

INPUT Schedules

Back Up

ROCKY MOUNTAIN POWER
DOCKET NO. 11-035-200 TEST YEAR ENDED MAY 30, 2013
COMPARABLE GROUP COMPANIES BASE INPUT DATA

LINE	COMPANY	SYMBOL	UNIT	VALUE	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA
1	ALLIANT INC	ALL	4,00%	0.70	\$1.78	\$1.84	\$1.88	\$1.92	\$1.96	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16	\$2.20	\$2.24	\$2.28	\$2.32	\$2.36	\$2.40	\$2.44	\$2.48	\$2.52	\$2.56	\$2.60	\$2.64	\$2.68	\$2.72	\$2.76	\$2.80	
2	AMERICAN ELECTRIC POWER	AEP	4,00%	0.70	\$1.78	\$1.84	\$1.88	\$1.92	\$1.96	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16	\$2.20	\$2.24	\$2.28	\$2.32	\$2.36	\$2.40	\$2.44	\$2.48	\$2.52	\$2.56	\$2.60	\$2.64	\$2.68	\$2.72	\$2.76	\$2.80	
3	AMERICAN ELECTRIC POWER	AEP	4,00%	0.70	\$1.78	\$1.84	\$1.88	\$1.92	\$1.96	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16	\$2.20	\$2.24	\$2.28	\$2.32	\$2.36	\$2.40	\$2.44	\$2.48	\$2.52	\$2.56	\$2.60	\$2.64	\$2.68	\$2.72	\$2.76	\$2.80	
4	AMERICAN ELECTRIC POWER	AEP	4,00%	0.70	\$1.78	\$1.84	\$1.88	\$1.92	\$1.96	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16	\$2.20	\$2.24	\$2.28	\$2.32	\$2.36	\$2.40	\$2.44	\$2.48	\$2.52	\$2.56	\$2.60	\$2.64	\$2.68	\$2.72	\$2.76	\$2.80	
5	AMGEN CORP	AMGN	4,00%	0.70	\$1.78	\$1.84	\$1.88	\$1.92	\$1.96	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16	\$2.20	\$2.24	\$2.28	\$2.32	\$2.36	\$2.40	\$2.44	\$2.48	\$2.52	\$2.56	\$2.60	\$2.64	\$2.68	\$2.72	\$2.76	\$2.80	
6	CHS ENERGY CORP	CHS	4,00%	0.70	\$1.78	\$1.84	\$1.88	\$1.92	\$1.96	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16	\$2.20	\$2.24	\$2.28	\$2.32	\$2.36	\$2.40	\$2.44	\$2.48	\$2.52	\$2.56	\$2.60	\$2.64	\$2.68	\$2.72	\$2.76	\$2.80	
7	CONSOLIDATED EDISON INC	ED	4,00%	0.70	\$1.78	\$1.84	\$1.88	\$1.92	\$1.96	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16	\$2.20	\$2.24	\$2.28	\$2.32	\$2.36	\$2.40	\$2.44	\$2.48	\$2.52	\$2.56	\$2.60	\$2.64	\$2.68	\$2.72	\$2.76	\$2.80	
8	EDISON ENERGY COMPANY	EE	4,00%	0.70	\$1.78	\$1.84	\$1.88	\$1.92	\$1.96	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16	\$2.20	\$2.24	\$2.28	\$2.32	\$2.36	\$2.40	\$2.44	\$2.48	\$2.52	\$2.56	\$2.60	\$2.64	\$2.68	\$2.72	\$2.76	\$2.80	
9	EDISON INTERNATIONAL	EIX	4,00%	0.70	\$1.78	\$1.84	\$1.88	\$1.92	\$1.96	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16	\$2.20	\$2.24	\$2.28	\$2.32	\$2.36	\$2.40	\$2.44	\$2.48	\$2.52	\$2.56	\$2.60	\$2.64	\$2.68	\$2.72	\$2.76	\$2.80	
10	GREAT PLAINS ENERGY	GP	4,00%	0.70	\$1.78	\$1.84	\$1.88	\$1.92	\$1.96	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16	\$2.20	\$2.24	\$2.28	\$2.32	\$2.36	\$2.40	\$2.44	\$2.48	\$2.52	\$2.56	\$2.60	\$2.64	\$2.68	\$2.72	\$2.76	\$2.80	
11	HAWAIIAN ELECTRIC	HE	4,00%	0.70	\$1.78	\$1.84	\$1.88	\$1.92	\$1.96	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16	\$2.20	\$2.24	\$2.28	\$2.32	\$2.36	\$2.40	\$2.44	\$2.48	\$2.52	\$2.56	\$2.60	\$2.64	\$2.68	\$2.72	\$2.76	\$2.80	
12	IDACORP INC	IDA	4,00%	0.70	\$1.78	\$1.84	\$1.88	\$1.92	\$1.96	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16	\$2.20	\$2.24	\$2.28	\$2.32	\$2.36	\$2.40	\$2.44	\$2.48	\$2.52	\$2.56	\$2.60	\$2.64	\$2.68	\$2.72	\$2.76	\$2.80	
13	IRVING-CLOUD	IRV	4,00%	0.70	\$1.78	\$1.84	\$1.88	\$1.92	\$1.96	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16	\$2.20	\$2.24	\$2.28	\$2.32	\$2.36	\$2.40	\$2.44	\$2.48	\$2.52	\$2.56	\$2.60	\$2.64	\$2.68	\$2.72	\$2.76	\$2.80	
14	PORTLAND GENERAL	PG	4,00%	0.70	\$1.78	\$1.84	\$1.88	\$1.92	\$1.96	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16	\$2.20	\$2.24	\$2.28	\$2.32	\$2.36	\$2.40	\$2.44	\$2.48	\$2.52	\$2.56	\$2.60	\$2.64	\$2.68	\$2.72	\$2.76	\$2.80	
15	SOUTHERN COMPANY	SO	4,00%	0.70	\$1.78	\$1.84	\$1.88	\$1.92	\$1.96	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16	\$2.20	\$2.24	\$2.28	\$2.32	\$2.36	\$2.40	\$2.44	\$2.48	\$2.52	\$2.56	\$2.60	\$2.64	\$2.68	\$2.72	\$2.76	\$2.80	
16	SOUTHERN COMPANY	SO	4,00%	0.70	\$1.78	\$1.84	\$1.88	\$1.92	\$1.96	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16	\$2.20	\$2.24	\$2.28	\$2.32	\$2.36	\$2.40	\$2.44	\$2.48	\$2.52	\$2.56	\$2.60	\$2.64	\$2.68	\$2.72	\$2.76	\$2.80	
17	TECO ENERGY, INC	TE	4,00%	0.70	\$1.78	\$1.84	\$1.88	\$1.92	\$1.96	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16	\$2.20	\$2.24	\$2.28	\$2.32	\$2.36	\$2.40	\$2.44	\$2.48	\$2.52	\$2.56	\$2.60	\$2.64	\$2.68	\$2.72	\$2.76	\$2.80	
18	UNISOURCE ENERGY	UNS	4,00%	0.70	\$1.78	\$1.84	\$1.88	\$1.92	\$1.96	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16	\$2.20	\$2.24	\$2.28	\$2.32	\$2.36	\$2.40	\$2.44	\$2.48	\$2.52	\$2.56	\$2.60	\$2.64	\$2.68	\$2.72	\$2.76	\$2.80	
19	WESTAR ENERGY	WR	4,00%	0.70	\$1.78	\$1.84	\$1.88	\$1.92	\$1.96	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16	\$2.20	\$2.24	\$2.28	\$2.32	\$2.36	\$2.40	\$2.44	\$2.48	\$2.52	\$2.56	\$2.60	\$2.64	\$2.68	\$2.72	\$2.76	\$2.80	
20	WESTAR ENERGY	WR	4,00%	0.70	\$1.78	\$1.84	\$1.88	\$1.92	\$1.96	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16	\$2.20	\$2.24	\$2.28	\$2.32	\$2.36	\$2.40	\$2.44	\$2.48	\$2.52	\$2.56	\$2.60	\$2.64	\$2.68	\$2.72	\$2.76	\$2.80	
21	WESTAR ENERGY	WR	4,00%	0.70	\$1.78	\$1.84	\$1.88	\$1.92	\$1.96	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16	\$2.20	\$2.24	\$2.28	\$2.32	\$2.36	\$2.40	\$2.44	\$2.48	\$2.52	\$2.56	\$2.60	\$2.64	\$2.68	\$2.72	\$2.76	\$2.80	
22	WESTAR ENERGY	WR	4,00%	0.70	\$1.78	\$1.84	\$1.88	\$1.92	\$1.96	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16	\$2.20	\$2.24	\$2.28	\$2.32	\$2.36	\$2.40	\$2.44	\$2.48	\$2.52	\$2.56	\$2.60	\$2.64	\$2.68	\$2.72	\$2.76	\$2.80	
1	AT&T	AT	4,00%	0.70	\$1.78	\$1.84	\$1.88	\$1.92	\$1.96	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16	\$2.20	\$2.24	\$2.28	\$2.32	\$2.36	\$2.40	\$2.44	\$2.48	\$2.52	\$2.56	\$2.60	\$2.64	\$2.68	\$2.72	\$2.76	\$2.80	
2	AT&T	AT	4,00%	0.70	\$1.78	\$1.84	\$1.88	\$1.92	\$1.96	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16	\$2.20	\$2.24	\$2.28	\$2.32	\$2.36	\$2.40	\$2.44	\$2.48	\$2.52	\$2.56	\$2.60	\$2.64	\$2.68	\$2.72	\$2.76	\$2.80	

DOCKET NO. 11-035-200 TEST YEAR ENDED MAY 30, 2013

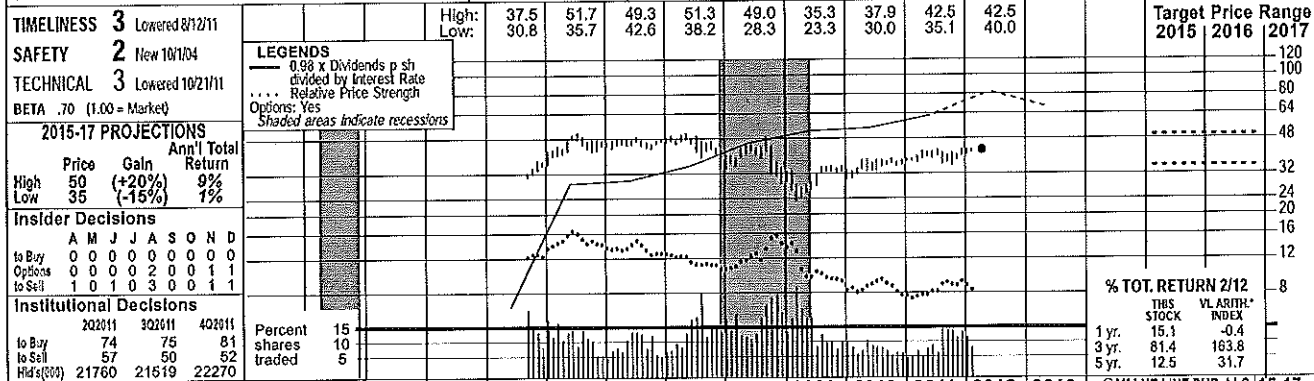
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ROCKY MOUNTAIN POWER
DOCKET NO. 11-035-200 TEST YEAR ENDED MAY 30, 2013
COMPARABLE GROUP COMPANIES BASE INPUT DATA

LINE NO.	COMPANY	SYMBOL	AB QUANT	AC QUANT	AD QUANT	AE %	AF %	AG %	AH %	AI %	AJ %	AK %	AL %	AM %	AN %	AO %	AP %	AQ %	AR %	AS %	AT %	AU %	AV %	AW %	AX %	AY %	AZ %	BA %	BB %
1	ALLETE, INC.	ALTE	50,660	51,640	54,180	2.00%	0.20%	0.20%	0.20%	12.00%	5.50%	6.50%	2.00%	4.00%	32.88%	37.84%	38.60%	38.60%	9.21%	8.46%	8.55%	9.42%	32.05%	6.01%	50,751.6	51,079.02	51,640	51,396.40	51,396.40
2	ALLIANT ENERGY	ALLT	50,400	51,000	54,240	2.00%	0.20%	0.20%	0.20%	12.00%	5.50%	6.50%	2.00%	4.00%	32.88%	37.84%	38.60%	38.60%	9.21%	8.46%	8.55%	9.42%	32.05%	6.01%	50,751.6	51,079.02	51,640	51,396.40	51,396.40
3	AMEREN CORP	AMRN	50,400	51,000	54,240	2.00%	0.20%	0.20%	0.20%	12.00%	5.50%	6.50%	2.00%	4.00%	32.88%	37.84%	38.60%	38.60%	9.21%	8.46%	8.55%	9.42%	32.05%	6.01%	50,751.6	51,079.02	51,640	51,396.40	51,396.40
4	AMEREN ELECTRIC POWER	AEPL	50,400	51,000	54,240	2.00%	0.20%	0.20%	0.20%	12.00%	5.50%	6.50%	2.00%	4.00%	32.88%	37.84%	38.60%	38.60%	9.21%	8.46%	8.55%	9.42%	32.05%	6.01%	50,751.6	51,079.02	51,640	51,396.40	51,396.40
5	AMEREN ENERGY SERVICES	AES	50,400	51,000	54,240	2.00%	0.20%	0.20%	0.20%	12.00%	5.50%	6.50%	2.00%	4.00%	32.88%	37.84%	38.60%	38.60%	9.21%	8.46%	8.55%	9.42%	32.05%	6.01%	50,751.6	51,079.02	51,640	51,396.40	51,396.40
6	AMEREN GROUP	AMGN	50,400	51,000	54,240	2.00%	0.20%	0.20%	0.20%	12.00%	5.50%	6.50%	2.00%	4.00%	32.88%	37.84%	38.60%	38.60%	9.21%	8.46%	8.55%	9.42%	32.05%	6.01%	50,751.6	51,079.02	51,640	51,396.40	51,396.40
7	CONSOLIDATED EDISON INC	ED	50,400	51,000	54,240	2.00%	0.20%	0.20%	0.20%	12.00%	5.50%	6.50%	2.00%	4.00%	32.88%	37.84%	38.60%	38.60%	9.21%	8.46%	8.55%	9.42%	32.05%	6.01%	50,751.6	51,079.02	51,640	51,396.40	51,396.40
8	EDISON INTERNATIONAL	EDIS	50,400	51,000	54,240	2.00%	0.20%	0.20%	0.20%	12.00%	5.50%	6.50%	2.00%	4.00%	32.88%	37.84%	38.60%	38.60%	9.21%	8.46%	8.55%	9.42%	32.05%	6.01%	50,751.6	51,079.02	51,640	51,396.40	51,396.40
9	EDISON INTERNATIONAL	EDIS	50,400	51,000	54,240	2.00%	0.20%	0.20%	0.20%	12.00%	5.50%	6.50%	2.00%	4.00%	32.88%	37.84%	38.60%	38.60%	9.21%	8.46%	8.55%	9.42%	32.05%	6.01%	50,751.6	51,079.02	51,640	51,396.40	51,396.40
10	GREATER PLAINS ENERGY	GPE	50,400	51,000	54,240	2.00%	0.20%	0.20%	0.20%	12.00%	5.50%	6.50%	2.00%	4.00%	32.88%	37.84%	38.60%	38.60%	9.21%	8.46%	8.55%	9.42%	32.05%	6.01%	50,751.6	51,079.02	51,640	51,396.40	51,396.40
11	HAWAIIAN ELECTRIC	HE	50,400	51,000	54,240	2.00%	0.20%	0.20%	0.20%	12.00%	5.50%	6.50%	2.00%	4.00%	32.88%	37.84%	38.60%	38.60%	9.21%	8.46%	8.55%	9.42%	32.05%	6.01%	50,751.6	51,079.02	51,640	51,396.40	51,396.40
12	IDAHO POWER	IDPO	50,400	51,000	54,240	2.00%	0.20%	0.20%	0.20%	12.00%	5.50%	6.50%	2.00%	4.00%	32.88%	37.84%	38.60%	38.60%	9.21%	8.46%	8.55%	9.42%	32.05%	6.01%	50,751.6	51,079.02	51,640	51,396.40	51,396.40
13	INDIANA WEST	IOW	50,400	51,000	54,240	2.00%	0.20%	0.20%	0.20%	12.00%	5.50%	6.50%	2.00%	4.00%	32.88%	37.84%	38.60%	38.60%	9.21%	8.46%	8.55%	9.42%	32.05%	6.01%	50,751.6	51,079.02	51,640	51,396.40	51,396.40
14	PORTLAND GENERAL	PG	50,400	51,000	54,240	2.00%	0.20%	0.20%	0.20%	12.00%	5.50%	6.50%	2.00%	4.00%	32.88%	37.84%	38.60%	38.60%	9.21%	8.46%	8.55%	9.42%	32.05%	6.01%	50,751.6	51,079.02	51,640	51,396.40	51,396.40
15	SOUTHERN COPPER	SCOP	50,400	51,000	54,240	2.00%	0.20%	0.20%	0.20%	12.00%	5.50%	6.50%	2.00%	4.00%	32.88%	37.84%	38.60%	38.60%	9.21%	8.46%	8.55%	9.42%	32.05%	6.01%	50,751.6	51,079.02	51,640	51,396.40	51,396.40
16	SOUTHERN COMPANY	SO	50,400	51,000	54,240	2.00%	0.20%	0.20%	0.20%	12.00%	5.50%	6.50%	2.00%	4.00%	32.88%	37.84%	38.60%	38.60%	9.21%	8.46%	8.55%	9.42%	32.05%	6.01%	50,751.6	51,079.02	51,640	51,396.40	51,396.40
17	TECO ENERGY, INC	TE	50,400	51,000	54,240	2.00%	0.20%	0.20%	0.20%	12.00%	5.50%	6.50%	2.00%	4.00%	32.88%	37.84%	38.60%	38.60%	9.21%	8.46%	8.55%	9.42%	32.05%	6.01%	50,751.6	51,079.02	51,640	51,396.40	51,396.40
18	UNISOURCE ENERGY	UNES	50,400	51,000	54,240	2.00%	0.20%	0.20%	0.20%	12.00%	5.50%	6.50%	2.00%	4.00%	32.88%	37.84%	38.60%	38.60%	9.21%	8.46%	8.55%	9.42%	32.05%	6.01%	50,751.6	51,079.02	51,640	51,396.40	51,396.40
19	WESTAR ENERGY	WEAR	50,400	51,000	54,240	2.00%	0.20%	0.20%	0.20%	12.00%	5.50%	6.50%	2.00%	4.00%	32.88%	37.84%	38.60%	38.60%	9.21%	8.46%	8.55%	9.42%	32.05%	6.01%	50,751.6	51,079.02	51,640	51,396.40	51,396.40
20	WISCONSIN ENERGY	WEIC	50,400	51,000	54,240	2.00%	0.20%	0.20%	0.20%	12.00%	5.50%	6.50%	2.00%	4.00%	32.88%	37.84%	38.60%	38.60%	9.21%	8.46%	8.55%	9.42%	32.05%	6.01%	50,751.6	51,079.02	51,640	51,396.40	51,396.40
21	XCEL ENERGY	XEL	50,400	51,000	54,240	2.00%	0.20%	0.20%	0.20%	12.00%	5.50%	6.50%	2.00%	4.00%	32.88%	37.84%	38.60%	38.60%	9.21%	8.46%	8.55%	9.42%	32.05%	6.01%	50,751.6	51,079.02	51,640	51,396.40	51,396.40

WR INPUT Sched
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2015-17 PROJECTIONS

Price	Gain	Ann'l Total Return
High 50	(+20%)	9%
Low 35	(-15%)	1%

Insider Decisions

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

Institutional Decisions

	202011	302611	402011	Percent shares traded
to Buy	74	75	81	15
to Sell	57	50	52	10
Mids(%)	21760	21619	22270	5

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC 15-17
Revenues per sh	--	--	25.30	24.50	25.23	27.33	24.57	21.57	25.34	24.75	26.05	27.05	30.00
"Cash Flow" per sh	--	--	2.97	3.85	4.14	4.42	4.23	3.57	4.35	4.91	5.10	5.40	6.25
Earnings per sh A	--	--	1.35	2.48	2.77	3.08	2.82	1.89	2.19	2.65	2.55	2.65	3.25
Div'd Decl'd per sh B + †	--	--	.30	1.25	1.45	1.64	1.72	1.76	1.76	1.78	1.84	1.88	2.00
Cap'l Spending per sh	--	--	2.12	1.95	3.37	6.82	9.24	9.05	6.95	6.38	11.55	7.75	3.25
Book Value per sh C	--	--	21.23	20.03	21.90	24.11	25.37	26.41	27.26	28.78	30.15	31.00	34.50
Common Shs Outst'g D	--	--	29.70	30.10	30.40	30.80	32.60	35.20	35.80	37.50	38.20	38.80	40.50
Avg Ann'l P/E Ratio	--	--	25.2	17.9	16.5	14.8	13.9	16.1	16.0	14.7	14.7	14.7	13.0
Relative P/E Ratio	--	--	1.33	.95	.89	.79	.84	1.07	1.02	.93	1.02	1.02	.85
Avg Ann'l Div'd Yield	--	--	.9%	2.8%	3.2%	3.6%	4.4%	5.8%	5.0%	4.6%	4.6%	4.6%	4.8%
Revenues (\$mill)	--	--	751.4	737.4	767.1	841.7	801.0	759.1	907.0	928.2	995	1050	1210
Net Profit (\$mill)	--	--	38.5	68.0	77.3	87.6	82.5	61.0	75.3	93.8	95.0	105	135
Income Tax Rate	--	--	38.8%	28.4%	37.5%	34.8%	34.3%	33.7%	37.2%	27.6%	30.0%	30.0%	30.0%
AFUDC % to Net Profit	--	--	1.8%	.4%	1.4%	6.6%	5.8%	12.8%	8.9%	2.7%	8.0%	5.0%	2.0%
Long-Term Debt Ratio	--	--	38.2%	39.1%	35.1%	35.6%	41.6%	42.8%	44.2%	44.3%	44.0%	44.0%	40.0%
Common Equity Ratio	--	--	61.8%	60.9%	64.9%	64.4%	58.4%	57.2%	55.8%	55.7%	56.0%	56.0%	60.0%
Total Capital (\$mill)	--	--	1020.7	990.6	1025.6	1153.5	1415.4	1625.3	1747.6	1937.2	2065	2140	2325
Net Plant (\$mill)	--	--	883.1	860.4	921.6	1104.5	1387.3	1622.7	1805.6	1982.7	2325	2520	2850
Return on Total Cap'l	--	--	5.1%	8.0%	8.6%	8.6%	6.7%	4.8%	5.4%	6.0%	6.0%	6.0%	7.0%
Return on Shr. Equity	--	--	6.1%	11.3%	11.6%	11.8%	10.0%	6.6%	7.7%	8.7%	8.5%	8.5%	9.5%
Return on Com Equity E	--	--	6.1%	11.3%	11.6%	11.8%	10.0%	6.6%	7.7%	8.7%	8.5%	8.5%	9.5%
Retained to Com Eq	--	--	4.7%	5.2%	5.0%	5.8%	3.9%	5%	1.5%	2.9%	2.5%	2.5%	3.5%
All Div'ds to Net Prof	--	--	23%	54%	57%	51%	61%	93%	15%	66%	72%	70%	61%

CAPITAL STRUCTURE as of 12/31/11

Total Debt \$864.4 mill. Due in 5 Yrs \$222.1 mill.
 LT Debt \$857.9 mill. LT Interest \$43.9 mill.
 (LT Interest earned: 3.9x)
 Leases, Uncapitalized Annual rentals \$10.9 mill.

