

ALLETE NYSE-ALE		RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO		DIV'D YLD		VALUE LINE		Target Price Range		
		49.96	17.7 (Trailing: 19.0 Median: NMF)		0.95		4.0%				2017 2018 2019		
TIMELINESS	3 Raised 2/7/14	High: 37.5	51.7	49.3	51.3	49.0	35.3	37.9	42.5	42.7	54.1	52.1	
SAFETY	2 New 10/1/04	Low: 30.8	35.7	42.6	38.2	28.3	23.3	30.0	35.1	37.7	41.4	48.0	
TECHNICAL	3 Raised 3/14/14	LEGENDS — 0.80 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession											
BETA	.80 (1.00 = Market)	2017-19 PROJECTIONS Price Gain Ann'l Total High 60 (+20%) 8% Low 45 (-10%) 2%											
Insider Decisions A M J J A S O N D to Buy 0 0 0 0 0 0 0 0 0 0 0 Options 0 3 0 0 2 0 0 0 0 0 0 to Sell 0 3 0 0 1 0 0 0 0 0 0		Institutional Decisions 2Q2013 3Q2013 4Q2013 to Buy 87 94 92 to Sell 57 58 71 Held's(000) 24547 24852 25286 Percent shares traded 15 10 5											
% TOT. RETURN 2/14 THIS STOCK VL ARTH. INDEX 1 yr. 11.7 81.1 3 yr. 51.9 48.1 5 yr. 199.3 292.1													

ALLETE, in its current configuration, began trading on September 21, 2004, the day after it spun off its automotive services business, ADESA (now KAR Auction Services, NYSE: KAR), to shareholders and effected a 1-for-3 reverse stock split. ALLETE shareholders received one share of ADESA for each ALLETE share held. Data for the "old" ALLETE are not shown because they are not comparable.		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Revenues per sh	29.00
Total Debt \$1110.2 mill. Due in 5 Yrs \$246.0 mill. LT Debt \$1083.0 mill. LT Interest \$47.6 mill. (LT Interest earned: 3.6%)	751.4	737.4	767.1	841.7	801.0	759.1	907.0	928.2	961.2	1018.4	1090	1185	"Cash Flow" per sh	7.00	
Leases, Uncapitalized Annual rentals \$12.1 mill.	38.5	68.0	77.3	87.6	82.5	61.0	75.3	93.8	97.1	104.7	120	135	Earnings per sh ^A	3.75	
Pension Assets-12/13 \$501.6 mill. Oblig. \$622.8 mill.	38.8%	28.4%	37.5%	34.8%	34.3%	33.7%	37.2%	27.6%	28.1%	21.5%	22.0%	22.0%	Div'd Decl'd per sh ^{B + †}	2.30	
Pfd Stock None	38.2%	39.1%	35.1%	35.6%	41.6%	42.8%	44.2%	44.3%	43.7%	44.6%	45.0%	45.0%	Cap'l Spending per sh	5.75	
Common Stock 41,817,714 shs. as of 2/1/14	61.8%	60.9%	64.9%	64.4%	58.4%	57.2%	55.8%	55.7%	56.3%	55.4%	55.0%	55.0%	Book Value per sh ^C	39.75	
MARKET CAP: \$2.1 billion (Mid Cap)	1020.7	990.6	1025.6	1153.5	1415.4	1625.3	1747.6	1937.2	2134.6	2425.9	2875	2995	Common Shs Outst'g ^D	47.50	
ELECTRIC OPERATING STATISTICS	883.1	860.4	921.6	1104.5	1387.3	1622.7	1805.6	1982.7	2347.6	2576.5	3090	3275	Avg Ann'l P/E Ratio	13.5	
% Change Retail Sales (KWh)	5.1%	8.0%	8.6%	8.6%	6.7%	4.8%	5.4%	6.0%	5.6%	5.3%	5.0%	5.5%	Relative P/E Ratio	.85	
Avg. Indust. Use (MWh)	6.1%	11.3%	11.6%	11.8%	10.0%	6.6%	7.7%	8.7%	8.1%	7.8%	7.5%	8.5%	Avg Ann'l Div'd Yield	4.5%	
Avg. Indust. Revs. per KWh (¢)	6.1%	11.3%	11.6%	11.8%	10.0%	6.6%	7.7%	8.7%	8.1%	7.8%	7.5%	8.5%	Revenues (\$mill)	1375	
Capacity at Peak (Mw)	4.7%	5.2%	5.0%	5.8%	3.9%	.5%	1.5%	2.9%	2.3%	2.2%	2.5%	2.5%	Net Profit (\$mill)	170	
Peak Load, Winter (Mw) ^F	23%	54%	57%	51%	61%	93%	81%	66%	71%	72%	70%	68%	Income Tax Rate	22.0%	
Annual Load Factor (%)	1.8%	.4%	1.4%	6.6%	5.8%	12.8%	8.9%	2.7%	5.3%	4.4%	7.0%	4.0%	AFUDC % to Net Profit	2.0%	
% Change Customers (avg.)	38.2%	39.1%	35.1%	35.6%	41.6%	42.8%	44.2%	44.3%	43.7%	44.6%	45.0%	45.0%	Long-Term Debt Ratio	41.5%	
Fixed Charge Cov. (%)	61.8%	60.9%	64.9%	64.4%	58.4%	57.2%	55.8%	55.7%	56.3%	55.4%	55.0%	55.0%	Common Equity Ratio	58.5%	
ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '11-'13 to '17-'19	1020.7	990.6	1025.6	1153.5	1415.4	1625.3	1747.6	1937.2	2134.6	2425.9	2875	2995	Total Capital (\$mill)	3250	
Revenues	883.1	860.4	921.6	1104.5	1387.3	1622.7	1805.6	1982.7	2347.6	2576.5	3090	3275	Net Plant (\$mill)	3525	
"Cash Flow"	5.1%	8.0%	8.6%	8.6%	6.7%	4.8%	5.4%	6.0%	5.6%	5.3%	5.0%	5.5%	Return on Total Cap'l	6.0%	
Earnings	6.1%	11.3%	11.6%	11.8%	10.0%	6.6%	7.7%	8.7%	8.1%	7.8%	7.5%	8.5%	Return on Shr. Equity	9.0%	
Dividends	6.1%	11.3%	11.6%	11.8%	10.0%	6.6%	7.7%	8.7%	8.1%	7.8%	7.5%	8.5%	Return on Com Equity ^E	9.0%	
Book Value	4.7%	5.2%	5.0%	5.8%	3.9%	.5%	1.5%	2.9%	2.3%	2.2%	2.5%	2.5%	Retained to Com Eq	3.5%	
	23%	54%	57%	51%	61%	93%	81%	66%	71%	72%	70%	68%	All Div'ds to Net Prof	63%	

Cal-endar	QUARTERLY REVENUES (\$mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2011	242.2	219.9	226.9	239.2	928.2
2012	240.0	216.4	248.8	256.0	961.2
2013	263.8	235.6	251.0	268.0	1018.4
2014	270	260	275	285	1090
2015	290	285	300	310	1185

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2011	1.07	.48	.57	.53	2.65
2012	.66	.39	.78	.75	2.58
2013	.83	.35	.63	.82	2.63
2014	.85	.45	.70	.85	2.85
2015	.90	.45	.75	.90	3.00

Cal-endar	QUARTERLY DIVIDENDS PAID ^{B + †}				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2010	.44	.44	.44	.44	1.76
2011	.445	.445	.445	.445	1.78
2012	.46	.46	.46	.46	1.84
2013	.475	.475	.475	.475	1.90
2014	.49				

BUSINESS: ALLETE, Inc. is the parent of Minnesota Power, which supplies electricity to 146,000 customers in northeastern MN, & Superior Water, Light & Power in northwestern WI. Electric rev. breakdown: taconite mining/processing, 27%; paper/wood products, 9%; other industrial, 7%; residential, 12%; commercial, 13%; wholesale, 10% other, 22%. ALLETE Clean Energy owns renewable energy projects. Has real estate operation in FL. Spun off automotive remarketing operation in '04. Generating sources: coal & lignite, 63%; wind, 6%; hydro, 1%; biomass, 1%; purch., 29%. '13 deprec. rate: 3.0%. Has 1,600 employees. Chairman, President & CEO: Alan R. Hodnik, Inc.: MN. Address: 30 West Superior St., Duluth, MN 55802-2093. Tel.: 218-279-5000. Internet: www.allete.com.

We estimate that ALLETE's earnings will advance at a solid pace in 2014 and 2015. The company's main utility subsidiary, Minnesota Power, benefits from current cost recovery for certain kinds of capital spending (environmental, renewable, and transmission). Some large capital projects are under way. The utility is building a 205-megawatt wind project at an estimated cost of \$345 million. This should be in service by yearend. Minnesota Power is upgrading a coal-fired unit at an expected cost of \$310 million. This project should be completed in 2016. The utility is also asking the Minnesota regulators for a certificate of need for a transmission line to Manitoba. This would be an investment of about \$300 million. Finally, Minnesota Power is benefiting from the growing demand for electricity from its industrial customers, some of which are expanding their operations. Our 2014 share-earnings estimate, which we have raised by \$0.10, is at the midpoint of ALLETE's targeted range of \$2.75-\$2.95.

ALLETE had a stock offering in February. The company raised \$155 million through a forward sale of 3.1 million com-

mon shares, which will be drawn down as needed. This will help finance a \$640 million capital budget (its largest ever) in 2014. ALLETE also expects to raise \$15 million-\$20 million through its dividend reinvestment plan and has an at-the-market program through which it may issue additional equity, if needed. The company is also adding long-term debt.

As we had expected, the board of directors raised the annual dividend by \$0.06 a share (3.2%) in early 2014. We estimate that dividend growth will accelerate as early as next year.

ALLETE Clean Energy has completed a purchase. It paid \$27 million for three wind projects totaling 231 mw, and the deal (which should be slightly accretive to earnings) came with an option for a fourth in 2015. ALLETE Clean Energy is seeking renewable-energy projects with long-term purchased-power agreements. This should provide returns similar to that of a utility.

This stock's yield is comparable with the utility average. With the recent price within our 2017-2019 Target Price Range, total return potential is modest.

Paul E. Debbas, CFA *March 21, 2014*

(A) Diluted EPS, Excl. nonrec. gain (loss): '04, 2¢; '05, (\$1.84); gain (losses) on disc. ops.: '04, \$2.57; '05, (16¢); '06, (2¢); loss from accounting change: '04, 27¢. Next egs. report due late Apr. (B) Div'ds historically paid in early Mar., June, Sept. and Dec. (C) Div'd reinvestment plan avail. † Shareholder investment plan available. (C) Incl. deferred chgs. In '12: \$6.37/sh. (D) In mill. (E) Rate base: Original cost deprec. Rate allowed on com. eq. in '10: 10.38%; earned on avg. com. eq., '13: 8.3%. Regulatory Climate: Avg. (F) Summer peak in '12 & '13.

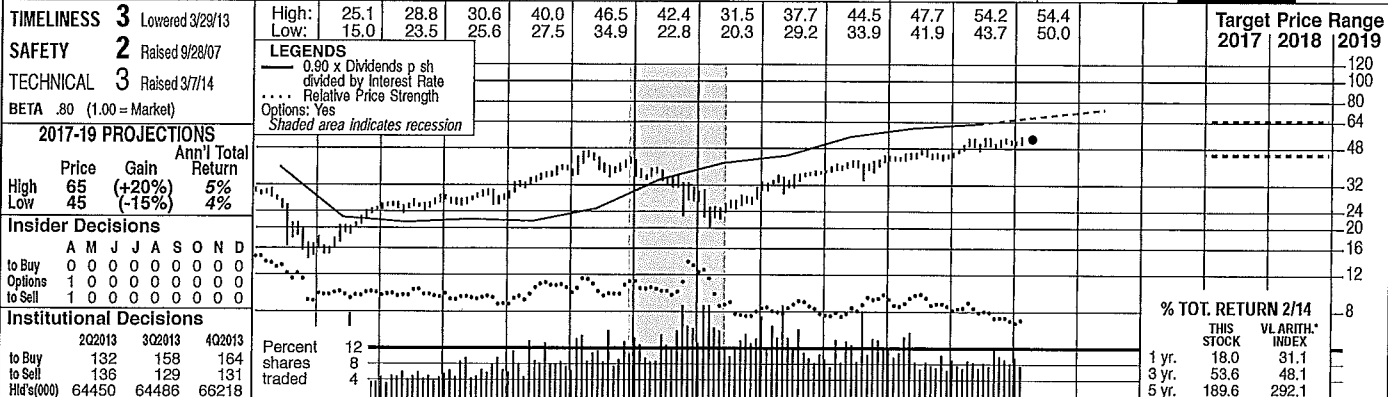
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Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	50
Earnings Predictability	80

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ALLIANT ENERGY NYSE-LNT

RECENT PRICE **53.31** P/E RATIO **15.7** (Trailing: 16.2 Median: 14.0) RELATIVE P/E RATIO **0.84** DIV'D YLD **3.8%** VALUE LINE



2017-19 PROJECTIONS		Ann'l Total Return	
Price	Gain		
High 65	(+20%)	5%	
Low 45	(-15%)	4%	

Insider Decisions		Institutional Decisions				
A	M	J	A	202013	302013	402013
to Buy	0	0	0	132	158	164
Options	1	0	0	136	129	131
to Sell	1	0	0	Hld's(000)	64450	64486
					66218	

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues per sh	25.56	28.02	28.93	31.15	33.33	31.02	30.81	33.02	27.88	33.87	35.25	37.35
"Cash Flow" per sh	4.69	5.46	4.33	5.12	4.56	4.21	5.21	5.51	5.90	6.20	6.60	6.85
Earnings per sh A	1.85	2.21	2.06	2.69	2.54	1.89	2.75	2.75	3.05	3.29	3.45	3.75
Div'd Decl'd per sh B +†	1.02	1.05	1.15	1.27	1.40	1.50	1.58	1.70	1.80	1.88	2.04	2.20
Cap'l Spending per sh	5.55	4.51	3.42	4.91	7.96	10.87	7.82	6.07	10.43	9.21	7.50	9.45
Book Value per sh C	22.13	20.85	22.83	24.30	25.56	25.07	26.09	27.14	28.25	29.45	30.00	31.35
Common Shs Outst'g D	115.74	117.04	116.13	110.36	110.45	110.66	110.89	111.02	110.99	110.98	111.00	112.00
Avg Ann'l P/E Ratio	14.0	12.6	16.8	15.1	13.4	13.9	12.5	14.5	14.5	15.3	15.0	15.0
Relative P/E Ratio	.74	.67	.91	.80	.81	.93	.80	.91	.92	.86	.86	.86
Avg Ann'l Div'd Yield	3.9%	3.8%	3.3%	3.1%	4.1%	5.7%	4.6%	4.3%	4.1%	4.1%	4.1%	4.1%

CAPITAL STRUCTURE as of 12/31/13
 Total Debt \$3615.7 mill. Due In 5 Yrs \$772.6 mill.
 LT Debt \$2977.8 mill. LT Interest \$160.0 mill.
 (LT interest earned: 3.6x)

Pension Assets-12/13 \$965.6 mill. Oblig. \$1113.4 mill.
 Pfd Stock \$200.0 mill. Pfd Div'd \$10.2 mill.
 8,000,000 shs.

Common Stock 110,987,400 shs.

MARKET CAP: \$6.0 billion (Large Cap)

ELECTRIC OPERATING STATISTICS		2011	2012	2013
% Change Retail Sales (KWh)		+9	+3	+1
Avg. Indust. Use (MWh)		11504	11555	11471
Avg. Indust. Revs. per KWh (¢)		6.51	6.42	6.75
Capacity at Peak (Mw)		5734	5886	5820
Peak Load, Summer (Mw)		5734	5886	5820
Annual Load Factor (%)		NA	NA	NA
% Change Customers (yr-end)		+2	+3	+4

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Past Est'd '11-'13 to '17-'19

Revenues	--	1.0%	4.0%
"Cash Flow"	--	2.0%	6.0%
Earnings	3.5%	4.0%	6.0%
Dividends	-1.5%	8.0%	4.5%
Book Value	2.0%	3.5%	4.0%

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	945.0	819.5	1021.6	879.2	3665.3
2012	765.7	690.3	887.6	750.9	3094.5
2013	859.6	718.0	866.6	832.6	3276.8
2014	900	750	960	790	3400
2015	950	850	1100	900	3800

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.68	.44	1.12	.51	2.75
2012	.50	.58	1.34	.63	3.05
2013	.72	.59	1.43	.55	3.29
2014	.70	.65	1.50	.60	3.45
2015	.75	.70	1.65	.65	3.75

QUARTERLY DIVIDENDS PAID P +†

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.395	.395	.395	.395	1.58
2011	.425	.425	.425	.425	1.70
2012	.45	.45	.45	.45	1.80
2013	.47	.47	.47	.47	1.88
2014	.51				

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, 38%; commercial, 24%; industrial, 29%; wholesale, 7%; other, 2%. Fuel sources, 2013: coal, 48%; nuclear, 17%; gas, 4%; other, 31%. Fuel costs: 50% of revs. 2013 depreciation rate: 5.5%. Estimated plant age: 11 years. Has 3,900 employees. Chairman & Chief Executive Officer: Patricia L. Kampling. Incorporated: Wisconsin. Address: 4902 N. Biltmore Lane, Madison, Wisconsin 53718. Telephone: 608-458-3311. Internet: www.alliantenergy.com.

Alliant Energy reported strong fourth-quarter results. The company posted fourth-quarter operating earnings of \$0.55 a share, 10% above our estimate of \$0.50. For 2013, earnings totaled \$3.29 a share, also surpassing our year-end forecast of \$3.24. Total revenue was another bright spot for the Wisconsin-based company, rising nearly 6% over the previous year. We attribute the higher 2013 earnings to lower purchased power capacity costs related to the Riverside Energy Center, as well as lower expenses incurred for energy conservation. Increasing revenue streams were linked to favorable weather patterns, which resulted in higher gas and electric sales.

We have raised our estimates for 2014. Going forward, we expect favorable performance as the company continues to expand its market share. As it stands, Alliant now services more than 700,000 customers. Moreover, we see operating expenses staying relatively stable throughout the year which should help prop up the bottom line. Our full year earnings estimate for 2014 stands at \$3.45 a share.

Alliant Energy received regulatory approval to upgrade the coal pulverizers and steam turbines at the Columbia Energy Center. The upgrade was approved by the Public Service Commission of Wisconsin and will help lower operating costs and improve efficiency. Construction on the plant is expected to begin in 2015, and we believe it will be completed by 2018.

The company recently hiked its dividend by 8.5%. After paying out \$1.88 a share in dividends in 2013, Alliant has raised the stakes and upped its dividend to \$2.04 for the coming year. This represents the largest year over year dividend increase the company has issued since 2008.

All things considered, this stock is most suitable for income-seeking accounts. Indeed, the dividend yield of 3.8% makes these shares a compelling selection within the utility sector. An above average Safety rank plus fairly good marks for other stability indicators add appeal here. Nonetheless the issue offers limited total return potential, based on the earnings growth we project out to 2017-2019.

Daniel Henigson *March 21, 2014*

(A) Diluted EPS. Excl. nonrecr. gains (losses): '03, net 24¢; '04, (58¢); '05, (\$1.05); '06, 83¢; '07, \$1.09; '08, 7¢; '09, (88¢); '10, (15¢); '11, (1¢); '12, (16¢). Next egs. rpt. due late April. (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 '12: \$105.3 mill., \$0.95/sh. (D) In mill. (E) Rate base: Orig. cost. Regul. Clim.: WI, Above Avg.; IA, Avg.

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

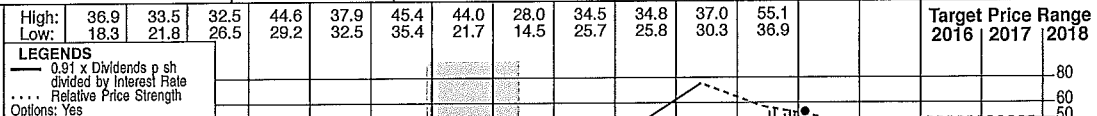
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BLACK HILLS CORP. NYSE-BKH

RECENT PRICE **54.20** P/E RATIO **22.2** (Trailing: 19.4 Median: 17.0) RELATIVE P/E RATIO **1.17** DIV'D YLD **2.9%** VALUE LINE

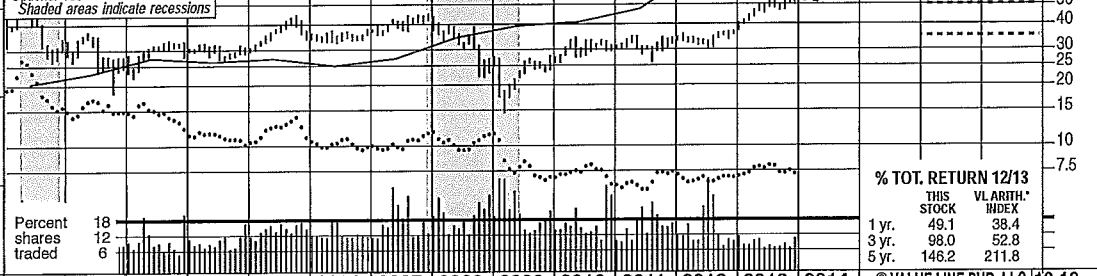
TIMELINESS 3 Lowered 9/13/13
SAFETY 3 Lowered 8/15/03
TECHNICAL 3 Raised 1/3/14
BETA .90 (1.00 = Market)



2016-18 PROJECTIONS
 High Price 50 Gain (-10%)
 Low Price 35 Gain (-35%)
 Ann'l Total Return 1%

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

Institutional Decisions
 10/20/13 20/20/13 30/20/13
 to Buy 90 98 95
 to Sell 84 92 86
 Hld'g(000) 30032 30769 30852



1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	© VALUE LINE PUB. LLC	16-18
14.45	31.48	37.05	69.69	57.96	15.74	35.17	34.54	41.97	19.69	18.41	26.03	32.58	33.29	28.96	26.55	28.10	29.60	Revenues per sh	33.00
2.52	2.72	2.88	3.68	5.27	4.93	4.26	4.46	4.81	5.04	5.29	2.95	5.41	4.88	4.01	5.59	6.05	6.00	"Cash Flow" per sh	7.25
1.49	1.60	1.70	2.37	3.42	2.33	1.84	1.74	2.11	2.21	2.68	.18	2.32	1.66	1.01	1.97	2.75	2.60	Earnings per sh A	3.25
.95	1.00	1.04	1.08	1.12	1.16	1.20	1.24	1.28	1.32	1.37	1.40	1.42	1.44	1.46	1.48	1.52	1.56	Div'd Decl'd per sh B	1.80
.98	1.18	4.89	5.79	14.07	8.65	2.80	2.80	4.18	9.24	6.92	8.51	8.90	12.04	10.03	7.90	10.50	10.00	Cap'l Spending per sh	8.75
9.46	9.58	10.14	11.95	18.95	19.66	21.72	22.43	22.29	23.68	25.66	27.19	27.84	28.02	27.53	27.88	29.05	30.00	Book Value per sh C	34.00
21.70	21.58	21.37	23.30	26.89	26.93	32.30	32.48	33.16	33.37	37.80	38.64	38.97	39.27	43.92	44.21	44.50	44.75	Common Shs Outs'g D	45.50
13.0	14.9	13.6	10.9	11.4	12.5	15.9	17.1	17.3	15.8	15.0	NMF	9.9	18.1	NMF	17.1	17.3		Avg Ann'l P/E Ratio	13.0
.75	.77	.78	.71	.58	.68	.91	.90	.92	.85	.80	NMF	.66	1.15	NMF	1.09	.95		Relative P/E Ratio	.85
4.9%	4.2%	4.5%	4.2%	2.9%	4.0%	4.1%	4.2%	3.5%	3.8%	3.4%	4.2%	6.2%	4.8%	4.6%	4.4%	3.2%		Avg Ann'l Div'd Yield	4.3%

CAPITAL STRUCTURE as of 9/30/13
 Total Debt \$1350.0 mill. Due in 5 Yrs \$584.2 mill.
 LT Debt \$956.0 mill. LT Interest \$63.1 mill.
 (LT interest earned: 3.8x)
 Leases, Uncapitalized Annual rentals \$2.7 mill.

Pension Assets-12/12 \$268.8 mill.
 Oblig. \$363.3 mill.

Pfd Stock None

Common Stock 44,485,101 shs. as of 10/31/13

MARKET CAP: \$2.4 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2010	2011	2012
% Change Retail Sales (KWh)	+2.9	+1.3	+2
Avg. Indust. Use (MWh)	8489	8482	8921
Avg. Indust. Revs. per KWh (¢)	6.95	7.58	8.01
Capacity at Yearend (MW)	1127	1315	1318
Peak Load, Summer (MW)	956	1025	1036
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	-1	+3	+3

Fixed Charge Cov. (%)	174	160	205
ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '10-'12 to '16-'18
Revenues	-4.5%	2.0%	2.0%
"Cash Flow"	.5%	-1.0%	7.0%
Earnings	-5.5%	-8.0%	13.0%
Dividends	2.5%	2.0%	3.5%
Book Value	5.0%	3.0%	3.5%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2010	442.3	271.3	264.4	329.3	1307.3
2011	400.8	260.7	249.5	361.2	1272.2
2012	365.8	242.4	246.8	318.9	1173.9
2013	380.7	279.8	259.9	329.6	1250
2014	405	285	280	355	1325

Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2010	.81	d.22	.22	.85	1.66
2011	.73	.09	d.29	.44	1.01
2012	.80	.11	.38	.67	1.97
2013	.97	.69	.52	.57	2.75
2014	.90	.45	.50	.75	2.60

Cal-endar	QUARTERLY DIVIDENDS PAID B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2010	.36	.36	.36	.36	1.44
2011	.365	.365	.365	.365	1.46
2012	.37	.37	.37	.37	1.48
2013	.38	.38	.38	.38	1.52
2014					

BUSINESS: Black Hills Corporation is a holding company for utilities that serve 202,000 electric customers in CO, SD, WY and MT, and 567,000 gas customers in NE, IA, KS, CO and WY. Electric revenue breakdown: res'l, 31%; comm'l, 36%; ind'l, 13%; wholesale, 11%; other, 9%. Generating sources: coal, 37%; other, 2%; purch., 61%. Mines coal & has a gas & oil E&P bus. Acq'd Wickford

Black Hills stock was one of the top-performing electric utility issues in 2013. The share price soared more than 40%. The only thing that might account for the outperformance is investor optimism about the potential oil income that might come from the company's holdings in the Mancos Shale region in New Mexico and Colorado. However, Black Hills is still in the early stages of exploration, and we think the market's enthusiasm about this business is premature, despite the profit potential.

