Volume 2: Cost of Capital: Expert Opinion of James Coyne- Capital Structure and Risk Profile

Q. In terms of C&T's US sample, please provide the Value Line "one page summary" of the full sample of 36 US Electric utilities they follow and the reasons for excluding each one when narrowing down to the sample in Figure 20.

A. Please see Attachment A for the Value Line sheets for 35 of the companies classifies as U.S. Electric Utilities. Value Line did not publish a summary page for Pacific Gas and Electric Company during the time period used for our analysis.

Please see Attachment B for the proxy group screening workpaper. Please see the response to Request for Information PUB-NP-110 for an explanation of why Eversource Energy was included in the U.S. Electric proxy group.

Attachment B is available in electronic format on Newfoundland Power's stranded website at: https://ftp.nfpower.ca/.

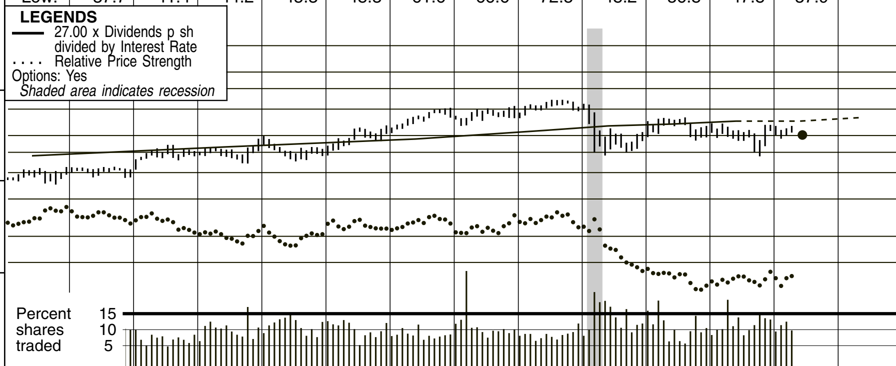
Value Line Sheets

ALLETE NYSE-ALE

RECENT PRICE **60.26** | P/E RATIO **16.3** (Trailing: 18.9, Median: 19.0) | RELATIVE P/E RATIO **0.99** | DIV'D YLD **4.5%** | VALUE LINE

TIMELINESS 3 Raised 5/26/23
SAFETY 2 New 10/1/04
TECHNICAL 2 Lowered 6/9/23
BETA .90 (1.00 = Market)

High:	42.7	54.1	58.0	59.7	66.9	81.2	82.8	88.6	84.7	73.1	68.6	66.7
Low:	37.7	41.4	44.2	45.3	48.3	61.6	66.6	72.5	48.2	56.8	47.8	57.9



Target Price Range

2026	2027	2028

160 / 120 / 100 / 80 / 60 / 50 / 40 / 30 / 20 / 15

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$53-$89	$71 (20%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	100	(+65%)	17%
Low	70	(+15%)	8%

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	172	134	153
to Sell	103	130	131
Hld's(000)	44326	44590	43870

% TOT. RETURN 4/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	9.7	0.8
3 yr.	22.7	65.7
5 yr.	-2.7	47.7

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	22.44	26.68	28.04	*29.30*	*29.65*	Revenues per sh	*31.15*
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	7.52	7.54	7.70	*8.45*	*8.75*	"Cash Flow" per sh	*9.50*
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	3.35	3.23	3.38	*3.70*	*4.05*	Earnings per sh A	*5.00*
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	2.52	2.60	*2.71*	*2.79*	Div'd Decl'd per sh B ■ †	*3.00*
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	13.78	8.90	3.64	*5.95*	*5.95*	Cap'l Spending per sh	*7.25*
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	44.04	45.36	47.06	*49.10*	*51.25*	Book Value per sh C	*54.00*
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	52.10	53.20	56.01	*58.00*	*59.00*	Common Shs Outst'g D	*61.00*
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	18.3	20.6	18.1	*Bold figures are*		Avg Ann'l P/E Ratio	*17.0*
.79	.84	1.07	1.02	.92	1.01	1.05	.91	.76	.98	1.16	1.20	1.32	.94	1.11	1.05	*Value Line*		Relative P/E Ratio	*.95*
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%	4.0%	3.8%	4.4%	*estimates*		Avg Ann'l Div'd Yield	*3.7%*

CAPITAL STRUCTURE as of 3/31/23
Total Debt $1933.3 mill. **Due in 5 Yrs** $390.7 mill.
LT Debt $1755.5 mill. **LT Interest** $65.9 mill.
(LT interest earned: 2.7x)

Leases, Uncapitalized Annual rentals $5.1 mill.

Pension Assets-12/22 $745.7 mill. **Oblig** $911.7 mill.

Pfd Stock None

Common Stock 57,316,155 shs.

MARKET CAP: $3.5 billion (Mid Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
1018.4	1136.8	1486.4	1339.7	1419.3	1498.6	1240.5	1169.1	1419.2	1570.7	*1700*	*1750*	Revenues ($mill)	*1900*
104.7	124.8	163.4	155.3	159.2	174.1	172.4	174.2	169.2	189.3	*215*	*240*	Net Profit ($mill)	*305*
21.5%	22.6%	19.4%	11.3%	14.8%	- -	- -	- -	NMF	NMF	*NMF*	*NMF*	Income Tax Rate	*NMF*
4.4%	6.3%	2.0%	1.4%	.8%	.7%	1.3%	1.1%	1.5%	1.4%	*2.0%*	*2.0%*	AFUDC % to Net Profit	*1.0%*
44.6%	44.2%	46.3%	42.0%	41.0%	39.9%	38.6%	41.0%	42.2%	40.8%	*39.5%*	*39.5%*	Long-Term Debt Ratio	*40.5%*
55.4%	55.8%	53.7%	58.0%	59.0%	60.1%	61.4%	59.0%	57.8%	59.6%	*60.5%*	*60.5%*	Common Equity Ratio	*59.5%*
2425.9	2882.2	3388.9	3263.4	3507.4	3584.3	3632.8	3887.8	4176.3	4457.5	*4700*	*4900*	Total Capital ($mill)	*5550*
2576.5	3286.4	3669.1	3741.2	3822.4	3904.4	4377.0	4840.8	5100.2	5004.0	*5300*	*5450*	Net Plant ($mill)	*5675*
5.3%	5.2%	5.8%	5.8%	5.5%	5.8%	5.6%	5.3%	4.8%	5.6%	*5.5%*	*5.5%*	Return on Total Cap'l	*6.0%*
7.8%	7.8%	9.0%	8.2%	7.7%	8.1%	7.7%	7.6%	7.0%	7.5%	*8.0%*	*8.0%*	Return on Shr. Equity	*9.0%*
7.8%	7.8%	9.0%	8.2%	7.7%	8.1%	7.7%	7.6%	7.0%	7.5%	*8.0%*	*8.0%*	Return on Com Equity E	*9.0%*
2.2%	2.5%	3.6%	2.8%	2.4%	2.7%	2.3%	2.0%	1.5%	2.5%	*2.5%*	*2.5%*	Retained to Com Eq	*3.5%*
72%	67%	60%	66%	68%	66%	70%	74%	78%	76%	*70%*	*69%*	All Div'ds to Net Prof	*60%*

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	-12.0	+11.5	+4.7
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw) F	1588	1557	1556
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	NA	NA	NA
Fixed Charge Cov. (%)	230	219	220

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	- -	-3.0%	*3.0%*
"Cash Flow"	4.5%	2.0%	*4.5%*
Earnings	3.0%	.5%	*6.0%*
Dividends	3.5%	3.5%	*3.5%*
Book Value	4.5%	3.0%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2020	311.6	243.2	293.9	320.4	1169.1
2021	339.2	335.6	345.4	399.0	1419.2
2022	383.5	373.1	388.3	425.8	1570.7
2023	564.9	*395*	*400*	*340.1*	*1700*
2024	*425*	*420*	*445*	*460*	*1750*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2020	1.28	.39	.78	.90	3.35
2021	.99	.53	.53	1.18	3.23
2022	1.24	.67	.59	.90	3.38
2023	1.02	*.83*	*.80*	*1.05*	*3.70*
2024	*1.35*	*.65*	*.90*	*1.15*	*4.05*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.5875	.5875	.5875	.5875	2.35
2020	.6175	.6175	.6175	.6175	2.47
2021	.63	.63	.63	.63	2.52
2022	.65	.65	.65	.65	2.60
2023	.6775	.6775			

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, 13%; commercial, 13%; wholesale, 14%; 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, 28%; wind, 10%; other, 4%; purchased, 58%. Fuel costs: 40% of revs. '22 deprec. rate: 3.2%. Has 1,400 employees. Chairman, President & CEO: Bethany M. Owen. Inc.: Minnesota. Address: 30 West Superior St., Duluth, MN 55802-2093. Tel.: 218-279-5000. Internet: www.allete.com.

ALLETE remains focused on the development of clean and renewable energy projects, including the company's carbon-reduction goals. As a result, Allete Clean Energy recently completed the sale of its 92-megawatt Red Barn wind facility in Wisconsin to *WEC Energy Group* utility Wisconsin Public Service corp. and Madison Gas and Electric Co. Still, ALLETE Clean Energy recorded first quarter net income of $8.5 million compared to $16.5 million last year. Higher operating and maintenance expenses, along with lower wind resources and availability led to the decline. On a positive note, investments in renewable energy facilities, New Energy, and BNI Energy posted income of $9.1 million, versus a net loss of $1.7 million in 2022.

We continue to expect solid earnings growth this year. Interim rates at Minnesota Power and the sale of the Red Barn Project should act as the main drivers towards performance in 2023, despite the continued challenging operating environment. Our bottom-line projection remains at the midpoint of management's full-year updated earnings per share range of $3.55 to $3.85. The utility also expects New Energy to provide full year earnings of $16 million-$17 million.

We look for earnings of $4.05 a share in 2024, in line with the company's annual profit growth rate goal of 5%-7%. The utility should continue to benefit from rate relief and tax credits that provide investment options, as well as the sale of transfer projects and strong performances from the regulated operations segment moving forward. Too, the macroeconomic environment, including higher operating and maintenance costs, and lower wind resources will likely improve over that interim.

These shares may appeal to income-oriented investors. The utility carries a dividend yield of 4.5%, which is above the industry average. The stock also holds high scores for Price Stability and Earnings Predictability, and are ranked 2 (Above Average) for Safety. While 18-month and 3-to 5-year capital appreciation potential does not stand out, total return prospects are superior to that of most utility issues.

Zachary J. Hodgkinson *June 9, 2023*

(A) Diluted EPS. Excl. nonrec. gains (loss): '15, (46¢); '17, 25¢; '19, 26¢; '19 EPS don't sum due to rounding. Next earnings report due early Aug. (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 '22: $9.60/sh. (D) In mill. (E) Rate base: Orig. cost depr. Rate all'd in MN on com. eq. in '18: 9.25%; earned on avg. com. eq., '21: 7.2%. Regul. Climate: Avg. (F) Summer peak in '21.

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

ALLIANT ENERGY NDQ-LNT

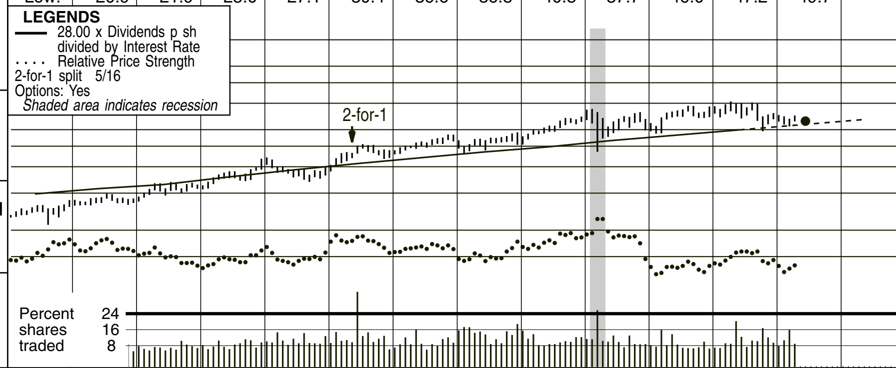
RECENT PRICE	50.97	P/E RATIO	17.9 (Trailing: 19.5 / Median: 21.0)	RELATIVE P/E RATIO	1.09	DIV'D YLD	3.6%	VALUE LINE

TIMELINESS 4 Lowered 3/24/23
SAFETY 2 Raised 9/28/07
TECHNICAL 3 Raised 6/2/23
BETA .85 (1.00 = Market)

High:	23.8	27.1	34.9	35.4	41.0	45.6	46.6	55.4	60.3	62.3	65.4	56.3
Low:	20.9	21.9	25.0	27.1	30.4	36.6	36.8	40.8	37.7	46.0	47.2	49.7

Target Price Range

2026 | 2027 | 2028



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$46-$77	$62 (20%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+55%)	15%
Low	60	(+20%)	8%

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	314	278	329
to Sell	232	263	252
Hld's(000)	188290	192005	192231

% TOT. RETURN 4/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-3.2	0.8
3 yr.	24.2	65.7
5 yr.	48.0	47.7

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
15.57	16.67	15.51	15.40	16.51	13.94	14.77	15.10	14.34	14.58	14.62	14.97	14.89	13.67	14.65	16.74	*16.50*	*16.55*	Revenues per sh	*16.95*
2.56	2.28	2.10	2.60	2.75	2.95	3.34	3.49	3.45	3.43	3.97	4.32	4.59	4.92	5.25	5.40	*5.50*	*5.75*	"Cash Flow" per sh	*6.45*
1.35	1.27	.95	1.38	1.38	1.53	1.65	1.74	1.69	1.65	1.99	2.19	2.33	2.47	2.63	2.73	*2.85*	*3.10*	Earnings per sh A	*3.80*
.64	.70	.75	.79	.85	.90	.94	1.02	1.10	1.18	1.26	1.34	1.42	1.52	1.61	1.71	*1.81*	*1.92*	Div'd Decl'd per sh B ■ †	*2.29*
2.46	3.98	5.43	3.91	3.03	5.22	3.32	3.78	4.25	5.26	6.34	6.92	6.69	5.47	4.67	5.91	*5.80*	*5.80*	Cap'l Spending per sh	*5.40*
12.15	12.78	12.54	13.05	13.57	14.12	14.79	15.54	16.41	16.96	18.08	19.43	21.24	22.76	23.91	24.99	*26.55*	*27.80*	Book Value per sh C	*31.90*
220.72	220.90	221.31	221.79	222.04	221.97	221.89	221.87	226.92	227.67	231.35	236.06	245.02	249.87	250.47	251.14	*255.80*	*256.00*	Common Shs Outst'g D	*257.00*
15.1	13.4	13.9	12.5	14.5	14.5	15.3	16.6	18.1	22.3	20.6	19.1	21.2	21.2	21.2	21.4	*Bold figures are*		Avg Ann'l P/E Ratio	*18.0*
.80	.81	.93	.80	.91	.92	.86	.87	.91	1.17	1.04	1.03	1.13	1.09	1.15	1.24	*Value Line*		Relative P/E Ratio	*1.00*
3.1%	4.1%	5.7%	4.6%	4.3%	4.1%	3.7%	3.5%	3.6%	3.2%	3.1%	3.2%	2.9%	2.9%	2.9%	2.9%	*estimates*		Avg Ann'l Div'd Yield	*3.7%*

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
3276.8	3350.3	3253.6	3320.0	3382.2	3534.5	3647.7	3416.0	3669.0	4205.0	*4220*	*4240*	Revenues ($mill)	*4350*
382.1	395.7	390.9	384.0	466.1	522.3	567.4	624.0	674.0	686.0	*715*	*800*	Net Profit ($mill)	*975*
12.4%	10.1%	15.3%	13.4%	12.5%	8.4%	10.8%	- -	10.8%	3.1%	*1.0%*	*2.0%*	Income Tax Rate	*2.0%*
8.1%	8.8%	9.4%	16.3%	10.7%	14.5%	16.3%	8.8%	3.7%	8.7%	*4.0%*	*4.0%*	AFUDC % to Net Profit	*4.0%*
46.1%	49.7%	47.3%	51.5%	47.8%	52.3%	50.6%	53.5%	52.9%	55.0%	*53.5%*	*52.5%*	Long-Term Debt Ratio	*52.0%*
50.8%	47.5%	50.0%	46.1%	49.8%	45.7%	47.6%	44.9%	47.1%	45.0%	*46.5%*	*47.5%*	Common Equity Ratio	*48.0%*
6461.0	7257.2	7446.3	8377.6	8392.8	10032	10938	12657	12725	13944	*14665*	*15035*	Total Capital ($mill)	*17070*
7147.3	6442.0	8970.2	9809.9	10798	12462	13527	14336	14987	16247	*17050*	*17090*	Net Plant ($mill)	*19180*
7.0%	6.5%	6.3%	5.6%	6.7%	6.3%	6.3%	5.9%	6.3%	6.1%	*6.5%*	*6.5%*	Return on Total Cap'l	*7.0%*
11.0%	10.8%	10.0%	9.5%	10.6%	10.9%	10.5%	10.6%	11.3%	10.9%	*10.5%*	*11.0%*	Return on Shr. Equity	*12.0%*
11.3%	11.2%	10.2%	9.7%	10.9%	11.2%	10.7%	10.8%	11.0%	10.9%	*10.5%*	*11.0%*	Return on Com Equity E	*12.0%*
4.9%	4.6%	3.6%	2.8%	4.0%	4.4%	4.2%	4.2%	4.3%	4.1%	*4.0%*	*4.5%*	Retained to Com Eq	*4.5%*
57%	60%	66%	72%	64%	62%	61%	62%	62%	62%	*62%*	*62%*	All Div'ds to Net Prof	*60%*

CAPITAL STRUCTURE as of 12/31/22
Total Debt $9050 mill. **Due in 5 Yrs** $2117 mill.
LT Debt $8132 mill. **LT Interest** $285 mill.
(LT interest earned: 3.5x)

Leases, Uncapitalized Annual rentals $3 mill.

Pension Assets-12/22 $706 mill. **Oblig** $875 mill.

Pfd Stock None

Common Stock 251,387,788 shs.

MARKET CAP: $12.8 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	-2.3	+3.7	-.7
Avg. Indust. Use (MWH)	11134	11696	11494
Avg. Indust. Revs. per KWH (¢)	7.55	7.64	8.39
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	5496	5486	5629
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.6	+.8	+.7
Fixed Charge Cov. (%)	251	259	NA

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	- -	.5%	2.0%
"Cash Flow"	6.5%	7.5%	3.5%
Earnings	6.0%	8.0%	6.5%
Dividends	6.5%	6.5%	6.0%
Book Value	6.0%	7.0%	5.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	916	763	920	817	3416
2021	901	817	1024	927	3669
2022	1068	943	1135	1059	4205
2023	1077	*945*	*1140*	*1058*	*4220*
2024	*1080*	*950*	*1145*	*1065*	*4240*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.72	.54	.94	.26	2.47
2021	.68	.57	1.02	.35	2.63
2022	.77	.63	.90	.43	2.73
2023	.65	*.63*	*1.05*	*.52*	*2.85*
2024	*.88*	*.72*	*1.02*	*.48*	*3.10*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.355	.355	.355	.355	1.42
2020	.38	.38	.38	.38	1.52
2021	.4025	.4025	.4025	.4025	1.61
2022	.4275	.4275	.4275	.4275	1.71
2023	.4525	.4525			

BUSINESS: Alliant Energy Corporation (formerly Interstate Energy) is a holding company formed through the merger of WPL Holdings, IES Industries, and Interstate Power. Supplies electricity to 985,000 customers and gas to 425,000 customers in Wisconsin, Iowa, and Minnesota. Electric revenue by state: WI, 43%; IA, 56%. MN, 1%. Electric revenue: residential, 36%; commercial, 25%; industrial, 29%; wholesale, 8%; other, 2%. Generating sources: coal, 32%; gas, 32%; wind, 16%; other, 1%; purchased, 19%. Fuel costs: 25% of revs. '21 reported deprec. rates: 2.9%-6.1%. Has 3,300 employees. Chairman, President & CEO: John O. Larsen. Inc.: Wisconsin. Address: 4902 N. Biltmore Lane, Madison, Wisconsin 53718-2148. Tel.: 608-458-3311. Internet: www.alliantenergy.com.

We have lowered our 2023 share-earnings estimate for Alliant Energy by a nickel. At $2.85, our new call represents an increase of 4.4% over the $2.73 that the Wisconsin-based electric and gas utility tallied last year. Key assumptions include revenues of $4.22 billion (up less than 1%, year over year) and modest expansion in the net profit margin. **Our less-positive near-term stance partly reflects increased concern about residential power use, amid fairly mild weather across Alliant's service area.** To that point, as measured by heating degree days, the weather in the key Madison, Wisconsin metro area has been 10% milder than normal through the first few months of 2023. Meantime, Cedar Rapids, Iowa has also enjoyed unseasonably balmy temperatures, which has likely continued to limit power-consuming heating and cooling demand.

We look for earnings to reach $3.80 a share by 2026–2028. Our target implies average annual profit growth of 6%–9% over the next 4 to 6 years. Underpinning our positive stance is an expanded rate base, as well as generally favorable demographics across Alliant's three-state service area. Operating and maintenance costs should also trend lower, as the utility, for example, transitions to fewer overhead distribution lines in favor of underground assets that are less susceptible to weather damage.

The utility's investment roadmap includes a notable amount of energy storage. Late last year, Alliant filed a plan with the Public Service Commission of Wisconsin, calling for the addition of 175 megawatts of battery storage in the state. Specifically, the facilities would be located in Grant and Wood counties, alongside two previously-approved solar arrays. Importantly, they'd provide bridge power for more than 180,000 homes at times when sun- and wind-power generation is inadequate.

Shares of Alliant Energy are ranked 4 (Below Average) for relative year-ahead price performance. Still, over the next several years, we think LNT shares may outperform many of its peers', compensating investors for a dividend yield slightly below the industry average.

Nils C. Van Liew *June 9, 2023*

(A) Diluted EPS. Excl. nonrecurring losses: '11, 1¢; '12, 8¢. '20 & '21 EPS don't sum due to rounding. Next earnings report due early Aug. (B) Dividends historically paid in mid-Feb., May, Aug., and Nov. ■ Dividend reinvestment plan avail. † Shareholder investment plan avail. (C) Incl. deferred charges. In '21: $1,980 mill., $7.91/sh. (D) In millions, adj. for split. (E) Rate base: Orig. cost. Rates all'd on com. eq. in IA in '20: various; in WI in '22: 10%; earned on avg. com. eq., '21: 11.3%. Regulatory Climate: Wisconsin, Above Average; Iowa, Average.

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

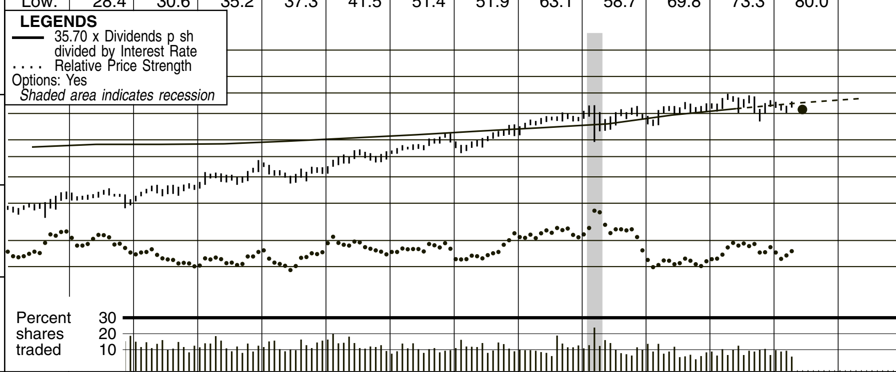
AMEREN NYSE-AEE

RECENT PRICE 80.77 | P/E RATIO 18.6 (Trailing: 19.4 Median: 19.0) | RELATIVE P/E RATIO 1.13 | DIV'D YLD 3.1% | VALUE LINE

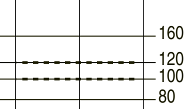
TIMELINESS 3 Raised 3/3/23
SAFETY 1 Raised 9/10/21
TECHNICAL 2 Raised 6/9/23
BETA .85 (1.00 = Market)

High:	35.3	37.3	48.1	46.8	54.1	64.9	70.9	80.9	87.7	90.8	99.2	91.2
Low:	28.4	30.6	35.2	37.3	41.5	51.4	51.9	63.1	58.7	69.8	73.3	80.0

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



Target Price Range 2026 | 2027 | 2028



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$72-$123	$98 (20%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	120	(+50%)	13%
Low	100	(+25%)	9%

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	305	287	326
to Sell	257	274	270
Hld's(000)	201631	204282	206602

Percent shares traded 30 20 10

% TOT. RETURN 4/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-1.6	0.8
3 yr.	31.6	65.7
5 yr.	72.3	47.7

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC 26-28
Revenues per sh	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	22.87	24.81	30.37	*28.09*	*29.00*	*31.20*
"Cash Flow" per sh	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	8.08	8.89	9.04	*9.50*	*10.05*	*12.20*
Earnings per sh A	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	3.84	4.14	*4.35*	*4.75*	*5.50*
Div'd Decl'd per sh B ■	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	2.00	2.20	2.36	*2.52*	*2.65*	*3.30*
Cap'l Spending per sh	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	13.02	13.67	12.79	*12.90*	*12.55*	*13.00*
Book Value per sh C	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	35.29	37.64	40.11	*40.20*	*42.90*	*55.00*
Common Shs Outst'g D	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	253.30	257.70	262.00	*267.00*	*269.00*	*285.00*
Avg Ann'l P/E Ratio	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	22.2	21.4	21.5	Bold figures are		*20.0*
Relative P/E Ratio	.92	.85	.62	.62	.75	.85	.93	.88	.88	.96	1.04	.99	1.18	1.14	1.16	1.25	Value Line		*1.10*
Avg Ann'l Div'd Yield	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%	2.6%	2.7%	2.7%	estimates		*3.0%*
Revenues ($mill)							5838.0	6053.0	6098.0	6076.0	6177.0	6291.0	5910.0	5794.0	6394.0	7957.0	*8100*	*8400*	*8400*
Net Profit ($mill)							518.0	593.0	585.0	659.0	683.0	821.0	834.0	877.0	995.0	1079.0	*1190*	*1275*	*1570*
Income Tax Rate							37.5%	38.9%	38.3%	36.7%	38.2%	22.4%	17.9%	15.0%	13.6%	12.0%	*12.0%*	*12.0%*	*12.0%*
AFUDC % to Net Profit							7.1%	5.7%	5.1%	4.1%	5.6%	6.9%	5.8%	5.5%	6.0%	5.0%	*6.0%*	*5.0%*	*4.0%*
Long-Term Debt Ratio							45.2%	47.2%	49.3%	47.7%	49.2%	50.3%	52.1%	55.0%	56.1%	56.6%	*55.5%*	*53.5%*	*51.0%*
Common Equity Ratio							53.7%	51.7%	49.7%	51.3%	49.8%	48.8%	47.1%	44.3%	43.3%	44.0%	*44.0%*	*46.0%*	*48.5%*
Total Capital ($mill)							12190	12975	13968	13840	14420	15632	17116	20158	22391	24193	*24950*	*25750*	*29500*
Net Plant ($mill)							16205	17424	18799	20113	21466	22810	24376	26807	29261	31262	*33050*	*35000*	*38400*
Return on Total Cap'l							5.6%	5.8%	5.3%	6.0%	6.0%	6.4%	6.0%	5.3%	5.3%	4.5%	*5.0%*	*5.0%*	*6.0%*
Return on Shr. Equity							7.7%	8.7%	8.3%	9.1%	9.3%	10.6%	10.2%	9.7%	10.1%	10.3%	*11.0%*	*11.0%*	*10.0%*
Return on Com Equity E							7.8%	8.7%	8.3%	9.2%	9.4%	10.7%	10.3%	9.7%	10.2%	10.4%	*11.0%*	*11.0%*	*10.0%*
Retained to Com Eq							1.9%	2.9%	2.5%	3.3%	3.4%	4.8%	4.4%	4.2%	4.4%	4.4%	*5.0%*	*5.0%*	*4.0%*
All Div'ds to Net Prof							76%	67%	70%	64%	64%	56%	57%	57%	57%	57%	*57%*	*56%*	*60%*

CAPITAL STRUCTURE as of 3/31/23
Total Debt $15095 mill. **Due in 5 Yrs** $2789 mill.
LT Debt $13685 mill. **LT Interest** $450 mill.
(LT interest earned: 3.8x)
Pension Assets-12/21 $5745 mill. **Oblig** $5457 mill.
Pfd Stock $129 mill. **Pfd Div'd** $5 mill.
807,595 sh. $3.50 to $5.50 cum. (no par), $100 stated val., redeem. $102.176-$110/sh.; 487,508 sh. 4.00% to 5.16%, $100 par, redeem. $100-$104.30/sh.
Common Stock 262,609,472 shs. as of 4/28/23
MARKET CAP: $21.2 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2019	2020	2021
% Change Retail Sales (KWH)	-3.5	-5.6	+2.1
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. (%)	307	291	325

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	-2.5%	-1.0%	*4.0%*
"Cash Flow"	3.5%	5.5%	*5.5%*
Earnings	3.5%	7.0%	*6.5%*
Dividends	3.0%	4.0%	*6.5%*
Book Value	1.5%	4.5%	*6.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	1440	1398	1628	1328	5794
2021	1566	1472	1811	1545	6394
2022	1879	1726	2306	2046	7957
2023	2062	*1700*	*2280*	*2058*	*8100*
2024	*2100*	*1770*	*2350*	*2180*	*8400*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.59	.98	1.47	.46	3.50
2021	.91	.80	1.65	.48	3.84
2022	.97	.80	1.74	.63	4.14
2023	1.00	*.80*	*1.90*	*.65*	*4.35*
2024	*1.05*	*.85*	*2.20*	*.65*	*4.75*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.475	.475	.475	.495	1.92
2020	.495	.495	.495	.515	2.00
2021	.55	.55	.55	.55	2.20
2022	.59	.59	.59	.59	2.36
2023	.63				

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, 49%; commercial, 34%; industrial, 8%; other, 9%. Generating sources: coal, 73%; nuclear, 11%; hydro & other, 9%; purchased, 7%. Fuel costs: 25% of revenues. Has approximately 9,250 employees. Chairman: Warner L. Baxter. President & CEO: Martin J. Lyons, Jr. Inc.: Missouri. Address: One Ameren Plaza, 1901 Chouteau Ave., P.O. Box 66149, St. Louis, MO 63166-6149. Tel.: 314-621-3222. Internet: www.ameren.com.

Ameren Corporation's first-quarter 2023 results demonstrate its ability to deliver solid financial performance despite challenging weather conditions. Earnings per share of $1.00 rose from $0.97 in the year-ago period. The growth was primarily driven by increased infrastructure investments across all business segments and lower operations and maintenance costs. Reduced retail sales partially offset this, due to unseasonably warm weather. Ameren remains on track to achieve its 2023 earnings target range of $4.25 to $4.45 per share. To maintain credit ratings and a healthy balance sheet, it plans to issue $300 million of common equity by the end of the year, equal to approximately 3.2 million shares.

Progress is being made on regulatory matters. There was a constructive settlement of the Ameren Missouri Electric rate review in April. The agreement calls for a $140 million annual revenue increase subject to the approval of the Missouri Public Service Commission (MPSC). This will mean residential customer rates have increased by about 2%, compounded annually since April 2017. The regulatory framework, effective through 2028, permits Ameren Missouri to make significant infrastructure investments. Two notable solar projects, the Huck Finn Solar Project in Missouri and the Boomtown Solar Project in Illinois, were approved by the MPSC in February and April, adding to Ameren's renewable energy portfolio. The Huck Finn project will be the company's largest solar project to date, capable of powering about 40,000 homes.

There is plenty of opportunity to grow the business through further investment. Ameren reportedly has a robust investment pipeline of $48 billion over the next decade. The updated five-year growth plan predicts a 6% to 8% compound annual earnings growth rate from 2023 through 2027. This is expected to be driven by robust yearly base rate growth of 8.4%.

Ameren's stock may interest conservative investors. The strategy remains customer-centric with a focus on disciplined cost management as Ameren continues its transformation towards providing more sustainable and cleaner energy.

Kevin Downing *June 9, 2023*

(A) Diluted EPS. Excl. nonrec. gain (losses): '10, ($2.19); '11, (32¢); '17, ($6.42); '17, (63¢); gain (loss) from discontinued ops.: '13, (92¢); '15, 21¢. Next earnings report due early-August. (B) Div'ds paid late Mar., June, Sept., & Dec. ■ Div'd reinvest. plan avail. (C) Incl. intang. In '21: $6.60/sh. (D) In mill. (E) Rate base: Orig. cost depr. Rate allowed on com. eq. in MO in '22: elec. & gas, none specified; in IL: electric, varies; in '21: gas, 9.67%; earned on avg. com. eq., '21: 10.6%. Regulatory Climate: MO, Average; IL, Below Average.

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

AMERICAN ELEC. PWR. NDQ-AEP

RECENT PRICE	P/E RATIO	(Trailing/Median)	RELATIVE P/E RATIO	DIV'D YLD
82.25	15.9	(Trailing: 21.3; Median: 17.0)	0.97	4.0%

VALUE LINE

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
High:	45.4	51.6	63.2	65.4	71.3	78.1	81.1	96.2	105.0	91.5	105.6	98.3
Low:	37.0	41.8	45.8	52.3	56.8	61.8	62.7	72.3	65.1	74.8	80.3	81.3

TIMELINESS 3 Raised 4/28/23
SAFETY 1 Raised 3/17/17
TECHNICAL 3 Raised 5/26/23
BETA .75 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$75-$123	$99 (20%)

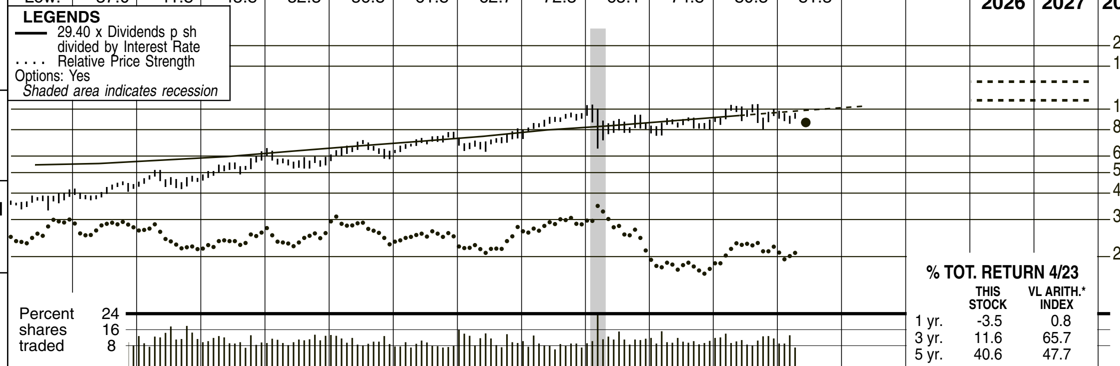
2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	135	(+65%)	16%
Low	110	(+35%)	11%

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	634	624	707
to Sell	521	499	496
Hld's(000)	385400	384675	390225

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



Target Price Range
2026 | 2027 | 2028

% TOT. RETURN 4/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-3.5	0.8
3 yr.	11.6	65.7
5 yr.	40.6	47.7

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	30.04	33.30	38.20	*36.70*	*37.15*	Revenues per sh	*40.00*
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	10.28	10.98	10.72	*11.00*	*11.65*	"Cash Flow" per sh	*14.75*
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	4.42	4.96	5.09	*5.35*	*5.60*	Earnings per sh A	*6.80*
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	3.17	*3.35*	*3.52*	Div'd Decl'd per sh B ■ †	*4.16*
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	12.72	11.43	13.18	*15.35*	*14.15*	Cap'l Spending per sh	*14.00*
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	41.38	44.49	46.60	*52.60*	*55.05*	Book Value per sh C	*62.55*
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	496.60	504.21	513.87	*523.00*	*530.00*	Common Shs Outst'g D	*550.00*
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	19.6	17.1	21.1	Bold figures are		Avg Ann'l P/E Ratio	*18.0*
.87	.79	.67	.85	.75	.88	.81	.84	.80	.80	.97	.97	1.14	1.01	.92	1.23	Value Line		Relative P/E Ratio	*1.00*
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%	3.3%	3.5%	3.3%	estimates		Avg Ann'l Div'd Yield	*3.3%*

CAPITAL STRUCTURE as of 3/31/23
Total Debt $42766 mill. **Due in 5 Yrs** $12886 mill.
LT Debt $39144 mill. **LT Interest** $1400 mill.

Leases, Uncapitalized Annual rentals $119.6 mill.

Pfd Stock None

Common Stock 513,866,081 shs.

MARKET CAP: $42.3 billion (Large Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
15357	17020	16453	16380	15425	16196	15561	14919	16792	19640	*19200*	*19700*	Revenues ($mill)	*22000*
1549.0	1634.0	1763.4	2073.6	1783.2	1923.8	2019.0	2200.1	2488.1	2307.2	*2765*	*2990*	Net Profit ($mill)	*3740*
36.2%	37.8%	35.1%	26.8%	33.7%	5.8%	.7%	1.9%	4.6%	NMF	*21.0%*	*21.0%*	Income Tax Rate	*21.0%*
7.3%	9.0%	11.0%	8.0%	8.0%	10.7%	12.7%	9.7%	7.8%	7.0%	*7.0%*	*7.0%*	AFUDC % to Net Profit	*5.0%*
51.1%	49.0%	49.8%	50.0%	51.5%	53.2%	56.1%	58.5%	58.3%	58.5%	*58.0%*	*58.0%*	Long-Term Debt Ratio	*57.5%*
48.9%	51.0%	50.2%	50.0%	48.5%	46.8%	43.9%	41.5%	41.7%	42.0%	*42.0%*	*42.0%*	Common Equity Ratio	*42.5%*
32913	33001	35633	34775	37707	40677	44759	49537	53734	57520	*62950*	*68900*	Total Capital ($mill)	*75900*
40997	44117	46133	45639	50262	55099	60138	63902	66001	71283	*74600*	*78000*	Net Plant ($mill)	*87300*
6.0%	6.3%	6.1%	7.2%	5.9%	5.9%	5.6%	5.6%	5.6%	4.0%	*4.5%*	*4.5%*	Return on Total Cap'l	*5.0%*
9.6%	9.7%	9.9%	11.9%	9.8%	10.1%	10.3%	10.7%	11.1%	9.7%	*10.0%*	*10.0%*	Return on Shr. Equity	*11.0%*
9.6%	9.7%	9.9%	11.9%	9.8%	10.1%	10.3%	10.7%	11.1%	9.7%	*10.0%*	*10.0%*	Return on Com Equity	*11.0%*
3.7%	3.8%	3.9%	5.5%	3.2%	3.5%	3.4%	3.8%	4.3%	2.9%	*4.0%*	*4.0%*	Retained to Com Eq	*4.5%*
62%	61%	60%	54%	67%	65%	67%	65%	61%	70%	*63%*	*63%*	All Div'ds to Net Prof	*61%*

ELECTRIC OPERATING STATISTICS

	2019	2020	2021
% Change Retail Sales (KWH)	-2.2	- -	+3.0
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)	+.3	+1.0	NA
Fixed Charge Cov. (%)	234	243	272

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	.5%	-.5%	*3.5%*
"Cash Flow"	5.0%	5.5%	*5.5%*
Earnings	5.0%	4.0%	*6.0%*
Dividends	5.0%	5.0%	*5.5%*
Book Value	3.5%	3.5%	*6.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	3747	3494	4066	3610	14918
2021	4281	3826	4623	4061	16792
2022	4593	4640	5526	4881	19640
2023	4690	*4700*	*5350*	*4460*	*19200*
2024	*4820*	*4750*	*5375*	*4755*	*19700*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	1.00	1.05	1.50	.87	4.42
2021	1.15	1.15	1.59	1.07	4.96
2022	1.22	1.20	1.62	1.05	5.09
2023	1.11	*1.25*	*1.75*	*1.24*	*5.35*
2024	*1.45*	*1.30*	*1.80*	*1.05*	*5.60*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.67	.67	.67	.70	2.71
2020	.70	.70	.70	.74	2.84
2021	.74	.74	.74	.78	3.00
2022	.78	.78	.78	.83	3.17
2023	.83	.83			

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, 43%; commercial, 23%; industrial, 18%; wholesale, 10%; other, 6%. Sold commercial barge operation in '15. Generating sources not available. Fuel costs: 33% of revenues. '22 reported depreciation rates (utility): 2.6%-12.5%. Has 16,700 employees. President & Chief Executive Officer: Julie Sloat. Executive Chairman: Niholas K. Akins. Incorporated: New York. Address: 1 Riverside Plaza, Columbus, Ohio 43215-2373. Telephone: 614-716-1000. Internet: www.aep.com.

American Electric Power is meeting expectations. First-quarter earnings per share came in at $1.11, on par with Wall Street's expectations but lower than last year's tally due to historically mild weather that restricted results. This, along with an increase in operations and maintenance costs and higher taxes, offset the benefits derived from rate increases, load growth, and more transmission revenue. Despite these challenges, effective cost management enabled management to maintain its 2023 bottom-line outlook of $5.19 to $5.39 and a long-term annual earnings growth target of 6-7%.

The company is aggressively managing its asset portfolio. It scrapped the potential sale of its Kentucky operations citing unattractive deal economics and an adverse regulatory environment as main causes. The unit, which recorded an underwhelming 2.9% return on equity over the past year, will be revamped with a focus on reliability and cost control. Also, new base rates will be effective from January 2024 onward. A recently announced sale of certain solar assets are expected to close by the end of 2023. Furthermore, AEP intends to divest its retail and distributed resources businesses, with the sale process to start this summer and completion expected in the first half of 2024. These assets collectively contribute around $650 million to annual revenue.

The company is trying to get greener. Approximately 43% of AEP's 24,600 total megawatt capacity is currently fueled by coal, which is relatively bad for the environment compared to other natural resources, and a focal point of regulators and ESG investors. AEP's four-year, $40 billion capital expenditure plan will be used to add around 17 gigawatts of cleaner power generation capacity over the next nine years. The ultimate goal is to reach "net zero" emissions by 2045, meaning balance between the amount of greenhouse gases produced and the amount removed from the atmosphere or offset elsewhere. Continued focus on debt reduction should also help the stock's valuation ahead, allowing American to become more in-line with premium-priced peers.

Risk-averse investors may want to take a closer look here.

Kevin Downing *June 9, 2023*

(A) Diluted EPS. Excl. nonrec. gains (losses): '07, (20¢); '08, 40¢; '10, (7¢); '11, 89¢; '12, (38¢); '13, (14¢); '16, ($2.99); '17, 26¢; '19, (20¢); gains (loss) from disc. ops.: '06, 2¢; '08, 3¢; '15, 58¢; '16, (1¢); '22, (58¢); '23, (34¢). Next earnings report due late July. (B) Div'ds paid early Mar., June, Sept., & Dec. ■ Div'd reinvestment plan avail. † Shareholder invest. plan avail. (C) Incl. intang. In '22: $52.5 million (D) In mill.

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

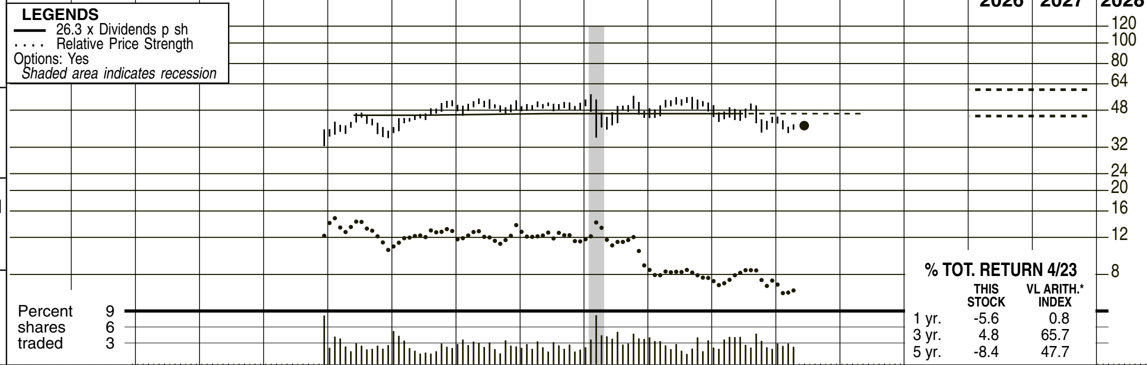
AVANGRID, INC. NYSE-AGR

RECENT PRICE 40.60 | P/E RATIO 19.3 (Trailing: 22.6 Median: NMF) | RELATIVE P/E RATIO 1.15 | DIV'D YLD 4.3% | VALUE LINE

TIMELINESS 5 Lowered 5/5/23
SAFETY 2 Raised 2/17/17
TECHNICAL 3 Raised 4/28/23
BETA .85 (1.00 = Market)

	2015	2016	2017	2018	2019	2020	2021	2022	2023
High:	38.9	46.7	53.5	54.6	52.9	57.2	55.6	51.7	44.8
Low:	32.4	35.4	37.4	45.2	47.4	35.6	44.0	37.6	37.4

LEGENDS
— 26.3 x Dividends p sh
.... Relative Price Strength
Options: Yes
Shaded area indicates recession



Target Price Range 2026 | 2027 | 2028

18-Month Target Price Range
Low-High Midpoint (% to Mid)
$34-$60 $47 (15%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+50%)	13%
Low	45	(+10%)	7%

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	143	166	190
to Sell	133	114	125
Hld's(000)	46587	46742	48560

Percent shares traded 9 6 3

% TOT. RETURN 4/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-5.6	0.8
3 yr.	4.8	65.7
5 yr.	-8.4	47.7

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.

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
- -	- -	14.14	19.48	19.30	20.96	20.51	20.45	18.04	20.49	*21.95*	*22.75*	Revenues per sh	*25.20*
- -	- -	3.44	4.74	4.49	4.89	5.41	5.22	4.64	5.14	*4.95*	*5.35*	"Cash Flow" per sh	*6.30*
- -	- -	1.05	1.98	1.67	1.92	2.17	2.02	2.18	2.32	*2.10*	*2.35*	Earnings per sh A	*2.75*
- -	- -	- -	1.73	1.73	1.74	1.76	1.76	1.76	1.76	*1.76*	*1.76*	Div'd Decl'd per sh B ■	*1.94*
- -	- -	3.50	5.52	7.82	5.78	8.87	9.00	7.70	6.52	*8.65*	*9.00*	Cap'l Spending per sh	*9.50*
- -	- -	48.74	48.90	48.79	48.88	49.31	49.21	49.35	50.13	*50.50*	*51.00*	Book Value per sh C	*53.25*
- -	- -	308.86	308.99	309.01	309.01	309.01	309.08	386.57	386.63	*387.00*	*387.00*	Common Shs Outst'g D	*387.00*
- -	- -	33.5	20.5	27.3	26.1	23.1	23.6	23.2	19.6	*Bold figures are*		Avg Ann'l P/E Ratio	*18.5*
- -	- -	1.69	1.08	1.37	1.41	1.23	1.21	1.25	1.14	*Value Line*		Relative P/E Ratio	*1.05*
- -	- -	- -	4.3%	3.8%	3.5%	3.5%	3.7%	3.5%	3.9%	*estimates*		Avg Ann'l Div'd Yield	*3.8%*
- -	4594.0	4367.0	6018.0	5963.0	6478.0	6338.0	6320.0	6974.0	7923.0	*8500*	*8800*	Revenues ($mill)	*9750*
- -	424.0	267.0	611.0	516.0	595.0	673.0	625.0	780.0	901.0	*870*	*910*	Net Profit ($mill)	*1065*
- -	39.9%	11.3%	37.4%	32.4%	22.1%	17.0%	7.2%	6.2%	3.2%	*7.0%*	*7.0%*	Income Tax Rate	*7.0%*
- -	6.8%	12.7%	7.5%	12.4%	9.4%	15.0%	17.1%	15.5%	12.9%	*17.0%*	*15.0%*	AFUDC % to Net Profit	*13.0%*
- -	16.8%	23.1%	23.0%	25.6%	26.2%	30.6%	40.8%	29.3%	29.8%	*31.5%*	*32.0%*	Long-Term Debt Ratio	*38.5%*
- -	83.2%	76.9%	77.0%	74.4%	73.8%	69.4%	59.2%	70.7%	70.2%	*68.5%*	*68.0%*	Common Equity Ratio	*61.5%*
- -	14956	19583	19619	20273	20472	21953	25687	26998	27603	*28525*	*29025*	Total Capital ($mill)	*33400*
- -	17099	20711	21548	22669	23459	25218	26751	28866	30994	*33225*	*35575*	Net Plant ($mill)	*42700*
- -	3.7%	2.1%	3.8%	3.1%	3.5%	3.7%	3.0%	3.4%	3.9%	*3.5%*	*3.5%*	Return on Total Cap'l	*4.0%*
- -	3.4%	1.8%	4.0%	3.4%	3.9%	4.4%	4.1%	4.1%	4.6%	*4.0%*	*4.5%*	Return on Shr. Equity	*5.0%*
- -	3.4%	1.8%	4.0%	3.4%	3.9%	4.4%	4.1%	4.1%	4.6%	*4.0%*	*4.5%*	Return on Com Equity E	*5.0%*
- -	3.4%	1.8%	1.4%	NMF	.4%	.8%	.5%	.9%	1.1%	*.5%*	*1.0%*	Retained to Com Eq	*1.5%*
- -	- -	- -	66%	104%	90%	81%	87%	79%	76%	*84%*	*75%*	All Div'ds to Net Prof	*70%*

CAPITAL STRUCTURE as of 3/31/23
Total Debt $9949 mill. **Due in 5 Yrs** $3275 mill.
LT Debt $8243 mill. **LT Interest** $308 mill.
Incl. $87 mill. finance leases.
(Total Interest coverage: 3.6x)
Leases, Uncapitalized Annual rentals $29 mill.

