	16.7	19.4	17.4	14.2	9.3	9.7	11.9	13.4	16.5	16.7	17.5	18.3	20.6	18.3	22.1	*Bold figures are*		Avg Ann'l P/E Ratio	*16.0*
.86	.89	1.05	.92	.85	.62	.62	.75	.85	.93	.88	.88	.96	1.04	.99	1.18	*Value Line*		Relative P/E Ratio	*.90*
5.5%	4.9%	4.9%	4.9%	6.2%	6.0%	5.8%	5.3%	5.0%	4.6%	4.0%	4.0%	3.5%	3.1%	3.0%	2.6%	*estimates*		Avg Ann'l Div'd Yield	*3.4%*

CAPITAL STRUCTURE as of 6/30/20
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.
Oblig $4967 mill.
Pfd Stock $142 mill. **Pfd Div'd** $6 mill.
807,595 sh. $3.50 to $5.50 cum. (no par), $100 stated val., redeem. $102.176-$110/sh.; 616,323 sh. 4.00% to 6.625%, $100 par, redeem. $100-$104/sh.
Common Stock 247,079,529 shs. **as of 7/31/20**
MARKET CAP: $20 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
7638.0	7531.0	6828.0	5838.0	6053.0	6098.0	6076.0	6177.0	6291.0	5910.0	*5800*	*6100*	Revenues ($mill)	*6900*
669.0	602.0	589.0	518.0	593.0	585.0	659.0	683.0	821.0	834.0	*875*	*960*	Net Profit ($mill)	*1225*
36.8%	37.3%	36.9%	37.5%	38.9%	38.3%	36.7%	38.2%	22.4%	17.9%	*15.5%*	*12.5%*	Income Tax Rate	*12.5%*
7.8%	5.6%	6.1%	7.1%	5.7%	5.1%	4.1%	5.6%	6.9%	5.8%	*6.0%*	*5.0%*	AFUDC % to Net Profit	*4.0%*
48.2%	45.3%	49.5%	45.2%	47.2%	49.3%	47.7%	49.2%	50.3%	52.1%	*54.0%*	*52.0%*	Long-Term Debt Ratio	*50.0%*
50.9%	53.7%	49.4%	53.7%	51.7%	49.7%	51.3%	49.8%	48.8%	47.1%	*45.5%*	*47.0%*	Common Equity Ratio	*49.0%*
15185	14738	13384	12190	12975	13968	13840	14420	15632	17116	*20000*	*20675*	Total Capital ($mill)	*24500*
17853	18127	16096	16205	17424	18799	20113	21466	22810	24376	*27200*	*28900*	Net Plant ($mill)	*33300*
6.0%	5.6%	6.0%	5.6%	5.8%	5.3%	6.0%	6.0%	6.4%	6.0%	*5.5%*	*6.0%*	Return on Total Cap'l	*6.0%*
8.5%	7.5%	8.7%	7.7%	8.7%	8.3%	9.1%	9.3%	10.6%	10.2%	*9.5%*	*9.5%*	Return on Shr. Equity	*10.0%*
8.6%	7.5%	8.8%	7.8%	8.7%	8.3%	9.2%	9.4%	10.7%	10.3%	*9.5%*	*10.0%*	Return on Com Equity E	*10.0%*
3.8%	2.8%	3.0%	1.9%	2.9%	2.5%	3.3%	3.4%	4.8%	4.4%	*4.0%*	*4.0%*	Retained to Com Eq	*4.5%*
56%	63%	66%	76%	67%	70%	64%	64%	56%	57%	*57%*	*57%*	All Div'ds to Net Prof	*54%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	-3.4	+5.6	-3.5
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	350	313	307

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-3.0%	-.5%	*.5%*
"Cash Flow"	1.5%	5.5%	*6.5%*
Earnings	1.0%	6.5%	*6.0%*
Dividends	-2.0%	3.0%	*5.0%*
Book Value	-.5%	2.5%	*6.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1514	1538	1723	1402	6177.0
2018	1585	1563	1724	1419	6291.0
2019	1556	1379	1659	1316	5910.0
2020	1440	1398	*1650*	*1312*	*5800*
2021	*1600*	*1450*	*1700*	*1350*	*6100*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.42	.79	1.18	.39	2.77
2018	.62	.97	1.45	.28	3.32
2019	.78	.72	1.47	.38	3.35
2020	.59	.98	*1.53*	*.40*	*3.50*
2021	*.65*	*.85*	*1.70*	*.45*	*3.70*

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

BUSINESS: 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%. Generating sources: coal, 63%; nuclear, 23%; hydro & other, 6%; purchased, 8%. Fuel costs: 24% of revenues. '19 reported deprec. rates: 3%-4%. Has 9,300 employees. Chairman, President & CEO: Warner L. Baxter. Inc.: Missouri. Address: One Ameren Plaza, 1901 Chouteau Ave., P.O. Box 66149, St. Louis, Missouri 63166-6149. Tel.: 314-621-3222. Internet: www.ameren.com.

We have boosted our 2020 and 2021 earnings estimates for Ameren by a nickel a share each year. 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.

A gas rate case is pending in Illinois. 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.

Ameren is building a wind project. 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.

We expect a dividend increase in the fourth quarter. 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%.

Ameren stock is timely, but has a high valuation. 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*

(A) Dil. EPS. Excl. nonrec. gain (losses): '05, (11¢); '10, ($2.19); '11, (32¢); '12, ($6.42); '17, (63¢); gain (loss) from disc. ops.: '13, (92¢); '15, 21¢. '17 EPS don't sum due to rounding. Next egs. report due early Aug. **(B)** Div'ds pd. late Mar., June, Sept., & Dec. ■ Div'd reinv. plan avail. **(C)** Incl. intang. In '19: $5.70/sh. **(D)** 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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CMS ENERGY CORP. NYSE-CMS

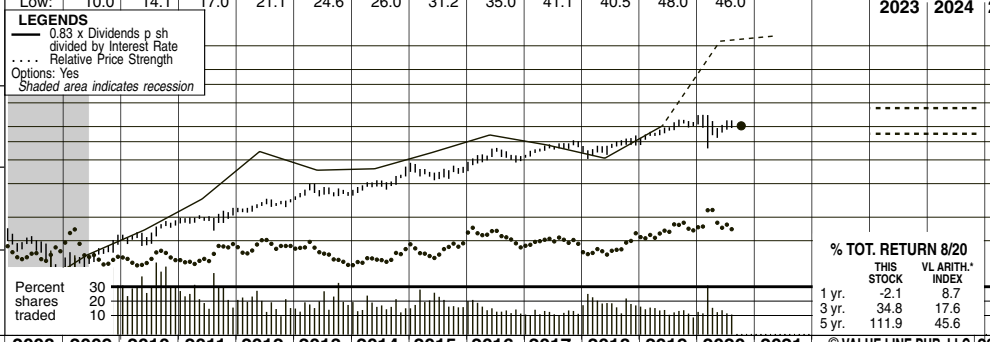
RECENT PRICE 60.49 | P/E RATIO 23.3 (Trailing: 22.9 Median: 18.0) | RELATIVE P/E RATIO 1.09 | DIV'D YLD 2.8% | VALUE LINE

TIMELINESS 3 Lowered 1/11/19
SAFETY 2 Raised 3/21/14
TECHNICAL 1 Raised 9/11/20
BETA .80 (1.00 = Market)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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 Range 2023 | 2024 | 2025

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



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$48-$101	$75 (25%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+25%)	9%
Low	55	(-10%)	1%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	295	252	238
to Sell	247	301	291
Hld's(000)	264207	265297	267271

% TOT. RETURN 8/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-2.1	8.7
3 yr.	34.8	17.6
5 yr.	111.9	45.6

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
28.06	28.52	30.57	28.95	30.13	27.23	25.77	25.59	23.90	24.68	26.09	23.29	22.92	23.37	24.25	24.11	*22.65*	*23.45*	Revenues per sh	*25.25*
2.87	3.43	3.22	3.08	3.88	3.47	3.70	3.65	3.82	4.06	4.22	4.59	4.88	5.29	5.61	5.89	*6.25*	*6.60*	"Cash Flow" per sh	*7.75*
.74	1.10	.64	.64	1.23	.93	1.33	1.45	1.53	1.66	1.74	1.89	1.98	2.17	2.32	2.39	*2.60*	*2.75*	Earnings per sh A	*3.50*
--	--	--	.20	.36	.50	.66	.84	.96	1.02	1.08	1.16	1.24	1.33	1.43	1.53	*1.63*	*1.74*	Div'd Decl'd per sh B ■	*2.15*
2.69	2.69	3.01	5.61	3.50	3.59	3.29	3.47	4.65	4.98	5.73	5.64	5.99	5.91	7.32	7.41	*8.20*	*9.85*	Cap'l Spending per sh	*8.75*
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*	Book Value per sh C	*25.50*
195.00	220.50	222.78	225.15	226.41	227.89	249.60	254.10	264.10	266.10	275.20	277.16	279.21	281.65	283.37	283.86	*287.00*	*290.00*	Common Shs Outst'g D	*300.00*
12.4	12.6	22.2	26.8	10.9	13.6	12.5	13.6	15.1	16.3	17.3	18.3	20.9	21.3	20.3	24.3	*Bold figures are*		Avg Ann'l P/E Ratio	*18.0*
.66	.67	1.20	1.42	.66	.91	.80	.85	.96	.92	.91	.92	1.10	1.07	1.10	1.30	*Value Line*		Relative P/E Ratio	*1.00*
--	--	--	1.2%	2.7%	4.0%	4.0%	4.3%	4.2%	3.8%	3.6%	3.4%	3.0%	2.9%	3.0%	2.6%	*estimates*		Avg Ann'l Div'd Yield	*3.4%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $15225 mill. **Due in 5 Yrs** $4549 mill.
LT Debt $13481 mill. **LT Interest** $571 mill.
Incl. $67 mill. capitalized leases.
(LT interest earned: 2.9x)
Leases, Uncapitalized Annual rentals $11 mill.
Pension Assets-12/19 $2546 mill. **Oblig** $2973 mill.
Pfd Stock $37 mill. **Pfd Div'd** $2 mill.
Incl. 373,148 shs. $4.50 $100 par, cum., callable at $110.00.
Common Stock 286,280,694 shs.
as of 7/7/20
MARKET CAP: $17 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
6432.0	6503.0	6312.0	6566.0	7179.0	6456.0	6399.0	6583.0	6873.0	6845.0	*6500*	*6800*	Revenues ($mill)	*7550*
356.0	384.0	413.0	454.0	479.0	525.0	553.0	610.0	659.0	682.0	*760*	*810*	Net Profit ($mill)	*1050*
38.1%	36.8%	39.4%	39.9%	34.3%	34.0%	33.1%	31.2%	14.9%	17.7%	*16.0%*	*16.0%*	Income Tax Rate	*16.0%*
2.2%	2.6%	2.9%	2.0%	2.3%	2.7%	3.1%	1.1%	1.4%	2.1%	*2.0%*	*2.0%*	AFUDC % to Net Profit	*1.0%*
70.1%	66.9%	67.9%	67.5%	68.7%	68.3%	67.1%	67.3%	69.0%	70.4%	*70.5%*	*70.0%*	Long-Term Debt Ratio	*68.0%*
29.5%	32.6%	31.6%	32.2%	31.0%	31.4%	32.6%	32.4%	30.7%	29.4%	*29.5%*	*30.0%*	Common Equity Ratio	*32.0%*
9473.0	9279.0	10101	10730	11846	12534	13040	13692	15476	17082	*18900*	*20050*	Total Capital ($mill)	*24100*
10069	10633	11551	12246	13412	14705	15715	16761	18126	18926	*20225*	*21975*	Net Plant ($mill)	*26000*
5.8%	6.3%	5.9%	6.0%	5.7%	5.7%	5.8%	5.9%	5.6%	5.3%	*5.5%*	*5.5%*	Return on Total Cap'l	*6.0%*
12.5%	12.5%	12.8%	13.0%	12.9%	13.2%	12.9%	13.6%	13.8%	13.5%	*13.5%*	*13.5%*	Return on Shr. Equity	*13.5%*
12.5%	12.6%	12.9%	13.1%	13.0%	13.3%	13.0%	13.7%	13.8%	13.6%	*13.5%*	*13.5%*	Return on Com Equity E	*13.5%*
6.9%	5.6%	5.0%	5.2%	5.0%	5.2%	4.8%	5.2%	5.3%	4.9%	*5.0%*	*5.0%*	Retained to Com Eq	*5.5%*
46%	55%	61%	60%	62%	61%	63%	62%	62%	64%	*62%*	*62%*	All Div'ds to Net Prof	*61%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	-1.4	+2.2	-3.7
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	8.26	7.63	7.94
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	7634	8084	8039
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.2	+.3	+.9
Fixed Charge Cov. (%)	301	250	235

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-2.0%	-1.0%	*1.0%*
"Cash Flow"	5.0%	7.0%	*5.5%*
Earnings	9.5%	7.0%	*7.5%*
Dividends	15.0%	7.0%	*7.0%*
Book Value	4.5%	5.5%	*7.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1829	1449	1527	1778	6583.0
2018	1953	1492	1599	1829	6873.0
2019	2059	1445	1546	1795	6845.0
2020	1864	1443	*1550*	*1643*	*6500*
2021	*1950*	*1550*	*1600*	*1700*	*6800*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.71	.33	.61	.52	2.17
2018	.86	.49	.59	.38	2.32
2019	.75	.33	.73	.58	2.39
2020	.85	.48	*.77*	*.50*	*2.60*
2021	*.85*	*.55*	*.80*	*.55*	*2.75*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec. 31	Full Year
2016	.31	.31	.31	.31	1.24
2017	.3325	.3325	.3325	.3325	1.33
2018	.3575	.3575	.3575	.3575	1.43
2019	.3825	.3825	.3825	.3825	1.53
2020	.4075	.4075	.4075		

BUSINESS: CMS Energy Corporation is a holding company for Consumers Energy, which supplies electricity and gas to lower Michigan (excluding Detroit). Has 1.8 million electric, 1.8 million gas customers. Has 1,234 megawatts of nonregulated generating capacity. Owns EnerBank. Sold Palisades nuclear plant in '07. Electric revenue breakdown: residential, 45%; commercial, 34%; industrial, 15%; other, 6%. Generating sources: coal, 27%; gas, 18%; other, 3%; purchased, 52%. Fuel costs: 41% of revenues. '19 reported deprec. rates: 3.9% electric, 2.9% gas, 10.0% other. Has 8,100 full-time employees. Chairman: John G. Russell. President & CEO: Patricia K. Poppe. Inc.: MI. Address: One Energy Plaza, Jackson, MI 49201. Tel.: 517-788-0550. Internet: www.cmsenergy.com.

CMS Energy's utility subsidiary should receive orders on its rate cases in the fourth quarter. Consumers Energy is seeking a gas rate increase of $229 million, based on a 10.5% return on equity. The utility is also asking for a regulatory mechanism that decouples revenues and volume. The staff of the Michigan Public Service Commission (MPSC) is recommending a hike of $160 million, based on a 9.6% ROE. An order is due by October 16th. The utility is requesting an electric tariff increase of $230 million, based on a 10.5% ROE. The MPSC's staff is proposing a hike of $149 million, based on a 9.75% ROE. A decision is due by December 28th. Consumers Energy files rate cases frequently because it has a large, aged electric and gas system that requires extensive capital spending. In fact, the utility plans to file another gas rate application in December, with a ruling expected in October of 2021. It helps that Michigan has a good regulatory climate.

We expect continued steady earnings growth this year and next. Consumers Energy is benefiting from rate relief. Although the utility was hurt by mild weather in the first quarter and a decline in electric volume in the second period, management has cut costs effectively to offset this. Our 2020 earnings estimate is slightly below CMS Energy's targeted range of $2.64-$2.68 a share because the company's guidance excludes some costs that we are including. These amounted to two cents a share in the first six months.

CMS Energy acquired a 51% stake in a wind project. The cost was undisclosed. The 525-megawatt project, in Texas, will sell its output to two large customers under long-term contracts. The company will finance the deal with tax equity and cash on hand. The project will be owned by CMS Enterprises, a nonutility subsidiary, and will likely produce returns at least equal to those of a regulated utility. This also expanded the company's presence in contracted renewables, which was 196 mw before this deal.

The dividend yield of this equity is about a percentage point below the average for electric utilities. Total return potential is appealing for the next 18 months, but not for the 2023-2025 period.

Paul E. Debbas, CFA *September 11, 2020*

(A) Diluted EPS. Excl. nonrec. gains (losses): '05, ($1.61); '06, ($1.08); '07, ($1.26); '09, (7¢); '10, 3¢; '11, 12¢; '12, (14¢); '17, (53¢); gains (losses) on discont. ops.: '05, 7¢; '06, 3¢; '07, (40¢); '09, 8¢; '10, (8¢); '11, 1¢; '12, 3¢. Next earnings report due early Nov. (B) Div'ds historically paid late Feb., May, Aug., & Nov. ■ Div'd reinvestment plan avail. (C) Incl. intang. In '19: $8.77/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '18: 10% elec.; in '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	95
Earnings Predictability	85

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FIRSTENERGY NYSE-FE

RECENT PRICE **29.93** | P/E RATIO **11.8** (Trailing: 23.6 Median: 19.0) | RELATIVE P/E RATIO **0.62** | DIV'D YLD **5.2%** | VALUE LINE

TIMELINESS 3 Lowered 6/7/19
SAFETY 3 Lowered 11/13/20
TECHNICAL 5 Lowered 11/13/20
BETA .85 (1.00 = Market)

High:	53.6	47.8	46.5	51.1	46.8	40.8	41.7	36.6	35.2	39.9	49.1	52.5
Low:	35.3	33.6	36.1	40.4	31.3	30.0	28.9	29.3	27.9	29.3	36.3	22.9

Target Price Range 2023 | 2024 | 2025

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$24-$65	$45 (50%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+100%)	22%
Low	40	(+35%)	12%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	333	292	297
to Sell	264	360	325
Hld's(000)	465497	458808	463991

% TOT. RETURN 10/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-36.6	0.9
3 yr.	0.8	8.2
5 yr.	16.5	39.8

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
37.76	36.35	36.03	42.00	44.70	41.70	43.76	38.87	36.57	35.60	35.74	35.48	32.92	31.49	22.00	20.41	*20.25*	*21.05*	Revenues per sh	*22.50*
7.60	7.55	7.22	8.34	9.04	8.80	8.50	5.75	6.05	6.30	4.55	6.33	6.53	6.54	3.98	3.94	*3.75*	*5.00*	"Cash Flow" per sh	*5.75*
2.77	2.84	3.82	4.22	4.38	3.32	3.25	1.88	2.13	2.97	.85	2.00	2.10	2.73	1.33	1.84	*1.75*	*2.75*	Earnings per sh A	*3.25*
1.91	1.71	1.85	2.05	2.20	2.20	2.20	2.20	2.20	1.65	1.44	1.44	1.44	1.44	1.82	1.53	*1.56*	*1.56*	Div'd Decl'd per sh B ■	*1.90*
2.57	3.66	4.12	5.36	9.47	7.23	6.44	5.45	7.09	6.90	8.42	6.83	6.93	6.38	5.23	4.93	*5.50*	*5.50*	Cap'l Spending per sh	*5.50*
26.04	27.86	28.30	29.45	27.17	28.08	28.03	31.75	31.29	30.32	29.49	29.33	14.11	8.81	13.17	12.90	*13.30*	*14.55*	Book Value per sh C	*20.50*
329.84	329.84	319.21	304.84	304.84	304.84	304.84	418.22	418.22	418.63	421.10	423.56	442.34	445.33	511.92	540.65	*543.00*	*546.00*	Common Shs Outst'g D	*580.00*
14.1	16.1	14.2	15.6	15.6	13.0	11.7	22.4	21.1	13.1	NMF	17.0	15.9	11.4	26.5	23.8	*Bold figures are*		Avg Ann'l P/E Ratio	*15.0*
.74	.86	.77	.83	.94	.87	.74	1.41	1.34	.74	NMF	.86	.83	.57	1.43	1.27	*Value Line*		Relative P/E Ratio	*.85*
4.9%	3.7%	3.4%	3.1%	3.2%	5.1%	5.8%	5.2%	4.9%	4.3%	4.3%	4.2%	4.3%	4.6%	5.2%	3.5%	*estimates*		Avg Ann'l Div'd Yield	*3.7%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $22176 mill. **Due in 5 Yrs** $5287 mill.
LT Debt $21980 mill. **LT Interest** $1000 mill.
Incl. $40 mill. capitalized leases.
(LT interest earned: 2.0x)
Leases, Uncapitalized Annual rentals $40 mill.

Pension Assets-12/19 $8395 mill. **Oblig** $11050 mill.

Pfd Stock None

Common Stock 542,110,386 shs.

MARKET CAP: $16 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
13339	16258	15294	14903	15049	15029	14562	14022	11261	11035	*11000*	*11500*	Revenues ($mill)	*13000*
991.0	752.0	891.0	1245.0	356.0	844.0	892.0	1213.0	726.0	995.0	*950*	*1500*	Net Profit ($mill)	*1820*
38.6%	41.3%	41.1%	36.1%	5.6%	35.7%	37.8%	37.2%	32.4%	19.0%	*26.0%*	*20.0%*	Income Tax Rate	*20.0%*
16.6%	9.3%	8.1%	6.0%	33.1%	13.9%	11.5%	6.5%	9.0%	7.1%	*8.0%*	*5.0%*	AFUDC % to Net Profit	*4.0%*
59.5%	54.2%	53.7%	55.5%	60.7%	60.7%	74.5%	84.3%	72.3%	73.8%	*76.0%*	*74.5%*	Long-Term Debt Ratio	*68.0%*
40.5%	45.8%	46.3%	44.5%	39.3%	39.3%	25.5%	15.7%	27.4%	26.2%	*24.0%*	*25.5%*	Common Equity Ratio	*32.0%*
21124	28996	28263	28523	31596	31613	24433	25040	24565	26593	*30175*	*31150*	Total Capital ($mill)	*37100*
19788	30337	32903	33252	35783	37214	29387	28879	29911	31650	*33600*	*35425*	Net Plant ($mill)	*40800*
6.3%	4.0%	4.9%	6.0%	2.7%	4.3%	5.7%	7.0%	4.9%	5.4%	*4.5%*	*6.5%*	Return on Total Cap'l	*6.5%*
11.6%	5.7%	6.8%	9.8%	2.9%	6.8%	14.3%	30.9%	10.7%	14.3%	*13.0%*	*19.0%*	Return on Shr. Equity	*15.5%*
11.6%	5.7%	6.8%	9.8%	2.9%	6.8%	14.3%	30.9%	9.7%	14.2%	*13.0%*	*19.0%*	Return on Com Equity E	*15.5%*
3.8%	NMF	NMF	2.6%	NMF	1.9%	4.5%	14.6%	NMF	2.5%	*1.5%*	*8.0%*	Retained to Com Eq	*6.5%*
68%	117%	103%	74%	NMF	72%	68%	53%	108%	82%	*89%*	*57%*	All Div'ds to Net Prof	*57%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	-2.1	+4.2	-2.7
Avg. Indust. Use (MWH)	NMF	NMF	NMF
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.5	+.4	+.3
Fixed Charge Cov. (%)	249	199	249

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-5.5%	-7.5%	*-1.5%*
"Cash Flow"	-6.0%	-3.0%	*3.0%*
Earnings	-7.0%	- -	*8.5%*
Dividends	-3.0%	-2.0%	*2.0%*
Book Value	-8.5%	-17.5%	*10.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	3557	3309	3714	3442	14022
2018	2862	2625	3064	2710	11261
2019	2883	2516	2963	2673	11035
2020	2709	2522	3022	*2747*	*11000*
2021	*2900*	*2700*	*3100*	*2800*	*11500*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.71	.59	.95	.47	2.73
2018	.01	.27	.66	.34	1.33
2019	.66	.63	.75	d.20	1.84
2020	.05	.57	.84	*.29*	*1.75*
2021	*.70*	*.70*	*.80*	*.55*	*2.75*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.36	.36	.36	.36	1.44
2017	.36	.36	.36	.36	1.44
2018	.36	.36	.36	.36	1.44
2019	.38	.38	.38	.38	1.52
2020	.39	.39	.39		

BUSINESS: FirstEnergy Corp. is a holding company for Ohio Edison, Pennsylvania Power, Cleveland Electric, Toledo Edison, Metropolitan Edison, Penelec, Jersey Central Power & Light, West Penn Power, Potomac Edison, & Mon Power. Provides electric service to 6.1 million customers in OH, PA, NJ, WV, MD, & NY. Acq'd Allegheny Energy 2/11. Electric revenue breakdown: residential, 61%; commercial, 25%; industrial, 13%; other, 1%. Purchases most of its power. Fuel costs: 31% of revenues. '19 reported depreciation rate: 2.7%. Has 12,300 employees. Chairman: Donald T. Misheff. Acting CEO and President: Steven E. Strah. Incorporated: Ohio. Address: 76 South Main Street, Akron, Ohio 44308-1890. Tel.: 800-736-3402. Internet: www.firstenergycorp.com.

FirstEnergy's board of directors replaced the company's chief executive officer and two other executives. This came in the wake of a U.S. Department of Justice investigation of the company's lobbying activities in Ohio, in which several people were charged in a bribery allegation. FirstEnergy and its executives were not charged, but two lobbyists pled guilty. The company received a subpoena from the SEC, as well. FirstEnergy's president, Steven Strah, is serving as acting CEO. An internal investigation is ongoing.

This matter has hurt the stock. Before the news of the DoJ investigation, the stock was trading in the low-$40 range. Subsequently, the price plunged to near $30. For the full year, the quotation is down 38%. FirstEnergy has received shareholder and customer lawsuits.

Jersey Central Power & Light received a rate order. The utility was granted a $94 million rate hike, based on a 9.6% return on equity. This was supposed to take effect on January 1st, but will be delayed until November 1st due to the effects of the weak economy on customers. To offset the effects of this delay, the company will amortize into income an $86 million regulatory liability.

Our 2020 earnings estimate requires an explanation. FirstEnergy booked an aftertax charge of $423 million in the first quarter for a mark-to-market item related to its pension plan, and another such item (estimated to range from a loss of $330 million to a gain of $40 million) will be recorded in the fourth period. FirstEnergy *excludes* these from its earnings guidance of $2.40-$2.60 a share. Our 2021 estimate reflects no such items, so is well above our 2020 expectation. The company's dividend policy, with a targeted payout ratio of 55%-65%, is based on adjusted rather than GAAP earnings. Upon reporting third-quarter results, management stated that it expects to maintain the quarterly disbursement at $0.39 a share through 2021.

Aggressive utility investors might want to consider this stock. The dividend yield is more than a percentage point above the utility mean. Investors must be willing to assume the risks associated with the federal investigations, so this issue is unsuitable for many utility accounts.

Paul E. Debbas, CFA *November 13, 2020*

(A) Dil. EPS. Excl. nonrec. losses: '13, $2.07; '14, 17¢; '15, 63¢; '16, $16.59; '17, $6.61; gains (loss) from disc. ops.: '14, 20¢; '18, 66¢; '19, (17¢); '20, 9¢. '17, '18 EPS don't sum due to rounding or chg. in shs. Next egs. due late Feb. (B) Div'ds pd. early Mar., June, Sept., & Dec. 5 div'ds in '04 & '18, 3 in '13. ■ Div'd reinv. avail. (C) Incl. intang. In '19: $10.57/sh. (D) In mill. (E) Rate base: Depr. orig. cost. Rates all'd on com. eq.: 9.6%-11.7%; earned avg. com. eq., '19: 14.0%. Reg. Climate: OH Above Avg.; PA, NJ Avg.; MD, WV Below Avg.

Company's Financial Strength	B+
Stock's Price Stability	80
Price Growth Persistence	25
Earnings Predictability	45

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AVANGRID, INC. NYSE-AGR

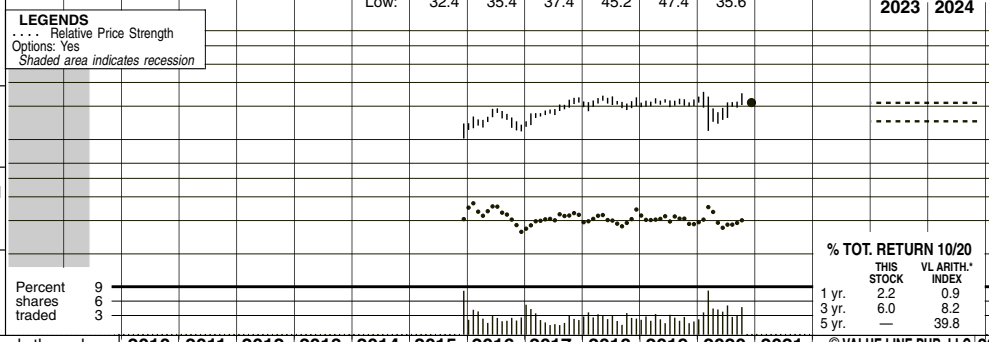
RECENT PRICE	50.23	P/E RATIO	27.3 (Trailing: 24.4 / Median: NMF)	RELATIVE P/E RATIO	1.43	DIV'D YLD	3.5%	VALUE LINE

TIMELINESS 3 Lowered 3/22/19
SAFETY 2 Raised 2/17/17
TECHNICAL 3 Lowered 6/12/20
BETA .85 (1.00 = Market)

High:	38.9	46.7	53.5	54.6	52.9	57.2
Low:	32.4	35.4	37.4	45.2	47.4	35.6

Target Price Range 2023 | 2024 | 2025

LEGENDS
.... Relative Price Strength
Options: Yes
Shaded area indicates recession



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$39-$82	$61 (20%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(Nil)	4%
Low	40	(-20%)	-1%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	142	123	118
to Sell	101	136	141
Hld's(000)	46257	45979	42981

Percent shares traded 9 6 3

% TOT. RETURN 10/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	2.2	0.9
3 yr.	6.0	8.2
5 yr.	—	39.8

AVANGRID, Inc. was formed through a merger between Iberdrola USA, Inc. and UIL Holdings Corporation in December of 2015. Iberdrola S.A., a worldwide leader in the energy industry, owns 81.5% of AVANGRID. The predecessor company was founded in 1852 and is headquartered in New Gloucester, Maine. It was incorportated in 1997 in New York under the name NGE Resources, Inc. AVANGRID began trading on the NYSE on December 17, 2015.

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
- -	- -	- -	- -	- -	14.14	19.48	19.30	20.96	20.51	*20.25*	*21.05*	Revenues per sh	*23.25*
- -	- -	- -	- -	- -	3.44	4.74	4.49	4.89	5.50	*5.15*	*5.60*	"Cash Flow" per sh	*6.50*
- -	- -	- -	- -	- -	1.05	1.98	1.67	1.92	2.26	*1.80*	*2.10*	Earnings per sh A	*2.50*
- -	- -	- -	- -	- -	- -	1.73	1.73	1.74	1.76	*1.76*	*1.76*	Div'd Decl'd per sh B ■	*1.80*
- -	- -	- -	- -	- -	3.50	5.52	7.82	5.78	8.87	*10.05*	*10.35*	Cap'l Spending per sh	*9.75*
- -	- -	- -	- -	- -	48.74	48.90	48.79	48.88	49.31	*49.35*	*49.70*	Book Value per sh C	*51.25*
- -	- -	- -	- -	- -	308.86	308.99	309.01	309.01	309.01	*309.00*	*309.00*	Common Shs Outst'g D	*309.00*
- -	- -	- -	- -	- -	33.5	20.5	27.3	26.1	22.1	*Bold figures are*		Avg Ann'l P/E Ratio	*18.0*
- -	- -	- -	- -	- -	1.69	1.08	1.37	1.41	1.18	*Value Line*		Relative P/E Ratio	*1.00*
- -	- -	- -	- -	- -	- -	4.3%	3.8%	3.5%	3.5%	*estimates*		Avg Ann'l Div'd Yield	*4.0%*
- -	- -	- -	- -	4594.0	4367.0	6018.0	5963.0	6478.0	6338.0	*6250*	*6500*	Revenues ($mill)	*7150*
- -	- -	- -	- -	424.0	267.0	611.0	516.0	595.0	700.0	*555*	*650*	Net Profit ($mill)	*770*
- -	- -	- -	- -	39.9%	11.3%	37.4%	32.4%	22.1%	17.5%	*5.0%*	*7.0%*	Income Tax Rate	*7.0%*
- -	- -	- -	- -	6.8%	12.7%	7.5%	12.4%	9.4%	14.4%	*18.0%*	*15.0%*	AFUDC % to Net Profit	*13.0%*
- -	- -	- -	- -	16.8%	23.1%	23.0%	25.6%	26.2%	30.6%	*34.0%*	*36.5%*	Long-Term Debt Ratio	*43.0%*
- -	- -	- -	- -	83.2%	76.9%	77.0%	74.4%	73.8%	69.4%	*66.0%*	*63.5%*	Common Equity Ratio	*57.0%*
- -	- -	- -	- -	14956	19583	19619	20273	20472	21953	*23050*	*24175*	Total Capital ($mill)	*27700*
- -	- -	- -	- -	17099	20711	21548	22669	23459	25218	*27275*	*29400*	Net Plant ($mill)	*34800*
- -	- -	- -	- -	3.7%	2.1%	3.8%	3.1%	3.5%	3.8%	*3.0%*	*3.5%*	Return on Total Cap'l	*3.5%*
- -	- -	- -	- -	3.4%	1.8%	4.0%	3.4%	3.9%	4.6%	*3.5%*	*4.0%*	Return on Shr. Equity	*5.0%*
- -	- -	- -	- -	3.4%	1.8%	4.0%	3.4%	3.9%	4.6%	*3.5%*	*4.0%*	Return on Com Equity E	*5.0%*
- -	- -	- -	- -	3.4%	1.8%	1.4%	NMF	.4%	1.0%	*Nil*	*.5%*	Retained to Com Eq	*1.5%*
- -	- -	- -	- -	- -	- -	66%	104%	90%	78%	*98%*	*83%*	All Div'ds to Net Prof	*72%*

CAPITAL STRUCTURE as of 9/30/20
Total Debt $8896 mill. **Due in 5 Yrs** $4323 mill.
LT Debt $7081 mill. **LT Interest** $272 mill.
Incl. $63 mill. capitalized leases.
(LT interest earned: 3.3x)
Leases, Uncapitalized Annual rentals $14 mill.

Pension Assets-12/19 $2848 mill. **Oblig** $3669 mill.

Pfd Stock None

Common Stock 309,009,817 shs.
as of 10/29/20
MARKET CAP: $16 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	NA	NA	NA
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.6	+.5	+.8
Fixed Charge Cov. (%)	333	343	278

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	- -	- -	*2.5%*
"Cash Flow"	- -	- -	*4.5%*
Earnings	- -	- -	*4.0%*
Dividends	- -	- -	*.5%*
Book Value	- -	- -	*1.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1758	1331	1341	1533	5963.0
2018	1865	1402	1546	1665	6478.0
2019	1842	1400	1487	1609	6338.0
2020	1782	1392	1470	*1606*	*6250*
2021	*1900*	*1400*	*1550*	*1650*	*6500*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.77	.39	.32	.19	1.67
2018	.79	.34	.40	.38	1.92
2019	.70	.36	.48	.72	2.26
2020	.78	.28	.28	*.46*	*1.80*
2021	*.75*	*.35*	*.50*	*.50*	*2.10*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	- -	.432	.432	.432	1.30
2017	.432	.432	.432	.432	1.73
2018	.432	.432	.432	.44	1.74
2019	.44	.44	.44	.44	1.76
2020	.44	.44	.44	.44	

BUSINESS: AVANGRID, Inc. (formerly Iberdrola USA, Inc.), is a diversified energy and utility company that serves 2.3 million electric customers in New York, Connecticut, and Maine and 1 million gas customers in New York, Connecticut, Massachusetts & Maine. Has a nonregulated generating subsidiary focused on wind power, with 7.2 gigawatts of capacity. Revenue breakdown by customer class not available. Generating sources not available. Fuel costs: 24% of revenues. '19 reported depr. rate (utility): 2.9%. Iberdrola owns 81.5% of stock. Has 6,600 employees. Chairman: José Ignacio Sanchez Galan. CEO: Dennis V. Arriola. Deputy CEO & President: Robert Kump. Inc.: NY. Address: 180 Marsh Hill Road, Orange, CT 06477. Tel.: 207-629-1200. Web: www.avangrid.com.

AVANGRID has agreed to acquire PNM Resources. The company would pay $4.3 billion in cash for electric utilities in New Mexico and Texas, with some 789,000 customers. The transaction requires the approval of PNM Resources' shareholders, the regulatory commissions in New Mexico and Texas, and the Federal Energy Regulatory Commission. The deal is expected to close in the fourth quarter of 2021.

The company expects the combination to be accretive to earnings in the first full year after completion. Iberdrola, which owns 81.5% of AVANGRID, has issued a funding commitment letter for up to the full amount of the transaction, but the split between debt and equity has not yet been determined. The $4.3 billion the company would pay is 22 times estimated 2021 earnings, and slightly above PNM Resources' utilities' rate base of $4.1 billion. However, New Mexico has a difficult regulatory climate. AVANGRID stock reacted unfavorably to the announcement, declining 7% in price that day.

We have cut our 2020 share-earnings estimate by $0.15, to $1.80. Third-period profits fell well short of our $0.44 estimate in part because the Renewables division was hurt by weak pricing and lower wind production. Our estimate is below AVANGRID's guidance of $1.90-$2.00 a share because the company excludes some costs, such as those related to the coronavirus, that we include in our presentation.

We expect higher earnings in 2021. The utilities in New York expect to receive rate relief in the fourth quarter of 2020. Central Maine Power will benefit from a full year's effect of a rate hike that took effect on March 1st. Our figures are for AVANGRID on a stand-alone basis.

The company is involved in some large projects. Central Maine expects to start construction soon on a $950 million transmission line. AVANGRID also has joint ventures for offshore wind, although we note that this entails construction risk.

We think more-attractive selections are available elsewhere. The stock's yield does not stand out among utilities, and dividend growth potential is subpar. Note, though, that AVANGRID was scheduled to update its long-term prospects shortly after our report went to press.

Paul E. Debbas, CFA *November 13, 2020*

(A) Diluted EPS. Excl. nonrecurring gain (loss): '16, 6¢; '17, (44¢). '18 EPS don't sum due to rounding. Next earnings report due late Feb. (B) Div'ds paid in early Jan., April, July, and Oct. ■ Dividend reinvestment plan available. (C) Incl. intangibles. In '19: $6.0 bill., $19.42/sh. (D) In millions. (E) Rate base: net original cost. Rate allowed on com. eq. in NY in '16: 9.0%; in CT in '17: 9.1% elec.; in CT in '19: 9.3% gas; in ME in '20: 8.25%; earned on avg. common eq., '19: 4.6%. Regulatory Climate: Below Average.

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

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ALLIANT ENERGY NDQ-LNT

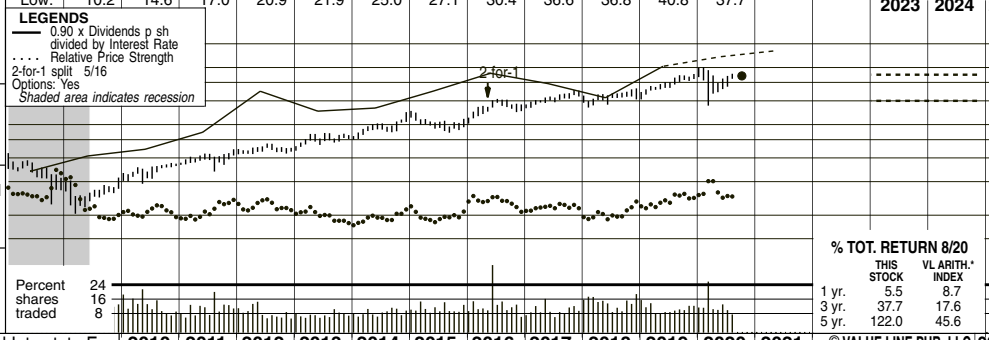
RECENT PRICE 54.15 | P/E RATIO 23.2 (Trailing: 20.4 Median: 17.0) | RELATIVE P/E RATIO 1.08 | DIV'D YLD 2.8% | VALUE LINE

TIMELINESS 3 Lowered 9/11/20
SAFETY 2 Raised 9/28/07
TECHNICAL 3 Lowered 6/19/20
BETA .85 (1.00 = Market)

High:	15.8	18.8	22.2	23.8	27.1	34.9	35.4	41.0	45.6	46.6	55.4	60.3
Low:	10.2	14.6	17.0	20.9	21.9	25.0	27.1	30.4	36.6	36.8	40.8	37.7

Target Price Range 2023 | 2024 | 2025

LEGENDS
— 0.90 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
2-for-1 split 5/16
Options: Yes
Shaded area indicates recession



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$41-$89	$65 (20%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(Nil)	4%
Low	40	(-25%)	-3%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	272	236	227
to Sell	209	272	258
Hld's(000)	188011	182284	186056

% TOT. RETURN 8/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	5.5	8.7
3 yr.	37.7	17.6
5 yr.	122.0	45.6

Alliant Energy, formerly called Interstate Energy Corporation, was formed on April 21, 1998 through the merger of WPL Holdings, IES Industries, and Interstate Power. WPL stockholders received one share of Interstate Energy stock for each WPL share, IES stockholders received 1.14 Interstate Energy shares for each IES share, and Interstate Power stockholders received 1.11 Interstate Energy shares for each Interstate Power share.

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
15.40	16.51	13.94	14.77	15.10	14.34	14.58	14.62	14.97	14.89	*14.70*	*15.10*	Revenues per sh	*15.85*
2.60	2.75	2.95	3.34	3.44	3.45	3.45	3.10	4.32	4.59	*4.75*	*4.90*	"Cash Flow" per sh	*5.25*
1.38	1.38	1.53	1.65	1.74	1.69	1.65	1.99	2.19	2.33	*2.45*	*2.55*	Earnings per sh A	*3.00*
.79	.85	.90	.94	1.02	1.10	1.18	1.26	1.34	1.42	*1.52*	*1.64*	Div'd Decl'd per sh B ■ †	*2.00*
3.91	3.03	5.22	3.32	3.78	4.25	5.26	6.34	6.34	6.28	*5.65*	*5.90*	Cap'l Spending per sh	*6.15*
13.05	13.57	14.12	14.79	15.54	16.41	16.96	17.21	19.43	21.24	*22.75*	*24.10*	Book Value per sh C	*28.25*
221.79	222.04	221.97	221.89	221.87	226.92	227.67	231.35	236.06	245.02	*250.00*	*255.00*	Common Shs Outst'g D	*265.00*
12.5	14.5	14.5	15.3	16.6	18.1	22.3	20.6	19.1	21.2	*Bold figures are*		Avg Ann'l P/E Ratio	*16.0*
.80	.91	.92	.86	.87	.91	1.17	1.04	1.03	1.19	*Value Line*		Relative P/E Ratio	*.90*
4.6%	4.3%	4.1%	3.7%	3.5%	3.6%	3.2%	3.1%	3.2%	2.9%	*estimates*		Avg Ann'l Div'd Yield	*4.2%*
3416.1	3665.3	3094.5	3276.8	3350.3	3253.6	3320.0	3382.2	3534.5	3647.7	*3675*	*3850*	Revenues ($mill)	*4205*
303.9	304.4	337.8	382.1	385.5	380.7	373.8	455.9	512.1	557.2	*610*	*630*	Net Profit ($mill)	*790*
30.1%	19.0%	21.5%	12.4%	10.1%	15.3%	13.4%	12.5%	8.4%	10.8%	*NMF*	*11.0%*	Income Tax Rate	*11.0%*
- -	- -	- -	- -	- -	6.5%	7.0%	7.6%	7.8%	7.6%	*7.5%*	*7.5%*	AFUDC % to Net Profit	*7.5%*
46.3%	45.7%	48.4%	46.1%	49.7%	48.6%	52.8%	49.0%	53.4%	51.5%	*52.0%*	*52.0%*	Long-Term Debt Ratio	*52.0%*
49.5%	50.9%	48.4%	50.8%	47.5%	51.4%	47.2%	48.6%	46.6%	48.5%	*48.0%*	*48.0%*	Common Equity Ratio	*48.0%*
5840.8	5921.2	6476.6	6461.0	7257.2	7246.3	8177.6	8192.8	9832.0	10226	*10000*	*10500*	Total Capital ($mill)	*12000*
6730.6	7037.1	7838.0	7147.3	6442.0	8970.2	9809.9	10798	12031	13527	*14000*	*15000*	Net Plant ($mill)	*18000*
6.6%	6.4%	6.3%	7.0%	6.3%	6.3%	5.6%	6.8%	6.3%	4.1%	*4.0%*	*6.0%*	Return on Total Cap'l	*6.5%*
9.7%	9.5%	10.1%	11.0%	10.6%	10.2%	9.7%	10.9%	11.2%	10.7%	*10.5%*	*10.0%*	Return on Shr. Equity	*10.5%*
9.9%	9.5%	10.3%	11.3%	10.9%	10.2%	9.7%	6.4%	11.2%	10.7%	*10.5%*	*10.0%*	Return on Com Equity E	*10.5%*
3.8%	3.3%	3.9%	4.9%	4.3%	3.6%	2.8%	4.0%	4.4%	4.2%	*4.0%*	*3.5%*	Retained to Com Eq	*3.5%*
64%	67%	64%	57%	61%	65%	71%	63%	61%	61%	*62%*	*64%*	All Div'ds to Net Prof	*67%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $6765.2 mill. **Due in 5 Yrs** $1000.0 mill.
LT Debt $6572.4 mill. **LT Interest** $240.0 mill.
(LT interest earned: 2.9x)

Pension Assets-12/19 $930.4 mill. **Oblig.** $1279.7 mill.
Pfd Stock $400.0 mill. **Pfd Div'd** $10.2 mill.
16,000,000 shs.

Common Stock 249,644,352 shs.

MARKET CAP: $13.5 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	-1.0	+2.0	-2.2
Avg. Indust. Use (MWH)	11769	11830	11448
Avg. Indust. Revs. per KWH (¢)	7.16	7.25	6.98
Capacity at Peak (Mw)	5375	5459	5626
Peak Load, Summer (Mw)	5375	5459	5626
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.4	+.4	+.6
Fixed Charge Cov. (%)	319	322	324

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-.5%	-.5%	*1.0%*
"Cash Flow"	4.5%	3.5%	*4.5%*
Earnings	5.0%	5.0%	*5.5%*
Dividends	7.0%	7.0%	*7.0%*
Book Value	4.0%	5.0%	*6.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	853.9	765.3	906.9	856.1	3382.2
2018	916.3	816.1	928.6	873.5	3534.5
2019	987.2	790.2	990.2	880.1	3647.7
2020	915.7	763.1	*1000*	*996.2*	*3675*
2021	*1000*	*880*	*1040*	*930*	*3850*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.44	.41	.73	.41	1.99
2018	.52	.43	.87	.37	2.19
2019	.53	.40	.94	.46	2.33
2020	.72	.54	*.85*	*.34*	*2.45*
2021	*.60*	*.50*	*1.00*	*.45*	*2.55*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■† Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.295	.295	.295	.295	1.18
2017	.315	.315	.315	.315	1.26
2018	.335	.335	.335	.335	1.34
2019	.355	.355	.355	.355	1.42
2020	.38	.38	.38		

BUSINESS: Alliant Energy Corp., formerly named Interstate Energy, is a holding company formed through the merger of WPL Holdings, IES Industries, and Interstate Power. Supplies electricity, gas, and other services in Wisconsin, Iowa, and Minnesota. Elect. revs. by state: WI, 42%; IA, 57%; MN, 1%. Elect. rev.: residential, 34%; commercial, 29%; industrial, 28%; wholesale, 7%; other, 2%. Fuel sources, 2019: coal, 27%; gas, 34%; other, 39%. Fuel costs: 41% of revs. 2019 depreciation rate: 5.9%. Estimated plant age: 17 years. Has approximately 3,597 employees. Chairman & Chief Executive Officer: John O. Larsen. Incorporated: Wisconsin. Address: 4902 N. Biltmore Lane, Madison, Wisconsin 53718. Telephone: 608-458-3311. Internet: www.alliantenergy.com.

We estimate that Alliant Energy's earnings will advance 4%-5% in both 2020 and 2021. The utility's largest subsidiary, Interstate Power and Light, as well as Wisconsin Power and Light, should benefit from an increasing rate base, higher electric margins, and continued cost-control efforts. In terms of rate relief, the Iowa Utilities Board approved tariff increases worth $139 million earlier this year for Interstate Power and Light. Wisconsin Power and Light has submitted a revised plan that would allow it to use tax and fuel savings in lieu of rate hikes to cover expenses associated with two major energy investments. If granted, the utility would delay all pending rate cases until mid-2021. A decision by the Public Service Commission of Wisconsin is expected soon.

Alliant continues to invest heavily in renewables. In Wisconsin, the company announced plans to acquire and advance 675 megawatts (mw) of solar energy in mostly rural areas across six counties. The projects are the next step in the utility's Clean Energy Blueprint, which calls for the elimination and replacement of all coal-generating capacity by 2040. Alliant is also on track to install an additional 280 mw of wind power this year through the Richland and Kossuth wind farm projects.

Leadership recently announced that 30% of its energy mix now comes from renewable resources. That puts Alliant on track to achieve its stated 2030 goal of reducing carbon emissions by 50% and water supply by 75% from 2005 levels.

The West Riverside Energy Center is finally in service. The 730-megawatt combined-cycle natural gas-generating station cost $660 million and took three years to build. The plant can produce enough power for more than 550,000 homes. The next step for the project includes constructing an integrated solar facility adjacent to the natural gas station. Construction is expected to break ground soon.

This stock is now ranked 3 (Average) for year-ahead price performance, having slipped a notch on our Timeliness scale since June. Like many utility issues, the recent quotation is well within our 2023-2025 Target Price Range, resulting in lackluster 3- to 5-year appeal. The dividend yield is also subpar for a utility.

Daniel Henigson, CFA September 11, 2020

(A) Diluted EPS. Excl. nonrecur. gains (losses): '10, (8¢); '11, (1¢); '12, (8¢). Next earnings rpt. due early November. **(B)** Dividends historically paid in mid-Feb., May, Aug., and Nov. ■ Div'd reinvest. plan avail. † Shareholder invest. plan avail. **(C)** Incl. deferred chgs. In '19: $72.0 mill., $0.29/sh. **(D)** In millions, adjusted for split. **(E)** Rate base: Orig. cost. Rates all'd on com. eq. in IA in '19: 10.0%; in WI in '19 Regul. Clim.: WI, Above Avg.; IA, Avg.

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

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ATMOS ENERGY CORP. NYSE-ATO

RECENT PRICE 104.12 | P/E RATIO 21.4 (Trailing: 22.2 Median: 18.0) | RELATIVE P/E RATIO 0.97 | DIV'D YLD 2.4% | VALUE LINE

TIMELINESS 2 Raised 8/28/20
SAFETY 1 Raised 6/6/14
TECHNICAL 4 Lowered 8/28/20
BETA .80 (1.00 = Market)

High:	30.3	32.0	35.6	37.3	47.4	58.2	64.8	82.0	93.6	100.8	115.2	121.1
Low:	20.1	25.9	28.5	30.4	34.9	44.2	50.8	60.0	72.5	76.5	89.2	77.9

18-Month Target Price Range

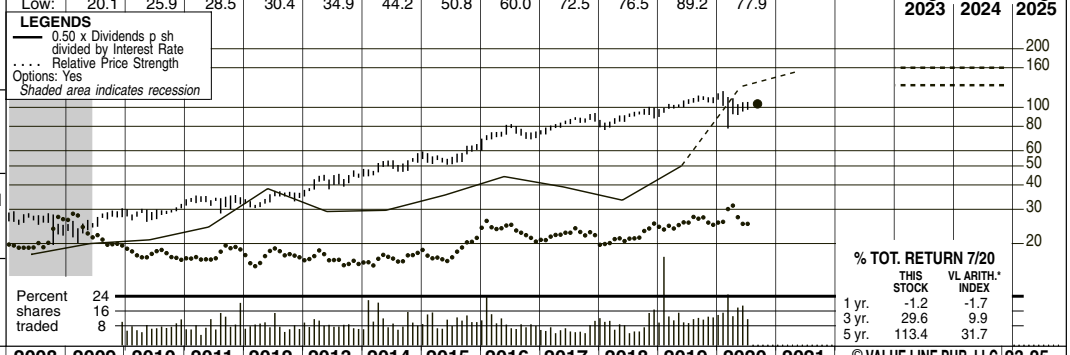
Low-High	Midpoint (% to Mid)
$81-$180	$131 (25%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	160	(+55%)	13%
Low	130	(+25%)	8%

Institutional Decisions

	3Q2019	4Q2019	1Q2020
to Buy	262	272	268
to Sell	193	215	251
Hld's(000)	99815	102747	103070



Target Price Range
2023 | 2024 | 2025

% TOT. RETURN 7/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-1.2	-1.7
3 yr.	29.6	9.9
5 yr.	113.4	31.7

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
46.50	61.75	75.27	66.03	79.52	53.69	53.12	48.15	38.10	42.88	49.22	40.82	32.23	26.01	28.00	24.32	**22.60**	**22.70**	Revenues per sh A	**37.95**
2.91	3.90	4.26	4.14	4.19	4.29	4.64	4.72	4.76	5.14	5.42	5.81	6.19	6.62	7.24	7.57	**8.15**	**8.45**	"Cash Flow" per sh	**9.80**
1.58	1.72	2.00	1.94	2.00	1.97	2.16	2.26	2.10	2.50	2.96	3.09	3.38	3.60	4.00	4.35	**4.70**	**4.95**	Earnings per sh AB	**6.00**
1.22	1.24	1.26	1.28	1.30	1.32	1.34	1.36	1.38	1.40	1.48	1.56	1.68	1.80	1.94	2.10	**2.30**	**2.46**	Div'ds Decl'd per sh C■	**3.00**
3.03	4.14	5.20	4.39	5.20	5.51	6.02	6.90	8.12	9.32	8.32	9.61	10.46	10.72	13.19	14.19	**15.30**	**15.40**	Cap'l Spending per sh	**15.50**
18.05	19.90	20.16	22.01	22.60	23.52	24.16	24.98	26.14	28.47	30.74	31.48	33.32	36.74	42.87	48.18	**53.75**	**57.25**	Book Value per sh	**66.20**
62.80	80.54	81.74	89.33	90.81	92.55	90.16	90.30	90.24	90.64	100.39	101.48	103.93	106.10	111.27	119.34	**124.00**	**130.00**	Common Shs Outst'g D	**145.00**
15.9	16.1	13.5	15.9	13.6	12.5	13.2	14.4	15.9	15.9	16.1	17.5	20.8	22.0	21.7	23.2	*Bold figures are*		Avg Ann'l P/E Ratio	**24.0**
.84	.86	.73	.84	.82	.83	.84	.90	1.01	.89	.85	.88	1.09	1.11	1.17	1.27	*Value Line*		Relative P/E Ratio	**1.35**
4.9%	4.5%	4.7%	4.2%	4.8%	5.3%	4.7%	4.2%	4.1%	3.5%	3.1%	2.9%	2.4%	2.3%	2.2%	2.1%	*estimates*		Avg Ann'l Div'd Yield	**2.1%**

CAPITAL STRUCTURE as of 6/30/20
Total Debt $4531.5 mill. **Due in 5 Yrs** $565.0 mill.
LT Debt $4531.3 mill. **LT Interest** $275.0 mill.
(LT interest earned: 7.3x; total interest coverage: 7.3x)
Leases, Uncapitalized Annual rentals $21.0 mill.