The company is building a generating plant. The 132-megawatt Cheyenne Prairie gas-fired plant will serve customers in South Dakota and Wyoming at an expected cost of \$222 million. Completion of the project is targeted for the start of October. **Cheyenne Light and Black Hills Power have filed rate cases.** Cheyenne Light is asking the Wyoming commission for electric and gas tariff hikes totaling \$14 million, based on a return of 10.25% on a common-equity ratio of 54%. Black Hills is seeking a \$2.3 million increase, based on a 10.25% return on a 53% common-equity ratio. This will enable the

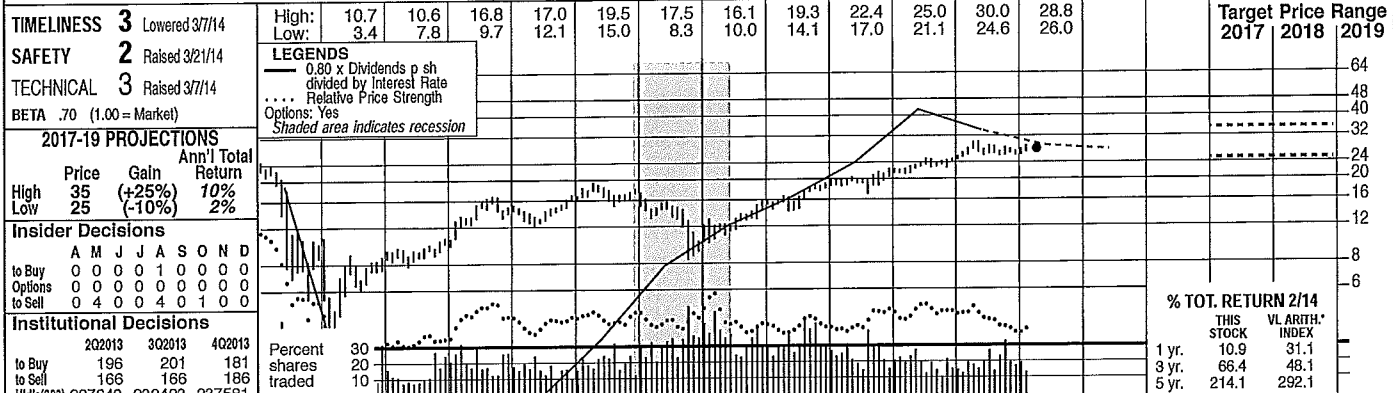
utilities to place Cheyenne Prairie into the rate base. **Investors should not be alarmed by the earnings decline we estimate in 2014.** Until Black Hills settled some interest rate swaps in the fourth period, mark-to-market accounting gains or losses were an ongoing part of quarterly results, so we include them in our presentation. These boosted the bottom line by \$0.43 a share in the first nine months of 2013, thereby making the year-to-year comparison difficult. The company is benefiting from declining interest expense as it refinances high-cost borrowings. Our 2014 estimate is at the midpoint of management's targeted range of \$2.50-\$2.70 a share. **The stock has a low dividend yield, by utility standards.** It is more than a percentage point below the industry mean, even though we look for a raise of a cent a share (2.6%) in the quarterly payout in early 2014. We have raised our sights for the 2016-2018 period, but the recent price is still above our Target Price Range. Thus, we think more-attractive selections are available elsewhere.

Energy Mktg. 7/97 (discontinued in '11); Mallon Resources 3/03; Cheyenne Light 1/05; utility ops. from Aquila 7/08. Discont. telecom in '05; oil mktg. in '06. Fuel costs: 35% of revs. '12 depr. rate: 4.1%. Has 1,900 empl. Chairman, President & CEO: David R. Emery. Inc.: SD. Address: P.O. Box 1400, 625 Ninth St., Rapid City, SD 57701. Tel.: 605-721-1700. Internet: www.blackhillscorp.com.

Paul E. Debbas, CFA January 31, 2014

(A) Diluted EPS, Excl. nonrec. gains (losses); '05, (99¢); '08, (\$1.55); '09, (28¢); '10, 10¢; '12, 4¢ net; gains (losses) on disc. ops.: '05, '07; '06, 21¢; '07, (4¢); '08, \$4.12; '09, 7¢; '11, (2¢); '12, (16¢). '11, '12 EPS don't add due to chng. in shs. or rounding. Next egs. due early Feb. (B) Div'ds paid early Mar., Jun., Sept., & Dec. '12 \$12.28/sh. (D) In mill. (E) Rate base; Net orig. cost. Rate all'd on com. eq. in SD in '13: none spec.; in CO in '12: 9.8%-10.2%; earn. on avg. com. eq.; '12: 7.1%. Regul. Climate: Avg.

CMS ENERGY CORP. NYSE-CMS RECENT PRICE **27.74** P/E RATIO **14.8** (Trailing: 16.8 Median: 14.0) RELATIVE P/E RATIO **0.80** DIV'D YLD **4.0%** VALUE LINE



1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
47.56	52.59	74.24	72.16	60.28	34.21	28.06	28.52	30.57	28.95	30.13	27.23	25.77	25.59	23.90	24.68	25.35	25.75	Revenues per sh	28.00
6.60	7.87	7.61	5.24	d.09	2.39	2.87	3.43	3.22	3.08	3.88	3.47	3.70	3.65	3.82	4.06	4.35	4.55	"Cash Flow" per sh	5.25
2.24	2.85	2.53	1.27	d2.99	d.29	.74	1.10	.64	.64	1.23	.93	1.33	1.45	1.53	1.66	1.75	1.85	Earnings per sh ^A	2.25
1.26	1.39	1.46	1.46	1.09	--	--	--	--	--	.20	.36	.50	.66	.84	.96	1.02	1.08	Div'd Decl'd per sh ^B	1.35
11.98	9.69	8.51	9.49	5.18	3.32	2.69	2.69	3.01	5.61	3.50	3.59	3.29	3.47	4.65	4.98	6.15	5.50	Cap'l Spending per sh	5.25
20.63	21.17	19.48	14.21	7.86	9.84	10.63	10.53	10.03	9.46	10.88	11.42	11.19	11.92	12.09	12.98	13.80	14.60	Book Value per sh ^C	17.25
108.11	116.04	121.20	132.99	144.10	161.13	195.00	220.50	222.78	225.15	226.41	227.89	249.60	254.10	264.10	266.10	268.00	270.00	Common Shs Outst'g ^D	276.00
19.9	13.9	9.6	20.8	--	--	12.4	12.6	22.2	26.8	10.9	13.6	12.5	13.6	15.1	16.3	16.3	16.3	Avg Ann'l P/E Ratio	13.5
1.03	.79	.62	1.07	--	--	.66	.67	1.20	1.42	.66	.91	.80	.85	.96	.92	.92	.92	Relative P/E Ratio	.85
2.8%	3.5%	6.0%	5.5%	7.5%	--	--	--	--	1.2%	2.7%	4.0%	4.0%	4.3%	4.2%	3.8%	3.8%	3.8%	Avg Ann'l Div'd Yield	4.5%

CAPITAL STRUCTURE as of 12/31/13		5472.0	6288.0	6810.0	6519.0	6821.0	6205.0	6432.0	6503.0	6312.0	6566.0	6800	6950	Revenues (\$mill)	7750
Total Debt	\$7971.0 mill. Due in 5 Yrs \$3457.0 mill.	144.0	247.0	158.0	168.0	300.0	231.0	356.0	384.0	413.0	454.0	490	515	Net Profit (\$mill)	625
LT Debt	\$7239.0 mill. LT Interest \$384.0 mill.	18.6%	25.6%	--	37.6%	31.6%	34.6%	38.1%	36.8%	39.4%	39.9%	39.5%	39.5%	Income Tax Rate	39.5%
Incl.	\$138.0 mill. capitalized leases. (LT interest earned: 2.9%)	--	15.4%	6.3%	3.6%	1.3%	13.0%	2.2%	2.6%	2.9%	2.0%	2.0%	2.0%	AFUDC % to Net Profit	2.0%
Leases, Uncapitalized	Annual rentals \$26.0 mill. Pension Assets-12/13 \$1.96 bill.	75.3%	73.5%	71.7%	70.5%	69.4%	67.9%	70.1%	66.9%	67.9%	67.5%	68.0%	66.5%	Long-Term Debt Ratio	62.0%
Pfd Stock	\$37.0 mill. Pfd Div'd \$2.0 mill. Incl. 373,148 shs. \$4.50 \$100 par, cum., callable at \$110.00.	21.5%	23.4%	24.9%	25.9%	27.4%	29.0%	29.5%	32.6%	31.6%	32.2%	31.5%	33.0%	Common Equity Ratio	37.5%
Common Stock	266,100,000 shs.	9640.0	9913.0	8961.0	8212.0	8993.0	8977.0	9473.0	9279.0	10101	10730	11650	11900	Total Capital (\$mill)	12700
MARKET CAP: \$7.4 billion (Large Cap)		8636.0	7845.0	7976.0	8728.0	9190.0	9682.0	10069	10633	11551	12246	13225	13975	Net Plant (\$mill)	15800
ELECTRIC OPERATING STATISTICS		4.4%	5.0%	4.5%	4.5%	5.4%	4.7%	5.8%	6.3%	5.9%	6.0%	6.0%	6.0%	Return on Total Cap'l	6.5%
% Change Retail Sales (KWH)		6.1%	9.4%	6.2%	6.9%	10.9%	8.0%	12.5%	12.5%	12.8%	13.0%	13.0%	13.0%	Return on Shr. Equity	13.0%
Avg. Indust. Use (MWH)		6.2%	9.9%	6.4%	7.2%	11.7%	8.5%	12.5%	12.6%	12.9%	13.1%	13.0%	13.0%	Return on Com Equity ^E	13.0%
Avg. Indust. Revs. per KWH (\$)		6.2%	9.9%	6.4%	5.1%	8.4%	4.1%	6.9%	5.6%	5.0%	5.2%	5.5%	5.0%	Retained to Com Eq	5.0%
Capacity at Peak (MW)		11%	6%	10%	35%	31%	54%	46%	55%	61%	60%	59%	60%	All Div'ds to Net Prof	60%
Peak Load, Summer (MW)		<p>BUSINESS: CMS Energy Corporation is a holding company for Consumers Energy, which supplies electricity and gas to lower Michigan (excluding Detroit). Has 1.8 million electric, 1.7 million gas customers. Has 1,034 megawatts of nonregulated generating capacity. Sold Palisades nuclear plant in '07. Electric revenue breakdown: residential, 44%; commercial, 31%; industrial, 18%; other, 7%. Generating sources: coal, 46%; gas, 4%; other, 2%; purchased, 48%. Fuel costs: 51% of revenues. '13 reported deprec. rates: 3.5% electric, 2.8% gas, 7.0% other. Has 7,500 employees. Chairman: David W. Joos. President & CEO: John G. Russell. Incorporated: Michigan. Address: One Energy Plaza, Jackson, Michigan 49201. Tel.: 517-788-0550. Internet: www.cmsenergy.com.</p>													
Annual Load Factor (%)		<p>CMS Energy's utility subsidiary will buy, not build, a gas-fired generating plant. Consumers Energy initially proposed building a 700-megawatt facility at a cost of \$750 million. Instead, a lower-cost option became available: the purchase of a 540-mw plant for \$155 million. The deal is subject to the approval of the Michigan and federal regulators. The utility has various means of making up the difference in capacity by the time the deal closes, in early 2016. Consumers plans to retire seven small coal-fired units (900 mw total), and will recover its investment in these plants through the issuance of \$390 million in securitized bonds. It will also accelerate its advanced metering program and spend additional funds on electric system reliability and natural gas infrastructure. Consumers plans to file an electric rate case, and will time its application so that new tariffs will coincide with the completion of the asset purchase. We expect the company's recent history of steady earnings growth to continue in 2014 and 2015. Rate relief, effective cost control, and the recovery in the service area's economy have been helping.</p>													
% Change Customers (yr-end)		<p>Although there are no tariff hikes in 2014, Consumers will benefit from a full year of an electric increase it received last year. Our 2014 share-earnings estimate is within the company's typically narrow guidance of \$1.74-\$1.78. We forecast bottom-line growth in 2015 that is in line with management's target of 5%-7% annually. The board of directors raised the dividend in the first quarter. As we had expected, the quarterly increase was \$0.015 a share (5.9%). We project similar dividend growth over the 3- to 5-year period. Finances are improving. This can be seen in the company's rising fixed-charge coverage. In addition, CMS is earning a healthy return on equity. The utility is operationally stable. Accordingly, we have raised the company's Financial Strength rating and the stock's Safety rank a notch each, to B++ and 2 (Above Average), respectively, despite a common-equity ratio that is low, by industry standards. This stock has a dividend yield and 3- to 5-year total return potential that are about equal to the utility averages.</p>													

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2011	2055	1364	1464	1620	6503.0
2012	1802	1333	1507	1670	6312.0
2013	1979	1406	1445	1736	6566.0
2014	2050	1450	1550	1750	6800
2015	2050	1500	1600	1800	6950
Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2011	.51	.26	.53	.15	1.45
2012	.36	.37	.55	.25	1.53
2013	.53	.29	.46	.37	1.66
2014	.60	.35	.55	.25	1.75
2015	.55	.40	.60	.30	1.85
Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2010	.15	.15	.15	.21	.66
2011	.21	.21	.21	.21	.84
2012	.24	.24	.24	.24	.96
2013	.255	.255	.255	.255	1.02
2014	.27				

(A) Diluted EPS. Excl. nonrec. gains (losses): '05, (\$1.61); '06, (\$1.08); '07, (\$1.26); '09, (.76); '10, .36; '11, .12; '12, (.14); gains (losses) on disc. ops.: '05, .76; '06, .36; '07, (.40); '09, .86; '10, (.86); '11, .16; '12, .36. '13 EPS don't add due to rounding. Next earnings report due late Apr. (B) Div'ds historically paid late Feb., May, Aug., & Nov. (C) Div'd reinvestment plan avail. (C) Incl. Intang. In '13: \$5.75/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '13: 10.3%; earned on avg. com. eq. '13: 13.2%. Regulatory Climate: Average. Company's Financial Strength B++ Stock's Price Stability 100 Price Growth Persistence 95 Earnings Predictability 65

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DTE ENERGY CO. NYSE-DTE RECENT PRICE **69.94** P/E RATIO **16.7** (Trailing: 18.6 Median: 14.0) RELATIVE P/E RATIO **0.90** DIV'D YLD **3.9%** VALUE LINE

TIMELINESS 3 Raised 1/3/14	High: 49.5	45.5	48.3	49.2	54.7	45.3	45.0	49.1	55.3	62.6	73.3	72.9	Target Price Range		
SAFETY 2 Raised 12/21/12	Low: 34.0	37.9	41.4	38.8	44.0	27.8	23.3	41.3	43.2	52.5	60.3	64.8	2017	2018	2019
TECHNICAL 3 Lowered 2/14/14	LEGENDS — 0.83 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession														
BETA .85 (1.00 = Market)	2017-19 PROJECTIONS High Price 85 (+20%) Low Price 65 (-5%) Ann'l Total Gain 9% Return 3%														
Insider Decisions												% TOT. RETURN 2/14 THIS STOCK 11.7 VL ARITH. INDEX 31.1 3 Yr. 73.0 5 Yr. 240.1			
Institutional Decisions												202013 302013 402013 to Buy 201 198 199 to Sell 194 196 202 Hld's(000) 106384 109106 110072			

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
29.10	32.60	39.24	48.71	40.30	41.76	40.84	50.74	50.93	54.28	57.23	48.45	50.51	52.57	51.01	54.56	57.55	58.70	Revenues per sh	64.00
7.61	8.40	8.59	6.98	8.31	6.95	6.81	8.14	8.19	8.48	8.26	9.38	9.78	9.57	9.77	10.12	11.25	11.60	"Cash Flow" per sh	13.50
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	3.88	3.76	4.50	4.60	Earnings per sh ^A	5.25
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	2.59	2.73	2.87	Div'd Decl'd per sh ^{B, M}	3.35
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	8.77	10.56	10.59	13.15	10.20	Cap'l Spending per sh	10.50
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	41.41	42.78	44.75	46.45	48.75	Book Value per sh ^C	54.50
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	172.35	177.09	177.25	181.50	Common Shs Outs'tg ^D	190.00
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	14.9	17.9	19.0	19.0	Avg Ann'l P/E Ratio	14.0
.69	.66	.67	.99	.62	.78	.85	.73	.94	.97	.89	.69	.78	.85	.95	1.01	1.01	1.01	Relative P/E Ratio	.90
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%	4.2%	3.8%	3.8%	3.8%	Avg Ann'l Div'd Yield	4.5%
CAPITAL STRUCTURE as of 9/30/13												7114.0 9022.0 9022.0 8861.0 9329.0 8014.0 8557.0 8897.0 8791.0 9661.0 10200 10650 Revenues (\$mill) 12150							
Total Debt \$8013.0 mill. Due in 5 Yrs \$2941.0 mill.												443.0 576.0 437.0 453.0 445.0 532.0 630.0 624.0 666.0 668.0 800 835 Net Profit (\$mill) 1030							
LT Debt \$6846.0 mill. LT Interest \$363.0 mill.												27.1% 26.0% 23.9% 25.1% 34.9% 31.6% 32.7% 35.9% 29.8% 27.5% 30.0% 30.0% Income Tax Rate 30.0%							
Incl. \$8.0 mill. capitalized leases, \$480.0 mill. Trust Preferred Securities, and \$105.0 mill. securitized bonds.												.7% 1.0% 5.0% 7.1% 11.2% 2.6% 1.6% 1.6% 3.0% 2.0% 5.0% 5.0% AFUDC % to Net Profit 4.0%							
(LT Interest earned: 3.3x)												57.8% 55.1% 56.1% 54.4% 56.4% 54.0% 51.3% 50.6% 48.8% 47.5% 48.0% 48.0% Long-Term Debt Ratio 49.5%							
Leases, Uncapitalized Annual rentals \$38.0 mill.												42.2% 44.9% 43.9% 45.6% 43.6% 46.0% 48.7% 49.4% 51.2% 52.5% 52.0% 52.0% Common Equity Ratio 50.5%							
Pension Assets-12/12 \$3.22 bill.												13154 12849 13323 12824 13736 13648 13811 14196 14387 15135 15850 16950 Total Capital (\$mill) 20600							
Oblig. \$4.73 bill.												10491 10830 11451 11408 12231 12431 12992 13746 14684 15800 16925 17500 Net Plant (\$mill) 19000							
Pfd Stock None												5.2% 6.3% 5.1% 5.3% 5.0% 5.7% 6.3% 5.9% 6.1% 5.5% 6.5% 6.0% Return on Total Cap'l 6.5%							
Common Stock 177,087,230 shs. as of 12/31/13												8.0% 10.0% 7.5% 7.7% 7.4% 8.5% 9.4% 8.9% 9.0% 8.5% 9.5% 9.5% Return on Shr. Equity 10.0%							
MARKET CAP: \$12 billion (Large Cap)												8.0% 10.0% 7.5% 7.7% 7.4% 8.5% 9.4% 8.9% 9.0% 8.5% 9.5% 9.5% Return on Com Equity ^E 10.0%							
ELECTRIC OPERATING STATISTICS												1.6% 3.7% 1.2% 1.5% 1.7% 2.9% 4.0% 3.4% 3.5% 2.5% 4.0% 3.5% Retained to Com Eq 4.0%							
2010 2011 2012												80% 63% 84% 80% 77% 65% 57% 62% 61% 67% 60% 61% All Div'ds to Net Prof 61%							

BUSINESS: DTE Energy Company is a holding company for DTE Electric (formerly Detroit Edison), which supplies electricity in Detroit and a 7,600-square-mile area in southeastern Michigan, and DTE Gas (formerly Michigan Consolidated Gas). Customers: 2.1 mill. electric, 1.3 mill. gas. Acquired MCN Energy 6/01. Has various nonutility operations. Electric revenue breakdown: residential, 44%; commercial, 36%; industrial, 15%; other, 5%. Generating sources: coal, 67%; nuclear, 17%; gas, 1%; purchased, 15%. Fuel costs: 37% of revenues. '12 reported deprec. rates: 3.3% electric, 2.4% gas. Has 9,900 employees. Chairman, President & CEO: Gerard M. Anderson, Inc.: Michigan. Address: One Energy Plaza, Detroit, MI 48226-1279. Tel.: 313-235-4000. Internet: www.dteenergy.com.

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '10-'12 to '17-'19
Revenues	2.0%	3.0%	3.0%
"Cash Flow"	2.0%	3.0%	5.0%
Earnings	2.0%	6.0%	5.0%
Dividends	1.0%	2.0%	5.5%
Book Value	4.0%	4.0%	4.0%

Quarterly Revenues (\$mill.)	Full Year
2011 2431 2028 2265 2173	8897.0
2012 2239 2013 2190 2349	8791.0
2013 2516 2225 2387 2533	9661.0
2014 2750 2350 2450 2650	10200.0
2015 2850 2450 2550 2800	10650.0
Earnings per Share^A	Full Year
2011 1.04 .67 1.07 .89	3.67
2012 .91 .87 1.30 .79	3.88
2013 1.34 .60 1.13 .70	3.76
2014 1.45 .70 1.35 1.00	4.50
2015 1.35 .75 1.45 1.05	4.60
Quarterly Dividends Paid^B	Full Year
2010 .53 .53 .53 .56	2.15
2011 .56 .56 .5875 .5875	2.30
2012 .5875 .5875 .5875 .62	2.38
2013 .62 .62 .655 .655	2.55
2014 .655	2.55

Our earnings presentation for DTE Energy requires an explanation. Now that a portion of DTE's energy trading business has shifted from financial to physical transactions, this is creating mark-to-market accounting gains or losses. We include these in our earnings presentation. This hurt profits by \$55 million (\$0.31 a share) in the fourth quarter and full year in 2013, but this charge will be reversed in 2014 and 2015—\$40 million this year (mostly in the March quarter) and \$15 million next year. This is a key reason why we look for a 20% earnings increase in 2014, and why our estimate (which we raised by \$0.25 a share) is above DTE's targeted range of \$4.20-\$4.40 a share.

DTE's utilities are performing well. They are benefiting from economic improvement in the service area. (The bankruptcy filing of the city of Detroit hasn't hurt the company.) DTE Electric plans to file a rate application in mid-2014, and will self-implement a tariff hike in 2015. DTE Gas has \$90 million of capital spending planned for 2014 that will be recovered this year through a regulatory mechanism.

The nonregulated side of DTE's operations offers good growth potential. The Gas Storage and Pipelines segment is benefiting from strong demand for gas, and DTE and its partners are expanding their pipeline capacity to take advantage of this. DTE's other businesses provide on-site energy for industrial customers, renewable energy mainly for utilities, and reduced emissions fuel plants that also have contracts with utilities. The company has some projects under way in these businesses, and DTE is looking to build or acquire additional projects.

We expect solid dividend growth to continue. In 2013, the board of directors raised the quarterly dividend by \$0.035 a share, and we estimate the same increase this year. DTE is targeting a payout ratio in a range of 60%-70%.

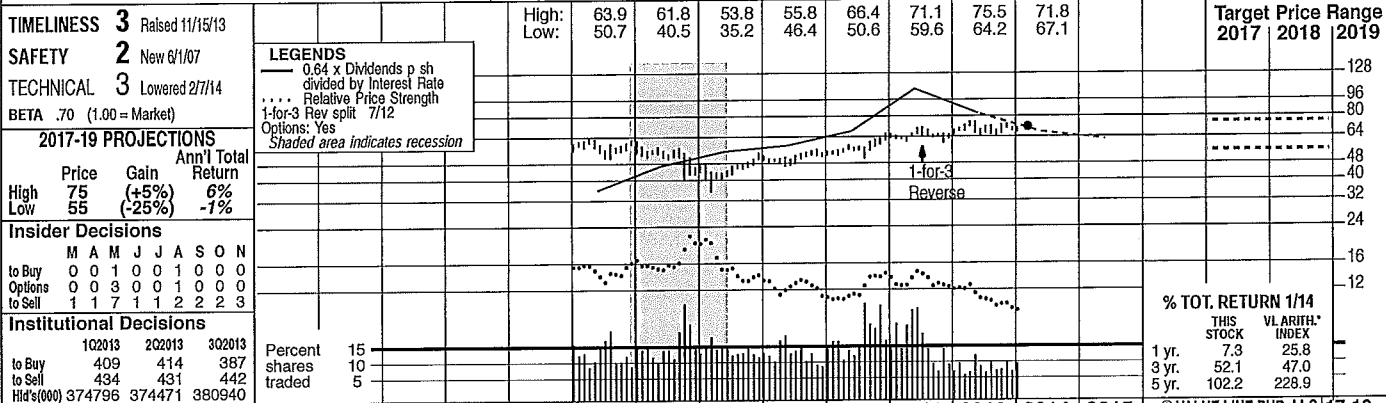
DTE Energy stock has a dividend yield that is comparable with the utility average. Although we have raised our 3- to 5-year Target Price Range, the recent price is still within this band, and total return potential to 2017-2019 is unimpressive.

Company's Financial Strength B+
Stock's Price Stability 95
Price Growth Persistence 80
Earnings Predictability 90

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(A) Diluted EPS. Excl. nonrec. gains (losses): '03, '06(16¢), '05 (2¢); '06, '16; '07, \$1.98; '08, 50¢; '11, 51¢; gains (losses) on disc. ops.: '03, 40¢; '04, (6¢); '05, (20¢); '06, (2¢); '07, \$1.20; '08, 13¢; '12, (33¢). '12 EPS don't add due to rounding. Next eps. report due late April.
 (B) Div'ds histor. paid in mid-Jan., Apr., July and Oct. ÷ Div'd reinvest. plan avail. (C) Incl. Intang. In '12: \$39.46/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '11: 10.5% elec; in '13: 10.5% gas; earned on avg. com. eq., '12: 9.0%. Regul. Clim.: Avg.