Pension Assets-12/22 $2151 mill. **Oblig** $2451 mill.
Pfd Stock None

Common Stock 386,640,918 shs.
as of 4/25/23
MARKET CAP: $15.7 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (MWH)	-1.7	+1.8	+.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 (yr-end)	+.9	+.1	+1.6
Fixed Charge Cov. (%)	237	270	247

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	- -	2.0%	*4.0%*
"Cash Flow"	- -	3.5%	*4.0%*
Earnings	- -	7.0%	*4.0%*
Dividends	- -	9.0%	*1.5%*
Book Value	- -	0.5%	*1.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	1789	1392	1470	1669	6320
2021	1966	1477	1598	1933	6974
2022	2133	1794	1838	2158	7923
2023	2466	*1875*	*1950*	*2209*	*8500*
2024	*2550*	*1950*	*2025*	*2275*	*8800*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.76	.32	.32	.62	2.02
2021	1.14	.35	.34	.44	2.18
2022	1.16	.46	.31	.39	2.32
2023	.64	*.50*	*.35*	*.61*	*2.10*
2024	*.73*	*.57*	*.41*	*.64*	*2.35*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.44	.44	.44	.44	1.76
2020	.44	.44	.44	.44	1.76
2021	.44	.44	.44	.44	1.76
2022	.44	.44	.44	.44	1.76
2023	.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 and solar power generation, with 9.2 GW of capacity and 1.7 GW under construction. Renewables segment accounted for about 17% of net profits for trailing 12 months. Power/fuel costs: 31% of rev. '22 reported depr. rate: 2.6%. Iberdrola owns 81.5% of stock. Employs 7,579. Board Chair: Ignacio Sanchez Galan. CEO: Pedro Azagra Blazquez. Inc.: New York. Address: 180 Marsh Hill Road, Orange, CT 06477. Tel.: 207-629-1200. Web: www.avangrid.com.

AVANGRID is off to a weak start this year in terms of the bottom line. The company was up against a difficult March-period comparison, given that last year's share earnings of $1.16 included a $0.47 unusual item related to the contractual restructuring of a partnership agreement. The company still fell $0.13 a share short of our estimate, as interest and operating/maintenance expenses rose, while AVANGRID has only received rate relief thus far in 2023 from Massachusetts.

Year-over-year earnings comparisons should be on the mend later this year. AVANGRID is suffering from regulatory lag in its New York, Maine and Connecticut territories. The company's utilities are in settlement talks with their state regulatory boards for rate relief, and AVANGRID leadership expects to receive higher prices over the course of this year.

Concluding the acquisition of PNM Resources is a priority. To recap, AVANGRID agreed to purchase the parent of electric utilities in New Mexico and Texas for $4.3 billion. The deal was blocked in New Mexico. The companies have recently extended their agreement to July 20th, and are back in discussions with a revamped regulatory commission, which has all new voting members, as former commissioners completed their terms. We expect the deal to go through. See our April 21st PNM Resources (NYSE: PNM) report for a more detailed discussion.

AVANGRID is a key player in the burgeoning "green" energy arena. Existing renewable power generation comes from onshore wind and solar. Construction of the first U.S. large-scale offshore wind project began in November 2021 and is expected to be completed by late 2024. Over time, renewables should grow to become a larger income source for AGR. (The segment accounted for 20% of first-quarter consolidated net income.) The PNM purchase offers further avenues of expansion, providing a base of operation for solar and wind projects in the Southwest.

This issue, however, is untimely. Utility investors may find the intermediate-term total return prospects worthwhile. But, there is no rush to get involved here, as there are bound to be kinks to work out should the merger go through.

Anthony J. Glennon *May 12, 2023*

(A) Diluted egs. Excl. nonrecur. gain/(loss): '16, 6¢; '17, (44¢); '19, 9¢; '20, (14¢); '21, (21¢); '22, (5¢); 1Q '23, (1¢). EPS may not sum to full-year due to rounding. Next earnins report due late July. (B) Div'ds paid in early Jan., April, July, and Oct. ■ Dividend reinvestment plan available. (C) Incl. intangibles. In '22: $5,721 mill., $14.80/sh. (D) In mill. (E) Rate base: Net original cost. Rate allowed on com. eq. in NY in '20: 8.8%; in CT in '17: 9.1% elec.; in CT in '19: 9.3% gas; in ME in '22: 9.25%. Regulatory Climate: Below Average.

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

AVISTA CORP. NYSE-AVA

RECENT PRICE **36.90** | P/E RATIO **16.0** (Trailing: 19.8 / Median: 19.0) | RELATIVE P/E RATIO **0.92** | DIV'D YLD **5.0%** | VALUE LINE

TIMELINESS 4 Lowered 7/21/23
SAFETY 2 Raised 5/7/10
TECHNICAL 1 Raised 6/2/23
BETA .90 (1.00 = Market)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
High:	28.0	29.3	37.4	38.3	45.2	52.8	52.9	49.5	53.0	49.1	46.9	45.3
Low:	22.8	24.1	27.7	29.8	34.3	37.8	41.9	39.8	32.1	36.7	35.7	36.0

LEGENDS
— 27.0 x Dividends p sh
.... Relative Price Strength
Options: Yes
Shaded area indicates recession

18-Month Target Price Range

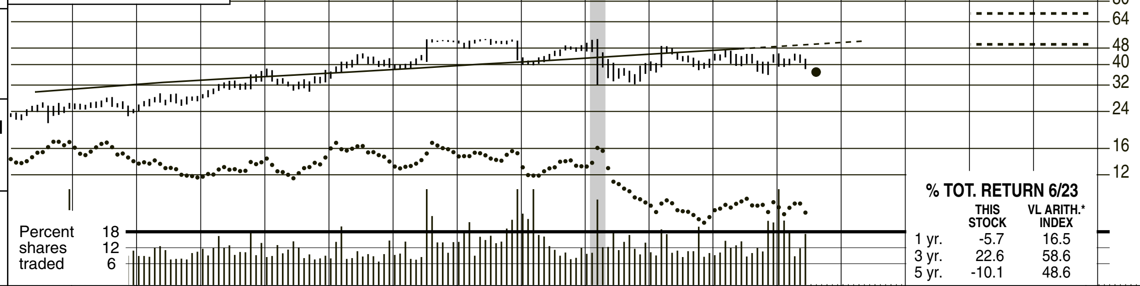
Low-High	Midpoint (% to Mid)
$34-$57	$46 (25%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(+90%)	*20%*
Low	50	(+35%)	*12%*

Institutional Decisions

	3Q2022	4Q2022	1Q2023
to Buy	138	153	122
to Sell	114	125	134
Hld's(000)	61258	66349	67752



Target Price Range
2026 | 2027 | 2028

% TOT. RETURN 6/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-5.7	16.5
3 yr.	22.6	58.6
5 yr.	-10.1	48.6

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	19.09	20.13	22.82	***23.25***	***23.45***	**Revenues per sh**	***24.10***
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	5.16	5.34	4.40	***4.90***	***5.35***	**"Cash Flow" per sh**	***6.60***
.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	1.90	2.10	2.12	***2.30***	***2.45***	**Earnings per sh A**	***3.00***
.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	1.69	1.76	***1.84***	***1.92***	**Div'd Decl'd per sh B ■**	***2.15***
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	5.84	6.15	6.03	***6.50***	***6.55***	**Cap'l Spending per sh**	***6.80***
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	29.31	30.14	31.15	***32.95***	***34.50***	**Book Value per sh C**	***37.25***
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	69.24	71.50	74.95	***77.00***	***78.50***	**Common Shs Outst'g D**	***85.00***
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	21.2	20.2	20.0	*Bold figures are*		**Avg Ann'l P/E Ratio**	***20.0***
1.64	.90	.76	.81	.88	1.23	.82	.91	.89	.99	1.18	1.32	.80	1.09	1.09	1.16	*Value Line*		**Relative P/E Ratio**	***1.10***
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%	4.0%	4.0%	4.2%	*estimates*		**Avg Ann'l Div'd Yield**	***3.6%***

CAPITAL STRUCTURE as of 3/31/23
Total Debt $2774.5 mill. **Due in 5 Yrs** $30.0 mill.
LT Debt $2530.0 mill. **LT Interest** $140.0 mill.
Incl. $51.5 mill. debt to affiliated trusts; $42.5 mill. finance leases.
(LT interest earned: 2.2x)
Leases, Uncapitalized Annual rentals $10.3 mill.
Pension Assets-12/22 $540.7 mill.
Oblig $557.7 mill.
Pfd Stock None

Common Stock 75,763,513 shs.
as of 4/30/23
MARKET CAP: $2.8 billion (Mid Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
1618.5	1472.6	1484.8	1442.5	1445.9	1396.9	1345.6	1321.9	1438.9	1710.2	***1790***	***1840***	**Revenues ($mill)**	***2050***
111.1	114.2	118.1	137.2	126.1	136.4	197.0	129.5	147.3	155.2	***175***	***190***	**Net Profit ($mill)**	***255***
36.0%	37.6%	36.3%	36.3%	36.5%	16.0%	13.8%	5.2%	7.5%	15.0%	***15.0%***	***15.0%***	**Income Tax Rate**	***15.0%***
8.8%	11.1%	10.1%	8.1%	7.9%	7.7%	5.5%	8.5%	7.5%	2.4%	***5.0%***	***5.0%***	**AFUDC % to Net Profit**	***5.0%***
51.4%	51.0%	50.0%	51.2%	47.2%	50.5%	49.4%	50.4%	47.5%	50.4%	***50.5%***	***50.5%***	**Long-Term Debt Ratio**	***49.5%***
48.6%	49.0%	50.0%	48.8%	52.8%	49.5%	50.6%	49.6%	52.5%	49.6%	***49.5%***	***49.5%***	**Common Equity Ratio**	***50.5%***
2669.7	3027.3	3060.3	3379.0	3273.2	3580.3	3834.6	4089.8	4104.7	4709.7	***5100***	***5300***	**Total Capital ($mill)**	***6000***
3202.4	3620.0	3898.6	4147.5	4398.8	4648.9	4797.0	4991.6	5225.5	5444.7	***5700***	***5950***	**Net Plant ($mill)**	***6400***
5.4%	4.9%	5.1%	5.3%	5.0%	4.8%	6.2%	4.2%	4.7%	4.6%	***5.0%***	***5.0%***	**Return on Total Cap'l**	***5.0%***
8.6%	7.7%	7.7%	8.3%	7.3%	7.7%	10.2%	6.4%	6.8%	6.6%	***7.5%***	***7.5%***	**Return on Shr. Equity**	***7.5%***
8.6%	7.7%	7.7%	8.3%	7.3%	7.7%	10.2%	6.4%	6.8%	6.6%	***7.5%***	***7.5%***	**Return on Com Equity E**	***7.5%***
2.9%	2.4%	2.3%	3.0%	1.9%	2.2%	4.9%	.9%	1.4%	1.1%	***2.0%***	***2.0%***	**Retained to Com Eq**	***2.0%***
66%	69%	70%	64%	73%	72%	52%	85%	80%	83%	***80%***	***78%***	**All Div'ds to Net Prof**	***72%***

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	-2.4	+4.3	+3.1
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	6.38	6.41	6.62
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	1721	1889	1810
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.8	+1.4	-1.0
Fixed Charge Cov. (%)	222	216	175

ANNUAL RATES of change (per sh)	**Past 10 Yrs.**	**Past 5 Yrs.**	**Est'd '20-'22 to '26-'28**
Revenues	-2.5%	-2.0%	*2.5%*
"Cash Flow"	3.0%	-0.5%	*3.5%*
Earnings	2.5%	0.5%	*6.5%*
Dividends	4.5%	4.0%	*4.0%*
Book Value	4.0%	3.5%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	390.2	278.6	272.6	380.5	1321.9
2021	412.9	298.2	296.0	431.8	1438.9
2022	462.7	378.6	359.4	509.5	1710.2
2023	474.6	***370***	***355***	***590.4***	***1790***
2024	***490***	***380***	***370***	***600***	***1840***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.72	.26	.07	.85	1.90
2021	.98	.20	.20	.71	2.10
2022	.99	.16	d.08	1.05	2.12
2023	.73	***.20***	***.20***	***1.17***	***2.30***
2024	***.75***	***.23***	***.22***	***1.25***	***2.45***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.3875	.3875	.3875	.3875	1.55
2020	.405	.405	.405	.405	1.62
2021	.4225	.4225	.4225	.4225	1.69
2022	.44	.44	.44	.44	1.76
2023	.46	.46			

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: 411,000 electric, 377,000 gas. Acq'd Alaska Electric Light and Power 7/14. Sold Ecova energy-management sub. 6/14. Electric rev. breakdown: residential, 38%; commercial, 30%; industrial, 10%; wholesale, 17%; other, 5%. Generating sources: gas & coal, 31%; hydro, 31%; purch., 38%. Fuel costs: 35% of revs. '22 reported depr. rate (Avista Utilities): 3.6%. Has 1,767 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.

Regardless of the first-quarter showing, Avista remains on target to reach earnings of $2.30 a share this year. Earnings in the March period missed our expectations by a wide margin, which is not all that uncommon for utilities. Still, this situation can be fully explained. Rate cases in Washington and Idaho dating back to 2021 came with customer tax credits. These credits will be fully returned by the end of the third quarter this year. After that, the utility margin will improve, but income tax is spread throughout the year as a percentage of pretax income based on the estimated annual effective tax rate. This will alter the shape of quarterly earnings in 2023. Management has said that 35% of annual utility earnings will be recognized in the first quarter. After that, the distribution will be 5% in the second quarter, 10% in the third quarter, and 50% in the fourth quarter. All told, the provided earnings spread remains at $2.27 to $2.47 per share, and our figure slants toward the low end of this range. Furthermore, this seems like a good time to reiterate to our subscribers to not focus on sequential showings, as opposed to the annual earnings for utilities.

Earnings next year are apt to grow by roughly 5% to 7%. This is a touch slower than what we are looker for in 2023, but in line with what leadership is looking for from an annual perspective. Further rate plan approvals may well be in the cards, particularly in Idaho, and the expected larger revenue base will be a welcome sight. In that vein, our $2.45-a-share target looks doable.

Clean energy goals continue to be executed upon. A contract for new wind generation in Montana was a nice step forward. Add that to hydro pacts and 70% of Avista's peak generating capability will be produced from non-emitting resources by 2026. Factoring in some additional spending on these fronts, our capital expenditure figure for 2023 is now hovering around the $500 million line.

This untimely selection has a yield that is more than a full percentage point above the average utility within our coverage. Longer term, appreciation potential is only about average from the stock's recent price points.

Erik M. Manning *July 21, 2023*

(A) Diluted EPS. Excl. nonrec. gain (loss): '14, 9¢; '17, (16¢); gains on discont. ops.: '14, $1.17; '15, 8¢. EPS may not sum due to rounding. Next earnings report due early August. **(B)** Div'ds paid in mid-Mar., June, Sept. & Dec. ■ Div'd reinvest. plan avail. **(C)** Incl. deferred chgs. In '22: $911.2 mill., $12.16/sh. **(D)** In mill. **(E)** Rate base: Net orig. cost. Rate allowed on com. eq. in WA in '21: 9.4%; in ID in '21: 9.4%; in OR in '21: 9.4%; earned on avg. com. eq., '22: 7.1%. Regulatory Climate: WA, Below Avg.; ID, Above Avg.

Company's Financial Strength	B++
Stock's Price Stability	75
Price Growth Persistence	40
Earnings Predictability	65

BLACK HILLS CORP. NYSE-BKH

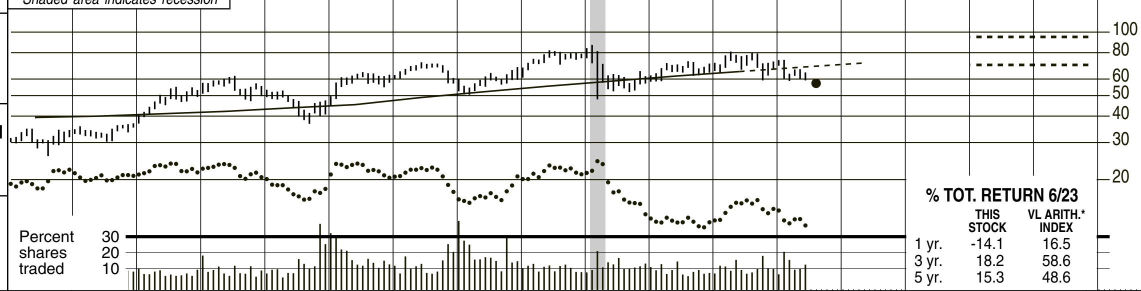
RECENT PRICE 57.23 | P/E RATIO 15.3 (Trailing: 14.7 Median: 18.0) | RELATIVE P/E RATIO 0.88 | DIV'D YLD 4.5% | VALUE LINE

TIMELINESS 3 Raised 6/2/23
SAFETY 2 Raised 5/1/15
TECHNICAL 2 Raised 7/21/23
BETA 1.00 (1.00 = Market)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
High:	37.0	55.1	62.1	53.4	64.6	72.0	68.2	82.0	87.1	72.8	80.9
Low:	30.3	36.9	47.1	36.8	44.7	57.0	50.5	60.8	48.1	58.2	59.1

High:	74.0
Low:	56.8

LEGENDS
—— 27.0 x Dividends p sh
.... Relative Price Strength
Options: Yes
Shaded area indicates recession



Target Price Range 2026 | 2027 | 2028

18-Month Target Price Range
Low-High: $52-$89 — Midpoint (% to Mid): $71 (25%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	95	(+65%)	17%
Low	70	(+20%)	9%

Institutional Decisions

	3Q2022	4Q2022	1Q2023
to Buy	155	148	150
to Sell	142	143	156
Hld's(000)	58257	59331	57740

Percent shares traded: 30, 20, 10

% TOT. RETURN 6/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-14.1	16.5
3 yr.	18.2	58.6
5 yr.	15.3	48.6

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	27.02	30.11	38.60	*38.50*	*38.40*	Revenues per sh	39.45
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	7.41	7.41	7.85	*7.75*	*8.00*	"Cash Flow" per sh	9.25
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	3.73	3.74	3.97	*3.75*	*3.90*	Earnings per sh A	4.50
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	2.29	2.41	*2.53*	*2.65*	Div'd Decl'd per sh B ■	3.01
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	12.22	10.47	9.14	*9.30*	*9.50*	Cap'l Spending per sh	9.25
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	40.79	43.05	45.31	*46.75*	*48.70*	Book Value per sh C	55.00
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	62.79	64.74	66.10	*67.50*	*69.00*	Common Shs Outst'g D	71.00
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	17.0	17.7	18.1	*Bold figures are*		Avg Ann'l P/E Ratio	18.0
.80	NMF	.66	1.15	1.95	1.09	1.02	1.00	.81	1.17	.98	.91	1.13	.87	.96	1.04	*Value Line*		Relative P/E Ratio	1.00
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%	3.4%	3.5%	3.4%	*estimates*		Avg Ann'l Div'd Yield	3.7%

CAPITAL STRUCTURE as of 3/31/23
Total Debt $4479.4 mill. **Due in 5 Yrs** $1835.0 mill.
LT Debt $3954.4 mill. **LT Interest** $190.0 mill.
(Total Interest Coverage: 2.7x)
Leases, Uncapitalized Annual rentals $2.4 mill.

Pension Assets-12/22 $323.1 mill. **Oblig** $358.4 mill.

Pfd Stock None

Common Stock 66,660,004 shs. as of 4/28/23

MARKET CAP: $3.8 billion (Mid Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
1275.9	1393.6	1304.6	1573.0	1680.3	1754.3	1734.9	1696.9	1949.1	2551.8	*2600*	*2650*	Revenues ($mill)	2800
115.8	128.8	128.3	140.3	186.5	192.5	214.5	232.9	236.7	258.4	*250*	*265*	Net Profit ($mill)	320
34.7%	33.7%	35.8%	25.1%	28.7%	19.2%	13.0%	12.2%	2.8%	8.5%	*8.5%*	*8.5%*	Income Tax Rate	8.5%
2.4%	2.4%	2.7%	5.3%	2.7%	1.4%	3.3%	2.5%	2.0%	2.4%	*2.5%*	*2.5%*	AFUDC % to Net Profit	2.5%
51.6%	47.9%	56.0%	66.5%	64.5%	57.5%	57.1%	57.9%	59.7%	54.6%	*54.5%*	*54.5%*	Long-Term Debt Ratio	54.0%
48.4%	52.1%	44.0%	33.5%	35.5%	42.5%	42.9%	42.1%	40.3%	45.4%	*45.5%*	*45.5%*	Common Equity Ratio	46.0%
2704.7	2643.6	3332.7	4825.8	4818.4	5132.4	5502.2	6089.5	6914.0	6602.3	*6950*	*7350*	Total Capital ($mill)	8425
2990.3	3239.4	3259.1	4469.0	4541.4	4854.9	5503.2	6019.7	6449.2	6797.9	*7125*	*7525*	Net Plant ($mill)	8525
5.5%	6.1%	4.9%	4.0%	5.2%	5.0%	4.9%	5.0%	4.5%	5.1%	*4.5%*	*4.5%*	Return on Total Cap'l	5.0%
8.9%	9.4%	8.8%	8.7%	10.9%	8.8%	9.1%	9.1%	8.5%	8.6%	*8.0%*	*8.0%*	Return on Shr. Equity	8.0%
8.9%	9.4%	8.8%	8.7%	10.9%	8.8%	9.1%	9.1%	8.5%	8.6%	*8.0%*	*8.0%*	Return on Com Equity E	8.0%
3.7%	4.3%	3.8%	3.3%	5.3%	3.9%	3.8%	3.8%	3.3%	3.4%	*2.5%*	*2.5%*	Retained to Com Eq	2.5%
58%	54%	57%	62%	52%	55%	58%	58%	61%	61%	*67%*	*68%*	All Div'ds to Net Prof	67%

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	-.7	+1.5	+3.5
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Yearend (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	1050	1078	1107
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.9	+1.0	+1.0
Fixed Charge Cov. (%)	285	259	281

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	1.0%	2.0%	*3.5%*
"Cash Flow"	4.5%	3.5%	*3.5%*
Earnings	9.5%	5.5%	*3.0%*
Dividends	4.5%	6.0%	*4.5%*
Book Value	4.5%	7.5%	*4.0%*

QUARTERLY REVENUES ($ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	537.0	326.9	346.6	486.4	1696.9
2021	633.4	372.6	380.6	562.5	1949.1
2022	823.6	474.2	462.6	791.4	2551.8
2023	921.2	*475*	*465*	*738.8*	*2600*
2024	*930*	*485*	*480*	*755*	*2650*

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	1.59	.33	.58	1.23	3.73
2021	1.54	.40	.70	1.11	3.74
2022	1.82	.52	.54	1.11	3.97
2023	1.73	*.40*	*.52*	*1.10*	*3.75*
2024	*1.77*	*.43*	*.55*	*1.15*	*3.90*

QUARTERLY DIVIDENDS PAID B ■

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.505	.505	.505	.535	2.05
2020	.535	.535	.535	.565	2.17
2021	.565	.565	.565	.595	2.29
2022	.595	.595	.595	.625	2.41
2023	.625	.625			

BUSINESS: Black Hills Corporation is a holding company for Black Hills Energy, which serves 220,431 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 utility ops. from Aquila 7/08; SourceGas 2/16. Discontinued gas marketing in '11; gas & oil E&P in '17. Electric rev. breakdown: residential, 35%; commercial, 39%; industrial, 23%; other, 3%. Generating sources: coal, 35%; gas, 19%; wind, 11%; purchased, 35%. Fuel costs: 38% of revs. '22 deprec. rate: 3.2%. Has 2,982 employees. Chairman: Steven R. Mills. President & CEO: Linn Evans. Inc.: SD. Address: 7001 Mount Rushmore Rd., P.O. Box 1400, Rapid City, SD 57709-1400. Telephone: 605-721-1700. Internet: www.blackhillscorp.com.

Black Hills stock has been the worst year-to-date performer among electric utilities. The shares are down 19% in 2023, versus the 6% average decline for all electrics under *Value Line's* coverage. While many interest-rate sensitive issues are under water this year, BKH's weakness extends back to last year's third quarter, when the negative year-over-year quarterly earnings comparisons began. February's cut in the company's long-term profit growth objectives, to 4%-6% from 5%-7%, off of this year's scaled back earnings outlook of $3.65-$3.85 a share, accelerated the stock's decline. Inflation was cited as the primary problem. Given the individual circumstances of various utilities, some are more equipped to handle the challenging macro environment of elevated commodity/labor costs and higher interest rates without suffering from extreme regulatory lag. It depends in part on to what extent a company can bill in real time for certain increases in expenses. Black Hills primarily has to file for rate relief. In that vein, the company recently applied to charge higher gas and electric delivery prices in its varied service areas.

With a heavy weighting towards natural gas customers, Black Hills won't benefit as much as some utility peers will from secular growth trends in "clean energy." The company has a decent resource plan in place, which is focused on adding renewable power sources in its electric territories. Colorado leadership is progressive on the green-energy front, legislating that 80% of electric power generation in the state come from non-emitting sources. As such, Black Hills is adding a combination of solar, wind power, and battery storage totalling 520 megawatts by 2030. Of this, 50% will be utility owned, with the remainder under long-term contracts. South Dakota and Wyoming are a little more conservative in their forays into clean energy. Combined, the utility has gotten the okay to expand renewables by 120 mw through 2026.

The decrease in valuation has this issue's total return prospects comparing favorably to its industry's 10% median. But we'd caution that the stock does not appear to have found equilibrium in response to leadership's new outlook.

Anthony J. Glennon *July 21, 2023*

(A) Diluted EPS. Excl. nonrec. gains/ (losses): '15, ($3.54); '16, ($1.26); '17, 14¢; '18, $1.31; '19, (25¢); '20, (8¢); discont. ops.: '08, $4.12; '09, 7¢; '11, 23¢; '12, (16¢); '17, (31¢); '18, (12¢). Qtly. EPS may not sum to full year due to rounding. Next egs. report due early Aug. (B) Div'ds paid in early March, June, Sept., and Dec. ■ Div'd reinv. plan avail. (C) Incl. deferred chgs. In '22: $1.75 bill., $26.45/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in SD in '15: none specified; in CO in '17: 9.37%. Regulatory Climate: Average.

Company's Financial Strength	A
Stock's Price Stability	85
Price Growth Persistence	40
Earnings Predictability	95

CENTERPOINT EN'RGY NYSE-CNP

RECENT PRICE	28.34	P/E RATIO	18.9 (Trailing: 22.5) (Median: 19.0)	RELATIVE P/E RATIO	1.15	DIV'D YLD	2.7%	VALUE LINE

TIMELINESS 3 Raised 5/12/23
SAFETY 3 Lowered 12/18/15
TECHNICAL 2 Lowered 6/9/23
BETA 1.10 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$25-$41	$33 (15%)

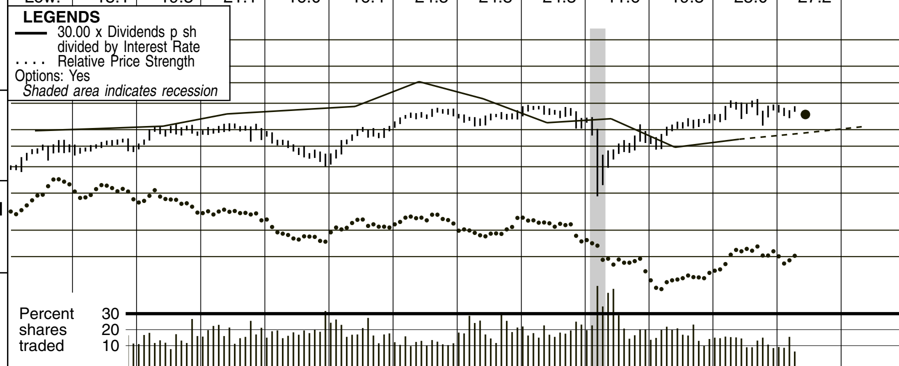
2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	35	(+25%)	8%
Low	25	(-10%)	1%

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	294	256	330
to Sell	267	270	232
Hld's(000)	560317	566702	574926

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
High:	21.8	25.7	25.8	23.7	25.0	30.5	29.6	31.4	27.5	28.4	33.5	31.5
Low:	18.1	19.3	21.1	16.0	16.4	24.5	24.8	24.3	11.6	19.3	25.0	27.2



Target Price Range

2026	2027	2028

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

% TOT. RETURN 4/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	1.9	0.8
3 yr.	93.6	65.7
5 yr.	39.8	47.7

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	13.45	13.28	14.81	*14.40*	*14.80*	Revenues per sh	*16.75*
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	3.46	3.00	3.65	*3.80*	*4.05*	"Cash Flow" per sh	*4.75*
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	1.29	.94	1.59	*1.65*	*1.75*	Earnings per sh A	*1.95*
.68	.73	.76	.78	.79	.81	.83	.95	.99	1.03	1.35	1.12	.86	.90	.66	.72	*.77*	*.83*	Div'd Decl'd per sh B ■	*.95*
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	4.71	5.03	7.02	*6.65*	*7.05*	Cap'l Spending per sh	*9.00*
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	10.78	13.70	14.68	*16.85*	*17.70*	Book Value per sh C	*19.50*
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	551.36	628.92	629.54	*631.00*	*632.00*	Common Shs Outst'g D	*634.00*
15.0	11.3	11.8	13.8	14.6	14.8	18.7	17.0	18.1	21.9	17.9	37.0	19.5	15.9	26.1	18.7	*Bold figures are*		Avg Ann'l P/E Ratio	*16.0*
.80	.68	.79	.88	.92	.94	1.05	.89	.91	1.15	.90	2.00	1.04	.82	1.41	1.08	*Value Line*		Relative P/E Ratio	*.90*
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%	4.4%	2.7%	2.4%	*estimates*		Avg Ann'l Div'd Yield	*3.2%*

CAPITAL STRUCTURE as of 3/31/23
Total Debt $15840 mill. **Due in 5 Yrs** $6698 mill.
LT Debt $15783 mill. **LT Interest** $600 mill.
Incl. $156 mill. securitized transition & system restoration bonds.
(LT interest earned: 2.4x)
Leases, Uncapitalized Annual rentals $5 mill.
Pension Assets-12/22 $1212 mill. **Oblig** $1553 mill.
Pfd Stock $790 mill. **Pfd Div'd** $49 mill.
800,000 shs. 6.125%, cumulative, with liquidation value of $800.
Common Stock 631,031,243 shs. **as of 4/19/23**
MARKET CAP: $17.9 billion (Large Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
8106.0	9226.0	7386.0	7528.0	9614.0	10589	12301	7418.0	8352.0	9321.0	*9100*	*9350*	Revenues ($mill)	*10600*
536.0	611.0	465.0	432.0	679.0	368.0	871.0	863.0	668.0	1057.0	*1100*	*1160*	Net Profit ($mill)	*1285*
31.4%	31.0%	35.1%	37.0%	36.1%	28.4%	14.9%	13.4%	14.1%	25.4%	*20.0%*	*20.0%*	Income Tax Rate	*20.0%*
3.5%	4.1%	4.7%	3.5%	2.9%	5.4%	6.7%	6.0%	9.3%	6.0%	*5.0%*	*5.0%*	AFUDC % to Net Profit	*5.0%*
64.4%	63.8%	69.5%	68.5%	63.6%	51.9%	63.0%	58.0%	62.3%	59.6%	*56.0%*	*55.0%*	Long-Term Debt Ratio	*53.0%*
35.6%	36.2%	30.5%	31.5%	36.4%	37.5%	29.1%	29.9%	34.5%	37.1%	*41.0%*	*42.0%*	Common Equity Ratio	*44.0%*
12146	12557	11362	10992	12883	16740	22603	19869	24973	24878	*26000*	*26500*	Total Capital ($mill)	*28000*
9593.0	10502	11537	12307	13057	14044	20945	22362	23484	27143	*30000*	*33000*	Net Plant ($mill)	*40000*
6.3%	6.7%	6.1%	5.8%	6.8%	3.4%	5.1%	5.6%	3.8%	5.3%	*5.5%*	*5.5%*	Return on Total Cap'l	*5.5%*
12.4%	13.4%	13.4%	12.5%	14.5%	4.6%	10.4%	10.3%	7.1%	10.5%	*9.5%*	*9.5%*	Return on Shr. Equity	*10.0%*
12.4%	13.4%	13.4%	12.5%	14.5%	5.3%	11.5%	11.6%	6.7%	10.9%	*10.0%*	*10.0%*	Return on Com Equity E	*10.0%*
4.2%	4.5%	1.1%	NMF	4.7%	NMF	2.7%	5.0%	2.2%	6.1%	*5.5%*	*5.5%*	Retained to Com Eq	*5.0%*
66%	67%	92%	103%	68%	NMF	80%	66%	72%	46%	*49%*	*49%*	All Div'ds to Net Prof	*51%*

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	+6.7	+1.8	+2.0
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.)	+7.9	+2.5	+2.0
Fixed Charge Cov. (%)	152	135	252

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	-3.5%	-6.0%	*-.5%*
"Cash Flow"	-0.5%	-2.0%	*4.0%*
Earnings	0.5%	1.0%	*6.5%*
Dividends	-0.5%	-7.5%	*2.5%*
Book Value	3.5%	8.0%	*6.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2020	2167	1575	1622	2054	7418
2021	2547	1742	1749	2314	8352
2022	2763	1944	1903	2711	9321
2023	2779	*1860*	*1900*	*2561*	*9100*
2024	*2800*	*1900*	*2050*	*2600*	*9350*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2020	.56	.17	.29	.27	1.29
2021	.41	.29	.21	.03	.94
2022	.82	.28	.30	.19	1.59
2023	.49	*.35*	*.50*	*.31*	*1.65*
2024	*.55*	*.40*	*.50*	*.30*	*1.75*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.2875	.2875	.2875	.2875	1.15
2020	.29	.15	.15	.15	.74
2021	.16	.16	.16	.17	.65
2022	.17	.17	.18	.18	.70
2023	.18	.19			

BUSINESS: CenterPoint Energy, Inc. is a holding company for Houston Electric, which serves 2.7 million customers in Houston and environs, Indiana Electric, which serves 151,000 customers, and gas utilities with 4.27 million customers in Texas, Minnesota, Louisiana, Mississippi, Indiana, and Ohio. Acquired Vectren 2/19. Sold nonutility operations in '20. Sold its stake in Energy Transfer LP in '21 and '22. Electric revenue breakdown not available. Fuel costs: 33% of revenues. '22 depreciation rate: 3.8%. Has 8,986 employees. Chairman: Martin H. Nesbitt. President & CEO: David J. Lesar. Incorporated: Texas. Address: 1111 Louisiana, P.O. Box 4567, Houston, Texas 77210-4567. Telephone: 713-207-1111. Internet: www.centerpointenergy.com.

CenterPoint Energy's first-quarter results were nothing to write home about. Revenues registered at $2.78 billion. Meanwhile, GAAP share earnings clocked in at $0.49, versus $0.82 in the year-ago period (including the gains on the sale of the Energy Transfer common and preferred units and impacts associated with the Arkansas and Oklahoma natural gas LDC sale). On an adjusted basis, per-share earnings increased 6% over the previous-year tally, to $0.50.

Near-term earnings are expected to stay healthy thanks to solid growth in demand. Also, ongoing rate-relief efforts and higher volumes ought to help. Hence, we estimate 2023 and 2024 share earnings each will advance at a single-digit pace.

The company is successfully following through on its $43 billion capital plan. The long-term endeavor is now in its third year. Over the past two years, CenterPoint has already invested over $8 billion in capital. By the end of the first quarter, an additional $3.6 billion was deployed. The company plans to recoup roughly 80% of the total spent amount by 2030. CenterPoint anticipates that it will not need to issue common equity through 2030, although the share count might rise slightly due to stock issued for options and various other plans.

The utility company is shifting away from using coal to generate electricity. This move is projected to save customers around $80 million and decrease carbon emissions from the electric generation fleet by over 95% in the next 20 years. Currently, about 85% of the electricity provided to customers in southwest Indiana by CenterPoint is generated from coal. However, the company plans to switch to using mainly solar and wind power to generate electricity by the year 2030.

The board of directors boosted the dividend in the second quarter. The increase was $0.01 a share (5.6%) sequentially, bringing the quarterly dividend amount to $0.19 per share. Still, the dividend yield is below the utility average.

Shares of CenterPoint have subpar near- to intermediate-term capital appreciation potential. All told, there are more attractive selections available elsewhere.

Emma Jalees *June 9, 2023*

(A) GAAP Dil. EPS 2022 & onwards. Excl. nonrecur. gains (losses): '11, $1.89; '12, (38¢); '13, (52¢); '15, ($2.69); '17, $2.56; '20, ($2.74); gain (loss) on disc. ops.: '20, (34¢); '21, $1.34. Next egs. report due early Aug. **(B)** Div'ds histor. paid in early Mar., June, Sept. & Dec. 5 declarations in '17 & '20, 3 in '19. ■ Div'd reinv. plan avail. **(C)** Incl. intang. In '22: $6.82/sh. **(D)** In mill. **(E)** Rate base: Net orig. cost. Rate all'd on com. eq. (elec.) in '20: 9.4%; (gas): 9.45%-11.25%; earned on avg. com. eq., '22: 8.27%. Regulatory Climate: TX, Avg.; IN, Above Avg.

Company's Financial Strength	B++
Stock's Price Stability	75
Price Growth Persistence	30
Earnings Predictability	55

CMS ENERGY CORP. NYSE-CMS

RECENT PRICE 57.10 | P/E RATIO 18.7 (Trailing: 24.5 Median: 21.0) | RELATIVE P/E RATIO 1.14 | DIV'D YLD 3.4% | VALUE LINE

TIMELINESS 4 Lowered 3/31/23
SAFETY 2 Raised 3/21/14
TECHNICAL 3 Raised 5/26/23
BETA .80 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$53-$94	$74 (25%)

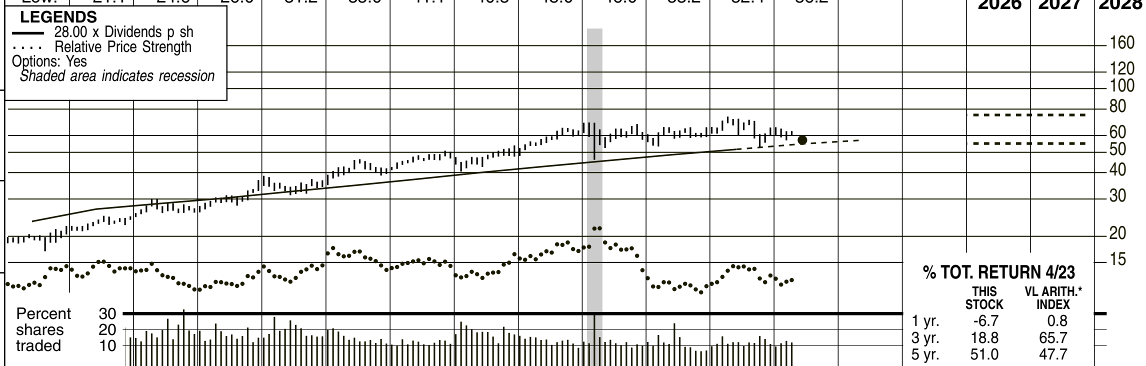
2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+30%)	10%
Low	55	(-5%)	3%

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	310	308	339
to Sell	264	251	264
Hld's(000)	268861	267233	276172

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
High:	25.0	30.0	36.9	38.7	46.3	50.8	53.8	65.3	69.2	65.8	73.8	65.7
Low:	21.1	24.6	26.0	31.2	35.0	41.1	40.5	48.0	46.0	53.2	52.4	56.2



% TOT. RETURN 4/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-6.7	0.8
3 yr.	18.8	65.7
5 yr.	51.0	47.7

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	23.12	25.29	29.51	**29.80**	**30.15**	Revenues per sh	**30.75**
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	6.24	6.42	6.69	**7.85**	**8.20**	"Cash Flow" per sh	**9.00**
.64	1.23	.93	1.33	1.45	1.53	1.66	1.74	1.89	1.98	2.17	2.32	2.39	2.64	2.58	2.84	**3.05**	**3.30**	Earnings per sh A	**3.75**
.20	.36	.50	.66	.84	.96	1.02	1.08	1.16	1.24	1.33	1.43	1.53	1.63	1.74	1.84	**1.95**	**2.04**	Div'd Decl'd per sh B ■	**2.30**
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	8.02	7.16	8.15	**8.50**	**9.50**	Cap'l Spending per sh	**9.75**
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	19.02	22.11	23.32	**25.20**	**25.45**	Book Value per sh C	**26.00**
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	288.94	289.76	291.27	**292.00**	**295.00**	Common Shs Outst'g D	**300.00**
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	23.3	23.6	22.9	*Bold figures are*	*Value Line*	Avg Ann'l P/E Ratio	**17.5**
1.42	.66	.91	.80	.85	.96	.92	.91	.92	1.10	1.07	1.10	1.29	1.20	1.28	1.32	*estimates*		Relative P/E Ratio	**.95**
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%	2.6%	2.9%	2.8%			Avg Ann'l Div'd Yield	**3.5%**
						6566.0	7179.0	6456.0	6399.0	6583.0	6873.0	6845.0	6680.0	7329.0	8596.0	**8700**	**8900**	Revenues ($mill)	**9200**
						454.0	479.0	525.0	553.0	610.0	659.0	682.0	757.0	751.0	833.0	**900**	**980**	Net Profit ($mill)	**1130**
						39.9%	34.3%	34.0%	33.1%	31.2%	14.9%	17.7%	15.0%	11.5%	10.3%	**11.0%**	**11.0%**	Income Tax Rate	**11.0%**
						2.0%	2.3%	2.7%	3.1%	1.1%	1.4%	2.1%	1.1%	1.5%	1.4%	**2.0%**	**2.0%**	AFUDC % to Net Profit	**1.0%**
						67.5%	68.7%	68.3%	67.1%	67.3%	69.0%	70.4%	71.2%	64.5%	65.3%	**63.5%**	**62.5%**	Long-Term Debt Ratio	**61.5%**
						32.2%	31.0%	31.4%	32.6%	32.4%	30.7%	29.4%	28.6%	34.2%	33.6%	**35.5%**	**36.5%**	Common Equity Ratio	**37.5%**
						10730	11846	12534	13040	13692	15476	17082	19223	18760	20205	**20575**	**20475**	Total Capital ($mill)	**21000**
						12246	13412	14705	15715	16761	18126	18926	21039	22352	22713	**23800**	**25150**	Net Plant ($mill)	**27900**
						6.0%	5.7%	5.7%	5.8%	5.9%	5.6%	5.3%	5.2%	5.3%	5.4%	**5.5%**	**6.0%**	Return on Total Cap'l	**6.5%**
						13.0%	12.9%	13.2%	12.9%	13.6%	13.8%	13.5%	13.7%	11.3%	11.9%	**12.0%**	**12.5%**	Return on Shr. Equity	**14.0%**
						13.1%	13.0%	13.3%	13.0%	13.7%	13.8%	13.6%	13.7%	11.6%	12.1%	**12.0%**	**13.0%**	Return on Com Equity E	**14.0%**
						5.2%	5.0%	5.2%	4.8%	5.2%	5.3%	4.9%	5.3%	3.8%	4.3%	**4.5%**	**5.0%**	Retained to Com Eq	**5.5%**
						60%	62%	61%	63%	62%	62%	64%	62%	68%	65%	**64%**	**62%**	All Div'ds to Net Prof	**62%**

CAPITAL STRUCTURE as of 3/31/23
Total Debt $14418 mill. **Due in 5 Yrs** $2324 mill.
LT Debt $12985 mill. **LT Interest** $580 mill.
Incl. $68 mill. finance leases.
(LT interest earned: 2.7x)
Leases, Uncapitalized Annual rentals $5 mill.
Pension Assets-12/22 $3599 mill. **Oblig** $3070 mill.
Pfd Stock $224 mill. **Pfd Div'd** $10 mill.
Incl. 373,148 shs. $4.50 $100 par, cum., callable at $110.00; 9,200,000 shs. 4.2%, $25 par, cum.
Common Stock 291,656,125 shs.
as of 4/10/23
MARKET CAP: $16.7 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	-3.1	+2.4	+3.0
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	8.14	8.46	8.78
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	8215	7951	8061
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.0	+1.0	+1.0
Fixed Charge Cov. (%)	240	223	226

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	0.5%	2.5%	4.0%
"Cash Flow"	5.5%	5.5%	6.0%
Earnings	6.5%	6.0%	6.5%
Dividends	8.0%	7.0%	6.0%
Book Value	6.0%	7.5%	7.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	1864	1443	1575	1798	6680
2021	2013	1558	1725	2033	7329
2022	2374	1920	2024	2278	8596
2023	2284	**2050**	**2150**	**2216**	**8700**
2024	**2335**	**2100**	**2200**	**2265**	**8900**

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.85	.48	.76	.55	2.64
2021	1.09	.55	.54	.40	2.58
2022	1.20	.50	.56	.58	2.84
2023	.69	**.70**	**.80**	**.86**	**3.05**
2024	**.80**	**.75**	**.85**	**.90**	**3.30**

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec. 31	Full Year
2019	.3825	.3825	.3825	.3825	1.53
2020	.4075	.4075	.4075	.4075	1.63
2021	.435	.435	.435	.435	1.74
2022	.46	.46	.46	.46	1.84
2023	.4875	.488			

BUSINESS: CMS Energy Corporation is a holding company for Consumers Energy, which supplies electricity and gas to lower Michigan (excluding Detroit). Has 1.9 million electric, 1.8 million gas customers. Has 1,836 megawatts of nonregulated generating capacity. Sold EnerBank in '21. Electric revenue breakdown: residential, 46%; commercial, 32%; industrial, 15%; other, 7%. Generating sources: coal, 29%; gas, 19%; renewables, 6%; purchased, 47%. Fuel costs: 34% of revenues. '22 depreciation rates: 3.7% electric, 2.9% gas, 8.9% other. Has 8,560 full-time employees. Chairman: John G. Russell. President & CEO: Garrick Rochow. Inc.: Michigan. Address: One Energy Plaza, Jackson, Michigan 49201. Telephone: 517-788-0550. Internet: www.cmsenergy.com.