Pfd Stock None

Pension Assets-9/19 $530.1 mill. **Oblig.** $577.3 mill.
Common Stock 123,354,982 shs. **as of 7/31/20**

MARKET CAP: $12.8 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
4789.7	4347.6	3438.5	3886.3	4940.9	4142.1	3349.9	2759.7	3115.5	2901.8	**2800**	**2950**	Revenues ($mill) A	**5500**
201.2	199.3	192.2	230.7	289.8	315.1	350.1	382.7	444.3	511.4	**585**	**645**	Net Profit ($mill)	**870**
38.5%	36.4%	33.8%	38.2%	39.2%	38.3%	36.4%	36.6%	27.0%	21.4%	**19.5%**	**20.5%**	Income Tax Rate	**24.0%**
4.2%	4.6%	5.6%	5.9%	5.9%	7.6%	10.5%	13.9%	14.3%	17.6%	**20.9%**	**21.9%**	Net Profit Margin	**15.8%**
45.4%	49.4%	45.3%	48.8%	44.3%	43.5%	38.7%	44.0%	34.3%	38.0%	**41.0%**	**40.0%**	Long-Term Debt Ratio	**40.0%**
54.6%	50.6%	54.7%	51.2%	55.7%	56.5%	61.3%	56.0%	65.7%	62.0%	**59.0%**	**60.0%**	Common Equity Ratio	**60.0%**
3987.9	4461.5	4315.5	5036.1	5542.2	5650.2	5651.8	6965.7	7263.6	9279.7	**11300**	**12400**	Total Capital ($mill)	**16000**
4793.1	5147.9	5475.6	6030.7	6725.9	7430.6	8280.5	9259.2	10371	11788	**13100**	**14300**	Net Plant ($mill)	**18000**
6.9%	6.1%	6.1%	5.9%	6.4%	6.6%	7.2%	6.4%	6.9%	6.1%	**6.5%**	**6.5%**	Return on Total Cap'l	**6.5%**
9.2%	8.8%	8.1%	8.9%	9.4%	9.9%	10.1%	9.8%	9.3%	8.9%	**9.0%**	**8.5%**	Return on Shr. Equity	**9.0%**
9.2%	8.8%	8.1%	8.9%	9.4%	9.9%	10.1%	9.8%	9.3%	8.9%	**9.0%**	**8.5%**	Return on Com Equity	**9.0%**
3.5%	3.3%	2.8%	4.0%	4.7%	4.9%	5.1%	4.9%	4.8%	4.6%	**4.5%**	**4.5%**	Retained to Com Eq	**4.5%**
62%	62%	65%	56%	50%	51%	50%	50%	48%	48%	**49%**	**50%**	All Div'ds to Net Prof	**50%**

CURRENT POSITION ($MILL.)	2018	2019	6/30/20
Cash Assets	13.8	24.5	208.1
Other	465.1	433.5	394.1
Current Assets	478.9	458.0	602.2
Accts Payable	217.3	265.0	200.1
Debt Due	1150.8	464.9	.2
Other	547.0	479.5	502.4
Current Liab.	1915.1	1209.4	702.7
Fix. Chg. Cov.	926%	990%	980%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-9.0%	-9.5%	*6.5%*
"Cash Flow"	5.5%	7.0%	*5.5%*
Earnings	7.5%	9.5%	*7.0%*
Dividends	4.0%	6.5%	*7.5%*
Book Value	6.5%	8.5%	*7.5%*

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) A Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2017	780.2	988.2	526.5	464.8	2759.7
2018	889.2	1219.4	562.2	444.7	3115.5
2019	877.8	1094.6	485.7	443.7	2901.8
2020	875.6	977.6	493.0	**453.8**	**2800**
2021	**890**	**1050**	**540**	**470**	**2950**

Fiscal Year Ends	EARNINGS PER SHARE A B E Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2017	1.08	1.52	.67	.34	3.60
2018	1.40	1.57	.64	.41	4.00
2019	1.38	1.82	.68	.49	4.35
2020	1.47	1.95	.79	**.49**	**4.70**
2021	**1.53**	**2.05**	**.81**	**.56**	**4.95**

Cal-endar	QUARTERLY DIVIDENDS PAID C■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.42	.42	.42	.45	1.71
2017	.45	.45	.45	.485	1.84
2018	.485	.485	.485	.525	1.98
2019	.525	.525	.525	.575	2.15
2020	.575	.575	.575		

BUSINESS: Atmos Energy Corporation is engaged primarily in the distribution and sale of natural gas to over three million customers through six regulated natural gas utility operations: Louisiana Division, West Texas Division, Mid-Tex Division, Mississippi Division, Colorado-Kansas Division, and Kentucky/Mid-States Division. Gas sales breakdown for fiscal 2019: 66%, residential; 27%, commercial; 5%, industrial; and 2% other. The company sold Atmos Energy Marketing, 1/17. Officers and directors own approximately 1.4% of common stock (12/19 Proxy). President and Chief Executive Officer: Kevin Akers. Incorporated: Texas. Address: Three Lincoln Centre, Suite 1800, 5430 LBJ Freeway, Dallas, Texas 75240. Telephone: 972-934-9227. Internet: www.atmosenergy.com.

Atmos Energy Corporation, though not immune to the effects of COVID-19, has performed fairly well of late. In fact, during the first nine months of fiscal 2020 (which ends September 30th), share net advanced 8.5%, to $4.21, versus the $3.88 tally for the same period last year. That was brought about partially by the natural gas distribution business, which got a lift from higher rates, mostly in the Mississippi, Mid-Tex, Louisiana, and West Texas divisions. Customer growth, mainly in the Mid-Tex operation, also helped. Elsewhere, results of the pipeline and storage division enjoyed an increase in revenue from Gas Reliability Infrastructure Program filings approved in fiscal 2019 and 2020. If there are no major setbacks in the fourth quarter, it seems that profits will climb around 8%, to $4.70 a share, for the entire fiscal year. Looking at fiscal 2021, the company's share net might rise another 5%, to $4.95, as operating margins widen further.

Finances remain in strong shape. At the conclusion of June, cash and equivalents amounted to $208.1 million. Moreover, long-term debt was a manageable 41% of total capital, and short-term obligations were minimal. Also, approximately $3 billion of common stock and/or debt securities remained available for issuance (out of $4 billion) under a shelf registration statement that expires in February, 2023. Finally, the company can access four revolving credit facilities aggregating $2.2 billion plus a $1.5 billion commercial paper program. All things considered, Atmos Energy ought to have little difficulty satisfying its commitments (including working capital needs and dividend payments) for some time. Acquisitions are also possible.

The high-quality stock has strengthened a bit in price over the past few months. We believe that movement can be traced, to a certain degree, to the company's solid earnings in fiscal 2020. Too, these shares are pegged at 2 (Above Average) for Timeliness. What's more, capital appreciation potential during the 18-month period looks solid. But the dividend yield does not stand out compared to the average of *Value Line's* Natural Gas Utility Industry group.

Frederick L. Harris, III *August 28, 2020*

(A) Fiscal year ends Sept. 30th. (B) Diluted shrs. Excl. nonrec. gains (loss): '10, 5¢; '11, (1¢); '18, $1.43; 3Q '20, 17¢. Excludes discontinued operations: '11, 10¢; '12, 27¢; '13, 14¢; '17, 13¢. Next egs. rpt. due early Nov.
(C) Dividends historically paid in early March, June, Sept., and Dec. ■ Div. reinvestment plan. Direct stock purchase plan avail.
(D) In millions.
(E) Qtrs may not add due to change in shrs outstanding.

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

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CENTERPOINT EN'RGY NYSE-CNP

RECENT PRICE **20.07** | P/E RATIO **16.2** (Trailing: 12.9 / Median: 18.0) | RELATIVE P/E RATIO **0.76** | DIV'D YLD **3.1%** | VALUE LINE

TIMELINESS 4 Lowered 5/29/20
SAFETY 3 Lowered 12/18/15
TECHNICAL 3 Raised 5/29/20
BETA 1.10 (1.00 = Market)

High:	14.9	17.0	21.5	21.8	25.7	25.8	23.7	25.0	30.5	29.6	31.4	27.5
Low:	8.7	5.5	15.1	18.1	19.3	21.1	16.0	16.4	24.5	24.8	24.3	11.6

Target Price Range 2023 | 2024 | 2025

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

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$13-$35	$24 (20%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	25	(+25%)	9%
Low	18	(-10%)	1%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	259	266	225
to Sell	305	293	293
Hld's(000)	421555	413899	467555

Percent shares traded 30 20 10

% TOT. RETURN 8/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-25.5	8.7
3 yr.	-24.5	17.6
5 yr.	31.6	45.6

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
27.63	31.33	29.71	29.82	32.71	21.14	20.69	19.83	17.43	18.90	21.51	17.18	17.48	22.30	21.13	24.49	*13.30*	*12.70*	Revenues per sh	*12.75*
2.56	2.72	3.47	3.39	3.42	2.94	3.14	3.43	3.89	3.54	3.85	3.40	3.68	4.03	3.24	4.12	*3.55*	*3.55*	"Cash Flow" per sh	*4.00*
.61	.67	1.33	1.17	1.30	1.01	1.07	1.27	1.35	1.24	1.42	1.08	1.00	1.57	.74	1.49	*1.30*	*1.45*	Earnings per sh A	*1.60*
.40	.40	.60	.68	.73	.76	.78	.79	.81	.83	.95	.99	1.03	1.35	1.12	.86	*.74*	*.64*	Div'd Decl'd per sh B ■	*.80*
1.72	2.23	3.21	3.45	2.95	2.96	3.55	3.06	2.84	3.00	3.20	3.68	3.28	3.31	3.29	4.99	*4.75*	*4.45*	Cap'l Spending per sh	*4.25*
3.59	4.18	4.96	5.61	5.89	6.74	7.53	9.91	10.06	10.09	10.60	8.05	8.03	10.88	12.53	13.10	*11.10*	*12.30*	Book Value per sh C	*15.25*
308.05	310.33	313.65	322.72	346.09	391.75	424.70	426.03	427.44	429.00	429.00	430.00	430.68	431.04	501.20	502.24	*545.00*	*590.00*	Common Shs Outst'g D	*640.00*
17.8	19.1	10.3	15.0	11.3	11.8	13.8	14.6	14.8	18.7	17.0	18.1	21.9	17.9	NMF	19.5	*Bold figures are*		Avg Ann'l P/E Ratio	*13.0*
.94	1.02	.56	.80	.68	.79	.88	.92	.94	1.05	.89	.91	1.15	.90	NMF	1.04	*Value Line*		Relative P/E Ratio	*.70*
3.7%	3.1%	4.4%	3.9%	5.0%	6.4%	5.3%	4.3%	4.0%	3.6%	3.9%	5.1%	4.7%	4.8%	4.1%	3.0%	*estimates*		Avg Ann'l Div'd Yield	*3.8%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $12886 mill. **Due in 5 Yrs** $6312 mill.
LT Debt $10937 mill. **LT Interest** $530 mill.
Incl. $639 mill. securitized transition & system restoration bonds.
(LT interest earned: 2.7x)
Leases, Uncapitalized Annual rentals $6 mill.
Pension Assets-12/19 $2005 mill. **Oblig** $2453 mill.
Pfd Stock $2441 mill. **Pfd Div'd** $117 mill.
800,000 shs. 6.125%, cum., 977,500 shs. 7%, cum., 725,000 shs. all with liq. value of $1000.
Common Stock 544,818,974 shs. **as of 5/1/20**
MARKET CAP: $11 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
8785.0	8450.0	7452.0	8106.0	9226.0	7386.0	7528.0	9614.0	10589	12301	*7250*	*7500*	Revenues ($mill)	*8200*
442.0	546.0	581.0	536.0	611.0	465.0	432.0	679.0	368.0	871.0	*875*	*995*	Net Profit ($mill)	*1075*
37.3%	33.6%	33.4%	31.4%	31.0%	35.1%	37.0%	36.1%	28.4%	14.9%	*20.0%*	*20.0%*	Income Tax Rate	*20.0%*
2.7%	1.6%	2.6%	3.5%	4.1%	4.7%	3.5%	2.9%	5.4%	6.7%	*7.0%*	*6.0%*	AFUDC % to Net Profit	*6.0%*
73.8%	67.2%	66.0%	64.4%	63.8%	69.5%	68.5%	63.6%	51.9%	63.0%	*56.0%*	*55.5%*	Long-Term Debt Ratio	*54.5%*
26.2%	32.8%	34.0%	35.6%	36.2%	30.5%	31.5%	36.4%	37.5%	29.1%	*31.5%*	*36.0%*	Common Equity Ratio	*42.0%*
12199	12863	12658	12146	12557	11362	10992	12883	16740	22603	*19350*	*20175*	Total Capital ($mill)	*23000*
11732	12402	13597	9593.0	10502	11537	12307	13057	14044	20945	*22575*	*24175*	Net Plant ($mill)	*28600*
6.1%	6.4%	6.8%	6.3%	6.7%	6.1%	5.8%	6.8%	3.4%	5.1%	*6.0%*	*6.0%*	Return on Total Cap'l	*6.0%*
13.8%	12.9%	13.5%	12.4%	13.4%	13.4%	12.5%	14.5%	4.6%	10.4%	*10.5%*	*11.0%*	Return on Shr. Equity	*10.0%*
13.8%	12.9%	13.5%	12.4%	13.4%	13.4%	12.5%	14.5%	5.3%	11.5%	*12.0%*	*11.5%*	Return on Com Equity E	*10.5%*
3.8%	5.0%	5.5%	4.2%	4.5%	1.1%	NMF	4.7%	NMF	2.7%	*5.5%*	*6.5%*	Retained to Com Eq	*5.5%*
72%	62%	60%	66%	67%	92%	103%	68%	NMF	80%	*61%*	*52%*	All Div'ds to Net Prof	*52%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	+2.1	+2.0	+6.7
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	+1.7	+1.7	+7.9
Fixed Charge Cov. (%)	269	167	152

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-2.0%	3.5%	*-9.0%*
"Cash Flow"	1.5%	- -	*1.0%*
Earnings	1.0%	-1.0%	*4.0%*
Dividends	4.5%	5.0%	*-5.5%*
Book Value	7.0%	3.5%	*4.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2017	2735	2143	2098	2638	9614.0
2018	3155	2186	2212	3036	10589
2019	3531	2798	2742	3230	12301
2020	2167	1575	*1575*	*1933*	*7250*
2021	*2250*	*1600*	*1600*	*2050*	*7500*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2017	.44	.31	.39	.43	1.57
2018	.38	d.17	.35	.18	.74
2019	.28	.33	.47	.41	1.49
2020	.56	.17	*.36*	*.21*	*1.30*
2021	*.50*	*.30*	*.40*	*.25*	*1.45*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.2575	.2575	.2575	.2575	1.03
2017	.2675	.2675	.2675	.2675	1.07
2018	.2775	.2775	.2775	.2775	1.11
2019	.2875	.2875	.2875	.2875	1.15
2020	.29	.15	.15		

BUSINESS: CenterPoint Energy, Inc. is a holding company for Houston Electric, which serves 2.5 million customers in Houston and environs, Indiana Electric, which serves 148,000 customers, and gas utilities with 4.6 million customers in Texas, Minnesota, Arkansas, Louisiana, Oklahoma, Indiana, and Ohio. Owns 53.7% of Enable Midstream Partners. Has nonutility operations that are in the process of being sold. Acquired Vectren 2/19. Electric revenue breakdown not available. Fuel costs: 46% of revenues. '19 depreciation rate: 4.3%. Has 14,300 employees. Chairman: Milton Carroll. President & CEO: David J. Lesar. Inc.: Texas. Address: 1111 Louisiana, P.O. Box 4567, Houston, TX 77210-4567. Tel.: 713-207-1111. Internet: www.centerpointenergy.com.

Wall Street awaits the recommendation of CenterPoint Energy's Business Review and Evaluation Committee (BREC). The BREC is led by CenterPoint's new chief executive officer, Dave Lesar, and is examining the company's operations and deciding what to do with its 53.7% stake in Enable Midstream Partners. This has been a tumultuous year for CenterPoint, with a change in CEO and CFO (a permanent CFO has yet to be named); an unfavorable rate order for Houston Electric; a 48% dividend cut; the issuance of $1.4 billion in common and preferred stock; the sale of two nonutility operations; and debt reduction from the proceeds of these asset sales. A recommendation from the BREC is due in October. Already, the company has announced that its electric operations in Houston and Indiana will be combined into one entity.

The price of CenterPoint stock has declined 26% this year. The key reasons are a steep fall in the value of the company's stake in Enable (which led to a substantial writedown), the disappointing rate order at Houston Electric, and the dividend cut. Whatever the company reports for share earnings this year, which includes an estimated $0.10-$0.15 drag from the effects of the coronavirus and the weak economy, is not a major investment consideration due to the changes the company has undergone. Our 2021 estimate is based on CenterPoint's current configuration.

A gas rate case is pending in Minnesota. CenterPoint filed for an increase of $62 million, based on a return on equity of 10.15% and a common-equity ratio of 51.4%. An interim tariff hike of $53 million took effect at the start of 2020. The timing of a final rate order is yet to be determined. Note that every year CenterPoint obtains rate relief through regulatory mechanisms in the other states in which it operates.

This untimely stock doesn't stand out among utilities for its dividend yield. Total return potential over the 18-month period is worthwhile, but prospects over the 2023-2025 period are unappealing. Nevertheless, the equity has some speculative appeal, depending on the recommendation of the BREC.

Paul E. Debbas, CFA *September 11, 2020*

(A) Diluted EPS. Excl. extraord. gains (losses): '04, ($2.72); '05, 9¢; '11, $1.89; '12, (38¢); '13, (52¢); '15, ($2.69); '17, $2.56; '20, $2.71; losses on disc. ops.: '04, 37¢; '05, 1¢; '20, 34¢. Next earnings report due early Nov. (B) Div'ds historically paid in early Mar., June, Sept. & Dec. 5 declarations in '17, 3 in '19. ■ Div'd reinvest. plan avail. (C) Incl. intang. In '19: $15.14/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. (elec.) in '20: 9.4%; (gas): 9.45%-11.25%; earned on avg. com. eq., '19: 11.6%. Regulatory Climate: Avg.

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	35
Earnings Predictability	45

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ESSENTIAL UTIL. NYSE-WTRG

RECENT PRICE 39.93 | P/E RATIO 39.1 (Trailing: 34.7 Median: 23.0) | RELATIVE P/E RATIO 1.87 | DIV'D YLD 2.6% | VALUE LINE

TIMELINESS 2 Lowered 4/24/20
SAFETY 2 Raised 4/20/12
TECHNICAL 2 Lowered 6/12/20
BETA .90 (1.00 = Market)

High:	17.2	18.4	19.0	21.5	28.1	28.2	31.1	35.8	39.6	39.4	47.3	54.5
Low:	12.3	13.2	15.4	16.8	20.6	22.4	24.4	28.0	29.4	32.1	32.7	30.4

18-Month Target Price Range

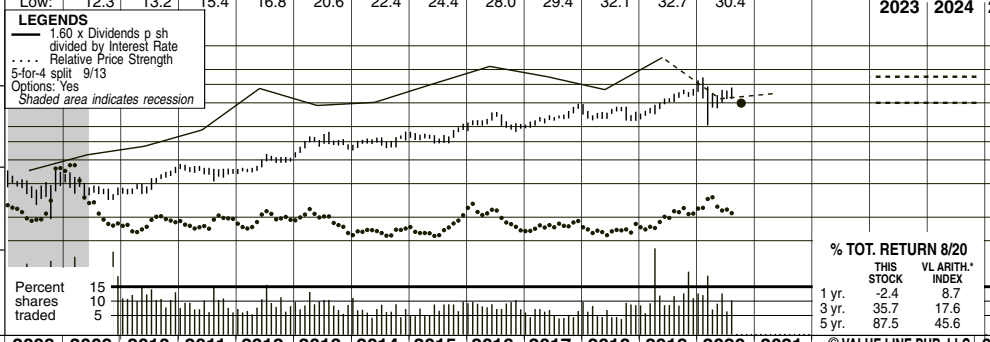
Low-High	Midpoint (% to Mid)
$31-$80	$56 (40%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+40%)	11%
Low	40	(Nil)	3%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	274	252	250
to Sell	242	292	235
Hld's(000)	149836	161407	161504



Target Price Range
2023 | 2024 | 2025

% TOT. RETURN 8/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-2.4	8.7
3 yr.	35.7	17.6
5 yr.	87.5	45.6

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
2.78	3.08	3.23	3.61	3.71	3.93	4.21	4.10	4.32	4.32	4.37	4.61	4.62	4.56	4.71	4.03	*6.35*	*7.55*	Revenues per sh	*8.45*
.87	.97	1.01	1.10	1.14	1.29	1.42	1.45	1.51	1.82	1.89	1.87	2.07	2.12	1.90	1.73	*1.95*	*2.30*	"Cash Flow" per sh	*2.65*
.51	.57	.56	.57	.58	.62	.72	.83	.87	1.16	1.20	1.14	1.32	1.35	1.08	1.04	*1.00*	*1.20*	Earnings per sh A	*1.75*
.29	.32	.35	.38	.41	.44	.47	.50	.54	.58	.63	.69	.74	.79	.85	.91	*.97*	*1.04*	Div'd Decl'd per sh B■	*1.30*
1.23	1.47	1.64	1.43	1.58	1.66	1.89	1.90	1.98	1.73	1.84	2.07	2.16	2.69	2.78	2.49	*2.20*	*3.80*	Cap'l Spending per sh	*4.75*
4.71	5.04	5.57	5.85	6.26	6.50	6.81	7.21	7.90	8.63	9.27	9.78	10.43	11.02	11.28	17.58	*19.00*	*19.05*	Book Value per sh	*20.00*
158.97	161.21	165.41	166.75	169.21	170.61	172.46	173.60	175.43	177.93	178.59	176.54	177.39	177.71	178.09	220.76	*251.25*	*252.00*	Common Shs Outst'g C	*260.00*
25.1	31.8	34.7	32.0	24.9	23.1	21.1	21.3	21.9	21.2	20.8	23.5	23.9	24.7	32.6	39.1	*Bold figures are*		Avg Ann'l P/E Ratio	*27.0*
1.33	1.69	1.87	1.70	1.50	1.54	1.34	1.34	1.39	1.19	1.09	1.18	1.25	1.24	1.76	2.12	*Value Line*		Relative P/E Ratio	*1.50*
2.3%	1.8%	1.8%	2.1%	2.8%	3.1%	3.1%	2.8%	2.8%	2.4%	2.5%	2.6%	2.3%	2.4%	2.4%	2.2%	*estimates*		Avg Ann'l Div'd Yield	*2.7%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $5277.4 mill. **Due in 5 Yrs** $496.0 mill.
LT Debt $5174.6 mill. **LT Interest** $200.0 mill.
(53% of Cap'l)

Pension Assets-12/19 $266.4 mill.
Oblig. $310.5 mill.

Pfd Stock None
Common Stock 245,151,093 shares
as of 7/27/20

MARKET CAP: $9.8 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
726.1	712.0	757.8	768.6	779.9	814.2	819.9	809.5	838.1	889.7	*1600*	*1900*	Revenues ($mill)	*2200*
124.0	144.8	153.1	205.0	213.9	201.8	234.2	239.7	192.0	224.5	*250*	*300*	Net Profit ($mill)	*455*
39.2%	32.9%	39.0%	10.0%	10.5%	6.9%	8.2%	6.6%	6.6%	6.6%	*2.0%*	*3.5%*	Income Tax Rate	*8.0%*
--	--	--	1.1%	2.4%	3.1%	3.8%	6.3%	6.8%	7.2%	*7.0%*	*7.0%*	AFUDC % to Net Profit	*7.0%*
56.6%	52.7%	52.7%	48.9%	48.5%	50.3%	48.4%	50.6%	54.4%	43.1%	*53.5%*	*57.0%*	Long-Term Debt Ratio	*40.5%*
43.4%	47.3%	47.3%	51.1%	51.5%	49.7%	51.6%	49.4%	45.6%	56.9%	*46.5%*	*43.0%*	Common Equity Ratio	*59.5%*
2706.2	2646.8	2929.7	3003.6	3216.0	3469.5	3587.7	3965.4	4407.8	6824.2	*10300*	*11000*	Total Capital ($mill)	*12800*
3469.3	3612.9	3936.2	4167.3	4402.0	4688.9	5001.6	5399.9	5930.3	6345.8	*9500*	*10150*	Net Plant ($mill)	*12000*
5.9%	6.9%	6.6%	8.0%	7.8%	6.9%	7.6%	7.1%	5.5%	4.2%	*3.0%*	*4.0%*	Return on Total Cap'l	*4.5%*
10.6%	11.6%	11.0%	13.4%	12.9%	11.7%	12.7%	12.2%	9.6%	5.8%	*5.0%*	*6.5%*	Return on Shr. Equity	*9.0%*
10.6%	11.6%	11.0%	13.4%	12.9%	11.7%	12.7%	12.2%	9.6%	5.8%	*5.0%*	*6.5%*	Return on Com Equity	*9.0%*
3.7%	4.6%	4.3%	6.7%	6.1%	4.7%	5.6%	5.1%	2.1%	.9%	*NMF*	*1.0%*	Retained to Com Eq	*2.5%*
65%	60%	61%	50%	52%	60%	56%	59%	79%	84%	*97%*	*87%*	All Div'ds to Net Prof	*74%*

CURRENT POSITION ($MILL.)	2018	2019	6/30/20
Cash Assets	3.6	1868.9	7.3
Receivables	101.2	67.1	152.9
Inventory (AvgCst)	15.8	18.4	50.1
Other	26.6	58.3	102.2
Current Assets	147.2	2012.7	312.5
Accts Payable	77.3	74.9	124.1
Debt Due	160.0	130.8	102.8
Other	161.7	113.1	221.3
Current Liab.	399.0	318.8	448.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	1.5%	.5%	*11.5%*
"Cash Flow"	5.0%	2.0%	*5.5%*
Earnings	7.0%	1.5%	*7.0%*
Dividends	7.5%	8.0%	*7.5%*
Book Value	8.0%	9.0%	*7.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	187.8	203.4	215.0	203.3	809.5
2018	194.3	211.9	226.2	205.7	838.1
2019	201.1	218.9	243.6	226.1	889.7
2020	255.6	384.5	*395*	*564.9*	*1600*
2021	*395*	*450*	*430*	*625*	*1900*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.28	.34	.43	.30	1.35
2018	.29	.37	.44	d.02	1.08
2019	.09	.25	.38	.28	1.04
2020	.20	.29	*.23*	*.28*	*1.00*
2021	*.22*	*.33*	*.33*	*.32*	*1.20*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.178	.178	.1913	.1913	.74
2017	.1913	.1913	.2047	.2047	.79
2018	.2047	.2047	.219	.219	.85
2019	.219	.219	.2343	.2343	.91
2020	.2343	.2343	.2507		

BUSINESS: Essential Utilities, Inc. became the new name for Aqua America on Feb. 3, 2020, to reflect the acquisition of Peoples, a natural gas utility, which occurred in 3/20. In 2019, Aqua Amer. provided water and wastewater services to about three million people in PA, OH, TX, IL, NC, NJ, IN, and VA. Employed 1,583. Acquired AquaSource, 7/13; North Maine Utilities, 7/15; and others. Water supply revenues 2019: residential, 58%; commercial, 16%; industrial, wastewater & other, 26%. Off. & dir. own less than 1% of the common stock; BlackRock, 10.5%; Vanguard, 10.4%; (4/20 proxy). Canadian Pension Plan about 8.8%. Pres. & CEO: Christopher Franklin. Inc.: PA Addr.: 762 West Lancaster Ave., Bryn Mawr, PA 19010. Tel.: 610-525-1400. Int.: www.essential.co.

Essential Utilities raised its dividend a solid 7% last quarter. The company increased the share payout from $0.2343 to $0.2507. This rate of increase ought to be maintained to mid-decade.

Earnings comparisons should be flat in 2020. Even though the second quarter surpassed our expectations, the company will probably be hindered by the costs associated with the large acquisition it made earlier this year. Recall that it (then known as Aqua America), paid $4.3 billion and assumed over $1 billion in debt to purchase Peoples gas utility. All told, Essential's share net should to be around $1.00, which isn't bad considering the amount of unusual charges. It also should be noted that both of the company's two key segments are much less vulnerable to the economic slowdown caused by the coronavirus. With the exception of industrial customers, the demand for water and gas is relatively inelastic.

In 2021, we expect the bottom line to get back on track. Management is estimating that the regulated water and segments will grow 6% to 7.0%, and 8% to 10%, annually through 2022. This, along with some rate relief and cost savings, should enable Essential's share net to reach $1.20.

The construction budget is large. This year, the company plans on spending only $550 million to upgrade its water pipelines and other assets. However, capital expenditures have been projected to total about $2.8 billion through 2022. Thus, spending ought to average over a $1 billion annually in 2021 and 2020.

Finances are more than decent. True, debt levels have increased as a result of the Peoples merger. In addition, external funds will be required to fund the massive building program discussed above. Nevertheless, the balance sheet is still better than average, and will likely remain so.

These shares are ranked 2 (Above Average) for year-ahead performance. So short-term investors looking for well-defined prospects should find the stock of interest. For those looking out to 2023-2025, however, total return potential remains well below the *Value Line* median, as is the case with most members in this group.

James A. Flood *October 9, 2020*

(A) Diluted egs. Excl. nonrec. gains: '12, 18¢. Excl. gain from disc. operations: '12, 7¢; '13, 9¢; '14, 11¢. Quarterly EPS do not add in '19 due to a large change in the number of shares outstanding in the Dec. period. Next earnings report early Nov. (B) Dividends historically paid in early March, June, Sept., & Dec. ■ Div'd. reinvestment plan available (5% discount). (C) In millions, adjusted for stock splits. (D) Includes intangibles: 6/30/20, $2.342 bill./$9.55 a share.

Company's Financial Strength	A
Stock's Price Stability	90
Price Growth Persistence	95
Earnings Predictability	60

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NISOURCE INC. NYSE-NI

RECENT PRICE **23.96** | P/E RATIO **18.2** (Trailing: 17.9 / Median: 21.0) | RELATIVE P/E RATIO **0.83** | DIV'D YLD **3.5%** | VALUE LINE

TIMELINESS 3 Lowered 4/5/19
SAFETY 2 Raised 11/29/19
TECHNICAL 3 Raised 4/24/20
BETA .85 (1.00 = Market)

High:	15.8	18.0	24.0	26.2	33.5	44.9	49.2	26.9	27.8	28.1	30.7	30.5
Low:	7.8	14.1	17.7	22.3	24.8	32.1	16.0	19.0	21.7	22.4	24.7	19.6

18-Month Target Price Range

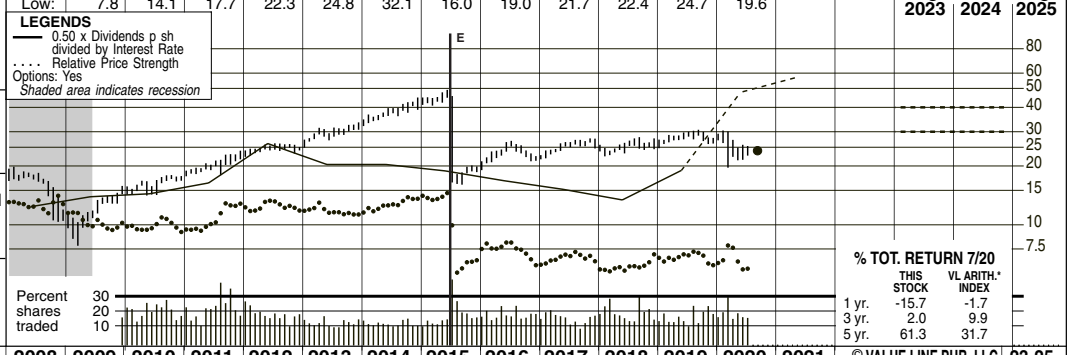
Low-High	Midpoint (% to Mid)
$19-$40	$30 (25%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	40	(+65%)	16%
Low	30	(+25%)	9%

Institutional Decisions

	3Q2019	4Q2019	1Q2020
to Buy	228	255	214
to Sell	192	203	230
Hld's(000)	343395	347952	345200



% TOT. RETURN 7/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-15.7	-1.7
3 yr.	2.0	9.9
5 yr.	61.3	31.7

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
24.63	28.97	27.37	28.96	32.36	24.02	22.99	21.33	16.31	18.04	20.47	14.58	13.90	14.46	13.74	13.63	*13.30*	*14.05*	Revenues per sh	*17.20*
3.47	3.14	3.18	3.20	3.32	2.96	3.19	2.98	3.13	3.41	3.60	2.27	2.71	2.07	2.82	3.03	*3.10*	*3.25*	"Cash Flow" per sh	*4.10*
1.62	1.08	1.14	1.14	1.34	.84	1.06	1.05	1.37	1.57	1.67	.63	1.00	.39	1.30	1.32	*1.30*	*1.40*	Earnings per sh A	*2.05*
.92	.92	.92	.92	.92	.92	.92	.92	.94	.98	1.02	.83	.64	.70	.78	.80	*.86*	*.92*	Div'd Decl'd per sh B ■	*1.16*
1.91	2.17	2.33	2.88	3.54	2.81	2.88	3.99	4.83	5.99	6.42	4.26	4.57	5.03	4.88	4.72	*4.70*	*4.70*	Cap'l Spending per sh	*4.70*
17.69	18.09	18.32	18.52	17.24	17.54	17.63	17.71	17.90	18.77	19.54	12.04	12.60	12.82	13.08	13.36	*13.75*	*14.20*	Book Value per sh C	*16.20*
270.63	272.62	273.65	274.18	274.26	276.79	279.30	282.18	310.28	313.68	316.04	319.11	323.16	337.02	372.36	382.14	*383.00*	*384.00*	Common Shs Outst'g D	*385.00*
13.0	21.4	19.2	18.8	12.1	14.3	15.3	19.4	17.9	18.9	22.7	37.3	23.2	NMF	19.3	21.2	*Bold figures are*		Avg Ann'l P/E Ratio	*16.0*
.69	1.14	1.04	1.00	.73	.95	.97	1.22	1.14	1.06	1.19	1.88	1.22	NMF	1.04	1.15	*Value Line*		Relative P/E Ratio	*.90*
4.4%	4.0%	4.2%	4.3%	5.7%	7.6%	5.7%	4.5%	3.8%	3.3%	2.7%	3.5%	2.8%	2.8%	3.1%	2.9%	*estimates*		Avg Ann'l Div'd Yield	*4.2%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $9989.3 mill. **Due in 5 Yrs** $2196 mill.
LT Debt $8810.2 mill. **LT Interest** $379 mill.
(Interest cov. earned: 2.2x) (61% of Cap'l)

Leases, Uncapitalized Annual rentals $27.2 mill.
Pension Assets-12/18 $2.3 bill. **Oblig.** $2.7 bill.

Pfd Stock $880 mill. **Pfd Div'd** $28.5 mill.

Common Stock 383,023,038 shs.
as of 7/30/20
MARKET CAP: $9.2 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
6422.0	6019.1	5061.2	5657.3	6470.6	4651.8	4492.5	4874.6	5114.5	5208.9	*5100*	*5400*	Revenues ($mill)	*6615*
294.6	303.8	410.6	490.9	530.7	198.6	328.1	128.6	463.3	494.7	*490*	*530*	Net Profit ($mill)	*785*
32.4%	35.0%	34.4%	34.8%	36.9%	41.6%	35.7%	71.0%	19.7%	20.2%	*21.0%*	*21.0%*	Income Tax Rate	*22.0%*
--	--	--	--	--	--	--	--	2.9%	2.0%	*2.0%*	*2.0%*	AFUDC % to Net Profit	*2.0%*
54.7%	55.6%	55.1%	56.3%	56.9%	60.7%	59.8%	63.5%	55.3%	56.8%	*55.5%*	*55.0%*	Long-Term Debt Ratio	*55.0%*
45.3%	44.4%	44.9%	43.7%	43.1%	39.3%	40.2%	36.5%	37.9%	36.9%	*44.5%*	*45.0%*	Common Equity Ratio	*45.0%*
10859	11264	12373	13480	14331	9792.0	10129	11832	12856	13843	*15875*	*16105*	Total Capital ($mill)	*17005*
11097	11800	12916	14365	16017	12112	13068	14360	15543	16912	*15750*	*16000*	Net Plant ($mill)	*17250*
4.5%	4.4%	5.0%	5.2%	5.3%	4.0%	5.0%	2.6%	5.0%	4.9%	*3.0%*	*3.5%*	Return on Total Cap'l	*4.5%*
6.0%	6.1%	7.4%	8.3%	8.6%	5.2%	8.1%	3.0%	8.1%	8.3%	*8.0%*	*8.5%*	Return on Shr. Equity	*11.0%*
6.0%	6.1%	7.4%	8.3%	8.6%	5.2%	8.1%	3.0%	9.3%	8.6%	*8.0%*	*8.5%*	Return on Com Equity	*11.0%*
.8%	.9%	2.5%	3.1%	3.4%	NMF	3.0%	NMF	3.7%	2.7%	*2.0%*	*2.5%*	Retained to Com Eq	*4.5%*
87%	85%	67%	62%	61%	NMF	63%	NMF	61%	72%	*73%*	*72%*	All Div'ds to Net Prof	*61%*

CURRENT POSITION ($MILL.)	2018	2019	6/30/20
Cash Assets	112.8	139.3	142.2
Other	1942.6	1714.6	2717.4
Current Assets	2055.4	1853.9	2859.6
Accts Payable	883.8	666.0	482.9
Debt Due	2027.2	1783.6	1179.1
Other	1125.8	1296.2	1565.7
Current Liab.	4036.8	3745.8	3227.7
Fix. Chg. Cov.	246%	250%	255%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-7.0%	-5.5%	*3.5%*
"Cash Flow"	-2.0%	-5.0%	*7.5%*
Earnings	-1.0%	-8.0%	*13.0%*
Dividends	-2.0%	-5.0%	*7.5%*
Book Value	-3.0%	-7.0%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1598.6	990.7	917.0	1368.3	4874.6
2018	1750.8	1007.0	895.0	1461.7	5114.5
2019	1869.8	1010.4	931.5	1397.2	5208.9
2020	1605.5	962.7	*1000*	*1531.8*	*5100*
2021	*1680*	*1040*	*1075*	*1605*	*5400*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.65	d.14	.04	d.16	.39
2018	.77	.07	.10	.38	1.30
2019	.82	.05	--	.45	1.32
2020	.76	.13	*.09*	*.32*	*1.30*
2021	*.78*	*.15*	*.12*	*.35*	*1.40*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.155	.155	.165	.165	.64
2017	.175	.175	.175	.175	.70
2018	.195	.195	.195	.195	.78
2019	.200	.200	.200	.200	.80
2020	.21	.21	.21		

BUSINESS: NiSource Inc. is a holding company for Northern Indiana Public Service Company (NIPSCO), which supplies electricity and gas to the northern third of Indiana. Customers: 472,000 electric in Indiana, 3.5 million gas in Indiana, Ohio, Pennsylvania, Kentucky, Virginia, Maryland, Massachusetts through its Columbia subsidiaries. Revenue breakdown, 2019: electrical, 33%; gas, 67%; other, less than 1%. Generating sources, 2018: coal, 69.4%; purchased & other, 30.6%. 2019 reported depreciation rates: 2.9% electric, 2.2% gas. Has 8,087 employees. Chairman: Richard L. Thompson. President & Chief Executive Officer: Joseph Hamrock. Incorporated: Indiana. Address: 801 East 86th Ave., Merrillville, Indiana 46410. Tel.: 877-647-5990. Internet: www.nisource.com.

NiSource recently posted mixed June-quarter financial results. On the downside, revenues fell 4.7%, to $962.7 million, reflecting a drop in customer and other revenues of 3.8% and 27.2%, respectively, as the challenging operating environment caused by the coronavirus pandemic applied pressure to end-use consumer demand. Further complications came from the volatility impacting the commodity markets. Although fossil fuel prices have rebounded from the 52-week lows experienced earlier this year, they are still well off their highs. On the margin front, cost of goods sold fell 550 basis points as a percentage of the top line. All told, these factors equated to a 160% rise in earnings per share, to $0.13. This was markedly above our call for $0.10.

Still, we have left our 2020 bottom-line estimate unchanged, at this time. Our figure of $1.30 per share would represent a slight annual declined. This will likely stem from a revenue downturn of about 2%, to $5.1 billion, as volumes fall off for both the commercial and industrial customers. Elsewhere, management expects a number of accounts will fall into the bad-debt category, as economic headwinds related to the pandemic weigh on customers' ability to pay. These factors have also prompted us to reduce our 2021 top- and bottom-line estimates by $100 million and a dime, to $5.4 billion and $1.40 a share, respectively.

The divestiture of Columbia Gas of Massachusetts appears to be moving forward. That deal is still pending regulatory approval. It looks like NiSource will make a $56 million payment into an energy relief fund to settle matters related to the greater Lawrence events.

Meantime, rate cases augur well for growth prospects. The Columbia Gas of Pennsylvania and Columbia Gas of Maryland units have both filed for rate increases totaling nearly $107 million annually, combined. These increases will go towards continued capital improvement projects. NiSource has about $1.7 billion-$1.8 billion in growth and reliability initiatives planned each year.

But these shares are not overly compelling given the difficult economic backdrop and operating environment.

Bryan J. Fong *August 28, 2020*

(A) Dil. EPS. Excl. nonrec. gains (losses): '05, (4¢); gains (losses) on disc. ops.: '05, 10¢; '06, (11¢); '07, 3¢; '08, ($1.14); '15, (30¢); '18, ($1.48). Next egs. report due late Nov. Qtl'y egs. may not sum to total due to rounding. (B) Div'ds historically paid in mid-Feb., May, Aug., Nov. ■ Div'd reinv. avail. (C) Incl. intang in '19: $1485.9 million, $3.89/sh. (D) In mill. (E) Spun off Columbia Pipeline Group (7/15)

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

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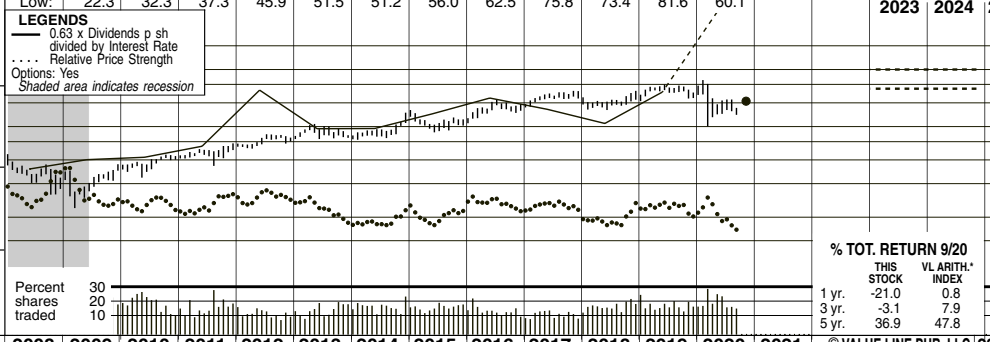
PINNACLE WEST NYSE-PNW

RECENT PRICE **81.56** | P/E RATIO **16.9** (Trailing: 15.3 Median: 16.0) | RELATIVE P/E RATIO **0.77** | DIV'D YLD **4.1%** | VALUE LINE

TIMELINESS 1 Raised 10/23/20
SAFETY 1 Raised 5/3/13
TECHNICAL 5 Lowered 10/23/20
BETA .85 (1.00 = Market)

High:	38.0	42.7	48.9	54.7	61.9	71.1	73.3	82.8	92.5	92.6	99.8	105.5
Low:	22.3	32.3	37.3	45.9	51.5	51.2	56.0	62.5	75.8	73.4	81.6	60.1

Target Price Range 2023 | 2024 | 2025



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$61-$135	$98 (20%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	120	(+45%)	13%
Low	95	(+15%)	8%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	221	207	229
to Sell	251	277	245
Hld's(000)	98387	95773	95025

% TOT. RETURN 9/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-21.0	0.8
3 yr.	-3.1	7.9
5 yr.	36.9	47.8

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
31.59	30.16	34.03	35.07	33.37	32.50	30.01	29.67	30.09	31.35	31.58	31.50	31.42	31.90	32.93	30.87	*31.05*	*32.30*	Revenues per sh	*34.75*
6.93	5.76	9.70	9.29	8.13	8.08	6.85	7.52	7.92	8.15	8.09	9.09	9.39	9.79	11.41	11.13	*11.50*	*11.85*	"Cash Flow" per sh	*13.50*
2.58	2.24	3.17	2.96	2.12	2.26	3.08	2.99	3.50	3.66	3.58	3.92	3.95	4.43	4.54	4.77	*4.95*	*5.15*	Earnings per sh A	*6.00*
1.83	1.93	2.03	2.10	2.10	2.10	2.10	2.10	2.67	2.23	2.33	2.44	2.56	2.70	2.87	3.04	*3.22*	*3.41*	Div'd Decl'd per sh B ■	*4.00*
5.86	6.39	7.59	9.37	9.46	7.64	7.03	8.26	8.24	9.36	8.38	9.84	11.64	12.80	10.73	10.76	*12.20*	*15.20*	Cap'l Spending per sh	*11.75*
32.14	34.57	34.48	35.15	34.16	32.69	33.86	34.98	36.20	38.07	39.50	41.30	43.15	44.80	46.59	48.30	*49.95*	*51.55*	Book Value per sh C	*58.25*
91.79	99.08	99.96	100.49	100.89	101.43	108.77	109.25	109.74	110.18	110.57	110.98	111.34	111.75	112.10	112.44	*112.65*	*113.00*	Common Shs Outst'g D	*118.00*
15.8	19.2	13.7	14.9	16.1	13.7	12.6	14.6	14.3	15.3	15.9	16.0	18.7	19.3	17.8	19.4	*Bold figures are*		Avg Ann'l P/E Ratio	*18.0*
.83	1.02	.74	.79	.97	.91	.80	.92	.91	.86	.84	.81	.98	.97	.96	1.03	*Value Line*		Relative P/E Ratio	*1.00*
4.5%	4.5%	4.7%	4.8%	6.2%	6.8%	5.4%	4.8%	5.3%	4.0%	4.1%	3.9%	3.5%	3.2%	3.5%	3.3%	*estimates*		Avg Ann'l Div'd Yield	*3.7%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $6214.1 mill. **Due in 5 Yrs** $1807.0 mill.
LT Debt $5922.2 mill. **LT Interest** $217.1 mill.
Incl. $13.4 mill. Palo Verde sale leaseback lessor notes.
(LT interest earned: 3.4x)
Leases, Uncapitalized Annual rentals $14.7 mill.
Pension Assets-12/19 $3318.4 mill. **Oblig** $3613.1 mill.
Pfd Stock None

Common Stock 112,556,967 shs.
as of 7/30/20
MARKET CAP: $9.2 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
3263.6	3241.4	3301.8	3454.6	3491.6	3495.4	3498.7	3565.3	3691.2	3471.2	*3500*	*3650*	Revenues ($mill)	*4100*
330.4	328.2	387.4	406.1	397.6	437.3	442.0	497.8	511.0	538.3	*560*	*580*	Net Profit ($mill)	*720*
31.9%	34.0%	36.2%	34.4%	34.2%	34.3%	33.9%	32.5%	20.2%	20.2%	*13.0%*	*13.0%*	Income Tax Rate	*13.0%*
11.7%	12.8%	9.7%	10.0%	11.6%	11.8%	14.1%	13.9%	15.2%	9.3%	*8.0%*	*12.0%*	AFUDC % to Net Profit	*7.0%*
45.3%	44.1%	44.6%	40.0%	41.0%	43.0%	45.6%	48.9%	47.0%	47.1%	*53.0%*	*55.5%*	Long-Term Debt Ratio	*55.0%*
54.7%	55.9%	55.4%	60.0%	59.0%	57.0%	54.4%	51.1%	53.0%	52.9%	*47.0%*	*44.5%*	Common Equity Ratio	*45.0%*
6729.1	6840.9	7171.9	6990.9	7398.7	8046.3	8825.4	9796.4	9861.1	10263	*11950*	*13150*	Total Capital ($mill)	*15325*
9578.8	9962.3	10396	10889	11194	11809	12714	13445	14030	14523	*15175*	*16125*	Net Plant ($mill)	*18175*
6.5%	6.4%	6.8%	7.1%	6.4%	6.4%	6.0%	6.1%	6.2%	6.3%	*5.5%*	*5.5%*	Return on Total Cap'l	*6.0%*
9.0%	8.6%	9.8%	9.7%	9.1%	9.5%	9.2%	9.9%	9.8%	9.9%	*10.0%*	*10.0%*	Return on Shr. Equity	*10.5%*
9.0%	8.6%	9.8%	9.7%	9.1%	9.5%	9.2%	9.9%	9.8%	9.9%	*10.0%*	*10.0%*	Return on Com Equity E	*10.5%*
3.1%	2.8%	4.1%	4.1%	3.5%	3.9%	3.5%	4.2%	3.9%	3.8%	*3.5%*	*3.5%*	Retained to Com Eq	*3.5%*
66%	68%	58%	58%	62%	59%	62%	58%	60%	61%	*65%*	*66%*	All Div'ds to Net Prof	*65%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	- -	-.3	-.3
Avg. Indust. Use (MWH)	620	662	714
Avg. Indust. Revs. per KWH (¢)	8.34	8.40	7.88
Capacity at Peak (Mw)	8438	8643	8241
Peak Load, Summer (Mw)	7363	7320	7115
Annual Load Factor (%)	46.3	47.0	47.1
% Change Customers (yr-end)	+1.8	+2.0	+2.0
Fixed Charge Cov. (%)	425	318	286

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-.5%	.5%	*1.5%*
"Cash Flow"	2.5%	6.0%	*4.0%*
Earnings	6.5%	5.0%	*4.5%*
Dividends	3.0%	3.5%	*5.5%*
Book Value	3.0%	4.0%	*4.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	677.7	944.6	1183.3	759.7	3565.3
2018	692.7	974.1	1268.0	756.4	3691.2
2019	740.5	869.5	1190.8	670.4	3471.2
2020	661.9	929.6	*1200*	*708.5*	*3500*
2021	*750*	*900*	*1250*	*750*	*3650*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.21	1.49	2.46	.27	4.43
2018	.03	1.48	2.80	.23	4.54
2019	.16	1.28	2.77	.57	4.77
2020	.27	1.71	*2.90*	*.07*	*4.95*
2021	*.15*	*1.50*	*3.15*	*.35*	*5.15*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.625	.625	.625	.655	2.53
2017	.655	.655	.655	.695	2.66
2018	.695	.695	.695	.7375	2.82
2019	.7375	.7375	.7375	.7825	3.00
2020	.7825	.7825	.7825		

BUSINESS: Pinnacle West Capital Corporation is a holding company for Arizona Public Service Company (APS), which supplies electricity to 1.3 million customers in most of Arizona, except about half of the Phoenix metro area, the Tucson metro area, and Mohave County in northwestern Arizona. Discontinued SunCor real estate subsidiary in '10. Electric revenue breakdown: residential, 51%; commercial, 38%; industrial, 5%; other, 6%. Generating sources: nuclear, 28%; gas & other, 28%; coal, 24%; purchased, 20%. Fuel costs: 30% of revenues. '19 reported deprec. rate: 2.8%. Has 6,200 employees. Chairman, President & CEO: Jeffrey B. Guldner. Inc.: AZ. Address: 400 North Fifth St., P.O. Box 53999, Phoenix, AZ 85072-3999. Tel.: 602-250-1000. Internet: www.pinnaclewest.com.

Pinnacle West's utility subsidiary has a rate case pending. Arizona Public Service is seeking an increase of $183.6 million (5.6%), based on a return on equity of 10.15% and a common-equity ratio of 54.7%. The staff of the Arizona Corporation Commission proposed a hike of $68.6 million (2.1%), based on an ROE of 9.4% and the same common-equity ratio. APS is seeking recovery of an environmental upgrade to a coal-fired plant, new gas-fired generating units, and a regulatory mechanism to recover increases in certain costs, such as property taxes. An order is expected in mid-2021. Note that APS filed the case in October of 2019, but the proceedings have been delayed. Originally, a decision might have come as early as December of 2020.

We raised our 2020 and 2021 earnings estimates. June-quarter profits soared above the typical level due to favorable weather patterns. Despite this, Pinnacle West did not change its earnings guidance of $4.75-$4.95 a share because the seasonally strong third quarter was not yet complete and there was added uncertainty related to the coronavirus. The hotter-than-normal weather continued into July and August. All told, we boosted our 2020 estimate by $0.20 a share, to $4.95. It's possible that the company will pull some planned expenses from 2021 into 2020 thanks to the headroom resulting from favorable weather conditions. This prompted us to raise our 2021 profit estimate by $0.10 a share, to $5.15.

We think the board of directors raised the dividend shortly after our report went to press. October is the usual timing of dividend hikes for Pinnacle West. We estimate an increase of $0.18 a share (5.8%) in the annual disbursement. The company's goal for yearly dividend growth is 6%.

This stock has our top ranks for Timeliness and Safety. Finances are strong, and the company has a Financial Strength rating of A+. The dividend yield is somewhat above the utility average. This makes the stock suitable for conservative, income-oriented investors. Total return prospects are attractive for the 18-month span, but not as appealing for the 3- to 5-year period.

Paul E. Debbas, CFA *October 23, 2020*

(A) Diluted EPS. Excl. nonrec. gain (loss): '09, ($1.45); '17, 8¢; gains (losses) from discont. ops.: '05, (36¢); '06, 10¢; '08, 28¢; '09, (13¢); '10, 18¢; '11, 10¢; '12, (5¢). '19 EPS don't sum due to rounding. Next earnings report due late Oct. (B) Div'ds historically paid in early Mar., June, Sept., & Dec. There were 5 declarations in '12. ■ Div'd reinvestment plan avail. (C) Incl. deferred charges. In '19: $14.00/sh. (D) In mill. (E) Rate base: Fair value. Rate allowed on com. eq. in '17: 10.0%; earned on avg. com. eq., '19: 10.1%. Regulatory Climate: Average.