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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues per sh	--	--	25.32	30.24	31.15	29.18	32.22	32.63	27.88	34.85	36.40	37.70	38.50	42.50	48.00	52.00
"Cash Flow" per sh	--	--	7.86	8.11	7.34	7.58	8.49	8.68	6.80	8.60	9.20	9.50	10.50	12.50	16.00	18.00
Earnings per sh ^A	--	--	2.76	3.60	3.03	3.39	4.02	4.14	3.71	4.05	4.55	4.70	5.25	6.00	7.00	8.00
Div'd Decl'd per sh ^B + †	--	--	--	2.58	2.70	2.82	2.91	2.97	3.03	3.09	3.15	3.21	3.40	4.00	4.80	5.60
Cap'l Spending per sh	--	--	8.07	7.43	10.35	9.85	10.84	9.80	7.81	8.65	9.75	9.75	9.75	10.00	11.00	12.00
Book Value per sh ^C	--	--	62.30	50.40	49.51	49.85	50.84	51.14	58.04	58.60	59.95	61.40	66.50	75.00	85.00	95.00
Common Shs Outst'g ^D	--	--	418.96	420.62	423.96	436.29	442.96	445.29	704.00	706.00	707.00	708.00	711.00	715.00	720.00	725.00
Avg Ann'l P/E Ratio	--	--	--	16.1	17.3	13.3	12.7	13.8	17.5	17.1	17.1	17.1	17.5	18.0	18.5	19.0
Relative P/E Ratio	--	--	--	.85	1.04	.89	.81	.87	1.11	.95	.95	.95	1.00	1.05	1.10	1.15
Avg Ann'l Div'd Yield	--	--	--	4.4%	5.2%	6.2%	5.7%	5.2%	4.7%	4.4%	4.4%	4.4%	4.5%	4.5%	4.5%	4.5%
Revenues (\$mill)	--	--	10807	12720	13207	12731	14272	14529	19624	24600	25750	26700	27600	30200	35000	40000
Net Profit (\$mill)	--	--	1080.0	1522.0	1279.0	1461.0	1765.0	1839.0	2136.0	2860	3220	3335	3500	3800	4200	4500
Income Tax Rate	--	--	29.4%	31.9%	32.5%	34.4%	32.6%	31.3%	30.2%	34.0%	34.5%	34.5%	34.5%	34.5%	34.5%	34.5%
AFUDC % to Net Profit	--	--	6.9%	7.2%	16.0%	17.5%	22.7%	23.2%	22.3%	9.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Long-Term Debt Ratio	--	--	41.0%	30.9%	38.7%	42.6%	44.3%	45.1%	47.0%	48.0%	49.0%	49.5%	49.5%	51.5%	55.0%	58.0%
Common Equity Ratio	--	--	59.0%	69.1%	61.3%	57.4%	55.7%	54.9%	52.9%	52.0%	51.0%	50.5%	50.5%	48.5%	45.0%	42.0%
Total Capital (\$mill)	--	--	44220	30697	34238	37863	40457	41451	77307	79375	82800	86325	89900	97900	110000	125000
Net Plant (\$mill)	--	--	41447	31110	34036	37950	40344	42661	68558	71450	75050	78550	88500	100000	115000	130000
Return on Total Cap'l	--	--	3.1%	6.0%	4.8%	4.9%	5.5%	5.6%	3.6%	4.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Return on Shr. Equity	--	--	4.1%	7.2%	6.1%	6.7%	7.8%	8.1%	5.2%	7.0%	7.5%	7.5%	7.5%	8.0%	8.0%	8.0%
Return on Com Equity ^E	--	--	4.1%	7.2%	6.1%	6.7%	7.8%	8.1%	5.2%	7.0%	7.5%	7.5%	7.5%	8.0%	8.0%	8.0%
Retained to Com Eq	--	--	4.1%	2.0%	.6%	1.1%	2.1%	2.2%	.9%	1.5%	2.5%	2.5%	3.0%	3.0%	3.0%	3.0%
All Div'ds to Net Prof	--	--	--	72%	89%	84%	73%	72%	82%	76%	69%	68%	68%	63%	63%	63%

CAPITAL STRUCTURE as of 9/30/13
 Total Debt \$41312 mill. Due in 5 Yrs \$12054 mill.
 LT Debt \$37402 mill. LT Interest \$1683.0 mill.
 Incl. \$1581.6 mill. capitalized leases. Incl. \$1265.0 mill. nonrecourse LT debt of variable interest entities.
 (LT Interest earned: 2.7x)
 Leases, Uncapitalized Annual rentals \$171.0 mill.
 Pension Assets-12/12 \$7.75 bill.
 Oblig. \$7.84 bill.

Pfd Stock None
 Common Stock 705,993,361 shs.
 as of 11/5/13
MARKET CAP: \$50 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2010	2011	2012
% Change Retail Sales (KWh)	+7.0	-2.1	-2.8
Avg. Indust. Use (MWh)	2440	3062	2541
Avg. Indust. Revs. per KWh (\$)	4.86	4.89	5.84
Capacity at Peak (Mw) F	19908	19356	19575
Peak Load, Summer (Mw) F	16712	NA	NA
Annual Load Factor (%) F	58.0	NA	NA
% Change Customers (avg.)	+4	+3	+8

Fixed Charge Cov. (%) 295 292 263

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '10-'12 to '17-'19

Revenues	--	2.0%	4.5%
"Cash Flow"	--	--	4.0%
Earnings	--	4.5%	4.0%
Dividends	--	18.0%	2.0%
Book Value	--	-1.0%	3.0%

Cal-endar	QUARTERLY REVENUES (\$mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2011	3663	3534	3964	3368	14529
2012	3630	3577	6722	5695	19624
2013	5898	5879	6709	6114	24600
2014	6250	6100	7100	6300	25750
2015	6350	6350	7400	6600	26700

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2011	1.14	.99	1.35	.66	4.14
2012	.86	.99	1.01	.59	3.71
2013	.89	.74	1.40	1.02	4.05
2014	1.20	.90	1.60	.85	4.55
2015	1.20	.95	1.65	.90	4.70

Cal-endar	QUARTERLY DIVIDENDS PAID ^B + †				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2010	.72	.72	.735	.735	2.91
2011	.735	.735	.75	.75	2.97
2012	.75	.75	.765	.765	3.03
2013	.765	.765	.78	.78	3.09
2014					

DUKE ENERGY IS AWAITING A REGULATORY ORDER IN OHIO. The company's nonregulated operations in the state haven't fared well in recent years due to unfavorable market conditions. Duke is asking for recovery of \$729 million of capacity costs for its generating assets there. The outcome of this matter will influence the company's strategy in Ohio. Depending on what the Ohio commission decides, the sale of Duke's merchant generating assets is possible.

In traditionally regulated states, Duke wants to build generating capacity. In South Carolina, the utility is asking the state commission for a certificate of need that would allow it to build a 750-megawatt gas-fired plant. Duke would own 650 mw. A ruling is expected in the first half of 2014. In Florida, the company has submitted a self-build option for 1,640 mw of capacity as part of a request for proposals, but will have to enter into a purchased-power agreement if that is the least-cost option. The commission's decision is expected this summer.

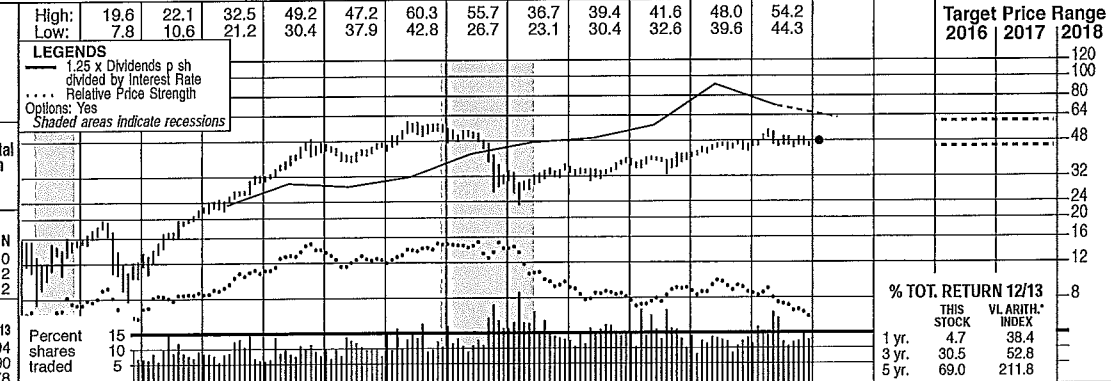
We expect a significant earnings increase in 2014, followed by a more modest rise in 2015. This year, Duke will benefit from a full year of the rate increases it was granted in 2013. The company should also produce greater cost reductions stemming from its acquisition of Progress Energy in 2012. We expect some growth in the international operations, which are performing better in South America. However, there is added uncertainty to our estimates as long as the matter in Ohio is pending. In addition, Duke is still incurring up-front expenses that are necessary to achieve the merger-related cost reductions. These expenses lowered share net by \$0.20 in the first three quarters of 2013, and will continue at an unknown level in 2014, and perhaps 2015, as well. We are including these costs in our earnings presentation.

Duke stock offers a dividend yield that is fractionally above the industry average. It offers modest dividend growth potential, as well. However, with the recent price above the midpoint of our 2017-2019 Target Price Range, total return potential over that time frame is unappealing.

EDISON INTERNAT'L NYSE-EIX

RECENT PRICE **47.70** P/E RATIO **13.3** (Trailing: 8.9 Median: 12.0) RELATIVE P/E RATIO **0.70** DIV'D YLD **3.0%** VALUE LINE

TIMELINESS 3 Lowered 9/20/13
SAFETY 2 Raised 5/3/13
TECHNICAL 2 Raised 1/10/14
 BETA .80 (1.00 = Market)



2016-18 PROJECTIONS
 High Price 60 Gain (+25%) 9%
 Low Price 45 Loss (-5%) 2%

Insider Decisions
 M A M J J A S O N
 to Buy 0 0 0 0 0 0 0 0 0 0
 Options 5 0 1 0 1 0 0 0 2 2
 to Sell 5 0 1 0 0 1 0 0 0 2

Institutional Decisions
 1Q2013 2Q2013 3Q2013
 to Buy 224 190 194
 to Sell 185 232 190
 Hld's(000) 260823 259680 261478

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	© VALUE LINE PUB. LLC	16-18
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	36.41	37.90	40.65	Revenues per sh	48.25	
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	9.63	9.00	9.40	"Cash Flow" per sh	11.00	
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	4.55	3.65	3.70	Earnings per sh ^A	4.25	
1.00	1.04	1.08	.83	--	--	--	.80	1.02	1.10	1.18	1.23	1.25	1.27	1.29	1.31	1.37	1.45	Div'd Decl'd per sh ^B	1.90	
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	14.78	12.73	11.35	11.65	Cap'l Spending per sh	12.00	
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	28.95	30.00	32.15	Book Value per sh ^C	38.75	
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	325.81	Common Shs Outst'g ^D	325.81	
13.7	15.1	12.9	--	10.0	7.8	7.0	NMF	11.7	13.0	16.0	12.4	9.7	10.3	11.8	9.7	13.2	13.2	Avg Ann'l P/E Ratio	13.0	
.79	.79	.74	--	.51	.43	.40	NMF	.82	.70	.85	.75	.65	.66	.62	.75	.75	.75	Relative P/E Ratio	.85	
4.2%	3.7%	4.1%	3.9%	--	--	--	3.1%	2.6%	2.6%	2.2%	2.7%	4.0%	3.7%	3.4%	3.0%	2.9%	2.9%	Avg Ann'l Div'd Yield	3.5%	

CAPITAL STRUCTURE as of 9/30/13
 Total Debt \$111.61 bill. Due in 5 Yrs \$3828.0 mill.
 LT Debt \$9232.0 mill. LT Interest \$452.0 mill.
 (LT interest earned: 5.1x)
 Leases, Uncapitalized Annual rentals \$1.03 bill.
 Pension Assets-12/12 \$3.54 bill. Oblig. \$4.95 bill.
 Pfd Stock \$1753 mill. Pfd Div'd \$103.0 mill.
 4,800,198 shs. 4.08%-4.78%, \$25 par, call. \$25.50-\$28.75/sh.; 8,500,000 shs. 4.32%-6.125%, non-cum., call. \$100; 1,250,000 shs. 6.5%, cum., \$100 liq. value; 350,000 shs. 6.25%, \$1000 liq. value; 190,004 shs. 5.625%, \$2500 liq. value.
 Common Stock 325,811,206 shs. as of 10/25/13
 MARKET CAP: \$16 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2010	2011	2012
% Change Retail Sales (KWh)	-2.7	+9	+2.6
Avg. Indust. Use (MWh)	710	736	763
Avg. Indust. Revs. per KWh (¢)	7.38	7.09	7.50
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	22771	22374	21981
Annual Load Factor (%)	50.7	50.7	52.7
% Change Customers (y-ty)	+5	+4	+4

BUSINESS: Edison International (formerly SCECorp) 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). Discontinued Edison Mission Energy (independent power producer) in '12. Electric revenue breakdown: residential, 44%;

commercial, 43%; industrial, 6%; other, 7%. Generating sources: gas, 9%; nuclear, 7%; coal, 6%; hydro, 3%; purchased, 75%. Fuel costs: 35% of revs. '12 reported deprec. rate: 4.3%. Has 16,600 employees. Chairman, President & CEO: Theodore F. Craver, Jr. Inc.: CA. Address: 2244 Walnut Grove Ave., P.O. Box 976, Rosemead, CA 91770. Tel.: 626-302-2222. Internet: www.edison.com.

ANNUAL RATES

	Past 10 Yrs	Past 5 Yrs	Est'd '10-'12 to '16-'18
of change (per sh)			
Revenues	.5%	-5%	4.0%
"Cash Flow"	12.0%	4.5%	3.5%
Earnings	--	2.5%	2.5%
Dividends	--	3.0%	6.5%
Book Value	11.5%	5.5%	4.0%

Edison International's utility subsidiary is seeking recovery of its costs associated with its investment in the San Onofre nuclear station. Last year, Southern California Edison closed the two units, which were damaged. The company took an impairment charge of \$1.12 a share, which we excluded from our earnings presentation as a nonrecurring item. SCE is still recovering its investment and operating costs, but, since mid-2013, is no longer booking a return on that investment. This affects annual earnings by \$0.18 a share. The utility is asking for recovery of its investment in the plant, along with costs of the outage and replacement power. The California Public Utilities Commission (CPUC) is dealing with San Onofre matters in four phases of hearings, all of which are expected to be concluded by yearend. SCE is also pursuing cost recovery through other means: arbitration proceedings with the manufacturer of San Onofre's steam generators and a claim with Nuclear Energy Insurance Limited. **SCE has filed a general rate case.** The utility is seeking increases of \$206 million in 2015, \$318 million in 2016, and \$317 million in 2017. These amounts are based on full recovery of the San Onofre costs. The CPUC's order is expected by yearend, with new tariffs taking effect at the start of 2015. Even if it slips into 2015, it would be retroactive to the start of the new year. **We estimate only a slight increase in earnings in 2014.** We think the effects of a full year booking no return on San Onofre will offset most of the annual benefits from SCE's rate base growth. **The board of directors has raised the dividend.** Effective with the first-quarter 2014 payment, the annual disbursement was boosted by \$0.07 a share (5.2%). Even after this increase, the payout ratio is below Edison International's targeted range of 45%-55%. Accordingly, dividend hikes are likely to exceed earnings growth through late decade. The dividend yield—a percentage point below the industry average—reflects this growth potential. **We think investors should stay on the sidelines for now.** There are risks associated with San Onofre and claims arising from the bankruptcy of the former non-utility subsidiary, Edison Mission Energy. *Paul E. Debbas, CFA January 31, 2014*

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QUARTERLY REVENUES (\$mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	2810	2742	3788	3069	12409
2011	2782	2983	3981	3014	12760
2012	2415	2653	3734	3060	11862
2013	2632	3046	3060	2712	12350
2014	2900	3200	4150	3000	13250

EARNINGS PER SHARE ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.70	.62	1.46	.57	3.35
2011	.62	.54	1.31	.76	3.23
2012	.54	.55	1.09	2.39	4.55
2013	.78	.79	1.41	.67	3.65
2014	.75	.75	1.45	.75	3.70

QUARTERLY DIVIDENDS PAID ^B

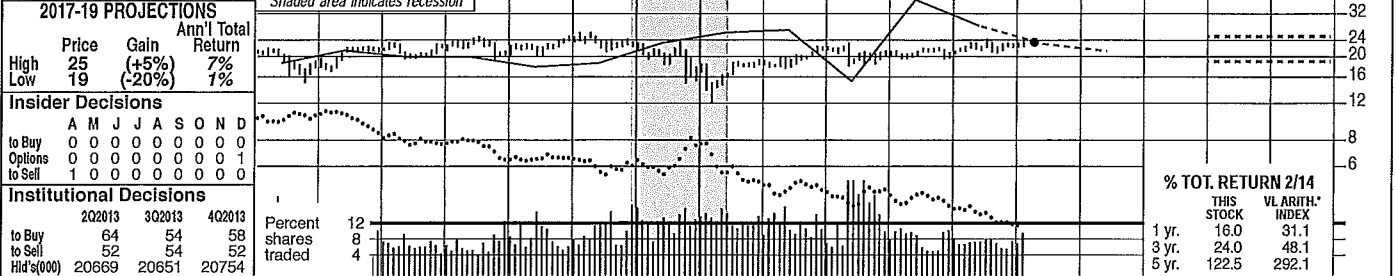
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.315	.315	.315	.315	1.26
2011	.32	.32	.32	.32	1.28
2012	.325	.325	.325	.325	1.30
2013	.3375	.3375	.3375	.3375	1.35
2014	.355				

(A) Diluted EPS. Excl. nonrec. gains (losses): '02, \$1.48; '03, (12¢); '04, \$2.12; '09, (64¢); '10, 54¢; '11, (\$3.33); '12, \$5.11. '10 & '12 EPS don't add due to rounding. Next earnings report due late Feb. (B) Div'ds paid late Jan., Apr., July, & Oct. = Div'd reinvestment plan avail. (C) Incl. deferred charges. In '12: \$19.71/sh. (D) In mil. (E) Rate base: net orig. cost. Rate allowed on com. eq. in '13: 10.45%; earned on avg. com. eq. in '12: 14.0%. Regulatory Climate: Above Average.

EMPIRE DISTRICT NYSE-EDE

RECENT PRICE **23.43** P/E RATIO **15.1** (Trailing: 15.8 Median: 16.0) RELATIVE P/E RATIO **0.81** DIV'D YLD **4.4%** VALUE LINE

TIMELINESS 2 Lowered 3/21/14	High: 22.5	22.5	25.0	25.1	26.1	23.5	19.4	22.5	23.3	22.0	24.3	24.1	Target Price Range
SAFETY 2 Raised 3/23/12	Low: 17.0	19.5	19.3	20.3	21.1	14.9	11.9	17.6	18.0	19.5	20.6	22.0	2017 2018 2019
TECHNICAL 3 Lowered 1/24/14	LEGENDS 0.67 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession												
BETA .75 (1.00 = Market)	2017-19 PROJECTIONS Ann'l Total High Price 25 (+5%) Low Price 19 (-20%) Gain 7% Return 1%												



Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Price	14.02	13.94	14.78	13.37	13.56	13.03	12.67	14.80	13.67	14.59	15.25	13.04	13.02	13.74	13.11	13.81	14.50	14.75
"Cash Flow" per sh	2.97	2.89	3.12	2.19	2.43	2.48	2.22	2.45	2.75	2.69	2.91	2.72	2.85	3.21	2.99	3.14	3.25	3.40
Earnings per sh A	1.53	1.13	1.35	.59	1.19	1.29	.86	.92	1.41	1.09	1.17	1.18	1.17	1.31	1.32	1.48	1.50	1.55
Div'd Decl'd per sh B = †	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.03	1.01	1.03	1.05	1.05
Cap'l Spending per sh	3.03	4.14	7.61	4.02	3.43	2.65	1.64	2.83	3.97	5.46	6.28	4.07	2.63	2.44	3.22	3.60	5.05	4.00
Book Value per sh C	13.43	13.48	13.65	13.58	14.59	15.17	14.76	15.08	15.49	16.04	15.56	15.75	15.82	16.53	16.90	17.43	17.95	18.60
Common Shs Outst'g D	17.11	17.37	17.60	19.76	22.57	24.98	25.70	26.08	30.25	33.61	33.98	38.11	41.58	41.98	42.48	43.04	43.50	45.50
Avg Ann'l P/E Ratio	14.0	21.7	17.7	33.9	16.2	15.8	24.8	24.5	15.9	21.7	17.3	14.3	16.8	15.8	15.0	15.0	12.5	12.5
Relative P/E Ratio	.73	1.24	1.15	1.74	.88	.90	1.31	1.30	.86	1.15	1.04	.95	1.07	.99	1.01	.85	.80	.80
Avg Ann'l Div'd Yield	6.0%	5.2%	5.4%	6.4%	6.6%	6.3%	6.0%	5.7%	5.7%	5.4%	6.3%	7.6%	6.5%	3.1%	4.8%	4.5%	5.2%	5.2%

Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Debt \$747.7 mill. Due in 5 Yrs \$120.6 mill.	325.5	386.2	413.5	490.2	518.2	497.2	541.3	576.9	557.1	594.3	630	670	790	790	790	790	790	790
LT Debt \$743.4 mill. LT Interest \$39.4 mill.	21.8	23.8	39.9	33.2	39.7	41.3	47.4	55.0	55.7	63.4	65.0	70.0	85.0	85.0	85.0	85.0	85.0	85.0
Incl. \$4.2 mill. capitalized leases. (LT Interest earned: 3.4x)	34.1%	33.4%	35.4%	30.3%	32.5%	32.5%	39.2%	38.4%	38.0%	37.1%	37.5%	37.5%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%
Leases, Uncapitalized Annual rentals \$.8 mill. Pension Assets-12/13 \$186.6 mill.	1.0%	2.4%	10.7%	23.1%	31.5%	34.2%	21.5%	.9%	3.5%	9.4%	9.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Obliq. \$225.1 mill.	51.3%	51.0%	49.7%	50.1%	53.8%	51.6%	51.3%	49.9%	49.1%	49.8%	50.5%	47.5%	48.5%	48.5%	48.5%	48.5%	48.5%	48.5%
Pfd Stock None	48.7%	49.0%	50.3%	49.9%	46.4%	48.4%	50.1%	50.9%	50.2%	49.5%	52.5%	52.5%	52.5%	52.5%	52.5%	52.5%	52.5%	52.5%
Common Stock 43,093,133 shs. as of 2/3/14	779.1	803.3	931.0	1081.1	1140.4	1240.3	1350.7	1386.2	1409.4	1493.6	1575	1615	1850	1850	1850	1850	1850	1850
MARKET CAP: \$1.0 billion (Mid Cap)	857.0	896.0	1031.0	1178.9	1342.8	1459.0	1519.1	1563.7	1657.6	1751.9	1895	1990	2000	2000	2000	2000	2000	2000
ELECTRIC OPERATING STATISTICS	4.7%	4.7%	5.9%	4.7%	5.2%	5.2%	5.1%	5.5%	5.4%	5.6%	5.5%	5.5%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
% Change Retail Sales (KWh)	5.8%	6.0%	8.5%	6.2%	7.5%	6.9%	7.2%	7.9%	7.8%	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Avg. Industrial Use (MWh)	5.8%	6.0%	8.5%	6.2%	7.5%	6.9%	7.2%	7.9%	7.8%	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Avg. Industrial Rev/KWh (¢)	NMF	NMF	.8%	NMF	NMF	NMF	NMF	NMF	4.1%	1.9%	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Capacity at Peak (Mw)	NMF	NMF	90%	117%	109%	109%	110%	49%	76%	68%	69%	68%	68%	68%	68%	68%	68%	68%
Peak Load, Summer (Mw)																		
Annual Load Factor (%)																		
% Change Customers (avg)																		

BUSINESS: The Empire District Electric Company supplies electricity to 169,000 customers in a 10,000 sq. mi. area in southwestern Missouri (90% of '13 retail elec. revs.), Kansas (5%), Oklahoma (3%), & Arkansas (2%). Acquired Missouri Gas (44,000 customers) 6/06. Supplies water service (4,000 customers) and has a small fiber-optics operation. Elec. rev. breakdown: residential, 43%; commercial, 30%; industrial, 15%; other, 12%. Generating sources: coal, 47%; gas, 24%; hydro, 1%; purch., 28%. Fuel costs: 34% of revenues. '13 reported depr. rate: 3.1%. Has about 750 employees. Chairman: D. Randy Laney. President & CEO: Bradley P. Beecher. Inc.: KS. Address: 602 S. Joplin Ave., P.O. Box 127, Joplin, MO 64802-0127. Tel.: 417-625-5100. Internet: www.empiredistrict.com

We estimate that Empire District Electric Company's earnings will improve slightly in 2014 and 2015. This year likely got off to a good start thanks to favorable weather conditions and the \$27.5 million rate increase that took effect in Missouri in April of 2013. However, Empire District Electric is facing the effects of regulatory lag, as some transmission costs and property taxes won't be recovered in rates this year. (Bills pending in the Missouri legislature would address this problem.) The effects of regulatory lag explain why the utility's returns on equity have been mediocre for a long time. All told, our 2014 share-earnings estimate is at the upper end of Empire District Electric's targeted range of \$1.38-\$1.50 a share. We forecast low single-digit profit growth in 2015.

One rate case is pending, and another is on the way. In Arkansas, Empire District Electric is seeking a \$2.2 million (18%) rate hike, based on a return of 10.5% on a common-equity ratio of 50.2%. New tariffs should take effect in late summer. In Missouri, the utility will time the filing of its next rate case so that it can recover an environmental project that is under way. This project is scheduled for completion in early 2015 at a cost of \$112 million-\$130 million.

The electric customer count has rebounded from the losses caused by the tornado that hit Joplin, Missouri in May of 2011. As of year-end 2013, Empire District Electric had roughly 400 more customers than it did just prior to the tornado. Additional progress in the utility's service territory will come when a new high school reopens later this year and a rebuilt hospital opens in 2015. A pet food plant is also under construction. However, the new homes and buildings are more energy-efficient than those they replaced, so the effect on Empire District Electric's load growth might well be dampened.

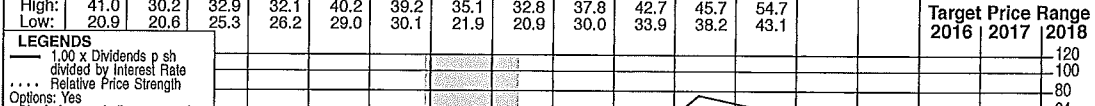
This timely stock is of interest for income-oriented investors. Its dividend yield is fractionally above the utility average. However, because the recent price is near the upper end of our 2017-2019 Target Price Range, total return potential is low.