CMS Energy started the year on a weak note. In the first quarter, the top line decreased nearly 4% year over year, to $2.28 billion. Meanwhile, earnings from continuing operations declined 43%, to $0.69 per share. The reduction was due to unfavorable weather, which reduced sales volumes and inflated service restoration costs during the period.

A gas rate application is expected in the fourth quarter. According to Michigan regulatory law, the Michigan Public Service Commission (MPSC) should give a ruling within 10 months of the utility's filing. Consumers Energy filed an application with the MPSC in December 2022, requesting an annual rate increase of $212 million based on a 10.25% return on equity. It's worth noting that the utility often requires rate relief because it operates a large system with aging equipment that needs to be replaced.

Decent growth in near-term earnings is probable. Consumers Energy is likely to see a boost from a $155 million increase in electric rates implemented at the beginning of 2023, as well as a full year's gas rate increase starting in October of last year. To offset the rising costs due to inflation, management is actively working to control expenses. All things considered, we estimate that earnings per share will advance at a single-digit pace in 2023 and 2024 each, to about $3.05 and $3.30, respectively.

The company is committed to improving its infrastructure and increasing its renewable energy portfolio while reducing costs. Over the next five years, the company is planning to invest $12.4 billion, with $6.1 billion focused on electric distribution, $6.3 billion on gas networks. It also intends to spend $3.1 billion on generating clean energy. The goal is to increase the percentage of renewable energy sources from 14% to 61% by 2040.

Shares of CMS Energy are ranked to underperform the broader market averages in the year ahead (Timeliness: 4). At the recent quotation, the equity has below-average capital appreciation potential over the 2026-2028 horizon. Still, the company has a track record of stable operating performance, which may interest some conservative accounts.

Emma Jalees *June 9, 2023*

(A) Diluted EPS. Excl. nonrec. gains (losses): '07, ($1.26); '09, (7¢); '10, 3¢; '11, 12¢; '12, (14¢); '17, (53¢); gains (losses) on disc. ops.: '07, (40¢); '09, 8¢; '10, (8¢); '11, 1¢; '12, 3¢; '21, $2.08; '22, 1¢. Next earnings report due early August. **(B)** Div'ds historically paid late Feb., May, Aug., & Nov. ■ Div'd reinvestment plan avail. **(C)** Incl. intang. In '22: $7.80/sh. **(D)** In mill. **(E)** Rate base: Net orig. cost. Rate all'd on com. eq. in '22: 9.9% elec.; in '19: 9.9% gas; earned on avg. com. eq., '21: 13.2%. Regulatory Climate: Above Average.

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

CON. EDISON NYSE-ED

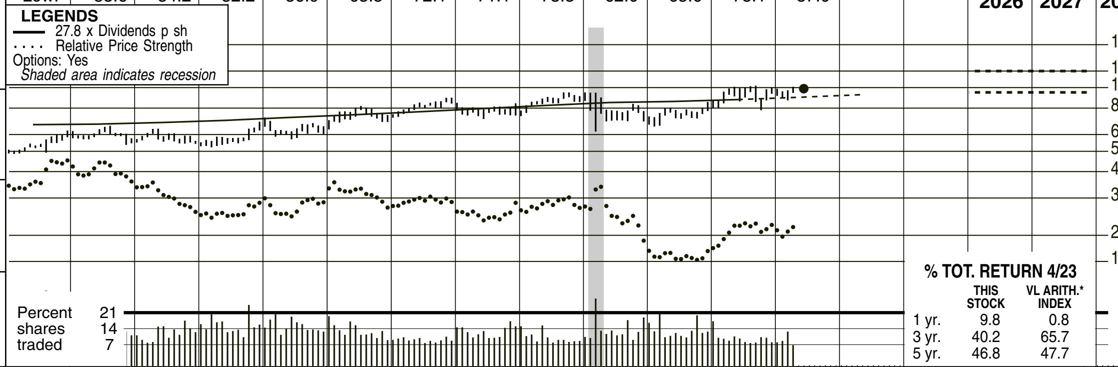
RECENT PRICE 99.11 | P/E RATIO 20.4 (Trailing: 21.8 Median: 18.0) | RELATIVE P/E RATIO 1.21 | DIV'D YLD 3.3% | VALUE LINE

TIMELINESS 3 Raised 4/28/23
SAFETY 1 New 7/27/90
TECHNICAL 3 Raised 4/28/23
BETA .75 (1.00 = Market)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
High:	66.0	64.0	68.9	72.3	81.9	89.7	84.9	95.0	95.1	85.6	102.2	100.9
Low:	53.6	54.2	52.2	56.9	63.5	72.1	71.1	73.3	62.0	65.6	78.1	87.0

Target Price Range
2026 | 2027 | 2028

18-Month Target Price Range
Low-High $78-$118; Midpoint (% to Mid) $98 (0%)



2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	120	(+20%)	8%
Low	95	(-5%)	3%

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	471	467	532
to Sell	404	380	366
Hld's(000)	229945	232220	239865

% TOT. RETURN 4/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	9.8	0.8
3 yr.	40.2	65.7
5 yr.	46.8	47.7

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
48.23	49.62	46.36	45.69	44.17	41.62	42.27	44.11	42.85	39.59	38.82	38.44	37.80	35.78	38.63	44.15	***45.65***	***47.45***	Revenues per sh	***52.15***
5.77	5.99	5.86	6.24	6.61	7.15	7.45	7.30	7.93	7.89	8.41	8.92	9.39	9.70	10.06	10.36	***11.40***	***11.95***	"Cash Flow" per sh	***13.85***
3.48	3.36	3.14	3.47	3.57	3.86	3.93	3.62	4.05	3.94	4.10	4.55	4.37	4.17	4.38	4.55	***4.85***	***5.15***	Earnings per sh A	***6.00***
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	3.10	3.16	***3.24***	***3.34***	Div'd Decl'd per sh B ■	***3.86***
7.09	8.50	7.80	6.96	6.72	7.06	8.67	8.26	10.42	12.07	11.11	10.90	10.48	11.42	11.17	11.74	***15.75***	***14.50***	Cap'l Spending per sh	***16.00***
32.58	35.43	36.46	37.93	39.05	40.53	41.81	42.94	44.55	46.88	49.74	52.11	54.18	55.06	56.60	58.28	***58.70***	***60.55***	Book Value per sh C	***66.75***
272.02	273.72	281.12	291.62	292.89	292.87	292.87	292.88	293.00	305.00	310.00	320.96	332.63	342.30	353.98	354.96	***345.00***	***345.00***	Common Shs Outst'g D	***345.00***
13.8	12.3	12.5	13.3	15.1	15.4	14.7	15.9	15.6	18.8	19.8	17.1	19.7	19.0	17.2	20.3	*Bold figures are*		Avg Ann'l P/E Ratio	***18.0***
.73	.74	.83	.85	.95	.98	.83	.84	.79	.99	1.00	.92	1.05	.98	.93	1.18	*Value Line*		Relative P/E Ratio	***1.00***
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%	3.9%	4.1%	3.4%	*estimates*		Avg Ann'l Div'd Yield	***3.6%***

CAPITAL STRUCTURE as of 12/31/22
Total Debt $23836 mill. **Due in 5 Yrs** $1579 mill.
LT Debt $20147 mill. **LT Interest** $987 mill.
(Total Interest Coverage: 2.9x)

Leases, Uncapitalized Annual rentals $64 mill.

Pension Assets-12/22 $14979 mill. **Oblig** $12113 mill.

Pfd Stock None

Common Stock 355,045,021 shs. as of 1/31/23
MARKET CAP: $35.2 billion (Large Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
12381	12919	12554	12075	12033	12337	12574	12246	13676	15670	***15750***	***16375***	Revenues ($mill)	***18000***
1157.0	1066.0	1193.0	1189.0	1266.0	1424.0	1438.0	1399.0	1528.0	1620.0	***1705***	***1785***	Net Profit ($mill)	***2075***
31.8%	34.0%	33.6%	35.3%	36.6%	20.1%	17.5%	12.9%	16.2%	15.4%	***18.0%***	***18.0%***	Income Tax Rate	***18.0%***
.5%	.3%	.7%	1.3%	1.5%	1.5%	1.9%	2.2%	2.1%	3.4%	***4.0%***	***4.0%***	AFUDC % to Net Profit	***4.0%***
46.1%	48.0%	47.9%	50.8%	48.9%	51.1%	50.7%	52.0%	53.0%	49.3%	***48.5%***	***48.0%***	Long-Term Debt Ratio	***51.0%***
53.9%	52.0%	52.1%	49.2%	51.1%	48.9%	49.3%	48.0%	47.0%	50.7%	***51.5%***	***52.0%***	Common Equity Ratio	***49.0%***
22735	24207	25058	29033	30149	34221	36549	39229	42641	40834	***39400***	***40025***	Total Capital ($mill)	***47200***
28436	29827	32209	35216	37600	41749	43889	46555	48596	46766	***50000***	***52650***	Net Plant ($mill)	***60900***
6.4%	5.6%	6.0%	5.3%	5.4%	5.3%	5.1%	4.7%	4.7%	5.2%	***5.5%***	***5.5%***	Return on Total Cap'l	***5.5%***
9.4%	8.5%	9.1%	8.3%	8.2%	8.5%	8.0%	7.4%	7.6%	7.8%	***8.5%***	***8.5%***	Return on Shr. Equity	***9.0%***
9.4%	8.5%	9.1%	8.3%	8.2%	8.5%	8.0%	7.4%	7.6%	7.8%	***8.5%***	***8.5%***	Return on Com Equity E	***9.0%***
3.6%	2.6%	3.5%	3.0%	3.0%	3.5%	2.9%	2.2%	2.5%	2.6%	***3.0%***	***3.0%***	Retained to Com Eq	***3.0%***
62%	69%	61%	64%	63%	59%	64%	70%	67%	67%	***67%***	***65%***	All Div'ds to Net Prof	***64%***

CECONY ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Electric Sales (GWH)	-6.5	-.5	3.3
Annual Residential Use (GWH)	11107	11344	11875
Annual Comm./Ind. Use (GWH)	9280	9250	10522
Annual Retail Choice (GWH)	22000	21549	21116
Annual Govt. & Other Use (GWH)	9184	9185	9507
% Change Customers (yr-end)	NA	NA	NA
Peak Load, Summer (Mw)	13170	13517	12424
ConEd Fixed Charge Cov. (%)	325	352	240

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	-1.0%	-.5%	*4.5%*
"Cash Flow"	4.0%	4.5%	*5.5%*
Earnings	2.0%	1.5%	*5.5%*
Dividends	2.5%	3.0%	*3.5%*
Book Value	4.0%	4.0%	*3.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	3234	2719	3333	2960	12246
2021	3677	2971	3613	3415	13676
2022	4060	3415	4165	4031	15670
2023	***4150***	***3550***	***4275***	***3775***	***15750***
2024	***4325***	***3675***	***4450***	***3925***	***16375***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	1.35	.60	1.48	.74	4.17
2021	1.44	.53	1.41	1.00	4.38
2022	1.47	.64	1.63	.81	4.55
2023	***1.59***	***.67***	***1.71***	***.88***	***4.85***
2024	***1.71***	***.72***	***1.80***	***.92***	***5.15***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.74	.74	.74	.74	2.96
2020	.765	.765	.765	.765	3.06
2021	.775	.775	.775	.775	3.10
2022	.79	.79	.79	.79	3.16
2023	.81				

BUSINESS: Consolidated Edison, Inc. (ConEd) is a holding company for Consolidated Edison Company of New York (CECONY), which sells electricity, gas, and steam in most of NY city and Westchester County. ConEd also owns Orange and Rockland Utilities (O&R), which operates in New York and New Jersey. ConEd has 3.9 mill. electric, 1.2 mill. gas customers. Expected to close on the sale of its portfolio of renewable generation for $6.8 bill. by mid-2022. It entered into midstream gas joint venture 6/16; sold it 7/21. Purchases most of its power. Fuel costs: 26% of revenues. '22 reported deprec. rates: 3.0%-3.5%. Employs 14,319. Chrmn, President & CEO: Timothy Cawley. Inc.: NY. Addr.: 4 Irving Place, New York, NY 10003. Tel.: 212-460-4600. Internet: www.conedison.com.

Consolidated Edison has reached a favorable settlement agreement with key parties in its electric and gas rate review. In mid-February, the company announced it had come to terms with the Department of Public Service staff and other key parties. Negotiations had dragged on since the middle of last year, and the agreement is subject to the approval of the New York State Public Service Commission (NYSPSC). If it stands as is, the principles look reasonably favorable for ConEd. The holding company's larger of its two utilities, Consolidated Edison Company of New York (CECONY), will get a bump in its regulated return on equity (ROE), with the allowed return rising to 9.25% from 8.8% on a 48% common equity ratio. Roughly $11.8 billion in new authorized capital investment for 2026-2028, directed at reliability, safety, and clean energy objectives, is part of the settlement.
Assuming NYSPSC commissioners sign off on the deal, ConEd should post solid earnings gains over the next few years. (Note: first-quarter financial results were released just after our press cycle.) This year, electric and gas rate increases of $442 million and $217 million, respectively, would take effect. On the 12-month anniversary of those hikes, an additional $518 million in electric rates and $173 million in gas rates would take effect. And 24 months out, electric and gas rates would rise for the third-consecutive year, by $382 million and $122 million, respectively. Additionally, CECONY filed for a rate increase of $141 million six months ago for its steam service, effective November of this year. Taking the aforementioned figures into account, ConEd should see a few years of 6%-7% earnings gains.
At the recent stock valuation, most of the good news appears to be priced in. The company is looking better of late in terms of bottom-line growth prospects, as it will be the main beneficiary of New York's transition to a "green" energy future. However, the stock has been trading as if the 6%-7% share-earnings gains over the next two years are sustainable longer term. More likely, ConEd is apt to grow profits at a similar rate to the electric utility industry's 4.5%-5.5% per annum.
Anthony J. Glennon *May 12, 2023*

(A) Diluted EPS. Excl. nonrec. gains/losses: '13, d32¢; '14, 9¢; '16, 18¢; '17, 84¢; '18, d13¢; '19, d29¢; '20, d89¢; '21, d53¢; '22, 11¢. Excl. gain on disc. ops.: '08, $1.01. Next egs. report due early Aug. Quarterly figures may not sum to full year due to rounding. (B) Div'ds historically paid in mid-Mar., June, Sept., and Dec. ■ Div'd reinvestment plan available. (C) Incl. intang. In '22: $12.35/sh. (D) In mill. (E) Rate base: net orig. cost. Rate allowed on com. eq. for CECONY in '20: 8.8%; O&R in '22: 9.2%. Regulatory Climate: Below Average.

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

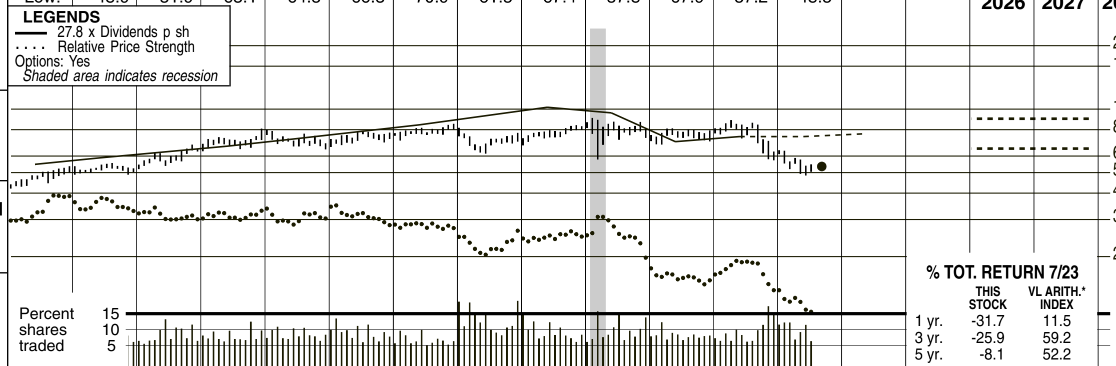
DOMINION ENERGY NYSE-D

RECENT PRICE 53.55 | P/E RATIO 14.8 (Trailing: 13.6 / Median: 21.0) | RELATIVE P/E RATIO 0.85 | DIV'D YLD 5.0% | VALUE LINE

TIMELINESS 4 Lowered 7/7/23
SAFETY 2 Raised 9/11/98
TECHNICAL 3 Raised 7/28/23
BETA .85 (1.00 = Market)

High:	55.6	68.0	80.9	79.9	79.0	85.3	81.7	83.9	90.9	81.1	88.8	63.9
Low:	48.9	51.9	63.1	64.5	66.3	70.9	61.5	67.4	57.8	67.9	57.2	48.5

LEGENDS
—— 27.8 x Dividends p sh
. . . . Relative Price Strength
Options: Yes
Shaded area indicates recession



Target Price Range 2026 | 2027 | 2028

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$43-$78	$61 (15%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	90	(+70%)	17%
Low	65	(+20%)	9%

Institutional Decisions

	3Q2022	4Q2022	1Q2023
to Buy	690	660	623
to Sell	587	740	624
Hld's(000)	589621	588391	588585

Percent shares traded 15 10 5

% TOT. RETURN 7/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-31.7	11.5
3 yr.	-25.9	59.2
5 yr.	-8.1	52.2

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
27.16	27.94	25.26	26.16	25.23	22.73	22.58	21.26	19.60	18.69	19.51	19.63	19.78	17.58	17.24	20.57	*22.10*	*22.50*	Revenues per sh	*23.00*
5.08	5.07	4.82	5.10	5.04	5.24	5.47	5.71	5.99	6.32	6.89	7.24	7.65	7.17	7.27	7.81	*7.35*	*7.60*	"Cash Flow" per sh	*8.65*
2.13	3.04	2.64	2.89	2.76	2.75	3.09	3.05	3.20	3.44	3.53	4.05	4.24	3.54	3.86	4.11	*3.60*	*3.75*	Earnings per sh A	*4.50*
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	2.67	*2.67*	*2.67*	Div'd Decl'd per sh B ■	*2.85*
6.88	6.10	6.41	5.89	6.41	7.20	7.06	9.14	9.35	9.69	8.53	6.25	5.94	7.47	7.36	9.09	*12.25*	*12.55*	Cap'l Spending per sh	*10.00*
16.30	17.28	18.67	20.65	20.08	18.35	20.04	19.75	21.25	23.26	26.58	29.53	35.33	29.44	31.51	31.26	*32.55*	*34.10*	Book Value per sh C	*40.55*
577.00	583.00	599.00	581.00	570.00	576.00	581.00	585.00	596.00	628.00	645.00	681.00	838.00	806.00	810.00	835.00	*842.00*	*851.00*	Common Shs Outst'g D	*870.00*
20.6	13.8	12.7	14.3	17.3	18.9	19.2	23.0	22.1	21.3	22.2	17.5	18.2	22.6	19.5	18.7	Bold figures are		Avg Ann'l P/E Ratio	*17.5*
1.09	.83	.85	.91	1.09	1.20	1.08	1.21	1.11	1.12	1.12	.95	.97	1.16	1.05	1.09	Value Line		Relative P/E Ratio	*.95*
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%	4.3%	3.3%	3.5%	estimates		Avg Ann'l Div'd Yield	*3.6%*

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
13120	12436	11683	11737	12586	13366	16572	14172	13964	17174	*18600*	*19150*	Revenues ($mill)	*20000*
1806.0	1793.0	1899.0	2123.0	2244.0	2651.0	3447.0	3006.0	3191.0	3505.0	*3130*	*3280*	Net Profit ($mill)	*4025*
33.0%	28.1%	32.0%	22.8%	27.2%	17.3%	20.3%	12.2%	13.7%	16.3%	*16.0%*	*16.0%*	Income Tax Rate	*17.0%*
3.7%	4.5%	5.3%	7.5%	10.5%	5.1%	2.6%	3.4%	3.7%	3.2%	*4.5%*	*4.5%*	AFUDC % to Net Profit	*4.5%*
61.9%	65.4%	65.1%	67.4%	64.4%	60.8%	51.4%	56.5%	56.4%	58.3%	*58.0%*	*58.5%*	Long-Term Debt Ratio	*58.5%*
37.3%	34.6%	34.9%	32.6%	35.6%	39.2%	45.0%	39.5%	38.5%	39.1%	*39.5%*	*39.0%*	Common Equity Ratio	*39.5%*
31229	33360	36280	44836	48090	51251	65818	60074	66344	66795	*69450*	*74075*	Total Capital ($mill)	*89100*
32628	36270	41554	49964	53758	54560	69082	57848	59774	63460	*70625*	*78025*	Net Plant ($mill)	*93400*
7.3%	6.6%	6.5%	6.0%	5.9%	6.5%	6.4%	6.2%	5.9%	6.0%	*5.5%*	*5.5%*	Return on Total Cap'l	*5.5%*
15.2%	15.5%	15.0%	14.5%	13.1%	13.2%	10.8%	11.5%	11.0%	12.6%	*10.5%*	*10.5%*	Return on Shr. Equity	*11.0%*
15.4%	15.4%	15.0%	14.5%	13.1%	13.2%	11.6%	12.4%	12.2%	13.1%	*11.0%*	*11.0%*	Return on Com Equity E	*11.0%*
4.2%	3.3%	2.9%	2.7%	1.8%	2.3%	1.5%	.3%	4.3%	4.6%	*3.0%*	*3.0%*	Retained to Com Eq	*4.0%*
73%	79%	81%	81%	86%	82%	87%	98%	66%	66%	*74%*	*72%*	All Div'ds to Net Prof	*64%*

CAPITAL STRUCTURE as of 3/31/23
Total Debt $48056 mill. **Due in 5 Yrs** $4900 mill.
LT Debt $40158 mill. **LT Interest** $1470 mill.
(Total Interest coverage: 3.6x)
Leases, Uncapitalized Annual rentals $44 mill.

Pension Assets-12/22 $8694 mill.
Oblig $8066 mill.
Pfd Stock $1783 mill. **Pfd Divd** $93 mill.

Common Stock 835,941,420 shs.
as of 4/28/23

MARKET CAP: $44.7 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (MWH)	-2.2	+.8	+2.0
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. (%)	235	227	272

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	-3.0%	-1.0%	*3.5%*
"Cash Flow"	4.0%	3.0%	*2.5%*
Earnings	3.0%	2.5%	*2.5%*
Dividends	4.0%	.5%	*2.0%*
Book Value	4.5%	5.5%	*4.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	3938	3106	3607	3521	14172
2021	3870	3038	3176	3880	13964
2022	4279	3596	4386	4913	17174
2023	5252	*3650*	*4675*	*5023*	*18600*
2024	*5350*	*3950*	*4750*	*5100*	*19150*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.92	.73	1.08	.81	3.54
2021	1.09	.76	1.11	.90	3.86
2022	1.18	.77	1.11	1.06	4.11
2023	.99	*.47*	*1.09*	*1.05*	*3.60*
2024	*1.02*	*.64*	*1.07*	*1.02*	*3.75*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.9175	.9175	.9175	.9175	3.67
2020	.94	.94	.94	.63	3.45
2021	.63	.63	.63	.63	2.52
2022	.6675	.6675	.6675	.6675	2.67
2023	.6675	.6675			

BUSINESS: Dominion Energy, Inc. (formerly Dominion Resources) is a holding company for Virginia Power, North Carolina Power, & South Carolina E&G, which serve 3.5 mill. customers in VA, SC, & NC. Serves 3.5 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, 47%; commercial, 34%; industrial, 8%; other, 11%. Generating sources: gas, 36%; nuclear, 28%; coal, 8%; other, 5%; purchased, 23%. Power/fuel costs: 31% of revs. '22 reported deprec. rates: 1.9%-3.9%. Employs 17,100. Chrmn., Pres. & CEO: Robert M. Blue. Inc.: VA. Address: 120 Tredegar St., P.O. Box 26532, Richmond, VA 23261-6532. Tel.: 804-819-2000. Internet: www.dominionenergy.com.

Dominion Energy is still in the process of working through its strategic business review. Announced late last year, the CEO has described it as a complete analysis, which will include a look at alternatives to the current business mix and capital allocation. The process is nearing a close, and we believe that the current dividend level is safe. No full-year earnings targets are being provided until a new plan is in place. We cut our 2023 estimate by $0.40 per share due to seasonally-mild weather and rising interest expense. (Second-quarter results were due out just after our press cycle.) We've also scaled back our 2024 per-share profit target by $0.45 based on the company's need to increase its debt load at higher than previously expected rates and the sale of income-generating assets.

Dominion stock has been hard hit due to the uncertainties at hand. Over the past nine months, the shares underperformed the *Value Line Utility Index* by 25 percentage points. Higher raw-material costs and rising interest rates are problematic and will make it a challenge to achieve the returns management was originally counting on from upcoming projects, particularly its huge wind farm off the coast of Virginia. The company recently agreed to sell its interest in the Cove Point liquefied natural gas operation in Maryland for $3.3 billion after taxes and proceeds. Dominion will likely divest more none-core assets to help fund infrastructure investments in its regulated utilities.

Though untimely, this issue is not without merit for patient utility investors interested in the above-average yield. Dominion is wrapping up its strategic review and is slated to reveal its conclusions and new projections during a third-quarter investment-day event. We've aggressively scaled back our estimates and still see decent earnings growth potential of 5%-7%, albeit from a lower base in 2024. The key Virginia service area is experiencing accelerating load growth, from 2%-3% in years past to 5%, on migration and rising data-center demand. Lawmakers in that state have recently lifted the company's authorized return on equity from 9.35% to 9.7%, and put in measures to reduce regulatory lag.

Anthony J. Glennon *August 11, 2023*

(A) Diluted egs. Excl. nonrec. gains/(losses): '08, 12¢; '09, (47¢); '10, $2.13; '11, (31¢); '12, ($2.18); '14, (81¢); '17, $1.19; '18, (31¢); '19, ($2.62); '20, ($1.72); '21, (67¢); '22, ($3.03); gain/(losses) from disc. ops.: '10, (26¢); '12, (4¢); '13, (16¢); '20, ($2.39); '21, 79¢; '22, 1¢. Next egs. report due early Nov. (B) Div'ds paid mid-Mar., June, Sept., & Dec. ■ Div'd reinv. plan avail. (C) Incl. intang. In '22: $20.78/sh. (D) In mill. (E) Rate base: Net orig. cost, adj. Rate all'd on com. eq. in VA in '22: 9.35%; in SC in '21: 9.5%. Reg. Clim.: Avg.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	20
Earnings Predictability	100

DTE ENERGY CO. NYSE-DTE

RECENT PRICE 106.51 | P/E RATIO 17.2 (Trailing: 18.9 Median: 18.0) | RELATIVE P/E RATIO 1.05 | DIV'D YLD 3.6% | VALUE LINE

TIMELINESS 4 Lowered 12/30/22

SAFETY 2 Raised 12/21/12

TECHNICAL 3 Raised 6/2/23

BETA .95 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$91-$150	$121 (15%)

2026-28 PROJECTIONS

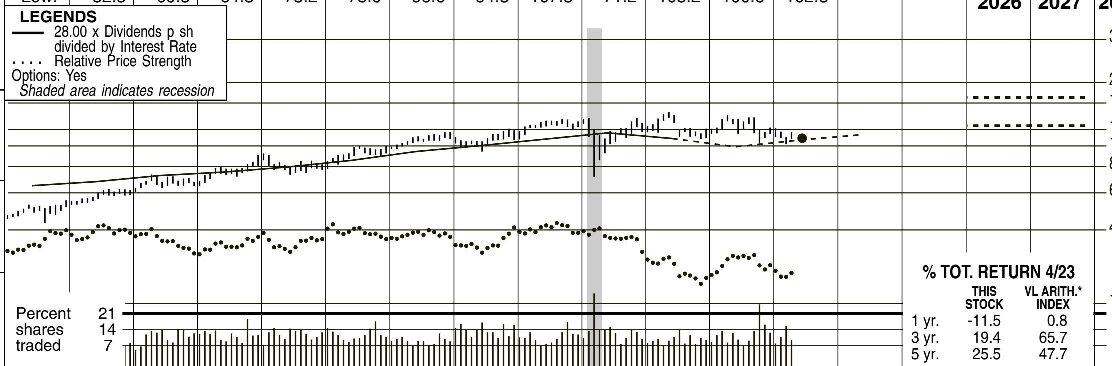
	Price	Gain	Ann'l Total Return
High	170	(+60%)	15%
Low	125	(+15%)	8%

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	363	306	399
to Sell	267	304	260
Hld's(000)	143263	145343	153190

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
High:	62.6	73.3	90.8	92.3	100.4	116.7	121.0	134.4	135.7	145.4	140.2	121.3	
Low:	52.5	60.3	64.8	73.2	78.0	96.6	94.3	107.3	71.2	108.2	100.6	102.3	

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



Target Price Range

2026 | 2027 | 2028

% TOT. RETURN 4/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-11.5	0.8
3 yr.	19.4	65.7
5 yr.	25.5	47.7

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	62.84	77.23	93.48	*82.75*	*90.00*	Revenues per sh	*92.25*
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	14.70	11.94	12.65	*14.05*	*14.50*	"Cash Flow" per sh	*17.05*
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	7.08	4.10	5.52	*6.20*	*6.70*	Earnings per sh A	*8.30*
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	3.88	3.54	*3.81*	*4.05*	Div'd Decl'd per sh B ■	*4.65*
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	19.91	19.47	16.42	*17.05*	*17.50*	Cap'l Spending per sh	*18.50*
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	64.12	44.93	46.35	*52.95*	*54.25*	Book Value per sh C	*60.75*
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	193.77	193.75	205.69	*205.50*	*205.50*	Common Shs Outst'g D	*206.00*
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	16.3	30.0	22.4	*Bold figures are*		Avg Ann'l P/E Ratio	*18.0*
.97	.89	.69	.78	.85	.95	1.01	.78	.91	1.00	.94	.94	1.06	.84	1.62	1.30	*Value Line*		Relative P/E Ratio	*1.00*
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%	3.6%	3.2%	3.4%	*estimates*		Avg Ann'l Div'd Yield	*3.5%*

CAPITAL STRUCTURE as of 3/31/23
Total Debt $19385 mill. **Due in 5 Yrs** $6481 mill.
LT Debt $17662 mill. **LT Interest** $514 mill.
Incl. $209 mill. securitization bonds. Incl. $19 mill. finance leases.
(LT interest earned: 1.7x)
Leases, Uncapitalized Annual rentals $16 mill.

Pension Assets-12/22 $5507 mill. **Oblig** $5857 mill.

Pfd Stock None
Common Stock 206,109,174 shs.

MARKET CAP: $21.9 billion (Large Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
9661.0	12301	10337	10630	12607	14212	12669	12177	14964	19228	*17000*	*18500*	Revenues ($mill)	*19000*
661.0	905.0	796.0	868.0	1029.0	1120.0	1169.0	1368.0	796.0	1135.4	*1275*	*1375*	Net Profit ($mill)	*1710*
27.5%	28.5%	25.6%	24.5%	21.8%	8.1%	11.5%	10.9%	- -	2.6%	*5.0%*	*5.0%*	Income Tax Rate	*5.0%*
3.5%	4.1%	4.3%	3.6%	3.5%	3.8%	3.3%	3.4%	4.9%	4.0%	*3.0%*	*3.0%*	AFUDC % to Net Profit	*3.0%*
47.7%	50.0%	50.2%	55.6%	56.2%	54.2%	57.7%	60.5%	62.5%	63.0%	*61.5%*	*61.5%*	Long-Term Debt Ratio	*61.0%*
52.3%	50.0%	49.8%	44.4%	43.8%	45.8%	42.3%	39.5%	37.5%	37.0%	*38.5%*	*38.5%*	Common Equity Ratio	*39.0%*
15135	16670	17607	20280	21697	22371	27607	31426	23236	25158	*28250*	*29000*	Total Capital ($mill)	*32200*
15800	16820	18034	19730	20721	21650	25317	27969	26944	28767	*31050*	*31500*	Net Plant ($mill)	*36600*
5.7%	6.6%	5.7%	5.3%	5.9%	6.1%	5.3%	5.4%	4.7%	4.4%	*5.0%*	*5.0%*	Return on Total Cap'l	*6.0%*
8.3%	10.9%	9.1%	9.6%	10.8%	10.9%	10.0%	11.0%	9.1%	13.0%	*11.5%*	*11.5%*	Return on Shr. Equity	*12.5%*
8.3%	10.9%	9.1%	9.6%	10.8%	10.9%	10.0%	11.0%	9.1%	13.0%	*11.5%*	*11.5%*	Return on Com Equity E	*12.5%*
2.7%	5.2%	3.4%	3.7%	4.6%	4.9%	4.1%	4.9%	.1%	2.0%	*4.5%*	*4.5%*	Retained to Com Eq	*4.5%*
67%	52%	63%	61%	58%	55%	59%	56%	99%	76%	*60%*	*60%*	All Div'ds to Net Prof	*62%*

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	-3.4	+2.1	-1.4
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. (%)	268	233	264

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	3.0%	2.5%	*5.0%*
"Cash Flow"	3.0%	4.5%	*4.5%*
Earnings	4.0%	2.5%	*4.5%*
Dividends	5.5%	5.5%	*3.0%*
Book Value	3.0%	1.5%	*1.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	3022	2583	3284	3288	12177
2021	3581	3021	3715	4647	14964
2022	4577	4924	5251	4476	19228
2023	3779	*3850*	*4821*	*4550*	*17000*
2024	*4575*	*4550*	*4850*	*4525*	*18500*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	1.76	1.44	2.46	1.42	7.08
2021	1.65	.60	.30	1.55	4.10
2022	2.03	.19	1.99	1.31	5.52
2023	1.33	*1.10*	*2.10*	*1.67*	*6.20*
2024	*2.30*	*1.20*	*1.90*	*1.30*	*6.70*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.945	.945	.945	.945	3.78
2020	1.0125	1.0125	1.0125	1.0125	4.05
2021	.9225	.9225	.9225	.825	3.59
2022	.885	.885	.885	.885	3.54
2023	.9525	.9525			

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, 50%; commercial, 33%; industrial, 11%; other, 6%. Generating sources: coal, 67%; nuclear, 17%; gas, 1%; purchased, 15%. Fuel costs: 62% of revenues. '22 reported deprec. rates: 4.2% electric, 2.9% gas. Has 10,600 employees. Chairman, President & CEO: Jerry Norcia. Incorporated: Michigan. Address: One Energy Plaza, Detroit, Michigan 48226-1279. Tel.: 313-235-4000. Internet: www.dteenergy.com.

DTE Energy's electric utility subsidiary has filed another general rate case. This request comes just months after Michigan regulators rejected a majority of rate increases, largely due to customer pushback at public hearings. The utility is seeking an increase of $622 million, compared to the 2022 initial request of $388 million. While rate cases should help ease the costs of the transition to providing cleaner, more reliable energy, we think The Michigan Public Service Commission will likely give the utility an unfavorable ruling, given the prior rate case in November.

We have slightly lowered our full-year 2023 earnings estimate. DTE has a low return on total capital and relies on heavy debt levels. The interest rate environment and inflationary pressures should continue to raise borrowing costs and challenge margins in the short term. Accordingly, the company had higher rate base costs in the first quarter. On a positive note, rate relief and the Inflation Reduction Act will likely benefit performance in the short term and boost growth. We look for earnings of $6.20 per share, just shy of management's EPS midpoints and within DTE Energy's yearly target of 5%-7% profit growth.

The utility is committed to improving the electric grid. The company plans to invest $9 billion in the grid over the next five years. The investment will enhance tree trimming, improve maintenance and infrastructure, and accelerate the full automation of the electric grid, which will reduce the duration of outages. The utility plans to fully automate the grid within 5-6 years.

DTE Energy shares have continued to struggle of late. Indeed, the stock dropped more than 6% since our March review, and is now down more than 20% over the past 12 months. These shares are ranked 4 (Below Average) for Timeliness. Conversely, income-oriented investors may be drawn to the utility's dividend yield of 3.6%, which is in line with the strong industry average. Too, the utility has a solid potential dividend growth rate of 3.0%. The stock also has a high mark for Price Stability, and is ranked Above Average (2) for Safety.

Zachary J. Hodgkinson *June 9, 2023*

(A) Diluted EPS. Excl. nonrec. gains (loss): '07, $1.96; '08, 50¢; '11, 51¢; '15, (39¢); '17, 59¢; gains (losses) on discontinued operations: '07, $1.20; '08, 13¢; '12, (33¢); '21, 57¢. Next earnings report due late July. (B) Div'ds paid mid-Jan., Apr., July & Oct. ■ Div'd reinvestment plan available. (C) Incl. intang. In '22: $29.20/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on common equity in '20: 9.9% elec.; in '22: 9.9% gas; earned on avg. com. eq., '21: 7.6%. Regulatory Climate: Above Average.

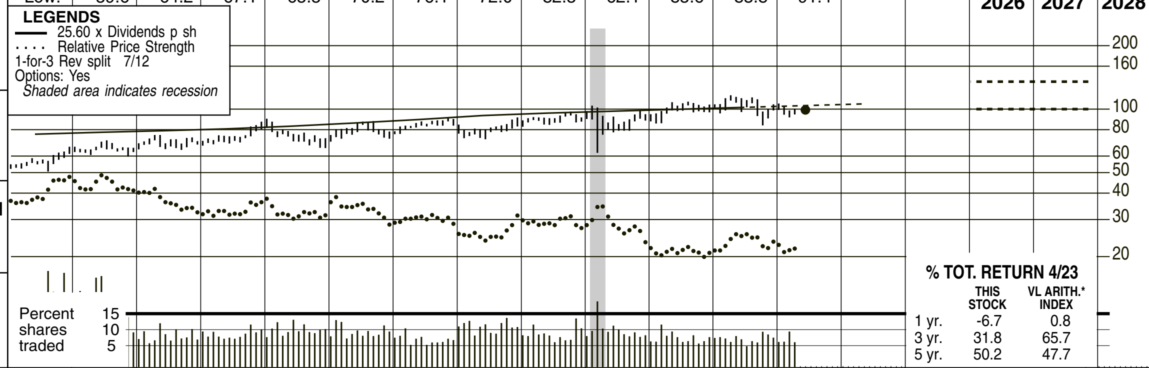
Company's Financial Strength	A
Stock's Price Stability	90
Price Growth Persistence	60
Earnings Predictability	65

DUKE ENERGY NYSE-DUK

RECENT PRICE **99.09** | P/E RATIO **17.5** (Trailing: 18.6, Median: 18.0) | RELATIVE P/E RATIO **1.04** | DIV'D YLD **4.1%** | VALUE LINE

TIMELINESS 3 Raised 2/24/23
SAFETY 2 New 6/1/07
TECHNICAL 3 Raised 4/28/23
BETA .85 (1.00 = Market)

High:	71.1	75.5	87.3	90.0	87.8	91.8	91.4	97.4	103.8	108.4	116.3	106.4
Low:	59.6	64.2	67.1	65.5	70.2	76.1	72.0	82.5	62.1	85.6	83.8	91.4



18-Month Target Price Range
Low-High: $82-$136 | Midpoint (% to Mid): $109 (10%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	135	(+35%)	11%
Low	100	(Nil)	4%

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	877	868	947
to Sell	688	675	673
Hld's(000)	491735	491683	499614

% TOT. RETURN 4/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-6.7	0.8
3 yr.	31.8	65.7
5 yr.	50.2	47.7

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	31.04	32.64	37.36	*37.35*	*37.65*	Revenues per sh	*39.60*
8.11	7.34	7.58	8.49	8.68	6.80	8.56	9.11	9.40	9.20	10.01	11.05	12.12	12.04	12.60	12.91	*13.30*	*13.55*	"Cash Flow" per sh	*14.60*
3.60	3.03	3.39	4.02	4.14	3.71	3.98	4.13	4.10	3.71	4.22	4.72	5.06	5.12	5.24	5.27	*5.65*	*6.00*	Earnings per sh A	*7.00*
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	3.98	*4.06*	*4.14*	Div'd Decl'd per sh B ■	*4.30*
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	12.88	12.63	14.76	*16.75*	*17.60*	Cap'l Spending per sh	*16.75*
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	59.82	61.55	61.51	*64.50*	*66.25*	Book Value per sh C	*70.00*
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	769.00	769.00	770.00	*770.00*	*770.00*	Common Shs Outst'g D	*770.00*
16.1	17.3	13.3	12.7	13.8	17.5	17.4	17.9	18.2	21.3	19.9	17.0	17.7	17.1	18.9	19.6	Bold figures are		Avg Ann'l P/E Ratio	*17.0*
.85	1.04	.89	.81	.87	1.11	.98	.94	.92	1.12	1.00	.92	.94	.88	1.02	1.14	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%	4.4%	3.9%	3.9%	estimates		Avg Ann'l Div'd Yield	*3.9%*

CAPITAL STRUCTURE as of 12/31/22
Total Debt $75170 mill. **Due in 5 Yrs** $19536 mill.
LT Debt $67061 mill. **LT Interest** $2206 mill.
Incl. $915 mill. finance leases.
(LT interest earned: 2.7x)
Leases, Uncapitalized Annual rentals $225 mill.
Pension Assets-12/21 $9235 mill. **Oblig** $8207 mill.
Pfd Stock $1962 mill. **Pfd Div'd** $107 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 770,080,285 shs. **as of 10/31/22**
MARKET CAP: $76.2 billion (Large Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
24598	23925	23459	22743	23565	24521	25079	23868	25097	28768	*28750*	*29500*	Revenues ($mill)	*31500*
2813.0	2934.0	2854.0	2560.0	2963.0	3339.0	3747.0	3878.0	4133.0	4104.1	*4350*	*4620*	Net Profit ($mill)	*5390*
32.6%	30.6%	32.2%	31.0%	30.4%	14.1%	12.7%	.3%	5.1%	7.4%	*9.0%*	*9.0%*	Income Tax Rate	*9.0%*
8.8%	7.2%	9.2%	11.7%	12.3%	11.4%	8.0%	6.9%	5.9%	*8.0%*	*7.0%*	*7.0%*	AFUDC % to Net Profit	*7.0%*
48.0%	47.7%	48.6%	52.6%	54.0%	53.8%	54.0%	53.7%	55.1%	*56.5%*	*58.5%*	*58.5%*	Long-Term Debt Ratio	*61.0%*
52.0%	52.3%	51.4%	47.4%	46.0%	46.2%	44.1%	44.4%	43.1%	*42.0%*	*40.0%*	*40.0%*	Common Equity Ratio	*37.5%*
79482	78088	77222	86609	90774	94940	101807	103589	109744	*115150*	*124525*	*124525*	Total Capital ($mill)	*144100*
69490	70046	75709	82520	86391	91694	102127	106782	111408	111748	*124375*	*124375*	Net Plant ($mill)	*141100*
4.6%	4.8%	4.8%	4.0%	4.3%	4.6%	4.7%	4.8%	4.8%	4.5%	*4.5%*	*4.5%*	Return on Total Cap'l	*4.5%*
6.8%	7.2%	7.2%	6.2%	7.1%	7.6%	8.0%	8.1%	8.4%	8.5%	*9.0%*	*9.0%*	Return on Shr. Equity	*9.0%*
6.8%	7.2%	7.2%	6.2%	7.1%	7.6%	8.3%	8.2%	8.5%	8.5%	*9.0%*	*9.0%*	Return on Com Equity E	*9.0%*
1.5%	1.7%	1.5%	.6%	1.2%	2.0%	2.4%	2.3%	1.9%	2.5%	*2.5%*	*2.5%*	Retained to Com Eq	*3.0%*
78%	76%	79%	91%	83%	74%	71%	73%	78%	76%	*73%*	*73%*	All Div'ds to Net Prof	*68%*

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	-2.3	+2.0	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 (avg.)	NA	NA	NA
Fixed Charge Cov. (%)	183	209	285

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '19-'21 to '25-'27
Revenues	.5%	-.5%	*2.5%*
"Cash Flow"	4.0%	5.0%	*5.0%*
Earnings	3.0%	4.5%	*5.0%*
Dividends	3.0%	3.5%	*2.0%*
Book Value	2.0%	1.0%	*2.5%*

QUARTERLY REVENUES ($ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	5949	5421	6721	5777	23868
2021	6150	5758	6951	6238	25097
2022	7132	6685	7968	6983	28768
2023	*7050*	*6750*	*7875*	*7075*	*28750*
2024	*7450*	*6850*	*7950*	*7250*	*29500*

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	1.14	1.08	1.87	1.03	5.12
2021	1.26	1.15	1.88	.94	5.24
2022	1.30	1.14	1.78	1.11	5.27
2023	*1.30*	*1.15*	*2.00*	*1.20*	*5.65*
2024	*1.35*	*1.30*	*2.05*	*1.30*	*6.00*

QUARTERLY DIVIDENDS PAID B ■

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.9275	.9275	.945	.945	3.75
2020	.945	.945	.965	.965	3.82
2021	.965	.965	.985	.985	3.90
2022	.985	.985	1.005	1.005	3.98
2023	1.005				

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, 45%; commercial, 28%; industrial, 13%; other, 14%. Generating sources: gas, 32%; nuclear, 30%; coal, 18%; other, 1%; purchased, 19%. Fuel costs: 28% of revs. '22 reported deprec. rate: 3.6%. Has 27,600 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.

We expect Duke Energy's earnings to advance nicely in 2023. The company should continue to benefit from rate relief and strong electric volume growth. The pending sale of the company's unregulated commercial renewables operations will also likely improve earnings prospects. Accordingly, our 2023 EPS target is at the midpoint of management's guidance of $5.55-$5.75. The macroeconomic environment, including rising interest rates and inflation should also improve over that interim and benefit the bottom line. The utility remains committed to its cost mitigation target of $300 million in 2023, and expects 75% of the savings to be sustainable into the next few years. As such, we look for 2024 earnings of $6.00 per share, near the company's growth target of between 5%-7%.

Duke Energy has a number of cases pending. In North Carolina, Duke Energy Carolinas is seeking to raise residential rates by 17.9% over three years, to improve the electricity grid and provide solar investments. In Kentucky, the utility requested a $75.2 million (17.8%) hike. The company has made more than $300 million in investments in Kentucky to strengthen and improve the electricity grid, since the last rate case was approved in 2020.

The company remains focused on the development of clean and renewable energy projects and carbon reduction. The North Carolina Utilities Commission recently provided approval of 3,100 megawatts of solar and 1,600 megawatts of storage. That entity also supported planning for 2,000 megawatts of new natural gas, as part of an orderly transition out of coal by 2035. Duke Energy intends to reach 30,000 megawatts of renewable energy by 2035, and achieve net-zero carbon emissions by 2050 in its clean energy transition.

This stock has a dividend yield of 4.1%, compared to the utility average of about 3.7%. Duke has consistently proven to be one of the better managed utilities in the sector. The stock's price has outperformed its peer group over that past 5- and 10-year periods, and we see no reason why it shouldn't do the same over the next three to five years.

Zachary J. Hodgkinson *May 12, 2023*

(A) Dil. EPS. Excl. net nonrec. losses: '12, 64¢; '13, 22¢; '14, 59¢; '15, 5¢; '16, 60¢; '18, 96; '20, $3.40; '21, 30¢; 1Q22, 22¢; net nonrec gain: '17, 14¢. 2021 EPS don't sum to annual due to rounding. Next egs. due early Aug. (B) Div'ds paid mid-Mar., June, Sept., & Dec. ■ Div'd reinv. plan avail. (C) Incl. intang. In '22: $41.34/sh. (D) In mill., adj. for rev. split. (E) Rate base: Net orig. cost. Rate all'd on com. eq. in '21 in NC: 9.6%; in '19 in SC: 9.5%; in '20 in FL: 9.5%-11.5%; in '20 in IN: 9.7%. Reg. Clim.: NC, SC Avg.; OH, IN Above Avg.