Pension Assets-12/11 \$432.4 mill.
 Oblig. \$597.5 mill.

Pfd Stock None

Common Stock 37,537,154 shs.
 as of 2/1/12

MARKET CAP: \$1.6 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (MWH)	-25.6	+29.1	+5.6
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Rev. per MWH (\$)	2.98	5.20	NA
Capacity at Peak (MW)	1757	1812	NA
Peak Load, Winter (MW) F	1414	1604	1599
Actual Load Factor (%)	81.2	79.0	NA
% Change Customers (avg)	+1.4	+1.0	NA

Fixed Charge Cov. (%) 296 334 344

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Revenues	--	-1.0%	4.0%
"Cash Flow"	--	3.0%	6.5%
Earnings	--	5%	6.5%
Dividends	--	12.0%	2.0%
Book Value	--	5.5%	4.0%

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	199.6	164.7	178.8	216.0	759.1
2010	233.6	211.2	224.1	238.1	907.0
2011	242.2	219.9	226.9	239.2	928.2
2012	265	230	250	260	995
2013	270	245	265	270	1050

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.55	.29	.49	.58	1.89
2010	.68	.57	.56	.38	2.19
2011	1.07	.48	.57	.53	2.65
2012	.95	.45	.60	.55	2.55
2013	1.00	.45	.65	.55	2.65

QUARTERLY DIVIDENDS PAID B + †

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.43	.43	.43	.43	1.72
2009	.44	.44	.44	.44	1.76
2010	.44	.44	.44	.44	1.76
2011	.445	.445	.445	.445	1.78
2012	.46				

BUSINESS: ALLETE, Inc. is the parent company of Minnesota Power, which supplies electricity to 146,000 customers in north-eastern MN, & Superior Water, Light & Power in northwestern WI. Electric revenue breakdown: taconite mining/processing, 24%; paper/wood products, 9%; other industrial, 10%; residential, 13%; commercial, 14%; wholesale, 13% other, 17%. Has real estate op-eration in FL. Discont. water-utility ops. in '01. Spun off automotive remarketing operation in '04. Generating sources: coal & lignite, 60%; hydro, 3%; other, 2%; purchased, 35%. '11 deprec. rate: 3.0%. Has 1,400 employees. Chairman, President & CEO: Alan R. Hodnik, Inc.: MN. Address: 30 West Superior St., Duluth, MN 55802-2093. Tel: 218-279-5000. Internet: www.alleto.com.

ALLETE's board of directors raised the dividend in the first quarter. The board increased the quarterly disbursement by \$0.015 a share (3.4%). The payout ratio is somewhat high for a utility, but we project that it will decline to a more typical level in the next few years.

We look for earnings to decline in 2012. The comparison in the first half will be difficult, as tax benefits added \$0.18 a share to the bottom line in the first quarter of 2011 and another \$0.08 in the following period. Our earnings estimate is at the midpoint of ALLETE's targeted range of \$2.45-\$2.65 a share.

We think profits will rebound in 2013. ALLETE's utility subsidiary, Minnesota Power, operates under regulation that provides current cost recovery of certain kinds of capital expenditures, such as environmental and renewable energy. The company should continue to benefit from good demand from its industrial users, some of which are expanding their operations.

Minnesota Power completed a wind project in January, and two more should be finished by late 2012. Bison 1 provided 82 megawatts of capacity at a

cost of \$177 million. Bison 2 and 3 should each add 105 mw at an expected cost of \$160 million. These aren't the utility's only investments in renewable energy. A biomass upgrade project will add 60 mw in 2013 at a cost of \$22 million.

Minnesota Power is proposing a large environmental project. The utility is proposing a \$300 million-\$400 million upgrade to the Boswell 4 coal-fired unit. This is expected to be completed in 2015. The company's proposal requires the approval of various regulatory bodies.

ALLETE wants to monetize its real estate assets in Florida. These were once a solid contributor to corporate profits, but are now losing \$4 million-\$5 million annually since the real estate market in Florida collapsed. The company wants to eliminate this drag on earnings and raise funds that it can use for energy-related investments.

We have a neutral stance toward this stock. The yield is comparable with the norm for the electric utility industry. And, like many of its peers, ALLETE's 3- to 5-year total return potential is unexciting.

Paul E. Debbas, CFA *March 23, 2012*

(A) Diluted EPS. Excl. nonrec. gain (loss): '04, 2¢; '05, (\$1.84); gain (losses) on disc. ops.: '04, \$2.57, '05, (16¢); '06, (2¢); loss from accounting change: '04, 27¢. Next eps. report due late Apr. (B) Div's historically paid in early Mar., June, Sept. and Dec. (C) Div'd reinvestment plan avail. † Shareholder investment plan avail. (C) Incl. deferred chgs. In '11: \$9.22/sh. (D) In mill. (E) Rate base: Original cost deprec. Rate allowed on com. eq. in '10: 10.38%; earned on avg. com. eq., '11: 9.1%. Regulatory Climate: Average. (F) Summer peak in '10.

Company's Financial Strength

Stock's Price Stability	A
Price Growth Persistence	100
Earnings Predictability	45
	70

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ALLIANT ENERGY NYSE-LNT

RECENT PRICE **43.68** P/E RATIO **15.3** (Trailing: 15.9 Median: 13.0) RELATIVE P/E RATIO **0.98** DIV'D YLD **4.2%** VALUE LINE

TIMELINESS 3 Lowered 2/25/11	High: 33.2	31.0	25.1	28.8	30.6	40.0	46.5	42.4	31.5	37.7	44.5	44.6	Target Price	Range																																						
SAFETY 2 Raised 9/28/07	Low: 27.5	14.3	15.0	23.5	25.6	27.5	34.9	22.8	20.3	29.2	33.9	41.9	2015	2016																																						
TECHNICAL 3 Lowered 2/24/12	<p>LEGENDS</p> <p>0.90 x Dividends p sh divided by Interest Rate</p> <p>Relative Price Strength</p> <p>Options: Yes</p> <p>Shaded areas indicate recessions</p>																																																			
BETA .75 (1.00 = Market)	<p>2015-17 PROJECTIONS</p> <table border="1"> <tr> <th>High</th> <th>Price</th> <th>Gain</th> <th>Ann'l Total Return</th> </tr> <tr> <td>55</td> <td>40</td> <td>(+25%)</td> <td>10%</td> </tr> <tr> <td>40</td> <td></td> <td>(-10%)</td> <td>2%</td> </tr> </table>												High	Price	Gain	Ann'l Total Return	55	40	(+25%)	10%	40		(-10%)	2%																												
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55	40	(+25%)	10%																																																	
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Insider Decisions	<table border="1"> <tr> <th></th> <th>A</th> <th>M</th> <th>J</th> <th>J</th> <th>A</th> <th>S</th> <th>O</th> <th>N</th> <th>D</th> </tr> <tr> <td>to Buy</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Options</td> <td>0</td> <td>2</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>to Sell</td> <td>0</td> <td>3</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> </table>													A	M	J	J	A	S	O	N	D	to Buy	0	0	0	0	0	0	0	0	0	Options	0	2	0	0	0	0	0	0	0	to Sell	0	3	0	0	0	0	0	0	0
	A	M	J	J	A	S	O	N	D																																											
to Buy	0	0	0	0	0	0	0	0	0																																											
Options	0	2	0	0	0	0	0	0	0																																											
to Sell	0	3	0	0	0	0	0	0	0																																											
Institutional Decisions	<table border="1"> <tr> <th></th> <th>3Q2011</th> <th>3Q2011</th> <th>4Q2011</th> </tr> <tr> <td>to Buy</td> <td>129</td> <td>134</td> <td>150</td> </tr> <tr> <td>to Sell</td> <td>126</td> <td>120</td> <td>127</td> </tr> <tr> <td>Net's (Net)</td> <td>64023</td> <td>63051</td> <td>60603</td> </tr> </table>													3Q2011	3Q2011	4Q2011	to Buy	129	134	150	to Sell	126	120	127	Net's (Net)	64023	63051	60603																								
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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
Alliant Energy, formerly called Interstate Energy Corporation, was formed on April 21, 1998 through the merger of WPL Holdings, IES Industries, and Interstate Power. WPL stockholders received one share of Interstate Energy stock for each WPL share, IES stockholders received 1.14 Interstate Energy shares for each IES share, and Interstate Power stockholders received 1.11 Interstate Energy shares for each Interstate Power share.	28.26	28.19	25.56	28.02	28.93	31.15	33.33	31.02	30.81	33.02	33.25	33.65	Revenues per sh	41.40
CAPITAL STRUCTURE as of 12/31/11	4.52	4.19	4.69	5.46	4.33	5.12	4.56	4.21	5.21	5.65	6.35	6.35	"Cash Flow" per sh	7.20
Total Debt \$2807.3 mill. Due in 5 Yrs \$588.8 mill.	1.18	1.57	1.85	2.21	2.06	2.69	2.54	1.89	2.75	2.75	2.90	3.10	Earnings per sh A	3.60
LT Debt \$2703.1 mill. LT Interest \$160.0 mill. (LT interest earned: 3.7x)	2.00	1.00	1.02	1.05	1.15	1.27	1.40	1.50	1.58	1.70	1.80	1.90	Div'd Decl'd per sh B	2.20
Pension Assets-12/11 \$1081.4 mill. Obl'g. \$897.4 mill.	-7.12	7.69	5.55	4.51	3.42	4.91	7.98	10.87	7.82	6.22	7.15	7.95	Cap'l Spending per sh	10.35
Pfd Stock \$205.1 mill. Pfd Div'd \$18.0 mill.	19.89	21.37	22.13	20.85	22.83	24.30	25.58	25.07	28.09	27.14	29.45	30.55	Book Value per sh C	32.35
449,765 shs. \$100 par; 6,599,460 shs. \$25 par	92.30	110.96	115.74	117.04	116.13	110.36	110.45	110.66	110.89	111.02	112.00	113.00	Common Shs Outs'g D	116.00
Common Stock 111,008,651 shs. as of 1/31/12	19.9	12.7	14.0	12.6	16.8	15.1	13.4	13.9	12.5	14.5	14.5	14.5	Avg Ann'l P/E Ratio	13.0
MARKET CAP: \$4.8 billion (Mid Cap)	1.09	.72	.74	.67	.91	.80	.81	.93	.80	.92	.92	.92	Relative P/E Ratio	.85
ELECTRIC OPERATING STATISTICS	8.5%	5.0%	3.9%	3.8%	3.3%	3.1%	4.1%	5.7%	4.6%	4.3%	4.3%	4.3%	Avg Ann'l Div'd Yield	4.7%
% Change Retail Sales (KWH)	2608.8	3128.2	2958.7	3279.6	3359.4	3437.6	3681.7	3432.8	3416.1	3685.3	3725	3800	Revenues (\$mill)	4800
Avg. Indst. Use (MWH)	113.1	176.6	229.5	337.8	260.1	320.8	280.0	208.6	303.9	304.4	325	355	Net Profit (\$mill)	415
Avg. Indst. Revs. per MWH (¢)	24.2%	28.9%	26.7%	19.0%	43.8%	44.4%	33.4%	--	30.1%	14.7%	20.0%	25.0%	Income Tax Rate	30.0%
Capacity at Peak (MW)	6.8%	11.7%	8.1%	3.0%	3.1%	2.4%	--	--	8.8%	6.0%	6.0%	6.0%	AFUDC % to Net Profit	6.0%
Peak Load, Summer (MW)	58.4%	44.8%	45.0%	41.6%	31.4%	32.4%	38.3%	44.3%	46.3%	45.7%	47.5%	47.5%	Long-Term Debt Ratio	47.5%
Annual Load Factor (%)	39.2%	50.0%	50.2%	53.1%	62.9%	61.9%	58.8%	51.2%	49.5%	50.9%	49.0%	49.0%	Common Equity Ratio	49.5%
% Change Customers (yr-end)	4679.1	4738.4	5104.7	4599.1	4218.4	4329.5	4815.6	5423.0	5840.8	5921.2	6705	6955	Total Capital (\$mill)	7555
Fixed Charge Cov. (%)	3729.2	4432.6	5284.6	4868.2	4944.9	4879.9	5353.5	6203.0	6730.6	7037.1	7200	7500	Net Plant (\$mill)	8200
ANNUAL RATES	4.1%	5.7%	6.1%	8.9%	7.5%	8.6%	7.0%	5.1%	6.6%	6.7%	6.0%	6.5%	Return on Total Cap'l	7.0%
of change (per sh)	5.5%	6.8%	8.2%	12.8%	9.0%	11.0%	9.1%	6.9%	9.7%	9.5%	9.5%	9.5%	Return on Shr. Equity	10.5%
Revenues	5.8%	6.7%	8.2%	13.1%	9.1%	11.3%	9.3%	6.8%	9.9%	10.1%	10.0%	10.5%	Return on Com Equity E	11.0%
"Cash Flow"	NMF	2.5%	3.8%	8.1%	4.0%	5.9%	3.8%	.9%	3.8%	3.4%	3.5%	3.5%	Retained to Com Eq	4.0%
Earnings	NMF	6.7%	5.8%	4.2%	5.9%	6.2%	8.8%	6.2%	6.4%	6.6%	6.6%	6.6%	All Div'ds to Net Prof	65%
Dividends														
Book Value														

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	949.9	742.3	885.7	854.9	3432.8
2010	890.2	741.6	951.7	832.6	3416.1
2011	945.0	819.5	1021.6	879.2	3665.3
2012	950	835	1060	880	3725
2013	970	850	1080	900	3800

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.30	.34	.77	.48	1.89
2010	.45	.44	1.31	.55	2.75
2011	.68	.44	1.12	.51	2.75
2012	.70	.45	1.20	.55	2.90
2013	.75	.50	1.25	.60	3.10

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.35	.35	.35	.35	1.40
2009	.375	.375	.375	.375	1.50
2010	.395	.395	.395	.395	1.58
2011	.425	.425	.425	.425	1.70
2012	.45				

BUSINESS: Alliant Energy Corp., formerly named Interstate Energy, is a holding company formed through the merger of WPL Holdings, IES Industries, and Interstate Power. Supplies electricity, gas, and other services in Wisconsin, Iowa, and Minnesota. Elect. revs. by state: WI, 47%; IA, 50%; MN, 3%. Elect. rev.: residential, 37%; commercial, 23%; industrial, 28%; wholesale, 7%; other, 5%. Fuel sources, 2011: coal, 52%; nuclear, 17%; gas, 2%; other, 29%. Fuel costs: 45% of revs. 2011 depreciation rate: 4.6%. Estimated plant age: 10 years. Has 4,262 employees. Chairman & Chief Executive Officer: William D. Harvey. Incorporated: Wisconsin. Address: 4902 N. Biltmore Lane, Madison, Wisconsin 53718. Telephone: 608-458-3311. Internet: www.alliantenergy.com.

Alliant Energy should post modest growth in revenues in the current year. Utilities Interstate Power and Light and Wisconsin Power and Light ought to report solid, though not particularly impressive, results in the coming quarters. This assumes a stable economy and normal weather conditions in the company's service territories. Share earnings may well advance a little faster, provided expenses remain manageable.

The cash balance declined considerably during 2011, from \$159.3 million to \$11.4 million. On the bright side, cash flow from operations will likely be strong in the next few years, as Alliant does not expect to make significant federal income tax payments through 2014. The sale of receivables at Interstate Power and Light and the issuance of short-term and long-term debt will also help the company finance its 2012 capital investments.

Alliant has announced a changing of the guard. Chairman and Chief Executive Officer William D. Harvey has announced his intention to retire, effective March 31st. Patricia L. Kampling has been appointed by the board to succeed Mr. Harvey, effective April 1st.

The company is looking to divest RMT. This nonregulated subsidiary is a renewable energy engineering, procurement, and construction contractor. The board of directors has approved a plan to sell this business. Alliant has engaged an investment bank to assist with the deal, which is expected to close by the end of the year. This move will allow the company to increase focus on its core operations, though a one-time charge of around \$0.12 a share appears likely.

This stock is ranked to track the broader market for the coming six to 12 months. Looking further out, we anticipate higher revenues, share earnings, and dividends for the company by 2015-2017. Moreover, Alliant earns good marks for Safety, Price Stability, and Earnings Predictability. From the recent quotation, this issue has unimpressive, though fairly well-defined, total return potential for the coming years. Venturesome investors may prefer to look elsewhere, though the stock's healthy dividend yield may appeal to income-oriented accounts.

Michael Napoli, CFA March 23, 2012

(A) Diluted EPS. Excl. nonrecr. gains (losses): '01, (28¢); '03, net 24¢; '04, (58¢); '05, (\$1.05); '06, 83¢; '07, \$1.09; '08, 7¢; '09, (88¢); '10, (15¢). Next eps. rpt. due in May.

(B) Div'ds historically paid in mid-Feb., May, Aug., and Nov. ■ Div'd reinvest. plan avail. † shareholder invest. plan avail. (C) Incl. deferred chgs. in '10: \$137.7 mill., \$1.24sh. (D) In mill.

(E) Rate base: orig. cost. Regul. Clim.: WI, Above Avg.; IA, Avg.