Paul E. Debbas, CFA *March 21, 2014*

IDACORP, INC. NYSE:IDA

RECENT PRICE **52.33** P/E RATIO **15.5** (Trailing: 15.7, Median: 14.0) RELATIVE P/E RATIO **0.82** DIV'D YLD **3.3%** **VALUE LINE**

TIMELINESS 3 Lowered 5/14/10
SAFETY 2 Raised 8/2/13
TECHNICAL 2 Raised 1/10/14
BETA .75 (1.00 = Market)



2016-18 PROJECTIONS

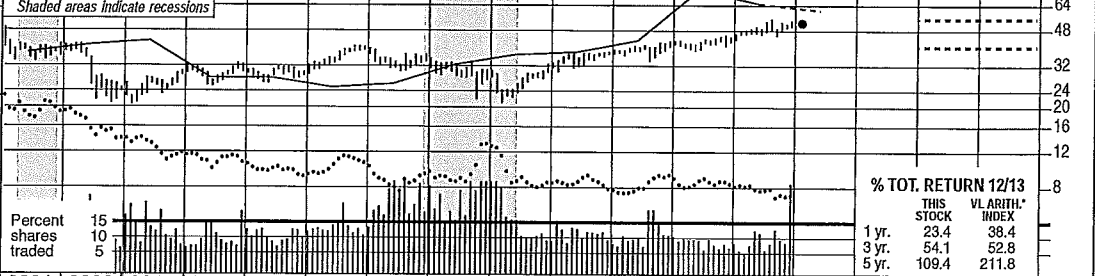
Price	Gain (+5%)	Ann'l Total Return
High 55		5%
Low 40		-2%

Insider Decisions

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

Institutional Decisions

10/2013	2/2013	3/2013
to Buy 73	88	104
to Sell 84	74	72
Hld's(000) 35828	36471	36115



1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	© VALUE LINE PUB. LLC	16-18
19.90	29.83	17.50	27.10	150.10	24.43	20.41	20.00	20.15	21.23	19.51	20.47	21.92	20.97	20.55	21.55	23.85	23.25	Revenues per sh	25.40
4.22	4.69	4.50	5.63	5.63	4.08	3.50	4.12	3.87	4.58	4.11	4.27	5.07	5.23	5.74	5.84	6.30	6.45	"Cash Flow" per sh	6.95
2.32	2.37	2.43	3.50	3.35	1.63	.96	1.90	1.75	2.35	1.86	2.18	2.64	2.95	3.36	3.37	3.50	3.45	Earnings per sh A	3.60
1.86	1.86	1.86	1.86	1.86	1.86	1.70	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.37	1.57	1.76	Div'd Decl'd per sh B†	2.20
2.51	2.37	2.95	3.73	4.78	3.53	3.89	4.73	4.53	5.16	6.39	5.19	5.26	6.85	6.76	4.78	5.70	5.60	Cap'l Spending per sh	6.85
18.93	19.42	20.02	21.82	23.15	23.01	22.54	23.88	24.04	25.77	26.79	27.76	29.17	31.01	33.19	35.07	36.95	38.55	Book Value per sh C	41.75
37.61	37.61	37.61	37.61	37.63	38.02	38.34	42.22	42.66	43.63	45.06	46.92	47.90	49.41	49.95	50.16	50.30	50.50	Common Shs Outst'g D	51.20
13.6	14.4	12.7	10.9	11.4	18.9	26.5	15.5	16.7	15.1	18.2	13.9	10.2	11.8	11.5	12.4	13.5		Avg Ann'l P/E Ratio	14.0
.78	.75	.72	.71	.58	1.03	1.51	.82	.89	.82	.97	.84	.68	.75	.72	.79	.75		Relative P/E Ratio	.95
5.9%	5.4%	6.0%	4.9%	4.9%	6.0%	6.7%	4.1%	4.1%	3.4%	3.5%	4.0%	4.5%	3.4%	3.1%	3.3%	3.2%		Avg Ann'l Div'd Yield	3.5%

CAPITAL STRUCTURE as of 9/30/13
 Total Debt \$1686.2 mill. Due in 5 Yrs \$75.3 mill.
 LT Debt \$1615.1 mill. LT Interest \$79.0 mill.
 (LT interest earned: 3.5x)

Pension Assets-12/12 \$460.9 mill.
 Oblig. \$767.7 mill.

Pfd Stock None

Common Stock 50,232,745 shs.
 as of 11/01/13

MARKET CAP: \$2.6 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2010	2011	2012
% Change Retail Sales (KWh)	-3.1	+1.6	+2.6
Avg. Indust. Use (MWh)	N/A	N/A	N/A
Avg. Indust. Revs. per KWh (c)	4.50	4.54	4.63
Capacity at Peak (Mw)	N/A	N/A	N/A
Peak Load, Summer (Mw)	2714	2973	3245
Annual Load Factor (%)	N/A	N/A	N/A
% Change Customers (yr-end)	+4	+7	+1.1

Fixed Charge Cov. (%) 231 194 328

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '10-'12 to '16-'18
Revenues	-11.0%	5%	3.5%
"Cash Flow"	1.0%	6.0%	2.5%
Earnings	1.5%	10.0%	2.0%
Dividends	-4.0%	1.0%	7.0%
Book Value	4.0%	5.5%	4.0%

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	252.5	241.8	309.4	232.3	1036.0
2011	251.5	235.0	309.6	230.7	1026.8
2012	241.1	254.7	334.0	250.9	1080.7
2013	264.9	303.9	381.1	250.1	1200
2014	260	305	355	255	1175

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.34	.82	1.39	.40	2.95
2011	.60	.42	2.16	.18	3.36
2012	.50	.71	1.84	.33	3.37
2013	.67	.91	1.43	.49	3.50
2014	.65	.80	1.65	.35	3.45

QUARTERLY DIVIDENDS PAID B†

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.30	.30	.30	.30	1.20
2011	.30	.30	.30	.30	1.20
2012	.33	.33	.33	.38	1.37
2013	.38	.38	.38	.43	1.57
2014					

BUSINESS: IDACORP, Inc. is the holding company for Idaho Power, a utility that operates 17 hydroelectric generation developments, 3 natural gas-fired plants, and partly owns three coal plants across Idaho, Oregon, Wyoming, and Nevada. Service territory covers 24,000 square miles, serving 501,000 general business customers. Sells electricity in Idaho (95% of revenues) and Oregon

It was a decent third quarter for IDACORP despite a decline in earnings. The electric utility reported share earnings of \$1.43. Revenue in the quarter was helped by the PCA rate increase, higher rates due to the inclusion of the Langley Gulch power plant, and increased load due to favorable weather. Earnings missed our estimate of \$1.60 a share, and were also lower than the \$1.84 a share reported for the third quarter of 2012. This was primarily due to an accounting change that increased income tax expense for the September period.

There are a few factors that should drive growth for the company in the coming quarters. Based on the company's recently updated customer and load forecast, IDA predicts a 2.1% five-year compound annual growth rate for residential customers and a 1.4% five-year compound annual growth rate for residential load. The growth figures are an increase over the figures announced in the 2013 integrated resource plan and are supported by the company's growing service territory. IDA continues to make steady investments to enhance its production and dis-

tribution facilities, which should enable it to meet its growing customer base. However, the Boardman to Hemmingway Line has been delayed again until at least 2020, due to environmental considerations. Management revised earnings guidance for 2013 from \$3.40-\$3.55 a share to \$3.45-\$3.55. The change in guidance was caused by increased energy sales and active cost controls, that management believes will increase the lower end of the earnings range for 2013. However, it is important to note that in an environment of rising interest rates, utility companies, which are capital intensive will face more challenges. This is because higher rates translate into larger debt payments, putting a strain on capital expenditures and on dividend payments to shareholders. The dividend yield could get a lift soon. Although the current dividend yield is below the utility average, IDA plans to increase distributions to be in line with a payout ratio of 50%-60%. The company has sufficient interest coverage, a healthy balance sheet, and operates in a reasonable regulatory environment.

Saumya Ajila
 January 31, 2014

(A) EPS diluted. Excl. nonrecurring gains (loss): '00, 22¢; '03, 26¢; '05, (24¢); '06, 17¢. Egs. may not sum to total due to rounding. Next earnings report due in Feb. (B) Div'd

historically paid in late Feb., May, Aug., and late Nov. Div'd reinvestment plan avail. † Shareholder investment plan avail. (C) Incl. deferred debits. In '12: \$24.35/sh. (D) In mill.

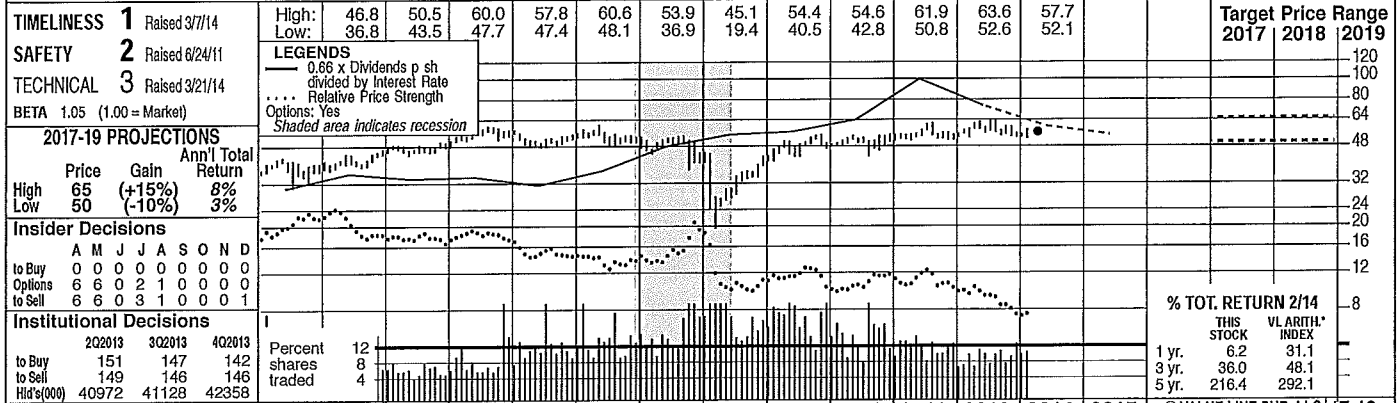
Company's Financial Strength

Stock's Price Stability	B++
Price Growth Persistence	100
Earnings Predictability	80
	85

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INTEGRYS ENERGY NYSE-TEG

RECENT PRICE **56.10** P/E RATIO **13.1** (Trailing: 13.0 Median: 15.0) RELATIVE P/E RATIO **0.70** DIV'D YLD **4.8%** VALUE LINE



2017-19 PROJECTIONS		Ann'l Total	
High	Low	Price	Gain
65	50	(+15%)	8%
		(-10%)	3%

Insider Decisions	
A	M
0	0
6	6
6	6

Institutional Decisions		
202013	302013	4Q2013
151	147	142
149	146	146
40972	41128	42358

IntegrYS Energy Group was created as a holding company on February 21, 2007 to oversee the entire operations of the recently merged WPS Resources and Peoples Energy. WPS acquired Peoples in an agreement under which each common share of Peoples was converted into .825 share of WPS common. The combination took the new name of IntegrYS Energy Group. All data on this page prior to 2/21/07 are for WPS Resources only.	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB, LLC	17-19
	131.26	173.37	160.01	135.44	184.86	98.71	67.27	60.44	54.07	70.92	74.20	75.80	Revenues per sh	80.75
	6.98	7.40	6.33	5.19	4.69	5.34	6.70	6.13	6.95	7.72	7.25	7.65	"Cash Flow" per sh	8.75
	4.07	4.09	3.51	2.48	1.58	2.28	3.24	2.88	3.67	4.33	3.70	3.90	Earnings per sh A	4.50
	2.20	2.24	2.28	2.56	2.68	2.72	2.72	2.72	2.72	2.72	2.72	2.72	Div'd Decl'd per sh B	3.00
	7.78	10.31	7.94	5.17	7.01	5.85	3.35	4.00	7.63	8.42	13.20	11.45	Cap'l Spending per sh	10.75
	29.30	32.47	35.61	42.58	40.79	37.62	37.57	38.01	38.84	41.05	42.05	43.45	Book Value per sh C	48.00
	37.26	40.16	43.06	75.99	75.99	75.98	77.35	77.91	77.90	79.45	79.50	81.50	Common Shs Outst'g D	83.50
	11.5	13.4	14.7	21.4	30.7	14.8	14.7	17.5	14.8	13.3	13.3	13.3	Avg Ann'l P/E Ratio	12.5
	.61	.71	.79	1.14	1.85	.99	.94	1.10	.94	.75	.75	.75	Relative P/E Ratio	.85
	4.7%	4.1%	4.4%	4.8%	5.5%	8.1%	5.7%	5.4%	5.0%	4.7%	4.7%	4.7%	Avg Ann'l Div'd Yield	5.3%

CAPITAL STRUCTURE as of 12/31/13	2008	2009	2010	2011	2012	2013	2014	2015	Revenues (\$mill)	6750
Total Debt \$3382.2 mill. Due in 5 Yrs \$786.0 mill.	4890.6	6962.7	6890.7	10292	14048	7499.8	5203.2	4708.7	4212.4	5634.6
LT Debt \$2956.2 mill. LT Interest \$147.8 mill. (LT Interest earned: 5.7x)	156.2	157.4	151.6	181.1	124.8	178.2	255.9	230.9	294.2	350.1
Leases, Uncapitalized Annual rentals \$6.7 mill.	16.1%	22.9%	22.9%	32.2%	29.1%	41.5%	40.4%	36.7%	33.8%	37.6%
Pension Assets-12/13 \$1.53 bill.	1.7%	1.0%	.5%	.7%	5.8%	4.5%	.7%	.4%	1.3%	4.3%
Pfd Stock \$51.1 mill. Pfd Div'd \$3.1 mill.	43.1%	39.0%	44.8%	40.8%	42.1%	45.1%	42.2%	38.3%	38.6%	47.2%
510,626 shs. 5.00% to 6.88%, callable \$101 to \$107.50; sinking fund began 11/1/79. All cumulative, \$100 par.	54.4%	58.7%	53.4%	58.3%	57.0%	53.9%	56.8%	60.6%	60.4%	52.0%
Common Stock 79,963,091 shs.	2008.6	2222.4	2871.9	5552.0	5438.7	5304.4	5118.5	4884.5	5008.6	6268.6
MARKET CAP: \$4.5 billion (Mid Cap)	2002.6	2049.4	2534.8	4463.8	4773.3	4945.1	5013.4	5199.1	5501.9	6410.5
ELECTRIC OPERATING STATISTICS	8.8%	8.0%	6.4%	4.5%	3.5%	4.6%	6.2%	5.9%	6.9%	6.5%
% Change Retail Sales (KWh)	13.7%	11.6%	9.6%	5.5%	4.0%	6.1%	8.7%	7.7%	9.6%	10.6%
Avg. C & I Use (KWh)	14.0%	11.8%	9.7%	5.5%	3.9%	6.1%	8.7%	7.7%	9.6%	10.6%
Avg. C & I Revs. per KWh (¢)	6.6%	5.3%	3.4%	--	NMF	NMF	2.3%	.7%	2.6%	4.4%
Capacity at Peak (Mw)	54%	56%	65%	99%	NMF	118%	74%	91%	73%	59%
Peak Load, Summer (Mw)										
Annual Load Factor (%)										
% Change Customers (yr-end)										

IntegrYS Energy has agreed to sell its Michigan-based electric utility. Management wasn't looking to sell Upper Peninsula Power Company, but received an attractive offer. The transaction requires the approval of the Michigan and Wisconsin regulators, as well as the Federal Energy Regulatory Commission, and is expected to close at the end of the third quarter of 2014. It would bring the company \$220 million in aftertax proceeds, and IntegrYS would book an estimated \$0.60-a-share nonrecurring gain on the sale. The cash received in the deal would offset much of the company's financing needs in 2014 and 2015. Our figures will not reflect the sale until after it is completed.

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13
of change (per sh)	10 Yrs.	5 Yrs.	to '17-'19
Revenues	-4.5%	-17.5%	4.5%
"Cash Flow"	2.0%	5.0%	4.0%
Earnings	3.0%	7.5%	3.5%
Dividends	2.5%	1.5%	1.5%
Book Value	4.5%	--	3.5%

Cal-ender	QUARTERLY REVENUES (\$mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2011	1627.1	1010.8	938.7	1132.1	4708.7
2012	1247.9	839.6	927.7	1197.2	4212.4
2013	1678.2	1116.0	1129.7	1710.7	5634.6
2014	1900	1150	1200	1650	5900
2015	1900	1200	1250	1750	6100

Cal-ender	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2011	1.56	.38	.47	.48	2.88
2012	1.24	.65	.93	.86	3.67
2013	2.29	d.06	.47	1.63	4.33
2014	1.70	.45	.50	1.05	3.70
2015	1.75	.50	.55	1.10	3.90

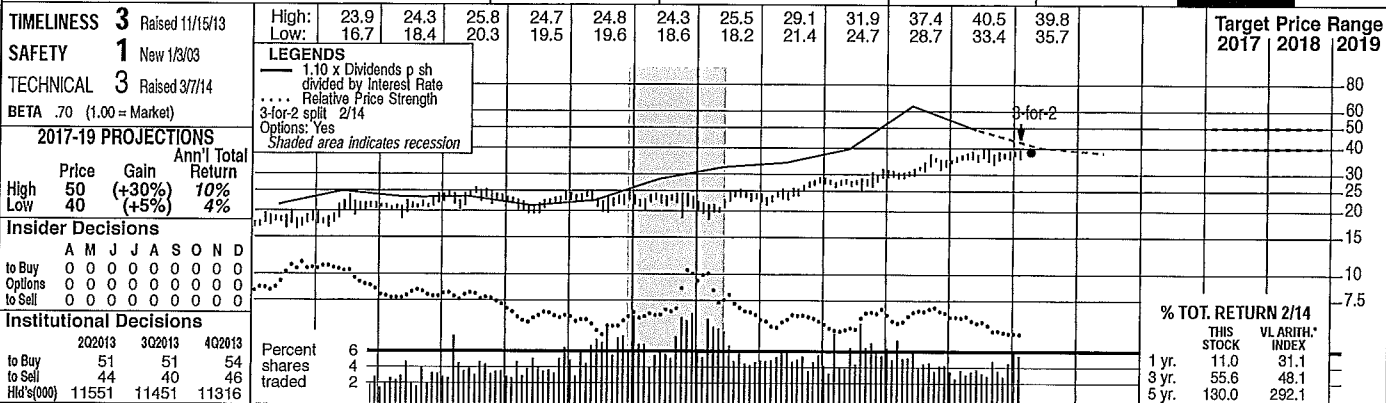
Cal-ender	QUARTERLY DIVIDENDS PAID B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2010	.68	.68	.68	.68	2.72
2011	.68	.68	.68	.68	2.72
2012	.68	.68	.68	.68	2.72
2013	.68	.68	.68	.68	2.72
2014	.68	.68	.68	.68	2.72

(A) Diluted EPS. Excl. nonrecur. losses: '09, \$3.24; '10, 41¢; gains (losses) from disc. ops.: '07, \$1.02; '08, 6¢; '09, 4¢; '11, (1¢); '12, (12¢); '13, 6¢. '11 & '12 EPS don't add due to round- ing. Next egs. report due early May. (B) Div'ds historically paid mid-Mar., June, Sept., & Dec. (C) Div'd reinvestment plan avail. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in WI '13: 10.3%; in IL '13: 9.28%; in MN in '12: 9.7%; earned on avg. com. eq. '13: 10.8%. Regul. Climate: WI, Above Avg.; IL, Below Avg.

Company's Financial Strength A
Stock's Price Stability 60
Price Growth Persistence 50
Earnings Predictability 45

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MGE ENERGY INC. NDQ-MGEE RECENT PRICE **38.39** P/E RATIO **17.0** (Trailing: 17.8) (Median: 16.0) RELATIVE P/E RATIO **0.91** DIV'D YLD **2.9%** VALUE LINE



1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	17-19	
10.35	11.30	13.00	13.03	13.17	14.59	13.89	16.73	16.13	16.33	17.35	15.40	15.36	15.76	15.61	17.04	17.15	18.00	Revenues per sh	20.85
2.39	2.54	2.59	2.52	2.22	1.96	1.92	2.00	2.34	2.46	2.68	2.66	2.76	2.94	2.98	3.28	3.50	3.80	"Cash Flow" per sh	4.70
.92	.99	1.11	1.08	1.13	1.14	1.18	1.05	1.37	1.51	1.59	1.47	1.67	1.76	1.86	2.16	2.30	2.50	Earnings per sh A	3.10
.86	.87	.88	.89	.89	.90	.91	.92	.93	.94	.96	.97	.99	1.01	1.04	1.07	1.10	1.14	Div'd Decl'd per sh B	1.30
1.28	2.11	2.96	1.65	2.97	3.02	3.13	2.80	2.94	4.14	3.08	2.35	1.76	1.88	2.84	3.43	3.70	4.00	Cap'l Spending per sh	4.85
7.56	7.66	8.04	8.45	8.62	9.56	11.06	11.21	11.93	12.99	13.92	14.47	15.14	15.89	16.71	17.81	18.85	20.00	Book Value per sh E	23.60
24.12	24.24	24.93	25.61	26.36	27.52	30.59	30.68	31.46	32.93	34.36	34.67	34.67	34.67	34.67	34.67	35.00	35.00	Common Shs Outst'g C	36.00
16.2	14.0	11.7	14.8	16.0	17.5	18.0	22.4	15.9	15.0	14.2	15.1	15.0	15.8	17.2	17.0	17.0	17.0	Avg Ann'l P/E Ratio	15.0
.84	.80	.76	.76	.87	1.00	.95	1.19	.86	.80	.85	1.01	.95	.99	1.09	.96	.96	.96	Relative P/E Ratio	.95
5.8%	6.3%	6.7%	5.5%	5.0%	4.5%	4.3%	3.9%	4.3%	4.1%	4.2%	4.4%	4.0%	3.6%	3.2%	2.9%	2.9%	2.9%	Avg Ann'l Div'd Yield	2.8%

CAPITAL STRUCTURE as of 12/31/13		2011	2012	2013	2014	2015	17-19								
Total Debt \$403.5 mill.	Due in 5 Yrs \$71.4 mill.	424.9	513.4	507.5	537.6	596.0	533.8	532.6	546.4	541.3	590.9	600	630	Revenues (\$mill)	750
LT Debt \$399.4 mill.	LT Interest \$19.0 mill.	33.8	32.1	42.4	48.8	52.8	51.0	57.7	60.9	64.4	74.9	80.0	87.5	Net Profit (\$mill)	110
(LT interest earned: 7.4x)		37.9%	38.2%	37.9%	36.3%	35.5%	35.6%	36.9%	37.1%	37.7%	37.5%	36.0%	35.0%	Income Tax Rate	35.0%
Leases, Uncapitalized Annual rentals \$1.7 mill.		37.4%	39.3%	38.7%	35.2%	36.3%	39.0%	38.9%	39.6%	38.2%	39.3%	39.0%	38.5%	AFUDC % to Net Profit	2.0%
Pension Assets-12/13 \$277.4 mill.	Obligation \$284.0 mill.	62.6%	60.7%	61.3%	64.8%	63.7%	61.0%	61.1%	60.4%	61.8%	60.7%	61.0%	61.5%	Long-Term Debt Ratio	36.5%
Pfd Stock None		540.5	566.2	612.6	660.1	750.6	822.7	859.4	911.9	937.9	1016.9	1080	1140	Common Equity Ratio	63.5%
Common Stock 34,668,370 shs.	as of 2/1/14, adj. for 3-for-2 split	607.4	667.7	728.4	844.0	901.2	939.8	968.0	995.6	1073.5	1160.2	1220	1280	Total Capital (\$mill)	1335
MARKET CAP: \$1.3 billion (Mid-Cap)		7.1%	6.6%	7.8%	8.1%	7.7%	6.9%	7.6%	7.8%	7.9%	8.3%	8.5%	13.0%	Net Plant (\$mill)	1500
		10.0%	9.3%	11.3%	11.4%	11.0%	10.2%	11.0%	11.1%	11.1%	12.1%	12.0%	12.5%	Return on Total Cap'l	9.0%
		10.0%	9.3%	11.3%	11.4%	11.0%	10.2%	11.0%	11.1%	11.1%	12.1%	12.0%	12.5%	Return on Shr. Equity	13.0%
		2.3%	1.2%	3.7%	4.3%	4.4%	3.4%	4.4%	4.7%	4.9%	6.1%	6.5%	7.0%	Return on Com Equity D	13.0%
		77%	87%	67%	62%	60%	66%	60%	57%	56%	50%	48%	46%	Retained to Com Eq	7.5%
														All Div'ds to Net Prof	43%

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWh)	+0.8	+0.3	+0.8
Avg. Indust. Use (MWh)	2632	2472	2502
Avg. Indust. Revs. per KWh (\$)	7.38	7.86	7.94
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	770	766	783
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	NA	NA	NA

BUSINESS: MGE Energy Inc. is a holding company for Madison Gas and Electric, which provides electric service to approximately 141,000 customers in a 316-square-mile area of Dane County and gas service to 147,000 customers in 1,639 square miles in seven counties in Wisconsin. Electric revenue breakdown, '13: residential, 33%; commercial, 52%; industrial, 5%; public authorities and other, 10%. Generating sources, '13: coal, 54%; purchased power, 37%; natural gas and other, 9%. Fuel costs: 21% of revenues. '13 reported depreciation rate: 3.3%. Has 695 employees. Chairman, President & CEO: Gary J. Wolter. Incorporated: Wisconsin. Address: 133 South Blair St., Madison, WI 53788. Telephone: 608-252-7000. Internet: www.mge.com.

MGE Energy has completed a 3-for-2 stock split. The split occurred in early February, in the form of a stock dividend. This ought to enhance liquidity here, and make the stock more accessible for smaller investors. We have adjusted our per-share figures accordingly.

The company reported strong results for the December, 2013 quarter. The top line advanced approximately 13%, on a year-over-year basis. The company benefited from higher gas volumes, reflecting greater customer demand due to colder temperatures. Earnings per share of \$0.41 compared favorably with the prior-year figure.

We anticipate moderate growth in revenues and earnings per share in the current year. This pattern will probably continue from 2015 onward. The company's utility subsidiary ought to further capitalize on favorable demographics within its service territory. A healthy local economy should drive population growth and demand for power in and around Madison, Wisconsin. MGE's nonregulated operations and transmission investments should also contribute. Moreover, efforts to control operating expenses ought to support profitability.

Investment in operations should continue to benefit performance going forward. The company has undertaken efforts to modernize its generation assets to improve efficiency and reduce emissions. MGE is investing \$140 million in new emission control technology at the Columbia Energy Center, of which it owns a 22% stake.

This neutrally ranked stock has some investment appeal. The issue has modest, though fairly well-defined, total return potential for the pull to late decade. What especially stands out here is the favorable risk profile. Indeed, leverage is quite manageable, and the company has established a track record of stable operating performance. Low exposure to economically sensitive industrial customers results in greater earnings stability. As a result, MGE earns high marks for Safety, Financial Strength, Price Stability, and Earnings Predictability. Conservative investors with an interest in utility stocks may want to take a closer look.