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

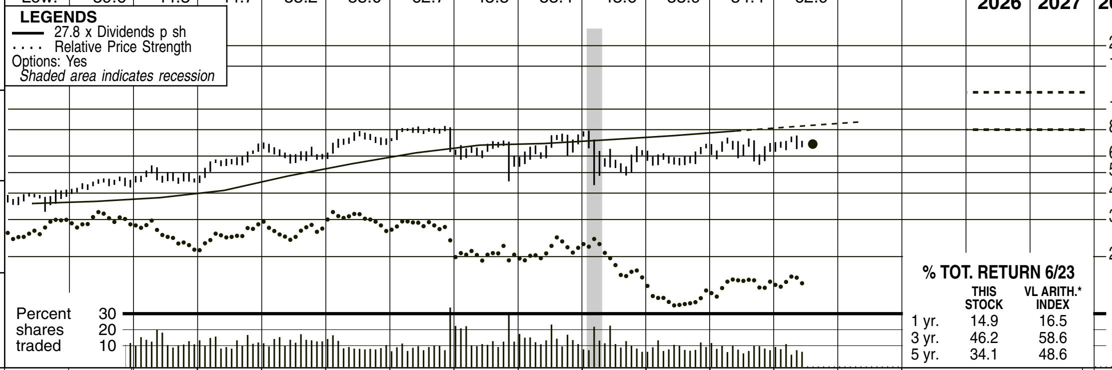
EDISON INTERNAT'L NYSE-EIX

RECENT PRICE **68.31** | P/E RATIO **14.4** (Trailing: 27.5 / Median: 20.0) | RELATIVE P/E RATIO **0.83** | DIV'D YLD **4.5%** | VALUE LINE

TIMELINESS 3 Lowered 7/7/23
SAFETY 3 Lowered 11/23/18
TECHNICAL 2 Lowered 7/7/23
BETA 1.00 (1.00 = Market)

High:	48.0	54.2	68.7	69.6	78.7	83.4	71.0	76.4	78.9	68.6	73.3	74.9
Low:	39.6	44.3	44.7	55.2	58.0	62.7	45.5	53.4	43.6	53.9	54.4	62.9

Target Price Range
2026 | 2027 | 2028



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$61-$103	$82 (20%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	120	(+75%)	18%
Low	80	(+15%)	9%

Institutional Decisions

	3Q2022	4Q2022	1Q2023
to Buy	339	382	371
to Sell	277	254	274
Hld's(000)	335090	343385	343456

% TOT. RETURN 6/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	14.9	16.5
3 yr.	46.2	58.6
5 yr.	34.1	48.6

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	35.83	39.18	45.05	**45.55**	**46.65**	Revenues per sh	**50.00**
7.60	8.08	7.96	8.41	9.03	9.63	8.80	9.95	10.35	10.43	11.03	4.69	9.81	10.69	11.16	12.07	**12.40**	**13.00**	"Cash Flow" per sh	**14.50**
3.32	3.68	3.24	3.35	3.23	4.55	3.78	4.33	4.15	3.94	4.51	d1.26	4.70	4.52	4.59	4.63	**4.75**	**5.10**	Earnings per sh A	**6.00**
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	2.69	2.84	**2.99**	**3.14**	Div'd Decl'd per sh B ■	**3.66**
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	14.47	14.47	15.12	**15.25**	**15.75**	Cap'l Spending per sh	**17.00**
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	37.08	36.57	35.70	**35.25**	**35.00**	Book Value per sh C	**42.25**
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	378.91	380.38	382.21	**384.00**	**386.00**	Common Shs Outst'g D	**390.00**
16.0	12.4	9.7	10.3	11.8	9.7	12.7	13.0	14.8	17.9	17.2	- -	14.1	13.3	12.9	14.0	*Bold figures are*	*Value Line*	Avg Ann'l P/E Ratio	**17.0**
.85	.75	.65	.66	.74	.62	.71	.68	.75	.94	.87	- -	.75	.68	.70	.81		*estimates*	Relative P/E Ratio	**.95**
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%	4.3%	4.5%	4.4%			Avg Ann'l Div'd Yield	**3.6%**
						12581	13413	11524	11869	12320	12657	12347	13578	14905	17220	**17500**	**18000**	Revenues ($mill)	**19500**
						1344.0	1539.0	1480.0	1422.0	1603.0	d290.0	1716.0	1818.0	1907.0	1977.0	**2030**	**2170**	Net Profit ($mill)	**2550**
						25.2%	22.4%	6.6%	11.1%	5.0%	- -	1.2%	5.0%	18.0%	12.5%	**13.0%**	**13.0%**	Income Tax Rate	**13.0%**
						7.8%	5.8%	8.0%	6.8%	7.2%	- -	9.6%	9.6%	8.8%	9.6%	**9.0%**	**9.0%**	AFUDC % to Net Profit	**8.0%**
						45.7%	44.1%	45.0%	41.8%	45.6%	53.6%	53.5%	55.2%	57.6%	60.7%	**63.5%**	**65.5%**	Long-Term Debt Ratio	**66.5%**
						46.2%	47.2%	46.7%	49.2%	45.8%	38.3%	39.9%	39.5%	33.2%	30.6%	**28.5%**	**27.0%**	Common Equity Ratio	**27.0%**
						21516	23216	24352	24362	25506	27284	33360	35581	41959	44547	**47425**	**50475**	Total Capital ($mill)	**60325**
						30455	32981	35085	37000	39050	41348	44285	47839	50700	53486	**56375**	**59400**	Net Plant ($mill)	**69175**
						7.3%	7.7%	7.1%	6.9%	7.3%	.1%	6.4%	6.3%	5.6%	5.7%	**5.5%**	**5.5%**	Return on Total Cap'l	**5.5%**
						11.5%	11.9%	11.1%	10.0%	11.6%	NMF	11.1%	11.4%	10.7%	11.3%	**11.5%**	**12.5%**	Return on Shr. Equity	**12.5%**
						12.5%	13.0%	12.0%	10.8%	12.7%	NMF	12.0%	12.0%	12.5%	12.9%	**13.5%**	**14.5%**	Return on Com Equity E	**14.0%**
						8.1%	8.8%	7.2%	5.6%	6.6%	NMF	5.9%	5.4%	5.4%	5.2%	**5.0%**	**5.5%**	Retained to Com Eq	**5.5%**
						40%	37%	44%	53%	52%	NMF	54%	58%	61%	64%	**67%**	**65%**	All Div'ds to Net Prof	**64%**

CAPITAL STRUCTURE as of 3/31/23
Total Debt $33301 mill. **Due in 5 Yrs** $9685 mill.
LT Debt $29442 mill. **LT Interest** $1170 mill.
(Total Interest Coverage: 2.9x)
Leases, Uncapitalized Annual rentals $542 mill.

Pension Assets-12/22 $3462 mill. **Oblig** $3524 mill.

Pfd Stock $3879 mill. **Pfd Div'd** $212 mill.

Common Stock 382,983,023 shs.
as of 4/25/23
MARKET CAP: $26.2 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	+.7	-3.9	+2.6
Avg. Indust. Use (MWH)	589	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	23133	21190	24345
Annual Load Factor (%)	46.7	52.7	45.8
% Change Customers (yr-end)	+.6	+.3	+.8
Fixed Charge Cov. (%)	NMF	113	135

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	.5%	2.0%	*4.0%*
"Cash Flow"	2.5%	1.5%	*4.0%*
Earnings	3.0%	2.0%	*4.5%*
Dividends	7.5%	6.5%	*5.0%*
Book Value	1.0%	-.5%	*2.5%*

QUARTERLY REVENUES ($ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	2790	2987	4644	3157	13578
2021	2960	3315	5299	3331	14905
2022	3968	4008	5228	4016	17220
2023	3966	**4125**	**5350**	**4059**	**17500**
2024	**4100**	**4250**	**5475**	**4175**	**18000**

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.63	1.00	1.67	1.19	4.52
2021	.79	.94	1.69	1.16	4.59
2022	1.07	.94	1.48	1.15	4.63
2023	1.09	**.96**	**1.53**	**1.17**	**4.75**
2024	**1.14**	**1.06**	**1.63**	**1.27**	**5.10**

QUARTERLY DIVIDENDS PAID B ■

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.6125	.6125	.6125	.6125	2.45
2020	.6375	.6375	.6375	.6375	2.55
2021	.6625	.6625	.6625	.6625	2.65
2022	.70	.70	.70	.70	2.80
2023	.7375	.7375	.7375		

BUSINESS: Edison International (formerly SCECorp) is a holding company for Southern California Edison Company (SCE), which supplies electricity to 5.2 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, 40%; commercial, 42%; industrial, 3%; other, 15%. Generating sources: nuclear, 9%; gas, 7%; hydro, 4%; purch., 80%. Power costs: 37% of revs. '22 reported depr. rate: 3.8%. Has 13,385 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 appears on track to post annual gains in core earnings this year and the next. The utility got off to a decent start to 2023 with first-quarter adjusted earnings per share up year over year, primarily due to revenue from the escalation mechanism set forth in the 2021 General Rate Case (GRC) decision. This allows the company to bill for certain types of expenses, thereby circumventing regulatory lag. Higher interest charges were a significant offset, and will likely continue to weigh on the bottom line. Still, leadership affirmed its full-year 2023 share earnings outlook of $2.55 to $2.85, as well as its expectation of 6%-8% profit growth through 2025. As always, rate relief by way of the regulatory umbrella will be a key factor. In that vein, Edison recently filed its latest GRC.

The long-term health of the company is tied to getting out from under a barrage of wildfire claims payments. In recent years, EIX has paid out billions of dollars in lawsuit settlements associated with the role its electric transmission lines played in the disastrous late 2017 to 2018 forest fires in the Golden State. Although we now exclude those charges from our earnings presentation (beginning from 2019), to better highlight the progress that EIX is making in its core operations, one can see the impact on the balance sheet via the rising debt as a percentage of total capital in the financial array. Exiting 2021, the company showed over $1 billion in wildfire claims liability. More than that was paid out last year, yet the company still shows that same level of liability on its recent balance sheet.

Although this issue's total return prospects compare favorably to the electric utility industry's median level of 10%, we'd hold off on commitments here. Most of the company's peers are highly rated for Safety. Meanwhile, Edison's lawsuit woes have transitioned to balance-sheet woes, with debt piling up to help fund wildfire claims. In the wrong economic environment, it could be a real challenge for the utility to maintain its investment grade rating. Over time, EIX may well be able to grow its way out of this predicament, but we don't think the recent valuation justifies the risk.

Anthony J. Glennon *July 21, 2023*

(A) Adjusted (non-GAAP) EPS from 2019 on. Excl. gains/(losses): nonrecur's ; '10, 54¢; '11, ($3.33); '13, ($1.12); '15, ($1.18); '17, ($1.37); '18, (14¢); '19, (92¢); '20, ($2.54); '21, ($2.59); '22, ($3.02); 1Q '23, (28¢); disc. ops.: '13, 11¢; '14, 57¢; '15, 11¢; '18, 10¢. Qtly. EPS may not sum due to rounding. Next egs. report due early Aug. **(B)** Div'ds paid late Jan., Apr., July, & Oct. ■ Div'd reinv. plan avail. **(C)** Incl. def'd chgs. In '22: $2.49/sh. **(D)** In mill. **(E)** Rate base: net orig. cost. Rate all'd on com. eq. in '20: 10.3%; Regulatory Climate: Average.

Company's Financial Strength	B++
Stock's Price Stability	80
Price Growth Persistence	35
Earnings Predictability	10

ENTERGY CORP. NYSE-ETR

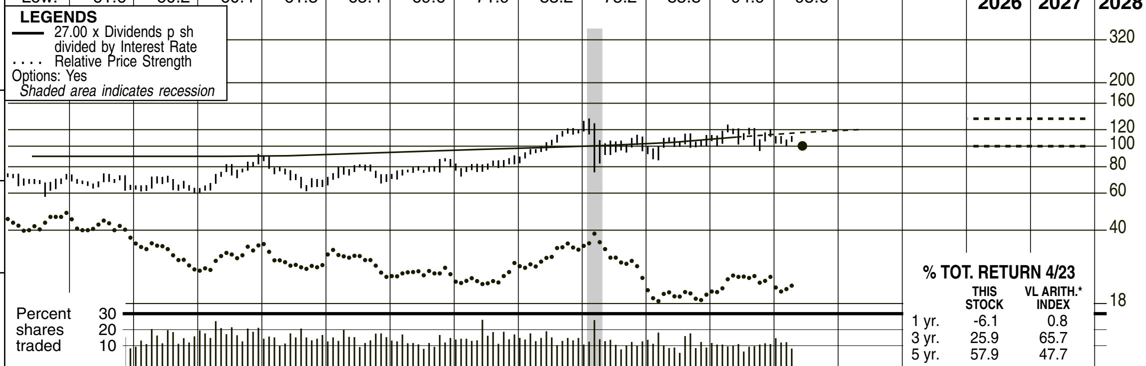
RECENT PRICE 96.80 | P/E RATIO 16.5 (Trailing: 17.6 Median: 14.0) | RELATIVE P/E RATIO 1.01 | DIV'D YLD 4.4% | VALUE LINE

TIMELINESS 4 Raised 5/26/23
SAFETY 2 Raised 12/13/19
TECHNICAL 3 Raised 5/26/23
BETA .90 (1.00 = Market)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
High:	74.5	72.6	92.0	90.3	82.1	87.9	90.8	122.1	135.5	115.0	126.8	111.9
Low:	61.6	60.2	60.4	61.3	65.4	69.6	71.9	83.2	75.2	85.8	94.9	95.6

Target Price Range 2026 | 2027 | 2028

LEGENDS
— 27.00 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)
$88-$150	$119 (25%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	135	(+40%)	12%
Low	100	(+5%)	5%

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	348	348	377
to Sell	260	258	274
Hld's(000)	184330	184841	186530

% TOT. RETURN 4/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-6.1	0.8
3 yr.	25.9	65.7
5 yr.	57.9	47.7

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	50.51	57.95	65.18	***58.40***	***59.65***	Revenues per sh	***65.20***
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	18.21	17.90	15.51	***16.95***	***17.30***	"Cash Flow" per sh	***18.90***
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	6.90	6.87	5.37	***5.85***	***6.05***	Earnings per sh A	***6.50***
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	4.10	***4.30***	***4.45***	Div'd Decl'd per sh B ■ †	***5.00***
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	24.52	30.86	25.04	***20.00***	***19.00***	Cap'l Spending per sh	***19.75***
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	54.56	57.42	61.40	***63.25***	***65.70***	Book Value per sh C	***73.90***
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	200.24	202.65	211.18	***214.00***	***218.00***	Common Shs Outst'g D	***230.00***
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	15.3	15.0	21.1	*Bold figures are*		Avg Ann'l P/E Ratio	***18.0***
1.02	1.00	.80	.74	.57	.71	.74	.68	.63	.57	.75	.75	.88	.79	.81	1.22	*Value Line*		Relative P/E Ratio	***1.00***
2.4%	2.9%	4.0%	4.2%	4.9%	4.9%	5.1%	4.5%	4.6%	4.6%	4.5%	4.4%	3.5%	3.6%	3.7%	3.6%	*estimates*		Avg Ann'l Div'd Yield	***4.3%***

CAPITAL STRUCTURE as of 3/31/23
Total Debt $27589 mill. **Due in 5 Yrs** $11117 mill.
LT Debt $24464 mill. **LT Interest** $824.0 mill.
Incl. $54.7 mill. of securitization bonds.
(LT interest earned: 2.8x)
Leases, Uncapitalized Annual rentals $62.1 mill.
Pension Assets-12/22 $6993.1 mill. **Oblig** $8409.6 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 211,446,651 shs. **as of 4/28/23**
MARKET CAP: $20.5 billion (Large Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
11391	12495	11513	10846	11074	11009	10879	10114	11743	13764	***12500***	***13000***	Revenues ($mill)	***15000***
904.5	1060.0	1061.2	1249.8	950.7	1092.1	1258.2	1406.7	1402.8	1103.2	***1250***	***1320***	Net Profit ($mill)	***1495***
26.7%	37.8%	2.2%	11.3%	1.8%	- -	- -	- -	16.1%	16.1%	***23.0%***	***23.0%***	Income Tax Rate	***23.0%***
10.1%	9.3%	7.4%	8.1%	14.7%	17.5%	16.7%	12.2%	7.1%	2.5%	***8.0%***	***8.0%***	AFUDC % to Net Profit	***7.0%***
55.1%	54.9%	57.8%	63.6%	63.6%	63.2%	62.0%	65.5%	67.6%	64.2%	***64.5%***	***64.5%***	Long-Term Debt Ratio	***64.5%***
43.6%	43.8%	40.8%	35.5%	35.5%	35.9%	37.1%	33.7%	31.7%	35.2%	***35.5%***	***35.5%***	Common Equity Ratio	***35.5%***
22109	22842	22714	22777	22528	24602	27557	32386	36733	36810	***41110***	***43545***	Total Capital ($mill)	***48910***
27882	28723	27824	27921	29664	31974	35183	38853	42244	42477	***45025***	***50590***	Net Plant ($mill)	***56845***
5.4%	6.0%	6.0%	6.9%	5.7%	5.8%	5.9%	5.6%	4.9%	4.3%	***4.5%***	***4.5%***	Return on Total Cap'l	***4.0%***
9.1%	10.3%	11.1%	15.1%	11.6%	12.0%	12.0%	12.6%	11.8%	8.4%	***9.0%***	***9.0%***	Return on Shr. Equity	***8.5%***
9.2%	10.4%	11.2%	15.2%	11.7%	12.2%	12.1%	12.7%	11.9%	8.4%	***9.0%***	***9.0%***	Return on Com Equity E	***8.5%***
3.0%	4.4%	4.8%	7.7%	3.9%	4.9%	5.2%	5.9%	5.2%	1.9%	***2.5%***	***2.5%***	Retained to Com Eq	***2.0%***
68%	58%	58%	50%	68%	61%	58%	55%	57%	78%	***74%***	***74%***	All Div'ds to Net Prof	***77%***

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	-4.1	+3.2	+1.1
Avg. Indust. Use (MWH)	1017	1015	1018
Avg. Indust. Revs. per KWH(¢)	4.95	5.91	7.08
Capacity at Peak (Mw)	25665	NA	NA
Peak Load, Summer (Mw)	21340	NA	NA
Annual Load Factor (%)	62	NA	NA
% Change Customers (yr-end)	+1.0	+1.0	+1.0
Fixed Charge Cov. (%)	202	243	209

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	-.5%	-1.5%	*2.0%*
"Cash Flow"	.5%	-.5%	*1.5%*
Earnings	-.5%	1.5%	*.5%*
Dividends	1.5%	2.5%	*4.0%*
Book Value	1.5%	4.0%	*4.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	2427	2413	2904	2370	10114
2021	2845	2822	3353	2723	11743
2022	2878	3395	4219	3273	13764
2023	2981	***3200***	***3219***	***3100***	***12500***
2024	***3000***	***3400***	***3400***	***3200***	***13000***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.59	1.79	2.59	1.93	6.90
2021	1.66	1.30	2.63	1.28	6.87
2022	1.36	.78	2.74	.51	5.37
2023	1.47	***.80***	***2.78***	***.80***	***5.85***
2024	***1.40***	***.95***	***2.85***	***.85***	***6.05***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.91	.91	.91	.93	3.66
2020	.93	.93	.93	.95	3.74
2021	.95	.95	.95	1.01	3.86
2022	1.01	1.01	1.01	1.07	4.10
2023	1.07				

BUSINESS: Entergy Corporation supplies electricity to 3 million customers through subsidiaries in Arkansas, Louisiana, Mississippi, Texas, and New Orleans (regulated separately from Louisiana). Distributes gas to 206,000 customers in Louisiana. Is selling its last nonutility nuclear unit (shut down 5/22). Electric revenue breakdown: residential, 37%; commercial, 24%; industrial, 27%; other, 12%. Generating sources: gas, 68%; nuclear, 22%; coal, 9%; hydro and solar, 1%. Fuel costs: 32% of revenues. '22 reported depreciation rate: 2.7%. Has 11,707 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 recorded improved first-quarter results. Revenues expanded around 4% year over year to $2.981 billion, aided by higher demand for electricity across its coverage area, including a significant amount of industrial growth in Texas and Louisiana. The company also benefited from greater system reliability. Still, fuel costs rosed quickly, though a lower amount of purchased power partially offset this. Too, Entergy benefited from $76 million in storm securitization income during the quarter. These factors allowed earnings to advance to $1.47 per share.

We expect decent results over the second half of the year. Though revenues face tough comparisons from higher fuel costs last year, operations should benefit from growth in Texas and Louisiana as industrial demand continues to expand. Additionally, we think that the company will continue to capitalize on customers moving into its service territory. Energy has filed for new rates in several locations, which ought to improve net income and allow for better system reliability, as it has spent funds on replacing power lines. These factors will likely enable earnings to advance to $5.85 per share in 2023.

The company should gain from moderate growth over the coming years. Revenues will likely benefit from increasing customers, and Entegy is building a new Orange County station to improve power generation in Texas. Other projects will also help to increase output, while we expect the company to gain from new rate case outcomes in Texas and Louisiana. On the cost side, we think fuel costs will eventually ease as Entergy invests in greener production. It expects to quadruple its output in the renewable space by 2025, should current schedules hold for capital projects. Further expansions could be added if spending plans are approved. Interest costs will likely rise alongside the debt load. So, we foresee earnings advancing to $6.05 per share in 2024 and $6.50 by 2026-2028.

Shares of Entergy are ranked Below Average (4) for Timeliness. This stock also holds subpar 3- to 5-year appreciation potential, but the dividend yield is attractive. All told, this issue is best suited for conservative income-seeking accounts.

John E. Seibert III *June 9, 2023*

(A) Diluted EPS. GAAP starting in 2022. Excl. nonrec. losses: '12, $1.26; '13, $1.14; '14, 56¢; '15, $6.99; '16, $10.14; '17, $2.91; '18, $1.25; '21, $1.33. Next earnings report due early August. (B) Div'ds historically paid in early Mar., June, Sept., & Dec. ■ Div'd reinvestment plan avail. † Shareholder investment plan avail. (C) Incl. deferred charges. In '22: $23.64/sh. (D) In mill. (E) Rate base: Net original cost. Allowed ROE (blended): 9.71%; earned on avg. com. eq., '22: 8.5%. Regulatory Climate: Average.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	45
Earnings Predictability	75

EVERSOURCE ENERGY NYSE-ES

RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD
77.72	17.9 (Trailing: 19.0) (Median: 19.0)	1.07	3.5%

VALUE LINE

TIMELINESS 4 Lowered 3/24/23
SAFETY 2 Lowered 5/12/23
TECHNICAL 4 Raised 4/28/23
BETA .90 (1.00 = Market)

High:	40.9	45.7	56.7	56.8	60.4	66.1	70.5	86.6	99.4	92.7	94.6	86.8
Low:	33.5	38.6	41.3	44.6	50.0	54.1	52.8	63.1	60.7	76.6	70.5	72.5

LEGENDS
— 31.3 x Dividends p sh
.... Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2026 | 2027 | 2028

18-Month Target Price Range
Low-High Midpoint (% to Mid)
$69-$128 $99 (25%)

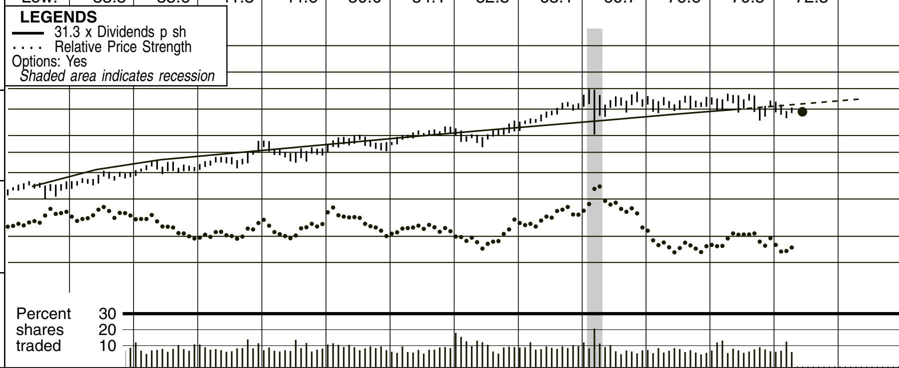
2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	125	(+60%)	15%
Low	95	(+20%)	9%

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	411	395	444
to Sell	308	323	316
Hld's(000)	271816	272475	279271

Percent shares traded 30 20 10



% TOT. RETURN 4/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-8.4	0.8
3 yr.	5.1	65.7
5 yr.	49.2	47.7

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	25.96	28.64	35.27	*36.25*	*38.05*	Revenues per sh	*43.05*
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	6.99	7.74	8.79	*9.05*	*9.35*	"Cash Flow" per sh	*10.75*
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	3.64	3.86	4.09	*4.35*	*4.65*	Earnings per sh A	*5.60*
.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	2.41	2.55	*2.70*	*2.86*	Div'd Decl'd per sh B ■	*3.48*
7.14	8.06	5.17	5.41	6.08	4.69	4.62	5.06	5.44	6.24	7.41	7.96	8.83	8.58	9.22	9.88	*10.50*	*10.10*	Cap'l Spending per sh	*10.00*
18.65	19.38	20.37	21.60	22.65	29.41	30.49	31.47	32.64	33.80	34.99	36.25	38.29	41.01	42.39	44.41	*46.40*	*48.65*	Book Value per sh C	*55.50*
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	342.95	344.40	348.44	*351.50*	*355.0*	Common Shs Outst'g D	*360.00*
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	23.7	22.2	20.9	*Bold figures are*		Avg Ann'l P/E Ratio	*19.5*
.99	.82	.80	.85	.97	1.27	.95	.94	.91	.98	.98	1.01	1.18	1.22	1.20	1.21	*Value Line*		Relative P/E Ratio	*1.10*
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%	2.6%	2.8%	3.0%	*estimates*		Avg Ann'l Div'd Yield	*3.2%*

CAPITAL STRUCTURE as of 12/31/22
Total Debt $22940 mill. **Due in 5 Yrs** $8012.9 mill.
LT Debt $20134 mill. **LT Interest** $688.0 mill.
(Total Interest coverage: 3.7x)

Leases, Uncapitalized Annual rentals $10.3 mill.

Pension Assets-12/22 $5806.4 mill. **Oblig** $5220.1 mill.
Pfd Stock $155.6 mill. **Pfd Div'd** $7.6 mill.

Common Stock 348,483,425 shs. as of 1/31/23
MARKET CAP: $27.1 billion (Large Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
7301.2	7741.9	7954.8	7639.1	7752.0	8448.2	8526.5	8904.4	9863.1	12289	*12750*	*13500*	Revenues ($mill)	*15500*
793.7	827.1	886.0	949.8	995.5	1040.5	1121.0	1244.8	1337.7	1427.4	*1535*	*1655*	Net Profit ($mill)	*2030*
35.0%	36.2%	37.9%	36.9%	36.8%	21.7%	19.7%	22.2%	21.9%	24.3%	*24.0%*	*24.0%*	Income Tax Rate	*24.0%*
1.4%	2.4%	2.9%	3.9%	4.7%	6.1%	6.3%	5.3%	4.2%	4.8%	*5.0%*	*5.0%*	AFUDC % to Net Profit	*5.0%*
44.3%	45.9%	45.6%	44.8%	51.2%	52.4%	52.8%	52.4%	54.2%	56.3%	*56.5%*	*56.5%*	Long-Term Debt Ratio	*56.0%*
54.8%	53.2%	53.6%	54.4%	48.2%	46.9%	46.6%	47.1%	45.3%	43.3%	*43.0%*	*43.0%*	Common Equity Ratio	*43.5%*
17544	18738	19313	19697	23018	24474	27097	29842	32233	35763	*37925*	*39950*	Total Capital ($mill)	*45900*
17576	18647	19892	21351	23617	25610	27585	30883	33378	36113	*38725*	*41200*	Net Plant ($mill)	*48000*
5.5%	5.3%	5.5%	5.8%	5.2%	5.2%	5.1%	5.1%	5.1%	5.0%	*5.0%*	*5.0%*	Return on Total Cap'l	*5.5%*
8.1%	8.2%	8.4%	8.7%	8.9%	8.9%	8.8%	8.8%	9.1%	9.1%	*9.5%*	*9.5%*	Return on Shr. Equity	*10.0%*
8.2%	8.2%	8.5%	8.8%	8.9%	9.0%	8.8%	8.8%	9.1%	9.2%	*9.5%*	*9.5%*	Return on Com Equity E	*10.0%*
3.4%	3.5%	3.4%	3.5%	3.5%	3.4%	3.6%	3.5%	3.6%	3.6%	*3.5%*	*3.5%*	Retained to Com Eq	*4.0%*
59%	58%	61%	60%	61%	62%	60%	60%	61%	61%	*62%*	*61%*	All Div'ds to Net Prof	*62%*

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	-2.7	+1.6	+.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)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.8	+.6	NA
Fixed Charge Cov. (%)	352	355	317

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	2.0%	4.0%	*6.0%*
"Cash Flow"	5.0%	7.5%	*5.5%*
Earnings	6.5%	5.5%	*6.5%*
Dividends	7.5%	6.0%	*6.5%*
Book Value	5.5%	4.5%	*4.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	2374	1953	2344	2234	8904
2021	2826	2123	2433	2482	9863
2022	3471	2573	3216	3030	12289
2023	*3675*	*2725*	*3250*	*3100*	*12750*
2024	*3900*	*2875*	*3400*	*3325*	*13500*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	1.02	.76	1.01	.85	3.64
2021	1.15	.79	1.02	.91	3.86
2022	1.30	.86	1.01	.92	4.09
2023	*1.35*	*.90*	*1.10*	*1.00*	*4.35*
2024	*1.44*	*.97*	*1.17*	*1.07*	*4.65*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.535	.535	.535	.535	2.14
2020	.5675	.5675	.5675	.5675	2.27
2021	.6025	.6025	.6025	.6025	2.41
2022	.6375	.6375	.6375	.6375	2.55
2023	.675				

BUSINESS: Eversource Energy (formerly Northeast Utilities) is the parent of 12 regulated utilities with 4.4 million electric, natural gas, and water customers. Supplies power to most of Connecticut and gas to part of CT; 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, 53%; commercial/indus'l/other, 47%. Fuel costs: 41% of revs. '22 reported depr. rate: 3.6%. Employs 9,626. Chrmn.: James J. Judge. Pres. & CEO: Joseph R. Nolan, Jr. Inc.: MA. Addr.: 300 Cadwell Drive, Springfield, MA 01104. Telephone: 413-785-5871. Internet: www.eversource.com.

Eversource Energy appears to be on track for solid profit gains this year and next. Higher natural gas delivery charges went into effect November 1st, with $32 million to be phased in through October of this year, followed by years of mechanistic increases, tied to inflation and upkeep, on the two-thirds of that figure which apply to Massachusetts. Similarly, higher electric delivery charges went into effect January 1st in that state, with $64 million to be phased in through December of this year, and mechanistic increases based on inflation, maintenance, and transmission & distribution project spending in place thereafter. Although the company's allowable return on equity (ROE) was lowered to 9.8% from 10% in Massachusetts, the nearly real-time formulaic pricing adjustments should go a long ways towards reducing regulatory lag and delivering a reliable stream of revenue growth from that key state territory. Taking the aforementioned figures into account, our full-year 2023 and 2024 share-earnings estimates stand at $4.35 and $4.65, respectively. (First-quarter earnings were reported just after our press cycle.)

The company's 5%-7% long-term earnings and dividend growth targets look achievable. Renewable energy initiatives in the Northeast should drive the company's regulatory capital employed to conservatively expand at a 7%-8% per annum rate for the next several years. Numerous potential "green" energy projects are expected to grow the rate base, including solar, geothermal, and grid modernizations necessary to connect new sources of generation, such as offshore wind.

Eversource shares may be appealing to utility investors with a longer-term leaning. The company has a solid track record of delivering shareholder value, and possesses superior growth prospects relative to its industry peer group. The issue is likely trading at a lower valuation premium than normal, with the dividend yield just 10 basis points above the electric utility median, due to the uncertainty regarding the ongoing strategic review of the offshore wind assets (discussed in detail in our February review). Annual total return potential to 2026-2028 compares favorably to the 8.5% utility median.

Anthony J. Glennon *May 12, 2023*

(A) Diluted EPS. Excl. nonrecur. gain/(losses): '08, (19¢); '10, 9¢; '19, (64¢); '20, (9¢); '21, (32¢); '22, (4¢). Next egs. report due early Aug. Quarterly figures may not sum to full year due to rounding. (B) Div'ds paid late Mar., June, Sept., & Dec. ■ Div'd reinvestment plan avail. (C) Incl. intangibles. In '22: $25.16/sh. (D) In mill. (E) Rate allowed on com. eq. in MA: (elec.) '22, 9.8%; (gas) '20, 9.7%-9.9%; in CT: (elec.) '18, 9.25%; (gas) '18, 9.3%; in NH: '21, 9.3%; 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

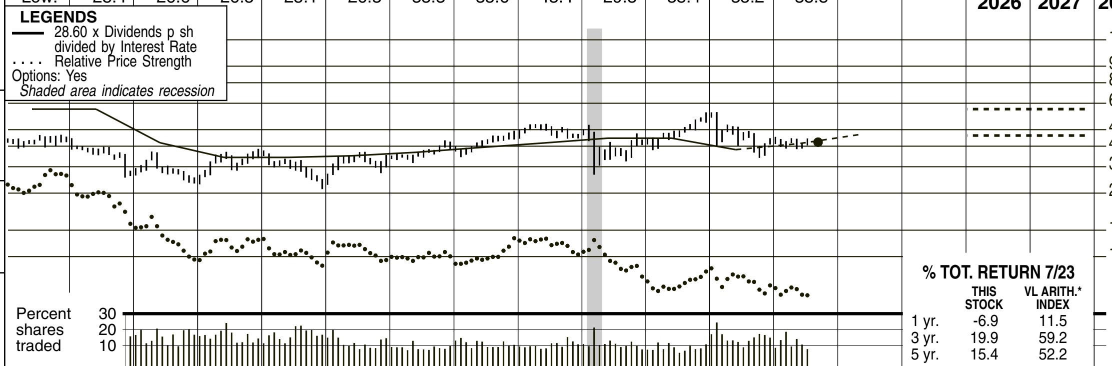
EXELON CORP. NDQ-EXC

RECENT PRICE **41.86** | P/E RATIO **17.4** (Trailing: 18.3 Median: 14.0) | RELATIVE P/E RATIO **1.00** | DIV'D YLD **3.4%** | VALUE LINE

TIMELINESS – Suspended 2/4/22
SAFETY 2 Raised 8/13/21
TECHNICAL – Suspended 2/4/22
BETA NMF (1.00 = Market)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
High:	43.7	37.8	38.9	38.3	37.7	42.7	47.4	51.2	50.5	58.0	58.2	44.4
Low:	28.4	26.6	26.5	25.1	26.3	33.3	35.6	43.4	29.3	38.4	35.2	38.8

Target Price Range 2026 | 2027 | 2028



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$25-$50	$38 (-10%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+45%)	12%
Low	45	(+10%)	5%

Institutional Decisions

	3Q2022	4Q2022	1Q2023
to Buy	467	494	474
to Sell	425	421	378
Hld's(000)	806022	816073	809770

% TOT. RETURN 7/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-6.9	11.5
3 yr.	19.9	59.2
5 yr.	15.4	52.2

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	33.85	37.13	19.19	**19.80**	**20.20**	Revenues per sh	**21.50**
7.43	7.64	8.25	8.32	7.23	6.61	6.72	6.61	6.80	7.88	8.37	9.29	9.17	9.65	10.56	6.07	**6.75**	**7.00**	"Cash Flow" per sh	**7.50**
4.03	4.10	4.29	3.87	3.75	1.92	2.31	2.10	2.54	2.68	2.78	3.12	3.22	3.22	2.82	2.26	**2.40**	**2.50**	Earnings per sh A	**3.00**
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	1.53	1.35	**1.44**	**1.60**	Div'd Decl'd per sh B ■	**1.80**
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	8.25	8.15	7.19	**6.80**	**6.80**	Cap'l Spending per sh	**7.00**
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	33.39	35.13	24.89	**25.20**	**25.20**	Book Value per sh C	**28.75**
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	994.00	**995.00**	**1000.00**	Common Shs Outst'g D	**1000.0**
18.2	18.0	11.5	11.0	11.3	19.1	13.4	16.0	12.6	12.5	13.4	13.3	14.7	12.4	16.6	19.9	Bold figures are		Avg Ann'l P/E Ratio	**17.5**
.97	1.08	.77	.70	.71	1.22	.75	.84	.63	.66	.67	.72	.78	.64	.90	1.15	Value Line		Relative P/E Ratio	**.95**
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%	3.8%	3.3%	3.2%	estimates		Avg Ann'l Div'd Yield	**3.5%**

CAPITAL STRUCTURE as of 3/31/23
Total Debt $41394 mill. **Due in 5 Yrs** $12334 mill.
LT Debt $38732 mill. **LT Interest** $1450 mill.
Includes $390 mill. nonrecourse transition bonds.
(Interest coverage: 2.7x)
Leases, Uncapitalized Annual rentals $156 mill.

Pension Assets-12/21 $20827 mill. **Oblig** $23846 mill.
Pfd Stock None

Common Stock 994,568,998 shs.
as of 3/31/23
MARKET CAP: $41.6 billion (Large Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
24888	27429	29447	31360	33531	35985	34438	33039	36347	19078	**19700**	**20200**	Revenues ($mill)	**21500**
1999.0	1826.0	2282.0	2488.0	2636.0	3026.0	3139.0	3149.0	2764.0	2246.4	**2400**	**2500**	Net Profit ($mill)	**3000**
36.5%	27.2%	32.2%	38.5%	34.2%	11.1%	19.4%	17.4%	16.1%	14.5%	**15.0%**	**15.0%**	Income Tax Rate	**15.0%**
4.5%	5.5%	5.4%	8.3%	6.5%	4.6%	5.0%	5.5%	7.4%	7.0%	**6.0%**	**5.0%**	AFUDC % to Net Profit	**5.0%**
44.4%	46.7%	48.3%	55.5%	52.2%	52.8%	49.6%	52.1%	50.9%	59.9%	**61.0%**	**61.0%**	Long-Term Debt Ratio	**64.5%**
55.2%	52.8%	51.3%	44.5%	47.8%	47.2%	50.4%	47.9%	49.1%	40.2%	**39.0%**	**39.0%**	Common Equity Ratio	**35.5%**
41196	42811	50272	58053	62422	65229	63943	68068	70107	58836	**64125**	**64125**	Total Capital ($mill)	**81000**
47330	52087	57439	71555	74202	76707	80233	82584	84219	69076	**69175**	**69175**	Net Plant ($mill)	**77600**
5.9%	5.3%	5.5%	5.5%	5.3%	5.7%	6.0%	5.7%	5.0%	5.0%	**5.0%**	**5.0%**	Return on Total Cap'l	**5.0%**
8.7%	8.0%	8.8%	9.6%	8.8%	9.8%	9.7%	9.7%	8.0%	9.5%	**9.5%**	**10.0%**	Return on Shr. Equity	**10.0%**
8.7%	8.0%	8.8%	9.6%	8.8%	9.8%	9.7%	9.7%	8.0%	9.5%	**9.5%**	**10.0%**	Return on Com Equity E	**10.0%**
3.2%	3.3%	4.5%	5.1%	4.7%	5.5%	5.4%	5.1%	3.7%	4.0%	**4.0%**	**4.0%**	Retained to Com Eq	**4.0%**
63%	59%	49%	47%	47%	44%	45%	47%	54%	60%	**60%**	**60%**	All Div'ds to Net Prof	**60%**

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% 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 (Mw)	NA	NA	NA
Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.7	+.6	NA
Fixed Charge Cov. (%)	211	237	325

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	2.5%	1.0%	NMF
"Cash Flow"	3.0%	5.5%	NMF
Earnings	-.5%	2.5%	NMF
Dividends	-3.0%	4.0%	NMF
Book Value	4.5%	3.5%	NMF

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	8747	7322	8853	8117	33039
2021	9890	7915	8910	9632	36347
2022	5327	4239	4845	4667	19078
2023	5563	4818	**4900**	**4419**	**19700**
2024	**5300**	**4850**	**5500**	**4550**	**20200**

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.87	.55	1.04	.76	3.22
2021	d.06	.89	1.09	.90	2.82
2022	.64	.44	.75	.43	2.26
2023	.70	.41	**.79**	**.50**	**2.40**
2024	**.70**	**.50**	**.80**	**.50**	**2.50**

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.3625	.3625	.3625	.3625	1.45
2020	.3825	.3825	.3825	.3825	1.53
2021	.3825	.3825	.3825	.3825	1.53
2022	.3375	.3375	.3375	.3375	1.35
2023	.360	.360			

BUSINESS: Exelon Corporation is a holding company for Commonwealth Edison (ComEd), PECO Energy, Baltimore Gas and Electric (BGE), Pepco, Delmarva Power (DPL), & Atlantic City Electric (ACE). Has 9.1 mill. elec., 1.3 mill. gas customers. Spun off Constellation Energy (nonregulated generating & energy-marketing ops.) 2/22. Acq'd Constellation Energy 3/12; Pepco Holdings 3/16. Elec. rev. breakdown: residntl., 54%; small commercl. & indstrl., 16%; large commercl. & indstrl., 17%; other, 13%. Fuel costs: 48% of revs. '22 deprec. rates: 2.8%-8.7% elec., 2.1% gas. Has 18,700 empls. Chrmn.: John F. Young. CEO: Calvin Butler. Inc.: PA. Addr.: 10 S.Dearborn St., P.O. Box 805379, Chicago, IL 60680-5379. Tel.: 312-394-7398. Internet: www.exeloncorp.com.

Exelon Corporation looks to be progressing smoothly, as an entirely regulated utility. Last February, the company spun off its nonregulated power generating assets as a new company, Constellation Energy (NASDAQ:CEG), with EXC shareholders receiving the new issue at a 3-for-1 ratio. The new entirely regulated utility appears to be more stable and predictable, which ought to grow earnings more consistently. Indeed, second-quarter earnings per share of $0.41 outperformed both Wall Street's expectations, as well as our calls of $0.40. Along with improved consistency, Exelon continues to benefit from rate relief and higher distribution rates. As a result, our bottom-line estimates for 2023 and 2024 are $2.40 and $2.50 a share, respectively. Too, management reaffirmed its full-year 2023 projections of $2.30 to $2.42 a share.

The company continues to target annualized earnings and dividend growth of 6%-8% through 2025. Management expects its capital expenditure plan to contribute a return of 9%-11% to shareholders through 2026. We think Exelon is well-positioned for the long term as a entirely regulated utility. Indeed, earnings have been much less volatile of late, and we expect this to continue moving forward.

Exelon's utilities have continued to make progress in several pending rate cases. In New Jersey, Atlantic City Electric filed a distribution base rate case to support investments in infrastructure. In Maryland, Pepco is expected to file its second multi-year plan with the Maryland Public Service Commission. The company has a number of other pending rate cases, and rate relief will likely continue to drive earnings growth throughout the next couple of years.

This issue may appeal to conservative, income-oriented investors. The dividend yield of this stock is above-average, and Exelon is considered to be a solid addition to a well-rounded portfolio. Due to the company spinoff of Constellation Energy, the stock remains unranked for Timeliness. Meanwhile, total return potential over the 18-month and 3- to 5-year stretch is unappealing, even with the recent price decrease.

Zachary J. Hodgkinson *August 11, 2023*

(A) Dil. egs. Excl. nonrec. gain (loss): '09, (20¢); '12, (50¢); '13, (31¢); '14, (22¢); '16, ($1.46); '17, $1.19; '18, ($1.05); '19, (21¢); '20, ($1.21); '21, ($1.08); 1Q22, (15¢); disc. ops. gain (loss): '07, 2¢; '08, 3¢. Next egs. report: Nov. (B) Div'ds paid in early Mar., June, Sept., & Dec. ■ Div'd reinvest. plan avail. (C) Incl. deferred charges. In '22: $15.20/sh. (D) In mill. (E) Rate allowed on common equity in IL in '15: 9.25%; in MD in '16: 9.75% elec., 9.65% gas; in NJ in '16: 9.75%. Regulatory Climate: PA, NJ: Average; IL, MD: Below Avg.

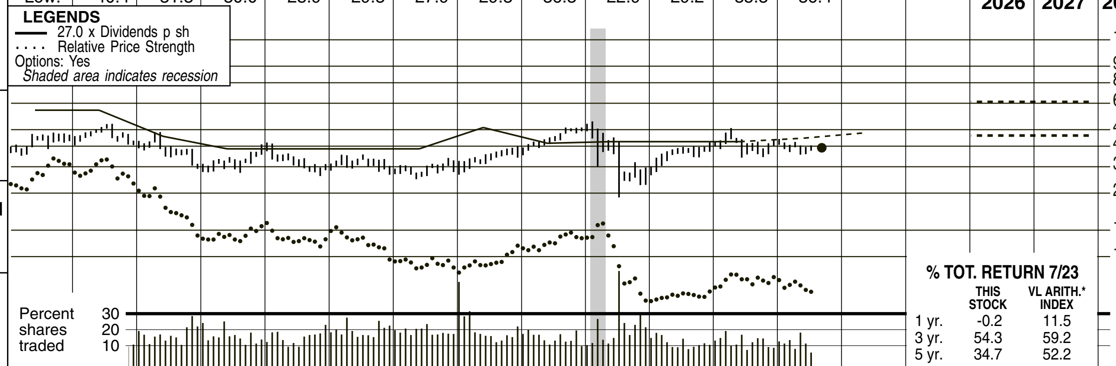
Company's Financial Strength	B++
Stock's Price Stability	NMF
Price Growth Persistence	NMF
Earnings Predictability	NMF

FIRSTENERGY NYSE-FE

RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD	
39.39	15.2 (Trailing: 16.7) (Median: 13.0)	0.87	4.2%	VALUE LINE

TIMELINESS 4 Lowered 8/11/23
SAFETY 3 Lowered 7/31/20
TECHNICAL 3 Raised 7/28/23
BETA .85 (1.00 = Market)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
High:	51.1	46.8	40.8	41.7	36.6	35.2	39.9	49.1	52.5	41.8	48.8	43.3
Low:	40.4	31.3	30.0	28.9	29.3	27.9	29.3	36.3	22.9	29.2	35.3	36.4



Target Price Range

2026	2027	2028

128 96 80 64 48 40 32 24 16 12

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$32-$55	$44 (10%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+65%)	17%
Low	45	(+15%)	8%

Institutional Decisions

	3Q2022	4Q2022	1Q2023
to Buy	327	379	342
to Sell	296	271	289
Hld's(000)	470607	462656	463591

% TOT. RETURN 7/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-0.2	11.5
3 yr.	54.3	59.2
5 yr.	34.7	52.2

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	19.87	19.52	21.78	*23.10*	*24.25*	Revenues per sh	*26.50*
8.34	9.04	8.80	8.50	5.75	6.05	6.30	6.26	7.04	7.04	6.54	5.19	4.80	4.59	5.41	4.71	*4.70*	*4.95*	"Cash Flow" per sh	*5.70*
4.22	4.38	3.32	3.25	1.88	2.13	2.97	2.56	2.71	2.63	2.73	2.59	2.56	2.39	2.60	2.41	*2.55*	*2.70*	Earnings per sh A	*3.10*
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	1.56	*1.62*	*1.72*	Div'd Decl'd per sh B ■	*2.05*
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	4.89	4.29	4.82	*5.90*	*6.05*	Cap'l Spending per sh	*6.50*
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	13.33	15.21	17.77	*18.80*	*19.90*	Book Value per sh C	*23.25*
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	543.12	570.26	572.13	*574.50*	*577.00*	Common Shs Outst'g D	*585.00*
15.6	15.6	13.0	11.7	22.4	21.1	13.1	13.2	12.6	12.7	11.4	13.6	17.1	15.7	14.1	17.0	*Bold figures are*		Avg Ann'l P/E Ratio	*18.0*
.83	.94	.87	.74	1.41	1.34	.74	.69	.63	.67	.57	.73	.91	.81	.76	.99	*Value Line*		Relative P/E Ratio	*1.00*
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%	4.2%	4.3%	3.8%	*estimates*		Avg Ann'l Div'd Yield	*3.7%*

CAPITAL STRUCTURE as of 6/30/23
Total Debt $24008 mill. **Due in 5 Yrs** $6699 mill.
LT Debt $22656 mill. **LT Interest** $975 mill.
Incl. $23 mill. finance leases.
(Total Interest coverage: 3.0x)
Leases, Uncapitalized Annual rentals $56 mill.