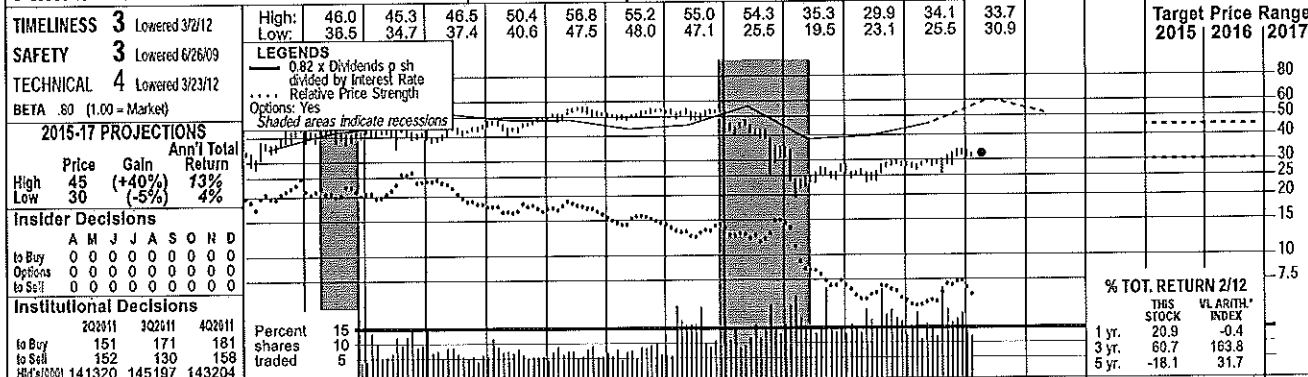
Company's Financial Strength A
 Stock's Price Stability 95
 Price Growth Persistence 85
 Earnings Predictability 75

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AMEREN NYSE-AEE

RECENT PRICE **32.20** P/E RATIO **15.0** (Trailing: 13.1, Median: 15.0) RELATIVE P/E RATIO **0.96** DIV'D YLD **5.1%** VALUE LINE



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC 15-17	
22.13	24.24	24.18	25.68	28.10	32.64	24.93	28.20	26.43	33.12	33.30	36.23	36.92	29.87	31.77	31.05	30.50	31.30	Revenues per sh	
5.12	4.96	5.36	5.36	6.11	6.33	5.28	6.29	5.57	6.10	6.02	6.76	6.44	6.06	6.33	5.85	5.85	6.00	6.00	"Cash Flow" per sh
2.86	2.44	2.82	2.81	3.33	3.41	2.66	3.14	2.82	3.13	2.66	2.98	2.88	2.78	2.77	2.47	2.35	2.35	2.35	Earnings per sh A
2.51	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	1.54	1.54	1.56	1.62	1.68	1.68	Div'd Dec'd per sh B
3.18	2.77	2.37	4.16	6.77	7.99	5.11	4.19	4.13	4.63	4.99	6.96	9.75	7.51	4.66	4.50	5.75	5.50	5.50	Cap'l Spending per sh
23.06	22.00	22.27	22.52	23.30	24.26	24.93	26.73	29.71	31.09	31.86	32.41	32.60	33.08	32.15	32.65	33.35	33.95	33.95	Book Value per sh C
102.12	137.22	137.22	137.22	137.22	138.05	154.10	162.90	195.20	204.70	206.60	208.30	212.30	237.40	240.40	242.60	242.60	246.00	246.00	Common Shs Outst'g D
13.8	15.5	14.2	13.5	11.0	12.1	15.8	13.5	16.3	16.7	19.4	17.4	14.2	9.3	9.7	11.9	11.9	11.9	11.9	Avg Ann'l P/E Ratio
.86	.89	.74	.77	.72	.82	.86	.77	.86	.89	1.05	.92	.85	.62	.62	.74	.74	.74	.74	Relative P/E Ratio
6.3%	6.7%	6.3%	6.7%	6.9%	6.2%	6.1%	6.0%	5.5%	4.9%	4.9%	4.9%	6.2%	6.0%	5.8%	5.3%	5.3%	5.3%	5.3%	Avg Ann'l Div'd Yield
CAPITAL STRUCTURE as of 9/30/11 Total Debt \$721.0 mill. Due in 5 Yrs \$1538.0 mill. LT Debt \$682.0 mill. LT Interest \$431.0 mill. (LT interest earned: 3.1x) Leases, Uncapitalized Annual rentals \$39.0 mill. Pension Assets-12/10 \$2.72 bill. Oblig. \$3.45 bill. Pfd Stock \$142.0 mill. Pfd Div'd \$8.0 mill. 807,595 shs. \$3.50 to \$5.50 cum. (no par), \$100 stated value, redeemable at \$102.176-\$110/shs.; 618,323 shs. 4.00% to 6.625%, \$100 par, redeemable at \$100-\$104/sh. Common Stock 242,239,840 shs. as of 10/31/11 MARKET CAP: \$7.8 billion (Large Cap)																			
ELECTRIC OPERATING STATISTICS 2008 2009 2010 % Change Retail Sales (KWH) -1.8 -4.1 +8.5 Avg. Indst. Use (KWH) NA NA NA Avg. Indst. Rev. per KWH (\$) 4.43 4.45 4.63 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. (%) 296 286 293																			
ANNUAL RATES Past Past Est'd '08-'10 of change (per sh) 10 Yrs. 5 Yrs. to '15-'17 Revenues 2.5% 2.5% Nil "Cash Flow" 1.0% 1.0% 1.0% Earnings -.5% -1.5% -.5% Dividends -3.0% -6.0% -.5% Book Value 3.5% 2.5% 1.5%																			

BUSINESS: Ameren Corp. is a holding company formed through the merger of Union Electric and CIPSCO. Acquired CILCORP 1/03; Illinois Power 10/04. Has 1.2 million electric and 127,000 gas customers in Missouri; 1.2 million electric and 811,000 gas customers in Illinois. Electric revenue breakdown: residential, 48%; commercial, 31%; industrial, 10%; other, 11%. Generating sources: coal, 66%; nuclear, 9%; hydro, 2%; gas, 1%; purchased, 22%. Fuel costs: 41% of revenues. '10 reported depreciation rates: 3%-4%. Has 9,800 employees. Chairman, President & CEO: Thomas R. Voss. Incorporated: Missouri. Address: One Ameren Plaza, 1901 Chouteau Avenue, P.O. Box 66149, St. Louis, Missouri 63166-6149. Tel: 314-621-3222. Internet: www.ameren.com.

Ameren has filed an electric rate case in Missouri. The utility is seeking a rate increase of \$376 million (14.6%), based on a return of 10.75% on a common-equity ratio of 52%. Ameren hasn't been earning its allowed ROE, and its filing includes requests for rate mechanisms that would reduce the effects of regulatory lag. An order from the Missouri commission is expected in December, with new tariffs taking effect in early 2013.
Ameren has made its first filing under a new law in Illinois. This allows the utility to apply for electric rates based on a formula approach. Ameren filed for a \$19 million rate decrease, based on 2010 costs, but the utility's figures will be adjusted for the actual cost of service in 2012 and the year-end rate base. Thus, Ameren should wind up with higher tariffs. The allowed ROE will depend upon the level of interest rates in 2012, and the company's filing reflected a 54% common-equity ratio.
A gas rate hike took effect in Illinois in January. Gas tariffs in the state are still based on traditional ratemaking procedures. The regulators granted Ameren a \$32 million raise, based on a 9.06% return

on a 53.3% common-equity ratio. Earnings are likely to decline in 2012. In 2011, hot summer weather added \$0.16 a share to the bottom line. We assume normal summer weather conditions. In addition, Ameren's nonregulated generating assets are likely to make a smaller contribution to the bottom line, due to low power prices and rising coal costs. (Market conditions have already prompted the company to close two coal-fired facilities and reduce its nonregulated capital budget.) On the plus side, the utility will benefit this year from rate relief and the absence of a refueling and maintenance outage for the Callaway nuclear unit. Our 2012 share-net estimate is within management's targeted range of \$2.20-\$2.50. We look for flat earnings next year, assuming that growth in utility income offsets another falloff in nonregulated profits. This stock offers an above-average yield, even by utility standards, and dividend growth potential from the reduced disbursement of 2009. Total return prospects to 2015-2017 are a cut above the industry average.

Paul E. Debbas, CFA March 23, 2012



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AMERICAN ELEC. PWR. NYSE:AEP

RECENT PRICE	39.05	P/E RATIO	12.4	(Trailing: 12.3 Median: 13.0)	RELATIVE P/E RATIO	0.79	DIV'D YLD	4.9%	VALUE LINE							
High:	51.2	48.8	31.5	35.5	40.8	43.1	51.2	49.1	36.5	37.9	41.7	42.0	Target Price Range	2015	2016	2017
Low:	39.3	15.1	19.0	28.5	32.3	32.3	41.7	25.5	24.0	28.2	33.1	37.5				

TIMELINESS 2 Raised 8/19/11

SAFETY 3 Lowered 10/4/02

TECHNICAL 4 Lowered 3/23/12

BETA .70 (1.00 = Market)

2015-17 PROJECTIONS

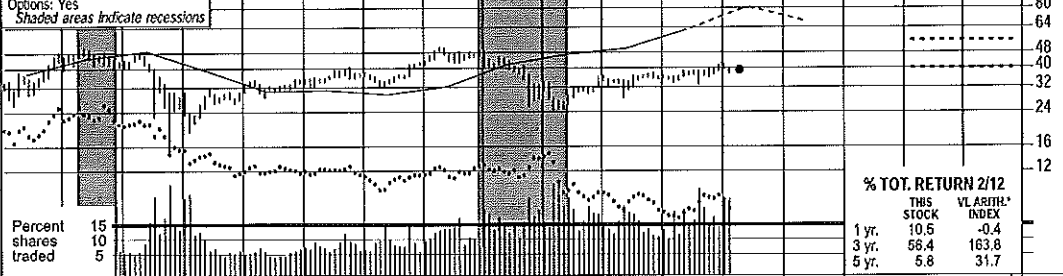
High	Price	Gain	Ann'l Total Return
Low	65	(+40%)	13%
	40	(Nil)	6%

Insider Decisions

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

Institutional Decisions

	2Q2011	3Q2011	4Q2011
to Buy	236	291	339
to Sell	233	205	208
Net's (Buy)	318229	317500	299983



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
American Electric Power acquired Central and South West Corporation (CSW) in 2000. CSW common stockholders received 0.6 of an AEP common share for each of their shares, for a total of \$4.5 billion. The transaction was effected under pooling-of-interests accounting rules.	42.96	36.82	35.51	30.76	31.82	33.41	35.56	28.22	30.01	31.30	32.90	34.75	Revenues per sh	40.00
	6.99	5.76	5.89	5.96	6.67	8.80	6.84	6.32	6.29	6.70	7.00	7.35	"Cash Flow" per sh	8.50
	2.86	2.53	2.61	2.64	2.86	2.86	2.99	2.97	2.60	3.13	3.20	3.35	Earnings per sh ^A	3.75
	2.40	1.65	1.40	1.42	1.50	1.58	1.64	1.64	1.71	1.85	1.90	1.96	Div'd Decl'd per sh ^B	2.15
	5.08	3.44	4.28	6.11	8.89	8.88	9.83	6.19	5.07	5.75	6.35	7.35	Cap'l Spending per sh	7.50
	20.85	19.93	21.32	23.08	23.73	25.17	26.33	27.49	28.33	30.35	31.70	33.15	Book Value per sh ^C	38.00
	338.84	395.02	395.66	393.72	396.67	400.43	406.07	478.05	460.81	483.00	486.00	489.00	Common Shs Outst'g ^D	500.00

CAPITAL STRUCTURE as of 9/30/11

Total Debt \$17729 mill. Due in 5 Yrs \$6972 mill.
 LT Debt \$15183 mill. LT Interest \$835 mill.
 Incl. \$1625 mill. securitized bonds.
 (LT interest earned: 3.3x)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Avg Ann'l P/E Ratio	12.5
Debt/Equity	12.7	10.7	12.4	13.7	12.9	16.3	13.1	10.0	13.4	11.9	11.9	11.9	11.9	11.9
LT Debt %	.69	.61	.66	.73	.70	.87	.79	.67	.85	.75	.75	.75	11.9	11.9
Incl. %	6.6%	6.1%	4.3%	3.9%	4.1%	3.4%	4.2%	5.5%	4.9%	5.0%	5.0%	5.0%	4.9%	4.5%

Leases, Uncapitalized Annual rentals \$306 mill.

Pension Assets-12/10 \$3.86 bill. Oblig. \$4.81 bill.

Pfd Stock \$61 mill. Pfd Div'd \$3 mill.
 607,044 shs. 4%-5%, cumulative, callable at \$102-\$110. Redeemed 12/1/11.

Common Stock 482,912,247 shs. as of 10/27/11

MARKET CAP: \$19 billion (Large Cap)

	2002	2003	2009	2010
% Change Retail Sales (KWH)	-1	-6.4	+4.5	+4.5
Avg. Indust. Use (MWH)	NA	NA	NA	3.5%
Avg. Indust. Revs. per KWH (¢)	5.08	4.83	4.95	4.95
Capacity at Peak (MW)	NA	NA	NA	NA
Peak Load (MW)	NA	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA	NA

ELECTRIC OPERATING STATISTICS

	2008	2009	2010
Fixed Charge Cov. (%)	244	265	257

BUSINESS: American Electric Power Company, Inc. (AEP), through 10 operating utilities, serves about 5.3 million customers in Arkansas, Kentucky, Indiana, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia, and West Virginia. Electric revenue breakdown: residential, 37%; commercial, 25%; industrial, 21%; wholesale, 14%; other, 3%. Sold 50% stake in Yorkshire Holdings (British utility) '01; sold SEEBOARD (British utility) '02; sold Houston Pipeline '05. Generating sources not available. Fuel costs: 35% of revenues. '10 deprec. rate: 3.3%. Has 18,700 employees. Chairman: Michael G. Morris. President & CEO: Nicholas K. Akins. Inc.: New York. Address: 1 Riverside Plaza, Columbus, Ohio 43215-2373. Tel.: 614-716-1000. Internet: www.aep.com.

By the end of March, American Electric Power is expected to file a new regulatory plan for generation in Ohio. The Public Utilities Commission of Ohio (PUCO) threw out the previous plan after numerous customers complained about much-higher electric bills. It was supposed to have provided a gradual transition to market-based prices for the generation portion of customers' bills. An order from the PUCO is expected later this year. AEP's 2012 earnings guidance of \$3.05-\$3.25 a share is based on the previous plan, and the company has not revised its profit target. For now, the only change we have made to our 2012 estimate is to cut it by \$0.05 a share in the first quarter and full year due to the effects of the unusually mild winter. Our 2013 forecast is based on modest sales growth and a return to normal weather in the first quarter. AEP's goal is average annual earnings growth in a range of 4%-6%. **AEP projects that it will spend \$6 billion-\$7 billion through 2020 to comply with new environmental rules.** That's a slightly narrower range than the previous \$6 billion-\$8 billion expectation.

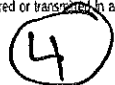
The company's compliance plan includes pollution control equipment, retirements of coal-fired units, coal to gas plant conversions, and new gas-fired facilities. **Indiana Michigan Power received a rate hike in Michigan and has a rate case pending in Indiana.** In Michigan, the utility's tariffs were raised by \$14.6 million, based on a 10.2% return on equity. In Indiana, the company is seeking an increase of \$148.7 million, based on an 11.15% ROE. AEP's regulatory agenda is lighter than usual because several of its utilities are now earning adequate ROEs. **The company issued \$800 million of securitized bonds in Texas.** This occurred thanks to a favorable state supreme court ruling that reversed a previous regulatory disallowance. The utility plans to use the funds for capital spending and to make a pension contribution. **Timely AEP stock has appeal for income-oriented investors.** Its yield is fractionally above the utility average, and dividend growth over the 2015-2017 period should produce a total return superior to that of most utility equities.

Paul E. Debbas, CFA March 23, 2012

(A) Excl. nonrec. gains (losses): '02, (\$3.86); '03, (\$1.92); '04, 2.4¢; '05, (6.2¢); '06, (2.0¢); '07, (2.0¢); '08, 4.0¢; '10, '07; '11, 8.9¢; gains (losses) on disc. ops.: '02, (6.7¢); '03, (3.2¢); '04, 15¢; '05, 7¢; '06, 2¢; '08, 3¢; '09, (1¢). '09 EPS don't add due to change in shs., '11 due to rounding. Next eqs. due late Apr. (B) Div's historically paid early Mar., June, Sept. & Dec. ■ Div'd reinv. plan avail. (C) Incl. intang. in '10: \$16.31/sh. (D) In mill. (E) Rate base: various. Rates all'd on com. eq.; 9.98%-10.9%; earned on avg. com. eq., '10: 9.3%. Regul. Clim.: Avg.

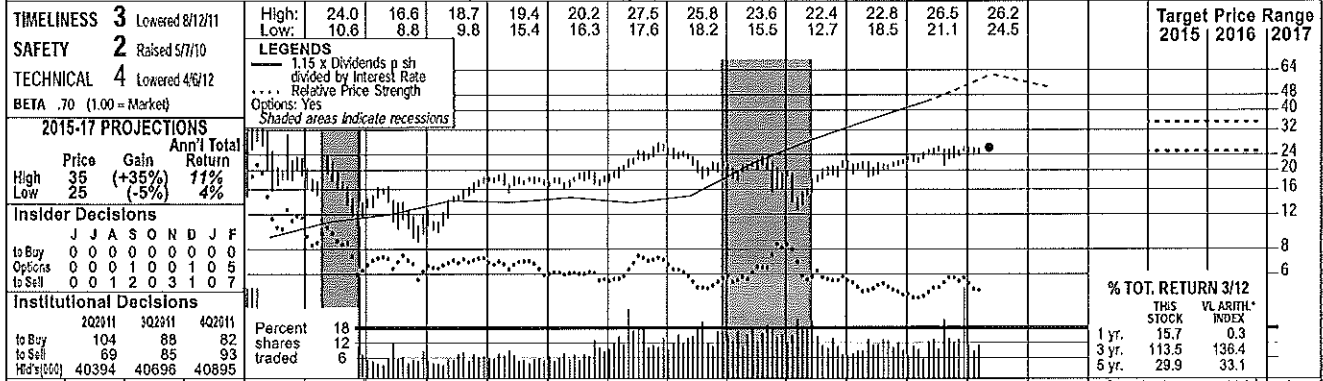
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AVISTA CORP. NYSE-AVA

RECENT PRICE **26.06** P/E RATIO **15.2** (Trailing: 15.2 Median: 16.0) RELATIVE P/E RATIO **0.99** DIVD YLD **4.5%** VALUE LINE



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC 15-17	
16.89	23.27	91.07	221.75	167.59	126.17	20.41	23.24	23.76	27.98	28.88	28.80	30.77	27.58	27.29	27.73	26.65	28.10	Revenues per sh	32.25
2.64	3.20	3.47	2.28	3.31	2.71	2.19	2.63	2.35	2.72	4.27	2.93	3.98	4.45	3.62	3.78	3.90	4.15	"Cash Flow" per sh	5.00
1.35	1.96	1.28	.12	1.76	1.20	.67	1.02	.73	.92	1.47	.72	1.36	1.58	1.65	1.72	1.80	1.90	Earnings per sh ^A	2.25
1.24	1.24	1.05	.48	.48	.48	.48	.49	.52	.55	.57	.60	.69	.81	1.00	1.10	1.16	1.22	Div'd Decl'd per sh ^B †	1.40
1.67	1.82	2.70	3.30	4.24	5.92	1.74	2.21	2.47	3.23	3.14	4.04	4.09	3.86	3.64	4.20	4.40	4.25	Cap'l Spending per sh	4.50
12.70	13.38	11.76	10.69	15.34	15.12	14.84	15.54	15.54	15.87	17.46	17.27	18.30	19.17	19.71	20.30	21.10	21.75	Book Value per sh ^C	24.00
55.96	55.96	40.45	35.65	47.21	47.63	48.04	48.34	48.47	48.59	52.51	52.91	54.49	54.84	57.12	58.42	60.00	60.50	Common Shs Outst'g ^D	62.00
13.8	10.0	16.5	NMF	13.6	13.7	19.3	13.8	24.4	19.4	15.4	30.9	15.0	11.4	12.7	14.1	14.1	14.1	Avg Ann'l P/E Ratio	13.0
.86	.58	.86	NMF	.88	.70	1.05	.79	1.29	1.03	.83	1.64	.90	.76	.81	.89	.89	.89	Relative P/E Ratio	.85
6.7%	6.4%	5.0%	2.8%	2.0%	2.9%	3.7%	3.5%	2.9%	3.0%	2.5%	2.7%	3.4%	4.5%	4.8%	4.5%	4.5%	4.5%	Avg Ann'l Div'd Yield	4.8%

CAPITAL STRUCTURE as of 12/31/11
 Total Debt \$1371.3 mill. Due In 5 Yrs \$200.0 mill.
 LT Debt \$1254.2 mill. LT Interest \$67.1 mill.
 Incl. \$51.5 mill. debt to affiliated trusts; \$32.8 mill. nonrecourse debt.
 (LT interest earned: 3.3x)
 Leases, Uncapitalized Annual rentals \$5.0 mill.
 Pension Assets-12/11 \$328.2 mill. Oblig. \$494.2 mill.
 Pfd Stock None

Common Stock 58,554,301 shs. as of 1/31/12
MARKET CAP: \$1.5 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-8	-1	+2
Avg Indust. Use (MWH)	1397	1525	1556
Avg Indust. Revs. per kWh (¢)	5.53	5.47	5.71
Capacity at Peak (MW)	2514	2905	2923
Peak Load, Winter (MW)	2371	2507	2381
Annual Load Factor (%)	61.0	60.0	61.0
% Change Customers (grid)	+5	+7	+4

Fixed Charge Cov. (%)	299	301	318
ANNUAL RATES			
of change (per sh)	10 Yrs.	Past 5 Yrs.	Past Est'd '09-'11 to '15/17
Revenues	-16.6%	5%	2.5%
"Cash Flow"	3.5%	6.0%	4.0%
Earnings	5.0%	9.5%	5.5%
Dividends	7.5%	12.5%	6.5%
Book Value	3.5%	4.0%	3.5%

Cal-endar	QUARTERLY REVENUES (\$ mill.)	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2009	487.5 307.1 314.7 403.3	1512.6
2010	456.4 360.7 367.2 374.4	1558.7
2011	476.6 360.6 343.7 438.9	1619.8
2012	450 350 350 450	1600
2013	475 375 375 475	1700

Cal-endar	EARNINGS PER SHARE ^A	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2009	.57 .47 .15 .40	1.58
2010	.52 .46 .22 .45	1.65
2011	.73 .39 .18 .42	1.72
2012	.65 .45 .20 .50	1.80
2013	.70 .48 .22 .50	1.90

Cal-endar	QUARTERLY DIVIDENDS PAID ^B †	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2008	.165 .165 .18 .18	.69
2009	.18 .21 .21 .21	.81
2010	.25 .25 .25 .25	1.00
2011	.275 .275 .275 .275	1.10
2012	.29	

BUSINESS: Avista Corporation (formerly The Washington Water Power Company) supplies electricity & gas in eastern Washington & northern Idaho. Supplies gas to part of Oregon. Customers: 360,000 electric, 321,000 gas. Has nonutility subsidiary (Ecova) involved in energy-management services. Electric revenue breakdown: residential, 33%; commercial, 28%; industrial, 12%;

wholesale, 8%; other, 19%. Generating sources: hydro, 37%; coal, 11%; gas, 6%; wood waste, 2%; purchased, 44%. Fuel costs: 49% of revenues. '11 reported deprec. rate (utility): 2.9%. Has 2,800 employees. Chairman, President & CEO: Scott L. Morris. Inc.: Washington. Address: 1411 E. Mission Ave., Spokane, Washington 99202-2600. Tel.: 509-489-0500. Internet: www.avistacorp.com.