Michael Napoli, CFA March 21, 2014

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	164.6	117.3	133.6	130.9	546.4
2012	149.3	117.2	137.8	137.0	541.3
2013	167.2	128.3	140.1	155.3	590.9
2014	170	130	142	158	600
2015	175	140	150	165	630

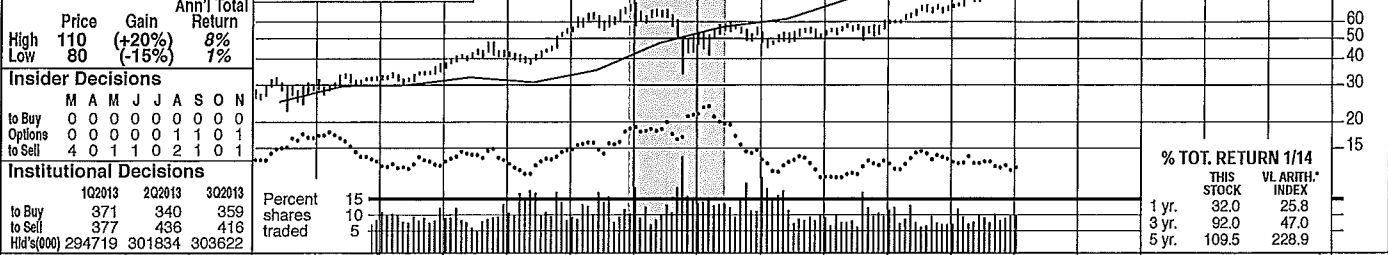
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.51	.37	.61	.27	1.76
2012	.46	.41	.68	.31	1.86
2013	.65	.40	.70	.41	2.16
2014	.68	.42	.75	.45	2.30
2015	.72	.48	.80	.50	2.50

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	2456	2456	2501	2501	.99
2011	2501	2501	2551	2551	1.01
2012	2551	2551	2634	2634	1.04
2013	2634	2634	2717	2717	1.07
2014	2717				

NEXTERA ENERGY NYSE-NEE

RECENT PRICE **91.98** P/E RATIO **19.4** (Trailing: 19.0 Median: 14.0) RELATIVE P/E RATIO **1.09** DIV/D YLD **3.2%** VALUE LINE

TIMELINESS 3 Lowered 10/5/12	High: 34.0	38.1	48.1	55.6	72.8	73.8	60.6	56.3	61.2	72.2	89.8	92.8	Target Price Range											
SAFETY 2 Lowered 2/26/10	Low: 26.8	30.1	35.9	37.8	53.7	33.8	41.5	45.3	49.0	58.6	69.8	84.0	2017 2018 2019											
TECHNICAL 3 Lowered 1/31/14	<p>LEGENDS</p> <p>— 0.09 x Dividends p sh divided by Interest Rate</p> <p>.... Relative Price Strength</p> <p>2-for-1 split 3/05</p> <p>Options: Yes</p> <p>Shaded area indicates recession</p>																							
BETA .75 (1.00 = Market)	<p>2017-19 PROJECTIONS</p> <table border="1"> <tr> <th></th> <th>Price</th> <th>Gain</th> <th>Return</th> </tr> <tr> <td>High</td> <td>110</td> <td>(+20%)</td> <td>8%</td> </tr> <tr> <td>Low</td> <td>80</td> <td>(-15%)</td> <td>7%</td> </tr> </table>													Price	Gain	Return	High	110	(+20%)	8%	Low	80	(-15%)	7%
	Price	Gain	Return																					
High	110	(+20%)	8%																					
Low	80	(-15%)	7%																					



Insider Decisions				Institutional Decisions		Percent shares traded		% TOT. RETURN 1/14	
M	A	M	J	1Q2013	2Q2013	15	10	1 yr.	32.0
J	A	S	O	3Q2013	3Q2012	10	5	3 yr.	92.0
N	O	O	O			5		5 yr.	109.5
to Buy	0	0	0	to Buy	371	340	359		25.8
Options	0	0	0	to Sell	377	436	416		47.0
to Sell	4	0	1	Hld's(000)	294719	301834	303622		228.9

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC 17-19	
18.43	18.03	20.15	24.10	22.74	26.13	28.27	30.00	38.75	37.47	40.13	37.82	36.39	36.88	33.62	35.10	35.20	35.35	Revenues per sh	38.25
5.39	4.86	4.94	5.02	4.51	5.36	5.60	6.18	6.77	6.85	8.03	8.75	9.62	9.29	8.69	10.65	11.10	11.30	"Cash Flow" per sh	13.00
1.93	2.04	2.07	2.31	2.01	2.45	2.46	2.32	3.23	3.27	4.07	3.97	4.74	4.82	4.56	4.83	5.25	5.50	Earnings per sh A	6.50
1.00	1.04	1.08	1.12	1.16	1.20	1.30	1.42	1.53	1.64	1.78	1.89	2.00	2.20	2.40	2.64	2.90	3.16	Div'd Decl'd per sh B + †	3.90
1.71	2.41	3.70	3.28	3.44	3.75	3.75	4.09	9.22	12.32	12.80	14.52	13.89	15.93	22.31	15.50	12.75	9.30	Cap'l Spending per sh	10.00
14.18	15.04	15.91	17.10	17.48	18.91	20.25	21.52	24.49	26.35	28.57	31.35	34.36	35.92	37.90	41.85	45.30	48.90	Book Value per sh C	57.25
361.42	357.11	351.53	351.71	365.51	368.53	372.24	394.85	405.40	407.35	408.92	413.62	420.86	416.00	424.00	431.00	443.00	458.00	Common Shs Outst'g D	470.00
16.2	13.0	12.8	12.5	14.2	12.6	13.6	17.9	13.7	18.9	14.5	13.4	10.8	11.5	14.4	16.6	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.5
.84	.74	.83	.64	.78	.72	.72	.95	.74	1.00	.87	.89	.69	.72	.92	.93			Relative P/E Ratio	.90
3.2%	3.9%	4.1%	3.9%	4.1%	3.9%	3.9%	3.4%	3.4%	2.7%	3.0%	3.5%	3.9%	4.0%	3.6%	3.3%			Avg Ann'l Div'd Yield	4.1%

CAPITAL STRUCTURE as of 9/30/13		10522	11846	15710	15263	16410	15643	15317	15341	14256	15136	15600	16200	Revenues (\$mill)	18000
Total Debt \$28710 mill. Due in 5 Yrs \$11852 mill.		887.0	901.0	1281.0	1312.0	1639.0	1615.0	1957.0	2021.0	1911.0	2062	2305	2485	Net Profit (\$mill)	3130
LT Debt \$23862 mill. LT Interest \$1014 mill.		23.1%	23.8%	23.7%	21.9%	21.5%	16.8%	21.4%	22.4%	26.6%	26.9%	27.5%	28.0%	Income Tax Rate	29.5%
(LT interest earned: 3.6x)		4.2%	5.4%	3.8%	5.7%	6.6%	7.9%	4.4%	4.4%	10.8%	10.0%	9.0%	7.0%	AFUDC % to Net Profit	7.0%
Pension Assets-12/12 \$3.39 bill.		51.6%	48.6%	49.1%	51.2%	54.2%	55.7%	55.5%	58.2%	59.1%	57.0%	55.0%	52.5%	Long-Term Debt Ratio	48.0%
Pfd Stock None		48.4%	51.4%	50.9%	48.8%	45.8%	44.3%	44.5%	41.8%	40.9%	43.0%	45.0%	47.5%	Common Equity Ratio	52.0%
Common Stock 430,681,556 shs.		15564	16538	19521	22015	25514	29267	32474	35753	39245	42010	44550	46900	Total Capital (\$mill)	52000
MARKET CAP: \$40 billion (Large Cap)		21226	22463	24499	28652	32411	36078	39075	42490	49413	52720	55775	57325	Net Plant (\$mill)	62800
ELECTRIC OPERATING STATISTICS		7.0%	6.9%	8.0%	7.5%	7.9%	6.9%	7.4%	7.0%	6.2%	6.0%	6.5%	6.5%	Return on Total Cap'l	7.0%
2010 2011 2012		11.8%	10.6%	12.9%	12.2%	14.0%	12.5%	13.5%	13.5%	11.9%	11.5%	11.5%	11.0%	Return on Shr. Equity	11.5%
% Change Retail Sales (KWH)		11.8%	10.6%	12.9%	12.2%	14.0%	12.5%	13.5%	13.5%	11.9%	11.5%	11.5%	11.0%	Return on Com Equity E	11.5%
Avg. Indust. Use (MWH)		5.6%	4.2%	6.9%	6.1%	7.9%	6.5%	7.8%	7.4%	5.6%	5.0%	5.0%	4.5%	Retained to Com Eq	5.0%
Avg. Indust. Revs. per KWH (¢)		53%	80%	46%	50%	44%	47%	42%	46%	53%	54%	55%	57%	All Div'ds to Net Prof	59%
Capacity at Peak (Mw)		<p>BUSINESS: NextEra Energy, Inc. (formerly FPL Group, Inc.) is a holding company for Florida Power & Light (FPL), which provides electricity to 4.6 million customers in a 27,650-sq.-mi. area in eastern & southern Florida. NextEra Energy Resources is a nonregulated power generator with nuclear, gas, & wind ownership. Revenue breakdown: residential, 56%; commercial, 41%; industrial & other, 3%. Generating sources: gas, 73%; nuclear, 15%; coal, 4%; oil, 1%; purchased, 7%. Fuel costs: 36% of revs. '12 reported deprec. rates: FPL, 3.3%; NextEra, 4.1%. Has 14,800 employees. Chairman: Lewis Hay, III. President and CEO: James L. Robo. Inc.: Florida. Address: 700 Universe Blvd., Juno Beach, FL 33408. Tel.: 561-694-4000. Internet: www.nexteraenergy.com.</p>													
Peak Load, Summer (Mw)		<p>NextEra Energy's regulated utility is performing well. Florida Power & Light has a regulatory mechanism that provides rate relief for certain capital projects, such as the modernization of three gas-fired plants. In 2013, the first project came in ahead of schedule and below budget. Another is on track for completion this year, with a rate hike of \$230 million-\$240 million, followed by one in 2016, with \$205 million-\$215 million in higher tariffs. FPL is also earning a return on the nuclear uprate program that it completed last year, which added 500 megawatts of capacity. Through 2016, the utility plans to spend a total of \$1.1 billion for storm hardening and enhanced system reliability. FPL is seeking regulatory approval for two gas pipelines that would expand capacity to Florida. Finally, a recovery in the service area's economy is helping.</p>													
Annual Load Factor (%)		<p>The nonregulated side of the business is holding its own, despite difficult industrywide conditions. NextEra has a greater presence in renewable energy (with long-term contracts) than other companies that are more focused on merchant nuclear or coal-fired units. That's not to say that there have been no problems, however. A surge in gas prices in early 2014 hurt the company's nonregulated business in the Northeast, and a solar investment in Spain has been unsuccessful. All told, we estimate that earnings will wind up within NextEra's guidance. The company's targeted ranges are \$5.05-\$5.45 in 2014 and an average annual growth rate of 5%-7%. We think NextEra's board raised the dividend shortly after this report went to press. We estimate the increase was \$0.26 a share (9.8%) annually. NextEra is targeting a payout ratio of 55%. We believe NextEra's strengths are adequately reflected in the share price. The dividend yield is low for a utility, and 3- to 5-year total return potential is unexciting. Wall Street is interested in the possibility that the company will spin some of its assets into a separate yield-focused entity, as NRG Energy (covered in Issue 6) did in 2013. We believe the anticipation of such a move has buoyed the share price, which outperformed most utility issues in 2013 and early 2014.</p>													
% Change Customers (yr-end)		<p><i>Paul E. Debbas, CFA</i> February 21, 2014</p>													

Fixed Charge Cov. (%)	315	311	278
ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '10-'12 to '17-'19
Revenues	5.0%	--	1.0%
"Cash Flow"	6.5%	7.0%	5.0%
Earnings	8.5%	10.0%	4.5%
Dividends	7.0%	7.5%	8.5%
Book Value	8.0%	8.5%	7.0%

Cal-endar	QUARTERLY REVENUES (\$mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2011	3134	3961	4382	3864	15341
2012	3371	3667	3843	3375	14256
2013	3279	3833	4394	3630	15136
2014	3450	3950	4550	3650	15600
2015	3600	4100	4700	3800	16200
Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2011	.64	1.38	1.20	1.60	4.82
2012	1.11	1.45	.98	1.02	4.56
2013	1.00	1.44	1.64	.75	4.83
2014	1.00	1.40	1.60	1.25	5.25
2015	1.15	1.45	1.65	1.25	5.50
Cal-endar	QUARTERLY DIVIDENDS PAID B + †				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2010	.50	.50	.50	.50	2.00
2011	.55	.55	.55	.55	2.20
2012	.60	.60	.60	.60	2.40
2013	.66	.66	.66	.66	2.64
2014					

(A) Diluted EPS. Excl. nonrecurring gain (losses): '00, (\$6); '02, (60¢); '03, 5¢; '11, (24¢); '13, (80¢); gain on disc. ops.: '13, 44¢. '11 EPS don't add due to rounding. Next earnings report due late Apr. (B) Div'ds historically paid in mid-Mar., mid-June, mid-Sept., & mid-Dec. ■ Div'd reinvestment plan avail. † Shareholder Investment plan avail. (C) Incl. deferred charges. In '12: \$4.89/sh. (D) In millions, adj. for stock split. (E) Rate allowed on com. eq. in '13: 9.5%-11.5%; earned on avg. com. eq., '12: 12.4%. Regulatory Climate: Average.

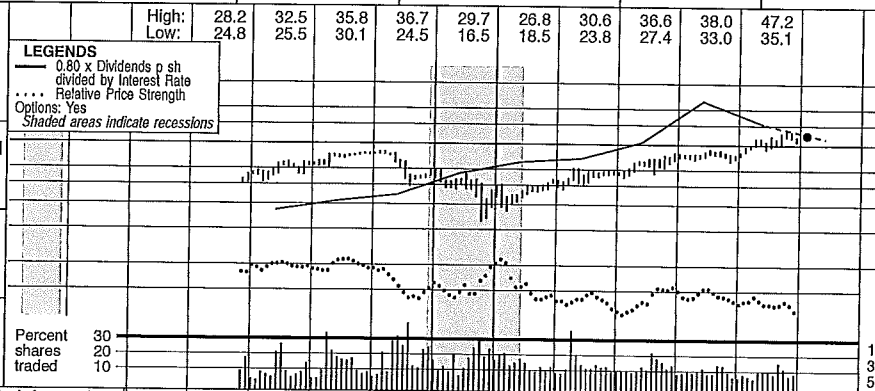
Company's Financial Strength A
 Stock's Price Stability 100
 Price Growth Persistence 75
 Earnings Predictability 80

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NORTHWESTERN NYSE-NWE

RECENT PRICE **44.69** P/E RATIO **17.2** (Trailing: 17.5 Median: NMF) RELATIVE P/E RATIO **0.91** DIV'D YLD **3.5%** VALUE LINE

TIMELINESS 3 Raised 5/3/13
SAFETY 3 New 5/4/12
TECHNICAL 3 Lowered 1/31/14
 BETA .70 (1.00 = Market)



High	Low	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
47.2	35.1	28.2	24.8	32.5	25.5	35.8	30.1	36.7	24.5	29.7	16.5	26.8	18.5
38.0	33.0	30.6	23.8	36.6	27.4	33.0	27.4	38.0	27.4	33.0	27.4	33.0	27.4

2016-18 PROJECTIONS

Price	Gain	Ann'l Total Return
High 50	(+10%)	6%
Low 30	(-35%)	-5%

Insider Decisions

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

Institutional Decisions

10/20/13	2/20/13	3/20/13	Percent shares traded
to Buy 79	101	94	30
to Sell 87	79	82	20
Hld's(000) 35117	35520	37174	10

Year	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
% TOT. RETURN 12/13	38.4	52.8	52.8	79.1	133.0	133.0	133.0	133.0	133.0	133.0	133.0
THIS STOCK	29.5	38.4	52.8	79.1	133.0	133.0	133.0	133.0	133.0	133.0	133.0
VL ARITH. INDEX	29.5	38.4	52.8	79.1	133.0	133.0	133.0	133.0	133.0	133.0	133.0

NorthWestern Corporation filed for protection under Chapter 11 of the Federal Bankruptcy Code on September 14, 2003. On November 1, 2004, the company emerged from a bankruptcy reorganization. All old common shares were canceled and 35,500,000 new shares (along with 4,620,333 warrants) were issued. The stock initially traded on NASDAQ under the symbol NWE and moved to the NYSE under the symbol NWE in May of 2008.

CAPITAL STRUCTURE as of 9/30/13
 Total Debt \$1190.0 mill. Due in 5 Yrs \$295.9 mill.
 LT Debt \$1085.4 mill. LT Interest \$58.6 mill.
 Incl. \$30.7 mill. capitalized leases.
 (LT interest earned: 2.6x)

Leases, Uncapitalized Annual rentals \$1.8 mill.
 Pension Assets-12/12 \$472.9 mill.
 Oblig. \$609.6 mill.

Pfd Stock None

Common Stock 38,463,262 shs.
 as of 10/18/13

MARKET CAP: \$1.7 billion (Mid Cap)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues per sh	--	29.18	32.57	31.49	30.79	35.09	31.72	30.66	30.80	28.76	29.20	30.75
"Cash Flow" per sh	--	3.20	4.00	3.62	3.70	4.40	4.62	4.76	5.42	5.18	5.50	5.70
Earnings per sh A	--	14.32	1.71	1.31	1.44	1.77	2.02	2.14	2.53	2.26	2.60	2.70
Div'd Decl'd per sh B	--	--	1.00	1.24	1.28	1.32	1.34	1.36	1.44	1.48	1.52	1.56
Cap'l Spending per sh	--	2.25	2.26	2.81	3.00	3.47	5.26	6.30	5.20	5.89	6.70	6.30
Book Value per sh C	--	19.92	20.60	20.65	21.12	21.25	21.86	22.64	23.68	25.09	26.50	27.95
Common Shs Outst'g D	--	35.60	35.79	35.97	36.97	35.93	36.00	36.23	36.28	37.22	38.50	39.00
Avg Ann'l P/E Ratio	--	17.1	26.0	21.7	13.9	11.5	12.9	12.6	15.7	16.0	16.0	16.0
Relative P/E Ratio	--	.91	1.40	1.15	.84	.77	.82	.79	1.00	.90	.90	.90
Avg Ann'l Div'd Yield	--	3.4%	3.6%	4.1%	5.4%	5.7%	4.9%	4.5%	4.2%	3.7%	3.7%	3.7%
Revenues (\$mill)	--	1039.0	1165.8	1132.7	1200.1	1260.8	1141.9	1110.7	1117.3	1070.3	1125	1200
Net Profit (\$mill)	--	41.1	61.5	49.2	53.2	67.6	73.4	77.4	92.6	83.7	100	105
Income Tax Rate	--	38.5%	40.3%	37.8%	37.3%	37.2%	25.0%	9.8%	9.6%	12.0%	16.5%	15.0%
AFUDC % to Net Profit	--	2.9%	2.1%	3.3%	2.5%	2.3%	2.2%	2.7%	5.4%	5.4%	15.2%	10.0%
Long-Term Debt Ratio	--	51.8%	44.3%	49.9%	50.1%	46.8%	56.4%	57.2%	52.2%	53.8%	54.0%	52.0%
Common Equity Ratio	--	48.2%	55.7%	50.1%	49.9%	53.2%	43.6%	42.8%	47.8%	46.2%	46.0%	48.0%
Total Capital (\$mill)	--	1472.9	1324.0	1482.2	1648.4	1434.3	1803.9	1916.4	1797.1	2020.7	2205	2275
Net Plant (\$mill)	--	1379.1	1409.2	1491.9	1770.9	1839.7	1964.1	2118.0	2213.3	2435.6	2560	2710
Return on Total Cap'l	--	5.7%	7.0%	5.2%	5.0%	7.0%	6.0%	6.0%	7.1%	5.5%	6.0%	6.0%
Return on Shr. Equity	--	5.8%	8.3%	6.6%	6.5%	8.9%	9.3%	9.4%	10.8%	9.0%	9.5%	9.5%
Return on Com Equity E	--	5.8%	8.3%	6.6%	6.5%	8.9%	9.3%	9.4%	10.8%	9.0%	9.5%	9.5%
Retained to Com Eq	--	5.8%	3.5%	.7%	.7%	2.3%	3.2%	3.5%	4.7%	3.2%	4.0%	4.0%
All Div's to Net Prof	--	58%	90%	89%	74%	66%	63%	56%	65%	58%	57%	60%

ELECTRIC OPERATING STATISTICS

	2010	2011	2012
% Change Retail Sales (KWh)	-1.0	+2.3	+3
Avg. Indust. Use (KWh)	38676	39347	38865
Avg. Indust. Revs. per KWh (¢)	NA	NA	NA
Capacity at Peak (MW)	NA	NA	NA
Peak Load, Winter (MW)	NA	2014	2108
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+7	+6	+8

Fixed Charge Cov. (%) 212 237 210

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '10-'12 of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '10-'12
Revenues	--	-1.0%	2.5%
"Cash Flow"	--	6.5%	4.0%
Earnings	--	9.0%	4.5%
Dividends	--	4.0%	4.0%
Book Value	--	2.5%	5.0%

BUSINESS: NorthWestern Corporation (doing business as North-Western Energy) supplies electricity & gas in the Upper Midwest and Northwest, serving 404,000 electric customers in Montana and South Dakota and 270,000 gas customers in Montana (84% of gross margin), South Dakota (14%), and Nebraska (2%). Electric revenue breakdown: residential, 41%; commercial, 50%; industrial, 5%; other, 4%. Generating sources are not provided by company. Fuel costs: 41% of revenues. '12 reported depreciation rate: 3.3%. Has 1,400 employees. Chairman: Dr. E. Linn Draper Jr. President & CEO: Robert C. Rowe. Incorporated: Delaware. Address: 3010 West 69th Street, Sioux Falls, South Dakota 57108. Telephone: 605-978-2900. Internet: www.northwesternenergy.com.

NorthWestern has a large asset acquisition pending. The company has agreed to pay \$900 million for 633 megawatts of hydro capacity in Montana. NorthWestern would finance the purchase with a combination of debt and equity. The utility now purchases a majority of its power, and the deal would increase its proportion of owned generation. (There aren't many alternatives to meet its needs.) The transaction must be approved by the Montana commission and the Federal Energy Regulatory Commission (FERC). NorthWestern expects it to close in the second half of 2014 and be accretive to earnings in the first full year. We will not adjust our estimates and projections to reflect the acquisition until after it has been completed. **NorthWestern is still awaiting an order from FERC.** In the third quarter of 2012, the company had to take a \$0.12-a-share charge to write off a portion of a gas-fired plant, based on a recommendation of an administrative law judge that just 4% of the costs should be allocated to wholesale customers. NorthWestern believes this proportion should be 20%. A favorable ruling would enable the utility to reverse

at least part of this charge. We don't know when FERC will issue its order. **We estimate that earnings will climb 4% this year.** NorthWestern will benefit from a full year of a gas rate hike it received in Montana last year. We expect modest growth in the utility's service area, too. **We expect a dividend increase at the board meeting in the current quarter.** This has been the pattern in recent years. We think the directors will raise the quarterly payout by a cent a share (2.6%), the same as in the past two years. Even with the expected dividend hike, however, the yield is half of a percentage point below the utility average. **This stock was one of the best electric utility performers in 2013, rising 25% for the year.** Although the company's prospects are good, there isn't any obvious reason for the outperformance. The recent price is above the midpoint of our 2016-2018 Target Price Range, so total return potential is low. Due to the stock's valuation, more-attractive utility selections are available elsewhere. *Paul E. Debbas, CFA* January 31, 2014

QUARTERLY REVENUES (\$ mill)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	334.2	244.1	240.8	291.6	1110.7
2011	338.3	251.8	244.0	283.2	1117.3
2012	309.1	244.6	235.8	280.8	1070.3
2013	313.0	260.2	262.2	289.6	1125
2014	345	275	270	310	1200

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.79	.32	.40	.63	2.14
2011	.89	.30	.41	.93	2.53
2012	.88	.31	.30	.78	2.26
2013	1.01	.37	.40	.82	2.60
2014	1.00	.38	.45	.87	2.70

QUARTERLY DIVIDENDS PAID B = †

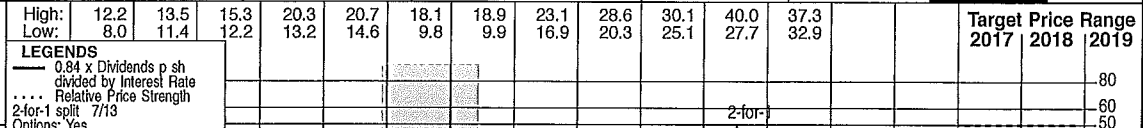
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.34	.34	.34	.34	1.36
2011	.36	.36	.36	.36	1.44
2012	.37	.37	.37	.37	1.48
2013	.38	.38	.38	.38	1.52
2014					

(A) Diluted EPS. Excl. gain (loss) on disc. ops.: '05, (.6¢); '06, 1¢; nonrec. gain: '12, 39¢ net. '12 EPS don't add due to rounding. Next earnings report due mid-Feb. (B) Div'ds historically paid in late Mar., June, Sept. & Dec. = Div'd re-investment plan avail. † Shareholder investment plan avail. (C) Incl. def'd charges. In '12: \$19.43/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in MT in '11 (elec.): 10.25%; in '13 (gas): 9.8%; in SD in '11: none spec.; in NE in '07: 10.4%; earned on avg. com. eq. '12: 9.8%. Regul. Climate: Avg. Company's Financial Strength B+ Stock's Price Stability 100 Price Growth Persistence 70 Earnings Predictability 95 To subscribe call 1-800-833-0046.