Pension Assets-12/22 $6693 mill. **Oblig** $8828 mill.

Pfd Stock None

Common Stock 573,362,380 shs.

MARKET CAP: $22.6 billion (Large Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
14903	15049	15029	14562	14022	11261	11035	10790	11132	12459	*13275*	*14000*	Revenues ($mill)	*15500*
1245.0	1074.0	1144.0	1118.0	1213.0	1346.0	1380.0	1296.0	1419.0	1377.0	*1470*	*1565*	Net Profit ($mill)	*1815*
36.1%	28.4%	35.8%	37.4%	37.2%	28.5%	19.8%	13.6%	20.6%	48.1%	*21.0%*	*21.0%*	Income Tax Rate	*21.0%*
6.0%	11.0%	10.2%	9.2%	6.5%	4.8%	5.1%	5.9%	5.3%	6.1%	*6.0%*	*6.0%*	AFUDC % to Net Profit	*6.0%*
55.5%	60.7%	60.7%	74.5%	84.3%	72.3%	73.8%	75.4%	71.9%	67.6%	*67.0%*	*66.0%*	Long-Term Debt Ratio	*62.0%*
44.5%	39.3%	39.3%	25.5%	15.7%	27.4%	26.2%	24.6%	28.1%	32.4%	*33.0%*	*34.0%*	Common Equity Ratio	*38.0%*
28523	31596	31613	24433	25040	24565	26593	29368	30923	31369	*32850*	*33550*	Total Capital ($mill)	*35700*
33252	35783	37214	29387	28879	29911	31650	33294	34744	36285	*38525*	*39650*	Net Plant ($mill)	*46600*
6.0%	5.0%	5.3%	6.6%	7.0%	7.4%	6.8%	6.0%	6.2%	5.9%	*6.0%*	*6.0%*	Return on Total Cap'l	*6.5%*
9.8%	8.6%	9.2%	17.9%	30.9%	19.8%	19.8%	17.9%	16.4%	13.5%	*13.5%*	*13.5%*	Return on Shr. Equity E	*13.5%*
9.8%	8.6%	9.2%	17.9%	30.9%	18.9%	19.7%	17.9%	16.4%	13.5%	*13.5%*	*13.5%*	Return on Com Equity E	*13.5%*
2.6%	3.8%	4.3%	8.1%	14.6%	8.4%	8.1%	6.2%	6.6%	4.8%	*5.0%*	*5.0%*	Retained to Com Eq	*4.5%*
74%	56%	53%	55%	53%	58%	59%	65%	60%	65%	*63%*	*64%*	All Div'ds to Net Prof	*66%*

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (MWH)	-4.0	+2.4	+1.5
Residential Use (MWH)	54978	55624	55995
Commercial Use (MWH)	34811	35599	36317
Industrial Use (MWH)	52034	54027	55169
Tot. Electric Deliv'd (MWH)	141823	145250	147481
Peak Load Summer (Mw)	NA	NA	NA
% Change Customers (yr-end)	+.6	+.4	+.4
Fixed Charge Cov. (%)	203	171	291

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 6.214 million customers in OH, PA, NJ, WV, MD, & NY. Acq'd Allegheny Energy 2/11. Electric revenue breakdown: residential, 57.2%; commercial, industrial & other, 42.8%. Purchases most of its power. Power costs: 36.9% of revenues. 2022 reported depreciation rate: 2.7%. Has 12,335 employees. Chair: John W. Somerhalder II. President and CEO: Brian X. Tierney. Incorporated: Ohio. Address: 76 South Main Street, Akron, Ohio 44308-1890. Telephone: 800-736-3402. Internet: www.firstenergycorp.com.

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	-6.5%	-9.5%	*4.0%*
"Cash Flow"	-3.0%	-6.5%	*2.5%*
Earnings	- -	-1.5%	*4.0%*
Dividends	-3.5%	1.5%	*4.5%*
Book Value	-6.5%	-2.5%	*7.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	2709	2522	3022	2537	10790
2021	2726	2622	3124	2660	11132
2022	2989	2818	3475	3177	12459
2023	3231	3006	*3675*	*3363*	*13275*
2024	*3400*	*3175*	*3875*	*3550*	*14000*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.66	.57	.84	.32	2.39
2021	.69	.59	.82	.51	2.60
2022	.60	.53	.79	.50	2.41
2023	.60	.47	*.90*	*.58*	*2.55*
2024	*.65*	*.50*	*.95*	*.60*	*2.70*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.38	.38	.38	.38	1.52
2020	.39	.39	.39	.39	1.56
2021	.39	.39	.39	.39	1.56
2022	.39	.39	.39	.39	1.56
2023	.39	.39			

FirstEnergy's new chief executive should be able to build upon the many positives that have taken place at the company of late. On June 1st, Brian Tierney, who served as American Electric Power's executive vice president of strategy after a 12-year stretch as that company's CFO, replaced Interim President and CEO John Somerhalder, who will stay on as FirstEnergy's board chair. Subscribers may recall that in 2021 the company settled its bribery charges with federal prosecutors and Ohio regulators. A growth-oriented plan that leverages the flexibility and strengths of FirstEnergy's huge Mid-Atlantic and contiguous service area was erected. Equity injections of $1 billion were received, followed by the mid-2022 sale of a minority interest in the company's long-range transmission assets for $2.38 billion. Fitch lifted FirstEnergy's credit rating to investment grade, and other agencies may well follow suit now that an additional stake went under contract, to be sold for $3.5 billion, with an early-2024 closing date. Notably, the company will retain nearly 70% of its overall transmission portfolio.

The company appears on target for solid annual bottom-line gains this year and next. Management recently affirmed its 2023 operating earnings projection of $2.44-$2.64 per share, following a decent close to the first half of the year, considering milder-than-typical weather in much of FirstEnergy's service area. Higher pension expense, stemming from last year's weak stock and bond markets, is a significant headwind for this year that will probably moderate in 2024.

FirstEnergy is likely to resume dividend growth later this year. The board increased the payout target to 60%-70% of profits, clearing the way for a fourth-quarter increase in the disbursement. The substantial infrastructure investments the company is making in its vast service area, plus forthcoming rate relief, should drive 5%-7% annual earnings and dividend growth from last year's base through late decade. The mix of income, growth and valuation should appeal to patient utility investors as the balance sheet improves. Annual total return potential exceeds the peer median by 280 basis points.

Anthony J. Glennon *August 11, 2023*

(A) Dil. EPS. Excl. nonrec. loss: '13, $2.07; '14, $2.05; '15, $1.34; '16, $17.12; '17, $6.61; '18, $1.26; '19, 89¢; '20, 54¢; '21, 33¢; '22, $1.70; '23, 14¢; gains from disc. ops.: '18, 66¢; '20, 14¢; '21, 8¢. Qtrly. EPS don't sum due to chg. in shs. Next egs. report due Nov. (B) Div'ds pd. early Mar., June, Sept., & Dec. 3 div'ds in '13, 5 in '18. ■ Div'd reinv. avail. (C) Incl. intang. In '22: $9.88/sh. (D) In mill. (E) High ROE from large writeoffs. Rate base: Depr. orig. cost. Rates all'd on com. eq.: 9.6-11.7%; Reg.: OH, Above Avg.; PA, NJ Avg.; MD, WV Below Avg.

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

EVERGY, INC. NYSE-EVRG

RECENT PRICE **57.46** | P/E RATIO **15.7** (Trailing: 17.2 / Median: NMF) | RELATIVE P/E RATIO **0.96** | DIV'D YLD **4.4%** | VALUE LINE

TIMELINESS 3 Raised 2/3/23
SAFETY 2 New 9/14/18
TECHNICAL 3 Raised 5/26/23
BETA .90 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$51-$84	$68 (15%)

2026-28 PROJECTIONS

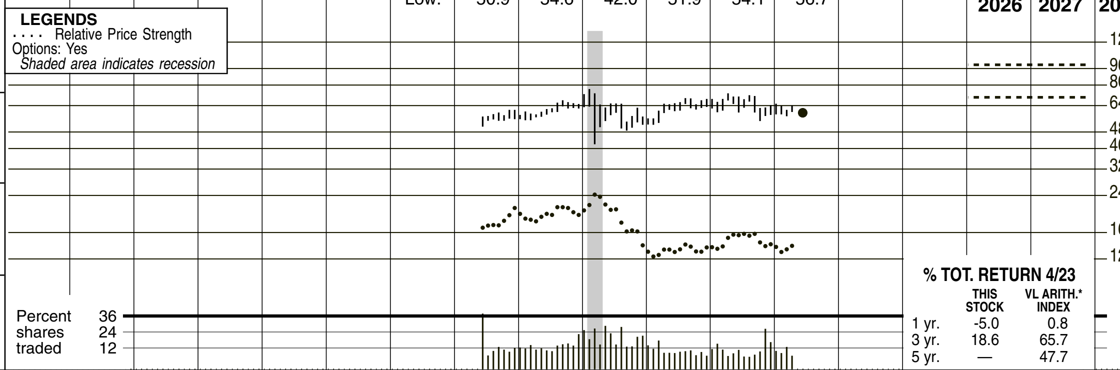
	Price	Gain	Ann'l Total Return
High	100	(+75%)	*18%*
Low	70	(+20%)	*9%*

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	304	305	358
to Sell	252	250	268
Hld's(000)	194242	193700	191450

	2018	2019	2020	2021	2022	2023
High:	61.1	67.8	76.6	69.4	73.1	65.4
Low:	50.9	54.6	42.0	51.9	54.1	56.7

Target Price Range: 2026 | 2027 | 2028



% TOT. RETURN 4/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-5.0	0.8
3 yr.	18.6	65.7
5 yr.	—	47.7

Evergy, Inc. was formed through the merger of Great Plains Energy and Westar Energy in June of 2018. Great Plains Energy holders received .5981 of a share of Evergy for each of their shares, and Westar Energy holders received one share of Evergy for each of their shares. The merger was completed on June 4, 2018. Shares of Evergy began trading on the New York Stock Exchange one day later.

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
- -	- -	- -	- -	- -	16.75	22.71	21.66	24.36	25.49	***25.20***	***26.10***	Revenues per sh	***27.40***
- -	- -	- -	- -	- -	4.89	7.18	7.06	8.18	7.34	***7.95***	***8.20***	"Cash Flow" per sh	***9.20***
- -	- -	- -	- -	- -	2.50	2.79	2.72	3.83	3.26	***3.65***	***3.85***	Earnings per sh A	***4.85***
- -	- -	- -	- -	- -	1.74	1.93	2.05	2.18	2.33	***2.53***	***2.61***	Div'd Decl'd per sh B ■	***3.05***
- -	- -	- -	- -	- -	4.19	5.34	6.88	8.60	9.41	***9.20***	***9.25***	Cap'l Spending per sh	***9.50***
- -	- -	- -	- -	- -	39.28	37.82	38.50	40.32	41.86	***42.70***	***44.10***	Book Value per sh C	***47.50***
- -	- -	- -	- -	- -	255.33	226.64	226.84	229.30	229.90	***230.00***	***230.00***	Common Shs Outst'g D	***230.00***
- -	- -	- -	- -	- -	22.7	21.8	21.7	16.2	19.9			Avg Ann'l P/E Ratio	***17.5***
- -	- -	- -	- -	- -	1.23	1.16	1.11	.88	1.15			Relative P/E Ratio	***.95***
- -	- -	- -	- -	- -	3.1%	3.2%	3.5%	3.5%	4.0%			Avg Ann'l Div'd Yield	***3.7%***
- -	- -	- -	- -	- -	4275.9	5147.8	4913.4	5586.7	5859.1	***5800***	***6000***	Revenues ($mill)	***6300***
- -	- -	- -	- -	- -	535.8	669.9	618.3	879.7	752.7	***840***	***885***	Net Profit ($mill)	***1115***
- -	- -	- -	- -	- -	9.8%	12.6%	14.1%	11.7%	5.8%	***9.0%***	***9.0%***	Income Tax Rate	***9.0%***
- -	- -	- -	- -	- -	2.5%	2.5%	5.5%	5.0%	5.1%	***6.0%***	***6.0%***	AFUDC % to Net Profit	***5.0%***
- -	- -	- -	- -	- -	40.0%	50.6%	51.3%	50.1%	50.0%	***51.5%***	***51.5%***	Long-Term Debt Ratio	***53.5%***
- -	- -	- -	- -	- -	60.0%	49.4%	48.7%	49.9%	48.0%	***48.5%***	***48.5%***	Common Equity Ratio	***46.5%***
- -	- -	- -	- -	- -	16716	17337	17924	18542	19668	***20175***	***21250***	Total Capital ($mill)	***23400***
- -	- -	- -	- -	- -	18952	19346	20106	21150	22137	***23150***	***24200***	Net Plant ($mill)	***26300***
- -	- -	- -	- -	- -	4.0%	4.8%	4.5%	5.7%	6.9%	***5.5%***	***5.5%***	Return on Total Cap'l	***6.0%***
- -	- -	- -	- -	- -	5.3%	7.8%	7.1%	9.5%	8.1%	***9.0%***	***9.0%***	Return on Shr. Equity	***10.0%***
- -	- -	- -	- -	- -	5.3%	7.8%	7.1%	9.5%	8.1%	***9.0%***	***9.0%***	Return on Com Equity E	***10.0%***
- -	- -	- -	- -	- -	.6%	2.4%	1.8%	4.1%	3.1%	***3.0%***	***3.0%***	Retained to Com Eq	***3.5%***
- -	- -	- -	- -	- -	89%	69%	75%	57%	73%	***69%***	***68%***	All Div'ds to Net Prof	***63%***

Bold figures are Value Line estimates

CAPITAL STRUCTURE as of 3/31/23
Total Debt $10236.6 mill. **Due in 5 Yrs** $4388.2 mill.
LT Debt $10097.2 mill. **LT Interest** $305.5 mill.
Incl. $40.9 mill. finance leases.
(LT interest earned: 3.8x)

Leases, Uncapitalized Annual rentals $18.8 mill.

Pension Assets-12/22 $1714.7 mill. **Oblig** $2561.7 mill.

Pfd Stock None

Common Stock 229,680,947 shs.
MARKET CAP: $13.2 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2020	2020	2021
% Change Retail Sales (KWH)	-3.9	+3.1	+6.7
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	7.14	6.94	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. (%)	286	350	NA

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	- -	- -	*2.5%*
"Cash Flow"	- -	- -	*5.0%*
Earnings	- -	- -	*7.5%*
Dividends	- -	- -	*7.0%*
Book Value	- -	- -	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	1116	1184	1517	1094	4913.4
2021	1611	1236	1616	1122	5586.7
2022	1223	1446	1909	1281	5859.1
2023	1297	***1450***	***1700***	***1353***	***5800***
2024	***1250***	***1500***	***1950***	***1300***	***6000***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.31	.59	1.60	.22	2.72
2021	.84	.81	1.95	.23	3.83
2022	.53	.84	1.86	.03	3.26
2023	.62	***.85***	***2.00***	***.18***	***3.65***
2024	***.60***	***.85***	***2.10***	***.30***	***3.85***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.475	.475	.475	.505	1.93
2020	.505	.505	.505	.535	2.05
2021	.535	.535	.535	.5725	2.18
2022	.5725	.5725	.5725	.6125	2.33
2023	.6125				

BUSINESS: Evergy, Inc. was formed through the merger of Great Plains Energy and Westar Energy in June of 2018. Through its subsidiaries (now doing business under the Evergy name), provides electric service to 1.6 million customers in Kansas and Missouri, including the greater Kansas City area. Electric revenue breakdown: residential, 32%; commercial, 27%; industrial, 15%; wholesale, 13%; other, 13%. Generating sources: coal, 54%; nuclear, 17%; purchased, 29%. Fuel costs: 28% of revenues. '22 reported deprec. rate: 3%. Has 4,900 employees. Chairman: Mark A. Ruelle. President & CEO: David A. Campbell. COO: Kevin E. Bryant. Inc.: Missouri. Address: 1200 Main Street, Kansas City, Missouri 64105. Tel.: 816-556-2200. Internet: www.evergy.com.

Evergy's utilities in Kansas have filed general rate cases. The company's Kansas Central utility requested an increase of $204 million, based on a return on equity of 10.25% and a common-equity ratio of 52%. Its Kansas Metro utility filed for a hike of $14 million, based on a 10.25% return on equity and a 52% common-equity ratio. These are the first rate cases Evergy has filed with the Kansas Corporation Commission in five years. New tariffs are expected to take effect in December, and will be too late to have a significant impact on the bottom-line this year.

Our 2023 earnings projection is staying put at $3.65 per share, which is the midpoint of Evergy's updated guidance range of $3.55-$3.75. We think rate relief in Kansas and investments in the company's transmission system will both remain key factors to profit growth over the next few years. Higher transmission margins due to ongoing investments, increased the bottom-line by $0.02 a share in the March period. As a result of the aforementioned factors, we expect earnings to improve in 2024 to $3.85 per share, within Evergy's annual goal of 6%-8% growth from 2021 to 2025, based on the midpoint of managements original 2021 guidance of $3.30.

Evergy recently completed its $250 million acquisition of Persimmon Creek Wind Farm. The purchase will help boost the renewable energy business while eliminating coal-based energy sources, as well as provide an improved grid at low costs to customers. The acquisition is also expected to increase earnings by $0.05 per share and assist the utility in reaching its goal of net-zero carbon emissions by 2045.

Evergy shares have continued to underperform of late. The stock is down more than 5% in value since our March report, and is now down nearly 20% over the past 12 months. Capital appreciation potential to 2026-2028 has improved due to the recent price decline, and return prospects over that interim are solid for a utility. The main attraction here remains the dividend. The yield of 4.4% sits well above the industry average. Evergy also holds a strong potential dividend growth rate of 7.0%.

Zachary J. Hodgkinson *June 9, 2023*

(A) Diluted earnings. Next earnings report due early Aug. **(B)** Dividends paid in mid-March, June, September, and December. ■ Dividend reinvestment plan available. **(C)** Incl. intangibles. **(D)** In millions. **(E)** Rate base: Original cost depreciated. Rate allowed on common equity in Missouri in '18: none specified; in Kansas in '18: 9.3%; earned on average common equity, '22: 9.8%. Regulatory Climate: Average.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	35
Earnings Predictability	85

HAWAIIAN ELECTRIC NYSE-HE

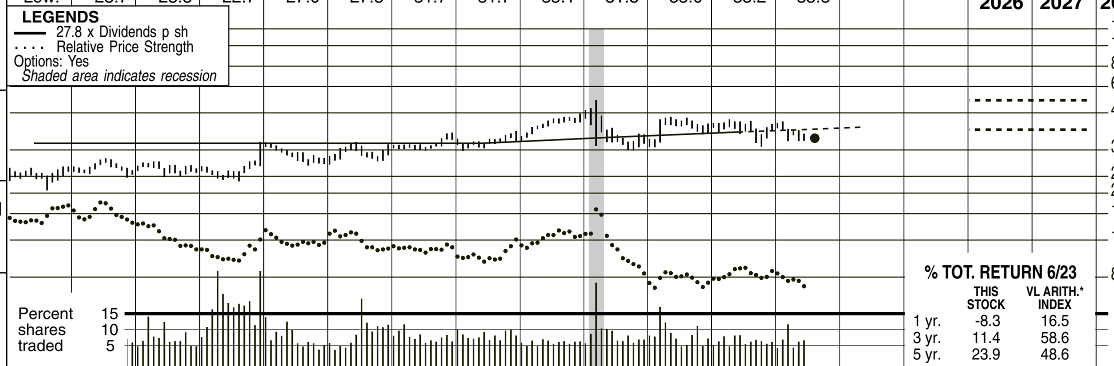
RECENT PRICE 36.42 | P/E RATIO 16.6 (Trailing: 17.6 / Median: 19.0) | RELATIVE P/E RATIO 0.96 | DIV'D YLD 4.0% | VALUE LINE

TIMELINESS 4 Lowered 6/30/23
SAFETY 2 Raised 11/2/12
TECHNICAL 3 Raised 5/26/23
BETA .85 (1.00 = Market)

High:	29.2	28.3	35.0	34.9	35.0	38.7	39.3	47.6	55.2	46.0	44.7	43.7
Low:	23.7	23.8	22.7	27.0	27.3	31.7	31.7	35.1	31.8	33.0	33.2	35.3

LEGENDS
27.8 x Dividends p sh
.... Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2026 | 2027 | 2028



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$33-$54	$44 (20%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+50%)	14%
Low	40	(+10%)	7%

Institutional Decisions

	3Q2022	4Q2022	1Q2023
to Buy	141	163	143
to Sell	147	132	148
Hld's(000)	58730	60941	58685

Percent shares traded 15 10 5

% TOT. RETURN 6/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-8.3	16.5
3 yr.	11.4	58.6
5 yr.	23.9	48.6

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	23.63	26.08	34.18	*35.00*	*35.60*	Revenues per sh	*36.95*
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	4.48	4.80	4.90	*4.95*	*5.15*	"Cash Flow" per sh	*6.10*
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	1.81	2.25	2.20	*2.20*	*2.35*	Earnings per sh A	*2.75*
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	1.36	1.40	*1.44*	*1.48*	Div'd Decl'd per sh B	*1.66*
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	3.52	2.88	3.14	*3.45*	*3.50*	Cap'l Spending per sh	*4.10*
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	21.41	21.87	20.12	*20.95*	*22.00*	Book Value per sh C	*25.00*
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	109.18	109.31	109.47	*110.00*	*111.00*	Common Shs Outst'g D	*111.00*
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	21.5	18.2	18.5	*Bold figures are*		Avg Ann'l P/E Ratio	*17.0*
1.15	1.40	1.32	1.18	1.07	1.01	.91	.84	1.03	.71	1.04	1.02	1.13	1.10	.98	1.07	*Value Line*		Relative P/E Ratio	*.95*
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%	3.4%	3.3%	3.4%	*estimates*		Avg Ann'l Div'd Yield	*3.6%*

CAPITAL STRUCTURE as of 3/31/23
Total Debt $2717.8 mill. **Due in 5 Yrs** $545.0 mill.
LT Debt $2396.9 mill. **LT Interest** $108.0 mill.
Incl. $88.0 mill. finance leases.
(Total Interest Coverage: 3.7x)
Leases, Uncapitalized Annual rentals $11.2 mill.

Pension Assets-12/22 $1806.4 mill. **Oblig** $1856.4 mill.
Pfd Stock $34.3 mill. **Pfd Div'd** $1.9 mill.

Common Stock 109,572,075 shs.
as of 4/18/23
MARKET CAP: $4.0 billion (Mid Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
3238.5	3239.5	2603.0	2380.7	2555.6	2860.8	2874.6	2579.8	2850.4	3742.0	*3850*	*3950*	Revenues ($mill)	*4100*
163.4	170.2	161.8	250.1	180.6	203.7	219.8	199.7	248.1	243.0	*245*	*260*	Net Profit ($mill)	*310*
34.0%	35.0%	36.5%	33.1%	34.7%	20.0%	19.0%	17.0%	20.2%	20.1%	*19.0%*	*19.0%*	Income Tax Rate	*19.0%*
4.8%	5.5%	5.8%	4.6%	9.6%	7.7%	7.5%	5.9%	5.2%	5.8%	*7.0%*	*6.0%*	AFUDC % to Net Profit	*6.0%*
44.0%	45.2%	43.5%	41.6%	43.4%	47.5%	44.6%	46.5%	46.4%	50.3%	*50.5%*	*49.0%*	Long-Term Debt Ratio	*46.0%*
55.0%	53.8%	55.5%	57.5%	55.7%	51.7%	54.6%	52.7%	52.8%	49.0%	*49.0%*	*50.5%*	Common Equity Ratio	*53.5%*
3142.9	3332.3	3473.5	3595.1	3765.5	4182.3	4176.9	4435.9	4524.1	4498.5	*4700*	*4850*	Total Capital ($mill)	*5175*
3858.9	4148.8	4377.7	4603.5	5025.9	4830.1	5109.6	5265.7	5392.1	5687.0	*5775*	*5850*	Net Plant ($mill)	*6075*
6.4%	6.2%	5.7%	7.9%	5.8%	5.9%	6.3%	5.5%	6.4%	6.4%	*6.0%*	*6.5%*	Return on Total Cap'l	*7.0%*
9.3%	9.3%	8.2%	11.9%	8.5%	9.3%	9.5%	8.4%	10.2%	10.9%	*10.5%*	*10.5%*	Return on Shr. Equity	*11.0%*
9.4%	9.4%	8.3%	12.0%	8.5%	9.3%	9.6%	8.5%	10.3%	10.9%	*10.5%*	*10.5%*	Return on Com Equity E	*11.0%*
3.7%	2.3%	1.5%	6.3%	2.1%	3.1%	3.4%	2.3%	4.1%	4.0%	*3.5%*	*4.0%*	Retained to Com Eq	*4.5%*
61%	75%	83%	48%	76%	67%	64%	73%	61%	64%	*65%*	*63%*	All Div'ds to Net Prof F	*61%*

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	NA	NA	NA
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	24.21	26.88	36.75
Capacity at Yearend (Mw)	2254	2278	2100
Peak Load, Winter (Mw)	1471	1471	1467
Annual Load Factor (%)	66.2	67.2	68.2
% Change Customers (yr-end)	+.6	+.5	-.2
Fixed Charge Cov. (%)	337	393	356

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	-1.5%	4.0%	*4.5%*
"Cash Flow"	4.5%	5.0%	*4.5%*
Earnings	4.0%	3.0%	*4.5%*
Dividends	1.0%	2.0%	*3.5%*
Book Value	3.0%	2.5%	*3.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	677.2	609.0	641.4	652.2	2579.8
2021	642.9	680.3	756.9	770.3	2850.4
2022	785.1	895.6	1042	1019	3742.0
2023	928.2	*921*	*1000*	*1000.8*	*3850*
2024	*945*	*955*	*1035*	*1015*	*3950*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.31	.45	.59	.46	1.81
2021	.59	.58	.58	.50	2.25
2022	.63	.48	.57	.52	2.20
2023	.50	*.55*	*.65*	*.50*	*2.20*
2024	*.50*	*.60*	*.70*	*.55*	*2.35*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.32	.32	.32	.32	1.28
2020	.33	.33	.33	.33	1.32
2021	.34	.34	.34	.34	1.36
2022	.35	.35	.35	.35	1.40
2023	.36	.36			

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 469,668 customers on Oahu, Maui, Molokai, Lanai, & Hawaii. Operating companies' systems are not interconnected. Elec. rev. breakdown: residential, 44%; commercial, 19%; industrial, 37%; other, less than 1%. Generating sources: oil, 52%; purchased, 48%. Fuel costs: 50%+ of revs. '22 reported deprec. rate: 3.3%. Has 3,756 employees. Chairman: Tom Fargo. Pres. & CEO: Scott Seu. Inc.: HI. Address: 1001 Bishop St., Suite 2900, Honolulu, HI 96808-0730. Telephone: 808-543-5662. Internet: www.hei.com.

Weakness at the savings bank will likely mean a flat bottom-line performance for Hawaiian Electric Industries this year. The holding company was off to an inauspicious start to 2023. This was partially due to higher year-over-year operating and maintenance expense at the electric utility, resulting from heavy storm damage during the island chain's rainy season. It should be noted that the first quarter of 2022 included a $0.06 gain on the sale of an asset, making for a difficult consolidated quarterly comparison. Leadership still expects a decent year from the Hawaiian Electric Company (HECO). The outlook for $1.75-$1.85 per share of annual utility earnings has not changed. The same can not be said for American Savings Bank (ASB). Management is targeting ASB's earnings per share to come in at the low end of the $0.75-$0.85 range of expectations it initially provided to the investment community. Higher funding costs are squeezing net interest margin. Meanwhile, holding company and other segment losses are likely to be in the $0.35-$0.36 range. The tally of all the parts is about $2.20 a share.

We expect annual growth to resume in 2024. Overall, the banking arm appears to be in much better shape than comparably sized peers. ASB's depositor base, 86% of which are FDIC-insured retail clients, has remained a steady source of funding with no unusual changes to customer behavior despite the challenges across the banking sector. Hawaii has its own unique banking industry, characterized by loyal long-term customers and a generally even-keeled economy and stable housing market. Pressures on funding costs should taper next year assuming the Federal Reserve remains less aggressive regarding interest rate hikes. Meanwhile, HECO ought to benefit from a steady stream of solar projects, which have been green-lighted by regulators. A reduction in expensive hydrocarbon fuel costs and purchased power should be coupled with solid rate-base growth for years.

This issue, however, is untimely. Although the stock has traded down this year, HE looks like a middle-of-the-pack performer in terms of annual total return prospects amongst electric utility peers.

Anthony J. Glennon *July 21, 2023*

(A) Diluted EPS. Excl. nonrec. losses: '07, 9¢; '12, 25¢; '17, 12¢. EPS don't sum due to rounding. Next earnings report due early August. **(B)** Div'ds paid early March, June, Sept., & Dec. ■ Div'd reinvestment plan avail. **(C)** Incl. deferred cahrges. In '22: $272.4 mill., $2.49/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%; Regulatory Climate: Below Avg. **(F)** Excl. div'ds paid through reinv. plan.

Company's Financial Strength	A
Stock's Price Stability	85
Price Growth Persistence	50
Earnings Predictability	80

IDACORP, INC. NYSE-IDA

RECENT PRICE 102.78 | P/E RATIO 20.0 (Trailing: 19.4 Median: 20.0) | RELATIVE P/E RATIO 1.16 | DIV'D YLD 3.2% | VALUE LINE

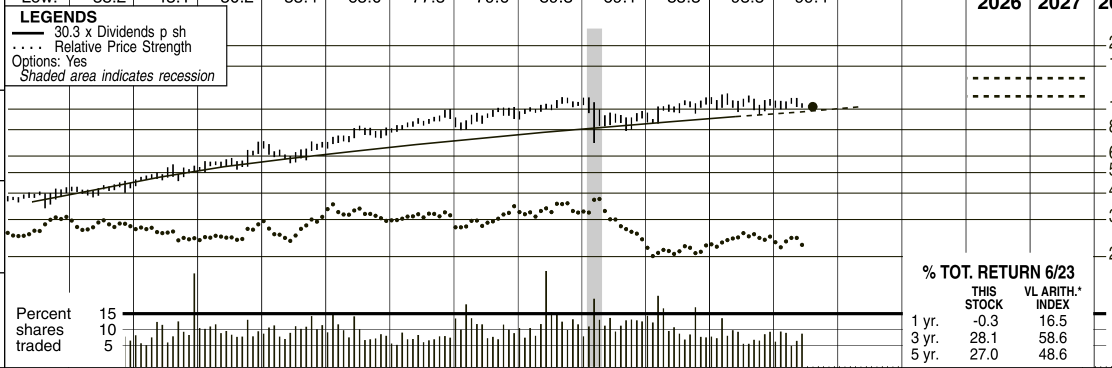
High:	45.7	54.7	70.1	70.5	83.4	100.0	102.4	114.0	113.6	113.8	118.9	113.0	
Low:	38.2	43.1	50.2	55.4	65.0	77.5	79.6	89.3	69.1	85.3	93.5	99.4	

TIMELINESS 2 Lowered 7/7/23
SAFETY 1 Raised 1/22/21
TECHNICAL 3 Lowered 7/21/23
BETA .80 (1.00 = Market)

Target Price Range
2026 | 2027 | 2028

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$88-$143	$116 (10%)



2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	140	(+35%)	11%
Low	115	(+10%)	6%

Institutional Decisions

	3Q2022	4Q2022	1Q2023
to Buy	159	187	174
to Sell	155	162	153
Hld's(000)	40715	41351	41405

% TOT. RETURN 6/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-0.3	16.5
3 yr.	28.1	58.6
5 yr.	27.0	48.6

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	26.77	28.86	32.51	*34.30*	*34.95*	Revenues per sh	*37.25*
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	8.19	8.41	8.55	*8.80*	*9.30*	"Cash Flow" per sh	*10.65*
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	4.69	4.85	5.11	*5.15*	*5.40*	Earnings per sh A	*6.30*
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	2.88	3.04	*3.20*	*3.40*	Div'd Decl'd per sh B ■ †	*4.15*
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	6.16	5.94	8.56	*14.00*	*16.00*	Cap'l Spending per sh	*11.00*
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	50.73	52.82	55.52	*57.95*	*60.25*	Book Value per sh C	*67.00*
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	50.46	50.52	50.56	*51.00*	*51.50*	Common Shs Outst'g D	*53.00*
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	19.9	20.8	21.0	*Bold figures are*		Avg Ann'l P/E Ratio	*20.0*
.97	.84	.68	.75	.72	.79	.75	.77	.82	1.00	1.04	1.11	1.19	1.02	1.12	1.21	*Value Line*		Relative P/E Ratio	*1.10*
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%	2.9%	2.9%	2.8%	*estimates*		Avg Ann'l Div'd Yield	*3.3%*

CAPITAL STRUCTURE as of 3/31/23
Total Debt $2608.1 mill. **Due in 5 Yrs** $335.0 mill.
LT Debt $2483.1 mill. **LT Interest** $110.0 mill.
(Total Interest Coverage: 4.0x)

Pension Assets-12/22 $839.7 mill.
Oblig $953.8 mill.

Pfd Stock None

Common Stock 50,607,611 shs.
as of 4/28/23

MARKET CAP: $5.2 billion (Mid Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
1246.2	1282.5	1270.3	1262.0	1349.5	1370.8	1346.4	1350.7	1458.1	1644.0	*1750*	*1800*	Revenues ($mill)	*1975*
182.4	193.5	194.7	198.3	212.4	226.8	232.9	237.4	245.6	259.0	*265*	*280*	Net Profit ($mill)	*335*
28.3%	8.0%	19.0%	15.5%	18.6%	7.1%	9.5%	10.8%	13.1%	12.7%	*13.0%*	*13.0%*	Income Tax Rate	*13.0%*
12.3%	13.6%	16.3%	16.3%	13.9%	15.2%	16.2%	17.3%	17.7%	19.8%	*15.0%*	*15.0%*	AFUDC % to Net Profit	*16.0%*
46.6%	45.3%	45.6%	44.8%	43.7%	43.6%	41.3%	43.9%	42.8%	43.9%	*46.5%*	*47.0%*	Long-Term Debt Ratio	*50.0%*
53.4%	54.7%	54.4%	55.2%	56.3%	56.4%	58.7%	56.1%	57.2%	56.1%	*53.5%*	*53.0%*	Common Equity Ratio	*50.0%*
3465.9	3567.6	3783.3	3898.5	3997.5	4205.1	4201.3	4560.4	4669.1	5001.4	*5430*	*5800*	Total Capital ($mill)	*7000*
3665.0	3833.5	3992.4	4172.0	4283.9	4395.7	4531.5	4709.5	4901.8	5173.0	*5650*	*6000*	Net Plant ($mill)	*7000*
6.4%	6.6%	6.2%	6.1%	6.3%	6.4%	6.5%	6.1%	6.2%	6.1%	*6.0%*	*6.0%*	Return on Total Cap'l	*5.5%*
9.9%	9.9%	9.5%	9.2%	9.4%	9.6%	9.4%	9.3%	9.2%	9.2%	*9.0%*	*9.0%*	Return on Shr. Equity	*9.5%*
9.9%	9.9%	9.5%	9.2%	9.4%	9.6%	9.4%	9.3%	9.2%	9.2%	*9.0%*	*9.0%*	Return on Com Equity E	*9.5%*
5.6%	5.4%	4.8%	4.3%	4.4%	4.4%	4.2%	3.9%	3.7%	3.7%	*3.5%*	*3.5%*	Retained to Com Eq	*3.5%*
43%	46%	50%	53%	53%	54%	56%	58%	60%	60%	*62%*	*63%*	All Div'ds to Net Prof	*66%*

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	+2.0	+3.9	+7.3
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	3392	3751	3568
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+2.7	+2.8	+2.4
Fixed Charge Cov. (%)	313	334	419

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	3.5%	2.5%	*4.0%*
"Cash Flow"	4.0%	3.5%	*4.5%*
Earnings	4.0%	4.0%	*5.0%*
Dividends	8.5%	6.5%	*6.0%*
Book Value	5.0%	4.5%	*4.0%*

Cal-endar	QUARTERLY REVENUES($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	291.0	318.8	425.3	315.6	1350.7
2021	316.1	360.1	446.9	335.0	1458.1
2022	344.3	358.7	518.0	422.9	1644.0
2023	429.7	*360*	*550*	*410.3*	*1750*
2024	*440*	*370*	*560*	*430*	*1800*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.74	1.19	2.02	.74	4.69
2021	.89	1.38	1.93	.65	4.85
2022	.91	1.27	2.10	.83	5.11
2023	1.11	*1.30*	*1.99*	*.75*	*5.15*
2024	*1.10*	*1.35*	*2.10*	*.85*	*5.40*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.63	.63	.63	.67	2.56
2020	.67	.67	.67	.71	2.72
2021	.71	.71	.71	.75	2.88
2022	.75	.75	.75	.79	3.04
2023	.79	.79			

BUSINESS: IDACORP, Inc. is a holding company for Idaho Power Company, a regulated electric utility that serves 618,000 customers throughout a 24,000-square-mile area in southern Idaho and eastern Oregon (population: 1.4 million). Most of the company's revenues are derived from the Idaho portion of its service area. Revenue breakdown: residential, 38%; commercial, 27%; industrial, 22%; irrigation, 12%; other, 1%. Generating sources: hydro, 29%; coal, 20%; gas, 13%; purchased, 39%. Fuel costs: 40% of revenues. '22 reported depreciation rate: 3.0%. Has 2,077 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 think IDACORP will eke out a profit gain in 2023, which would mark its 16th consecutive year of annual earnings-per-share growth. The utility got off to a good start to the year due mainly to strong customer growth in its service area and higher electric rates from mechanistic pricing adjustments. The latter of which are tied to the recoupment of grid modernization and expansion work. In May, leadership affirmed its earnings outlook of $4.95 to $5.15 a share. The main headwind for full-year 2023 net profits will be the interest expense on a significantly rising debt load, which is growing to fund massive infrastructure projects and clean-energy initiatives. At a minimum, the pace of earnings gains will slow this year. That's certainly not a positive, but these sorts of projects are the lifeblood of utilities, as it's how they are able to grow their earnings over time. IDACORP will be able to recoup some of its invested capital in short order from the aforementioned formulaic pricing mechanisms. The company will also be seeking rate relief from its regulatory commissions in Idaho and Oregon over the coming months.

General rate cases (GRC) are in the works. IDACORP has not filed a GRC since 2011. Over the past decade, the population/customer growth has increased by 23%, and the investments made to meet capacity needs have been substantial. What's more, growth in the company's service area has been accelerating, so electric delivery rates will almost assuredly be going up early next year in the company's Idaho territory. The utility will likely be seeking an increase in the 10% neighborhood. The timing for Oregon's GRC filing has not been disclosed yet.

IDACORP shares rank high for both Safety and Timeliness. This is an excellent electric utility that benefits from above-average population growth and a vibrant and growing local economy. This, coupled with the green-energy initiatives in its state territories, should lead to years of 5%-6% earnings gains, on average. The problem for utility investors is that premium companies often come with premium valuations. At the recent quote, IDA's total return potential is two percentage points below the peer-group median.

Anthony J. Glennon *July 21, 2023*

(A) Diluted EPS. Earnings may not sum due to rounding. Next earnings report due early August. **(B)** Dividends historically paid in late February, May, August, and November. ■ Dividend reinvestment plan available. † Shareholder investment plan available. **(C)** Incl. intangibles. In '22: $1421.9 mill., $28.12/sh. **(D)** In millions. **(E)** Rate base: Net original cost. Rate allowed on common equity in '12: 10% (imputed); Regulatory Climate: Above Average.

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

MGE ENERGY, INC. NDQ-MGEE

RECENT PRICE **72.62** | P/E RATIO **21.7** (Trailing: 24.5 Median: 25.0) | RELATIVE P/E RATIO **1.32** | DIV'D YLD **2.2%** | VALUE LINE

TIMELINESS 2 New 6/9/23
SAFETY 2 New 6/9/23
TECHNICAL 1 New 6/9/23
BETA .70 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$61-$102	$82 (15%)

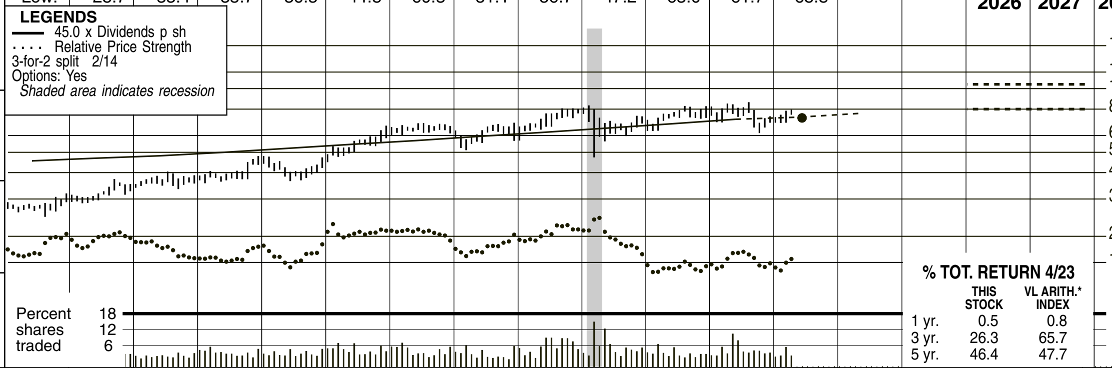
2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	105	(+45%)	11%
Low	80	(+10%)	5%

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	96	86	88
to Sell	72	84	82
Hld's(000)	000	18452	18390

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
High:	37.4	40.5	48.0	48.0	66.9	68.7	68.9	80.8	83.3	82.9	86.3	79.6
Low:	28.7	33.4	35.7	36.5	44.8	60.3	51.1	56.7	47.2	63.0	61.7	68.8



% TOT. RETURN 4/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	0.5	0.8
3 yr.	26.3	65.7
5 yr.	46.4	47.7

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	14.89	16.77	19.76	20.35	20.75	Revenues per sh	23.50
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	4.61	5.05	5.43	5.85	6.25	"Cash Flow" per sh	7.00
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	2.60	2.92	3.07	3.35	3.60	Earnings per sh A	4.00
.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	1.59	1.63	1.70	Div'd Decl'd per sh B ■	1.95
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	5.62	4.24	4.84	4.65	4.00	Cap'l Spending per sh	5.25
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	26.99	28.41	29.91	30.45	31.80	Book Value per sh C	33.00
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	36.16	36.16	36.16	Common Shs Outst'g D	36.16
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	26.4	25.5	24.7	Bold figures are		Avg Ann'l P/E Ratio	23.0
.80	.85	1.01	.95	.99	1.09	.96	.91	1.02	1.31	1.48	1.36	1.51	1.36	1.38	1.43	Value Line		Relative P/E Ratio	1.25
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%	2.1%	2.0%	2.1%	estimates		Avg Ann'l Div'd Yield	2.1%

CAPITAL STRUCTURE as of 3/31/23
Total Debt $687.8 mill. **Due in 5 Yrs** $120.8 mill.
LT Debt $652.8 mill. **LT Interest** $26.6 mill.
Incl. $17.1 mill. finance leases.
(LT interest earned: 2.7x)
Leases, Uncapitalized Annual rentals $2.0 mill.
Pension Assets-12/22 $370 mill.
Oblig $63.8 mill.
Pfd Stock None

Common Stock 36,163,370 shs.
as of 4/26/23
MARKET CAP: $2.6 billion (Mid Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
590.9	619.9	564.0	544.7	563.1	559.8	568.9	538.6	606.6	714.5	735	750	Revenues ($mill)	850
74.9	80.3	71.3	75.6	76.1	84.2	86.9	92.4	105.8	111.0	120	130	Net Profit ($mill)	145
37.5%	37.5%	36.7%	36.0%	36.4%	24.6%	18.5%	17.4%	3.7%	19.1%	18.0%	18.0%	Income Tax Rate	11.0%
5.6%	5.7%	1.3%	2.1%	2.1%	5.2%	3.6%	8.7%	6.3%	1.0%	4.0%	4.0%	AFUDC % to Net Profit	1.0%
39.3%	37.5%	36.2%	34.6%	33.8%	37.7%	38.0%	35.5%	38.1%	35.8%	37.5%	37.5%	Long-Term Debt Ratio	39.0%
60.7%	62.5%	63.8%	65.4%	66.2%	62.3%	62.0%	64.5%	61.9%	64.2%	62.5%	62.5%	Common Equity Ratio	61.0%
1016.9	1054.7	1081.5	1106.9	1176.3	1310.0	1379.4	1512.8	1659.0	1684.0	1775	1850	Total Capital ($mill)	2000
1160.2	1208.1	1243.4	1282.1	1341.4	1509.4	1642.7	1769.4	1878.8	1971.1	2050	2100	Net Plant ($mill)	2300
8.3%	8.6%	7.5%	7.7%	7.3%	7.2%	7.1%	6.8%	7.1%	7.4%	7.0%	7.0%	Return on Total Cap'l	7.5%
12.1%	12.2%	10.3%	10.4%	9.8%	10.3%	10.2%	9.5%	10.3%	10.3%	11.0%	11.5%	Return on Shr. Equity	12.0%
12.1%	12.2%	10.3%	10.4%	9.8%	10.3%	10.2%	9.5%	10.3%	10.3%	11.0%	11.5%	Return on Com Equity E	12.0%
6.1%	6.4%	4.5%	4.7%	4.2%	4.7%	4.6%	4.2%	5.0%	4.9%	5.5%	6.0%	Retained to Com Eq	6.0%
50%	48%	56%	55%	57%	54%	55%	56%	52%	52%	49%	47%	All Div'ds to Net Prof	49%

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	-3.5	+3.2	-.3
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	7.16	7.69	8.71
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. (%)	429	486	517

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	1.0%	1.5%	4.0%
"Cash Flow"	5.5%	7.5%	6.0%
Earnings	5.0%	6.0%	6.5%
Dividends	4.0%	4.5%	6.0%
Book Value	6.0%	6.0%	7.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	149.9	117.0	135.2	136.5	538.6
2021	167.9	130.7	145.9	162.1	606.6
2022	209.0	152.3	163.4	189.8	714.5
2023	217.3	145	155	163.7	735
2024	220	160	170	200	750

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.75	.53	.88	.44	2.60
2021	.96	.63	.97	.36	2.92
2022	.96	.60	.93	.58	3.07
2023	.86	.70	1.05	.74	3.35
2024	.90	.75	1.10	.85	3.60

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec. 31	Full Year
2019	.338	.388	.352	.352	1.38
2020	.352	.352	.37	.37	1.45
2021	.37	.37	.388	.388	1.52
2022	.388	.388	.408	.408	1.59
2023	.407	.407			

BUSINESS: MGE Energy, Inc. is a holding company for Madison Gas and Electric Company (MGE), which provides electric service to 161,000 customers in Dane County and gas service to 173,000 customers in nine counties in Wisconsin. Electric revenue breakdown: residential, 35%; commercial, 50%; industrial, 3%; other, 12%. Generating sources: coal, 35%; gas, 16%; renewables, 22%; purchased power, 27%. Fuel costs: 36% of revenues. '22 reported depreciation rates: electric, 3.2%; 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 are initiating coverage of MGE Energy, Inc. this week in *The Value Line Investment Survey*. The corporation is a holding company for Madison Gas and Electric Company (MGE), which serves the Wisconsin area. The company operates through the following segments: regulated electric utility, regulated gas utility, nonregulated energy, and transmission investments among others. In 2022, MGE's electric operations generated 65% of its total regulated revenues, while gas operations accounted for 35%. As a public utility, MGE is regulated by both the Public Service Commission of Wisconsin (PSCW) and the Federal Energy Regulatory Commission (FERC). Additionally, its subsidiaries must comply with local, state, and federal laws on air quality, water treatment, and solid waste disposal.