Company's Financial Strength	A+
Stock's Price Stability	90
Price Growth Persistence	80
Earnings Predictability	100

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UGI CORP. NYSE-UGI

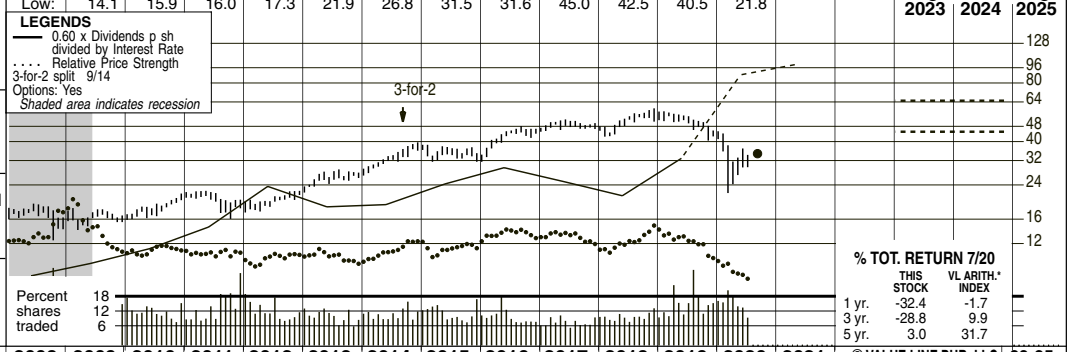
RECENT PRICE **34.77** | P/E RATIO **12.6** (Trailing: 12.8 / Median: 17.0) | RELATIVE P/E RATIO **0.57** | DIV'D YLD **3.8%** | VALUE LINE

TIMELINESS 3 Raised 8/28/20
SAFETY 2 Raised 9/17/04
TECHNICAL 4 Lowered 3/20/20
BETA 1.00 (1.00 = Market)

High:	18.3	21.7	22.4	22.4	28.8	39.7	38.6	48.1	52.0	59.3	57.3	45.3
Low:	14.1	15.9	16.0	17.3	21.9	26.8	31.5	31.6	45.0	42.5	40.5	21.8

Target Price Range 2023 | 2024 | 2025

LEGENDS
— 0.60 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
3-for-2 split 9/14
Options: Yes
Shaded area indicates recession



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$26-$68	$47 (35%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+85%)	19%
Low	45	(+30%)	10%

Institutional Decisions

	3Q2019	4Q2019	1Q2020
to Buy	321	217	186
to Sell	166	251	249
Hld's(000)	160038	164809	166962

% TOT. RETURN 7/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-32.4	-1.7
3 yr.	-28.8	9.9
5 yr.	3.0	31.7

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
24.63	31.10	33.01	34.24	41.27	35.25	34.01	36.31	38.56	42.10	47.92	38.65	32.84	35.18	43.94	35.03	*31.85*	*35.70*	Revenues per sh A	*40.20*
1.63	2.09	2.05	2.26	2.48	2.82	2.87	2.75	3.05	3.75	4.05	4.20	4.39	4.73	5.40	4.12	*4.70*	*5.20*	"Cash Flow" per sh	*5.75*
.81	1.15	1.10	1.18	1.33	1.57	1.59	1.37	1.17	1.59	1.92	2.01	2.05	2.29	2.74	2.28	*2.55*	*3.00*	Earnings per sh AB	*3.40*
.40	.43	.46	.48	.50	.52	.60	.68	.71	.74	.79	.89	.93	.96	1.02	1.15	*1.32*	*1.34*	Div'ds Decl'd per sh C ■	*1.46*
.87	1.01	1.21	1.39	1.44	1.85	2.11	2.15	2.01	2.84	2.64	2.83	3.26	3.67	3.30	3.37	*3.35*	*3.45*	Cap'l Spending per sh	*3.55*
5.43	6.35	6.95	8.26	8.80	9.78	11.10	11.79	13.21	14.59	15.39	15.55	16.46	18.18	21.14	18.27	*19.65*	*21.35*	Book Value per sh D	*26.85*
153.63	157.20	158.18	159.97	161.09	162.78	164.38	167.75	169.06	170.88	172.73	173.12	173.15	173.99	174.14	209.01	*210.00*	*210.00*	Common Shs Outst'g E	*210.00*
13.4	13.8	14.0	15.1	13.3	10.3	10.9	15.0	16.4	15.4	15.8	17.7	19.3	20.8	17.8	23.4	*Bold figures are*		Avg Ann'l P/E Ratio	*16.0*
.71	.73	.76	.80	.80	.69	.69	.94	1.04	.87	.83	.89	1.01	1.05	.96	1.28	*Value Line*		Relative P/E Ratio	*.90*
3.7%	2.7%	3.0%	2.7%	2.9%	3.2%	3.5%	3.3%	3.7%	3.0%	2.6%	2.5%	2.3%	2.0%	2.1%	2.2%	*estimates*		Avg Ann'l Div'd Yield	*2.4%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $6410.3 mill. **Due in 5 Yrs** $2047 mill.
LT Debt $5961.4 mill. **LT Interest** $257.8 mill.
(Total interest coverage: 4.0x) (59% of Cap'l)

Leases, Uncapitalized Annual rentals $100.4 mill.
Pension Assets-9/19 $563 mill. **Oblig.** $773 mill.

Pfd Stock None

Common Stock 208,320,881 shares
as of 7/31/20

MARKET CAP: $7.2 bill. (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
5591.4	6091.3	6519.2	7194.7	8277.3	6691.1	5685.7	6120.7	7651.2	7320.4	*6685*	*7500*	Revenues ($mill) A	*8440*
261.0	232.9	199.4	278.1	337.2	353.8	360.0	406.5	485.6	412.9	*540*	*635*	Net Profit ($mill)	*720*
32.0%	29.8%	34.8%	27.6%	30.6%	30.0%	31.4%	26.5%	26.5%	16.6%	*17.0%*	*17.0%*	Income Tax Rate	*17.0%*
4.7%	3.8%	3.1%	3.9%	4.1%	5.3%	6.3%	6.6%	6.3%	5.6%	*8.1%*	*8.5%*	Net Profit Margin	*8.5%*
44.0%	51.6%	60.0%	58.7%	56.4%	56.1%	56.9%	55.8%	53.0%	60.2%	*58.0%*	*56.0%*	Long-Term Debt Ratio	*51.0%*
56.0%	48.4%	40.0%	41.3%	43.6%	43.9%	43.1%	44.2%	47.0%	39.8%	*42.0%*	*44.0%*	Common Equity Ratio	*49.0%*
3256.7	4088.0	5580.7	6034.7	6092.7	6133.8	6616.9	7157.9	7827.9	9597.4	*9925*	*10380*	Total Capital ($mill)	*11840*
3053.2	3204.5	4233.1	4480.2	4543.7	4994.1	5238.0	5537.0	5808.2	6687.8	*7700*	*8865*	Net Plant ($mill)	*13535*
10.1%	7.4%	5.6%	6.6%	7.5%	7.7%	7.2%	7.2%	7.7%	5.6%	*5.5%*	*6.0%*	Return on Total Cap'l	*6.0%*
14.3%	11.8%	8.9%	11.2%	12.7%	13.1%	12.6%	12.9%	13.2%	10.8%	*13.0%*	*14.0%*	Return on Shr. Equity	*13.0%*
14.3%	11.8%	8.9%	11.2%	12.7%	13.1%	12.6%	12.9%	13.2%	10.8%	*14.5%*	*15.0%*	Return on Com Equity	*13.0%*
8.9%	6.0%	3.6%	6.1%	7.6%	7.4%	7.0%	7.5%	8.4%	5.6%	*6.5%*	*8.0%*	Retained to Com Eq	*7.5%*
38%	49%	60%	45%	40%	43%	45%	42%	36%	48%	*51%*	*44%*	All Div'ds to Net Prof	*43%*

CURRENT POSITION ($MILL.)	2018	2019	6/30/20
Cash Assets	452.6	447.1	487.3
Other	1435.5	1119.1	1112.6
Current Assets	1888.1	1566.2	1599.9
Accts Payable	561.8	438.8	381.7
Debt Due	525.3	820.4	448.9
Other	645.0	767.7	848.4
Current Liab.	1732.1	2026.9	1679.0
Fix. Chg. Cov.	445%	445%	450%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	.5%	-2.5%	*1.0%*
"Cash Flow"	6.5%	5.5%	*3.0%*
Earnings	6.0%	9.5%	*5.5%*
Dividends	7.5%	7.0%	*6.0%*
Book Value	8.0%	6.0%	*5.5%*

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) A Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2017	1680	2174	1153	1114	6120.7
2018	2125	2812	1441	1273	7651.2
2019	2200	2606	1364	1150	7320.4
2020	2007	2228	1199	*1251*	*6685*
2021	*2210*	*2435*	*1405*	*1450*	*7500*

Fiscal Year Ends	EARNINGS PER SHARE A B Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2017	.91	1.31	.09	d.02	2.29
2018	1.01	1.69	.09	d.05	2.74
2019	.81	1.43	.13	d.09	2.28
2020	1.17	1.56	.08	*d.26*	*2.55*
2021	*1.28*	*1.67*	*.20*	*d.15*	*3.00*

Cal-endar	QUARTERLY DIVIDENDS PAID C ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.23	.238	.238	.238	.94
2017	.238	.238	.25	.25	.98
2018	.25	.25	.26	.26	1.02
2019	.26	.26	.30	.325	1.15
2020	.325	.325	.33		

BUSINESS: UGI Corp. operates six business segments: AmeriGas Propane (accounted for 24.3% of net income in 2019), UGI International (19.3%), Gas Utility (20.7%), Midstream & Marketing (27.4%), and Corp. & Other (8.3%). UGI Utilities distributes natural gas and electricity to over 655,000 customers mainly in Pennsylvania; 26%-owned AmeriGas Partners is the largest U.S. propane marketer, serving about 1.3 million users in 50 states. Acquired remaining 80% interest in Antargaz (3/04); Energy Transfer Partners (1/12). Vanguard Group owns 10.6% of stock; Blackrock, 10.3%; Officers/directors, 2.2% (12/19 proxy). Has 12,800 empls. President & CEO: John L. Walsh. Inc.: PA. Address: 460 N. Gulph Rd., King of Prussia, PA 19406. Tel.: 610-337-1000. Internet: www.ugicorp.com.

UGI Corp. posted lower-than-expected June-quarter results. To that point, sales declined 12.1%, to $1.199 billion due to the COVID-19 pandemic driving reduced demand from UGI's commercial customers. This is evident in year-over-year drops in retail volumes and revenues at the AmeriGas Propane, UGI International, and Midstream & Marketing business segments. On the plus side, the UGI Utility division got a boost in revenues thanks to colder-than-normal weather patterns in its service territory, along with customer account growth. Elsewhere, on the margin front, management has been quite disciplined with regard to its expense management, which helped to reduce total costs by 13.8%, as a percentage of the top line. All told, after accounting for a sharp rise in shares outstanding, UGI's fiscal third-quarter earnings fell 38.5%, to $0.08 a share. This was markedly below our call for $0.22.

Consequently, we have sliced $0.35 off our fiscal 2020 (ends September 30th) bottom-line estimate, to $2.55 a share. This figure would still represent a nearly 12% rise in earnings. However, the anticipated uptick in share net is more reflective of significant cost cuts and 2019's easy comparison, rather than strength in UGI's underlying business this year. In fact, weakness stemming from the coronovirus pandemic and volatility in the commodity markets are anticipated to result in a roughly 8.5% decline in revenues this year, to $6.685 billion. We have also sliced $500 million and $0.25 a share off of our 2021 top- and bottom-line estimates, bringing those figures to $7.5 billion and $3.00 a share, respectively.

A pending rate case and acquisitions augur well for prospects. UGI Utilities recently filed a joint petition with the Pennsylvania Public Utility Commission for approval of its rate case filed back in January. This case would permit a $20 million annual distribution rate increase and a future rate recovery of COVID-19 expenses. Too, UGI Energy Services acquired GHI Energy, a Houston-based renewable natural gas company.

These shares have wide rebound potential, a decent yield, and a Safety rank of 2 (Above Average).

Bryan J. Fong *August 28, 2020*

(A) Fiscal year ends Sept. 30. Quarterly sales and earnings may not sum to total due to rounding and/or change in share count. **(B)** Diluted earnings. Excludes nonrecur. gains/(losses): '04, d6¢; '05, 3¢; '06, 5¢; '07, 12¢; '15, (41¢); '16, 3¢; '17, 17¢; '18, $1.32. Next egs. report due late Oct. **(C)** Dividends historically paid in early Jan., April, July, and Oct. ■ Div. reinvest. plan available. **(D)** Incl. intang. At 9/19: $4,165 mill., $19.93/sh. **(E)** In mill., adjusted for stock split.

Company's Financial Strength	B++
Stock's Price Stability	85
Price Growth Persistence	75
Earnings Predictability	80

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OGE ENERGY CORP. NYSE-OGE

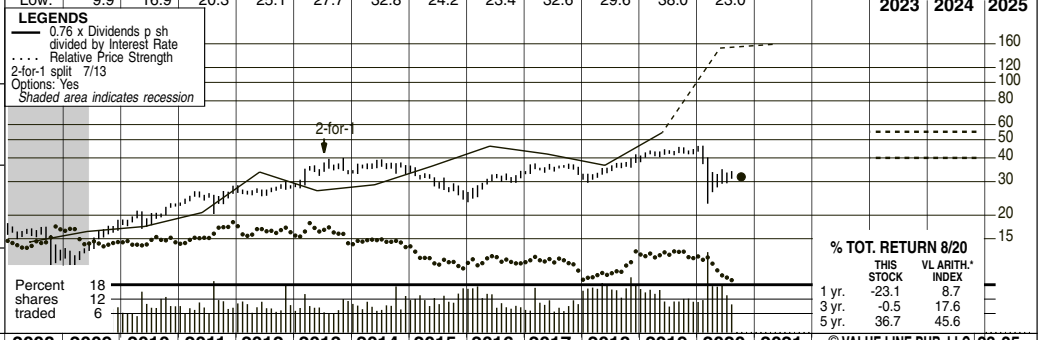
RECENT PRICE **31.86** | P/E RATIO **15.0** (Trailing: 14.2 Median: 17.0) | RELATIVE P/E RATIO **0.70** | DIV'D YLD **5.1%** | VALUE LINE

TIMELINESS 3 Lowered 3/6/20
SAFETY 2 Lowered 12/18/15
TECHNICAL 3 Lowered 5/1/20
BETA 1.05 (1.00 = Market)

High:	18.9	23.1	28.6	30.1	40.0	39.3	36.5	34.2	37.4	41.8	45.8	46.4
Low:	9.9	16.9	20.3	25.1	27.7	32.8	24.2	23.4	32.6	29.6	38.0	23.0

Target Price Range 2023 | 2024 | 2025

LEGENDS
— 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



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$23-$61	$42 (30%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+75%)	*18%*
Low	40	(+25%)	*10%*

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	205	176	203
to Sell	185	221	182
Hld's(000)	133273	128589	129209

% TOT. RETURN 8/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-23.1	8.7
3 yr.	-0.5	17.6
5 yr.	36.7	45.6

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
27.37	32.83	21.96	20.68	21.77	14.79	19.04	19.96	18.58	14.45	12.30	11.00	11.31	11.32	11.37	11.15	*10.50*	*11.50*	Revenues per sh	*13.75*
1.87	1.94	2.23	2.39	2.40	2.69	3.01	3.31	3.69	3.46	3.40	3.23	3.31	3.34	3.74	4.02	*4.05*	*4.35*	"Cash Flow" per sh	*5.00*
.89	.92	1.23	1.32	1.25	1.33	1.50	1.73	1.79	1.94	1.98	1.69	1.69	1.92	2.12	2.24	*2.10*	*2.25*	Earnings per sh A	*2.50*
.67	.67	.67	.68	.70	.71	.73	.76	.80	.85	.95	1.05	1.16	1.27	1.40	1.51	*1.60*	*1.68*	Div'd Decl'd per sh B ■	*1.95*
1.51	1.65	2.67	3.04	4.01	4.37	4.36	6.48	5.85	4.99	2.86	2.74	3.31	4.13	2.87	3.18	*2.90*	*3.65*	Cap'l Spending per sh	*3.75*
7.14	7.59	8.79	9.16	10.14	10.52	11.73	13.06	14.00	15.30	16.27	16.66	17.24	19.28	20.06	20.69	*18.25*	*18.85*	Book Value per sh C	*20.50*
180.00	181.20	182.40	183.60	187.00	194.00	195.20	196.20	197.60	198.50	199.40	199.70	199.70	199.70	199.70	200.10	*200.00*	*200.00*	Common Shs Outst'g D	*200.00*
14.1	14.9	13.7	13.8	12.4	10.8	13.3	14.4	15.2	17.7	18.3	17.7	17.7	18.3	16.5	19.0	*Bold figures are*		Avg Ann'l P/E Ratio	*19.5*
.74	.79	.74	.73	.75	.72	.85	.90	.97	.99	.96	.89	.93	.92	.89	1.02	*Value Line*		Relative P/E Ratio	*1.10*
5.3%	4.9%	4.0%	3.8%	4.5%	5.0%	3.7%	3.1%	2.9%	2.5%	2.6%	3.5%	3.9%	3.6%	4.0%	3.5%	*estimates*		Avg Ann'l Div'd Yield	*4.0%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $3568.4 mill. **Due in 5 Yrs** $75.0 mill.
LT Debt $3493.4 mill. **LT Interest** $154.4 mill.
(LT interest earned: 4.2x)

Leases, Uncapitalized Annual rentals $6.2 mill.

Pension Assets-12/19 $530.3 mill. **Oblig** $616.9 mill.

Pfd Stock None

Common Stock 200,169,838 shs.

MARKET CAP: $6.4 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
3716.9	3915.9	3671.2	2867.7	2453.1	2196.9	2259.2	2261.1	2270.3	2231.6	*2100*	*2300*	Revenues ($mill)	*2750*
295.3	342.9	355.0	387.6	395.8	337.6	338.2	384.3	425.5	449.6	*420*	*450*	Net Profit ($mill)	*505*
34.9%	30.7%	26.0%	24.9%	30.4%	29.2%	30.5%	32.5%	14.5%	7.4%	*13.0%*	*13.0%*	Income Tax Rate	*13.0%*
5.7%	9.0%	2.7%	2.6%	1.7%	3.7%	6.4%	15.0%	8.3%	1.6%	*1.0%*	*2.0%*	AFUDC % to Net Profit	*2.0%*
50.8%	51.6%	50.7%	43.1%	45.9%	44.3%	41.1%	41.7%	42.0%	43.6%	*49.0%*	*48.0%*	Long-Term Debt Ratio	*49.0%*
49.2%	48.4%	49.3%	56.9%	54.1%	55.7%	58.9%	58.3%	58.0%	56.4%	*51.0%*	*52.0%*	Common Equity Ratio	*51.0%*
4652.5	5300.4	5615.8	5337.2	5999.7	5971.6	5849.6	6600.7	6902.0	7334.7	*7150*	*7265*	Total Capital ($mill)	*8050*
6464.4	7474.0	8344.8	6672.8	6979.9	7322.4	7696.2	8339.9	8643.8	9044.6	*9235*	*9545*	Net Plant ($mill)	*10325*
7.8%	7.8%	7.7%	8.6%	7.8%	6.9%	7.0%	7.0%	7.3%	7.1%	*7.0%*	*7.0%*	Return on Total Cap'l	*7.5%*
12.9%	13.4%	12.8%	12.8%	12.2%	10.2%	9.8%	10.0%	10.6%	10.9%	*11.5%*	*12.0%*	Return on Shr. Equity	*12.0%*
12.9%	13.4%	12.8%	12.8%	12.2%	10.2%	9.8%	10.0%	10.6%	10.9%	*11.5%*	*12.0%*	Return on Com Equity E	*12.0%*
6.7%	7.7%	7.2%	7.3%	6.5%	4.0%	3.3%	3.5%	3.8%	3.6%	*3.0%*	*3.0%*	Retained to Com Eq	*2.5%*
48%	43%	44%	43%	47%	61%	67%	64%	64%	67%	*76%*	*74%*	All Div'ds to Net Prof	*78%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	-2.2	+6.8	+1.1
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	5.30	4.86	4.69
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	6456	6863	6817
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.0	+.9	+1.0
Fixed Charge Cov. (%)	315	292	335

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 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%*

Cal-endar	QUARTERLY REVENUES ($ mill.) 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*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.18	.52	.92	.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*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ 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		

BUSINESS: 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%. Generating 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.

The price of Enable Midstream Partners stock continues to affect the price of OGE Energy stock. 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.

We cut our 2020 earnings estimate by $0.05 a share, to $2.10. 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 a decline in equity income from OGE's stake in Enable. Oklahoma Gas and Electric has held up well despite the coronavirus problem. Oklahoma has a relatively low unemployment rate, and OG&E received permission to defer for future recovery its coronavirus-related costs in Oklahoma and Arkansas. A better economy ought to help earnings rebound in 2021.

OG&E is awaiting a regulatory decision in Oklahoma. 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.

A dividend increase is likely later this month, effective with the October payment. 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.

This stock has an attractive yield. 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.

Paul E. Debbas, CFA *September 11, 2020*

(A) Diluted EPS. Excl. nonrecurring gain (losses): '04, (3¢); '15, (33¢); '17, $1.18; '19, (8¢); '20, ($2.95); gains on discont. ops.: '05, 25¢; '06, 20¢. '18 & '19 EPS don't sum due to rounding. Next earnings report due early Nov. (B) Div'ds historically paid in late Jan., Apr., July, & Oct. ■ Div'd reinvestment plan avail. (C) Incl. 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.

Company's Financial Strength	A
Stock's Price Stability	80
Price Growth Persistence	40
Earnings Predictability	85

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IDACORP, INC. NYSE-IDA

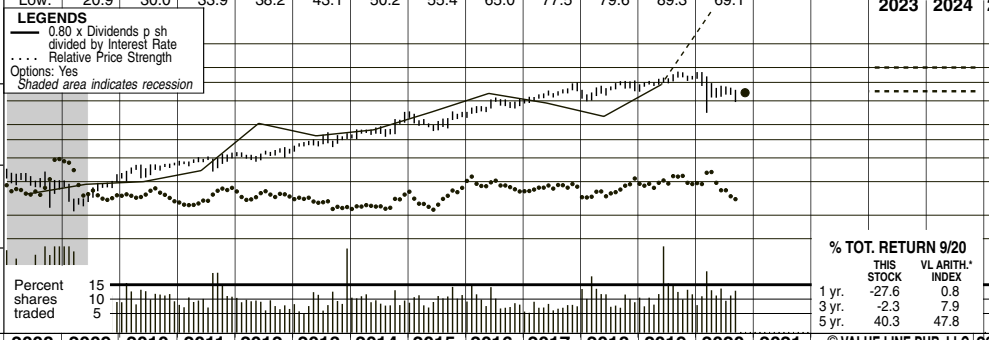
RECENT PRICE **88.40** | P/E RATIO **18.6** (Trailing: 19.0 Median: 16.0) | RELATIVE P/E RATIO **0.85** | DIV'D YLD **3.2%** | VALUE LINE

TIMELINESS 2 Raised 10/23/20
SAFETY 2 Raised 8/2/13
TECHNICAL 3 Raised 4/24/20
BETA .80 (1.00 = Market)

High:	32.8	37.8	42.7	45.7	54.7	70.1	70.5	83.4	100.0	102.4	114.0	113.6
Low:	20.9	30.0	33.9	38.2	43.1	50.2	55.4	65.0	77.5	79.6	89.3	69.1

Target Price Range
2023 | 2024 | 2025

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



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$68-$144	$106 (20%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	120	(+35%)	*11%*
Low	90	(Nil)	*4%*

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	172	167	154
to Sell	157	174	166
Hld's(000)	39667	39043	39111

Percent shares traded 15 10 5

% TOT. RETURN 9/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-27.6	0.8
3 yr.	-2.3	7.9
5 yr.	40.3	47.8

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
20.00	20.15	21.23	19.51	20.47	21.92	20.97	20.55	21.55	24.81	25.51	25.23	25.04	26.76	27.19	26.70	*25.25*	*26.25*	Revenues per sh	*29.25*
4.12	3.87	4.58	4.11	4.27	5.07	5.35	5.84	5.93	6.29	6.58	6.70	6.86	7.50	7.85	8.07	*8.15*	*8.40*	"Cash Flow" per sh	*9.75*
1.90	1.75	2.35	1.86	2.18	2.64	2.95	3.36	3.37	3.64	3.85	3.87	3.94	4.21	4.49	4.61	*4.65*	*4.80*	Earnings per sh A	*5.50*
1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.37	1.57	1.76	1.92	2.08	2.24	2.40	2.56	*2.72*	*2.89*	Div'd Decl'd per sh B ■ †	*3.50*
4.73	4.53	5.16	6.39	5.19	5.26	6.85	6.76	4.78	4.68	5.45	5.84	5.89	5.66	5.51	5.53	*6.80*	*6.95*	Cap'l Spending per sh	*7.00*
23.88	24.04	25.77	26.79	27.76	29.17	31.01	33.19	35.07	36.84	38.85	40.88	42.74	44.65	47.01	48.88	*50.70*	*52.50*	Book Value per sh C	*58.50*
42.22	42.66	43.63	45.06	46.92	47.90	49.41	49.95	50.16	50.23	50.27	50.34	50.40	50.42	50.42	50.42	*50.45*	*50.45*	Common Shs Outst'g D	*50.45*
15.5	16.7	15.1	18.2	13.9	10.2	11.8	11.5	12.4	13.4	14.7	16.2	19.1	20.6	20.5	22.3	*Bold figures are*		Avg Ann'l P/E Ratio	*18.5*
.82	.89	.82	.97	.84	.68	.75	.72	.79	.75	.77	.82	1.00	1.04	1.11	1.19	*Value Line*		Relative P/E Ratio	*1.05*
4.1%	4.1%	3.4%	3.5%	4.0%	4.5%	3.4%	3.1%	3.3%	3.2%	3.1%	3.1%	2.8%	2.6%	2.6%	2.5%	*estimates*		Avg Ann'l Div'd Yield	*3.4%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $2175.5 mill. **Due in 5 Yrs** $299.8 mill.
LT Debt $2000.5 mill. **LT Interest** $83.4 mill.
(LT interest earned: 3.7x)

Pension Assets-12/19 $763.1 mill. **Oblig** $1134.8 mill.

Pfd Stock None

Common Stock 50,461,132 shs. **as of 7/24/20**

MARKET CAP: $4.5 billion (Mid Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
1036.0	1026.8	1080.7	1246.2	1282.5	1270.3	1262.0	1349.5	1370.8	1346.4	*1275*	*1325*	Revenues ($mill)	*1475*
142.5	166.9	168.9	182.4	193.5	194.7	198.3	212.4	226.8	232.9	*235*	*240*	Net Profit ($mill)	*285*
- -	- -	13.4%	28.3%	8.0%	19.0%	15.5%	18.6%	7.1%	9.5%	*12.0%*	*12.0%*	Income Tax Rate	*10.0%*
19.1%	23.3%	20.3%	12.3%	13.6%	16.3%	16.3%	13.9%	15.2%	16.2%	*17.0%*	*17.0%*	AFUDC % to Net Profit	*15.0%*
49.3%	45.6%	45.5%	46.6%	45.3%	45.6%	44.8%	43.7%	43.6%	41.3%	*44.5%*	*44.5%*	Long-Term Debt Ratio	*45.0%*
50.7%	54.4%	54.5%	53.4%	54.7%	54.4%	55.2%	56.3%	56.4%	58.7%	*55.5%*	*55.5%*	Common Equity Ratio	*55.0%*
3020.4	3045.2	3225.4	3465.9	3567.6	3783.3	3898.5	3997.5	4205.1	4201.3	*4605*	*4770*	Total Capital ($mill)	*5350*
3161.4	3406.6	3536.0	3665.0	3833.5	3992.4	4172.0	4283.9	4395.7	4531.5	*4695*	*4865*	Net Plant ($mill)	*5325*
6.0%	6.8%	6.5%	6.4%	6.6%	6.2%	6.1%	6.3%	6.4%	6.5%	*6.0%*	*6.0%*	Return on Total Cap'l	*6.0%*
9.3%	10.1%	9.6%	9.9%	9.9%	9.5%	9.2%	9.4%	9.6%	9.4%	*9.0%*	*9.0%*	Return on Shr. Equity	*9.5%*
9.3%	10.1%	9.6%	9.9%	9.9%	9.5%	9.2%	9.4%	9.6%	9.4%	*9.0%*	*9.0%*	Return on Com Equity E	*9.5%*
5.5%	6.5%	5.7%	5.6%	5.4%	4.8%	4.3%	4.4%	4.4%	4.2%	*4.0%*	*3.5%*	Retained to Com Eq	*3.5%*
41%	36%	41%	43%	46%	50%	53%	53%	54%	56%	*59%*	*60%*	All Div'ds to Net Prof	*62%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	+2.6	+.1	-.3
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	5.83	5.64	5.32
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	3422	3392	3242
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+2.0	+2.3	+2.5
Fixed Charge Cov. (%)	329	309	307

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	2.5%	2.5%	*1.5%*
"Cash Flow"	5.5%	4.5%	*4.0%*
Earnings	7.0%	4.0%	*3.5%*
Dividends	7.0%	9.0%	*6.5%*
Book Value	5.5%	5.0%	*4.0%*

Cal-endar	QUARTERLY REVENUES($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	302.6	333.0	408.3	305.6	1349.5
2018	310.1	340.0	408.8	311.9	1370.8
2019	350.3	316.9	386.3	292.9	1346.4
2020	291.0	318.8	*385*	*280.2*	*1275*
2021	*305*	*330*	*400*	*290*	*1325*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.66	.99	1.80	.76	4.21
2018	.72	1.23	2.02	.52	4.49
2019	.84	1.05	1.78	.93	4.61
2020	.74	1.19	*1.95*	*.77*	*4.65*
2021	*.85*	*1.15*	*2.00*	*.80*	*4.80*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.51	.51	.51	.55	2.08
2017	.55	.55	.55	.59	2.24
2018	.59	.59	.59	.63	2.40
2019	.63	.63	.63	.67	2.56
2020	.67	.67	.67	.71	

BUSINESS: IDACORP, Inc. is a holding company for Idaho Power Company, a regulated electric utility that serves 580,000 customers throughout a 24,000-square-mile area in southern Idaho and eastern Oregon (population: 1.2 million). Most of the company's revenues are derived from the Idaho portion of its service area. Revenue breakdown: residential, 39%; commercial, 22%; industrial, 13%; irrigation, 10%; other, 16%. Generating sources: hydro, 45%; coal, 16%; gas, 11%; purchased, 28%. Fuel costs: 33% of revenues. '19 reported depreciation rate: 2.9%. Has 2,000 employees. Chairman: Richard J. Dahl. President & CEO: Lisa Grow. Incorporated: Idaho. Address: 1221 W. Idaho St., Boise, Idaho 83702. Telephone: 208-388-2200. Internet: www.idacorpinc.com.

We have raised our 2020 earnings estimate for IDACORP by $0.10 a share, to $4.65. The company's utility subsidiary, Idaho Power, benefited from hot and dry weather in the second and third quarters. (Dry weather boosts kilowatt-hour sales because this increases irrigation load.) The utility has controlled operating and maintenance expenses well, and has received permission from the Idaho regulators to defer for future recovery costs associated with the coronavirus. Third-period results were scheduled to be reported shortly after this report came out in print. Our revised estimate is at the upper end of IDACORP's guidance of $4.45-$4.65 a share.

The utility's service area has held up well, all things considered. Idaho has not been untouched by the national recession, but continues to benefit as people relocate from other states. The customer count rose 2.6% for the 12-month period that ended on June 30th. Also, Idaho Power has a lot of foodservice customers, which are recession-resistant. Furthermore, the service territory might well attract data centers, given the utility's low rates and the state government's abolition of a sales tax on data centers.

We estimate modest earnings improvement in 2021. The economy of Idaho Power's service area ought to be better. On the other hand, we assume normal weather patterns. Our estimate of $4.80 a share would produce a 3% growth rate.

The board of directors raised the dividend, effective with the payment in the current quarter. The quarterly increase was $0.04 a share (6.0%). IDACORP's goal is annual dividend growth of at least 5% and a payout ratio in a range of 60%-70%. This figure is now near the low end of this range.

Idaho Power may use accumulated deferred investment tax credits to stabilize its income, if needed. The utility may use up to $25 million annually if its return on equity falls below 9.4%. This will not be necessary in 2020.

The price of this timely stock has declined 17% in 2020. This is in line with many utility issues. The dividend yield is slightly below the utility average. Total return potential is more attractive for the 18-month span than the 2023-2025 period.

Paul E. Debbas, CFA *October 23, 2020*

(A) Diluted EPS. Excl. nonrecurring gain (loss): '05, (24¢); '06, 17¢. '17 & '19 earnings don't sum due to rounding. Next earnings report due late Oct. (B) Dividends historically paid in late Feb., May, Aug., and Nov. ■ Dividend reinvestment plan available. † Shareholder investment plan available. (C) Incl. intangibles. In '19: $26.31/sh. (D) In millions. (E) Rate base: Net original cost. Rate allowed on common equity in '12: 10% (imputed); earned on avg. com. eq., '19: 9.6%. Regulatory Climate: Above Average.

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

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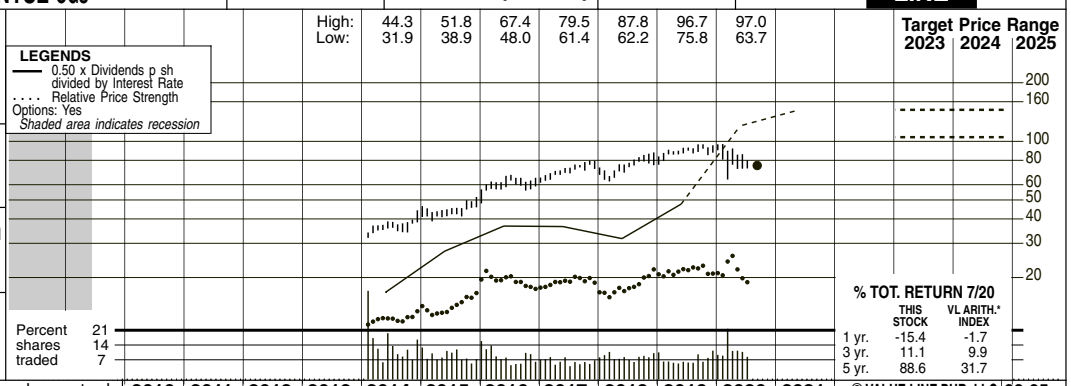
ONE GAS, INC. NYSE-OGS

RECENT PRICE **75.18** | P/E RATIO **21.0** (Trailing: 21.5 Median: NMF) | RELATIVE P/E RATIO **0.95** | DIV'D YLD **3.0%** | VALUE LINE

TIMELINESS 3 Lowered 2/28/20
SAFETY 2 New 6/2/17
TECHNICAL 3 Raised 5/8/20
BETA .80 (1.00 = Market)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
High:	44.3	51.8	67.4	79.5	87.8	96.7	97.0				
Low:	31.9	38.9	48.0	61.4	62.2	75.8	63.7				

Target Price Range 2023 | 2024 | 2025



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$60-$131	$96 (25%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	145	(+95%)	20%
Low	105	(+40%)	11%

Institutional Decisions

	3Q2019	4Q2019	1Q2020
to Buy	133	153	124
to Sell	132	132	157
Hld's(000)	40475	41714	41769

% TOT. RETURN 7/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-15.4	-1.7
3 yr.	11.1	9.9
5 yr.	88.6	31.7

The shares of ONE Gas, Inc. began trading "regular-way" on the New York Stock Exchange on February 3, 2014. That happened as a result of the separation of ONEOK's natural gas distribution operation. Regarding the details of the spinoff, on January 31, 2014, ONEOK distributed one share of OGS common stock for every four shares of ONEOK common stock held by ONEOK shareholders of record as of the close of business on January 21. It should be mentioned that ONEOK did not retain any ownership interest in the new company.

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
--	--	--	--	34.92	29.62	27.30	29.43	31.08	31.32	*28.30*	*30.20*	Revenues per sh	*40.00*
--	--	--	--	4.52	4.82	5.43	5.96	6.32	6.96	*7.10*	*7.55*	"Cash Flow" per sh	*9.65*
--	--	--	--	2.07	2.24	2.65	3.02	3.25	3.51	*3.50*	*3.65*	Earnings per sh A	*4.75*
--	--	--	--	.84	1.20	1.40	1.68	1.84	2.00	*2.16*	*2.32*	Div'ds Decl'd per sh B■	*2.80*
--	--	--	--	5.70	5.63	5.91	6.81	7.50	7.91	*8.80*	*8.95*	Cap'l Spending per sh	*9.35*
--	--	--	--	34.45	35.24	36.12	37.47	38.86	40.35	*44.15*	*45.80*	Book Value per sh	*54.10*
--	--	--	--	52.08	52.26	52.28	52.31	52.57	52.77	*53.00*	*53.50*	Common Shs Outst'g C	*55.00*
--	--	--	--	17.8	19.8	22.7	23.5	23.1	25.3	*Bold figures are*		Avg Ann'l P/E Ratio	*26.5*
--	--	--	--	.94	1.00	1.19	1.18	1.25	1.37	*Value Line*		Relative P/E Ratio	*1.45*
--	--	--	--	2.3%	2.7%	2.3%	2.4%	2.5%	2.3%	*estimates*		Avg Ann'l Div'd Yield	*2.2%*
--	--	--	--	1818.9	1547.7	1427.2	1539.6	1633.7	1652.7	*1500*	*1615*	Revenues ($mill)	*2200*
--	--	--	--	109.8	119.0	140.1	159.9	172.2	186.7	*185*	*195*	Net Profit ($mill)	*260*
--	--	--	--	38.4%	38.0%	37.8%	36.4%	23.7%	18.7%	*19.0%*	*19.5%*	Income Tax Rate	*22.0%*
--	--	--	--	6.0%	7.7%	9.8%	10.4%	10.5%	11.3%	*12.3%*	*12.1%*	Net Profit Margin	*11.8%*
--	--	--	--	40.1%	39.5%	38.7%	37.8%	38.6%	37.7%	*40.0%*	*40.0%*	Long-Term Debt Ratio	*38.0%*
--	--	--	--	59.9%	60.5%	61.3%	62.2%	61.4%	62.3%	*60.0%*	*60.0%*	Common Equity Ratio	*62.0%*
--	--	--	--	2995.3	3042.9	3080.7	3153.5	3328.1	3415.5	*3900*	*4085*	Total Capital ($mill)	*4800*
--	--	--	--	3293.7	3511.9	3731.6	4007.6	4283.7	4565.2	*4800*	*5030*	Net Plant ($mill)	*5750*
--	--	--	--	4.4%	4.7%	5.2%	5.8%	5.9%	6.4%	*6.0%*	*6.0%*	Return on Total Cap'l	*6.5%*
--	--	--	--	6.1%	6.5%	7.4%	8.2%	8.4%	8.8%	*8.0%*	*8.0%*	Return on Shr. Equity	*8.5%*
--	--	--	--	6.1%	6.5%	7.4%	8.2%	8.4%	8.8%	*8.0%*	*8.0%*	Return on Com Equity	*8.5%*
--	--	--	--	3.7%	3.1%	3.5%	3.7%	3.7%	3.8%	*3.0%*	*3.0%*	Retained to Com Eq	*3.5%*
--	--	--	--	40%	53%	52%	55%	56%	56%	*62%*	*64%*	All Div'ds to Net Prof	*59%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $1812.4 mill. **Due in 5 Yrs** $1150.0 mill.
LT Debt $1581.9 mill. **LT Interest** $85.0 mill.
(LT interest earned: 4.7x; total interest coverage: 4.7x)
Leases, Uncapitalized Annual rentals $7.6 mill.
Pfd Stock None
Pension Assets-12/19 $908.0 mill. **Oblig.** $1001.4 mill.
Common Stock 52,920,531 shs. as of 7/20/20
MARKET CAP: $4.0 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2018	2019	6/30/20
Cash Assets	21.3	17.9	10.5
Other	522.0	488.3	336.9
Current Assets	543.3	506.2	347.4
Accts Payable	174.5	120.5	62.7
Debt Due	299.5	516.5	230.5
Other	224.9	235.7	197.6
Current Liab.	698.9	872.7	490.8
Fix. Chg. Cov.	677%	567%	560%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	--	-2.5%	*4.5%*
"Cash Flow"	--	7.0%	*7.0%*
Earnings	--	9.5%	*6.5%*
Dividends	--	17.0%	*7.5%*
Book Value	--	2.5%	*5.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	550.4	279.7	247.1	462.4	1539.6
2018	638.5	292.5	238.3	464.4	1633.7
2019	661.0	290.6	248.6	452.5	1652.7
2020	528.2	273.3	*245*	*453.5*	*1500*
2021	*590*	*310*	*255*	*460*	*1615*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1.34	.39	.36	.93	3.02
2018	1.72	.39	.31	.83	3.25
2019	1.76	.46	.33	.96	3.51
2020	1.72	.48	*.33*	*.97*	*3.50*
2021	*1.80*	*.50*	*.36*	*.99*	*3.65*

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.35	.35	.35	.35	1.40
2017	.42	.42	.42	.42	1.68
2018	.46	.46	.46	.46	1.84
2019	.50	.50	.50	.50	2.00
2020	.54	.54	.54		

BUSINESS: ONE Gas, Inc. provides natural gas distribution services to more than two million customers. There are three divisions: Oklahoma Natural Gas, Kansas Gas Service, and Texas Gas Service. The company purchased 174 Bcf of natural gas supply in 2019, compared to 180 Bcf in 2018. Total volumes delivered by customer (fiscal 2019): transportation, 56.6%; residential, 32.5%; commercial & industrial, 10.3%; other, .6%. ONE Gas has around 3,600 employees. BlackRock owns 12.1% of common stock; The Vanguard Group, 10.1%; T. Rowe Price Associates, 7.0%; officers and directors, 1.9% (4/20 Proxy). CEO: Pierce H. Norton II. Incorporated: Oklahoma. Address: 15 East Fifth Street, Tulsa, Oklahoma 74103. Tel.: 918-947-7000. Internet: www.onegas.com.

ONE Gas, Inc. posted lackluster results through the first half of 2020. Profits of $2.20 per share were a couple of pennies lower than last year's $2.22 total. That can be traced, to a certain degree, to diminished gas sales, net of weather normalization, primarily in Kansas and Oklahoma because of warmer weather. Also, there was a decrease in transportation volumes in Kansas as well as a higher effective income tax rate.

Prospects over the remaining six months don't appear exciting, either. The coronavirus is having an unfavorable impact on results. However, the effects are being partially offset by regulatory actions enabling the company to use an accounting mechanism to accumulate and defer certain incremental costs incurred (including bad-debt expenses) and lost revenues in connection with the pandemic. Moreover, leadership implemented a comprehensive set of procedures to protect the safety of employees and customers. Even so, it seems that full-year earnings will be around $3.50 a share, flat relative to the 2019 tally of $3.51. But concerning 2021, the bottom line stands to increase 4% or so, to $3.65 a share, assuming that COVID-19 is largely under control.

This year's capital expenditures, including asset removal costs, are now anticipated to lie between $500 million and $525 million. (That's above both the initial $475 million target and the 2019 amount of $465 million.) The increase is attributed mainly to the extension of service to new customers. Around 70% of the funds are being utilized for system integrity and pipeline replacement projects. We believe that corporate finances are quite sufficient to make those initiatives possible. Notably, leadership expects the spending budget to range between $475 million and $525 million annually during the 2020-2024 period, with roughly the same percentage of capital allocated to where it is at present.

The equity has some appealing attributes. Capital gains potential in the 18-month period and out to mid-decade looks solid. Consider, also, the dividend growth prospects, although the yield does not stand out compared to the average of *Value Line's* Natural Gas Utility group.

Frederick L. Harris, III *August 28, 2020*

(A) Diluted EPS. Excludes nonrecurring gain: 2017, $0.06. Next earnings report due early Nov. Quarterly EPS for 2018 don't add up due to rounding.
(B) Dividends historically paid in early March, June, Sept., and Dec. ■ Dividend reinvestment plan. Direct stock purchase plan.
(C) In millions.

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

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SOUTHWEST GAS NYSE-SWX

RECENT PRICE 69.45 | P/E RATIO 16.2 (Trailing: 18.5 Median: 18.0) | RELATIVE P/E RATIO 0.74 | DIV'D YLD 3.3% | VALUE LINE

TIMELINESS 3 Raised 3/20/20
SAFETY 3 Lowered 1/4/91
TECHNICAL 3 Raised 5/22/20
BETA .90 (1.00 = Market)

High:	29.5	37.3	43.2	46.1	56.0	64.2	63.7	79.6	86.9	86.0	92.9	81.6
Low:	17.1	26.3	32.1	39.0	42.0	47.2	50.5	53.5	72.3	62.5	73.3	45.7

Target Price Range 2023 | 2024 | 2025

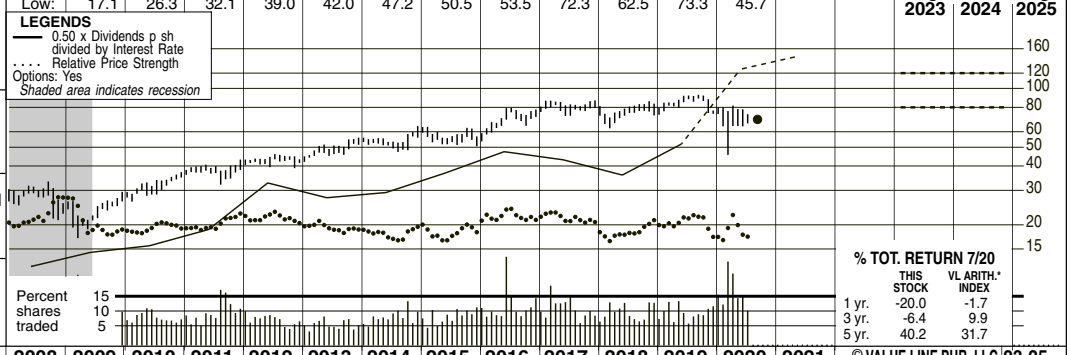
18-Month Target Price Range
Low-High: $52-$119 — Midpoint (% to Mid): $86 (25%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	120	(+75%)	17%
Low	80	(+15%)	7%

Institutional Decisions

	3Q2019	4Q2019	1Q2020
to Buy	153	155	118
to Sell	122	136	155
Hld's(000)	45864	47563	47511



% TOT. RETURN 7/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-20.0	-1.7
3 yr.	-6.4	9.9
5 yr.	40.2	31.7

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
40.14	43.59	48.47	50.28	48.53	42.00	40.18	41.07	41.77	42.08	45.61	52.00	51.82	53.00	54.31	56.72	*56.60*	*59.00*	Revenues per sh	*65.40*
5.57	5.20	5.97	6.21	5.76	6.16	6.46	6.81	7.73	8.24	8.47	8.62	9.29	8.83	8.14	9.40	*9.75*	*10.35*	"Cash Flow" per sh	*13.45*
1.66	1.25	1.98	1.95	1.39	1.94	2.27	2.43	2.86	3.11	3.01	2.92	3.18	3.62	3.68	3.94	*3.85*	*4.35*	Earnings per sh A	*6.25*
.82	.82	.82	.86	.90	.95	1.00	1.06	1.18	1.32	1.46	1.62	1.80	1.98	2.08	2.18	*2.26*	*2.35*	Div'ds Decl'd per sh B■†	*2.65*
8.23	7.49	8.27	7.96	6.79	4.81	4.73	8.29	8.57	7.86	8.53	10.30	11.15	12.97	14.44	17.06	*15.45*	*17.80*	Cap'l Spending per sh	*21.55*
19.18	19.10	21.58	22.98	23.49	24.44	25.62	26.66	28.35	30.47	31.95	33.61	35.03	37.74	42.47	45.56	*48.25*	*50.85*	Book Value per sh	*61.15*
36.79	39.33	41.77	42.81	44.19	45.09	45.56	45.96	46.15	46.36	46.52	47.38	47.48	48.09	53.03	55.01	*57.00*	*59.00*	Common Shs Outst'g C	*65.00*
14.3	20.6	15.9	17.3	20.3	12.2	14.0	15.7	15.0	15.8	17.9	19.4	21.6	22.2	20.6	21.3	*Bold figures are*		Avg Ann'l P/E Ratio	*16.0*
.76	1.10	.86	.92	1.22	.81	.89	.98	.95	.89	.94	.98	1.13	1.12	1.11	1.15	*Value Line*		Relative P/E Ratio	*.90*
3.5%	3.2%	2.6%	2.6%	3.2%	4.0%	3.2%	2.8%	2.8%	2.7%	2.7%	2.9%	2.6%	2.5%	2.7%	2.6%	*estimates*		Avg Ann'l Div'd Yield	*2.7%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $2869.0 mill. **Due in 5 Yrs** $898.8 mill.
LT Debt $2639.3 mill. **LT Interest** $100.0 mill.
(Total interest coverage: 3.4x) (49% of Cap'l)
Leases, Uncapitalized Annual rentals $13.0 mill.
Pension Assets-12/19 $1027.8 mill. **Oblig.** $1405.7 mill.
Pfd Stock None

Common Stock 55,914,516 shs. as of 7/31/20

MARKET CAP: $3.9 billion (Mid Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
1830.4	1887.2	1927.8	1950.8	2121.7	2463.6	2460.5	2548.8	2880.0	3119.9	*3225*	*3480*	Revenues ($mill)	*4250*
103.9	112.3	133.3	145.3	141.1	138.3	152.0	173.8	182.3	213.9	*215*	*250*	Net Profit ($mill)	*395*
34.7%	36.2%	36.2%	35.0%	35.7%	36.4%	33.9%	32.8%	25.3%	20.5%	*21.0%*	*21.0%*	Income Tax Rate	*21.0%*
5.7%	6.0%	6.9%	7.4%	6.7%	5.6%	6.2%	6.8%	6.3%	6.9%	*6.7%*	*7.2%*	Net Profit Margin	*9.3%*
49.1%	43.2%	49.2%	49.4%	52.4%	49.3%	48.2%	49.8%	48.3%	47.9%	*50.0%*	*50.0%*	Long-Term Debt Ratio	*44.5%*
50.9%	56.8%	50.8%	50.6%	47.6%	50.7%	51.8%	50.2%	51.7%	52.1%	*50.0%*	*50.0%*	Common Equity Ratio	*55.5%*
2291.7	2155.9	2576.9	2793.7	3123.9	3143.5	3213.5	3613.3	4359.3	4806.4	*5500*	*6000*	Total Capital ($mill)	*7175*
3072.4	3218.9	3343.8	3486.1	3658.4	3891.1	4132.0	4523.7	5093.2	5685.2	*6000*	*6400*	Net Plant ($mill)	*7600*
6.1%	6.4%	6.4%	6.3%	5.7%	5.5%	5.8%	5.8%	5.2%	5.4%	*5.0%*	*5.0%*	Return on Total Cap'l	*6.5%*
8.9%	9.2%	10.2%	10.3%	9.5%	8.7%	9.1%	9.6%	8.1%	8.5%	*8.0%*	*8.5%*	Return on Shr. Equity	*10.0%*
8.9%	9.2%	10.2%	10.3%	9.5%	8.7%	9.1%	9.6%	8.1%	8.5%	*8.0%*	*8.5%*	Return on Com Equity	*10.0%*
5.1%	5.3%	6.1%	6.1%	5.0%	4.0%	4.1%	4.5%	3.6%	3.9%	*3.0%*	*3.5%*	Retained to Com Eq	*5.5%*
43%	43%	40%	41%	47%	54%	55%	53%	55%	54%	*60%*	*55%*	All Div'ds to Net Prof	*44%*

CURRENT POSITION ($MILL.)	2018	2019	6/30/20
Cash Assets	85.4	49.5	199.6
Other	754.4	810.4	667.6
Current Assets	839.8	859.9	867.2
Accts Payable	249.0	238.9	189.4
Debt Due	185.1	374.5	229.7
Other	504.5	466.5	498.9
Current Liab.	938.6	1079.9	918.0
Fix. Chg. Cov.	370%	340%	354%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	1.5%	5.0%	*3.0%*
"Cash Flow"	4.0%	1.5%	*7.5%*
Earnings	8.0%	4.5%	*9.0%*
Dividends	8.5%	9.5%	*4.0%*
Book Value	6.0%	6.5%	*6.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	654.7	560.5	593.2	740.4	2548.8
2018	754.3	670.9	668.1	786.7	2880.0
2019	833.6	713.0	725.2	848.1	3119.9
2020	836.3	757.2	*760*	*871.5*	*3225*
2021	*890*	*825*	*825*	*940*	*3480*

Cal-endar	EARNINGS PER SHARE A D Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1.45	.37	.21	1.58	3.62
2018	1.63	.44	.25	1.36	3.68
2019	1.77	.41	.10	1.67	3.94
2020	1.31	.68	*.20*	*1.66*	*3.85*
2021	*1.75*	*.60*	*.25*	*1.75*	*4.35*

Cal-endar	QUARTERLY DIVIDENDS PAID B■† Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.405	.450	.450	.450	1.76
2017	.450	.495	.495	.495	1.94
2018	.495	.520	.520	.520	2.06
2019	.520	.545	.545	.545	2.16
2020	.545	.570			

BUSINESS: Southwest Gas Holdings, Inc. is the parent holding company of Southwest Gas and Centuri Group. Southwest Gas is a regulated gas distributor serving about 2.1 million customers in parts of Arizona, Nevada, and California. Centuri provides construction services. 2019 margin mix: residential and small commercial, 84%; large commercial and industrial, 3%; transportation, 13%. Total throughput: 2.3 billion therms. Has 8,944 employees. Off. & dir. own .8% of common stock; BlackRock, Inc., 13.5%; The Vanguard Group, Inc., 10.3%; T.Rowe Price Assoc., Inc., 6.8% (3/20 Proxy). Chairman: Michael J. Melarkey. Pres. & CEO: John P. Hester. Inc.: DE. Address: 5241 Spring Mountain Road, Las Vegas, Nevada 89193. Telephone: 702-876-7237. Internet: www.swgas.com.

Southwest Gas reported fairly solid results for the June quarter. The top line advanced approximately 6%, year over year, to $757.2 million. Business fundamentals remained fairly solid despite a challenging macroeconomic environment. The utility segment performed relatively well, while the infrastructure services line, Centuri, benefited as its customers continued to invest capital to enhance the safety and reliability of their delivery systems. Earnings per share clocked in at $0.68, a strong improvement from the prior-year tally. The bottom line benefited from a $12 million gain ($0.22 per share) due to increases in the cash surrender value of company-owned life insurance policies.

Performance ought to remain fairly solid in the coming quarters. Considerable economic weakness associated with restrictive social measures adopted to curb the spread of the coronavirus will likely still have some impact on the company's operations. Still, demand ought to remain relatively healthy for the essential services that Southwest Gas provides. Performance on the utility side should be supported by a growing customer base, infrastructure tracker mechanisms, expansion projects, and rate relief. The company currently has rate case proceedings ongoing for each of the three states it serves. These proceedings are expected to be resolved by the end of the year. Elsewhere, the infrastructure services operation will likely benefit from the increasing need for utilities to replace aging infrastructure, though this line may experience a measure of unevenness in the near term.

This stock is neutrally ranked for Timeliness. Looking further out, we anticipate greater revenues and earnings per share for the company over the pull to mid-decade. However, this appears to be partly discounted by the recent quotation, and the stock's appreciation potential is not particularly compelling. Moreover, the dividend yield is not especially attractive for a utility. A pullback in the stock price some time in the future may present conservative accounts with a more advantageous entry point. Southwest Gas earns good marks for Financial Strength, Price Stability, Growth Persistence, and Earnings Predictability.

Michael Napoli, CFA *August 28, 2020*

(A) Diluted earnings. Excl. nonrec. gains (losses): '05, (11¢); '06, 7¢. Next egs. report due early November. **(B)** Dividends historically paid early March, June, September, and December. ■† Div'd reinvestment and stock purchase plan avail. **(C)** In millions. **(D)** Totals may not sum due to rounding.