Avista has filed a general rate case in Washington. The utility is seeking electric and gas rate increases of \$41.0 million (8.8%) and \$10.1 million (6.8%), based on a return of 10.9% on a common-equity ratio of 48.4%. New tariffs will take effect in early March next year. This means that Avista will miss the benefits of rate relief in two seasonally strong months. **Frequent rate applications are nothing new for the company.** Regulatory lag has been a problem for Avista for many years, and largely explains why returns on equity have been so unimpressive for an extended period. Consequently, the utility has had to file one rate case after another in order to catch up with rising operating expenses and place its capital spending in the rate base. The aforementioned petition in Washington came just three months after a tariff hike took effect there. Rates in Idaho are frozen until April 1, 2013. Avista will probably file an application in September, so that new rates can take effect as soon as the freeze is over. (The regulatory process in Idaho takes seven months.) Finally, Avista's gas operations in Oregon are considering filing

a rate case. **We estimate that earnings will advance in 2012 and 2013.** Rate relief is a plus, and Avista's Ecova energy-services subsidiary is performing well. Ecova made a couple of acquisitions in 2011 that should help raise its income this year. Our 2012 earnings estimate is within Avista's targeted range of \$1.65-\$1.85 a share, and we think improvement in both the utility and nonutility sides of the business will produce higher profits in 2013. **We have raised the company's Financial Strength rating from B++ to A.** The fixed-charge coverage has improved, and the common-equity ratio is healthy. Financing needs should be modest in 2012. **The board of directors raised the dividend in February.** The quarterly increase of \$0.015 a share (5.5%) was a bit less than we estimated, but was still healthy. Avista's goal for the payout ratio is 60%-70%. **Avista shares offer a dividend yield and 3- to 5-year total return potential that are moderately above the averages for the electric utility industry.**
Paul E. Debbas, CFA May 4, 2012

(A) Dil. EPS. Excl. nonrec. losses: '00, 27¢; '02, 9¢; '03, 3¢; gain (losses) on disc. ops.: '01, (\$1.00), '02, 2¢; '03, (10¢). '09 EPS don't add due to rounding. Next eqs. report due early Aug. (B) Div'ds historically paid in mid-Mar., June, Sept. & Dec. † Div'd reinvest. plan avail. ‡ Shareholder invest. plan avail. (C) Incl. def'd chgs. In '11: \$9.69/sh. (D) In mil. (E) Rate Regulatory Climate: WA, Avg.; ID, Above Avg. base: Net orig. cost. Rate allowed on com. eq. In WA in '12: none specified; in ID in '10: none specified; earned on avg. com. eq., '11: 8.7%. (F) Rate Regulatory Climate: WA, Avg.; ID, Above Avg.

Company's Financial Strength A
 Stock's Price Stability 100
 Price Growth Persistence 70
 Earnings Predictability 65

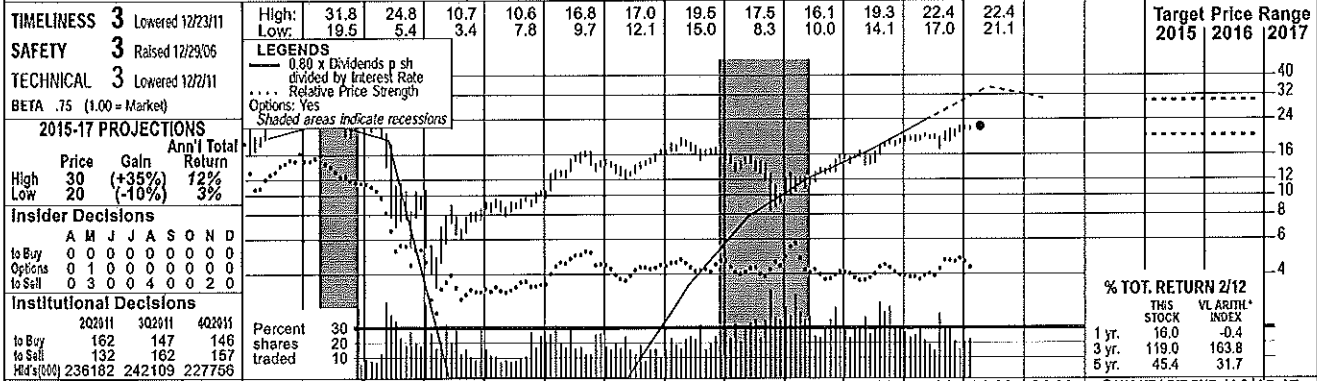
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CMS ENERGY CORP. NYSE-CMS

RECENT PRICE **22.14** P/E RATIO **15.1** (Trailing: 15.3 Median: 15.0) RELATIVE P/E RATIO **0.97** D/V D YLD **4.4%** **VALUE LINE**



Year	Price	Gain	Return	High	Low
2017	30	(+35%)	12%	31.8	19.5
2016	20	(-10%)	3%	24.8	5.4

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues per sh	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50
Earnings per sh	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85
Div'd Decl'd per sh	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Cap'l Spending per sh	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Book Value per sh	13.75	13.75	13.75	13.75	13.75	13.75	13.75	13.75	13.75
Common Shs Outst'g	264.00	264.00	264.00	264.00	264.00	264.00	264.00	264.00	264.00

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues (\$mill)	7800	7800	7800	7800	7800	7800	7800	7800	7800
Net Profit (\$mill)	525	525	525	525	525	525	525	525	525
Income Tax Rate	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%
AFUDC % to Net Profit	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Long-Term Debt Ratio	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
Common Equity Ratio	39.5%	39.5%	39.5%	39.5%	39.5%	39.5%	39.5%	39.5%	39.5%
Total Capital (\$mill)	10500	10500	10500	10500	10500	10500	10500	10500	10500
Net Plant (\$mill)	14400	14400	14400	14400	14400	14400	14400	14400	14400
Return on Total Cap'l	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Return on Shr. Equity	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
Return on Com Equity	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
Retained to Com Eq	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
All Div'ds to Net Prof	60%	60%	60%	60%	60%	60%	60%	60%	60%

CMS Energy's utility subsidiary has electric and gas rate cases pending. On the electric side, Consumers Energy is seeking a rate increase of \$195 million, based on a 10.7% return on a 42.07% common-equity ratio. In December, the utility self-implemented a raise of \$118 million. On the gas side, the company filed for a tariff hike of \$49 million, based on a 10.7% return on a 41.55% common-equity ratio, and self-implemented a \$23 million boost at the start of March. Capital investments were the main impetus for the applications. However, the staff of the Michigan Public Service Commission (MPSC) is recommending an electric increase of \$39 million and a gas decrease of \$22 million, based on a 9.95% ROE. The MPSC's electric and gas rate orders are due in June and September, respectively.

The board of directors declared a substantial dividend increase in the first quarter. The board raised the quarterly disbursement by \$0.03 a share (14.3%). Following the big increase, and based on management's earnings guidance of \$1.52-\$1.55 a share for 2012, the payout ratio is near the norm for utilities. In the coming years, dividend hikes should approximate the company's profit growth.

We estimate earnings of \$1.55 a share in 2012. Rate relief and effective expense control should help. CMS is targeting average annual earnings growth of 5%-7%. Our 2012 estimate would produce an increase at the upper end of this range. We forecast similar profit growth in 2013. CMS should benefit from \$1.8 billion in tax-loss carryforwards in the next five years. This would enable it to avoid equity issuances, except for small amounts for the dividend reinvestment and other stock programs. Note that our definition of "cash flow" does not include deferred taxes and investment tax credits, so it understates CMS' true cash flow.

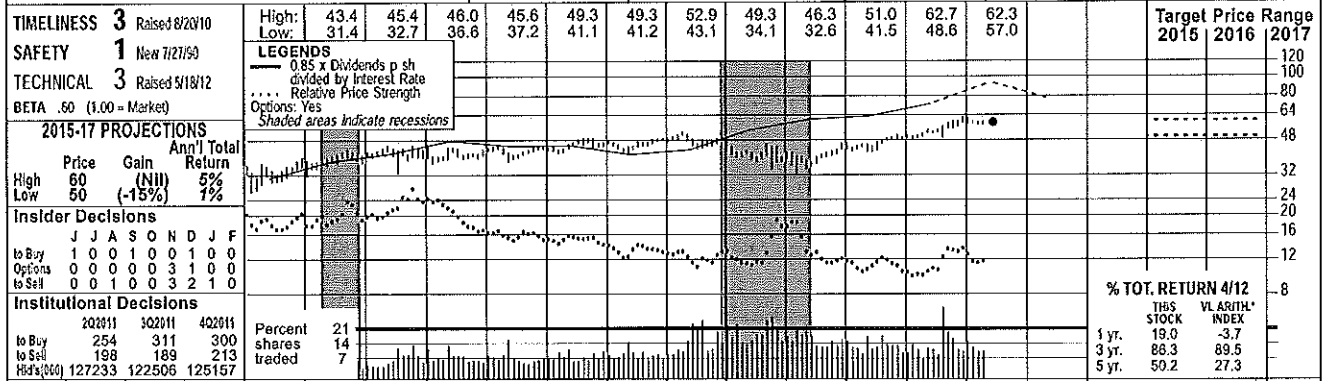
Consumers is building a wind project. This will help the utility meet the state's renewable-energy requirement. It should add 100 megawatts of capacity by yearend at an expected cost of \$232 million. **This stock's dividend yield and total return potential to 2015-2017 are slightly above the averages for the electric utility industry.**

Paul E. Debbas, CFA March 23, 2012

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1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC 15-17	
29.62	30.24	30.46	35.04	44.48	45.41	39.65	43.51	40.24	47.66	47.14	48.23	49.62	46.36	45.69	44.17	43.70	45.05	Revenues per sh	50.25
4.97	5.08	5.29	5.74	5.51	5.70	5.44	5.12	4.54	5.27	5.28	5.77	5.99	5.88	6.24	6.61	6.95	7.30	"Cash Flow" per sh	8.50
2.93	2.95	3.04	3.13	2.74	3.21	3.13	2.83	2.32	2.99	2.95	3.48	3.36	3.14	3.47	3.57	3.70	3.85	Earnings per sh ^A	4.25
2.08	2.10	2.12	2.14	2.18	2.20	2.22	2.24	2.26	2.28	2.30	2.32	2.34	2.36	2.38	2.40	2.42	2.44	Div'd Decl'd per sh ^B	2.50
2.87	2.78	2.66	3.17	4.52	5.20	5.68	5.72	5.60	6.59	7.17	7.09	8.50	7.80	6.96	6.72	7.55	7.30	Cap'l Spending per sh	7.25
24.37	25.18	25.88	25.31	25.81	26.71	27.68	28.44	29.09	28.80	31.09	32.58	35.43	36.46	37.93	39.05	40.35	41.80	Book Value per sh ^C	47.00
234.99	235.49	232.83	213.81	212.03	212.15	213.93	225.84	242.51	245.29	257.46	272.02	273.72	281.12	291.62	292.89	293.00	293.00	Common Shs Outst'g ^D	293.00
10.1	10.9	15.3	14.0	12.0	12.0	13.3	14.3	18.2	15.1	15.5	13.8	12.3	12.5	13.3	15.1	15.1	15.1	Avg Ann'l P/E Ratio	13.0
.63	.63	.80	.80	.78	.61	.73	.82	.96	.80	.84	.73	.74	.83	.85	.96	.96	.96	Relative P/E Ratio	.85
7.0%	6.5%	4.6%	4.9%	6.6%	5.7%	5.3%	5.5%	5.3%	5.0%	5.0%	4.8%	5.7%	6.0%	5.2%	4.5%	4.5%	4.5%	Avg Ann'l Div'd Yield	4.5%

CAPITAL STRUCTURE as of 12/31/11
 Total Debt \$10675 mill. Due in 5 Yrs \$2942.0 mill.
 LT Debt \$10145 mill. LT Interest \$507.0 mill.
 (LT interest earned: 3.8x)
 Leases, Uncapitalized Annual rentals \$50.0 mill.
 Pension Assets-12/11 \$7.80 bill.
 Oblig. \$11.8 bill.
 Pfd Stock \$213.0 mill. Pfd Div'd \$11.0 mill.
 1,915,319 shs. \$5 cum. no par. call. \$105 a sh.;
 375,626 shs. 4.65% cum. \$100 par. call. \$101 to
 \$102.50 a sh.
 Common Stock 292,860,631 shs.
 as of 1/31/12
MARKET CAP: \$17 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-9	+3.6	-1.4
Avg Indst. Use (MWH)	NA	NA	NA
Avg. Indst. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (MW)	NMF	NMF	NMF
Peak Load, Summer (MW)	12242	12863	NMF
Annual Load Factor (%)	NMF	NMF	NMF
% Change Customers (trend)	NA	NA	NA

ANNUAL RATES

	Past 10 Yrs	Past 5 Yrs	Est'd '09-'11 to '15-'11
Revenues	1.0%	-	1.5%
"Cash Flow"	1.0%	4.5%	5.5%
Earnings	1.0%	4.5%	4.0%
Dividends	1.0%	1.0%	1.0%
Book Value	4.0%	4.5%	8.0%

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	3423	2845	3489	3275	13032
2010	3462	3017	3707	3139	13325
2011	3349	2993	3629	2967	12938
2012	3078	3022	3700	3000	12800
2013	3200	3100	3800	3100	13200

EARNINGS PER SHARE^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.66	.55	1.20	.73	3.14
2010	.80	.84	1.23	.80	3.47
2011	1.06	.56	1.30	.65	3.57
2012	.94	.65	1.35	.76	3.70
2013	1.05	.65	1.35	.80	3.85

QUARTERLY DIVIDENDS PAID^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.585	.585	.585	.585	2.34
2009	.59	.59	.59	.59	2.36
2010	.595	.595	.595	.595	2.38
2011	.60	.60	.60	.60	2.40
2012	.605	.605	.605	.605	2.42

BUSINESS: Consolidated Edison, Inc. is a holding company for Consolidated Edison Company of New York, Inc. (CECONY), which sells electricity, gas, and steam in most of New York City and Westchester County. Also owns Orange and Rockland Utilities (O&R, acquired 7/99), which operates in New York, New Jersey, and Pennsylvania. Has 3.6 million electric, 1.2 million gas customers.

We estimate that Consolidated Edison's earnings will increase this year and next. The utility is benefiting from the economic recovery and from customers' conversions from heating oil to natural gas. As prices of the former have risen, prices for the latter have fallen. Our 2012 earnings estimate, which we have trimmed by a nickel a share, is still within management's targeted range of \$3.65-\$3.85. Note that our presentation includes mark-to-market accounting gains or losses stemming from ConEd's competitive energy operations.

ConEd Company of New York's regulatory plan expires at the end of March, 2013. The utility is still deciding whether to seek an extension of the current plan or file another one. For the 12 months that ended on March 31st, CECONY earned slightly below its allowed return on equity for electricity and gas, but well below its allowed ROE for steam. Our 2013 earnings forecast is based on no change in rates at CECONY. **Orange and Rockland has an electric rate case pending in New York.** The utility has made two alternative proposals

for the next three years, beginning in mid-2012: either rate hikes of \$19.4 million, \$8.8 million, and \$15.2 million, or increases of \$15.2 million each year. The allowed ROE would be 9.4% in the first year, followed by 9.5% and 9.6% in the following two years, respectively. The common-equity ratio would be 48%. A ruling from the New York State commission is due next month. Our figures assume reasonable regulatory treatment. **The competitive energy businesses have had an inconsistent performance in recent years.** Their \$0.11-a-share profit in 2011 was the lowest since 2005. Even so, they are earning an ROE that exceeds the returns provided by the regulated utility operations.

This top-quality stock has a dividend yield that is average, by utility standards. Dividend growth has been steady but slow, and we project a continuation of 1% annual increases through 2015-2017. With the quotation near the upper end of our 3- to 5-year Target Price Range, total return potential over that time frame is low.

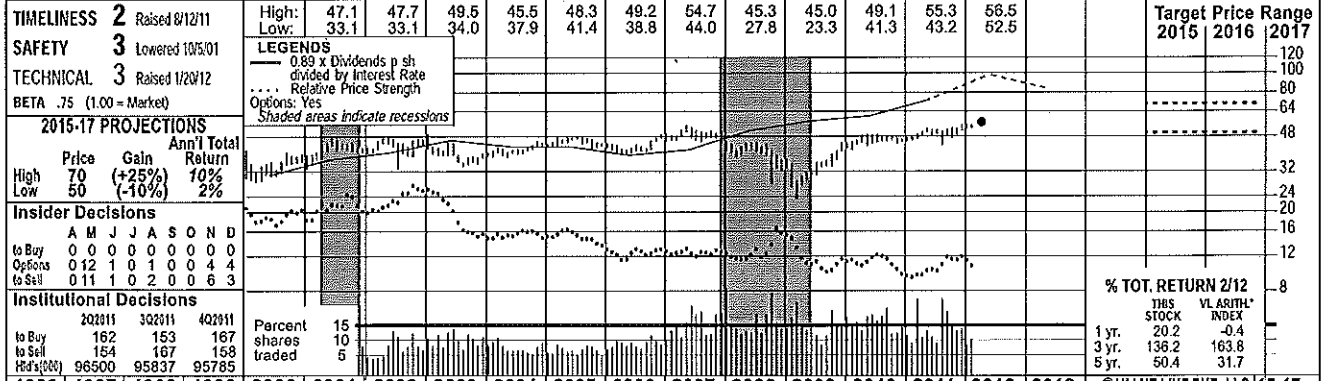
(A) Diluted EPS. Excl. nonrecurring losses: '02, 11¢; '03, 45¢; gain on discontinued operations: '08, \$1.01. Next earnings report due late July. (B) Dividends historically paid in mid-Mar., mid-June, mid-Sept., and mid-Dec. (C) Div'd reinvestment plan available. (D) Incl. intangibles. In '10: \$1.48/sh. (E) Rate base. (F) Rate of return on original cost. Rate allowed on com. eq. for CECONY in '10: 10.15% electric, 9.6% gas and steam; O&R in '10 (electric) 9.2%, in '09 (gas) 10.3%; earned on avg. com. eq., '11: 9.5%. Regulatory Climate: Below Average. Company's Financial Strength A+ Stock's Price Stability 100 Price Growth Persistence 45 Earnings Predictability 85

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DTE ENERGY CO. NYSE-DTE

RECENT PRICE **56.46** P/E RATIO **15.3** (Trailing: 15.4 Median: 15.0) RELATIVE P/E RATIO **0.98** DIV'D YLD **4.3%** VALUE LINE



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC 15-17	
25.12	25.94	29.10	32.60	39.24	48.71	40.30	41.76	40.84	50.74	50.93	54.28	57.23	48.45	50.51	52.55	52.55	54.25	Revenues per sh	61.25
7.10	7.42	7.61	8.40	8.59	6.98	8.31	6.95	6.81	8.14	8.19	8.48	8.28	9.38	9.78	9.55	9.65	10.15	"Cash Flow" per sh	11.75
2.80	2.88	3.05	3.33	3.27	2.15	3.83	2.85	2.55	3.27	2.45	2.66	2.73	3.24	3.74	3.67	3.75	3.95	Earnings per sh ^A	4.50
2.06	2.06	2.06	2.06	2.06	2.06	2.06	2.06	2.06	2.06	2.06	2.12	2.12	2.12	2.18	2.32	2.42	2.52	Div'd Decl'd per sh ^B	2.80
3.66	3.14	3.83	5.10	5.25	6.80	5.88	4.45	5.19	5.99	7.92	7.96	8.42	6.26	6.49	8.75	10.95	10.50	Cap'l Spending per sh	10.25
23.73	24.55	25.49	26.95	28.15	28.48	27.26	31.36	31.85	32.44	33.02	35.86	36.77	37.96	39.67	41.40	43.05	44.55	Book Value per sh ^C	49.25
145.12	145.10	145.07	145.04	142.65	161.13	167.46	168.61	174.21	177.81	177.14	163.23	163.02	165.40	169.43	169.25	175.00	177.00	Common Shs Outs't'g ^D	181.00
11.2	10.3	13.3	11.6	10.3	19.3	11.3	13.7	16.0	13.8	17.4	18.3	14.8	10.4	12.3	13.5	13.5	13.5	Avg Ann'l P/E Ratio	13.0
7.0	5.9	6.9	6.6	6.7	9.9	6.2	7.8	8.5	7.3	9.4	9.7	8.9	8.9	7.8	8.5	8.5	8.5	Relative P/E Ratio	8.5
6.6%	6.9%	5.1%	5.3%	6.1%	5.0%	4.8%	5.3%	5.0%	4.6%	4.9%	4.4%	5.2%	6.3%	4.8%	4.7%	4.7%	4.7%	Avg Ann'l Div'd Yield	4.7%

CAPITAL STRUCTURE as of 9/30/11
 Total Debt \$8019.0 mill. Due in 5 Yrs \$3221.0 mill.
 LT Debt \$7497.0 mill. LT Interest \$427.0 mill.
 Incl. \$27.0 mill. capitalized leases, \$289.0 mill.
 Trust Preferred Securities, and \$479.0 mill.
 securitized bonds.
 (LT interest earned: 3.3x)
 Leases, Uncapitalized Annual rentals \$39.0 mill.
 Pension Assets -12/10 \$2.91 bill.
 Oblig. \$3.79 bill.