The utility posted mixed first-quarter results. Revenues increased 4% year over year, to $217 million. However, the per-share GAAP earnings slipped 9% over the previous-year tally, to $0.86. During the quarter, the company experienced lower electric (-3%) and gas (-14%) retail sales due to warmer-than-normal weather.

Our near-term share-earnings stance is cautiously optimistic. We are assuming normal weather conditions in the coming quarters. The company should benefit from rate relief and management of operating expenses. Hence, we estimate 2023 and 2024 per-share profits to advance approximately 9% and 7%, respectively.

MGE has submitted a rate application for 2024/2025 to state regulators. The utility has proposed a 3.75% increase for electric and a 2.56% increase for gas rates in 2024. For 2025, MGE is requesting a 3.41% increase in electric and a 1.66% hike in gas rates. The PSCW is expected to make a final decision by the end 2023. Additionally, the agency is reviewing deferred fuel costs, which should be completed by the end of this year, too.

Timely shares of MGE Energy have trended upward in price over the past 52 weeks. The issue has modest total return potential. The dividend yield is also on the lower side for a utility. Nonetheless, the company has a track record of stable operating performance and earns a high mark for Safety (2: Above Average).

Emma Jalees *June 9, 2023*

(A) GAAP Diluted earnings. Excludes non-recurring gain: '17, 62¢. '19 earnings don't sum due to rounding. Next earnings report due early August. (B) Div'ds historically paid in mid-March, June, September, and December ■ Div'd reinvestment plan avail. (C) Includes regulatory assets. In '22: $196.6 mill., $5.44/sh. (D) In millions, adj for split. (E) Rate allowed on common equity in '22: 9.8%; Regulatory Climate: Above Average.

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

NEXTERA ENERGY NYSE-NEE

RECENT PRICE **76.80** | P/E RATIO **24.4** (Trailing: 25.5 Median: 23.0) | RELATIVE P/E RATIO **1.45** | DIV'D YLD **2.5%** | VALUE LINE

TIMELINESS 3 Raised 5/5/23
SAFETY 1 Raised 2/16/18
TECHNICAL 4 Raised 5/5/23
BETA .95 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$63-$131	$97 (25%)

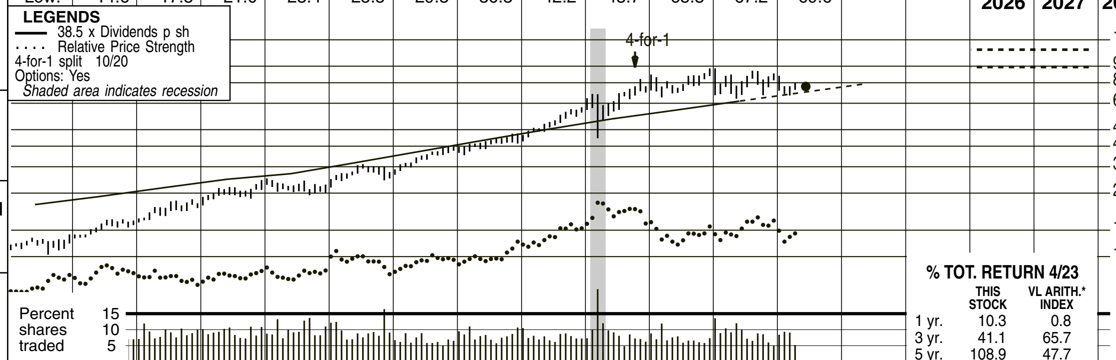
2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	115	(+50%)	13%
Low	95	(+25%)	8%

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	1104	1081	1244
to Sell	949	945	926
Hld's(000)	1514051	1525741	1566738

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
High:	18.1	22.4	27.7	28.2	33.0	39.8	46.1	61.3	83.3	93.7	93.6	86.5
Low:	14.6	17.5	21.0	23.4	25.5	29.3	36.3	42.2	43.7	68.3	67.2	69.6



Target Price Range

2026	2027	2028

% TOT. RETURN 4/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	10.3	0.8
3 yr.	41.1	65.7
5 yr.	108.9	47.7

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	9.18	8.70	10.55	*13.35*	*14.55*	Revenues per sh	*18.00*
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	4.52	4.70	5.30	*5.60*	*5.95*	"Cash Flow" per sh	*7.25*
.82	1.02	.99	1.19	1.21	1.14	1.21	1.40	1.52	1.45	1.63	1.67	1.94	2.31	2.55	2.90	*3.15*	*3.40*	Earnings per sh A	*4.40*
.41	.45	.47	.50	.55	.60	.66	.73	.77	.87	.98	1.11	1.25	1.40	1.54	1.70	*1.87*	*2.06*	Div'd Decl'd per sh B ■ †	*2.74*
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	7.45	8.19	9.70	*9.50*	*9.50*	Cap'l Spending per sh	*9.75*
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	18.63	18.95	19.74	*22.20*	*23.50*	Book Value per sh C	*30.00*
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	1963.0	1987.0	*2025.0*	*2025.0*	Common Shs Outst'g D	*2050.0*
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	28.9	31.3	27.8	*Bold figures are*		Avg Ann'l P/E Ratio	*24.0*
1.00	.87	.89	.69	.72	.92	.93	.91	.85	1.09	1.09	1.34	1.43	1.48	1.69	1.62	*Value Line*		Relative P/E Ratio	*1.35*
2.7%	3.0%	3.5%	3.9%	4.0%	3.6%	3.3%	3.0%	3.0%	2.9%	2.8%	2.7%	2.4%	2.1%	1.9%	2.1%	*estimates*		Avg Ann'l Div'd Yield	*2.6%*

CAPITAL STRUCTURE as of 3/31/23
Total Debt $70641 mill. **Due in 5 Yrs** $29730 mill.
LT Debt $59007 mill. **LT Interest** $1568 mill.

(Total Interest coverage: 4.4x)

Pension Assets-12/22 $4543 mill. **Oblig** $2711 mill.

Pfd Stock None

Common Stock 2,023,421,945 shs.

MARKET CAP: $155.4 billion (Large Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
15136	17021	17486	16155	17195	16727	19204	17997	17069	20956	*27000*	*29500*	Revenues ($mill)	*37000*
2062.0	2465.0	2752.0	2693.0	3074.0	3200.0	3769.0	4552.0	5021.0	5742.0	*6380*	*6895*	Net Profit ($mill)	*9035*
26.9%	32.3%	30.8%	29.3%	24.4%	28.6%	11.7%	13.0%	15.0%	18.2%	*18.0%*	*18.0%*	Income Tax Rate	*18.0%*
7.0%	6.7%	6.9%	8.2%	6.7%	6.6%	4.1%	4.6%	6.3%	4.3%	*4.0%*	*4.0%*	AFUDC % to Net Profit	*4.0%*
57.1%	55.0%	54.2%	53.3%	52.7%	44.0%	50.4%	53.5%	57.8%	58.5%	*57.0%*	*59.0%*	Long-Term Debt Ratio	*60.0%*
42.9%	45.0%	45.8%	46.7%	47.3%	56.0%	49.6%	46.5%	42.2%	41.5%	*43.0%*	*41.0%*	Common Equity Ratio	*40.0%*
42009	44283	49255	52159	59671	60926	74548	78457	88162	94485	*104975*	*116675*	Total Capital ($mill)	*153100*
52720	55705	61386	66912	72416	70334	82010	91803	99348	111059	*125300*	*139350*	Net Plant ($mill)	*180100*
6.2%	7.0%	6.8%	6.3%	6.3%	6.3%	6.0%	6.8%	6.6%	6.9%	*7.0%*	*6.5%*	Return on Total Cap'l	*6.5%*
11.4%	12.4%	12.2%	11.1%	10.9%	9.4%	10.2%	12.5%	13.5%	14.6%	*14.0%*	*14.5%*	Return on Shr. Equity	*14.5%*
11.4%	12.4%	12.2%	11.1%	10.9%	9.4%	10.2%	12.5%	13.5%	14.6%	*14.0%*	*14.5%*	Return on Com Equity E	*14.5%*
5.2%	6.0%	6.1%	4.4%	4.4%	3.2%	3.7%	5.0%	5.4%	6.1%	*6.0%*	*5.5%*	Retained to Com Eq	*5.5%*
54%	51%	50%	60%	60%	66%	64%	60%	60%	58%	*59%*	*61%*	All Div'ds to Net Prof	*62%*

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	NA	NA	+3.0
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)	+1.5	+1.5	+1.5
Fixed Charge Cov. (%)	301	284	370

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	0.5%	1.0%	*11.5%*
"Cash Flow"	7.5%	9.0%	*7.0%*
Earnings	8.0%	11.0%	*9.5%*
Dividends	11.0%	12.0%	*10.0%*
Book Value	8.0%	7.5%	*8.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	4613	4204	4785	4395	17997
2021	3726	3927	4370	5046	17069
2022	2890	5183	6719	6164	20956
2023	6716	*6550*	*7290*	*6444*	*27000*
2024	*6850*	*7400*	*7950*	*7300*	*29500*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.59	.65	.67	.40	2.31
2021	.67	.71	.75	.41	2.55
2022	.74	.81	.85	.51	2.90
2023	.84	*.82*	*.95*	*.54*	*3.15*
2024	*.81*	*.91*	*1.05*	*.63*	*3.40*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.3125	.3125	.3125	.3125	1.25
2020	.35	.35	.35	.35	1.40
2021	.385	.385	.385	.385	1.54
2022	.425	.425	.425	.425	1.70
2023	.4675				

BUSINESS: NextEra Energy, Inc. is a holding company for Florida Power & Light Co. (FPL), which provides electricity to roughly 5.8 million customers in eastern, southern, & northwestern Florida. NextEra Energy Resources is a nonregulated power generator with nuclear, gas, & renewables. Has 55% stake in NextEra Energy Partners. Acquired Gulf Power 1/19; Florida City Gas 7/18. Revenue.: residential, about 55%; commercial/industrial/other, 45%. Generating sources: gas, 71%; nuclear, 21%; solar/other, 7%; purchased, 1%. Fuel costs: 30.5% of revenues. '22 depreciation rate: 3.4%. Employs 15,300. Chairman, President and CEO: John W. Ketchum. Inc.: Florida. Address: 700 Universe Blvd., Juno Beach, FL 33408. Tel.: 561-694-4000. Internet: www.nexteraenergy.com.

NextEra Energy is off to a solid start this year. The company reported March-period adjusted earnings of $0.84 per share, exceeding both our call and the analyst consensus by $0.04 and $0.08, respectively. Healthy bottom-line growth was driven by an 11.2% year-over-year increase in regulatory capital employed by the company's utility, Florida Power & Light. FP&L's allowable return on equity, achieved through electric rate pricing mechanisms as defined by the state regulatory process, is a healthy 10.8%. NextEra leadership is doing a good job of driving efficiencies and keeping costs under control. As such, we're comfortable with our full-year 2023 earnings-per-share estimate being just above management's targeted range of $2.98-$3.13.

Excellent utility fundamentals and the company's expertise in renewable energy should keep the growth engine revving. Florida is the fastest growing state in America, at triple the 0.5% national rate of population growth of the past five years. Unemployment is low and the labor participation rate is high. This results in transmission & distribution work, which along with reliability/hardiness projects in the storm-challenged state, help to keep regulatory capital (aka the rate base) rising. There is also a major opportunity over the next 10 years to expand solar capacity within the rate base from 5% of power generation to 35%. Meantime, the company's nonregulated subsidiary, NextEra Energy Resources, is a major nationwide player in the burgeoning renewable-energy arena.

There's been no recent news on the campaign finance controversy. As discussed in detail in our February report, the top executive at FP&L was accused of funneling $1.3 million into nonprofits, which used the funds to help defeat candidates who held positions contrary to the utility's best interests. He has since retired. A formal complaint was filed with the Federal Election Commision seven months ago, but thus far there is no indication that the matter will be pursued by state or federal prosecutors.

NextEra stock offers appealing appreciation potential to the midpoint of our 18-month Target Price Range.

Anthony J. Glennon *May 12, 2023*

(A) Diluted EPS. Excl. nonrecurring gains/(losses): '11, (6¢); '13, (20¢); '16, 12¢; '17, $1.22¢; '18, $1.80; '20, (83¢); '21, (74¢); '22, (80¢); 1Q '23, 20¢; disc. ops.: '13, 11¢. EPS may not some to full yr. due to rounding. Next egs. report due late July. (B) Div'ds paid in mid-Mar., mid-June, mid-Sept., & mid-Dec. ■ Div'd reinvestment plan avail. † Shareholder investment plan avail. (C) Incl. deferred charges. In '22: $6.38/sh. (D) In mill., adj. for stock split. (E) Rate all'd on com. eq. in '22 (FPL): 9.8%-11.8%; Regulatory Climate: Average.

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

NORTHWESTERN NDQ-NWE

RECENT PRICE **56.16** | P/E RATIO **16.3** (Trailing: 17.2 / Median: 17.0) | RELATIVE P/E RATIO **0.94** | DIV'D YLD **4.6%** | **VALUE LINE**

TIMELINESS 3 Lowered 7/7/23
SAFETY 2 Raised 7/27/18
TECHNICAL 1 Raised 7/21/23
BETA .95 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$50-$76	$63 (10%)

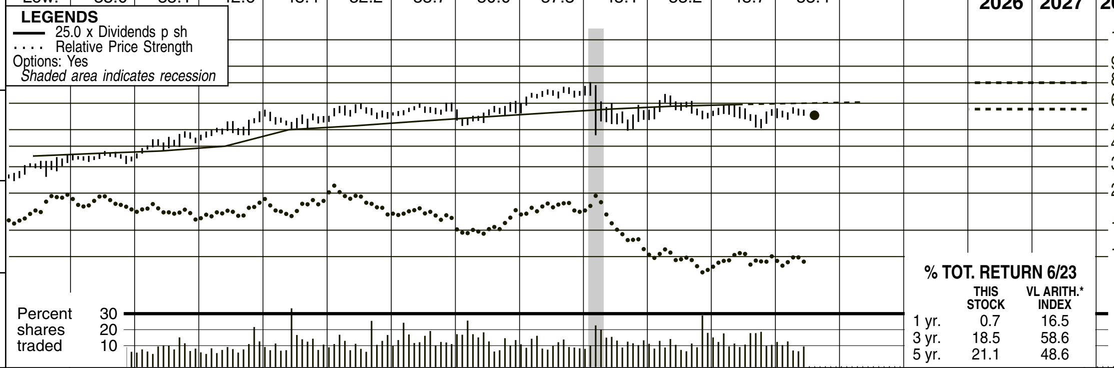
2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+40%)	*13%*
Low	60	(+5%)	*6%*

Institutional Decisions

	3Q2022	4Q2022	1Q2023
to Buy	176	169	135
to Sell	97	115	123
Hld's(000)	56117	57154	58097

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
High:	38.0	47.2	58.7	59.7	63.8	64.5	65.7	76.7	80.5	70.8	63.1	61.2
Low:	33.0	35.1	42.6	48.4	52.2	55.7	50.0	57.3	45.1	53.2	48.7	53.4



% TOT. RETURN 6/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	0.7	16.5
3 yr.	18.5	58.6
5 yr.	21.1	48.6

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	23.70	25.38	24.74	*25.80*	*26.15*	Revenues per sh	*28.25*
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	6.86	6.92	6.46	*6.80*	*7.20*	"Cash Flow" per sh	*8.35*
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	3.21	3.50	3.29	*3.45*	*3.60*	Earnings per sh A	*4.15*
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	2.48	2.52	*2.56*	*2.60*	Div'd Decl'd per sh B ■ †	*2.76*
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	8.02	8.03	8.62	*8.50*	*7.75*	Cap'l Spending per sh	*7.00*
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	41.10	43.28	44.61	*47.50*	*48.50*	Book Value per sh C	*52.30*
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	50.59	54.06	59.74	*62.00*	*62.00*	Common Shs Outst'g D	*62.00*
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	18.6	17.4	17.3	*Bold figures are*		Avg Ann'l P/E Ratio	*16.5*
1.15	.84	.77	.82	.79	1.00	.95	.85	.93	.90	.90	.91	1.06	.96	.94	.99	*Value Line*		Relative P/E Ratio	*.90*
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%	4.0%	4.1%	4.4%	*estimates*		Avg Ann'l Div'd Yield	*4.0%*

CAPITAL STRUCTURE as of 3/31/23
Total Debt $2596.1 mill. **Due in 5 Yrs** $1111.4 mill.
LT Debt $2348.6 mill. **LT Interest** $95.0 mill.
Incl. $8.0 mill. finance leases.
(Total Interest Coverage: 2.5x)

Pension Assets-12/22 $441.5 mill.
Oblig $521.8 mill.

Pfd Stock None

Common Stock 59,794,897 shs.
as of 4/21/23

MARKET CAP: $3.4 billion (Mid Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
1154.5	1204.9	1214.3	1257.2	1305.7	1198.1	1257.9	1198.7	1372.3	1477.8	*1600*	*1620*	Revenues ($mill)	*1750*
94.0	120.7	138.4	164.2	162.7	171.1	179.3	162.6	181.6	185.5	*210*	*225*	Net Profit ($mill)	*255*
13.2%	- -	13.7%	- -	7.6%	- -	1.6%	- -	.9%	- -	*3.0%*	*6.0%*	Income Tax Rate	*12.0%*
8.7%	8.9%	9.8%	4.3%	5.2%	3.4%	4.6%	6.0%	14.9%	18.5%	*14.0%*	*13.0%*	AFUDC % to Net Profit	*12.0%*
53.5%	53.4%	53.1%	52.0%	50.2%	52.2%	52.5%	52.8%	52.2%	48.2%	*47.5%*	*46.5%*	Long-Term Debt Ratio	*48.0%*
46.5%	46.6%	46.9%	48.0%	49.8%	47.8%	47.5%	47.2%	47.8%	51.8%	*52.5%*	*53.5%*	Common Equity Ratio	*52.0%*
2215.7	3168.0	3408.6	3493.9	3614.5	4064.6	4289.8	4409.1	4893.1	5148.3	*5625*	*5625*	Total Capital ($mill)	*6200*
2690.1	3758.0	4059.5	4214.9	4358.3	4521.3	4700.9	4952.9	5247.2	5657.5	*6000*	*6250*	Net Plant ($mill)	*6725*
5.5%	4.8%	5.2%	5.9%	5.6%	5.2%	5.2%	4.6%	4.6%	4.5%	*4.5%*	*5.0%*	Return on Total Cap'l	*5.0%*
9.1%	8.2%	8.6%	9.8%	9.0%	8.8%	8.8%	7.8%	7.8%	7.0%	*7.0%*	*7.5%*	Return on Shr. Equity	*8.0%*
9.1%	8.2%	8.6%	9.8%	9.0%	8.8%	8.8%	7.8%	7.8%	7.0%	*7.0%*	*7.5%*	Return on Com Equity E	*8.0%*
3.5%	3.8%	3.0%	4.1%	3.4%	3.2%	3.1%	2.0%	2.3%	1.7%	*2.0%*	*2.0%*	Retained to Com Eq	*2.5%*
61%	54%	65%	58%	62%	64%	64%	74%	71%	76%	*74%*	*72%*	All Div'ds to Net Prof	*67%*

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	-4.4	+.7	+3.7
Avg. Indust. Use (MWH)	33526	31792	34079
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	NA	NA	2073
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.2	+1.6	+1.5
Fixed Charge Cov. (%)	247	245	219

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	-2.0%	-1.0%	*2.5%*
"Cash Flow"	3.0%	1.0%	*3.5%*
Earnings	3.5%	1.0%	*3.5%*
Dividends	5.5%	4.0%	*2.0%*
Book Value	6.0%	4.5%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	335.3	269.4	280.6	313.4	1198.7
2021	400.8	298.2	326.0	347.3	1372.3
2022	394.5	323.0	335.1	425.2	1477.8
2023	454.5	*350*	*360*	*435.5*	*1600*
2024	*460*	*355*	*365*	*440*	*1620*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	1.00	.43	.58	1.21	3.21
2021	1.24	.59	.70	.97	3.50
2022	1.08	.58	.47	1.16	3.29
2023	1.10	*.59*	*.60*	*1.16*	*3.45*
2024	*1.15*	*.62*	*.63*	*1.20*	*3.60*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.575	.575	.575	.575	2.30
2020	.60	.60	.60	.60	2.40
2021	.62	.62	.62	.62	2.48
2022	.63	.63	.63	.63	2.52
2023	.64	.64			

BUSINESS: NorthWestern Corporation (doing business as NorthWestern Energy) supplies electricity & gas in the Upper Midwest and Northwest, serving 463,000 electric customers in Montana and South Dakota and 301,000 gas customers in Montana, South Dakota, and Nebraska. Electric revenue breakdown: residential, 45%; commercial, 46%; industrial, 5%; other, 4%. Generating sources: coal, 28%; hydro, 26%; wind, 6%; natural gas, 6%; purchased power, 34%. Fuel costs: 33% of revenues. 2022 reported depreciation rate: 2.8%. Has approximately 1,500 employees. Board Chair: Dana J. Dykhouse. President and CEO: Brian B. Bird. Incorporated: DE. Address: 3010 West 69th Street, Sioux Falls, SD 57108. Telephone: 605-978-2900. Internet: www.northwesternenergy.com.

NorthWestern is still awaiting final approval on a settlement agreement for new electric and natural gas rates in Montana. To recap: in early April, the utility worked out an acceptable consensus with the Montana Consumer Counsel, the Montana Large Customer Group, and Walmart, Inc. The settlement has been submitted to the Montana Public Service Commission (MPSC) for the regulatory body's consideration. The MPSC has already granted interim rate hikes, starting from last October, to allow the company to begin the recoupment of some elevated spending. The agreed-to base rates would increase annual electric and natural gas revenues by $67.4 million and $14.1 million, respectively. Those levels are predicated on the same authorized returns on equity, namely 9.65% for electric and 9.55% for gas, that were last agreed upon in 2015 and 2017. Assuming the MPSC signs off on the agreement, the utility will have gotten about two-thirds of what it originally filed for in its general rate case. Importantly, NorthWestern would also receive pricing mechanisms geared towards reducing regulatory lag.

Adding generating capacity to the rate base is key to the utility's future growth. (The rate base is the dollar value of assets for which a utility is allowed to earn an economic return.) In June, NorthWestern completed an $83 million, 58-megawatt gas-fired power plant in South Dakota, with the potential for added capacity in the state down the road. A $275 million, 175-mw facility in Montana was due to be operational later this year before a state judge revoked the company's air quality permit as part of a lawsuit filed by an environmental group. In June, the bench reversed that decision, citing a new state law that eliminated the need to consider climate impacts from greenhouse gas emissions. The 175-mw gas-fired plant is now expected to come on line in 2024.

This issue does not stand out relative to industy peers in regards to annual total return potential. We think the likelihood of a constructive conclusion to the company's general rate case is already largely reflected in the recent share price. There are utilities with a comparable dividend yield and better growth prospects.

Anthony J. Glennon *July 21, 2023*

(A) Diluted egs. Excl. nonrec. gains/(losses): '12, 40¢; '15, 27¢; '18, 52¢; '19, 45¢; '20, (15¢); '21, 10¢; '22, (4¢); 1Q '23, (5¢). '20 EPS don't sum due to rounding. Next egs. report due July 26th. (B) Div'ds paid in late Mar., June, Sept. & Dec. ■ Div'd reinvest. plan avail. † Shareholder invest. plan avail. (C) Incl. def'd charges. In '22: $17.98/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 specified; in NE in '07: 10.4%. Regulatory Climate: Below Average.

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

OGE ENERGY CORP. NYSE-OGE

RECENT PRICE 34.96 | P/E RATIO 17.5 (Trailing: 16.6 Median: 18.0) | RELATIVE P/E RATIO 1.07 | DIV'D YLD 4.7% | VALUE LINE

TIMELINESS 4 Lowered 5/12/23
SAFETY 2 Lowered 12/18/15
TECHNICAL 3 Raised 5/19/23
BETA 1.00 (1.00 = Market)

High:	30.1	40.0	39.3	36.5	34.2	37.4	41.8	45.8	46.4	38.6	42.9	40.4
Low:	25.1	27.7	32.8	24.2	23.4	32.6	29.6	38.0	23.0	29.2	33.3	34.2

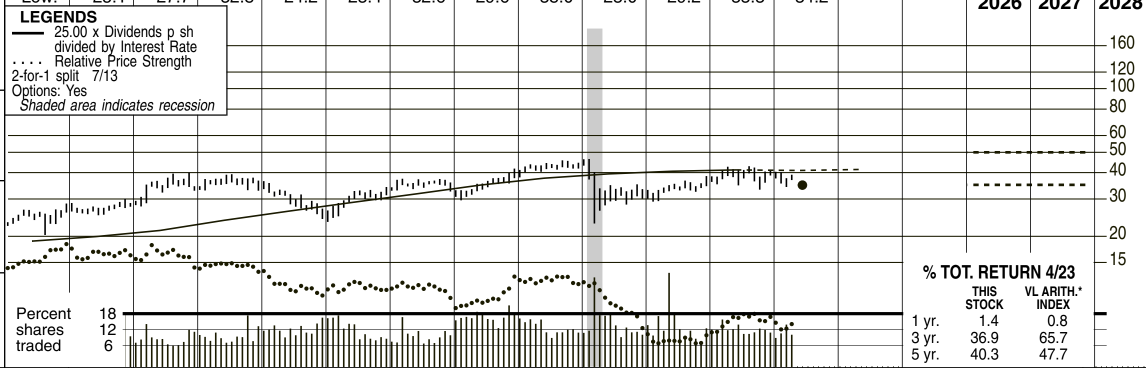
18-Month Target Price Range
Low-High Midpoint (% to Mid)
$30-$50 $40 (15%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+45%)	13%
Low	35	(Nil)	5%

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	218	185	262
to Sell	182	192	155
Hld's(000)	136256	136256	139192



% TOT. RETURN 4/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	1.4	0.8
3 yr.	36.9	65.7
5 yr.	40.3	47.7

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	10.61	18.26	16.86	17.25	18.00	Revenues per sh	19.00
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	4.03	4.44	4.56	4.60	4.65	"Cash Flow" per sh	6.25
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	2.08	2.36	2.25	2.00	2.15	Earnings per sh A	3.15
.68	.70	.71	.73	.76	.80	.85	.95	1.05	1.16	1.27	1.40	1.51	1.58	1.63	1.64	1.66	1.78	Div'd Decl'd per sh B ■	1.85
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	3.25	3.89	5.25	4.75	4.75	Cap'l Spending per sh	4.75
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	18.15	20.27	21.95	22.25	23.10	Book Value per sh C	26.00
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	200.10	200.10	200.20	200.20	200.20	Common Shs Outst'g D	200.20
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	16.2	14.3	17.2	Bold figures are		Avg Ann'l P/E Ratio	14.0
.73	.75	.72	.85	.90	.97	.99	.96	.89	.93	.92	.89	1.01	.83	.77	1.00	Value Line		Relative P/E Ratio	.80
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%	4.7%	4.8%	4.5%	estimates		Avg Ann'l Div'd Yield	4.4%

CAPITAL STRUCTURE as of 3/31/23
Total Debt $4994.1 mill. **Due in 5 Yrs** $1731.5 mill.
LT Debt $3994.1 mill. **LT Interest** $158.7 mill.
(LT interest earned: 4.3x)

Leases, Uncapitalized Annual rentals $5.7 mill.

Pension Assets-12/22 $486.0 mill. **Oblig** $502.9 mill.

Pfd Stock None

Common Stock 200,287,364 shs.

MARKET CAP: $7.0 billion (Mid Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
2867.7	2453.1	2196.9	2259.2	2261.1	2270.3	2231.6	2122.3	3653.7	3375.7	3450	3600	Revenues ($mill)	3800
387.6	395.8	337.6	338.2	384.3	425.5	449.6	415.9	472.5	452.5	410	430	Net Profit ($mill)	630
24.9%	30.4%	29.2%	30.5%	32.5%	14.5%	7.4%	13.2%	11.5%	12.0%	12.0%	12.0%	Income Tax Rate	12.0%
2.6%	1.7%	3.7%	6.4%	15.0%	8.3%	1.6%	1.6%	2.2%	2.0%	2.0%	2.0%	AFUDC % to Net Profit	2.0%
43.1%	45.9%	44.3%	41.1%	41.7%	42.0%	43.6%	49.0%	52.6%	49.8%	52.0%	52.0%	Long-Term Debt Ratio	50.0%
56.9%	54.1%	55.7%	58.9%	58.3%	58.0%	56.4%	51.0%	47.4%	52.4%	48.0%	48.0%	Common Equity Ratio	50.0%
5337.2	5999.7	5971.6	5849.6	6600.7	6902.0	7334.7	7126.2	8552.7	8962.0	9400	9750	Total Capital ($mill)	10400
6672.8	6979.9	7322.4	7696.2	8339.9	8643.8	9044.6	9374.6	9832.9	10546.8	10830	11000	Net Plant ($mill)	12075
8.6%	7.8%	6.9%	7.0%	7.0%	7.3%	7.1%	6.9%	6.4%	5.9%	6.5%	6.5%	Return on Total Cap'l	7.5%
12.8%	12.2%	10.2%	9.8%	10.0%	10.6%	10.9%	11.5%	11.6%	11.0%	12.0%	12.0%	Return on Shr. Equity	13.0%
12.8%	12.2%	10.2%	9.8%	10.0%	10.6%	10.9%	11.5%	11.6%	11.0%	12.0%	12.0%	Return on Com Equity E	13.0%
7.3%	6.5%	4.0%	3.3%	3.5%	3.8%	3.6%	2.8%	3.6%	3.0%	4.5%	4.5%	Retained to Com Eq	5.5%
43%	47%	61%	67%	64%	64%	67%	76%	69%	73%	81%	81%	All Div'ds to Net Prof	57%

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	-4.9	+2.6	+8.3
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	4.40	7.68	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	6437	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.1	+1.4	NA
Fixed Charge Cov. (%)	326	336	335

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	-3.0%	5.0%	5.5%
"Cash Flow"	2.5%	5.0%	7.0%
Earnings	3.0%	4.5%	6.5%
Dividends	7.5%	6.5%	3.0%
Book Value	4.0%	1.5%	5.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	431.3	503.5	702.1	485.4	2122.3
2021	1630	577.4	864.4	581.3	3653.7
2022	589.3	803.7	1270	711.9	3375.7
2023	557.2	785	1280	827.8	3450
2024	650	850	1300	800	3600

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.23	.51	1.04	.30	2.08
2021	.26	.56	1.26	.28	2.36
2022	.33	.36	1.31	.25	2.25
2023	.19	.44	1.16	.21	2.00
2024	.35	.30	1.25	.25	2.15

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.365	.365	.365	.388	1.48
2020	.3875	.3875	.3875	.4025	1.57
2021	.4025	.4025	.4025	.41	1.62
2022	.41	.41	.41	.4141	1.64
2023	.41	.41			

BUSINESS: OGE Energy Corp. is a holding company for Oklahoma Gas and Electric Company (OG&E), which supplies electricity to 879,000 customers in Oklahoma (84% of electric revenues) and western Arkansas (8%); wholesale is (8%). Owns 3% of Energy Transfer's limited partnership units. Electric revenue breakdown: residential, 44%; commercial, 25%; industrial, 11%; oilfield, 10%; other, 10%. Generating sources: gas, 25%; coal, 21%; wind, 6%; purchased, 48%. Fuel costs: 58% of revenues. '22 reported depreciation rate (utility): 2.6%. Has 2,200 employees. Chairman, President and Chief Executive Officer: Sean Trauschke. Incorporated: Oklahoma. Address: 321 North Harvey, P.O. Box 321, Oklahoma City, OK 73101-0321. Tel.: 405-553-3000. Internet: www.oge.com.

OGE Energy's utility subsidiary in Arkansas had its rate settlement approved by the Arkansas Public Service Commission. The utility implemented new fuel rates which went into effect on April 1st. In Oklahoma, the company is likely to file a general rate case in the second half of this year. Too, in April, the Oklahoma Corporation Commission approved the utility's 2021 fuel prudency audit.

We think the challenging operating environment will continue to pressure margins in 2023. Accordingly, we have lowered our full-year 2023 EPS guidance due to the rising interest rate environment and inflationary stress, which is significantly increasing borrowing costs. Our 2023 EPS estimate of $2.00 is at the midpoint of OGE Energy's targeted range of $1.93-$2.07, and in line with the company's long-term earnings per share growth forecast of 5%-7% annually, based off original 2021 guidance on a consolidated basis.

Rate relief and the company's transformation to a fully focused electric utility should be a main driver to results in the near-intermediate and long-term. OGE is now a pure-play electric utility after completing its exit from the natural gas midstream arena, which should reduce business risk and attract investors. The Inflation Reduction Act will also help improve the challenging macroeconomic environment and provide assistance in the transition to providing affordable, clean energy. Our 2024 bottom-line projection is staying put, as we think profits will recover to $2.15 a share.

OGE shares have continued to struggle of late. Indeed, the stock has dropped more than 6% in value since our early March report, and is now down nearly 15% over the past six months. Too, this issue was recently downgraded one notch in our Timeliness Ranking System to 4 (Below Average). On a positive note, the dividend continues to be this issue's most notable feature. These shares boast a attractive quarterly dividend yield of 4.7%, which sits well above the industry average and the *Value Line* median. The utility also holds a solid dividend growth potential rate of 3.0%, which would maintain a generous payout ratio.

Zachary J. Hodgkinson *June 9, 2023*

(A) Diluted EPS. Excl. nonrecurring gains (losses): '15, (33¢); '17, $1.18; '19, (8¢); '20, ($2.95); '21, $1.32; '22, $1.06; gain on discont. ops.: '19 & '21 EPS don't sum due to rounding. Next earnings report due early Aug. (B) Div'ds historically paid in late Jan., Apr., July, & Oct. ■ Div'd reinvestment plan avail. (C) Incl. deferred charges. In '22: $6.15/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., '21: 12.7%. Regulatory Climate: Average.

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

OTTER TAIL CORP. NDQ-OTTR

RECENT PRICE 74.79 | P/E RATIO 15.7 (Trailing: 11.4 Median: 20.0) | RELATIVE P/E RATIO 0.96 | DIV'D YLD 2.3% | VALUE LINE

TIMELINESS 2 Raised 5/12/23
SAFETY 2 Raised 6/17/16
TECHNICAL 2 Raised 4/14/23
BETA .85 (1.00 = Market)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
High:	25.3	31.9	32.7	33.4	42.6	48.7	51.9	57.7	56.9	71.7	82.5	79.1
Low:	20.7	25.2	26.5	24.8	25.8	35.7	39.0	45.9	31.0	39.4	52.6	57.3

18-Month Target Price Range

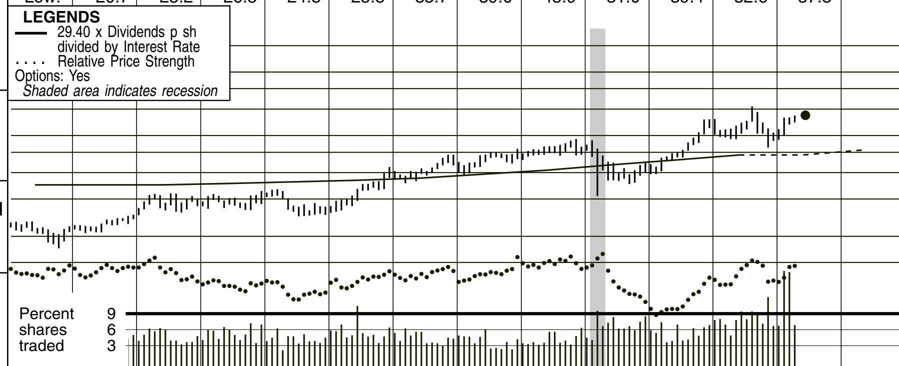
Low-High	Midpoint (% to Mid)
$37-$86	$62 (-20%)

2026-28 PROJECTIONS

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

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	121	140	117
to Sell	103	95	133
Hld's(000)	20044	20598	20465



Target Price Range 2026 | 2027 | 2028
160
120
100
80
60
50
40
30
20
15

% TOT. RETURN 4/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	27.4	0.8
3 yr.	77.6	65.7
5 yr.	88.9	47.7

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	21.46	28.80	35.08	***30.05***	***29.75***	Revenues per sh	***31.20***
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	4.29	6.45	8.77	***6.40***	***5.95***	"Cash Flow" per sh	***6.00***
1.78	1.09	.71	.38	.45	1.05	1.37	1.55	1.56	1.60	1.86	2.06	2.17	2.34	4.23	6.78	***4.75***	***3.50***	Earnings per sh A	***3.65***
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	1.65	***1.75***	***1.81***	Div'd Decl'd per sh B ■	***2.20***
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	8.96	4.14	4.11	***5.90***	***6.00***	Cap'l Spending per sh	***6.25***
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	21.00	23.84	29.24	***29.80***	***31.15***	Book Value per sh C	***34.25***
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	41.47	41.55	41.63	***41.90***	***42.00***	Common Shs Outst'g D	***42.50***
19.0	30.1	31.2	NMF	47.5	21.7	21.1	18.8	18.2	20.2	22.1	22.2	23.5	18.3	12.3	9.5	***Bold figures are***		Avg Ann'l P/E Ratio	***17.5***
1.01	1.81	2.08	NMF	2.98	1.38	1.19	.99	.92	1.06	1.11	1.20	1.25	.94	.66	.55	***Value Line***		Relative P/E Ratio	***.95***
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%	3.5%	3.0%	2.5%	***estimates***		Avg Ann'l Div'd Yield	***3.4%***

CAPITAL STRUCTURE as of 3/31/23
Total Debt $823.9 mill. **Due in 5 Yrs** $207.8 mill.
LT Debt $823.9 mill. **LT Interest** $31.6 mill.
(LT interest earned: 9.7x)

Leases, Uncapitalized Annual rentals $5.0 mill.
Pension Assets-12/22 $387.2 mill. **Oblig** $416.7 mill.

Pfd Stock None

Common Stock 41,710,621 shs.
as of 4/28/23

MARKET CAP: $3.1 billion (Mid Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
893.3	799.3	779.8	803.5	849.4	916.4	919.5	890.1	1196.8	1460.2	***1260***	***1250***	Revenues ($mill)	***1325***
50.2	56.9	58.6	62.0	73.9	82.3	86.8	95.9	176.8	282.3	***200***	***150***	Net Profit ($mill)	***155***
21.3%	22.5%	27.0%	24.5%	25.5%	15.0%	16.7%	17.4%	16.9%	20.5%	***20.0%***	***20.0%***	Income Tax Rate	***20.0%***
5.6%	3.9%	3.5%	2.2%	2.3%	4.1%	4.9%	6.4%	.8%	.9%	***3.0%***	***3.5%***	AFUDC % to Net Profit	***4.0%***
42.1%	46.5%	42.4%	43.0%	41.3%	44.7%	46.9%	41.8%	42.6%	40.0%	***41.5%***	***41.5%***	Long-Term Debt Ratio	***42.5%***
57.9%	53.5%	57.6%	57.0%	58.7%	55.3%	53.1%	58.2%	57.4%	***58.5%***	***58.5%***	***58.5%***	Common Equity Ratio	***57.5%***
924.4	1071.3	1051.0	1175.4	1187.3	1318.9	1471.1	1495.4	1724.8	2041.1	***2140***	***2250***	Total Capital ($mill)	***2525***
1167.0	1268.5	1387.8	1477.2	1539.6	1581.1	1753.8	2049.3	2124.6	2212.7	***2355***	***2475***	Net Plant ($mill)	***2700***
6.8%	6.7%	6.8%	6.5%	7.3%	7.3%	7.0%	7.4%	11.1%	12.0%	***9.0%***	***8.5%***	Return on Total Cap'l	***7.5%***
9.4%	9.9%	9.7%	9.3%	10.6%	11.3%	11.1%	11.0%	17.8%	18.0%	***13.5%***	***13.0%***	Return on Shr. Equity E	***11.5%***
9.3%	9.9%	9.7%	9.3%	10.6%	11.3%	11.1%	11.0%	17.8%	18.0%	***13.5%***	***13.0%***	Return on Com Equity	***11.5%***
1.2%	2.2%	2.0%	2.1%	3.3%	4.0%	4.0%	4.1%	11.3%	12.4%	***7.5%***	***7%***	Retained to Com Eq	***5.0%***
87%	78%	79%	78%	69%	65%	64%	63%	37%	24%	***44%***	***52%***	All Div'ds to Net Prof	***60%***

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	-3.9	+.3	+16.8
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	405	651	653

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '19-'21 to '26-'28
Revenues	-1.0%	4.0%	*5.0%*
"Cash Flow"	7.5%	9.5%	*5.5%*
Earnings	18.0%	14.5%	*4.5%*
Dividends	2.5%	4.0%	*7.0%*
Book Value	3.5%	6.0%	*8.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	234.7	192.8	235.8	226.8	890.1
2021	261.7	285.6	316.3	333.2	1196.8
2022	374.9	400.0	383.9	301.4	1460.2
2023	339.1	***330.9***	***305***	***285***	***1260***
2024	***320***	***330***	***310***	***290***	***1250***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.60	.42	.87	.45	2.34
2021	.73	1.01	1.26	1.23	4.23
2022	1.72	2.05	2.01	1.00	6.78
2023	1.49	***1.50***	***1.01***	***.75***	***4.75***
2024	***.80***	***1.00***	***1.00***	***.70***	***3.50***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.35	.35	.35	.35	1.40
2020	.37	.37	.37	.37	1.48
2021	.39	.39	.39	.39	1.56
2022	.4125	.4125	.4125	.4125	1.65
2023	.4375				

BUSINESS: Otter Tail Corporation is the parent of Otter Tail Power Company, which supplies electricity to 133,000 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, 38%; wind & other, 18%; purchased, 44%. Fuel costs: 10% of revenues. Also has operations in manufacturing and plastics (72% of '22 operating income). '22 deprec. rate: 3.0%. Has 2,500 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.

The price of Otter Tail stock has continued to surge. The quotation has risen more than 5% since our March report and is up 15% over the past 12 months due to a string of better-than-expected performances of late. Indeed, the company has raised its earnings guidance for 2023 on the heels of its strong first quarter results. Management now expects the bottom-line to wind up in a range of $4.55-$4.85 a share, from the initial guidance range of $3.70-$4.06 per share. While the bottom-line will likely decline over the next few years as conditions normalize within the utlity's plastics division, the electric and manufacturing segments remain a main driver to earnings, and both grew by double digits in the first quarter of 2023. Too, Otter Tail continues to benefit from elevated PVC pipe pricing, as PVC pipe remains higher-than-anticipated, near historic highs. All told, we look for 2023 earnings of $4.75 per share.

We expect the company's bottom line to decline in 2024 and beyond as demand for PVC pipe is dropping noticeably. The Plastics segment earnings decreased 34%, while sales volumes declined 46% versus 2022 levels. Margins should begin to compress in the second half of this year, causing sales prices of PVC pipe to recede. Otter Tail expects the new normal level of plastics segment earnings to be around $36-$41 million. As a result, our 2024 earnings per share estimate is staying put at $3.50.

Otter Tail is making progress in a number of capital projects. In May, the Federal Energy Regulatory commission approved incentive rate treatment for its investments in the Jamestown project and the Big Stone South Project. Too, Hoot Lake Solar, a 49 megawatt solar project is approximately 85% complete and is expected to be in service by the end of the year.

This stock is trading near the high end of our 3-to 5-year Target Price Range. Near-term potential is more appealing. Otter Tail has outperformed nearly all of its peers of late, and these shares are ranked Above Average (2) for Timeliness. Meanwhile, this issue offers a dividend yield of 2.3%, which is just below-average for a utility.

Zachary J. Hodgkinson *June 9, 2023*

(A) Dil. EPS. Excl. nonrec. gains (loss): '10, (44¢); '11, 26¢; '13, 2¢; gains (losses) from disc. ops.: '11, ($1.11); '12, ($1.22); '13, 2¢; '14, 2¢; '15, 2¢; '16, 1¢; '17, 1¢. '19 EPS may not sum due to rounding. Next earnings report due early Aug. (B) Div'ds histor. pd. in early Mar., Jun., Sept., & Dec. ■ Div'd reinv. plan avail. (C) Incl. intang. In '22: $4.10/sh. (D) In mill. (E) Rate all'd on com. eq. in MN in '22: 9.48%; in ND in '18: 9.77%; in SD in '19: 8.75%; earned on avg. com. eq., '21: 19.2%.

Company's Financial Strength	A
Stock's Price Stability	90
Price Growth Persistence	70
Earnings Predictability	65

PINNACLE WEST NYSE-PNW

RECENT PRICE **80.42** | P/E RATIO **19.9** (Trailing: 18.8 Median: 17.0) | RELATIVE P/E RATIO **1.15** | DIV'D YLD **4.3%** | **VALUE LINE**

TIMELINESS **4** Lowered 3/17/23

SAFETY **2** Lowered 10/22/21

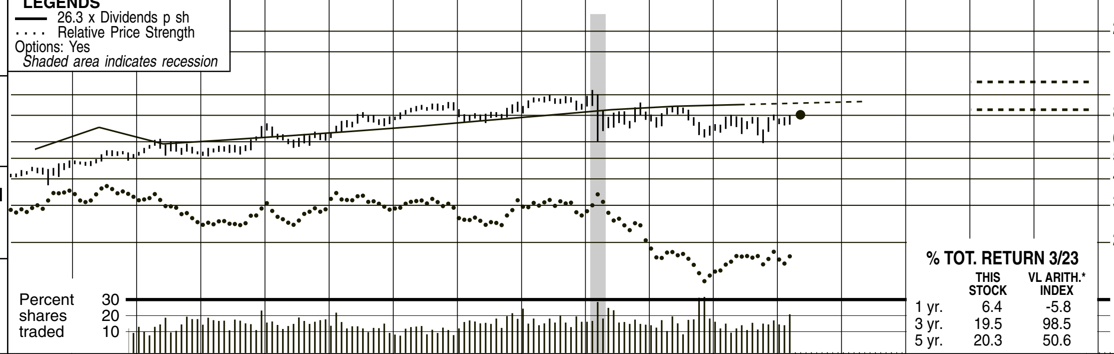
TECHNICAL **3** Lowered 3/17/23

BETA .90 (1.00 = Market)

High:	54.7	61.9	71.1	73.3	82.8	92.5	92.6	99.8	105.5	88.5	80.6	81.6
Low:	45.9	51.5	51.2	56.0	62.5	75.8	73.4	81.6	60.1	62.8	59.0	71.7

LEGENDS
— 26.3 x Dividends p sh
.... Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2026 | 2027 | 2028



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$50-$89	$70 (-15%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	115	(+45%)	13%
Low	85	(+5%)	6%

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	249	227	299
to Sell	192	208	175
Hld's(000)	97870	97447	97877

% TOT. RETURN 3/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	6.4	-5.8
3 yr.	19.5	98.5
5 yr.	20.3	50.6

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	31.81	33.66	38.21	*38.35*	*39.00*	Revenues per sh	*41.65*
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	10.86	12.23	13.44	*13.25*	*13.30*	"Cash Flow" per sh	*15.00*
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	4.87	5.47	4.26	*4.15*	*4.50*	Earnings per sh A	*5.70*
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	3.23	3.36	3.42	*3.48*	*3.54*	Div'd Decl'd per sh B ■	*3.75*
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	11.93	13.04	15.09	*14.00*	*14.50*	Cap'l Spending per sh	*14.50*
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	49.96	52.26	53.45	*54.00*	*56.50*	Book Value per sh C	*61.75*
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	112.76	113.01	113.17	*113.50*	*118.00*	Common Shs Outst'g D	*120.00*
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	16.7	14.1	17.1	*Bold figures are*		Avg Ann'l P/E Ratio	*17.5*
.79	.97	.91	.80	.92	.91	.86	.84	.81	.98	.97	.96	1.03	.86	.76	.99	*Value Line*		Relative P/E Ratio	*.95*
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%	4.0%	4.3%	4.7%	*estimates*		Avg Ann'l Div'd Yield	*3.8%*

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
3454.6	3491.6	3495.4	3498.7	3565.3	3691.2	3471.2	3587.0	3803.8	4324.4	*4350*	*4600*	Revenues ($mill)	*5000*
406.1	397.6	437.3	442.0	497.8	511.0	538.3	550.6	618.7	483.6	*470*	*525*	Net Profit ($mill)	*685*
34.4%	34.2%	34.3%	33.9%	32.5%	20.2%	- -	12.1%	14.8%	13.0%	*13.5%*	*13.5%*	Income Tax Rate	*13.5%*
10.0%	11.6%	11.8%	14.1%	13.9%	15.2%	9.3%	9.5%	10.1%	15.2%	*14.0%*	*13.0%*	AFUDC % to Net Profit	*12.0%*
40.0%	41.0%	43.0%	45.6%	48.9%	47.0%	47.1%	52.8%	53.9%	56.1%	*56.0%*	*52.5%*	Long-Term Debt Ratio	*56.0%*
60.0%	59.0%	57.0%	54.4%	51.1%	53.0%	52.9%	47.2%	46.1%	43.9%	*44.0%*	*47.5%*	Common Equity Ratio	*44.0%*
6990.9	7398.7	8046.3	8825.4	9796.4	9861.1	10263	11948	12820	13790	*13900*	*14025*	Total Capital ($mill)	*16800*
10889	11194	11809	12714	13445	14030	14523	15159	15987	16854	*17425*	*18100*	Net Plant ($mill)	*20000*
7.1%	6.4%	6.4%	6.0%	6.1%	6.2%	6.3%	5.5%	5.8%	4.5%	*4.5%*	*5.0%*	Return on Total Cap'l	*5.0%*
9.7%	9.1%	9.5%	9.2%	9.9%	9.8%	9.9%	9.8%	10.5%	8.0%	*7.5%*	*8.0%*	Return on Shr. Equity	*9.5%*
9.7%	9.1%	9.5%	9.2%	9.9%	9.8%	9.9%	9.8%	10.5%	8.0%	*7.5%*	*8.0%*	Return on Com Equity E	*9.5%*
4.1%	3.5%	3.9%	3.5%	4.2%	3.9%	3.8%	3.5%	4.2%	1.7%	*1.5%*	*1.5%*	Retained to Com Eq	*3.0%*
58%	62%	59%	62%	58%	60%	61%	64%	60%	78%	*84%*	*78%*	All Div'ds to Net Prof	*66%*

CAPITAL STRUCTURE as of 12/31/22
Total Debt $8132.7 mill. **Due in 5 Yrs** $2100.7 mill.
LT Debt $7741.3 mill. **LT Interest** $265.5 mill.
(Total Interest Coverage: 3.0x)

Leases, Uncapitalized Annual rentals $18.1 mill.