Company's Financial Strength	A
Stock's Price Stability	85
Price Growth Persistence	90
Earnings Predictability	95

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HAWAIIAN ELECTRIC NYSE-HE

RECENT PRICE **34.88** | P/E RATIO **19.1** (Trailing: 17.9 / Median: 18.0) | RELATIVE P/E RATIO **0.87** | DIV'D YLD **3.8%** | VALUE LINE

TIMELINESS 3 Lowered 9/20/19
SAFETY 2 Raised 11/2/12
TECHNICAL 4 Lowered 10/23/20
BETA .80 (1.00 = Market)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
High:	22.7	25.0	26.8	29.2	28.3	35.0	34.9	35.0	38.7	39.3	47.6	55.2
Low:	12.1	18.6	20.6	23.7	23.8	22.7	27.0	27.3	31.7	31.7	35.1	32.0

Target Price Range 2023 | 2024 | 2025

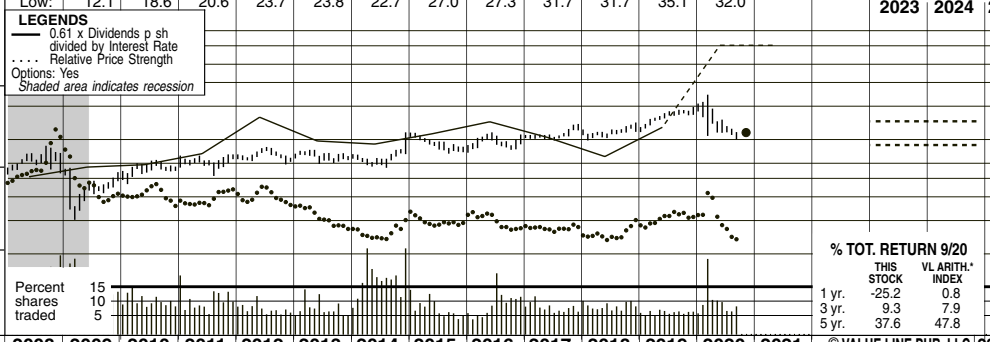
18-Month Target Price Range
Low-High: $27-$66 — Midpoint (% to Mid): $47 (35%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	40	(+15%)	7%
Low	30	(-15%)	1%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	143	121	116
to Sell	123	152	152
Hld's(000)	59966	59896	57636



% TOT. RETURN 9/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-25.2	0.8
3 yr.	9.3	7.9
5 yr.	37.6	47.8

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
23.85	27.36	30.21	30.40	35.56	24.96	28.14	33.76	34.46	31.98	31.59	24.22	21.92	23.49	26.28	26.38	*24.55*	*25.25*	Revenues per sh	*27.25*
3.09	3.22	3.19	3.01	2.72	2.59	2.88	3.18	3.28	3.22	3.41	3.31	4.17	3.68	4.20	4.55	*4.40*	*4.55*	"Cash Flow" per sh	*5.25*
1.36	1.46	1.33	1.11	1.07	.91	1.21	1.44	1.67	1.62	1.64	1.50	2.29	1.64	1.85	1.99	*1.75*	*1.80*	Earnings per sh A	*2.00*
1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.28	*1.32*	*1.32*	Div'd Decl'd per sh B ■	*1.40*
2.66	2.76	2.58	2.62	3.12	3.29	1.92	2.45	3.32	3.49	3.31	3.39	3.04	4.55	4.94	4.20	*3.30*	*3.40*	Cap'l Spending per sh	*4.50*
15.01	15.02	13.44	15.29	15.35	15.58	15.67	15.95	16.28	17.06	17.47	17.94	19.03	19.28	19.86	20.93	*21.55*	*22.20*	Book Value per sh C	*24.50*
80.69	80.98	81.46	83.43	90.52	92.52	94.69	96.04	97.93	101.26	102.57	107.46	108.58	108.79	108.88	108.97	*110.00*	*111.00*	Common Shs Outst'g D	*114.00*
19.2	18.3	20.3	21.6	23.2	19.8	18.6	17.1	15.8	16.2	15.9	20.4	13.6	20.7	18.9	21.3	*Bold figures are*		Avg Ann'l P/E Ratio	*18.5*
1.01	.97	1.10	1.15	1.40	1.32	1.18	1.07	1.01	.91	.84	1.03	.71	1.04	1.02	1.13	*Value Line*		Relative P/E Ratio	*1.05*
4.8%	4.6%	4.6%	5.2%	5.0%	6.9%	5.5%	5.0%	4.7%	4.7%	4.8%	4.1%	4.0%	3.7%	3.5%	3.0%	*estimates*		Avg Ann'l Div'd Yield	*3.8%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $2201.4 mill. **Due in 5 Yrs** $659.1 mill.
LT Debt $2056.2 mill. **LT Interest** $95.6 mill.
Incl. $50 mill. 6.5% oblig. pfd. sec. of trust subsid.
(LT interest earned: 3.9x)
Leases, Uncapitalized Annual rentals $12.0 mill.
Pension Assets-12/19 $1779.2 mill. **Oblig** $2278.3 mill.
Pfd Stock $34.3 mill. **Pfd Div'd** $2.0 mill.
1,114,657 shs. 4¼% to 5¼%, $20 par. call. $20 to $21; 120,000 shs. 7⅝%, $100 par. call. $100. Sinking fund ends 2018.
Common Stock 109,181,124 shs. **as of 7/24/20**
MARKET CAP: $3.8 billion (Mid Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
2665.0	3242.3	3375.0	3238.5	3239.5	2603.0	2380.7	2555.6	2860.8	2874.6	*2700*	*2800*	Revenues ($mill)	*3100*
115.4	140.1	164.9	163.4	170.2	161.8	250.1	180.6	203.7	219.8	*195*	*205*	Net Profit ($mill)	*240*
37.0%	35.1%	35.9%	34.0%	35.0%	36.5%	33.1%	34.7%	20.0%	19.0%	*19.0%*	*19.0%*	Income Tax Rate	*19.0%*
7.4%	6.0%	6.9%	4.8%	5.5%	5.8%	4.6%	9.6%	7.7%	7.5%	*8.0%*	*8.0%*	AFUDC % to Net Profit	*8.0%*
44.5%	44.9%	45.7%	44.0%	45.2%	43.5%	41.6%	43.4%	47.5%	44.6%	*47.5%*	*45.0%*	Long-Term Debt Ratio	*47.0%*
54.3%	53.9%	53.1%	55.0%	53.8%	55.5%	57.5%	55.7%	51.7%	54.6%	*52.0%*	*54.0%*	Common Equity Ratio	*52.5%*
2732.9	2841.3	3001.0	3142.9	3332.3	3473.5	3595.1	3765.5	4182.3	4176.9	*4565*	*4560*	Total Capital ($mill)	*5350*
3165.9	3334.5	3594.8	3858.9	4148.8	4377.7	4603.5	5025.9	4830.1	5109.6	*5185*	*5260*	Net Plant ($mill)	*5700*
5.6%	6.2%	6.7%	6.4%	6.2%	5.7%	7.9%	5.8%	5.9%	6.3%	*5.5%*	*5.5%*	Return on Total Cap'l	*5.5%*
7.6%	8.9%	10.1%	9.3%	9.3%	8.2%	11.9%	8.5%	9.3%	9.5%	*8.0%*	*8.0%*	Return on Shr. Equity	*8.5%*
7.7%	9.0%	10.2%	9.4%	9.4%	8.3%	12.0%	8.5%	9.3%	9.6%	*8.0%*	*8.0%*	Return on Com Equity E	*8.5%*
1.4%	2.1%	4.2%	3.7%	2.3%	1.5%	6.3%	2.1%	3.1%	3.4%	*2.0%*	*2.5%*	Retained to Com Eq	*3.0%*
82%	78%	59%	61%	75%	83%	48%	76%	67%	64%	*75%*	*72%*	All Div'ds to Net Prof F	*67%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	-1.8	- -	+.6
Avg. Indust. Use (MWH)	5193	5067	5225
Avg. Indust. Revs. per KWH (¢)	22.56	25.76	25.52
Capacity at Yearend (Mw)	2224	2256	2254
Peak Load, Winter (Mw)	1584	1598	1601
Annual Load Factor (%)	65.8	65.0	65.2
% Change Customers (yr-end)	+.4	+.2	+.5
Fixed Charge Cov. (%)	409	361	368

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-2.0%	-5.0%	*1.0%*
"Cash Flow"	4.0%	4.5%	*4.0%*
Earnings	6.0%	2.0%	*1.5%*
Dividends	- -	- -	*2.0%*
Book Value	2.5%	3.5%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	591.5	632.3	673.2	658.6	2555.6
2018	645.9	685.3	768.0	761.6	2860.8
2019	661.6	715.5	771.5	726.0	2874.6
2020	677.2	608.9	*725*	*688.9*	*2700*
2021	*650*	*700*	*750*	*700*	*2800*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.31	.36	.55	.42	1.64
2018	.37	.42	.60	.45	1.85
2019	.42	.39	.58	.61	1.99
2020	.31	.45	*.54*	*.45*	*1.75*
2021	*.39*	*.40*	*.56*	*.45*	*1.80*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.31	.31	.31	.31	1.24
2017	.31	.31	.31	.31	1.24
2018	.31	.31	.31	.31	1.24
2019	.32	.32	.32	.32	1.28
2020	.33	.33	.33		

BUSINESS: Hawaiian Electric Industries, Inc. is the parent company of Hawaiian Electric Company, Inc. (HECO), American Savings Bank (ASB), and Pacific Current. HECO & its subs., Maui Electric Co. (MECO) & Hawaii Electric Light Co. (HELCO), supply electricity to 465,000 customers on Oahu, Maui, Molokai, Lanai, & Hawaii. Operating companies' systems are not interconnected. Elec. rev. breakdown: residential, 31%; commercial, 33%; lg. light & power, 35%; other, 1%. Generating sources: oil, 54%; purch., 46%. Fuel costs: 47% of revs. '19 reported deprec. rate (utility): 3.2%. Has 3,800 employees. Chairman: Tom Fargo. President & CEO: Constance H. Lau. Inc.: HI. Address: 1001 Bishop St., Suite 2900, Honolulu, HI 96808-0730. Tel.: 808-543-5662. Web: www.hei.com.

Hawaiian Electric Industries' earnings will probably decline in 2020. The company's three utilities are well insulated from the effects of the coronavirus and recession, thanks to a regulatory mechanism that decouples revenues and volume and an order that permitted the utilities to defer (for future recovery) costs associated with the coronavirus. However, HEI's American Savings Bank subsidiary has been hit hard by the recession. The bank typically reserves $17 million-$22 million annually for loan losses. In the first six months of 2020, this figure amounted to $21.2 million. Because the reserve is so hard to predict, HEI is not providing earnings guidance for 2020. We raised our 2020 earnings estimate by $0.10 a share, to $1.75, because June-quarter profits were better than we expected. Tourism, a key economic factor for Hawaii, is not likely to return to 2019 levels anytime soon, so we look for just a slight bottom-line improvement in 2021. Note that we are estimating no dividend increase in 2021.

A regulatory order might well come by yearend. The Hawaii commission wants to institute a performance-based ratemaking scheme. It is likely that HEI's utilities will not file general rate applications until the details of performance-based ratemaking are known. Rate relief will be needed at some point because the utilities are not earning adequate returns on equity, due in part to a difficult regulatory climate in Hawaii. For the 12-month period that ended on June 30th, the utilities as a group earned an ROE of just 7.9%. Note that in 2021 the utilities might well file for recovery of their deferred coronavirus-related costs.

Finances are sound. The fixed-charge coverage and common-equity ratio are healthy. HEI merits a Financial Strength rating of A.

The stock price has fallen 26% in 2020. We believe this is due to the market's diminished expectation of HEI's near-term earning power. Even following the drop in the quotation, the dividend yield is only about equal to the utility average. Total return potential over the 18-month span is attractive, but prospects for the 3- to 5-year period are unappealing.

Paul E. Debbas, CFA *October 23, 2020*

(A) Diluted EPS. Excl. gain (loss) from disc. ops.: '04, 2¢; '05, (1¢); nonrec. gain (losses): '05, 11¢; '07, (9¢); '12, (25¢); '17, (12¢). '18 & '19 EPS don't sum due to rounding. Next egs. report due early Nov. (B) Div'ds pd. early Mar., June, Sept., & Dec. ■ Div'd reinv. avail. (C) Incl. intang. In '19: $7.03/sh. (D) In mill., adj. for split. (E) Rate base: Orig. cost. Rate allowed on com. eq. in '18: HECO, 9.5%; in '18: HELCO, 9.5%; in '18: MECO, 9.5%; earned on avg. com. eq., '19: 9.8%. Reg. Climate: Below Avg. (F) Excl. div'ds paid through reinv. plan.

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

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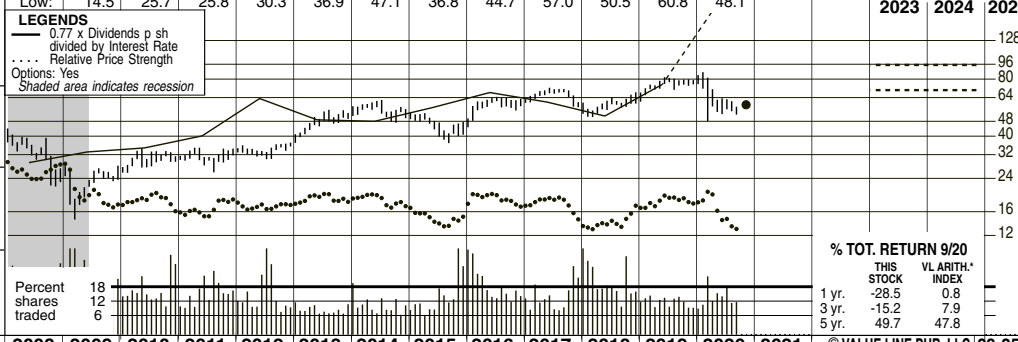
BLACK HILLS CORP. NYSE-BKH

RECENT PRICE **58.66** | P/E RATIO **16.4** (Trailing: 16.8 / Median: 19.0) | RELATIVE P/E RATIO **0.75** | DIV'D YLD **3.8%** | VALUE LINE

TIMELINESS 4 Lowered 10/23/20
SAFETY 2 Raised 5/1/15
TECHNICAL 4 Lowered 10/23/20
BETA .95 (1.00 = Market)

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
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

Target Price Range 2023 | 2024 | 2025



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$45-$114	$80 (35%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	95	(+60%)	15%
Low	70	(+20%)	8%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	144	139	142
to Sell	137	143	129
Hld's(000)	53772	54065	54025

% TOT. RETURN 9/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-28.5	0.8
3 yr.	-15.2	7.9
5 yr.	49.7	47.8

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
34.54	41.97	19.69	18.41	26.03	32.58	33.29	28.96	26.55	28.67	31.20	25.48	29.47	31.38	29.24	28.22	*26.30*	*27.35*	Revenues per sh	*29.25*
4.46	4.81	5.04	5.29	2.95	5.41	4.88	4.01	5.59	5.93	6.25	5.67	6.28	7.15	6.61	7.02	*7.20*	*7.60*	"Cash Flow" per sh	*8.75*
1.74	2.11	2.21	2.68	.18	2.32	1.66	1.01	1.97	2.61	2.89	2.83	2.63	3.38	3.47	3.53	*3.55*	*3.80*	Earnings per sh A	*4.25*
1.24	1.28	1.32	1.37	1.40	1.42	1.44	1.46	1.48	1.52	1.56	1.62	1.68	1.81	1.93	2.05	*2.17*	*2.31*	Div'd Decl'd per sh B ■	*2.75*
2.80	4.18	9.24	6.92	8.51	8.90	12.04	10.03	7.90	7.97	8.92	8.90	8.89	6.09	7.62	13.31	*10.65*	*8.65*	Cap'l Spending per sh	*7.25*
22.43	22.29	23.68	25.66	27.19	27.84	28.02	27.53	27.88	29.39	30.80	28.63	30.25	31.92	36.36	38.42	*40.50*	*42.40*	Book Value per sh C	*47.50*
32.48	33.16	33.37	37.80	38.64	38.97	39.27	43.92	44.21	44.50	44.67	51.19	53.38	53.54	60.00	61.48	*62.75*	*64.00*	Common Shs Outst'g D	*65.00*
17.1	17.3	15.8	15.0	NMF	9.9	18.1	31.1	17.1	18.2	19.0	16.1	22.3	19.5	16.8	21.2	*Bold figures are*		Avg Ann'l P/E Ratio	*19.0*
.90	.92	.85	.80	NMF	.66	1.15	1.95	1.09	1.02	1.00	.81	1.17	.98	.91	1.13	*Value Line*		Relative P/E Ratio	*1.05*
4.2%	3.5%	3.8%	3.4%	4.2%	6.2%	4.8%	4.6%	4.4%	3.2%	2.8%	3.5%	2.9%	2.7%	3.3%	2.7%	*estimates*		Avg Ann'l Div'd Yield	*3.4%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $3537.2 mill. **Due in 5 Yrs** $542.0 mill.
LT Debt $3532.9 mill. **LT Interest** $141.6 mill.
(LT interest earned: 3.2x)
Leases, Uncapitalized Annual rentals $1.0 mill.

Pension Assets-12/19 $434.3 mill. **Oblig** $485.4 mill.

Pfd Stock None

Common Stock 62,745,335 shs. **as of 7/31/20**

MARKET CAP: $3.7 billion (Mid Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
1307.3	1272.2	1173.9	1275.9	1393.6	1304.6	1573.0	1680.3	1754.3	1734.9	*1650*	*1750*	Revenues ($mill)	*1900*
64.6	40.4	86.9	115.8	128.8	128.3	140.3	186.5	192.5	214.5	*220*	*245*	Net Profit ($mill)	*275*
26.4%	31.1%	35.5%	34.7%	33.7%	35.8%	25.1%	28.7%	19.2%	13.0%	*13.0%*	*13.0%*	Income Tax Rate	*13.0%*
28.0%	65.0%	5.4%	2.4%	2.4%	2.7%	5.3%	2.7%	1.4%	3.3%	*2.0%*	*2.0%*	AFUDC % to Net Profit	*2.0%*
51.9%	51.4%	43.2%	51.6%	47.9%	56.0%	66.5%	64.5%	57.5%	57.1%	*55.0%*	*53.5%*	Long-Term Debt Ratio	*51.0%*
48.1%	48.6%	56.8%	48.4%	52.1%	44.0%	33.5%	35.5%	42.5%	42.9%	*45.0%*	*46.5%*	Common Equity Ratio	*49.0%*
2286.3	2489.7	2171.4	2704.7	2643.6	3332.7	4825.8	4818.4	5132.4	5502.2	*5685*	*5855*	Total Capital ($mill)	*6300*
2495.4	2789.6	2742.7	2990.3	3239.4	3259.1	4469.0	4541.4	4854.9	5503.2	*5940*	*6255*	Net Plant ($mill)	*6875*
4.4%	3.3%	5.5%	5.5%	6.1%	4.9%	4.0%	5.2%	5.0%	4.9%	*5.0%*	*5.0%*	Return on Total Cap'l	*5.5%*
5.9%	3.3%	7.1%	8.9%	9.4%	8.8%	8.7%	10.9%	8.8%	9.1%	*8.5%*	*9.0%*	Return on Shr. Equity	*9.0%*
5.9%	3.3%	7.1%	8.9%	9.4%	8.8%	8.7%	10.9%	8.8%	9.1%	*8.5%*	*9.0%*	Return on Com Equity E	*9.0%*
.7%	NMF	1.8%	3.7%	4.3%	3.8%	3.3%	5.3%	3.9%	3.8%	*3.5%*	*3.5%*	Retained to Com Eq	*3.0%*
87%	NMF	75%	58%	54%	57%	62%	52%	55%	58%	*61%*	*60%*	All Div'ds to Net Prof	*65%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	+.9	+2.7	+2.1
Avg. Indust. Use (MWH)	18376	19789	21406
Avg. Indust. Revs. per KWH (¢)	7.69	7.41	7.38
Capacity at Yearend (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	1094	1104	1022
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.8	+.8	+1.1
Fixed Charge Cov. (%)	296	276	278

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	1.5%	.5%	*Nil*
"Cash Flow"	4.5%	3.0%	*4.0%*
Earnings	7.0%	7.0%	*3.5%*
Dividends	3.5%	5.0%	*6.0%*
Book Value	3.0%	4.0%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	547.5	341.9	335.6	455.3	1680.3
2018	575.4	355.7	322.0	501.2	1754.3
2019	597.8	333.9	325.5	477.7	1734.9
2020	537.1	326.9	*325*	*461*	*1650*
2021	*565*	*330*	*315*	*490*	*1750*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1.42	.41	.52	1.03	3.38
2018	1.59	.45	.32	1.11	3.47
2019	1.73	.24	.44	1.13	3.53
2020	1.59	.33	*.44*	*1.05*	*3.55*
2021	*1.75*	*.40*	*.50*	*1.15*	*3.80*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.42	.42	.42	.42	1.68
2017	.445	.445	.445	.475	1.81
2018	.475	.475	.475	.505	1.93
2019	.505	.505	.505	.535	2.05
2020	.535	.535	.535		

BUSINESS: 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.

Black Hills has gas rate cases pending in Nebraska and Colorado. In Nebraska, the utility filed for an increase of $17.3 million, based on a 10% return on equity and a 50% common-equity ratio. In Colorado, the company requested a hike of $13.5 million, based on a 9.95% ROE and a 50% common-equity ratio. Black Hills' filing included a request for a five-year regulatory mechanism to recover safety and system-integrity costs through a rider (surcharge) on customers' bills. The company's last case in Colorado did not go well, but a new head of regulatory affairs might help here. New tariffs are expected to take effect in Nebraska in the first quarter and in Colorado in the second. Black Hills hasn't stated its intention to file an application in Arkansas, but such a move would not surprise us, since its last case occurred nearly three years ago.

We expect solid profit growth in 2021 after a flattish showing this year. Management estimates the net effects of the coronavirus and weak economy will trim share net by $0.05-$0.10 in 2020. Our estimate is at the midpoint of Black Hills' targeted range of $3.45-$3.65 a share. Average shares outstanding are also up due to an equity issuance in February. Next year, without the coronavirus-related costs and presuming some rate relief in Nebraska and Colorado, profits should advance significantly.

The utility is building a wind project. This will add 52.5 megawatts of capacity to serve customers in South Dakota and Wyoming at an expected cost of $79 million. The facility is on schedule for completion in the fourth quarter of 2020.

We expect a dividend increase in the fourth quarter. We look for a boost of $0.03 a share (5.6%) in the quarterly disbursement. Black Hills' goal for the payout ratio is 50%-60%.

Untimely Black Hills stock has declined more than most utility issues in 2020. The price is down 25%. We think this is due in part to the company's reduction of earnings guidance with the release of first-quarter results. The dividend yield is about average. The equity offers good total return potential over the 18-month span and respectable prospects for the 3- to 5-year period.

Paul E. Debbas, CFA *October 23, 2020*

(A) Dil. EPS. Excl. nonrec. gains (losses): '08, ($1.55); '09, (28¢); '10, 10¢; '15, ($3.54); '16, ($1.26); '17, 14¢; '18, $1.31; '19, (25¢); '20, (8¢); discontinued ops.: '08, $4.12; '09, 7¢; '11, 23¢; '12, (16¢); '17, (31¢); '18, (12¢). '19 EPS don't sum due to rounding. Next egs. due early Nov. (B) Div'ds pd. early Mar., Jun., Sept., & Dec. ■ Div'd reinv. plan avail. (C) Incl. def'd chgs. In '19: $25.06/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate all'd on com. eq. in SD in '15: none; in CO in '17: 9.37%; earn. on avg. com. eq., '19: 9.4%. Regul. Climate: Avg.

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

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PNM RESOURCES NYSE-PNM

RECENT PRICE **45.65** | P/E RATIO **17.6** (Trailing: 20.6 Median: 18.0) | RELATIVE P/E RATIO **0.80** | DIV'D YLD **2.8%** | VALUE LINE

TIMELINESS 2 Raised 10/23/20
SAFETY 3 Lowered 5/9/08
TECHNICAL 4 Lowered 10/23/20
BETA .95 (1.00 = Market)

High:	13.1	14.0	19.2	22.5	24.5	31.6	31.2	36.2	46.0	45.3	53.0	56.1
Low:	5.9	10.8	12.8	17.3	20.1	23.5	24.4	29.2	33.3	33.8	39.7	27.1

Target Price Range 2023 | 2024 | 2025

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$34-$82	$58 (25%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+30%)	10%
Low	40	(-10%)	Nil

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	135	110	115
to Sell	116	144	121
Hld's(000)	73262	79315	78813

% TOT. RETURN 9/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-19.0	0.8
3 yr.	10.3	7.9
5 yr.	67.3	47.8

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
26.54	30.19	32.25	24.92	22.65	19.01	19.31	21.35	16.85	17.42	18.03	18.07	17.11	18.14	18.04	18.30	*16.90*	*17.50*	Revenues per sh	*18.50*
3.14	3.56	3.57	2.54	1.76	2.32	2.67	3.18	3.39	3.52	4.09	4.28	4.51	5.30	5.13	6.07	*5.70*	*6.20*	"Cash Flow" per sh	*7.50*
1.43	1.56	1.72	.76	.11	.58	.87	1.08	1.31	1.41	1.45	1.48	1.46	1.92	1.66	2.28	*2.20*	*2.30*	Earnings per sh A	*3.00*
.63	.79	.86	.91	.61	.50	.50	.50	.58	.68	.76	.82	.90	.99	1.09	1.18	*1.25*	*1.32*	Div'd Decl'd per sh B ■ †	*1.60*
2.25	3.07	4.04	5.94	3.99	3.32	3.25	4.10	3.88	4.37	5.78	7.01	7.53	6.28	6.29	7.74	*9.60*	*11.60*	Cap'l Spending per sh	*6.00*
18.19	18.70	22.09	22.03	18.89	18.90	17.60	19.62	20.05	20.87	22.39	20.78	21.04	21.28	21.20	21.08	*23.80*	*24.75*	Book Value per sh C	*29.75*
60.46	68.79	76.65	76.81	86.53	86.67	86.67	79.65	79.65	79.65	79.65	79.65	79.65	79.65	79.65	79.65	*85.83*	*85.83*	Common Shs Outst'g D	*92.00*
15.0	17.4	15.6	35.6	NMF	18.1	14.0	14.5	15.0	16.1	18.7	18.7	22.4	20.4	23.4	21.1	*Bold figures are*		Avg Ann'l P/E Ratio	*16.5*
.79	.93	.84	1.89	NMF	1.21	.89	.91	.95	.90	.98	.94	1.18	1.03	1.26	1.12	*Value Line*		Relative P/E Ratio	*.90*
2.9%	2.9%	3.2%	3.4%	4.9%	4.8%	4.1%	3.2%	3.0%	3.0%	2.8%	3.0%	2.8%	2.5%	2.8%	2.5%	*estimates*		Avg Ann'l Div'd Yield	*3.2%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $3469.2 mill. **Due in 5 Yrs** $1730.8 mill.
LT Debt $2437.2 mill. **LT Interest** $110.9 mill.
(LT interest earned: 2.8x)
Leases, Uncapitalized Annual rentals $30.7 mill.
Pension Assets-12/19 $590.8 mill. **Oblig** $671.3 mill.
Pfd Stock $11.5 mill. **Pfd Div'd** $.5 mill.
115,293 shs. 4.58%, $100 par without mandatory redemption. Sinking fund began 2/1/84.

Common Stock 79,653,624 shs.
as of 7/24/20
MARKET CAP: $3.6 billion (Mid Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
1673.5	1700.6	1342.4	1387.9	1435.9	1439.1	1363.0	1445.0	1436.6	1457.6	*1450*	*1500*	Revenues ($mill)	*1700*
80.5	97.1	106.1	114.0	116.8	118.8	117.4	154.4	133.4	182.8	*190*	*215*	Net Profit ($mill)	*290*
32.6%	38.8%	31.4%	31.6%	34.8%	36.9%	32.4%	33.0%	13.8%	9.4%	*10.0%*	*10.0%*	Income Tax Rate	*10.0%*
7.1%	8.7%	7.1%	1.3%	10.7%	17.0%	11.0%	11.9%	14.5%	9.2%	*10.0%*	*9.0%*	AFUDC % to Net Profit	*7.0%*
50.4%	51.5%	50.9%	50.0%	47.8%	54.1%	55.7%	56.1%	61.1%	59.8%	*51.5%*	*55.5%*	Long-Term Debt Ratio	*52.0%*
49.2%	48.1%	48.7%	49.7%	51.9%	45.5%	44.0%	43.6%	38.6%	39.9%	*48.0%*	*44.0%*	Common Equity Ratio	*47.5%*
3100.3	3245.6	3277.9	3344.0	3437.1	3633.3	3806.8	3887.5	4370.0	4207.7	*4250*	*4830*	Total Capital ($mill)	*5750*
3444.4	3627.1	3746.5	3933.9	4270.0	4535.4	4904.7	4980.2	5234.6	5466.0	*5975*	*6640*	Net Plant ($mill)	*7575*
4.2%	4.5%	5.1%	5.2%	5.1%	4.8%	4.7%	5.3%	4.3%	5.8%	*6.0%*	*5.5%*	Return on Total Cap'l	*6.5%*
5.2%	6.2%	6.6%	6.8%	6.5%	7.1%	7.0%	9.0%	7.8%	10.8%	*8.5%*	*9.5%*	Return on Shr. Equity	*10.0%*
5.2%	6.2%	6.6%	6.8%	6.5%	7.1%	7.0%	9.1%	7.9%	10.9%	*8.5%*	*9.5%*	Return on Com Equity E	*10.0%*
2.2%	3.3%	3.8%	3.8%	3.2%	3.3%	2.8%	4.5%	2.9%	5.4%	*3.5%*	*4.0%*	Retained to Com Eq	*4.5%*
57%	47%	43%	45%	51%	54%	61%	51%	64%	51%	*59%*	*57%*	All Div'ds to Net Prof	*54%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	+.3	+7.3	+5.0
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	2580	2661	2761
Peak Load, Summer (Mw)	1843	1885	1937
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.8	+1.1	NA
Fixed Charge Cov. (%)	243	218	228

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-2.0%	1.0%	*.5%*
"Cash Flow"	9.5%	8.5%	*5.5%*
Earnings	15.0%	7.0%	*7.5%*
Dividends	5.0%	10.0%	*6.5%*
Book Value	.5%	- -	*6.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	330.2	362.3	419.9	332.6	1445.0
2018	317.9	352.3	422.7	343.7	1436.6
2019	349.7	330.2	433.6	344.1	1457.6
2020	333.6	357.6	*425*	*333.8*	*1450*
2021	*350*	*350*	*450*	*350*	*1500*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.29	.47	.92	.25	1.92
2018	.19	.48	1.09	d.10	1.66
2019	.23	.36	1.29	.40	2.28
2020	d.19	.72	*1.37*	*.30*	*2.20*
2021	*.20*	*.50*	*1.30*	*.30*	*2.30*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.22	.22	.22	.22	.88
2017	.2425	.2425	.2425	.2425	.97
2018	.265	.265	.265	.265	1.06
2019	.29	.29	.29	.29	1.16
2020	.3075	.3075	.3075		

BUSINESS: PNM Resources, Inc. is a holding company with two regulated electric utilities. Public Service Company of New Mexico (PNM) serves 532,000 customers in north central New Mexico, including Albuquerque and Santa Fe. Texas-New Mexico Power Company (TNMP) transmits and distributes power to 257,000 customers in Texas. Electric revenue breakdown: residential, 40%; commercial, 35%; industrial, 6%; other, 19%. Generating sources not available. Fuel costs: 28% of revenues. '19 reported depreciation rates: 2.5%-7.9%. Has 1,700 employees. Chairman, President & CEO: Patricia K. Collawn. Incorporated: New Mexico. Address: 414 Silver Ave. SW, Albuquerque, New Mexico 87102-3289. Telephone: 505-241-2700. Internet: www.pnmresources.com.

PNM Resources raised its 2020 earnings guidance. The company's utility subsidiaries benefited from a hotter-than-normal summer. Accordingly, management boosted its targeted profit range (based on "operating" rather than GAAP earnings) from $2.16-$2.26 a share to $2.23-$2.31. The company excludes unrealized gains or losses from its nuclear decommissioning trust from its definition of operating earnings, but we *include* these because they are a part of PNM Resources' ongoing results. This is why our earnings estimate of $2.20 a share is below the company's guidance. Still, this is well above our previous estimate of $1.90 a share mainly because the June-quarter tally topped our expectation by $0.20. In addition, we boosted our 2021 estimate by $0.05 a share, to $2.30.

PNM will probably file a rate case in mid-2021. This would result in a rate order in mid-2022, which is when the utility will retire a coal-fired plant and replace it with gas-fired capacity and battery storage. The company will also issue $361 million in securitized bonds so that it can recover the cost of the coal-fired plant along with other expenses.

PNM Resources' TNMP subsidiary in Texas has received some rate relief. The utility files twice a year for recovery of transmission costs and once a year for recovery of distribution costs. This provided three increases, amounting to $24.1 million, in 2020.

We expect the board of directors to raise the dividend at its December meeting, payable in the first quarter of 2021. We estimate an increase of $0.07 (5.7%) in the annual disbursement. PNM Resources' goals are yearly growth of 5%-6% and a payout ratio of 50%-60%.

The share count will likely increase by yearend. PNM Resources executed a forward sale of 6.18 million shares of common stock (raising $290 million) in early 2020, and will probably settle this in December. Accordingly, the common-equity ratio will be much improved.

The dividend yield of this timely stock is low for a utility. Total return potential is above average for the 18-month span, but unappealing for the 3- to 5-year period.

Paul E. Debbas, CFA *October 23, 2020*

(A) Dil. EPS. Excl. nonrec. gain (losses): '08, ($3.77); '10, ($1.36); '11, 88¢; '13, (16¢); '15, ($1.28); '17, (92¢); '18, (59¢); '19, ($1.31). Excl. gains from disc. ops.: '08, 42¢; '09, 78¢. '17 EPS don't sum due to rounding. Next egs. report due late Oct. (B) Div'ds paid mid-Feb., May, Aug., & Nov. ■ Div'd reinv. plan avail. (C) Incl. intang. In '19: $11.81/sh. (D) In mill., adj. for split. (E) Rate base: net orig. cost. Rate all'd on com. eq. in NM in '18: 9.575%; in TX in '11: 10.125%; earned on avg. com. eq., '19: 10.2%. Regulatory Climate: NM, Below Avg.; TX, Avg.

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

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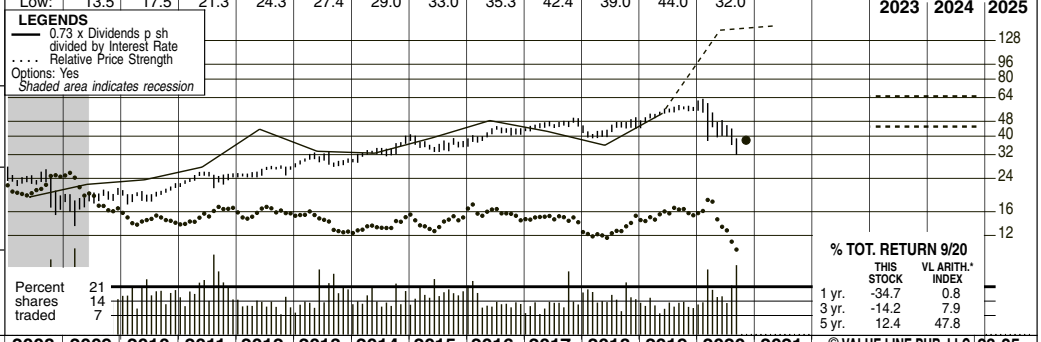
PORTLAND GENERAL NYSE-POR

RECENT PRICE **38.09** | P/E RATIO **27.4** (Trailing: 14.5 Median: 17.0) | RELATIVE P/E RATIO **1.25** | DIV'D YLD **4.3%** | VALUE LINE

TIMELINESS 2 Raised 10/23/20
SAFETY 3 Lowered 10/23/20
TECHNICAL 4 Lowered 10/23/20
BETA .85 (1.00 = Market)

High:	21.4	22.7	26.0	28.1	33.3	40.3	41.0	45.2	50.1	50.4	58.4	63.1
Low:	13.5	17.5	21.3	24.3	27.4	29.0	33.0	35.3	42.4	39.0	44.0	32.0

Target Price Range
2023 | 2024 | 2025



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$33-$77	$55 (45%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+70%)	17%
Low	45	(+20%)	9%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	160	132	157
to Sell	159	197	158
Hld's(000)	86645	86455	90761

% TOT. RETURN 9/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-34.7	0.8
3 yr.	-14.2	7.9
5 yr.	12.4	47.8

2004	2005F	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
- -	23.14	24.32	27.87	27.89	23.99	23.67	24.06	23.89	23.18	24.29	21.38	21.62	22.54	22.30	23.75	*24.00*	*24.55*	Revenues per sh	*27.25*
- -	4.75	4.64	5.21	4.71	4.07	4.82	4.96	5.15	4.93	6.08	5.37	5.78	6.16	6.65	6.97	*6.15*	*7.35*	"Cash Flow" per sh	*8.75*
- -	1.02	1.14	2.33	1.39	1.31	1.66	1.95	1.87	1.77	2.18	2.04	2.16	2.29	2.37	2.39	*1.45*	*2.50*	Earnings per sh A	*3.00*
- -	- -	.68	.93	.97	1.01	1.04	1.06	1.08	1.10	1.12	1.18	1.26	1.34	1.43	1.52	*1.59*	*1.68*	Div'd Decl'd per sh B ■ †	*2.00*
- -	4.08	5.94	7.28	6.12	9.25	5.97	3.98	4.01	8.40	12.87	6.73	6.57	5.77	6.67	6.78	*8.50*	*6.45*	Cap'l Spending per sh	*6.00*
- -	19.15	19.58	21.05	21.64	20.50	21.14	22.07	22.87	23.30	24.43	25.43	26.35	27.11	28.07	28.99	*28.80*	*29.65*	Book Value per sh C	*32.25*
- -	62.50	62.50	62.53	62.58	75.21	75.32	75.36	75.56	78.09	78.23	88.79	88.95	89.11	89.27	89.39	*89.55*	*89.65*	Common Shs Outst'g D	*90.00*
- -	- -	23.4	11.9	16.3	14.4	12.0	12.4	14.0	16.9	15.3	17.7	19.1	20.0	18.4	22.3	*Bold figures are*		Avg Ann'l P/E Ratio	*18.0*
- -	- -	1.26	.63	.98	.96	.76	.78	.89	.95	.81	.89	1.00	1.01	.99	1.19	*Value Line*		Relative P/E Ratio	*1.00*
- -	- -	2.5%	3.3%	4.3%	5.4%	5.2%	4.4%	4.1%	3.7%	3.3%	3.3%	3.1%	2.9%	3.3%	2.8%	*estimates*		Avg Ann'l Div'd Yield	*3.7%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $2966 mill. **Due in 5 Yrs** $466 mill.
LT Debt $2676 mill. **LT Interest** $130 mill.
Incl. $135 mill. capitalized leases.
(LT interest earned: 3.1x)
Leases, Uncapitalized Annual rentals $8 mill.
Pension Assets-12/19 $695 mill. **Oblig** $905 mill.
Pfd Stock None

Common Stock 89,508,545 shs. **as of 7/27/20**

MARKET CAP: $3.4 billion (Mid Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
1783.0	1813.0	1805.0	1810.0	1900.0	1898.0	1923.0	2009.0	1991.0	2123.0	*2150*	*2200*	Revenues ($mill)	*2450*
125.0	147.0	141.0	137.0	175.0	172.0	193.0	204.0	212.0	214.0	*130*	*225*	Net Profit ($mill)	*260*
30.5%	28.3%	31.4%	23.2%	26.0%	20.7%	20.6%	25.3%	7.4%	11.2%	*11.0%*	*11.0%*	Income Tax Rate	*11.0%*
17.6%	5.4%	7.1%	14.6%	33.7%	19.8%	16.6%	8.8%	8.0%	7.0%	*15.0%*	*7.0%*	AFUDC % to Net Profit	*6.0%*
53.0%	49.6%	47.1%	51.3%	52.7%	47.8%	48.4%	50.1%	46.5%	51.3%	*53.5%*	*55.0%*	Long-Term Debt Ratio	*54.5%*
47.0%	50.4%	52.9%	48.7%	47.3%	52.2%	51.6%	49.9%	53.5%	48.7%	*46.5%*	*45.0%*	Common Equity Ratio	*45.5%*
3390.0	3298.0	3264.0	3735.0	4037.0	4329.0	4544.0	4842.0	4684.0	5323.0	*5535*	*5910*	Total Capital ($mill)	*6375*
4133.0	4285.0	4392.0	4880.0	5679.0	6012.0	6434.0	6741.0	6887.0	7161.0	*7500*	*7645*	Net Plant ($mill)	*7775*
5.4%	6.2%	5.9%	5.1%	5.8%	5.4%	5.6%	5.5%	5.8%	5.1%	*3.5%*	*5.0%*	Return on Total Cap'l	*5.5%*
7.9%	8.8%	8.2%	7.5%	9.2%	7.6%	8.2%	8.4%	8.5%	8.3%	*5.0%*	*8.5%*	Return on Shr. Equity	*9.0%*
7.9%	8.8%	8.2%	7.5%	9.2%	7.6%	8.2%	8.4%	8.5%	8.3%	*5.0%*	*8.5%*	Return on Com Equity E	*9.0%*
3.0%	4.1%	3.5%	2.9%	4.6%	3.3%	3.5%	3.6%	3.5%	3.1%	*NMF*	*3.0%*	Retained to Com Eq	*3.0%*
62%	54%	57%	61%	50%	56%	57%	58%	59%	63%	*NMF*	*66%*	All Div'ds to Net Prof	*69%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	+3.9	-2.5	+1.2
Avg. Indust. Use (MWH)	16041	16207	17827
Avg. Indust. Revs. per KWH (¢)	4.94	4.79	4.75
Capacity at Peak (Mw)	4743	4859	NA
Peak Load, Summer (Mw)	3976	3816	3765
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.3	+1.1	+1.1
Fixed Charge Cov. (%)	298	266	265

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-1.5%	-1.0%	*3.0%*
"Cash Flow"	3.5%	4.0%	*5.0%*
Earnings	3.5%	4.0%	*4.0%*
Dividends	4.0%	5.5%	*6.0%*
Book Value	3.0%	3.5%	*2.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	530	449	515	515	2009
2018	493	449	525	524	1991
2019	573	460	542	548	2123
2020	573	469	*553*	*555*	*2150*
2021	*580*	*475*	*570*	*575*	*2200*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.82	.36	.44	.67	2.29
2018	.72	.51	.59	.55	2.37
2019	.82	.28	.61	.68	2.39
2020	.91	.43	*d.60*	*.71*	*1.45*
2021	*.85*	*.45*	*.45*	*.75*	*2.50*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.30	.30	.32	.32	1.24
2017	.32	.32	.34	.34	1.32
2018	.34	.34	.3625	.3625	1.41
2019	.3625	.3625	.385	.385	1.50
2020	.385	.385	.385	.4075	

BUSINESS: Portland General Electric Company (PGE) provides electricity to 901,000 customers in 52 cities in a 4,000-square-mile area of Oregon, including Portland and Salem. The company is in the process of decommissioning the Trojan nuclear plant, which it closed in 1993. Electric revenue breakdown: residential, 47%; commercial, 30%; industrial, 9%; other, 14%. Generating sources: gas, 36%; coal, 19%; wind, 8%; hydro, 6%; purchased, 31%. Fuel costs: 29% of revenues. '19 reported depreciation rate: 3.6%. Has 2,900 employees. Chairman: Jack E. Davis. President and Chief Executive Officer: Maria M. Pope. Incorporated: Oregon. Address: 121 S.W. Salmon Street, Portland, Oregon 97204. Telephone: 503-464-8000. Internet: www.portlandgeneral.com.

Portland General Electric experienced a large energy-trading loss in the third quarter. The announcement happened on August 24th after the stock market closed. This amounted to $128 million before taxes. The utility will not seek recovery of the loss from ratepayers. PGE put two employees on administrative leave, and a special committee of the board of directors is looking into this matter. As a result of this loss, PGE now estimates it will earn $1.40-$1.60 a share this year. (Management had cut its guidance from $2.20-$2.50 to $1.30-$1.60 when a loss of up to $155 million appeared possible.) Operating and maintenance expenses (including incentive compensation) have been reduced by $20 million to offset a small portion of the trading loss. Our 2020 earnings estimate is $1.45 a share.

The stock lost roughly 10% of its value after the disclosure of the trading loss. Wall Street is concerned not just about the loss, but about the indication of deficiencies in PGE's risk management. The price has not recovered much since then, and is down 32% year to date.

We expect earnings to return to a normal level in 2021. We assume no trading losses. In addition, the economy should be better, and PGE will likely record lower bad-debt expense, as this increased when disconnections were suspended and late fees waived in 2020.

In July, the board raised the annual dividend $0.09 a share (5.8%), effective in October. PGE expects the trading loss will not affect the company's dividend policy. The company's goals for the disbursement are a growth rate of 5%-7% yearly and a payout ratio of 60%-70%.

Two key capital projects are on schedule and on budget. PGE has a $160 million investment for a one-third stake in a joint venture in a wind project that should be completed by yearend. The utility is spending $200 million on an integrated operations center that is scheduled for completion by the end of 2021. PGE is using debt financing for these projects.

This timely stock has a dividend yield that is slightly above the utility mean. Total return potential is attractive for the 18-month span and decent for the 3- to 5-year period.

Paul E. Debbas, CFA *October 23, 2020*

(A) Diluted EPS. Excl. nonrecurring losses: '13, 42¢; '17, 19¢. Next earnings report due late Oct. (B) Div'ds paid mid-Jan., Apr., July, and Oct. ■ Div'd reinvestment plan avail. † Shareholder investment plan avail. (C) Incl. deferred charges. In '19: $483 mill., $5.40/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '19: 9.5%; earned on avg. com. eq., '19: 8.4%. Regulatory Climate: Average. (F) '05 per-share data are pro forma, based on shs. outstanding when stock began trading in '06.

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

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SPIRE INC. NYSE-SR

RECENT PRICE **60.54** | P/E RATIO **NMF** (Trailing: 51.7 Median: 18.0) | RELATIVE P/E RATIO **NMF** | DIV'D YLD **4.3%** | VALUE LINE

TIMELINESS 3 Lowered 11/30/18
SAFETY 2 Raised 6/20/03
TECHNICAL 3 Raised 5/1/20
BETA .80 (1.00 = Market)

High:	48.3	37.8	42.8	44.0	48.5	55.2	61.0	71.2	82.9	81.1	88.0	88.0
Low:	29.3	30.8	32.9	36.5	37.4	44.0	49.1	57.1	62.3	60.1	71.7	57.4

Target Price Range 2023 | 2024 | 2025

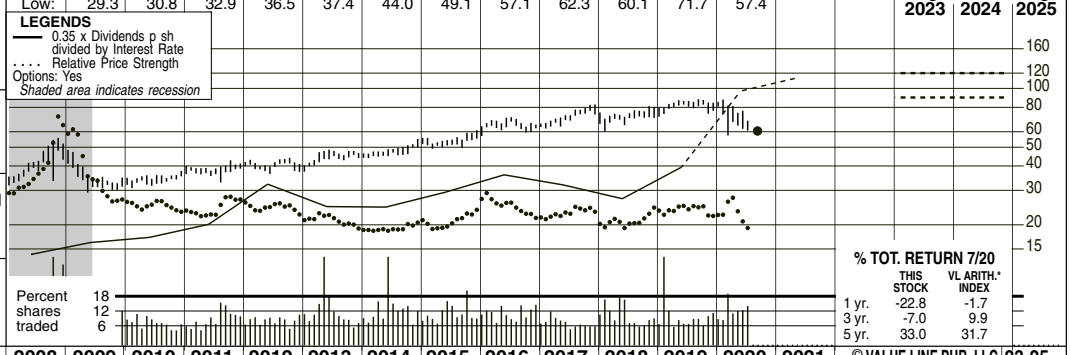
18-Month Target Price Range
Low-High: $53-$117 — Midpoint (% to Mid): $85 (40%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	120	(+100%)	21%
Low	90	(+50%)	13%

Institutional Decisions

	3Q2019	4Q2019	1Q2020
to Buy	115	127	120
to Sell	117	114	116
Hld's(000)	41800	42195	42039



% TOT. RETURN 7/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-22.8	-1.7
3 yr.	-7.0	9.9
5 yr.	33.0	31.7

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
59.59	75.43	93.51	93.40	100.44	85.49	77.83	71.48	49.90	31.10	37.68	45.59	33.68	36.07	38.78	38.30	*35.10*	*36.40*	Revenues per sh A	*58.20*
2.79	2.98	3.81	3.87	4.22	4.56	4.11	4.62	4.58	3.12	3.87	6.15	6.16	6.54	7.55	7.12	*4.70*	*7.25*	"Cash Flow" per sh	*9.75*
1.82	1.90	2.37	2.31	2.64	2.92	2.43	2.86	2.79	2.02	2.35	3.16	3.24	3.43	4.33	3.52	*1.10*	*3.30*	Earnings per sh A B	*5.15*
1.35	1.37	1.40	1.45	1.49	1.53	1.57	1.61	1.66	1.70	1.76	1.84	1.96	2.10	2.25	2.37	*2.49*	*2.61*	Div'ds Decl'd per sh C■	*3.00*
2.45	2.84	2.97	2.72	2.57	2.36	2.56	3.02	4.83	4.00	3.96	6.68	6.42	9.08	9.86	16.15	*12.50*	*10.10*	Cap'l Spending per sh	*10.50*
16.96	17.31	18.85	19.79	22.12	23.32	24.02	25.56	26.67	32.00	34.93	36.30	38.73	41.26	44.51	45.14	*50.50*	*55.45*	Book Value per sh D	*72.00*
20.98	21.17	21.36	21.65	21.99	22.17	22.29	22.43	22.55	32.70	43.18	43.36	45.65	48.26	50.67	50.97	*52.00*	*52.50*	Common Shs Outst'g E	*55.00*
15.7	16.2	13.6	14.2	14.3	13.4	13.7	13.0	14.5	21.3	19.8	16.5	19.6	19.8	16.7	22.8	*Bold figures are*		Avg Ann'l P/E Ratio	*20.5*
.83	.86	.73	.75	.86	.89	.87	.82	.92	1.20	1.04	.83	1.03	1.00	.90	1.24	*Value Line*		Relative P/E Ratio	*1.15*
4.7%	4.4%	4.3%	4.4%	3.9%	3.9%	4.7%	4.3%	4.1%	4.0%	3.8%	3.5%	3.1%	3.1%	3.1%	3.0%	*estimates*		Avg Ann'l Div'd Yield	*2.9%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $2961.3 mill. **Due in 5 Yrs** $725.0 mill.
LT Debt $2478.3 mill. **LT Interest** $120.0 mill.
(Total interest coverage: 3.1x)

Leases, Uncapitalized Annual rentals $8.2 mill.
Pension Assets-9/19 $521.8 mill. **Oblig.** $751.4 mill.
Pfd Stock $242.0 mill. **Pfd Div'd** $3.4 mill.
Common Stock 51,482,424 shs.
as of 7/31/20

MARKET CAP: $3.1 billion (Mid Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
1735.0	1603.3	1125.5	1017.0	1627.2	1976.4	1537.3	1740.7	1965.0	1952.4	*1825*	*1910*	Revenues ($mill) A	*3200*
54.0	63.8	62.6	52.8	84.6	136.9	144.2	161.6	214.2	184.6	*55.0*	*175*	Net Profit ($mill)	*285*
33.4%	31.4%	29.6%	25.0%	27.6%	31.2%	32.5%	32.4%	32.4%	15.7%	*15.0%*	*16.0%*	Income Tax Rate	*23.5%*
3.1%	4.0%	5.6%	5.2%	5.2%	6.9%	9.4%	9.3%	10.9%	9.5%	*3.0%*	*9.2%*	Net Profit Margin	*8.9%*
40.5%	38.9%	36.1%	46.6%	55.1%	53.0%	50.9%	50.0%	45.7%	45.0%	*49.0%*	*48.0%*	Long-Term Debt Ratio	*45.0%*
59.5%	61.1%	63.9%	53.4%	44.9%	47.0%	49.1%	50.0%	54.3%	55.0%	*51.0%*	*52.0%*	Common Equity Ratio	*55.0%*
899.9	937.7	941.0	1959.0	3359.4	3345.1	3601.9	3986.3	4155.5	4625.6	*5150*	*5600*	Total Capital ($mill)	*7200*
884.1	928.7	1019.3	1776.6	2759.7	2941.2	3300.9	3665.2	3970.5	4352.0	*4650*	*5070*	Net Plant ($mill)	*6500*
7.4%	8.1%	7.9%	3.3%	3.1%	5.1%	4.9%	5.0%	6.3%	5.1%	*2.5%*	*4.5%*	Return on Total Cap'l	*5.5%*
10.1%	11.1%	10.4%	5.0%	5.6%	8.7%	8.2%	8.1%	9.5%	7.3%	*2.0%*	*6.0%*	Return on Shr. Equity	*7.0%*
10.1%	11.1%	10.4%	5.0%	5.6%	8.7%	8.2%	8.1%	9.5%	7.9%	*2.0%*	*6.0%*	Return on Com Equity	*7.0%*
3.6%	4.9%	4.3%	1.0%	1.5%	3.7%	3.3%	3.3%	4.7%	2.7%	*NMF*	*1.0%*	Retained to Com Eq	*3.0%*
64%	56%	59%	81%	73%	58%	59%	60%	51%	66%	*NMF*	*80%*	All Div'ds to Net Prof	*60%*

CURRENT POSITION ($MILL.)	2018	2019	6/30/20
Cash Assets	4.4	5.8	7.4
Other	655.2	608.7	551.9
Current Assets	659.6	614.5	559.3
Accts Payable	290.1	301.5	200.8
Debt Due	729.1	783.2	483.0
Other	302.5	384.1	424.0
Current Liab.	1321.7	1468.8	1107.8
Fix. Chg. Cov.	284%	272%	275%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-8.5%	-1.0%	*7.5%*
"Cash Flow"	5.5%	13.0%	*5.5%*
Earnings	3.5%	9.5%	*5.5%*
Dividends	4.0%	5.5%	*5.0%*
Book Value	7.0%	7.0%	*8.5%*

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.)A Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2017	495.1	663.4	323.5	258.7	1740.7
2018	561.8	813.4	350.6	239.2	1965.0
2019	602.0	803.5	321.3	225.6	1952.4
2020	566.9	715.5	321.1	*221.5*	*1825*
2021	*580*	*760*	*340*	*230*	*1910*

Fiscal Year Ends	EARNINGS PER SHARE A B F Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2017	.99	2.36	.45	d.28	3.43
2018	2.39	2.03	.52	d.51	4.33
2019	1.32	3.04	d.09	d.74	3.52
2020	1.24	2.54	d1.87	*d.81*	*1.10*
2021	*1.27*	*2.61*	*.20*	*d.78*	*3.30*

Cal-endar	QUARTERLY DIVIDENDS PAID C■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.49	.49	.49	.49	1.96
2017	.525	.525	.525	.525	2.10
2018	.5625	.5625	.5625	.5625	2.25
2019	.5925	.5925	.5925	.5925	2.37
2020	.6225	.6225	.6225		

BUSINESS: Spire Inc., formerly known as the Laclede Group, Inc., is a holding company for natural gas utilities, which distributes natural gas across Missouri, including the cities of St. Louis and Kansas City, Alabama, and Mississippi. Has roughly 1.8 million customers. Acquired Missouri Gas 9/13, Alabama Gas Co 9/14. Utility therms sold and transported in fiscal 2019: 3.4 bill. Revenue mix for regulated operations: residential, 68%; commercial and industrial, 23%; transportation, 6%; other, 3%. Has about 3,536 employees. Officers and directors own 2.9% of common shares; BlackRock, 15.0% (1/20 proxy). Chairman: Edward Glotzbach; CEO: Suzanne Sitherwood. Inc.: Missouri. Address: 700 Market Street, St. Louis, Missouri 63101. Tel.: 314-342-0500. Internet: www.spireenergy.com.

Spire Inc. is about to close the books on a disappointing fiscal 2020 (ends September 30th). Through the first nine months, share net plunged 55%, to $1.91, relative to last year's $4.27 tally. This reflects the impact of the pandemic, which began to have an increasingly greater effect on the company as the months progressed. Notably, in the third quarter, it incurred a total pre-tax impairment charge of $148.6 million, equal to $2.29 a share aftertax, due primarily to the writedown of the value of storage assets and, to a lesser degree, two commercial compressed natural gas fueling stations. Spire contends, though, that it is pursuing operating efficiencies and potential regulatory mechanisms to help offset the damage from COVID-19. Unfortunately, it seems that profits for the entire year will still tumble nearly 70%, to $1.10 a share, versus the fiscal 2019 figure of $3.52. But assuming that the health crisis dissipates, the bottom line stands to recover threefold, to $3.30 a share, in fiscal 2021.

We are optimistic about the energy firm's business prospects out to mid-decade. The gas utilities boast 1.8 million customers in Mississippi, Alabama, and Missouri, providing a measure of regional diversity. Also, the other operations, especially pipelines, show promise. Additional expansionary projects and technological enhancements in customer service and elsewhere ought to help, too. Lastly, Spire's balance sheet is solid (see below).

The Financial Strength rating resides at B++. At the end of June, there was almost $650 million of available liquidity partly via a revolving credit facility. Too, long-term debt sat at a manageable 48% of total capital, and short-term obligations were not a big problem. So, the company should be able to satisfy its various commitments (including interest payments, capital expenditures, and dividends) for a while. Acquisitions are also plausible.

These good-quality shares have taken a major step backward in recent months. We think that price move stems partly from the company's weak third-quarter performance. But recovery potential out to mid-decade now looks appealing. Consider, too, the dividend yield and 18-month capital gains potential.