2008	2009	2010
205	223	262
205	223	262

Cal-endar	QUARTERLY REVENUES (\$ mill)	Full Year			
Mar.31	Jun.30	Sep.30	Dec.31	Year	
2009	2255	1688	1950	2121	8014.0
2010	2453	1792	2139	2173	8557.0
2011	2431	2028	2265	2173	8897.0
2012	2400	2050	2350	2400	9200
2013	2550	2100	2450	2500	9600

Cal-endar	EARNINGS PER SHARE ^A	Full Year			
Mar.31	Jun.30	Sep.30	Dec.31	Year	
2009	1.09	.51	.92	.72	3.24
2010	1.38	.51	.96	.90	3.74
2011	1.04	.67	1.07	.89	3.67
2012	1.10	.70	1.00	.95	3.75
2013	1.20	.72	1.05	.98	3.95

Cal-endar	QUARTERLY DIVIDENDS PAID ^B	Full Year			
Mar.31	Jun.30	Sep.30	Dec.31	Year	
2008	.53	.53	.53	.53	2.12
2009	.53	.53	.53	.53	2.12
2010	.53	.53	.53	.56	2.15
2011	.56	.56	.5875	.5875	2.30
2012	.5875				

BUSINESS: DTE Energy Company is a holding company for The Detroit Edison Company, which supplies electricity in Detroit and a 7,600-square-mile area in southeastern Michigan, and Michigan Consolidated Gas (MichCon). Customers: 2.1 mill. electric, 1.3 mill. gas. Acquired MCN Energy 6/01. Has various nonutility operations. Electric revenue breakdown: residential, 41%; commercial, 33%; industrial, 14%; other, 12%. Generating sources: coal, 72%; nuclear, 14%; gas, 1%; purchased, 13%. Fuel costs: 37% of revenues. '10 reported deprec. rates: 3.3% electric, 2.5% gas. Has 9,800 employees. Chairman, President & CEO: Gerard M. Anderson, Inc.; Michigan. Address: One Energy Plaza, Detroit, Michigan 48226-1279. Tel.: 313-235-4000. Internet: www.dteenergy.com.

DTE Energy's utility subsidiaries frequently request rate relief in order to recoup their capital expenditures. Much of this spending is to meet federal or state mandates for things such as pollution control, renewable energy, or pipeline safety. MichCon, the gas utility, will likely file a rate application in the second quarter of 2012. Under Michigan regulatory law, the company will be able to self-implement an interim rate hike six months after filing, with the Michigan commission's order due six months after that. Detroit Edison, the electric utility, will probably file a petition in 2012 or 2013, so any rate relief probably won't come in time to help earnings this year. **We look for a modest earnings increase in 2012.** Most of the company's lines of business will probably fare about as well as in 2011. The one notable growth area will be DTE's investments in reduced emissions fuel projects (i.e., treating coal to reduce emissions of certain pollutants). This business is driven by federal tax credits. Interest expense will probably decline, too, thanks to refinancings of debt that the company did in 2011. Our earnings esti-

mate is within management's targeted range of \$3.65-\$3.95 a share. **We estimate a greater rise in profits in 2013.** This is based on the benefits of rate relief at the utilities and continued growth in nonutility income. Our forecast of \$3.95 a share would produce bottom-line growth within DTE's targeted annual range of 5%-6%. **DTE plans to start monetizing its investment in the Barnett Shale gas-producing area.** The company expects some \$300 million of cash from asset sales in 2012. Even with this expected inflow, however, DTE will need some financing this year. A common-equity issuance of \$300 million is expected in the second half of 2012. **We expect a dividend increase in the second quarter.** We estimate an increase of \$0.09 a share (3.8%) in the annual disbursement. DTE is targeting a payout ratio of 60%-70%. **This timely stock has a dividend yield and 3- to 5-year total return potential that are about equal to the utility norms.**

Paul E. Debbas, CFA March 23, 2012

(A) Diluted EPS. Excl. nonrec. gains (losses): '03, (16¢); '05, (2¢); '06, 1¢; '07, \$1.96; '08, 50¢; '11, 51¢; gains (losses) on disc. ops.: '03, 40¢; '04, (6¢); '05, (20¢); '06, (2¢); '07, \$1.20; '08, 13¢. '10 EPS don't add due to rounding. Next earnings report due early May. (B) Div'ds historically paid in mid-Jan., Apr., July and Oct. Div'd reinvest. plan avail. (C) Incl. int'ng. In '10: \$40.57/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '11: 10.5% elec.; in '10: 11% gas; earned on avg. com. eq., '10: 0.0%. Regulatory Climate: Avg. Company's Financial Strength B+ Stock's Price Stability 100 Price Growth Persistence 45 Earnings Predictability 70

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EDISON INTERNATIONAL NYSE-EIX RECENT PRICE 43.10 PE RATIO 13.9 (Trailing: 13.3 Median: 12.0) RELATIVE P/E RATIO 0.90 DVD YLD 3.0% VALUE LINE

TIMELINESS 3 Lowered 3/11/11
SAFETY 3 Raised 11/11/05
TECHNICAL 4 Lowered 4/27/12
BETA .80 (1.00 = Market)

2015-17 PROJECTIONS

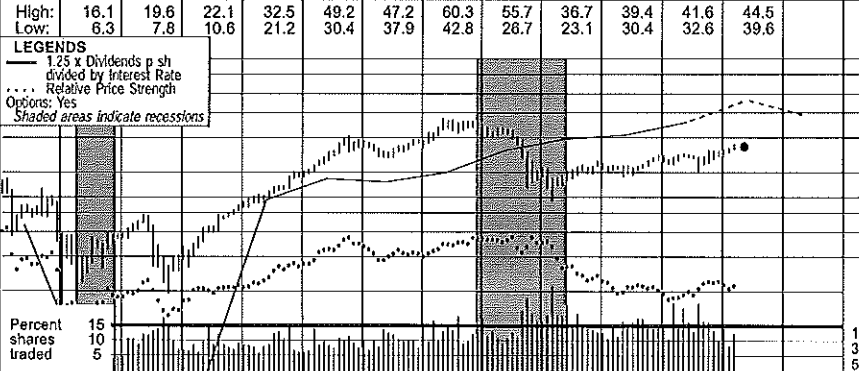
High	Price	Gain	Return
50	50	(+15%)	7%
35	35	(-20%)	-7%

Insider Decisions

J	A	S	O	N	D	J	F
0	0	0	0	0	0	0	0
0	0	0	0	0	3	0	0
0	0	0	0	0	0	0	0

Institutional Decisions

to Buy	to Sell	to Buy	to Sell	to Buy	to Sell
155	210	168	183	193	186
248068	251875	251875	250890		



Target Price Range	2015	2016	2017
	120	100	80
	64	48	32
	24	20	16
	12		
	8		

% TOT. RETURN 3/12

1 yr.	3 yr.	5 yr.
20.0	63.9	136.4
0.3	1.7	33.1

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1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Revenues per sh	51.50
20.13	24.58	29.12	27.85	35.96	35.10	35.26	37.25	31.30	36.38	38.74	40.25	43.31	37.98	38.09	39.16	40.35	41.90	"Cash Flow" per sh	11.50
4.45	5.49	6.65	7.20	d.52	4.35	4.79	5.88	3.79	6.99	7.25	7.60	8.08	7.96	8.41	9.03	9.10	9.45	Earnings per sh ^A	3.50
1.64	1.75	1.86	2.03	d5.84	1.30	1.82	2.38	.69	3.34	3.28	3.32	3.68	3.24	3.35	3.23	2.95	2.85	Div'd Decl'd per sh ^B	1.50
1.00	1.00	1.04	1.08	.83	--	--	--	.80	1.02	1.10	1.18	1.23	1.25	1.27	1.29	1.31	1.33	Cap'l Spending per sh	13.75
1.75	2.08	2.75	3.55	4.57	2.86	4.88	3.95	5.32	5.73	7.78	8.67	8.67	10.07	13.94	14.76	16.65	14.15	Book Value per sh ^C	39.00
15.07	14.71	14.55	15.01	7.43	10.04	13.62	16.52	18.57	20.30	23.66	25.92	29.21	30.20	32.44	30.86	32.45	33.90	Common Shs Outsl'tg ^D	325.81
424.52	375.76	350.55	347.21	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	Avg Ann'l P/E Ratio	12.0
10.8	13.7	15.1	12.9	--	10.0	7.8	7.0	37.8	11.7	13.0	16.0	12.4	9.7	10.3	11.8			Relative P/E Ratio	.80
.68	.79	.79	.74	--	.51	.43	.40	1.99	.62	.70	.85	.75	.66	.66	.75			Avg Ann'l Div'd Yield	3.5%
5.7%	4.2%	3.7%	4.1%	3.9%	--	--	--	3.1%	2.6%	2.6%	2.2%	2.7%	4.0%	3.7%	3.4%				

CAPITAL STRUCTURE as of 12/31/11

Total Debt \$14175 mill. Due in 5 Yrs \$4079.0 mill.
 LT Debt \$13689 mill. LT Interest \$808.0 mill.
 (LT Interest earned: 2.7x)
 Leases, Uncapitalized Annual rentals \$1.25 bill.
 Pension Assets-12/11 \$3.15 bill.

Obllg. \$4.49 bill.

Pfd Stock \$1029 mill. Pfd Div'd \$59.0 mill.
 4,800,198 shs. 4.08%-4.78%, \$25 par, call, \$25.50-
 \$28.75/sh. 8,000,000 shs. 5.34%-6.125%, \$100
 par; 1,250,000 shs. 6.5%, \$100 liquidation value.
 Common Stock 325,811,206 shs.
 as of 2/27/12

MARKET CAP: \$14 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-4.4	-2.7	+9
Avg Indust Usa (MWH)	689	710	736
Avg Indust Revs. per MWH (¢)	6.95	7.38	7.09
Capacity at Peak (Mw)	NA	NA	NA
Peak Load Summer (Mw)	22112	22771	22374
Annual Load Factor (%)	53.4	50.7	50.7
% Change Customers (yr-end)	+4	+5	+4

Fixed Charge Cov. (%)	288	240	209
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ANNUAL RATES

of change (per sh)	Past 10 Yrs	Past 5 Yrs	Est'd '09-'11 to '15-'17
Revenues	1.5%	1.5%	5.0%
"Cash Flow"	8.5%	7.0%	5.0%
Earnings	--	6.0%	1.0%
Dividends	7.0%	5.5%	3.0%
Book Value	11.0%	8.5%	4.0%

Cal-endar	QUARTERLY REVENUES (\$ mill.)	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2009	2812 2834 3678 3050	12374
2010	2810 2742 3788 3069	12409
2011	2782 2983 3981 3014	12760
2012	2900 3100 4050 3100	13150
2013	3025 3225 4175 3225	13650

Cal-endar	EARNINGS PER SHARE ^A	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2009	.78 .78 1.08 .59	3.24
2010	.70 .62 1.46 .58	3.35
2011	.62 .54 1.31 .76	3.23
2012	.60 .55 1.20 .60	2.95
2013	.60 .50 1.15 .60	2.85

Cal-endar	QUARTERLY DIVIDENDS PAID ^B	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2008	.305 .305 .305 .305	1.22
2009	.31 .31 .31 .31	1.24
2010	.315 .315 .315 .315	1.26
2011	.32 .32 .32 .325	1.29
2012	.325 .325	

BUSINESS: Edison International (formerly SCE Corp) is a holding company for Southern California Edison (SCE), which supplies electricity to 4.9 million customers in a 50,000 sq. mi. area in central, coastal, and southern California (excl. Los Angeles and San Diego). Edison Mission Group (EMG) is an independent power producer. Electric revenue breakdown: residential, 40%; commercial,

Edison International has taken nonrecurring charges for its nonregulated coal-fired plants. This came as little surprise to the market, as low power prices made it unappealing for the company's Edison Mission Group (EMG) subsidiary to spend large sums on environmental upgrades that would have been needed to keep the units operating in the long run. So, EMG intends to close two plants in Illinois in 2012 and 2014, and is considering closing a third facility in the state. The company also wrote off its Homer City plant in Pennsylvania after it was unable to obtain financing for environmental upgrades. These charges amounted to a nonrecurring loss of over \$1 billion (\$3.10 a share) in the fourth quarter of 2011. Even excluding these charges, EMG was in the red last year, losing \$0.07 a share. We believe unfavorable conditions in the power markets will result in losses in 2012 and 2013, as well. EMG is trying to continue to restructure its operations. One cause for concern is \$500 million of senior notes that are due in 2013.

Prospects at Southern California Edison are much brighter. SCE's share

net rose over 10%, to \$3.33, in 2011. Its earning power rises as its rate base expands, and the rate base is projected to rise at an average annual clip of 7%-9% through 2014. Edison International's goal is to pay out 45%-55% of the utility's (not the company's) income, so rising profits at SCE point to continued dividend growth. Next year might be an exception, however. **SCE is awaiting an order on one regulatory proceeding...** Its general rate case sought increases of \$824 million, \$136 million, and \$532 million in 2012, 2013, and 2014, respectively. No matter when the CPUC issues its ruling, it will be retroactive to the start of 2012. Edison International isn't issuing earnings guidance until it receives the rate order.

... and the utility just put forth a cost-of-capital filing. SCE is proposing a return of 11.1%, compared with 11.5% today, on the same 48% common-equity ratio. We believe a lower allowed ROE will lead to a decline in profits in 2013. **We don't recommend this stock.** The yield and total return potential to 2015-2017 are well below utility norms.

Paul E. Debbas, CFA **May 4, 2012**

(A) Diluted EPS. Excl. nonrec. gains (losses): '01, \$1.88; '02, \$1.48; '03, (1.25); '04, \$2.12; '09, (6.45); '10, \$4.4; '11, (\$3.33); gain (losses) from disc. ops.: '07, (1.5); '09, (2.5); '10, 1.1; '11, (1.6).

Incl. nonrec. losses: '00, \$7.58; '01, \$1.88. '09 & '10 EPS don't add due to rounding. Next eps. due early Aug. (B) Div's paid late Jan., Apr., July & Oct. = Div'd relinq. paid avail. (C) Incl. def'd charges. In '11: \$16.78/sh. (D) In mill. (E) Rate base: net ong. cost. Rate a/d on com. eq. in '08: 11.5%; earned on avg. com. eq., '11: 9.7%. Reg. Climate: Above Avg.

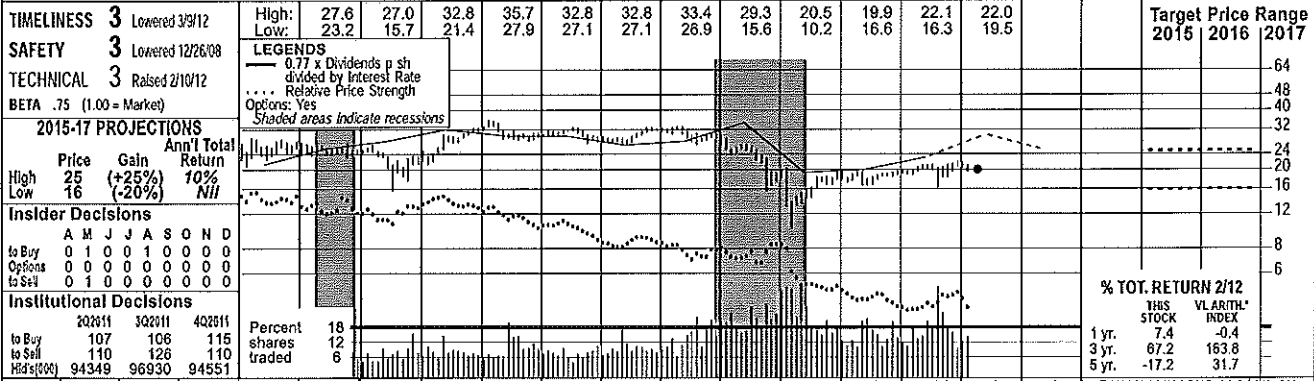
Company's Financial Strength

Stock's Price Stability	B++
Price Growth Persistence	95
Earnings Predictability	70
	55

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GREAT PLAINS EN'GY NYSE-GXP

RECENT PRICE **20.04** P/E RATIO **16.6** (Trailing: 16.2 Median: 15.0) RELATIVE P/E RATIO **1.06** DIV'D YLD **4.3%** VALUE LINE



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
14.60	14.47	15.17	14.50	18.02	23.61	26.91	31.04	33.13	34.85	33.30	37.89	14.00	14.51	16.62	17.03	14.95	16.25	Revenues per sh	19.50
3.90	3.91	4.21	3.63	4.63	4.70	4.40	4.89	4.75	4.54	3.86	4.24	3.09	3.27	4.12	3.51	3.35	3.70	"Cash Flow" per sh	4.75
1.69	1.69	1.89	1.26	2.05	1.59	2.04	2.27	2.46	2.18	1.62	1.86	1.16	1.03	1.53	1.25	1.30	1.45	Earnings per sh A	1.75
1.59	1.62	1.64	1.66	1.66	1.66	1.68	1.68	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66	Div'd Decl'd per sh B	1.10
1.66	2.05	1.97	2.97	6.67	4.38	1.91	2.19	2.66	4.49	6.05	6.15	8.86	6.49	4.76	3.40	4.75	5.15	Cap'l Spending per sh	4.00
14.71	14.19	14.41	13.97	14.88	12.59	13.58	13.82	15.35	16.37	16.70	18.18	21.39	20.62	21.26	21.74	21.60	22.15	Book Value per sh C	24.00
61.91	61.91	61.91	61.91	61.91	61.91	69.20	69.26	74.37	74.74	80.35	86.23	119.26	135.42	135.71	136.14	154.00	154.00	Common Shs Outst'g D	154.00
15.9	17.0	15.7	20.0	12.4	15.9	11.1	12.2	12.6	14.0	18.3	18.3	20.5	16.0	12.1	16.1	16.1	16.1	Avg Ann'l P/E Ratio	11.5
1.00	.98	.82	1.14	.81	.81	.81	.70	.87	.75	.99	.87	1.23	1.07	1.02	1.02	1.02	1.02	Relative P/E Ratio	.75
5.9%	5.6%	5.5%	6.6%	6.5%	6.6%	7.3%	6.0%	5.4%	5.5%	5.6%	5.5%	7.0%	5.0%	4.5%	4.1%	4.1%	4.1%	Avg Ann'l Div'd Yield	5.5%

CAPITAL STRUCTURE as of 12/31/11
Total Debt \$3927.7 mill. Due in 5 Yrs \$1467.1 mill.
LT Debt \$2742.3 mill. LT Interest \$154.5 mill.
Incl. \$287.5 mill. 10% equity units subject to mandatory conversion in 2012.
(LT interest earned: 2.2x)
Leases, Uncapitalized Annual rentals \$19.7 mill.
Pension Assets-12/11 \$591.1 mill.
Obli'g. \$980.6 mill.

Pfd Stock \$39.0 mill. Pfd Div'd \$1.6 mill.
390,000 shs. 3.80% to 4.50% (all \$100 par & cum.), callable from \$101 to \$103.70.
Common Stock 136,161,064 shs. as of 2/21/12
MARKET CAP: \$2.7 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	+18.1	+5.6	-1.7
Avg. Indust. Use (KWH)	1367	1429	1463
Avg. Indust. Rev. per KWH (¢)	5.47	5.89	6.11
Capacity at Peak (Mw)	6336	6272	6697
Peak Load, Summer (Mw)	5346	5531	5690
Annual Load Factor (%)	51.3	52.8	50.5
% Change Customers (avg)	-1.2	-1.2	-

Fixed Charge Cov. (%) 144 218 211

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Revenues	-1.5%	-14.0%	3.6%
"Cash Flow"	-1.5%	-3.5%	4.5%
Earnings	-2.5%	-9.5%	5.5%
Dividends	-6.5%	-13.0%	5.0%
Book Value	4.5%	5.5%	2.0%

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	419.2	480.5	587.7	477.6	1965.0
2010	506.9	552.0	728.8	467.8	2255.5
2011	492.9	565.1	773.7	488.3	2318.0
2012	500	550	700	500	2300
2013	550	600	850	550	2500

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.05	.28	.57	.10	1.03
2010	.15	.47	.96	0.04	1.53
2011	.01	.31	.91	.01	1.25
2012	.10	.30	.80	.10	1.30
2013	.10	.35	.90	.10	1.45

QUARTERLY DIVIDENDS PAID B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.415	.415	.415	.415	1.66
2009	.2075	.2075	.2075	.2075	.83
2010	.2075	.2075	.2075	.2075	.83
2011	.2075	.2075	.2075	.2125	.84
2012	.2125				

BUSINESS: Great Plains Energy Incorporated is a holding company for Kansas City Power & Light and two other subsidiaries, which supply electricity to 824,000 customers in western Missouri (71% of revenues) and eastern Kansas (29%). Acq'd Aquila 7/08, Sold Strategic Energy (energy-marketing subsidiary) in '08. Electric revenue breakdown: residential, 41%; commercial, 36%; industrial, 8%; other, 13%. Generating sources: coal, 71%; nuclear, 11%; wind, 2%; gas & oil, 1%; purchased, 15%. Fuel costs: 30% of revs. '11 reported deprec. rate (utility): 3.0%. Has 3,100 employees. Chairman & CEO: Michael J. Chesser. President & COO: Terry Basham, Inc. MO. Address: 1200 Main St., Kansas City, MO 64105. Tel.: 816-556-2200. Internet: www.greatplainsenergy.com.