Pension Assets-12/21 $2829.5 mill. **Oblig** $2809.5 mill.

Pfd Stock None

Common Stock 113,175,507 shs. **as of 2/21/23**

MARKET CAP: $9.1 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	+5.0	-.1	+4.4
Avg. Indust. Use (MWH)	766	808	849
Avg. Indust. Revs. per KWH (¢)	7.62	8.11	9.20
Capacity at Peak (Mw)	9094	8726	8612
Peak Load, Summer (Mw)	7660	7580	7587
Annual Load Factor (%)	45.5	45.9	48.1
% Change Customers (yr-end)	+2.3	+2.2	+2.1
Fixed Charge Cov. (%)	318	317	226

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	1.5%	2.0%	*3.0%*
"Cash Flow"	5.0%	5.5%	*3.5%*
Earnings	4.5%	3.5%	*2.5%*
Dividends	4.0%	5.5%	*2.0%*
Book Value	4.0%	4.0%	*3.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	661.9	929.6	1254.5	741.0	3587.0
2021	696.5	1000.2	1308.2	798.9	3803.8
2022	783.5	1061.7	1469.9	1009.3	4324.4
2023	*790*	*1070*	*1475*	*1015*	*4350*
2024	*835*	*1130*	*1560*	*1075*	*4600*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.27	1.71	3.07	d.17	4.87
2021	.32	1.91	3.00	.24	5.47
2022	.15	1.45	2.88	d.21	4.26
2023	*.15*	*1.35*	*2.75*	*d.10*	*4.15*
2024	*.20*	*1.45*	*2.90*	*d.05*	*4.50*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.737	.738	.738	.782	3.00
2020	.783	.783	.783	.83	3.18
2021	.83	.83	.83	.85	3.34
2022	.85	.85	.85	.85	3.40
2023	.865				

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, 47%; commercial/industrial, 41%; other, 12%. Generating sources: gas, 25%; nuclear, 24%; coal, 20%; renewables, 12%; purchased, 19%. Fuel costs: 38% of revenues. '22 reported deprec. rate: 3.03%. Has 5,861 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 Capital is likely to see its profits decline in 2023. Leadership expects full-year earnings to fall within a range of $3.95 to $4.15 per share. The utility is up against a difficult 2022 comparison, which benefited from excessive heat and humidity that helped drive electric usage up 4.4% from the prior year. Additional headwinds include rising retirement contributions, as a result of the decline in equity and bond markets, and higher interest expense.

The company has an opportunity to improve upon a strained relationship with its regulatory commission. The 5-person panel received a makeover in January when two new commissioners replaced former members whose terms were up, and a new chairperson was elected. Company leadership has publicly stated its desire for a more constructive partnership.

Pinnacle's pending general rate case may help to restore some of the earnings power lost from its previous one. The late 2021 decision went very poorly. Entering calendar 2022, the utility was operating under revised regulatory parameters that cut its allowed return on equity (ROE) from 10% to a nationwide low of 8.7%. The change effectively reduced the company's annual earning power by about $1.00 per share. Pinnacle West is requesting its ROE be restored near the former level. The company is also seeking an expansion in the use of automatic pricing mechanisms to cut regulatory lag in the recoupment of investments it's planning to make in support of the state's clean-energy objectives. A decision is due in the fourth quarter. A recent appeals court decision has set a precedent for at least some progress towards higher allowable returns. A trio of Arizona appellate judges gave an opinion stating that the regulatory commission overstepped its bounds by penalizing the utility for "poor customer service," and has ruled the company can lift electric rates based on an 8.9% ROE. The panel also approved recoupment of $215 million of investments for reduced coal emissions.

This untimely issue has outperformed the *Value Line Utility Index* by 23 percentage points over the past six months. Total return prospects no longer stand out relative to the peer median.

Anthony J. Glennon *April 21, 2023*

(A) Diluted EPS. Excl. nonrec. gain/(loss): '09, ($1.45); '17, 8¢; gains/(losses) from discont. ops.: '06, 10¢; '08, 28¢; '09, (13¢); '10, 18¢; '11, 10¢; '12, (5¢). '19 & '20 EPS don't sum due to rounding. Next egs. report due early May. (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/other intangibles. In '22: $17.54/sh. (D) In mill. (E) Rate base: Fair value. Rate allowed on common equity in '23: 8.9%. Regulatory Climate: Below Average.

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

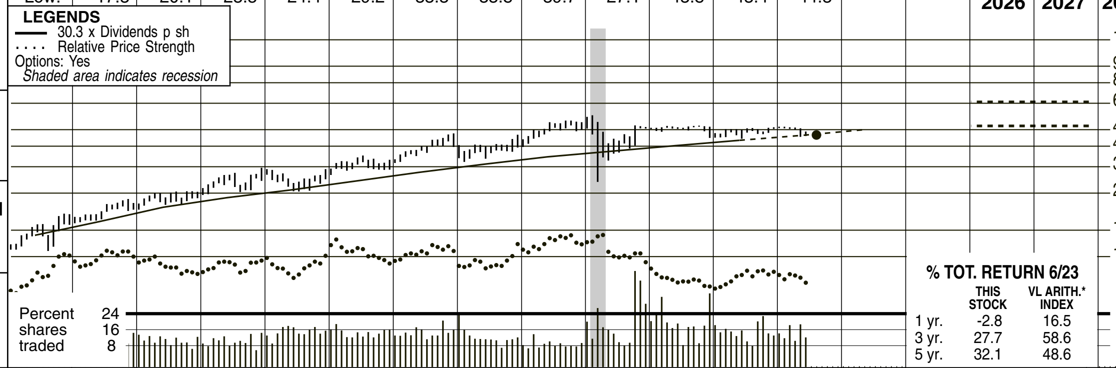
PNM RESOURCES NYSE-PNM

RECENT PRICE **45.30** | P/E RATIO **16.8** (Trailing: 16.6 / Median: 19.0) | RELATIVE P/E RATIO **0.97** | DIV'D YLD **3.4%** | VALUE LINE

TIMELINESS – Suspended 1/20/23
SAFETY 2 Raised 4/23/21
TECHNICAL – Suspended 1/20/23
BETA .90 (1.00 = Market)

High:	22.5	24.5	31.6	31.2	36.2	46.0	45.3	53.0	56.1	50.1	49.3	49.6
Low:	17.3	20.1	23.5	24.4	29.2	33.3	33.8	39.7	27.1	43.8	43.4	44.3

LEGENDS
— 30.3 x Dividends p sh
.... Relative Price Strength
Options: Yes
Shaded area indicates recession



Target Price Range
2026 | 2027 | 2028

18-Month Target Price Range
Low-High: $44-$61 — Midpoint (% to Mid): $53 (15%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+45%)	12%
Low	50	(+10%)	6%

Institutional Decisions

	3Q2022	4Q2022	1Q2023
to Buy	135	171	141
to Sell	99	110	131
Hld's(000)	77410	75195	75599

% TOT. RETURN 6/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-2.8	16.5
3 yr.	27.7	58.6
5 yr.	32.1	48.6

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	17.74	20.74	26.21	*28.40*	*29.70*	Revenues per sh	*31.10*
2.54	1.76	2.32	2.67	3.18	3.39	3.52	4.09	4.28	4.51	5.30	5.47	5.95	5.80	6.19	6.67	*6.75*	*7.05*	"Cash Flow" per sh	*8.35*
.76	.11	.58	.87	1.08	1.31	1.41	1.45	1.48	1.46	1.92	2.00	2.16	2.28	2.45	2.69	*2.70*	*2.85*	Earnings per sh A	*3.35*
.91	.61	.50	.50	.50	.58	.68	.76	.82	.90	.99	1.09	1.18	1.25	1.33	1.41	*1.49*	*1.59*	Div'd Decl'd per sh B ■ †	*1.90*
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	7.91	10.89	10.63	*10.75*	*9.30*	Cap'l Spending per sh	*9.00*
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	23.88	25.25	25.54	*26.65*	*27.80*	Book Value per sh C	*31.95*
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	85.83	*88.00*	*90.00*	Common Shs Outst'g D	*90.00*
35.6	NMF	18.1	14.0	14.5	15.0	16.1	18.7	18.7	22.4	20.4	19.4	22.2	19.6	19.9	17.4	*Bold figures are*		Avg Ann'l P/E Ratio	*17.0*
1.89	NMF	1.21	.89	.91	.95	.90	.98	.94	1.18	1.03	1.05	1.18	1.01	1.08	1.01	*Value Line*		Relative P/E Ratio	*.95*
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%	2.8%	2.7%	3.0%	*estimates*		Avg Ann'l Div'd Yield	*3.3%*

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
1387.9	1435.9	1439.1	1363.0	1445.0	1436.6	1457.6	1523.0	1779.9	2249.6	*2500*	*2675*	Revenues ($mill)	*2800*
114.0	116.8	118.8	117.4	154.4	160.6	173.1	183.4	211.6	232.0	*235*	*255*	Net Profit ($mill)	*305*
31.6%	34.8%	36.9%	32.4%	33.0%	12.9%	8.1%	9.5%	13.4%	14.6%	*15.0%*	*16.0%*	Income Tax Rate	*19.0%*
1.3%	10.7%	17.0%	11.0%	11.9%	12.1%	9.8%	8.9%	8.6%	9.0%	*9.0%*	*8.0%*	AFUDC % to Net Profit	*9.0%*
50.0%	47.8%	54.1%	55.7%	56.1%	61.1%	59.8%	56.9%	61.8%	63.9%	*63.0%*	*62.0%*	Long-Term Debt Ratio	*62.5%*
49.7%	51.9%	45.5%	44.0%	43.6%	38.6%	39.9%	42.9%	38.0%	36.0%	*37.0%*	*37.5%*	Common Equity Ratio	*37.0%*
3344.0	3437.1	3633.3	3806.8	3887.5	4370.0	4207.7	4780.6	5698.6	6096.1	*6350*	*6650*	Total Capital ($mill)	*7725*
3933.9	4270.0	4535.4	4904.7	4980.2	5234.6	5466.0	5965.1	6752.9	6972.8	*7560*	*8020*	Net Plant ($mill)	*9125*
5.2%	5.1%	4.8%	4.7%	5.3%	5.0%	5.5%	4.9%	4.6%	4.9%	*4.5%*	*4.5%*	Return on Total Cap'l	*5.0%*
6.8%	6.5%	7.1%	7.0%	9.0%	9.4%	10.2%	8.9%	9.7%	10.5%	*10.0%*	*10.0%*	Return on Shr. Equity	*10.5%*
6.8%	6.5%	7.1%	7.0%	9.1%	9.5%	10.3%	8.9%	9.7%	10.6%	*10.0%*	*10.0%*	Return on Com Equity E	*10.5%*
3.8%	3.2%	3.3%	2.8%	4.5%	4.5%	4.8%	4.1%	4.6%	5.1%	*4.5%*	*4.5%*	Retained to Com Eq	*4.5%*
45%	51%	54%	61%	51%	53%	54%	54%	53%	52%	*55%*	*56%*	All Div'ds to Net Prof	*56%*

CAPITAL STRUCTURE as of 3/31/23
Total Debt $4487.4 mill. **Due in 5 Yrs** $2262.1 mill.
LT Debt $3668.1 mill. **LT Interest** $132.0 mill.
(Total Interest Coverage: 3.1x)
Leases, Uncapitalized Annual rentals $19.0 mill.
Pension Assets-12/22 $454.0 mill. **Oblig** $545.6 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 85,834,874 shs.
as of 4/28/23
MARKET CAP: $3.9 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% 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)	1974	1968	2139
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	1.1%	1.2%	1.0%
Fixed Charge Cov. (%)	257	317	289

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	1.0%	4.0%	*5.0%*
"Cash Flow"	7.5%	6.0%	*5.0%*
Earnings	8.5%	9.0%	*5.0%*
Dividends	9.5%	8.0%	*6.0%*
Book Value	2.5%	3.5%	*4.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	333.6	357.6	472.5	359.3	1523.0
2021	364.7	426.5	554.6	434.1	1779.9
2022	444.1	499.7	729.9	575.9	2249.6
2023	544.1	*550*	*780*	*625.9*	*2500*
2024	*595*	*600*	*825*	*655*	*2675*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.18	.55	1.40	.15	2.28
2021	.32	.55	1.37	.21	2.45
2022	.50	.57	1.46	.15	2.69
2023	.55	*.55*	*1.35*	*.25*	*2.70*
2024	*.55*	*.60*	*1.40*	*.30*	*2.85*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.29	.29	.29	.29	1.16
2020	.3075	.3075	.3075	.3075	1.23
2021	.3275	.3275	.3275	.3275	1.31
2022	.3475	.3475	.3475	.3475	1.39
2023	.3675	.3675			

BUSINESS: PNM Resources, Inc. is a holding company with two regulated electric utilities. Public Service Company of New Mexico (PNM) serves 544,000 customers in north central New Mexico, including Albuquerque and Santa Fe. Texas-New Mexico Power Company (TNMP) transmits and distributes power to 268,000 customers in Texas. Electric revenue breakdown: residential, 30%; commercial, 26%; industrial, 5%; other, 39%. Generating sources not available. Fuel costs: 44% of revenues. '22 reported depreciation rates: 2.6%-7.8%. Has 1,537 employees. Chairman and CEO: Patricia Vincent-Collawn. Incorporated: New Mexico. Address: 414 Silver Ave. SW, Albuquerque, New Mexico 87102-3289. Telephone: 505-241-2700. Internet: www.pnmresources.com.

PNM Resources' merger with AVANGRID, Inc. is still in play. The companies remain committed to a deal and have extended their agreement through the end of this year. To recap, PNM shareholders are to receive $50.30 per share in an all-cash deal. Approval was received from six of the seven necessary state and federal regulatory agencies. The New Mexico Public Regulation Commission (NMPRC) voted against the merger in late 2021, citing concerns over AVANGRID's track record as a utility in the Northeast, a legal investigation of its parent company, Iberdrola of Spain, and potentially higher electric rates. Of these charges, we suspect it was the latter one that was the main stumbling block. The investigation of Iberdrola in its home country was dropped in mid-2022, and AVANGRID's pricing and reliability are no worse than its regional peers.

In March, the companies and the agency that was the main obstacle to the deal agreed to negotiate a conclusion, but the judiciary will be the final arbiter. A joint motion filed with the New Mexico Supreme Court to dismiss an appeal the companies had made early last year and remand the case back to the NMPRC was denied by the bench in May. The revamped regulatory commission, with newly appointed members, had agreed to a "rehearing and reconsideration to be made in a timely fashion." Unfortunately, the justices are under no such time constraint, as there is no statutory deadline for the court to act. Historically, a decision is reached within 12 to 18 months of an initial appeal, so one would expect a conclusion isn't far off.

This issue's Timeliness rank is suspended, as the buyout is the dominant factor. PNM stock was pricing in high odds of an acquisition earlier this year, but an upcoming court decision is more of a wild card versus the negotiating table route. At the recent price, there is 13% upside (including dividends) to the $50.30 buyout level and probably 5%-10% downside. Existing shareholders should ride the process out, but we would not advise new investors to get involved unless they are prepared to hold a fairly average electric utility should the merger fail.

Anthony J. Glennon — *July 21, 2023*

(A) Dil. EPS. Excl. nonrec. gain/(loss): '08, ($3.77); '10, ($1.36); '11, 88¢; '13, (16¢); '15, ($1.28); '17, (92¢); '18, (93¢); '19, ($1.19); '20, (13¢); '21, (18¢); '22, (72¢). 1Q '23, 9¢. Excl. disc. op. gains: '08, 42¢; '09, 78¢. Next egs. report due early Aug. (B) Div'ds paid mid-Feb., May, Aug., & Nov. ■ Div'd reinv. plan avail. (C) Incl. def. charges/other intang. In '22: $14.94/sh. (D) In mill. (E) Rate base: net orig. cost. Rate allowed on com. eq. in NM in '18: 9.575%; in TX in '11: 10.125%; Regulatory Climate: NM, Below Average.; TX, Average.

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

PORTLAND GENERAL NYSE-POR

RECENT PRICE **50.66** | P/E RATIO **18.8** (Trailing: 18.5 / Median: 18.0) | RELATIVE P/E RATIO **1.09** | DIV'D YLD **3.8%** | **VALUE LINE**

TIMELINESS 4 Lowered 3/10/23
SAFETY 2 Raised 10/22/21
TECHNICAL 5 Lowered 4/21/23
BETA .85 (1.00 = Market)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
High:	28.1	33.3	40.3	41.0	45.2	50.1	50.4	58.4	63.1	53.1	57.0	50.7
Low:	24.3	27.4	29.0	33.0	35.3	42.4	39.0	44.0	32.0	40.8	41.6	44.7

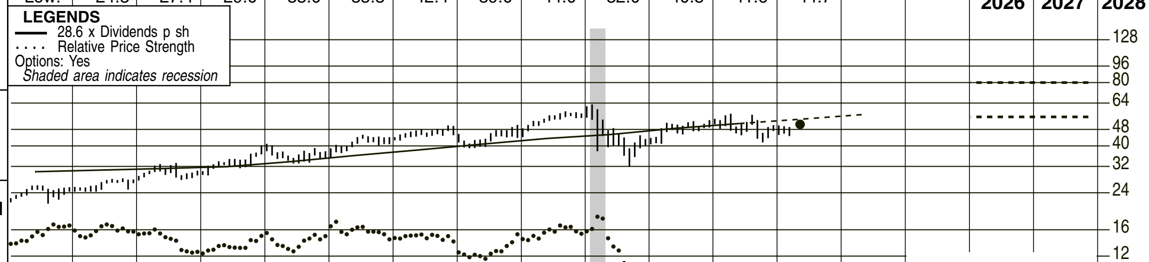
18-Month Target Price Range
Low-High $41-$68 — **Midpoint (% to Mid)** $55 (10%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+60%)	*15%*
Low	55	(+10%)	*6%*

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	181	193	207
to Sell	153	150	157
Hld's(000)	89213	87350	98285



% TOT. RETURN 3/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-8.0	-5.8
3 yr.	14.0	98.5
5 yr.	43.4	50.6

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	23.96	26.80	29.65	*28.55*	*28.15*	Revenues per sh	*31.00*
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	7.83	7.25	7.41	*7.45*	*7.80*	"Cash Flow" per sh	*9.40*
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	2.75	2.72	2.74	*2.70*	*3.00*	Earnings per sh A	*3.65*
.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	1.70	1.79	*1.88*	*1.98*	Div'd Decl'd per sh B ■ †	*2.36*
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	8.76	7.11	8.58	*12.75*	*9.50*	Cap'l Spending per sh	*9.50*
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	29.18	30.28	31.13	*32.90*	*34.75*	Book Value per sh C	*38.70*
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	89.54	89.41	89.28	*94.50*	*99.50*	Common Shs Outst'g D	*100.00*
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	16.6	17.7	18.2	*Bold figures are*		Avg Ann'l P/E Ratio	*18.5*
.63	.98	.96	.76	.78	.89	.95	.81	.89	1.00	1.01	.99	1.19	.85	.96	1.06	*Value Line*		Relative P/E Ratio	*1.05*
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%	3.5%	3.5%	3.6%	*estimates*		Avg Ann'l Div'd Yield	*3.5%*

CAPITAL STRUCTURE as of 12/31/22
Total Debt $3960 mill. **Due in 5 Yrs** $520 mill.
LT Debt $3680 mill. **LT Interest** $146 mill.
Incl. $294 mill. finance leases.
(Total Interest Coverage: 2.8x)
Leases, Uncapitalized Annual rentals $4 mill.
Pension Assets-12/22 $547 mill. **Oblig** $695 mill.
Pfd Stock None

Common Stock 89,312,765 shs. **as of 2/8/23**

MARKET CAP: $4.5 billion (Mid Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
1810.0	1900.0	1898.0	1923.0	2009.0	1991.0	2123.0	2145.0	2396.0	2647.0	*2700*	*2800*	Revenues ($mill)	*3100*
137.0	175.0	172.0	193.0	204.0	212.0	214.0	247.0	244.0	245.0	*250*	*290*	Net Profit ($mill)	*365*
23.2%	26.0%	20.7%	20.6%	25.3%	7.4%	11.2%	12.4%	8.6%	15.2%	*17.5%*	*17.5%*	Income Tax Rate	*17.5%*
14.6%	33.7%	19.8%	16.6%	8.8%	8.0%	7.0%	9.7%	10.2%	8.6%	*10.0%*	*9.0%*	AFUDC % to Net Profit	*8.0%*
51.3%	52.7%	47.8%	48.4%	50.1%	46.5%	51.3%	53.6%	56.8%	57.0%	*57.0%*	*54.5%*	Long-Term Debt Ratio	*55.0%*
48.7%	47.3%	52.2%	51.6%	49.9%	53.5%	48.7%	46.4%	43.2%	43.0%	*43.0%*	*45.5%*	Common Equity Ratio	*45.0%*
3735.0	4037.0	4329.0	4544.0	4842.0	4684.0	5323.0	5628.0	6265.0	6459.0	*7200*	*7600*	Total Capital ($mill)	*8550*
4880.0	5679.0	6012.0	6434.0	6741.0	6887.0	7161.0	7539.0	8005.0	8465.0	*9200*	*9675*	Net Plant ($mill)	*10650*
5.1%	5.8%	5.4%	5.6%	5.5%	5.8%	5.1%	5.6%	4.9%	4.9%	*4.5%*	*5.0%*	Return on Total Cap'l	*5.5%*
7.5%	9.2%	7.6%	8.2%	8.4%	8.5%	8.3%	9.5%	9.0%	8.8%	*8.0%*	*8.5%*	Return on Shr. Equity	*9.5%*
7.5%	9.2%	7.6%	8.2%	8.4%	8.5%	8.3%	9.5%	9.0%	8.8%	*8.0%*	*8.5%*	Return on Com Equity E	*9.5%*
2.9%	4.6%	3.3%	3.5%	3.6%	3.5%	3.1%	4.1%	3.5%	3.1%	*2.5%*	*3.0%*	Retained to Com Eq	*3.5%*
61%	50%	56%	57%	58%	59%	63%	57%	61%	64%	*69%*	*66%*	All Div'ds to Net Prof	*64%*

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	+.4	+5.1	+3.4
Avg. Indust. Use (MWH)	18472	20002	22097
Avg. Indust. Revs. per KWH (¢)	4.99	5.22	5.23
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	3771	4447	4255
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.5	+.6	+1.1
Fixed Charge Cov. (%)	275	261	254

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	1.0%	4.0%	*2.5%*
"Cash Flow"	4.0%	5.5%	*4.0%*
Earnings	4.0%	5.0%	*5.0%*
Dividends	5.0%	6.0%	*5.5%*
Book Value	3.0%	3.0%	*4.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	573	469	547	556	2145
2021	609	537	642	608	2396
2022	626	591	743	687	2647
2023	*650*	*600*	*750*	*700*	*2700*
2024	*675*	*625*	*775*	*725*	*2800*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.91	.43	.84	.57	2.75
2021	1.07	.36	.56	.73	2.72
2022	.67	.72	.65	.70	2.74
2023	*.65*	*.70*	*.65*	*.70*	*2.70*
2024	*.72*	*.78*	*.72*	*.78*	*3.00*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.3625	.3625	.385	.385	1.50
2020	.385	.385	.385	.4075	1.56
2021	.4075	.4075	.43	.43	1.68
2022	.43	.43	.4525	.4525	1.77
2023	.4525	.4525			

BUSINESS: Portland General Electric Company (PGE) provides electricity to 926,000 customers in 51 cities in a 4,000-square-mile area of Oregon, including Portland and Salem (population: 1.9 million). The company is in the process of decommissioning the Trojan nuclear plant, which it closed in 1993. Electric revenue breakdown: residential, 52%; commercial, 33%; industrial, 14%; other, 1%. Generating sources: gas, 32%; wind, 15%; coal, 4%; hydro, 7%; purchased, 41%. Fuel costs: 37% of revenues. '22 reported depreciation rate: 3.4%. Has 2,873 full-time employees. Chairman: Jack E. Davis. President and CEO: Maria M. Pope. Incorporated: Oregon. Address: 121 S.W. Salmon Street, Portland, OR 97204. Tel.: 503-464-8000. Internet: www.portlandgeneral.com.

Portland General Electric is likely to post a decline in share earnings this year. For full-year 2023, leadership expects profits to land within a range of $2.60 to $2.75 per share. The utility is up against a difficult comparison in terms of 2022's electric usage, which was up 3.4% from the 2021 level due in part to a historically warm summer. More pressing, however, is the degree to which PGE is expanding its capital budget in anticipation of major investments in generating capacity. Capex is slated to rise over 55%, to roughly $1.2 billion in 2023. Financing costs will pressure this year's bottom line.

Profits ought to be on the mend in 2024. PGE recently filed a GRC (general rate case) with its state regulatory body. The utility is seeking a 14% price hike, in part to recoup high purchased power costs incurred last year. Most of the request is to address reliability and resiliency work, capital investments, and rising operating and financing costs. We expect a constructive outcome, with new rates to take effect beginning in January of next year.

Investments in "green" power should help to accelerate long-term earnings growth. Oregon is pursuing a very aggressive transition to renewable energy, with a target of zero greenhouse gas emissions from electric generation by 2040. Accordingly, PGE is looking to add at least 375 to 500 megawatts of renewables and "nonemitting" annual capacity in the next few years. Thus far, the company has agreed to partner with NextEra Energy (NEE) to construct a 311 mw wind energy facility. PGE will own two-thirds of the venture, and will have a 30-year contract with NEE to purchase the remaining generation. Project completion is targeted for December. The green light from regulators to pursue these types of investments should result in mid- to high-single-digit growth in the rate base (the dollar value of assets a utility is allowed to earn an economic return on) for years to come. This, along with rising demand from a vibrant tech-based local economy, should allow the company to achieve its long-term 5%-7% earnings and dividend growth targets.

PGE stock is untimely. Still, utility investors may find its 3- to 5-year total return prospects worthwile.

Anthony J. Glennon — *April 21, 2023*

(A) Diluted earnings. Excl. nonrecurring gains/(losses): '13, (42¢); '17, (19¢); '20, ($1.03); '22, (14¢). Next earnings report due April 28th.
(B) Dividends paid mid-Jan., Apr., July, and Oct. ■ Dividend reinvestment plan available. † Shareholder investment plan available.
(C) Incl. deferred charges. In '21: $473 mill., $5.30/sh. (D) In mill.
(E) Rate base: Net original cost. Rate allowed on common equity in '22: 9.5%. Regulatory Climate: Average.

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

PPL CORPORATION NYSE-PPL

RECENT PRICE	P/E RATIO	(Trailing/Median)	RELATIVE P/E RATIO	DIV'D YLD
27.53	17.1	(Trailing: 18.7) (Median: 14.0)	0.98	3.5%

VALUE LINE

TIMELINESS **3** Raised 5/19/23
SAFETY **3** Lowered 3/18/22
TECHNICAL **3** Raised 7/21/23
BETA 1.10 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$23-$41	$32 (15%)

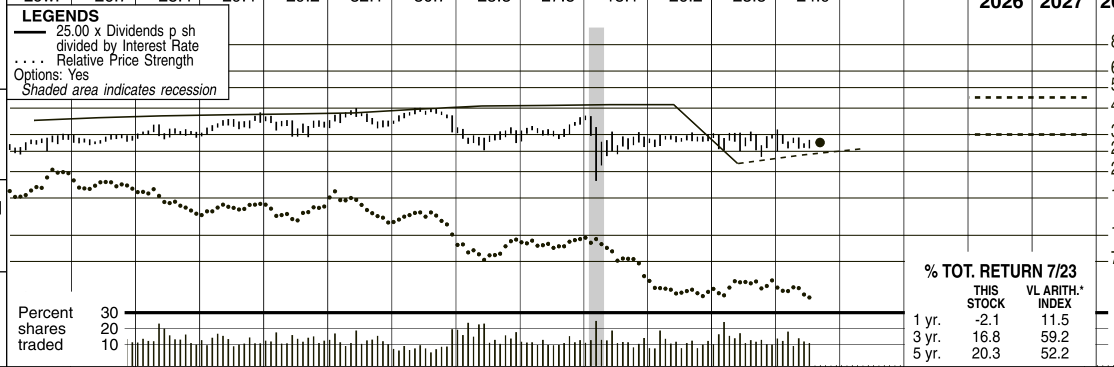
2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+65%)	15%
Low	30	(+10%)	6%

Institutional Decisions

	3Q2022	4Q2022	1Q2023
to Buy	333	370	376
to Sell	351	358	339
Hld's(000)	521454	529592	550878

High:	30.2	33.6	38.1	36.7	39.9	40.2	32.5	36.3	36.8	30.7	31.0	31.7
Low:	26.7	28.4	29.4	29.2	32.1	30.7	25.3	27.8	18.1	26.2	23.5	24.9



Target Price Range 2026 | 2027 | 2028

% TOT. RETURN 7/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-2.1	11.5
3 yr.	16.8	59.2
5 yr.	20.3	52.2

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	9.89	7.87	10.73	*10.25*	*10.80*	Revenues per sh	*11.50*
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	3.81	2.07	3.09	*3.20*	*3.30*	"Cash Flow" per sh	*3.70*
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	2.04	.53	1.41	*1.60*	*1.70*	Earnings per sh A	*2.10*
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	1.66	.88	*.95*	*1.03*	Div'd Decl'd per sh B ■	*1.26*
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	4.23	2.68	2.93	*3.25*	*3.65*	Cap'l Spending per sh	*4.00*
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	17.39	18.67	18.89	*19.50*	*20.15*	Book Value per sh C	*22.45*
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	768.91	735.11	736.49	*737.00*	*737.00*	Common Shs Outst'g D	*738.00*
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	13.9	54.1	20.0	*Bold figures are*		Avg Ann'l P/E Ratio	*17.0*
.92	1.06	1.71	.76	.66	.69	.72	.74	.70	.67	.89	.61	.71	.71	2.92	1.16	*Value Line*		Relative P/E Ratio	*.95*
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%	5.8%	5.8%	3.1%	*estimates*		Avg Ann'l Div'd Yield	*3.4%*

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
11860	11499	7669.0	7517.0	7447.0	7785.0	7769.0	7607.0	5783.0	7902.0	*7540*	*7970*	Revenues ($mill)	*8500*
1541.0	1583.0	1603.0	1902.0	1449.0	1827.0	1746.0	1571.0	401.0	1041.0	*1180*	*1255*	Net Profit ($mill)	*1550*
23.1%	33.0%	22.5%	25.4%	24.2%	20.0%	19.0%	20.3%	23.0%	19.2%	*21.0%*	*21.0%*	Income Tax Rate	*21.0%*
3.7%	2.8%	1.6%	1.6%	1.9%	2.0%	1.9%	1.8%	6.0%	.7%	*2.0%*	*2.0%*	AFUDC % to Net Profit	*2.0%*
62.3%	58.0%	65.2%	64.3%	64.8%	63.3%	61.5%	61.7%	43.7%	48.1%	*47.5%*	*46.5%*	Long-Term Debt Ratio	*44.0%*
37.7%	42.0%	34.8%	35.7%	35.2%	36.7%	38.5%	38.3%	56.3%	51.9%	*52.5%*	*53.5%*	Common Equity Ratio	*56.0%*
33058	32484	28482	27707	30608	31726	33712	34926	24389	26804	*27270*	*27735*	Total Capital ($mill)	*29675*
33087	34597	30382	30074	33092	34458	36482	38892	25470	30238	*31050*	*31900*	Net Plant ($mill)	*34900*
6.2%	6.5%	7.1%	8.4%	6.2%	7.2%	6.6%	5.9%	2.6%	4.9%	*5.5%*	*5.5%*	Return on Total Cap'l	*6.5%*
12.4%	11.6%	16.2%	19.2%	13.5%	15.7%	13.4%	11.7%	2.9%	7.5%	*8.0%*	*8.5%*	Return on Shr. Equity	*9.5%*
12.4%	11.6%	16.2%	19.2%	13.5%	15.7%	13.4%	11.7%	2.9%	7.5%	*8.0%*	*8.5%*	Return on Com Equity E	*9.5%*
5.3%	4.5%	6.0%	8.8%	3.5%	6.0%	4.3%	2.2%	NMF	1.8%	*3.5%*	*3.5%*	Retained to Com Eq	*3.5%*
57%	61%	63%	54%	74%	62%	68%	81%	NMF	76%	*59%*	*61%*	All Div'ds to Net Prof	*60%*

CAPITAL STRUCTURE as of 3/31/23
Total Debt $14585 mill. **Due in 5 Yrs** $3613 mill.
LT Debt $14481 mill. **LT Interest** $427 mill.
Incl. 23 mill. units 7.75%, $25 liq. value; 82,000 units 8.23%, $1000 face value.
(LT interest earned: 3.5x)

Leases, Uncapitalized Annual rentals $24 mill.
Pension Assets-12/22 $3149 mill. **Oblig** $3333 mill.
Pfd Stock None
Common Stock 737,067,641 shs.
as of 4/28/23
MARKET CAP: $20.3 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	-5.2	+3.0	+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)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	278	154	348

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	-7.5%	-3.0%	*3.5%*
"Cash Flow"	-3.5%	-5.0%	*3.5%*
Earnings	-6.0%	-11.5%	*8.0%*
Dividends	- -	-2.0%	*-1.5%*
Book Value	- -	4.0%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	2054	1739	1885	1929	7607.0
2021	1498	1288	1512	1485	5783.0
2022	1782	1696	2134	2290	7902.0
2023	2415	*1455*	*1890*	*1780*	*7540*
2024	*2525*	*1560*	*2000*	*1885*	*7970*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.72	.45	.50	.38	2.04
2021	.26	d.20	.27	.19	.53
2022	.41	.30	.41	.28	1.41
2023	.48	*.33*	*.46*	*.33*	*1.60*
2024	*.49*	*.33*	*.47*	*.41*	*1.70*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.41	.4125	.4125	.4125	1.65
2020	.4125	.415	.415	.415	1.66
2021	.415	.415	.415	.415	1.66
2022	.415	.20	.225	.225	1.07
2023	.225	.24	.24		

BUSINESS: PPL Corporation (formerly PP&L Resources, Inc.) is a holding company for PPL Electric Utilities, which distributes electricity to 1.4 mill. customers in eastern & central Pennsylvannia. Acquired Kentucky Utilities and Louisville Gas and Electric (1.3 mill. customers) 11/10. Acq'd Narragansett Electric (770,000 customers, renamed Rhode Island Energy) 5/22. Spun off power-generating sub. in '15. Sold electric distribution sub. in U.K. in '21. Electric rev. breakdown: res'l, 46%; comm'l, 21%; ind'l, 10%; other, 23%. Fuel costs: 33% of revs. '22 reported deprec. rate: 3.2%. Has 6,527 employees. 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.

We still expect PPL Corp. to post pretty strong 2023 results. At $1.60, our adjusted share-earnings call represents an increase of 13% over the $1.41 that the Pennsylvania-based electric utility tallied last year. Key assumptions include revenues of $7.54 billion (down 5%, year over year) and a notable moderation in the overall cost of purchased energy.

Leadership continues to target 6%–8% annual earnings growth for the next several years. Key to that goal is the realization of significant cost savings. To wit, PPL expects to lower annual operating and maintenance expense as much as $60 million by the end of 2023. Furthermore, it hopes to increase that figure to $150 million 24 months thereafter. As we understand it, a good portion of the savings will come from infrastructure improvements, such as additonal 'hardening' of transmission assets against, among other things, adverse weather events. To that point, over 70% of the utility's transmission structures in Pennsylvania are now made of steel, up from less than 50% a decade ago, when wood construction was more prevalent.

The recent introduction of Dynamic Line Rating (DLR) technology is also encouraging. PPL has so far installed an undisclosed number of DLR sensors onto its transmission lines. The sensors track on a real-time basis everything from area wind speed to the ambient temperature of power lines, changes in which can signal heightened network risk. Importantly, the enhanced monitoring is reportedly helping to reduce outages and service costs.

The utility recently solicited proposals for replacing its coal-fueled power plants. If leadership has it right, coal will represent less than 15% of PPL's overall rate base by 2026, down from roughly 21% at the end of last year.

Shares of PPL don't currently stand out for year-ahead price performance (Timeliness: 3). We think that income investors will also do better elsewhere. While PPL's 3.5% current yield is nicely above the median for the *Value Line* universe as a whole, it trails the 3.8% average for the utility peer group. What's more, risk-free treasury securities were recently offering better income possibilities.

Nils C. Van Liew *August 11, 2023*

(**A**) Dil. EPS. Excl. nonrec. gain (losses): '07, (12¢); '10, (8¢); '11, 8¢; '13, (62¢); '20, (13¢); '21, (50¢); gains (losses) on disc. ops.: '07, 19¢; '08, 3¢; '09, (10¢); '10, (4¢); '12, (1¢); '14, 23¢; '15, ($1.36); '21, ($1.94). '20 & '21 EPS don't sum due to rounding. Next egs. rept. due early Nov. (**B**) Div'ds paid in early Jan., April, July, & Oct. ■ Div'd reinv. plan avail. (**C**) Incl. intang. In '21: $3.12/sh. (**D**) In mill. (**E**) Rate base: Fair val. Rate all'd on com. eq. in PA in '16: none spec.; in KY in '19: 9.725%; earned on avg. com. eq., '21: 2.8%. Reg. Clim.: Avg.

Company's Financial Strength	B++
Stock's Price Stability	80
Price Growth Persistence	10
Earnings Predictability	45

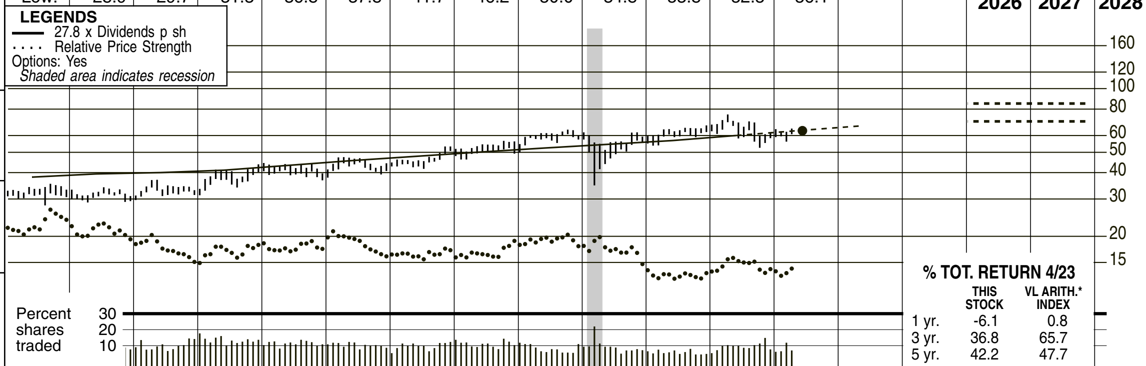
P.S. ENTERPRISE GP. NYSE-PEG

RECENT PRICE **63.14** | P/E RATIO **17.8** (Trailing: 17.9 Median: 16.0) | RELATIVE P/E RATIO **1.06** | DIV'D YLD **3.7%** | VALUE LINE

TIMELINESS 3 Raised 5/2/23
SAFETY 1 Raised 11/23/12
TECHNICAL 5 Lowered 3/10/23
BETA .90 (1.00 = Market)

High:	34.1	37.0	43.8	44.4	47.4	53.3	56.7	63.9	62.2	67.1	75.6	64.6
Low:	28.9	29.7	31.3	36.8	37.8	41.7	46.2	50.0	34.8	53.8	52.5	56.1

LEGENDS
—— 27.8 x Dividends p sh
. . . . Relative Price Strength
Options: Yes
Shaded area indicates recession



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$51-$85	$68 (10%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(+35%)	11%
Low	70	(+10%)	6%

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	407	419	438
to Sell	433	363	377
Hld's(000)	354340	354404	361159

% TOT. RETURN 4/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-6.1	0.8
3 yr.	36.8	65.7
5 yr.	42.2	47.7

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	19.05	19.29	19.72	**23.00**	**23.60**	Revenues per sh	**25.50**
4.36	4.68	4.98	5.27	5.36	4.87	5.17	5.82	5.75	5.07	5.30	5.81	6.14	6.37	6.46	6.08	**6.25**	**6.60**	"Cash Flow" per sh	**7.75**
2.59	2.90	3.08	3.07	3.11	2.44	2.45	2.99	2.91	2.83	2.82	3.12	3.28	3.43	3.65	3.47	**3.55**	**3.75**	Earnings per sh A	**4.50**
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	2.16	**2.28**	**2.40**	Div'd Decl'd per sh B ■†	**2.80**
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	5.80	5.39	5.81	**7.20**	**7.20**	Cap'l Spending per sh	**7.25**
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	31.71	28.65	27.62	**28.75**	**30.10**	Book Value per sh C	**35.00**
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	504.00	504.00	497.00	**500.00**	**500.00**	Common Shs Outst'g D	**500.00**
16.5	13.6	10.0	10.4	10.4	12.8	13.5	12.6	14.1	15.3	16.3	16.6	18.0	15.7	16.8	18.5	*Bold figures are*		Avg Ann'l P/E Ratio	**17.5**
.88	.82	.67	.66	.65	.81	.76	.66	.71	.80	.82	.90	.96	.81	.91	1.08	*Value Line*		Relative P/E Ratio	**.95**
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%	3.6%	3.3%	3.4%	*estimates*		Avg Ann'l Div'd Yield	**3.6%**

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
9968.0	10886	10415	9198.0	9161.0	9696.0	10076	9603.0	9722.0	9800.0	**11500**	**11800**	Revenues ($mill)	**12750**
1243.0	1518.0	1476.0	1436.0	1431.0	1582.0	1666.0	1741.0	1853.0	1739.0	**1780**	**1885**	Net Profit ($mill)	**2260**
39.5%	38.2%	37.4%	31.7%	37.3%	23.7%	32.2%	14.3%	19.5%	13.7%	**20.0%**	**20.0%**	Income Tax Rate	**20.0%**
4.6%	4.5%	6.2%	8.4%	10.6%	8.7%	6.5%	7.0%	5.5%	5.1%	**7.0%**	**7.0%**	AFUDC % to Net Profit	**6.0%**
40.4%	40.4%	40.3%	45.3%	46.6%	47.8%	47.7%	47.6%	51.3%	54.6%	**54.0%**	**53.5%**	Long-Term Debt Ratio	**54.0%**
59.6%	59.6%	59.7%	54.7%	53.4%	52.2%	52.3%	52.4%	48.7%	45.4%	**46.0%**	**46.5%**	Common Equity Ratio	**46.0%**
19470	20446	21900	24025	25915	27545	28832	30480	29657	30224	**31225**	**32250**	Total Capital ($mill)	**37800**
21645	23589	26539	29286	31797	34363	35844	37585	34366	35942	**38250**	**40475**	Net Plant ($mill)	**46700**
7.5%	8.4%	7.6%	6.8%	6.4%	6.7%	6.7%	6.6%	7.1%	6.7%	**6.5%**	**7.0%**	Return on Total Cap'l	**7.0%**
10.7%	12.5%	11.3%	10.9%	10.3%	11.0%	11.0%	10.9%	12.8%	12.7%	**12.5%**	**12.5%**	Return on Shr. Equity	**13.0%**
10.7%	12.5%	11.3%	10.9%	10.3%	11.0%	11.0%	10.9%	12.8%	12.7%	**12.5%**	**12.5%**	Return on Com Equity E	**13.0%**
4.4%	6.3%	5.3%	4.6%	4.1%	4.7%	4.7%	4.7%	5.7%	4.8%	**4.5%**	**4.5%**	Retained to Com Eq	**5.0%**
59%	49%	53%	58%	61%	58%	57%	57%	56%	62%	**64%**	**64%**	All Div'ds to Net Prof	**62%**

CAPITAL STRUCTURE as of 12/31/22
Total Debt $20270 mill. **Due in 5 Yrs** $7225 mill.
LT Debt $16495 mill. **LT Interest** $565 mill.
(Total Interest coverage: 3.4x)

Leases, Uncapitalized Annual rentals $35 mill.

Pension Assets-12/22 $4911 mill. **Oblig** $5628 mill.