Frederick L. Harris, III *August 28, 2020*

(A) Fiscal year ends Sept. 30th. **(B)** Based on diluted shares outstanding. Excludes nonrecurring loss: '06, 7¢. Excludes gain from discontinued operations: '08, 94¢. Next earnings report due late Oct. **(C)** Dividends paid in early January, April, July, and October. ■ Dividend reinvestment plan available. **(D)** Incl. deferred charges. In '19: $1,171.6 mill., $22.99/sh. **(E)** In millions. **(F)** Qtly. egs. may not sum due to rounding or change in shares outstanding.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	75
Earnings Predictability	65

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NEW JERSEY RES. NYSE-NJR

RECENT PRICE **32.48** | P/E RATIO **15.2** (Trailing: 18.1 / Median: 17.0) | RELATIVE P/E RATIO **0.69** | DIV'D YLD **3.8%** | VALUE LINE

TIMELINESS 4 Lowered 4/3/20
SAFETY 2 Lowered 4/17/20
TECHNICAL 3 Raised 6/19/20
BETA .90 (1.00 = Market)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
High:	21.2	22.0	25.2	25.1	23.8	32.1	34.1	38.9	45.4	51.8	51.2	44.7
Low:	15.0	16.7	19.8	19.3	19.5	21.9	26.8	30.5	33.7	35.6	40.3	21.1

Target Price Range 2023 | 2024 | 2025

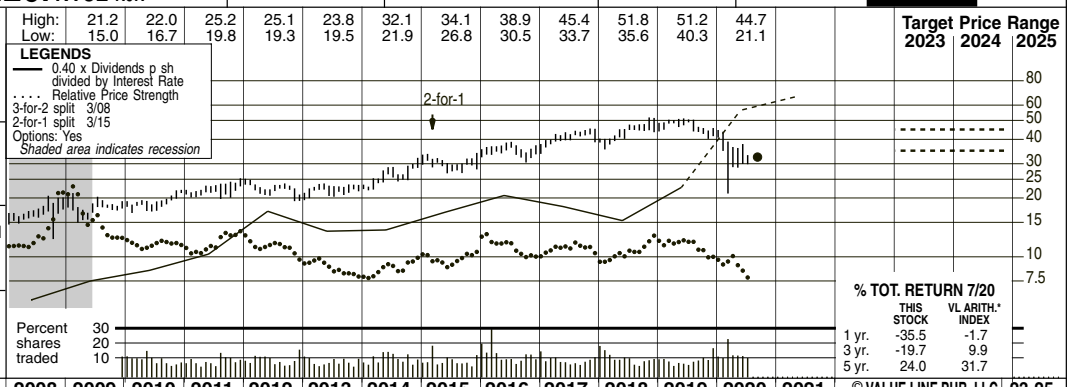
18-Month Target Price Range
Low-High: $25-$57 — Midpoint (% to Mid): $41 (25%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+40%)	12%
Low	35	(+10%)	6%

Institutional Decisions

	3Q2019	4Q2019	1Q2020
to Buy	125	169	123
to Sell	102	99	131
Hld's(000)	61471	67787	67063



% TOT. RETURN 7/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-35.5	-1.7
3 yr.	-19.7	9.9
5 yr.	24.0	31.7

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
30.44	38.10	39.81	36.31	45.37	31.17	32.05	36.30	27.08	38.38	44.40	32.09	21.90	26.28	33.24	29.01	**21.35**	**28.35**	Revenues per sh A	**30.05**
1.25	1.31	1.37	1.22	1.81	1.58	1.63	1.70	1.86	1.93	2.73	2.52	2.46	2.68	3.72	2.99	**2.90**	**3.30**	"Cash Flow" per sh	**3.55**
.85	.88	.93	.78	1.35	1.20	1.23	1.29	1.36	1.37	2.08	1.78	1.61	1.73	2.72	1.96	**1.90**	**2.25**	Earnings per sh B	**2.40**
.43	.45	.48	.51	.56	.62	.68	.72	.77	.81	.86	.93	.98	1.04	1.11	1.19	**1.27**	**1.34**	Div'ds Decl'd per sh C■	**1.57**
.72	.64	.64	.73	.86	.90	1.05	1.13	1.26	1.33	1.52	3.76	4.15	3.80	4.39	5.83	**4.70**	**4.10**	Cap'l Spending per sh	**4.00**
5.62	5.30	7.50	7.75	8.64	8.29	8.81	9.36	9.80	10.65	11.48	12.99	13.58	14.33	16.18	17.37	**20.50**	**21.65**	Book Value per sh D	**25.80**
83.22	82.64	82.88	83.22	84.12	83.17	82.35	82.89	83.05	83.32	84.20	85.19	85.88	86.32	87.69	89.34	**96.00**	**97.00**	Common Shs Outst'g E	**100.00**
15.3	16.8	16.1	21.6	12.3	14.9	15.0	16.8	16.8	16.0	11.7	16.6	21.3	22.4	15.6	24.3	*Bold figures are*		Avg Ann'l P/E Ratio	**17.0**
.81	.89	.87	1.15	.74	.99	.95	1.05	1.07	.90	.62	.84	1.12	1.13	.84	1.33	*Value Line*		Relative P/E Ratio	**.95**
3.3%	3.1%	3.2%	3.0%	3.3%	3.5%	3.7%	3.3%	3.4%	3.7%	3.5%	3.1%	2.9%	2.7%	2.6%	2.5%	*estimates*		Avg Ann'l Div'd Yield	**3.7%**

CAPITAL STRUCTURE as of 6/30/20
Total Debt $2243.6 mill. **Due in 5 Yrs** $420.5 mill.
LT Debt $1664.5 mill. **LT Interest** $47.1 mill.
Incl. $38.6 mill. capitalized leases.
(LT interest earned: 5.0x; total interest coverage: 5.0x)
Pension Assets-9/19 $372.6 mill. **Oblig.** $620.5 mill.
Pfd Stock None

Common Stock 95,930,191 shs. as of 8/5/20
MARKET CAP: $3.1 billion (Mid Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
2639.3	3009.2	2248.9	3198.1	3738.1	2734.0	1880.9	2268.6	2915.1	2592.0	**2050**	**2750**	Revenues ($mill) A	**3005**
101.8	106.5	112.4	113.7	176.9	153.7	138.1	149.4	240.5	175.0	**185**	**220**	Net Profit ($mill)	**240**
41.4%	30.2%	7.1%	25.4%	30.2%	26.3%	15.5%	17.2%	NMF	NMF	**15.0%**	**15.0%**	Income Tax Rate	**15.0%**
3.9%	3.5%	5.0%	3.6%	4.7%	5.6%	7.3%	6.6%	8.2%	6.7%	**8.9%**	**8.0%**	Net Profit Margin	**8.0%**
37.2%	35.5%	39.2%	36.6%	38.2%	43.2%	47.7%	44.6%	45.4%	49.8%	**44.5%**	**44.5%**	Long-Term Debt Ratio	**43.5%**
62.8%	64.5%	60.8%	63.4%	61.8%	56.8%	52.3%	55.4%	54.6%	50.2%	**55.5%**	**55.5%**	Common Equity Ratio	**56.5%**
1154.4	1203.1	1339.0	1400.3	1564.4	1950.6	2230.1	2233.7	2599.6	3088.9	**3500**	**3800**	Total Capital ($mill)	**4580**
1135.7	1295.9	1484.9	1643.1	1884.1	2128.3	2407.7	2609.7	2651.0	3041.2	**3800**	**3875**	Net Plant ($mill)	**4115**
9.7%	9.7%	9.2%	9.0%	12.1%	8.6%	6.9%	7.7%	10.1%	6.4%	**6.0%**	**6.5%**	Return on Total Cap'l	**6.0%**
14.0%	13.7%	13.8%	12.8%	18.3%	13.9%	11.8%	12.1%	16.9%	11.3%	**9.5%**	**10.5%**	Return on Shr. Equity	**9.5%**
14.0%	13.7%	13.8%	12.8%	18.3%	13.9%	11.8%	12.1%	16.9%	11.3%	**9.5%**	**10.5%**	Return on Com Equity	**9.5%**
6.7%	6.2%	6.2%	5.2%	11.0%	7.0%	4.8%	5.0%	10.2%	4.6%	**3.0%**	**4.5%**	Retained to Com Eq	**3.0%**
52%	55%	55%	59%	40%	50%	60%	59%	40%	59%	**67%**	**59%**	All Div'ds to Net Prof	**65%**

CURRENT POSITION ($MILL.)	2018	2019	6/30/20
Cash Assets	1.5	2.7	42.8
Other	768.6	508.9	478.3
Current Assets	770.1	511.6	521.1
Accts Payable	373.5	295.9	222.4
Debt Due	275.5	46.9	579.1
Other	101.9	103.6	100.8
Current Liab.	750.9	446.4	902.3
Fix. Chg. Cov.	545%	545%	550%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-2.5%	-4.0%	.5%
"Cash Flow"	7.5%	7.5%	2.0%
Earnings	7.0%	6.0%	2.0%
Dividends	7.0%	6.5%	6.0%
Book Value	7.0%	8.5%	8.5%

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) A Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2017	541.1	733.5	457.5	536.5	2268.6
2018	705.3	1019.0	543.4	647.3	2915.1
2019	811.8	866.3	434.9	479.1	2592.0
2020	615.0	639.6	299.0	**496.4**	**2050**
2021	**665**	**965**	**535**	**585**	**2750**

Fiscal Year Ends	EARNINGS PER SHARE A B Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2017	.47	1.21	.20	d.14	1.73
2018	1.53	1.61	d.09	d.33	2.72
2019	.61	1.27	d.20	.29	1.96
2020	.44	1.12	d.06	**.40**	**1.90**
2021	**.55**	**1.25**	**d.05**	**.50**	**2.25**

Cal-endar	QUARTERLY DIVIDENDS PAID C ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.24	.24	.24	.255	.98
2017	.255	.255	.255	.273	1.04
2018	.273	.273	.273	.2925	1.11
2019	.2925	.2925	.2925	.3125	1.19
2020	.3125	.3125	.3125		

BUSINESS: New Jersey Resources Corp. is a holding company providing retail/wholesale energy svcs. to customers in NJ, and in states from the Gulf Coast to New England, and Canada. New Jersey Natural Gas had 547,600 cust. at 9/30/19. Fiscal 2019 volume: 232 bill. cu. ft. (17% interruptible, 17% res., 9% commercial & elec. utility, 40% capacity release programs). N.J. Natural Energy subsidiary provides unregulated retail/wholesale natural gas and related energy svcs. 2019 dep. rate: 2.6%. Has 1,108 empls. Off./dir. own 1.3% of common; BlackRock, 13.9%; Vanguard, 10.4% (12/19 Proxy). CEO, President & Director: Steven D. Westhoven. Incorporated: New Jersey. Address: 1415 Wyckoff Road, Wall, NJ 07719. Telephone: 732-938-1480. Web: www.njresources.com.

New Jersey Resources posted mixed results for its fiscal third quarter (ended June 30th). To wit, the top line fell 31.2% on a year-over-year basis, to $299.0 million. This reflected a hefty, almost 85% drop in nonutility volumes, partially offset by a 6.4% rise in its utility business. Meanwhile, on the profitability front, total expenses increased 590 basis points as a percentage of revenues. All told, after excluding unrealized losses on derivative instruments and hedging activities, and accounting for a healthy uptick in the number of common shares outstanding, NJR's bottom line loss improved nearly 70%, to a deficit of $0.06 a share. This bested our call for a loss of $0.14.

We have raised our earnings outlook for fiscal 2020 (ends September 30th). The volume slump a the nonutility business will likely drag down NJR's overall top line. In fact, we think the retail and wholesale energy services provider will experience a roughly 20% drop in revenues this year, to $2.050 billion. This will largely reflect weakness at the Energy Services segment. Alternatively, the New Jersey Natural Gas (NJNG) regulated utility business appears poised to perform quite well this year. To that end, NJNG has added 5,879 new customer accounts over the first nine months of this fiscal year. What's more, management plans to add 28,000-30,000 new meters in the 2020-2022 time frame. In light of the recent stronger-than-anticipated earnings, we have added $0.40 to our bottom-line call, bringing that estimate to $1.90. Still, the challenging operating environment is weighing on New Jersey Resources' business mix. This is evident in our estimated annual earnings decline of about 3%.

The overall financial position is in good shape. So far this year, cash reserves swelled nearly 15-fold, to $42.8 million. At the same time, the long-term debt load ticked about 8.5% higher, and now represents a relatively normal 48% of total capital when viewed against other companies in this space.

At the recent quotation, shares of New Jersey Resources do not stand out. The stock market appears to have already priced in the earnings growth we envision for the pull to 2023-2025.

Bryan J. Fong *August 28, 2020*

(A) Fiscal year ends Sept. 30th.
(B) Diluted earnings. Qtly. sales and egs. may not sum to total due to rounding and change in shares outstanding. Next earnings report due early Nov.
(C) Dividends historically paid in early Jan., April, July, and October. ■ Dividend reinvestment plan available.
(D) Includes regulatory assets in 2019: $496.6 million, $5.56/share.
(E) In millions, adjusted for splits.

Company's Financial Strength	A+
Stock's Price Stability	85
Price Growth Persistence	70
Earnings Predictability	45

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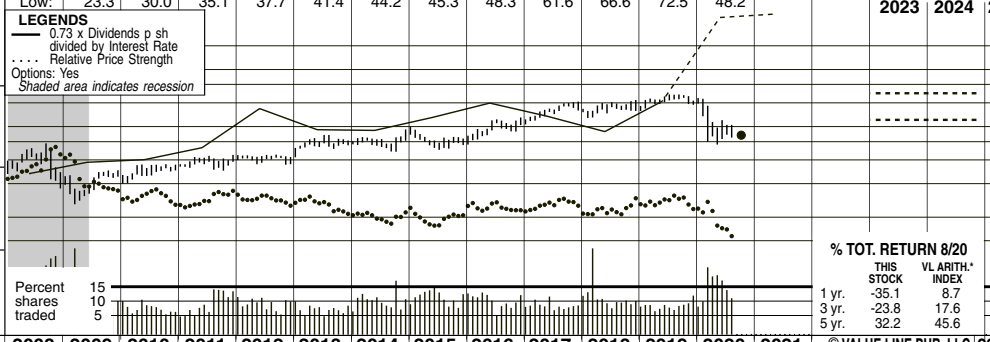
RECENT PRICE **53.96** | P/E RATIO **17.9** (Trailing: 16.9 Median: 18.0) | RELATIVE P/E RATIO **0.84** | DIV'D YLD **4.7%** | VALUE LINE

TIMELINESS 3 Lowered 4/5/19
SAFETY 2 New 10/1/04
TECHNICAL 3 Raised 9/11/20
BETA .85 (1.00 = Market)

High:	35.3	37.9	42.5	42.7	54.1	58.0	59.7	66.9	81.2	82.8	88.6	84.7
Low:	23.3	30.0	35.1	37.7	41.4	44.2	45.3	48.3	61.6	66.6	72.5	48.2

Target Price Range 2023 | 2024 | 2025

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



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$47-$104	$76 (40%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	90	(+65%)	17%
Low	65	(+20%)	9%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	158	124	141
to Sell	120	154	136
Hld's(000)	38235	38410	37540

Percent shares traded 15 10 5

% TOT. RETURN 8/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-35.1	8.7
3 yr.	-23.8	17.6
5 yr.	32.2	45.6

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
25.30	24.50	25.23	27.33	24.57	21.57	25.34	24.75	24.40	24.60	24.77	30.27	27.01	27.78	29.10	23.99	*21.05*	*22.35*	Revenues per sh	*25.00*
2.97	3.85	4.14	4.42	4.23	3.57	4.35	4.91	5.01	5.35	5.68	6.79	7.08	6.59	7.37	7.24	*7.10*	*7.70*	"Cash Flow" per sh	*9.25*
1.35	2.48	2.77	3.08	2.82	1.89	2.19	2.65	2.58	2.63	2.90	3.38	3.14	3.13	3.38	3.33	*3.10*	*3.50*	Earnings per sh A	*4.25*
.30	1.25	1.45	1.64	1.72	1.76	1.76	1.78	1.84	1.90	1.96	2.02	2.08	2.14	2.24	2.35	*2.47*	*2.58*	Div'd Decl'd per sh B ■ †	*2.90*
2.12	1.95	3.37	6.82	9.24	9.05	6.95	6.38	10.30	7.93	12.48	5.84	5.35	4.08	6.07	11.55	*14.80*	*11.20*	Cap'l Spending per sh	*3.25*
21.23	20.03	21.90	24.11	25.37	26.41	27.26	28.78	30.48	32.44	35.06	37.07	38.17	40.47	41.86	43.17	*46.35*	*47.75*	Book Value per sh C	*51.75*
29.70	30.10	30.40	30.80	32.60	35.20	35.80	37.50	39.40	41.40	45.90	49.10	49.60	51.10	51.50	51.70	*52.75*	*53.50*	Common Shs Outst'g D	*54.25*
25.2	17.9	16.5	14.8	13.9	16.1	16.0	14.7	15.9	18.6	17.2	15.1	18.6	23.0	22.2	24.7	*Bold figures are*		Avg Ann'l P/E Ratio	*18.5*
1.33	.95	.89	.79	.84	1.07	1.02	.92	1.01	1.05	.91	.76	.98	1.16	1.20	1.32	*Value Line*		Relative P/E Ratio	*1.05*
.9%	2.8%	3.2%	3.6%	4.4%	5.8%	5.0%	4.6%	4.5%	3.9%	3.9%	4.0%	3.6%	3.0%	3.0%	2.9%	*estimates*		Avg Ann'l Div'd Yield	*3.7%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $1890.7 mill. **Due in 5 Yrs** $562.6 mill.
LT Debt $1381.0 mill. **LT Interest** $60.1 mill.
(LT interest earned: 3.4x)

Leases, Uncapitalized Annual rentals $6.6 mill.

Pension Assets-12/19 $699.6 mill. **Oblig** $854.0 mill.

Pfd Stock None

Common Stock 51,880,664 shs.

MARKET CAP: $2.8 billion (Mid Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
907.0	928.2	961.2	1018.4	1136.8	1486.4	1339.7	1419.3	1498.6	1240.5	*1110*	*1195*	Revenues ($mill)	*1350*
75.3	93.8	97.1	104.7	124.8	163.4	155.3	159.2	174.1	172.4	*165*	*190*	Net Profit ($mill)	*230*
37.2%	27.6%	28.1%	21.5%	22.6%	19.4%	11.3%	14.8%	14.8%	NMF	*NMF*	*NMF*	Income Tax Rate	*NMF*
8.9%	2.7%	5.3%	4.4%	6.3%	2.0%	1.4%	.8%	.7%	1.3%	*2.0%*	*2.0%*	AFUDC % to Net Profit	*1.0%*
44.2%	44.3%	43.7%	44.6%	44.2%	46.3%	42.0%	41.0%	39.9%	38.6%	*41.0%*	*40.0%*	Long-Term Debt Ratio	*41.0%*
55.8%	55.7%	56.3%	55.4%	55.8%	53.7%	58.0%	59.0%	60.1%	61.4%	*59.0%*	*60.0%*	Common Equity Ratio	*59.0%*
1747.6	1937.2	2134.6	2425.9	2882.2	3388.9	3263.4	3507.4	3584.3	3632.8	*4145*	*4255*	Total Capital ($mill)	*4775*
1805.6	1982.7	2347.6	2576.5	3286.4	3669.1	3741.2	3822.4	3904.4	4377.0	*4945*	*5320*	Net Plant ($mill)	*5575*
5.4%	6.0%	5.6%	5.3%	5.2%	5.8%	5.8%	5.5%	5.8%	5.6%	*4.5%*	*5.5%*	Return on Total Cap'l	*6.0%*
7.7%	8.7%	8.1%	7.8%	7.8%	9.0%	8.2%	7.7%	8.1%	7.7%	*6.5%*	*7.5%*	Return on Shr. Equity	*8.0%*
7.7%	8.7%	8.1%	7.8%	7.8%	9.0%	8.2%	7.7%	8.1%	7.7%	*6.5%*	*7.5%*	Return on Com Equity E	*8.0%*
1.5%	2.9%	2.3%	2.2%	2.5%	3.6%	2.8%	2.4%	2.7%	2.3%	*1.5%*	*2.0%*	Retained to Com Eq	*2.5%*
81%	66%	71%	72%	67%	60%	66%	68%	66%	70%	*79%*	*73%*	All Div'ds to Net Prof	*68%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	+8.4	-.2	-1.5
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	1599	1589	1573
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	NA	NA	NA
Fixed Charge Cov. (%)	339	296	277

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	1.0%	2.0%	*-1.5%*
"Cash Flow"	5.5%	6.0%	*4.5%*
Earnings	2.5%	4.0%	*4.5%*
Dividends	3.0%	3.5%	*4.5%*
Book Value	5.0%	5.0%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2017	365.6	353.3	362.5	337.9	1419.3
2018	358.2	344.1	348.0	448.3	1498.6
2019	357.2	290.4	288.3	304.6	1240.5
2020	311.6	243.2	*275*	*280.2*	*1110*
2021	*325*	*285*	*285*	*300*	*1195*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2017	.97	.72	.88	.56	3.13
2018	.99	.61	.59	1.18	3.38
2019	1.18	.64	.60	.92	3.33
2020	1.28	.39	*.57*	*.86*	*3.10*
2021	*1.20*	*.70*	*.65*	*.95*	*3.50*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.52	.52	.52	.52	2.08
2017	.535	.535	.535	.535	2.14
2018	.56	.56	.56	.56	2.24
2019	.5875	.5875	.5875	.5875	2.35
2020	.6175	.6175	.6175		

BUSINESS: ALLETE, Inc. is the parent of Minnesota Power, which supplies electricity to 146,000 customers in northeastern MN, & Superior Water, Light & Power in northwestern WI. Electric rev. breakdown: taconite mining/processing, 26%; paper/wood products, 9%; other industrial, 8%; residential, 12%; commercial, 13%; wholesale, 16% other, 16%. ALLETE Clean Energy (ACE) owns renewable energy projects. Acq'd U.S. Water Services 2/15; sold it 3/19. Generating sources: coal & lignite, 30%; wind, 11%; other, 5%; purchased, 54%. Fuel costs: 31% of revs. '19 deprec. rate: 3.3%. Has 1,400 employees. Chairman: Alan R. Hodnik. President & CEO: Bethany M. Owen. Inc.: MN. Address: 30 West Superior St., Duluth, MN 55802-2093. Tel.: 218-279-5000. Internet: www.allete.com.

We expect an earnings decline for ALLETE in 2020. In the second quarter, the company took an aftertax charge of $8.3 million ($0.16 a share) for a refund to customers of previously collected revenues. This was part of an order that allowed the company's primary utility subsidiary, Minnesota Power, to effect a $25.5 million rate hike, effective May 1st. The utility may not file a rate application until November 1, 2021, unless specified conditions occur that permit it to file as early as March 1, 2021. (If and when Minnesota Power will file next year remains to be determined.) We *include* the $0.16-a-share charge in our earnings presentation. ALLETE's 2020 earnings guidance (on a GAAP basis) is $3.09-$3.29 a share. Note that management has cut expenses to offset the costs associated with the coronavirus.

There is mixed news on the state of the economy in the utility's service area. Most of Minnesota Power's large industrial customers expect to operate at full capacity for the remainder of 2020 (and will pay demand charges in accordance with this expectation). However, two plants (one taconite, one paper) remain shut indefinitely.

We think earnings will recover next year. The absence of the charge should be a key factor. We figure the economy will be in better condition in 2021, as well, although there is more uncertainty than usual in this regard.

ALLETE Clean Energy is building a large wind project in Oklahoma. The 300-megawatt, $450 million facility is expected to be completed by yearend. A similar project is planned for 2021. Note that ALLETE has a negative tax rate thanks to significant tax credits arising from this subsidiary's investments in renewable energy.

The price of ALLETE stock has fallen 34% this year. Investors are worried about the effects of the weak economy on Minnesota Power's heavily industrial service territory. This might well persist into 2021. The dividend yield is almost a percentage point above the utility mean. Total return potential is attractive for the next 18 months. For the 3- to 5-year period, total return potential is modest, but still better than that of most utility equities.

Paul E. Debbas, CFA *September 11, 2020*

(A) Diluted EPS. Excl. nonrec. gains (losses): '04, (25¢); '05, ($1.84); '15, (46¢); '17, 25¢; '19, 26¢; gain (losses) on disc. ops.: '04, $2.57, '05, (16¢); '06, (2¢). '18 & '19 EPS don't sum due to rounding. Next earnings report due early Nov. (B) Div'ds historically paid in early Mar., June, Sept. and Dec. ■ Div'd reinvest. plan avail. † Shareholder invest. plan avail. (C) Incl. deferred charges. In '19: $8.15/sh. (D) In mill. (E) Rate base: Orig. cost depr. Rate allowed in MN on com. eq. in '18: 9.25%; earned on avg. com. eq., '19: 7.9%. Regulatory Climate: Avg.

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

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AMER. STATES WATER NYSE-AWR

RECENT PRICE **74.33** | P/E RATIO **31.6** (Trailing: 32.6 Median: 22.0) | RELATIVE P/E RATIO **1.51** | DIV'D YLD **1.8%** | VALUE LINE

TIMELINESS 2 Lowered 10/9/20
SAFETY 2 Raised 7/20/12
TECHNICAL 4 Lowered 10/9/20
BETA .65 (1.00 = Market)

High:	19.4	19.8	18.2	24.1	33.1	38.7	44.1	47.2	58.4	69.6	96.0	96.6
Low:	14.9	15.6	15.3	17.0	24.0	27.0	35.8	37.3	41.1	50.1	63.3	65.1

Target Price Range 2023 | 2024 | 2025

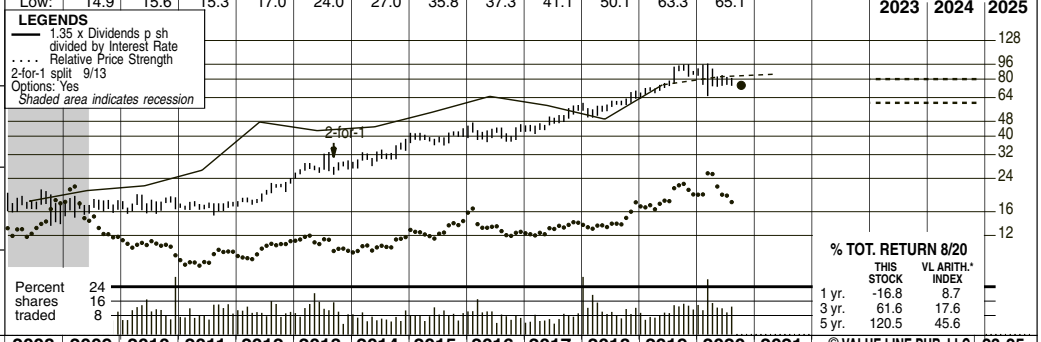
18-Month Target Price Range
Low-High: $64-$121 — Midpoint (% to Mid): $93 (25%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+10%)	4%
Low	60	(-20%)	-2%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	137	125	135
to Sell	145	166	129
Hld's(000)	26734	26162	25635



% TOT. RETURN 8/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-16.8	8.7
3 yr.	61.6	17.6
5 yr.	120.5	45.6

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
6.81	7.03	7.88	8.75	9.21	9.74	10.71	11.12	12.12	12.19	12.17	12.56	11.92	12.01	11.88	12.86	*13.10*	*13.40*	Revenues per sh	*16.40*
1.11	1.32	1.45	1.65	1.69	1.70	2.11	2.13	2.48	2.65	2.67	2.81	2.70	2.96	2.84	3.26	*3.30*	*3.60*	"Cash Flow" per sh	*4.50*
.53	.66	.67	.81	.78	.81	1.11	1.12	1.41	1.61	1.57	1.61	1.62	1.88	1.72	2.28	*2.30*	*2.45*	Earnings per sh A	*2.90*
.44	.45	.46	.48	.50	.51	.52	.55	.64	.76	.83	.87	.91	.99	1.06	1.16	*1.28*	*1.40*	Div'd Decl'd per sh B■	*1.85*
2.51	2.12	1.95	1.45	2.23	2.09	2.12	2.13	1.77	2.52	1.89	2.39	3.55	3.08	3.44	4.12	*3.60*	*3.50*	Cap'l Spending per sh	*3.75*
7.51	7.86	8.32	8.77	8.97	9.70	10.13	10.84	11.80	12.72	13.24	12.77	13.52	14.45	15.19	16.33	*17.15*	*18.10*	Book Value per sh D	*21.35*
33.50	33.60	34.10	34.46	34.60	37.06	37.26	37.70	38.53	38.72	38.29	36.50	36.57	36.68	36.76	36.85	*37.00*	*37.25*	Common Shs Outst'g C	*37.50*
23.2	21.9	27.7	24.0	22.6	21.2	15.7	15.4	14.3	17.2	20.1	24.6	25.6	25.7	34.0	34.4	*Bold figures are*		Avg Ann'l P/E Ratio	*23.5*
1.23	1.17	1.50	1.27	1.36	1.41	1.00	.97	.91	.97	1.06	1.24	1.34	1.29	1.84	1.87	*Value Line*		Relative P/E Ratio	*1.30*
3.6%	3.1%	2.5%	2.5%	2.9%	2.9%	3.0%	3.2%	3.1%	2.7%	2.6%	2.2%	2.2%	2.0%	1.8%	1.5%	*estimates*		Avg Ann'l Div'd Yield	*2.6%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $330.3 mill. **Due in 5 Yrs** $6.9 mill.
LT Debt $280.9 mill. **LT Interest** $24.5 mill.
(31% of Cap'l)

Leases, Uncapitalized: Annual rentals $2.7 mill.
Pension Assets-12/19 $192.5 mill. **Oblig.** $231.9 mill.
Pfd Stock None

Common Stock 36,883,874 shs.
as of 7/30/20

MARKET CAP: $2.7 billion (Mid Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
398.9	419.3	466.9	472.1	465.8	458.6	436.1	440.6	436.8	473.9	*485*	*500*	Revenues ($mill)	*615*
41.4	42.0	54.1	62.7	61.1	60.5	59.7	69.4	63.9	84.3	*85.0*	*90.0*	Net Profit ($mill)	*110*
43.2%	41.7%	39.9%	36.3%	38.4%	38.4%	36.8%	36.0%	22.0%	22.6%	*23.0%*	*23.0%*	Income Tax Rate	*23.0%*
5.8%	2.0%	2.5%	- -	- -	- -	- -	- -	2.5%	- -	*1.0%*	*1.0%*	AFUDC % to Net Profit	*1.0%*
44.3%	45.4%	42.2%	39.8%	39.1%	41.1%	39.4%	38.0%	40.5%	44.4%	*46.0%*	*47.0%*	Long-Term Debt Ratio	*49.5%*
55.7%	54.6%	57.8%	60.2%	60.9%	58.9%	60.6%	62.0%	59.5%	55.6%	*54.0%*	*53.0%*	Common Equity Ratio	*51.5%*
677.4	749.1	787.0	818.4	832.6	791.5	815.3	854.9	938.4	1082.5	*1180*	*1275*	Total Capital ($mill)	*1565*
855.0	896.5	917.8	981.5	1003.5	1060.8	1150.9	1205.0	1296.3	1415.7	*1485*	*1590*	Net Plant ($mill)	*1780*
7.6%	7.1%	8.3%	8.9%	8.6%	9.0%	8.6%	9.3%	7.9%	8.9%	*8.0%*	*8.0%*	Return on Total Cap'l	*8.5%*
11.0%	10.3%	11.9%	12.7%	12.0%	13.0%	12.1%	13.1%	11.4%	14.0%	*13.0%*	*13.5%*	Return on Shr. Equity	*14.0%*
11.0%	10.3%	11.9%	12.7%	12.0%	13.0%	12.1%	13.1%	11.4%	14.0%	*13.0%*	*13.5%*	Return on Com Equity	*14.0%*
5.8%	5.3%	6.6%	6.8%	5.7%	6.0%	5.3%	6.2%	4.5%	6.9%	*6.0%*	*6.0%*	Retained to Com Eq	*5.0%*
47%	49%	45%	47%	53%	54%	56%	52%	61%	51%	*56%*	*56%*	All Div'ds to Net Prof	*64%*

CURRENT POSITION ($MILL.)	2018	2019	6/30/20
Cash Assets	7.1	1.3	6.5
Accts Receivable	23.4	20.9	30.4
Other	101.0	100.3	100.1
Current Assets	131.5	122.5	137.0
Accts Payable	59.5	55.6	51.8
Debt Due	40.3	5.3	49.4
Other	46.8	55.1	57.5
Current Liab.	146.6	116.0	158.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	3.0%	- -	*5.0%*
"Cash Flow"	6.0%	3.0%	*7.0%*
Earnings	9.5%	5.0%	*6.5%*
Dividends	8.0%	7.5%	*9.5%*
Book Value	5.5%	4.0%	*5.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2017	98.8	113.2	124.4	104.2	440.6
2018	94.7	106.9	124.2	111.0	436.8
2019	101.7	124.7	134.5	113.0	473.9
2020	109.1	121.3	*139.6*	*115*	*485*
2021	*110*	*125*	*145*	*120*	*500*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2017	.34	.62	.57	.35	1.88
2018	.29	.44	.62	.37	1.72
2019	.35	.72	.76	.45	2.28
2020	.38	.69	*.73*	*.50*	*2.30*
2021	*.43*	*.72*	*.75*	*.55*	*2.45*

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.224	.224	.224	.242	.91
2017	.242	.242	.255	.255	.99
2018	.255	.255	.275	.275	1.06
2019	.275	.275	.305	.305	1.16
2020	.305	.305	.335		

BUSINESS: American States Water Co. operates as a holding company. Through its principal subsidiary, Golden State Water Co., it supplies water to 260,708 customers in 10 California counties. Service areas include the metropolitan areas of Los Angeles and Orange Counties. The company also provides electricity to 24,420 customers in Big Bear Lake and San Bernardino Cnty. Provides water & wastewater services to U.S. military bases through its ASUS subsidiary. Sold Chaparral City Wtr. of AZ. (6/11). Employs 841. BlackRock, Inc. owns 15.9% of out. shares; Vanguard, 11.9%; off. & dir. 1.0%. (4/20 Proxy). Chairman: Lloyd Ross. Pres. & CEO: Robert Sprowls. Inc: CA. Address: 630 East Foothill Blvd., San Dimas, CA 91773. Tel: 909-394-3600. Internet: www.aswater.com.

American States Water recently raised its dividend by more than we had anticipated. In the third quarter, the water utility hiked the quarterly payout almost 10%. This represented one of the largest increases in the entire industry. What's more, with a dividend-to-net profit ratio that is considered low for this group, there is ample room for growth in the distribution in the years ahead. We think annual increases of close to double digits are possible through mid-decade.

Golden State Water is doing well, despite problems in its home state. The second-quarter year-over-year earnings comparison was much better than it appeared, as the company recorded a large one-time gain in the 2019 period. As California deals with the impact of the coronavirus and wildfires, the utility is operating smoothly as the demand for water typically remains stable whether the economy is booming or in a recession, as is the case now.

Our earnings estimates are unchanged, once again. As we often point out, one of the main advantages of a water utility is the predictable nature of its income stream. Hence, we are still looking for share earnings of $2.30 and $2.45 for 2020 and 2021, respectively.

Nonregulated operations should be a key driver of long-term growth. Though its ASUS subsidiary, American States provides water services to U.S. Army bases around the country. As the military continues to privatize its water systems, we expect the company to win its fair share of the 50-year contracts. Responsible for over 17% of net profits last quarter, this percentage should continue to trend higher. Also, profitability in this sector is not capped like it is in the regulated business.

Short-term investors might find these shares attractive. For starters, the equity is expected to outperform the market averages in the year ahead. What's more, during this period of economic and political uncertainty, the utility has very well-defined prospects. As usual, a premium will have to be paid to own stock in this space. Also, as is the case with most utilities, AWR's total return prospects out to 2023-2025 are not impressive.

James A. Flood *October 9, 2020*

(A) Primary earnings. Excludes nonrecurring gains/(losses): '04, 7¢; '05, 13¢; '06, 3¢; '08, (14¢); '10, (23¢); '11, 10¢. Next earnings report due early November.
(B) Dividends historically paid in early March, June, September, and December. ■ Div'd reinvestment plan available.
(C) In millions, adjusted for split.
(D) Includes intangibles. As of 12/31/19; $1.1 million/$0.04 a share.

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

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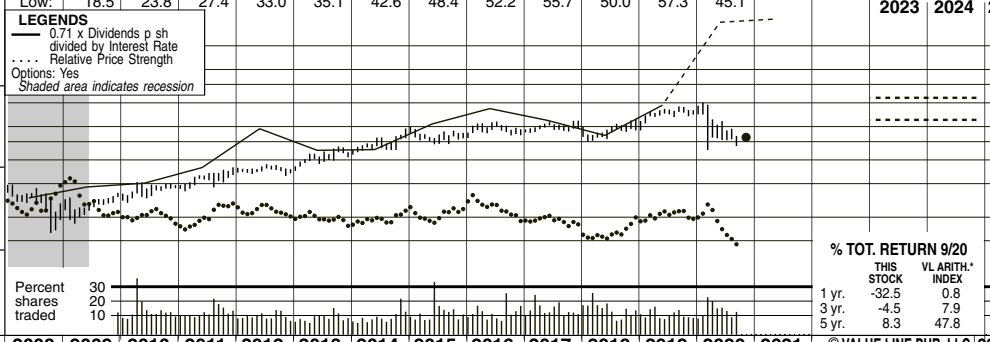
NORTHWESTERN NDQ-NWE

RECENT PRICE **52.69** | P/E RATIO **15.3** (Trailing: 17.4 Median: 17.0) | RELATIVE P/E RATIO **0.70** | DIV'D YLD **4.7%** | VALUE LINE

TIMELINESS 4 Lowered 10/23/20
SAFETY 2 Raised 7/27/18
TECHNICAL 3 Raised 10/23/20
BETA .90 (1.00 = Market)

High:	26.8	30.6	36.6	38.0	47.2	58.7	59.7	63.8	64.5	65.7	76.7	80.5
Low:	18.5	23.8	27.4	33.0	35.1	42.6	48.4	52.2	55.7	50.0	57.3	45.1

Target Price Range 2023 | 2024 | 2025



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$43-$99	$71 (35%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(+60%)	*16%*
Low	65	(+25%)	*10%*

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	127	127	143
to Sell	133	144	137
Hld's(000)	49394	48390	48127

% TOT. RETURN 9/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-32.5	0.8
3 yr.	-4.5	7.9
5 yr.	8.3	47.8

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
29.18	32.57	31.49	30.79	35.09	31.72	30.66	30.80	28.76	29.80	25.68	25.21	26.01	26.45	23.81	24.93	*24.05*	*24.55*	Revenues per sh	*27.25*
3.20	4.00	3.62	3.70	4.40	4.62	4.76	5.42	5.18	5.45	5.39	5.92	6.74	6.76	6.96	7.07	*7.05*	*7.35*	"Cash Flow" per sh	*8.50*
d14.32	1.71	1.31	1.44	1.77	2.02	2.14	2.53	2.26	2.46	2.99	2.90	3.39	3.34	3.40	3.53	*3.30*	*3.50*	Earnings per sh A	*4.00*
- -	1.00	1.24	1.28	1.32	1.34	1.36	1.44	1.48	1.52	1.60	1.92	2.00	2.10	2.20	2.30	*2.40*	*2.50*	Div'd Decl'd per sh B ■ †	*2.80*
2.25	2.26	2.81	3.00	3.47	5.26	6.30	5.20	5.89	5.95	5.76	5.89	5.96	5.60	5.64	6.26	*7.90*	*7.85*	Cap'l Spending per sh	*6.00*
19.92	20.60	20.65	21.12	21.25	21.86	22.64	23.68	25.09	26.60	31.50	33.22	34.68	36.44	38.60	40.42	*41.80*	*43.00*	Book Value per sh C	*46.00*
35.60	35.79	35.97	38.97	35.93	36.00	36.23	36.28	37.22	38.75	46.91	48.17	48.33	49.37	50.32	50.45	*50.50*	*51.50*	Common Shs Outst'g D	*53.00*
- -	17.1	26.0	21.7	13.9	11.5	12.9	12.6	15.7	16.9	16.2	18.4	17.2	17.8	16.8	19.9	*Bold figures are*		Avg Ann'l P/E Ratio	*19.0*
- -	.91	1.40	1.15	.84	.77	.82	.79	1.00	.95	.85	.93	.90	.90	.91	1.06	*Value Line*		Relative P/E Ratio	*1.05*
- -	3.4%	3.6%	4.1%	5.4%	5.7%	4.9%	4.5%	4.2%	3.7%	3.3%	3.6%	3.4%	3.5%	3.9%	3.3%	*estimates*		Avg Ann'l Div'd Yield	*3.7%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $2276.5 mill. **Due in 5 Yrs** $548.1 mill.
LT Debt $2173.9 mill. **LT Interest** $79.7 mill.
Incl. $16.2 mill. capitalized leases.
(LT interest earned: 2.7x)

Pension Assets-12/19 $609.0 mill. **Oblig** $735.6 mill.

Pfd Stock None

Common Stock 50,576,049 shs. **as of 7/24/20**

MARKET CAP: $2.7 billion (Mid Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
1110.7	1117.3	1070.3	1154.5	1204.9	1214.3	1257.2	1305.7	1198.1	1257.9	*1215*	*1265*	Revenues ($mill)	*1450*
77.4	92.6	83.7	94.0	120.7	138.4	164.2	162.7	171.1	179.3	*170*	*180*	Net Profit ($mill)	*215*
25.0%	9.8%	9.6%	13.2%	- -	13.7%	- -	7.6%	7.6%	1.6%	*NMF*	*Nil*	Income Tax Rate	*10.0%*
14.2%	3.3%	9.4%	8.7%	8.9%	9.8%	4.3%	5.2%	3.4%	4.6%	*6.0%*	*6.0%*	AFUDC % to Net Profit	*4.0%*
57.2%	52.2%	53.8%	53.5%	53.4%	53.1%	52.0%	50.2%	52.2%	52.5%	*49.0%*	*51.0%*	Long-Term Debt Ratio	*49.5%*
42.8%	47.8%	46.2%	46.5%	46.6%	46.9%	48.0%	49.8%	47.8%	47.5%	*51.0%*	*49.0%*	Common Equity Ratio	*50.5%*
1916.4	1797.1	2020.7	2215.7	3168.0	3408.6	3493.9	3614.5	4064.6	4289.8	*4120*	*4520*	Total Capital ($mill)	*4850*
2118.0	2213.3	2435.6	2690.1	3758.0	4059.5	4214.9	4358.3	4521.3	4700.9	*4910*	*5115*	Net Plant ($mill)	*5500*
5.9%	7.0%	5.5%	5.5%	4.8%	5.2%	5.9%	5.6%	5.2%	5.2%	*5.0%*	*5.0%*	Return on Total Cap'l	*5.5%*
9.4%	10.8%	9.0%	9.1%	8.2%	8.6%	9.8%	9.0%	8.8%	8.8%	*8.0%*	*8.0%*	Return on Shr. Equity	*8.5%*
9.4%	10.8%	9.0%	9.1%	8.2%	8.6%	9.8%	9.0%	8.8%	8.8%	*8.0%*	*8.0%*	Return on Com Equity E	*8.5%*
3.5%	4.7%	3.2%	3.5%	3.8%	3.0%	4.1%	3.4%	3.2%	3.1%	*2.0%*	*2.5%*	Retained to Com Eq	*2.5%*
63%	56%	65%	61%	54%	65%	58%	62%	64%	64%	*72%*	*71%*	All Div'ds to Net Prof	*69%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	+3.8	+2.9	+4.6
Avg. Indust. Use (MWH)	30987	34573	37808
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	2133	2173	2237
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.3	+1.2	+1.2
Fixed Charge Cov. (%)	275	275	284

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-2.5%	-2.0%	*1.5%*
"Cash Flow"	5.0%	5.5%	*3.5%*
Earnings	7.0%	6.0%	*2.5%*
Dividends	5.5%	7.5%	*4.0%*
Book Value	6.0%	7.0%	*3.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	367.3	283.9	309.9	344.6	1305.7
2018	341.5	261.8	279.9	314.9	1198.1
2019	384.2	270.7	274.8	328.2	1257.9
2020	335.3	269.4	*290*	*320.3*	*1215*
2021	*355*	*285*	*295*	*330*	*1265*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1.17	.44	.75	.98	3.34
2018	1.18	.61	.56	1.06	3.40
2019	1.44	.49	.42	1.18	3.53
2020	1.00	.43	*.66*	*1.21*	*3.30*
2021	*1.15*	*.50*	*.65*	*1.20*	*3.50*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.50	.50	.50	.50	2.00
2017	.525	.525	.525	.525	2.10
2018	.55	.55	.55	.55	2.20
2019	.575	.575	.575	.575	2.30
2020	.60	.60	.60		

BUSINESS: NorthWestern Corporation (doing business as NorthWestern Energy) supplies electricity & gas in the Upper Midwest and Northwest, serving 443,000 electric customers in Montana and South Dakota and 292,000 gas customers in Montana (85% of gross margin), South Dakota (14%), and Nebraska (1%). Electric revenue breakdown: residential, 39%; commercial, 47%; industrial, 4%; other, 10%. Generating sources: hydro, 34%; coal, 28%; wind, 5%; other, 3%; purchased, 30%. Fuel costs: 25% of revenues. '19 reported deprec. rate: 2.8%. Has 1,500 employees. Chairman: Stephen P. Adik. President & CEO: Robert C. Rowe. Inc.: Delaware. Address: 3010 West 69th Street, Sioux Falls, South Dakota 57108. Tel.: 605-978-2900. Internet: www.northwesternenergy.com.

NorthWestern's earnings are likely to decline in 2020. First-quarter profits fell well below the previous year's tally (and management's expectation) due to some unusual costs and mild winter weather patterns. The effects of the recession on commercial and industrial kilowatt-hour sales and coronavirus-related expenses are other factors; in fact, the company reduced its guidance by $0.15 a share upon reporting first-quarter results in late April. Our 2020 earnings estimate remains at the low end of NorthWestern's targeted range of $3.30-$3.45.

We expect an earnings recovery in 2021. The economy should be in much-better shape, especially since NorthWestern's service area wasn't hit as hard as many other areas by the coronavirus. Also, we assume normal weather conditions in the first quarter. We are sticking with our estimate of $3.50 a share. This would produce a profit increase of 6%.

The utility is adding generating capacity. NorthWestern is spending $80 million to build a 60-megawatt gas-fired facility in South Dakota. This is expected to be completed by the end of 2021. The company has agreed to pay 50 cents to a utility for a 92.5 megawatt stake (12.5%) in a coal-fired unit in Montana. NorthWestern would sell 45 mw of power back to that utility and use the remaining capacity to serve its customers. Finally, by early 2021 the company expects to select the winning project(s) for 280 mw of peaking and intermediate capacity in Montana that would be available in early 2023. NorthWestern does not want to have too much exposure to the vagaries of the purchased-power markets. Currently, the utility has more exposure to purchased power than other companies in the region.

NorthWestern stock is untimely, but has an attractive dividend yield. This is about one percentage point above the utility average. The equity has underperformed most utility issues in 2020, having fallen 26%, as the market was disappointed with the cut in earnings guidance. Total return potential is attractive for the next 18 months and respectable for the 3- to 5-year period. We project a continuation of steady dividend growth through mid-decade.

Paul E. Debbas, CFA *October 23, 2020*

(A) Diluted EPS. Excl. gain (loss) on disc. ops.: '05, (6¢); '06, 1¢; nonrec. gains: '12, 39¢ net; '15, 27¢; '18, 52¢; '19, 45¢. '18 EPS don't sum due to rounding. Next earnings report due mid-Feb. (B) Div'ds historically paid in late Mar., June, Sept. & Dec. ■ Div'd reinvestment plan avail. (C) Incl. def'd charges. In '19: $16.68/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in MT in '19 (elec.): 9.65%; in '17 (gas): 9.55%; in SD in '15: none spec.; in NE in '07: 10.4%; earned on avg. com. eq., '19: 9.0%. Reg. Climate: Below Avg.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	70
Earnings Predictability	85

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AVISTA CORP. NYSE-AVA

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
35.71	18.5	(Trailing: 19.7) (Median: 17.0)	0.84	4.7%	VALUE LINE

TIMELINESS 3 New 12/14/18
SAFETY 2 Raised 5/7/10
TECHNICAL 3 Lowered 6/12/20
BETA .90 (1.00 = Market)

High:	22.4	22.8	26.5	28.0	29.3	37.4	38.3	45.2	52.8	52.9	49.5	53.0
Low:	12.7	18.5	21.1	22.8	24.1	27.7	29.8	34.3	37.8	41.9	39.8	32.1

Target Price Range
2023 | 2024 | 2025

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

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$26-$63	$45 (25%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+70%)	17%
Low	45	(+25%)	10%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	121	122	109
to Sell	120	128	130
Hld's(000)	54694	53448	51645

Percent shares traded 18 12 6

% TOT. RETURN 9/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-27.4	0.8
3 yr.	-27.7	7.9
5 yr.	20.6	47.8

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
23.76	27.98	28.68	26.80	30.77	27.58	27.29	27.73	25.86	26.94	23.66	23.83	22.47	22.08	21.27	20.03	*18.85*	*19.30*	Revenues per sh	*20.50*
2.35	2.72	4.27	2.93	3.98	4.45	3.62	3.78	3.70	4.36	4.36	4.92	5.30	4.87	5.01	6.06	*5.10*	*5.40*	"Cash Flow" per sh	*6.25*
.73	.92	1.47	.72	1.36	1.58	1.65	1.72	1.32	1.85	1.84	1.89	2.15	1.95	2.07	2.97	*1.85*	*2.10*	Earnings per sh A	*2.50*
.52	.55	.57	.60	.69	.81	1.00	1.10	1.16	1.22	1.27	1.32	1.37	1.43	1.49	1.55	*1.62*	*1.68*	Div'd Decl'd per sh B ■	*1.90*
2.47	3.23	3.14	4.04	4.09	3.86	3.64	4.20	4.61	5.05	5.47	6.46	6.34	6.30	6.46	6.59	*6.15*	*6.05*	Cap'l Spending per sh	*6.00*
15.54	15.87	17.46	17.27	18.30	19.17	19.71	20.30	21.06	21.61	23.84	24.53	25.69	26.41	26.99	28.87	*29.35*	*29.90*	Book Value per sh C	*32.00*
48.47	48.59	52.51	52.91	54.49	54.84	57.12	58.42	59.81	60.08	62.24	62.31	64.19	65.49	65.69	67.18	*69.00*	*70.00*	Common Shs Outst'g D	*73.00*
24.4	19.4	15.4	30.9	15.0	11.4	12.7	14.1	19.3	14.6	17.3	17.6	18.8	23.4	24.5	15.0	*Bold figures are*		Avg Ann'l P/E Ratio	*20.5*
1.29	1.03	.83	1.64	.90	.76	.81	.88	1.23	.82	.91	.89	.99	1.18	1.32	.80	*Value Line*		Relative P/E Ratio	*1.15*
2.9%	3.0%	2.5%	2.7%	3.4%	4.5%	4.8%	4.5%	4.6%	4.5%	4.0%	4.0%	3.4%	3.1%	2.9%	3.5%	*estimates*		Avg Ann'l Div'd Yield	*3.7%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $2268.7 mill. **Due in 5 Yrs** $651.5 mill.
LT Debt $1895.7 mill. **LT Interest** $86.9 mill.
Incl. $51.5 mill. debt to affiliated trusts; $54.5 mill. capitalized leases.
(LT interest earned: 2.4x)
Leases, Uncapitalized Annual rentals $4.4 mill.
Pension Assets-12/19 $642.1 mill. **Oblig** $742.4 mill.
Pfd Stock None

Common Stock 67,914,755 shs.
as of 7/31/20
MARKET CAP: $2.4 billion (Mid Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
1558.7	1619.8	1547.0	1618.5	1472.6	1484.8	1442.5	1445.9	1396.9	1345.6	*1300*	*1350*	Revenues ($mill)	*1500*
92.4	100.2	78.2	111.1	114.2	118.1	137.2	126.1	136.4	197.0	*125*	*145*	Net Profit ($mill)	*185*
35.0%	35.4%	34.4%	36.0%	37.6%	36.3%	36.3%	36.5%	16.0%	13.8%	*8.0%*	*14.0%*	Income Tax Rate	*14.0%*
4.0%	5.2%	8.3%	8.8%	11.1%	10.1%	8.1%	7.9%	7.7%	5.5%	*9.0%*	*8.0%*	AFUDC % to Net Profit	*6.0%*
51.6%	51.4%	50.8%	51.4%	51.0%	50.0%	51.2%	47.2%	50.5%	49.4%	*50.5%*	*49.5%*	Long-Term Debt Ratio	*50.5%*
48.4%	48.6%	49.2%	48.6%	49.0%	50.0%	48.8%	52.8%	49.5%	50.6%	*49.5%*	*50.5%*	Common Equity Ratio	*49.5%*
2325.3	2439.9	2561.2	2669.7	3027.3	3060.3	3379.0	3273.2	3580.3	3834.6	*4085*	*4135*	Total Capital ($mill)	*4750*
2714.2	2860.8	3023.7	3202.4	3620.0	3898.6	4147.5	4398.8	4648.9	4797.0	*4995*	*5190*	Net Plant ($mill)	*5700*
5.4%	5.5%	4.3%	5.4%	4.9%	5.1%	5.3%	5.0%	4.8%	6.2%	*4.0%*	*4.5%*	Return on Total Cap'l	*5.0%*
8.2%	8.5%	6.2%	8.6%	7.7%	7.7%	8.3%	7.3%	7.7%	10.2%	*6.0%*	*7.0%*	Return on Shr. Equity	*8.0%*
8.2%	8.5%	6.2%	8.6%	7.7%	7.7%	8.3%	7.3%	7.7%	10.2%	*6.0%*	*7.0%*	Return on Com Equity E	*8.0%*
3.3%	3.1%	.8%	2.9%	2.4%	2.3%	3.0%	1.9%	2.2%	4.9%	*.5%*	*1.5%*	Retained to Com Eq	*2.0%*
60%	64%	88%	66%	69%	70%	64%	73%	72%	52%	*88%*	*80%*	All Div'ds to Net Prof	*75%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	+4.7	-3.7	+.2
Avg. Indust. Use (MWH)	1367	1344	1296
Avg. Indust. Revs. per KWH (¢)	6.11	6.20	6.26
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw) F	1681	1716	1656
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.2	+1.4	+1.3
Fixed Charge Cov. (%)	296	259	202

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-3.0%	-3.5%	*-.5%*
"Cash Flow"	3.5%	5.0%	*2.5%*
Earnings	6.5%	7.0%	*1.0%*
Dividends	8.0%	4.0%	*4.0%*
Book Value	4.0%	4.5%	*2.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	436.5	314.5	297.1	397.8	1445.9
2018	409.4	319.3	296.0	372.2	1396.9
2019	396.5	300.8	283.8	364.5	1345.6
2020	390.2	278.6	*276.2*	*355*	*1300*
2021	*400*	*300*	*280*	*370*	*1350*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.96	.34	.07	.58	1.95
2018	.83	.39	.15	.70	2.07
2019	1.76	.38	.08	.76	2.97
2020	.72	.26	*.10*	*.77*	*1.85*
2021	*.80*	*.40*	*.10*	*.80*	*2.10*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.3425	.3425	.3425	.3425	1.37
2017	.3575	.3575	.3575	.3575	1.43
2018	.3725	.3725	.3725	.3725	1.49
2019	.3875	.3875	.3875	.3875	1.55
2020	.405	.405	.405		

BUSINESS: Avista Corporation (formerly The Washington Water Power Company) supplies electricity & gas in eastern Washington & northern Idaho. Supplies electricity to part of Alaska & gas to part of Oregon. Customers: 410,000 electric, 361,000 gas. Acq'd Alaska Electric Light and Power 7/14. Sold Ecova energy-management sub. 6/14. Electric rev. breakdown: residential, 39%; commercial, 33%; industrial, 11%; wholesale, 8%; other, 9%. Generating sources: gas & coal, 34%; hydro, 30%; purch., 36%. Fuel costs: 33% of revs. '19 reported depr. rate (Avista Utilities): 3.3%. Has 1,900 employees. Chairman: Scott L. Morris. Pres. & CEO: Dennis Vermillion. Inc.: WA. Address: 1411 E. Mission Ave., Spokane, WA 99202-2600. Tel.: 509-489-0500. Internet: www.avistacorp.com.