OGE ENERGY CORP. NYSE-OGE

RECENT PRICE **35.41** P/E RATIO **16.9** (Trailing: 18.2) RELATIVE P/E RATIO **0.91** DIV'D YLD **2.7%** VALUE LINE

TIMELINESS 3 Raised 3/7/14
SAFETY 2 Raised 7/1/05
TECHNICAL 4 Lowered 3/14/14
 BETA .85 (1.00 = Market)



2017-19 PROJECTIONS
 Ann'l Total
 High Price 50 Gain (+40%) 12%
 Low Price 40 (+15%) 6%

Insider Decisions
 A M J J A S O N D
 to Buy 0 0 0 0 1 0 0 0 0 0
 Options 0 2 0 0 0 0 0 0 0 0
 to Sell 0 11 0 0 5 0 0 0 0 0

Institutional Decisions
 202013 302013 402013
 to Buy 148 152 149
 to Sell 133 131 158
 Hld's(000) 112658 113615 115971

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019																																				
10.01	13.95	21.17	20.40	19.26	21.62	27.37	32.83	21.96	20.68	21.77	14.79	19.04	19.96	18.58	14.45	12.25	12.70	12.70	12.70	12.70	12.70																																				
1.95	2.03	2.07	1.81	1.87	1.82	1.87	1.94	2.23	2.39	2.40	2.69	3.01	3.31	3.69	3.46	3.30	3.45	3.45	3.45	3.45	3.45																																				
1.02	.97	.95	.65	.72	.87	.89	.92	1.23	1.32	1.25	1.33	1.50	1.73	1.79	1.94	2.00	2.10	2.10	2.10	2.10	2.10																																				
.67	.67	.67	.67	.67	.67	.67	.67	.67	.68	.70	.71	.73	.76	.80	.85	.93	1.03	1.03	1.03	1.03	1.03																																				
.93	1.16	1.15	1.44	1.49	1.04	1.51	1.65	2.67	3.04	4.01	4.37	4.36	6.48	5.85	4.99	3.10	2.00	2.00	2.00	2.00	2.00																																				
6.46	6.55	6.83	6.67	6.27	6.87	7.14	7.59	8.79	9.16	10.14	10.52	11.73	13.06	14.00	15.30	16.35	17.40	17.40	17.40	17.40	17.40																																				
161.60	155.73	155.84	155.98	157.00	174.80	180.00	181.20	182.40	183.60	187.00	194.00	195.20	196.20	197.60	198.50	200.00	201.00	201.00	201.00	201.00	201.00																																				
13.3	12.1	10.6	17.4	14.1	11.8	14.1	14.9	13.7	13.8	12.4	10.8	13.9	14.4	15.2	17.7	17.7	17.7	17.7	17.7	17.7	17.7																																				
.69	.69	.69	.89	.77	.67	.74	.79	.74	.73	.75	.72	.85	.90	.97	1.00	1.00	1.00	1.00	1.00	1.00	1.00																																				
4.9%	5.7%	6.6%	5.9%	6.6%	6.5%	5.3%	4.9%	4.0%	3.8%	4.5%	5.0%	3.7%	3.1%	2.9%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%																																				
CAPITAL STRUCTURE as of 12/31/13 Total Debt \$2839.7 mill. Due in 5 Yrs \$1025.2 mill. LT Debt \$2300.0 mill. LT Interest \$135.0 mill. (LT Interest earned: 4.5x) Leases, Uncapitalized Annual rentals \$6.7 mill. Pension Assets-12/13 \$654.9 mill. Oblig. \$658.1 mill. Pfd Stock None Common Stock 198,820,521 shs. as of 1/31/14 MARKET CAP: \$7.0 billion (Large Cap)																																																									
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2013	.20875	.20875	.20875	.20875	.84																																																				
2014	.225																																																								

BUSINESS: OGE Energy Corp. is a holding company for Oklahoma Gas and Electric Company (OG&E), which supplies electricity to 807,000 customers in Oklahoma (88% of electric revenues) and western Arkansas (9%); wholesale is (3%). Owns 28.5% of Enable Midstream Partners. Acquired Transok 6/99. Electric revenue breakdown: residential, 42%; commercial, 26%; industrial, 19%;

other, 13%. Generating sources: coal, 42%; gas, 32%; wind, 5%; purchased, 21%. Fuel costs: 50% of revenues. '13 reported depreciation rate (utility): 2.8%. Has 3,300 employees. Chairman, President & CEO: Peter B. Delaney, Inc.: Oklahoma. Address: 321 North Harvey, P.O. Box 321, Oklahoma City, Oklahoma 73101-0321. Tel.: 405-553-3000. Internet: www.oage.com.

OGE Energy and CenterPoint Energy are targeting the end of the current quarter for the initial public offering of their midstream gas master limited partnership. The units of the newly formed MLP, Enable Midstream Partners, are expected to trade on the New York Stock Exchange under the symbol ENBL. OGE owns 28.5% of Enable, which has some \$11 billion in assets. OGE and CenterPoint expect Enable to attain synergies of \$12.5 million (net of costs) through year-end 2014, and a greater amount subsequently. Enable has hired a CEO, Lynn Bourdon, who was a senior vice president at Enterprise Products Partners, a well-regarded MLP. The IPO will affect OGE's results, but management hasn't disclosed the impact because the IPO hasn't occurred yet.

We expect a modest earnings increase this year, followed by a greater rise in 2015. OGE should see a slightly higher contribution from both the utility and its equity interest in Enable, although costs of dealing with plant outages are likely to rise this year. Our 2014 share-net estimate is at the midpoint of OGE's targeted

range of \$1.94-\$2.06. We forecast 5% profit growth next year, as Enable effects additional synergies.

Oklahoma Gas and Electric is embroiled in a dispute with the Environmental Protection Agency. EPA ordered OG&E to install pollution-control equipment on some coal-fired units. The utility appealed to the courts, but has been unsuccessful, so far. The order has been stayed while OG&E seeks to overturn it at the U.S. Supreme Court. Compliance would cost an estimated \$1.0 billion-\$1.5 billion. These expenditures would be recoverable in rates, but the utility opposes it due to the impact on customers' bills.

There is plenty of room for dividend growth. Even with a 7.8% dividend hike, effective in the first quarter of 2014, the payout ratio will probably be below 50% this year. That's low for a utility. Accordingly, we project that dividend growth will exceed earnings growth over the 3- to 5-year period. The dividend yield is well below the utility average, but good earnings and dividend growth should produce a respectable total return through 2017-2019.

Paul E. Debbas, CFA *March 21, 2014*

(A) Diluted EPS. Excl. nonrecurring losses: '02, 20c; '03, 7¢; '04, 3¢; gains on discontinued operations: '02, 6¢; '05, 25¢; '06, 20¢; '13 EPS don't add due to rounding. Next earnings report due early May. (B) Div'ds historically paid in late Jan., Apr., July, & Oct. = Div'd reinvestment plan available. (C) Incl. deferred charges. In '13: \$1.91/sh. (D) In millions, adj. for split. (E) Rate base: Net original cost. Rate allowed on com. eq. in Oklahoma in '12: 10.2%; in Arkansas in '11: 9.95%; earned on avg. com. eq., '13: 13.2%. Regulatory Climate: Average.

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

To subscribe call 1-800-833-0046.

PINNACLE WEST

NYSE-PNW

RECENT PRICE **52.96**

P/E RATIO **15.1**

(Trailing: 14.4 Median: 14.0)

RELATIVE P/E RATIO **0.80**

DIV'D YLD **4.3%**

VALUE LINE

Target Price 2016 2017 2018

TIMELINESS	3	Raised 12/27/13
SAFETY	1	Raised 5/3/13
TECHNICAL	2	Raised 1/3/14
BETA	.75	(1.00=Market)

2016-18 PROJECTIONS			
High	Low	Price	Ann'l Total
60	50	60	Return
		(+15%)	7%
		(-5%)	3%

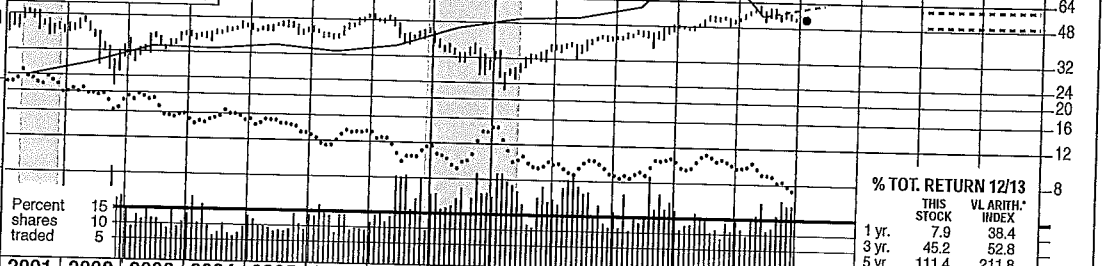
Insider Decisions											
	M	A	M	J	J	A	S	O	N		
to Buy	0	0	0	0	0	0	0	0	0	0	
Options	0	0	0	0	0	0	0	0	0	0	
to Sell	2	0	3	0	0	0	0	0	0	0	

Institutional Decisions			
	10/2013	20/2013	30/2013
to Buy	168	189	172
to Sell	148	143	166
Mtd's(000)	82624	83505	83794

1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
23.52	25.12	28.57	43.50	53.66	28.90	30.87	31.59	30.16	34.03	35.07	33.37	32.50	30.01	29.67	30.09	31.50	32.65	
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	7.92	8.05	8.45	
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	3.50	3.55	3.70	
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	2.67	1.66	2.29
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	8.26	8.24	10.30	9.80	9.80
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	36.20	37.55	39.00	39.00
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	109.74	110.25	110.25	117.00
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	14.3	15.7	15.7	15.7
.68	.79	.68	.73	.61	.79	.80	.83	1.02	.74	.79	.97	.91	.80	.92	.92	.90	.90	.90
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%	5.3%	3.0%	3.0%	3.0%

High:	46.7	40.5	45.8	46.7	51.0	51.7	42.9	38.0	42.7	48.9	54.7	61.9
Low:	21.7	29.3	36.3	39.8	38.3	36.8	26.3	22.3	32.3	37.3	45.9	51.5

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



1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
23.52	25.12	28.57	43.50	53.66	28.90	30.87	31.59	30.16	34.03	35.07	33.37	32.50	30.01	29.67	30.09	31.50	32.65

CAPITAL STRUCTURE as of 9/30/13	
Total Debt \$3366.8 mill. Due in 5 Yrs \$1490.8 mill.	LT Debt \$2820.3 mill. LT Interest \$157.9 mill.
Incl. \$37.4 mill. Palo Verde sale leaseback lessor notes.	(LT interest earned: 4.4x)
Leases, Uncapitalized Annual rentals \$21.0 mill.	Pension Assets-12/12 \$2.08 bill.
	Oblig. \$2.86 bill.

MARKET CAP: \$5.8 billion (Large Cap)	
Pfd Stock None	Common Stock 110,044,952 shs. as of 10/21/13

ELECTRIC OPERATING STATISTICS				
	2010	2011	2012	2013
% Change Retail Sales (KWh)	-1.6	+1.8	-2	-
Avg. Indust. Use (MWH)	619	632	647	648
Avg. Indust. Pkgs. per KWH (¢)	7.83	7.78	7.86	7.86
Capacity at Peak (Mw)	8892	8577	8864	8864
Peak Load, Summer (Mw)	6396	7087	7207	7207
Annual Load Factor (%)	50.0	50.0	48.8	48.8
% Change Customers (yr-end)	+4	+8	+13	+13

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, 32%; nuclear, 27%; gas, 21%; solar, 1%; purchased, 19%. Fuel costs: 30% of revenues. Has 6,600 employees. '12 reported deprec. rate: 2.7%. Chairman, President & CEO: Donald E. Brandt. Inc.: AZ. Address: 400 North Fifth St., P.O. Box 53999, Phoenix, AZ 85072-3999. Tel.: 602-250-1000. Internet: www.pinnaclewest.com.																	
2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
2817.9	2899.7	2988.0	3401.7	3523.6	3367.1	3297.1	3263.6	3241.4	3301.8	3475	3600	3780	3960	4140	4320	4500	4680
230.6	235.2	223.2	317.1	298.8	213.6	229.2	330.4	328.2	367.4	395	415	435	455	475	495	515	535
31.4%	35.4%	36.2%	33.0%	33.6%	23.4%	36.9%	31.9%	34.0%	36.2%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%
6.2%	6.9%	10.4%	11.1%	14.8%	17.5%	11.2%	11.7%	12.8%	9.7%	10.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
50.6%	46.7%	43.2%	48.4%	47.0%	46.8%	50.4%	45.3%	44.1%	44.6%	40.5%	41.5%	41.5%	41.5%	41.5%	41.5%	41.5%	41.5%
49.4%	53.3%	56.8%	51.6%	53.0%	53.2%	49.6%	54.7%	55.9%	55.4%	59.5%	58.5%	58.5%	58.5%	58.5%	58.5%	58.5%	58.5%
5727.5	5535.2	6033.4	6678.7	6658.7	6477.6	6686.6	6729.1	6840.9	7171.9	6940	7380	7820	8260	8700	9140	9580	10020
7480.1	7535.5	7577.1	7881.9	8436.4	8916.7	9257.8	9578.8	9962.3	10396	11215	11780	12345	12910	13475	14040	14605	15170
5.5%	5.6%	5.0%	6.2%	5.9%	4.7%	4.8%	6.5%	6.4%	6.8%	7.0%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
8.1%	8.0%	6.5%	9.2%	8.5%	6.2%	6.9%	9.0%	8.6%	9.8%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%
8.1%	8.0%	6.5%	9.2%	8.5%	6.2%	6.9%	9.0%	8.6%	9.8%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%
2.6%	2.3%	1.0%	3.4%	2.5%	.3%	.7%	3.1%	2.8%	4.1%	3.5%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
68%	71%	85%	63%	70%	96%	89%	66%	68%	58%	61%	61%	61%	61%	61%	61%	61%	61%

Pinnacle West's utility subsidiary completed an asset acquisition at the end of 2013. Arizona Public Service (APS) paid \$182 million for another utility's stake (739 megawatts) in Units 4 and 5 of the Four Corners coal-fired generating station. It financed the purchase with long-term debt. At the same time, the utility retired Units 1, 2, and 3 (560 mw), which are older and less efficient. APS has requested a \$62.5 million (2.2%) rate increase in order to place its share of Four Corners 4 and 5 in the rate base. Until it receives the rate order, the costs associated with the new assets are being deferred. The company will also have to spend \$350 million for environmental compliance for Four Corners 4 and 5. **We have lowered our 2014 share-earnings estimate by \$0.15, but still expect a mid-single-digit increase, versus the previous-year tally.** We assume some benefit from the Four Corners acquisition. APS also obtains additional revenues each year from regulatory mechanisms for things such as solar projects and transmission investments. The company's service area is growing, too. However,

Our previous forecast was too optimistic. Our revised estimate is within Pinnacle's targeted range of \$3.60-\$3.75. **The utility might have to file a general rate case next year.** A new charge for rooftop solar energy that was initiated by the Arizona Corporation Commission (ACC) will reduce (but not eliminate) the subsidization of solar users by nonsolar customers. The ACC directed APS to file a general rate case in mid-2015, with new rates taking effect in mid-2016. The utility might seek a delay in its next filing.

The dividends declared line in the statistical array requires an explanation. There were five declarations in 2012, and only three last year. **Pinnacle's stock price has declined 8% since our November report.** In our view, this is merely a correction, not an indication that the company's prospects have worsened. At the recent price (which is still within our 2016-2018 Target Price Range), this top-quality equity has a dividend yield and 3- to 5-year total return potential that are about average, by utility standards.

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2010	620.3	620.6	1139.1	683.6	3263.6
2011	648.9	799.8	1124.8	667.9	3241.4
2012	620.6	878.6	1109.5	693.1	3301.8
2013	686.7	915.8	1152.4	720.1	3475
2014	700	950	1200	750	3600

Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2010	.07	.83	2.08	.06	3.08
2011	d.15	.78	2.24	.11	2.99
2012	d.07	1.12	2.21	.24	3.50
2013	.22	1.18	2.04	.11	3.55
2014	.15	1.20	2.20	.15	3.70

Cal-endar	QUARTERLY DIVIDENDS PAID B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2010	.525	.525	.525	.525	2.10
2011	.525	.525	.525	.525	2.10
2012	.525	.525	.525	.545	2.12
2013	.545	.545	.545	.5675	2.20
2014					

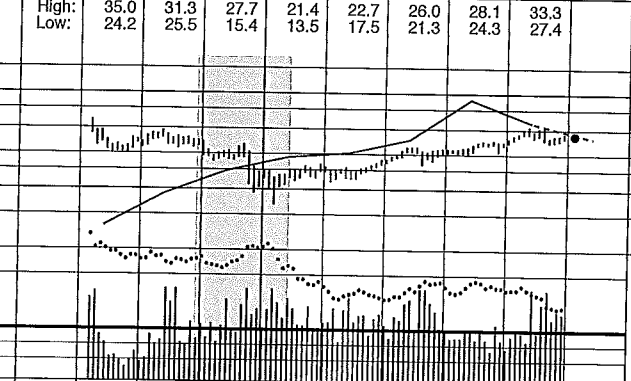
(A) Diluted EPS. Excl. nonrec. losses: '02, 77¢; '09, \$1.45; excl. gains (losses) from disc. ops.: '00, 22¢; '05, 10¢; '06, 10¢; '08, 28¢; '09, 13¢; '10, 18¢; '11, 10¢; '12, 5¢; '10 EPS rounded. (B) Div'ds historically paid in early Mar., June, Sept., and Dec. (C) Div'd reinvestment plan. (D) Incl. deferred chgs. in '12: \$11.92/sh. (E) In mill. (F) Rate base: Fair value. Rate allowed on com. eq. in '12: 10%; earned on avg. com. eq. '12: 9.9%. Regulatory Climate: Avg. Company's Financial Strength A
 Stock's Price Stability 100
 Price Growth Persistence 60
 Earnings Predictability 65
To subscribe call 1-800-833-0046.

PORTLAND GENERAL NYSE-POR

RECENT PRICE **29.81** P/E RATIO **15.9** (Trailing: 19.1 Median: NMF) RELATIVE P/E RATIO **0.84** DIV'D YLD **3.8%** VALUE LINE

TIMELINESS 3 Raised 12/20/13
SAFETY 2 Raised 5/4/12
TECHNICAL 3 Lowered 11/1/13
 BETA .75 (1.00 = Market)

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



2016-18 PROJECTIONS

Price	Gain	Ann'l Total Return
High 30	(Nil)	4%
Low 25	(-15%)	Nil

Insider Decisions

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

Institutional Decisions

	1Q2013	2Q2013	3Q2013	Percent shares traded
to Buy	114	117	125	15
to Sell	111	125	129	5
Hlds(000)	68765	82493	81242	

On April 3, 2006, Portland General Electric's existing stock (which was owned by Enron) was canceled, and 62.5 million shares were issued to Enron's creditors or the Disputed Claims Reserve (DCR). The stock began trading on a when-issued basis that day, and regular trading began on April 10, 2006. Shares issued to the DCR were released over time to Enron's creditors until all of the remaining shares were released in June, 2007.

CAPITAL STRUCTURE as of 9/30/13
 Total Debt \$1761.0 mill. Due in 5 Yrs \$195.0 mill.
 LT Debt \$1761.0 mill. LT Interest \$99.0 mill.
 (LT interest earned: 2.5x)
 Leases, Uncapitalized Annual rentals \$9.0 mill.

Pension Assets-12/12 \$537.0 mill. Oblig. \$728.0 mill.

Pfd Stock None

Common Stock 78,067,553 shs. as of 10/28/13

MARKET CAP: \$2.3 billion (Mid Cap)

	2003	2004	2005 ^G	2006	2007	2008	2009	2010	2011	2012	2013	2014	% VALUE LINE PUB. LLC	16-18
Revenues per sh	--	--	23.14	24.32	27.87	27.89	23.99	23.67	24.06	23.89	22.75	21.05	24.50	24.50
"Cash Flow" per sh	--	--	4.75	4.64	5.21	4.71	4.07	4.82	4.96	5.15	4.75	4.60	5.75	5.75
Earnings per sh ^A	--	--	1.02	1.14	2.33	1.39	1.31	1.66	1.95	1.87	1.65	1.85	2.25	2.25
Div'd Decl'd per sh ^B ↑	--	--	--	.68	.93	.97	1.01	1.04	1.06	1.08	1.10	1.12	1.25	1.25
Cap'l Spending per sh	--	--	4.08	5.94	7.28	6.12	9.25	5.97	3.98	4.01	9.55	12.00	2.75	2.75
Book Value per sh ^C	--	--	19.15	19.58	21.05	21.64	20.50	21.14	22.07	22.87	23.15	24.50	27.00	27.00
Common Shs Outst'g ^D	--	--	62.50	62.50	62.53	62.58	75.21	75.32	75.36	75.56	78.10	89.00	89.50	89.50
Avg Ann'l P/E Ratio	--	--	23.4	11.9	16.3	14.4	12.0	12.4	14.0	14.0	18.1		12.5	
Relative P/E Ratio	--	--	1.26	.63	.98	.96	.76	.78	.89	.89	1.00		.85	
Avg Ann'l Div'd Yield	--	--	2.5%	3.3%	4.3%	5.4%	5.2%	4.4%	4.1%	3.7%			4.4%	
Revenues (\$mill)	--	1454.0	1446.0	1520.0	1743.0	1745.0	1804.0	1783.0	1813.0	1805.0	1775	1875	2200	
Net Profit (\$mill)	--	92.0	64.0	71.0	145.0	87.0	95.0	125.0	147.0	141.0	125	155	200	
Income Tax Rate	--	37.0%	40.2%	33.6%	33.8%	28.7%	28.8%	30.5%	28.3%	31.4%	25.0%	24.0%	23.0%	
AFUDC % to Net Profit	--	9.8%	18.8%	33.8%	17.9%	17.2%	31.6%	17.6%	5.4%	7.1%	13.0%	19.0%	4.0%	
Long-Term Debt Ratio	--	41.1%	42.3%	43.4%	49.9%	46.2%	50.3%	53.0%	49.6%	47.1%	51.5%	49.5%	48.5%	
Common Equity Ratio	--	58.9%	57.7%	56.6%	50.1%	53.8%	49.7%	47.0%	50.4%	52.9%	48.5%	50.5%	51.5%	
Total Capital (\$mill)	--	2171.0	2076.0	2161.0	2629.0	2518.0	3100.0	3390.0	3298.0	3264.0	3725	4325	4725	
Net Plant (\$mill)	--	2275.0	2436.0	2718.0	3066.0	3301.0	3858.0	4133.0	4285.0	4392.0	4890	5705	5825	
Return on Total Cap'l	--	5.6%	4.6%	4.7%	6.9%	5.0%	4.5%	5.4%	6.2%	5.9%	4.5%	5.0%	5.5%	
Return on Shr. Equity	--	7.2%	5.3%	5.8%	11.0%	6.4%	6.2%	7.9%	8.8%	8.2%	7.0%	7.0%	8.5%	
Return on Com Equity ^E	--	7.2%	5.3%	5.8%	11.0%	6.4%	6.2%	7.9%	8.8%	8.2%	7.0%	7.0%	8.5%	
Retained to Com Eq	--				2.0%	1.5%	3.0%	4.1%	3.5%	2.5%	3.0%	3.0%	3.5%	
All Div'ds to Net Prof	--			39%	40%	69%	76%	62%	54%	57%	66%	60%	56%	

ELECTRIC OPERATING STATISTICS

	2010	2011	2012
% Change Retail Sales (KWh)	-3.1	+3.3	-8
Avg. Indust. Use (MWh)	15051	16573	16409
Avg. Indust. Revs. per KWh (¢)	5.50	5.44	5.26
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw) ^F	3582	3555	3597
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+5	+2	+7

BUSINESS: Portland General Electric Company (PGE) provides electricity to 836,000 customers in 52 cities in a 4,000-square-mile area of Oregon, including Portland and Salem. The company is in the process of decommissioning the Trojan nuclear plant, which it closed in 1993. Electric revenue breakdown: residential, 48%; commercial, 34%; industrial, 13%; other, 5%. Generating sources: coal, 17%; gas, 14%; hydro, 9%; wind, 5%; purchased, 55%. Fuel costs: 42% of revenues. ¹² reported depreciation rate: 3.8%. Has 2,600 employees. Chairman: Jack Davis. 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.

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '10-'12 to '16-'18

Revenues	--	-1.0%	5.5%
"Cash Flow"	--	5%	2.5%
Earnings	--	4.0%	3.5%
Dividends	--	14.5%	3.0%
Book Value	--	2.0%	3.5%

Portland General Electric received a rate increase at the start of 2014. Tariffs were raised by \$63 million (about 4%), based on a 9.75% return on a 50% common-equity ratio. The utility had filed for \$105 million, but reached a settlement that the Oregon Public Utility Commission approved.

QUARTERLY REVENUES (\$mill)

Cal-ender	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	449.0	415.0	464.0	455.0	1783.0
2011	484.0	411.0	439.0	479.0	1813.0
2012	479.0	413.0	450.0	463.0	1805.0
2013	473.0	403.0	435.0	464	1775
2014	500	425	465	485	1875

Three major projects are under way. The 220-megawatt Port Westward gas-fired peaking plant is scheduled to begin commercial operation in the first quarter of 2015 at a cost of \$300 million. The 267-mw Tucannon River wind project is scheduled to begin service in the first half of 2015 at a cost of \$500 million. The 440-mw Carty gas-fired base-load facility is scheduled for completion in mid-2016 at a cost of \$450 million. Due to this capital spending, the Allowance for Funds Used During Construction (AFUDC), a noncash credit to income, is likely to rise significantly this year.

EARNINGS PER SHARE ^A

Cal-ender	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.36	.32	.65	.34	1.66
2011	.92	.29	.36	.38	1.95
2012	.65	.34	.50	.38	1.87
2013	.65	.13	.40	.47	1.65
2014	.67	.34	.48	.36	1.85

Financing needs are significant. PGE will raise about \$300 million in the first half of 2014 through the issuance of 10.4 million common shares that were sold through a forward sale last year. The company also plans to issue some long-term debt in the second half of 2014. PGE wants to maintain a capital structure with a debt/equity ratio around 50/50.

QUARTERLY DIVIDENDS PAID ^B ↑

Cal-ender	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.255	.255	.26	.26	1.03
2011	.26	.26	.265	.265	1.05
2012	.265	.265	.27	.27	1.07
2013	.27	.27	.275	.275	1.09
2014	.275				

We are not enthusiastic about this stock. The dividend yield is only about average for a utility, and with the recent quotation near the upper end of our 2016-2018 Target Price Range, total return potential is low.

(A) Diluted EPS. Excl. nonrecur. loss: 2Q '13, 42¢. '10 EPS don't add due to rounding. Next earnings report due mid-Feb. (B) Div'ds paid mid-Jan., Apr., July, and Oct. (C) Div'd reinvested

ment plan avail. † Shareholder investment plan avail. (G) Incl. def'd charges. In '12: \$6.93/sh. (D) In mill. (E) Rate base: Net original cost. Rate allowed on com. eq. in '14: 9.75%; earned on avg. com. eq. '12: 8.2%. Regulatory Climate: Below Average. (F) Summer peak in '12. (G) '05 per-sh. data are pro forma, based on shs. out when stock began trading in '06.