Great Plains Energy's utilities in Missouri have filed rate cases there. The utilities are seeking a total of \$189.2 million, based on a return of 10.4% on a common-equity ratio of 52.5%. Current rates are based on the assumption that the company earns \$45.9 million of margin from wholesale power sales. This is unlikely to be achieved in 2012 due to low wholesale power prices. Thus, the utilities want to institute a sharing mechanism with customers so that a shortfall in wholesale margins wouldn't hurt the company as much. They are also asking for tracking mechanisms for certain expenses, such as property taxes, transmission, and renewable energy. (Kansas City Power & Light was granted a property tax rider in Kansas.) New tariffs should take effect in late January. Great Plains' utilities in Kansas expect to file rate applications in the second quarter of 2012, with orders due eight months later. Frequent rate cases have become the norm for the utilities, considering that they have not been earning their allowed ROE due to the effects of regulatory lag.

We have lowered our 2012 earnings

estimate by \$0.15 a share. Because wholesale margins will almost certainly be lower than expected, Great Plains slashed its earnings guidance by \$0.15 a share, from \$1.35-\$1.55 to \$1.20-\$1.40. The sluggish economy in the company's service area is another negative factor. Our revised estimate is at the midpoint of the company's targeted range. Thus, we figure that earnings will advance just moderately this year, even though some unusual expenses (such as the effects of flooding in the Midwest last summer) reduced profits by \$0.22 a share in 2011.

Earnings should advance in 2013. Rate relief will probably be the main reason for the improvement we expect.

A large environmental project is on schedule and on budget. KCP&L is adding pollution-control equipment to its 50%-owned LaCygne coal-fired station. Its share of the project is projected at \$615 million, and completion is expected in the second quarter of 2015.

This stock does not stand out among utilities for its yield or 3- to 5-year total return potential.

Paul E. Debbas, CFA March 23, 2012

(A) Excl. nonrec. gains (losses): '00, 49¢; '01, (\$2.01); '02, (5¢); '03, 29¢; '04, (7¢); '09, 12¢; gain (losses) on discount ops.: '03, (13¢); '04, 10¢; '05, (3¢); '08, 35¢; '09, (1¢); '09-'11 EPS don't add due to change in shares or rounding. Next earnings report due early May. (B) Div'ds historically paid in mid-Mar., June, Sept. & Dec. (C) Div'd reinvest. plan avail. (D) Incl. int'ng. '11: \$9.01/sh. (E) In mill. (F) Rate base: Fair value. Rate allowed on com. eq. in MO in '11: 10%; in KS in '10: 10%; earned on avg. com. eq. '11: 6.0%. Regulatory Climate: Average.

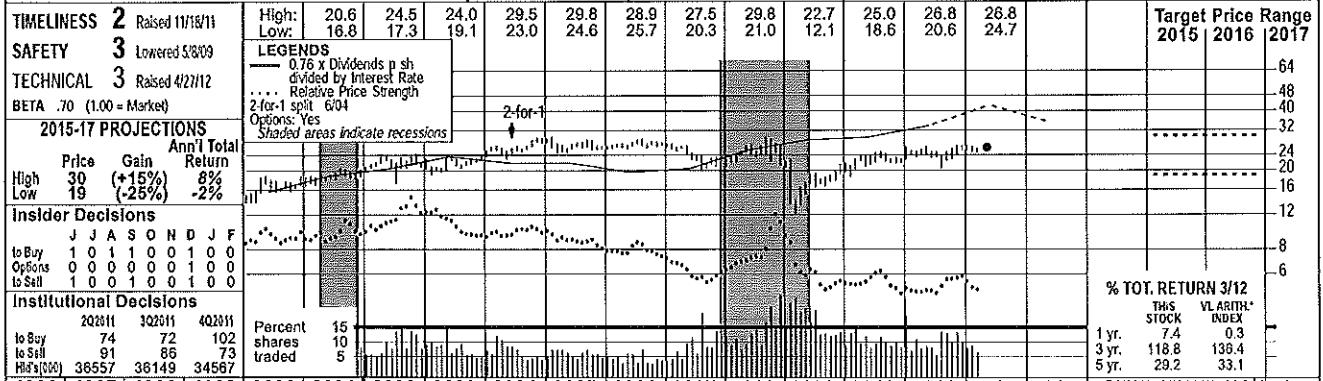
Company's Financial Strength B+
Stock's Price Stability 95
Price Growth Persistence 10
Earnings Predictability 70

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HAWAIIAN ELECTRIC NYSE:HE

RECENT PRICE **26.16** P/E RATIO **16.6** (Trailing: 18.2 Median: 19.0) RELATIVE P/E RATIO **1.08** DIVD YLD **4.7%** VALUE LINE



Year	2008	2009	2010	2011	2012	2013	Value Line Pub. LLC	15-17
Price	22.86	22.95	23.12	23.64	26.05	24.26	22.46	23.49
Gain	2.81	3.01	3.23	3.35	3.08	3.33	3.52	3.54
Return	1.30	1.38	1.48	1.45	1.27	1.60	1.62	1.58
Div'd	1.21	1.22	1.24	1.24	1.24	1.24	1.24	1.24
Cap'l Spending	3.33	2.31	2.60	2.09	2.04	1.77	1.74	2.15
Book Value	12.52	12.77	12.87	13.18	12.72	13.08	14.21	14.36
Common Shs	61.71	63.79	64.23	64.43	65.98	71.20	73.62	75.84
P/E Ratio	13.7	13.2	13.4	12.1	12.9	11.8	13.5	13.8
Div'd Yield	8.6%	6.7%	6.2%	7.1%	7.5%	6.6%	5.7%	5.7%

CAPITAL STRUCTURE as of 12/31/11
 Total Debt \$1408.9 mill. Due In 5 Yrs \$369.8 mill.
 LT Debt \$1275.1 mill. LT Interest \$70.0 mill.
 Incl. \$50 mill. 6.5% oblig. pfd. sec. of trust subsid.
 (LT Interest earned: 3.8x)
 Pension Assets-12/11 \$839.6 mill.
 Pfd Stock \$34.3 mill. Pfd Div'd \$2.0 mill.
 1,114,857 shs. 4/4% to 5/4%, \$20 par. call. \$20 to \$21; 120,000 shs. 7/4%, \$100 par. call. \$100.
 Sinking fund ends 2018.
 Common Stock 98,152,702 shs.
 as of 2/8/12
MARKET CAP: \$2.5 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

2009	2010	2011	
% Change Retail Sales (RWH)	-2.5	-1.0	-1.5
Avg. Indust. Use (RWH)	6403	6352	6284
Avg. Indust. Revs. per RWH (\$)	17.68	21.41	27.89
Capacity at Year-end (MW)	2347	2325	2327
Peak Load (MW)	1618	1562	1530
Average Load Factor (%)	72.2	73.9	74.8
% Change Customers (Y-over)	+5	+5	+3

ANNUAL RATES

10 Yrs.	5 Yrs.	Est'd '09-'11
Revenues	1.5%	2.0%
"Cash Flow"	-1.0%	3.5%
Earnings	-2.0%	9.0%
Dividends	-	1.0%
Book Value	2.0%	5.5%

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	543.8	525.9	620.3	619.6	2309.6
2010	619.0	655.7	694.6	695.7	2665.0
2011	710.6	794.3	886.4	851.0	3242.3
2012	875	900	900	925	3600
2013	925	950	975	1000	3850

EARNINGS PER SHARE

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.22	.17	.37	.15	.91
2010	.29	.31	.35	.26	1.21
2011	.30	.28	.50	.36	1.44
2012	.37	.35	.50	.38	1.60
2013	.40	.37	.53	.40	1.70

QUARTERLY DIVIDENDS PAID

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.31	.31	.31	.31	1.24
2009	.31	.31	.31	.31	1.24
2010	.31	.31	.31	.31	1.24
2011	.31	.31	.31	.31	1.24
2012	.31	.31	.31	.31	1.24

We believe Hawaiian Electric Industries' earnings will continue their recovery in 2012. The company's earnings (and returns on equity) have been weak in recent years due to regulatory lag and declining kilowatt-hour sales. So, a regulatory mechanism was enacted that decouples electric revenues and volume, and provides for annual rate adjustments for capital spending and rising operating expenses. HEI's largest utility, Hawaiian Electric Company (HECO), began operating under this mechanism in 2011, and another HEI utility, Hawaii Electric Light Company (HELCO), will begin using it this year. HEI's third utility, Maui Electric Company (MECO), will also get this regulatory mechanism eventually. MECO reached a settlement in its rate case, calling for a \$14.9 million (3.6%) hike, based on a 10% return on a 56.86% common-equity ratio. The utility hopes for an interim order by May 22nd. All told, we estimate that share net in 2012 will reach its highest level since 2002.

The new regulatory mechanism hasn't entirely fixed the problem of low ROEs, however. The annual adjustments

rev. breakdown: res'l, 33%; comm'l, 34%; large light & power, 32%; other, 1%. Generating sources: oil, 60%; purchased, 40%. Fuel costs: 60% of revs. '11 reported depr. rate (util.): 3.2%. Has 3,700 empl. Chairman: Jeffrey N. Watanabe. Pres. & CEO: Constance H. Lau, Inc.: HI. Address: 900 Richards St., P.O. Box 730, Honolulu, HI 96808-0730. Tel.: 808-543-5662. Web: www.hei.com.

take place at the start of June, but the company had wanted them to occur at the start of the year. Even with HECO using the mechanism in 2011, the utility earned an ROE of just 6.4%. HECO has set a goal of an 8.5% ROE this year. Note that the mechanism hasn't eliminated the need for traditional rate applications. HELCO will file one in mid-2012, and HECO expects to follow suit in 2013. We figure additional rate relief will boost profits next year.

Prospects are mixed at American Savings Bank. The bank's restructuring in the past few years has borne fruit. The return on assets has improved, while loan growth is rising and asset quality remains high. On the other hand, fee income has declined, and the bank's interest spread isn't likely to be as wide as in 2011. The negative slightly outweighs the positive: HEI expects the bank's net profit to dip 3%-5% from \$59.8 million last year.

This stock is timely, but its 2015-2017 total return potential is low. The yield is only about half a percentage point above the utility mean, despite the lack of near-term dividend growth potential.

Paul E. Debbas, CFA May 4, 2012

(A) Dil. EPS. Excl. gains (losses) from disc. ops.: '00, (56¢); '01, (36¢); '03, (5¢); '04, 2¢; '05, (1¢); nonrec. gain (loss): '05, 11¢; '07, (9¢). Next eps. due May 8. (B) Div'ds histor. paid in early Mar., June, Sept., & Dec. Div'd reinv. plan avail. † Shareholder invest. plan avail. (C) Incl. Intang. in '11: \$7.83/sh. (D) In mill. (E) Adj. for split. (F) Rate base: Orig. cost. Rate all'd on com. eq. in '11: HECO, 10%; in '12: HELCO, 10%; in '07: MECO, 10.7%; earned on avg. com. eq., '11: 9.2%. Regul. Climate: Avg. Excl. div'ds paid through reinvest. plan.

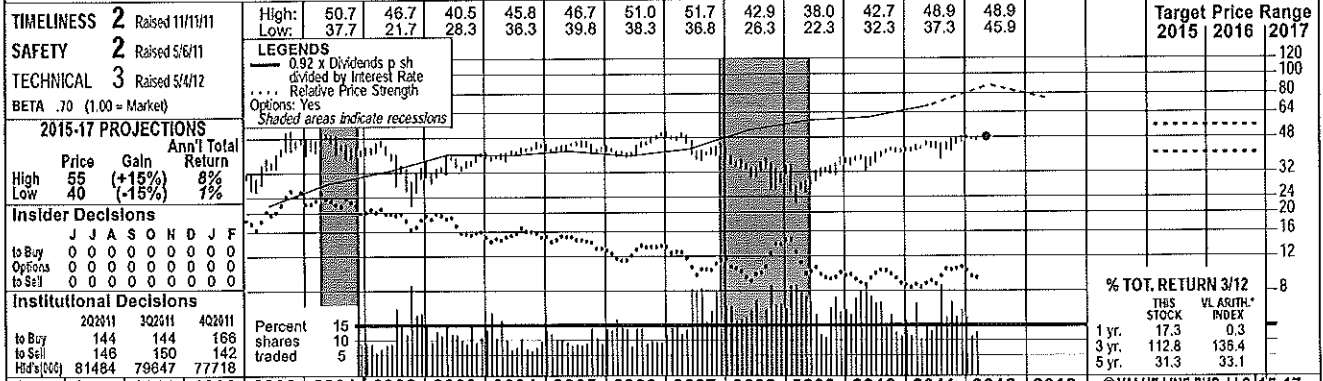
Company's Financial Strength B+
 Stock's Price Stability 90
 Price Growth Persistence 25
 Earnings Predictability 70

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PINNACLE WEST NYSE-PNW

RECENT PRICE **48.11** P/E RATIO **14.3** (trailing: 16.1 Median: 14.0) RELATIVE P/E RATIO **0.93** DIV'D YLD **4.4%** VALUE LINE



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC 15-17	
20.77	23.52	25.12	28.57	43.50	53.68	28.90	30.87	31.59	30.16	34.03	35.07	33.37	32.50	30.01	29.67	31.35	30.75	Revenues per sh	33.00
5.90	7.12	7.34	7.73	7.99	8.72	7.01	7.33	6.93	5.76	9.70	9.29	8.13	8.08	6.85	7.52	7.90	7.80	"Cash Flow" per sh	8.75
2.47	2.76	2.85	3.18	3.35	3.68	2.53	2.52	2.58	2.24	3.17	2.96	2.12	2.26	3.08	2.99	3.30	3.45	Earnings per sh ^A	3.75
1.03	1.13	1.23	1.33	1.43	1.53	1.63	1.73	1.83	1.93	2.03	2.10	2.10	2.10	2.10	2.10	2.10	2.10	Div'd Decl'd per sh ^B	2.40
2.95	3.63	3.76	4.05	7.76	12.27	9.81	7.60	5.86	6.39	7.59	9.37	9.46	7.64	7.03	8.28	8.45	9.10	Cap'l Spending per sh	8.50
22.51	23.90	25.50	26.00	28.09	29.46	29.44	31.00	32.14	34.57	34.48	35.15	34.16	32.69	33.86	34.98	36.15	37.35	Book Value per sh ^C	41.25
87.52	84.83	84.83	84.83	84.83	84.83	91.26	91.29	91.79	99.08	99.96	100.49	100.89	101.43	108.77	109.25	110.00	117.00	Common Shs Outst'g ^D	118.50
11.8	11.8	15.2	11.9	11.3	12.0	14.4	14.0	15.8	19.2	13.7	14.9	16.1	13.7	12.6	14.6	14.6	14.6	Avg Ann'l P/E Ratio	13.0
.74	.68	.79	.68	.73	.61	.79	.80	.83	1.02	.74	.79	.97	.91	.80	.92	.92	.92	Relative P/E Ratio	.85
3.5%	3.5%	2.8%	3.5%	3.8%	3.5%	4.5%	4.9%	4.5%	4.5%	4.7%	4.8%	6.2%	6.8%	5.4%	4.8%	4.8%	4.8%	Avg Ann'l Div'd Yield	5.0%

CAPITAL STRUCTURE as of 12/31/11
 Total Debt \$3496.5 mill. Due in 5 Yrs \$1898.4 mill.
 LT Debt \$3019.1 mill. LT Interest \$177.6 mill.
 Inci. \$65.5 mill. Palo Verde safe leaseback lessor notes.
 (LT interest earned: 3.3x)
 Leases, Uncapitalized Annual rentals \$21.0 mill.
 Pension Assets-12/11 \$1.85 bill.
 Oblig. \$2.70 bill.

Pfd Stock None

Common Stock 109,254,312 shs. as of 2/15/12
MARKET CAP: \$5.3 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-2.2	-1.6	+1.8
Avg. Indust. Use (KWH)	619	619	632
Avg. Indust. Use, per KWH (¢)	8.11	7.83	7.78
Capacity of Peak (MW)	8635	8682	8677
Peak Load, Summer (MW)	7218	6396	7087
Average Load Factor (%)	49.3	50.0	50.0
% Change Customers (ground)	+5	+4	+8

Fixed Charge Cov. (%) 248 296 308

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11
of change (per sh)			
Revenues	-3.0%	-1.0%	1.0%
"Cash Flow"	-1.0%	-	2.5%
Earnings	-2.0%	1.0%	5.0%
Dividends	4.0%	1.5%	2.5%
Book Value	2.0%	-	3.5%

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	625.9	838.0	1142.2	693.0	3297.1
2010	620.3	820.6	1139.1	683.6	3263.6
2011	648.9	799.8	1124.8	667.9	3241.4
2012	675	850	1225	700	3450
2013	700	875	1300	725	3600

EARNINGS PER SHARE ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	d.36	.74	2.07	d.19	2.26
2010	.07	.83	2.08	.06	3.08
2011	d.15	.78	2.24	.11	2.99
2012	Nil	.95	2.30	.05	3.30
2013	Nil	1.00	2.35	.10	3.45

QUARTERLY DIVIDENDS PAID ^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.525	.525	.525	.525	2.10
2009	.525	.525	.525	.525	2.10
2010	.525	.525	.525	.525	2.10
2011	.525	.525	.525	.525	2.10
2012	.525	.525	.525	.525	2.10

BUSINESS: Pinnacle West Capital Corporation is a holding company for Arizona Public Service Company (APS), which supplies electricity to 1.1 million customers in most of Arizona, except about half of the Phoenix metro area, the Tucson metro area, and Mohave County in northwestern Arizona. Discontinued SunCor real estate subsidiary in '10. Electric revenue breakdown: residential, 47%; commercial, 39%; industrial, 5%; other, 9%. Generating sources: coal, 37%; nuclear, 27%; gas, 17%; purchased, 19%. Fuel costs: 31% of revenues. Has 6,700 employees. '11 reported deprec. rate: 3.0%. Chairman, President & CEO: Donald E. Brandt. Inc.: Arizona. Address: 400 North Fifth Street, P.O. Box 53999, Phoenix, Arizona 85072-3999. Tel.: 602-250-1000. Internet: www.pinnaclewest.com.

Pinnacle West's revenue subsidiary is awaiting regulatory approval of its settlement of its general rate case. Arizona Public Service agreed to a base rate increase of \$116.3 million (4%), based on a return of 10% on a common-equity ratio of 53.94%. The agreement also changes the fuel adjustment clause to reflect all fuel and purchased-power costs, instead of 90% of them. APS will be able to raise rates again in mid-2013 for the Four Corners acquisition (see below), and under certain other circumstances, but otherwise, base rates will be frozen until July 1, 2016. If the Arizona Corporation Commission (ACC) approves the settlement, new tariffs will take effect in July 1, 2012.

The utility has an asset acquisition pending. APS has agreed to buy a California utility's 739-megawatt stake in units 4 and 5 of Four Corners for \$294 million. The company would spend \$300 million for environmental upgrades to the two coal-fired units, but would be able to avoid spending \$600 million that would have been necessary to keep units 1, 2, and 3 operating. The three older units will be shut. The purchase has been approved by

the California commission and the ACC, but must still be sanctioned by the federal regulators. The transaction will likely be completed by yearend. APS will be able to defer all expenses (including debt financing costs) until it receives rate relief for Four Corners 4 and 5 in mid-2013. An equity offering might occur next year, too, as part of the financing for the purchase. **We expect earnings to advance in 2012 and 2013.** Higher rates should be the key factor each year. Note that management isn't providing earnings guidance as long as the rate settlement awaits approval. **We think the dividend will be raised within the next 12 months.** This would be the board's first such move since the fourth quarter of 2006. Since then, the housing slump has hurt both the utility and SunCor, a real estate subsidiary that Pinnacle discontinued in 2010. Now, the company's prospects are improving and the payout ratio is at a level that gives the directors room to declare a dividend hike. **This timely stock has a yield that is average, by utility standards.** Its 3- to 5-year total return potential is subpar. *Paul E. Debbas, CFA* May 4, 2012

(A) Diluted eggs. Excl. nonrec. losses: '02, 77¢; '09, \$1.45; excl. gains (losses) from disc. ops.: '00, 22¢; '05, (36¢); '06, 10¢; '08, 28¢; '09, (13¢); '10, 18¢; '11, 10¢; '10 EPS not add due to change in shares, '11 due to rounding. Next earnings report due early Aug. (B) Div'ds historically paid in early Mar., June, Sept. and Dec. '10 Div'd reinvestment plan avail. (C) Incl. deferred charges. In '11: \$14.32/sh. (D) In mill. (E) Rate base; Fair value. Rate allowed on com. eq. in '10: 11%; earned on avg. com. eq., '11: 8.8%. Regulatory Climate: Average.