Avista has reached a settlement in a general rate case, and two more applications are upcoming. The utility asked the Oregon commission for an increase of $6.8 million, based on a return on equity of 9.9% and a common-equity ratio of 50%. Avista reached a settlement with the commission's staff calling for a hike of $4.4 million, based on a 9.4% ROE and a 50% common-equity ratio. If this is approved by the state regulators, new tariffs will take effect on January 15th. In the current quarter, the company plans to file applications in Washington and Idaho. These cases were delayed due to the effects of the recession on Avista's customers. A case is Alaska is possible in 2021. Regulatory lag has been a problem for Avista for several years, and will likely continue to be troublesome until 2023.

Earnings will probably decline in 2020, over and above the tough comparison in the first quarter. In the first period of 2019, Avista booked a $1.01-a-share gain from a termination fee it received after a proposed takeover of the company fell through. The effects of the recession will hurt profits modestly this year (both at the utility and Avista's non-utility investments), despite cost-cutting measures management has taken as a result of this. The Idaho commission has allowed Avista to defer for future recovery its coronavirus-related expenses, and the company is seeking the same treatment in Washington and Oregon. Our estimate is at the midpoint of Avista's targeted range of $1.75-$1.95 a share. The stock price has declined over 20% this year due to the company's cutting of its original earnings guidance.

We expect profits to be much improved in 2021. The economy should be better. Avista will benefit from almost a full year of rate relief in Oregon and (presumably) partial years of increases in Washington and Idaho. Our estimate of $2.10 a share would produce a low double-digit bottom-line increase.

This stock is appealing for income-oriented investors. The dividend yield is above the utility average. Total return potential is attractive for the next 18 months and about average for the 3- to 5-year period.

Paul E. Debbas, CFA *October 23, 2020*

(A) Diluted EPS. Excl. nonrec. gain (loss): '14, 9¢; '17, (16¢); gains on disc. ops.: '14, $1.17; '15, 8¢. '19 EPS don't sum due to rounding. Next earnings report due early Nov. **(B)** Div'ds paid in mid-Mar., June, Sept. & Dec. ■ Div'd reinvestment plan avail. **(C)** Incl. deferred chgs. In '19: $10.77/sh. **(D)** In mill. **(E)** Rate base: Net orig. cost. Rate all'd on com. eq. in WA in '20: 9.4%; in ID in '17: 9.5%; in OR in '17: 9.4%; earned on avg. com. eq., '19: 10.6%. Regulatory Climate: WA, Below Average; ID, Above Average. **(F)** Winter peak in '17.

Company's Financial Strength	B++
Stock's Price Stability	70
Price Growth Persistence	75
Earnings Predictability	60

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SOUTH JERSEY INDS. NYSE-SJI

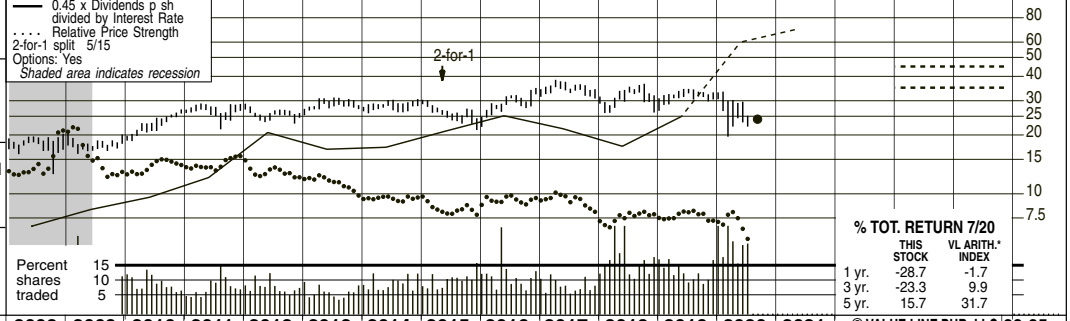
RECENT PRICE **24.14** | P/E RATIO **15.6** (Trailing: 18.6 / Median: 19.0) | RELATIVE P/E RATIO **0.71** | DIV'D YLD **5.1%** | VALUE LINE

TIMELINESS 3 Lowered 7/20/18
SAFETY 3 Lowered 8/28/20
TECHNICAL 3 Raised 4/24/20
BETA 1.00 (1.00 = Market)

High:	20.4	27.1	29.0	29.0	31.1	30.6	30.4	34.8	38.4	36.7	34.5	33.4
Low:	16.0	18.6	21.4	22.9	25.3	25.9	21.2	22.1	30.8	26.0	26.6	19.6

Target Price Range 2023 | 2024 | 2025

LEGENDS
— 0.45 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
2-for-1 split 5/15
Options: Yes
Shaded area indicates recession



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$18-$50	$34 (40%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+85%)	*20%*
Low	35	(+45%)	*14%*

Institutional Decisions

	3Q2019	4Q2019	1Q2020
to Buy	101	124	108
to Sell	100	95	125
Hld's(000)	77210	79196	78322

% TOT. RETURN 7/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-28.7	-1.7
3 yr.	-23.3	9.9
5 yr.	15.7	31.7

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
14.75	15.89	15.88	16.15	16.18	14.19	15.48	13.71	11.16	11.18	12.98	13.52	13.04	15.63	19.20	17.63	*15.25*	*16.30*	Revenues per sh	*19.55*
1.22	1.25	1.75	1.60	1.74	1.86	2.10	2.23	2.34	2.48	2.67	2.42	2.67	2.79	2.91	2.56	*2.50*	*2.80*	"Cash Flow" per sh	*3.85*
.79	.86	1.23	1.05	1.14	1.19	1.35	1.45	1.52	1.52	1.57	1.44	1.34	1.23	1.38	1.12	*1.50*	*1.70*	Earnings per sh A	*2.50*
.41	.43	.46	.51	.56	.61	.68	.75	.83	.90	.96	1.02	1.06	1.10	1.13	1.16	*1.20*	*1.25*	Div'ds Decl'd per sh B ■	*1.40*
1.34	1.60	1.26	.94	1.04	1.83	2.79	3.20	4.01	4.84	5.01	4.87	3.50	3.43	3.99	5.46	*5.45*	*5.85*	Cap'l Spending per sh	*7.25*
6.20	6.75	7.55	8.12	8.67	9.12	9.54	10.33	11.63	12.64	13.65	14.62	16.22	14.99	14.82	15.41	*16.60*	*17.25*	Book Value per sh C	*20.45*
55.52	57.96	58.65	59.22	59.46	59.59	59.75	60.43	63.31	65.43	68.33	70.97	79.48	79.55	85.51	92.39	*101.00*	*103.00*	Common Shs Outst'g D	*110.00*
14.1	16.6	11.9	17.2	15.9	15.0	16.8	18.4	16.9	18.9	18.0	17.9	21.7	27.9	22.6	28.3	*Bold figures are*		Avg Ann'l P/E Ratio	*16.0*
.74	.88	.64	.91	.96	1.00	1.07	1.15	1.08	1.06	.95	.90	1.14	1.40	1.22	1.53	*Value Line*		Relative P/E Ratio	*.90*
3.7%	3.0%	3.2%	2.8%	3.1%	3.4%	3.0%	2.8%	3.2%	3.1%	3.4%	3.9%	3.6%	3.2%	3.6%	3.7%	*estimates*		Avg Ann'l Div'd Yield	*3.5%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $3137.1 mill. **Due in 5 Yrs** $1045 mill.
LT Debt $2566.4 mill. **LT Interest** $95.0 mill.

Leases, Uncapitalized Annual rentals $1.2 mill.
Pension Assets-12/19 $312.5 mill. **Oblig.** $439.4 mill.
Pfd Stock None

Common Stock 100,586,050 shs. **as of 8/1/20**

MARKET CAP: $2.4 billion (Mid Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
925.1	828.6	706.3	731.4	887.0	959.6	1036.5	1243.1	1641.3	1628.6	*1540*	*1680*	Revenues ($mill)	*2150*
81.0	87.0	93.3	97.1	104.0	99.0	102.8	98.1	116.2	103.0	*145*	*170*	Net Profit ($mill)	*275*
15.2%	22.4%	10.8%	- -	- -	5.9%	42.0%	- -	- -	22.0%	*25.0%*	*21.0%*	Income Tax Rate	*21.0%*
8.8%	10.5%	13.2%	13.3%	11.7%	10.3%	9.9%	7.9%	7.1%	6.3%	*9.4%*	*10.1%*	Net Profit Margin	*12.8%*
37.4%	40.5%	45.0%	45.1%	48.0%	49.2%	38.5%	48.5%	62.4%	59.2%	*61.0%*	*61.0%*	Long-Term Debt Ratio	*59.0%*
62.6%	59.5%	55.0%	54.9%	52.0%	50.8%	61.5%	51.5%	37.6%	40.8%	*39.0%*	*39.0%*	Common Equity Ratio	*41.0%*
910.1	1048.3	1337.6	1507.4	1791.9	2043.9	2097.2	2315.4	3373.9	3493.9	*4275*	*4575*	Total Capital ($mill)	*5500*
1193.3	1352.4	1578.0	1859.1	2134.1	2448.1	2623.8	2700.2	3653.5	4073.5	*4350*	*4700*	Net Plant ($mill)	*5600*
9.5%	8.9%	7.4%	6.8%	6.4%	5.4%	5.4%	5.1%	4.4%	4.0%	*4.5%*	*5.0%*	Return on Total Cap'l	*6.0%*
14.2%	13.9%	12.7%	11.7%	11.2%	9.5%	8.0%	8.2%	9.2%	7.2%	*8.5%*	*9.5%*	Return on Shr. Equity	*12.0%*
14.2%	13.9%	12.7%	11.7%	11.2%	9.5%	8.0%	8.2%	9.2%	7.2%	*8.5%*	*9.5%*	Return on Com Equity	*12.0%*
7.1%	6.7%	5.8%	4.8%	4.3%	2.8%	1.6%	.9%	1.7%	NMF	*1.5%*	*2.5%*	Retained to Com Eq	*5.5%*
50%	52%	55%	59%	61%	71%	80%	89%	82%	104%	*84%*	*76%*	All Div'ds to Net Prof	*56%*

CURRENT POSITION ($MILL.)	2018	2019	6/30/20
Cash Assets	30.0	6.4	7.3
Other	633.2	646.1	415.5
Current Assets	663.2	652.5	422.8
Accts Payable	410.5	232.2	160.4
Debt Due	1004.4	1316.6	570.7
Other	165.9	183.1	195.1
Current Liab.	1580.8	1731.9	926.2
Fix. Chg. Cov.	112%	176%	206%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	- -	6.0%	*2.0%*
"Cash Flow"	5.0%	3.5%	*6.0%*
Earnings	1.5%	-2.5%	*12.5%*
Dividends	8.0%	6.0%	*3.5%*
Book Value	6.5%	6.0%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	425.8	244.4	227.1	345.8	1243.1
2018	521.9	227.3	302.5	589.6	1641.3
2019	637.3	266.9	261.2	463.2	1628.6
2020	534.1	260.0	*260.0*	*485.9*	*1540*
2021	*575*	*285*	*290*	*530*	*1680*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.72	.06	d.05	.50	1.23
2018	1.19	.07	d.27	.39	1.38
2019	1.09	d.13	d.30	.46	1.12
2020	1.15	d.01	*d.20*	*.56*	*1.50*
2021	*1.20*	*.05*	*d.15*	*.60*	*1.70*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	- -	.264	.264	.536	1.06
2017	- -	.273	.273	.553	1.10
2018	- -	.280	.280	.567	1.13
2019	- -	.287	.287	.582	1.16
2020	- -	.295	.295		

BUSINESS: South Jersey Industries, Inc. is a holding company. The company distributes natural gas in New Jersey and Maryland. South Jersey Gas rev. mix '19: residential, 47%; commercial, 23%; cogen. and electric gen., 12%; industrial, 18%. Acq. Elizabethtown Gas and Elkton Gas, 7/18. Nonutil. operations include South Jersey Energy, South Jersey Resources Group, South Jersey Exploration, Marina Energy, South Jersey Energy Service Plus, and SJI Midstream. Has about 1,100 employees. Off./dir. own less than 1% of common; BlackRock, 15.5%; The Vanguard Group, 11.4% (3/20 proxy). Pres. & CEO: Michael J. Renna. Chairman: Joseph M. Rigby. Inc.: NJ. Addr.: 1 South Jersey Plaza, Folsom, NJ 08037. Tel.: 609-561-9000. Internet: www.sjindustries.com.

Shares of South Jersey Industries have declined in price lately. The company has posted mixed results in recent periods. Revenue comparisons have not been favorable, but the bottom line has fared better. In the June quarter, the top line fell modestly, year over year. But expenses remained in check, and the share deficit narrowed to $0.01. Looking forward, we expect that considerable economic weakness due to restrictive social measures implemented to curb the spread of the coronavirus will constrain the top line in the back half of the year, though we do envision a measure of improvement in the December period. Earnings comparisons will likely remain favorable, assuming lower cost of sales. All things considered, we project a moderate top-line pullback but a strong share-earnings advance for South Jersey for full-year 2020.

The company recently completed an equity offering. South Jersey received gross proceeds of about $200 million in an at-the-market offering. This transaction was completed in mid-June, and satisfies the company's plan to raise equity capital this year. The share count has increased moderately as a result.

We envision further operating improvement here from 2020 onward. The company's utility operations and regulatory initiatives should continue to fare well. Its businesses should further benefit from growth in the customer base. Infrastructure investments will allow the company to modernize its system and meet growing demand for natural gas within its service territories. Infrastructure replacement programs allow South Jersey to earn an authorized return on approved investments. We anticipate better results on the nonutility side, as well.

This neutrally ranked stock has ample investment appeal. We anticipate solid bottom-line growth for the company over the pull to mid-decade. From the recent quotation, this equity offers worthwhile long-term total return potential. This is helped by a generous dividend yield. Moreover, South Jersey Industries earns fairly good marks for Price Stability and Earnings Predictability. Subscribers seeking exposure to the utility space might want to take a closer look.

Michael Napoli, CFA *August 28, 2020*

(A) Based on economic egs. from 2007. GAAP EPS: '08, $1.29; '09, $0.97; '10, $1.11; '11, $1.49; '12, $1.49; '13, $1.28; '14, $1.46; '15, $1.52; '16, $1.56; '17, ($0.04); '18, $0.21; '19, $0.84. Excl. nonrecur. gain (loss): '09, ($0.22); '10, ($0.24); '11, $0.04; '12, ($0.03); '13, ($0.24); '14, ($0.11); '15, $0.08; '16, $0.22; '17, ($1.27); '18, ($1.17); '19, ($0.28). Next egs. rpt. due early November. (B) Div'ds paid early April, July, Oct., and late Dec. ■ Div. reinvest. plan avail. (C) Incl. reg. assets. In 2019: $665.9 mill., $7.21 per shr. (D) In mill., adj. for split.

Company's Financial Strength	B++
Stock's Price Stability	70
Price Growth Persistence	20
Earnings Predictability	65

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MGE ENERGY INC. NDQ-MGEE

RECENT PRICE **64.99** | P/E RATIO **24.3** (Trailing: 24.6 Median: 20.0) | RELATIVE P/E RATIO **1.14** | DIV'D YLD **2.3%** | VALUE LINE

TIMELINESS 3 Lowered 9/11/20
SAFETY 1 New 1/3/03
TECHNICAL 3 Raised 9/11/20
BETA .70 (1.00 = Market)

High:	25.5	29.1	31.9	37.4	40.5	48.0	48.0	66.9	68.7	68.9	80.8	83.3
Low:	18.2	21.4	24.7	28.7	33.4	35.7	36.5	44.8	60.3	51.1	56.7	47.2

Target Price Range 2023 | 2024 | 2025

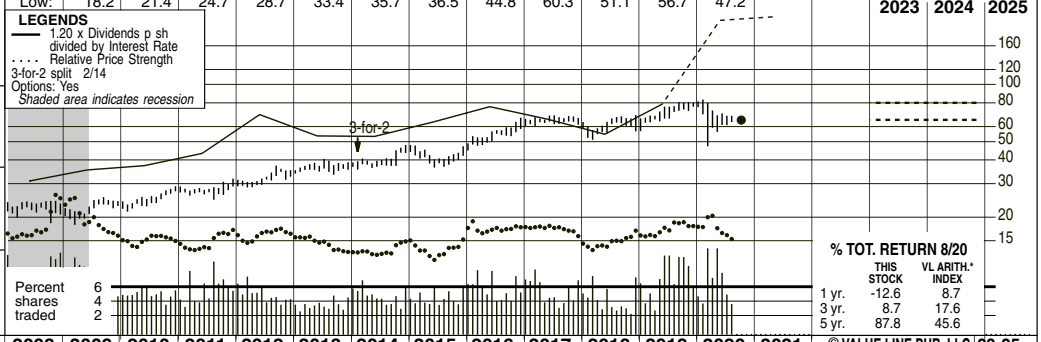
18-Month Target Price Range
Low-High: $55-$113 — Midpoint (% to Mid): $84 (30%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+25%)	8%
Low	65	(Nil)	3%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	75	61	70
to Sell	76	83	78
Hld's(000)	15965	15334	16890



% TOT. RETURN 8/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-12.6	8.7
3 yr.	8.7	17.6
5 yr.	87.8	45.6

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
13.89	16.73	16.13	16.33	17.35	15.40	15.36	15.76	15.61	17.04	17.88	16.27	15.71	16.24	16.15	16.41	**14.80**	**15.50**	Revenues per sh	17.25
1.92	2.00	2.34	2.46	2.68	2.66	2.76	2.94	2.98	3.28	3.49	3.33	3.47	3.73	4.06	4.57	**4.70**	**4.95**	"Cash Flow" per sh	5.50
1.18	1.05	1.37	1.51	1.59	1.47	1.67	1.76	1.86	2.16	2.32	2.06	2.18	2.20	2.43	2.51	**2.65**	**2.75**	Earnings per sh A	3.00
.91	.92	.93	.94	.96	.97	.99	1.01	1.04	1.07	1.11	1.16	1.21	1.26	1.32	1.38	**1.45**	**1.52**	Div'd Decl'd per sh B ■ †	1.80
3.13	2.80	2.94	4.14	3.08	2.35	1.76	1.88	2.84	3.43	2.67	2.08	2.41	3.12	6.12	4.73	**6.25**	**4.40**	Cap'l Spending per sh	4.50
11.06	11.21	11.93	12.99	13.92	14.47	15.14	15.89	16.71	17.81	19.02	19.92	20.89	22.45	23.56	24.68	**27.20**	**28.30**	Book Value per sh C	32.00
30.59	30.68	31.46	32.93	34.36	34.67	34.67	34.67	34.67	34.67	34.67	34.67	34.67	34.67	34.67	34.67	**36.16**	**36.16**	Common Shs Outst'g D	36.16
18.0	22.4	15.9	15.0	14.2	15.1	15.0	15.8	17.2	17.0	17.2	20.3	24.9	29.4	25.1	28.4	*Bold figures are*		Avg Ann'l P/E Ratio	24.0
.95	1.19	.86	.80	.85	1.01	.95	.99	1.09	.96	.91	1.02	1.31	1.48	1.36	1.52	*Value Line*		Relative P/E Ratio	1.50
4.3%	3.9%	4.3%	4.1%	4.2%	4.4%	4.0%	3.6%	3.2%	2.9%	2.8%	2.8%	2.2%	2.0%	2.2%	1.9%	*estimates*		Avg Ann'l Div'd Yield	2.5%

CAPITAL STRUCTURE as of 6/30/20
Total Debt $541.2 mill. **Due in 5 Yrs** $91.8 mill.
LT Debt $521.5 mill. **LT Interest** $23.6 mill.
(LT interest earned: 5.8x)

Leases, Uncapitalized Annual rentals $1.9 mill.

Pension Assets-12/19 $386.0 mill. **Obligation** $410.6 mill.

Pfd Stock None

Common Stock 36,163,370 shs. as of 7/31/20

MARKET CAP: $2.4 billion (Mid Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
532.6	546.4	541.3	590.9	619.9	564.0	544.7	563.1	559.8	568.9	**535**	**560**	Revenues ($mill)	625
57.7	60.9	64.4	74.9	80.3	71.3	75.6	76.1	84.2	86.9	**95.0**	**100**	Net Profit ($mill)	110
36.9%	37.1%	37.7%	37.5%	37.5%	36.7%	36.0%	36.4%	24.6%	18.5%	**16.5%**	**16.5%**	Income Tax Rate	16.5%
--	--	--	5.6%	5.7%	1.3%	2.1%	2.1%	5.2%	3.6%	**5.0%**	**6.0%**	AFUDC % to Net Profit	3.0%
38.9%	39.6%	38.2%	39.3%	37.5%	36.2%	34.6%	33.8%	37.7%	38.0%	**35.0%**	**34.0%**	Long-Term Debt Ratio	36.5%
61.1%	60.4%	61.8%	60.7%	62.5%	63.8%	65.4%	66.2%	62.3%	62.0%	**66.0%**	**66.0%**	Common Equity Ratio	63.5%
859.4	911.9	937.9	1016.9	1054.7	1081.5	1106.9	1176.3	1310.0	1379.4	**1505**	**1550**	Total Capital ($mill)	1825
968.0	995.6	1073.5	1160.2	1208.1	1243.4	1282.1	1341.4	1509.4	1642.7	**1795**	**1875**	Net Plant ($mill)	2150
7.6%	7.8%	7.9%	8.3%	8.6%	7.5%	7.7%	7.3%	7.2%	7.1%	**7.0%**	**7.0%**	Return on Total Cap'l	6.5%
11.0%	11.1%	11.1%	12.1%	12.2%	10.3%	10.4%	9.8%	10.3%	10.2%	**9.5%**	**9.5%**	Return on Shr. Equity	9.5%
11.0%	11.1%	11.1%	12.1%	12.2%	10.3%	10.4%	9.8%	10.3%	10.2%	**9.5%**	**9.5%**	Return on Com Equity D	9.5%
4.4%	4.7%	4.9%	6.1%	6.4%	4.5%	4.7%	4.2%	4.7%	4.6%	**4.5%**	**4.5%**	Retained to Com Eq	4.0%
60%	57%	56%	50%	48%	56%	55%	57%	54%	55%	**54%**	**55%**	All Div'ds to Net Prof	59%

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	-2.6	+1.6	-2.3
Avg. Indust. Use (MWH)	1966	1802	NA
Avg. Indust. Revs. per KWH (¢)	8.23	7.70	7.43
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	670	686	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	NA	NA	NA
Fixed Charge Cov. (%)	750	645	465

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	--	-.5%	1.0%
"Cash Flow"	4.5%	5.0%	5.0%
Earnings	4.5%	2.5%	4.0%
Dividends	3.5%	4.0%	5.5%
Book Value	5.5%	5.5%	5.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	156.8	126.5	139.5	140.3	563.1
2018	157.6	124.3	137.8	140.1	559.8
2019	167.6	122.2	138.2	140.9	568.9
2020	149.9	117.0	**133.1**	**135**	**535**
2021	**160**	**120**	**140**	**140**	**560**

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.56	.45	.77	.42	2.20
2018	.58	.53	.85	.47	2.43
2019	.69	.45	.88	.48	2.51
2020	.75	.53	**.90**	**.47**	**2.65**
2021	**.78**	**.50**	**.95**	**.52**	**2.75**

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.295	.295	.3075	.3075	1.21
2017	.3075	.3075	.3225	.3225	1.26
2018	.3225	.3225	.3375	.3375	1.32
2019	.3375	.3375	.3525	.3525	1.38
2020	.3525	.3525	.37		

BUSINESS: MGE Energy, Inc. is a holding company for Madison Gas and Electric Company (MGE), which provides electric service to 155,000 customers in Dane County and gas service to 163,000 customers in seven counties in Wisconsin. Electric revenue breakdown, '19: residential, 35%; commercial, 53%; industrial, 3%; other, 9%. Generating sources, '19: coal, 50%; gas, 14%; renewables, 14%; purchased power, 22%. Fuel costs: 34% of revenues. '19 reported depreciation rates: electric, 3.6%; gas, 2.1%; nonregulated, 2.3%. Has about 700 employees. Chairman, President & CEO: Jeffrey M. Keebler. Incorporated: Wisconsin. Address: 133 South Blair Street, P.O. Box 1231, Madison, Wisconsin 53701-1231. Telephone: 608-252-7000. Internet: www.mgeenergy.com.

We raised our 2020 and 2021 earnings estimates for MGE Energy by $0.05 a share each year. Second-quarter profits were better than we expected, due in part to hotter-than-usual weather conditions in June. The weak economy has not had as big an effect on Madison Gas and Electric's service area, which does not have a large industrial sector, as it has on most electric utilities. We think MGE will benefit from a modest gas rate increase at the start of 2021. In our June report, we hadn't assumed any rate relief next year. Our revised share-earnings estimates are $2.65 for 2020 and $2.75 for 2021.

MGE reached a regulatory settlement. If the Wisconsin commission approves the agreement, electric rates will be unchanged and gas rates will rise $6.7 million (4%) at the start of 2021. The allowed return on equity and common-equity ratio will remain as established for 2020 in the utility's 2019 rate order: 9.8% and 56.1%, respectively. A decision is expected soon.

The utility has a one-third stake in three solar projects. Each will provide MGE with 50 megawatts of capacity at a cost of $65 million. One of them is on track for completion by yearend, but another has been delayed from December of 2020 to April of 2021, and the last one from December of 2021 to December of 2022. Federal tariffs prompted this one-year delay.

As we had expected, the board of directors raised the dividend in the third quarter. The annual increase was $0.07 a share (5.0%). This extended the company's streak of annual dividend hikes to 45. MGE Energy does not have a stated target for the payout ratio, but notes that this figure has been in the 50%-60% range in recent years.

The dividend yield of MGE Energy stock is well below the utility average, and is only equal to the median of dividend-paying stocks under our coverage. Thus, income-oriented investors can fare better elsewhere, despite the company's track record of annual dividend growth. Total return potential is attractive for the next 18 months, but not for the 3- to 5-year period. Perhaps some takeover speculation is reflected in the share price, but we do not advise purchase of the equity in the hope of a buyout offer.

Paul E. Debbas, CFA *September 11, 2020*

(A) Diluted earnings. Excludes nonrecurring gain: '17, 62¢. '19 earnings don't sum due to rounding. Next earnings report due early Nov. (B) Dividends historically paid in mid-March, June, September, and December. ■ Dividend reinvestment plan available. † Shareholder investment plan available. (C) Includes regulatory assets. In '19: $167.0 mill., $4.82/sh. (D) In millions, adjusted for split. (E) Rate allowed on common equity in '19: 9.8%; earned on common equity, '19: 10.4%. Regulatory Climate: Above Average.

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

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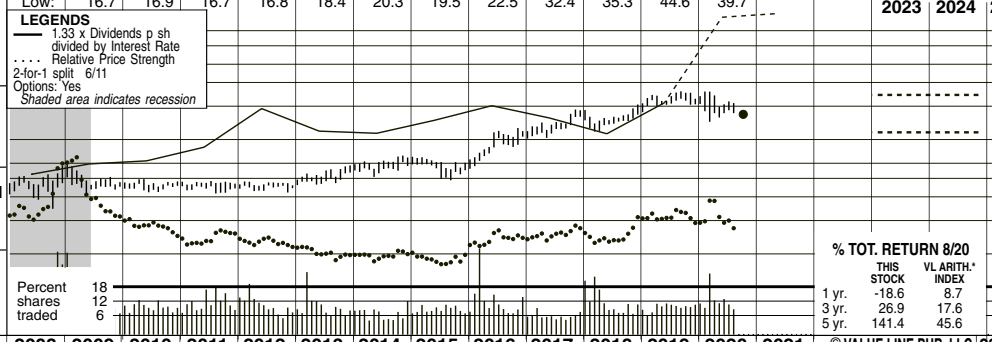
CALIFORNIA WATER NYSE-CWT

RECENT PRICE **43.55** | P/E RATIO **33.0** (Trailing: 53.8 Median: 23.0) | RELATIVE P/E RATIO **1.58** | DIV'D YLD **2.0%** | VALUE LINE

TIMELINESS 3 Lowered 3/6/20
SAFETY 3 Lowered 7/27/07
TECHNICAL 3 Lowered 6/12/20
BETA .65 (1.00 = Market)

High:	24.1	19.8	19.4	19.3	23.4	26.4	26.0	36.8	46.2	49.1	57.5	57.4
Low:	16.7	16.9	16.7	16.8	18.4	20.3	19.5	22.5	32.4	35.3	44.6	39.7

Target Price Range 2023 | 2024 | 2025



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$36-$71	$54 (25%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+25%)	8%
Low	35	(-20%)	-3%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	115	104	109
to Sell	101	118	107
Hld's(000)	36624	35792	35580

% TOT. RETURN 8/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-18.6	8.7
3 yr.	26.9	17.6
5 yr.	141.4	45.6

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
8.59	8.72	8.10	8.88	9.90	10.82	11.05	12.00	13.34	12.23	12.50	12.29	12.70	13.89	14.53	14.72	*14.60*	*15.20*	Revenues per sh	*15.00*
1.42	1.52	1.36	1.56	1.86	1.93	1.93	2.07	2.32	2.21	2.47	2.22	2.34	3.00	3.11	3.14	*2.45*	*3.30*	"Cash Flow" per sh	*3.50*
.73	.74	.67	.75	.95	.98	.91	.86	1.02	1.02	1.19	.94	1.01	1.40	1.36	1.31	*.85*	*1.75*	Earnings per sh A	*2.00*
.57	.57	.58	.58	.59	.59	.60	.62	.63	.64	.65	.67	.69	.72	.75	.79	*.85*	*.89*	Div'd Decl'd per sh B ■	*1.05*
1.87	2.01	2.14	1.84	2.41	2.66	2.97	2.83	3.04	2.58	2.76	3.69	4.77	5.40	5.65	5.64	*4.85*	*4.75*	Cap'l Spending per sh	*4.25*
7.83	7.90	9.07	9.25	9.72	10.13	10.45	10.76	11.28	12.54	13.11	13.41	13.75	14.44	15.19	16.07	*15.70*	*15.90*	Book Value per sh C	*16.05*
36.73	36.78	41.31	41.33	41.45	41.53	41.67	41.82	41.98	47.74	47.81	47.88	47.97	48.01	48.07	48.53	*50.00*	*51.00*	Common Shs Outst'g D	*53.00*
20.1	24.9	29.2	26.1	19.8	19.7	20.3	21.3	17.9	20.1	19.7	24.8	29.6	26.9	30.3	39.3	*Bold figures are*		Avg Ann'l P/E Ratio	*23.0*
1.06	1.33	1.58	1.39	1.19	1.31	1.29	1.34	1.14	1.13	1.04	1.25	1.55	1.35	1.64	2.13	*Value Line*		Relative P/E Ratio	*1.25*
3.9%	3.1%	2.9%	3.0%	3.1%	3.1%	3.2%	3.4%	3.5%	3.1%	2.8%	2.9%	2.3%	1.9%	1.8%	1.5%	*estimates*		Avg Ann'l Div'd Yield	*2.3%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $1182.3 mill. **Due in 5 Yrs** $357.0 mill.
LT Debt $785.3 mill. **LT Interest** $40.0 mill.
(Total interest coverage: 3.2x) (50% of Cap'l)

Pension Assets-12/19 $573.6 mill. **Oblig.** $812.0 mill.

Pfd Stock None

Common Stock 49,398,000 shs.

MARKET CAP: $2.2 billion (Mid Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
460.4	501.8	560.0	584.1	597.5	588.4	609.4	666.9	698.2	714.6	*730*	*775*	Revenues ($mill) E	*795*
37.7	36.1	42.6	47.3	56.7	45.0	48.7	67.2	65.6	63.1	*43.0*	*90.0*	Net Profit ($mill)	*105*
39.5%	40.5%	37.5%	30.3%	33.0%	36.0%	35.5%	30.1%	24.5%	19.1%	*21.0%*	*21.0%*	Income Tax Rate	*21.0%*
4.2%	7.6%	8.0%	4.3%	2.7%	4.3%	6.1%	3.5%	3.1%	5.8%	*5.0%*	*5.0%*	AFUDC % to Net Profit	*5.0%*
52.4%	51.7%	47.8%	41.6%	40.1%	44.4%	44.6%	42.7%	49.3%	50.2%	*49.0%*	*47.0%*	Long-Term Debt Ratio	*43.5%*
47.6%	48.3%	52.2%	58.4%	59.9%	55.6%	55.4%	57.3%	50.7%	49.8%	*51.0%*	*53.0%*	Common Equity Ratio	*56.5%*
914.7	931.5	908.2	1024.9	1045.9	1154.4	1191.2	1209.3	1440.2	1566.7	*1535*	*1525*	Total Capital ($mill)	*1500*
1294.3	1381.1	1457.1	1515.8	1590.4	1701.8	1859.3	2048.0	2232.7	2406.4	*2550*	*2575*	Net Plant ($mill)	*2500*
5.5%	5.5%	6.3%	6.0%	6.3%	5.2%	5.5%	7.1%	5.9%	5.5%	*3.5%*	*6.5%*	Return on Total Cap'l	*8.0%*
8.6%	8.0%	9.0%	7.9%	9.1%	7.0%	7.4%	9.7%	9.0%	8.1%	*5.5%*	*11.0%*	Return on Shr. Equity	*12.5%*
8.6%	8.0%	9.0%	7.9%	9.1%	7.0%	7.4%	9.7%	9.0%	8.1%	*5.5%*	*11.0%*	Return on Com Equity	*12.5%*
3.0%	2.3%	3.4%	3.4%	4.1%	2.0%	2.4%	4.7%	4.0%	3.2%	*NMF*	*5.5%*	Retained to Com Eq	*6.0%*
66%	71%	62%	56%	55%	71%	68%	51%	55%	60%	*100%*	*51%*	All Div'ds to Net Prof	*53%*

CURRENT POSITION ($MILL.)	2018	2019	6/30/20
Cash Assets	47.2	42.7	114.4
Other	141.5	142.0	152.5
Current Assets	188.7	184.7	266.9
Accts Payable	95.6	108.5	128.2
Debt Due	170.0	197.0	397.0
Other	55.6	53.2	132.4
Current Liab.	321.2	358.7	557.6

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	4.0%	2.5%	*.5%*
"Cash Flow"	5.5%	5.5%	*2.0%*
Earnings	4.5%	4.5%	*6.5%*
Dividends	2.5%	3.5%	*5.5%*
Book Value	4.5%	4.5%	*1.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.)E Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	122.1	171.1	211.7	162.0	666.9
2018	134.6	174.9	221.3	167.4	698.2
2019	126.1	179.0	232.6	176.9	714.6
2020	125.6	175.5	*247*	*181.9*	*730*
2021	*147*	*195*	*248*	*185*	*775*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.02	.39	.70	.29	1.40
2018	d.02	.31	.75	.32	1.36
2019	d.16	.35	.88	.24	1.31
2020	d.42	.11	*.79*	*.37*	*.85*
2021	*.05*	*.42*	*.90*	*.38*	*1.75*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.1725	.1725	.1725	.1725	.69
2017	.18	.18	.18	.18	.72
2018	.1875	.1875	.1875	.1875	.75
2019	.1975	.1975	.1975	.1975	.79
2020	.2125	.2125	.2125		

BUSINESS: California Water Service Group provides regulated and nonregulated water service to 489,600 customers in 100 communities in the state of California. Accounts for over 94% of total customers. Also operates in Washington, New Mexico, and Hawaii. Main service areas: San Francisco Bay area, Sacramento Valley, Salinas Valley, San Joaquin Valley & parts of Los Angeles. Acquired Rio Grande Corp; West Hawaii Utilities (9/08). Revenue breakdown, '19: residential, 67%; business, 20%; industrial, 5%; public authorities, 5%; other 3%. Off. and dir. own 1% of common stock (4/20 proxy). Has 1,184 employees. Pres. and CEO: Martin A. Kropelnicki. Inc.: DE. Addr.: 1720 North First St., San Jose, CA 95112-4598. Tel.: 408-367-8200. Internet: www.calwatergroup.com.

California Water's financial results continue to be hampered by a lack of resolution on the rate case front. Specifically, the California Public Utilities Commission has yet to officially approve the settlement filed in October of 2019 that would provide general rate relief and other cost recovery methods. The new rates would be effective from January 1, 2020 and would be recouped via customer surcharges. In fact, if they had been approved, management estimates an additional $30 million in revenues would have been generated in the June period. Moreover, water production costs, another metric that would have benefited from a rate case approval, increased significantly from the previous-year figure. All told, CWT drastically underperformed expectations in the first half of 2020. Second-quarter revenues of $176 million fell modestly, year over year, while share net declined sharply from $0.35, to $0.11.

We are tempering our 2020 profit forecast for the second time this year. Due largely to a weak first-half showing, we now expect California Water to earn $0.85 a share this year, down from our previous call of $1.20 a share.

Financials should rebound sharply next year. We are cautiously optimistic that the general rate case situation will be resolved in the near future. In addition, operating headwinds, such as rising production expenses and purchased water costs, may begin to ease. Too, an expanded footprint in Washington State, thanks to its recent acquisition of Rainier View Water Company, augurs well. In sum, we are leaving unchanged our 2021 top- and bottom-line estimates at $775 million and $1.75 a share, respectively.

Interested subscribers with a holding period out to mid-decade would be wise to wait for a better entry point. Overall, we think California Water's long-term business prospects are bright, and operating conditions should smooth out once regulatory matters are in the rear-view mirror. That said, the stock price has been on a tear since early 2016 and, as a result, total return potential over the pull to 2023-2025 is subpar at the recent quotation. The equity is only an average selection for the year ahead, too.

Nicholas P. Patrikis *October 9, 2020*

(A) Basic EPS. Excl. nonrecurring gain (loss): '11, 4¢. Next earnings report due early Nov.
(B) Dividends historically paid in late Feb., May, Aug., and Nov. ■ Div'd reinvestment plan available.
(C) Incl. intangible assets. In '19 : $24.9 mill., $0.51/sh.
(D) In millions, adjusted for split.
(E) Excludes non-reg. rev.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	60
Earnings Predictability	65

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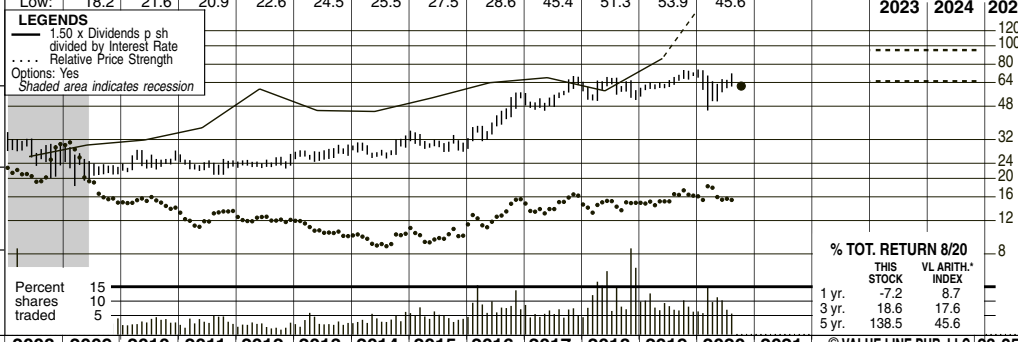
SJW GROUP NYSE-SJW

RECENT PRICE **61.23** | P/E RATIO **28.2** (Trailing: 42.5 Median: 21.0) | RELATIVE P/E RATIO **1.35** | DIV'D YLD **2.1%** | VALUE LINE

TIMELINESS — Suspended 5/4/18
SAFETY 3 New 4/22/11
TECHNICAL — Suspended 5/4/18
BETA .80 (1.00 = Market)

High:	30.4	28.2	26.8	26.9	30.1	33.7	35.7	56.9	69.3	68.4	74.5	75.0
Low:	18.2	21.6	20.9	22.6	24.5	25.5	27.5	28.6	45.4	51.3	53.9	45.6

Target Price Range 2023 | 2024 | 2025



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$54-$128	$91 (50%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	95	(+55%)	13%
Low	65	(+5%)	4%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	93	72	78
to Sell	76	95	75
Hld's(000)	19650	19448	19939

% TOT. RETURN 8/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-7.2	8.7
3 yr.	18.6	17.6
5 yr.	138.5	45.6

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
9.14	9.86	10.35	11.25	12.12	11.68	11.62	12.85	14.01	13.73	15.76	14.97	16.61	18.97	14.00	14.78	*19.15*	*19.85*	Revenues per sh	*21.65*
1.89	2.21	2.38	2.30	2.44	2.21	2.38	2.80	2.97	2.90	4.42	3.86	4.76	5.24	3.29	3.67	*3.80*	*4.20*	"Cash Flow" per sh	*5.30*
.87	1.12	1.19	1.04	1.08	.81	.84	1.11	1.18	1.12	2.54	1.85	2.57	2.86	1.82	1.35	*2.05*	*2.50*	Earnings per sh A	*3.65*
.51	.53	.57	.61	.65	.66	.68	.69	.71	.73	.75	.78	.81	1.04	1.12	1.20	*1.28*	*1.36*	Div'd Decl'd per sh B■	*1.66*
2.31	2.83	3.87	6.62	3.79	3.17	5.65	3.75	5.67	4.68	5.02	5.24	6.95	7.26	5.08	6.25	*5.25*	*5.75*	Cap'l Spending per sh	*6.50*
10.11	10.72	12.48	12.90	13.99	13.66	13.75	14.20	14.71	15.92	17.75	18.83	20.61	22.57	31.31	31.27	*32.25*	*35.60*	Book Value per sh	*39.15*
18.27	18.27	18.28	18.36	18.18	18.50	18.55	18.59	18.67	20.17	20.29	20.38	20.46	20.52	28.40	28.46	*29.00*	*29.50*	Common Shs Outst'g C	*30.00*
19.6	19.7	23.5	33.4	26.2	28.7	29.1	21.2	20.4	24.3	11.2	16.6	15.7	18.8	32.7	47.8	*Bold figures are*		Avg Ann'l P/E Ratio	*22.0*
1.04	1.05	1.27	1.77	1.58	1.91	1.85	1.33	1.30	1.37	.59	.84	.82	.95	1.77	2.58	*Value Line*		Relative P/E Ratio	*1.20*
3.0%	2.4%	2.0%	1.7%	2.3%	2.8%	2.8%	2.9%	3.0%	2.7%	2.6%	2.5%	2.0%	1.9%	1.9%	1.9%	*estimates*		Avg Ann'l Div'd Yield	*2.1%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $1338.4 mill. **Due in 5 Yrs** $22.4 mill.
LT Debt $1316.0 mill. **LT Interest** $50.0 mill.
(LT Interest Coverage: 4.5x)
(60% of Cap'l)

Pension Assets-12/19 $243.5 mill.
Oblig. $338.2 mill.
Pfd Stock None.
Common Stock 28,516,705 shs.

MARKET CAP: $1.7 billion (Mid Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
215.6	239.0	261.5	276.9	319.7	305.1	339.7	389.2	397.7	420.5	*555*	*585*	Revenues ($mill)	*650*
15.8	20.9	22.3	23.5	51.8	37.9	52.8	59.2	38.8	38.7	*59.5*	*73.5*	Net Profit ($mill)	*110*
38.8%	41.1%	41.1%	38.7%	32.5%	38.1%	38.8%	36.7%	20.6%	25.3%	*21.0%*	*21.0%*	Income Tax Rate	*21.0%*
--	--	--	--	--	--	--	--	2.0%	1.5%	*1.5%*	*1.5%*	AFUDC % to Net Profit	*1.5%*
53.7%	56.6%	55.0%	51.1%	51.6%	49.8%	50.7%	48.2%	32.7%	59.1%	*58.0%*	*53.5%*	Long-Term Debt Ratio	*39.0%*
46.3%	43.4%	45.0%	48.9%	48.4%	50.2%	49.3%	51.8%	67.3%	40.9%	*42.0%*	*46.5%*	Common Equity Ratio	*61.0%*
550.7	607.9	610.2	656.2	744.5	764.6	855.0	894.3	1320.7	2173.6	*2235*	*2250*	Total Capital ($mill)	*1925*
785.5	756.2	831.6	898.7	963.0	1036.8	1146.4	1239.3	1328.8	2206.5	*2300*	*2450*	Net Plant ($mill)	*2775*
4.3%	4.9%	5.0%	5.0%	8.3%	6.3%	7.4%	7.9%	3.9%	2.5%	*3.0%*	*4.0%*	Return on Total Cap'l	*6.5%*
6.2%	7.9%	8.1%	7.3%	14.4%	9.9%	12.5%	12.8%	4.4%	4.3%	*6.5%*	*7.0%*	Return on Shr. Equity	*9.5%*
6.2%	7.9%	8.1%	7.3%	14.4%	9.9%	12.5%	12.8%	4.4%	4.3%	*6.5%*	*7.0%*	Return on Com Equity	*9.5%*
1.2%	3.1%	3.3%	2.8%	10.2%	5.7%	8.6%	8.2%	1.8%	.5%	*2.5%*	*3.0%*	Retained to Com Eq	*5.0%*
80%	61%	59%	62%	29%	42%	31%	36%	60%	88%	*62%*	*54%*	All Div'ds to Net Prof	*45%*

CURRENT POSITION ($MILL.)	2018	2019	6/30/20
Cash Assets	420.7	17.9	23.3
Accts Receivable	19.2	36.3	44.9
Other	62.8	67.8	77.3
Current Assets	502.7	122.0	145.5
Accts Payable	24.9	34.9	24.3
Debt Due	- -	22.3	22.4
Other	139.1	177.4	211.3
Current Liab.	164.0	234.6	258.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	3.0%	2.0%	*5.5%*
"Cash Flow"	6.0%	3.5%	*4.5%*
Earnings	7.5%	4.5%	*10.5%*
Dividends	6.0%	9.0%	*7.0%*
Book Value	7.5%	12.0%	*5.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2017	69.0	102.1	124.6	93.5	389.2
2018	75.0	99.1	124.9	98.7	397.7
2019	77.7	103.0	114.0	126.0	420.5
2020	115.8	147.2	*160*	*132*	*555*
2021	*120*	*150*	*170*	*145*	*585*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2017	.18	.90	.94	.84	2.86
2018	.06	.62	.76	.38	1.82
2019	.21	.47	.33	.34	1.35
2020	.08	.69	*.85*	*.43*	*2.05*
2021	*.20*	*.75*	*.90*	*.65*	*2.50*

Cal-endar	QUARTERLY DIVIDENDS PAID BD■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.2025	.2025	.2025	.2025	.81
2017	.2175	.2175	.2175	.3875	1.04
2018	.28	.28	.28	.28	1.12
2019	.30	.30	.30	.30	1.20
2020	.32	.32	.32		

BUSINESS: SJW Group engages in the production, purchase, storage, purification, distribution, and retail sale of water. It provides water service to approximately 231,000 connections with a total population of roughly one million people in the San Jose area and 16,000 connections that reach about 49,000 residents in the region between San Antonio and Austin, Texas. The company merged with Connecticut Water (10/19) which provides service to approx. 138,000 connections with a total population of 450,000 people. Has 361 employees. Officers and directors own 8.3% of outstanding shares (3/20 proxy). Chairman & CEO: Richard Roth. Incorporated: California. Address: 110 West Taylor Street, San Jose, CA 95110. Telephone: (408) 279-7800. Internet: www.sjwater.com.

Shares of SJW traded above $70 per share in mid-August before pulling back to levels seen three months prior. The East and West coasts (post CTWS merger) regulated water utility found some market support following the release of better-than-expected second-quarter financial results. Earlier this year, the company had been on shaky ground stemming from a combination of COVID-19-related disruptions and the ongoing integration of Connecticut Water. Even so, SJW delivered a relatively inspiring June-period performance. Revenues of $147 million exceeded our $135 million call, while earnings came in $0.09 better than expected, at $0.69 a share. However, the stock was unable to hold its gains, likely due to recent broader market turbulence amidst an uncertain economic backdrop.

We are lifting our profit forecasts for this year and next. Specifically, we are adding $0.10 and $0.05 to our 2020 and 2021 share-net estimates, to $2.05 and $2.50, respectively. In regard to the latter, our call for healthy double-digit bottom-line expansion is underpinned by the assumption of subsiding integration-related operating expenses, as well as lower production and water purchase costs.

Despite slightly lagging the *Value Line* median, SJW is currently one of the more-attractive income-generating options in the Water Utility industry. The current yield is hovering just above 2.0%, while many of its peers fall below that metric. Additionally, a reasonable payout ratio and prospects for increased profitability suggest that annual dividend hikes are likely on tap over the coming years.

We are fans of the long-term story here; however, at the recent quotation, we are not presently recommending the stock. From a business perspective, SJW is well positioned to benefit from increased hygiene awareness, a rapidly expanding customer base, and periodic rate hikes. Nevertheless, unranked SJW shares have risen considerably in price over the past few years, thus rendering 3- to 5-year total return potential subpar. All told, subscribers interested in adding a noncyclical water utility to their portfolios should hold off, for now.

Nicholas P. Patrikis *October 9, 2020*

(A) Diluted earnings. Excludes nonrecurring losses: '04, $3.78; '05, $1.09; '06, $16.36; '08, $1.22; '10, $0.46. GAAP accounting as of 2013. Next earnings report due early Nov. Quarterly egs. may not add due to rounding.
(B) Dividends historically paid in early March, June, September, and December. ■ Div'd reinvestment plan available.
(C) In millions.
(D) Paid special dividend of $0.17 per share on 11/17.
(E) Suspended due to recent CTWS merger.

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	65
Earnings Predictability	45

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OTTER TAIL CORP. NDQ-OTTR

RECENT PRICE **38.85** | P/E RATIO **17.4** (Trailing: 18.1 / Median: 22.0) | RELATIVE P/E RATIO **0.81** | DIV'D YLD **4.0%** | VALUE LINE

TIMELINESS 4 Lowered 9/11/20
SAFETY 2 Raised 6/17/16
TECHNICAL 3 Raised 5/8/20
BETA .85 (1.00 = Market)

High:	25.4	25.4	23.5	25.3	31.9	32.7	33.4	42.6	48.7	51.9	57.7	56.9
Low:	15.5	18.2	17.5	20.7	25.2	26.5	24.8	25.8	35.7	39.0	45.9	31.0

Target Price Range 2023 | 2024 | 2025

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

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$31-$67	$49 (25%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+55%)	*14%*
Low	45	(+15%)	*8%*

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	85	78	75
to Sell	69	84	82
Hld's(000)	18484	18228	18869

Percent shares traded 9 6 3

% TOT. RETURN 8/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-21.2	8.7
3 yr.	1.0	17.6
5 yr.	76.5	45.6

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
30.45	35.59	37.43	41.50	37.06	29.03	31.08	29.86	23.76	24.63	21.48	20.60	20.42	21.47	23.10	22.90	*20.50*	*22.60*	Revenues per sh	*26.50*
2.88	3.35	3.39	3.55	2.81	2.76	2.60	2.36	2.71	3.02	3.09	3.14	3.44	3.70	3.96	4.11	*4.05*	*4.35*	"Cash Flow" per sh	*5.25*
1.50	1.78	1.69	1.78	1.09	.71	.38	.45	1.05	1.37	1.55	1.56	1.60	1.86	2.06	2.17	*2.15*	*2.30*	Earnings per sh A	*2.75*
1.10	1.12	1.15	1.17	1.19	1.19	1.19	1.19	1.19	1.19	1.21	1.23	1.25	1.28	1.34	1.40	*1.48*	*1.56*	Div'd Decl'd per sh B ■	*1.80*
1.72	2.04	2.35	5.43	7.51	4.95	2.38	2.04	3.20	4.53	4.40	4.23	4.10	3.36	2.66	5.16	*9.15*	*3.75*	Cap'l Spending per sh	*3.00*
14.81	15.80	16.67	17.55	19.14	18.78	17.57	15.83	14.43	14.75	15.39	15.98	17.03	17.62	18.38	19.46	*20.70*	*21.40*	Book Value per sh C	*23.75*
28.98	29.40	29.52	29.85	35.38	35.81	36.00	36.10	36.17	36.27	37.22	37.86	39.35	39.56	39.66	40.16	*41.50*	*41.60*	Common Shs Outst'g D	*42.00*
17.3	15.4	17.3	19.0	30.1	31.2	55.1	47.5	21.7	21.1	18.8	18.2	20.2	22.1	22.2	23.5	*Bold figures are*		Avg Ann'l P/E Ratio	*18.5*
.91	.82	.93	1.01	1.81	2.08	3.51	2.98	1.38	1.19	.99	.92	1.06	1.11	1.20	1.26	*Value Line*		Relative P/E Ratio	*1.05*
4.2%	4.1%	3.9%	3.5%	3.6%	5.4%	5.7%	5.6%	5.2%	4.1%	4.1%	4.3%	3.9%	3.1%	2.9%	2.7%	*estimates*		Avg Ann'l Div'd Yield	*3.5%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $765.9 mill. **Due in 5 Yrs** $190.3 mill.
LT Debt $724.4 mill. **LT Interest** $33.8 mill.
(LT interest earned: 4.1x)

Leases, Uncapitalized Annual rentals $22.3 mill.
Pension Assets-12/19 $329.8 mill. **Oblig** $384.8 mill.
Pfd Stock None

Common Stock 40,872,064 shs.
as of 7/31/20

MARKET CAP: $1.6 billion (Mid Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
1119.1	1077.9	859.2	893.3	799.3	779.8	803.5	849.4	916.4	919.5	*850*	*940*	Revenues ($mill)	*1115*
13.6	16.4	39.0	50.2	56.9	58.6	62.0	73.9	82.3	86.8	*90.0*	*95.0*	Net Profit ($mill)	*110*
- -	14.5%	5.2%	21.3%	22.5%	27.0%	24.5%	25.5%	15.0%	16.7%	*18.0%*	*18.0%*	Income Tax Rate	*18.0%*
.6%	3.8%	1.7%	5.6%	3.9%	3.5%	2.2%	2.3%	4.1%	4.9%	*9.0%*	*4.0%*	AFUDC % to Net Profit	*3.0%*
40.2%	44.6%	44.0%	42.1%	46.5%	42.4%	43.0%	41.3%	44.7%	46.9%	*42.0%*	*45.0%*	Long-Term Debt Ratio	*47.0%*
58.4%	54.0%	54.4%	57.9%	53.5%	57.6%	57.0%	58.7%	55.3%	53.1%	*58.0%*	*55.0%*	Common Equity Ratio	*53.0%*
1083.3	1058.9	959.2	924.4	1071.3	1051.0	1175.4	1187.3	1318.9	1471.1	*1485*	*1625*	Total Capital ($mill)	*1850*
1108.7	1077.5	1049.5	1167.0	1268.5	1387.8	1477.2	1539.6	1581.1	1753.8	*2055*	*2125*	Net Plant ($mill)	*2275*
2.7%	3.2%	5.7%	6.8%	6.7%	6.8%	6.5%	7.3%	7.3%	7.0%	*7.0%*	*7.0%*	Return on Total Cap'l	*7.0%*
2.1%	2.8%	7.3%	9.4%	9.9%	9.7%	9.3%	10.6%	11.3%	11.1%	*10.0%*	*11.0%*	Return on Shr. Equity E	*11.5%*
2.0%	2.7%	7.3%	9.3%	9.9%	9.7%	9.3%	10.6%	11.3%	11.1%	*10.0%*	*11.0%*	Return on Com Equity	*11.5%*
NMF	NMF	NMF	1.2%	2.2%	2.0%	2.1%	3.3%	4.0%	4.0%	*3.0%*	*3.5%*	Retained to Com Eq	*4.0%*
NMF	NMF	113%	87%	78%	79%	78%	69%	65%	64%	*69%*	*67%*	All Div'ds to Net Prof	*66%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	+1.4	+3.4	-.2
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	6.26	5.97	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	917	912	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.5	+.2	+.1
Fixed Charge Cov. (%)	608	409	407

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-4.5%	-.5%	*3.0%*
"Cash Flow"	2.5%	6.0%	*5.0%*
Earnings	5.5%	9.0%	*5.0%*
Dividends	1.5%	2.5%	*5.0%*
Book Value	- -	4.5%	*4.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	214.1	212.1	216.5	206.7	849.4
2018	241.2	226.3	227.7	221.2	916.4
2019	246.0	229.2	228.6	215.7	919.5
2020	234.7	192.8	*212.5*	*210*	*850*
2021	*250*	*235*	*235*	*220*	*940*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.49	.42	.45	.50	1.86
2018	.66	.47	.58	.35	2.06
2019	.66	.39	.62	.51	2.17
2020	.60	.42	*.63*	*.50*	*2.15*
2021	*.68*	*.47*	*.65*	*.50*	*2.30*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.3125	.3125	.3125	.3125	1.25
2017	.32	.32	.32	.32	1.28
2018	.335	.335	.335	.335	1.34
2019	.35	.35	.35	.35	1.40
2020	.37	.37	.37		

BUSINESS: Otter Tail Corporation is the parent of Otter Tail Power Company, which supplies electricity to 132,000 customers in Minnesota (52% of retail electric revenues), North Dakota (38%), and South Dakota (10%). Electric rev. breakdown: residential, 32%; commercial & farms, 36%; industrial, 30%; other, 2%. Generating sources: coal, 45%; wind & hydro, 8%; other, 1%; purchased, 46%. Fuel costs: 14% of revenues. Also has operations in manufacturing and plastics (38% of '18 income). '19 reported deprec. rate (utility): 2.8%. Has 2,300 employees. Chairman: Nathan I. Partain. President & CEO: Charles S. MacFarlane. Inc.: Minnesota. Address: 215 South Cascade St., P.O. Box 496, Fergus Falls, Minnesota 56538-0496. Tel.: 866-410-8780. Internet: www.ottertail.com.