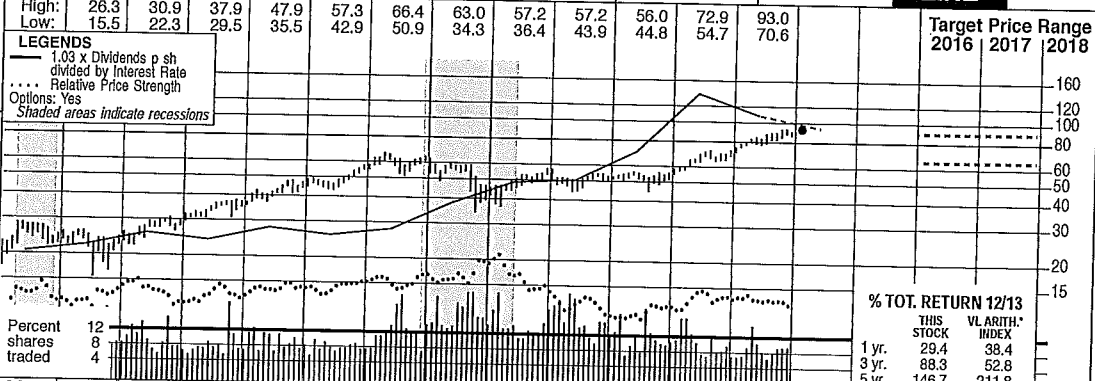
Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	55
Earnings Predictability	50

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SEMPRA ENERGY NYSE-SRE

RECENT PRICE **92.93** P/E RATIO **21.6** (Trailing: 19.8 Median: 12.0) RELATIVE P/E RATIO **1.14** DIV'D YLD **2.8%** VALUE LINE

TIMELINESS **5** Lowered 10/4/13
SAFETY **2** Lowered 2/4/00
TECHNICAL **3** Raised 9/13/13
BETA .75 (1.00 = Market)



2016-18 PROJECTIONS

	Price	Gain	Ann'l Total
	High	Low	Return
	90	(-5%)	2%
	65	(-30%)	-5%

Insider Decisions

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

Institutional Decisions

	10/2013	20/2013	30/2013
to Buy	217	179	230
to Sell	198	232	187

1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	16-18
19.51	23.31	22.89	35.38	39.27	29.38	34.81	40.18	45.64	44.89	43.79	44.21	32.88	37.44	41.83	39.80	42.95	43.60	Revenues per sh
5.27	5.16	5.36	4.91	5.39	5.71	5.56	6.58	5.96	6.74	6.93	7.40	7.94	7.76	8.58	8.92	8.80	9.45	"Cash Flow" per sh
2.20	1.24	1.66	2.06	2.55	2.79	3.01	3.93	3.52	4.23	4.26	4.43	4.78	4.02	4.47	4.35	4.15	4.55	Earnings per sh A
1.56	1.56	1.56	1.00	1.00	1.00	1.00	1.00	1.16	1.20	1.24	1.37	1.56	1.56	1.92	2.40	2.52	2.64	Div'd Decl'd per sh B
1.74	1.85	2.48	3.76	5.22	5.92	4.63	4.62	5.46	7.28	7.70	8.47	7.76	8.58	11.85	12.20	13.70	12.70	Cap'l Spending per sh
13.82	12.29	12.58	13.25	13.17	13.79	17.17	20.78	23.95	28.66	31.87	32.75	36.54	37.54	41.00	42.42	43.60	45.45	Book Value per sh C
113.63	237.00	237.40	201.90	204.48	204.91	226.60	234.18	257.19	262.01	261.21	243.32	246.51	240.45	239.93	242.37	244.50	246.50	Common Shs Outst'g D
10.8	21.1	12.8	9.4	9.7	8.2	9.0	8.6	11.8	11.5	14.0	11.8	10.1	12.6	11.8	14.9	20.0	20.0	Avg Ann'l P/E Ratio
.62	1.10	.73	.61	.50	.45	.51	.45	.63	.62	.74	.71	.67	.80	.74	.95	1.10	1.10	Relative P/E Ratio
6.6%	6.0%	7.4%	5.2%	4.1%	4.4%	3.7%	2.9%	2.8%	2.5%	2.1%	2.6%	3.2%	3.1%	3.6%	3.7%	3.0%	3.0%	Avg Ann'l Div'd Yield

CAPITAL STRUCTURE as of 9/30/13
Total Debt \$12441 mill. Due in 5 Yrs \$4424.0 mill.
LT Debt \$10478 mill. LT Interest \$482.0 mill.
(LT interest earned: 3.0x)
Leases, Uncapitalized Annual rentals \$78.0 mill.
Pension Assets-12/12 \$2.56 bill. Oblig. \$3.80 bill.
Pfd Stock \$99.0 mill. Pfd Div'd \$6.0 mill.
1,373,770 shs. 4.40%-5% cumulative, \$20 par, call-able \$20.25-\$24; 2,040,000 shs. \$1.70-\$1.82 cum., no par, call-able \$25.17-\$26; 811,073 shs. 6% cum., \$25 par. All except 6% series redeemed 10/15/13.
Common Stock 244,399,914 shs. as of 11/1/13
MARKET CAP: \$23 billion (Large Cap)

2010	2011	2012	2013	2014	16-18
7887.0	9410.0	11737	11761	11438	10758
855.0	930.0	898.0	1118.0	1135.0	1123.0
23.2%	17.2%	--	31.3%	33.6%	29.2%
8.4%	2.9%	5.3%	7.2%	11.5%	13.2%
48.4%	45.3%	43.1%	37.0%	34.8%	44.5%
49.0%	52.6%	55.1%	61.4%	63.7%	54.2%
7931.0	9255.0	11178	12229	13071	14692
10474	11086	12101	13175	14884	16865
9.8%	11.3%	9.2%	10.3%	9.6%	8.5%
16.0%	18.4%	14.1%	14.5%	13.3%	13.8%
16.6%	18.9%	14.4%	14.8%	13.5%	14.0%
11.3%	14.9%	10.1%	11.0%	9.7%	9.7%
33%	22%	31%	26%	29%	31%

BUSINESS: Sempra Energy is a holding co. for San Diego Gas & Electric Company, which sells electricity & gas mainly in San Diego County, & Southern California Gas Company, which distributes gas to most of Southern California. Customers: 1.4 mill. electric, 6.6 mill. gas. Elec. rev. breakdown: residential, 43%; commercial, 35%; industrial, 9%; other, 13%. Purchases most of its power; the rest is nuclear & gas. Has subs. in gas pipeline & storage, power generation, & liquefied natural gas. Sold commodities business in '10. Power costs: 37% of revs. '12 reported deprec. rates: 1.4%-7.9%. Has 16,900 employees. Chairman and CEO: Debra L. Reed. President: Mark A. Snell. Inc.: CA. Address: 101 Ash St., San Diego, CA 92101-3017. Tel.: 619-696-2034. Internet: www.sempra.com.

ELECTRIC OPERATING STATISTICS

	2010	2011	2012
% Change Retail Sales (KWh)	-3.1	+1	+2.6
Avg. Indust. Use (MWh)	4224	4157	4335
Avg. Indust. Revs. per KWh (¢)	10.75	12.13	12.19
Capacity at Peak (Mw)	NMF	NMF	NMF
Peak Load, Summer (Mw)	NMF	NMF	NMF
Annual Load Factor (%)	NMF	NMF	NMF
% Change Customers (yr-end)	+5	+6	+5

Fixed Charge Cov. (%) 296 319 262

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '10-'12 of change (per sh) to '16-'18

Revenues	1.5%	-2.5%	3.5%
"Cash Flow"	4.5%	5.0%	5.0%
Earnings	5.5%	1.5%	4.5%
Dividends	7.0%	10.5%	7.5%
Book Value	12.0%	7.5%	4.5%

Sempra Energy wants to build a large liquefied natural gas project. The company's Cameron LNG facility was originally built to import LNG (when natural gas prices were much greater than they are today), but Sempra wants to turn it into an export facility to take advantage of higher prices overseas. The total cost of the project is estimated at \$9 billion-\$10 billion. Sempra's majority stake would provide annual income of \$300 million-\$350 million. Various approvals and permits are needed before construction can begin. Sempra hopes to start the project in the first half of 2014 and finish it in the second half of 2017.

would be Sempra's highest profit since 2009.

This should be a more normal year for the company. In 2013, some unusual events (such as the IPO of Sempra's Mexican operations and a long-awaited order on the utilities' general rate cases, which was retroactive to the start of 2012) affected earnings and skewed their quarterly breakdown. We estimate that modest growth at the domestic utilities and a rising contribution from the company's international investments will enable earnings to recover to \$4.55 a share in 2014. This

Some regulatory matters are pending. The company is still awaiting a ruling from the California regulators on its proposed pipeline safety-enhancement program. Pipeline safety became an even higher priority after another utility in the state had a major explosion in September of 2010. San Diego Gas & Electric has a case before the Federal Energy Regulatory Commission regarding the utility's allowed return on equity for transmission. It appears likely that the allowed ROE will be reduced from the current 11.35%, but SDG&E might wind up getting regulatory incentives for transmission that it now lacks.

This equity has little appeal. Sempra's prospects are good, but are more than adequately reflected in the share price. The stock is ranked unfavorably for Timeliness. Its yield (even assuming a \$0.03-a-share rise in the quarterly dividend in February) is well below the utility average. Finally, the recent price is above our 2016-2018 Target Price Range.

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	2534	2008	2116	2345	9003
2011	2434	2422	2576	2604	10036
2012	2383	2089	2507	2668	9647
2013	2650	2851	2551	2648	10500
2014	2750	2500	2700	2800	10750

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.81	.89	1.18	1.15	4.02
2011	1.07	.97	1.22	1.21	4.47
2012	.97	.98	1.33	1.08	4.35
2013	.54	1.46	1.19	.96	4.15
2014	1.10	1.05	1.30	1.10	4.55

QUARTERLY DIVIDENDS PAID B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.39	.39	.39	.39	1.56
2011	.39	.48	.48	.48	1.83
2012	.48	.60	.60	.60	2.28
2013	.60	.63	.63	.63	2.49
2014	.63				

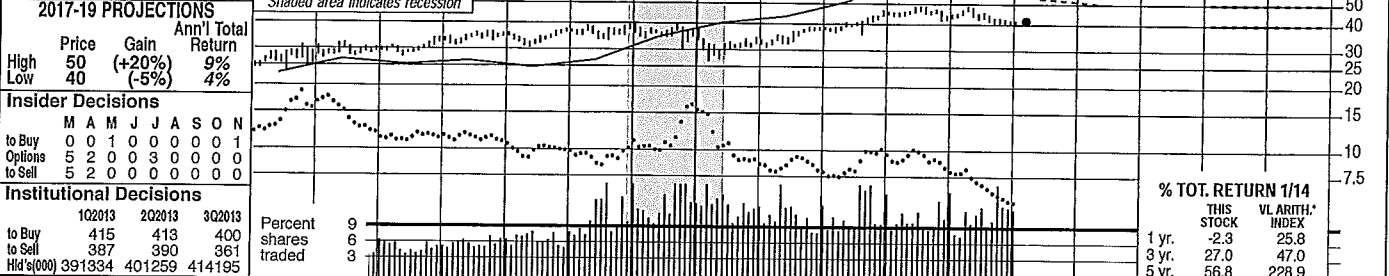
(A) Dil. EPS. Excl. nonrec. gains (losses): '05, 17¢; '06, (6¢); '09, (26¢); '10, (\$1.05); '11, \$1.15; '12, (98¢); '13, (30¢) net; gain (losses) from disc. ops.: '04, (10¢); '05, (4¢); '06, \$1.21; '07, (10¢); '10, '12 EPS don't add due to rounding. Next eps. report due late Feb. (B) Div'd reinst. paid mid-Jan., Apr., July, & Oct. Div'd reinvest. plan avail. (C) Incl. intang. in '12: \$17.70/sh. (D) in mill. (E) Rate base: Net org. cost. Rate allowed on com. eq.: SDG&E in '13: 10.3%; SoCalGas in '13: 10.1%; eam. on avg. com. eq., '12: 10.3%. Reg. Clm.: Above Avg.

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

SOUTHERN CO. NYSE-SO

RECENT PRICE **41.69** P/E RATIO **14.4** (Trailing: 15.6 Median: 16.0) RELATIVE P/E RATIO **0.81** DIV'D YLD **5.0%** VALUE LINE

TIMELINESS 2 Raised 2/7/14	High: 32.0	34.0	36.5	37.4	39.3	40.6	37.6	38.6	46.7	48.6	48.7	42.0	Target Price Range		
SAFETY 2 Lowered 2/21/14	Low: 27.0	27.4	31.1	30.5	33.2	29.8	26.5	30.8	35.7	41.8	40.0	40.3	2017	2018	2019
TECHNICAL 3 Lowered 1/17/14	LEGENDS 0.77 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession														
BETA .60 (1.00 = Market)	2017-19 PROJECTIONS Ann'l Total Price Gain Return High 50 (+20%) 9% Low 40 (-5%) 4%														



1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	19.06	19.25	19.95	20.70	Revenues per sh	22.50
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	5.18	5.25	5.45	5.70	"Cash Flow" per sh	6.25
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	2.67	2.70	2.80	2.90	Earnings per sh ^A	3.25
1.34	1.34	1.34	1.34	1.36	1.39	1.42	1.48	1.54	1.60	1.66	1.73	1.80	1.87	1.94	2.01	2.08	2.15	Div'd Decl'd per sh ^B + †	2.36
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	5.54	7.20	6.75	5.95	Cap'l Spending per sh	6.50
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	21.09	21.45	22.50	23.25	Book Value per sh ^C	26.50
697.75	665.80	681.16	698.34	716.40	734.83	741.50	741.45	746.27	763.10	777.19	819.65	843.34	865.13	867.77	888.00	902.00	904.00	Common Shs Outst'g ^D	940.00
15.7	14.3	13.2	14.6	14.6	14.8	14.7	15.9	16.2	16.0	16.1	13.5	14.9	15.8	17.0	16.2	16.2	16.2	Avg Ann'l P/E Ratio	14.0
.82	.82	.86	.75	.80	.84	.78	.85	.87	.85	.97	.90	.95	.99	1.08	.91	.99	.99	Relative P/E Ratio	.90
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%	4.3%	4.6%	4.3%	4.6%	Avg Ann'l Div'd Yield	5.2%

CAPITAL STRUCTURE as of 9/30/13																		
Total Debt \$23110 mill. Due In 5 Yrs \$8483.0 mill.																		
LT Debt \$21053 mill. LT Interest \$811.0 mill.																		
(LT Interest earned: 5.2x)																		
Leases, Uncapitalized Annual rentals \$113.0 mill.																		
Pension Assets-12/12 \$7.95 bill. Oblig. \$9.30 bill.																		
Pfd Stock \$1082 mill. Pfd Div'd \$66.0 mill.																		
1 cl. 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 881,740,546 shs.																		
MARKET CAP: \$37 billion (Large Cap)																		
ELECTRIC OPERATING STATISTICS																		
2010 2011 2012																		
% Change Retail Sales (KWH) +7.6 -2.7 -2.3																		
Avg. Indust. Use (MWH) 3332 3438 3445																		
Avg. Indust. Revs. per KWH (¢) 6.20 6.37 5.94																		
Capacity at Yearend (Mw) 42963 43555 45750																		
Peak Load, Summer (Mw) 36321 36956 35479																		
Annual Load Factor (%) 62.2 59.0 59.5																		
% Change Customers (yr-end) +3 -1 +5																		
Fixed Charge Cov. (%) 342 397 416																		

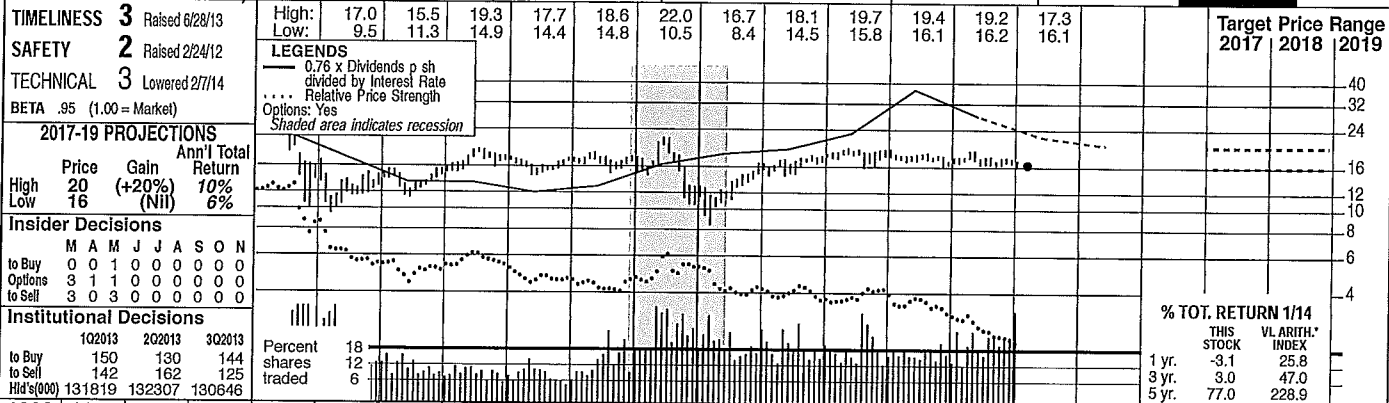
BUSINESS: The Southern Company, through its subsidiaries, supplies electricity to 4.4 million customers in about 120,000 square miles of Georgia, Alabama, Florida, and Mississippi. Also has competitive generation business. Electric revenue breakdown: residential, 37%; commercial, 32%; industrial, 19%; other, 12%. Retail revenues by state: Georgia, 51%; Alabama, 33%; Florida, 9%; Mississippi, 7%. Generating sources: oil & gas, 38%; coal, 35%; nuclear, 16%; hydro, 2%; purchased, 9%. Fuel costs: 34% of revenues. '12 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.

Southern Company's stockholders hope 2014 is a lot better than the year that just ended.					
In 2013, the share price fell 4% and the equity's total return was barely in positive territory. The company took aftertax writedowns totaling \$729 million (\$0.83 a share) for cost overruns at a 582-megawatt coal gasification plant that Mississippi Power is building. The plant was originally scheduled for completion in May of 2014, but commercial operation is now expected in the fourth quarter. Investors are worried about the possibility of cost overruns with nuclear construction. Georgia Power is building two units at the site of the Vogtle station, which will provide the utility with 1,020 mw of capacity. They are scheduled to come on line in late 2017 and late 2018 (a year later than the original expectation) at a total cost of \$6.8 billion. Due to the construction risks, we have lowered the stock's Safety rank to 2 (Above Average). Two utilities received rate orders. Georgia Power's rates were raised by \$110.0 million at the start of 2014, and increases of \$186.8 million and \$169.8 million will occur at the start of 2015 and 2016, respectively. New tariffs are based on a 10.95% return on equity. The rates of Gulf Power (in Florida) were raised by \$35 million this year, and a \$20 million increase will take effect in 2015. The allowed ROE remains in a range of 9.25%-11.25%. The rate hikes, along with modest volume growth, should help boost earnings over the next three years. Our 2014 share-net estimate is at the upper end of management's targeted range of \$2.72-\$2.80. Dividend growth should continue at the same pace as in recent years. The board has raised the annual dividend by \$0.07 a share, with the increases occurring in the second quarter. Although the payout ratio is higher than the utility norm, the company's solid finances and diminishing financing needs (after 2014) make this growth rate sustainable, in our view. This timely stock has a dividend yield that is about a percentage point above the utility mean. Total return potential to 2017-2019 is above the industry average, as well. Income-oriented investors should find this issue appealing if they are willing to assume the construction risks. Paul E. Debbas, CFA February 21, 2014					
ANNUAL RATES		Past 10 Yrs	Past 5 Yrs	Est'd '10-'12 to '17-'19	
Revenues		3.0%	1.0%	1.5%	
"Cash Flow"		3.0%	3.5%	3.5%	
Earnings		3.5%	3.0%	3.5%	
Dividends		3.5%	4.0%	3.5%	
Book Value		4.5%	5.5%	4.0%	
QUARTERLY REVENUES (mill.)					
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	4012	4521	5428	3696	17657
2012	3604	4181	5049	3703	16537
2013	3897	4246	5017	3927	17087
2014	4100	4450	5350	4100	18000
2015	4250	4650	5550	4250	18700
EARNINGS PER SHARE ^A					
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.49	.70	1.06	.30	2.55
2012	.42	.71	1.11	.43	2.67
2013	.47	.66	1.08	.49	2.70
2014	.56	.70	1.14	.40	2.80
2015	.50	.75	1.20	.45	2.90
QUARTERLY DIVIDENDS PAID ^B + †					
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.438	.455	.455	.455	1.80
2011	.455	.4725	.4725	.4725	1.87
2012	.4725	.49	.49	.49	1.94
2013	.49	.5075	.5075	.5075	2.01
2014					

(A) Diluted earnings. Excl. nonrecurring gain (losses): '03, 6¢; '09, (25¢); '13, (83¢). Next earnings report due late Apr. (B) Div'ds historically paid in early Mar., June, Sept., and Dec. (C) In shareowner investment plan available. (D) Incl. deferred charges. In '12: \$6.88/sh. (E) In mill. (F) Rate base: AL, MS, fair value; FL, GA, orig. cost. Al- lowed return on com. eq. (blended): 12.5%; earned on avg. com. eq. '12: 13.1%. Regulatory Climate: GA, AL Above Average; MS, FL Average. Company's Financial Strength A Stock's Price Stability 100 Price Growth Persistence 60 Earnings Predictability 100 To subscribe call 1-800-833-0046.

TECO ENERGY, INC. NYSE-TE

RECENT PRICE **16.35** P/E RATIO **16.9** (Trailing: 17.8) RELATIVE P/E RATIO **0.95** DIV'D YLD **5.4%** VALUE LINE



1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
14.83	15.01	18.17	18.97	15.22	14.59	13.37	14.46	16.46	16.77	15.85	15.48	16.23	15.49	13.83	13.10	13.75	14.20	Revenues per sh	16.50
3.25	3.28	4.11	4.31	3.20	1.96	2.14	2.37	2.51	2.51	2.01	2.35	2.59	2.77	2.69	2.45	2.55	2.70	"Cash Flow" per sh	3.25
1.52	1.53	1.97	2.24	1.95	d.08	.71	1.00	1.17	1.27	.77	1.00	1.13	1.27	1.14	.92	.95	1.00	Earnings per sh A	1.35
1.23	1.29	1.33	1.37	1.41	.93	.76	.76	.76	.78	.80	.80	.82	.85	.88	.88	.88	.88	Div'd Decl'd per sh B	.95
2.24	3.23	5.45	6.92	6.06	3.14	1.37	1.42	2.18	2.34	2.77	2.99	2.28	2.10	2.33	2.45	3.65	3.00	Cap'l Spending per sh	2.50
11.42	10.73	11.93	14.12	14.86	8.93	6.43	7.65	8.25	9.56	9.43	9.75	10.10	10.50	10.58	10.75	10.75	10.85	Book Value per sh C	11.75
132.00	132.10	126.30	139.60	175.80	187.80	199.70	208.20	209.50	210.90	212.90	213.90	214.90	215.80	216.60	217.30	218.00	218.00	Common Shs Outst'g D	218.00
17.8	14.2	11.9	12.9	11.0	--	19.3	17.1	13.8	13.3	21.2	12.6	14.6	14.4	15.5	18.9	10.6	10.6	Avg Ann'l P/E Ratio	14.0
.93	.81	.77	.66	.60	--	1.02	.91	.75	.71	1.28	.84	.93	.90	.99	1.06	1.06	1.06	Relative P/E Ratio	.90
4.5%	5.9%	5.7%	4.8%	6.6%	7.4%	5.5%	4.4%	4.7%	4.6%	4.9%	6.3%	4.9%	4.6%	5.0%	5.1%	5.1%	5.1%	Avg Ann'l Div'd Yield	5.0%

CAPITAL STRUCTURE as of 9/30/13
 Total Debt \$2921.1 mill. Due in 5 Yrs \$991.2 mill.
 LT Debt \$2837.8 mill. LT Interest \$164.6 mill.
 (LT Interest earned: 3.3x)

Leases, Uncapitalized Annual rentals \$5.0 mill.

Pension Assets-12/12 \$529.1 mill. Obltg. \$715.0 mill.

Pfd Stock None

Common Stock 217,301,601 shs. as of 10/25/13

MARKET CAP: \$3.6 billion (Mid Cap)

BUSINESS: TECO Energy, Inc. is a holding company for Tampa Electric, which serves 690,000 customers in west central Florida, and Peoples Gas (acquired 6/97), which serves 346,000 customers in Florida. TECO Coal mines coal. Sold TECO Transport 12/07; discontinued generation investments in Guatemala in '12. Electric revenue breakdown: residential, 49%; commercial, 31%; industrial, 9%; other, 11%. Generating sources: coal, 58%; gas, 36%; purchased, 6%. Fuel costs: 32% of revenues. '12 reported deprec. rate (utility): 3.8%. Has 3,900 employees. Chairman: Sherrill W. Hudson. President & CEO: John B. Ramil. Incorporated: Florida. Address: TECO Plaza, 702 N. Franklin Street, Tampa, Florida 33602. Telephone: 813-228-1111. Internet: www.tecoenergy.com.

ELECTRIC OPERATING STATISTICS

	2010	2011	2012
% Change Retail Sales (KWh)	+2.3	-3.4	-8
Avg. Indust. Use (Mw)	NA	NA	NA
Avg. Indust. Revs. per KWh (¢)	9.35	8.94	8.84
Capacity at Peak (Mw)	4684	4684	4668
Peak Load, Winter (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	+6	+7	+1.3

The worsening prospects of TECO Energy's coal mining subsidiary are affecting the price of the company's stock. Just two years ago, TECO Coal was a solid contributor to corporate profits, producing net income of \$50.2 million. Weak demand for coal has hurt both volume and margins, so this subsidiary's bottom line fell to \$9.0 million in 2013, and probably won't be any better than break-even this year. That's why the stock lagged most utility issues in 2013, and again in 2014 year to date, having fallen 5%. It's also why TECO's stock has one of the highest dividend yields in this industry.

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '10-'12 to '17-'19
Revenues	-1.5%	-1.0%	1.0%
"Cash Flow"	-3.5%	1.5%	3.0%
Earnings	-5.5%	-.5%	2.0%
Dividends	-4.5%	2.0%	1.5%
Book Value	-2.5%	4.0%	2.0%

We think the dividend will hold at the current level, despite the high payout ratio. TECO's cash flow is much greater than our "cash flow" figures indicate because the company will continue to benefit from tax-loss carryforwards for the next few years. Management even suggested that a dividend hike is possible in 2015, but we estimate no increase.

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	796.1	885.7	911.4	750.2	3343.4
2012	697.1	752.5	858.6	688.4	2996.6
2013	661.1	735.9	765.9	688.4	2851.3
2014	700	750	850	700	3000
2015	725	775	875	725	3100

A utility acquisition is pending. TECO has agreed to pay \$750 million in cash and assume \$200 million in debt for New Mexico Gas Company. TECO plans to finance the purchase with \$350 million-\$400 million of common equity, \$250 million of long-term debt, and cash on hand. The transaction requires the approval of the New Mexico Public Regulation Commission. The regulatory process has been slower than originally expected, and it now appears as if the deal won't be completed until the third quarter. We will not include New Mexico Gas in our estimates and projections until after the takeover has been completed, but we are including the acquisition-related costs.

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.24	.36	.42	.25	1.27
2012	.20	.30	.42	.22	1.14
2013	.19	.24	.29	.20	.92
2014	.17	.25	.35	.18	.95
2015	.17	.27	.37	.19	1.00

The utilities are performing well. Tampa Electric and Peoples Gas are seeing improved customer growth rates as the service area's economy improves, and Tampa Electric will benefit from a full year's effect of the rate hike it was granted in 2013. Each utility is likely to earn a return on equity within its allowed range this year. Thus, we estimate modest earnings improvement in 2014 and 2015, despite the prospects for TECO Coal.