Company's Financial Strength 8+
 Stock's Price Stability 100
 Price Growth Persistence 35
 Earnings Predictability 65

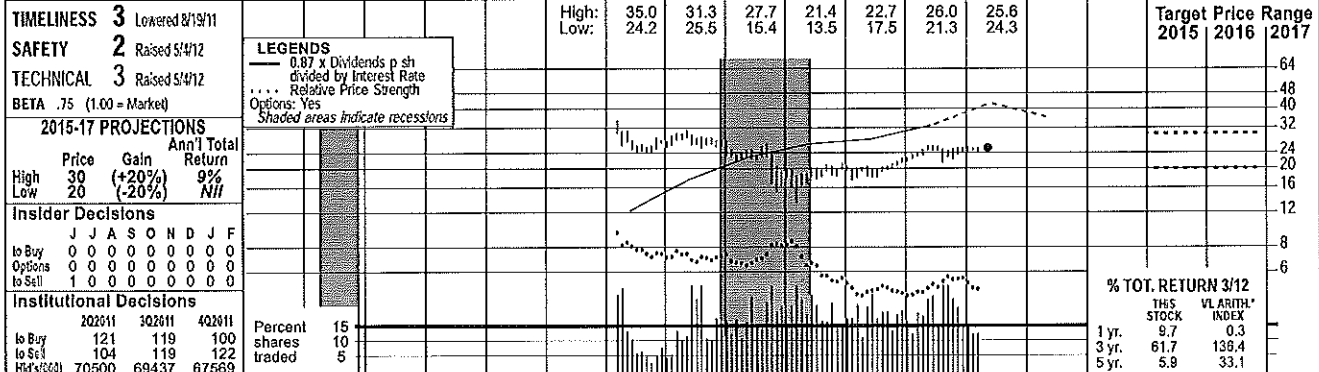
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PORTLAND GENERAL NYSE-POR

RECENT PRICE **25.36** P/E RATIO **13.1** (Trailing: 13.0 Median: NMF) RELATIVE P/E RATIO **0.85** DIV'D YLD **4.3%** VALUE LINE



2015-17 PROJECTIONS	2002	2003	2004	2005 ^a	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017																																																																																																																							
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Gain (+20%)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																																																																																																																							
Loss (-20%)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																																																																																																																							
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Low	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20																																																																																																																							
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BUSINESS: Portland General Electric Company (PGE) provides electricity to 822,000 customers in 52 cities in a 4,000-square-mile area of Oregon, including Portland and Salem. The company is in the process of decommissioning the Trojan nuclear plant, which it closed in 1993. Electric revenue breakdown: residential, 48%; commercial, 35%; industrial, 12%; other, 5%. Generating sources: coal, 19%; gas, 10%; hydro, 9%; wind, 6%; purchased, 56%. Fuel costs: 42% of revenues. '11 reported depreciation rate: 3.7%. Has 2,600 employees. Chairman: Corbin A. McNeill, Jr. Chief Executive Officer and President: Jim Piro. Incorporated: Oregon. Address: 121 SW Salmon Street, Portland, Oregon 97204. Telephone: 503-464-8000. Internet: www.portlandgeneral.com.

We estimate that Portland General's earnings will be flat in 2012. The first-period comparison will be difficult because hydro conditions and weather patterns were favorable in early 2011. (Earnings were released shortly after this report went to press.) PGE should benefit from moderate load growth in its service territory. Our estimate is within the company's targeted range of \$1.85-\$2.00 a share. **PGE is awaiting an order from the Oregon commission on its draft request for proposals (RFP).** This will cover the utility's energy and capacity needs from 2013 through 2017. PGE will either own this generating capacity or purchase its needs via a long-term contract. Assuming the regulators approve the RFP (its decision is expected in June), the winning bidders should be determined in late 2012 or early 2013. PGE will put forth a separate RFP for its renewable-energy requirements in mid-decade. The timeline for this process is a few months behind the first RFP. **We estimate a modest profit increase in 2013.** That's based on continued load growth and lower interest expense. Our figures for next year are based on no new construction beyond normal maintenance capital spending. PGE will probably file a general rate application in the first quarter of 2013 (regardless of the outcome of the RFP), but new tariffs wouldn't take effect until the start of 2014. **We look for a dividend hike at the board meeting later this month.** That's been the pattern for the past three years. We estimate that the directors will boost the annual disbursement by \$0.02 a share (1.9%), but wouldn't be surprised by a larger increase. The payout ratio is low enough to give the company flexibility to raise the dividend. Finances are improving, too. In fact, we have raised the company's Financial Strength rating from B+ to B++ and the stock's Safety rank a notch, to 2 (Above Average). **This stock's dividend yield and 3- to 5-year total return potential are about average for an electric utility.** However, if PGE winds up building generating assets from the aforementioned RFP process, then our long-term projections are probably understated.

Paul E. Debbas, CFA May 4, 2012

(A) Diluted EPS. '09 & '10 EPS don't add due to rounding. Next earnings report due early Aug. (B) Div'ds paid mid-Jan., Apr., July, and Oct. (C) Div'd reinvestment plan avail. † Shareholder investment plan avail. (D) Incl. deferred charges. In '11: \$7.88/sh. (E) In mill. (F) Rate base: Net original cost. Rate allowed on common equity in '11: 10.0%; earned on average com. eq., '11: 9.0%. Regulatory Climate: Below Average. (G) Summer peak in '09. (H) '05 per-share data are pro forma, based on shares outstanding when the stock began trading in '08.

Company's Financial Strength B++
 Stock's Price Stability 100
 Price Growth Persistence 50
 Earnings Predictability 45

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SOUTHERN CO. NYSE:SO

RECENT PRICE **45.40** P/E RATIO **17.8** (Trailing: 18.3 Median: 15.0) RELATIVE P/E RATIO **1.24** DIVD YLD **4.4%** VALUE LINE

TIMELINESS 3 Lowered 2/3/12
SAFETY 1 Raised 6/3/05
TECHNICAL 3 Raised 5/18/12
BETA .55 (1.00 = Market)

2015-17 PROJECTIONS

High	50	Gain	(+10%)	Ann'l Total Return	7%
Low	40		(-10%)		2%

Insider Decisions

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

Institutional Decisions

	2011H1	3Q2011	4Q2011
to Buy	396	435	435
to Sell	298	281	307
Net's (Net)	372,740	373,196	374,903

LEGENDS
 • 0.85 x Dividends p sh divided by Interest Rate
 • Relative Price Strength
 • Options: Yes
 • Shaded areas indicate recessions

% TOT. RETURN 4/12

	1 yr.	21.7	-3.7
	3 yr.	82.3	89.5
	5 yr.	55.0	27.3

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	VALUE LINE PUB. LLC	15-17
15.30	18.19	16.34	17.40	14.78	14.54	14.73	15.31	16.05	18.28	19.24	20.12	22.04	19.21	20.70	20.41	18.40	18.95	Revenues per sh	21.25
3.64	3.86	4.26	4.17	3.89	3.55	3.46	3.53	3.65	4.03	4.01	4.22	4.43	4.43	4.51	4.91	5.00	5.30	"Cash Flow" per sh	6.00
1.68	1.58	1.73	1.83	2.01	1.61	1.85	1.97	2.06	2.13	2.10	2.28	2.25	2.32	2.36	2.55	2.55	2.75	Earnings per sh A	3.25
1.28	1.30	1.34	1.34	1.34	1.34	1.36	1.39	1.42	1.48	1.54	1.60	1.68	1.73	1.80	1.87	1.94	2.02	Div'd Decl'd per sh B+C	2.25
1.82	2.68	2.87	3.85	3.27	3.75	3.79	2.72	2.85	3.20	4.01	4.65	5.10	5.70	4.85	5.23	6.45	6.10	Cap'l Spending per sh	6.75
13.61	13.91	14.04	13.82	15.69	11.43	12.16	13.13	13.86	14.42	15.24	16.23	17.08	18.15	19.21	20.32	21.15	22.25	Book Value per sh C	26.25
677.04	693.42	697.75	685.80	681.16	698.34	716.40	734.83	741.50	741.45	746.27	763.10	777.19	819.65	843.34	865.13	875.00	885.00	Common Shs Outst'g D	940.00
13.8	14.0	15.7	14.3	13.2	14.6	14.6	14.8	14.7	15.9	16.2	16.8	16.1	13.5	14.9	15.8	15.8	15.8	Avg Ann'l P/E Ratio	14.0
.86	.81	.82	.82	.86	.75	.80	.84	.78	.85	.87	.85	.97	.90	.95	1.00	1.00	1.00	Relative P/E Ratio	.95
5.5%	5.9%	4.9%	5.1%	5.0%	5.7%	5.0%	4.7%	4.7%	4.4%	4.5%	4.4%	4.6%	5.5%	5.1%	4.6%	4.6%	4.6%	Avg Ann'l Div'd Yield	5.0%

CAPITAL STRUCTURE as of 12/31/11
 Total Debt \$21223 mill. Due in 5 Yrs \$7525.0 mill.
 LT Debt \$18647 mill. LT Interest \$830.0 mill.
 (LT interest earned: 4.9x)
 Leases, Uncapitalized Annual rentals \$121.0 mill.
 Pension Assets-12/11 \$6.80 bill. Oblig. \$8.08 bill.
 Pfd Stock \$1082 mill. Pfd Div'd \$65.0 mill.
 Incl. 1 mill. shs. 4.20%-5.44% cum. pfd. (\$100 par);
 12 mill. shs. 4.95%-5.83% cum. pfd. (\$1 par); 2
 mill. shs. 6.0% noncum. pfd. (\$25 par); 3 mill. shs.
 6.0%-6.5% noncum. pfd. (\$100 par); 14 mill. shs.
 5.63%-6.5% noncum. pfd. (\$1 par).
 Common Stock 866,573,913 shs. as of 1/13/12
MARKET CAP: \$39 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (MWh)	-4.8	+7.6	-2.7
Avg. Indst. Usa (MWh)	3095	3332	3438
Avg. Indst. Revs. per MWh (¢)	6.04	6.20	6.37
Capacity at Year-end (Mw)	42932	42863	43555
Peak Load, Summer (Mw)	34471	36321	36956
Annual Load Factor (%)	60.6	62.2	59.0
% Change Customers (year-end)	--	+3	-1

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '09-'11 to '15-'17

Revenues	2.5%	2.5%	1.0%
"Cash Flow"	2.0%	3.5%	4.0%
Earnings	3.0%	3.0%	5.0%
Dividends	3.0%	4.0%	4.0%
Book Value	3.5%	6.0%	5.6%

QUARTERLY REVENUES (mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	3666	3885	4682	3510	15743
2010	4157	4208	5320	3771	17456
2011	4012	4521	5428	3896	17657
2012	3604	3796	5000	3700	16100
2013	3800	3950	5200	3800	16750

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.41	.61	.99	.31	2.32
2010	.60	.82	.98	.18	2.36
2011	.49	.70	1.06	.30	2.55
2012	.42	.65	1.15	.33	2.55
2013	.48	.78	1.15	.34	2.75

QUARTERLY DIVIDENDS PAID B+C

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.4025	.42	.42	.42	1.66
2009	.42	.4375	.4375	.4375	1.73
2010	.4375	.455	.455	.455	1.80
2011	.455	.4725	.4725	.4725	1.87
2012	.4725	.49			

BUSINESS: The Southern Company, through its subsidiaries, supplies electricity to 4.4 million customers in about 120,000 square miles of Georgia, Alabama, Florida, and Mississippi. Also has competitive generation business. Electric revenue breakdown: residential, 35%; commercial, 30%; industrial, 19%; wholesale, 11%; other, 5%. Retail revenues by state: Georgia, 51%; Alabama, 33%; Florida, 9%; Mississippi, 7%. Generating sources: coal, 49%; oil & gas, 28%; nuclear, 15%; hydro, 2%; purchased, 6%. Fuel costs: 39% of revenues. '11 reported deprec. rate (utility): 3.2%. Has 26,400 employees. Chairman, President and CEO: Thomas A. Fanning, Inc., Delaware. Address: 30 Ivan Allen Jr. Blvd., N.W., Atlanta, Georgia 30308. Tel.: 404-506-5000. Internet: www.southerncompany.com.

We estimate that Southern Company's earnings will be flat in 2012. Warmer-than-normal weather patterns hurt March-quarter profits by \$0.06 a share. Also, since favorable weather benefited the company in the second period of 2011, earnings will probably decline in the same period of 2012, assuming normal weather conditions. We have trimmed our 2012 share-earnings estimate by \$0.10, to \$2.55. This is below Southern's targeted range of \$2.58-\$2.70, which is based on normal weather.

Gulf Power received a rate increase. The Florida regulators granted the utility a rate hike of \$64.1 million. The allowed return on equity is in a range of 9.25%-11.25%. New tariffs took effect in April. A step increase of \$4.0 million will occur in January of 2013.

We figure that earnings will advance in 2013. We base our forecast on a return to normal weather in the March quarter. Kilowatt-hour sales should advance as the economic recovery continues. Rate relief will help, too. Besides Gulf Power's rate order, Georgia Power will get the final step of a multiyear tariff hike that runs

through 2013. Alabama Power and Mississippi Power have formula rate plans that usually provide rate hikes.

As we had expected, the board of directors raised the dividend in the second quarter. The directors boosted the annual payout by \$0.07 a share (3.7%). **Two major projects are under construction.** Georgia Power will own a 45.7% stake (about 1,000 megawatts) in two nuclear units. The company's share of this project is projected at \$6.1 billion, and the new facilities are scheduled to go into service in 2016 and 2017. Mississippi Power is building a 582-mw coal gasification plant at a projected cost of \$2.4 billion. It is due on line in 2014. Management states that the expected in-service dates and budgets are still achievable, but we have become more worried about possible delays or cost overruns.

Even after the dividend increase, this top-quality stock's yield is only average for a utility. With the quotation above the midpoint of our 2015-2017 Target Price Range, total return potential over that time frame is subpar.

Paul E. Debbas, CFA May 25, 2012

(A) Diluted earnings. Excl. nonrecurring gain (loss). '03, '06, '09, ('25¢). '10 EPS don't add due to change in shares. Next earnings report due late July. (B) Div'ds historically paid in early Mar., June, Sept., and Dec. (C) Div'd reinvestment plan avail. (D) Shareholder investment plan avail. (E) Incl. deferred charges. In '11: \$6.27/sh. (F) In mill. (G) Rate base: AL, MS, fair value; FL, GA, orig. cost. Allowed return on com. eq. (blended): 12.5%. Earned on avg. com. eq., '11: 13.0%. Regulatory Climate: AL Above Average; GA, MS, FL Average.

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

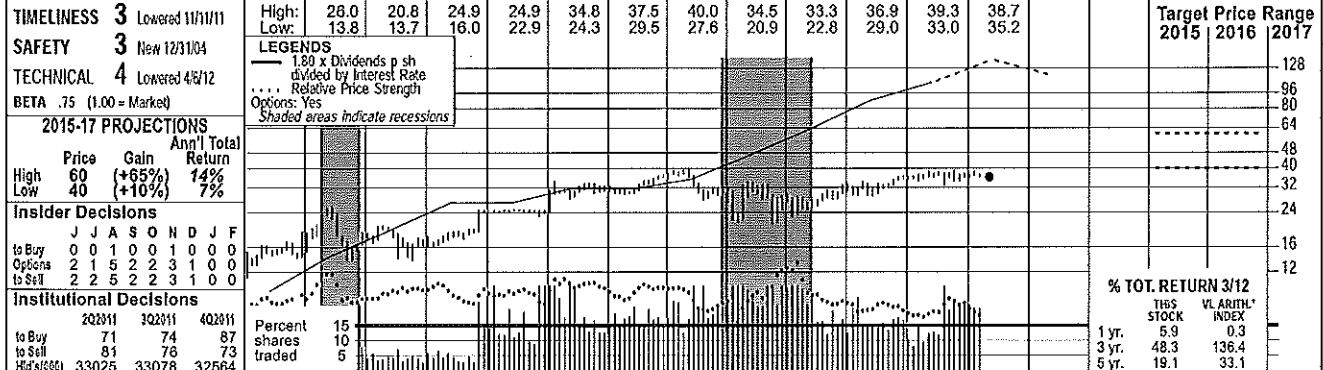
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UNISOURCE ENERGY NYSE:UNS

RECENT PRICE **36.15** P/E RATIO **15.6** (Trailing: 13.2 Median: 17.0) RELATIVE P/E RATIO **1.01** D/V⁰ YLD **4.8%** VALUE LINE



2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
22.28	22.71	23.83	24.85	31.12	43.12	25.50	28.71	34.13	35.28
6.82	5.29	3.48	3.96	4.23	5.41	4.80	5.20	5.29	5.21
3.76	2.60	.68	1.08	1.27	1.79	.97	1.30	1.31	1.30
--	--	--	--	.32	.40	.50	.60	.64	.76
2.07	2.22	2.52	2.87	3.19	3.63	3.36	4.08	4.49	5.83
4.15	6.75	7.65	10.02	11.20	12.68	13.05	15.97	18.95	17.68
32.13	32.14	32.26	32.35	33.22	33.50	33.58	33.79	34.26	34.87
4.3	6.1	23.3	10.8	11.8	10.8	18.2	14.6	18.7	23.9
.27	.35	1.21	.62	.77	.55	.99	.83	.99	1.27
--	--	--	--	2.1%	2.1%	2.8%	3.2%	2.6%	2.5%

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	2012	2013	2014	2015	2016	2017
Revenues per sh	39.45	39.78	40.89	38.15	39.45	41.00
"Cash Flow" per sh	7.10	7.33	7.44	6.70	7.10	7.75
Earnings per sh ^A	2.75	2.82	2.75	2.25	2.75	3.45
Div'd Decl'd per sh ^{B+C}	1.76	1.68	1.72	1.76	1.76	2.10
Cap'l Spending per sh	10.50	10.13	8.80	10.50	10.50	11.70
Book Value per sh	24.95	23.95	24.95	24.95	24.95	27.00
Common Shs Outst ^g	38.00	38.00	38.00	38.00	38.00	40.00
Avg Ann'l P/E Ratio	14.0	13.3	13.3	13.3	14.0	14.0
Relative P/E Ratio	.95	.84	.84	.84	.95	.95
Avg Ann'l Div'd Yield	4.2%	4.6%	4.6%	4.6%	4.2%	4.2%

CAPITAL STRUCTURE as of 12/31/11
 Total Debt \$1957.6 mill. Due in 5 Yrs \$770.0 mill.
 LT Debt \$1517.4 mill. LT Interest \$75.0 mill.
 Incl. \$352.7 mill. capitalized leases.

Pension Assets-12/11 \$245 mill. Oblig. \$319 mill.
 Pfd Stock None

Common Stock 37,956,169 shs.
 as of 2/21/12
MARKET CAP: \$1.4 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-1.4	+8	+4
Avg. Indust. Use (MWH)	5096	5076	5064
Avg. Indust. Revs. per KWH (¢)	7.00	6.90	7.10
Capacity at Peak (MW)	3010	3044	3271
Peak Load, Summer (MW)	2354	2333	2334
Annual Load Factor (%)	N/A	N/A	N/A
% Change Customers (yearly)	+4	+3	+4

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
of change (per sh)	2.0%	2.5%	0.5%
Revenues	5.0%	7.0%	0.5%
"Cash Flow"	7.0%	13.0%	4.0%
Earnings	20.0%	14.5%	6.0%
Dividends	7.0%	5.0%	3.0%

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	311.9	337.8	414.2	330.5	1394.4
2010	317.9	337.8	438.8	359.2	1453.7
2011	344.8	369.7	450.9	344.1	1509.5
2012	330	335	430	355	1450
2013	340	345	450	365	1500

EARNINGS PER SHARE^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.14	.80	1.45	.30	2.69
2010	.52	.65	1.36	.29	2.82
2011	.35	.71	1.46	.22	2.75
2012	.25	.60	1.25	.15	2.25
2013	.35	.70	1.45	.25	2.75

QUARTERLY DIVIDENDS PAID^{B+C}

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.24	.24	.24	.24	.96
2009	.29	.29	.29	.29	1.16
2010	.39	.39	.39	.39	1.56
2011	.42	.42	.42	.42	1.68
2012	.43				

BUSINESS: UniSource Energy Corporation, through its subsidiaries, operates as an electric utility in Arizona. Subsidiaries include Tucson Electric Power (TEP), UNS Gas, and UNS Electric. TEP segment serves about 404,000 retail customers in southern Arizona and accounted for 77% of '11 net income. Revenue sources: residential, 42%; commercial, 21%; industrial, 34%; other, 3%.