Otter Tail Corporation raised its earnings guidance for 2020 upon reporting June-quarter results. Profits of $0.42 a share topped the year-ago tally and were above our estimate of $0.35. The Plastics segment is faring better than expected. Market conditions suggest that volume and (possibly) pricing will improve in the second half of 2020. Management now estimates that this operation will generate a profit of $0.50-$0.54 this year, versus $0.51 in 2019 and its previous expectation of just $0.43-$0.47. This is the primary reason why Otter Tail revised its targeted range for 2020 from $2.00-$2.25 a share to $2.10-$2.30 a share. (This is still below the company's original guidance of $2.23-$2.37, issued in February.) Another reason is the negative effect on earnings from declines in commercial and industrial kilowatt-hour sales at Otter Tail Power will probably be less than expected three months ago: $0.04-$0.06, versus $0.06-$0.10. We raised our 2020 and 2021 estimates by $0.10 each year, to $2.15 and $2.30, respectively. The stock's reaction was positive, but modest. The share price is still down 24% for the year.

The weak economy has hurt Otter Tail. Besides the negative effect of the sales decline on utility income, the company's Manufacturing segment has been hit hard, as many customers closed facilities due to the coronavirus. A slowdown in sales of oil and gas fracking equipment is another factor. In response, the company has cut operating and maintenance costs in each division. Otter Tail Power has also asked the regulators in each state to allow the utility to defer for future recovery costs associated with the coronavirus. We expect a stronger economy in 2021, which points to higher earnings next year.

Two significant projects are under construction. Otter Tail Power is building a 245-megawatt gas-fired plant at an expected cost of $154 million and a 150-mw wind farm at an expected cost of $260 million. The projects should be completed in late 2020 or early 2021.

The dividend yield of this untimely stock is about equal to the utility average. The equity offers attractive total return potential for the 18-month span, but isn't as high for the 2023-2025 period.

Paul E. Debbas, CFA *September 11, 2020*

(A) Dil. EPS. Excl. nonrec. gains (loss): '10, (44¢); '11, 26¢; '13, 2¢; gains (losses) from disc. ops.: '04, 8¢; '05, 33¢; '06, 1¢; '11, ($1.11); '12, ($1.22); '13, 2¢; '14, 2¢; '15, 2¢; '16, 1¢; '17, 1¢. '19 EPS don't sum due to rndg. Next egs. rept. due early Nov. (B) Div'ds histor. pd. in early Mar., Jun., Sept., & Dec. ■ Div'd reinv. plan avail. (C) Incl. intang. In '19: $4.67/sh. (D) In mill. (E) Rate all'd on com. eq. in MN in '17: 9.41%; in ND in '18: 9.77%; in SD in '19: 8.75%; earn. avg. com. eq., '19: 11.6%. Reg. Clim.: MN, ND, Avg.; SD, Above Avg.

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

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N.W. NATURAL NYSE-NWN

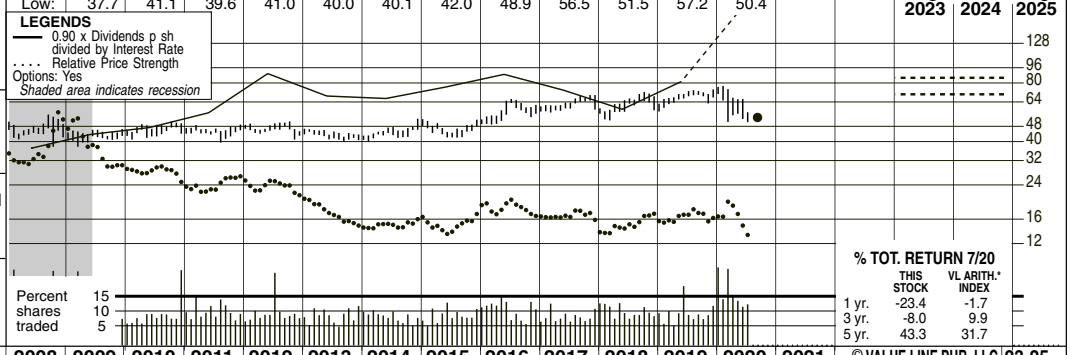
RECENT PRICE 53.22 | P/E RATIO 22.5 (Trailing: 25.8 Median: 23.0) | RELATIVE P/E RATIO 1.02 | DIV'D YLD 3.6% | VALUE LINE

TIMELINESS 3 Lowered 5/22/20
SAFETY 1 Raised 3/18/05
TECHNICAL 3 Raised 4/3/20
BETA .80 (1.00 = Market)

High:	46.5	50.9	49.0	50.8	46.6	52.6	52.3	66.2	69.5	71.8	74.1	77.3
Low:	37.7	41.1	39.6	41.0	40.0	40.1	42.0	48.9	56.5	51.5	57.2	50.4

Target Price Range 2023 | 2024 | 2025

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



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$42-$102	$72 (35%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(+60%)	15%
Low	70	(+30%)	10%

Institutional Decisions

	3Q2019	4Q2019	1Q2020
to Buy	107	120	88
to Sell	90	95	133
Hld's(000)	21608	23102	22679

% TOT. RETURN 7/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-23.4	-1.7
3 yr.	-8.0	9.9
5 yr.	43.3	31.7

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
25.69	33.01	37.20	39.13	39.16	38.17	30.56	31.72	27.14	28.02	27.64	26.39	23.61	26.52	24.45	24.49	*25.15*	*26.45*	Revenues per sh	*29.40*
3.92	4.34	4.76	5.41	5.31	5.20	5.18	5.00	4.94	5.04	5.05	4.91	4.93	1.04	5.28	5.15	*4.85*	*5.20*	"Cash Flow" per sh	*6.15*
1.86	2.11	2.35	2.76	2.57	2.83	2.73	2.39	2.22	2.24	2.16	1.96	2.12	d1.94	2.33	2.19	*2.35*	*2.55*	Earnings per sh A	*3.20*
1.30	1.32	1.39	1.44	1.52	1.60	1.68	1.75	1.79	1.83	1.85	1.86	1.87	1.88	1.89	1.90	*1.91*	*1.92*	Div'ds Decl'd per sh B■	*1.97*
5.52	3.48	3.56	4.48	3.92	5.09	9.35	3.76	4.91	5.13	4.40	4.37	4.87	7.43	7.43	7.95	*7.80*	*6.15*	Cap'l Spending per sh	*6.25*
20.64	21.28	22.01	22.52	23.71	24.88	26.08	26.70	27.23	27.77	28.12	28.47	29.71	25.85	26.41	28.42	*29.70*	*31.85*	Book Value per sh D	*38.40*
27.55	27.58	27.24	26.41	26.50	26.53	26.58	26.76	26.92	27.08	27.28	27.43	28.63	28.74	28.88	30.47	*31.00*	*31.00*	Common Shs Outst'g C	*32.00*
16.7	17.0	15.9	16.7	18.1	15.2	17.0	19.0	21.1	19.4	20.7	23.7	26.9	- -	26.6	30.9	*Bold figures are*		Avg Ann'l P/E Ratio	*24.0*
.88	.91	.86	.89	1.09	1.01	1.08	1.19	1.34	1.09	1.09	1.19	1.41	- -	1.44	1.68	*Value Line*		Relative P/E Ratio	*1.35*
4.2%	3.7%	3.7%	3.1%	3.3%	3.7%	3.6%	3.9%	3.8%	4.2%	4.1%	4.0%	3.3%	3.0%	3.0%	2.8%	*estimates*		Avg Ann'l Div'd Yield	*2.6%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $1187.1 mill. **Due in 5 Yrs** $910.0 mill.
LT Debt $918.9 mill. **LT Interest** $40.0 mill.

(Total interest coverage: 3.7x)

Pension Assets-12/19 $313.1 mill. **Oblig.** $515.7 mill.

Pfd Stock None

Common Stock 30,547,293 shares as of 8/3/20

MARKET CAP $1.6 billion (Mid Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
812.1	848.8	730.6	758.5	754.0	723.8	676.0	762.2	706.1	746.4	*780*	*820*	Revenues ($mill)	*940*
72.7	63.9	59.9	60.5	58.7	53.7	58.9	d55.6	67.3	65.3	*80.0*	*85.0*	Net Profit ($mill)	*95.0*
40.5%	40.4%	42.4%	40.8%	41.5%	40.0%	40.9%	- -	26.4%	16.2%	*21.0%*	*21.0%*	Income Tax Rate	*21.0%*
8.9%	7.5%	8.2%	8.0%	7.8%	7.4%	8.7%	NMF	9.5%	8.8%	*9.4%*	*9.7%*	Net Profit Margin	*10.9%*
46.1%	47.3%	48.5%	47.6%	44.8%	42.5%	44.4%	47.9%	48.1%	48.2%	*47.5%*	*47.0%*	Long-Term Debt Ratio	*47.5%*
53.9%	52.7%	51.5%	52.4%	55.2%	57.5%	55.6%	52.1%	51.9%	51.8%	*52.5%*	*53.0%*	Common Equity Ratio	*52.5%*
1284.8	1356.2	1424.7	1433.6	1389.0	1357.7	1529.8	1426.0	1468.9	1672.0	*1755*	*1855*	Total Capital ($mill)	*1825*
1854.2	1893.9	1973.6	2062.9	2121.6	2182.7	2260.9	2255.0	2421.4	2438.9	*2535*	*2640*	Net Plant ($mill)	*3065*
7.0%	6.2%	5.7%	5.8%	5.8%	5.5%	5.1%	NMF	5.8%	5.2%	*5.0%*	*5.5%*	Return on Total Cap'l	*5.5%*
10.5%	8.9%	8.2%	8.1%	7.6%	6.9%	6.9%	NMF	8.8%	7.5%	*8.0%*	*8.0%*	Return on Shr. Equity	*8.5%*
10.5%	8.9%	8.2%	8.1%	7.6%	6.9%	6.9%	NMF	8.8%	7.5%	*8.0%*	*8.0%*	Return on Com Equity	*8.5%*
4.0%	2.4%	1.6%	1.5%	1.1%	.6%	.9%	NMF	2.1%	1.4%	*1.5%*	*2.0%*	Retained to Com Eq	*3.0%*
61%	73%	80%	81%	85%	92%	87%	NMF	76%	82%	*81%*	*75%*	All Div'ds to Net Prof	*61%*

CURRENT POSITION ($MILL.)	2018	2019	6/30/20
Cash Assets	12.6	9.6	137.1
Other	283.3	284.1	179.3
Current Assets	295.9	293.7	316.4
Accts Payable	115.9	113.4	79.9
Debt Due	247.6	224.2	268.2
Other	145.6	144.6	138.8
Current Liab.	509.1	482.2	486.9
Fix. Chg. Cov.	357%	336%	368%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-4.0%	-2.0%	*2.5%*
"Cash Flow"	-3.0%	-5.5%	*8.0%*
Earnings	-11.0%	-17.0%	*24.5%*
Dividends	2.0%	.5%	*1.0%*
Book Value	1.5%	-.5%	*2.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	297.3	136.3	88.2	240.4	762.2
2018	264.7	124.6	91.2	226.7	706.1
2019	285.4	123.4	90.3	247.3	746.4
2020	285.2	135.0	*105*	*254.8*	*780*
2021	*305*	*145*	*110*	*260*	*820*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1.40	.10	d.30	d3.14	d1.94
2018	1.46	d.01	d.39	1.27	2.33
2019	1.50	.07	d.61	1.26	2.19
2020	1.58	d.17	*d.40*	*1.34*	*2.35*
2021	*1.60*	*d.05*	*d.35*	*1.35*	*2.55*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.4675	.4675	.4675	.470	1.87
2017	.470	.470	.470	.4725	1.88
2018	.4725	.4725	.4725	.475	1.89
2019	.475	.475	.475	.4775	1.90
2020	.4775	.4775	.4775		

BUSINESS: Northwest Natural Holding Co. distributes natural gas to 1000 communities, 750,000 customers, in Oregon (89% of customers) and in southwest Washington state. Principal cities served: Portland and Eugene, OR; Vancouver, WA. Service area population: 3.7 mill. (77% in OR). Company buys gas supply from Canadian and U.S. producers; has transportation rights on Northwest Pipeline system. Owns local underground storage. Rev. breakdown: residential, 37%; commercial, 22%; industrial, gas transportation, 41%. Employs 1,167. BlackRock Inc. owns 15.5% of shares; Off./Dir. own less than 1% (4/20 proxy). CEO: David H. Anderson. Inc.: Oregon. Address: 220 NW 2nd Ave., Portland, OR 97209. Tel.: 503-226-4211. Internet: www.nwnatural.com.

Northwest Natural Holding recorded mixed second-quarter results. Revenues expanded to $135.0 million, aided by additional contributions from the North Mist natural gas storage facility and its recently acquired water operations. It added around 13,000 new customers over the past 12 months, growing its base by 1.7%. However, the company incurred higher gas costs and maintenance expenses. Moreover, interest expense rose due to a higher debt load, but a tax benefit helped some. Overall, these factors led to a net loss of $0.17 per share during the quarter. Still, the utility ought to have better results in the coming months, as it will likely benefit from new legislation in Oregon. This allows utilities to recover 5% of renewable natural gas' incremental costs, which would equate to about $30 million annually. Additionally, the company filed for a $45.8 million increase in revenues with the Oregon Public Utility Commission. If approved, this would take effect in November, though we don't think it will earn the full amount. Northwest sold about 1.4 million shares in June, which will spread profits among a higher total share count. Overall, we have reduced our 2020 full-year share-net estimate by a dime to $2.35.

The long-term outlook is bright here. Revenues will likely expand at a steady clip, assuming the company's rate cases yield favorable outcomes. Moreover, the entry into the water utility space should further enhance the top line as it closed several new water utility transactions. These include Suncadia in Washington State and its first water utility in Texas. Too, Northwest closed on a few water utilities in Idaho and will likely see some economies of scale emerge over the long haul. We project that earnings will expand to $2.55 per share in 2021 and $3.20 per share by mid-decade.

Shares of Northwest Natural Holding are neutrally ranked for Timeliness. This equity holds ample 3- to 5-year recovery potential based on our projections. Too, the dividend yield is attractive, though we expect modest increases in the payout in the years ahead. Overall, we think this equity will appeal to connservative long-term accounts.

John E. Seibert III *August 28, 2020*

(A) Diluted earnings per share. Excludes nonrecurring items: '06, ($0.06); '08, ($0.03); '09, $0.06; May not sum due to rounding. Next earnings report due in early November.
(B) Dividends historically paid in mid-February, May, August, and November.
■ Dividend reinvestment plan available.
(C) In millions.
(D) Includes intangibles. In 2019: $343.2 million, $11.26/share.

Company's Financial Strength	A
Stock's Price Stability	90
Price Growth Persistence	40
Earnings Predictability	5

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CHESAPEAKE UTIL. NYSE-CPK

RECENT PRICE 85.41 | P/E RATIO 21.6 (Trailing: 22.3 Median: 19.0) | RELATIVE P/E RATIO 0.98 | DIV'D YLD 2.1% | VALUE LINE

TIMELINESS 2 Raised 8/28/20
SAFETY 2 New 6/5/15
TECHNICAL 3 Lowered 5/8/20
BETA .75 (1.00 = Market)

High:	23.3	28.1	29.7	32.6	40.8	52.7	61.1	70.0	86.4	93.4	98.6	101.3
Low:	14.7	18.7	24.0	26.6	30.6	37.5	44.4	52.3	63.0	66.4	77.6	69.5

18-Month Target Price Range

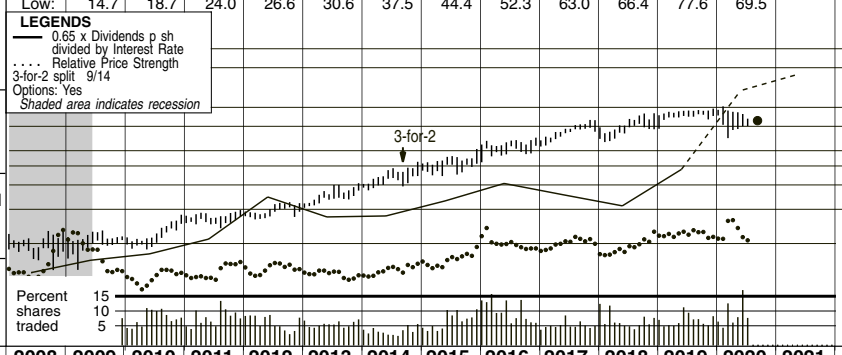
Low-High	Midpoint (% to Mid)
$68-$144	$106 (25%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	150	(+75%)	17%
Low	110	(+30%)	9%

Institutional Decisions

	3Q2019	4Q2019	1Q2020
to Buy	84	90	84
to Sell	75	81	86
Hld's(000)	11001	10950	11211



Target Price Range

2023	2024	2025

200 160 100 80 60 50 40 30 20

% TOT. RETURN 7/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-7.9	-1.7
3 yr.	15.3	9.9
5 yr.	80.3	31.7

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
20.70	26.02	23.05	25.41	28.46	19.07	29.93	29.13	27.26	30.73	34.19	30.07	30.60	37.79	43.81	29.24	*29.40*	*34.30*	Revenues per sh	*60.00*
2.26	2.35	2.18	2.52	2.50	2.15	3.50	3.69	3.95	4.35	4.73	5.05	5.16	5.42	6.47	6.50	*6.75*	*7.20*	"Cash Flow" per sh	*10.00*
1.09	1.18	1.15	1.29	1.39	1.43	1.82	1.91	1.99	2.26	2.47	2.68	2.86	2.68	3.45	3.72	*3.90*	*4.10*	Earnings per sh A	*5.50*
.75	.76	.77	.78	.81	.83	.87	.91	.96	1.01	1.07	1.12	1.19	1.26	1.39	1.55	*1.69*	*1.83*	Div'ds Decl'd per sh B■	*2.30*
2.07	3.74	4.87	3.08	3.00	1.89	3.18	3.28	5.00	6.72	6.66	9.47	10.42	10.73	16.47	11.26	*11.75*	*12.15*	Cap'l Spending per sh	*12.80*
9.07	9.60	11.08	11.76	12.02	14.89	15.84	16.78	17.82	19.28	20.59	23.45	27.36	29.75	31.65	34.23	*37.90*	*43.90*	Book Value per sh	*56.90*
8.60	8.82	10.03	10.17	10.24	14.09	14.29	14.35	14.40	14.46	14.59	15.27	16.30	16.34	16.38	16.40	*17.00*	*17.50*	Common Shs Outst'g C	*20.00*
15.0	16.8	17.9	16.7	14.2	14.2	12.2	14.2	14.8	15.6	17.7	19.1	21.8	27.8	22.9	24.7	*Bold figures are*		Avg Ann'l P/E Ratio	*23.5*
.79	.89	.97	.89	.85	.95	.78	.89	.94	.88	.93	.96	1.14	1.40	1.24	1.34	*Value Line*		Relative P/E Ratio	*1.30*
4.6%	3.8%	3.8%	3.6%	4.1%	4.1%	3.9%	3.4%	3.3%	2.9%	2.4%	2.2%	1.9%	1.7%	1.8%	1.7%	*estimates*		Avg Ann'l Div'd Yield	*1.8%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $732.1 mill. **Due in 5 Yrs** $370.0 mill.
LT Debt $430.1 mill. **LT Interest** $15.0 mill.
(LT interest earned: 4.7x; total interest coverage: 4.7x) (42% of Cap'l)
Leases, Uncapitalized Annual rentals $2.1 mill.
Pfd Stock None
Pension Assets-12/19 $54.3 mill. **Oblig.** $71.5 mill.
Common Stock 16,493,573 shs. **as of 7/31/20**

MARKET CAP: $1.4 billion (Mid Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
427.5	418.0	392.5	444.3	498.8	459.2	498.9	617.6	717.5	479.6	*500*	*600*	Revenues ($mill)	*1200*
26.1	27.6	28.9	32.8	36.1	40.2	44.7	43.8	56.6	61.1	*66.0*	*72.0*	Net Profit ($mill)	*110*
39.7%	39.4%	40.1%	40.2%	39.9%	39.5%	38.8%	39.5%	27.1%	25.7%	*24.5%*	*25.0%*	Income Tax Rate	*27.0%*
6.1%	6.6%	7.4%	7.4%	7.2%	8.8%	9.0%	7.1%	7.9%	12.8%	*13.2%*	*12.0%*	Net Profit Margin	*9.2%*
28.4%	31.4%	28.4%	29.7%	34.5%	29.4%	23.5%	28.9%	37.9%	43.9%	*43.0%*	*40.0%*	Long-Term Debt Ratio	*35.0%*
71.6%	68.6%	71.6%	70.3%	65.5%	70.6%	76.5%	71.1%	62.1%	56.1%	*57.0%*	*60.0%*	Common Equity Ratio	*65.0%*
315.9	351.1	358.5	396.4	458.8	507.5	583.0	683.7	834.5	1001.8	*1130*	*1280*	Total Capital ($mill)	*1750*
462.8	487.7	541.8	631.2	689.8	855.0	986.7	1126.0	1384.0	1463.8	*1650*	*1815*	Net Plant ($mill)	*2475*
9.1%	8.9%	8.8%	8.8%	8.5%	8.9%	8.6%	7.3%	7.8%	7.2%	*7.0%*	*7.0%*	Return on Total Cap'l	*7.5%*
11.5%	11.5%	11.2%	11.8%	12.0%	11.2%	10.0%	9.0%	10.9%	10.9%	*10.5%*	*9.5%*	Return on Shr. Equity	*9.5%*
11.5%	11.5%	11.2%	11.8%	12.0%	11.2%	10.0%	9.0%	10.9%	10.9%	*10.5%*	*9.5%*	Return on Com Equity	*9.5%*
6.6%	6.6%	6.4%	7.1%	7.4%	6.8%	6.1%	4.9%	6.7%	6.5%	*6.0%*	*5.0%*	Retained to Com Eq	*5.5%*
42%	42%	43%	40%	38%	40%	39%	45%	39%	40%	*44%*	*45%*	All Div'ds to Net Prof	*42%*

CURRENT POSITION ($MILL.)	2018	2019	6/30/20
Cash Assets	6.1	7.0	3.6
Other	185.4	127.8	95.0
Current Assets	191.5	134.8	98.6
Accts Payable	129.8	54.1	46.4
Debt Due	306.4	293.0	302.0
Other	92.0	76.2	81.4
Current Liab.	528.2	423.3	429.8
Fix. Chg. Cov.	636%	568%	580%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	4.5%	4.0%	*8.5%*
"Cash Flow"	10.0%	7.0%	*8.5%*
Earnings	9.0%	8.0%	*9.0%*
Dividends	5.5%	6.5%	*8.5%*
Book Value	9.5%	10.5%	*10.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	185.2	125.1	126.9	180.4	617.6
2018	239.4	136.7	140.3	201.1	717.5
2019	160.5	94.5	92.6	132.0	479.6
2020	152.7	97.0	*108*	*142.3*	*500*
2021	*180*	*130*	*120*	*170*	*600*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1.17	.37	.42	.72	2.68
2018	1.64	.39	.34	1.08	3.45
2019	1.75	.54	.38	1.04	3.72
2020	1.77	.64	*.42*	*1.07*	*3.90*
2021	*1.83*	*.70*	*.45*	*1.12*	*4.10*

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.288	.288	.305	.305	1.19
2017	.305	.305	.325	.325	1.26
2018	.325	.325	.37	.37	1.39
2019	.37	.37	.405	.405	1.55
2020	.405	.405	.44		

BUSINESS: Chesapeake Utilities Corporation consists of two main units. The Regulated Energy segment distributes natural gas in Delaware, Maryland, and Florida; distributes electricity in Florida; and transmits natural gas on the Delmarva Peninsula and in Florida. The Unregulated Energy operation wholesales and distributes propane; markets natural gas; and provides other unregulated energy services, including midstream services in Ohio. Revenue breakdown for 2019: Regulated Energy, 71.5%; Unregulated Energy, 32.1%; Other, d3.6%. Officers and directors own 3.1% of common stock; T. Rowe Price, 14.1% (4/20 Proxy). CEO: Jeffry M. Householder. Inc.: DE. Address: 909 Silver Lake Boulevard, Dover, DE 19904. Tel.: (302) 734-6799. Internet: www.chpk.com.

Chesapeake Utilities' share net rose around 5% during the first half of 2020, versus last year's total. That was attributed partly to a $0.14-a-share gain from the sale of two properties. Furthermore, the company benefited from the Eastern Shore and Peninsula Pipeline service expansions. Other contributors included the Boulden deal (completed last December) and increased retail propane margins per gallon. On the negative side, the effects of COVID-19 reduced the bottom line by $0.17 a share. (Regulatory relief is anticipated for costs incurred as a result of that health crisis, however.) Lastly, diminished customer consumption, due mainly to milder temperatures, hurt the company to some degree during the period. Still, at this juncture, we look for full-year profits to grow 5%, to $3.90 a share. Assuming that business trends are generally favorable, Chesapeake's 2021 share net stands to advance at a similar percentage rate, to $4.10.

There has been action on the acquisition front. The company just bought, for $15 million, Elkton Gas, a subsidiary of South Jersey Industries, which delivers natural gas to 7,000 customers in Cecil County, Maryland. That followed the $24.6 million purchase of certain propane operating assets of Boulden, serving around 5,200 customers in Delaware, Maryland, and Pennsylvania. Acquisitions ought to continue to play an important role in Chesapeake's business strategy.

This year's capital spending budget is anticipated to range between $185 million and $215 million. (That's around 8% above the 2019 amount of $184.7 million if the midpoint of this range is used.) Some 80% of the expenditures is devoted to the Regulated Energy division, with an emphasis on the natural gas distribution and transmission businesses. Management adds that it expects total capital spending to be $750 million—$1 billion for the five-year period between 2018 and 2022. Corporate finances seem sufficient to support these initiatives.

The timely stock's dividend yield is unspectacular for a natural gas utility, but capital appreciation potential for the 18-month period and over 2023-2025 is worthwhile.

Frederick L. Harris, III *August 28, 2020*

(A) Diluted shrs. Excludes nonrecurring items: '08, d7¢; '15, 6¢; '17, 87¢. Excludes discontinued operations: '04, d1¢; '19, 24¢; '20, 1¢. Quarters for 2019 don't equal total because of rounding. Next earnings report due early Nov.
(B) Dividends historically paid in early January, April, July, and October. ■ Dividend reinvestment plan. Direct stock purchase plan available.
(C) In millions, adjusted for split.

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

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MIDDLESEX WATER NDQ-MSEX

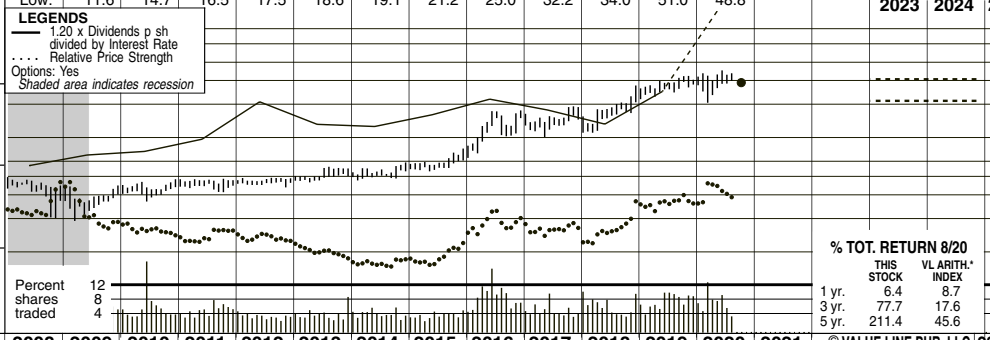
RECENT PRICE **62.37** | P/E RATIO **28.9** (Trailing: 29.4 Median: 21.0) | RELATIVE P/E RATIO **1.38** | DIV'D YLD **1.7%** | VALUE LINE

TIMELINESS 2 Raised 5/15/20
SAFETY 2 New 10/21/11
TECHNICAL 2 Raised 5/1/20
BETA .70 (1.00 = Market)

High:	17.9	19.3	19.4	19.6	22.5	23.7	28.0	44.5	46.7	60.3	67.7	72.4
Low:	11.6	14.7	16.5	17.5	18.6	19.1	21.2	25.0	32.2	34.0	51.0	48.8

Target Price Range
2023 | 2024 | 2025

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



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$53-$99	$76 (20%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+5%)	3%
Low	50	(-20%)	-3%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	68	55	68
to Sell	68	70	55
Hld's(000)	10433	10280	10359

Percent shares traded 12 8 4

% TOT. RETURN 8/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	6.4	8.7
3 yr.	77.7	17.6
5 yr.	211.4	45.6

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
6.25	6.44	6.16	6.50	6.79	6.75	6.60	6.50	6.98	7.19	7.26	7.77	8.16	8.00	8.42	7.72	*8.20*	*8.45*	Revenues per sh	*9.15*
1.28	1.33	1.33	1.49	1.53	1.40	1.55	1.46	1.56	1.72	1.84	1.97	2.17	2.24	2.89	2.90	*3.00*	*3.15*	"Cash Flow" per sh	*3.50*
.73	.71	.82	.87	.89	.72	.96	.84	.90	1.03	1.13	1.22	1.38	1.38	1.96	2.01	*2.15*	*2.25*	Earnings per sh A	*2.50*
.66	.67	.68	.69	.70	.71	.72	.73	.74	.75	.76	.78	.81	.86	.91	.98	*1.04*	*1.10*	Div'd Decl'd per sh B■	*1.25*
2.54	2.18	2.31	1.66	2.12	1.49	1.90	1.50	1.36	1.26	1.40	1.59	2.91	3.08	4.40	5.11	*3.95*	*4.50*	Cap'l Spending per sh	*5.00*
8.02	8.26	9.52	10.05	10.03	10.33	11.13	11.27	11.48	11.82	12.24	12.74	13.40	14.02	15.17	18.57	*16.15*	*16.50*	Book Value per sh	*17.35*
11.36	11.58	13.17	13.25	13.40	13.52	15.57	15.70	15.82	15.96	16.12	16.23	16.30	16.35	16.40	17.43	*17.65*	*17.75*	Common Shs Outst'g C	*18.00*
26.4	27.4	22.7	21.6	19.8	21.0	17.8	21.7	20.8	19.7	18.5	19.1	25.6	28.4	22.2	29.7	*Bold figures are*		Avg Ann'l P/E Ratio	*23.0*
1.39	1.46	1.23	1.15	1.19	1.40	1.13	1.36	1.32	1.11	.97	.96	1.34	1.43	1.20	1.61	*Value Line*		Relative P/E Ratio	*1.30*
3.4%	3.5%	3.7%	3.7%	4.0%	4.7%	4.2%	4.0%	4.0%	3.7%	3.7%	3.3%	2.3%	2.2%	2.1%	1.6%	*estimates*		Avg Ann'l Div'd Yield	*2.2%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $282.7 mill. **Due in 5 Yrs** $33.3 mill.
LT Debt $237.9 mill. **LT Interest** $7.2 mill.
(Total interest coverage: 7.4x)
(42% of Cap'l)

Pension Assets-12/19 $80.4 mill.
Oblig. $100.9 mill.
Pfd Stock $2.4 mill. **Pfd Div'd:** $.1 mill.

Common Stock 17,464,795 shs.
as of 7/31/20

MARKET CAP: $1.1 billion (Mid-Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
102.7	102.1	110.4	114.8	117.1	126.0	132.9	130.8	138.1	134.6	*145*	*150*	Revenues ($mill)	*165*
14.3	13.4	14.4	16.6	18.4	20.0	22.7	22.8	32.5	33.9	*38.0*	*40.0*	Net Profit ($mill)	*45.0*
32.1%	32.7%	33.9%	34.1%	35.0%	34.5%	34.0%	32.7%	2.8%	2.8%	*21.0%*	*21.0%*	Income Tax Rate	*21.0%*
6.8%	6.1%	3.4%	1.9%	1.7%	1.9%	2.7%	3.1%	1.4%	3.4%	*2.0%*	*2.0%*	AFUDC % to Net Profit	*2.5%*
43.1%	42.3%	41.5%	40.4%	40.5%	39.4%	37.9%	37.5%	37.8%	41.5%	*42.5%*	*41.5%*	Long-Term Debt Ratio	*39.0%*
55.8%	56.6%	57.4%	58.7%	58.8%	59.8%	61.5%	61.8%	61.6%	58.2%	*57.0%*	*58.0%*	Common Equity Ratio	*60.5%*
310.5	312.5	316.5	321.4	335.8	345.4	355.4	370.7	404.1	556.7	*500*	*505*	Total Capital ($mill)	*515*
405.9	422.2	435.2	446.5	465.4	481.9	517.8	557.2	618.5	705.7	*720*	*735*	Net Plant ($mill)	*775*
5.7%	5.2%	5.4%	5.9%	6.3%	6.6%	7.1%	6.9%	8.9%	6.7%	*8.0%*	*8.5%*	Return on Total Cap'l	*9.0%*
8.1%	7.5%	7.8%	8.7%	9.2%	9.6%	10.3%	9.8%	12.9%	10.4%	*13.0%*	*13.5%*	Return on Shr. Equity	*14.5%*
8.2%	7.5%	7.8%	8.7%	9.3%	9.6%	10.3%	9.9%	13.0%	10.4%	*13.5%*	*13.5%*	Return on Com Equity	*14.5%*
2.1%	1.0%	1.4%	2.4%	3.1%	3.5%	4.3%	3.8%	7.0%	5.4%	*7.0%*	*7.0%*	Retained to Com Eq	*7.0%*
75%	87%	83%	73%	67%	63%	58%	62%	46%	48%	*48%*	*49%*	All Div'ds to Net Prof	*50%*

CURRENT POSITION ($MILL.)	2018	2019	6/30/20
Cash Assets	3.7	2.2	13.2
Other	27.1	26.9	30.8
Current Assets	30.8	29.1	44.0
Accts Payable	19.3	23.3	22.8
Debt Due	55.8	27.2	44.8
Other	19.3	14.5	16.7
Current Liab.	94.4	65.0	84.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	2.0%	2.5%	*2.0%*
"Cash Flow"	6.0%	9.5%	*4.5%*
Earnings	8.0%	12.0%	*6.0%*
Dividends	2.5%	4.0%	*5.5%*
Book Value	4.5%	6.0%	*1.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2017	30.1	33.0	36.2	31.5	130.8
2018	31.2	34.9	38.7	33.3	138.1
2019	30.7	33.4	37.8	32.7	134.6
2020	31.8	35.3	*42.0*	*35.9*	*145*
2021	*33.0*	*37.0*	*44.0*	*36.0*	*150*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2017	.27	.33	.46	.32	1.38
2018	.27	.52	.74	.43	1.96
2019	.39	.49	.66	.46	2.01
2020	.44	.55	*.69*	*.47*	*2.15*
2021	*.45*	*.55*	*.73*	*.52*	*2.25*

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.19875	.19875	.19875	.21125	.81
2017	.21125	.21125	.21125	.22375	.86
2018	.22375	.22375	.22375	.24	.91
2019	.24	.24	.24	.2562	.98
2020	.2562	.2562	.2562		

BUSINESS: Middlesex Water Company engages in the ownership and operation of regulated water utility systems in New Jersey, Delaware, and Pennsylvania. It also operates water and wastewater systems under contract on behalf of municipal and private clients in NJ and DE. Its Middlesex System provides water services to 61,000 retail customers, primarily in Middlesex County, New Jersey. In 2019, the Middlesex System accounted for 60% of operating revenues. At 12/31/19, the company had 352 employees. Incorporated: NJ. President, CEO, and Chairman: Dennis W. Doll. Officers & directors own 3.1% of the com. stock; BlackRock Inst. Trust Co., 7.7% (4/20 proxy). Add.: 485 C Route 1 South, Suite 400, Iselin, NJ 08830. Tel.: 732-634-1500. Int.: www.middlesexwater.com.

Middlesex Water's bottom line surged in the June period. The regulated water utility posted second-quarter profits of $0.55 a share, a nickel better than we had expected. Driving the outperformance was healthier operating margins and an income tax benefit related to recently adopted tangible property regulations. Revenues rose nicely, as well, thanks to an expanding customer base in its Delaware system and higher water consumption. Accordingly, we are adding $0.05 to our earnings-per-share forecasts for this year and next, to $2.15 and $2.25, respectively. We are leaving unchanged our top-line estimates at this time. Plenty of tailwinds, such as higher rates, increasing customers, and a heighten approach to personal hygiene, are likely to persist. However, we are keeping an eye on residential water consumption levels as stay-at-home restrictions fade and members of the household slowly return to the office and classroom.

The company recently wrapped up a major infrastructure project. Middlesex completed construction of a two-year, $50 million supplemental transmission pipeline in its New Jersey system. Subsequent to this accomplishment, we do not expect leadership to take its foot off the gas in terms of infrastructure improvement spending. To reiterate, the company's long-term program, Water For Tomorrow, boasts a $300 million budget, and ought to be used to replace and improve aging infrastructure such as watermains, pipelines, and wastewater treatment facilities.

At recent levels, Middlesex stock is suited primarily for subscribers with a short-term investment horizon. The equity is presently in the good graces of our Timeliness Ranking System. That said, the stock's multiyear price ascent (MSEX shares recently traded at an all-time high) has limited some of its long-term appeal. To this point, capital appreciation potential over the 3- to 5-year time frame is below average, and the current dividend yield is dwarfed by the *Value Line* median. All told, we recommend buy-and-hold accounts defer capital commitments until a more attractive entry point is available.

Nicholas P. Patrikis *October 9, 2020*

(A) Diluted earnings. Next earnings report due late October.
(B) Dividends historically paid in mid-Feb., May, Aug., and November.■ Div'd reinvestment plan available.
(C) In millions.

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

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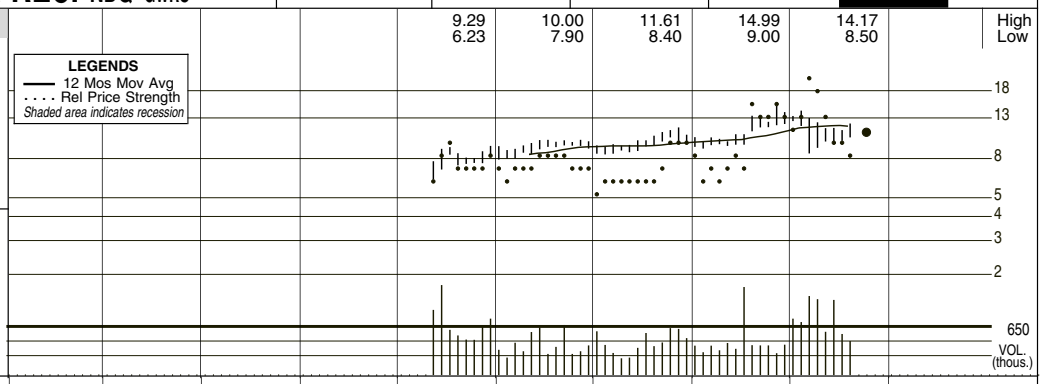
GLOBAL WATER RES. NDQ--GWRS

RECENT PRICE **10.94** | TRAILING P/E RATIO **NMF** | RELATIVE P/E RATIO **NMF** | DIV'D YLD **2.6%** | VALUE LINE

RANKS

PERFORMANCE	**4**	*Below Average*
Technical	**3**	*Average*
SAFETY	**3**	*Average*
BETA .70	(1.00 = Market)	

Financial Strength	B+
Price Stability	85
Price Growth Persistence	NMF
Earnings Predictability	NMF



© VALUE LINE PUBLISHING LLC	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021/2022
REVENUES PER SH	--	--	--	--	1.52	1.59	1.65	1.65	--	
"CASH FLOW" PER SH	--	--	--	--	.18	.58	.49	.49	--	
EARNINGS PER SH	--	--	--	--	d.15	.23	.15	.10	***.11*** [A,B]	***.11*** [C]***/NA***
DIV'DS DECL'D PER SH	--	--	--	--	.17	.28	.28	.29	--	
CAP'L SPENDING PER SH	--	--	--	--	.44	1.06	.22	.52	--	
BOOK VALUE PER SH	--	--	--	--	.78	.76	1.30	1.15	--	
COMMON SHS OUTST'G (MILL)	--	--	--	--	19.58	19.63	21.47	21.54	--	
AVG ANN'L P/E RATIO	--	--	--	--	--	40.1	63.9	NMF	***99.5***	***99.5/NA***
RELATIVE P/E RATIO	--	--	--	--	--	2.01	3.61	NMF	--	
AVG ANN'L DIV'D YIELD	--	--	--	--	2.2%	3.0%	3.0%	2.6%	--	
REVENUES ($MILL)	--	--	--	32.0	29.8	31.2	35.5	35.5	--	***Bold figures***
OPERATING MARGIN	--	--	--	75.1%	38.8%	45.7%	47.1%	43.2%	--	***are consensus***
DEPRECIATION ($MILL)	--	--	--	8.2	6.3	6.9	7.5	8.4	--	***earnings***
NET PROFIT ($MILL)	--	--	--	21.4	d2.9	4.6	3.1	2.2	--	***estimates***
INCOME TAX RATE	--	--	--	49.1%	--	--	36.5%	34.3%	--	***and, using the***
NET PROFIT MARGIN	--	--	--	66.9%	NMF	14.6%	8.7%	6.3%	--	***recent prices,***
WORKING CAP'L ($MILL)	--	--	--	8.0	13.8	.7	7.7	2.2	--	***P/E ratios.***
LONG-TERM DEBT ($MILL)	--	--	--	104.7	114.3	114.4	114.5	114.7	--	
SHR. EQUITY ($MILL)	--	--	--	20.1	15.2	14.9	27.9	24.7	--	
RETURN ON TOTAL CAP'L	--	--	--	20.5%	2.4%	5.5%	4.0%	3.5%	--	
RETURN ON SHR. EQUITY	--	--	--	106.5%	NMF	30.6%	11.1%	9.0%	--	
RETAINED TO COM EQ	--	--	--	106.5%	NMF	NMF	11.1%	NMF	--	
ALL DIV'DS TO NET PROF	--	--	--	--	NMF	119%	--	NMF	--	

[A]*No. of analysts changing earn. est. in last 27 days: 0 up, 0 down, consensus 5-year earnings growth 15.0% per year.* [B]*Based upon one analyst's estimate.* [C]*Based upon one analyst's estimate.*

ANNUAL RATES

of change (per share)	5 Yrs.	1 Yr.
Sales	--	-0.5%
"Cash Flow"	--	-0.5%
Earnings	--	-33.5%
Dividends	--	1.0%
Book Value	--	-11.5%

Fiscal Year	QUARTERLY SALES ($mill.) 1Q	2Q	3Q	4Q	Full Year
12/31/18	7.4	10.8	9.0	8.3	35.5
12/31/19	7.7	9.2	9.9	8.7	35.5
12/31/20	8.2	9.9			
12/31/21					

Fiscal Year	EARNINGS PER SHARE 1Q	2Q	3Q	4Q	Full Year
12/31/17	--	.02	.06	.15	.23
12/31/18	.02	.10	.03	--	.15
12/31/19	.02	.04	.05	d.01	.10
12/31/20	.02	d.01	***.05***	***.01***	
12/31/21	***d.01***				

Cal-endar	QUARTERLY DIVIDENDS PAID 1Q	2Q	3Q	4Q	Full Year
2017	.067	.068	.069	.07	.27
2018	.071	.071	.071	.071	.28
2019	.072	.072	.072	.072	.29
2020	.072	.072	.072		

INSTITUTIONAL DECISIONS

	4Q'19	1Q'20	2Q'20
to Buy	24	32	33
to Sell	23	26	22
Hld's(000)	9548	9591	8849

ASSETS ($mill.)	2018	2019	6/30/20
Cash Assets	12.8	7.5	15.5
Receivables	1.5	1.6	2.1
Inventory	.0	.0	.0
Other	3.0	3.2	3.7
Current Assets	17.3	12.3	21.3
Property, Plant & Equip, at cost	312.1	326.3	- -
Accum Depreciation	85.0	92.7	- -
Net Property	227.1	233.6	233.9
Other	18.1	20.2	20.3
Total Assets	262.5	266.1	275.5
LIABILITIES ($mill.)			
Accts Payable	.6	1.0	.9
Debt Due	.0	.1	.1
Other	9.0	9.0	8.4
Current Liab	9.6	10.1	9.4

LONG-TERM DEBT AND EQUITY as of 6/30/20

Total Debt $114.7 mill. **Due in 5 Yrs.** NA
LT Debt $114.6 mill.
Including Cap. Leases NA
(77% of Cap'l)

Leases, Uncapitalized Annual rentals NA

Pension Liability None in '19 vs. None in '18

Pfd Stock None **Pfd Div'd Paid** None

Common Stock 22,587,000 shares
(23% of Cap'l)

INDUSTRY: Water Utility

BUSINESS: Global Water Resources, Inc. is a water resource management company that owns, operates, and manages water, wastewater, and recycled water utilities in strategically located communities, principally in metropolitan Phoenix, Arizona. It seeks to deploy its integrated approach, Total Water Management, a term used to mean managing the entire water cycle by owning and operating the water, wastewater, and recycled water utilities within the same geographic areas in order to both conserve water and maximize its total economic and social value. The company uses Total Water Management to promote sustainable communities in areas where growth outpaces the existing potable water supply. Its model focuses on the broad issues of water supply and scarcity and applies principles of water conservation through water reclamation and reuse. It owns 12 water and wastewater utilities in strategically targeted communities in Phoenix. Global Water recycles nearly one billion gallons of water annually. Has 74 employees. Chairman, C.E.O. & President: Ron L. Fleming Address: 21410 N. 19th Avenue #220, Phoenix, AZ 85027. Tel.: (480) 360-7775. Internet: www.gwresources.com. *E.B.*

October 9, 2020

TOTAL SHAREHOLDER RETURN

Dividends plus appreciation as of 8/31/2020

3 Mos.	6 Mos.	1 Yr.	3 Yrs.	5 Yrs.
3.45%	-6.28%	-5.24%	24.90%	--

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YORK WATER NDQ-YORW

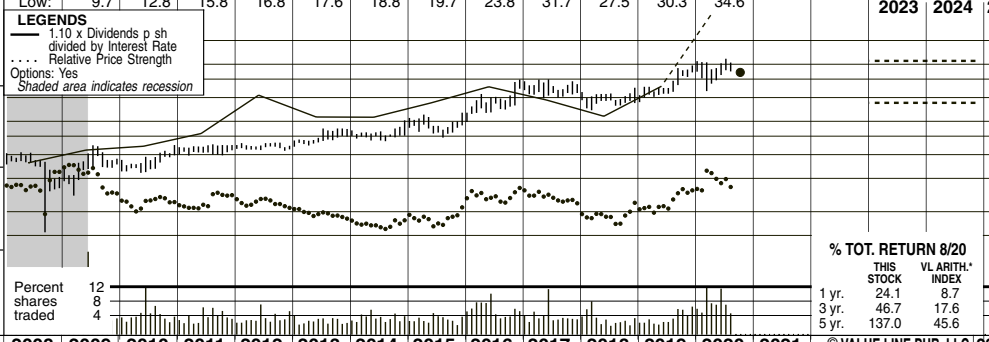
RECENT PRICE **43.39** | P/E RATIO **34.2** (Trailing: 35.0 Median: 26.0) | RELATIVE P/E RATIO **1.64** | DIV'D YLD **1.7%** | VALUE LINE

TIMELINESS 2 Raised 5/29/20
SAFETY 3 Lowered 7/17/15
TECHNICAL 2 Lowered 5/29/20
BETA .80 (1.00 = Market)

High:	18.0	18.0	18.1	18.5	22.0	24.3	26.7	39.8	39.9	36.1	47.3	51.3
Low:	9.7	12.8	15.8	16.8	17.6	18.8	19.7	23.8	31.7	27.5	30.3	34.6

Target Price Range
2023 | 2024 | 2025

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



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$34-$74	$54 (25%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+15%)	6%
Low	30	(-30%)	-6%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
to Buy	52	61	59
to Sell	39	52	48
Hld's(000)	5387	5387	5479

% TOT. RETURN 8/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	24.1	8.7
3 yr.	46.7	17.6
5 yr.	137.0	45.6

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
2.18	2.58	2.56	2.79	2.89	2.95	3.07	3.18	3.21	3.27	3.58	3.68	3.70	3.77	3.74	3.96	*4.10*	*4.20*	Revenues per sh	*5.10*
.65	.79	.77	.86	.88	.95	1.07	1.09	1.12	1.19	1.36	1.45	1.42	1.53	1.58	1.70	*1.90*	*1.95*	"Cash Flow" per sh	*2.40*
.49	.56	.58	.57	.57	.64	.71	.71	.72	.75	.89	.97	.92	1.01	1.04	1.11	*1.30*	*1.35*	Earnings per sh A	*1.60*
.39	.42	.45	.48	.49	.51	.52	.53	.54	.55	.57	.60	.63	.65	.67	.70	*.73*	*.78*	Div'd Decl'd per sh B	*.95*
2.50	1.69	1.85	1.69	2.17	1.18	.83	.74	.94	.76	1.10	1.11	1.03	1.95	1.95	.16	*.85*	*1.35*	Cap'l Spending per sh	*1.85*
4.65	4.85	5.84	5.97	6.14	6.92	7.19	7.45	7.73	7.98	8.15	8.51	8.88	9.28	9.75	10.31	*11.15*	*11.60*	Book Value per sh	*12.50*
10.33	10.40	11.20	11.27	11.37	12.56	12.69	12.79	12.92	12.98	12.83	12.81	12.85	12.87	12.94	13.02	*13.00*	*12.95*	Common Shs Outst'g C	*12.80*
25.7	26.3	31.2	30.3	24.6	21.9	20.7	23.9	24.4	26.3	23.1	23.5	32.8	34.6	30.3	33.8	*Bold figures are*		Avg Ann'l P/E Ratio	*25.0*
1.36	1.40	1.68	1.61	1.48	1.46	1.32	1.50	1.55	1.48	1.22	1.18	1.72	1.74	1.64	1.83	*Value Line*		Relative P/E Ratio	*1.40*
3.1%	2.9%	2.5%	2.8%	3.5%	3.6%	3.5%	3.1%	3.1%	2.8%	2.8%	2.6%	2.1%	1.9%	2.1%	1.9%	*estimates*		Avg Ann'l Div'd Yield	*2.4%*

CAPITAL STRUCTURE as of 6/30/20
Total Debt $103.1 mill. **Due in 5 Yrs** $42.5 mill.
LT Debt $96.6 mill. **LT Interest** $5.5 mill.
(41% of Cap'l)
Pension Assets12/19 $49.3 mill.
Oblig. $47.3 mill.
Pfd Stock None
Common Stock 13,033,999 shs.
MARKET CAP: $575 million (Small Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
39.0	40.6	41.4	42.4	45.9	47.1	47.6	48.6	48.4	51.6	*53.5*	*54.5*	Revenues ($mill)	*65.0*
8.9	9.1	9.3	9.7	11.5	12.5	11.8	13.0	13.4	14.4	*17.0*	*17.5*	Net Profit ($mill)	*20.5*
38.5%	35.3%	37.6%	37.6%	29.8%	27.5%	31.3%	25.9%	15.7%	13.5%	*18.5%*	*21.0%*	Income Tax Rate	*21.0%*
1.2%	1.1%	1.1%	.8%	1.8%	1.6%	1.9%	6.7%	1.7%	2.5%	*1.5%*	*1.5%*	AFUDC % to Net Profit	*1.5%*
48.3%	47.1%	46.0%	45.1%	44.8%	44.4%	42.6%	43.0%	42.5%	41.3%	*38.5%*	*37.5%*	Long-Term Debt Ratio	*36.0%*
51.7%	52.9%	54.0%	54.9%	55.2%	55.6%	57.4%	57.0%	57.5%	58.7%	*61.5%*	*62.5%*	Common Equity Ratio	*64.0%*
176.4	180.2	184.8	188.4	189.4	196.3	198.7	209.5	219.5	228.7	*235*	*240*	Total Capital ($mill)	*250*
228.4	233.0	240.3	244.2	253.2	261.4	270.9	288.8	299.2	313.2	*315*	*320*	Net Plant ($mill)	*335*
6.5%	6.4%	6.4%	6.5%	7.4%	7.6%	7.2%	7.5%	7.3%	7.4%	*8.5%*	*8.5%*	Return on Total Cap'l	*9.0%*
9.8%	9.5%	9.3%	9.3%	11.0%	11.5%	10.4%	10.9%	10.6%	10.7%	*11.5%*	*11.5%*	Return on Shr. Equity	*13.0%*
9.8%	9.5%	9.3%	9.3%	11.0%	11.5%	10.4%	10.9%	10.6%	10.7%	*11.5%*	*11.5%*	Return on Com Equity	*13.0%*
2.7%	2.5%	2.4%	2.4%	3.9%	4.4%	3.4%	4.0%	3.8%	4.0%	*5.0%*	*5.0%*	Retained to Com Eq	*5.0%*
72%	73%	74%	74%	64%	62%	67%	63%	64%	62%	*56%*	*58%*	All Div'ds to Net Prof	*59%*

CURRENT POSITION ($MILL.)	2018	2019	6/30/20
Cash Assets	- -	- -	- -
Accounts Receivable	4.8	4.4	5.0
Inventory (Avg. Cost)	.9	1.0	1.1
Other	3.3	4.0	4.1
Current Assets	9.0	9.4	10.2
Accts Payable	3.0	3.4	4.0
Debt Due	1.0	6.5	6.5
Other	6.8	5.3	5.7
Current Liab.	10.8	15.2	16.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	3.0%	2.5%	*5.0%*
"Cash Flow"	6.0%	5.5%	*7.0%*
Earnings	6.0%	6.0%	*7.0%*
Dividends	3.0%	4.0%	*6.0%*
Book Value	4.5%	4.0%	*4.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2017	11.3	12.3	12.7	12.3	48.6
2018	11.6	12.0	12.7	12.1	48.4
2019	11.8	13.0	13.7	13.1	51.6
2020	12.9	13.3	*14.0*	*13.3*	*53.5*
2021	*13.0*	*13.5*	*14.5*	*13.5*	*54.5*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2017	.20	.23	.31	.27	1.01
2018	.20	.26	.29	.29	1.04
2019	.22	.28	.35	.26	1.11
2020	.31	.32	*.35*	*.32*	*1.30*
2021	*.28*	*.35*	*.37*	*.35*	*1.35*

Cal-endar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.1555	.1555	.1555	.1602	.627
2017	.1602	.1602	.1602	.1666	.647
2018	.1666	.1666	.1666	.1733	.673
2019	.1733	.1733	.1733	.1802	.70
2020	.1802	.1802	.1802		

BUSINESS: The York Water Company is the oldest investor-owned regulated water utility in the United States. It has operated continuously since 1816. As of December 31, 2019, the company's average daily availability was 35.4 million gallons and its service territory had an estimated population of 201,000. Has more than 71,400 customers. Residential customers accounted for 65% of 2019 revenues; commercial and industrial (28%); other (7%). It also provides sewer billing services. Incorporated: PA. York had 106 full-time employees at 12/31/19. President/Chief Executive Officer: J.T. Hand. Officers/directors own 1.2% of the common stock (3/20 proxy). Address: 130 East Market Street, York, Pennsylvania 17401. Telephone: (717) 845-3601. Internet: www.yorkwater.com.