QUARTERLY DIVIDENDS PAID B

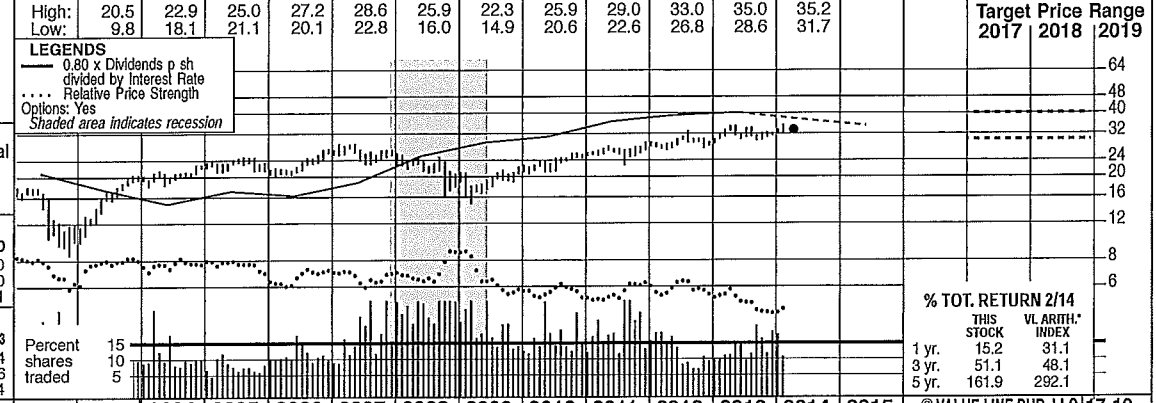
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.20	.205	.205	.205	.82
2011	.205	.215	.215	.215	.85
2012	.22	.22	.22	.22	.88
2013	.22	.22	.22	.22	.88
2014	.22	.22	.22	.22	.88

Total return potential to 2017-2019 is above average for a utility. Paul E. Debbas, CFA February 21, 2014

WESTAR ENERGY NYSE-WR

RECENT PRICE **33.46** P/E RATIO **14.4** (Trailing: 14.7 Median: 14.0) RELATIVE P/E RATIO **0.77** DIV'D YLD **4.2%** VALUE LINE

TIMELINESS **3** Lowered 1/18/13
 SAFETY **2** Raised 4/1/05
 TECHNICAL **3** Raised 3/7/14
 BETA .80 (1.00 = Market)



2017-19 PROJECTIONS
 Price Gain Return
 High 40 (+20%) 9%
 Low 30 (-10%) 2%

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

Institutional Decisions
 2Q2013 3Q2013 4Q2013
 to Buy 151 160 154
 to Sell 96 114 116
 Hd's(000) 79010 87130 88254

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	17.88	18.05	18.45	18.85	Revenues per sh	20.75
6.35	7.51	6.96	5.32	4.77	3.77	3.12	3.28	3.94	3.77	3.14	3.59	4.24	3.97	4.30	4.38	4.45	4.60	"Cash Flow" per sh	5.10
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	2.15	2.27	2.35	2.55	Earnings per sh A	2.75
2.14	2.14	1.44	1.20	1.20	1.87	.80	.92	.98	1.08	1.16	1.20	1.24	1.28	1.32	1.36	1.40	1.44	Div'd Decl'd per sh B=†	1.56
2.77	4.09	4.40	3.37	1.89	2.06	2.19	2.45	3.95	7.84	8.65	5.26	4.82	5.55	6.40	6.45	6.50	7.00	Cap'l Spending per sh	8.15
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	22.03	22.89	23.32	24.10	25.60	Book Value per sh C	29.65
65.91	67.40	70.08	70.08	71.51	72.84	86.03	86.84	87.39	95.46	108.31	109.07	112.13	125.70	126.50	127.46	128.5	129.00	Common Shs Outst'g E	135.00
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	13.4	14.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	13.5
.96	.98	1.34	--	.76	.62	.92	.79	.66	.75	1.02	.99	.83	.93	.85	.79			Relative P/E Ratio	.85
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%	4.6%	4.7%			Avg Ann'l Div'd Yield	4.4%

CAPITAL STRUCTURE as of 12/31/13
 Total Debt \$3575.8 mill. Due In 5 Yrs \$675.0 mill.
 LT Debt \$3163.7 mill. LT Interest \$160.0 mill.
 (LT Interest earned: 3.4x)

Pension Assets \$548 mill. Oblig. \$929 mill.

Pfd Stock None

Common Stock 127,463,165 shs.
 MARKET CAP: \$4.3 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	+1.0	-1.5	+3.6
Avg. Indust. Use (MWH)	5589	5588	5407
Avg. Indust. Revs per KWH (¢)	6.22	6.60	6.47
Capacity at Peak (Mw)	6784	6557	6671
Peak Load, Summer (Mw)	5549	5411	5489
Annual Load Factor (%)	55.5	56.0	55.9
% Change Customers (yr-end)	+1	+2	+2

Fixed Charge Cov. (%) 297 319 323

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2011	481.7	524.9	678.2	486.2	2171.0
2012	475.7	566.3	695.8	523.7	2261.5
2013	546.2	569.6	695.0	559.8	2370.6
2014	570	600	730	550	2450
2015	600	620	755	585	2560

Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2011	.27	.38	.98	.16	1.79
2012	.21	.48	1.09	.36	2.15
2013	.40	.53	1.04	.32	2.29
2014	.35	.55	1.10	.35	2.35
2015	.40	.60	1.15	.40	2.55

Cal-endar	QUARTERLY DIVIDENDS PAID B=†				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2010	.30	.31	.31	.31	1.23
2011	.31	.32	.32	.32	1.27
2012	.32	.33	.33	.33	1.31
2013	.33	.34	.34	.34	1.35
2014	.34	.35			

BUSINESS: Westar Energy, Inc., formerly Western Resources, is the parent of Kansas Gas & Electric Company. Westar supplies electricity to 700,000 customers in Kansas. Electric revenue sources: residential and rural, 34%; commercial, 38%; industrial, 28%. Sold investment in ONEOK in 2003 and 85% ownership in Protection One in 2004. 2012 depreciation rate: 3.7%. Estimated plant age: 15 years. Fuels: coal, 53%; nuclear, 8%; gas, 39%. Has 2,313 employees. The Vanguard Group owns 5.8% of common; JP Morgan owns 5.2%. off. & dir., less than 1% (12/31/13). CEO and Pres.: Mark A. Ruelle, Inc.: Kansas. Addr.: 818 South Kansas Avenue, Topeka, Kansas 66612. Telephone: 785-575-6300. Internet: www.westarenergy.com.

Westar Energy finished out the year on a weak note. The company reported fourth-quarter share earnings of \$0.32, an 11% decrease when compared to 2012's tally. Revenues came in at \$560 million, which represented a solid improvement over last year's figure, though this does not offset two straight quarters of declining profit margins. In total, Westar posted earnings of \$293 million, or \$2.29 a share, on \$2.37 billion in revenue.

Our growth estimates remain conservative for the coming years. For 2014, we expect moderate growth in both share earnings and revenue. An improving U.S. economy, as well as increased demand from industrial customers should boost revenue, though higher operating and maintenance costs could surpress profit margins.

The board of directors recently declared a quarterly dividend of \$0.35 a share. The new dividend reflects a 3% increase over the company's previous quarterly dividend. The new dividend equates to a \$1.40 annualized payout, and reflects a 4.2% yield at the equity's current price.

Westar continues to make progress with its 345-kilovolt transmission project. The company received approval from the Kansas Corporation Commission in the summer of 2013. The project is expected to cost \$170 million and be completed by the end of 2016. The transmission line will connect the company's Summit Substation to the Elm Creek Substation and provide enhanced electric reliability in Kansas and support expansion of renewable electricity generation in the region. The project is a joint venture between Westar and fellow utility company ETA.

All things considered, this stock is most appropriate for income-seeking accounts. Indeed, the dividend yield of 4.2% makes these shares a compelling selection within the utility sector. An above-average Safety rank plus fairly good marks for other stability indicators add appeal here. Nonetheless, the issue offers rather limited total return potential, based on the moderate earnings advances we are projecting over the 3- to 5-year time period.

Daniel Henigson March 21, 2014

(A) EPS diluted from 2010 onward. Excl. non-recur. gains (losses): '97, \$7.97; '98, (\$1.45); '99, (\$1.31); '00, \$1.07; '01, 27¢; '02, (\$2.06); '03, 77¢; '08, 39¢; '11, 14¢. Earnings may not sum due to rounding. Next eps. rept due early May. (B) Div'ds paid in early Jan., April, July, and Oct. = Div'd reinvest. plan avail. † Shareholder invest. plan avail. (C) Incl. reg. assets. In 2012: \$7.93/sh. (D) Rate base determined: fair value; Rate allowed on common equity in '12: 10.0%; earned on avg. com. eq., '12: 9.4%. Regul. Clim.: Avg. (E) In mill.

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Company's Financial Strength B++
 Stock's Price Stability 100
 Price Growth Persistence 70
 Earnings Predictability 75

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WISCONSIN ENERGY NYSE-WEC

RECENT PRICE **43.58** P/E RATIO **16.4** (Trailing: 17.4 Median: 15.0) RELATIVE P/E RATIO **0.88** DIV'D YLD **3.6%** VALUE LINE

TIMELINESS 3 Raised 5/17/13
SAFETY 1 Raised 3/23/12
TECHNICAL 3 Lowered 2/7/14
BETA .70 (1.00 = Market)

2017-19 PROJECTIONS

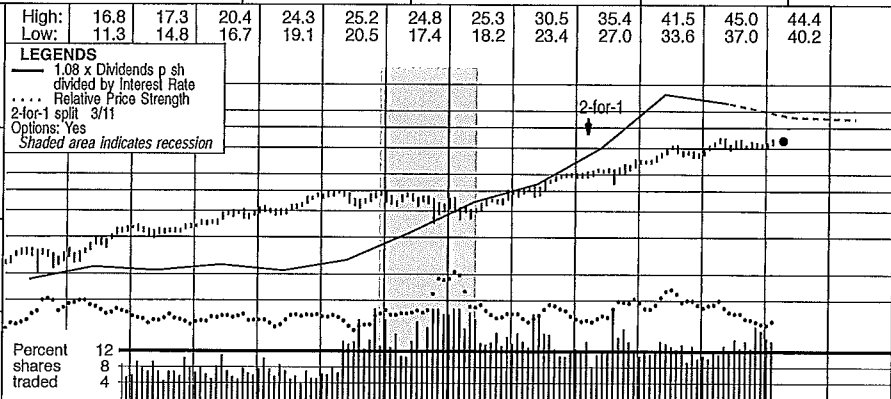
High	Price	Gain	Ann'l Total
Low	50	(+15%)	Return
	40	(-10%)	2%

Insider Decisions

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

Institutional Decisions

	202013	3Q2013	4Q2013
to Buy	178	204	202
to Sell	199	174	200
hd's(000)	155418	159860	165401



Target Price	2017	2018	2019
80			
60			
50			
40			
30			
25			
20			
15			
10			
7.5			

% TOT. RETURN 2/14

	THIS STOCK	VL ARITH. INDEX
1 yr.	10.2	31.1
3 yr.	64.4	48.1
5 yr.	160.2	292.1

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	17-19
8.56	9.56	14.14	17.02	16.10	17.12	14.66	16.31	17.08	18.12	18.95	17.65	17.98	19.46	18.54	20.05	21.05	22.10	25.25
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	4.01	4.35	4.55	4.85	5.75
.83	.94	.54	.92	1.16	1.13	.93	1.28	1.32	1.42	1.52	1.60	1.92	2.18	2.35	2.51	2.60	2.75	3.25
.78	.78	.69	.40	.40	.40	.42	.44	.46	.50	.54	.68	.80	1.04	1.20	1.45	1.56	1.68	2.10
1.76	2.22	2.64	3.01	2.54	2.95	2.85	3.40	4.17	5.28	4.86	3.50	3.41	3.60	3.09	3.05	3.35	3.70	4.00
8.23	8.44	8.50	8.91	9.22	9.96	10.65	11.46	12.35	13.25	14.27	15.26	16.26	17.20	18.05	18.75	19.20	19.65	20.75
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	229.04	225.50	223.50	221.5	217.00
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	15.8	16.5	16.5	16.5	14.5
.94	.76	1.22	.62	.57	.71	.92	.77	.86	.88	.89	.89	.89	.89	1.01	.93	.93	.93	.90
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%	3.2%	3.5%	3.5%	3.5%	4.5%

CAPITAL STRUCTURE as of 9/30/13
 Total Debt \$5103.7 mill. Due in 5 Yrs \$1653.8 mill.
 LT Debt \$4370.9 mill. LT Interest \$240.4 mill.
 Incl. \$104.2 mill. capitalized leases.
 (LT interest earned: 3.9x)
 Leases, Uncapitalized Annual rentals \$6.5 mill.
 Pension Assets-12/12 \$1.39 bill.
 Oblig. \$1.51 bill.

Pfd Stock \$30.4 mill. Pfd Div'd \$1.2 mill.
 260,000 shs. 3.60%, \$100 par, callable at \$101;
 44,498 shs. 6%, \$100 par.

Common Stock 226,519,569 shs.

MARKET CAP: \$9.9 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2010	2011	2012
% Change Retail Sales (KWH)	+6.0	-5	-6
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	6.80	7.64	7.66
Capacity at Peak (Mw)	NA	NA	NA
Peak Load Summer (Mw)	5908	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+3	+2	+3

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Revenues per sh	25.25
"Cash Flow" per sh	5.75
Earnings per sh A	3.25
Div'd Decl'd per sh B	2.10
Cap'l Spending per sh	4.00
Book Value per sh C	20.75
Common Shs Outst'g D	217.00
Avg Ann'l P/E Ratio	14.5
Relative P/E Ratio	.90
Avg Ann'l Div'd Yield	4.5%
Revenues (\$mill)	5500
Net Profit (\$mill)	700
Income Tax Rate	38.0%
AFUDC % to Net Profit	6.0%
Long-Term Debt Ratio	49.0%
Common Equity Ratio	50.5%
Total Capital (\$mill)	8900
Net Plant (\$mill)	12400
Return on Total Cap'l	9.5%
Return on Shr. Equity	15.5%
Return on Com Equity E	15.5%
Returned to Com Eq	5.5%
All Div'ds to Net Prof	66%

Bold figures are Value Line estimates

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 400. Discontinued pump-manufacturing operations in '04. Sold Point Beach nuclear plant in '07. Elec. revenue breakdown: residential, 36%; small commercial & industrial, 32%; large commercial

& industrial, 23%; other, 9%. Generating sources: coal, 43%; gas, 17%; wind, 2%; hydro, 1%; purchased, 37%. Fuel costs: 39% of revs. '12 reported deprec. rate (utility): 2.9%. Has 4,500 employees. Chairman & CEO: Gale E. Klappa. President: Allen L. Leverett, Inc.: WI. Address: 231 W. Michigan St., P.O. Box 1331, Milwaukee, WI 53201. Tel.: 414-221-2345. Internet: www.wisconsinenergy.com.

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '10-'12 to '17-19
Revenues	1.5%	1.5%	4.5%
"Cash Flow"	3.5%	4.5%	6.5%
Earnings	9.5%	10.0%	6.0%
Dividends	7.5%	17.0%	11.0%
Book Value	7.0%	7.0%	2.5%

Wisconsin Energy is generating strong cash flow. The company projects that its free cash flow (i.e., after capital spending and dividends) will amount to \$500 million for the five-year period through 2018. Wisconsin Energy is using cash to raise the dividend and buy back stock, and the early retirement of high-cost debt is under consideration. Although the board boosted the payout twice last year, the directors increased the disbursement again in the first quarter of 2014. Wisconsin Energy wants to have a 65%-70% payout ratio by 2017. After a \$300 million stock-repurchase authorization expired at the end of 2013, the board issued a new one (same size) through 2017.

the company's equity investment in American Transmission Company should provide increased income. Our 2014 earnings estimate is near the high end of Wisconsin Energy's targeted range of \$2.53-\$2.63 a share. Favorable weather patterns in early 2014 are helping.

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	1328.7	991.7	1052.8	1113.2	4486.4
2012	1191.2	944.7	1039.3	1071.2	4246.4
2013	1275.2	1012.3	1053.2	1178.3	4519.0
2014	1350	1050	1100	1200	4700
2015	1400	1100	1150	1250	4900

The company's utilities in Wisconsin will file rate cases in the second quarter. A filing every two years is required under state regulatory law. The company expects to seek a "very modest" increase. New rates would take effect in early 2015. **We estimate higher earnings this year and next.** Rate relief should help. An increase of \$28 million (1.0%) took effect at the start of 2014. The decline in average shares outstanding is another plus. Also,

Some projects are in various stages of development. The replacement of the powerhouse at a hydro plant, a \$60 million-\$65 million project, is under way. The Wisconsin regulators have approved a plan to convert a power plant to use gas instead of coal at a cost of \$65 million-\$70 million. Finally, the company is seeking approval to expand its gas system in western Wisconsin. The initial investment would be \$150 million-\$170 million.

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.72	.41	.55	.49	2.18
2012	.74	.51	.67	.43	2.35
2013	.76	.52	.60	.63	2.51
2014	.80	.56	.67	.57	2.60
2015	.80	.61	.72	.62	2.75

This stock is of interest to conservative accounts stressing income. It is ranked 1 (Highest) for Safety. The dividend yield is only slightly below the utility mean, despite Wisconsin Energy's strong dividend growth prospects. However, with the recent price within our 2017-2019 Target Price Range, total return potential is just modest.

Paul E. Debbas, CFA March 21, 2014

QUARTERLY DIVIDENDS PAID B

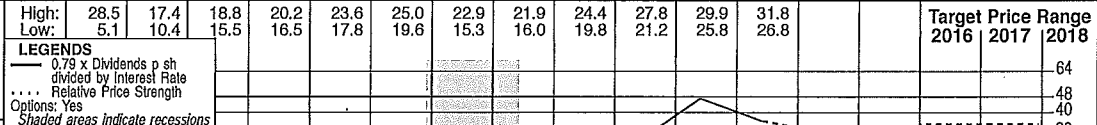
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.20	.20	.20	.20	.80
2011	.26	.26	.26	.26	1.04
2012	.30	.30	.30	.30	1.20
2013	.34	.34	.3825	.3825	1.45
2014	.39				

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

XCEL ENERGY NYSE-XEL

RECENT PRICE **28.45** P/E RATIO **15.0** (Trailing: 15.0; Median: 14.0) RELATIVE P/E RATIO **0.79** DIV'D YLD **4.1%** VALUE LINE

TIMELINESS 3 Raised 12/27/13
SAFETY 2 Raised 5/14/04
TECHNICAL 2 Raised 1/10/14
 BETA .65 (1.00=Market)



2016-18 PROJECTIONS

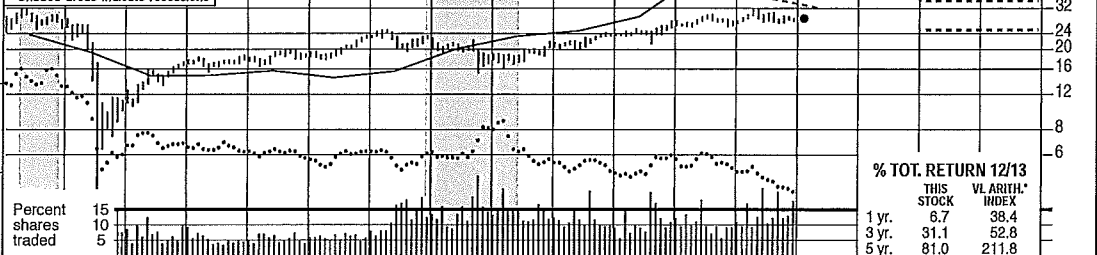
Price	Gain	Ann'l Total Return
High 35	(+25%)	10%
Low 25	(-10%)	2%

Insider Decisions

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

Institutional Decisions

	10/2013	20/2013	30/2013
to Buy	204	228	187
to Sell	217	207	229
Hld's(000)	319904	326369	334009



1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	© VALUE LINE PUB. LLC	16-18
18.32	18.46	18.42	34.11	43.56	23.89	19.90	20.84	23.86	24.16	23.40	24.69	21.08	21.38	21.90	20.76	21.70	22.40	Revenues per sh	25.50
3.92	4.30	4.13	4.12	5.09	3.14	3.35	3.27	3.28	3.61	3.45	3.50	3.48	3.51	3.79	4.00	4.05	4.30	"Cash Flow" per sh	5.00
1.61	1.84	1.43	1.60	2.27	.42	1.23	1.27	1.20	1.35	1.35	1.46	1.49	1.56	1.72	1.85	1.90	1.95	Earnings per sh A	2.25
1.40	1.43	1.45	1.48	1.50	1.13	.75	.81	.85	.88	.91	.94	.97	1.00	1.03	1.07	1.11	1.17	Div'd Decl'd per sh B	1.35
2.90	2.99	13.67	3.63	7.40	6.04	2.49	3.19	3.25	4.00	4.89	4.66	3.91	4.60	4.53	5.27	6.30	5.70	Cap'l Spending per sh	5.25
15.89	16.25	16.42	16.37	17.95	11.70	12.95	12.99	13.37	14.28	14.70	15.35	15.92	16.76	17.44	18.19	19.30	20.20	Book Value per sh C	23.00
149.24	152.70	155.73	339.79	345.02	398.71	398.96	400.46	403.39	407.30	428.78	453.79	457.51	482.33	486.49	487.96	502.00	507.00	Common Shs Outst'g D	515.00
15.5	15.2	16.6	14.3	12.4	NMF	11.6	13.6	15.4	14.8	16.7	13.7	12.7	14.1	14.2	14.8	15.1	15.1	Avg Ann'l P/E Ratio	13.0
.89	.79	.95	.93	.64	NMF	.66	.72	.82	.80	.89	.82	.85	.90	.89	.95	.85	.85	Relative P/E Ratio	.85
5.6%	5.1%	6.1%	6.4%	5.3%	6.6%	5.2%	4.7%	4.6%	4.4%	4.0%	4.7%	5.1%	4.5%	4.2%	3.9%	3.9%	3.9%	Avg Ann'l Div'd Yield	4.7%

CAPITAL STRUCTURE as of 9/30/13
 Total Debt \$11497 mill. Due in 5 Yrs \$2191.2 mill.
 LT Debt \$10914 mill. LT Interest \$513.0 mill.
 Incl. \$185.7 mill. capitalized leases.
 (LT interest earned: 3.7x)

Leases, Uncapitalized Annual rentals \$208.5 mill.
Pension Assets-12/12 \$2.94 bill.

Pfd Stock None

Common Stock 497,639,485 shs.
as of 10/18/13

MARKET CAP: \$14 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2010	2011	2012
% Change Retail Sales (KWh)	+3.0	+4	-3
Large C & I Use (MWh)	24431	24286	24074
Large C & I Revs. per KWh (¢)	5.65	5.90	5.60
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	20517	21898	21429
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	--	+4	+7

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '10-'12 to '16-'18
Revenues	-4.5%	-2.0%	3.0%
"Cash Flow"	-1.0%	2.0%	5.0%
Earnings	2.0%	5.5%	4.5%
Dividends	-3.0%	3.0%	4.5%
Book Value	1.5%	4.5%	4.5%

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	2807	2308	2629	2567	10311
2011	2817	2438	2832	2568	10655
2012	2578	2275	2724	2551	10128
2013	2783	2579	2822	2716	10900
2014	3000	2600	2950	2800	11350

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.36	.29	.62	.29	1.56
2011	.42	.33	.69	.28	1.72
2012	.38	.38	.81	.29	1.85
2013	.48	.40	.73	.29	1.90
2014	.46	.42	.75	.32	1.95

QUARTERLY DIVIDENDS PAID B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.245	.245	.253	.253	1.00
2011	.253	.253	.26	.26	1.03
2012	.26	.26	.27	.27	1.06
2013	.27	.27	.28	.28	1.10
2014	.28				

BUSINESS: Xcel Energy Inc. is the parent of Northern States Power, which supplies electricity to Minnesota, Wisconsin, North Dakota, South Dakota, & Michigan & gas to Minnesota, Wisconsin, North Dakota, & Michigan; Public Service of Colorado, which supplies electricity & gas to Colorado; & Southwestern Public Service, which supplies electricity to Texas & New Mexico. Customers: 3.4

Xcel Energy's utility subsidiary in Minnesota has received an interim rate increase. In November, Northern States Power (NSP) asked the state commission for a two-year rate hike: \$193 million in 2014 and \$98 million in 2015. The utility based its filing on a 10.25% return on a 52.5% common-equity ratio. In early 2014, a \$127 million interim tariff hike (subject to refund) took effect. A final order is expected in early 2015. Significant cost overruns for a nuclear upgrade project might become an issue in these hearings. **The company received final orders in some jurisdictions, and rate cases are pending in others.** In Wisconsin, a \$19.5 million electric tariff hike, based on a 10.2% return on a 52.5% common-equity ratio, took effect at the start of 2014. At the same time, Public Service of Colorado's rate rose by \$15.8 million, based on a 9.72% return on a 56% common-equity ratio. In North Dakota, NSP should soon receive a ruling on its request for a \$14.9 million boost, based on a 10.25% return on a 52.56% common-equity ratio. Southwestern Public Service has two cases pending. It is asking the New Mexico com-

mission for a \$32.5 million hike, based on a return of 10.25% on a common-equity ratio of 53.89%. New rates should take effect in the second quarter. The utility filed in Texas for an increase of \$63.7 million, based on a return of 10.5% on a common-equity ratio of 53.89%. New tariffs are expected to take effect in the third quarter. **As usual, rate relief will be the key driver of higher profits.** Xcel projects just 0.5% average annual kilowatt-hour sales growth over the next five years. Cost control will become even more important. The company projects yearly rises in operating and maintenance expense of no more than 2% over that time frame. **As earnings growth is likely to slow a bit (because expansion of the rate base is decelerating), dividend growth will be stepped up.** The company is targeting annual earnings and dividend increases of 4%-6%. The dividend hike might exceed profit growth in any one year. **Xcel Energy has an average valuation for a utility.** The dividend yield and 3- to 5-year total return potential are about equal to the norms for the industry.

Paul E. Debbas, CFA January 31, 2014

(A) Diluted EPS. Excl. nonrec. gain (loss). '02: (\$6.27); '10, '5¢; gains (losses) on disc. ops.: '03, 27¢; '04, (30¢); '05, 3¢; '06, 1¢; '09, (1¢); '10, '1¢. '12 EPS don't add due to rounding. Next eps. report due late April. (B) Div'ds histor. paid mid-Jan., Apr., July, and Oct. = Div'd reinvestment plan avail. (C) Incl. intang. In '12: \$5.66/sh. (D) In mill. (E) Rate base: Varies. Rate a/d'd on com. eq.: MN '13 9.83%; WI '14 10.2%; CO '14 (elec.) 9.72%; CO '07 (gas) 10.25%; TX '86 15.05%; earned on avg. com. eq., '12: 10.2%. Regulatory Climate: Average. Company's Financial Strength B++ Stock's Price Stability 100 Price Growth Persistence 75 Earnings Predictability 100

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