Pfd Stock None

Common Stock 498,769,910 shs.
as of 2/17/23
MARKET CAP: $31.5 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	-2.5	+1.3	+1.6
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH(¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	9905	10064	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	+.9	+.9	+.9
Fixed Charge Cov. (%)	298	273	298

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	-1.0%	0.5%	*4.5%*
"Cash Flow"	2.0%	3.0%	*3.5%*
Earnings	2.0%	4.5%	*4.0%*
Dividends	4.0%	4.5%	*5.5%*
Book Value	4.0%	2.0%	*3.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	2781	2050	2370	2402	9603
2021	2889	1874	1903	3056	9722
2022	2313	2076	2272	3139	9800
2023	3755	**2100**	**2400**	**3245**	**11500**
2024	**3800**	**2175**	**2475**	**3350**	**11800**

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	1.03	.79	.96	.65	3.43
2021	1.28	.70	.98	.69	3.65
2022	1.33	.64	.86	.64	3.47
2023	1.39	**.65**	**.87**	**.64**	**3.55**
2024	**1.40**	**.70**	**.95**	**.70**	**3.75**

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.47	.47	.47	.47	1.88
2020	.49	.49	.49	.49	1.96
2021	.51	.51	.51	.51	2.04
2022	.54	.54	.54	.54	2.16
2023	.57				

BUSINESS: Public Service Enterprise Group Inc. is a holding company for Public Service Electric and Gas Company (PSE&G), which serves 2.3 million electric and 1.9 million gas customers in NJ, and PSEG Power LLC, a nonregulated power generator with nuclear plants in the Northeast (sold its fossil-fuel generation, 2/22). In mid-2022, announced intent to divest offshore wind assets. Percentage of electric sales: Commercial (57%); Residential (34%); Industrial (9%). Fuel costs: 41% of revenues. '22 reported depreciation rates (utility): 1.9%-2.6%. Has 12,525 employees. Executive Chair: Dr. Ralph Izzo. Chair, Pres. & CEO: Ralph A. LaRossa. Inc.: New Jersey. Address: 80 Park Plaza, P.O. Box 1171, Newark, New Jersey 07101-1171. Tel.: 973-430-7000. Internet: www.pseg.com.

Public Service Enterprise Group (PSEG) is off to a good start in 2023, but lackluster full-year profit gains are likely. March-period earnings exceeded the consensus estimate by $0.14 per share, mainly due to an uptick in the performance of the Nuclear segment, which is the only significant business outside of the regulatory pricing umbrella. High price realizations from hedges won't be available in future quarters so the $0.08-per-share bump to the bottom line was a one-off item. PSEG still has some significant headwinds this year from the impact of higher interest rates and increased retirement contributions.

The company's long-term earnings growth target of 5%-7% should be achieved in 2024. Utility income is rising due to regulatory mechanisms that allow for near contemporaneous returns on capital used for certain grid improvements. Meanwhile, interest expense and pension costs should moderate, and management is working hard to drive efficiencies and reduce operating expenses.

New Jersey's recently announced acceleration to 100% "clean" energy by 2035 should be a boon for PSEG. We expect no shortage of state authorized infrastructure and grid-modernization projects, which generate a 9.6% regulated return on capital employed by way of rising electric delivery rates. The tenets of last year's Inflation Reduction Act (IRA) are expected to bolster the nation's transition to renewable energy over the next two decades and make it less painful for consumers. The IRA also provides incentives that will help keep PSEG's nuclear fleet economically viable for years to come.

Public Service Enterprise stock, however, does not stand out at the recent quotation. PSEG's 3- to 5-year annual total return prospects are roughly in line with the electric utility median of 8.6%. The dividend yield is only marginally above the peer average, although the long-term rate of growth for the disbursement is perhaps 50 basis points in excess of the industry's 4.8% rate. Following a roughly 10% drawdown in value, this high-quality issue would likely be a worthwhile holding for conservative accounts seeking "plain vanilla" utility exposure.

Anthony J. Glennon *May 12, 2023*

(A) Diluted EPS. Excl. nonrec. gains/(losses): '08, (96¢); '09, 6¢; '11, (34¢); '12, 7¢; '15, 39¢; '16, ($1.08); '17, 28¢ (net); '18, (29¢); '19, 5¢; '20, 33¢; '21, ($4.94); '22, ($1.41); Q1 '23, $1.19; disc. ops.: '07, 3¢; '08, 40¢; '10, 1¢; '11, 19¢. Next egs. report due early August.
(B) Div'ds historically paid in late Mar., June, Sept., & Dec. ■ Div'd reinvestment plan avail.
(C) Incl. intang. In '22: $8.90/sh.
(D) In mill., adj. for '08 split. (E) Rate base: Net original cost. Rate allowed on common equity in '18: 9.6%; Regulatory Climate: Average.

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

SEMPRA ENERGY NYSE-SRE

RECENT PRICE **144.45** | P/E RATIO **16.1** (Trailing: 15.7 / Median: 20.0) | RELATIVE P/E RATIO **0.93** | DIV'D YLD **3.4%** | VALUE LINE

TIMELINESS 3 Lowered 4/21/23
SAFETY 2 Raised 7/29/16
TECHNICAL 3 Raised 7/21/23
BETA 1.00 (1.00 = Market)

High:	72.9	93.0	116.3	116.2	114.7	123.0	127.2	154.5	161.9	144.9	176.5	163.6
Low:	54.7	70.6	86.7	89.4	86.7	99.7	100.5	106.1	88.0	114.7	129.7	138.6

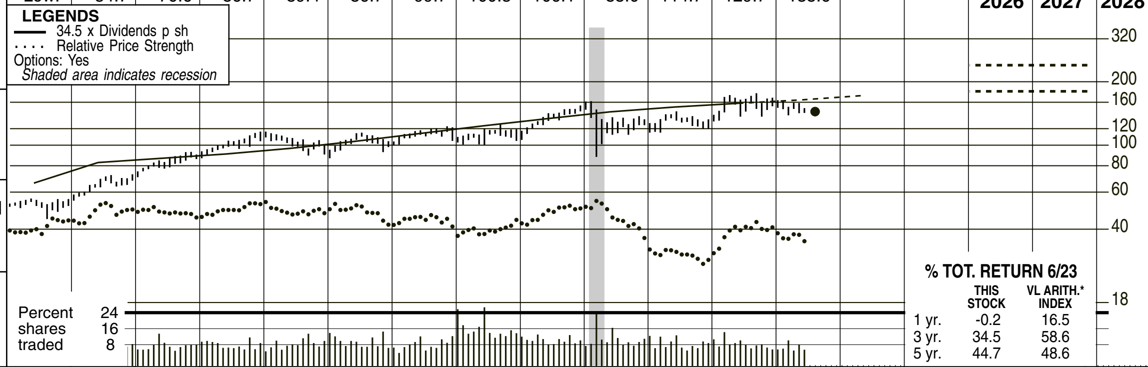
18-Month Target Price Range
Low-High: $122-$217 | Midpoint (% to Mid): $170 (15%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	240	(+65%)	16%
Low	180	(+25%)	9%

Institutional Decisions

	3Q2022	4Q2022	1Q2023
to Buy	476	518	436
to Sell	332	364	425
Hld's(000)	267683	273687	269497



Target Price Range
2026 | 2027 | 2028

% TOT. RETURN 6/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-0.2	16.5
3 yr.	34.5	58.6
5 yr.	44.7	48.6

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	39.41	40.57	45.94	**57.70**	**58.20**	Revenues per sh	**63.35**
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	13.22	14.17	15.70	**16.25**	**17.30**	"Cash Flow" per sh	**21.70**
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	7.38	8.43	9.21	**9.00**	**9.60**	Earnings per sh A	**12.35**
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	4.40	4.58	**4.76**	**5.00**	Div'd Decl'd per sh B ■	**6.10**
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	16.21	15.82	17.04	**17.00**	**17.00**	Cap'l Spending per sh	**17.25**
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	70.11	79.17	83.43	**85.55**	**90.20**	Book Value per sh C	**105.65**
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	288.47	316.92	314.33	**305.00**	**305.00**	Common Shs Outst'g D	**300.00**
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	17.5	15.4	16.8	***Bold figures are***		Avg Ann'l P/E Ratio	**17.0**
.74	.71	.67	.80	.74	.95	1.11	1.15	.99	1.28	1.22	1.10	1.20	.90	.83	.98	***Value Line***		Relative P/E Ratio	**.95**
2.1%	2.6%	3.2%	3.1%	3.6%	3.7%	3.0%	2.6%	2.7%	2.9%	2.9%	3.2%	2.9%	3.2%	3.4%	3.0%	***estimates***		Avg Ann'l Div'd Yield	**2.9%**

CAPITAL STRUCTURE as of 3/31/23
Total Debt $28243 mill. **Due in 5 Yrs** $6475 mill.
LT Debt $25206 mill. **LT Interest** $1155 mill.
Incl. $1343 mill. finance leases.
(Total Interest Coverage: 3.6x)

Leases, Uncapitalized Annual rentals $53 mill.
Pension Assets-12/22 $2390 mill. **Oblig** $2806 mill.
Pfd Stock $889 mill. **Pfd Div'd** $45 mill.
900,000 shs. 4.875%, cumulative.
Common Stock 314,650,534 shs.
as of 4/28/23
MARKET CAP: $45.5 billion (Large Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
10557	11035	10231	10183	11207	11687	10829	11370	12857	14439	**17600**	**17750**	Revenues ($mill)	**19000**
1060.0	1162.0	1314.0	1065.0	1169.0	1607.0	1825.0	2316.0	2701.0	2960.0	**2840**	**2985**	Net Profit ($mill)	**3760**
26.5%	19.7%	19.2%	14.4%	24.5%	20.1%	17.9%	18.0%	25.5%	20.1%	**19.0%**	**19.0%**	Income Tax Rate	**19.0%**
11.2%	14.4%	15.3%	22.2%	21.9%	12.6%	10.0%	8.7%	8.0%	8.6%	**9.0%**	**8.5%**	AFUDC % to Net Profit	**8.5%**
50.5%	51.7%	52.6%	52.7%	56.4%	55.7%	51.0%	48.2%	44.8%	47.5%	**50.5%**	**50.5%**	Long-Term Debt Ratio	**49.5%**
49.4%	48.2%	47.3%	47.3%	43.5%	38.4%	43.4%	44.8%	53.3%	50.7%	**47.5%**	**48.0%**	Common Equity Ratio	**49.0%**
22281	23513	24963	27400	29135	38769	40734	45174	47069	51683	**54700**	**57550**	Total Capital ($mill)	**64700**
25460	25902	28039	32931	36503	36796	36452	40003	43894	47782	**50800**	**53650**	Net Plant ($mill)	**60900**
6.0%	6.1%	6.4%	5.0%	5.1%	5.1%	5.5%	6.1%	6.6%	6.8%	**6.0%**	**6.0%**	Return on Total Cap'l	**7.0%**
9.6%	10.2%	11.1%	8.2%	9.2%	9.4%	9.1%	9.9%	10.4%	10.9%	**10.5%**	**10.5%**	Return on Shr. Equity	**11.5%**
9.6%	10.3%	11.1%	8.2%	9.2%	10.0%	9.5%	10.6%	10.5%	11.1%	**10.5%**	**10.5%**	Return on Com Equity E	**11.5%**
4.1%	5.0%	5.8%	2.9%	3.3%	4.1%	3.9%	4.8%	5.2%	5.7%	**5.0%**	**5.0%**	Retained to Com Eq	**6.0%**
58%	52%	48%	65%	65%	62%	62%	58%	52%	50%	**53%**	**53%**	All Div'ds to Net Prof	**50%**

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	-.4	-3.7	+2.8
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	+.5
Fixed Charge Cov. (%)	178	201	232

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	0.5%	- -	7.0%
"Cash Flow"	5.5%	7.0%	7.0%
Earnings	7.0%	12.0%	7.0%
Dividends	8.5%	7.5%	5.5%
Book Value	7.0%	9.0%	5.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	3029	2526	2644	3171	11370
2021	3259	2741	3013	3844	12857
2022	3820	3547	3617	3455	14439
2023	6560	**3575**	**3650**	**3815**	**17600**
2024	**6125**	**3750**	**3825**	**4050**	**17750**

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	2.53	1.58	1.31	1.88	7.38
2021	2.95	1.63	1.70	2.16	8.43
2022	2.91	1.98	1.97	2.35	9.21
2023	2.92	**1.80**	**1.90**	**2.40**	**9.00**
2024	**3.05**	**1.95**	**2.05**	**2.55**	**9.60**

Cal-endar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.895	.9675	.9675	.9675	3.80
2020	.9675	1.045	1.045	1.045	4.10
2021	1.045	1.10	1.10	1.10	4.35
2022	1.10	1.145	1.145	1.145	4.54
2023	1.145	1.19	1.19		

BUSINESS: Sempra Energy is a holding company for San Diego Gas & Electric (SDG&E), which sells electricity & gas mainly in San Diego County, and Southern California Gas (SoCalGas), which distributes gas to most of Southern California. Owns 80% of Oncor (acquired 3/18), which distributes electricity in TX. Customers: 5.2 mill. electric, 7.0 mill. gas. Electric revenue breakdown: N/A. Purchases 76% of its power; the rest is gas. The Sempra Infrastrucure subsidiary (SI) is active in LNG exportation and other energy endeavors. Sold SA utilities in 2020. Power costs: 24.5% of revenue. '22 reported deprec. rates: 2.6%-7.0%. Employs 15,785. Chr., Pres. & CEO: Jeffrey W. Martin. Inc.: CA. Addr.: 488 8th Ave., San Diego, CA 92101. Tel.: 619-696-2000. Internet: www.sempra.com.

Sempra Energy will likely post down earnings this year, with growth expected to resume in 2024. Management affirmed its $8.60-$9.20 per share bottom-line outlook. Quarterly comparisons will be difficult through the end of the third quarter, as last year's heat wave in southern California drove electricity usage up 2.8% in 2022. Regulatory lag is a key issue for this year in particular. Significant investments in grid modernization and the related financing costs await recoupment. Sempra has general rate cases filed in both of its state territories. A decision is overdue for Oncor, the company's 80%-owned transmission and distribution subsidiary in Texas. Higher delivery prices ought to benefit the back end of 2023, with further incremental improvement coming next year. A regulatory decision is expected in the second quarter of next year for San Diego Gas & Electric and SoCalGas. Higher rates in California should be retroactive to the start of 2024.

The company's goal of 6%-8% long-term earnings growth looks achievable, given the prospects of the Infrastructure subsidiary (SI). The economics of the liquefied natural gas (LNG) export operation look attractive. SI has put together a project that will export 13 million tonnes per annum of LNG from Texas to Europe and Asia starting in 2027. Long-term contracts are nearly fully subscribed. ConocoPhillips has come on board as a partner, and KKR will also help finance the $13 billion endeavor. Sempra is expected to retain about a 20% stake, but will only have to put up a half-share of the capital. We estimate a bump in annual earnings power of $0.50-$0.75 per share, plus an opportunity to replicate the gains through additional project phases. Moreover, SI has comparable-scaled LNG expansions taking place at its Baja California site in Mexico. The subsidiary is also exploring opportunities in green hydrogen and ammonia production, an arena that looks very promising.

This issue is neutrally ranked for year-ahead relative price performance. However, SRE's total return potential looks good relative to its industry's 10% median level. Utility investors should consider it for a long-term holding.

Anthony J. Glennon *July 21, 2023*

(A) Dil. egs. Excl. nonrec. gain/(loss): '09, (26¢); '10, ($1.04); '11, $1.15; '12, (87¢); '13, (21¢); '15, 14¢; '16, $1.22; '17, ($3.62); '18, ($2.06); '19, 16¢; '20, (80¢); '21, ($4.42); '22, ($1.64); 1Q '23, 15¢. Disc. ops.: '19, $1.16; '20, $6.30. Qtly. EPS may not sum due to rounding. Next egs. report due early Aug. **(B)** Div'ds paid mid-Jan., Apr., July, Oct. ■ Div'd reinv. avail. **(C)** Incl. intang. In '22: $14.42/sh. **(D)** In mill. **(E)** Rate base: Net orig. cost. Rate allowed on com. eq.: SDG&E in '22: 9.95%; SoCalGas in '22: 9.8%. Regulatory Climate: Average.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	55
Earnings Predictability	90

SOUTHERN COMPANY NYSE-SO

RECENT PRICE 72.34 | P/E RATIO 17.8 (Trailing: 21.1 Median: 17.0) | RELATIVE P/E RATIO 1.02 | DIV'D YLD 3.9% | VALUE LINE

TIMELINESS 4 Lowered 8/4/23

SAFETY 2 Lowered 2/21/14

TECHNICAL 2 Lowered 7/7/23

BETA .90 (1.00 = Market)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
High:	48.6	48.7	51.3	53.2	54.6	53.5	49.4	64.3	71.1	68.9	80.6	75.8
Low:	41.8	40.0	40.3	41.4	46.0	46.7	42.4	43.3	42.0	56.7	60.7	58.8

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$61-$100	$81 (10%)

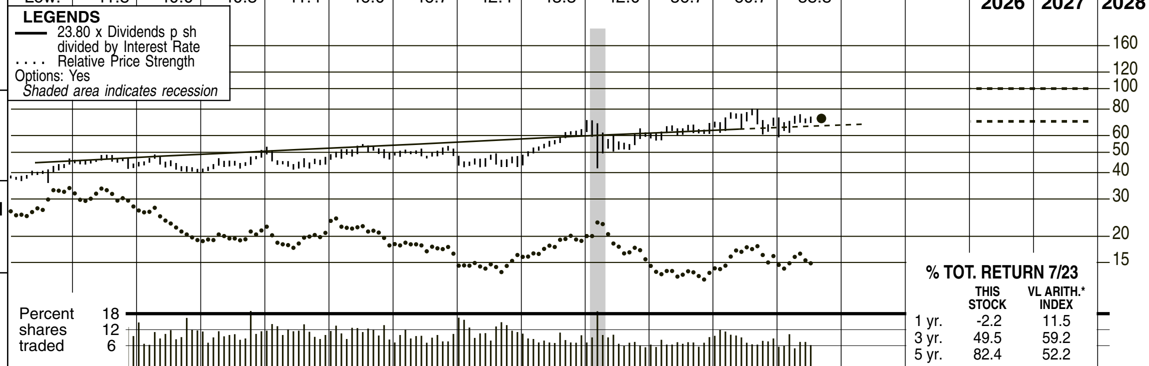
2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	100	(+40%)	12%
Low	70	(-5%)	3%

Institutional Decisions

	3Q2022	4Q2022	1Q2023
to Buy	781	911	843
to Sell	634	594	622
Hld's(000)	675410	693302	697201

Target Price Range 2026 | 2027 | 2028



% TOT. RETURN 7/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-2.2	11.5
3 yr.	49.5	59.2
5 yr.	82.4	52.2

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	19.29	21.80	26.89	***24.85***	***25.25***	Revenues per sh	***28.90***
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	6.98	7.20	7.34	***7.65***	***8.00***	"Cash Flow" per sh	***9.25***
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	3.25	3.42	3.61	***3.65***	***4.00***	Earnings per sh A	***5.15***
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	2.70	***2.78***	***2.86***	Div'd Decl'd per sh B ■	***3.10***
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	7.04	6.83	7.58	***7.85***	***7.85***	Cap'l Spending per sh	***7.50***
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	26.48	26.30	27.93	***28.00***	***29.90***	Book Value per sh C	***32.25***
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	1056.5	1060.0	1089.0	***1070.0***	***1070.0***	Common Shs Outst'g D	***1070.0***
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	17.9	18.4	19.6	*Bold figures are*		Avg Ann'l P/E Ratio	***16.5***
.85	.97	.90	.95	.99	1.08	.91	.84	.80	.93	.78	.82	.94	.92	1.00	1.14	*Value Line*		Relative P/E Ratio	***.90***
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%	4.4%	4.2%	4.1%	*estimates*		Avg Ann'l Div'd Yield	***3.6%***
						17087	18467	17489	19896	23031	23495	21419	20375	23113	29279	***26600***	***27500***	Revenues ($mill)	***30900***
						2439.0	2567.0	2647.0	2757.0	3269.0	3096.0	3354.0	3481.0	3670.0	3931.3	***3960***	***4280***	Net Profit ($mill)	***5510***
						34.8%	33.8%	33.4%	28.5%	25.2%	21.3%	15.9%	14.3%	16.3%	18.8%	***15.0%***	***15.0%***	Income Tax Rate	***15.0%***
						11.6%	13.9%	13.2%	11.9%	7.6%	6.8%	6.0%	6.6%	7.7%	8.0%	***8.0%***	***8.0%***	AFUDC % to Net Profit	***6.0%***
						51.5%	49.5%	52.8%	61.5%	64.5%	62.0%	60.1%	61.5%	64.0%	63.0%	***64.0%***	***64.0%***	Long-Term Debt Ratio	***63.0%***
						45.8%	47.3%	44.0%	35.7%	35.0%	37.6%	39.5%	38.1%	35.6%	36.5%	***36.0%***	***36.0%***	Common Equity Ratio	***37.0%***
						41483	42142	46788	69359	68953	65750	69594	73336	78285	80558	***83500***	***85000***	Total Capital ($mill)	***93500***
						51208	54868	61114	78446	79872	80797	83080	87634	91108	94570	***99350***	***100000***	Net Plant ($mill)	***110000***
						6.8%	7.1%	6.6%	4.9%	5.9%	5.9%	6.0%	5.9%	5.8%	5.5%	***5.5%***	***5.5%***	Return on Total Cap'l	***6.5%***
						12.1%	12.1%	12.0%	10.3%	13.3%	12.4%	12.1%	12.3%	13.0%	12.5%	***13.0%***	***13.0%***	Return on Shr. Equity	***14.5%***
						12.5%	12.5%	12.6%	11.0%	13.4%	12.5%	12.1%	12.4%	13.1%	13.0%	***13.0%***	***13.0%***	Return on Com Equity E	***14.5%***
						3.2%	3.2%	3.1%	2.5%	3.9%	2.6%	2.8%	2.8%	3.1%	3.0%	***3.5%***	***3.5%***	Retained to Com Eq	***5.0%***
						75%	75%	76%	78%	72%	79%	77%	78%	76%	78%	***77%***	***77%***	All Div'ds to Net Prof	***67%***

CAPITAL STRUCTURE as of 3/31/23
Total Debt $55066 mill. **Due in 5 Yrs** $15427 mill.
LT Debt $50427 mill. **LT Interest** $1754 mill.
Incl. $215 mill. finance leases.
(LT interest earned: 3.3x)
Leases, Uncapitalized Annual rentals $307 mill.
Pension Assets-12/22 $17225 mill. **Oblig** $16382 mill.
Pfd Stock $242 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 1,090,402,540 shs.
MARKET CAP: $78.9 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	-8.5	-5.3	+2.0
Avg. Indust. Use (MWH)	2947	NA	NA
Avg. Indust. Revs. per KWH (¢)	6.03	NA	NA
Capacity at Yearend (Mw)	41940	NA	NA
Peak Load, Summer (Mw)	34209	NA	NA
Annual Load Factor (%)	60.3	NA	NA
% Change Customers (yr-end)	-8.9	+1.3	+1.5
Fixed Charge Cov. (%)	281	270	275

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	- -	.5%	6.0%
"Cash Flow"	4.0%	4.5%	5.0%
Earnings	3.0%	3.0%	6.5%
Dividends	3.5%	3.5%	3.5%
Book Value	3.0%	2.5%	3.5%

Cal-endar	QUARTERLY REVENUES (mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	5018	4620	5620	5117	20375
2021	5910	5198	6238	5767	23113
2022	6648	7206	8378	7047	29279
2023	6480	***6800***	***7120***	***6200***	***26600***
2024	***6800***	***7000***	***7200***	***6500***	***27500***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.81	.75	1.18	.51	3.25
2021	1.09	.67	1.22	.44	3.42
2022	.97	1.07	1.31	.26	3.61
2023	.79	***.95***	***1.36***	***.55***	***3.65***
2024	***1.20***	***1.00***	***1.30***	***.50***	***4.00***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.60	.62	.62	.62	2.46
2020	.62	.64	.64	.64	2.54
2021	.64	.66	.66	.66	2.62
2022	.66	.68	.68	.68	2.70
2023	.68	.70			

BUSINESS: The Southern Company, through its subsidiaries, supplies electricity to 4.4 mill. customers in GA, AL, and MS. Also has a competitive generation business. Acq'd AGL Resources (renamed Southern Company Gas, 4.4 mill. customers in GA, NJ, IL, VA, & TN) 7/16. Sold Gulf Power 1/19. Electric revenue breakdown: residential, 37%; commercial, 30%; industrial, 19%; other, 14%. Generating sources: gas, 44%; coal, 20%; nuclear, 16%; other, 11%; purchased, 9%. Fuel costs: 29% of revenues. '22 reported deprec. rates (utility): 2.7%-3.6%. Has 27,300 employees. President and CEO: Chris Womack. Inc.: Delaware. Address: 30 Ivan Allen Jr. Blvd., N.W., Atlanta, Georgia 30308. Tel.: 404-506-0747. Internet: www.southerncompany.com.

Southern Company's Georgia Power subsidiary has experienced another delay in unit 3 of the Vogtle nuclear station. In June, the company delayed the commercial operation of its nuclear construction project due to a degraded hydrogen seal found during testing. Unit 3 is approaching an August deadline to reach commercial operation, as the project continues to face significant delays and cost overruns. Meanwhile, unit 4 of the Vogtle station is making strong progress towards completing the project. Indeed, the Nuclear Regulatory Commission recently approved plans to begin radioactive fuel loading. Management expects to load the fuel by the end of September, and unit 4 is scheduled to be in-service by the end of 2023 or in the first quarter of 2024. Additional delays and cost increases may occur, though. Construction timing will greatly influence growth and project delays could cause full-year estimates to be lowered. When construction is completed, we think the project will improve the company's dividend and earnings growth prospects, and benefit the transition towards cleaner energy.

Our bottom-line estimates for 2023 and 2024 are $3.65 and $4.00 a share, respectively. Second-quarter results were released shortly after our report went to press. Southern Company's earnings should continue to benefit from rate relief, higher retail pricing, and increased usage of electricity. Too, we think profit growth will show more acceleration once the nuclear units are completed. Management is targeting a long-term annual earnings-per-share growth target of 5%-7%.

This issue is ranked 4 (Below Average) for Timeliness. Also, at the current quotation, capital appreciation potential over the coming 18 months and out to 2026-2028 does not stand out compared to the *Value Line* median. However, Southern shares may appeal to conservative, income-oriented accounts. Indeed, the stock's dividend yield of 3.9%, which sits above the industry average, remains its most notable feature. The company also holds a strong financial strength rating (A), as well as an Above-Average (2) Safety rank and high marks for Earnings Predictability and Price Stability.

Zachary J. Hodgkinson *August 11, 2023*

(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¢); '21, (54¢). Next earnings report due in late Oct. (B) Div'ds paid in early Mar., June, Sept., and Dec. ■ Div'd reinvestment plan avail. (C) Incl. def'd charges. In '22: $19.85/sh. (D) In mill. (E) Rate base: AL, MS, fair value; FL, GA, orig. cost. Allowed return on common eq. (blended): 12.5%; earned on avg. com. eq., '21: 12.8%. Regulatory Climate: GA, AL Above Average; MS, FL Average.

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

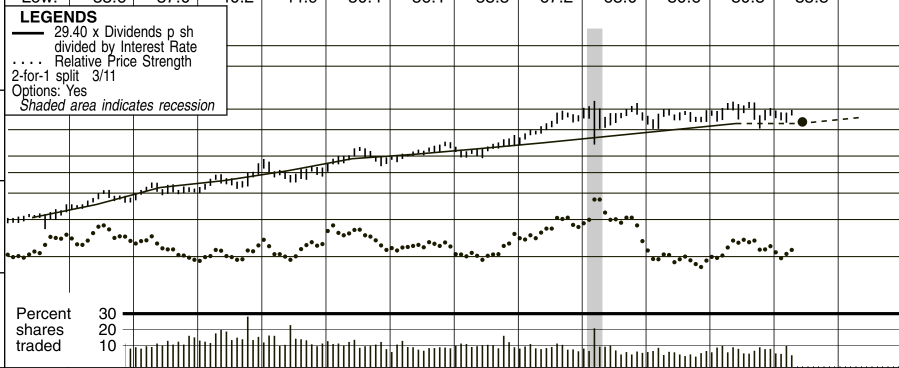
WEC ENERGY GROUP NYSE-WEC

RECENT PRICE	86.90	P/E RATIO	18.9 (Trailing: 20.3 / Median: 21.0)	RELATIVE P/E RATIO	1.15	DIV'D YLD	3.6%	VALUE LINE

TIMELINESS 3 Raised 4/28/23
SAFETY 1 Raised 3/23/12
TECHNICAL 2 Raised 6/9/23
BETA .80 (1.00 = Market)

High:	41.5	45.0	55.4	58.0	66.1	70.1	75.5	98.2	109.5	99.9	108.4	99.3
Low:	33.6	37.0	40.2	44.9	50.4	56.1	58.5	67.2	68.0	80.6	80.8	85.8

Target Price Range 2026 | 2027 | 2028



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$77-$129	$103 (20%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	135	(+55%)	14%
Low	110	(+25%)	9%

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	490	439	477
to Sell	340	385	408
Hld's(000)	237581	235657	240294

% TOT. RETURN 4/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-0.9	0.8
3 yr.	16.0	65.7
5 yr.	72.4	47.7

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	22.96	26.36	30.43	***30.45***	***31.70***	Revenues per sh	***34.10***
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	6.90	7.53	8.01	***8.60***	***9.05***	"Cash Flow" per sh	***10.65***
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	3.79	4.11	4.46	***4.60***	***4.90***	Earnings per sh A	***5.90***
.50	.54	.68	.80	1.04	1.20	1.45	1.56	1.74	1.98	2.08	2.21	2.36	2.53	2.71	2.91	***3.12***	***3.33***	Div'd Decl'd per sh B ■	***3.80***
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	7.10	7.14	7.34	***9.30***	***9.30***	Cap'l Spending per sh	***9.25***
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	33.19	34.60	36.76	***37.35***	***37.90***	Book Value per sh C	***42.00***
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	315.43	315.43	315.43	***315.43***	***315.43***	Common Shs Outst'g D	***315.43***
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	24.9	22.3	21.9	*Bold figures are*		Avg Ann'l P/E Ratio	***20.5***
.88	.89	.89	.89	.89	1.01	.93	.93	1.07	1.04	1.01	1.06	1.25	1.28	1.21	1.27	*Value Line*		Relative P/E Ratio	***1.15***
2.1%	2.4%	3.2%	3.0%	3.3%	3.2%	3.5%	3.4%	3.5%	3.4%	3.3%	3.4%	2.8%	2.7%	3.0%	3.4%	*estimates*		Avg Ann'l Div'd Yield	***3.4%***

CAPITAL STRUCTURE as of 3/31/23
Total Debt $17896.7 mill. **Due in 5 Yrs** $4611.7 mill.
LT Debt $15827.3 mill. **LT Interest** $452.7 mill.
Incl. $12.1 mill. finance leases.
(LT interest earned: 4.4x)
Leases, Uncapitalized Annual rentals $6.8 mill.
Oblig $3136.6 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: $27.4 billion (Large Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
4519.0	4997.1	5926.1	7472.3	7648.5	7679.5	7523.1	7241.7	8316.0	9597.4	***9600***	***10000***	Revenues ($mill)	***10750***
578.6	589.5	640.3	940.2	998.2	1060.5	1134.2	1201.1	1301.5	1406.8	***1450***	***1545***	Net Profit ($mill)	***1860***
36.9%	38.0%	40.4%	37.6%	37.2%	13.8%	9.9%	15.9%	13.4%	18.6%	***19.0%***	***19.0%***	Income Tax Rate	***19.0%***
4.5%	1.3%	4.5%	3.8%	1.6%	2.1%	1.8%	2.4%	1.9%	2.1%	***2.0%***	***2.0%***	AFUDC % to Net Profit	***2.0%***
50.6%	48.5%	51.2%	50.5%	48.0%	50.4%	52.5%	52.8%	55.3%	54.7%	***55.0%***	***55.0%***	Long-Term Debt Ratio	***55.5%***
49.1%	51.2%	48.6%	49.3%	51.9%	49.4%	47.4%	47.1%	44.6%	44.4%	***44.5%***	***44.5%***	Common Equity Ratio	***44.5%***
8626.6	8636.5	17809	18118	18238	19813	21355	22228	24467	25368	***26375***	***2700***	Total Capital ($mill)	***29800***
10907	11258	19190	19916	21347	22001	23620	25707	26982	29114	***30500***	***3100***	Net Plant ($mill)	***35100***
8.1%	8.1%	4.5%	6.3%	6.6%	6.5%	6.5%	6.5%	6.3%	6.4%	***6.5%***	***6.5%***	Return on Total Cap'l	***7.0%***
13.6%	13.2%	7.4%	10.5%	10.5%	10.8%	11.2%	11.4%	11.9%	12.0%	***12.5%***	***12.5%***	Return on Shr. Equity	***13.0%***
13.6%	13.3%	7.4%	10.5%	10.5%	10.8%	11.2%	11.5%	11.9%	12.5%	***12.5%***	***12.5%***	Return on Com Equity E	***13.0%***
5.9%	5.3%	2.1%	3.5%	3.6%	3.7%	3.8%	3.8%	4.1%	4.0%	***4.5%***	***4.0%***	Retained to Com Eq	***4.0%***
57%	60%	71%	67%	66%	66%	66%	67%	66%	65%	***68%***	***68%***	All Div'ds to Net Prof	***64%***

ELECTRIC OPERATING STATISTICS

	2019	2020	2021
% Change Retail Sales (KWH)	-2.5	-2.6	+3.4
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Lg. C&I Revs. per KWH (¢)	7.25	6.61	7.51
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	+.7	+.2
Fixed Charge Cov. (%)	300	338	357

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	3.0%	2.0%	*5.0%*
"Cash Flow"	7.0%	7.5%	*6.5%*
Earnings	6.5%	7.0%	*6.0%*
Dividends	10.0%	6.5%	*7.0%*
Book Value	7.0%	3.5%	*4.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	2108	1548	1651	1933	7241.7
2021	2691	1676	1746	2201	8316.0
2022	2908	2127	2003	2558	9597.4
2023	2888	***2200***	***2150***	***2362***	***9600***
2024	***3000***	***2250***	***2200***	***2550***	***10000***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	1.43	.76	.84	.76	3.79
2021	1.61	.87	.92	.71	4.11
2022	1.79	.91	.96	.80	4.46
2023	1.61	***1.00***	***1.14***	***.85***	***4.60***
2024	***1.90***	***1.00***	***1.15***	***.85***	***4.90***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.59	.59	.59	.59	2.36
2020	.6325	.6325	.6325	.6325	2.53
2021	.6775	.6775	.6775	.6775	2.71
2022	.7275	.7275	.7275	.7275	2.91
2023	.7800	.7800			

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, 39%; small commercial & industrial, 32%; large commercial & industrial, 21%; other, 8%. Generating sources: coal, 36%; gas, 28%; renewables, 5%; purchased, 31%. Fuel costs: 40% of revenues. '22 reported deprec. rates: 2.4%-3.1%. Has 6,900 employees. Chairman: Gale E. Klappa. President & CEO: Scott J. Lauber. Inc.: WI. Address: 231 W. Michigan St., P.O. Box 1331, Milwaukee, WI 53201. Tel.: 414-221-2345. Internet: www.wecenergygroup.com.

WEC Energy's utility in Minnesota reached a settlement in its rate case. The settlement, if approved by the Minnesota Commission, will grant Minnesota Energy Resources a 7.1% increase in base rates, based on a 9.65% return on equity. In March, the company's utility in Michigan filed a base rate increase of 9.1% for 2024. The company also had pending rate cases in Illinois for Peoples Gas and North Shore Gas. Hearings are scheduled for August, and new tarrifs are expected to take effect by next year.

Our 2023 bottom-line projection is staying put at $4.60 per share, which is the midpoint of management's updated guidance range. The Energy Infrastructure segment's earnings dropped $0.01 a share and the corporate segment's earnings fell $0.08 a share compared to the first quarter of 2022. Too, natural gas deliveries in Wisconsin declined by 10.5% year over year due to one of the mildest winters in history. On a positive note, rate relief remains a main driver to performance, and contributed $0.22 a share to earnings in the March period. The bottom-line will likely continue to benefit from a number of pending gas rate hikes. The company expects profits in the second-half of 2023 to be materially better than last year. Our projections mirror this sentiment.

The company is making progress on a number of zero carbon projects. The Red Barn Wind purchase went to service in April, and is providing 82 megawatts of clean energy to Wisconsin customers. In February, WEC received approval for 100 megawatts of Riverside capacity for approximately $102 million, and also completed its acquisition of a Sapphire Farm, which currently offers 250 megawatts of capacity in total. There are many other capital projects that are underway, which will provide assistance to the company's zero carbon goals.

WEC Energy stock likely will appeal to conservative investors. The utility holds a strong Price Stability and Earnings Predictability scores, as well as a top notch Safety rank. Too, the dividend yield of 3.6% is right around the industry average. Total return potential to 2026-2028 is modest, however.

Zachary J. Hodgkinson *June 9, 2023*

(A) Diluted EPS. Excl. gain on discontinued ops.: '11, 6¢; nonrecurring gain: '17, 65¢. Next earnings report due early Aug. **(B)** Div'ds paid in early Mar., June, Sept. & Dec. ■ Div'd reinvestment plan avail. **(C)** Incl. intang. In '22: $20.05/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%-10.2%; in IL in '21: 9.67%; in MN in '19: 9.7%; in MI in '22: 9.85%; earned on avg. com. eq., '21: 12.2%. Regulatory Climate: WI, Above Average; IL, Below Average; MN & MI, Average.

Company's Financial Strength	A+
Stock's Price Stability	90
Price Growth Persistence	70
Earnings Predictability	100

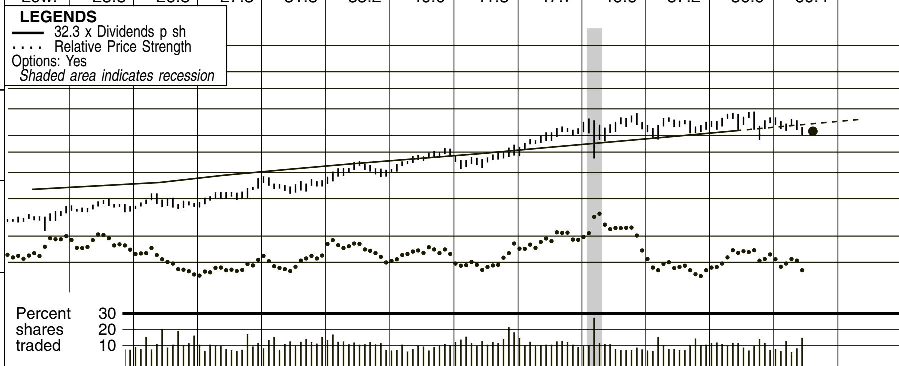
XCEL ENERGY NDQ-XEL

RECENT PRICE **62.65** | P/E RATIO **18.7** (Trailing: 19.4 / Median: 20.0) | RELATIVE P/E RATIO **1.08** | DIV'D YLD **3.4%** | VALUE LINE

TIMELINESS 3 Lowered 7/14/23
SAFETY 1 Raised 5/1/15
TECHNICAL 3 Lowered 7/7/23
BETA .85 (1.00 = Market)

High:	29.9	31.8	37.6	38.3	45.4	52.2	54.1	66.1	76.4	72.9	77.7	73.0
Low:	25.8	26.8	27.3	31.8	35.2	40.0	41.5	47.7	46.6	57.2	56.9	60.4

LEGENDS
— 32.3 x Dividends p sh
.... Relative Price Strength
Options: Yes
Shaded area indicates recession



Target Price Range 2026 | 2027 | 2028
160 / 120 / 100 / 80 / 60 / 50 / 40 / 30 / 20 / 15

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$55-$99	$77 (25%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	95	(+50%)	14%
Low	75	(+20%)	8%

Institutional Decisions

	3Q2022	4Q2022	1Q2023
to Buy	436	485	448
to Sell	340	362	377
Hld's(000)	424931	427005	433290

Percent shares traded 30 / 20 / 10

% TOT. RETURN 6/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-9.5	16.5
3 yr.	8.2	58.6
5 yr.	56.6	48.6

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
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	21.45	24.69	27.86	*28.75*	*29.05*	Revenues per sh	*30.35*
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	6.61	7.08	7.81	*8.25*	*8.65*	"Cash Flow" per sh	*10.10*
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	2.79	2.96	3.17	*3.35*	*3.55*	Earnings per sh A	*4.25*
.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	1.83	1.95	*2.08*	*2.22*	Div'd Decl'd per sh B ■ †	*2.66*
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	9.99	7.80	8.44	*9.00*	*9.25*	Cap'l Spending per sh	*9.50*
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	27.12	28.70	30.34	*31.60*	*33.15*	Book Value per sh C	*38.25*
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	537.44	544.03	549.58	*550.00*	*553.00*	Common Shs Outst'g D	*560.00*
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	23.9	22.5	22.2	*Bold figures are*		Avg Ann'l P/E Ratio	*20.0*
.89	.82	.85	.90	.89	.94	.84	.81	.83	.97	1.02	1.02	1.19	1.23	1.22	1.28	*Value Line*		Relative P/E Ratio	*1.10*
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%	2.6%	2.8%	2.8%	*estimates*		Avg Ann'l Div'd Yield	*3.1%*

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
10915	11686	11024	11107	11404	11537	11529	11526	13431	15310	*15800*	*16050*	Revenues ($mill)	*17000*
948.2	1021.3	1063.6	1123.4	1171.0	1261.0	1372.0	1473.0	1597.0	1736.0	*1725*	*1960*	Net Profit ($mill)	*2385*
33.8%	33.9%	35.8%	34.1%	30.7%	12.6%	8.5%	- -	- -	- -	*NMF*	*NMF*	Income Tax Rate	*NMF*
13.4%	12.5%	7.7%	7.8%	9.4%	12.4%	8.3%	10.7%	6.2%	5.9%	*6.0%*	*6.0%*	AFUDC % to Net Profit	*6.0%*
53.3%	53.0%	54.1%	56.3%	55.9%	56.4%	56.8%	57.4%	58.2%	57.8%	*58.0%*	*58.0%*	Long-Term Debt Ratio	*58.0%*
46.7%	47.0%	45.9%	43.7%	44.1%	43.6%	43.2%	42.6%	41.8%	42.2%	*42.0%*	*42.0%*	Common Equity Ratio	*42.0%*
20477	21714	23092	25216	25975	28025	30646	34220	37391	39488	*41750*	*44075*	Total Capital ($mill)	*50900*
26122	28757	31206	32842	34329	36944	39483	42950	45457	48253	*50525*	*52850*	Net Plant ($mill)	*59700*
6.0%	6.0%	5.8%	5.7%	5.8%	5.7%	5.6%	5.4%	5.3%	5.5%	*5.5%*	*5.5%*	Return on Total Cap'l	*6.0%*
9.9%	10.0%	10.0%	10.2%	10.2%	10.3%	10.4%	10.1%	10.2%	10.4%	*10.5%*	*10.5%*	Return on Shr. Equity	*11.0%*
9.9%	10.0%	10.0%	10.2%	10.2%	10.3%	10.4%	10.1%	10.2%	10.4%	*10.5%*	*10.5%*	Return on Com Equity E	*11.0%*
4.5%	4.5%	4.3%	4.0%	3.9%	4.3%	4.4%	4.2%	4.2%	4.3%	*4.0%*	*4.0%*	Retained to Com Eq	*4.0%*
54%	55%	57%	61%	62%	58%	58%	58%	59%	58%	*62%*	*62%*	All Div'ds to Net Prof	*62%*

CAPITAL STRUCTURE as of 3/31/23
Total Debt $24798 mill. **Due in 5 Yrs** $3808 mill.
LT Debt $22818 mill. **LT Interest** $809 mill.
Incl. $228 mill. finance leases.
(Total Interest Coverage: 2.9x)

Leases, Uncapitalized Annual rentals $264 mill.
Pension Assets-12/22 $2685 mill. **Oblig** $2871 mill.
Pfd Stock None

Common Stock 550,356,331 shs.
as of 4/24/23
MARKET CAP: $34.5 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	-2.3	+1.4	+1.2
Resid'l Revs. per KWH (¢)	12.12	12.94	13.41
C & I Revs. per KWH (¢)	7.86	8.73	9.02
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	19665	19849	20346
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	252	262	255

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	1.5%	2.5%	3.5%
"Cash Flow"	6.5%	7.5%	6.0%
Earnings	5.5%	6.0%	6.0%
Dividends	6.0%	6.0%	6.5%
Book Value	5.0%	5.5%	5.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	2811	2586	3182	2947	11526
2021	3541	3068	3467	3355	13431
2022	3751	3424	4082	4053	15310
2023	4080	*3550*	*4100*	*4070*	*15800*
2024	*4125*	*3650*	*4150*	*4125*	*16050*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.56	.54	1.14	.54	2.79
2021	.67	.58	1.13	.58	2.96
2022	.70	.60	1.18	.69	3.17
2023	.76	*.64*	*1.25*	*.70*	*3.35*
2024	*.80*	*.68*	*1.33*	*.74*	*3.55*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.38	.405	.405	.405	1.60
2020	.405	.43	.43	.43	1.70
2021	.43	.4575	.4575	.4575	1.80
2022	.4575	.4875	.4875	.4875	1.92
2023	.4875	.52	.52		

BUSINESS: Xcel Energy Inc. is the parent of Northern States Power Company (NSP), which supplies electricity to MN, WI, ND, SD & MI & gas to MN, WI, ND & MI; Public Service Company of Colorado (PSCo), which supplies electricity & gas to CO; & Southwestern Public Service Company (SPS), which supplies electricity to TX and NM. Customers: 3.8 mill. electric, 2.1 mill. gas. Electric revenues: resid'l, 29%; comm'l & ind'l, 48%; other, 23%. Purchases 33% of power, owns 67. Total electric mix: wind, 33%; gas, 24%; coal, 23%, nuclear, 13%, solar/other, 7%. Fuel costs: 45% of revenues. '22 deprec. rate: 3.7%. Employs 11,982. President, CEO and Chrmn.: Robert Frenzel. Inc.: MN. Addr.: 414 Nicollet Mall, Minneapolis, MN 55401. Tel.: 612-330-5500. Int.: www.xcelenergy.com.

Colorado newspapers recently reported that several insurers have filed a lawsuit against Xcel Energy. The case seeks restitution for payouts made to victims of the December 2021 Marshall wildfire, one of the worst ever in Colorado. The Boulder County Sheriff's Office and the county's district attorney recently named Xcel as one of two parties responsible for the blaze that killed two people, destroyed over 1,000 homes, and caused more than $2 billion in property damage. The investigation report concluded that two fires had separate origins and merged to form a more destructive one. Local authorities stated a fire was set on the property of a religious group near Marshall Road and was extinguished by firefighters. The debris were said to be still smoldering six days later when strong winds reignited it. The report claims that on the same day the debris reignited, an Xcel power line sent sparks into dry brush. **Xcel has denied its equipment played a role in the devastating wildfire.** But there is clear video on the day of the blaze of very strong wind gusts (estimated at over 100 mph) causing Xcel's power lines to touch and send off electrical arcing into the air near the area investigators say was one wildfire's origin. Xcel responded to the sheriff's report stating it does not agree with the conclusion that its power lines caused the second ignition, and went on to state "Xcel Energy did not have the opportunity to review and comment on the analyses relied on by the sheriff's office and believes those analyses are flawed and their conclusions are incorrect." Xcel also said it reviewed its records and believes the system was properly maintained.

The market reaction to this information has been fairly subdued. So far, XEL shares are down just four percentage points more than the electric utility average decline of 6.5% in 2023. Yet the situation is reminiscent of the lawsuits against California utility Edison International (EIX), which has paid out a net $7 billion after recouping $2 billion from insurance. The same attorneys are involved here. Over 9,500 plaintiffs lined up against Edison, so we don't think the scale is nearly the same, but XEL holders need to weigh the risks, including the news cycle.

Anthony J. Glennon *July 21, 2023*

(A) Diluted EPS. Excl. nonrecurring gain (losses): '10, 5¢; '15, (16¢); '17, (5¢); gains (loss) on discontinued ops.: '09, (1¢); '10, 1¢. '20 EPS don't sum due to rounding.
Next earnings report due July 27th. (B) Div'ds typically paid mid-Jan., Apr., July, and Oct. ■ Div'd reinvestment plan available. † Shareholder investment plan available.
(C) Incl. intangibles. In '22: $2871 mill., $5.22/sh. (D) In mill. (E) Rate base: Varies. Rate allowed on common equity (blended): 9.6%. Regulatory Climate: Average.

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