UniSource Energy should see benefits from rate increases by 2014 . . . Tucson Electric Power (TEP), UniSource's primary subsidiary, is now into its last year of a four-year base-rate freeze. According to its 2008 settlement, UNS cannot file for a new rate case earlier than June 30, 2012. That said, TEP intends to apply for new rates on July 2nd. With that date rapidly approaching, this utility is making preparations for what is its top priority for 2012. Intentions are for an incremental base rate of \$400 million-\$500 million, yielding a \$1.4 billion-\$1.5 billion rate base (up from \$1.02 billion in 2006) as of its December 31, 2011 test year. The most recent development is management expects to implement the new TEP rates within 13 months of the filing date. This means we are looking for the rates to kick in as of August, 2013, with the first full year being 2014. In addition, UNS Gas has a pending rate case. This subsidiary is looking for a \$2.7 million base-rate increase, which is expected to be resolved during the second quarter of 2012.

. . . And new rates, means new earnings potential. We expect profits to get a

boost, but not until 2013. Indeed, we lowered our share-net estimate for 2012 significantly, due to disappointing guidance; management expects share earnings to be between \$2.05 and \$2.35. This decrease is likely owing to the continued rate freeze and still lackluster economy. We have introduced our 2013 estimate of \$2.75 a share, which will include TEP's new rates in the second half of the year. **The board of directors increased the dividend again.** The quarterly payout was raised by a penny to \$0.43 a share, a 2.4% increase over 2011. Assuming UniSource Energy maintains this dividend for the coming three quarters, this will be the 13th consecutive year we will see a dividend increase. The board also specified a change in its long-term target payout ratio to between 60% and 70% of its net income.

UNS is ideal for income-oriented investors. The issue is ranked to track the broader market over the coming six to 12 months, and its Safety is Average, but the 4.8% dividend yield is well above the industry median of 4.3%.

Michelle Jensen May 4, 2012

(A) EPS diluted. Excl. nonrecur. gains (losses): '98, 19¢; '99, \$1.35; '00, 48¢; '03, \$2.00. Next earnings report due early May. Earnings may not sum due to rounding. (B) Div'ds historically paid in early Mar., June, Sept., and Dec. (C) Div'd reinvest. plan avail. (D) Shareholder invest. plan avail. (E) in millions. (F) Rate base: fair value. Rate allowed on com. eq. in '08: 10.25%; earned on avg. com. eq. '11: 12.4%. Regulatory Climate: Avg.

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

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WESTAR ENERGY NYSE-WR **RECENT PRICE 28.10** **P/E RATIO 14.6** (Trailing: 15.7 Median: 14.0) **RELATIVE P/E RATIO 0.94** **DIVID YLD 4.7%** **VALUE LINE**

TIMELINESS 3 Lowered 12/23/11	High: 25.9	18.0	20.5	22.9	25.0	27.2	28.6	25.9	22.3	25.9	29.0	29.1	Target Price	Range
SAFETY 2 Raised 4/1/05	Low: 15.6	8.5	9.8	18.1	21.1	20.1	22.8	16.0	14.9	20.6	22.6	27.1	2015	2016
TECHNICAL 3 Lowered 11/18/11	LEGENDS 0.80 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded areas indicate recessions													
BETA .75 (1.00 = Market)	2015-17 PROJECTIONS Ann'l Total Price Gain Return High 35 (+25%) 10% Low 25 (-10%) 2%													
Insider Decisions	A M J J A S O N D Buy 0 0 0 0 0 0 0 1 0 Options 0 0 0 0 0 0 0 0 0 Sell 0 3 0 0 1 0 0 1 0													
Institutional Decisions	202011 3Q2011 4Q2011 Buy 98 89 118 Sell 107 110 83 Hold 77664 76581 69939													
Percent shares traded 15 10 5														

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
31.67	32.90	30.86	30.21	33.80	31.20	24.77	20.06	17.02	18.23	18.37	18.09	16.98	17.04	18.34	17.27	17.60	18.10	18.10	18.10	18.10	18.10
5.52	3.47	6.35	7.51	8.96	5.32	4.77	3.77	3.12	3.28	3.94	3.77	3.14	3.59	4.24	3.97	4.20	4.40	4.40	4.40	4.40	4.40
2.60	d.46	2.13	1.48	.89	d.58	1.00	1.48	1.17	1.55	1.88	1.84	1.31	1.28	1.80	1.79	1.95	2.05	2.05	2.05	2.05	2.05
2.07	2.10	2.14	2.14	1.44	1.20	1.20	.87	.80	.92	.98	1.08	1.16	1.20	1.24	1.28	1.32	1.36	1.36	1.36	1.36	1.36
3.09	3.22	2.77	4.09	4.40	3.37	1.89	2.06	2.19	2.45	3.95	7.84	8.65	5.20	4.82	5.55	6.80	6.75	6.75	6.75	6.75	6.75
25.14	30.79	29.40	27.83	27.20	25.97	13.68	14.23	16.13	16.31	17.62	19.14	20.18	20.59	21.25	22.20	24.20	25.40	25.40	25.40	25.40	25.40
64.63	65.41	65.91	67.40	70.08	70.08	71.51	72.84	85.03	86.84	87.39	95.46	108.31	109.07	112.13	125.70	128.00	130.00	130.00	130.00	130.00	130.00
11.7	--	18.4	17.2	20.6	--	14.0	10.8	17.4	14.8	12.2	14.1	17.0	14.9	13.0	14.8	14.8	14.8	14.8	14.8	14.8	14.8
7.3	--	.96	.98	1.34	--	.76	.62	.92	.79	.66	.75	1.02	.99	.83	.94	.94	.94	.94	.94	.94	.94
6.8%	6.3%	5.5%	8.4%	7.9%	5.8%	8.6%	5.5%	3.9%	4.0%	4.3%	4.2%	5.2%	6.3%	5.3%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
CAPITAL STRUCTURE as of 12/31/11 Total Debt \$3054.8 mill. Due in 5 Yrs \$367.8 mill. LT Debt \$2740.4 mill. LT Interest \$170.0 mill. (LT interest earned: 3.0x)																					
Pension Assets-12/11 \$481 mill. Oblig. \$876 mill.																					
Pfd Stock \$21.4 mill. Pfd Div'd \$1.0 mill. 121,613 shs. 4 1/2%, callable 108; 54,970 shs. 4 1/4%, callable 101.50; 37,780 shs. 5%, callable 102. All cum. \$100 par.																					
Common Stock 126,037,601 shs. as of 2/15/12 MARKET CAP: \$3.5 billion (Mid Cap)																					
ELECTRIC OPERATING STATISTICS																					
2009 2010 2011 % Change Retail Sales (KWH) -2.0 +6.2 +1.0 Avg Indust. Use (MWH) 5145 5468 5589 Avg Indust. Rev. per MWH (\$) 5.87 5.82 6.22 Capacity at Peak (MW) 6807 6756 6784 Peak Load Summer (MW) 4545 5485 5549 Annual Load Factor (%) 54.5 55.0 55.5 % Change Customers (yr-end) +9 +3 +1																					
Fixed Charge Cov. (%) 226 267 297																					
ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '09-'11 to '15-'17 Revenues -6.0% -1.0% 2.0% "Cash Flow" -6.0% 1.5% 4.0% Earnings -- 1.0% 6.5% Dividends -4.5% 7.0% 3.0% Book Value -3.0% 6.0% 4.0%																					

BUSINESS: Westar Energy, Inc., formerly Western Resources, is the parent of Kansas Gas & Electric Company. Westar supplies electricity to 688,000 customers in Kansas. Electric revenue sources: residential and rural, 42%; commercial, 37%; industrial, 21%. Sold investment in ONEOK in 2003 and 85% ownership in Protection One in 2004. 2011 depreciation rate: 4.2%. Estimated plant age: 14 years. Fuels: coal, 51%; nuclear, 8%; gas, 41%. Has 2,424 employees. BlackRock, Inc. owns 6.3% of common; off. d. dir., less than 1% (4/11 proxy). Chairman: Charles C. Chandler IV. Chief Executive Officer and President: Mark A. Ruelle, Inc.: Kansas. Address: 818 South Kansas Avenue, Topeka, Kansas 66612. Telephone: 785-575-6300. Internet: www.westarenergy.com.

Westar Energy will likely report a solid performance in the current year. This assumes rate relief increases retail revenues (discussed below), and that the company's expenses remain manageable. Westar will likely further benefit as the Kansas economy continues to fare better than the nation's.

The company is seeking higher rates. Westar had originally filed with the Kansas Corporation Commission (KCC), requesting to increase base prices by around \$91 million (or 5.85%). It recently proposed a compromise, which calls for a \$50 million increase (around 3%). The company expects a ruling by the KCC in late April, with the new rates (assuming approval) taking effect in May.

We anticipate a significant investment in operations going forward. Two-thirds of plant investment in the current year will be aimed at meeting environmental regulations and supporting efforts to ensure reliable transmission. The company plans to invest nearly \$2.5 billion over the next three years upgrading its utility plant assets.

The board of directors has increased

the dividend roughly 3%. Starting with the April payout, the quarterly dividend is now \$0.33 per share. Dividend growth will likely continue in the coming years.

The company has been active in issuing shares. During 2011, Westar received proceeds of nearly \$295 million from the issuance of common shares. The share count increased from 112.1 million to 125.7 million during the year. The company will probably continue to issue shares, and we anticipate an increase in debt, as well. The additional funds will be used to support capital expenditures and dividends payments.

This stock is ranked to track the broader equity markets for the coming six to 12 months. Looking further out, we expect higher revenues and earnings for the company by 2015-2017. Moreover, Westar earns good marks for Safety, Price Stability, and Earnings Predictability. The healthy dividend yield should appeal to income-seeking accounts. From the present quotation, this issue has unimpressive, but fairly well-defined, total return potential for the coming years.

Michael Napoli, CFA March 23, 2012

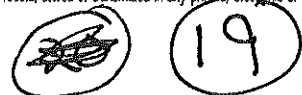
Cal- endar	QUARTERLY REVENUES (\$ mill.)	Full Year
2009	421.8 467.8 528.5 440.1	1858.2
2010	459.8 495.2 644.4 456.8	2056.2
2011	481.7 524.9 678.2 486.2	2171.0
2012	490 550 690 520	2250
2013	525 575 715 535	2350
Cal- endar	EARNINGS PER SHARE ^A	Full Year
2009	.10 .35 .73 .10	1.28
2010	.27 .47 1.01 .05	1.80
2011	.27 .38 .98 .16	1.79
2012	.32 .44 1.00 .19	1.95
2013	.34 .46 1.05 .20	2.05
Cal- endar	QUARTERLY DIVIDENDS PAID ^{B+}	Full Year
2008	.27 .29 .29 .29	1.14
2009	.29 .30 .30 .30	1.19
2010	.30 .31 .31 .31	1.23
2011	.31 .32 .32 .32	1.27
2012	.32 .33	

(A) EPS diluted from 2010 onward. Excl. non-recur gains (losses): '96, (\$0.19); '97, \$7.97; '98, (\$1.45); '99, (\$1.31); '00, \$1.07; '01, 27¢; '02, (\$12.06); '03, 77¢; '08, 39¢; '11, 14¢. Totals not sum due to rounding. Next eqs. rep't due in May. (B) Div's paid in early Jan., April, July, and Oct. ■ Div'd reinvest. plan avail. † Shareholder invest. plan avail. (C) Incl. reg. assets. In 2011: \$8.32/sh. (D) Rate base determined; fair value; Rate allowed on common equity in '09: 10.4%; earned on avg. com. eq., '10: 8.7%. Regul. Clim.: Avg. (E) In mill.

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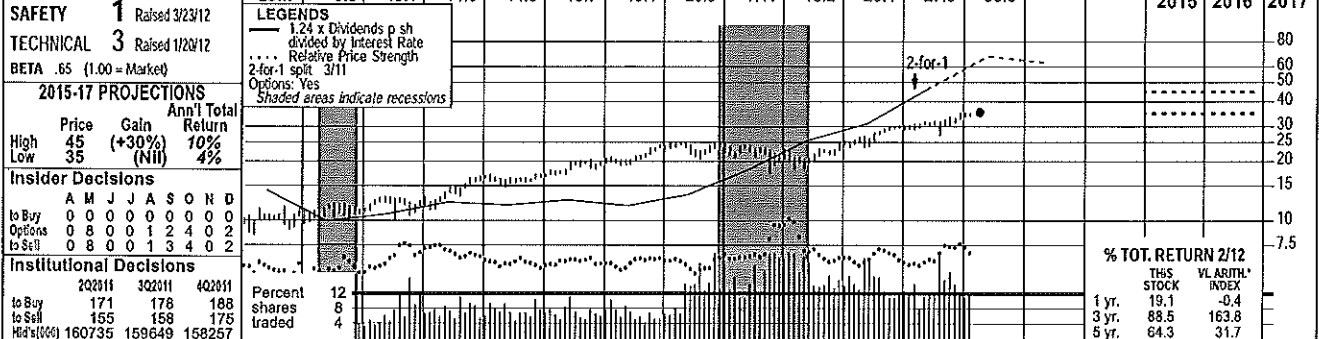
Company's Financial Strength B++
 Stock's Price Stability 100
 Price Growth Persistence 75
 Earnings Predictability 75

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WISCONSIN ENERGY NYSE-WEC

RECENT PRICE **35.27** P/E RATIO **16.1** (Trailing: 16.3 Median: 14.0) RELATIVE P/E RATIO **1.03** DIVD YLD **3.5%** VALUE LINE



2015-17 PROJECTIONS

	Price	Gain	Ann'l Total
High	45	(+30%)	10%
Low	35	(Nil)	4%

Insider Decisions

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

Institutional Decisions

	2011H	3Q2011	4Q2011	Percent shares traded
to Buy	171	178	188	12
to Sell	155	159	175	8
Hold's (%)	160735	159649	158257	4

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC 15-17
7.94	7.93	8.56	9.56	14.14	17.02	16.10	17.12	14.66	18.31	17.08	18.12	18.95	17.65	17.98	19.46	19.15	20.65	Revenues per sh	23.50
2.13	1.48	2.06	2.26	2.24	2.72	2.84	2.86	2.58	2.89	2.90	2.98	2.95	3.11	3.30	3.68	3.35	4.25	"Cash Flow" per sh	5.00
.99	.27	.83	.94	.54	.92	1.16	1.13	.93	1.28	1.32	1.42	1.52	1.60	1.92	2.18	2.25	2.40	Earnings per sh ^A	2.75
.75	.77	.78	.78	.69	.40	.40	.40	.42	.44	.46	.50	.54	.68	.80	1.04	1.20	1.36	Div'd Decl'd per sh ^B	1.80
1.77	1.56	1.76	2.22	2.64	3.01	2.54	2.95	2.85	3.40	4.17	5.28	4.66	3.50	3.41	3.60	3.35	3.20	Cap'l Spending per sh	3.25
8.71	8.25	8.23	8.44	8.50	8.91	9.22	9.98	10.65	11.46	12.35	13.25	14.27	15.28	16.26	17.20	17.65	18.15	Book Value per sh ^C	20.25
223.58	225.73	231.21	237.81	237.29	230.84	232.06	236.85	233.97	233.96	233.94	233.89	233.84	233.82	233.77	230.49	227.00	223.00	Common Shs Outst'g ^D	223.00
14.3	47.3	18.0	13.3	18.7	12.1	10.5	12.4	17.5	14.5	16.0	16.5	14.8	13.3	14.0	14.2	14.2	14.2	Avg Ann'l P/E Ratio	14.5
.90	2.73	.94	.76	1.22	.62	.57	.71	.92	.77	.86	.88	.89	.89	.89	.90	.90	.90	Relative P/E Ratio	.95
5.4%	6.0%	5.2%	6.3%	6.8%	3.6%	3.3%	2.8%	2.6%	2.4%	2.2%	2.1%	2.4%	3.2%	3.0%	3.3%	3.3%	3.3%	Avg Ann'l Div'd Yield	4.5%

CAPITAL STRUCTURE as of 12/31/11
 Total Debt \$5316.8 mill. Due in 5 Yrs \$1913.0 mill.
 LT Debt \$4614.3 mill. LT Interest \$258.5 mill.
 Incl. \$120.0 mill. capitalized leases.
 (LT Interest earned: 3.7x)
 Leases, Uncapitalized Annual rentals \$16.3 mill.
 Pension Assets-12/11 \$1.26 bill.
 Pfd Stock \$30.4 mill. Pfd Div'd \$1.2 mill.
 280,000 shs. 3.80%, \$100 par, callable at \$101;
 44,498 shs. 6%, \$100 par.
 Common Stock 230,461,537 shs.
 as of 1/31/12
 MARKET CAP: \$8.1 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWh)	-8.1	+6.0	-5
Avg. Indust. Use (VWH)	NA	NA	NA
Avg. Indust. Revs. per KWh (¢)	6.57	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	5812	5908	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (gross)	+2	+3	+2

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 of change (per sh)
Revenues	3.0%	3.0%	4.0%
"Cash Flow"	3.5%	4.0%	7.0%
Earnings	9.0%	10.0%	6.5%
Dividends	3.0%	14.0%	13.5%
Book Value	6.5%	7.0%	3.5%

QUARTERLY REVENUES (\$ mil.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	1396.2	842.5	821.9	1087.3	4127.9
2010	1248.6	890.9	973.2	1089.8	4202.5
2011	1328.7	991.7	1052.8	1113.2	4486.4
2012	1250	975	975	1150	4350
2013	1350	1000	1000	1200	4600

EARNINGS PER SHARE ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.80	.27	.25	.48	1.60
2010	.55	.37	.47	.53	1.92
2011	.72	.41	.55	.49	2.18
2012	.75	.42	.53	.55	2.25
2013	.80	.45	.56	.59	2.40

QUARTERLY DIVIDENDS PAID ^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.135	.135	.135	.135	.54
2009	.169	.169	.169	.169	.68
2010	.20	.20	.20	.20	.80
2011	.26	.26	.26	.26	1.04
2012	.30	.30	.30	.30	1.20

BUSINESS: Wisconsin Energy Corporation is a holding company for We Energies, which provides electric, gas & steam service in Wisconsin. Customers: 1.1 mill. elec., 1.1 mill. gas. Acq'd WICOR 4/00. Discontinued pump-manufacturing operations in '04. Sold Point Beach nuclear plant in '07. Electric revenue breakdown: residential, 36%; small commercial & industrial, 31%; large commercial & industrial, 24%; other, 9%. Generating sources: coal, 54%; gas, 7%; hydro, 1%; wind, 1%; purchased, 37%. Fuel costs: 42% of revs. '11 reported deprec. rate (utility): 2.8%. Has 4,600 employees. Chairman, President & CEO: Gale E. Klappa, Inc. WI. Address: 231 W. Michigan St., P.O. Box 1331, Milwaukee, WI 53201. Tel: 414-221-2345. Internet: www.wisconsinenergy.com.

Wisconsin Energy is striving to raise its dividend payout ratio. As recently as 2008, this was below 40%. The double-digit increases that the board of directors has declared in the past few years (and again in the first quarter of 2012) have brought the payout ratio to its highest level in more than a decade. Now, the company has set a goal of having a 60% payout ratio by 2014—a year earlier than previously planned.

We look for earnings growth to continue in 2012 and 2013. This year, the Wisconsin commission is allowing the company to raise its earnings by suspending \$140.1 million of regulatory amortization, in lieu of a rate increase. We also look for a stock buyback; Wisconsin Energy is authorized to repurchase up to \$200 million. Rate relief in Michigan (see below) should help, too. Our 2012 share-earnings estimate is within management's targeted range of \$2.24-\$2.29. The utility plans to file a general rate case in Wisconsin in late March, with new tariffs taking effect at the start of 2013.

The company's Michigan utility has a rate case pending. It requested a tariff

hike of \$17.5 million (9.9%), based on a 10.4% return on equity. In January, the utility self-implemented a \$7.7 million increase. New rates will take effect in July. A renewable-energy project was completed in 2011, and another is under construction. The utility built a 162-megawatt wind project at a cost of about \$360 million. It is constructing a 50-mw biomass plant at an estimated cost of \$245 million-\$255 million. This is expected to be in service by year-end 2013. These projects will help the company comply with Wisconsin's renewable energy requirements. **Finances are solid.** In 2010, the fixed-charge coverage was at its highest level in many years, and it improved in 2011. The common-equity ratio and earned returns on equity are healthy, too. We have raised the company's Financial Strength rating from B++ to A and have lifted the stock's Safety rank a notch, to 1 (Highest). **This stock's dividend yield is below the industry average, but rapid dividend growth should produce a 3- to 5-year total return that is somewhat superior to its peers.**

Paul E. Debbas, CFA *March 23, 2012*

(A) Diluted EPS. Excl. nonrec. gains (losses): '99, (5¢); '00, 10¢ net; '02, (44¢); '03, (10¢) net; '04, (42¢); gains on disc. ops.: '04, 77¢; '05, 2¢; '06, 2¢; '09, 2¢; '10, 1¢; '11, 6¢. '11
 EPS don't add due to rounding. Next earnings report due early May. (B) Div'd historically paid in early Mar., June, Sept. & Dec. ■ Div'd reinvestment plan avail. (C) Incl. Intang. in '11: \$7.29/sh. (D) In mill., adj. for split. (E) Rate base: Net orig. cost. Rates allowed on com. eq. in '10: 10.4%-10.5%; earned on avg. com. eq., '11: 13.1%. Regulatory Climate: Above Avg.
 Company's Financial Strength A
 Stock's Price Stability 100
 Price Growth Persistence 90
 Earnings Predictability 95

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