York Water delivered strong top- and bottom-line performances in the second quarter. Indeed, the Pennsylvania-based regulated water utility held up considerably well during the height of the pandemic, and should continue to thrive as the economy appears to be entering recovery mode. The company generated $13.3 million in revenues in the June period, up 21% from the previous-year figure, while earnings clocked in at $0.32 a share, up about 14% year over year. Underpinning the advances was a combination of recent rate hikes, increased water consumption per residential customers (largely due to more people staying and working from home amidst lingering health concerns), as well as growth in its customer base (both acquisition and homebuying related). Moreover, share profits were boosted by lower taxes tied to greater tangible property deductions and a declining interest expense.

We think modest financial growth is in the cards next year. Revenues are expected to increase to about $55 million, while earnings may edge up a nickel, to $1.35 a share. Our somewhat conservative projections stem partly from periodically rising operation and maintenance expenses. On top of that, as much of the population slowly returns to work and school, household water consumption could take a slight step back, despite an increase in general hygiene practices.

True to form, infrastructure upgrades are on tap over the pull to mid-decade. York invested $9.0 million year to date on various replacements and water system improvements, and expects to spend an additional $12.0 million over the next six months on main extensions, wastewater treatment plant expansions, and broad pipe and service line upgrades. Infrastructure spending ought to considerably ramp up over the coming years, as the company focuses on delivering safe water to its growing customer base.

The equity is favorably ranked (2) for relative year-ahead price performance. That said, although York shares have slipped modestly in price since our mid-July review, total return potential out to 2023-2025 still leaves much to be desired at the recent quotation.

Nicholas P. Patrikis *October 9, 2020*

(A) Diluted earnings. Next earnings report due late October.
(B) Dividends historically paid in late February, June, September, and December.
(C) In millions, adjusted for split.

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

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ARTESIAN RES. CORP. NDQ--ARTNA

RECENT PRICE	TRAILING P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD
34.27	19.7	1.13	2.9%

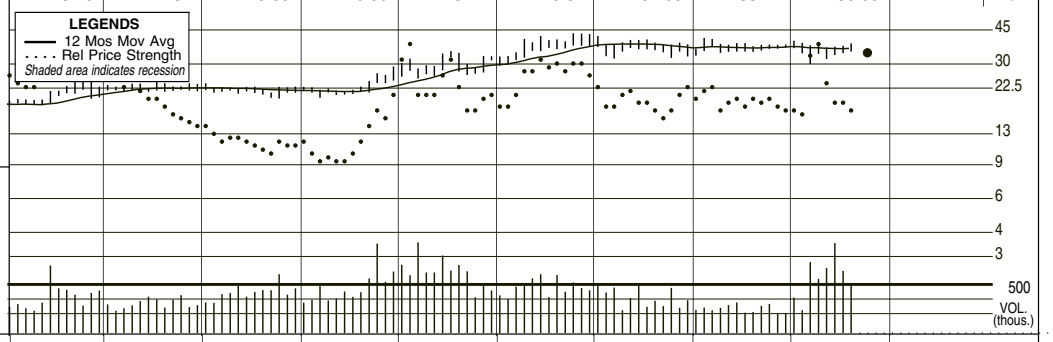
VALUE LINE

24.43	24.27	23.82	29.16	35.00	43.22	41.92	40.97	39.60	High
18.20	21.52	19.85	20.00	25.17	29.37	32.00	33.14	30.00	Low

RANKS

PERFORMANCE 3 *Average*
Technical 3 *Average*
SAFETY 3 *Average*
BETA .70 (1.00 = Market)

Financial Strength B+
Price Stability 80
Price Growth Persistence 55
Earnings Predictability 95



© VALUE LINE PUBLISHING LLC	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021/2022
SALES PER SH	8.10	7.82	8.13	8.50	8.67	8.92	8.69	9.00	--	
"CASH FLOW" PER SH	2.04	1.87	2.04	2.22	2.43	2.55	2.66	2.77	--	
EARNINGS PER SH	1.13	.94	1.07	1.26	1.41	1.51	1.54	1.60	*NA*	*NA/NA*
DIV'DS DECL'D PER SH	.79	.82	.85	.87	.90	.93	.96	.98	--	
CAP'L SPENDING PER SH	2.36	2.40	2.66	2.28	3.10	4.46	5.30	4.38	--	
BOOK VALUE PER SH	13.57	13.80	14.09	14.61	15.23	15.91	16.57	17.25	--	
COMMON SHS OUTST'G (MILL)	8.71	8.83	8.91	9.06	9.13	9.22	9.25	9.29	--	
AVG ANN'L P/E RATIO	18.3	23.9	20.5	18.0	20.9	24.2	23.9	22.8	*NA*	*NA/NA*
RELATIVE P/E RATIO	1.17	1.34	1.08	.93	1.14	1.21	1.35	1.32	--	
AVG ANN'L DIV'D YIELD	3.8%	3.7%	3.9%	3.8%	3.1%	2.5%	2.6%	2.7%	--	
SALES ($MILL)	70.6	69.1	72.5	77.0	79.1	82.2	80.4	83.6	--	*Bold figures*
OPERATING MARGIN	48.7%	47.0%	48.8%	43.0%	44.4%	44.6%	46.1%	43.0%	--	*are consensus*
DEPRECIATION ($MILL)	7.9	8.3	8.7	8.8	9.2	9.6	10.3	10.8	--	*earnings*
NET PROFIT ($MILL)	9.8	8.3	9.5	11.3	13.0	14.0	14.3	14.9	--	*estimates*
INCOME TAX RATE	40.2%	40.2%	40.1%	--	--	--	--	--	--	*and, using the*
NET PROFIT MARGIN	14.0%	12.0%	13.1%	14.7%	16.4%	17.0%	17.8%	17.9%	--	*recent prices,*
WORKING CAP'L ($MILL)	d11.4	d12.3	d13.5	d8.8	d4.7	d9.5	d21.6	d11.4	--	*P/E ratios.*
LONG-TERM DEBT ($MILL)	106.3	105.5	105.0	103.6	102.3	105.6	115.9	144.2	--	
SHR. EQUITY ($MILL)	118.2	121.8	125.6	132.3	139.0	146.6	153.3	160.3	--	
RETURN ON TOTAL CAP'L	5.9%	5.1%	5.5%	6.3%	6.7%	6.8%	6.5%	6.1%	--	
RETURN ON SHR. EQUITY	8.3%	6.8%	7.6%	8.5%	9.3%	9.5%	9.3%	9.3%	--	
RETAINED TO COM EQ	2.5%	.9%	1.6%	2.6%	3.4%	3.7%	3.6%	3.6%	--	
ALL DIV'DS TO NET PROF	70%	87%	79%	69%	63%	61%	62%	61%	--	

Note: No analyst estimates available.

ANNUAL RATES

of change (per share)	5 Yrs.	1 Yr.
Sales	2.0%	3.5%
"Cash Flow"	6.0%	4.5%
Earnings	8.0%	4.0%
Dividends	3.0%	3.0%
Book Value	3.5%	4.0%

Fiscal Year	QUARTERLY SALES ($mill.) 1Q	2Q	3Q	4Q	Full Year
12/31/18	18.9	20.2	21.9	19.4	80.4
12/31/19	19.4	20.7	22.5	21.0	83.6
12/31/20	19.9	21.8			
12/31/21					

Fiscal Year	EARNINGS PER SHARE 1Q	2Q	3Q	4Q	Full Year
12/31/17	.34	.35	.42	.40	1.51
12/31/18	.38	.42	.42	.32	1.54
12/31/19	.38	.41	.48	.33	1.60
12/31/20	.44	.49			
12/31/21					

Cal-endar	QUARTERLY DIVIDENDS PAID 1Q	2Q	3Q	4Q	Full Year
2017	.228	.232	.232	.235	.93
2018	.235	.239	.239	.242	.96
2019	.242	.246	.246	.25	.98
2020	.25	.25	.25		

INSTITUTIONAL DECISIONS

	4Q'19	1Q'20	2Q'20
to Buy	39	43	42
to Sell	30	31	29
Hld's(000)	4033	4190	4382

ASSETS ($mill.)	2018	2019	6/30/20
Cash Assets	.3	.6	.4
Receivables	8.2	6.9	8.2
Inventory	1.5	1.3	1.5
Other	6.1	5.4	4.4
Current Assets	16.1	14.2	14.5
Property, Plant & Equip, at cost	629.4	671.9	- -
Accum Depreciation	126.9	137.4	- -
Net Property	502.5	534.5	548.3
Other	11.2	11.7	13.1
Total Assets	529.8	560.4	575.9
LIABILITIES ($mill.)			
Accts Payable	8.3	8.2	5.1
Debt Due	17.7	9.2	16.5
Other	11.7	8.2	14.9
Current Liab	37.7	25.6	36.5

LONG-TERM DEBT AND EQUITY as of 6/30/20

Total Debt $159.7 mill. **Due in 5 Yrs.** NA
LT Debt $143.2 mill.
Including Cap. Leases NA
(47% of Cap'l)

Leases, Uncapitalized Annual rentals NA

Pension Liability None in '19 vs. None in '18

Pfd Stock None **Pfd Div'd Paid** None

Common Stock 9,336,000 shares
(53% of Cap'l)

INDUSTRY: Water Utility

BUSINESS: Artesian Resources Corp. operates as a holding company of wholly-owned subsidiaries offering water and wastewater services, and related services in Delaware, Maryland, and Pennsylvania. Artesian Water provides services to other water utilities, including operations and billing functions, and has contract operation agreements with private and municipal water providers. It also provides water for public and private fire protection to customers in service territories. Artesian Wastewater Management, Inc. is a regulated entity that owns wastewater collection and treatment infrastructure and provides wastewater services to customers in Delaware. In August 2020, Artesian Water Company, Inc., a subsidiary of Artesian Resources, purchased the water system of Delaware City in New Castle County, Delaware, which serves a population of nearly 2,000, on August 3, 2020. As part of this acquisition, Artesian will invest over $2.4 million in enhancing Delaware City's water system. Has 239 employees. Chairman, C.E.O. & President: Dian C. Taylor Address: 664 Churchmans Rd., Newark, DE 19702. Tel.: (302) 453-6900. Internet: www.artesianresources.com. *E.B.*

October 9, 2020

TOTAL SHAREHOLDER RETURN

Dividends plus appreciation as of 8/31/2020

3 Mos.	6 Mos.	1 Yr.	3 Yrs.	5 Yrs.
0.94%	3.98%	-1.28%	2.11%	82.85%

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ARTESIAN RES. CORP. NDQ--ARTNA

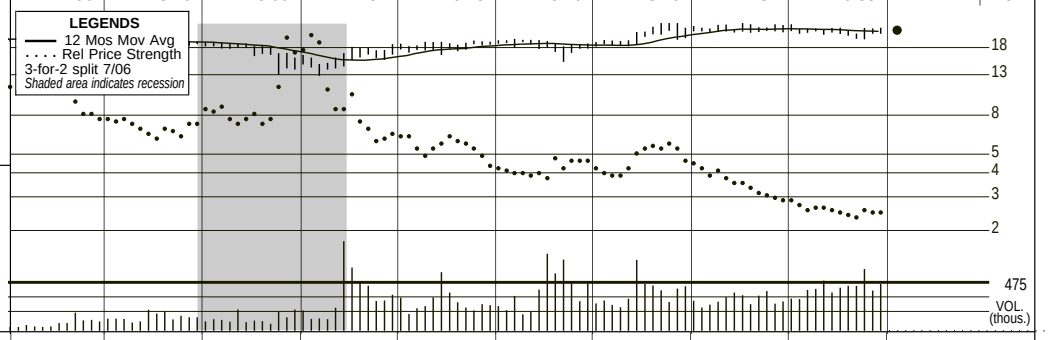
RECENT PRICE	TRAILING P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD	
22.19	22.4	1.15	3.9%	VALUE LINE

RANKS

PERFORMANCE	1	Highest
Technical	3	Average
SAFETY	3	Average
BETA .55	(1.00 = Market)	

Financial Strength	B
Price Stability	90
Price Growth Persistence	40
Earnings Predictability	85

High	22.33	20.67	19.31	18.73	19.59	19.99	24.43	24.27	23.82
Low	17.90	18.26	13.00	12.81	16.43	15.16	18.20	21.52	19.85



© VALUE LINE PUBLISHING LLC	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015/2016
SALES PER SH	7.77	7.20	7.59	8.11	8.48	7.56	8.10	7.82	--	
"CASH FLOW" PER SH	1.75	1.57	1.65	1.84	1.92	1.64	2.04	1.87	--	
EARNINGS PER SH	.97	.90	.86	.97	1.00	.83	1.13	.94	***1.00*** [A,B]	***1.19*** [C]***/NA***
DIV'DS DECL'D PER SH	.61	.66	.71	.72	.75	.76	.79	.82	--	
CAP'L SPENDING PER SH	5.08	3.66	6.09	2.32	2.57	1.83	2.36	2.40	--	
BOOK VALUE PER SH	10.15	11.66	11.86	12.15	12.44	13.12	13.57	13.80	--	
COMMON SHS OUTST'G (MILL)	6.09	7.30	7.40	7.51	7.65	8.61	8.71	8.83	--	
AVG ANN'L P/E RATIO	20.3	21.5	20.1	16.4	18.2	22.5	18.3	23.9	***22.2***	***18.6/NA***
RELATIVE P/E RATIO	1.10	1.14	1.21	1.09	1.16	1.41	1.17	1.34	--	
AVG ANN'L DIV'D YIELD	3.1%	3.4%	4.1%	4.5%	4.1%	4.1%	3.8%	3.7%	--	
SALES ($MILL)	47.3	52.5	56.2	60.9	64.9	65.1	70.6	69.1	--	***Bold figures***
OPERATING MARGIN	45.6%	45.6%	45.1%	46.9%	46.5%	45.5%	48.7%	47.0%	--	***are consensus***
DEPRECIATION ($MILL)	4.6	5.2	5.8	6.6	7.0	7.4	7.9	8.3	--	***earnings***
NET PROFIT ($MILL)	6.1	6.3	6.4	7.3	7.6	6.7	9.8	8.3	--	***estimates***
INCOME TAX RATE	39.0%	39.8%	40.8%	40.1%	40.0%	40.8%	40.2%	40.2%	--	***and, using the***
NET PROFIT MARGIN	12.8%	11.9%	11.4%	11.9%	11.7%	10.4%	14.0%	12.0%	--	***recent prices,***
WORKING CAP'L ($MILL)	d8.8	2.5	d20.9	d23.3	d27.9	d11.4	d11.4	d12.3	--	***P/E ratios.***
LONG-TERM DEBT ($MILL)	92.1	91.8	107.6	106.0	105.1	106.5	106.3	105.5	--	
SHR. EQUITY ($MILL)	61.8	85.1	87.8	91.2	95.1	113.0	118.2	121.8	--	
RETURN ON TOTAL CAP'L	5.8%	5.3%	4.7%	5.2%	5.6%	4.6%	5.9%	5.1%	--	
RETURN ON SHR. EQUITY	9.8%	7.4%	7.3%	8.0%	8.0%	6.0%	8.3%	6.8%	--	
RETAINED TO COM EQ	3.8%	2.1%	1.4%	2.1%	2.0%	.5%	2.5%	.9%	--	
ALL DIV'DS TO NET PROF	61%	71%	81%	74%	75%	92%	70%	87%	--	

[A]*No. of analysts changing earn. est. in last 2 days: 0 up, 0 down, consensus 5-year earnings growth not available.* [B]*Based upon 2 analysts' estimates.* [C]*Based upon 3 analysts' estimates.*

ANNUAL RATES

of change (per share)	5 Yrs.	1 Yr.
Sales	1.0%	-3.5%
"Cash Flow"	2.5%	-8.0%
Earnings	1.0%	-17.0%
Dividends	3.5%	4.0%
Book Value	4.0%	1.5%

Fiscal Year	QUARTERLY SALES ($mill.) 1Q	2Q	3Q	4Q	Full Year
12/31/12	16.7	17.9	19.0	17.0	70.6
12/31/13	16.3	17.8	18.1	16.9	69.1
12/31/14	16.9	17.9	19.6		
12/31/15					

Fiscal Year	EARNINGS PER SHARE 1Q	2Q	3Q	4Q	Full Year
12/31/11	.14	.23	.26	.20	.83
12/31/12	.28	.32	.33	.20	1.13
12/31/13	.20	.28	.29	.17	.94
12/31/14	.23	.22	.37	***.22***	
12/31/15					

Cal-endar	QUARTERLY DIVIDENDS PAID 1Q	2Q	3Q	4Q	Full Year
2012	.193	.198	.198	.203	.79
2013	.203	.206	.206	.209	.82
2014	.209	.212	.212	.215	.85
2015					

INSTITUTIONAL DECISIONS

	1Q'14	2Q'14	3Q'14
to Buy	28	36	27
to Sell	25	20	33
Hld's(000)	3092	3132	2968

ASSETS ($mill.)	2012	2013	9/30/14
Cash Assets	.6	.4	.2
Receivables	8.7	8.1	8.5
Inventory	1.4	1.5	1.8
Other	2.8	3.3	3.7
Current Assets	13.5	13.3	14.2
Property, Plant & Equip, at cost	454.4	472.9	- -
Accum Depreciation	83.8	89.8	- -
Net Property	370.6	383.1	395.2
Other	7.6	7.4	7.6
Total Assets	391.7	403.8	417.0
LIABILITIES ($mill.)			
Accts Payable	3.5	4.1	3.9
Debt Due	12.6	12.2	16.3
Other	8.8	9.3	14.0
Current Liab	24.9	25.6	34.2

LONG-TERM DEBT AND EQUITY as of 9/30/14

Total Debt $121.5 mill. **Due in 5 Yrs.** NA
LT Debt $105.3 mill.
Including Cap. Leases NA
(46% of Cap'l)

Leases, Uncapitalized Annual rentals NA

Pension Liability $.3 mill. in '13 vs. $.4 mill. in '12

Pfd Stock None **Pfd Div'd Paid** None

Common Stock 8,900,365 shares
(54% of Cap'l)

INDUSTRY: Water Utility

BUSINESS: Artesian Resources Corporation, through its subsidiaries, provides water, wastewater, and other services on the Delmarva Peninsula. It distributes and sells water to residential, commercial, industrial, municipal, and utility customers in Delaware, Maryland, and Pennsylvania. The company also offers water for public and private fire protection to customers in its service territories. In addition, it provides contract water and wastewater services, water and sewer service line protection plans, and wastewater management services, as well as design, construction, and engineering services. As of November 5, 2014, the company served approximately 300,000 customers through 1,182 miles of water mains. Artesian supplies over 7.3 billion gallons of water per year through 1,182 miles of water main to about 300,000 people. Has 237 employees. Chairman, C.E.O. & President: Dian C. Taylor. Address: 664 Churchmans Rd., Newark, DE 19702. Tel.: (302) 453-6900. Internet: http://www.artesianwater.com.

J.V.

January 16, 2015

TOTAL SHAREHOLDER RETURN

Dividends plus appreciation as of 12/31/2014

3 Mos.	6 Mos.	1 Yr.	3 Yrs.	5 Yrs.
13.27%	2.48%	2.35%	34.45%	50.07%

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UNITIL CORP. AMEX--UTL

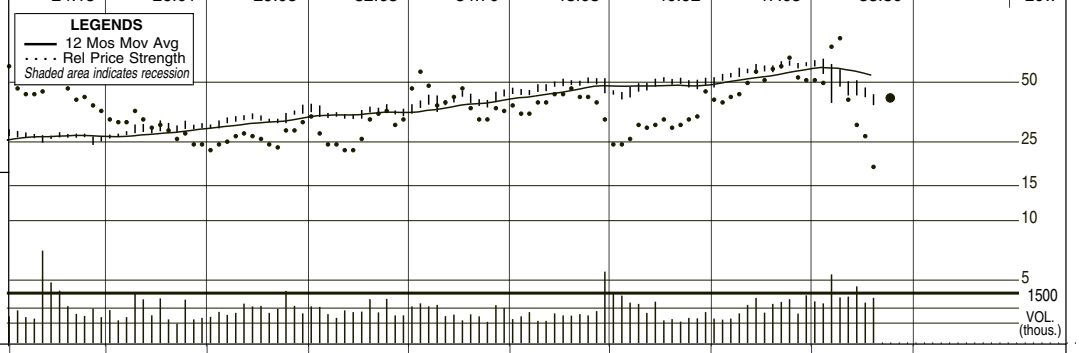
RECENT PRICE **41.64** | TRAILING P/E RATIO **19.4** | RELATIVE P/E RATIO **1.07** | DIV'D YLD **3.6%** | VALUE LINE

RANKS

PERFORMANCE	4	Below Average
Technical	4	Below Average
SAFETY	3	Average
BETA .85	(1.00 = Market)	

Financial Strength	B+
Price Stability	90
Price Growth Persistence	80
Earnings Predictability	80

High	29.00	32.07	38.55	39.00	46.00	52.84	53.07	64.53	65.76
Low	24.15	26.01	29.05	32.63	34.70	43.03	40.92	47.05	38.30



© VALUE LINE PUBLISHING LLC	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021/2022
SALES PER SH	25.62	26.51	30.60	30.51	27.26	27.42	29.85	29.35	--	
"CASH FLOW" PER SH	3.86	4.28	4.80	5.15	5.24	5.12	5.61	6.43	--	
EARNINGS PER SH	1.43	1.57	1.79	1.89	1.94	2.06	2.23	2.97	***2.22*** [A,B]	***2.47*** [C]***/NA***
DIV'DS DECL'D PER SH	1.38	1.38	1.39	1.40	1.42	1.44	1.46	1.48	--	
CAP'L SPENDING PER SH	4.97	6.47	6.65	7.43	6.97	8.05	6.88	7.98	--	
BOOK VALUE PER SH	18.90	19.15	19.62	20.20	20.82	22.72	23.60	25.22	--	
COMMON SHS OUTST'G (MILL)	13.78	13.84	13.92	13.99	14.07	14.82	14.88	14.93	--	
AVG ANN'L P/E RATIO	18.7	18.5	18.4	18.5	21.0	23.3	21.6	19.4	***18.8***	***16.9/NA***
RELATIVE P/E RATIO	1.20	1.04	.97	.95	1.15	1.17	1.22	1.13	--	
AVG ANN'L DIV'D YIELD	5.2%	4.8%	4.2%	4.0%	3.5%	3.0%	3.0%	2.6%	--	
SALES ($MILL)	353.1	366.9	425.8	426.8	383.4	406.2	444.1	438.2	--	***Bold figures***
OPERATING MARGIN	27.4%	28.9%	28.0%	29.6%	34.3%	33.9%	32.4%	33.7%	--	***are consensus***
DEPRECIATION ($MILL)	35.1	37.7	42.1	45.7	46.6	46.9	50.4	52.0	--	***earnings***
NET PROFIT ($MILL)	18.2	21.6	24.7	26.3	27.1	29.0	33.0	44.2	--	***estimates***
INCOME TAX RATE	37.7%	37.0%	36.2%	36.9%	36.2%	37.6%	20.3%	23.8%	--	***and, using the***
NET PROFIT MARGIN	5.2%	5.9%	5.8%	6.2%	7.1%	7.1%	7.4%	10.1%	--	***recent prices,***
WORKING CAP'L ($MILL)	7.2	d4.7	15.8	d18.7	d45.3	.3	d40.3	d28.9	--	***P/E ratios.***
LONG-TERM DEBT ($MILL)	287.7	284.8	336.4	319.1	325.1	382.0	390.1	437.5	--	
SHR. EQUITY ($MILL)	260.6	265.2	273.3	282.8	293.1	336.8	351.3	376.8	--	
RETURN ON TOTAL CAP'L	5.2%	5.8%	5.7%	6.2%	6.1%	5.6%	6.0%	6.8%	--	
RETURN ON SHR. EQUITY	7.0%	8.1%	9.0%	9.3%	9.2%	8.6%	9.4%	11.7%	--	
RETAINED TO COM EQ	.4%	.9%	2.0%	2.4%	2.4%	2.6%	3.2%	5.8%	--	
ALL DIV'DS TO NET PROF	95%	88%	78%	75%	74%	70%	66%	50%	--	

[A] *No. of analysts changing earn. est. in last 7 days: 0 up, 0 down, consensus 5-year earnings growth 4.8% per year.* [B] *Based upon 2 analysts' estimates.* [C] *Based upon 2 analysts' estimates.*

ANNUAL RATES

of change (per share)	5 Yrs.	1 Yr.
Sales	1.0%	-1.5%
"Cash Flow"	6.0%	14.5%
Earnings	8.5%	33.0%
Dividends	1.0%	1.5%
Book Value	4.5%	7.0%

Fiscal Year	QUARTERLY SALES ($mill.) 1Q	2Q	3Q	4Q	Full Year
12/31/18	145.8	84.5	88.2	125.6	444.1
12/31/19	152.1	84.4	85.3	116.4	438.2
12/31/20	130.4	83.9			
12/31/21					

Fiscal Year	EARNINGS PER SHARE 1Q	2Q	3Q	4Q	Full Year
12/31/17	.88	.23	.16	.79	2.06
12/31/18	1.06	.24	.19	.74	2.23
12/31/19	1.78	.27	.15	.77	2.97
12/31/20	1.02	.21	***.09***	***.79***	
12/31/21	***1.21***				

Cal-endar	QUARTERLY DIVIDENDS PAID 1Q	2Q	3Q	4Q	Full Year
2017	.36	.36	.36	.36	1.44
2018	.365	.365	.365	.365	1.46
2019	.37	.37	.37	.37	1.48
2020	.375	.375	.375		

INSTITUTIONAL DECISIONS

	4Q'19	1Q'20	2Q'20
to Buy	90	71	69
to Sell	58	80	76
Hld's(000)	10377	10602	10648

ASSETS ($mill.)	2018	2019	6/30/20
Cash Assets	7.8	5.2	4.2
Receivables	66.8	55.1	48.3
Inventory	7.8	8.7	9.7
Other	69.8	61.9	47.4
Current Assets	152.2	130.9	109.6
Property, Plant & Equip, at cost	1369.3	1467.5	- -
Accum Depreciation	332.5	356.0	- -
Net Property	1036.8	1111.5	1147.6
Other	109.3	128.4	127.3
Total Assets	1298.3	1370.8	1384.5
LIABILITIES ($mill.)			
Accts Payable	42.6	37.6	24.7
Debt Due	104.3	78.1	81.2
Other	45.6	44.1	43.4
Current Liab	192.5	159.8	149.3

LONG-TERM DEBT AND EQUITY as of 6/30/20

Total Debt $517.6 mill. **Due in 5 Yrs.** NA
LT Debt $436.4 mill.
Including Cap. Leases NA
(53% of Cap'l)

Leases, Uncapitalized Annual rentals NA

Pension Liability $141.9 mill. in '19 vs. $121.5 mill. in '18

Pfd Stock None **Pfd Div'd Paid** None

Common Stock 14,996,000 shares
(47% of Cap'l)

INDUSTRY: Electric Utility (East)

BUSINESS: Unitil Corp. engages in the distribution of electricity and natural gas in the US. The company distributes electricity in the southeastern seacoast and state capital regions of New Hampshire, and the greater Fitchburg area of north central Massachusetts; and distributes natural gas in southeastern New Hampshire, portions of southern Maine to the Lewiston-Auburn area, and in the greater Fitchburg area of north central Massachusetts. It also operates 86 miles of interstate underground natural gas transmission pipeline that provides interstate natural gas pipeline access and transportation services in Maine and New Hampshire. In addition, Unitil provides energy brokering and advisory services to commercial and industrial customers; and real estate management services. Currently, Unitil's three distribution utilities serve 106,129 electric customers and 83,911 natural gas customers. The company also has three wholly owned subsidiaries: Unitil Service, Unitil Realty and Unitil Resources. Has 513 employees. C.E.O.: Thomas P. Meissner Address: 6 Liberty Lane West, Hampton, NH 03842. Tel.: (603) 772-0775. Internet: www.unitil.com.

L.Y.

September 18, 2020

TOTAL SHAREHOLDER RETURN

Dividends plus appreciation as of 8/31/2020

3 Mos.	6 Mos.	1 Yr.	3 Yrs.	5 Yrs.
-11.59%	-23.78%	-28.00%	-7.64%	36.83%

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UNITIL CORP. AMEX--UTL

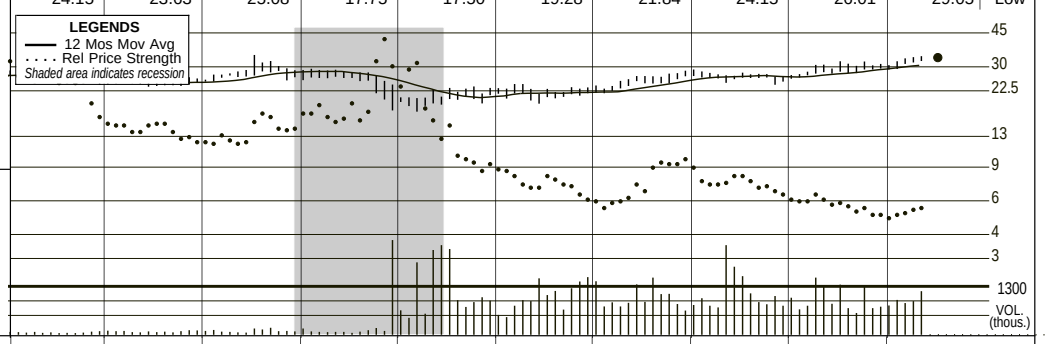
RECENT PRICE **33.51** | TRAILING P/E RATIO **19.8** | RELATIVE P/E RATIO **0.97** | DIV'D YLD **4.1%** | VALUE LINE

RANKS

PERFORMANCE	2	Above Average
Technical	3	Average
SAFETY	3	Average
BETA .60		(1.00 = Market)

Financial Strength	B
Price Stability	95
Price Growth Persistence	35
Earnings Predictability	45

High	28.91	26.45	34.60	29.26	23.67	24.40	28.60	29.00	32.07	34.42
Low	24.15	23.63	25.08	17.75	17.50	19.28	21.84	24.15	26.01	29.05



© VALUE LINE PUBLISHING LLC	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014/2015
SALES PER SH	41.49	46.17	45.80	36.99	33.87	32.91	32.21	25.62	26.51	
"CASH FLOW" PER SH	4.92	4.27	4.60	3.68	3.44	3.52	4.16	3.86	4.28	
EARNINGS PER SH	1.51	1.41	1.52	1.65	1.03	.88	1.50	1.43	1.57	***1.72 A,B/1.82 C***
DIV'DS DECL'D PER SH	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	
CAP'L SPENDING PER SH	4.35	5.95	5.66	3.63	5.42	4.55	5.21	4.97	6.47	
BOOK VALUE PER SH	17.21	17.30	17.49	17.90	17.82	17.36	17.50	18.90	19.15	
COMMON SHS OUTST'G (MILL)	5.60	5.65	5.74	7.79	10.84	10.89	10.95	13.78	13.84	
AVG ANN'L P/E RATIO	17.8	17.6	18.4	15.8	20.3	25.1	16.8	18.7	18.5	***19.5/18.4***
RELATIVE P/E RATIO	.94	.95	.98	.95	1.35	1.60	1.05	1.20	1.04	
AVG ANN'L DIV'D YIELD	5.1%	5.6%	4.9%	5.3%	6.6%	6.2%	5.5%	5.2%	4.8%	
SALES ($MILL)	232.1	260.9	262.9	288.2	367.0	358.4	352.8	353.1	366.9	***Bold figures are consensus earnings estimates and, using the recent prices, P/E ratios.***
OPERATING MARGIN	20.8%	17.4%	19.0%	18.5%	20.2%	22.7%	27.8%	30.0%	28.9%	
DEPRECIATION ($MILL)	19.1	16.1	17.8	19.1	27.4	28.9	29.3	35.1	37.7	
NET PROFIT ($MILL)	8.6	8.0	8.7	9.7	10.0	9.6	16.4	18.2	21.6	
INCOME TAX RATE	33.3%	34.7%	34.1%	31.2%	34.2%	31.9%	37.9%	37.7%	37.0%	
NET PROFIT MARGIN	3.7%	3.1%	3.3%	3.4%	2.7%	2.7%	4.6%	5.2%	5.9%	
WORKING CAP'L ($MILL)	d4.6	d6.8	4.8	d38.3	d22.9	d9.8	d23.2	7.2	d4.7	
LONG-TERM DEBT ($MILL)	125.7	140.2	160.1	250.0	249.8	289.0	288.5	287.3	284.8	
SHR. EQUITY ($MILL)	98.6	99.9	102.5	141.5	195.1	191.0	193.7	260.6	265.2	
RETURN ON TOTAL CAP'L	5.7%	5.3%	5.4%	4.0%	4.3%	4.1%	5.5%	5.2%	5.8%	
RETURN ON SHR. EQUITY	8.7%	8.0%	8.5%	6.9%	5.1%	5.0%	8.5%	7.0%	8.1%	
RETAINED TO COM EQ	.7%	.1%	.8%	1.1%	NMF	NMF	.6%	.4%	.9%	
ALL DIV'DS TO NET PROF	92%	98%	91%	84%	NMF	NMF	93%	95%	88%	

[A]No. of analysts changing earn. est. in last 13 days: 0 up, 0 down, consensus 5-year earnings growth not available. [B]Based upon 3 analysts' estimates. [C]Based upon 3 analysts' estimates.

ANNUAL RATES

of change (per share)	5 Yrs.	1 Yr.
Sales	-8.0%	3.5%
"Cash Flow"	-0.5%	11.0%
Earnings	-0.5%	10.0%
Dividends	--	--
Book Value	1.0%	1.5%

Fiscal Year	QUARTERLY SALES ($mill.) 1Q	2Q	3Q	4Q	Full Year
12/31/11	115.4	69.5	73.2	94.7	352.8
12/31/12	114.2	68.8	71.3	98.8	353.1
12/31/13	118.2	66.4	72.5	109.8	366.9
12/31/14	156.1				

Fiscal Year	EARNINGS PER SHARE 1Q	2Q	3Q	4Q	Full Year
12/31/10	.60	d.19	d.01	.48	.88
12/31/11	.81	d.08	d.15	.92	1.50
12/31/12	.83	d.03	.03	.66	1.43
12/31/13	.79	d.01	.04	.75	1.57
12/31/14	.91	***.00***	***.06***	***.73***	

Cal-endar	QUARTERLY DIVIDENDS PAID 1Q	2Q	3Q	4Q	Full Year
2011	.345	.345	.345	.345	1.38
2012	.345	.345	.345	.345	1.38
2013	.345	.345	.345	.345	1.38
2014	.345	.345			

INSTITUTIONAL DECISIONS

	3Q'13	4Q'13	1Q'14
to Buy	50	51	51
to Sell	42	35	38
Hld's(000)	6544	6340	6459

ASSETS ($mill.)	2012	2013	3/31/14
Cash Assets	9.8	9.4	14.3
Receivables	104.0	108.8	119.1
Inventory (Avg cost)	14.6	17.0	7.0
Other	4.2	4.8	5.2
Current Assets	132.6	140.0	145.6
Property, Plant & Equip, at cost	831.6	909.1	- -
Accum Depreciation	230.4	243.5	- -
Net Property	601.2	665.6	666.8
Other	152.8	115.0	115.6
Total Assets	886.6	920.6	928.0
LIABILITIES ($mill.)			
Accts Payable	30.9	38.1	31.8
Debt Due	49.9	62.7	61.7
Other	44.6	43.9	38.2
Current Liab	125.4	144.7	131.7

LONG-TERM DEBT AND EQUITY as of 3/31/14

Total Debt $346.4 mill. **Due in 5 Yrs.** NA
LT Debt $284.7 mill.
Including Cap. Leases NA
(51% of Cap'l)

Leases, Uncapitalized Annual rentals NA

Pension Liability $77.3 mill. in '13 vs. $103.7 mill. in '12

Pfd Stock $.2 mill. **Pfd Div'd Paid** Nil

Common Stock 13,886,768 shares
(49% of Cap'l)

INDUSTRY: Electric Utility (East)

BUSINESS: Unitil Corporation engages in the retail distribution of electricity in the southeastern seacoast and state capital regions of New Hampshire. The company also is involved in the retail distribution of electricity and natural gas in the greater Fitchburg area of north central Massachusetts. In addition, it provides natural gas service in southeastern New Hampshire and portions of southern and central Maine, including the city of Portland and the Lewiston-Auburn area. Further, the company provides energy brokering and advisory services to commercial and industrial customers in the northeastern United States. Unitil Corporation operates 87 miles of underground gas transmission pipeline, primarily in Maine and New Hampshire. In addition, it provides energy brokering and advisory services to commercial and industrial customers. As of April 23, 2014, the company served approximately 102,400 electric customers and 75,900 natural gas customers. Has 477 employees. Chairman, C.E.O. & President: Robert G. Schoenberger. Inc.: NH. Address: 6 Liberty Lane West, Hampton, NH 03842. Tel.: (603) 772-0775. Internet: http://www.unitil.com. *L.Y.*

June 27, 2014

TOTAL SHAREHOLDER RETURN

Dividends plus appreciation as of 5/31/2014

3 Mos.	6 Mos.	1 Yr.	3 Yrs.	5 Yrs.
7.46%	11.79%	23.14%	49.37%	115.76%

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RGC RESOURCES INC NDQ--RGCO

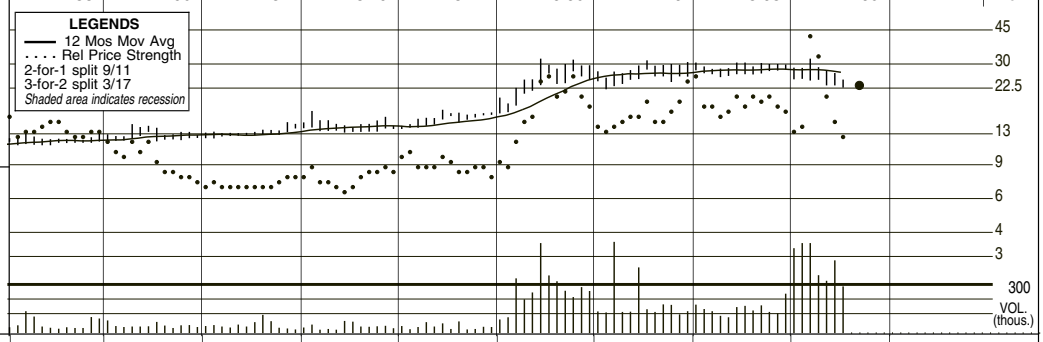
RECENT PRICE	TRAILING P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD	
23.24	16.6	0.90	3.0%	VALUE LINE

RANKS

PERFORMANCE	3	Average
Technical	3	Average
SAFETY	3	Average
BETA .40	(1.00 = Market)	

Financial Strength	B+
Price Stability	90
Price Growth Persistence	55
Earnings Predictability	95

High	13.15	14.63	14.97	17.11	17.33	31.99	31.33	30.52	31.98
Low	11.33	11.90	12.31	13.19	13.77	16.60	22.16	25.63	22.60



© VALUE LINE PUBLISHING LLC	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021/2022
SALES PER SH	8.39	8.95	10.59	9.59	8.22	8.60	8.20	8.43	--	
"CASH FLOW" PER SH	1.24	1.26	1.33	1.45	1.60	1.72	1.80	2.02	--	
EARNINGS PER SH	.61	.61	.67	.72	.81	.86	.95	1.08	***1.39*** [A,B]	***1.46*** [C]***/NA***
DIV'DS DECL'D PER SH	.47	.48	.49	.51	.54	.58	.62	.66	--	
CAP'L SPENDING PER SH	1.24	1.41	2.08	1.94	2.50	2.87	2.91	2.71	--	
BOOK VALUE PER SH	7.23	7.01	7.35	7.43	7.75	8.29	9.95	10.29	--	
COMMON SHS OUTST'G (MILL)	7.01	7.06	7.08	7.11	7.18	7.24	8.00	8.07	--	
AVG ANN'L P/E RATIO	19.5	20.8	19.4	19.4	18.4	25.1	28.3	25.9	***16.7***	***15.9/NA***
RELATIVE P/E RATIO	1.25	1.17	1.02	1.00	1.00	1.26	1.60	1.50	--	
AVG ANN'L DIV'D YIELD	3.9%	3.8%	3.8%	3.7%	3.6%	2.7%	2.3%	2.4%	--	
SALES ($MILL)	58.8	63.2	75.0	68.2	59.1	62.3	65.5	68.0	--	***Bold figures***
OPERATING MARGIN	24.7%	23.6%	19.2%	24.7%	31.5%	28.8%	31.4%	28.2%	--	***are consensus***
DEPRECIATION ($MILL)	4.4	4.7	4.7	5.2	5.7	6.3	7.1	7.6	--	***earnings***
NET PROFIT ($MILL)	4.3	4.3	4.7	5.1	5.8	6.2	7.3	8.7	--	***estimates***
INCOME TAX RATE	38.0%	38.3%	38.4%	38.4%	38.7%	37.9%	28.4%	23.4%	--	***and, using the***
NET PROFIT MARGIN	7.3%	6.7%	6.3%	7.5%	9.8%	10.0%	11.1%	12.8%	--	***recent prices,***
WORKING CAP'L ($MILL)	.8	d7.3	.6	d4.8	d13.0	1.3	d8.5	d5.2	--	***P/E ratios.***
LONG-TERM DEBT ($MILL)	13.0	13.0	30.5	30.3	33.6	61.3	70.3	103.4	--	
SHR. EQUITY ($MILL)	50.7	49.5	52.0	52.8	55.7	60.0	79.6	83.1	--	
RETURN ON TOTAL CAP'L	8.2%	8.3%	6.8%	7.0%	7.4%	5.9%	5.7%	5.6%	--	
RETURN ON SHR. EQUITY	8.5%	8.6%	9.1%	9.6%	10.4%	10.4%	9.2%	10.5%	--	
RETAINED TO COM EQ	2.1%	1.0%	2.4%	2.8%	3.6%	3.5%	3.3%	4.2%	--	
ALL DIV'DS TO NET PROF	75%	89%	74%	71%	66%	66%	64%	60%	--	

[A] *No. of analysts changing earn. est. in last 17 days: 1 up, 0 down, consensus 5-year earnings growth not available.* [B] *Based upon one analyst's estimate.* [C] *Based upon one analyst's estimate.*

ANNUAL RATES

of change (per share)	5 Yrs.	1 Yr.
Sales	-2.0%	3.0%
"Cash Flow"	7.5%	12.0%
Earnings	9.0%	13.5%
Dividends	5.5%	6.5%
Book Value	5.5%	3.5%

Fiscal Year	QUARTERLY SALES ($mill.) 1Q	2Q	3Q	4Q	Full Year
09/30/18	18.7	24.9	11.9	10.0	65.5
09/30/19	21.2	25.3	11.7	9.8	68.0
09/30/20	19.8	22.4	11.1		
09/30/21					

Fiscal Year	EARNINGS PER SHARE 1Q	2Q	3Q	4Q	Full Year
09/30/17	.31	.45	.08	.02	.86
09/30/18	.28	.47	.14	.09	.95
09/30/19	.30	.58	.14	.06	1.08
09/30/20	.49	.70	.15	***.05***	
09/30/21	***.52***	***.70***			

Cal-endar	QUARTERLY DIVIDENDS PAID 1Q	2Q	3Q	4Q	Full Year
2017	.145	.145	.145	.145	.58
2018	.155	.155	.155	.155	.62
2019	.165	.165	.165	.165	.66
2020	.175	.175	.175		

INSTITUTIONAL DECISIONS

	4Q'18	4Q'19	1Q'20
to Buy	--	--	--
to Sell	--	--	--
Hld's(000)	--	--	--

ASSETS ($mill.)	2018	2019	6/30/20
Cash Assets	.2	1.6	1.2
Receivables	3.9	3.9	3.3
Inventory	8.5	7.5	4.5
Other	2.9	3.4	3.5
Current Assets	15.5	16.4	12.5
Property, Plant & Equip, at cost	229.1	249.2	- -
Accum Depreciation	63.1	67.2	- -
Net Property	166.0	182.0	194.1
Other	38.1	60.0	66.7
Total Assets	219.6	258.4	273.3
LIABILITIES ($mill.)			
Accts Payable	5.2	4.5	4.2
Debt Due	.0	.0	.0
Other	18.9	17.1	10.9
Current Liab	24.1	21.6	15.1

LONG-TERM DEBT AND EQUITY as of 6/30/20

Total Debt $116.3 mill. **Due in 5 Yrs.** NA
LT Debt $116.3 mill.
Including Cap. Leases NA
(56% of Cap'l)

Leases, Uncapitalized Annual rentals NA

Pension Liability $6.9 mill. in '19 vs. $3.9 mill. in '18

Pfd Stock None **Pfd Div'd Paid** None

Common Stock 8,147,000 shares
(44% of Cap'l)

INDUSTRY: Natural Gas Utility

BUSINESS: RGC Resources, Inc. is an energy services company primarily engaged in the regulated sale and distribution of natural gas to approximately 62,000 residential, commercial, and industrial customers in Roanoke, Virginia and the surrounding localities through its Roanoke Gas Company subsidiary. Natural gas service is provided at rates and for terms and conditions set by the Virginia State Corporation Commission (SCC). Resources also provides certain unregulated services through Roanoke Gas and its other subsidiaries. The unregulated operations represent less than 2% of total revenues and margin of Resources on an annual basis. The company's utility operations are regulated by the SCC, which oversees the terms, conditions, and rates to be charged to customers for natural gas service, safety standards, extension of service, accounting, and depreciation. Has 106 employees. C.E.O. & President: Paul W. Nester Address: 519 Kimball Avenue, N.E., Roanoke, VA 24016. Tel.: (540) 777-4427. Internet: www.rgcresources-.com.

J.V.

August 28, 2020

TOTAL SHAREHOLDER RETURN

Dividends plus appreciation as of 7/31/2020

3 Mos.	6 Mos.	1 Yr.	3 Yrs.	5 Yrs.
-6.01%	-7.09%	-17.78%	-7.77%	95.37%

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RGC RESOURCES INC NDQ--RGCO

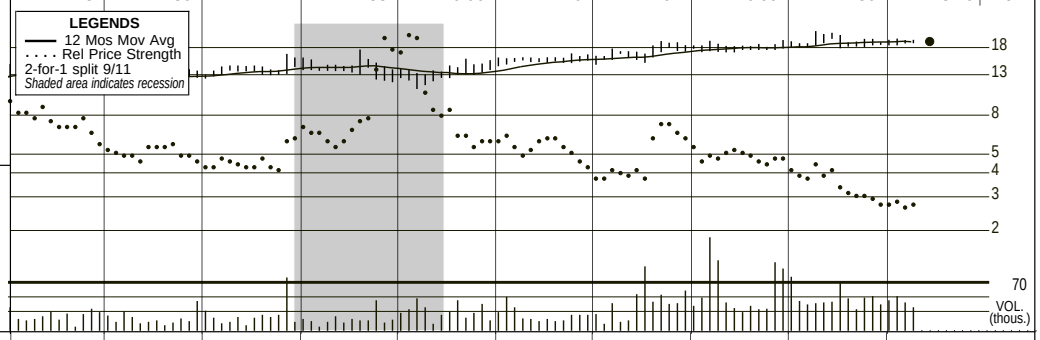
RECENT PRICE	TRAILING P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD	
19.34	19.9	1.00	3.8%	VALUE LINE

RANKS

PERFORMANCE	3	Average
Technical	3	Average
SAFETY	3	Average
BETA .45		(1.00 = Market)

Financial Strength	B
Price Stability	90
Price Growth Persistence	50
Earnings Predictability	95

High	14.77	14.07	16.67	17.60	15.75	16.77	19.50	19.72	21.94	20.06
Low	12.25	11.36	12.42	11.88	10.96	14.40	14.64	16.99	17.86	18.46



© VALUE LINE PUBLISHING LLC	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014/2015
SALES PER SH	28.98	25.20	20.56	21.42	18.35	16.23	15.31	12.59	13.42	
"CASH FLOW" PER SH	1.83	1.81	1.85	1.99	1.94	1.85	1.91	1.86	1.89	
EARNINGS PER SH	.81	.77	.87	.97	1.09	.98	1.01	.92	.91	NA/NA
DIV'DS DECL'D PER SH	.59	.60	.61	.63	.64	.66	.68	.70	.72	
CAP'L SPENDING PER SH	1.77	1.83	1.37	1.48	1.28	1.31	1.64	1.86	2.12	
BOOK VALUE PER SH	9.09	9.47	9.69	9.89	10.00	10.18	10.55	10.85	10.51	
COMMON SHS OUTST'G (MILL)	4.20	4.28	4.37	4.42	4.48	4.55	4.62	4.67	4.71	
AVG ANN'L P/E RATIO	16.2	16.6	15.5	14.8	11.9	15.5	16.2	19.5	20.8	NA/NA
RELATIVE P/E RATIO	.86	.90	.82	.89	.79	.99	1.01	1.25	1.17	
AVG ANN'L DIV'D YIELD	4.5%	4.7%	4.5%	4.4%	4.9%	4.3%	4.2%	3.9%	3.8%	
SALES ($MILL)	121.6	107.8	89.9	94.6	82.2	73.8	70.8	58.8	63.2	*Bold figures are consensus earnings estimates and, using the recent prices, P/E ratios.*
OPERATING MARGIN	11.0%	12.9%	14.9%	15.4%	18.1%	19.3%	20.9%	24.7%	23.6%	
DEPRECIATION ($MILL)	4.3	4.5	4.3	4.5	3.8	4.0	4.2	4.4	4.7	
NET PROFIT ($MILL)	3.4	3.3	3.8	4.3	4.9	4.4	4.7	4.3	4.3	
INCOME TAX RATE	37.6%	37.2%	37.3%	37.7%	38.0%	37.7%	38.0%	38.0%	38.3%	
NET PROFIT MARGIN	2.8%	3.0%	4.2%	4.5%	5.9%	6.0%	6.6%	7.3%	6.7%	
WORKING CAP'L ($MILL)	6.4	5.3	8.5	6.8	12.8	13.8	--	.8	d7.3	
LONG-TERM DEBT ($MILL)	30.0	30.0	23.0	23.0	28.0	28.0	13.0	13.0	13.0	
SHR. EQUITY ($MILL)	38.2	40.5	42.4	43.7	44.8	46.3	48.8	50.7	49.5	
RETURN ON TOTAL CAP'L	6.2%	6.1%	7.0%	7.3%	8.0%	7.2%	9.0%	8.2%	7.5%	
RETURN ON SHR. EQUITY	8.9%	8.1%	8.9%	9.7%	10.9%	9.6%	9.5%	8.5%	8.6%	
RETAINED TO COM EQ	8.9%	1.8%	2.7%	3.5%	4.6%	3.2%	3.2%	2.1%	1.0%	
ALL DIV'DS TO NET PROF	--	77%	70%	64%	58%	66%	66%	75%	89%	

Note: No analyst estimates available.

ANNUAL RATES

of change (per share)	5 Yrs.	1 Yr.
Sales	-9.5%	6.5%
"Cash Flow"	--	2.0%
Earnings	2.0%	-1.0%
Dividends	2.5%	3.0%
Book Value	2.0%	-3.0%

Fiscal Year	QUARTERLY SALES ($mill.) 1Q	2Q	3Q	4Q	Full Year
09/30/11	22.5	27.1	11.1	10.1	70.8
09/30/12	18.5	21.3	9.7	9.3	58.8
09/30/13	18.8	24.2	11.0	9.2	63.2
09/30/14	20.0	32.7			

Fiscal Year	EARNINGS PER SHARE 1Q	2Q	3Q	4Q	Full Year
09/30/10	.40	.61	.01	d.04	.98
09/30/11	.42	.55	.04	--	1.01
09/30/12	.40	.53	.01	d.02	.92
09/30/13	.34	.57	.02	d.02	.91
09/30/14	.37	.60			

Cal-endar	QUARTERLY DIVIDENDS PAID 1Q	2Q	3Q	4Q	Full Year
2011	.17	.17	.17	.17	.68
2012	.175	.175	.175	.175	.70
2013	.18	.18	.18	.18	.72
2014	.185	.185			

INSTITUTIONAL DECISIONS

	3Q'13	4Q'13	1Q'14
to Buy	8	7	5
to Sell	5	7	10
Hld's(000)	669	667	667

ASSETS ($mill.)	2012	2013	3/31/14
Cash Assets	8.9	2.8	3.8
Receivables	4.8	3.7	12.8
Inventory (Avg cost)	10.1	11.1	2.8
Other	6.4	4.6	4.7
Current Assets	30.2	22.2	24.1
Property, Plant & Equip, at cost	137.4	146.4	- -
Accum Depreciation	46.6	48.7	- -
Net Property	90.8	97.7	102.8
Other	8.8	4.6	4.5
Total Assets	129.8	124.5	131.4
LIABILITIES ($mill.)			
Accts Payable	4.8	5.7	6.9
Debt Due	17.9	17.0	16.6
Other	6.8	6.8	10.4
Current Liab	29.5	29.5	33.9

LONG-TERM DEBT AND EQUITY as of 3/31/14

Total Debt $28.0 mill. **Due in 5 Yrs.** NA
LT Debt $11.4 mill.
Including Cap. Leases NA
(18% of Cap'l)

Leases, Uncapitalized Annual rentals NA

Pension Liability $5.6 mill. in '13 vs. $12.5 mill. in '12

Pfd Stock None **Pfd Div'd Paid** None

Common Stock 4,716,904 shares
(82% of Cap'l)

INDUSTRY: Natural Gas Utility

BUSINESS: RGC Resources, Inc. is an energy services company primarily engaged in the regulated sale and distribution of natural gas to approximately 59,700 residential, commercial, and industrial customers in Roanoke, Virginia and the surrounding localities through its Roanoke Gas Company subsidiary. Natural gas service is provided at rates and for terms and conditions set by the Virginia State Corporation Commission (SCC). Resources also provides certain unregulated services through Roanoke Gas and its other subsidiaries. Such unregulated operations represent less than 3% of total revenues and margin of Resources on an annual basis. The company operates approximately 1,056 miles of transmission and distribution pipeline; and a liquefied natural gas storage facility in Botetourt County. The company paid a special dividend of $1.00 per share in the fourth quarter of 2012. Has 120 employees. C.E.O. & President: John S. D'Orazio. Address: 519 Kimball Avenue, N.E., Roanoke, VA 24016. Tel.: (540) 777-4427. Internet: http://www.roanokegas.com.

E.B.

June 6, 2014

TOTAL SHAREHOLDER RETURN

Dividends plus appreciation as of 4/30/2014

3 Mos.	6 Mos.	1 Yr.	3 Yrs.	5 Yrs.
3.23%	4.62%	-1.65%	23.96%	81.71%

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